

Operating and Capital Program Budget



FY 2021/22 and 2022/23

The Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost effective manner while safeguarding public health, promoting economic development and protecting the environment.

Search Instructions

Items in this PDF version of the IEUA FY 2021/2022 and 2022/2023 Biennial Budget can be found using one of the following methods:

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- 3) Hyperlinks in the Index.

TABLE OF CONTENTS

Board of Directors.....	v
Executive Staff	v
GFOA Award.....	vi
Budget Message/Executive Summary	
Budget Message	1-1
Executive Summary	1-5
Agency Profile/Policy Goals	
Agency Profile Region.....	2-1
Governance.....	2-3
Organization and Purpose	2-4
Contracting Agencies	2-7
Anticipated Growth.....	2-8
Demographics	2-10
Local Economic Conditions and Outlook	2-11
Strategic Goals.....	2-18
Budget Priorities	2-25
Financial Policies	2-26
Budget Process	
Strategic Planning.....	3-1
Budget Preparation Process and Timeline	3-2
Executive Management Responsibilities	3-3
Department Responsibilities	3-4
Budget Preparation Training	3-4
Balanced Budget.....	3-4
Budgetary Control	3-4
Budget Variance Monitoring and Reporting.....	3-5
Financial Policies	3-5
Budget Basis	3-6
Revenues	
Revenues and Other Funding Sources.....	4-1
User Charges	4-3
EDU Service Charges	4-3
NRW User Charges	4-5
Meter Equivalent and RTS Cost Recovery Charges	4-6
Property Tax Receipts.....	4-7
Regional Wastewater System Connection Fees	4-10
Water Connection Fee	4-11
Recycled Water Sales.....	4-12

State Loans	4-13
Grant Revenues	4-13
Inter-Fund Loans	4-14
Total Revenues and Other Funding Sources	4-15
Programs/Fund	
Fund Structure	5-1
Administrative Services Program	5-5
Wastewater Program	5-13
Program Fund Description	5-14
Total Revenues and Other Sources of Funds	5-15
Connection Fees	5-15
Property Taxes	5-17
User Charges	5-18
Debt Proceeds	5-19
Expenses and Other Uses of Funds	5-19
Non-Reclaimable Wastewater Program	5-28
Recharge Water Program	5-38
Recycled Water Program	5-46
Water Resources Program	5-56
Capital	
Capital Improvement Plan	6-1
TYCIP Summary Table	6-6
Capital Project Highlights- O & M Impact	6-7
Project List and Descriptions	
Regional Operations and Maintenance Fund	6-10
Regional Capital Improvement Fund	6-13
Recycled Water Fund	6-16
Water Resources Fund	6-18
Administrative Services Fund	6-21
Recharge Water Fund	6-23
Non-Reclaimable Wastewater Fund	6-24
Debt Management	
Overview	7-1
Outstanding Debt	7-2
Debt Service Costs	7-4
Bonds and Revenue Notes	7-5
Water Infrastructure and Finance Innovation Act (WIFIA) Loan	7-6
State Revolving Fund Loans	7-6
Notes Payable	7-8

TABLE OF CONTENTS

Inter-Fund Loans	7-8
Debt Coverage Ratio.....	7-9
2017A Bonds.....	7-11
2020A Bonds.....	7-12
2020B Bonds.....	7-13
Personnel	
Introduction	8-1
Agency Wide Organizational Chart.....	8-1
Staffing Plan.....	8-2
Personnel Costs by Program	8-5
Benefits	8-7
Safety	8-8
Training, Development, and Succession Planning Programs.....	8-9
Departments	
Division I – Agency Management	9-1
Internal Audit	9-2
Office of the General Manager.....	9-8
Human Resources	9-11
Division II – Finance	9-15
Contract & Procurement.....	9-16
Finance and Accounting	9-21
Division III – External and Government Affairs	9-26
External Affairs	9-28
Grants Administration.....	9-33
Division IV – Technical Resources	9-36
Engineering & Construction Management	9-38
Strategic Planning & Resources	9-45
Laboratory	9-52
Inter-Agency Relations.....	9-58
Asset Management	9-64
Division V – Operations	9-70
Business Information Services.....	9-72
Integrated System Services	9-76
Operations & Maintenance	9-80
Appendices	
User Fee Schedule	10-1
Rate Resolutions.....	10-5
Glossary	11-1

Acronyms	12-1
Index	13-1

TABLE OF CONTENTS

BOARD OF DIRECTORS

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EXECUTIVE STAFF

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Christiana Daisy	Deputy General Manager
Kathy Besser	Executive Manager of External and Government Affairs/AGM
Christina Valencia	Executive Manager of Finance and Administration/AGM
Randy Lee	Executive Manager of Operations/AGM
Jean Cihigoyenetché	General Counsel



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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PRESENTED TO

**Inland Empire Utilities Agency
California**

For the Biennium Beginning

July 1, 2019

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Inland Empire Utilities Agency, California** for its biennial budget (FYs 2019/20 and 2020/21) for the biennium beginning **July 1, 2019**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communication device.

GENERAL MANAGER'S MESSAGE

The Honorable Board of Directors
Inland Empire Utilities Agency

June 16, 2021

I am pleased to submit the Inland Empire Utilities Agency (IEUA/Agency) biennial budget for Fiscal Years 2021/22 and 2022/23 (Budget) and the Ten-Year Capital Improvement Plan for Fiscal Years 2021/22 – 2030/31 (TYCIP). The Budget and TYCIP are based on a plan to return to new “normal” conditions. In response to Governor Newsom’s Executive Order issued on March 17, 2020, swift changes had to be implemented to keep our employees and our communities safe. More than half of our employees, including our operators, maintenance staff, laboratory staff, project managers, and other Agency staff continued to work onsite under stringent COVID-19 safety guidelines. The balance of employees successfully transitioned to remote work status swiftly and relatively seamlessly.

The Budget is a balanced plan to effectively address the challenges ahead by prioritizing funding for cost-efficient operations, timely replacement and rehabilitation of aging assets, investment in expansion and improvement of facilities to meet anticipated growth and regulatory compliance requirements, and early recruitment of critical positions to support succession planning.

The Budget and TYCIP are consistent with the Agency’s long-term planning documents and Board-adopted Business Goals of fiscal responsibility, work environment, business practices, water reliability, wastewater management, and environmental stewardship.

FISCAL RESPONSIBILITY

Sustainable cost containment continues to be the basis for the Budget of \$454 million in Total Uses of Funds for Fiscal Year (FY) 2021/22, compared to the current FY 2020/21 budget of \$361 million. Employee succession planning continues to be a key objective over the next several years. Currently, 25 percent of full-time employees (FTEs) are eligible to retire. The number jumps to 41 percent by 2025. An increase in staffing level is needed to support the early recruitment of critical positions to preserve institutional knowledge and ensure the sustainable operation of Agency facilities and service to our communities. As part of the Agency’s commitment to cost containment, the fiscal impact from the increase in staffing level is partly offset by recruitment of new hires at a lower compensation level and re-classification of vacated positions to a lower grade where it is practical to do so.

- Over the two-year budget period, Total Uses of Funds are projected to increase to \$454 million in FY 2021/22 and \$392 million in FY 2022/23 primarily due to higher capital project expenditures of \$259 million for FY 2021/22 and \$191 million for FY 2022/23. The drivers for the higher capital investments are the RP-5 Expansion project needed to support growth in the southern section of the Agency’s service area and the RP-1 Thickening Process Improvement project to provide redundancy and enhanced reliability in the northern service sector.
- Total Revenues and Other Funding Sources are projected to be \$298 million in FY 2021/22 and \$332 million in FY 2022/23, primarily driven by the RP-5 Expansion Project and new debt needed to support construction costs. Rates and fees are based on the adjustments adopted by the Board of Directors in June 2020 for the One Water connection fee and the monthly meter equivalent unit (MEU) charge for Fiscal Years (FYs) 2020/21 – 2024/25. Rate adjustments for the new wastewater

connection fee, recycled water rates, and the monthly equivalent dwelling unit (EDU) sewer charge were adopted for only FYs 2020/21 and 2021/22. Rate adjustments needed for the Recycled Water Program for FY 2022/23 will be based on the 2022 Rate Study currently underway. The monthly EDU rate for FY 2022/23 will be adjusted as needed to support increases in program costs pending completion of an evaluation of the EDU calculation methodology in 2023.

WATER RELIABILITY

As a regional purveyor of imported potable water, ensuring water reliability and resiliency for the region is fundamental to the Agency's mission. Of Metropolitan Water District of Southern California's (MWD) twenty-six member agencies, the Agency is the only agency that received 100 percent of untreated imported water supplies from the State Water Project (SWP), owned, and operated by the Department of Water Resources (DWR). In response to persistent drought conditions throughout the state, on March 23, 2021, DWR reduced its initial projected SWP allocation of water deliveries for the 2021 water year from a 10 percent to 5 percent allocation, which has only occurred one other time in history.

With moderate to severe drought conditions predicted to remain an ongoing challenge, enhancement of local supplies continues to be an essential component of the region's water portfolio. Included in the Budget is the ongoing assessment of the Chino Basin Program/Water Storage Investment Program (CBP/WSIP) and the \$212 million in conditional funding awarded by the California Water Commission (CWC) in July 2018.

The CBP/WSIP is a first-of-its-kind water program that will help the region move beyond traditional water management practices and into a new era of water optimization. The CBP/WSIP closely aligns with regional planning efforts, including Chino Basin Watermaster's Optimum Basin Management Plan and the Agency's Integrated Water Resources Plan.

Also included in the TYCIP over the two-year budget period is over \$21 million to expand and improve regional groundwater basin recharge capacity. As part of the 2013 Recharge Master Plan Update (RMPU), the planned improvements are projected to increase stormwater capture by 4,727 acre-feet per year (AFY) and 7,125 AFY of recycled water recharge. The Agency's success in securing grant and low-interest Clean Water State Revolving Fund (CWSRF) loans and associated principal forgiveness grants significantly reduced the initial estimated unit cost for stormwater capture from \$612 to under \$250 per AF.

WASTEWATER MANAGEMENT

While the full economic impact of the COVID-19 pandemic is still to be determined, the number of just under 3,500 new connections of equivalent dwelling units (EDUs) to the Agency's regional wastewater system for fiscal year ending June 30, 2020 did not change from the prior year. The steady pace of new connections and member agency forecasts of nearly 55,000 new EDUS over the next ten years are indicative of more stable economic conditions in our region. To ensure the Agency is ready to meet increased demand from the anticipated future growth, a key focus of the Agency's Budget and TYCIP continues to be expansion and improvement of facilities. Expansion of the Agency's most southern treatment facility is underway, consistent with the IEUA Wastewater Facilities Master Plan updated in 2015. With a total budget of \$450 million, the Regional Water Recycling Plant No. 5 (RP-5) Expansion Project is the largest capital construction project undertaken by the Agency to-date. In May 2020, the Board approved an agreement with the U.S Environmental Protection Agency (EPA) for a Water Infrastructure Finance and Innovation Act

GENERAL MANAGER'S MESSAGE

(WIFIA) loan for \$196.4 million as part of the Round 1 funding. A CWSRF loan application for \$101.5 million has also been approved by the State Water Resources Control Board and included in its 2020 Fundable List. Together, the WIFIA and CWSRF loans will support approximately 66 percent of the RP-5 Expansion Project's total project costs. In January 2021, the EPA selected the Agency's Letter of Interest for Round 2 funding for the Regional Wastewater System Improvements Program. The Agency was one of 55 projects in 20 states selected by the EPA to compete in Round 2. Continued use of low-interest state and federal loans and pursuit of grant funding opportunities are core components of the Agency's financing strategy.

ENVIRONMENTAL STEWARDSHIP

The Agency is committed to protection of the environment through conservation and sustainable practices implemented on a regional and watershed basis. As one of 10 agencies participating in the Santa Ana River Multiple Species Habitat Conservation Plan, the Agency works closely with the U.S. Fish and Wildlife Service to mitigate any potential impact to federally listed endangered, threatened, or special status species from future water projects in the Upper Santa Ana River region.

WORK ENVIRONMENT

IEUA's employees are dedicated to serving our communities and our Agency. During the past year, despite the many challenges faced personally and professionally during the COVID-19 pandemic, the Agency's staff members remained steadfast in their commitment to, and diligence in, safeguarding the public's health throughout our region. Over the past fiscal year, their hard work and innovation was recognized by several prominent organizations that bestowed awards to individuals and departments in each of the Agency's four divisions.

California Water Environment Association Santa Ana River Basin Section – two awards in the Community Engagement & Outreach category, two awards in the Engineering & Research category and one award in the Operations & Maintenance category

California Association of Sanitation Agencies – 2020 Public Outreach and Education – Large Agency Award for Ollie's Virtual Adventures

American Society of Civil Engineers San Bernardino-Riverside Branch – Sustainable Category Award to IEUA, in partnership with Chino Basin Watermaster, for the San Sevaine Basin Improvements Project

Government Finance Officers Association of the United States and Canada – Certificate of Achievement for Excellence in Financial Reporting for the 22nd consecutive year

U.S. Department of Defense, through the Employer Support of the Guard and Reserve Program – Patriot Award for the Agency and five staff members

CONCLUSION

The Agency's commitment to sustainably enhancing the quality of life in the Inland Empire was never more evident than in the last year. While no one could have predicted the magnitude of the COVID-19 pandemic, decades of fiscal discipline positioned the Agency well to successfully deal with such an unprecedented event. Through it all, our employees continued to provide high quality, critical services to our customers and the communities that we serve. We look forward to the future and will continue to demonstrate fiscal responsibility while implementing a strategic resource plan that will maintain a reliable and resilient water supply, ensure public health and safety using responsible wastewater management, and protect the environment through pioneering stewardship initiatives for the region.

Respectfully submitted,



Shivaji Deshmukh, P.E.
General Manager

EXECUTIVE SUMMARY

FY 2021/22– 2022/23 BUDGET OVERVIEW

Total uses of funds budgeted at \$454 million in FY 2021/22 and \$392 million in FY 2022/23 include the operational, capital, and debt service expenditures for all Agency programs necessary to support the Agency's mission to provide reliable essential services in a regionally planned and cost-effective manner.

Total operating expenses are budgeted at \$172.7 million in FY 2021/22 and \$176.0 million budget for FY 2022/23. Some of the key drivers for the increase of \$7.3 million in FY 2021/22 when compared to the \$165.4 million amended budget in FY 2020/21 include: a return to "normal conditions," significant increases in electricity rates from Southern California Edison, higher professional fees, and contract services as the Agency continues to shift from a corrective to a preventative and predictive maintenance strategy, and an increase in imported water rates from Metropolitan Water District of Southern California (MWD). These increases are partly offset by lower non-capital project costs.

Other uses of funds of \$281.3 million in FY 2021/22 and \$216.2 million in FY 2022/23 are comprised of debt service and capital improvement plan (CIP) expenditures. Debt service costs decreased from \$27.8 million in FY 2020/21 to \$22.5 million in FY 2021/22 and \$24.8 million in FY 2022/23. CIP is budgeted at \$258.8 million in FY 2021/22, a \$90.8 million increase over the FY 2020/21 amended budget of \$168.0 million. In FY 2022/23, CIP is budgeted at \$191.4 million, a \$67.4 million decrease from the prior year. The drivers for the higher capital investments over the next two years are the RP-5 Expansion project needed to support growth in the southern section of the Agency's service area and the RP-1 Thickening Process Improvement project to provide redundancy and enhanced reliability in the northern sector. Funding for CIP includes a combination of pay-go, low interest Federal and State loans, grants, and contributions.

Total sources of funds of \$298.5 million in FYs 2021/22 and \$331.6 million in FY 2022/23 include operating revenues and other sources of funds.

Operating revenues are budgeted at \$172.0 million in FY 2021/22 and \$178.7 million in FY 2022/23. The increase of \$7.8 million compared to the \$164.2 million amended budget in FY 2020/21 is due to an increase in imported water rates from MWD and rate adjustments for the regional wastewater, recycled water, and water resources programs approved by the Board of Directors and member agencies.

Other sources of funds of \$126.5 million in FY 2021/22 and \$152.9 million in FY 2022/23 include fees from new connections to the Agency's regional wastewater and regional water systems, property tax receipts, grants, and proceeds from low interest Federal and State loans.

Ending reserve balance is anticipated to increase from \$241.3 million in the FY 2020/21 amended budget to \$295.6 million at the end of FY 2021/22 and \$235.0 million projected at the end of FY 2022/23. Table 1-1 provides an overview of total funding sources, total uses of funds, and estimated ending fund balances.

TABLE 1-1: TOTAL SOURCES AND USES OF FUNDS AND FUND BALANCE (\$MILLIONS)

	FY 2019/20 Actual	FY 2020/21 Amended	FY 2021/22 Budget	FY 2022/23 Budget	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast
Operating Revenues	\$155.7	\$164.2	\$172.0	\$178.7	\$185.9	\$193.0	\$199.5
Other Sources	308.8	188.1	126.5	152.9	247.0	161.1	306.2
Total Funding Sources	464.5	352.3	298.5	331.6	432.9	354.1	505.7
Operating Expenses	150.8	165.4	172.7	176.0	184.5	190.3	194.6
Debt Service	26.8	27.8	22.5	24.8	25.8	26.8	224.0
Capital Program	53.1	168.0	258.8	191.4	115.6	63.4	36.6
Total Uses of Funds	230.7	361.2	454.0	392.2	325.9	280.5	455.2
Total Increase/(Decrease)	233.8	(8.9)	(155.5)	(60.6)	107.0	73.6	50.5
Beginning Fund Bal	252.8	250.2	451.1	295.6	235.0	342.0	415.6
Ending Fund Bal	486.6	241.3	295.6	235.0	342.0	415.6	466.1

Totals may not tie due to rounding.

EXECUTIVE SUMMARY

REVENUES AND OTHER FUNDING SOURCES HIGHLIGHTS

Total revenues and other funding sources are budgeted at \$298.5 million in FY 2021/22 and \$331.6 million in FY 2022/23. Table 1-2 highlights the major funding sources.

TABLE 1-2: TOTAL REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)

Funding Sources	ACTUAL	AMENDED BUDGET	BIENNIAL BUDGET	
	2019/20	2020/21	2021/22	2022/23
User Charges	\$86.3	\$88.1	\$93.8	\$97.8
Property Taxes	55.6	53.9	57.5	58.5
Contract Cost Reimbursement*	6.7	7.1	7.0	7.2
Recycled Water Sales	15.4	16.2	17.3	17.6
Connection Fees	32.3	35.7	37.9	39.0
Water Sales	40.8	46.1	47.4	49.8
Bonds, State, Other Loans**	207.6	79.7	14.1	49.1
Grants	5.4	14.4	15.5	2.0
Other***	14.4	11.1	8.0	10.6
Total	\$464.5	\$352.3	\$298.5	\$331.6

Totals may not tie due to rounding.

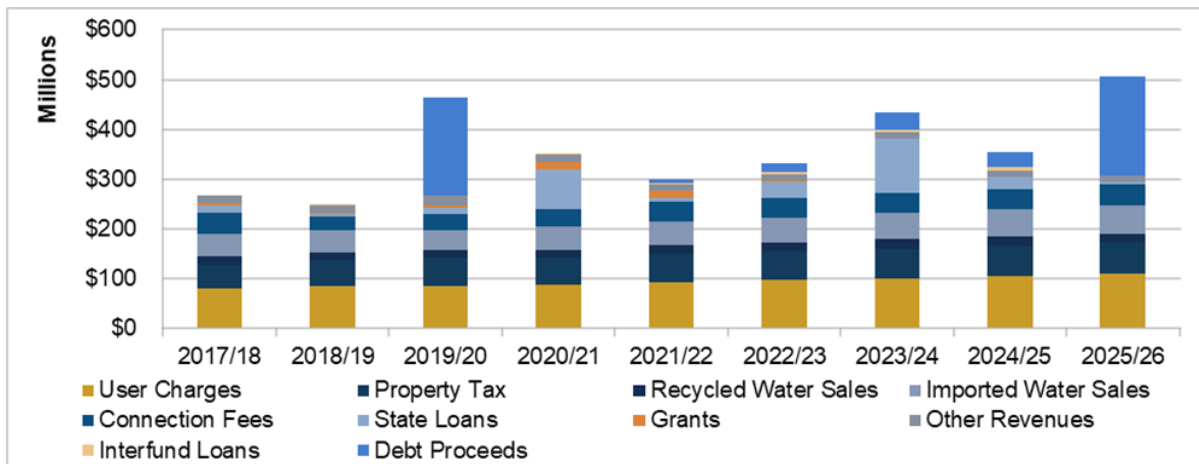
*Includes reimbursement from Joint Powers Authorities (JPAs), Chino Basin Desalter Authority, Inland Empire Regional Composting Authority, and Chino Basin Watermaster.

**Bonds, Federal and State loan proceeds

***Includes capital contract reimbursements from Chino Basin Watermaster for various joint recharge basin improvement projects, inter-fund loan reimbursement, interest, and lease revenues.

Projected revenues for FYs 2021/22 through 2025/26 include additional Federal and State loans and grant funding to support improvement and expansion of Agency facilities and infrastructure needed to meet increased service demands from anticipated future growth. Figure 1-1 shows revenue trends from FYs 2017/18 to FY 2025/26.

FIGURE 1-1: TREND OF REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)



The primary sources of the \$298.5 million and \$331.6 million total revenues and other funding sources budgeted in FY 2021/22 and FY 2022/23 is summarized in Table 1-3:

TABLE 1-3: TOTAL REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)

Revenues	FY 2021/22	FY 2022/23	Description
User Charges	\$93.8	\$97.8	Regional Wastewater monthly sewer service charges; Non-Reclaimable Wastewater (NRW) pass-through volumetric, capacity and strength charges; Imported potable water rates.
State and Other Loans	14.1	49.1	State Revolving Fund (SRF) and Water Infrastructure Finance and Innovation Act (WIFIA) loan proceeds for Regional Wastewater, Recharge Water and Non-Reclaimable Wastewater projects.
Property Tax	57.5	58.5	San Bernardino County ad-valorem property taxes, pass-through incremental taxes, and extra territorial charges.
Grants	15.5	2.0	Federal, State, and local grants for recharge water projects, South Archibald TCE Plume Clean Up and support of water resource programs.
Recycled Water Sales	17.3	17.6	Direct and groundwater recharge recycled water sales.
Connection Fees	37.9	39.0	New connection fees for the Regional Wastewater and Regional Water systems.
Water Sales	47.4	49.8	Sales of pass-through MWD imported potable water budgeted at 60,000 acre-feet per year (AFY).

EXECUTIVE SUMMARY

Revenues	FY 2020/21	FY 2022/23	Description
Other Revenues	15.0	17.8	Reimbursements for operational and administration support from Chino Basin Watermaster (CBWM), Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), lease revenues, and interest earnings.
Total Revenues & Other Funding Sources	\$298.5	\$331.6	

Totals may not tie due to rounding.

EXPENSES AND OTHER USES OF FUNDS HIGHLIGHTS

Total uses of funds are \$454.0 million in FY 2021/22 and \$392.2 million for FY 2022/23. A comparison of major uses of funds from FY 2019/20 to FY 2022/23 is shown on Table 1-4.

TABLE 1-4: TOTAL USES OF FUNDS (\$MILLIONS)

Uses of Funds	Actual 2019/20	Amended Budget 2020/21	Biennial Budget	
			2021/22	2022/23
Operational Expenses*	\$150.8	\$165.4	\$172.7	\$176.0
CIP	53.1	168.0	258.8	191.4
Debt Service**	26.8	27.8	22.5	24.8
Total	\$230.7	\$361.2	\$454.0	\$392.2

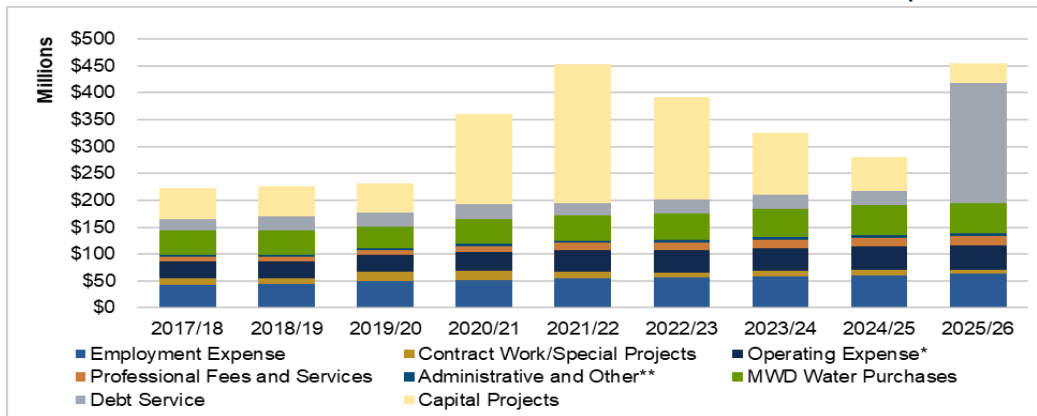
Totals may not tie due to rounding.

*Includes employment, chemicals, utilities, materials and supplies, biosolids recycling, operating fees, professional fees, office & admin, and imported water purchases.

**Includes Inter-Fund Loan payments.

Expenses by major category from FYs 2017/18 to FY 2025/26 is shown in Figure 1-2.

FIGURE 1-2: TREND OF EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)



*Operating Expenses include utilities, chemicals, operating fees, biosolids recycling, and materials and supplies.

** Administrative and Other includes office and administration, and miscellaneous other non-operating expenses.

The major expenses and other uses of funds budgeted in FYs 2021/22 and 2022/23 is summarized on Table 1-5.

TABLE 1-5: TOTAL EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Expense Category	BIENNIAL BUDGET		Description
	2021/22	2022/23	
Employment Expenses	\$54.5	\$56.8	Includes wages and benefits, net of the Capital Improvement Plan (CIP) allocation and an increase in staffing beginning FY 2021/22 to allow for early recruitment of critical positions.
Utilities	12.9	14.6	Includes electricity, natural gas, telephone, potable water, and renewal energy costs.
Operating Fees	13.0	13.4	Includes pass-through charges from Los Angeles County Sanitation Districts (LACSD) and Santa Ana Watershed Project Authority (SAWPA) for volumetric charges, capacity, excess strength, and biochemical oxygen demand (BOD) / chemical oxygen demand (COD) for the Non-Reclaimable Wastewater System.
Chemicals	6.1	6.3	Chemicals for wastewater treatment process compliance and sustainment of the high-quality recycled water.
Professional Fees	13.8	13.8	Includes contract services such as legal, external auditing, training, landscaping, security, and janitorial services.
Biosolids Recycling	4.8	4.9	Includes hauling costs and Inland Empire Regional Composting Authority (IERCA) tipping fees for biosolids recycling.
MWD Water Purchase	47.4	49.9	Pass-through purchase of imported potable water from Metropolitan Water District of Southern

EXECUTIVE SUMMARY

Expense Category	BIENNIAL BUDGET		Description
	2021/22	2022/23	
			California (MWD) budgeted at 60,000 AF per fiscal year.
Other Expenses	20.2	16.3	Includes non-capital (O&M) projects, office and administration expenses, contract services, and materials and supplies.
Capital Project	258.8	191.4	Capital improvement plan (CIP) expenditures consistent with the Ten-Year Capital Improvement Plan (TYCIP) and Agency's share of capital investments for the Inland Empire Regional Composting Authority.
Debt Service	22.5	24.8	Includes principal, interest and financial fees for outstanding bonds, State Revolving Fund (SRF) loans, notes payable and inter-fund loans.
Total Expenses and Other Uses of Funds	\$454.0	\$392.2	

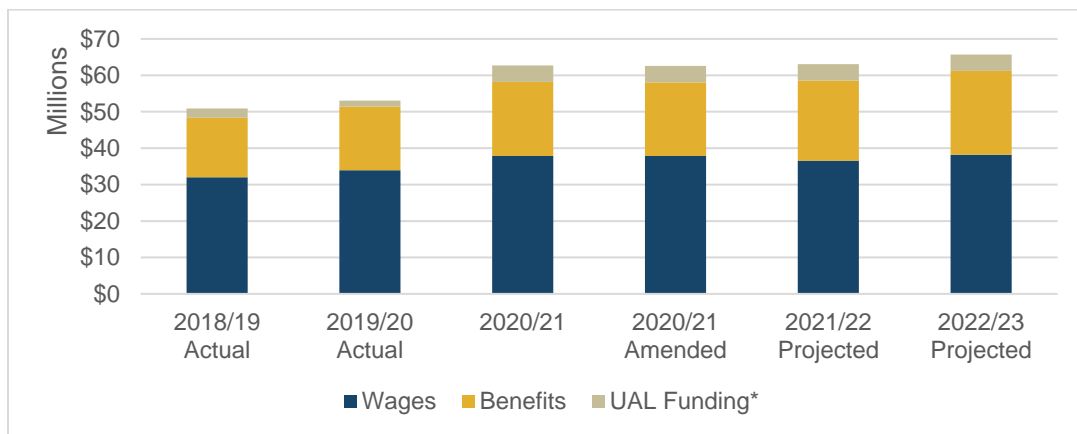
Totals may not tie due to rounding.

EMPLOYMENT EXPENSES

Total employment expenses of \$54.5 million in FY 2021/22 and \$56.8 million in FY 2022/23 (net of labor allocation to CIP) make up approximately 32 percent of total operating expenses. Employment expenses include wages, benefits, and additional contributions to unfunded accrued liabilities for pension and other post-employment benefits (OPEB). Included in the FYs 2021/22 and 2022/23 employment budget is a three percent cost of living adjustment (COLA).

Total employment costs for FY 2021/22 are projected to be 0.8 percent, or \$0.5 million higher than amended budget for FY 2020/21. Employment costs allocated to support CIP activities are \$8.6 million in FY 2021/22 and \$9.0 million in FY 2022/23 and are included in total employment expenses shown in Figure 1-3.

FIGURE 1-3: TOTAL EMPLOYMENT COSTS (\$MILLIONS)



*UAL – Unfunded Accrued Liability

Approximately 41 percent of the Agency's current workforce will be eligible for retirement in 2025. In order to secure the critical resources needed to support continuity of critical Agency operations through the ability to engage in the necessary succession planning over the next five years, an increase in total staffing from 308 (290 FTEs + 18 LTs) to 312 (302 FTEs + 10 LTs) is proposed for FY 2021/22. The proposed staffing level will provide management more flexibility and allow for early recruitment of certain critical positions to support preservation of critical skills and institutional knowledge transfer.

CAPITAL IMPROVEMENT PROGRAM (CIP)

FY 2022 – 2031 TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP)

The purpose of the capital improvement plan is to catalog and schedule capital improvement projects over a multi-year period to effectively and efficiently meet the service needs of the region, comply with statutory requirements, and appropriately maintain Agency assets. Each year, pursuant to the Regional Sewage Service Contract (Regional Contract), member agencies provide a ten-year forecast of expected growth in their area. The member agencies forecast, updated in October 2020, estimated over 54,000 new connections over the next ten years.

Based on member agency forecasts, the Agency prepares a ten-year projection of capacity demands and identifies capital projects needed to meet the service demand from future growth. Pursuant to the Regional Contract, the Ten-Year Forecast (TYF), a subset of the Ten-Year Capital Improvement Plan (TYCIP) which includes capital investments planned for the Regional Wastewater and Recycled Water programs, is updated annually and presented to the Regional Technical and Policy Committees for review and comment, prior to approval by the Agency's Board of Directors.

The rehabilitation, replacement, improvement, and expansion of the Agency's facilities continue to be the key drivers for the proposed TYCIP. These drivers are consistent with the Agency's long-term planning documents approved by the Board of Directors, amongst them:

- ◆ Wastewater Facilities Master Plan
- ◆ Recycled Water Program Strategy Update
- ◆ Energy Management Plan
- ◆ Regional Water Use Efficiency Business Plan
- ◆ Integrated Water Resources Plan

The proposed FY 2022 TYCIP capital costs of \$841.6 million continues to focus on two primary areas: timely execution of critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements and the improvement and expansion of existing facilities and infrastructure to meet future growth as forecasted by member agencies. Major projects include the Regional Plant No. 1 Capacity Recovery project, and the expansion of Regional Plant No. 5. The TYCIP is funded by a combination of pay-go, low interest Federal and State loans, grants, and contributions. A summary by fund is provided in Table 1-6.

EXECUTIVE SUMMARY

TABLE 1-6: TEN YEAR CAPITAL IMPROVEMENT PLAN BY FUND (\$MILLIONS)

Fund (\$Millions)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 through 2030/31	Total
Wastewater Capital*	\$201.3	\$153.9	\$96.6	\$49.6	\$21.9	\$87.2	\$610.5
Wastewater Operations**	16.3	9.6	13.8	8.4	6.4	37.9	92.4
Recycled Water	2.5	5.5	2.2	3.0	5.0	42.6	60.8
Non-Reclaimable Wastewater	18.5	6.9	1.1	0.6	0.9	3.4	31.4
Water Resources	5.0	5.1	-	-	-	-	10.1
Recharge Water	12.0	8.7	0.8	0.5	0.5	2.5	25.0
Administrative Services	2.1	1.0	0.3	0.6	1.2	6.2	11.4
Total	\$257.7	\$190.7	\$114.8	\$62.7	\$35.9	\$179.8	\$841.6

Totals may not tie due to rounding.

*Regional Wastewater Capital Improvement Fund (excludes \$8.5 million capital investment in the IERCA)

**Regional Wastewater Operations & Maintenance Fund

A more detailed discussion on the CIP and major projects of the FY 2021/22 – 2030/31 TYCIP is provided in the Capital section of the budget document.

DEBT SERVICE COSTS

Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans, note payables, and inter-fund loans. Debt service costs are primarily funded by property tax receipts, new connection fees and rates, consistent with the Agency's Debt Management Policy adopted by the Board of Directors in May 2016. Table 1-7 shows the estimated biennial debt service costs by program.

TABLE 1-7: DEBT SERVICE COSTS BY PROGRAM (\$MILLIONS)

Program Fund	2021/22	2022/23
Non-Reclaimable Wastewater	\$0.6	\$0.6
Regional Wastewater Capital	7.2	7.0
Regional Wastewater Operations	1.4	1.4
Recharge Water	1.0	1.5
Recycled Water	12.3	14.3
Total Debt Service Costs	\$22.5	\$24.8

Totals may not tie due to rounding.

Total outstanding debt, net of inter-fund loans and financial expense, at the end of FY 2021/22 is projected to be \$443.0 million and comprised of \$123.9 million in bonds, \$196.4 million of revenue notes, \$113.1 million in low interest SRF loans, and \$3.6 million in other notes payable. The Agency has secured a federal Water Infrastructure Finance and Innovation Act (WIFIA) loan in amount of \$196 million

at a fixed interest rate of 1.36 percent from the U.S. Environmental Protection Agency (EPA) to finance a portion of the RP-5 Expansion project. Repayment of the WIFIA loan starts one year after substantial completion of the project which is currently slated for early 2025. To further reduce the financing costs, the Agency issued interim financing for the same amount of the WIFIA loan to support construction costs of the RP-5 Expansion project. Use of the WIFIA loan and interim financing at a fixed rate of 4.0 percent resulted in estimated present value cost savings of \$93 million over the life of the loan. The Agency continues to pursue a combination of additional low interest Federal and State loans to support the execution of the TYCIP. The Agency's Letter of Interest (LOI) to the WIFIA program for its second round of funding was one of 55 projects across 20 states selected by EPA to submit a full application. This second WIFIA loan will provide financing for the Regional Wastewater Improvements Program, a suite of four capital projects included in the TYCIP.

Projections of total outstanding debt (principal and interest) and annual debt service payments by fiscal year ending beginning FY 2015/16 (16) is shown in Figure 1-4 and Figure 1-5, respectively.

FIGURE 1-4: TOTAL OUTSTANDING DEBT WITH PROJECTED FUTURE DEBT (\$MILLIONS)

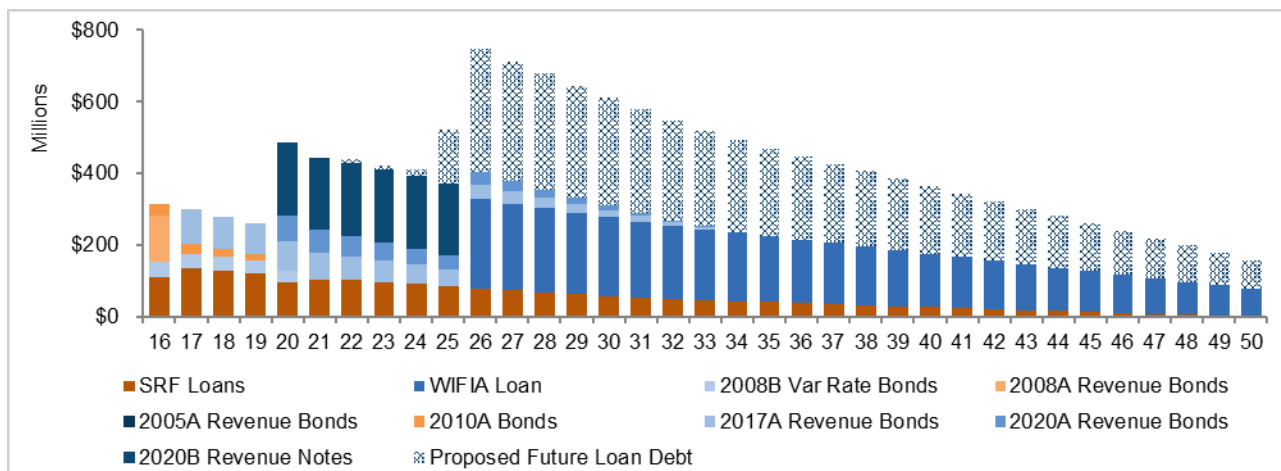
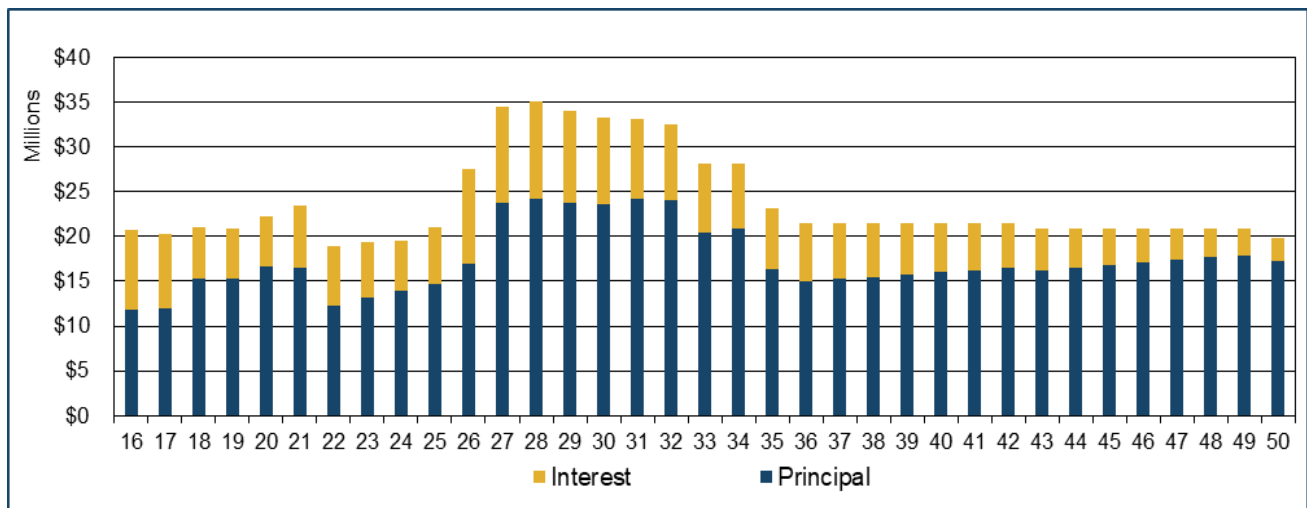


FIGURE 1-5: DEBT SERVICE COSTS WITH PROJECTED FUTURE DEBT (\$MILLIONS)



Not reflected in FY 2016/17 is \$50 million in early retirement of 2008A Revenue Funds.

Not reflected in FY 2025/26 is \$196.4 million payment of 2020B Revenue Notes with the WIFIA loan.

EXECUTIVE SUMMARY

DEBT COVERAGE RATIO (DCR)

The Debt Coverage Ratio (DCR) is the measurement of an entity's ability to generate enough cash to cover debt payments (principal and interest). Credit agencies, such as Moody's Investor Services (Moody's) and Standard & Poors (S&P), assign credit ratings to organizations and specific debt issues to reflect their credit worthiness and serve as a notable reference to the investment community. The DCR is one of the financial ratios applied in the evaluation of an organization's overall credit rating that can affect market accessibility and the cost of future borrowings. S&P Global Ratings has assigned a long-term rating of AA+ and Moody's as assigned a rating of Aa2 for the Agency's outstanding revenue bonds, notes, and WIFIA loan.

The Agency's debt covenants require a legal DCR of at least i) 1.20 times maximum annual debt service for senior obligations; ii) 1.15 times maximum annual debt service for all system obligations; iii) 1.20 times maximum annual debt service for senior and parity obligations for the next five years; iv) 1.0 times maximum annual debt service for all system obligations for the next five years. A DCR of 1.20 means the Agency will generate a minimum of 1.20 times more (or 20 percent more) net operating cash flow than is required to pay annual debt service costs. Net operating cash flow is the amount remaining after payment of operating expenses. The Agency has no senior debt currently outstanding, nor any legal debt limits imposed by State legislation.

Annual variations of the DCR can be attributed to a combination of changes in system revenues, operating expenses, and debt service costs. It is estimated that beginning in FY 2025/26 debt service will begin for new debt issues needed to finance regional expansion and improvement projects. New debt is assumed to be low interest Federal and State loans and the corresponding annual debt service costs are included in the calculation of the DCR as shown in Table 1-8.

TABLE 1-8: DEBT COVERAGE RATIO PROJECTED TREND

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	<i>Projected</i>	<i>Biennial Budget</i>		<i>Forecast</i>		
DCR	3.39x	4.62x	4.78x	4.80x	4.60x	3.68x

INTER-FUND TRANSFERS

Inter-fund transfers account for the inflows and outflows of financial resources from one Agency fund to another and are reported as other financing sources and uses of funds. The Agency's inter-fund transfers included in each fund are needed to support operation, capital and debt service costs and are approved by the Board of Directors as part of the fiscal year budget. Connection fees and property taxes are a primary source of funding. An overview of the proposed inter-fund transfers for FYs 2021/22 and 2022/23 is provided in the following discussion.

CAPITAL CONTRIBUTION

Capital contribution inter-fund transfers provide support for specific portions of the Agency's CIP. The Non-Reclaimable Wastewater, Regional Wastewater Capital, and Recycled Water funds support the

Administrative Services Fund's agency-wide capital projects. Inter-fund transfers from the Recycled Water fund to the Recharge Water fund support the Agency's share of capital investments related to improvements and expansion of the groundwater basin recharge system. Inter-fund transfers from the Regional Wastewater Operations fund to the Regional Wastewater Capital fund supports its share for capital project expenditures for existing capacity. A summary of inter-fund transfers to support CIP is provided in Table 1-9.

TABLE 1-9: CAPITAL CONTRIBUTION INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2021/22		2022/23	
	In	Out	In	Out
Administrative Services	\$1.56	\$0	\$0.72	\$0
Non-Reclaimable Wastewater		(0.05)		(0.03)
Regional Wastewater Capital	9.06	(1.46)	9.06	(0.67)
Regional Wastewater Operations		(9.06)		(9.06)
Recharge Water	0.24		0.34	
Recycled Water		(0.29)		(0.36)
Total	\$10.86	(\$10.86)	\$10.12	(\$10.12)

DEBT SERVICE

Inter-fund transfers for debt service account for fund-specific portions of debt service costs related to the Agency's bonds and SRF loans used to support capital projects. The Regional Wastewater Capital fund supports the Agency's share of 2020A Bond debt service costs recorded in the Recharge Water fund, the 2017A bond debt service costs in the Recycled Water fund, and SRF Loan payments in the Regional Wastewater Operations fund. Inter-fund transfers from the Regional Wastewater Operations fund to the Recycled Water fund support its share of an SRF loan for Regional and Recycled Water projects. Table 1-10 provides a summary of the debt service inter-fund transfers.

TABLE 1-10: DEBT SERVICE INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2021/22		2022/23	
	In	Out	In	Out
Regional Wastewater Capital	\$0	(\$3.14)	\$0	(\$3.14)
Regional Wastewater Operations	0.26	(0.15)	0.26	(0.15)
Recharge Water	0.48		0.48	
Recycled Water	2.55		2.55	
Total	\$3.29	(\$3.29)	\$3.29	(\$3.29)

OPERATION SUPPORT

Operation support in the form of inter-fund transfers is provided to the Agency's Administrative Services fund for agency-wide non-capital projects from the Regional Wastewater Operations, Recycled Water, and Non-Reclaimable Wastewater funds. The Recharge Water fund receives operational support from the Recycled Water fund for the Agency's pro-rata share of groundwater basin maintenance and other costs not reimbursed by Chino Basin Watermaster. Inter-fund transfers related to operation support are detailed in Table 1-11.

EXECUTIVE SUMMARY

TABLE 1-11: OPERATION SUPPORT INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2021/22		2022/23	
	In	Out	In	Out
Administrative Services	\$1.17	\$0	\$0.80	\$0
Non-Reclaimable Wastewater		(0.04)		(0.03)
Regional Wastewater Operations		(1.09)		(0.74)
Recharge Water	1.17		1.11	
Recycled Water		(1.21)		(1.14)
Total	\$2.34	(\$2.34)	\$1.91	(\$1.91)

CAPITAL – WASTEWATER CONNECTION FEES

Wastewater connection fees are collected to support the capital acquisition, construction, and expansion of the Agency's regional wastewater system. This revenue is recorded in the Regional Wastewater Capital fund and then distributed via inter-fund transfer to the Administrative Services, Non-Reclaimable Wastewater, and Regional Wastewater Operations funds proportionally to support growth-related projects. These transfers are outlined in Table 1-12.

TABLE 1-12: WASTEWATER CONNECTION FEES INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2021/22		2022/23	
	In	Out	In	Out
Administrative Services	\$0.85	\$0	\$0.55	\$0
Non-Reclaimable Wastewater	3.06		1.46	
Regional Wastewater Capital		(8.68)		(4.30)
Regional Wastewater Operations	4.77		2.29	
Total	\$8.68	(\$8.68)	\$4.30	(\$4.30)

ONE WATER CONNECTION FEES

One Water connection fees are collected to support the expansion of the Agency's regional water system and investment in integrated regional water resources. The connection fee revenue is recorded in the Agency's Recycled Water fund and then allocated via inter-fund transfer to the Administrative Services, Recharge Water, and Water Resources funds proportionally to support projects that contribute to the regional water system. The One Water connection fee inter-fund transfers are summarized in Table 1-13.

TABLE 1-13: ONE WATER INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2021/22		2022/23	
	In	Out	In	Out
Administrative Services	\$0.05	\$0	\$0.03	\$0
Recharge Water	0.07		0.1	
Recycled Water		(1.80)		(1.65)
Water Resources	1.68		1.52	
Total	\$1.80	(\$1.80)	\$1.65	(\$1.65)

RESERVES

Reserves are a strong indicator of the Agency's financial health. Reserve balances are maintained at the Agency-wide level and at the individual fund level. The aggregate ending reserve fund balance in FY 2021/22 is estimated to be \$295.6 million, an increase of \$54.3 million compared to the projected ending balance of \$241.3 million for FY 2020/21 amended budget. The projected increase is primarily due to a higher beginning balance that reflects debt proceeds received in FY 2019/20 for the RP-5 Expansion project. The use of reserves to support CIP is projected to reduce total reserves by \$60.6 million to \$235.0 at the end of FY 2022/23 as indicated in Table 1-14.

TABLE 1-14: RESERVE FUND BALANCE (\$MILLIONS)

Description	Actual	Amended	Biennial Budget	
	2019/20	2020/21	2021/22	2022/23
Net Increase (Decrease) in Fund Balance	\$233.8	\$(8.9)	(\$155.5)	\$(60.6)
Beginning Fund Balance, July 1	252.8	250.2	451.1	295.6
Ending Fund Balance, June 30	\$486.6	\$241.3	\$295.6	\$235.0

Totals may not tie due to rounding.

Table 1-15 provides an overview of estimated ending reserve balances by fund for FYs 2020/21 through 2022/23.

EXECUTIVE SUMMARY

TABLE 1-15: ENDING RESERVE BALANCE BY FUND (\$MILLIONS)

Fund	Amended 2020/21	Biennial Budget	
		2021/22	2022/23
Administrative Services	\$11.2	\$12.7	\$12.8
Regional Wastewater Capital Improvement	101.4	123.4	71.5
Regional Wastewater Operations & Maintenance	46.1	72.5	74.0
Non-Reclaimable Wastewater	14.7	16.3	18.4
Recharge Water	6.1	9.4	4.1
Recycled Water	41.6	42.8	37.6
Water Resources	20.2	18.5	16.6
Total	\$241.3	\$295.6	\$235.0

Totals may not tie due to rounding.

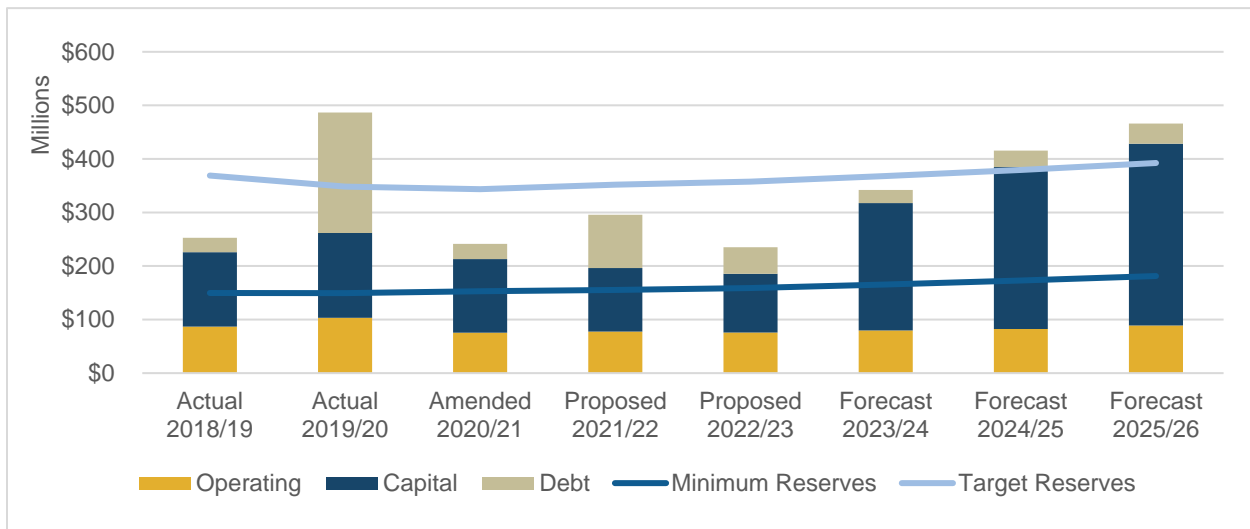
Fund reserves are designated for specific purposes, as defined in the Agency's Reserve Policy adopted by the Board of Directors in April 2021. The primary designations of reserves include:

- Operating Contingency:** maintain a minimum of four months of operating expenses for the fiscal year and a target level of six months.
- Debt Service:** minimum based on total debt service costs for the following fiscal year and a target level equal to the maximum annual debt service costs during the life of the obligations.
- Capital Construction:** minimum is equal to the ten-year average of CIP pay-go costs and target level equal to three times the ten-year average of CIP pay-go costs as identified in the Ten-Year Capital Improvement Plan (TYCIP).
- Replacement and Rehabilitation (R&R):** minimum is equal to the ten-year average of R&R costs and a target level equal to either a) three times the ten-year average of R&R costs or b) three times the ten-year average of R&R pay-go costs.
- Self-Insurance Program:** equal to a minimum of \$3.0 million and a target level of \$6.0 million.
- Employee Retirement Benefit:** with a minimum of \$6.0 million and a target level equal to the greater of the Annual Required Contribution based on the actuarial valuation report from CalPERS or \$6.0 million.

In addition, there are three other reserve categories that have no defined minimum or target level. These categories are the connection fee reserve, supplemental water resources, and sinking fund reserve.

A comparison of the Agency's actual and projected total fund reserves to the minimum and target levels from FY 2018/19 through FY 2025/26 is provided in Figure 1-6. FY 2019/20 debt reserves include debt proceeds from the interim financing issued to support construction costs for the RP-5 Expansion project. Beginning in FY 2023/24, replenishment of reserves to support major rehabilitation of aging infrastructure accounts for the projected increase.

FIGURE 1-6: TREND OF OPERATING, CAPITAL, AND DEBT RESERVE BALANCES (\$MILLIONS)

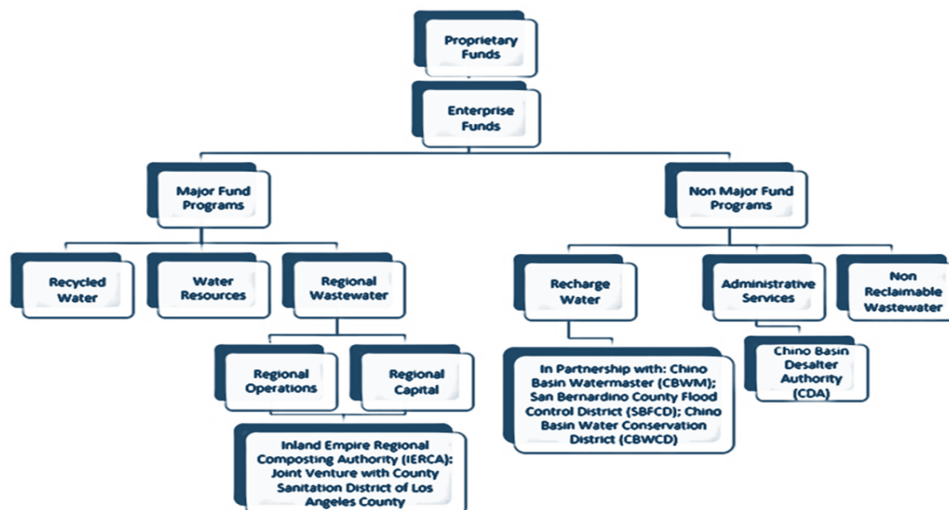


A forecast summary of the estimated fund balance is provided under the Programs/Fund section of this budget book. The criterion for each minimum and maximum target level by category varies by Agency fund and are further defined in the Agency's Board-adopted Reserve Policy included in the Appendix.

PROGRAMS

As a municipal water district, the Agency engages primarily in enterprise operations supported by user charges and fees, which are recorded in enterprise funds. In some cases, a program consists of a group of enterprise funds, such as the Regional Wastewater program comprised of the Regional Wastewater Operations & Maintenance (Regional Operations) and Regional Wastewater Capital Improvement (Regional Capital) funds and by extension the Inland Empire Regional Composting Authority. Figure 1-7 provides an overview of the Agency's fund structure.

FIGURE 1-7: INLAND EMPIRE UTILITIES AGENCY (IEUA) FUND STRUCTURE



EXECUTIVE SUMMARY

Individual enterprise funds are classified in either a Major Fund or Non-Major Fund group. Each enterprise fund records cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Table 1-16 contains definitions of Major and Non-Major Fund groups. The definitions are consistent with the Agency's audited FY 2019/20 Annual Comprehensive Financial Report.

TABLE 1-16: DEFINITION OF MAJOR AND NON-MAJOR FUND GROUPS

Major Funds	Non-Major Funds
<p>The Major Fund Group accounts for:</p> <ul style="list-style-type: none"> the resources devoted to funding the operating, capital, and debt service costs associated with the operation. asset acquisition and capital construction, improvement, and expansion of the Agency's domestic wastewater treatment plant facilities the recycled water distribution system, and the recharge water basins the management and distribution of wholesale and potable water, the development and implementation of regional water conservation initiatives, and water resource planning. <p>The following programs make up the Major Fund group:</p> <ul style="list-style-type: none"> Regional Wastewater Recycled Water Water Resources 	<p>The Non-Major Funds record:</p> <ul style="list-style-type: none"> capital and operating costs associated with the non-reclaimable wastewater system including the acquisition, expansion, and construction of the interceptors, and appurtenant facilities and treatment capacity. the administrative and overhead expenses for the various Agency departments, operational and administrative support for the Chino Basin Desalter the purchase of common Agency assets and rates the operations and maintenance of groundwater recharge basins. <p>The following funds/programs make up the Non-Major Funds group:</p> <ul style="list-style-type: none"> Administrative Services Non-Reclaimable Wastewater Recharge Water

Details of each program's purpose, initiatives, rates, biennial budget, and forecasts for the following three fiscal years, as well as the programs' reflection of the Agency's mission, goals, and objectives to service the region are included in the Program/Fund section of this document.

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

	2018/2019	2019/2020	2020/2021	FY 2021/22 PROPOSED BUDGET								FY 2022/23
	ACTUAL	ACTUAL	AMENDED	Administrative Services Program	Non- Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	TOTAL	PROPOSED BUDGET
REVENUES												
User Charges	\$84,814	\$86,348	\$88,135	\$0	\$12,669	\$0	\$72,924	\$0	\$0	\$8,176	\$93,769	\$97,792
Property Tax	1,972	1,972	1,972	2,587	0	0	0	0	0	0	2,587	2,630
Cost Reimbursement JPA	6,019	6,658	7,058	1,459	0	0	4,461	1,067	0	0	6,988	7,151
Contract Cost reimbursement	1,826	454	850	0	0	0	75	0	0	466	541	323
Interest Revenue	4,354	4,220	3,883	215	540	592	1,200	100	533	200	3,380	3,428
Recycled Water Sales	13,902	15,349	16,155	0	0	0	0	0	17,290	47,412	64,702	17,610
Water Sales	45,519	40,768	46,092	0	0	0	0	0	0	0	0	49,848
TOTAL REVENUES	\$158,407	\$155,769	\$164,144	\$4,261	\$13,209	\$592	\$78,660	\$1,167	\$17,823	\$56,254	\$171,966	\$178,782
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$51,068	\$53,641	\$51,963	\$0	\$0	\$37,366	\$13,222	\$0	\$2,299	\$2,012	\$54,899	\$55,818
Regional System Connection Fees	28,352	32,307	35,735	0	0	29,514	0	0	8,399	0	37,913	39,052
Debt Proceeds	0	196,436	0	0	5,398	761	0	0	0	0	6,159	17,406
State Loans	4,892	11,213	79,647	0	0	0	0	7,975	0	0	7,975	31,731
Grants	2,125	5,403	14,432	0	0	0	5,793	9,536	0	155	15,484	2,017
Capital Cost Reimbursement	892	4,564	2,252	0	0	0	0	707	92	0	799	1,556
Other Revenues	1,136	2,173	1,112	2	225	1	80	0	0	0	308	308
Sale of Capacity	0	1,035	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	3,000	2,000	3,000	0	3,000	0	0	0	0	0	3,000	5,000
TOTAL OTHER FINANCING SOURCES	\$91,465	\$308,773	\$188,141	\$2	\$8,623	\$67,643	\$19,095	\$18,219	\$10,790	\$2,167	\$126,538	\$152,888
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$249,872	\$464,542	\$352,285	\$4,263	\$21,832	\$68,234	\$97,755	\$19,386	\$28,613	\$58,421	\$298,504	\$331,670
EXPENSES												
Employment Expenses	\$44,324	\$49,423	\$52,190	\$1,578	\$3,185	\$4,016	\$35,662	\$830	\$6,034	\$3,214	\$54,521	\$56,781
Contract Work/Special Projects	10,100	16,799	15,872	1,477	350	0	6,942	0	1,215	2,683	12,667	8,528
Utilities	8,274	7,818	10,159	882	112	0	8,283	85	3,554	0	12,915	14,560
Operating Fees	12,354	11,347	12,727	36	7,015	281	2,404	8	10	3,263	13,017	13,397
Chemicals	4,664	5,195	5,147	0	140	0	6,004	0	0	0	6,144	6,328
Professional Fees and Services	8,120	9,275	10,925	5,857	351	654	4,233	1,123	1,322	299	13,839	13,829
Office and Administrative expenses	1,610	1,322	2,908	1,914	25	0	3	16	38	4	2,000	2,229
Biosolids Recycling	4,335	4,633	4,551	0	31	0	4,733	0	0	0	4,764	4,907
Materials & Supplies	3,039	3,297	3,023	247	75	0	2,010	114	109	0	2,556	2,618
MWD Water Purchases	45,519	40,480	46,092	0	0	0	0	0	0	47,412	47,412	49,848
Other Expenses	1,177	1,221	1,722	(6,576)	553	1,869	5,170	64	1,382	443	2,906	2,958
TOTAL EXPENSES	\$143,516	\$150,810	\$165,317	\$5,415	\$11,837	\$6,820	\$75,446	\$2,240	\$13,664	\$57,317	\$172,740	\$175,983
CAPITAL PROGRAM												
CSDLAC 4Rs	\$705	\$737	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IERCA investment	0	0	500	0	0	1,000	0	0	0	0	1,000	750
Capital Construction and Expansion	55,622	52,331	167,539	2,157	18,525	201,296	16,292	11,969	2,480	5,043	257,762	190,683
TOTAL CAPITAL PROGRAM	\$56,327	\$53,068	\$168,039	\$2,157	\$18,525	\$202,296	\$16,292	\$11,969	\$2,480	\$5,043	\$258,762	\$191,433
DEBT SERVICE												
Financial Expenses	\$323	\$481	\$362	\$18	\$4	\$9	\$1	\$1	\$5	\$0	\$37	\$36
Interest	6,951	8,125	6,699	0	253	2,669	614	397	3,236	0	7,169	6,629
Principal	15,911	16,245	17,780	0	331	4,540	784	559	6,031	0	12,246	13,177
Short Term Inter-Fund Loan	3,000	2,000	3,000	0	0	0	0	0	3,000	0	3,000	5,000
TOTAL DEBT SERVICE	\$26,185	\$26,850	\$27,841	\$18	\$588	\$7,219	\$1,398	\$957	\$12,273	\$0	\$22,452	\$24,842
TRANSFERS IN (OUT)												
Capital Contribution	(\$0)	(\$0)	(\$0)	\$1,561	(\$53)	\$7,601	(\$9,056)	\$238	(\$291)	\$0	(\$0)	\$0
Debt Service	(0)	0	0	0	0	(3,138)	114	478	2,546	0	0	0
Operation support	(0)	0	0	1,172	(40)	0	(1,092)	1,173	(1,213)	0	(0)	0
Capital - Connection Fees Allocation	0	0	0	849	3,062	(8,679)	4,769	0	0	0	0	(0)
One Water	0	0	0	52	0	0	0	71	(1,802)	1,678	(0)	0
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$0)	\$0	\$0	\$3,634	\$2,969	(\$4,217)	(\$5,264)	\$1,961	(\$760)	\$1,678	(\$0)	\$0
FUND BALANCE												
Net Increase (Decrease)	\$23,845	\$233,813	(\$8,912)	\$308	(\$6,150)	(\$152,318)	(\$645)	\$6,181	(\$564)	(\$2,261)	(\$155,450)	(\$60,589)
Beginning Fund Balance July 01	228,955	252,800	250,261	12,386	22,445	275,709	73,118	3,246	43,416	20,766	451,086	295,636
ENDING BALANCE AT JUNE 30	\$252,800	\$486,613	\$241,349	\$12,694	\$16,295	\$123,392	\$72,472	\$9,427	\$42,851	\$18,504	\$295,636	\$235,048
RESERVE BALANCE SUMMARY												
Operating Contingencies	\$35,346	\$38,891	\$41,806	\$2,707	\$3,946	\$2,273	\$23,662	\$1,120	\$4,555	\$6,010	\$44,273	\$44,721
Capital Expansion & Replacement	24,540	24,017	34,855	0	11,761	1,449	0	6,800	4,203	0	24,213	15,371
CCRA Capital Construction	66,474	90,733	73,114	0	0	33,067	0	0	0	0	33,067	32,567
Water Connection	14,615	18,311	16,548	0	0	0	0	0	23,285	0	23,285	22,137
Rehabilitation/Replacement	31,316	41,004	10,265	0	0	0	9,236	0	1,500	0	10,736	10,736
CSDLAC Prepayment	705	737	0	0	0	0	0	0	0	0	0	0
Water Resource Capital	8,831	13,489	14,515	0	0	0	0	0	0	12,494	12,494	10,308
Debt Service & Redemption	26,831	224,905	28,433	0	588	86,603	1,398	1,507	9,309	0	99,405	49,511
Self Insurance Program	4,578	3,301	3,000	3,987	0	0	0	0	0	0	3,987	4,141
Employee Retirement Benefit	6,000	6,000	6,000	6,000	0	0	0	0	0	0	6,000	6,000
Sinking Fund	33,566	25,226	12,815	0	0	0	38,176	0	0	0	38,176	39,555
ENDING BALANCE AT JUNE 30	\$252,800	\$486,613	\$241,349	\$12,694	\$16,295	\$123,392	\$72,472	\$9,427	\$42,851	\$18,504	\$295,636	\$235,048

*Numbers may not total due to rounding

EXECUTIVE SUMMARY

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

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	FY 2023/24	FY 2024/25	FY 2025/26
	ACTUAL	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST	FORECAST	FORECAST
REVENUES								
User Charges	\$84,814	\$86,348	\$88,135	\$93,769	\$97,792	\$101,614	\$105,744	\$110,028
Property Tax - O&M	1,972	1,972	1,972	2,587	2,630	2,674	2,719	2,765
Cost Reimbursement from JPA	6,019	6,658	7,058	6,988	7,151	7,479	7,710	7,947
Contract Cost reimbursement	1,826	454	850	541	323	323	323	323
Interest Revenue	4,354	4,220	3,883	3,380	3,428	3,252	3,362	3,270
Recycled Water Sales	13,902	15,349	16,155	17,290	17,610	17,962	18,564	18,916
Water Sales	45,519	40,768	46,092	47,412	49,848	52,560	54,636	56,208
TOTAL REVENUES	\$158,407	\$155,769	\$164,144	\$171,966	\$178,782	\$185,864	\$193,058	\$199,456
OTHER FINANCING SOURCES								
Property Tax - Debt , Capital, Reserves	\$51,068	\$53,641	\$51,963	\$54,899	\$55,818	\$56,753	\$57,704	\$58,674
Connection Fees	28,352	32,307	35,735	37,913	39,052	40,223	41,430	42,581
Debt Proceeds	0	196,436	0	6,159	17,406	33,046	31,000	198,508
State Loans	4,892	11,213	79,647	7,975	31,731	108,988	23,750	4,776
Grants	2,125	5,403	14,432	15,484	2,017	120	10	10
Capital Contract Reimbursement	892	4,564	2,252	799	1,556	1,531	1,373	1,374
Other Revenues	1,136	2,173	1,112	308	308	308	308	308
Sale of Capacity	0	1,035	0	0	0	0	0	0
Loan Transfer from Internal Fund	3,000	2,000	3,000	3,000	5,000	6,000	5,500	0
TOTAL OTHER FINANCING SOURCES	\$91,465	\$308,773	\$188,141	\$126,538	\$152,888	\$246,968	\$161,075	\$306,231
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$249,872	\$464,542	\$352,285	\$298,504	\$331,670	\$432,831	\$354,133	\$505,687
EXPENSES								
Employment Expense	\$44,324	\$49,423	\$52,190	\$54,521	\$56,781	\$58,788	\$60,780	\$62,788
Contract Work/Special Projects	10,100	16,799	15,872	12,667	8,528	9,252	9,553	8,367
Utilities	8,274	7,818	10,159	12,915	14,560	14,993	15,439	15,898
Operating Fees	12,354	11,347	12,727	13,017	13,397	13,790	14,170	14,583
Chemicals	4,664	5,195	5,147	6,144	6,328	6,518	6,713	6,915
Professional Fees and Services	8,120	9,275	10,925	13,839	13,829	15,646	15,672	16,273
Office and Administrative Expense	1,610	1,322	2,908	2,000	2,229	1,994	2,123	2,022
Biosolids Recycling	4,335	4,633	4,551	4,764	4,907	5,054	5,206	5,362
Materials & Supplies	3,039	3,297	3,023	2,556	2,618	2,627	2,735	2,801
MWD Water Purchases	45,519	40,480	46,092	47,412	49,848	52,560	54,636	56,208
Other Expenses	1,177	1,221	1,722	2,906	2,958	3,268	3,243	3,380
TOTAL EXPENSES	\$143,516	\$150,810	\$165,317	\$172,740	\$175,983	\$184,490	\$190,270	\$194,596
(Continued from previous page)								
CAPITAL PROGRAM								
CSDLAC 4Rs	\$705	\$737	\$0	\$0	\$0	\$0	\$0	\$0
IERCA investment	0	0	500	1,000	750	750	750	750
Capital Construction & Expansion	55,622	52,331	167,539	257,762	190,683	114,813	62,696	35,879
TOTAL CAPITAL PROGRAM	\$56,327	\$53,068	\$168,039	\$258,762	\$191,433	\$115,563	\$63,446	\$36,629
DEBT SERVICE								
Financial Expenses	\$323	\$481	\$362	\$37	\$36	\$37	\$46	\$41
Interest	6,951	8,125	6,699	7,169	6,629	5,832	6,491	10,507
Principal	15,911	16,245	17,780	12,246	13,177	13,955	14,761	213,414
Short Term Inter-Fund Loan	3,000	2,000	3,000	3,000	5,000	6,000	5,500	0
TOTAL DEBT SERVICE	\$26,185	\$26,850	\$27,841	\$22,452	\$24,842	\$25,824	\$26,797	\$223,962
FUND BALANCE								
Net Increase (Decrease)	\$23,845	\$233,813	(\$8,912)	(\$155,450)	(\$60,589)	\$106,954	\$73,619	\$50,500
Beginning Fund Balance July 01	\$228,955	\$252,800	\$250,261	\$451,086	\$295,636	\$235,048	\$342,002	\$415,621
ENDING BALANCE AT JUNE 30	\$252,800	\$486,613	\$241,349	\$295,636	\$235,048	\$342,002	\$415,621	\$466,121
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$35,346	\$38,891	\$41,806	\$44,273	\$44,721	\$46,912	\$48,439	\$51,056
Capital Expansion & Replacement	24,540	24,017	34,855	24,213	15,371	131,156	170,880	174,293
CCRA Capital Construction	66,474	90,733	73,114	33,067	32,567	48,878	71,129	92,348
Water Connection	14,615	18,311	16,548	23,285	22,137	20,334	19,779	22,742
Rehabilitation/Replacement	31,316	41,004	10,265	10,736	10,736	10,736	10,736	11,236
CSDLAC Prepayment	705	737	0	0	0	0	0	0
Water Resource Capital	8,831	13,489	14,515	12,494	10,308	11,836	13,387	15,415
Debt Service & Redemption	26,831	224,905	28,433	99,405	49,511	24,545	30,775	37,709
Self Insurance Program	4,578	3,301	3,000	3,987	4,141	4,240	3,881	5,322
Employee Retirement Benefit	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Sinking Fund	33,566	25,226	12,815	38,176	39,555	37,364	40,614	50,000
ENDING BALANCE AT JUNE 30	\$252,800	\$486,613	\$241,349	\$295,636	\$235,048	\$342,002	\$415,621	\$466,121



IERCF DESIGN BUILD
WASH PAD COVER
TO IMPROVE EFFICIENCY

AGENCY PROFILE AND POLICY GOALS

AGENCY MILESTONES

AGENCY PROFILE REGION

All Roads Lead to the Inland Empire. The Inland Empire Utilities Agency (IEUA) is located approximately 35 miles east of Los Angeles in San Bernardino County in an area referred to as the Inland Empire (IE). The Agency's service area is settled in a well-developed transportation center consisting of three major transportation systems: the Metrolink Railway system, the Chino Airport, and the Ontario International Airport. The IE is accessibly connected to Los Angeles County, Orange County, San Bernardino County, and Riverside County through the major freeway systems: Interstate 10, State Route 60, State Route 71, State Route 91, State Route 210, and Interstate 15 (Figure 2-1).

FIGURE 2-1: STATE ROUTES AND INTERSTATE FREEWAYS IN THE INLAND EMPIRE



With easy access to the ports of Los Angeles and Long Beach, the IE is also a gateway to Asia. As a result of relatively low-cost land, it has emerged as a significant big-box and warehouse distribution hub for the greater Southern California region.

The U.S. Census Bureau-defined Riverside–San Bernardino–Ontario metropolitan area, which comprises Riverside County and San Bernardino County, California, covers more than 27,000 sq. miles and has a population of approximately four million. At the end of the 19th century, the Inland Empire was a major center of agriculture, including citrus, dairy, and winemaking. Agriculture declined through the 20th century.

Since the 1950s, the area has changed from a rural to a suburban environment. The region now comprises numerous cities known as bedroom communities that are suburban cities to Los Angeles, Orange County, and San Diego. Affordable home ownership is the primary motivation behind the growth in these Inland Empire cities as homes in the region are generally less expensive than comparable homes in Los Angeles and Orange counties.

Year round the region has moderate temperatures and low humidity. In winter, the average temperatures range from 45 to 70 degrees; the average temperature in summer is around ninety (90) degrees. The region receives, on average, 312 days of sunshine per year and the average rainfall is 17 inches per year.

AGENCY PROFILE AND POLICY GOALS

GOVERNANCE

Inland Empire Utilities Agency is governed by a five-member Board of Directors who are elected to staggered four-year terms by registered voters within their divisions as defined by the division boundary map.

Board of Directors

Jasmin A. Hall - President
Representing Division 4

Michael Camacho - Vice President
Representing Division 5

Steven J. Elie - Secretary/Treasurer
Representing Division 3

Paul Hofer - Director
Representing Division 2

Marco Tule - Director
Representing Division 1

Executive Team

Shivaji Deshmukh, P.E.
General Manager

Christiana Daisy, P.E.
Deputy General Manager

Kathy Besser
Executive Manager of External and Government
Affairs/Assistant General Manager

Randy Lee
Executive Manager of Operations/Assistant
General Manager

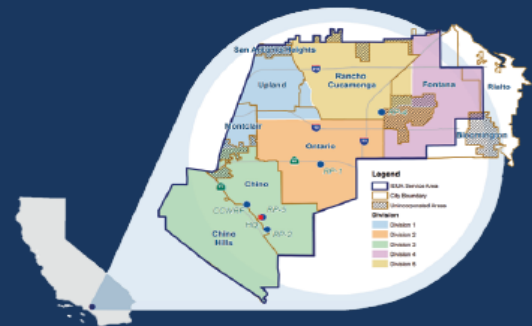
Christina Valencia
Executive Manager of Finance and
Administration/Assistant General Manager

Jean Cihigoyenetché
General Counsel



Service Area

IEUA is responsible for serving approximately 875,000 residents over 242-square miles in western San Bernardino County.







ORGANIZATION AND PURPOSE

The Chino Basin Municipal Water District was established by a majority vote in a special election on June 6, 1950, for an original population of approximately 80,000 people. To more accurately identify both the current and future functions of the entity, the Board of Directors of the Chino Basin Municipal Water District approved the name change to the Inland Empire Utilities Agency (IEUA or Agency) effective July 1, 1998.

About Us	Mission	Vision
<p>The Inland Empire Utilities Agency is located in western San Bernardino County and serves approximately 875,000 residents in a 242-square mile service area.</p> <p>As a regional wastewater treatment agency, the Agency provides sewage utility services to seven contracting agencies under the Chino Basin Regional Sewage Service Contract: cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District (CVWD) in the city of Rancho Cucamonga.</p> <p>In addition to the contracting agencies, the Agency provides wholesale imported water from the Metropolitan Water District of Southern California to seven retail agencies: the cities of Chino, Chino Hills, Ontario, Upland, CVWD in the city of Rancho Cucamonga, Fontana Water Company in the city of Fontana, and the Monte Vista Water District in the city of Montclair.</p>	<p>Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost effective manner while safeguarding public health, promoting economic development and protecting the environment.</p> <p>Key areas of service:</p> <ul style="list-style-type: none"> • Securing and supplying imported water; • Collecting and treating wastewater; • Producing high-quality renewable products such as recycled water, compost and energy; and • Promoting sustainable use of groundwater and development of local water supplies. 	<p>To become a world class leader in water management and environmental stewardship, including water quality, water-use efficiency, recycled water, and renewable energy, in order to enhance and preserve the quality of life throughout the region.</p> <p>Values</p> <p>Leading the way. Planning for the future. Protecting the resources of the communities we serve.</p> <p>The Inland Empire Utilities Agency is committed to:</p> <ul style="list-style-type: none"> • Applying ethical, fiscally responsible, transparent, and environmentally sustainable principles to all aspects of business and organizational conduct; • Working with integrity as one team, while celebrating the region's diversity; and • Staying in the forefront of the industry through education, innovation, efficiency, and creativity.

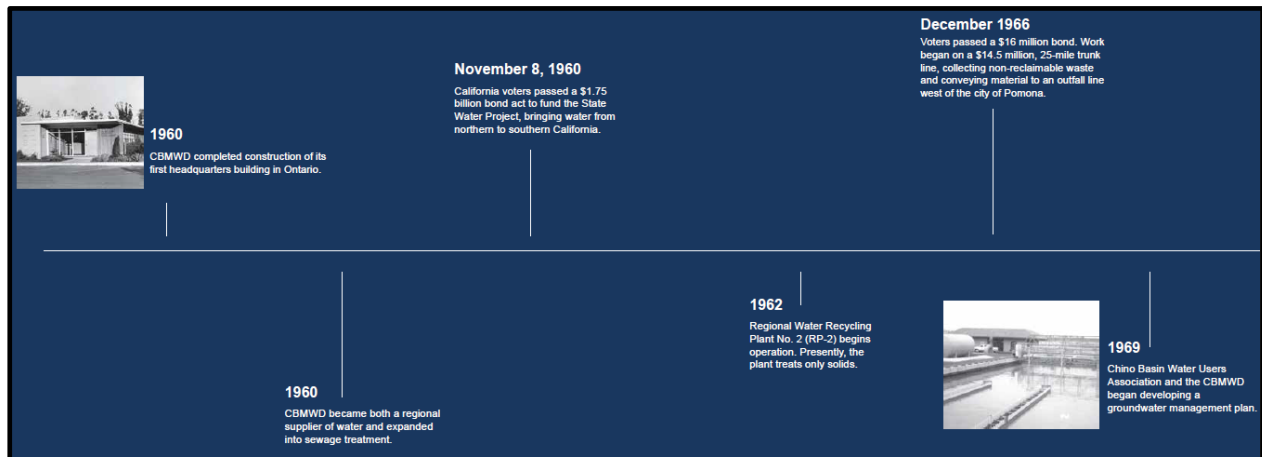
In 1951, the Agency annexed to the Metropolitan Water District of Southern California (MWD). The original boundaries of the Agency encompassed 92 square miles. Three subsequent annexations added land to the Agency, and the Agency currently serves 875,000 people over 242 square miles. The Agency service area includes the urban west end of San Bernardino County, immediately east of the Los Angeles County line and includes the cities of Ontario, Upland, Montclair, Chino, Chino Hills, Fontana, and Rancho Cucamonga. The Agency boundaries extend from the Los Angeles County line to a point near the eastern boundary line of the city of Fontana and from the base of the San Gabriel Mountains, south to the Riverside County line and west to the Orange County line.

 <p>June 6, 1950 Voters overwhelmingly chose to purchase supplemental water from the Metropolitan Water District of Southern California (MWD) to bring water to the region from the Colorado River Aqueduct. Chino Basin Municipal Water District (CBMWD) was formed.</p>	<p>July 3, 1950 County Board of Supervisors passed a resolution to divide CBMWD into five districts.</p>	 <p>February 7, 1952 CBMWD's first full-time General Manager, Chief Engineer Howard F. Clark.</p>
 <p>1950 Three of four CBMWD employees. The first headquarters was rented from Fontana Water Company at \$25 per month.</p>	<p>December 7, 1950 CBMWD held its first Board meeting. Director Philip B. Hasbrouck was elected to also serve as the first General Manager by the Board of Directors.</p>	 <p>July 10, 1959 Gov. Pat Brown signed the California Water Resources Development Bond Act, also known as the Burns-Porter Act, authorizing construction of the State Water Project.</p>

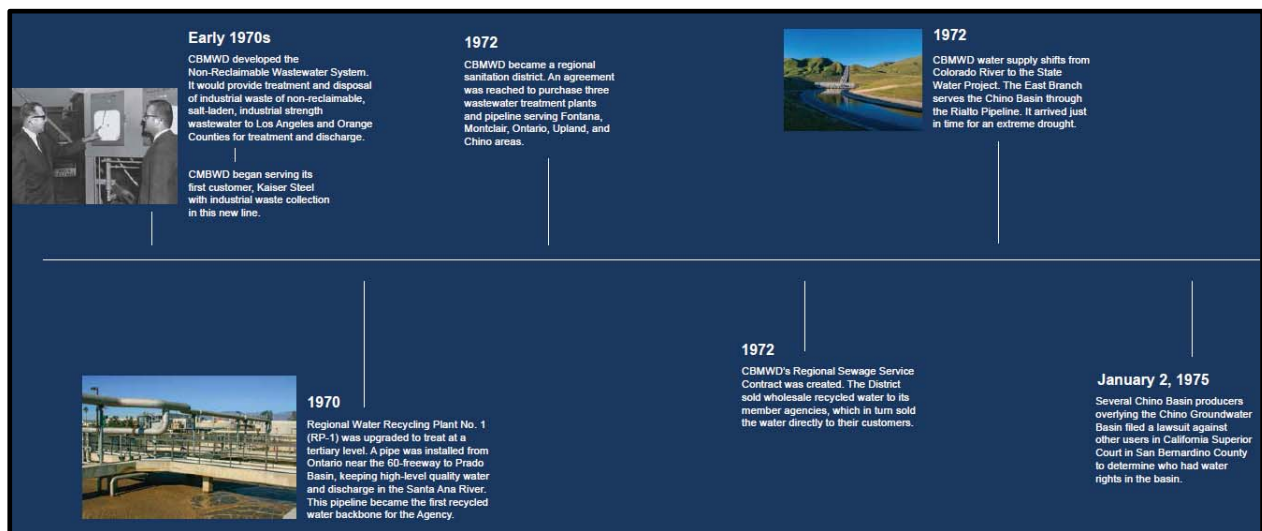
When formed in 1950, the Agency operated a water system which delivered over 50,000,000 gallons per day of imported water from the Colorado River as a member of the Metropolitan Water District of Southern

AGENCY PROFILE AND POLICY GOALS

California. During the mid-1960s, the Agency began a domestic sewage collection system (the Wastewater System).



In 1969, the Agency started construction of a non-reclaimable wastewater system (the NRW System) to curtail groundwater pollution from existing industry and to provide for new industrial development within the Agency's service area. In 1990, the Agency began the design and construction of a facility (the 1990 Co-Composter Facility) to co-compost the municipal sludge for the Agency's treatment plants together with dairy manure from the agricultural preserve, which is in the southeastern section of the city of Chino.








The Agency began producing recycled water in the early 1970s as a low-cost alternative to potable water. In 2001, the Agency and the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, and the Santa Ana River Water Company, formed the Chino Basin Desalter Authority (CDA), a joint powers authority, to acquire all assets and liabilities from Santa Ana Watershed Project Authority (SAWPA) Project #14. Such acquisition was completed in February 2002. The Agency serves as a non-voting

member and provides operational support for the CDA Desalter 1 facility. In August 2008, Western Municipal Water District was added as an additional member of CDA.

<p>1975</p> <p>Senator Ruben S. Ayala's Senate Bill 222 (SB 222) authorized an assessment levy for \$2 per AF of water per year for a period of three years to raise money to fund studies and start negotiations to implement a much-needed water management program. SB 222 became part of the Municipal Water District Law in Section 72140 of the California Water Code. It was signed into law by Gov. Ronald Reagan and filed with the Secretary of State on June 28, 1975.</p>		<p>1992</p> <p>Carbon Canyon Water Recycling Facility was built. It was the first treatment plant designed and constructed primarily for the purpose of generating recycled water and distributing it to the cities of Chino, Chino Hills, Montclair, and Upland. The plant treats the liquid portion of an average influent wastewater flow of approximately seven million gallons per day.</p>	<p>1998</p> <p>CBMWD changes its name to the Inland Empire Utilities Agency (IEUA) to reflect the Agency's increased use of renewable energy in its projects and programs.</p>
	<p>February 15, 1978</p> <p>Chino Basin Watermaster held its first meeting. CBMWD's five-member Board of Directors was chosen as the first Watermaster and represented its member agencies during the meeting.</p>		<p>1997</p> <p>RP-4 began operation. The plant serves areas of Fontana, Rancho Cucamonga and San Bernardino County. The plant treats the liquids portion of an average influent wastewater flow of approximately 10 MGD.</p>

In 2002, the Agency and the Los Angeles County Sanitation Districts (LACSD) formed the Inland Empire Regional Composting Authority (IERCA), a joint powers authority, to construct a regional composting facility in Rancho Cucamonga. The fully enclosed composting facility opened for operations in 2007 replacing the composter facility which had been in operation since 1990.

Also in 2002, IEUA along with the Chino Basin Watermaster, expanded the scope of operations by financing the design and construction of facilities to replenish the Chino Groundwater Basin by recharging potable water, storm water, and recycled water through regional conveyance systems and infrastructure.

	<p>June 13, 2003</p> <p>IEUA opened its new headquarters buildings in Chino, the first public agency to be LEED™ (Leadership in Energy and Environmental Design) Platinum Certified.</p>	<p>2006</p> <p>Chino Creek Wetlands and Educational Park opened, featuring 22 acres of native habitat and natural drainage with 1.7 mile of trails landscaped with low water-use plants. The park was partially funded by a grant from the SWRCB.</p>		<p>2016</p> <p>IEUA and Advanced Microgrid Solutions launched a landmark water-energy project using Tesla battery technology to integrate solar, wind, biogas, and grid resources in order to optimize renewable generation, reduce demand on the electric grid and lower energy costs. This project is the first-of-its-kind to integrate renewable resources and energy storage at a public water agency.</p>	
	<p>2004</p> <p>RP-5 located in the city of Chino was built. The plant serves areas of Chino, Chino Hills and Ontario. The plant treats the liquids portion of an average influent wastewater flow, including RP-2's returned flow, of approximately nine million gallons per day.</p>		<p>2007</p> <p>A one-megawatt wind turbine was installed at RP-4.</p>		<p>2020</p> <p>IEUA dedicates award-winning, state-of-the-art Water Quality Laboratory.</p>

AGENCY PROFILE AND POLICY GOALS

Further development of the regional recycled water system and related services have been the focus of the Agency over the past decade. In 2016, the final phase of a regional recycled water distribution backbone system was completed.

Recycled water is produced at four regional water recycling plants (RWRP):



Recycled water sales are estimated at 32,000 acre-feet (AF) in Fiscal Year 2021/22 for both direct use deliveries and groundwater recharge deliveries.

In addition, the Agency has three facilities which handle biosolids produced at the water recycling plants: RP-1 Solids Handling Facility, RP-2 Solids Handling Facility, and the IERCA composting facility.

The non-reclaimable wastewater system operated by the Agency to export high salinity industrial wastewater is comprised of two independent collection systems, the North and South Systems, which serve different business. The North System is owned by the Los Angeles County Sanitation Districts (LACSD), while the South System, which serves approximately 15 industries, truckers, and the Chino Basin Desalter Authority, and conveys wastewater to the Inland Empire Brine Line (IEBL), is operated by the Santa Ana Watershed Project Authority (SAWPA) and the Orange County Sanitation District (OC San) facility in Fountain Valley for treatment and ocean discharge. The Agency works closely with both LACSD and SAWPA in addressing salinity issues, encouraging better use of groundwater resources, and expanding the ability to reclaim water.

CONTRACTING AGENCIES

IEUA coordinates its activities with contracting agencies in the region to determine capital spending requirements needed to meet future wastewater service needs, and to set priorities for future water supplies, recycling, and wastewater capital projects. IEUA provides regional wastewater-related services to seven contracting agencies, as shown on Figure 2-2.

AGENCY PROFILE AND POLICY GOALS

San Bernardino County, California



Population
2,213,153



**Median Household
Income \$63,857**



Persons in Poverty
13.3%



Educational Attainment:
**Percent High School
Graduate or Higher 80.0%**



Median Housing Value
\$328,200



Total Housing Units
720,757



Number of Firms
160,500

DEMOGRAPHICS



POPULATION

The population of the Inland Empire grew by 41,450 (0.9%) in 2019, with Riverside and San Bernardino counties each expanding 0.9%. This beat the growth in Los Angeles County, Orange County, San Diego County, and the State overall.

The affordability of the Inland Empire is continuing to attract people. Unlike its neighbors, the Inland Empire is still attracting migrants from other parts of the nation and State, with net domestic migration growing by 6,382 from 2018 to 2019. This is in stark contrast to the declines in Los Angeles (-97,835), San Diego (-20,731), and Orange (-24,927) counties over the period.

As shown on the Table 2-1, the estimated population in San Bernardino County slightly increase by nearly one percent in 2020.

TABLE 2-1: SAN BERNARDINO COUNTY POPULATION ESTIMATES

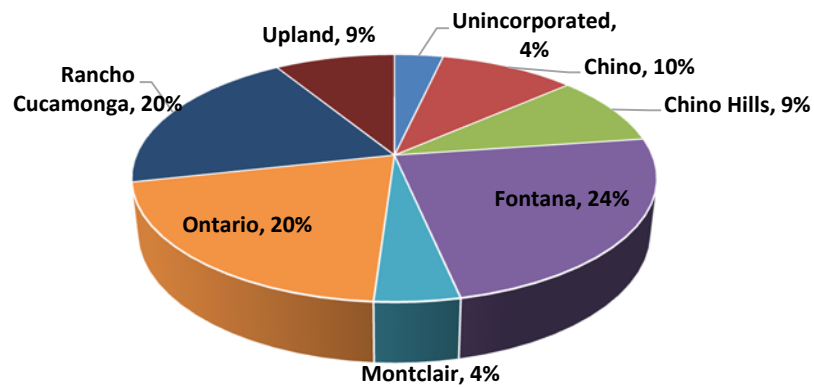
	2020	2019
Total Population	2,213,153	2,192,203
Male	49.8%	49.8%
Female	50.2%	50.2%
0 to 19 years	29.1%	28.7%
20 to 34 years	23.3%	23.3%
35 to 49 years	18.2%	18.1%
50 to 64 years	17.3%	17.2%
65 years and older	12.2%	12.7%

Source: www.dof.ca.gov/DemographicResearchUnit, California DOF, March 2021

AGENCY PROFILE AND POLICY GOALS

According to the State's labor market information, the IE, along with the Central Valley, San Francisco Bay area, and greater Sacramento region are all expected to grow faster than the statewide average, increasing their share of the State population through 2060 by one to two percent. With that growth rate, the IE population may reach more than seven million by 2030. Population and demographics within the service area are shown on Figure 2-3 below.

Figure 2-3: Service Area Population



Source: American Community Survey – www.census.gov/programs-surveys/acs/

LOCAL ECONOMIC CONDITIONS AND OUTLOOK



HOUSING MARKET

In the third quarter of 2020, volume in the Inland Empire's housing markets was the strongest in the past eight years due to very low interest rates and potential buyers coming out looking for homes. Many buyers had been reluctant to engage in the second quarter when the COVID-19 crisis hit. Still, the lack of available homes for sale kept the volume down. High demand but limited supply has propelled prices to levels beyond the prior records in 2006. Still, compared to other markets, affordability remains high in San Bernardino County where 54 percent of local families could afford median priced existing homes in second quarter

2020. It was 43 percent in Riverside County. By contrast, just 25 percent of Orange County families could afford their county's median priced homes. It was 30 percent in San Diego County and 32 percent in Los Angeles County. The lack of affordability in coastal county markets has historically driven buyers inland, but lack of homes for sale has slowed this trend.

The low median home prices for Inland Empire, relative to the surrounding counties, makes it affordable and is a key incentive for expected growth. (Figure 2-4).

FIGURE 2-4: SOUTHERN CALIFORNIA MEDIAN HOME PRICES BY COUNTY (\$THOUSANDS)



Source: John Husing, October 2020 Inland Empire Quarterly Economic Report



EMPLOYMENT

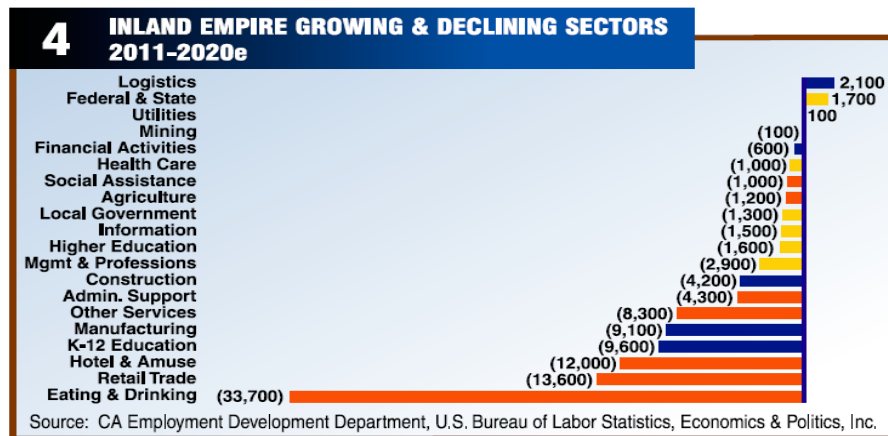
The Inland Empire's labor market has continued to steadily recover from the COVID-19 pandemic, with the region adding 74,700 jobs since April's lows. Despite the ongoing labor market recovery, year-over-year employment fell 8.6 percent (-132,900 jobs), one of largest annual declines on record. Even so, employment growth in the Inland Empire is outpacing that of the State (-9.1 percent) but has trailed the nation (-6.8%) over the last year. The Inland Empire's unemployment rate now stands at 9.8 percent, a far cry from the 3.9 percent rate a year earlier. The rate in the region is now below the State's 11.4 percent.

As shown below in Figure 2-5, the largest job losses have been concentrated in the Leisure and Hospitality sector. Other significant job losses occurred in the Government, Retail Trade, Other Services (a sector

AGENCY PROFILE AND POLICY GOALS

which includes hair and nail salons) and Healthcare and Social Assistance sectors of the economy. Undoubtedly, a portion of the employees who in July still classified themselves as being on temporary layoff will find themselves in the permanently lost job category. It is expected that once the spread of the virus is contained, these sectors should see significant job gains. (Source: John Husing, October 2020 Inland Empire Quarterly Economic Report).

FIGURE 2-5: SAN BERNARDINO COUNTY GROWING & DECLINING JOBS SECTORS



Although job losses have been widespread, a handful of bright spots exist amid the turmoil. The surge in e-commerce purchases has helped keep the region's Transportation, Warehousing, and Utilities sector resilient over the last several months. Payrolls in Transportation, Warehousing, and Utilities have fallen only 0.2 percent over the last year, compared with a 3.9 percent decline in the State overall over the period. The Transportation, Warehousing, and Utilities sector has continued to expand its footprint in the region, with Amazon having opened a fulfillment center in Beaumont in September.

Job growth in the Inland Empire will also slow in the second half of 2021. As the recovery proceeds and the majority of jobs lost are replaced, the rate of job growth naturally slows. Even if in the second half of 2021 the number of jobs added to the region each month is double the number of jobs that were added each month in 2019, which would be a historically high figure, it would take a further year for the labor market to return to the pre-pandemic trend. Of course, predicting the precise rate of job growth over the next two or three years is not an exact science, but this hypothetical scenario illustrates the depth of the labor market hole, and how long it will take to fully repair.

According to Dr. John Husing, PhD, a regional economist, by December 2020, the IE is on track to be down -102,300 jobs or -6.56 percent below its 2019 employment Level. That said, this would be an improvement over the job decline at the low point in April 2020. Looking ahead to 2021, hard hit population serving sectors are assumed to recover such as eating and drinking, retailing and consumer services, travel and entertainment based on their growth from April to September 2020. Those high growth rates are assumed given that these sectors have been artificially restrained by should State mandated shutdown due to COVID-19.

Figure 2-6 shows the region's job trend from 1991 through a projected estimate for 2021.

FIGURE 2-6: INLAND EMPIRE'S JOB TREND

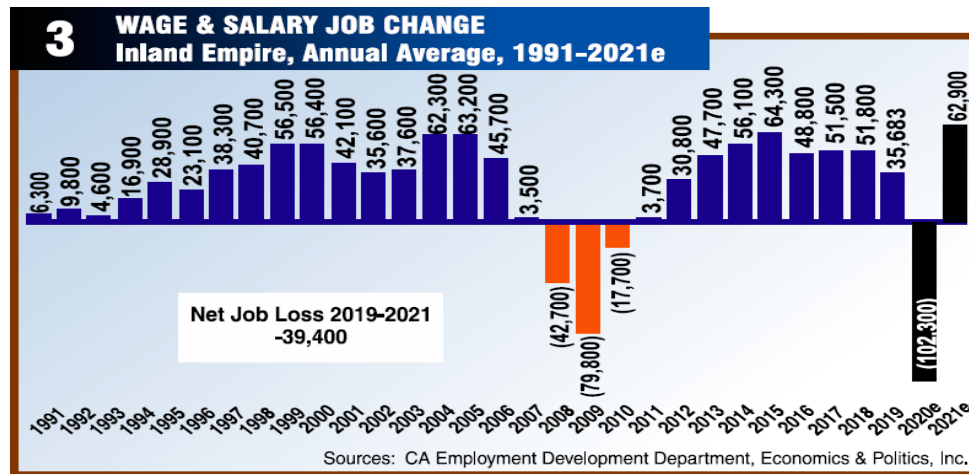








Table 2-2 shows the region's principal employers (largest public and private employers).

TABLE 2-2: PRINCIPAL PUBLIC AND PRIVATE EMPLOYERS IN THE IEUA SERVICE AREA

 <p>Ontario International Airport</p> <ul style="list-style-type: none"> • 7510 staff • Ontario 	 <p>Kaiser Fontana Hospital</p> <ul style="list-style-type: none"> • 5574 staff • Fontana 	 <p>Fontana Unified School District</p> <ul style="list-style-type: none"> • 4928 staff • Fontana 	 <p>Chino Valley Unified District</p> <ul style="list-style-type: none"> • 2617 staff • Chino 	 <p>Ontario-Montclair School District</p> <ul style="list-style-type: none"> • 2532 staff • Montclair-Ontario 	 <p>San Antonio Comm Hospital</p> <ul style="list-style-type: none"> • 2400 staff • Upland
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Source: Comprehensive Annual Financial Reports within service area

AGENCY PROFILE AND POLICY GOALS

MEDIAN INCOME

The Inland Empire median incomes had strengthened by 2019 but were still less than most California markets. IE 2019 median incomes for all households was \$70,757 (half above/half below). This was higher than incomes in the Central Valley (\$59,872). However, it was below other major State regions starting with Los Angeles (\$72,797). The southern coastal counties including San Diego, Orange, Ventura, and Santa Barbara were at \$89,184. The expanded Bay Area from San Luis Obispo to Marin County across to Sacramento stood at \$104,958. Interestingly, when the lower housing costs in the inland counties are considered, the Inland Empire's net median income after housing costs stood above Los Angeles County. Table 2-3 illustrates how the average annual incomes for the cities within the Agency's service area compare to the County, State, and Countries annual average.









TABLE 2-3: COMPARISON OF THE AVERAGE ANNUAL MEDIAN HOUSEHOLD INCOME FOR THE AGENCY'S SERVICE AREA TO THE COUNTY, STATE AND US ANNUAL AVERAGE

Median Annual Income	
Chino Hills	\$104,590
Rancho Cucamonga	\$86,355
Chino	\$79,477
Fontana	\$70,789
Upland	\$68,551
Ontario	\$61,602
Montclair	\$58,012
Agency Service Area Average	\$75,625
San Bernardino County Average	\$63,857
State of California Average	\$75,235
US Average	\$63,179

Source: <https://datausa.io/profile/geo/california>

Table 2-4 shows the ten largest colleges and universities and their number of students, located within or near the IEUA service area.

**TABLE 2-4: COLLEGES AND UNIVERSITIES NEAREST TO IEUA
WITH OVER 2,000 STUDENTS ENROLLED IN FALL 2020**

 <p>California State University - Fullerton 40,455 students</p>	 <p>California State University - Pomona 28,058 students</p>
 <p>Mt. San Antonio College 29,799 students</p>	 <p>University of California- Riverside 25,547 students</p>
 <p>Chaffey College 22,731 students</p>	 <p>California State University- San Bernardino 20,638 students</p>
 <p>Fullerton College 22,613 students</p>	 <p>Norco College 11,715 students</p>

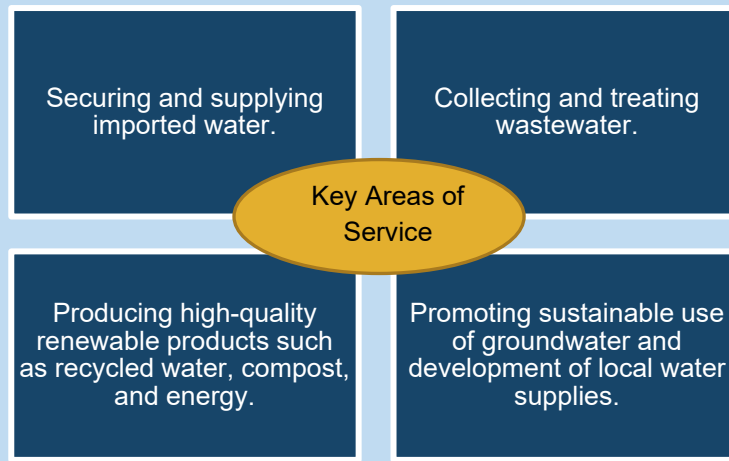
Source: National Center for Educational Statistics – www.nces.ed.gov/collegenavigator/

AGENCY PROFILE AND POLICY GOALS

STRATEGIC PLAN

MISSION STATEMENT:

Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost-effective manner while safeguarding public health, promoting economic development, and protecting the environment.



VISION:

To become a world class leader in water management and environmental stewardship, including water quality, water-use efficiency, recycled water, and renewable energy, in order to enhance and preserve the quality of life throughout the region.

VALUES:

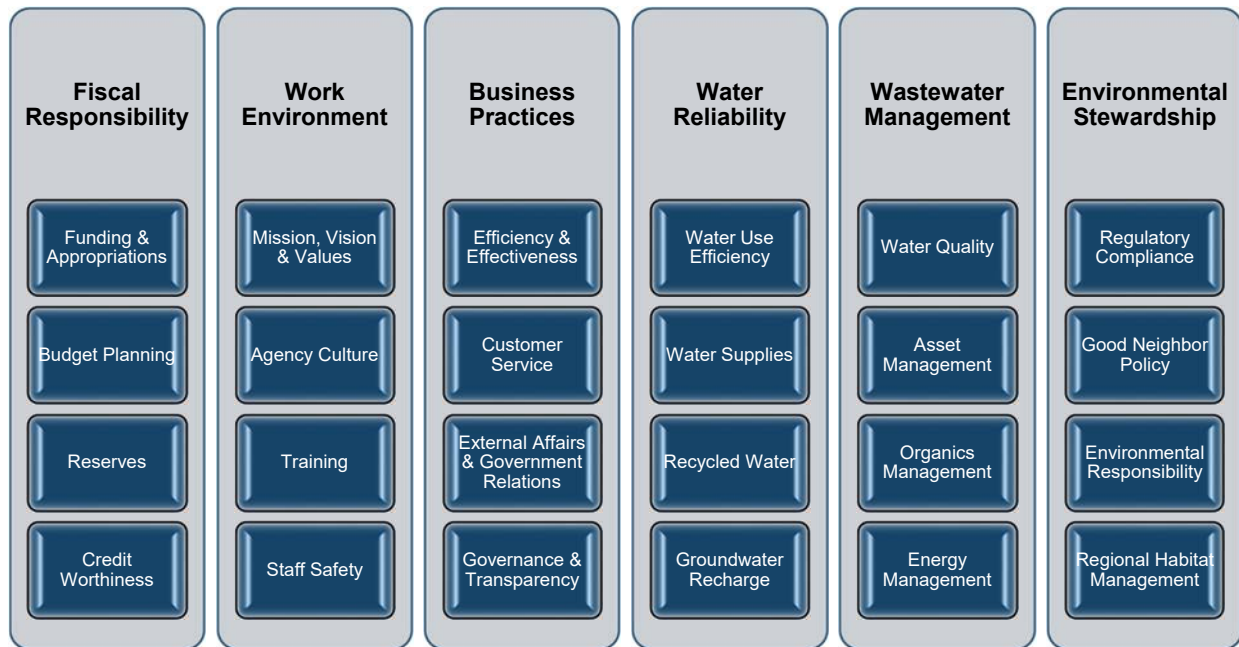
Leading the way. Planning for the future. Protecting the resources of the communities we serve.
Inland Empire Utilities Agency is:



STRATEGIC GOALS

IEUA Business Goals align with the Agency's Mission, Vision, and Values which are defined by the needs of our stakeholders and the public value provided to the community. Within each Business Goal category, several Objectives have been established to support the Business Goal. These Objectives ensure that current and future needs of the Agency and region are appropriately met. The Strategic Priorities outline what the Agency plans to accomplish in the biennial budget period.

The IEUA Business Goals are categorized into six primary areas:



AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
A. Fiscal Responsibility <i>IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long-term needs, while providing the best value for our customers.</i>			
Key Objectives			
Funding and Appropriation – <i>IEUA will fund operations and capital investments by maintaining reasonable service rates and fees that fully support the costs of service.</i>	Budget Planning – <i>IEUA will plan for multi-year budgets and rate requirements in support of maintaining fiscal stability for IEUA and the member agencies.</i>	Reserves – <i>IEUA will maintain fund reserves, which can withstand significant changes to the economy and funding sources.</i>	Credit Worthiness – <i>IEUA will improve its credit rating, with the goal of reinstating the AAA rating, to reduce IEUA's future borrowing costs.</i>
Strategic Priorities			
1. Evaluation of staffing levels to appropriately support the Agency's Mission, Goals, and Objectives.			
2. Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project.			
3. Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on securing grant funding and optimal use of low-cost borrowing.			
4. Evaluation of program rates: 2021 Rate Study for Recycled Water and the NRW Rate Structure Evaluation.			
5. Evaluation of program rates: MEU rate evaluation.			
6. Finalize terms for the Regional Contract with member agencies.			
7. Update the Agency's 5-Year Strategic Plan.			
8. Update the Agency's Planning Documents: Recycled Water Program Strategy.			
9. Update the Agency's Planning Documents: Cyber Security Technology Master Plan.			
10. Update the Agency's Planning Documents: Long-Range Plan of Finance.			
11. Update the Agency's Planning Documents: Asset Management Plan.			

IEUA Business Goal Overview			
B. Work Environment <i>IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.</i>			
Key Objectives			
Mission, Vision, & Values – <i>IEUA will adopt Business Goals and Objectives that support and advance the Agency's Mission, Vision and Values, ensuring the highest standard of conduct throughout the Agency by promoting values of leadership, integrity, collaboration, open communication, accountability, and respect for each other.</i>	Agency Culture – <i>IEUA will foster a collaborative work environment that values communication, innovation, and work-life balance, adheres to the Agency's policies and procedures, and respects all aspects of diversity.</i>	Training – <i>IEUA will maintain a highly skilled workforce to meet current and anticipated Agency and industry needs by facilitating and providing opportunities for staff to further their professional development.</i>	Staff Safety – <i>IEUA will promote and ensure a safe and healthy work environment, exceeding industry best practices in support of achieving the Cal OSHA Star Voluntary Protection Program (CAL/VPP) certification.</i>
Strategic Priorities			
1. Safety and wellness of employees and the communities we serve.			
2. Evaluation of staffing levels to appropriately support the Agency's Mission, Goals, and Objectives.			
3. Continue to improve relationships with customer agencies by ensuring open, timely, and transparent communication regarding Agency projects and initiatives.			
4. Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project.			
5. Update the Agency's 5-Year Strategic Plan.			
6. Update the Agency's Planning Documents: Wastewater Facilities Masterplan.			
7. Update the Agency's Planning Documents: Recycled Water Program Strategy.			
8. Update the Agency's Planning Documents: Cyber Security Technology Master Plan.			
9. Update the Agency's Planning Documents: Asset Management Plan.			
10. Continue to promote employee engagement, achievement, and retention.			

AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
C. Business Practices <i>IEUA will be ethical, cost-effective, and apply environmentally sustainable regional planning principles in all aspects of business and public service.</i>			
Key Objectives			
Efficiency & Effectiveness – <i>IEUA will apply best industry practices in all processes to maintain or improve the quality and value of the services we provide to our member agencies and the public.</i>	Customer Service – <i>IEUA will provide outstanding service that supports our member agencies and region in a cost effective, efficient, and reliable manner.</i>	External Affairs and Government Relations – <i>IEUA will support effective public outreach and education, and advocate for the development of policies, legislation and regulations that benefit the region.</i>	Governance & Transparency
Strategic Priorities			
1. Evaluation of staffing levels to appropriately support the Agency's Mission, Goals, and Objectives.			
2. Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project.			
3. Continue to improve relationships with customer agencies by ensuring open, timely, and transparent communication regarding Agency projects and initiatives.			
4. Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on securing grant funding and optimal use of low-cost borrowing.			
5. Evaluation of program rates: 2021 Rate Study for Recycled Water and the NRW Rate Structure Evaluation.			
6. Evaluation of program rates: MEU rate evaluation.			
7. Finalize terms for the Regional Contract with Member Agencies.			
8. Update the Agency's 5-Year Strategic Plan.			
9. Update the Agency's Planning Documents: Wastewater Facilities Masterplan.			
10. Update the Agency's Planning Documents: Recycled Water Program Strategy.			
11. Update the Agency's Planning Documents: Cyber Security Technology Master Plan.			
12. Update the Agency's Planning Documents: Long-Range Plan of Finance.			
13. Update the Agency's Planning Documents: Asset Management Plan.			
14. Continue update of Administrative Policies.			

IEUA Business Goal Overview

D. Water Reliability

IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Key Objectives

Water Use Efficiency-

IEUA will promote water conservation, education, and incentive programs to assist the region in safeguarding water sustainability.

Water Supplies-

IEUA will support the region with the development of reliable, resilient, and sustainable water supplies from diverse sources.

Recycled Water

IEUA will maximize the use of recycled water to enhance regional water reliability.

Groundwater Recharge-

IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships and development.

Strategic Priorities

1. Continue to improve relationships with customer agencies by ensuring open, timely and transparent communication regarding Agency projects and initiatives.
2. Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on securing grant funding and optimal use of low-cost borrowing.
3. Update the Agency's 5-Year Strategic Plan.
4. Update the Agency's Planning Documents: Wastewater Facilities Masterplan.
5. Update the Agency's Planning Documents: Recycled Water Program Strategy.
6. Update the Agency's Planning Documents: Cyber Security Technology Master Plan.
7. Update the Agency's Planning Documents: Asset Management Plan.

AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
E. Wastewater Management <i>IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.</i>			
Key Objectives			
Water Quality- <i>IEUA will ensure that Agency systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements.</i>	Asset Management- <i>IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.</i>	Organics Management- <i>IEUA will manage organics to meet regulatory compliance standards in a fiscally prudent and environmentally sustainable manner.</i>	Energy Management- <i>IEUA will effectively manage energy resources including renewable energy initiatives and programs to achieve statewide environmental and renewable energy goals and stabilize future costs.</i>
Strategic Priorities			
1. Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project.			
2. Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on securing grant funding and optimal use of low-cost borrowing.			
3. Update the Agency's Planning Documents: Wastewater Facilities Masterplan.			
4. Update the Agency's Planning Documents: Recycled Water Program Strategy.			
5. Update the Agency's Planning Documents: Cyber Security Technology Master Plan.			
6. Update the Agency's Planning Documents: Asset Management Plan.			

IEUA Business Goal Overview

F. Environmental Stewardship

IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

Key Objectives

Regulatory Compliance -

IEUA will comply with all federal, state, local, and environmental laws, and regulations.

Good Neighbor Policy –

IEUA will foster positive relationships within the region and develop and implement projects that minimize impacts to the community and environment.

Environmental Responsibility –

IEUA will provide regional leadership to implement environmentally sustainable business practices and promote the preservation of the region's cultural and ecological heritage.

Regional Habitat Management –

IEUA will promote the preservation of regional habitat and implement the development and use of appropriate mitigation measures on all projects.

Strategic Priorities

1. Update the Agency's 5-Year Strategic Plan.
2. Update the Agency's Planning Documents: Wastewater Facilities Masterplan.
3. Update the Agency's Planning Documents: Recycled Water Program Strategy.
4. Update the Agency's Planning Documents: Cyber Security Technology Master Plan.
5. Update the Agency's Planning Documents: Long-Range Plan of Finance.
6. Update the Agency's Planning Documents: Asset Management Plan.

AGENCY PROFILE AND POLICY GOALS

BUDGET PRIORITIES

The Fiscal Year 2021/22 and 2022/23 operating budgets were prepared using parameters included in the Agency's Business Goals and related key objectives, strategic priorities, and prior policy directions. Operating revenues in the biennial budget for Fiscal Year 2021/22 are based on rates adopted by the Board of Directors in July 2020 for the Agency's Regional Wastewater, Recycled Water, and Water Resources programs. Fiscal year 2022/23 operating revenues include projected rates based on a two to three percent cost of service increase; the estimated rates will be used until the Agency's current rate study is complete in mid to late 2022 at which time multi-year rates for up to three to five fiscal years are expected to be adopted. Additionally, the biennial budget presents operating expenses for all Agency programs, and investment in Agency assets necessary to meet the demand of current and future growth projected by member agencies. The biennial budget supports the Agency's Business Goal of fiscal responsibility by demonstrating sound financial planning. Key areas addressed in the development of the budget for Fiscal Years 2021/22 and 2022/23 are:

- **Succession planning** – Careful planning is needed to fill critical positions, preserve institutional knowledge, and ensure successful continuity of operations. Succession planning will be supported by an increase to full time equivalent staffing and a reduction of the vacancy factor.
- **Cost containment** – Cost containment is one of the key principles that serve as the foundation for the Agency's budget. With this mind, the biennial budget was carefully evaluated to ensure expenditures are appropriate and essential to meet the Agency's levels of service and strategic priorities.
- **Cost of Service** – An important policy principle is the establishment of rates and fees that fully recover the cost of providing services.
- **Upkeep of Agency Assets** – Timely upkeep of Agency facilities and infrastructure is necessary to support an increase in services required from projected future growth and to maintain compliance with changing regulatory and safety requirements.
- **Optimize low interest debt** – The practice of securing low-cost financing to fund capital expansion and improvement of Agency's facilities is essential to maximizing financial flexibility and reducing the upward pressure on rates and fees.
- **Transparency** – The Agency is committed to the highest standards of communication and fiscal responsibility by providing a platform for transparent communication and timely reporting. This document serves as an important tool for understanding the Agency's policies, programs and activities, and short and long-term goals.

The biennial Operating Budget and the Ten-Year Capital Improvement Plan (TYCIP) demonstrate the Agency's commitment to deliver reliable, high quality essential services to its customers in a regionally planned, safe, and cost-effective manner. The projects included in the Agency's FY 2021/22 – 2030/31 TYCIP are necessary to accomplish the Agency's goals based on the physical condition of assets, regulatory compliance, and forecasted regional projections of water and wastewater needs.

FINANCIAL POLICIES

The Agency's practices are guided by the following budget and financial policies:

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
Operating Budget	Budget will be prepared based on a fiscal year. Beginning July 1 and ending on June 30.	FYs 2021/22 and 2022/23 Biennial Budget was adopted by the Board of Directors in June 2021.	A mid-cycle budget review and amendment, scheduled to begin in January 2022, projected Board adoption in June 2022.
	The Agency will produce a budget document based on national best practices established by nationally recognized organizations, such as the Government Finance Officers Association (GFOA).	The Agency's FY 2019/20 and 2020/21 Biennial Budget received GFOA's Distinguished Budget for the fourteenth consecutive year, and for the seventeenth consecutive year received the Operating Budget award from the California Society of Municipal Finance Officers (CSFMO).	Best practices and budget guidelines are continually reviewed, any necessary changes are incorporated into the biennial budget document. The FY 2021/22 and 2022/23 Biennial Budget reflects new or changing requirements.
	The budget will be developed using an iterative and inclusive process that solicits input from all levels of the organization. The budget process will allow time for careful review and public participation before adoption.	A Budget calendar was distributed in December 2020. Agency wide budget trainings were held December 2020 through February 2021. Workshops and budget review sessions were held with Agency departments, management, Board, and Regional Stakeholders January through May 2021.	All future operating and capital budgets will include input by departments, management, Board, and Regional Stakeholders.
Balanced Budget	The budget will be balanced with the current revenues equal to or greater than current expenses.	The FY 2021/22 and 2022/23 Biennial Budget was balanced using a combination of current revenues and reserves.	Future Agency budgets will be monitored regularly and adjusted as needed. A Budget Variance analysis report is prepared and presented to the Agency's Board of Directors quarterly.
	When operating or capital expenses exceed revenues the respective fund reserves will be used to meet the shortfall.	The use of reserves was necessary in FY 2019/20 and are projected to be used in FY 2020/21.	Reserves will be used to balance any projected shortfall in net revenues for FY 2021/22 and 2022/23.

AGENCY PROFILE AND POLICY GOALS

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
Revenues	User fees and property taxes must be evaluated annually to ensure appropriate cost recovery and adequate delivery of services. The Agency strives for a stable and consistent revenue base without wide fluctuations from year to year.	In July 2020, the Agency's Board of Directors elected to put a 12 month hold on adjustments of all rates and fees due to economic effects caused by the Coronavirus pandemic. Rates for FY 2021/22 were adopted for all programs.	The Agency has adopted multiyear rates for the Water Resources Program and the water connection fees. The ongoing evaluation of rates and rate structures for the Recycled Water Non-Reclaimable Wastewater rates, and Wastewater programs will support rates adjustments starting in FY 2022/23.
Debt Management	The Agency will manage its debt portfolio as part of an asset/liability matching strategy, in that context, term debt amortization term should match the useful life of the capital project funded; variable rate debt may be used if it is sufficiently hedged with cash reserves.	In June 2020, the Agency issued 2020A Revenue Refunding bonds to refinance the 2008B Variable rate bonds, 2010A Revenue refunding bonds, and eight State Revolving loans. Additionally, The Agency also issued 2020B Revenue Notes for interim financing of the RP-5 Expansion project with project completion expected in 2025. A Water Infrastructure Finance and Innovation Act (WIFIA) loan agreement was approved to help fund the RP-5 Expansion Project in May 2020.	<p>The Agency application for Clean Water State Revolving Funds (CWSRF) loans to support the RP-5 expansion was included in the 2020 fundable list.</p> <p>The Agency has also been invited to apply to the second round of WIFIA loans to support additional wastewater projects.</p> <p>The Agency will continue to pursue low interest financing, grants, and rebates when applicable.</p>
	Interest rate swaps and other derivative products will be considered when the risks are manageable as determined by staff, financial advisors, and the Board of Directors.	No interest rate swaps, or derivatives were considered in FYs 2019/20 and 2020/21.	Future use of interest rate swaps or other derivative products will be considered when appropriate.

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
Capital Planning	The Ten-Year Capital Improvement Plan (TYCIP) will be reviewed and adjusted annually.	The FY 2020/21 to FY 2029/30 TYCIP was adopted by the Board of Directors July 2020. The FY 2021/22 to FY 2030/31 TYCIP was adopted by the Board of Directors in June 2021.	During the FY 2022/23 budget review, the TYCIP will be presented to the Board for adoption by June 2022.
	The Agency will support the TYCIP through various funding alternatives including bonds, low interest loans, interim financing, and grants.	The Agency has secured low interest long term federal and state loans, and short-term bridge financing to support the TYCIP	The Agency will continue to pursue low interest federal and state financing, grants and rebates when applicable.
	Operating, maintenance, and replacement costs associated with new capital improvements are forecasted and included in future year projected costs.	The FYs 2021/22 and 2022/23 Biennial budget includes operating impacts of significant non-routine projects with budgets over two million dollars in the Capital section of this document.	Operating and maintenance costs associated with capital projects are evaluated throughout project development. The impact on the operating budget is often an increase in utility or maintenance costs related to capital additions. The additional costs can also be offset by an increase in revenues related to increased capacity or a cost savings in comparison to current operating procedures.
Long Range Planning and Forecasting	Near term (1 to 10 years) and long term (up to 30 years) planning to forecast future revenues and expenditures considers long-term planning use trends, projected changes in population growth, service level needs, property value assessments, new development, and general economic conditions.	The biennial budget and mid-year budget review includes a ten-year forecast of revenues, expense, operating, and capital project needs.	FY 2021/22 strategic goals include the update of the Agency's Planning Documents. The documents scheduled for update include the Long-Range Plan of Finance, Wastewater Facilities Master Plan, Recycled Water Program Strategy, Cyber Security Technology Master Plan, and Asset Management Plan.

AGENCY PROFILE AND POLICY GOALS

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
	The Long-Range Plan of Finance (LRPF) will be updated periodically. The operating budget is the short-term action plan for development and execution of the Agency's strategic plan consistent with the LRPF.	Annual and ongoing adjustments to the operating budget assure continual alignment of short-term budgetary goals with the long-term strategic plan.	The Long-Range Plan of Finance will be updated upon the completion of different Master Plan documents.
Auditing, Accounting and Financial Reporting	The Agency will use widely recognized and accepted accounting standards including GAAP and guidance issued by the Government Accounting Standards Board (GASB). Practical guidance to enhance the quality of the Agency's accounting procedures will be sought from Publications such as the GAAFR as published by the GFOA.	Staff attended GFOA's annual Government Accounting Standards Board training in December 2019 and December 2020 The Agency received the GFOA Award for Excellence in Financial Reporting for 22nd consecutive year for the fiscal year ended June 30, 2022 Annual Comprehensive Financial Report (ACFR).	Staff will attend various GFOA trainings throughout FY 2021/22. Staff will review and incorporate any comments received by GFOA into the FY 2020/21 ACFR.
	Regular reporting of financial results will be accomplished through issuance of an Annual Comprehensive Financial Report based on the guidelines as published by the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA) of the United States and Canada.	FY 2019/20 ACFR was approved by the Board of Directors December 16, 2020.	The Agency's ACFR preparation will begin in July 2021 and will be presented for Board approval in December 2021.
	The Agency's Internal Audit Department will perform an annual quality control review of the Agency's Annual Comprehensive Financial Report to ensure industry standards and reasonable accuracy of reporting has been achieved prior to	Internal Audit provided a quality review of the ACFR for fiscal year ending June 30, 2020 in November and December 2020 prior to adoption by the Board of Directors and submission to GFOA and CSMFO.	The Internal Audit department will continue to provide review each year of the Agency's annual financial information. The next review is scheduled for November 2021.

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
	issuance of the Agency's annual ACFR.		
	Annual audits from an independent firm in conformity with GAAP will be performed on all Agency financial records and those entities of the Agency for which the accounting and financial reporting services are provided. As part of the annual audit, a single audit in conformity with federal guidelines for all grant funded programs will be conducted.	For fiscal year ended June 30, 2020, the Agency received an unmodified opinion from its external auditors. The annual financial statements were free of any material misstatement, are presented fairly in conformity with generally accepted accounting principles. There was no finding of significant deficiencies or material weaknesses.	An interim audit of financial information for fiscal year ending June 30, 2021 will be performed by an independent certified public accountant in early June 2021. The final audit of financial information will be performed between October and November 2021 for fiscal year ending June 30, 2021.
Fund Reserve Balances	The Agency will maintain fund reserves to ensure enough funding is available to meet its operating, capital, and debt service obligations, comply with legally mandated requirements, and has adequate resources to respond to unforeseen events.	An annual policy review was completed during the FY 2019/20 and FY 2020/21 biennial budget process. The Reserve Policy was updated, reviewed, and adopted by the Board in April 2021.	The Reserve Policy is reviewed annually to ensure compliance with current regulations and alignment with Agency policies and strategic goals.
Debt Ratio	As required by Agency bond covenant, the Agency seeks to maintain a legally required debt coverage ratio (DCR) of at least 1.25 times debt service costs due in any given year.	Annual fluctuations in the DCR are primarily driven by changes in funding sources. As of June 30, 2019, the DCR was 4.35. As of June 30, 2020, the DCR was 4.49.	When needed the Agency will require a rate increase to cover both operating and maintenance (O&M), and debt service costs to maintain the legally required DCR.
	The Agency applies ceilings on the amount of long-term debt that can be issued as these policies are designed to maintain the Agency's credit strength.	Before issuing debt in June 2020, staff performed an analysis to compare projected net revenues (revenues after payment of O&M expense) to estimated annual debt service and estimated DCR.	Before engaging in any debt financing, the proposed debt obligation combined with existing debt must result in acceptable debt ratios.
Cash Management and Investment Policies	The Agency shall invest idle cash in a prudent manner according to established investment policy consistent with state	The Agency's Investment Policy is updated annually. The Investment Policy for FY 2021/22 was presented for review and approval to	All future investments will be monitored regularly and will conform with Agency policy and applicable state law.

AGENCY PROFILE AND POLICY GOALS

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
	laws and regulations, ensuring the Agency's cash flow requirements are met while meeting the objectives of safety, liquidity, and return on investment	<p>the Board of Directors in April 2021.</p> <p>All FY 2019/20 and 2020/21 investments were made in conformity with Agency policy and within the guidelines of the California Government Code and applicable California law.</p> <p>Investment transactions, as well as cash and investment positions were reported monthly to the Board of Directors through the Financial Affairs report, in compliance with California Government Code.</p>	All investment transactions, as well as cash and investment positions held by the Agency will be reported monthly to the Board of Directors, through the Financial Affairs report, in compliance with California Government Code.
	The Agency will accelerate cash collections and carefully manage disbursements to maximize cash balances; disbursements will be timely to maintain public trust and productive relations with employees, contractors, suppliers, and other government entities.	<p>Accounts receivables are collected within an average 30-day billing cycle. Receivables are monitored regularly by staff. At any time if an account is deemed to be uncollectable the information is submitted to the Board for review and written off.</p> <p>Accounts payables are paid within 30-60 days from the invoice date.</p> <p>Agency disbursements are submitted to the Board of Directors for review and approval monthly.</p> <p>Electronic payments are the Agency's preferred method of vendor remittance.</p> <p>In FY 2019/20 the Agency increased electronic remittance by 26 percent over the prior year.</p>	<p>Agency disbursements will be submitted to the Board for approval on a monthly basis.</p> <p>The conversion of vendors from check payment to electronic payment will continue throughout FY 2021/22.</p>

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
	Cash flow projections are updated on a weekly basis accounting for all daily receipts and disbursements and serves as the baseline for determining cash liquidity needs and funds available for investment; cash balances of the Agency's various funds will be pooled to maximize investment opportunities with interest earnings allocated in a rational manner consistent with generally accepted accounting principles.	Cash flows are maintained through collaborative efforts between the Financial Planning and Accounting departments. Cash flow projections are updated daily, a weekly cash management report is prepared for Agency management. Cash review meetings are held bi-weekly to discuss current cash position and investment opportunities. 23 cash review meetings were held in FY 2019/20 and 24 in FY 2020/21.	Consistent with prior years, weekly cash flow reports will be prepared, and bi-weekly cash flow meetings are scheduled throughout FYs 2021/22 and 2022/23.
Human Resource Management	The Agency will determine staffing levels consistent with budgetary authority, available resources, and operating needs; the Agency will strive to balance cost effectiveness, employee engagement and productivity.	290 full-time equivalent positions were authorized for fiscal years 2019/20 and 2020/21. The FY 2019/20 average vacancy factor as of June 30 was eight percent. FY 2020/21 projected average vacancy factor is nine percent. 302 full-time equivalent positions are authorized for FYs 2021/22 and 2022/23. FY 2021/22 assumes a vacancy factor of five percent.	The Agency will continue the use of various organizational development strategies to facilitate succession planning and the timely recruitment of critical positions.
	Annual authorized staffing projections are based on production levels (i.e., annual flow projections), number of facilities, and number and duration of capital projects; temporary and contract staff will be used to meet peak demands.	In FY 2019/20, the Agency averaged 14 limited-term employees for FY 2020/21 the Agency projects an average of 13 limited-term employees. The limited term positions were used to support grants administration, long-term planning initiatives, and execution of the Capital Improvement Plan.	Use of limited term employees is evaluated annually. In FYs 2021/22 and 2022/23 10 limited-term positions are budgeted. Limited-term positions will provide support in execution of major capital improvement projects, grants administration, human resource, and long-term planning initiatives.

AGENCY PROFILE AND POLICY GOALS

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
	<p>The Agency will maintain a competitive compensation package in order to provide a highly skilled and dedicated workforce.</p> <p>The various Memorandum of Understanding (MOU) will be negotiated in alignment with the Agency's current and anticipated economic conditions.</p>	<p>FY 2020/21 is the final year of a three-year MOU agreement with employee bargaining units.</p> <p>Negotiations for MOU's effective after July 1, 2021 began in March 2021.</p>	<p>The Agency will continue to evaluate its compensation package through classification studies of individual positions and by administering a benefits survey to staff.</p> <p>Complete negotiations with the five bargaining units for the implementation of new MOU's and Personnel Manuals.</p>
Risk Management	<p>Risk Management policies are designed to protect against losses that would affect Agency assets and its ability to provide ongoing services.</p>	<p>FYs 2019/20 and 2020/21, a safety consultant was hired to provide support to Agency staff with Covid-19 guidelines and guidance.</p> <p>Multiple facility inspections were conducted to ensure that employee safety, social distancing, and COVID-19 guidelines were posted and followed.</p> <p>The Agency authorized an independent Actuarial study to review the Agency's liability claims and review self-insurance reserve levels.</p>	<p>The Agency will continue to promote a safe, hazard free working environment. Progress will be monitored through the Agency's Safety programs and initiatives and policies that are designed to ensure compliance with all applicable local, state, and federal regulations governing the workplace and its employees.</p>



RP-1 AERATION MEMBRANE REPLACEMENT

BUDGET PROCESS

The budget is the primary performance tool used to provide accountability and ensure transparency of public agencies use of taxpayer dollars and service rates and fees. The budget communicates to all stakeholders (i.e. elected officials, regional agencies, and the communities we serve) how the investments will be used by providing detailed information on specific resource allocations and expenditures. Progress is monitored monthly, and revisions are made as necessary to meet changing needs or accommodate unplanned expenditures. This budget document is useful as a benchmark to evaluate the Agency's accomplishments and challenges, as well as to assess compliance with fiscal accountability.



STRATEGIC PLANNING

In June 2021, the Agency adopted its biennial operating budget for Fiscal Years (FYs) 2021/22 – 2022/23. Both the biennial budget and the Ten-Year Capital Improvement Plan (TYCIP) for FYs 2022/2031 are guided by the Strategic Plan that identifies the major initiatives to be accomplished over a five-year period. The basis for the Agency's Strategic Plan is the IEUA Business Goals (Business Goals) which guide the Agency's decisions and actions in fulfilling its mission, vision, and values. The IEUA Business Goals and corresponding objectives are highlighted in the Agency Profile in the Strategic Priorities and Policy Goals section.

The IEUA Business Goals are integrated in the Agency's long-term planning documents, including the Asset Management Plan (AMP), Ten Year Capital Improvement Plan (TYCIP), Long Range Plan of Finance (LRPF), and master plans, such as the Facilities General Master Plan, Recycled Water Program Strategy, Water-Use Efficiency Business Plan, Energy Management Plan, and Integrated Water Resources Plan. These strategic long-term planning documents provide a systemic and disciplined approach in mapping out the Agency's service area growth, demand for future services needs and determining the financial requirements necessary to support these requirements. The financial requirements include establishing and maintaining rates to support the cost of service and capital improvement plan investments, sustaining reserve levels to safeguard the Agency's fiscal health, and upholding a debt coverage ratio that preserves market access and ensures a low cost of future borrowing.

BUDGET PREPARATION PROCESS AND TIMELINE

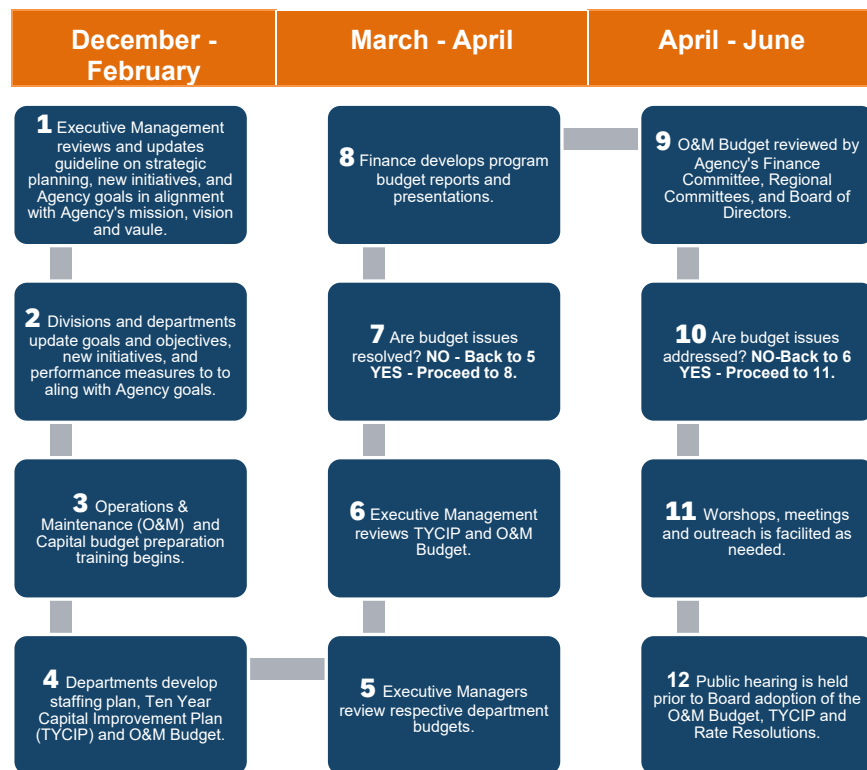
The preparation of the Operation and Maintenance (O&M) budget and Ten-Year Capital Improvement Plan (TYCIP) begins in December with the issuance of the General Manager's (GM) budget message. The GM budget message communicates guidelines and the Agency's key business goals and objectives for the preparation of the Five-Year Business Plan (operation budget) and the TYCIP to all Department Managers and Supervisors.

On July 1, 2021, the Agency will be implementing its fourth biennial budget for FYs 2021/22 and 2022/23. A mid-cycle budget review process will be scheduled in the spring of 2022 to determine whether any adjustments pertinent to the FY 2022/23 O&M budget or the TYCIP are necessary. Recommended changes to the FY 2022/23 O&M budget and TYCIP will be presented to the Board as budget amendments for review and approval in May/June 2022.

With support from the Board of Directors, Executive Management, Department Managers, and staff, the budget preparation process plays an important role in the Agency's strategic financial planning and adheres to the timeline reflected in Figure 3-1.

BUDGET PROCESS

FIGURE 3-1: BUDGET PROCESS TIMELINE



EXECUTIVE MANAGEMENT RESPONSIBILITIES

During the budget preparation process, Executive Management meets with staff to review and evaluate both O&M and Capital budget requests to ensure they align with the Agency's goals and objectives. A key objective is sustaining high quality services while simultaneously aiming for greater operating efficiencies to minimize service rate impacts. Executive Management closely monitors fund balance reserves and key financial ratios to guarantee that the Agency's financial position can effectively withstand economic variability and unplanned events. In some cases, this means re-examining operating priorities and costs, streamlining procedures, consolidating, or realigning resources, updating policies, and/or adjusting service rates and fees. Public budget workshops are held to inform the IEUA Board of Directors, contracting member agencies, and key stakeholders of the major drivers, objectives, budget assumptions, proposed rate structures, capital programs, and relevant policy issues.

Subsequently, the proposed budget and rates as recommended by Executive Management are presented to the Board's Finance and Administration Committee for review and recommendation in April and May.

The Regional Wastewater and Recycled Water Program budgets and their respective service rates are presented to the Regional Committees, which are comprised of representatives from the Agency's seven contracting agencies. Upon the Regional Committees' review and recommendation, in accordance with the Regional Sewage Service Contract, the Agency's Board of Directors approves and adopts the final budget document, rate resolutions, and TYCIP before June 30th of each year.

DEPARTMENT RESPONSIBILITIES

Each department is tasked with developing qualitative, quantitative, and justifiable departmental goals and objectives, key performance measures, staffing plans, capital budget requests, and O&M budget requests that are pertinent to the department's goal performances and consistent with the IEUA Business Goals and objectives.

BUDGET PREPARATION TRAINING

To assist Agency staff with the budget preparation process, Finance staff conduct training sessions for key staff from other departments on the O&M and Capital budget during December and January. Open houses are also held to further assist staff in the budgeting and reporting process. Reference materials, such as labor rates, staffing plans, project lists, and instructions for budget preparation are posted on the Agency's intranet site. In addition, for staff who missed the training sessions, a one-on-one session are offered by Finance staff, to ensure the required information is properly updated for the budget.

BALANCED BUDGET

The Agency's budget is aggregated from itemized budgets for each fund within each program. The budget is balanced with current revenues equal to or greater than current expenses using the following strategies: improve work-flow efficiency; ensure effective pricing on materials and contracts; pursue federal and state grants and low interest financing to support capital projects; adjust user charges and service fees based on cost of services and replacement and rehabilitation (R&R) requirements. In any fund, when operating or capital costs exceed revenues, the respective fund reserves will be used to meet the shortfall.

The biennial O&M budget is balanced with a combination of service rates and fees, property taxes, grants and low interest loans, conservative expense forecasts that sufficiently support O&M costs, and fund reserves. The capital program is funded by regional connection fees, federal and state grants and low-interest loans, a portion of property taxes, and fund reserves.

BUDGETARY CONTROL

The Agency maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the IEUA Board. The Agency's Fiscal Control Ordinance establishes the Agency's basic principles of financial control and authorizes the General Manager (GM) and the Executive Manager of Finance and Administration/Assistant General Manager (EMFA/AGM) to approve the transfer of appropriations among departments and expense categories within a single fund's budget. An increase in appropriation in any fund budget, whether accomplished through a change in anticipated revenues or increase in total project budget, requires Board approval. The only exception is the GM contingency account controlled by the GM. Based on the Fiscal Ordinance, the GM is authorized to transfer GM Contingency account budget between funds within the operating budget as needed to support unplanned costs. Information on all budget transfers is presented to the Board as part of the quarterly variance reporting.

BUDGET PROCESS

BUDGET VARIANCE MONITORING AND REPORTING

Budget-to-actual reports on O&M and capital activities are available on a real-time basis through the Agency's Enterprise Resource Planning (ERP) financial system. The financial system monitors budget consumption and notifies Department Managers and the Manager of Finance or the Budget Officer via email of any budgetary control issues. Department Managers are required to prepare and submit a budget variance analysis to their Divisional (Executive) Managers on a quarterly and specific reporting period basis, in accordance with the budget variance guidelines. Subsequently, staff presents the Agency's quarterly budget-to-actual variances to the Finance and Administration Committee and the Board of Directors, along with a report on budgetary fund transfers and the status of departmental goals and objectives. The on-going budget review process is essential in monitoring year-to-date operational and capital expenditures. This proactive approach serves as an early warning mechanism to Department Managers of any substantial variance in actual spending compared to the budgeted amount.

If the overall adopted O&M Budget or Capital Budget appropriation needs to be amended, a presentation to the Finance and Administration Committee is required. The Board takes the Committee's recommendation into account as they consider the merits of the additional requested appropriation. A majority approval by the Board is required to amend the budgeted appropriation.

FINANCIAL POLICIES

The Agency's budget is guided and developed in accordance with the following financial policies and ordinances, which support the IEUA Business Goal of fiscal accountability on funding and appropriation, as well as in compliance with legal requirements.

Debt Management Policy. This policy establishes the conditions for the use of debt and creates procedures and policies that minimize the Agency's debt service and issuance costs, retain a high-quality credit rating, and maintain full and complete financial disclosure and reporting. It provides comprehensive guidelines for the use of debt financing and prepayment or refunding of outstanding debt.

Investment Policy. This policy establishes procedures and guidelines by which surplus funds can be managed in a prudent and fiscally-sound manner. It prioritizes the Agency's public funds management objectives of safety, liquidity, and yield and encompasses those funds over which the Agency exercises fiscal control. The policy stipulates allowable and unallowable investment alternatives and establishes parameters for selecting broker/dealers and financial institutions with which the Agency may do business. This policy is reviewed annually, or whenever there are recommended changes, whichever occurs first.

Reserve Policy. This policy establishes appropriate fund reserves by category. For each category, the policy identifies the purpose, sets the appropriate minimum and target levels, funding sources, and conditions for use and replenishment. The policy is consistent with sound, prudent fiscal practices, compliant with legal requirements, and essential to ensure that the Agency can effectively address economic and environmental variability. Periodic review of this policy is performed to ensure it remains relevant and aligns with Agency policies and strategic goals.

Fiscal Ordinance. This ordinance provides a system of financial administration, accounting, and fiscal budgetary control. It also defines the parameters of budget adjustments in operating and non-operating expenditures as well as the approval requirements. It is periodically reviewed and updated to reflect necessary changes in the IEUA Business Goals and supporting policies.

Procurement Ordinance. This ordinance establishes procurement thresholds, expenditure (approval) limits, delegated authority, solicitation requirements, and protocols to ensure adequate fiscal controls and transparency of the Agency's expenditures. This ordinance is reviewed and updated periodically to address changes in the procurement or contracting process, or authorization limit.

BUDGET BASIS

The Inland Empire Utilities Agency is a California Municipal Water District established in 1950 under the provisions of the Municipal Water District Act of 1911.

The Agency operates and reports all activities as proprietary funds (Enterprise funds), which are used to account for operations that are financed and operated in a manner like a private business enterprise. Enterprise funds account for operations that provide essential services on a continuous basis and are substantially financed by revenue derived from user charges and fees.

The budgets for all the Agency's proprietary funds are prepared using the accrual basis of accounting; budgeted and actual revenues are recognized when earned, and expenses are recognized as they are incurred, conforming to the recommended best practices for budgeting according to the Government Finance Officers Association of the United States of America and Canada and consistent with the Agency's Annual Comprehensive Financial Report. The only exceptions are those listed below:

- Capital outlay is budgeted as an expenditure.
- Capitalized interest is budgeted as interest expense.
- Principal payments are shown as expenditures rather than reductions to liabilities and accounted for on a payment due date basis.
- Contributions toward the unfunded liabilities for CalPERS and other post-employment benefits are budgeted as part of the employment expenses.
- Debt proceeds are accounted for as other funding sources.
- Grant receipts are recorded as other funding sources rather than contributions in aid.
- Payments from long-term receivables are recorded as other funding sources.
- Proceeds from the sale of assets are recognized as other funding sources.
- Depreciation and amortization are not budgeted.
- Gains and losses from sale of assets are not budgeted.
- Deferred costs, such as debt issuance costs, are expensed over the duration of the related debt.

REVENUES AND OTHER FUNDING SOURCES

The Agency's total revenues and other funding sources for FY 2021/22 and FY 2022/23 are projected to be \$298.5 million and \$331.6 million, respectively. FY 2021/22 total revenue is approximately \$53.8 million, or fifteen percent, lower than the \$352.3 million amended in FY 2020/21. The decrease is mainly due to lower proceeds from state loans and grants projected for the RP-5 Liquids Treatment Expansion and Solids Handling Facility project (RP-5 Expansion project) which got shifted to FY 2022/23 resulting in an increase of \$33.1 million in total revenues projected in FY 2022/23 compared to FY 2021/22. Table 4-1 below presents revenues and funding sources trends by major categories:

TABLE 4-1: TOTAL REVENUES AND OTHER SOURCES OF FUNDS* (\$MILLIONS)

Revenues	2021/22 Budget	2022/23 Budget	Description
User Charges	\$93.8	\$97.8	Regional Wastewater monthly sewer service charges; Non-Reclaimable Wastewater (NRW) pass-through volumetric, capacity and strength charges; and monthly water meter charges, and MWD readiness-to-serve (RTS) fees.
Property Tax	57.5	58.5	San Bernardino County ad-valorem property taxes, pass-through incremental taxes, and extra-territorial fees.
Water Sales	47.4	49.8	Sale of pass-through MWD imported potable water budgeted at 60,000 acre-feet per year (AFY).
Connection Fees	37.9	39.0	Fees new or upsized connections to the Regional Wastewater and Regional Water systems.
Recycled Water Sales	17.3	17.6	Recycled water sales for direct and groundwater recharge deliveries.
Bonds, State and Other Loans*	14.1	49.1	Debt proceeds to support capital project investments.
Grants	15.5	2.0	Federal, state, and local grants to support regional recycled water distribution system improvements and regional water use efficiency program.
Other Revenues	15.0	17.8	Reimbursements for operational and administration support from Chino Basin Watermaster (CBWM), Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), lease revenues, and interest earnings.
Total	\$298.5	\$331.6	

* Excludes Inter-fund Transfers In and Out which net to zero on a consolidated fund level.

Table 4-2 shows FYs 2021/22 and 2022/23 revenues and funding sources by program fund, including inter-fund transfers and percent change relative to the prior fiscal year.

TABLE 4-2: TOTAL REVENUES AND FUNDING SOURCES BY PROGRAM (\$THOUSANDS)

Program	FY 2020/21 Amended Budget	FY 2021/22 Budget	% Change FY 2021/22 vs. FY 2020/21	FY 2022/23 Budget	% Change FY 2022/23 vs. FY 2021/22
Administrative Services					
Property Tax	\$1,972	\$2,587	31%	\$2,630	2%
Cost Reimbursement ⁽¹⁾	1,382	1,459	6%	1,520	4%
Other Revenue ⁽²⁾	317	217	-32%	209	-4%
Inter-fund Transfers In	3,746	3,634	-3%	2,097	-42%
Total	\$7,417	\$7,897	6%	\$6,456	-18%
Non-Reclaimable Wastewater					
User Charges	\$12,509	\$12,669	1%	\$12,895	2%
Loans and Grants	0	5,398	100%	3,599	-33%
Other Revenue ⁽²⁾	3,773	3,765	0%	3,626	-4%
Inter-fund Transfers In	1,157	3,061	165%	1,458	-52%
Total	\$17,439	\$24,893	43%	\$19,712	-13%
Regional Wastewater					
User Charges	\$68,327	\$72,924	7%	\$76,203	4%
Property Tax	44,606	50,588	13%	51,434	2%
Cost Reimbursement ⁽¹⁾	4,293	4,539	6%	4,670	3%
Loans and Grants	69,087	6,554	-91%	44,996	587%
Connection Fees	27,820	29,514	6%	30,400	3%
Other Revenue ⁽²⁾	3,037	1,873	-38%	3,980	112%
Inter-fund Transfers In	132	0	-100%	0	0%
Total	\$217,302	\$165,989	-24%	\$232,342	28%
Recharge Water					
Cost Reimbursement ⁽¹⁾	\$1,861	\$1,775	-5%	\$2,499	41%
Loans and Grants	16,288	17,511	8%	2,404	-86%
Other Revenue ⁽²⁾	40	100	150%	100	0%
Inter-fund Transfers In	1,393	1,961	41%	2,025	3%
Total	\$19,582	\$21,347	9%	\$7,028	-67%

REVENUES AND OTHER FUNDING SOURCES

Program	FY 2020/21 Amended Budget	FY 2021/22 Budget	% Change FY 2021/22 vs. FY 2020/21	FY 2022/23 Budget	% Change FY 2022/23 vs. FY 2021/22
Recycled Water					
Property Tax	\$2,170	\$2,299	6%	\$2,388	2%
Cost Reimbursement ⁽¹⁾	1,875	92	-95%	93	1%
Loans and Grants	8,674	0	-100%	0	0%
Connection Fees	7,915	8,399	6%	8,653	3%
Water Sales	16,155	17,290	7%	17,610	2%
Other Revenue ⁽²⁾	708	533	-25%	540	1%
Inter-fund Transfers In	2,547	2,546	0%	2,546	0%
Total	\$40,044	\$31,159	-22%	\$31,780	2%
Water Resources					
User Charges	\$7,299	\$8,176	12%	\$8,694	6%
Property Tax	5,186	2,012	-61%	2,046	2%
Cost Reimbursement	749	466	-38%	248	-47%
Loans and Grants	30	155	417%	155	0%
Water Sales	46,092	47,412	3%	49,848	5%
Other Revenue ⁽²⁾	120	20	67%	280	40%
Inter-fund Transfers In	1,379	1,678	22%	1,520	-9%
Total	\$60,855	\$60,099	-1%	\$62,791	4%
All Fund Total	\$362,639 ⁽³⁾	\$311,384 ⁽³⁾	-14%	\$341,316 ⁽³⁾	10%

⁽¹⁾ Includes cost reimbursements from Joint Power Authorities, contract cost reimbursements, and capital contract reimbursements.

⁽²⁾ Includes interest revenue, other revenue, and inter-fund loan proceeds.

⁽³⁾ Includes inter-fund transfers of \$10.354 million FY 2020/21, \$12.880 million FY 2021/22, and \$9.646 million in FY 2022/23.

USER CHARGES

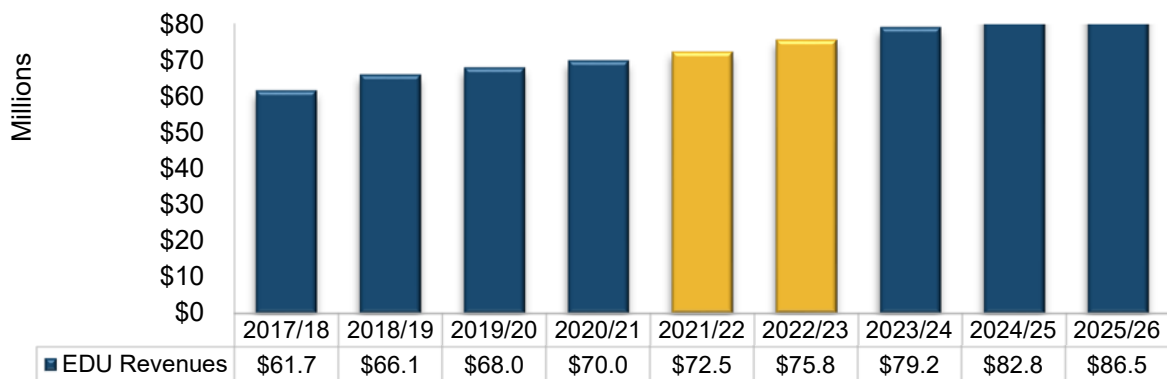
User charges are comprised of three primary user fees: Equivalent Dwelling Units (EDU) monthly sewer fees paid by users discharging to the Agency's regional wastewater system, NRW fees paid by industrial and commercial users connected to the Agency's brine line system, and meter equivalent unit (MEUs) and Metropolitan Water District readiness-to-serve (RTS) charges paid by users connected to the potable water system.

EDU SERVICE CHARGES

Monthly sewer charges and new connections to the regional wastewater system are assessed on an Equivalent Dwelling Unit or EDU basis. An EDU is defined as the measurement of wastewater flow equivalent in quantity and strength to the daily discharge of an average single-family residential household. EDU monthly sewer service charges support the operations and maintenance of the Regional Wastewater Program and are recorded in the Regional Wastewater Operations & Maintenance (Wastewater Operations) fund.

Total FYs 2021/22 and 2022/23 EDU service charges budgeted in the Wastewater Operations fund is estimated to be \$72.5 million and \$75.8 million respectively, as shown in Figure 4-1. EDU Service Charge revenues are based on adopted rates through FY 2021/22 and a forecasted four percent escalation per year for the ensuing fiscal years.

FIGURE 4-1: TOTAL EDU SERVICE CHARGE REVENUES



The Board of Directors (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 potential fiscal impact of the COVID-19 pandemic to ratepayers and member agencies.

Table 4-3 shows the adopted rates for FYs 2020/21 and 2021/22. The projected rates for FYs 2022/23 thru 2024/25 are subject to completion of the Return to Sewer Rate Study currently underway and the subsequent development of a new EDU calculation methodology. Based on the current timeline, the development of the new EDU methodology is not anticipated to be completed until April 2023. Given the recently announced increase in electricity rates by Southern California Edison (SCE) and the increase in staffing needed 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 annual adjustment of four percent to support higher operating costs was assumed for fiscal years beginning in FY 2022/23. 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.

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.

REVENUES AND OTHER FUNDING SOURCES

TABLE 4-3: MONTHLY EDU VOLUMETRIC RATE

	2020/21 Adopted	2021/22 Adopted	2022/23*	2023/24*	2024/25*	2025/26*
Effective Date	7/1/21	7/1/22	To be reviewed based on sewer use evaluation results			
EDU Volumetric Rate	\$20.00	\$21.22	\$22.07	\$22.95	\$23.87	\$24.82

*Projected, subject to change.

A conservative annual growth rate of 0.50 percent in the number of billable EDUs is projected for FYs 2021/22 and 2022/23 as well as the ensuing fiscal years as shown below on Table 4-4.

TABLE 4-4: ESTIMATED GROWTH RATE IN THE NUMBER OF BILLABLE EDUs

	2020/21 Adopted	2021/22 Adopted	2022/23 *	2023/24 *	2024/25 *	2025/26*
Growth Rate	0.25%	0.50%	0.50%	0.50%	0.50%	0.50%
Number of Billable Volumetric EDUs	3,398,353	3,415,345	3,432,421	3,449,593	3,466,831	3,484,165

*Projected, subject to change.

NRW USER CHARGES

Revenues for the Non-Reclaimable Wastewater (NRW) program consist of cost recovery and user fees in the form of pass-through charges, capital surcharges, and operating fees. This pass-through rate structure, first implemented in FY 2004/05, allows the Agency to fully recover capacity, volumetric, and strength fees billed by the Los Angeles County Sanitation Districts (LACSD) for the North system (NRWS) and the Santa Ana Watershed Project Authority (SAWPA) for the South system (Inland Empire Brine Line, or IEBL). Different rates apply to the NRWS and IEBL systems. The Pass-through rates for both systems are listed on Table 4-5.

TABLE 4-5: NRW NORTH AND SOUTH SYSTEMS PASS-THROUGH RATES

Rate Description	2020/21 Adopted	2021/22 Adopted
North System	13,457 CU	13,362 CU
Flow/mg	\$940	\$984
COD/klb	\$166	\$174
TSS/klb	\$470	\$492
Peak/gpm	\$357	\$373
CU Purchase	\$4,172	\$4,172
CU Lease	\$208.60/CU/Yr.	\$208.60/CU/Yr.
South System	2020/21 Adopted	2021/22 Adopted
Capacity/CU	\$418.67	\$435.43
Flow/mg	\$979.00	\$1,018.00
BOD/klb	\$316.00	\$329.00
TSS/klb	\$442.00	\$460.00

In addition to the pass-through rates, user charges include the Agency's operating and capital costs associated with the operations, maintenance, replacement, and improvement of the NRW system (NRWS). Agency program costs are recovered as follows:

- ◆ NRW, North System – prorated based on the number of capacity units issued per customer.
- ◆ IEBL, South System – a 50 percent operating surcharge is imposed on volumetric, capacity, and strength charges.

Additional information on the Non-Reclaimable Wastewater program can be found in the Program section of this document.

METER EQUIVALENT UNITS (MEU) AND READINESS TO SERVE (RTS) COST RECOVERY CHARGES

The Agency Board adopted changes in the potable water rate structure on June 15, 2016 to more sustainably support the Water Resources program and provide for a more equitable recovery of costs. On May 06, 2020, the Board approved the deferral of the increase to the MEU rate due to the outbreak of the COVID-19 pandemic. Table 4-6 shows the adopted FY 2021/22 and FY 2022/23 rates for the:

- ◆ Seven-year phased implementation of the MWD readiness-to-serve (RTS) direct charge to member agencies.
- ◆ Monthly meter equivalent unit (MEU) charges to support program costs based on meter size consistent with member water agencies structure.

TABLE 4-6: METER EQUIVALENT AND RTS COST RECOVERY CHARGES

	2020/21 Adopted	2021/22 Adopted	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26*
Effective Date	7/01/20	7/01/21	7/01/22	7/01/23	7/01/24	7/01/25
RTS Recovery	75%	90%	100%	100%	100%	100%
Meter Equivalent Units (MEU)	\$1.04	\$1.08	\$1.10	\$1.12	\$1.14	\$1.17

**Projected, subject to change.*

The MEU charges support a portion of the Water Resources fund program costs including the Agency's regional conservation and water use efficiency programs, employment costs, professional fees, and office and administration expenses. As the seven-year phased recovery of MWD RTS pass-through charges from member agencies continues through FY 2021/22, any shortfall will be supported by property tax receipts.

REVENUES AND OTHER FUNDING SOURCES

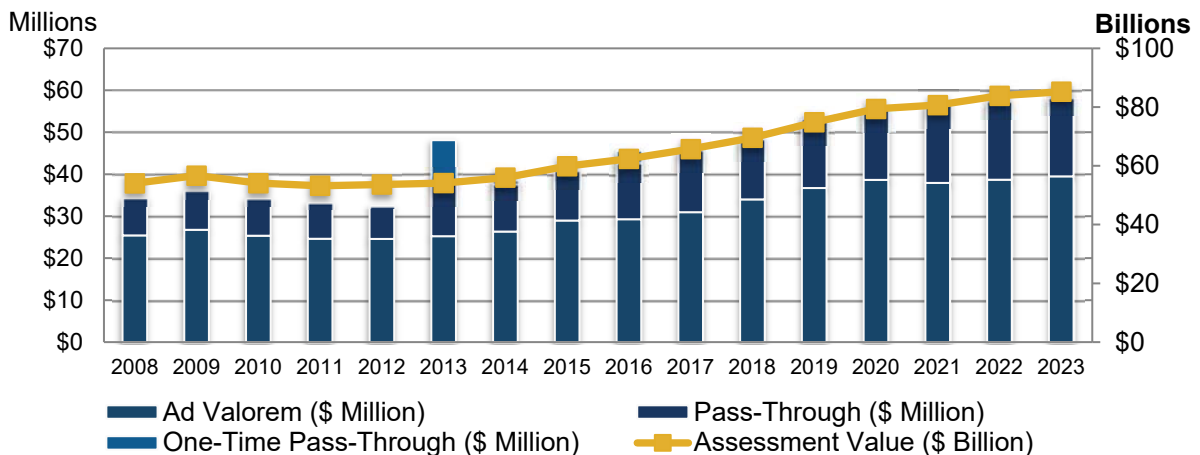
PROPERTY TAX RECEIPTS

The Agency receives an allocated share of the San Bernardino County one percent general property tax, pursuant to the California Revenues and Taxation Code. Payments from the County are regulated by the California Teeter Plan which allows taxing agencies to collect 100 percent of assessed taxes each year in lieu of receiving taxes as they are collected by the County.

A key assumption in the Agency's long-term planning is the continual receipt of property taxes. Although the significant improvement in the State's fiscal position and constitutional amendments has lessened the risk of a shift in local revenues to the State to support budget deficits, a significant downturn in economic conditions may once again trigger such a shift in the future. Given this uncertainty, the Board is committed to reducing reliance on property taxes to support operating costs and other recurring costs which are more appropriately supported by service charges and fees. A key objective for the Agency is to have full cost of service rates for all programs (Business Goal Fiscal Responsibility). The Board has prioritized the use of property taxes to support capital investments, debt service costs and operating costs in that order.

Figure 4-2 shows the historical trend of property tax receipts and assessed property values for the Agency service area.

FIGURE 4-2: COMPARATIVE OF PROPERTY TAX RECEIPTS (\$MILLIONS) AND ASSESSED PROPERTY VALUES (\$BILLIONS)



The Agency's apportionment of property tax proceeds from the County of San Bernardino includes:

- General – one percent of general property taxes applied to assessed property values within the Agency's service area and paid directly by the County Tax Assessor, including Improvement District "C" ("IDC"). The formation of the "IDC" by the Agency, (under the provisions of Part 8, [commencing with section 72000] of Division 20 of the Water Code), was solely for acquiring, enhancing, and expanding wastewater treatment facilities in the Agency's service area and is allocated 100 percent to the Regional Wastewater Capital Improvement (Wastewater Capital) Fund. Passage of

Proposition 13 in 1978 limited the property tax rate to one percent of full market value, including special assessments such as the IDC.

- ◆ “Pass Through” Taxes – As an affected taxing entity, the Agency receives a tax increment applied to the redevelopment areas covered under the pass-through agreement established prior to the passage of SB1290 (1994) between the Agency and the former Redevelopment Agencies (RDA) and upheld under ABX1 26 (RDA Dissolution Act).

The San Bernardino County Assessment Roll increased by 5.7 percent in 2020. Primary reasons for the increase include the sustained recovery of real estate values, increased sales activity, Prop 13 inflationary adjustments, and the restoration of assessed values previously reduced under Prop 8 decline in market value provisions.

The Agency projected a steady growth in property tax receipts for FYs 2021/22 and 2022/23 at two percent for general property taxes and one percent for pass through taxes based on projected receipts for FY 2019/20, followed by the same percent increase in the future years (Table 4-7). Property tax receipts are projected at \$57.5 million and \$58.5 Million in FYs 2021/22 and 2022/23, respectively.

TABLE 4-7: HISTORIC AND PROJECTED PROPERTY TAX GROWTH RATE

	2020/21 Adopted	2021/22 Adopted	2022/23*	2023/24*	2024/25*	2025/26*
General Property Taxes	2%	2%	2%	2%	2%	2%
Pass Through Taxes	1%	1%	1%	1%	1%	1%

*Projected, subject to change.

Beginning in FY 2014/15, a portion of property taxes were re-allocated from the Administrative Services fund to the Water Resources fund to support program costs not covered by existing rates and charges.

In FY 2016/17, allocation of property taxes amongst Agency funds was adopted by the Board in 2016. At that time, funding was needed to support investments in regional water resources projects consistent with the Integrated Water Resources Plan (IRP) approved by the Board in November 2015 and developed in collaboration with regional member agencies.

As summarized in Table 4.8, the 65 percent allocation for the Regional Wastewater Capital Improvement (Wastewater Capital) fund remained unchanged. An annual fixed amount was set for the Regional Wastewater Operations and Maintenance (Wastewater Operations), the Recycled Water, and

REVENUES AND OTHER FUNDING SOURCES

Administrative Services funds. The remaining balance was re-allocated to the Water Resources fund to support the IRP strategies not supported by the monthly meter equivalent unit (MEU) rate.

Over the last five years, the property tax allocated to the Water Resources fund has helped to support various project costs, including some at the request of member agencies:

- Seven-year phased recovery of the MWD Readiness-to-Serve (RTS) pass-through costs from member agencies as part of the Water Resources program rate restructuring (FYs 2016/17 – 2022/23),
- Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) participation to complete the CEQA evaluation.
- Purchase of supplemental water from Cucamonga Valley Water District, and
- Evaluation of the Chino Basin Program/Water Storage Investment Program (CBP/WSIP).

While regional water resources programs continue to be a key initiative, the expansion and upkeep of Agency facilities and infrastructure will be a primary focus over the next few years. The capital projects included in the TYCIP of \$841.6 million are needed to support an increase in services from future growth as projected by member agencies, asset management for timely upkeep and improvement of aging assets, and to maintain compliance with changing regulatory and safety requirements. Nearly 74 percent of the proposed capital projects are planned for the first four years of the TYCIP. The financing plan for the TYCIP is almost evenly supported by new debt borrowings of 48 percent and pay-go of 51 percent which includes connection fees, rates, and property taxes. The remaining one percent is a conservative estimate of grant funding.

A re-allocation of property tax is included the biennial budget starting in FY 2021/22. Table 4-8 provides a summary of projected property tax allocation amongst Agency funds.

No change is proposed for the allocation to the Wastewater Capital fund of 65 percent, including future growth. The 65 percent relates to the portion of Improvement District “C” (IDC) taxes collected prior to the enactment of Proposition 13 in 1978.

TABLE 4-8: PROPERTY TAX ALLOCATION BY FUND (\$MILLIONS)

Fund	Purpose	Prior Year's Allocation	FY 2020/21 Projections	New Allocation	FY 2021/22 Projections
Regional Wastewater Capital Improvement	Supports capital investment for acquisition, improvement, replacement, and expansion of regional wastewater facilities and associated debt service costs.	65% of total tax receipts	\$36.8	No Change 65% of total tax receipts	\$37.4
Regional Wastewater Operations & Maintenance	Supports capital replacements and rehabilitation cost and any operation costs not fully recovered by rates.	Fixed Annual Amount	\$9.5	23%	13.2
Recycled Water	Supports capital investment for acquisition, improvement, replacement,	Fixed Annual Amount	\$2.2	4.0%	2.3

Fund	Purpose	Prior Year's Allocation	FY 2020/21 Projections	New Allocation	FY 2021/22 Projections
	and expansion of regional recycled water facilities, and associated debt service costs.				
Water Resources	Supports regional water supply strategies.	Net Remaining Balance	\$6.1	3.5%	2.0
Administrative Services	Supports agency-wide costs not allocated to other Agency funds.	Fixed Annual Amount	\$2.0	4.5%	2.6
Total			\$56.6		\$57.5

REGIONAL WASTEWATER SYSTEM CONNECTION FEES

The Agency levies a fee on all new connections that connect to its regional sewer system. One EDU is equivalent to one new connection unit. Connection fees are restricted to finance capital acquisition, construction, equipment, and process improvement costs for the Agency's regional wastewater system. Pursuant to the Regional Contract, new EDU connection fees are collected by each of the Agency's contracting member agencies and held in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or "called", by the Agency. Capital calls, or connection fee payments of CCRA funds, are based on the identified and projected capital needs of the Agency over the ensuing six months, as calculated and reported by IEUA each quarter. Capital calls are calculated based on the proportionate share of each contracting agency's CCRA account balance relative to the aggregate amount.

In 2020, because of the COVID 19 pandemic, a 12-month hold was placed on adjustments to all Agency rates and fees. Projected wastewater connection fees are subject to change pending results of the ongoing Return to Sewer Flow study and implementation of the new EDU methodology. Table 4-9 shows the adopted and projected multi-year fees.

TABLE 4-9: MULTI-YEAR REGIONAL WASTEWATER CONNECTION FEES

	2020/21 Adopted	2021/22 Adopted	2022/23*	2023/24*	2024/25*	2025/26*
<i>Effective Date</i>	7/01/19	7/01/21	7/01/22	7/01/23	7/01/24	7/01/25
Wastewater Connection Fee / EDU	\$6,955	\$7,379	\$7,600	\$7,828	\$8,063	\$8,305

*Projected, subject to change.

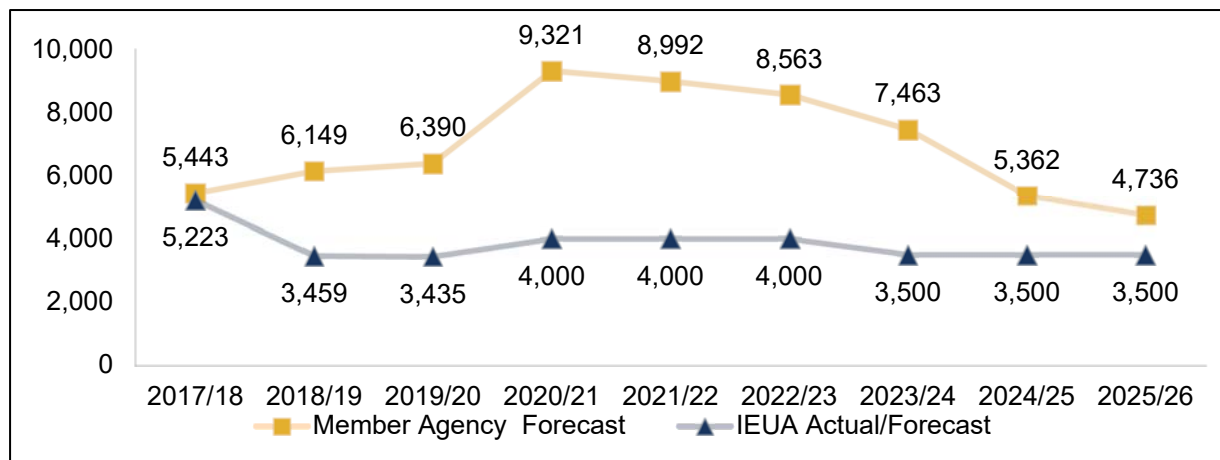
In FY 2021/22 connection fee revenues are projected to be approximately \$29.5 million with an estimated 4,000 new EDU connections at an adopted fee of \$7,379. FY 2022/23 budgeted revenues are estimated at \$30.4 million with a projected total of 4,000 new connections.

In accordance with the Regional Contract, each year the Agency conducts a survey of member agencies to determine the number of new wastewater connections forecasted for the next ten years. While the Agency applies conservative assumptions in forecasting the number of new connections for budgeting

REVENUES AND OTHER FUNDING SOURCES

purposes, member agency forecasts are used to validate internal projections for planning capacity expansion of existing facilities. Figure 4-3 shows a comparison of historical new wastewater connections between FY 2017/18 and FY 2018/19 and forecasts for FY 2020/21 through FY 2025/26 by IEUA and its contracting agencies.

**FIGURE 4-3: HISTORICAL AND PROJECTED WASTEWATER CONNECTIONS
FY 2017/18 TO FY 2025/26**



ONE WATER CONNECTION FEE

The One Water connection fee was established in 2015 to support capital improvement and expansion of the Agency's regional water system which is comprised of potable water, recycled water, and groundwater recharge facilities. The connection fee supports expansion of the Agency's regional water system and investment in integrated regional water resources in the Recycled Water, Recharge Water, and Water Resources programs with a portion transferred to the Administrative Services program to support Agency-wide capital projects.

One Water connection fees are set per meter equivalent unit (MEU). One MEU is equivalent to a 5/8" and 3/4" meter size (standard residential meter size). Table 4-10 shows fees through FY 2025/26. Rates through FY 2024/25, adopted in July 2020, were based on the 2020 Rate Study.

TABLE 4-10: MULTI-YEAR ADOPTED ONE WATER CONNECTION FEE

	2020/21 Adopted	2021/22 Adopted	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26*
Effective Date	7/01/20	7/01/21	7/01/22	7/01/23	7/01/24	7/01/25
One Water Connection Fee / MEU	\$1,684	\$1,787	\$1,841	\$1,896	\$1,953	\$1,992

*Projected, subject to change.

FY 2021/22 One Water connection fee revenues are projected to be \$8.4 million with a projected 4,700 new meter equivalent unit (MEU) connections. In FY 2022/23 a total of 4,700 new MEU connections are projected with revenues budgeted at \$8.6 million.

RECYCLED WATER SALES

Recycled water volumetric rates support costs associated with operations, maintenance, capital investment, debt service costs, and fund reserves for the Agency's recycled water distribution and storage system. Projected recycled water deliveries for FYs 2021/22 and 2022/23 are 32,000-acre feet (AF) with direct use deliveries budgeted at 17,000 AF, and groundwater recharge deliveries budgeted at 15,000 AF. Total recycled water sales are estimated to be \$17.3 million in FY 2021/22 and \$17.6 million in FY 2022/23.

A 2022 recycled water cost of service rate study currently underway, will evaluate recycled water program requirements, alternative rate structures, and long-term program sustainability. The rate study is projected to be complete by April 2022. The recycled water groundwater recharge rate includes a \$60/AF surcharge to support a portion of groundwater recharge basin maintenance and operation costs not reimbursed by Chino Basin Watermaster (CBWM). Recycled water rates are summarized in Table 4-11.

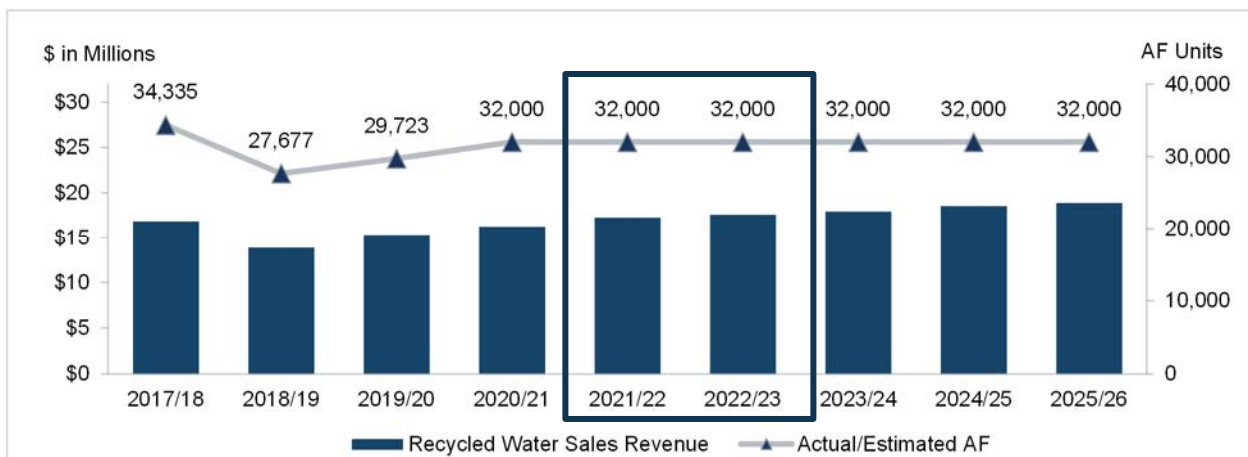
TABLE 4-11: RECYCLED WATER MULTI-YEAR RATES

	2020/21 Adopted	2021/22 Adopted	2022/23*	2023/24*	2024/25*	2025/26*
Effective Date	7/1/2019	7/1/2021	7/1/2022	7/1/2023	7/1/2024	7/1/2025
Direct Delivery AF Rate	\$490	\$520	\$530	\$540	\$550	\$560
Recharge Delivery AF Rate	\$550	\$580	\$590	\$600	\$610	\$620

*Projected, subject to change.

Figure 4-4 shows the historical, budgeted, and forecasted recycled water deliveries by AF and the respective revenues by fiscal year.

FIGURE 4-4: TOTAL RECYCLED WATER SALES BY FISCAL YEAR (\$MILLIONS)



REVENUES AND OTHER FUNDING SOURCES

STATE LOANS

The Clean Water State Revolving Fund (SRF) Program administered by the State Water Resources Control Board (SWRCB) provides low interest loans and other types of financial assistance for the construction of publicly owned wastewater treatment works and water reclamation facilities to promote the use of recycled water, water reuse, and water reclamation. SRF loans offer favorable financing terms making them a lower cost alternative to market debt.

Historically, the Agency has leveraged SRF loans, capital forgiveness, and grants to finance construction of the Regional Recycled Water Distribution System and other major regional wastewater projects. In FY 2021/22 proceeds from state loans are projected to be \$8.0 million and \$31.7 million in FY 2022/23. Budgeted loan proceeds are for projects related to the RP-5 Expansion project in the Regional Wastewater Capital Fund, and the Recharge Master Plan Update (RMPU) projects in the Recharge Water fund.

Additional details of outstanding Agency SRF loans and debt service are provided in the Debt Management section.

GRANTS

As a municipal water district, the Agency is eligible to receive grant funding from various federal, state, and local grantors. Historically, the Agency has been very successful in securing grant funding to aid in the completion of major regional wastewater, recycled water, and groundwater recharge projects. In FYs 2021/22 and 2022/23 grant receipts are projected to be \$15.5 million and \$2.1 million, respectively.

The Agency, through the Grants Department, is responsible for identifying, securing, and managing low-cost financing in support of IEUA's programs and business objectives. Funding secured by the Grants Department supports the Agency's Ten-Year Capital Improvement Plan (TYCIP) which integrates long-term planning documents to execute the capital projects needed for the rehabilitation, replacement, and expansion of equipment, facilities, and infrastructure to ensure continuity of critical services. These funding sources support projects across key program areas, including regional collection and treatment of domestic wastewater; collection and disposal of industrial wastewater; water recycling; groundwater recharge and surface water management; conveyance of imported potable water supplies; regional water conservation; and production of renewable energy. These program areas have been instrumental in fulfilling the Agency's responsibility as a "Steward of the Region" and enhancing the quality of life in the Inland Empire. The Agency also strives to be a supportive financial partner to its member agencies in achieving regional commitments.

In 2018, the Agency was awarded an SWRCB Proposition 1 Stormwater Grant for ongoing Recharge Master Plan Update (RMPU) projects that will enhance groundwater replenishment infrastructures to effectively capture and store stormwater and recycled water at several recharge basins throughout the region. The Proposition 1 grant is one of six grants that the Agency was awarded to support funding for the RMPU program. In total, the RMPU projects received approximately \$12.9 million in federal and state grant funding and has been approved for an additional \$22.8 million in low-interest financing through the SRF program. The RMPU program is part of the Agency's efforts to reduce the demand for imported water and increase local water supplies and these funding agreements have drastically improved the cost

effectiveness of the program's implementation. New water supplies recharged as part of these projects will cost approximately \$280 per AF, less than 50 percent of the CBWM's established threshold unit cost of \$612 per AF.

The Agency was awarded \$12.1 million for the South Archibald Trichloroethylene (TCE) Plume Cleanup Project under the SWRCB Proposition 1 Groundwater Grant program. The project is a joint effort of various public agencies and stakeholder groups committed to promoting the long-term sustainability of the local watershed. The Agency and the Cities of Ontario and Upland have collaborated with the Chino Basin Desalter Authority (CDA), under the oversight of the Chino Basin Watermaster (CBWM), to develop a remedy to return the Chino Basin groundwater to its highest quality. Budgeted annual receipts for this grant award are \$5.8 and \$0.3 million in FY 2021/22 and 2022/23, respectively.

Table 4-12 below is a listing of grant revenues budgeted in FYs 2021/22 and FY 2022/23.

TABLE 4-12: PROJECTED GRANT RECEIPTS BY GRANTOR (\$MILLIONS)

Grantor	Fund	Project	Description	FY 2021/22	FY 2022/23
State Water Resource Control Board	Regional Wastewater Operations	Groundwater Supply Wells	Project consists of pipelines, wells, and TCE mitigation	\$5.8	\$0.3
	Recharge Water	Recharge Water Master Plan Updates (RMPU)	Recharge basin stormwater capture, pumping, and conveyance system improvements	9.5	1.6
United States Bureau of Reclamation	Water Resources Fund	Chino Basin Marketing Strategic Plan	Chino Basin Water Bank Strategic Plan	0.2	0.1
Total Grant Funding:				\$15.5	\$2.0

INTER-FUND LOANS

Inter-fund loans are used as needed to supplement capital costs, debt service costs, or operating costs not supported by rates or fund reserves. Proceeds from inter-fund loan receipts are reported as part of other funding sources in the receiving fund, and as part of debt service cost in the issuing fund. Payments from the Recycled Water fund for outstanding inter-fund loans to the Non-Reclaimable Wastewater fund began in FY 2018/19. Final inter-fund loan repayment from the Recycled Water fund is scheduled for FY 2024/25.

TABLE 4-13: REPAYMENT SCHEDULE OF INTER-FUND LOANS (\$MILLIONS)

Inter Fund Loan Issued	From	To	Loan Amount	Repayment Schedule
2007/08	Non-Reclaimable Wastewater Fund	Recycled Water	\$9.0	2018/19 - \$3.0 2019/20 - \$2.0 2020/21 - \$4.0 Total \$9.0

REVENUES AND OTHER FUNDING SOURCES

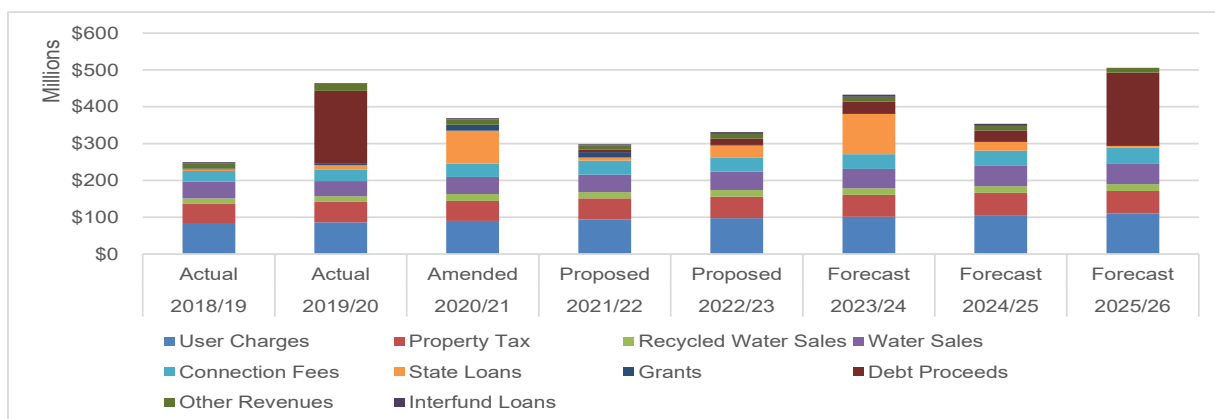
Inter Fund Loan Issued	From	To	Loan Amount	Repayment Schedule
2007/08	Regional Wastewater Capital Fund	Recycled Water	\$3.0	2022/23 - \$1.0 2023/24 - \$1.0 2024/25 - \$1.0 Total \$3.0
2009/10	Non-Reclaimable Wastewater Fund	Recycled Water	\$6.0	2021/22 - \$3.0 2022/23 - \$3.0 Total - \$6.0
2014/15	Regional Wastewater Capital Fund	Recycled Water	\$10.5	2022/23 - \$1.0 2023/24 - \$5.0 2024/25 - \$4.5 Total - \$10.5
		Grand Total	\$28.5	\$28.5

There are no new inter-fund loans budgeted in the next two fiscal years.

TOTAL REVENUES AND OTHER FUNDING SOURCES

Total revenue and other funding sources, as shown in Figure 4-5, are projected to steadily increase mainly due to a combination of the adopted and projected multi-year rates, projected growth in the number of monthly EDUs, continued pace of new connections to the Agency's regional wastewater and regional water systems, and steady increase in property tax receipts. The increase in FY 2019/20, was mainly due to the issuance of the 2020B Revenue Notes in the amount \$196.4 million to provide interim financing for the RP-5 Expansion project slated for completion in 2025. The 2020B Revenue Notes will be paid in full in FY 2025/26 with a draw from the Water Infrastructure Finance and Innovation Act (WIFIA) loan secured to support the RP-5 Expansion project. The projected increase in FY 2023/24 is a combination new debt proceeds from of an SRF loan for the RP-5 Expansion project and a second WIFIA loan to support the Regional Wastewater System Improvements Program.

FIGURE 4-5: HISTORIC AND PROJECTED TREND OF TOTAL REVENUES & OTHER FUNDING SOURCE BY TYPE (\$MILLIONS)



*Other revenues include reimbursements from JPAs, contract costs, or capital contracts, and interest revenue.

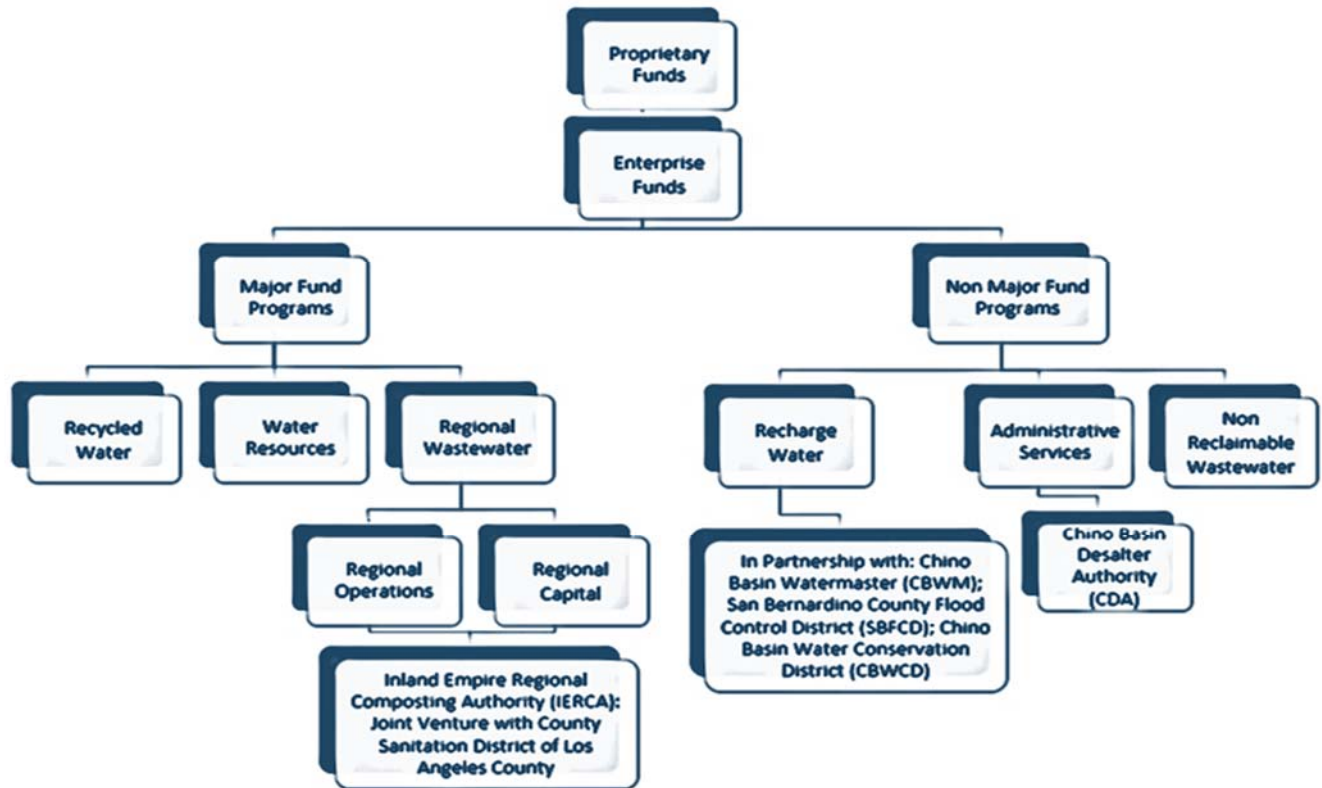


RP-1 HOT WATER LOOP
REPLACEMENT
TO IMPROVE RELIABILITY

FUND STRUCTURE

Figure 5-1: Inland Empire Utilities Agency (IEUA)

Fund Structure



As a municipal water district, the Agency engages in enterprise operations in various separate and distinct activities as indicated in Figure 5-1, including:

- ◆ Wholesale distribution of imported potable water delivered by the Metropolitan Water District of Southern California (MWD) and regional planning, management, and execution of water use efficiency programs
- ◆ Collection and treatment of domestic wastewater and the construction, improvement, replacement, and repair of regional conveyance and water recycling plant facilities
- ◆ Purveyor of recycled water and construction of the Regional Recycled Water Distribution System, including support of the related retrofits and lateral construction
- ◆ Maintenance of regional groundwater recharge basins in collaboration with Chino Basin Watermaster (CBWM) to increase artificial groundwater recharge within the Chino Basin using storm water, recycled water, and imported water

- ◆ Organics management through effective operation of the Inland Empire Regional Composting Authority (IERCA) indoor composting facility designed to produce high-quality compost, in partnership with the Los Angeles County Sanitation Districts (LACSD). These costs are recorded in the Regional Wastewater Operations & Maintenance Fund.
- ◆ Ongoing expansion of the Agency's renewable energy portfolio to continue towards the goal of achieving peak energy independence through solar and wind renewable energy generation and implementation of a battery storage system.
- ◆ Operations and maintenance of the non-reclaimable wastewater system to export high-salinity industrial wastewater generated within the IEUA service area for discharge to the Pacific Ocean, and to protect the quality of the Agency's recycled water, and
- ◆ Operations and maintenance support of the Chino Desalter No. 1 facility and grants administration on behalf of the Chino Basin Desalter Authority (CDA). Reimbursements of related costs from CDA are recorded in the Administrative Services Fund.

The Agency's budget is organized on the basis of enterprise funds, each of which is considered a separate budgetary and accounting entity and reported on a full accrual accounting basis, with the exceptions summarized in Budget Process, Section 3, pages 3-5. The Agency develops its sources and uses of funds estimates for the annual budget in a manner consistent with Generally Accepted Accounting Principles (GAAP). Financial resources are allocated to and accounted for in individual funds based upon the purposes of which they are to be spent and the means by which spending activities are controlled. In some cases, fund use will cross agency/organizational lines when resources from various areas are applied to, or support of a particular program or activity is necessary. All of the programs' (funds') budgets are appropriated upon approval and adoption of the annual budget by the Agency's Board of Directors.

Each individual enterprise fund includes both capital and operations budgets and is defined as a fiscal and accounting entity with a self-balancing set of accounts. Each enterprise fund records cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Each fund is classified as either a Major fund or Non-major fund group as prescribed by Governmental Accounting Standards Board (GASB) 34. The following definitions of Major and Non-Major Funds are consistent with the Agency's audited Annual Comprehensive Financial Report (ACFR).

MAJOR FUNDS

The Regional Wastewater, Recycled Water, and Water Resources funds make up the major fund group. These funds account for the resources devoted to funding the capital and operating costs associated with the acquisition, construction, improvement, expansion, and operation of the Agency's domestic wastewater treatment facilities, the recycled water distribution system, the distribution of wholesale of potable water, the development and implementation of regional water conservation initiatives, and the planning for water resources.

FUND STRUCTURE

NON-MAJOR FUNDS

The Non-Reclaimable Wastewater Program, Administrative Services, and Recharge Water funds are designated as the non-major funds. These funds record capital and operating costs associated with: the acquisition, expansion, and construction of the interceptors and appurtenant facilities and treatment capacity of non-reclaimable wastewater processing plants, the administrative and overhead expenses for the various departments, the operational and administrative support for the Chino Basin Desalter, the purchase of common Agency assets, the operations and maintenance of ground water recharge basins.

Details on each program fund's initiatives, activities, and budget are provided in the individual program fund section. A summary of the Agency's various program budgets is provided in the following schedule, Sources and Uses of Funds – By Program Fund.



Regional Water Recycling Plant No. 1 (RP-1)

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

	2018/2019	2019/2020	2020/2021	FY 2021/22 PROPOSED BUDGET								FY 2022/23
				Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	TOTAL	PROPOSED BUDGET
REVENUES												
User Charges	\$84,814	\$86,348	\$88,135	\$0	\$12,669	\$0	\$72,924	\$0	\$0	\$8,176	\$93,769	\$97,792
Property Tax	1,972	1,972	1,972	2,587	0	0	0	0	0	0	2,587	2,630
Contract Reimbursement JPA	6,019	6,658	7,058	1,459	0	0	4,461	1,067	0	0	6,988	7,151
Contract Cost reimbursement	1,826	454	850	0	0	0	75	0	0	466	541	323
Interest Revenue	4,354	4,220	3,883	215	540	592	1,200	100	533	200	3,380	3,428
Recycled Water Sales	13,902	15,349	16,155	0	0	0	0	0	17,290	47,412	64,702	17,610
Water Sales	45,519	40,768	46,092	0	0	0	0	0	0	0	0	49,848
TOTAL REVENUES	\$158,407	\$155,769	\$164,144	\$4,261	\$13,209	\$592	\$78,660	\$1,167	\$17,823	\$56,254	\$171,966	\$178,782
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$51,068	\$53,641	\$51,963	\$0	\$0	\$37,366	\$13,222	\$0	\$2,299	\$2,012	\$54,899	\$55,818
Regional System Connection Fees	28,352	32,307	35,735	0	0	29,514	0	8,399	0	0	37,913	39,052
Debt Proceeds	0	196,436	0	0	5,398	761	0	0	0	0	6,159	17,406
State Loans	4,892	11,213	79,647	0	0	0	0	7,975	0	0	7,975	31,731
Grants	2,125	5,403	14,432	0	0	0	5,793	9,536	0	155	15,484	2,017
Capital Cost Reimbursement	892	4,564	2,252	0	0	0	0	707	92	0	799	1,556
Other Revenues	1,136	2,173	1,112	2	225	1	80	0	0	0	308	308
Sale of Capacity	0	1,035	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	3,000	2,000	3,000	0	3,000	0	0	0	0	0	3,000	5,000
TOTAL OTHER FINANCING SOURCES	\$91,465	\$308,773	\$188,141	\$2	\$8,623	\$67,643	\$19,095	\$18,219	\$10,790	\$2,167	\$126,538	\$152,888
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$249,872	\$464,542	\$352,285	\$4,263	\$21,832	\$68,234	\$97,755	\$19,386	\$28,613	\$58,421	\$298,504	\$331,670
EXPENSES												
Employment Expenses	\$44,324	\$49,423	\$52,190	\$1,578	\$3,185	\$4,016	\$35,662	\$830	\$6,034	\$3,214	\$54,521	\$56,781
Contract Work/Special Projects	10,100	16,799	15,872	1,477	350	0	6,942	0	1,215	2,683	12,667	8,528
Utilities	8,274	7,818	10,159	882	112	0	8,283	85	3,554	0	12,915	14,560
Operating Fees	12,354	11,347	12,727	36	7,015	281	2,404	8	10	3,263	13,017	13,397
Chemicals	4,664	5,195	5,147	0	140	0	6,004	0	0	0	6,144	6,328
Professional Fees and Services	8,120	9,275	10,925	5,857	351	654	4,233	1,123	1,322	299	13,839	13,829
Office and Administrative expenses	1,610	1,322	2,908	1,914	25	0	3	16	38	4	2,000	2,229
Biosolids Recycling	4,335	4,633	4,551	0	31	0	4,733	0	0	0	4,764	4,907
Materials & Supplies	3,039	3,297	3,023	247	75	0	2,010	114	109	0	2,556	2,618
MWD Water Purchases	45,519	40,480	46,092	0	0	0	0	0	0	47,412	47,412	49,848
Other Expenses	1,177	1,221	1,722	(6,576)	553	1,869	5,170	64	1,382	443	2,906	2,958
TOTAL EXPENSES	\$143,516	\$150,810	\$165,317	\$5,415	\$11,837	\$6,820	\$75,446	\$2,240	\$13,664	\$57,317	\$172,740	\$175,983
CAPITAL PROGRAM												
CSDLAC 4Rs	\$705	\$737	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IERCA investment	0	0	500	0	0	1,000	0	0	0	0	1,000	750
Capital Construction and Expansion	55,622	52,331	167,539	2,157	18,525	201,296	16,292	11,969	2,480	5,043	257,762	190,683
TOTAL CAPITAL PROGRAM	\$56,327	\$53,068	\$168,039	\$2,157	\$18,525	\$202,296	\$16,292	\$11,969	\$2,480	\$5,043	\$258,762	\$191,433
DEBT SERVICE												
Financial Expenses	\$323	\$481	\$362	\$18	\$4	\$9	\$1	\$1	\$5	\$0	\$37	\$36
Interest	6,951	8,125	6,699	0	253	2,669	614	397	3,236	0	7,169	6,629
Principal	15,911	16,245	17,780	0	331	4,540	784	559	6,031	0	12,246	13,177
Short Term Inter-Fund Loan	3,000	2,000	3,000	0	0	0	0	0	3,000	0	3,000	5,000
TOTAL DEBT SERVICE	\$26,185	\$26,850	\$27,841	\$18	\$588	\$7,219	\$1,398	\$957	\$12,273	\$0	\$22,452	\$24,842
TRANSFERS IN (OUT)												
Capital Contribution	(\$0)	(\$0)	(\$0)	\$1,561	(\$53)	\$7,601	(\$9,056)	\$238	(\$291)	\$0	(\$0)	\$0
Debt Service	(0)	0	0	0	0	(3,138)	114	478	2,546	0	0	0
Operation support	(0)	0	0	1,172	(40)	0	(1,092)	1,173	(1,213)	0	(0)	0
Capital - Connection Fees Allocation	0	0	0	849	3,062	(8,679)	4,769	0	0	0	0	(0)
One Water	0	0	0	52	0	0	0	71	(1,802)	1,678	(0)	0
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$0)	\$0	\$0	\$3,634	\$2,969	(\$4,217)	(\$5,264)	\$1,961	(\$760)	\$1,678	(\$0)	\$0
FUND BALANCE												
Net Increase (Decrease)	\$23,845	\$233,813	(\$8,912)	\$308	(\$6,150)	(\$152,318)	(\$645)	\$6,181	(\$564)	(\$2,261)	(\$155,450)	(\$60,589)
Beginning Fund Balance July 01	228,955	252,800	250,261	12,386	22,445	275,709	73,118	3,246	43,416	20,766	451,086	295,636
ENDING BALANCE AT JUNE 30	\$252,800	\$486,613	\$241,349	\$12,694	\$16,295	\$123,392	\$72,472	\$9,427	\$42,851	\$18,504	\$295,636	\$235,048
RESERVE BALANCE SUMMARY												
Operating Contingencies	\$35,346	\$38,891	\$41,806	\$2,707	\$3,946	\$2,273	\$23,662	\$1,120	\$4,555	\$6,010	\$44,273	\$44,721
Capital Expansion & Replacement	24,540	24,017	34,855	0	11,761	1,449	0	6,800	4,203	0	24,213	15,371
CCRA Capital Construction	66,474	90,733	73,114	0	0	33,067	0	0	0	0	33,067	32,567
Water Connection	14,615	18,311	16,548	0	0	0	0	0	23,285	0	23,285	22,137
Rehabilitation/Replacement	31,316	41,004	10,265	0	0	0	9,236	0	1,500	0	10,736	10,736
CSDLAC Prepayment	705	737	0	0	0	0	0	0	0	0	0	0
Water Resource Capital	8,631	13,489	14,515	0	0	0	0	0	0	12,494	12,494	10,308
Debt Service & Redemption	26,831	224,905	28,433	0	588	86,603	1,398	1,507	9,309	0	99,405	49,511
Self Insurance Program	4,578	3,301	3,000	3,987	0	0	0	0	0	0	3,987	4,141
Employee Retirement Benefit	6,000	6,000	6,000	6,000	0	0	0	0	0	0	6,000	6,000
Sinking Fund	33,566	25,226	12,815	0	0	0	38,176	0	0	0	38,176	39,555
ENDING BALANCE AT JUNE 30	\$252,800	\$486,613	\$241,349	\$12,694	\$16,295	\$123,392	\$72,472	\$9,427	\$42,851	\$18,504	\$295,636	\$235,048

*Numbers may not total due to rounding

ADMINISTRATIVE SERVICES PROGRAM

PROGRAMMATIC OVERVIEW

The Administrative Services fund serves as the Agency's general fund. Expenses for employment; general and administrative services; capital acquisitions for items such as computers, printer copiers, pooled vehicles; and non-capital and non-project related materials, supplies, tools, and contract services, including landscaping, janitorial, external auditing, etc. are recorded in the Administrative Services fund.

Systematic allocations to other programs and departments are based on either direct staff participation in specific program activities or projects, frequency of equipment or service usage, or estimated amount of resources needed to support overall program functions. Undistributed costs remain as expenses in the Administrative Services fund.

FUND DESCRIPTION

The primary funding sources for the Administrative Services fund are property tax receipts, reimbursement for services provided to the Chino Basin Desalter Authority (CDA), and inter-fund transfers from Regional Wastewater Capital Improvement, Regional Wastewater Operations and Maintenance, Recycled Water, and Non-Reclaimable Wastewater funds for capital and non-capital acquisition costs of general-use assets.

Table 5-1 shows total revenue, total expense, and beginning and ending fund balances for the Administrative Services program. Additional details on the revenues and expenses follow the table.

**TABLE 5-1: ADMINISTRATIVE SERVICES PROGRAM FUND SUMMARY
NET OF ALLOCATIONS (\$MILLIONS)**

	2020/21 Amended	2021/22	2022/23	2023/24	2024/25	2025/26
Total Revenue and Other Funding Sources	\$7.4	\$7.9	\$6.5	\$6.3	\$7.5	\$5.9
Total Expenses & Other Uses of Funds	8.1	7.6	6.4	6.0	7.3	5.7
Net Increase (Decrease)	(0.7)	0.3	0.1	0.3	0.2	0.2
Beginning Fund Balance	11.9	12.4	12.7	12.8	13.1	13.3
Ending Fund Balance	\$11.2	\$12.7	\$12.8	\$13.1	\$13.3	\$13.5

+/- Totals may not add due to rounding.

COST ALLOCATION

The Agency's general and administrative costs and 100 percent of employment costs are initially recorded in the Administrative Services fund. Throughout the year, pertinent expenses such as employment, general equipment, and facilities maintenance expenses are allocated to the Agency's various programs and projects. The Administrative Services fund retains approximately two percent of unallocated employment expenses, excluding reimbursable employment costs from the Chino Basin Desalter Authority (CDA), and approximately three percent of the Agency-wide expenses. An overview of the cost allocations from the Administrative Services fund is provided in Figure 5-2.

REVENUES AND OTHER SOURCES OF FUNDS

The FY 2021/22 Administrative Service fund budget projects \$7.9 million of total revenues and other funding sources which includes: property tax receipts of \$2.6 million, operations and labor cost reimbursement from the CDA of \$1.5 million, interest income \$0.2 million, and an inter-fund transfer of \$3.6 million from the Regional Wastewater, Non-Reclaimable Wastewater, and Recycled Water funds to support project costs. The FY 2022/23 total revenue and other funding sources are estimated at \$6.5 million. The decrease is primarily due to lower inter-fund transfers for project contribution as a result of a lower capital improvement plan (CIP). Table 5-2 provides a summary of Administrative Service fund revenue and other funding sources, as well as budget assumptions.

TABLE 5-2: REVENUES & OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2021/22	2022/23	Key Assumptions
Property Tax	\$2.6	\$2.7	Fixed allocation amount to support general administrative costs
Cost Reimbursement from CDA	\$1.5	\$1.5	Operations and labor costs reimbursement from the CDA for operation of the Chino 1 Desalter
CIP Contribution	\$3.6	\$2.1	Inter-fund transfers from Regional Wastewater, Non-Reclaimable Wastewater, and Recycled Water funds to support Agency-wide capital and non-capital expenditures
Interest Revenue	\$0.2	\$0.2	Interest earned on reserve balance
Total	\$7.9	\$6.5	

The Agency provides contract services to other agencies in the form of financial, treasury and debt management, grants administration, accounts payable and accounts receivable processing, program/project management, and plant operations. Table 5-3 shows the projected costs reimbursements from other agencies for providing IEUA staff support and associated administrative expenses. Reimbursements from CDA for staff support are recorded in the Administrative Service fund. Other reimbursements from the Inland Empire Regional Composting Authority (IERCA) and the Chino Basin Watermaster (CBWM) are recorded in the Regional Wastewater Operations and Maintenance fund and Recharge Water fund, respectively.

ADMINISTRATIVE SERVICES PROGRAM

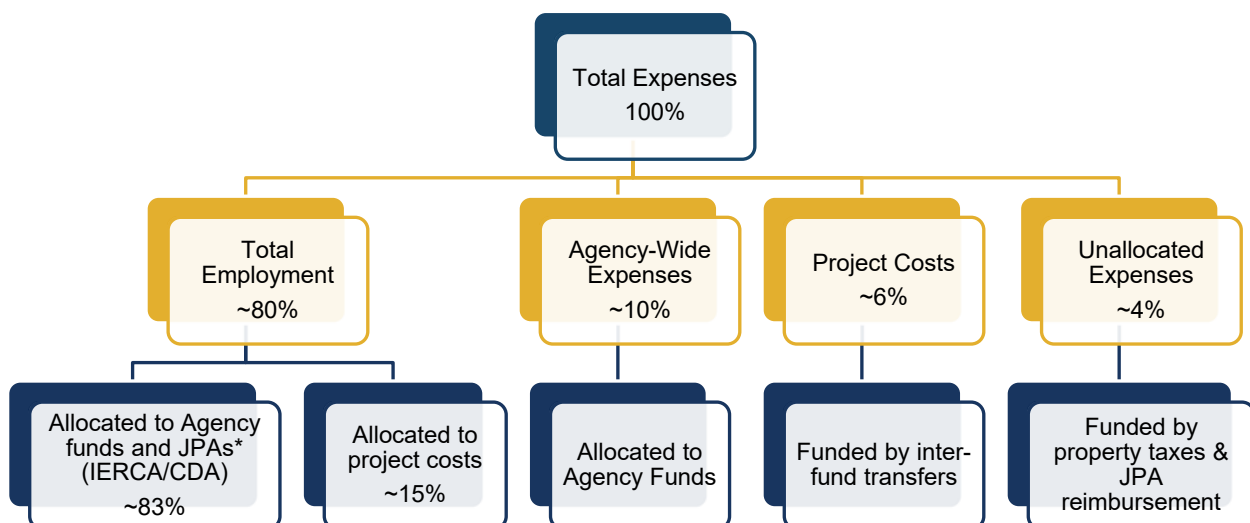
TABLE 5-3: COST REIMBURSEMENTS BY AGENCY (\$MILLIONS)

Agency	Expenses	2021/22	2022/23
Chino Basin Desalter Authority (CDA)	IEUA staff support for the operation & maintenance of the Chino Desalter Plant No. 1 located in Chino, CA, and administration for CDA grants. Labor cost reimbursement is recorded in Administrative Services fund.	\$1.5	\$1.5
Inland Empire Regional Composting Authority (IERCA)	IEUA staff labor and overall administrative support for the operation & maintenance of the composting facility in Rancho Cucamonga, CA. Labor cost reimbursement is recorded in Regional Wastewater Operations and Maintenance fund.	4.4	4.6
Chino Basin Watermaster (CBWM)	IEUA staff labor and administrative costs for the operation & maintenance of groundwater recharge basins and debt service costs associated with the certain improvements to groundwater recharge facilities. Labor cost reimbursement is recorded in the Recharge Water fund.	2.2	2.1
Total		\$8.1	\$8.2

EXPENSES AND OTHER USES OF FUNDS

A total of \$77.2 million in Agency-wide administrative and employment expenses are initially budgeted in the Administrative Service fund in FY 2021/22. Approximately 90 percent, or \$69.6 million, of total expenses are allocated to the other Agency funds, Joint Power Authorities (JPAs), and projects, as illustrated in Figure 5-2.

FIGURE 5-2: COST ALLOCATION OVERVIEW



*JPAs: Joint Power Authorities, Inland Empire Regional Composting Authority/Chino Basin Desalter Authority

The FY 2021/22 total net expenses and uses of funds in the amount of \$7.6 million include \$3.6 million in capital and non-capital projects that are fully supported by inter-fund transfers from the Regional Wastewater, Non-Reclaimable Wastewater, and Recycled Water funds, \$1.6 million of net employment cost, and \$2.4 million of administrative expenses. The FY 2022/23 total net expenses and uses of funds are estimated at \$6.3 million. The decrease from FY 2021/22 is mainly due to lower project costs, as shown in Table 5-4.

TABLE 5-4: EXPENSES & OTHER USES OF FUNDS (\$MILLIONS)

Expense Category	2021/22	2022/23	Key Assumptions
Administrative & Operations	\$5.4	\$5.3	Includes Agency employment, material & supplies, professional fees, utilities, and other operating costs, net of allocation to other agency programs and capital projects.
CIP Projects	2.2	1.0	Includes various capital information system projects, business network improvements, and replacement of aging fleet maintenance vehicles.
Total	\$7.6	\$6.3	

EMPLOYMENT EXPENSE

Total gross employment costs, comprised of wages and benefits, for FY 2021/22 and FY 2022/23 are projected to be \$63.1 million and \$65.7 million, respectively. Included in the biennial budget is an increase in the number of authorized full-time equivalent (FTE) positions from 290 to 302. The increase includes the reclassification of eight limited term positions to full time status and the addition of four new FTE positions. Approximately 25 percent of Agency employees are currently eligible to retire. The number jumps to 41 percent by 2025. Collectively, these employees have hundreds of years expertise and vast institutional knowledge that will take years to replace. The increase in staffing will allow for early recruitment of critical positions to support preservation of critical skills and institutional knowledge transfer and ensure continuity of critical Agency operations.

An estimated \$8.6 million in FY 2021/22 and \$8.9 million in FY 2022/23 in employment costs is allocated to support the Agency's CIP and non-capital projects resulting in net employment costs of \$54.5 in FY 2021/22 and \$56.8 in FY 2022/23. The allocation of net employment costs by Agency funds and JPA's is shown in Table 5-5.

TABLE 5-5: TOTAL EMPLOYMENT COST (\$MILLIONS)

Programs	2021/22	2022/23
Regional Operations and Maintenance	\$31.2	\$32.5
Regional Capital Improvement	4.0	4.2
Recycled Water Program	6.0	6.3
Non-Reclaimable Wastewater Program	3.2	3.3

ADMINISTRATIVE SERVICES PROGRAM

Programs	2021/22	2022/23
Recharge Water Program	0.8	0.9
Water Resources Program	3.2	3.3
Administrative Services Program	0.1	0.2
Inland Empire Regional Composting Authority (IERCA) /JPA	4.5	4.6
Chino Basin Desalter Authority (CDA) / JPA	1.5	1.5
Subtotal Net of Allocations	\$54.5	\$56.8
Allocation to CIP and non-capital projects	8.6	8.9
Total Employments Costs	\$63.1	\$65.7

Table 5-6 shows the percent allocation of the employment costs, net of all CIP and non-capital project allocation, by Agency fund for fiscal years (FYs) 2020/21, 2021/22 and 2022/23. Net employment cost reflects the cost of employment to the Agency net of labor allocation to project costs. The Personnel section includes a more detailed discussion of the Agency's staffing plan and related cost analysis.

TABLE 5-6: NET EMPLOYMENT COSTS ALLOCATION BY FUND/PROGRAM

Program	Allocation Percentage		
	2020/21	2021/22	2022/23
Regional Wastewater ¹	74.6%	72.9%	72.9%
Recycled Water	10.3%	11.0%	11.0%
Administrative Services/Chino Basin Desalter Operations (CDA)	3.1%	2.9%	2.9%
Non-Reclaimable Wastewater System	5.0%	5.8%	5.8%
Water Resources	5.7%	5.9%	5.9%
Recharge Water	1.3%	1.5%	1.5%
Total	100%	100%	100%

¹Comprised of the Regional Wastewater Capital Improvement and Regional Wastewater Operations and Maintenance funds and includes the IERCA allocation.

UNFUNDED ACCRUED LIABILITIES FOR RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Agency implemented Government Accounting Standard Board (GASB) Statement 68 Accounting and Financial Reporting for Pensions in FY 2014/15. The Agency implemented GASB 75 Accounting and Financial Reporting of Postemployment Benefits Other Than Pension in FY 2017/18. Under GASB 75, similarly to GASB 68, gains and losses related to changes in total liability and fiduciary net position are recognized as expense systematically over time. As of June 30, 2020, the Agency's pension unfunded accrued liability (UAL) was estimated to be \$40.3 million and an estimated \$1.0 million for OPEB UAL.

Included in the employment budget for FYs 2021/22 and 2022/23 are additional annual contributions towards the Agency's UAL for pension and OPEB, as shown in Table 5-7, consistent with the funding plan approved by the Agency's Board of Directors in May 2014.

TABLE 5-7: FUNDING PLAN FOR OPEB AND PENSION UNFUNDED ACCRUED LIABILITIES (\$MILLIONS)

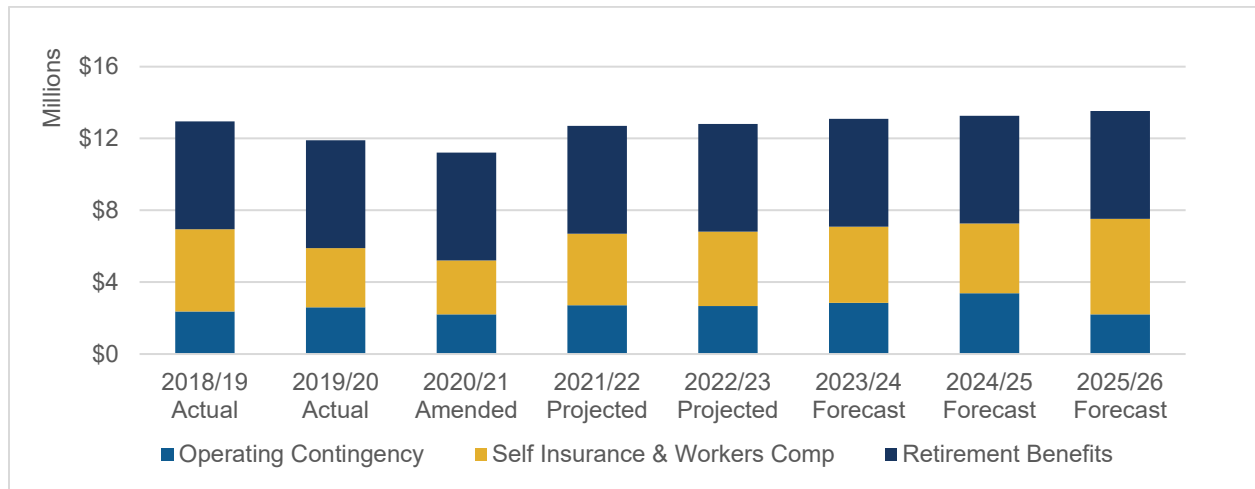
	FISCAL YEAR	OPEB	PENSION	ADDITIONAL FUNDING	AGGREGATE AMOUNT
PAID	2013/14	\$3.5	\$0	\$3.5	\$3.5
	2014/15	3.5	4.5	8.0	11.5
	2015/16	2.0	4.5	6.5	18.0
	2016/17	2.0	4.5	6.5	24.5
	2017/18	2.0	4.5	6.5	31.0
	2018/19	2.0	4.5	6.5	37.5
PLANNED	2019/20	1.0	4.5	5.5	43.0
	2020/21		4.5	4.5	47.5
	2021/22		4.5	4.5	52.0
	2022/23		4.5	4.5	56.5
	2023/24		4.5	4.5	61.0
	2024/25		0.0	0.0	61.0
	TOTAL	\$16.0	\$45.0	\$61.0	\$61.0

FUND BALANCE

The Administrative Service fund maintains the Agency's reserves for employee retirement benefits, self-insurance programs, including general liability and worker's compensation, and operating contingency as mandated by bond covenants. The self-insurance program was established for risks associated with general liability, property and equipment, and worker's compensation. The respective reserve balance is adjusted annually per the estimated required level as determined by Risk Management. The estimated fund balance for FYs 2021/22 and 2022/23 is projected to be \$12.7 million and \$12.8 million, respectively. Figure 5-3 shows the historical, budgeted, and projected fund balance through FY 2025/26.

ADMINISTRATIVE SERVICES PROGRAM

FIGURE 5-3: TREND OF ADMINISTRATIVE SERVICES ENDING FUND BALANCE (\$MILLIONS)



FY 2023/24 TO FY 2025/26 FORECAST

For the three years following the biennial budget, the fund balance is projected to average \$13 million per year. The slight increase is due to the projected increase in property tax allocations as approved by the Board in June 2021.

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 and FY 2022/23 BIENNIAL BUDGET
ADMINISTRATIVE SERVICES FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Property Tax	\$1,972	\$1,972	\$1,972	\$2,587	\$2,630	\$2,674	\$2,719	\$2,765
Cost Reimbursement from JPA	1,112	1,385	1,382	1,459	1,520	1,574	1,627	1,681
Interest Revenue	365	400	315	215	207	197	186	175
TOTAL REVENUES	\$3,449	\$3,757	\$3,669	\$4,261	\$4,357	\$4,445	\$4,532	\$4,621
OTHER FINANCING SOURCES								
Other Revenues	\$171	\$38	\$2	\$2	\$2	\$2	\$2	\$2
TOTAL OTHER FINANCING SOURCES	\$171	\$38	\$2	\$2	\$2	\$2	\$2	\$2
EXPENSES								
Employment Expenses	\$2,207	\$2,410	\$1,559	\$1,578	\$1,643	\$1,701	\$1,758	\$1,816
Contract Work/Special Projects	430	366	442	1,477	1,103	1,535	2,413	58
Utilities	573	475	830	882	971	996	1,022	1,049
Operating Fees	13	13	12	36	37	38	39	41
Professional Fees and Services	3,097	3,288	4,250	5,857	5,818	6,810	6,630	7,001
Office and Administrative expenses	1,606	1,308	2,798	1,914	2,142	1,905	2,032	1,932
Biosolids Recycling	12	0	0	0	0	0	0	0
Materials & Supplies	648	706	570	247	262	201	236	227
Other Expenses	(3,858)	(3,383)	(5,679)	(6,576)	(6,645)	(7,499)	(7,377)	(7,726)
TOTAL EXPENSES	\$4,727	\$5,183	\$4,781	\$5,415	\$5,331	\$5,686	\$6,753	\$4,398
CAPITAL PROGRAM								
Capital Expansion & Construction	\$1,283	\$1,462	\$3,305	\$2,157	\$995	\$309	\$569	\$1,224
TOTAL CAPITAL PROGRAM	\$1,283	\$1,462	\$3,305	\$2,157	\$995	\$309	\$569	\$1,224
DEBT SERVICE								
Financial Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	39	28	18	18	18	19	19	20
TOTAL DEBT SERVICE	\$39	\$28	\$18	\$18	\$18	\$19	\$19	\$20
TRANSFERS IN (OUT)								
Capital Contribution	\$1,002	\$1,140	\$2,400	\$1,561	\$720	\$224	\$412	\$885
Operation support	259	297	319	1,172	798	1,110	1,746	42
Capital - Connection Fees Allocation	360	373	966	849	546	480	777	334
One Water	9	19	60	52	34	30	48	21
Property Tax Transfer	0	0	0	0	0	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,629	\$1,828	\$3,746	\$3,634	\$2,098	\$1,844	\$2,982	\$1,282
FUND BALANCE								
Net Income (Loss)	(\$800)	(\$1,049)	(\$686)	\$308	\$113	\$276	\$174	\$263
Beginning Fund Balance July 01	13,741	12,941	11,892	12,386	12,694	12,807	13,083	13,258
ENDING FUND BALANCE AT JUNE 30*	\$12,941	\$11,892	\$11,206	\$12,694	\$12,807	\$13,083	\$13,258	\$13,521
RESERVE BALANCE SUMMARY								
Operating Contingency	\$2,364	\$2,591	\$2,206	\$2,707	\$2,666	\$2,843	\$3,377	\$2,199
Self-Insurance Program	4,578	3,301	3,000	3,987	4,141	4,240	3,881	5,322
Employee Retirement Benefit	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
ENDING BALANCE AT JUNE 30	\$12,941	\$11,892	\$11,206	\$12,694	\$12,807	\$13,083	\$13,258	\$13,521

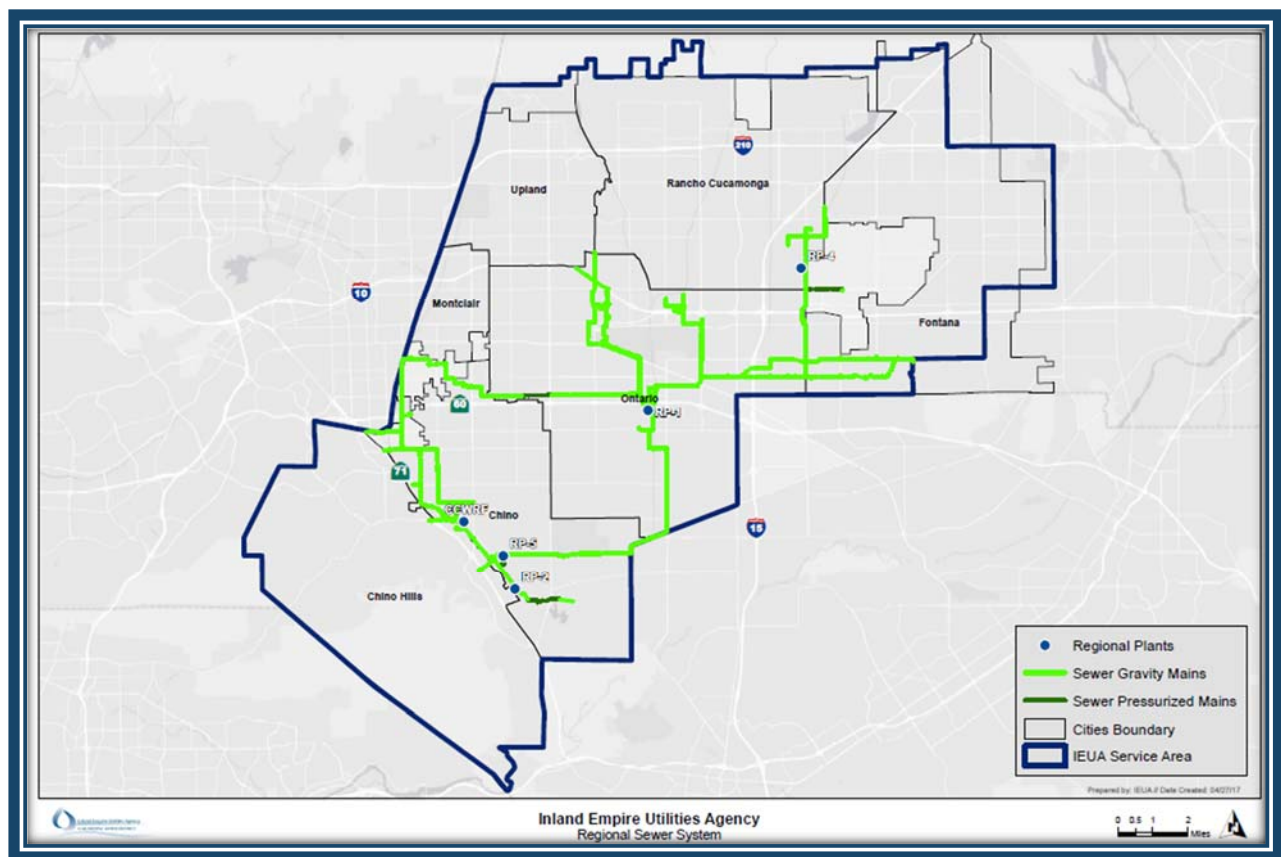
*Numbers may not total due to rounding

REGIONAL WASTEWATER PROGRAM

PROGRAMMATIC OVERVIEW

The Regional Wastewater program accounts for the collection, treatment, and disposal of municipal wastewater, as well as the acquisition, expansion, improvement, and upkeep of the regional wastewater system. On average the Agency collects, treats, and disposes of fifty million gallons per day (MGD) of untreated municipal wastewater. The Agency operates five treatment facilities, four of which produce recycled water. The Agency's service area (see Figure 5-4) encompasses a 242-square mile area of the western San Bernardino County of more than 875,000 residents throughout its seven contract member agencies: cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District in the city of Rancho Cucamonga.

FIGURE 5-4: AGENCY WATER RECYCLING TREATMENT FACILITIES SERVICE AREA BOUNDARIES



The Agency receives significant benefits from byproducts generated from its Regional Wastewater program:

- ◆ Recycled water – local water supply not impacted by the drought.
- ◆ Biosolids compost – a premium soil additive for wholesale and retail distribution in partnership with Los Angeles County Sanitation Districts (LACSD)

PROGRAM FUND DESCRIPTION

In accordance with the Regional Sewage Service Contract (Regional Contract) established in 1992, the Regional Wastewater Program is comprised of two funds: Regional Wastewater Capital Improvement (Wastewater Capital) and Regional Wastewater Operations and Maintenance (Wastewater Operations). Components of each fund are shown below in Table 5-8.

TABLE 5-8: REGIONAL WASTEWATER PROGRAM FUNDS

Description	Wastewater Capital	Wastewater Operations
Component Activities	Records capital, debt, and administration activities related to the acquisition, construction, expansion, improvement, and financing of the Agency's regional water recycling plants, large sewer interceptors, energy generation, and solids handling facilities.	Accounts for the revenue and operating cost directly related to the collection, treatment, and disposal of domestic sewage treatment service for the contracting agencies, capital replacement, and organic management activities, including labor costs to operate and support the Inland Empire Regional Composting Authority (IERCA) facility.
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 such as employment, chemicals, utilities, materials & supplies, and biosolids recycling. Capital replacement and rehabilitation cost.

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

Table 5-9 shows total revenue, total expense, and beginning and ending fund balances for the Regional Wastewater program. Additional detail on the revenues and expenses as shown at the table.

TABLE 5-9: CONSOLIDATED REGIONAL WASTEWATER PROGRAM FUND SUMMARY

(\$ Millions)	2020/21 Amended	2021/22	2022/23	2023/24	2024/25	2025/26
Total Revenue & Other Funding Sources	\$217.2	\$166.0	\$211.7	\$318.1	\$235.9	\$186.0
Total Expenses & Other Uses of Funds	240.5	318.9	262.1	211.3	162.8	141.3
Net Increase (Decrease)	(\$23.3)	(\$152.9)	(\$50.4)	\$106.8	\$73.1	\$44.7
Beginning Fund Balance	170.9	348.8	195.9	145.5	252.3	325.4
Ending Fund Balance	\$147.6	\$195.9	\$145.5	\$252.3	\$325.4	\$370.1

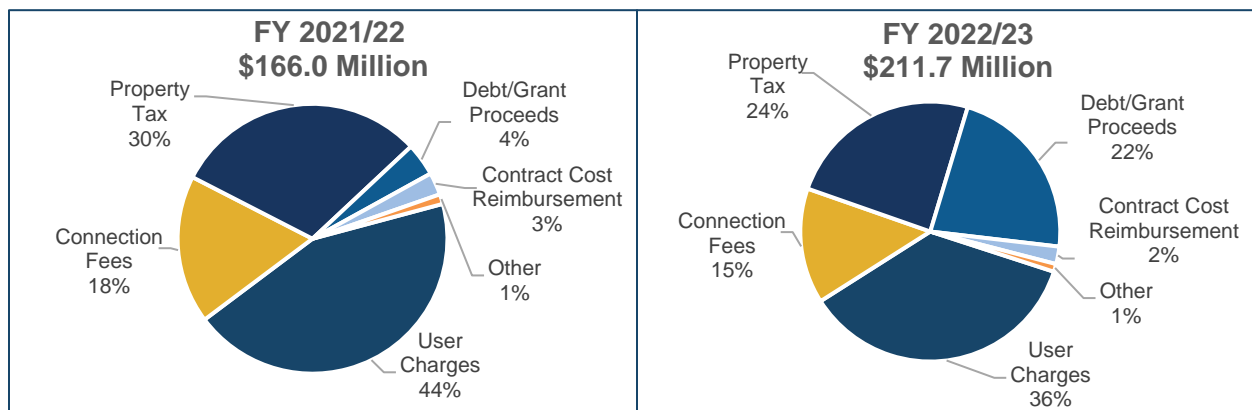
+/- Totals may not add due to rounding.

REGIONAL WASTEWATER PROGRAM

TOTAL REVENUES AND OTHER FUNDING OF FUNDS

Total revenue and funding sources budget for the Regional Wastewater program is \$166.0 million in FY 2021/22 and \$211.7 million in FY 2022/23. This includes user charges, property tax receipts, connection fees, debt proceeds, and contract cost reimbursement from the Inland Empire Regional Composting Authority (IERCA), interest earnings, and other miscellaneous revenues. Figure 5-5 below shows the percentage share of revenue and other funding sources by fiscal year.

FIGURE 5-5: REGIONAL WASTEWATER PROGRAM REVENUES & OTHER FUNDING SOURCES



The following sections discuss the primary revenues and other funding sources of the Regional Wastewater program.

CONNECTION FEES

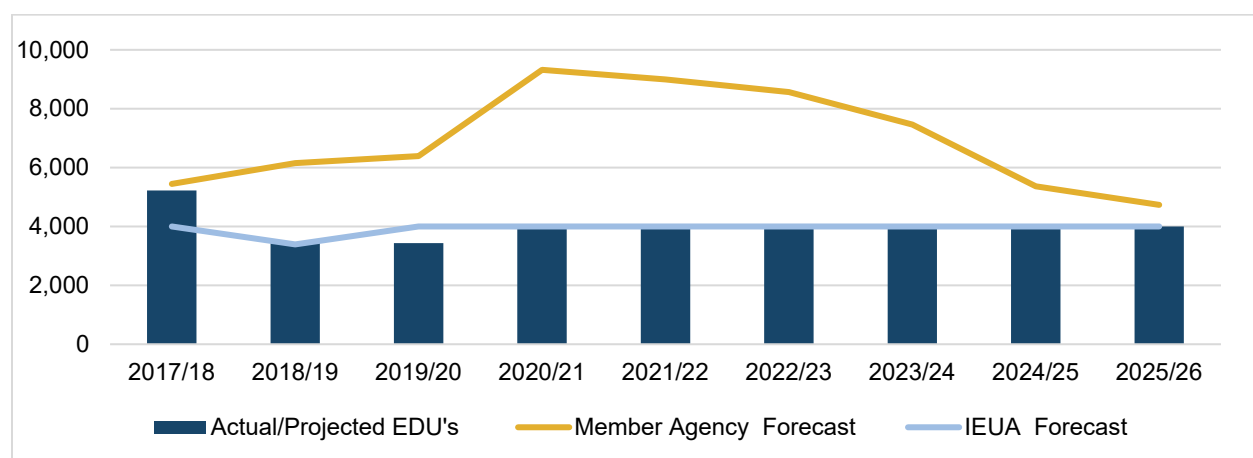
The Agency levies a fee to connect to its regional wastewater system. These connection fees, like “development impact fees” levied by cities for new development, are collected by each of the Agency’s contracting member agencies, in accordance with the Regional Contract. Each member agency holds these funds in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or “called”, by the Agency. Connection fees support capital acquisition, construction, expansion, equipment purchase, and process improvement costs of the Agency’s regional wastewater system. Capital calls, member agency payments of connection fees in their respective CCRA accounts, are based on the Agency’s planned capital projects over the ensuing six months, as calculated and reported on a quarterly basis.

The Agency utilizes equivalent dwelling units (EDU) for measuring and forecasting the demand on district facilities equivalent to a typical single-family dwelling. An EDU means the unit of measure that is based on the flow characteristics of an average single-family residence in terms of sewage quantity and constituent quality. Pursuant to the Regional Contract, each year the Agency conducts a survey of member agencies to determine the number of new EDU connections expected for the next ten years. These forecasts are essential in planning facility and infrastructure expansion and improvements needed to support anticipated demand from future growth in the service area. The FY 2020/21 member agencies’ forecast estimates nearly 55,000 new EDU connections over the next ten years.

As a regional provider of wastewater and water services, it is IEUA's responsibility to ensure the regional wastewater and regional water systems' capacity is expanded in a timely and cost-effective manner to support future growth.

Member agency forecasts typically represent the high end of future growth in their respective areas. While the Agency applies member agencies growth forecast to plan for future expansion of its facilities; a lower growth rate is applied to forecast connection fee revenue. This more conservative approach is illustrated in Figure 5-6, with the Agency's forecast of new connections for the next five years lower than those projected by the member agencies.

**FIGURE 5-6: TREND OF NEW EDU CONNECTIONS
FY 2017/18 TO FY 2025/26**



A key revenue assumption is the continued pace of new development in the Agency's service area projected at 4,000 new EDU wastewater connections for each budget year. Based on the FY 2021/22 rates adopted by the Board in May 2020, revenues from wastewater connection fees are estimated at \$29.5 million in FY 2021/22 and \$30.4 million in FY 2022/23.

Table 5-10 shows the FY 2021/22 adopted rate of \$7,379 per unit and the FY 2022/23 estimated rate of \$7,600 per unit. Any necessary adjustment to the FY 2022/23 will be determined during the mid-cycle budget review.

TABLE 5-10: ADOPTED WASTEWATER CONNECTION FEES

Rate Description	2020/21	2021/22	2022/23*	2023/24*	2024/25*	2025/26*
Wastewater Connection Fee	\$6,955	\$7,379	\$7,600	\$7,828	\$8,063	\$8,305
Wastewater Connection Units	4,000	4,000	4,000	4,000	4,000	4,000

* Rates will be based on the Return to Sewer study needed to develop an updated EDU methodology which is expected to be completed in early 2023.

REGIONAL WASTEWATER PROGRAM

PROPERTY TAXES

Property tax receipts for the Regional Wastewater program are budgeted at \$50.6 million in FY 2021/22 and \$51.4 million in FY 2022/23.

Prior to FY 2021/22, the allocation of property taxes amongst Agency funds was adopted by the Board in 2016. At that time, funding was needed to support investments in regional water resource projects consistent with the Integrated Water Resources Plan (IRP) approved by the Board in November 2015 and developed in collaboration with regional member agencies.

As summarized in Table 5-11, the 65 percent allocation for the Regional Wastewater Capital Improvement (Wastewater Capital) fund remained unchanged. An annual fixed amount was set for the Regional Wastewater Operations and Maintenance (Wastewater Operations), the Recycled Water, and Administrative Services funds. The remaining balance was re-allocated to the Water Resources fund. Over the last five years, the property tax allocated to the Water Resources fund has helped to support various project costs, including some at the request of member agencies.

While regional water resource programs continue to be a key initiative, the expansion and upkeep of Agency regional wastewater facilities and infrastructure will be a primary focus over the next few years. The capital projects included in the TYCIP of \$841.6 million are needed to support an increase in services from future growth as projected by member agencies, asset management for timely upkeep and improvement of aging assets, and to maintain compliance with changing regulatory and safety requirements.

Therefore, a change in property tax allocation amongst the various Agency funds was implemented starting in FY 2021/22 as summarized under Table 5-11. As indicated, no change was made to the 65 percent allocated to the Wastewater Capital fund to help support capital investments for the acquisition, construction, and improvement of wastewater facilities, and associated debt service costs. Under the new allocation, the Wastewater Operations fund will receive \$13.2 million, or 23 percent, of total property tax receipts to support the portion of capital replacement and rehabilitation (R&R) costs and O&M costs not fully recovered by rates.

Table 5-11: Property Tax Allocation by Fund (\$ Millions)

Fund	Purpose	Prior Year's Allocation	Current Allocation	FY 2021/22 Projection	FY 2022/23 Projection
Regional Wastewater Capital Improvement	Supports acquisition, improvement, replacement and expansion of regional wastewater facilities and associated debt service costs.	65% of total tax receipts	No Change 65% of total tax receipts	\$37.4	\$38.0

Fund	Purpose	Prior Year's Allocation	Current Allocation	FY 2021/22 Projection	FY 2022/23 Projection
Regional Wastewater Operations & Maintenance	Supports capital replacements and rehabilitation cost and O&M costs not fully recovered by rates.	Fixed Annual Amount	23%	\$13.2	\$13.4
Recycled Water	Supports acquisition, improvement, replacement and expansion of regional recycled water facilities and associated debt service costs.	Fixed Annual Amount	4.0%	\$2.3	\$2.3
Administrative Services	Supports agency-wide costs not allocated to other Agency funds.	Fixed Annual Amount	4.5%	\$2.6	\$2.7
Water Resources	Supports regional water resource management and water supply strategies.	Net remaining balance	3.5%	\$2.0	\$2.1
TOTAL				\$57.5	\$58.5

USER CHARGES

The Agency's wastewater monthly rates support the operations and maintenance of the regional wastewater system which includes the collection, treatment, and disposal of municipal wastewater flows. The Agency utilizes equivalent dwelling units (EDUs) as a billing unit. An EDU is defined as the measurement of wastewater flow equivalent in quantity and strength to the daily discharge of an average single-family residential household.

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

Shown on Table 5-12 is the adopted rate for FYs 2021/22, and projected rates for FYs 2022/23 thru 2024/25. The projected rates are subject to completion of the Return to Sewer Rate Study and development of an updated EDU methodology which is the basis for the monthly sewer rates and wastewater connection

REGIONAL WASTEWATER PROGRAM

fees. Based on the current timeline, the development of the updated EDU methodology is anticipated to be completed in early 2023. Given the recently announced increase in electricity rates by Southern California Edison (SCE), higher prices for chemicals, and the 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 4 percent was projected for FY 2022/23 to support higher operating costs as shown in Table 5-12. The need for a rate adjustment for FY 2022/23 will be evaluated as part of the mid-cycle budget review process in early 2023.

TABLE 5-12: ADOPTED EDU MONTHLY RATES

Rate Description	2020/21 Adopted	2021/22 Adopted	2022/23*	2023/24*	2024/25*	2025/26*
EDU Monthly Rate	\$20.00	\$21.22	\$22.07	\$22.95	\$23.87	\$24.82
Effective Date	7/1/21	7/1/22	To be reviewed based on sewer use evaluation results			

**Projected, subject to change.*

DEBT PROCEEDS

The Regional Wastewater program's expansion and improvements are traditionally funded by a combination of system revenues (pay-go basis), bonded debt, grants and low interest loans. In FY 2019/20 the Agency secured a Water Infrastructure Finance and Innovation Act (WIFIA) loan in the amount of \$194.6 million for the RP-5 Liquid and Solids Treatment capacity expansion projects (RP-5 Expansion Project). At a total project budget of \$450 million, the RP-5 Expansion Project is the largest capital construction projection undertaken by the Agency to date. To further reduce the financing costs, the Agency issued the 2020B Revenue Notes as interim financing to support the RP-5 Expansion Project construction costs. At the completion of construction in 2026, the 2020B Revenue Notes will be paid in full with a draw from the WIFIA loan.

Additionally, the Agency is on the fundable list for a low interest Clean Drinking Water State Revolving Fund (SRF) loan for \$101.5 million to support a portion of the RP-5 Expansion. The SRF loan proceeds are included in FY 2021/22. Under the SRF loan program guidelines, repayment begins one year after the completion of construction. More details on the projected financing terms and debt service are provided in the Debt Management section of the budget.

EXPENSES AND OTHER USES OF FUNDS

The total Regional Wastewater program expenditures budget is \$318.9 million in FY 2021/22 and \$262.0 million in FY 2022/23. Expenses include operating expense, capital improvement plan (CIP) costs, debt service, and inter-fund transfers to the Recharge Water and Recycled Water funds support debt service costs, the Administrative Services fund to support capital and operating expenditures; and the Administrative Services and Non-Reclaimable Wastewater funds to support expansion projects. Total expenses and other uses of funds are summarized in Table 5-13. Operating costs are explained in more detail in the following sections.

TABLE 5-13: FYS 2021/22 AND 2022/23 REGIONAL WASTEWATER PROGRAM EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2021/22	2022/23	Key Assumptions
Operating Expenses	\$82.2	\$82.9	Includes labor, utilities, operating fees, chemicals, materials and supplies, non-capital projects, and other administrative costs to support the Regional Wastewater program
Capital Improvement Plan (CIP)	218.6	164.3	Includes capital project expenditures and investment in the IERCA. See Table 5-11 for summary of major capital projects
Debt Service Costs	8.6	8.4	Includes principal & interest for bonds, SRF loans and other notes payable
Inter-Fund Transfers	9.5	6.4	Capital, debt service, and operating support to other Agency funds
Total	\$318.9	\$262.0	

OPERATING EXPENSES

EMPLOYMENT EXPENSES

As one of the Agency's core programs, approximately 73 percent of total net employment costs (net of labor costs allocated to support the Agency's CIP) are allocated to the Regional Wastewater program. Employment expenses include wages, benefits, and additional contributions to the unfunded accrued liabilities for pension and other post-employment benefits (OPEB). Included in the FYS 2021/22 and 2022/23 total net employment budget of \$54.5 million and \$56.8 million, respectively, is an increase in staffing to support the early recruitment of critical positions, an annual cost of living adjustment (COLA) of three percent as negotiated with the various employee bargaining units and an estimated seven percent increase in the CalPERS employer rate. Included in the Wastewater Operations fund employment expenses are the 25 FTEs assigned to the Inland Empire Regional Composting Authority. Employment costs for operating the IERCA facility of approximately \$4.5 million in FY 2021/22 and \$4.6 million in FY 2022/23 are fully reimbursed to the Agency.

Employment budget in the Regional Wastewater program increases from \$39.7 million in FY 2021/22 to \$41.3 million in FY 2022/23.

UTILITIES

Utilities represent the highest operating cost to the Regional Wastewater program after employment expenses. A total of \$8.3 million is budgeted for utilities in FY 2021/22, and \$9.3 million for FY 2022/23. Utility expense includes the purchase of electricity from Southern California Edison (or the grid), use of natural gas, and the purchase of renewable energy generated on site from solar and wind. In FY 2021/22, blended rates for electricity and natural gas are budgeted at \$0.18 per kilowatt hour (kWh) and \$1.04 per therm, respectively.

REGIONAL WASTEWATER PROGRAM

In June 2016, the Agency became the first public agency to use the state-of-the-art battery storage technology installed at RP-5. A total of one megawatt hour of Tesla batteries was successfully integrated into the facility's electrical profile, which includes grid imports and on-site renewable generation in the form of solar and wind. The project reduces dependency on the grid by optimizing distribution of on-site renewable power; achieves energy cost savings by reducing imported electricity during periods of high grid demand; provides relief to the grid by using stored energy during periods of high grid demand; and improves demand response (DR) capabilities by utilizing stored energy during DR events.

In December 2018, the Agency completed installation of an additional 1.50 kW and received the permit from Southern California Edison (SCE) to operate the Inland Empire Regional Composting Authority (IERCA) Energy Storage System and Solar Photovoltaic (PV) system. This system is the first of its kind as it will integrate the RP-4 1,500 kW/3,000 kWh battery storage system, the RP-4 wind turbine, and the expanding solar photovoltaic system from 1.0 kW to 2.5 kW.

The Agency is committed to the efficient use of utilities, as outlined in the Agency's Energy Management Plan developed in 2015. The Agency is committed to procuring 100 percent of its electricity needs from carbon neutral sources by the year 2030, as outlined in the Energy Management Plan.

CHEMICALS

The budget for chemical costs is developed by considering the current operating conditions and current unit costs (wastewater influent flow, chemical dose, compliance, contract price, and terms), as well forecasted flows, new project startups, and market trends.

Chemical costs represent approximately seven percent, or \$6.0 million, of total operating costs in the Regional Wastewater program for FY 2021/22. Forecasts assume a conservative increase of three percent per fiscal year.

Chemicals are essential in meeting regulatory requirements, treatment process performance goals, and sustainment of high-quality recycled water that meets Title 22 requirements. The major chemicals used for wastewater treatment are:

- ◆ Polymer: may be added to the primary clarifier to enhance solids settling and to the sludge to enhance the thickening and dewatering process.
- ◆ Sodium Hypochlorite: used primarily for disinfection; also used for odor control, in primary, secondary treatment, and solids thickening to improve the process of performance.
- ◆ Ferric chloride: used to optimize treatment performance and meet compliance with South Coast Air Quality Management District (SCAQMD).

BIOSOLIDS RECYCLING

The cost of biosolids recycling is budgeted at \$4.7 million in FY 2021/22 and \$4.9 million in FY 2022/23. The biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. The IERCA composter processes 100 percent of the Agency's biosolids generated from its water recycling facilities. The processing rate of \$58.00 per ton was adopted by the IERCA Board of Directors effective

July 1, 2021. Although conservation and water use efficiency efforts have reduced wastewater flows, the amount of organic matter and suspended solid materials has remained stagnant.

CAPITAL PROJECTS

In FY 2021/22, the Regional Wastewater program capital budget is \$218.6 million and \$164.3 million for FY 2022/23. Capital projects in the Wastewater Capital fund focus on expansion and process improvements for the regional wastewater system and capital projects in the Wastewater Operations fund primarily focus on replacement and rehabilitation (R&R) of aging equipment and facilities.

Capital projects in the Regional Wastewater program account for \$702.9 million (excluding investment in the IERCA) of the Agency's \$841.6 million FYs 2022 – 2031 capital project forecast. Approximately 82 percent, or \$577.8 million, of the ten-year total Regional Wastewater Program capital project spending is scheduled in the first five fiscal years (FYs 2022 - 2026). The majority of these capital projects support needed improvements and expansion of existing facilities and infrastructure to meet increases in service demands from projected growth in the region. Critical R&R projects necessary to meet reliability and regulatory requirements, remains a primary focus of the CIP for the Regional Wastewater program. Major capital projects for the Regional Wastewater program are listed in Table 5-14.

TABLE 5-14: MAJOR REGIONAL WASTEWATER PROGRAM PROJECTS (\$MILLIONS)

Project Title	FY 2021/22	FY 2022/23	FY 2023/24 to 2025/26	TYCIP Total
RP-5 Liquid and Solids Treatment Expansion	\$177.0	\$113.0	\$60.2	\$350.2
RP-1 Thickening Building & Acid Phase Digester	12.0	13.0	75.0	100.0
RP-1 Liquid and Solids Treatment Expansion	-	-	12.0	55.0
Regional Wastewater Capital Asset Management	0.2	0.3	10.7	51.2
Advanced Water Purification Facility	-	-	-	21.3
CCWRF ⁽¹⁾ Asset Management Improvements	3.0	13.2	1.5	17.7
North/South Major Facilities Repair/Replace	1.0	1.0	3.0	11.0
SCADA ⁽²⁾ Enterprise System	1.3	5.3	3.3	9.9
RP-1 Secondary System Rehabilitation	-	-	3.3	8.3
Total	\$194.5	\$145.8	\$169.0	\$624.6

(1) CCWRF- Carbon Canyon Water Recycling Facility

(2) SCADA – Supervisory Control and Data Acquisition

More details on the Agency's capital program are available in the Capital section.

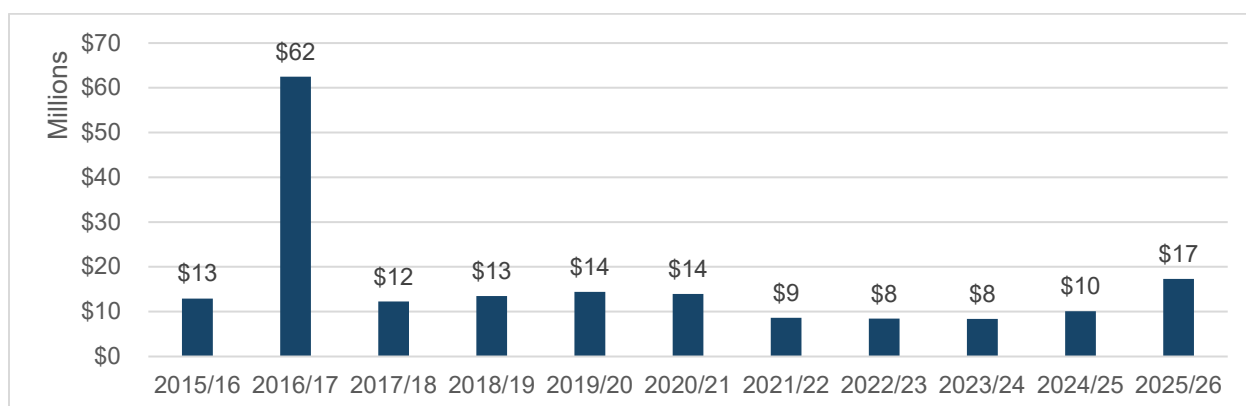
REGIONAL WASTEWATER PROGRAM

DEBT SERVICE

The Regional Wastewater program's FY 2021/22 and FY 2022/23 debt service payments are \$8.6 million and \$8.4 million, respectively. Debt service costs includes principal, interest, and financial expense related to outstanding bonds, low interest State Revolving Fund (SRF) loans, and notes payable. Details for the Agency's outstanding debt can be found in the Debt Management section.

Figure 5-7 represents historical and projected debt service expense through FY 2025/26. It is expected that the Agency will issue new debt to support major Regional Wastewater expansion projects necessary to meet service demand associated with the forecasted growth.

FIGURE 5-7: HISTORICAL AND PROJECTED ANNUAL DEBT SERVICE EXPENSE



2016/17 – Includes \$50 million partial refunding of 2008A Bonds.

INTER-FUND TRANSFERS

Wastewater connection fees are collected to support the capital acquisition, construction, and expansion of the Agency's regional wastewater system. This revenue is recorded in the Regional Wastewater Capital fund and then allocated to the Administrative Services, Non-Reclaimable Wastewater, and Regional Wastewater Operations funds proportionally to support growth-related projects. These inter-fund transfers are outlined in Table 5-15.

TABLE 5-15: WASTEWATER CONNECTION FEE INTER-FUND TRANSFERS FROM REGIONAL WASTEWATER CAPITAL FUND (\$MILLIONS)

	FY 2021/22 In	FY 2022/23 In
Administrative Services	\$0.8	\$0.5
Non-Reclaimable Wastewater	3.1	1.5
Regional Wastewater Operations	4.8	2.3
Total from Regional Wastewater Capital (Out)	\$8.7	\$4.3

INTER-FUND LOANS

Inter-fund loans are used as needed to support operation, capital and debt service costs, or operating expense not fully supported by rates or fund reserves. They are recorded as loans to be repaid and subject to interest. Inter-fund loan activities are reported as part of other funding sources by the receiving (borrower) fund and other uses of funds by the issuing (lender) fund.

The Wastewater Capital fund currently has two outstanding inter-fund loans totaling \$13.5 million due from the Recycled Water fund: \$3.0 million from FY 2007/08, and \$10.5 from FY 2014/15. Repayment of the outstanding inter-fund loans is scheduled over a three-year period starting in FY 2022/23 with the final payment planned in FY 2024/25. A summary of inter-fund loans and repayment schedules is provided in the Revenue and Debt Management sections.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)

The Inland Empire Regional Composting Authority (IERCA) was formed February 2002 as a Joint Power Authority (JPA) to divert organic solids from landfill disposal and to recycle organic products generated from within the community. The JPA was entered into by the Agency and the Los Angeles County Sanitation Districts (LACSD) to implement their shared goal of developing a sustainable biosolids management program.

In 2007, the two JPA agencies completed construction of the Inland Empire Regional Composting Facility (IERCF). The facility is ideally located in approximately 22 acres of land in an industrial area adjacent to the Agency's Regional Water Recycling Plant No. 4 (RP-4) in the city of Rancho Cucamonga. As the nation's largest indoor biosolids composting facility, it consists of 445,275 square feet.

In 2013, IERCF was honored with the Governor's Environmental and Economic Leadership Award (GEELA) award for the design and construction of North America's largest, fully enclosed composting facility, which produces approximately 230,000 cubic yards (81,000 tons) per year of top-quality compost under the guidelines outlined in the US Composting Council's Seal of Testing Assurance (STA) program. The facility utilizes aerated static pile composting technology to process a mixture of biosolids, green waste, and wood waste to generate Class A exceptional quality compost for use in local agriculture and/or horticulture markets. The facility's emissions are processed through a biofilter to meet air quality requirements.

The Agency is responsible for the operational and administrative activities of the IERCF. The facility is staffed by 25 full-time Agency employees and one part-time employee from LACSD. Labor costs for Agency employees are recorded in the Agency's Regional Wastewater Operations and Maintenance fund and are fully reimbursable to the Agency.

Starting in FY 2010/11, the IERCA Board implemented a tipping fee revenue base in lieu of partner contributions to cover operations and maintenance expenses for the IERCF. The tipping fee for FY 2021/22 will be at \$58.00 per wet ton of biosolids to support operating expenses and a portion of capital replacement and rehabilitation (R&R) costs. The fee is projected to generate revenue of \$8.4 million based on budgeted tonnage of 145,000. The Agency's share of the IERCA tipping fee revenue is budgeted in the Regional Wastewater Operations & Maintenance fund under biosolids recycling costs. The biosolids recycling budget of \$4.7 million for FY 2021/22 assumes that 100 percent of the biosolids generated from the Agency's regional water recycling plants will be transported to the IERCA composter for processing.

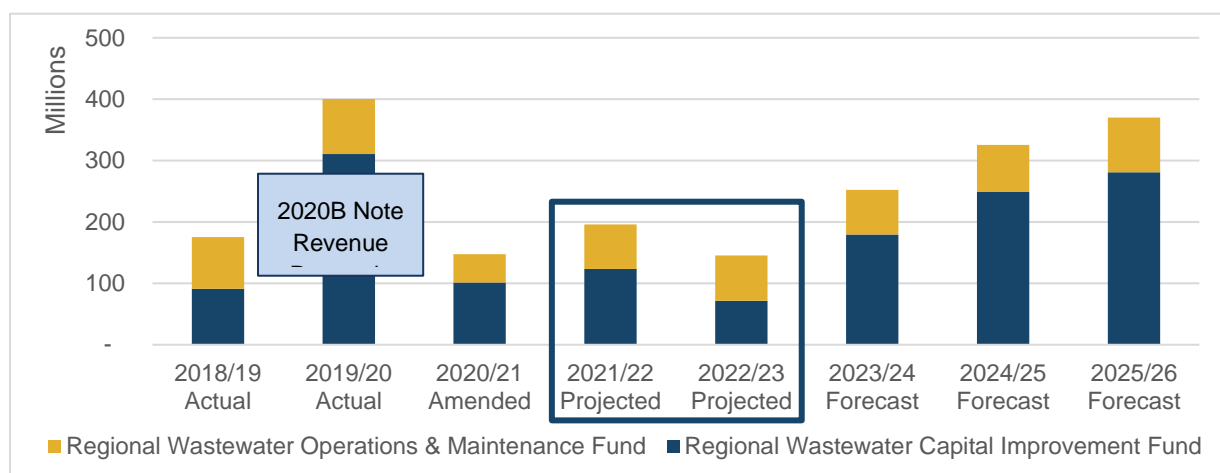
REGIONAL WASTEWATER PROGRAM

Capital project expenditures are equally shared by the JPA partners.

REGIONAL WASTEWATER PROGRAM FUND BALANCE

The Regional Wastewater program projects an ending fund balance of \$195.9 million in FY 2021/22 and \$145.5 million in FY 2022/23. The estimated increase in fund balance is based on current assumption to leverage low interest loans for the RP-5 Expansion project and accumulation of new connection fee revenue and property tax receipts to support future pay-go and debt service costs as shown in Figure 5-8.

FIGURE 5-8: TREND OF REGIONAL WASTEWATER PROGRAM FUND BALANCE



FY 2023/24 – FY 2024/25 FORECAST

Over the next two fiscal years the proposed budget assumes a return to normal conditions following an unprecedented year plagued by the COVID-19 pandemic. One of the main drivers of the 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 primary financing strategy. During this period, the Agency will work to complete the return to sewer study to develop an updated EDU methodology which will serve as the basis for the monthly EDU rate and the new wastewater connection fee. Additionally, the Agency will continue its evaluation of the Recycled Water Program to establish a more sustainable rate structure as part of the 2022 Rate Study. The biennial budget also supports the continued implementation of succession planning for early recruitment of critical positions to preserve institutional knowledge and continuity of critical Agency operations. Achieving these objectives will ensure the Agency is well positioned to meet its commitment to delivering essential high-quality services in a cost- effective manner, supporting the region's economic development and maintaining the Agency's fiscal health.

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

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

*Numbers may not tie due to rounding

REGIONAL WASTEWATER PROGRAM

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

* Numbers may not tie due to rounding

NON-RECLAIMABLE WASTEWATER PROGRAM

PROGRAMMATIC OVERVIEW

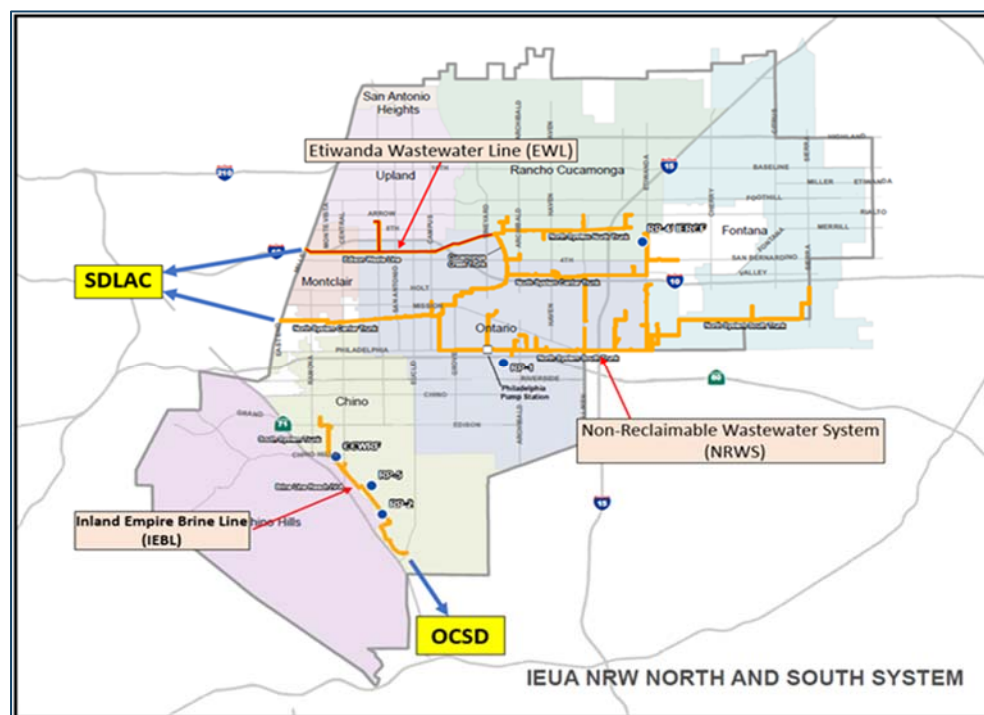
The Non-Reclaimable Wastewater Program accounts for the operating and capital expenses associated with an industrial wastewater collection system, known as the Non-Reclaimable Wastewater (NRW) brine lines, that exports high-salinity (brine) industrial wastewater generated within the Agency's service area for treatment and eventual discharge to the Pacific Ocean.

The non-reclaimable wastewater lines operated by the Agency are comprised of three independent industrial wastewater lines. The Non-Reclaimable Wastewater System (NRWS) and the Etiwanda Wastewater Line (EWL) both serve the northern portion of the Agency's service area, and the Inland Empire Brine Line (IEBL) serves the southern portion of the Agency's service area.

The NRW brine lines are physically separate from the Agency's Regional Sewerage System (RSS). The use of separate non-reclaimable wastewater lines helps to ensure RSS compliance with State regulations related to environmental criteria; the RSS' final effluent total dissolved solids (TDS) limit as required under the National Pollutant Discharge Elimination System (NPDES) permits; and improves the quality of recycled water generated by the RSS for local beneficial use.

The use of the NRW brine lines supports the Agency's water recycling program by removing salts that would otherwise end up in the RSS. Brine removal improves the quality of recycled water for direct use, groundwater recharge, and helps to prevent watershed degradation. The long-term goal of achieving salt balance within the region depends on the ability to remove salts from the watershed via the brine lines.

FIGURE 9: IEUA NRW NORTH AND SOUTH SYSTEM MAP



The NRWS, EWL, and IEBL Systems:

- The north NRWS serves approximately 37 industries (including concentrate from the Agency's Regional Water Recycling Plant No. 1) and two municipal groundwater treatment facilities. The NRWS conveys non-reclaimable wastewater to the *Los Angeles County Sanitation Districts (LACSD)* treatment facility in Carson, where it is treated and discharged to the ocean. The north system also has a smaller independent brine line known as the Etiwanda Wastewater Line (EWL) which is exclusively utilized for two groundwater treatment plants operated by the City of Ontario, and City of Chino/Monte Vista Water District, and is governed under a separate agreement with LACSD.
- The IEBL, managed by the Santa Ana Watershed Project Authority (SAWPA), currently serves thirteen industries, four indirect dischargers who deliver their wastewater via trucks, and the Chino Basin Desalter 1. Wastewater from the IEBL is conveyed to the Orange County Sanitation District's facility in Fountain Valley for further treatment and ocean discharge.

Agreement with LACSD:

The Agency and LACSD entered into an agreement in 1966 wherein the LACSD agreed to accept the Agency's industrial wastewater flows from the north NRWS. The 1966 agreement, set to expire in May 2018, was replaced by a new NRWS Wastewater Disposal Agreement effective July 1, 2014 for a 30-year term with up to four additional five-year extensions. The new Agreement resulted in more stable and predictable rates and gives industries the option to acquire wastewater discharge rights as a capacity unit purchase or lease discharge rights on an annual basis rather than make a mandatory acquisition as required under the prior agreement.

Agreement with SAWPA:

In addition to the current capacity agreement with SAWPA, in FY 2018/19 the Agency entered into a *Brine Line Lease Capacity Pool Agreement* with SAWPA and its member agencies for the IEBL in the southern service area. Under this agreement, the Agency and other SAWPA member agencies can contribute pipeline and treatment capacity to a "Lease Pool". Any contributed capacity is marketed and made available for lease to new or existing customers throughout the SAWPA service area. Key terms of the Lease Pool agreement include the following:

- Five-year initial term with the option to renew or extend at any time
- IEUA will initially commit 50,000 gallons per day (GPD) of capacity and treatment to the pool
- Lessee shall pay lease charge directly to SAWPA
- SAWPA shall distribute lease revenues in proportion to lease pool contributions

NON-RECLAIMABLE WASTEWATER PROGRAM

FUND DESCRIPTION

The Non-Reclaimable Wastewater (NRW) fund records transactions for the acquisition, construction, expansion, replacement, and operation of the Agency's non-reclaimable wastewater sewer lines, interceptors, and appurtenant facilities.

Table 5-16 shows total revenue, expense, and beginning and ending fund balances for the Non-Reclaimable Wastewater program. Additional program revenue and expense detail follow the table.

TABLE 5-16: CONSOLIDATED NON-RECLAIMABLE WASTEWATER PROGRAM FUND SUMMARY (\$MILLIONS)

	2020/21 Amended	2021/22	2022/23	2023/24	2024/25	2025/26
Total Revenue & Other Funding Sources	\$17.4	\$24.9	\$21.6	\$13.9	\$14.1	\$14.5
Total Expenses & Other Uses of Funds	15.8	31.0	19.5	14.2	14.1	14.7
Net Increase (Decrease)	\$1.6	(\$6.1)	\$2.1	(\$0.3)	\$0.0	(\$0.2)
Beginning Fund Balance	13.1	22.4	16.3	18.4	18.1	18.1
Ending Fund Balance	\$14.7	\$16.3	\$18.4	\$18.1	\$18.1	\$17.9

+/- Totals may not add due to rounding

REVENUES AND OTHER SOURCES OF FUNDS

The Non-Reclaimable Wastewater program has total budgeted revenues and other funding sources of \$24.9 million and \$21.6 million for FYs 2021/22 and 2022/23, respectively (Table 5-17).

The primary funding source for the Non-Reclaimable Wastewater fund are the pass-through rates from the Los Angeles County Sanitation Districts (LACSD) for the north system and the Santa Ana Watershed Project Authority (SAWPA) for the south system. Revenues also include fees for Agency program charges, capacity fees (CIP), wastewater connection fees transferred from Regional Wastewater Capital Improvement fund, inter-fund loan repayment, and interest income.

TABLE 5-17: REVENUES AND OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2021/22	2022/23	Key Assumptions
Volumetric Fees	\$2.1	\$2.1	Monthly pass-thru charges based on adopted fees and metered wastewater flow
Excess User Fees	4.1	4.3	Pass-thru fees for wastewater strength composition ⁽¹⁾
Agency Program Charges	5.7	5.7	Program support, operational, and capacity surcharges
Capacity Fees	1.0	1.0	Monthly fee charged to the holders of capacity rights in the southern system, the Agency's regional program, and CIP fees to cover debt service costs
Debt Proceeds	5.4	3.6	WIFIA ⁽²⁾ loan proceeds for the Philadelphia Lift Station Force Main Improvements project
Contributions and Other	6.6	4.9	Wastewater connection fee transfer from the Regional Wastewater Capital fund, inter-fund loan re-payment from the Recycled Water fund, and interest earned on reserve balances
Total	\$24.9	\$21.6	

(1) Strength charges are calculated on Total Suspended Solids (TSS), Chemical Oxygen Demand (COD), and Biochemical Oxygen Demand (BOD).

(2) Water Infrastructure Finance and Innovation Act loan secured from the U.S. Environmental Protection Agency.

A pass-through rate structure, implemented in FY 2004/05, allows the Agency to recover operating and capital fees billed by LACSD (north system) and SAWPA (south system). Pass through charges for the north are comprised of volumetric, capacity, peaking factor, and strength. Pass-through charges for the South include capacity, volumetric, and strength fees.

In addition to the pass-through rates described above, the Agency collects program charges based on the number of capacity units for the north system and a fifty percent operating surcharge for volumetric, capacity, and strength charges are added to the south system. NRW program charges and operating surcharges support Agency program costs. Different rates apply to the North and South Systems as noted in Table 5-18.

TABLE 5-18: SUMMARY OF NRW BILLING COMPONENTS

Type	NRWS (North)	EWL (North)	IEBL (South)
Volumetric	✓	✓	✓
Peak Flow	✓	-	-
Capacity	✓	✓	✓
BOD	-	-	✓
COD	✓	✓	-

NON-RECLAIMABLE WASTEWATER PROGRAM

Type	NRWS (North)	EWL (North)	IEBL (South)
TSS	✓	✓	✓
Imbalances	✓	✓	✓
NRW Program Charges			
IEUA O&M	✓	✓	✓
IEUA CIP	✓	✓	✓

NRW rates, based on the current pass-through rate structure, effective July 1, 2021 are shown below in Table 5-19.

TABLE 5-19: NORTH AND SOUTH SYSTEM PASS-THROUGH RATES

Rate Description	FY 2020/21	FY 2021/22	Change
North System (NRWS)			
Capacity/CU ⁽¹⁾	13,457 CU	13,362 CU	
Flow/mg	\$940.00	\$957.25	1.8%
COD/klb	\$166.00	\$169.05	1.8%
TSS/klb	\$470.00	\$478.21	1.7%
Peak Flow/gpm	\$357.00	\$362.63	1.5%
CU Purchase	\$4,172	\$4,172	-
CU Lease	\$208.60/CU/Yr.	\$208.60/CU/Yr.	-
EWL			
Capacity/CU ⁽²⁾	\$80.00	\$80.00	-
Flow/mg	\$760.00	\$762.33	0.3%
COD/klb	\$135.00	\$134.63	(0.3%)
TSS/klb	\$380.00	\$380.83	0.2%
CU Purchase	\$215,000/CU	\$215,000/CU	-
South System (IEBL)			
Capacity/CU ⁽²⁾	\$418.67	\$435.43	4.0%
Flow/mg	\$979.00	\$1,018.00	4.0%
BOD/klb	\$316.00	\$329.00	4.1%
TSS/klb	\$442.00	\$460.00	4.1%

- (1) Capacity Unit – Total NRW Capacity Unit (NRWSCU) allocated to North NRW industrial users is determined by a formula using flow, COD, and TSS as defined by LACSD.
- (2) Capacity Units in the IEBL and EWL are defined as the maximum instantaneous peak flow not-to-exceed fifteen (15) gallons per minute.

To promote the use of recycled water throughout the Agency's service area, NRWS users who use recycled water in their processes were provided a fifty percent discount on the Agency's direct recycled water rate. The Agency's FY 2014/15 direct recycled water rate of \$890.04 per million gallons (mg) served as the baseline with NRW recycled water users paying \$445.02 (mg) in that fiscal year. The discount amount is decreased 5 percent each fiscal year until the discount sunsets on June 30, 2024. The recycled water credit for FY 2021/22 is \$133.51 per million gallons (Table 5-20).

TABLE 5-20: NRW RECYCLED WATER CREDIT

Fiscal Year	% of Recycled Water Credit	Credit per mg (Base \$890.04)
2014/15	50%	\$445.02
2015/16	45%	\$400.52
2016/17	40%	\$356.02
2017/18	35%	\$311.52
2018/19	30%	\$267.02
2019/20	25%	\$222.51
2020/21	20%	\$178.01
2021/22	15%	\$133.51
2022/23	10%	\$89.01
2023/24	5%	\$44.51

EXPENSES AND OTHER USES OF FUNDS

The Non-Reclaimable Wastewater Program accounts for operating and capital expenses associated with the North and South Systems. These expenses include construction and acquisition of capital assets, equipment purchases, process modifications and upgrades necessary to comply with the environmental and regulatory standards, and to support system growth in the Agency's service area.

Total expenditures and other uses of funds are budgeted at \$31.0 million and \$19.5 million in FYs 2021/22 and 2022/23. As reported in Table 5-21, the major expenses in the Non-Reclaimable Wastewater fund are operating "pass-through" fees from LACSD and SAWPA and capital project expense.

TABLE 5-21: EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2021/22	2022/23	Key Assumptions
Operating Fees	\$7.0	\$7.2	LACSD and SAWPA pass through fees
Capital Projects	18.5	6.9	Capital project costs are listed below in Table 5-22 and in the capital section in this document

NON-RECLAIMABLE WASTEWATER PROGRAM

Uses of Funds	2021/22	2022/23	Key Assumptions
Administration & Operations	4.8	4.7	Employment, chemicals, materials & supplies, professional fees, utilities, and other operating costs
Debt Service	0.6	0.6	Principal, interest, and financial expense for the NRW programs share of the 2017A Bonds
Contributions & Other	0.1	0.1	Inter-fund transfers to the Administrative Services fund to support Agency-wide capital and non-capital project costs
Total	\$31.0	\$19.5	

CAPITAL PROJECTS

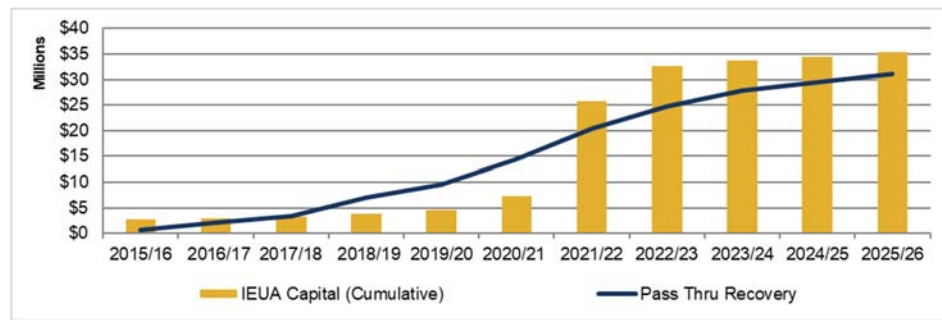
FY 2021/22 budgeted capital project costs are \$18.5 million and \$6.9 million is budgeted in FY 2022/23 details shown below in (Table 5-22).

TABLE 5-22: CAPITAL PROJECTS (\$ MILLIONS)

Project Name	2021/22	2022/23
Philadelphia Lift Station Force Main Improvements	\$15.0	\$3.0
Philadelphia Lift Station Pump Upgrades	0.3	1.8
NSNT* Sewer Siphon Replacement	0.6	1.9
NRW Pipeline Relining Along Cucamonga Creek	2.0	-
All Other Projects	0.6	0.2
Total	\$18.5	\$6.9

In FY 2015/16 the Agency began recovering previously deferred capital costs. The deferral and subsequent recovery of those costs was approved by the Board of Directors to mitigate the upward pressure on rate adjustments to NRWS customers. Connection fees transferred from the Regional Wastewater Capital fund and reserves are used to support a portion of capital project costs. Due to increasing capital expenditures in FYs 2021/22 and 2022/23 full recovery of the Agency's capital cost is not projected to be reached in until FY 2029/30. Pass through recovery of capital expenditures is shown in Figure 5-10.

FIGURE 5-10: RECOVERY OF CUMULATIVE IEUA CAPITAL COSTS (\$MILLIONS)



DEBT SERVICE

Debt service costs for the NRW fund includes principal, interest, and financial fees for a portion of the 2017A Refunding Revenue Bonds (2017A Bonds), the bonds were issued to refund a portion of the 2008A Revenue Bonds. In FYs 2021/22 and 2022/23 total debt service costs are \$0.6 million in each fiscal year. Debt service costs are recovered from both North and South system customers through Agency program charges.

INTER-FUND LOAN

A total of \$15 million of inter-fund loans have been issued from the NRW fund to the Recycled Water fund to help finance construction of the recycled water distribution system. A loan of \$9.0 million was issued in FY 2007/08 and a \$6.0 million loan was issued in FY 2009/10 as indicated in Table 5-23. Annual repayment from the Recycled Water fund began in FY 2018/19 with final payment expected in FY 2022/23. As of June 30, 2021, the outstanding balance due from the Recycled Water fund is \$6 million.

TABLE 5-23: INTER-FUND LOAN (\$MILLIONS)

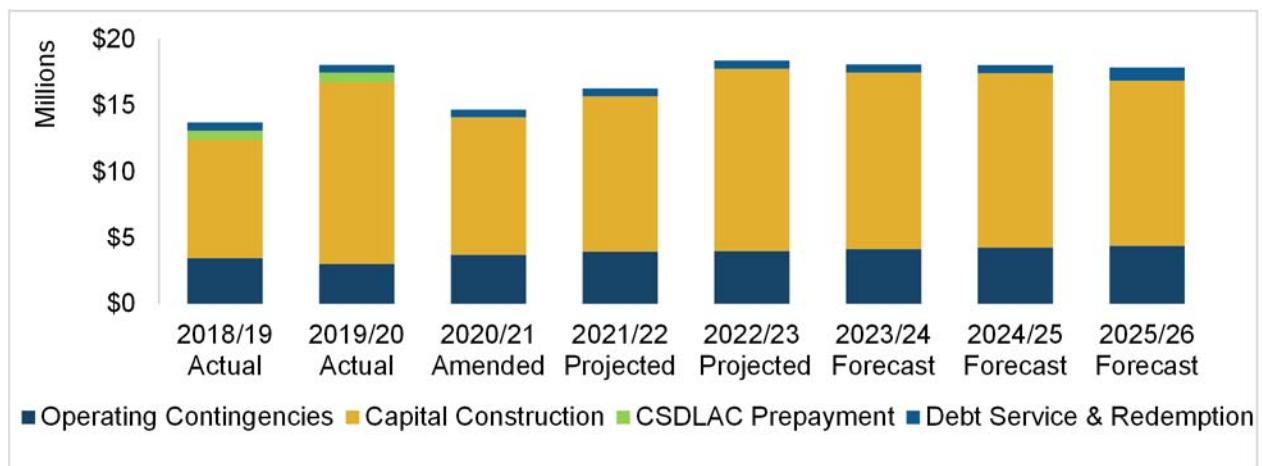
Fiscal Year Issued	Issued to	Inter-Fund Loan Amount	Fiscal Year	Repayment Amount (\$Millions)
2007/08	Recycled Water Fund	\$9.0	2018/19	\$3.0
			2019/20	\$2.0
			2020/21	\$4.0
2009/10	Recycled Water Fund	\$6.0	2021/22	\$3.0
			2022/23	\$3.0
Total		\$15.0		\$15.0

NON-RECLAIMABLE WASTEWATER PROGRAM

FUND BALANCE

The Non-Reclaimable Wastewater ending fund balance for FY 2021/22 is estimated to be \$16.3 million, and \$18.4 million in FY 2022/23. The increase in fund balance beginning in FY 2022/23, as shown in Figure 5-11, can be mainly attributed to annual repayment of the inter-fund loan and WIFIA loan proceeds for the Philadelphia Lift Station Force Main Improvement project.

FIGURE 5-11: TREND OF NRW PROGRAM ENDING FUND BALANCE (\$MILLIONS)



FY 2023/24-FY 2025/26 FORECAST

For the three years following the biennial budget reserves are expected to remain steady, during this period the Agency will work to complete the Non-Reclaimable Wastewater rate study. The study objective is to develop a fair and equitable rate structure to recover costs and protect the long-term fiscal integrity of the program. The program will continue to focus on major capital projects such as pipeline replacements, lift-station upgrades, on-going system maintenance, and continued cleaning of the NRWS. Prioritizing these projects will aid in meeting requirements of the Agency's *Sanitary Sewer Management Program (SSMP)*, a State mandated Order under the *Wastewater Discharge Requirements*.

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

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
User Charges	\$12,050	\$10,996	\$12,509	\$12,669	\$12,895	\$13,129	\$13,469	\$13,819
Interest Revenue	456	437	573	540	401	213	201	219
TOTAL REVENUES	\$12,506	\$11,434	\$13,082	\$13,209	\$13,296	\$13,342	\$13,671	\$14,038
OTHER FINANCING SOURCES								
Other Revenues	\$490	\$661	\$200	\$225	\$225	\$225	\$225	\$225
Loan Transfer from Internal Fund	3,000	2,000	3,000	3,000	3,000	0	0	0
TOTAL OTHER FINANCING SOURCES	\$3,490	\$3,697	\$3,200	\$8,623	\$6,824	\$225	\$225	\$225
EXPENSES								
Employment Expenses	\$2,128	\$1,855	\$2,608	\$3,185	\$3,318	\$3,435	\$3,551	\$3,669
Contract Work/Special Projects	133	51	300	350	100	100	100	100
Utilities	84	88	93	112	128	132	136	140
Operating Fees	7,420	6,423	7,208	7,015	7,226	7,443	7,666	7,896
Chemicals	92	121	134	140	144	149	153	158
Professional Fees and Services	115	94	197	351	345	378	387	395
Office and Administrative expenses	0	0	24	25	25	25	25	25
Biosolids Recycling	18	29	36	31	31	32	33	34
Materials & Supplies	55	89	86	75	77	79	82	84
Other Expenses	287	260	425	553	559	630	620	649
TOTAL EXPENSES	\$10,333	\$9,009	\$11,112	\$11,837	\$11,953	\$12,402	\$12,752	\$13,150
CAPITAL PROGRAM								
CSDLAC 4Rs SRF Loan	\$705	\$737	\$0	\$0	\$0	\$0	\$0	\$0
Capital Expansion/Construction	560	556	4,085	18,525	6,880	1,080	680	880
TOTAL CAPITAL PROGRAM	\$1,265	\$1,293	\$4,085	\$18,525	\$6,880	\$1,080	\$680	\$880
DEBT SERVICE								
Financial Expenses	\$4	\$1	\$1	\$4	\$4	\$4	\$4	\$4
Interest	306	278	268	253	236	218	197	176
Principal	294	305	317	331	348	398	418	440
TOTAL DEBT SERVICE	\$604	\$584	\$585	\$588	\$588	\$620	\$619	\$619
TRANSFERS IN (OUT)								
Capital Contribution	(\$34)	(\$39)	(\$82)	(\$53)	(\$24)	(\$8)	(\$14)	(\$30)
Operation support	(12)	(10)	(11)	(40)	(27)	(38)	(59)	(1)
Property Tax Transfer	166	146	1,157	3,062	1,458	292	184	238
TOTAL INTERFUND TRANSFERS IN (OUT)	\$121	\$97	\$1,064	\$2,969	\$1,407	\$246	\$110	\$206
FUND BALANCE								
Net Income (Loss)	\$3,915	\$4,340	\$1,564	(\$6,150)	\$2,106	(\$289)	(\$46)	(\$180)
Beginning Fund Balance July 01	9,942	13,734	13,138	22,445	16,295	18,401	18,112	18,067
ENDING FUND BALANCE AT JUNE 30*	\$13,857	\$18,074	\$14,702	\$16,295	\$18,401	\$18,112	\$18,067	\$17,887
RESERVE BALANCE SUMMARY								
Capital/Operations Contingencies	\$3,444	\$3,003	\$3,704	\$3,946	\$3,984	\$4,134	\$4,251	\$4,383
Capital Construction	9,123	13,748	10,410	11,761	13,797	13,359	13,196	12,495
CSDLAC Prepayment	705	737	0	0	0	0	0	0
Debt Service	586	585	588	588	620	619	619	1,009
ENDING BALANCE AT JUNE 30	\$13,857	\$18,074	\$14,702	\$16,295	\$18,401	\$18,112	\$18,067	\$17,887

* Numbers may not total due to rounding

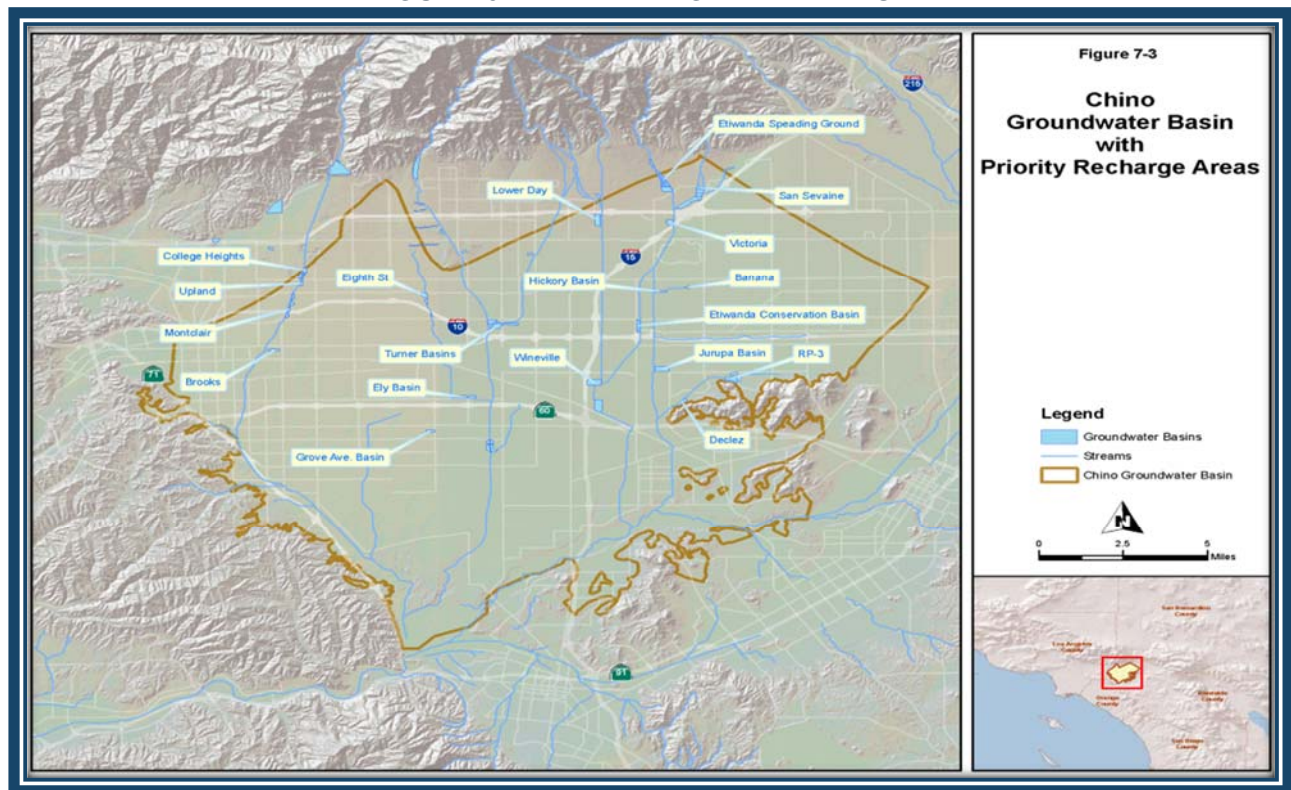
RECHARGE WATER PROGRAM

PROGRAMMATIC OVERVIEW

The Recharge Water program is a comprehensive program designed to increase artificial groundwater recharge within the Chino Basin using storm water, recycled water, and imported water. Through the development of increased recharge capacity in the Chino Basin, greater quantities of high-quality water can be captured, stored during wet years, and made available during drought years and times of imported water supply shortages.

The groundwater infrastructure consists of a network of pipelines that direct storm water run-off, imported water from the California State Water Project (SWP) and IEUA recycled water to recharge sites – most of which consist of multiple recharge basins. These recharge basins are located throughout the IEUA service area (approximately 242-square miles) and are designed to hold the water so that it can percolate into the ground and replenish the alluvial aquifers and groundwater supply. Figure 5-12 shows both recharge basins in the Groundwater Recharge Program with priority recharge areas.

FIGURE 5-12: RECHARGE FACILITIES



The Chino Basin Groundwater Recharge (GWR) Program is jointly sponsored by the Chino Basin Watermaster (CBWM), the Chino Basin Water Conservation District (CBWCD), the San Bernardino Flood Control District (SBFCD) and IEUA. The GWR Program will assist in mitigating future water shortages in California caused by future limitations of importing water supplies from the California SWP and provides a subsurface reserve of groundwater for local use. The GWR Program enhances the current reliability and resiliency of regional groundwater supplies for a rapidly growing population and is an integral part of the regional water supply planning.

The FYs 2021/22 and 2022/23 biennial budget for GWR operations of the recharge basins and pertinent facilities is based on the costs to operate and maintain active recharge sites in the Chino Basin. Annually, the recharge capacity of the GWR facilities includes up to 50,000 acre-feet (AF) of imported water, up to 25,000 AF of stormwater, and up to 16,000 AF of recycled water. Annual recharge varies due to weather patterns and the availability of supplemental water supplies (imported and recycled water). An acre-foot of water is equal to 325,900 gallons of water, the equivalent of filling one acre one foot deep with water.

The recharge basin capacity projections assume:

- ◆ Minimal downtime during basin improvement projects.
- ◆ Average rainfall available for storm water capture.
- ◆ Continued development of basin enhancements to increase recharge capacity and reliability.

Reuse of recycled water for groundwater recharge is a critical component of the Optimum Basin Management Plan (OBMP) and water supply plans for the region as it will increase the reliability and resiliency of water supplies during dry years. The OBMP was put in place to enhance water supply reliability and improve drinking water quality throughout the greater Chino Basin region.

The GWR Program is an important part of the overall basin program and serves as a long-term solution to the water supply and water quality issues facing the greater Chino Basin. IEUA's recycled water production has been captured and recharged by downstream water agencies for decades. It is now being utilized by the IEUA member agencies and is in accordance with requirements of court-approved basin management plans and peace agreements.

In August 2016, a Cost Sharing Letter Agreement was entered between IEUA, Cucamonga Valley Water District, City of Ontario, and Monte Vista Water District (CBWB Parties) to fund the initial steps in the formation of the Chino Basin Water Bank (CBWB). The CBWB's primary objective is to coordinate the development of groundwater storage within the Chino Basin. The CBWB will be open for other interested parties within the Chino Basin to join later. The Chino Basin Water Bank will apply to the Chino Basin Watermaster for the right to create a comprehensive storage and recovery program under existing basin rules and with a dedicated quantity of basin storage. The CBWB would then make this quantity of storage available to outside parties, who would pay for this access by "leaving behind" a certain quantity of water they place in storage. CBWB parties would benefit directly through increased groundwater supplies, and the Chino Basin would generally experience improved groundwater levels and water quality.

RECHARGE WATER PROGRAM

FUND DESCRIPTION

The Recharge Water fund accounts for the revenues and expenses associated with the groundwater recharge operations and maintenance through the joint effort of the Chino Basin Watermaster, the Chino Basin Water Conservation District, the San Bernardino County Flood Control District, and the Inland Empire Utilities Agency.

Expenses include general basin maintenance and restoration costs, groundwater administration (e.g. labor, utilities, equipment, and tools), contracted services (e.g. weeding and vector control), and compliance reporting and environmental documentation fees for the program's Fish & Game Permit. The operations and maintenance budget is funded by both Chino Basin Watermaster and the Agency.

Debt service costs are for the Chino Basin Facilities Improvement Project (CBFIP) funded by the 2020A Refunding Revenue Bond (refinancing the 2008B Variable Rate Bonds in June 2020 and the 2002A Bonds in May 2008). Debt principal and interest costs are equally shared by CBWM and the Agency. The Agency's portion is supported by an inter-fund transfer from the Regional Wastewater Capital Improvement fund.

Table 5-24 shows total revenue, total expense, and beginning and ending fund balances for the Recharge Water program. Additional details on the revenues and expenses follow the Table 5-24.

TABLE 5-24: CONSOLIDATED RECHARGE WATER PROGRAM FUND SUMMARY
(\$MILLIONS)

	2020/21 Amended	2021/22	2022/23	2023/24	2024/25	2025/26
Total Revenue & Other Funding Sources	\$19.6	\$21.3	\$7.0	\$4.8	\$4.5	\$4.6
Total Expenses & Other Uses of Funds	17.3	15.1	12.3	4.7	4.4	4.6
Net Increase (Decrease)	2.3	6.2	(5.3)	0.1	0.1	0.0
Beginning Fund Balance	3.8	3.2	9.4	4.1	4.2	4.3
Ending Fund Balance	\$6.1	\$9.4	\$4.1	\$4.2	\$4.3	\$4.3

GROUNDWATER RECHARGE PRO-RATA COST SHARING METHODOLOGY

In 2008, a memorandum was issued to document the agreed upon administrative methodology for calculating pro-rata cost sharing for the groundwater recharge operations and maintenance (O&M) costs based upon Peace II Agreement language. This method of calculation became effective July 1, 2008 and is renewable through mutual agreement every three years between Chino Basin Watermaster and IEUA. The calculation methodology is still in effect for FYs 2021/22 and 2022/23.

The pro rata cost-sharing for basins recharged with recycled water is determined annually. IEUA's pro rata share of O&M costs is determined based on the proportion of recharged recycled water to the total water recharged in a basin in the prior fiscal year. Total water recharged is comprised of imported water, stormwater capture and recycled water.

REVENUES AND OTHER SOURCES OF FUNDS

FYs 2021/22 and 2022/23 total budgeted revenues, other funding sources and inter fund contributions and support are \$21.3 million and \$7.0 million, as indicated in Table 5-25. The budget is comprised of reimbursements from CBWM for groundwater recharge facilities' O&M, capital project support, and debt service costs. Also included is the contribution from IEUA for its portion of capital and debt service (50/50 shared with CBWM), and pro-rata share of O&M cost. Included in FY 2021/22 are debt proceeds and grant receipts of \$17.5M for the final suite of projects included in the Recharge Master Plan Update (RMPU).

TABLE 5-25: REVENUE AND OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2021/22	2022/23	Key Assumptions
Watermaster Operating Cost Reimbursement	\$1.4	\$1.5	Reimbursement of GWR O&M and facilities.
Watermaster Debt Service	0.4	1.0	Reimbursement for CBWM* share of debt service costs for the 2020A Refunding of the 2008B bonds.
State Revolving Fund Loans	8.0	0.8	Loan proceeds to support Recharge Master Plan Update (RMPU) projects.
Grants	9.5	1.6	Grant proceeds to support RMPU projects.
Inter Fund Transfer/ Other Revenues	2.0	2.1	Interest revenue and Inter-fund transfer for the Agency's operating support for the pro-rata share of groundwater basin maintenance; capital projects; non-reimbursable labor; and debt service, from the Recycled Water and Wastewater Capital funds.
Total	\$21.3	\$7.0	

EXPENSES AND OTHER USES OF FUNDS

Total GWR Program expenses for FYs 2021/22 and 2022/23 are \$15.1 million and \$12.3 million respectively, as shown in Table 5-26 below. The key expenses include capital costs related to the RMPU projects, debt service costs for the Chino Basin Facilities Improvement Project, and groundwater operations and maintenance costs. As indicated on Table 5-26, the increase in total expenses in FY 2021/22 is primarily driven by higher capital expenditures.

The FYs 2021/22 and 2022/23 groundwater O&M expense budget includes utilities, general groundwater basin maintenance costs for infiltration restoration and slope repairs on the groundwater basins. The Agency's O&M pro-rata share for FYs 2021/22 and 2022/23 is estimated at \$928,423 and \$848,000 respectively.

RECHARGE WATER PROGRAM

TABLE 5-26: EXPENSES & OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2021/22	2022/23	Key Assumptions
Operating Expense	\$2.2	\$2.1	Program support and maintenance, utilities, *specialty O&M, Watermaster and SBCFCD costs, and IEUA's pro-rata share.
Debt Service	0.9	1.5	Principal, interest, and financial expense for the 2020A bonds.
Capital Projects	12.0	8.7	Capital project costs shared with Watermaster for RMPU projects.
Total	\$15.1	\$12.3	

*Specialty O&M includes contract labor and materials to address any instances of theft or vandalism, and all associated repairs.

CAPITAL PROJECTS

The FYs 2021/22 and 2022/23 capital project costs for the Recharge Capital Program mainly involve modifications, improvements, and refurbishment at selected basins for \$12.0 million and \$8.7 million, respectively. CBWM has updated the Recharge Master Plan, and Agency staff is taking the lead in the execution and administration of the capital projects. Table 5-27 is a summary of major projects in the Recharge Water program and respective cost sharing ratio between IEUA and CBWM.

TABLE 5-27: RECHARGE PROGRAM CAPITAL PROJECTS (\$MILLIONS)

Capital Projects	2021/22	2022/23	2023/24 to 2025/26	TYCIP Total
Recharge Master Plan Update	\$11.4	\$7.8	\$0	\$19.2
Groundwater Basin PLC Upgrades	0.3	0.3	0.3	0.9
Jurupa Basin VFD Upgrades	0.3			0.3
Asset Management		0.5	4.0	4.5
SCADA Infrastructure		0.1		0.1
Total	\$12.0	\$8.7	\$4.3	\$25.0

DEBT SERVICE

In January 2002, the Agency's Board of Directors approved the Recharge Master Plan Implementation Memorandum of Agreement encompassing CBWM, CBWCD, SBCFCD, and IEUA. The four agencies formed a Groundwater Recharge Coordinating Committee to implement an initial \$40-million program, entitled the Chino Basin Facilities Improvement Project (CBFIP) to develop recharge facilities from existing flood control basins. IEUA served as the lead agency for implementation (design, construction, operation, and maintenance) of this cooperative program. In the summer of 2005, Phase I CBFIP improvements were completed and recharge operations commenced in the upgraded facilities.

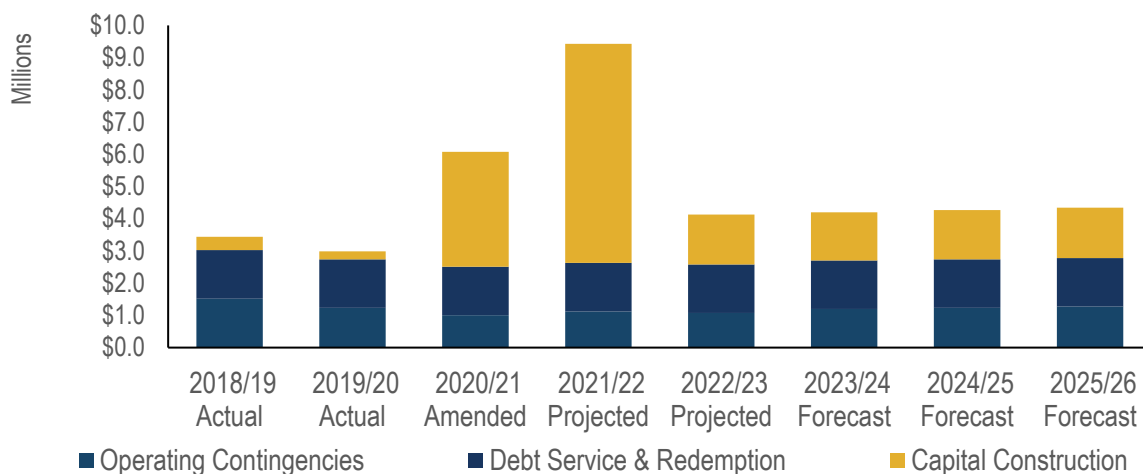
To finance the CBFIP effort, the Agency issued a \$59 million revenue bond in July 2002. A portion of the net bond proceeds, \$19.7 million, combined with \$19 million Prop 13 grant provided most of the funding for

the CBFIP. The 2002 Bond was refinanced in April 2008 by the issuance of a Variable Rate Demand Revenue Bond, Series 2008B for \$55.7 million set to mature in FY 2031/32 which was refinanced in June 2020 by the issuance of the 2020A Refunding Revenue Bonds for \$75 million. FYs 2021/22 and 2022/23 debt service expenses of \$1.27 million and \$1.32 million for the 2020A Refunding Revenue Bond principal and interest debt payments are equally shared by CBWM and IEUA.

FUND BALANCE

The ending fund balance for FYs 2021/22 and 2022/23 is projected to be \$9.4 million and \$4.1 million, respectively. Construction activities related to RMPU projects are projected to ramp up in FY 2021/22, and the activities will be funded by SRF loan proceeds resulting in an increase in the fund balance. Throughout the subsequent years, ending fund balances are estimated to average \$4.5 million based on current assumptions to leverage SRF loan and grant proceeds to finance the RMPU capital projects. Figure 5-13 shows the trend of ending fund balances through FY 2025/26.

FIGURE 5-13: TREND OF RECHARGE WATER PROGRAM ENDING FUND BALANCE (\$MILLIONS)



FY 2023/24-FY 2024/25 FORECAST

Currently, the recharge basins are not expected to require significant capital expense beyond the completion of refurbishment at selected basins. Enhancements to existing facilities and development of additional recharge facilities will occur as opportunities arise.

Recycled water recharge has become a key component of the regional water supply portfolio: the more water recharged into the Chino Groundwater Basin, the more self-reliant and less dependent the region is on imported water supplies. To maximize past investments, projects planned over the next several years are primarily focused on increasing recharge area and pumping capacity. These and other investigative projects will be explored and funded in the future years as a means to further diversify the water supply for the region and maximize the beneficial reuse of recycled water.

RECHARGE WATER PROGRAM

Table 5-28 shows the potential monthly recharge capacities for the recharge active sites.

TABLE 5-28: CHINO BASIN POTENTIAL MONTHLY RECHARGE CAPACITIES

Recharge Active Sites	Recharge Capacity Acre Feet per Month
7 th & 8 th Street Basins	170
Banana Basin	117
Brooks Basin	188
College Heights Basins*	457
Declez Basins	151
Ely Basins	193
Etiwanda Debris Basin*	263
Grove Basin*	38
Hickory Basin	136
Lower Day Basin	340
Montclair Basins*	559
RP-3 Basins	760
San Sevaime Basins	108
Turner Basins	161
Upland Basin*	187
Victoria Basin	160
Wineville Basin*	TBD
Total	3,988

**Basin not permitted for recycled water recharge.*

**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2021/22 & 2022/23 BIENNIAL BUDGET
RECHARGE 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 MID-YEAR	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST		
REVENUES								
Cost Reimbursement from JPA	\$883	\$1,004	\$1,449	\$1,067	\$1,036	\$1,173	\$1,208	\$1,245
Contract Cost reimbursement	1,464	0	35	0	0	0	0	0
Interest Revenue	62	20	40	100	100	70	70	75
TOTAL REVENUES	\$2,409	\$1,024	\$1,523	\$1,167	\$1,136	\$1,243	\$1,278	\$1,320
OTHER FINANCING SOURCES								
State Loans	\$0	\$42	\$8,800	\$7,975	\$825	\$0	\$0	\$0
Grants	482	456	7,488	9,536	1,579	0	0	0
Capital Contract Reimbursement	801	526	378	707	1,463	1,436	1,277	1,277
Other Revenues	17	95	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$1,299	\$1,119	\$16,666	\$18,219	\$3,867	\$1,436	\$1,277	\$1,277
EXPENSES								
Employment Expenses	\$803	\$843	\$677	\$830	\$865	\$895	\$926	\$956
Contract Work/Special Projects	1,240	103	69	0	0	0	0	0
Utilities	59	87	85	85	88	90	93	96
Operating Fees	11	11	8	8	8	8	9	9
Professional Fees and Services	806	1,312	980	1,123	987	1,192	1,227	1,264
Office and Administrative expenses	0	0	16	16	16	17	17	18
Materials & Supplies	120	109	129	114	117	121	125	128
TOTAL EXPENSES	\$3,038	\$2,465	\$2,013	\$2,240	\$2,147	\$2,396	\$2,468	\$2,546
CAPITAL PROGRAM								
Capital Expansion/Construction	\$647	\$1,117	\$14,204	\$11,969	\$8,679	\$819	\$500	\$500
TOTAL CAPITAL PROGRAM	\$647	\$1,117	\$14,204	\$11,969	\$8,679	\$819	\$500	\$500
DEBT SERVICE								
Financial Expenses	\$67	\$70	\$85	\$1	\$1	\$1	\$1	\$1
Interest	170	146	215	397	435	403	369	334
Principal	710	739	769	559	1,063	1,102	1,135	1,171
TOTAL DEBT SERVICE	\$947	\$954	\$1,069	\$957	\$1,499	\$1,505	\$1,506	\$1,505
TRANSFERS IN (OUT)								
Capital Contribution	\$39	\$0	\$303	\$238	\$338	\$315	\$193	\$193
Debt Service	473	477	535	478	475	479	479	478
Operation support	598	1,461	522	1,173	1,110	1,223	1,260	1,301
Property Tax Transfer	9	1	33	71	101	94	58	58
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,119	\$1,939	\$1,393	\$1,961	\$2,025	\$2,111	\$1,989	\$2,030
FUND BALANCE								
Net Income (Loss)	\$195	(\$453)	\$2,296	\$6,181	(\$5,296)	\$70	\$70	\$75
Beginning Fund Balance July 01	3,246	3,441	3,780	3,246	9,427	4,131	4,200	4,270
ENDING FUND BALANCE AT JUNE 30*	\$3,441	\$2,987	\$6,077	\$9,427	\$4,131	\$4,200	\$4,270	\$4,345
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$1,013	\$1,232	\$1,006	\$1,120	\$1,073	\$1,198	\$1,234	\$1,273
Capital Expansion / Construction	1,161	249	3,565	6,800	1,551	1,495	1,529	1,565
Debt Service & Redemption	1,267	1,506	1,506	1,507	1,507	1,507	1,507	1,507
ENDING BALANCE AT JUNE 30	\$3,441	\$2,987	\$6,077	\$9,427	\$4,131	\$4,200	\$4,270	\$4,345

* Numbers may not total due to rounding

RECYCLED WATER PROGRAM

PROGRAMMATIC OVERVIEW

IEUA owns and operates five water recycling treatment facilities, four of which produce recycled water. These facilities receive an average of 48 million gallons per day (MGD) of wastewater from its member contracting agencies which is treated to Title 22 regulations set forth by the California Department of Health Services. The use of recycled water provides a high-quality alternative water source to the Agency, its seven regional contracting member agencies (Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District), commercial customers, and recharge basins for groundwater storage which helps to improve the resiliency of the region's water supply.

IEUA began producing recycled water in the 1970's as a low-cost alternative water supply for large irrigation customers. In 2000, the region identified recycled water as a critical component in drought-proofing the region and essential to sustaining economic growth. With imported water rates increasing and its long-term supply reliability in decline, the region committed to aggressively and proactively developing local water supplies. This set the path for the development of a regional recycled water system.

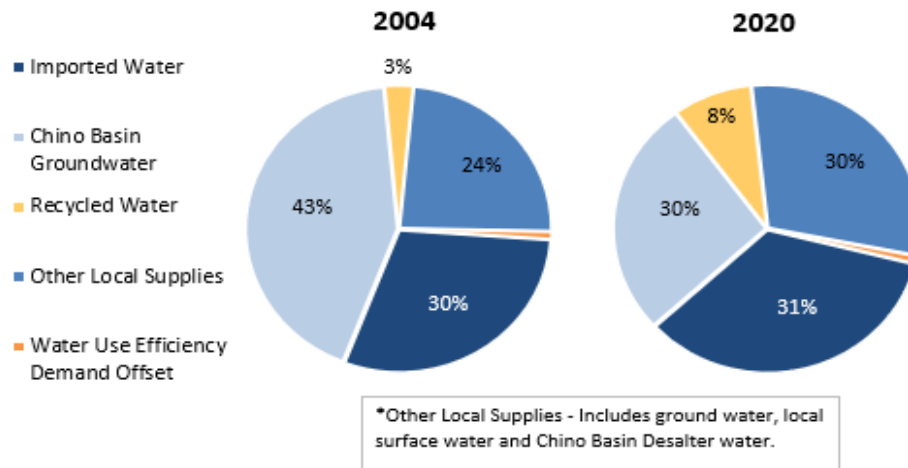
Based on a series of regional decisions since 2000, over \$350 million has been invested into the implementation of a robust Recycled Water Program. These investments, along with development of nineteen ground water recharge basins, ten of which accept recycled water, have significantly helped the Agency and its contracting agencies develop and maintain a reliable local water supply. The recycled water distribution system consists of over 93 miles of pipeline, four reservoir storage tanks with storage capacity between two and five million gallons, and multiple pump stations.

IEUA's long-term planning documents continue to focus on development of the region's local water supplies. Major benefits of the regional Recycled Water program include:

- ◆ New water supply – delivery of over 30,000-acre foot per year of a local water supply
- ◆ Enhanced water quality – improves the quality of the Chino Basin aquifer
- ◆ Reliable supply – not directly impacted by drought or climate change and helps mitigate the impacts of regional and statewide water supply limitations
- ◆ Reduces greenhouse gas emissions by requiring less energy to deliver to customers than imported water

The use of recycled water increases the reliability of a local water supplies. Figure 5-14 illustrates the evolution of water supply by source in the region.

FIGURE 5-14: REGIONS WATER SUPPLY BY SOURCE



Recycled water is a cost effective, dependable, and environmentally friendly water supply that is safe for a variety of uses including landscape and agricultural irrigation, groundwater recharge, construction, and industrial process water. Figure 5-15 lists the FY 2019/20 recycled water demand use by type.

FIGURE 5-15: RECYCLED WATER DEMAND USE BY TYPE

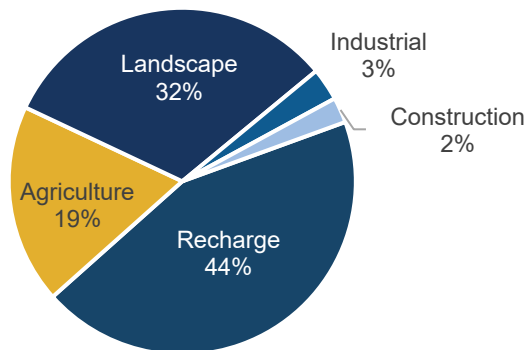


Table 5-29 shows the short-term demand (use by 2025) and long-term demand (use projection through 2040) of recycled water direct use and groundwater recharge.

TABLE 5-29: RECYCLED WATER DEMAND PROJECTION

Recycled Water User Type	Short-Term Demand (AFY)	Long-Term Demand (AFY)
Direct Use	20,800	27,600
Groundwater Recharge	16,240	16,240
Total Recycled Water Demand	37,220	43,840

Planning for the Recycled Water program is aimed toward the ability to adapt and provide beneficial use focused on strengthening the region's base water supply by shifting towards groundwater recharge, direct

RECYCLED WATER PROGRAM

injection, and eventually direct potable reuse. This long-term strategy is necessary to effectively address the region's water resource priorities, including maintaining the water quality in the Chino Basin.

FUND DESCRIPTION

The Recycled Water fund records the revenues and expenses associated with the operations and maintenance of the facilities used to distribute recycled water supplied from Agency's four water recycling plants, and a portion of groundwater recharge operating expense not funded by Chino Basin Watermaster. Additionally, the Recycled Water fund records all revenues and costs related to capital construction, improvement, and financing of the recycled water distribution system.

Table 5-30 shows total revenue, total expense, and beginning and ending fund balances for the Recycled Water program. Additional detail on the revenues and expenses follows in Table 5-31.

TABLE 5-30: CONSOLIDATED RECYCLED WATER PROGRAM FUND SUMMARY
(\$MILLIONS)

	2020/21 Amended	2021/22	2022/23	2023/24	2024/25	2025/26
Total Revenue & Other Funding Sources	\$40.0	\$31.1	\$31.8	\$32.6	\$33.5	\$34.1
Total Expenses & Other Uses of Funds	30.5	31.7	37.0	34.3	34.9	30.6
Net Increase (Decrease)	\$9.5	(\$0.6)	(\$5.2)	(\$1.7)	(\$1.4)	\$3.5
Beginning Fund Balance	32.1	43.4	42.8	37.6	35.9	34.5
Ending Fund Balance	\$41.6	\$42.8	\$37.6	\$35.9	\$34.5	\$38.0

+/- Totals may not add due to rounding

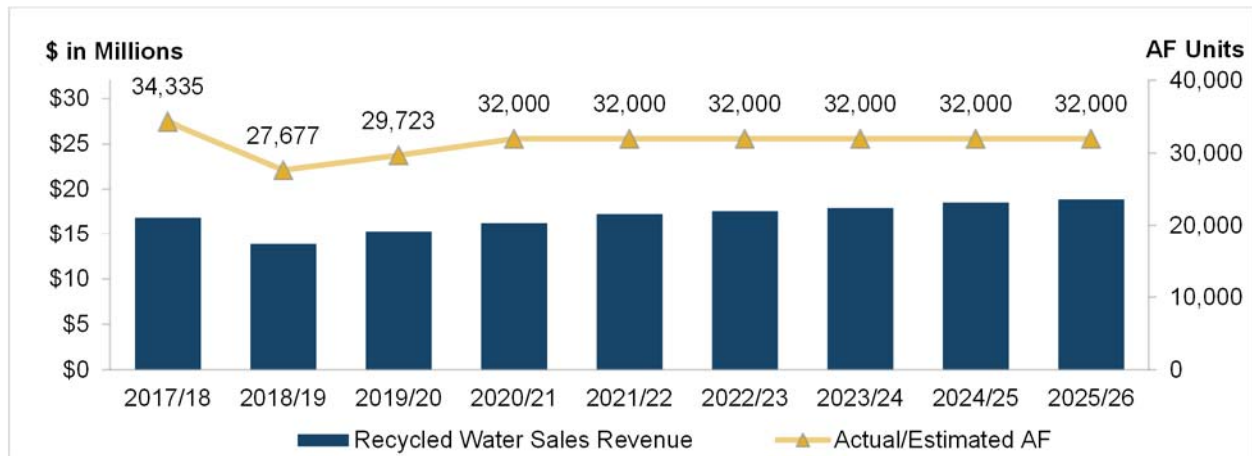
REVENUES AND OTHER SOURCES OF FUNDS

Total revenues and other funding sources of the Recycled Water fund are budgeted at \$31.1 million in FY 2021/22 and \$31.8 million in FY 2022/23. Revenues and other funding sources for the Recycled Water fund are shown in Table 5-31.

The Recycled Water fund generates operating revenue from the sale of recycled water to the Agency's member agencies and other industries. In FYs 2021/22 and 2022/23, budgeted direct deliveries are 17,000 AF and groundwater recharge deliveries are 15,000 AF for a total of 32,000 AF per year. Recycled water revenues for the two fiscal years are \$17.3 million and \$17.6 million, respectively.

The adopted recycled water AF delivery rate for FY 2021/22 is \$520, the projected rate for FY 2022/23 of \$530 is subject to change with the completion of the recycled water cost of service rate study. Upon completion of the rate study, anticipated to be in April 2022, any adjustment to the rates will be brought

forth for review and approval. The groundwater recharge rate includes an additional \$60/AF surcharge. The surcharge supports a portion of groundwater recharge basin operating and maintenance costs not covered by Chino Basin Watermaster and the Agency's pro rata share of operating costs which is based on the proportion of recycled water to the total water recharged in the basin in the prior fiscal year. Figure 5-16 illustrates the trend of both historical and projected annual AF sales through FY 2025/26.



The One Water connection fee, established in 2015, supports capital improvement and expansion of Agency's regional water system, which is comprised of potable water, recycled water, and groundwater recharge. A portion of these revenues is transferred to the Administrative Services, Recharge Water, and Water Resources funds to support capital projects that contribute to the improvement and expansion of the regional water system and water conservation and water use efficiency programs.

One Water connection fee revenue of \$8.4 million is projected for FY 2021/22 and \$8.7 million in FY 2022/23; based on 4,700 new meter equivalent unit (MEU) connections per fiscal year. One Water connection fee rates are set on a meter equivalent unit (MEU) basis. One MEU is equivalent to a 5/8" and 3/4" meter size (standard size of a residential water meter). The adopted rate for FYs 2021/22 and 2022/23 is \$1,787 and \$1,841, respectively.

TABLE 5-31: REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)

Sources of Funds	2021/22	2022/23	Key Assumptions
Recycled Water Sales	\$17.3	\$17.6	Projected deliveries are 32,000 AF per year FYs 2021/22 and 2022/23
One Water Connection Fee	8.4	8.7	4,700 MEUs are projected per year for FYs 2021/22 and 2022/23
Property Tax	2.3	2.3	Property tax allocation of 4% per year to support debt service costs
Inter Fund Transfer/Other Revenues	3.1	3.2	Includes interest, other reimbursements, and inter-fund transfers from the Regional Wastewater Capital Improvement fund to support debt service costs
Total	\$31.1	\$31.8	

RECYCLED WATER PROGRAM

A recycled water rate survey conducted during FY 2020/21 once again ranked the Agency's wholesale recycled water rate amongst the lowest wholesale rate in southern California as shown in Table 5-32.

TABLE 5-32: FY 2020/21 RECYCLED WATER RATE SURVEY

Wholesale Agencies			
<i>Agency</i>	<i>Type</i>	<i>Notes</i>	<i>Rate \$/AF</i>
Inland Empire Utilities Agency	Wholesale	Base Rate	\$490 – \$550
Central Basin Municipal Water District	Wholesale	Tiered Rates	\$790 - \$815
Eastern Municipal Water District	Wholesale	Tiered Rates	\$86 – \$1,153
West Basin Municipal Water District	Wholesale	Tiered Rates	\$1,215 - \$1,297
Retail Agencies			
<i>Agency</i>	<i>Type</i>	<i>Notes</i>	<i>Rate \$/AF</i>
Irvine Ranch Water District	Retail	Base Rate	\$684
Long Beach Water Department	Retail	Average Rate	\$871
Inland Empire Utilities Agency's Member Agencies	Retail	Average Base Rate	\$894
Monte Vista Water District	Retail	Base Rate	\$915
Otay Water District	Retail	Base Rate	\$1,481
Olivenhain Municipal Water District	Retail	Base Rate	\$1,590
Santa Fe Irrigation District	Retail	Base Rate	\$1,642

In addition to the water connection fee, a primary source of funding for Recycled Water program capital expenditures is State Revolving Fund (SRF) loans. The Recycled Water program has been using various forms of SRF loans and related grants since 2003, as well as other grant funding from various federal, state, and local sources. A complete listing of the Recycled Water program SRF loans is shown in Table 5-33.

TABLE 5-33: RECYCLED WATER SRF LOAN PROCEEDS (\$MILLIONS)

Service Areas	Fiscal Year Received/Expected	Phases	Received/ Estimated ⁽¹⁾
<i>Awarded Funding</i>			
Southern, Central, and Northeastern Areas	FY 2000/01 thru FY 2010/11	Phases I - V	\$57.1
Southern Area	FY 2013/14 thru FY 2014/15	Phase VI	27.1

Service Areas	Fiscal Year Received/Expected	Phases	Received/Estimated ⁽¹⁾
Central /Wineville Areas	FY 2014/15 thru FY 2016/17	Phase VII	22.8
Napa Lateral	FY 2017/18 thru FY 2019/20	n/a	3.3
San Sevaine Basin	FY 2017/18 thru FY 2019/20	n/a	2.3
Sub-Total			112.6
<i>Projected Funding</i>			
Recycled Water Baseline Extension ⁽²⁾	FY 2019/20 thru FY 2020/21	n/a	5.8 ⁽¹⁾
RP-4 1158 Recycled Water Pump Station Upgrades	FY 2020/21 thru FY 2021/22	n/a	5.1 ⁽¹⁾
RP-5 Recycled Water Pipeline Bottleneck	FY 2020/21 thru FY 2021/22	n/a	2.4 ⁽¹⁾
Sub-Total			13.3 ⁽¹⁾
Total Recycled Water SRF Loan Proceeds			\$125.9

⁽¹⁾ Loan amounts not final.

⁽²⁾ Loan amount does not include potential principal forgiveness grants of up to \$3.0 million.

EXPENSES AND OTHER USES OF FUNDS

Total Recycled Water fund expenses and other uses of funds are budgeted at \$31.7 million in FY 2021/22 and \$37.0 million in FY 2022/23 as noted in Table 5-34.

TABLE 5-34: EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2021/22	2022/23	Key Assumptions
Debt Service	\$12.3	\$14.3	Includes repayment of principal, interest, and financial fees, including inter-fund loan repayment to the Non-Reclaimable Wastewater and Regional Wastewater Capital funds
Operations	6.4	7.1	Includes labor, utilities (pumping costs), chemicals and materials, and supplies.
Administrative	4.3	4.4	Includes contract labor, professional fees and services, and other allocated expenses
Ground Water Recharge	1.7	1.7	Includes O&M costs not reimbursed by CBWM and the Agency's pro-rata share of O&M costs for the proportion of recycled water recharged.
Capital Projects	2.5	5.6	A detailed listing of Recycled Water Capital Projects is included in the Capital section (Chapter 6)
Other	4.5	3.9	Includes O&M project costs and inter-fund transfers for operating and capital support including water

RECYCLED WATER PROGRAM

Uses of Funds	2021/22	2022/23	Key Assumptions
			connection fees to support integrated regional water resource management capital investments
Total	\$31.7	\$37.0	

Each year the Recycled Water provides support for other program costs through inter-fund transfers. Transfers to the Recharge Water fund support operating and capital costs not reimbursed by Chino Basin Watermaster. Connection fee transfers to the Administrative Services, Recharge Water, and Water Resource funds support integrated regional water resource capital investments. These inter-fund transfers are included in “other” expenses reported in Table 5-34.

CAPITAL PROJECTS

The major focus of the Recycled Water capital program in FY 2021/22 and FY 2022/23 will be rehabilitation and replacement (R&R) of infrastructure. Listed in Table 5-35 are the recycled water capital projects budgeted in FYs 2021/22 and 2022/23. For a complete listing of projects and descriptions, refer to the Recycled Water project list in the Capital section of this document.

TABLE 5-35: RECYCLED WATER CAPITAL PROJECTS (\$MILLIONS)

Major Capital Projects	2021/22	2022/23
RP-4 Contact Basin Cover & Wet Well Pass	\$0.7	\$3.5
8 th Street Recycled Water Turnout Connection	0.6	0.9
Recycled Water Asset Management Projects	0.5	1.0
Prado Dechlor Sump Pump Replacement	0.4	-
All Other Projects	0.3	0.2
Total	\$2.5	\$5.6

DEBT SERVICE

Debt service costs are comprised of principal, interest, and financial fees. FY 2021/22 debt service costs are projected to be \$12.3 million, and \$14.3 million in FY 2022/23 as shown in Table 5-36. Bond totals shown below include the 2017A and 2020A Revenue bonds. Debt service costs for the 2017A Revenue bonds is supported by an inter-fund transfer from the Regional Wastewater Capital Improvement fund.

TABLE 5-36: TOTAL DEBT SERVICE COSTS BY FISCAL YEAR (\$MILLIONS)

(Principal and Interest)	2020/21 Amended Budget	2021/22	2022/23	2023/24	2024/25	2025/26
Inter-Fund Loans	\$3.5	\$3.5	\$5.4	\$6.3	\$5.6	\$0.0
Bonds	2.4	5.8	5.8	5.9	5.9	5.0
SRF Loans ⁽¹⁾	6.3	3.0	3.1	3.1	3.1	3.1
Total	\$12.2	\$12.3	\$14.3	\$15.3	\$14.6	\$8.1

A key source of funding for the construction of the recycled water distribution system has been inter-fund loans. Inter-fund loans are used as needed to support capital and operating costs not recovered through the recycled water rates. The use of the inter-fund loans has helped to mitigate upward pressure on recycled water rates. Table 5-37 summarizes the repayment schedule for the Recycled Water fund inter-fund loans outstanding as of June 30, 2021.

TABLE 5-37: RECYCLED WATER FUND REPAYMENT OF OUTSTANDING INTER-FUND LOANS (\$MILLIONS)

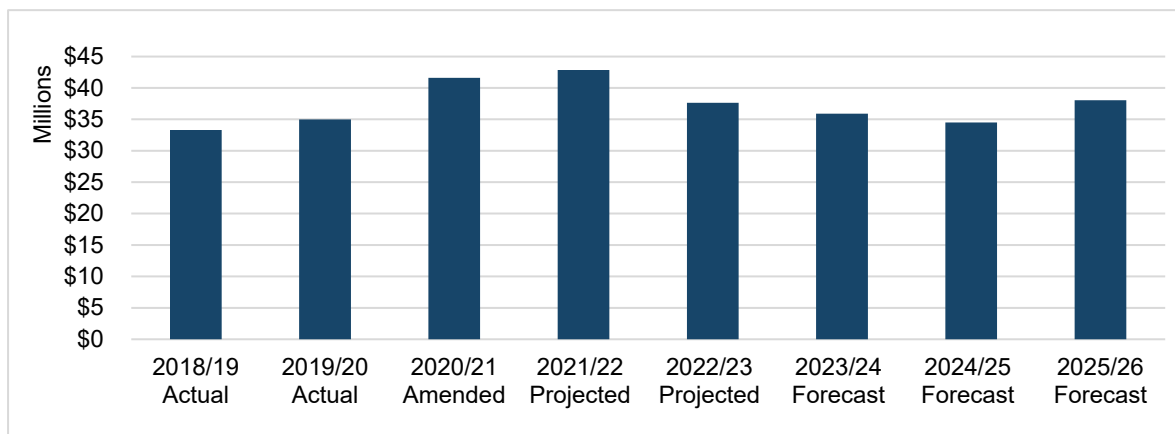
Inter Fund Loan Issued	Due to	Outstanding Principal Amount	Repayment Schedule
FY 2007/08	Regional Wastewater Capital Improvement Fund	3.0	2022/23 \$1.0 2023/24 \$1.0 2024/25 \$1.0
FY 2009/10	Non-Reclaimable Wastewater Fund	6.0	2021/22 \$3.0 2022/23 \$3.0
FY 2014/15	Regional Wastewater Capital Improvement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

RECYCLED WATER PROGRAM

FUND BALANCE

The Recycled Water fund FY 2021/22 ending fund balance is estimated to be \$42.8 million and is projected to decrease to \$37.6 million at the end of FY 2022/23. The decrease is primarily due to the repayment of inter-fund loan to the Non-Reclaimable Wastewater and Regional Wastewater Capital Improvement funds. In the three years following the Biennial Budget, the fund balance is projected to remain relatively steady. The projected increase in fund balance in FY 2025/26 can be attributed to lower debt service costs. Figure 5-17 shows historical and projected ending fund reserves.

FIGURE 5-17: TREND OF RECYCLED WATER FUND ENDING FUND RESERVE (\$MILLIONS)



FY 2023/24 – FY 2025/26 FORECAST

As a locally developed water supply, recycled water is a practical and essential resource in mitigating the effects of climate change. Over the next few years, a key objective for the Agency and its member agencies is to safeguard the regional capital investments by ensuring the long-term sustainability of the Recycled Water Program. Under the current rate structure, which is entirely commodity based, revenues vary from year to year based on the volume of recycled water delivered, primarily due to weather conditions. The 2022 Rate Study will evaluate alternative rate structures that will provide revenue stability and lessen the impact of reduced deliveries in years of high precipitation.

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

* Numbers may not total due to rounding

WATER RESOURCES PROGRAM

PROGRAMMATIC OVERVIEW

IEUA works in close coordination with local and regional stakeholders including Metropolitan Water District (MWD), Chino Basin Watermaster (CBWM), Santa Ana Watershed Project Authority (SAWPA), Chino Basin Water Conservation District (CBWCD), local water agencies, municipalities, wastewater contractors, and regulatory agencies at the local, state, and federal levels to ensure that the customers in IEUA's service area have access to safe and reliable water supplies today and into the future.

Water demand within the Agency's service area has changed significantly over the past 30-years. As the region has developed, water use has shifted from agricultural uses to urban (residential, commercial, industrial, and institutional). IEUA works collaboratively with local and regional stakeholders to develop, deliver, and preserve safe and reliable water supplies while employing technologies and activities that maintain and improve region-wide water use efficiencies.

Demand management and the efficient use of water remains a long-term priority in meeting water supply reliability. Historically, droughts were intermittent periods that produced lower than average precipitation, however, over the last ten years, the region has experienced extended periods of below average rainfall and rising temperatures. In the past decade, water reliability has been strained due to a combination of more frequent "dry year" weather events, a growing population, and the disruption to imported water deliveries from the State Water Project (SWP) due to environmental regulations and operational restraints. As a result, IEUA has developed a suite of policies, practices, and programs that promote the development and full utilization of local water resources including water use efficiency measures, recycled water production, groundwater recharge, storm-water capture, and imported water delivery coordination with Metropolitan Water District of Southern California.

IEUA's water use efficiency programs are fundamental in managing region-wide demand and are a significant impact to sustaining regional water supplies. The total water consumption within the Agency's service area for FY 2019/20 was 192,095 acre-feet (AF). This is a two percent increase (3,278 AF) from FY 2018/19. However, the region is still using approximately fifteen percent less water than before the most recent drought in 2014.

Although IEUA anticipates a slight increase in water usage over the long-term due to the persistently higher temperatures the region is experiencing, demands are not expected to exceed the peak year of FY 2007/08. Demand modeling conducted in 2015 identified trends that new developments are more water efficient due to changes in the plumbing code, higher density developments with less landscaping, and compliance with the existing model landscape ordinance requirements set forth in Assembly Bill (AB) 1881.

IEUA works in partnership with local municipalities, water districts, CBWM, CBWCD, and other agencies to implement regional water use efficiency programs. The programs include activities that encourage efficient outdoor water use, promote education, and outreach, and provide incentives for high efficiency appliances and devices including weather-based irrigation controllers, and high efficiency sprinkler nozzles.

In FY 2020/21, major initiatives implemented in the Water Resources Program include:

- ◆ ***IEUA Urban Water Management Plan*** – Through a collaborative process, IEUA and the member agencies preparing to update the Urban Water Management Plan (UWMP). The UWMP will include an analysis of existing regional and local potable water supplies, current and future demand trends, and identify water supply vulnerabilities under a variety of current and future conditions, including loss of imported water, water supply allocation, multi-year drought, and water quality impairment. The UWMP will support long-term water resource planning and ensure adequate water supplies are available to meet existing and future water demands.
- ◆ ***IEUA Long-Term Water Use Efficiency Business Plan Update*** – The Plan guides regional water use efficiency programs over a five-year period by implementing core initiatives that safeguard permanent water use reductions that meet or exceed goals and targets outlined in the State's new framework of "Making Water Conservation a California Way of Life" (SB 606/AB 1668). Based on the updated Plan, the five-year water use reduction goal for IEUA's service area is 13,127 acre-feet by the year 2025, and 32,418 acre-feet lifetime savings from the new programmatic activities. In 2020, IEUA, in partnership with the member agencies, regionally exceeded requirements of SBX 7-7 by achieving more than a thirty percent reduction in per capita water use by 2020.
- ◆ ***Water Use Efficiency Programs*** – IEUA and its member agencies will continue to allocate funds to targeted programs, such as residential, commercial, industrial, institutional, and landscaping, and seek grant funding opportunities whenever applicable to maintain and launch programs identified in the updated Water Use Efficiency Business Plan. IEUA will continue to offer a variety of programming options that sustain and increase demand reductions, while providing public awareness, education, and increased participation. Further details regarding the water use efficiency program will be available in IEUA's FY 2020-2021 Regional Water Use Efficiency Annual Programs Report.
- ◆ ***Chino Basin Program/Water Investment Storage Program (CBP/WSIP)*** – The CBP/WSIP, which includes construction of an advanced water treatment facility and distribution system to treat and store up to 15,000 acre-feet per year of recycled water in the CBP/WSIP were conditionally awarded \$212 million from Proposition 1, a state water bond approved by voters in 2014 that provides funding for new and innovative water storage projects. In April 2021 the California Water Commission agreed to award \$8.9 million in early funding to reimburse the Agency for costs incurred related to project planning and permitting. Staff continue to work closely with interested local agencies to further refine the CBP/WSIP program to evaluate if it can help meet regional needs. Technical feasibility studies, institutional agreements and environmental permitting must be circulated and completed by December 2021 for the region to secure the final funding award.

WATER RESOURCES PROGRAM

FUND DESCRIPTION

The Water Resources fund records fiscal activity associated with providing water resources and water use efficiency programs within the Agency's service area. These programs include management and distribution of imported water supplies, development and implementation of regional water use efficiency initiatives, water resource planning, and support for regional water supply programs including recycled water, groundwater recharge, and storm water management.

Within the Water Resources Program, the regional water use efficiency program receives dedicated funding, including a portion of the Meter Equivalent Unit (MEU) charge, one water connection allocation, and program grants and reimbursements from the state, federal, and local agencies.

REVENUES AND OTHER FUNDING SOURCES

Total funding sources for the Water Resources fund are \$60.1 million and \$62.8 million for FYs 2021/22 and 2022/23, respectively. The FY 2021/22 revenues are comprised of \$47.4 million, or seventy nine percent of the budget for the pass-through sales of MWD potable imported water, \$5.3 million or nine percent of the budget for the estimated Meter Equivalent Unit (MEU), \$2.9 million from MWD Readiness to Serve (RTS) pass through recovery costs, \$2.0 million in property tax allocation to support the seven-year phased implementation of the RTS Ten Year Rolling Average (TYRA) and regional water resources initiatives not supported by the adopted rates, \$1.7 million of inter-fund transfer of One Water Connection fees to support project costs, \$0.6 million in grant and reimbursements for water use efficiency and sustainability programs, and \$0.2 million of interest income.

The FY 2022/23 revenues are comprised of \$49.8 million, or seventy nine percent of the budget for the pass-through sales of MWD potable imported water, \$5.4 million or nine percent estimated from the Meter Equivalent Unit (MEU), \$3.3 million MWD RTS pass through recovery costs, \$2.1 million in property tax allocation to support program cost, \$1.5 million of inter-fund transfer of One Water Connection fees to support project costs, \$0.4 million in grant and reimbursements for water use efficiency and sustainability programs, and \$0.3 million of interest income. Table 5-38 provides a summary of Water Resources fund's revenues and other sources of funds, as well as budget assumptions.

TABLE 5-38: REVENUES & OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2021/22	2022/23	Key Assumptions
Imported Water Sales	\$47.4	\$49.8	Pass through sales of MWD potable imported water at 60,000 Acre Feet per Fiscal Year
Meter Equivalent Units (MEU)	5.3	5.4	Estimated 405,868 MEU per month in FY 2021/22

Sources of Funds	2021/22	2022/23	Key Assumptions
MWD RTS pass through recovery	2.9	3.3	Seven-year phased implementation of the MWD readiness-to-serve ten year rolling average direct charge to member agencies. MWD RTS recovery will be 90% for FY 2021/22 and 100% for FY 2022/23
Property Tax Allocation	2.0	2.1	Allocation of property tax receipts to support program costs
Grants/Reimbursements	0.6	0.4	Continue to leverage grants to support water use efficiency and sustainability projects.
One Water Connection Fees	1.7	1.5	Transfer of One Water connection fees from the Recycled Water fund to support water use efficiency projects.
Other	0.2	0.3	Interest and other reimbursements.
Total	\$60.1	\$62.8	

Summarized below are the adopted rates that best meet the key objectives of equity, cost/benefit nexus and revenue stability.

METER EQUIVALENT UNIT (MEU) RATE

The Meter Equivalent Unit (MEU) charges support the Water Resources fund program costs. These include the Agency's regional conservation and water use efficiency programs, employment costs, professional fees, and office and administration expenses. On July 15, 2020, the Board of Directors adopted MEU rates for fiscal years 2021/22 through 2024/25 as follows:

TABLE 5-39: MULTI-YEAR ADOPTED METER EQUIVALENT UNIT RATE

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26*
Effective Date	7/01/20	7/01/21	7/01/22	7/01/23	7/01/24	07/01/25
Meter Equivalent Units (MEU)	\$1.04	\$1.08	\$1.10	\$1.12	\$1.14	\$1.17

*Projected, subject to change

WATER RESOURCES PROGRAM

READINESS TO SERVE (RTS) RECOVERY RATE

MWD bills Readiness-to-Serve (RTS) based on water use over a ten-year rolling average. The Agency adopted this methodology as of October 2016 which shifted recovery of RTS pass through fees amongst the water member agencies.

To mitigate the fiscal impact of the changes in the water rate structure, the Board approved the member agencies request to phase-in the RTS recovery in alignment with the implementation of the recycled water surcharge for use over entitlement. Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass-through shall be charged to the water member agencies to recover their share of total RTS charge imposed by MWD, and will be phased-in over a period of seven (7) years as follows:

TABLE 5-40: RTS COST RECOVERY CHARGE

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Effective Date	7/01/20	7/01/21	7/01/22	7/01/23	7/01/24	7/01/25
RTS Recovery	75%	90%	100%	100%	100%	100%

EXPENSES AND OTHER USES OF FUNDS

Total expenditures in FYs 2021/22 and 2022/23 are projected to be \$62.4 and \$64.7 million, respectively. As summarized on Table 5-41, major expenses for the Water Resources fund are comprised of pass-through purchases of imported water, regional water use efficiency and sustainability projects, and program costs.

The FY 2021/22 expenses include \$47.4 million or seventy six percent of budget for purchases of imported water, \$3.2 million or five percent for MWD readiness-to-serve pass through costs; \$7.7 million or twelve percent of budget for projects; \$4.1 million or six percent of budget for program support costs which include labor, professional fees and services, and office and administrative expenses.

The FY 2022/23 expenses include \$49.8 million or seventy seven percent of budget for purchases of imported water, \$3.3 million or five percent for MWD readiness-to-serve pass through costs; \$7.4 million or eleven percent of budget for projects; \$4.2 million or six percent of budget for program support costs which include labor, professional fees and services, and office and administrative expenses.

TABLE 5-41: EXPENSES & OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2021/22	2022/23	Key Assumptions
Imported Water Purchases	\$47.4	\$49.8	Pass-through purchases of MWD imported water.
Operating Expense	4.1	4.2	Includes labor, professional fees and services, materials, and supplies.

Uses of Funds	2021/22	2022/23	Key Assumptions
Special and Capital Projects	7.7	7.4	See Table 5-32 for summary of major projects.
MWD Readiness to Serve	3.2	3.3	MWD Readiness to Serve obligation (pass through costs)
Total	\$62.4	\$64.7	

Total imported water deliveries projected at 60,000 acre-feet per year are budgeted in FYs 2021/22 and 2022/23. IEUA does not anticipate any replenishment water purchases in the next two years.

A total of \$32.3 million in project costs are proposed over the next ten years for the Water Resources program. Projects are primarily driven by the Chino Basin Program/Water Storage Investment Program (CBP/WSIP) and Local Supply Resiliency projects which account for \$15.1 million, or 50 percent of the total project budget planned over the next two years. Water Use Efficiency programs are other major projects which include landscape irrigation and residential retrofits, education and outreach, and water smart programs.

Total projects of \$7.7 million are projected in FY 2021/22 and \$7.4 million in FY 2020/21 as summarized in Table 5-42.

TABLE 5-42: MAJOR PROJECTS (\$ MILLIONS)

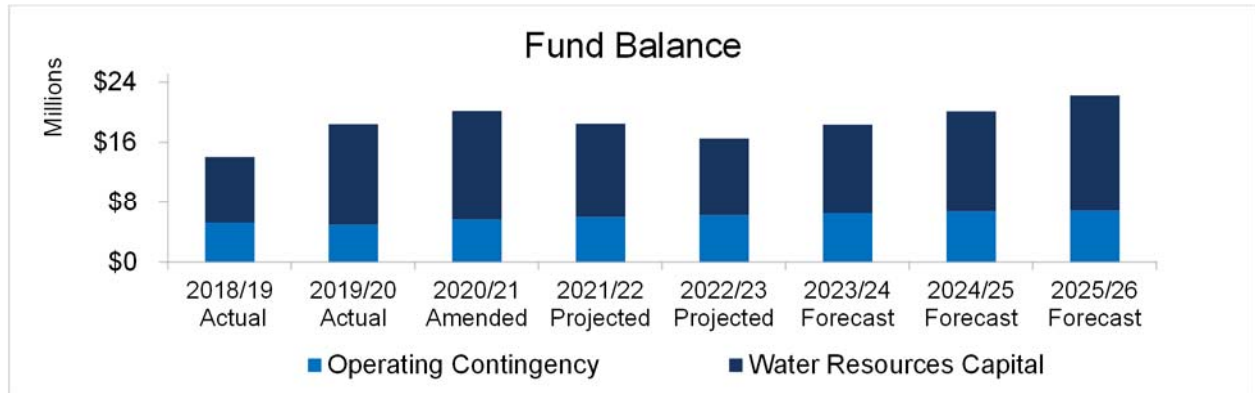
PROJECT	2021/22	2022/23
Chino Basin Program Planning	\$5.0	\$5.0
Water Use Efficiency and Reliability Programs	1.6	1.6
Upper Santa Ana River Habitat Conservation Plan Model Water Benefits	0.3	0.3
Water Resources Planning Documents	0.3	0.3
Chino Basin Water Bank	0.3	0.2
All other projects	0.2	0.0
Total Projects	\$7.7	\$7.4

FUND BALANCE

The estimated fund balances for FYs 2021/22 and 2022/23 are projected to be \$18.5 million and \$16.6 million, respectively. As shown in Figure 5-18, the fund balance is projected to decrease over the ensuing two fiscal years. The primary driver is the change in property tax receipt allocation while supporting the shortfall in RTS fees and other regional water resources initiatives.

WATER RESOURCES PROGRAM

FIGURE 5-18: TREND OF WATER RESOURCES PROGRAM FUND BALANCE (\$MILLIONS)



FY 2023/24-FY 2024/25 FORECAST

The fund balance is projected to increase in FY 2023/24 due to full recovery of RTS pass through cost and lower project expenditures.

Overall, IEUA's service area has a well-developed water resource portfolio and is prepared to handle water demands in times of shortage or surplus. As demands begin to level out over the next few years and growth begins to come back to the region, the regional investments in recycled water, desalinated water, recharge capability, water use efficiency programs, and purchase of supplemental water supplies whenever available are expected to provide more than enough supply to meet demands.

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

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
User Charges	\$6,266	\$6,846	\$7,299	\$8,176	\$8,694	\$8,867	\$9,072	\$9,282
Contract Cost reimbursement	251	361	749	466	248	248	248	248
Interest Revenue	198	285	120	200	280	280	310	345
Water Sales	45,519	40,768	46,092	47,412	49,848	52,560	54,636	56,208
Gas Sales	0	0	0	0	0	0	0	0
TOTAL REVENUES	\$52,234	\$48,260	\$54,260	\$56,254	\$59,070	\$61,955	\$64,266	\$66,083
OTHER FINANCING SOURCES								
Property Tax - Debt and Capital	\$4,873	\$5,774	\$5,186	\$2,012	\$2,046	\$2,080	\$2,115	\$2,150
Grants	179	1,072	30	155	155	120	10	10
Other Revenues	17	35	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$5,069	\$6,881	\$5,216	\$2,167	\$2,201	\$2,200	\$2,125	\$2,160
EXPENSES								
Employment Expenses	\$2,110	\$2,306	\$2,971	\$3,214	\$3,347	\$3,466	\$3,583	\$3,701
Contract Work/Special Projects	2,086	2,330	2,638	2,683	2,395	2,393	2,390	2,100
Utilities	0	0	0	0	0	0	0	0
Operating Fees	3,031	3,131	3,198	3,263	3,328	3,396	3,464	3,534
Chemicals	0	0	0	0	0	0	0	0
Professional Fees and Services	204	249	276	299	322	376	379	382
Office and Administrative expenses	0	3	64	4	4	4	4	4
MWD Water Purchases	45,519	40,480	46,092	47,412	49,848	52,560	54,636	56,208
Other Expenses	246	235	325	443	454	497	496	516
TOTAL EXPENSES	\$53,197	\$48,733	\$55,564	\$57,317	\$59,698	\$62,690	\$64,952	\$66,446
CAPITAL PROGRAM								
Capital Construction & Expansion	\$1,022	\$2,732	\$3,543	\$5,043	\$5,043	\$0	\$0	\$0
TOTAL CAPITAL PROGRAM	\$1,022	\$2,732	\$3,543	\$5,043	\$5,043	\$0	\$0	\$0
DEBT SERVICE								
TOTAL DEBT SERVICE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRANSFERS IN (OUT)								
Water Connections	\$436	\$683	\$1,379	\$1,678	\$1,520	\$360	\$325	\$313
Property Tax Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$436	\$683	\$1,379	\$1,678	\$1,520	\$360	\$325	\$313
FUND BALANCE								
Net Income (Loss)	\$3,521	\$4,360	\$1,749	(\$2,261)	(\$1,951)	\$1,824	\$1,763	\$2,110
Beginning Fund Balance July 01	10,568	14,089	18,449	20,766	18,504	16,554	18,378	20,141
ENDING FUND BALANCE AT JUNE 30	\$14,089	\$18,449	\$20,198	\$18,504	\$16,554	\$18,378	\$20,141	\$22,251
RESERVE BALANCE SUMMARY								
Capital / Operation Contingencies	\$5,258	\$4,960	\$5,683	\$6,010	\$6,245	\$6,542	\$6,754	\$6,836
Water Resources Capital	8,831	13,489	14,515	12,494	10,308	11,836	13,387	15,415
ENDING BALANCE AT JUNE 30	\$14,089	\$18,449	\$20,198	\$18,504	\$16,554	\$18,378	\$20,141	\$22,251

* Numbers may not total due to rounding



**RP-5 BAR SCREEN INLET & OUTLET GATE
ACTUATORS REPLACEMENT
TO EXTEND ASSET LIFE**

CAPITAL IMPROVEMENT PROGRAM

Each year, the Agency develops a Capital Improvement Program (CIP) based on projected growth from member agencies, regulatory requirements, planning documents, asset management needs for timely replacement, rehabilitation and improvement of Agency assets, and recommendations from stakeholders. The CIP serves as the basis for the Agency's Ten-Year Capital Improvement Plan (TYCIP) which is updated annually. Pursuant to the Regional Sewage Service Contract (Regional Contract), the Ten-Year Forecast, capital projects planned for the Regional Wastewater program and included in the TYCIP, are presented to the Regional Technical and Policy Committees for review and recommendation, prior to the Agency's Board of Directors approval of the TYCIP.

The Regional Contract also requires member agencies to provide a ten-year forecast of expected growth in their respective area. The member agencies forecast, which was presented to the Board of Directors on October 2020, estimated over 54,887 new connections over the next ten years. Approximately sixty percent of the new connections are anticipated in the southern portion of the Agency's service area. Based on the member agency forecasts, the Agency prepares a ten-year projection of capacity demands and identifies capital projects needed to meet the service demand from future growth.

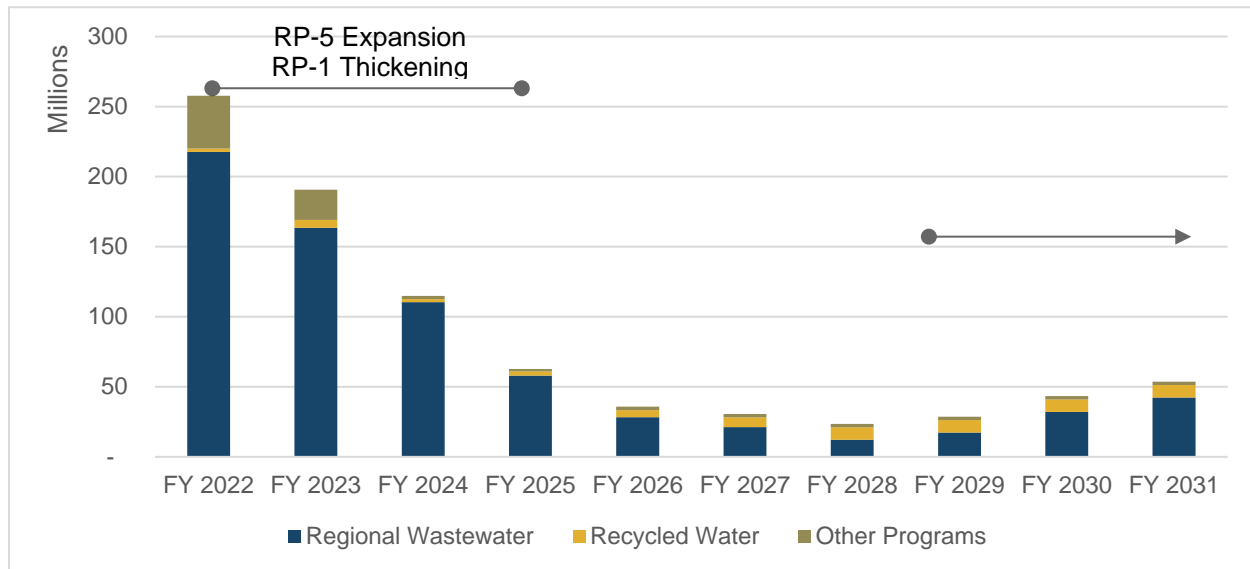
The replacement, rehabilitation, improvement, and expansion of the Agency's facilities continue to be the key drivers for the proposed Fiscal Years (FYs) 2021/22 and 2022/23 CIP. These drivers are consistent with the Agency's long-term planning documents approved by the Board of Directors, amongst them:

- ◆ 2015 Wastewater Facilities Master Plan
- ◆ 2015 Recycled Water Program Strategy Update
- ◆ 2015 Energy Management Plan
- ◆ 2015 Regional Water Use Efficiency Business Plan
- ◆ 2016 Integrated Water Resources Plan

The FY 2021/22 – FY 2030/31 TYCIP of \$841.6 million includes critical replacement & rehabilitation (R&R) of Agency assets necessary to meet reliability and regulatory requirements, as well as expansion of existing facilities and infrastructure to meet increased service demands from future growth projected by member agencies. Major projects include the RP-5 Expansion and Solids Handling Facility, RP-1 Thickening Building and Acid Phase Digester, Philadelphia Lift Station Force Main Improvement, and improvements to groundwater recharge facilities as defined in the Recharge Master Plan Update (RMPU).

Also included is the RP-1 Capacity Recovery and Advanced Water Purification Facility projects slated to begin construction in FY 2028/29. Beyond the 10-year horizon, long term planning documents include capital projects to expand RP-4 facilities and decommissioning of the RP-2 Solids Handling facility.

FIGURE 6-1: FY 2021/22 – FY 2030/31 TEN YEAR CAPITAL IMPROVEMENT PROGRAM
\$841.6 MILLION



The Capital Improvement Program for FY 2021/22 is \$257.8 million and the FY 2022/23 budget at \$190.7 million, the decrease of \$67.1 million is primarily due to execution (partial completion) of the RP-5 Expansion Projects. Capital projects allocated to the Regional Wastewater program accounted for 84 percent in FY 2021/22, 7 percent to the Non-Reclaimable Wastewater program, and the remaining 10 percent among the other funds. Table 6-1 shows the FYs 2021/22 and 2022/23 CIP by fund.

TABLE 6-1: CAPITAL IMPROVEMENT PROGRAM BY FUND (\$MILLIONS)

Fund	FY 2021/22	Percentage of Total Budget	FY 2022/23	Percentage of Total Budget
Wastewater Capital	\$201.3	78.1%	\$154.0	80.8%
Wastewater Operations	16.3	6.3%	9.6	5.0%
Non-Reclaimable Wastewater	18.5	7.2%	6.9	3.6%
Recharge Water	12.0	4.6%	8.7	4.6%
Water Resources	5.0	2.0%	5.0	2.6%
Recycled Water	2.5	1.0%	5.5	2.9%
Administrative Services	2.2	0.8%	1.0	0.5%
Total	\$257.8	100%	\$190.7	100%

CAPITAL IMPROVEMENT PROGRAM

Capital projects can vary significantly from year to year based on the size and scope of capital needs in the coming years.

Other considerations that can have an impact on future revisions of the CIP include the ongoing Asset Management Plan, unexpected corrective repair and replacements, changes in regulatory requirements, and the possible implementation of the Chino Basin Program/Water Storage Investment Program (CBP/WSIP).

Project costs for the acquisition, improvement, and expansion of capital assets are primarily supported by connection fees, new debt, and property taxes. Project costs for replacement and rehabilitation (R&R) of capital assets are primarily funded by user charges (monthly sewer rate) and property taxes.

A key component of the Agency's CIP are critical R&R projects necessary to meet reliability and regulatory requirements. As reported in Tables 6-2 and 6-3, R&R projects account for \$23.0 million of the total \$257.8 million CIP budget in FY 2021/22 and \$16.2 million of the \$190.7 million CIP budget in FY 2022/23.

**TABLE 6-2: FY 2021/22 CAPITAL IMPROVEMENT PROGRAM
BY PROJECT TYPE (\$MILLIONS)**

Fund	Construction	Equipment	Replacement & Rehabilitation	FY 2021/22 CIP Total
Wastewater Capital	\$197.5	\$0.0	\$3.8	\$201.3
Non-Reclaimable Wastewater	3.0		15.5	18.5
Wastewater Operations	14.9		1.4	16.3
Recharge Water	12.0		0.0	12.0
Water Resources	5.0		0.0	5.0
Recycled Water	1.4		1.1	2.5
Administrative Services	1.0		1.2	2.2
Total	\$234.8	\$0.0	\$23.0	\$257.8

**TABLE 6-3: FY 2022/23 CAPITAL IMPROVEMENT PROGRAM
BY PROJECT TYPE (\$MILLIONS)**

Fund	Construction	Equipment	Replacement & Rehabilitation	FY 2022/23 CIP Total
Wastewater Capital	\$148.5	\$0.0	\$5.5	\$154.0
Wastewater Operations	8.4		1.2	9.6
Recharge Water	8.6		0.1	8.7
Non-Reclaimable Wastewater	1.9		5.0	6.9
Recycled Water	2.0		3.5	5.5
Water Resources	5.0		0.0	5.0
Administrative Services	0.1		0.9	1.0
Total	\$174.5	\$0.0	\$16.2	\$190.7

In addition to the CIP, included in the biennial budget are non-capital operations and maintenance (O&M) projects that support reliability and regulatory requirements. These include projects that support the Agency's regional water use efficiency program which are fundamental in managing region-wide demand and have a significant impact to sustaining regional water supplies. As reported in Table 6-4, non-capital O&M projects account for \$12.6 million of the total project budget of \$270.4 million in FY 2021/22 and \$8.5 million of the total project budget of \$199.2 million in FY 2022/23.

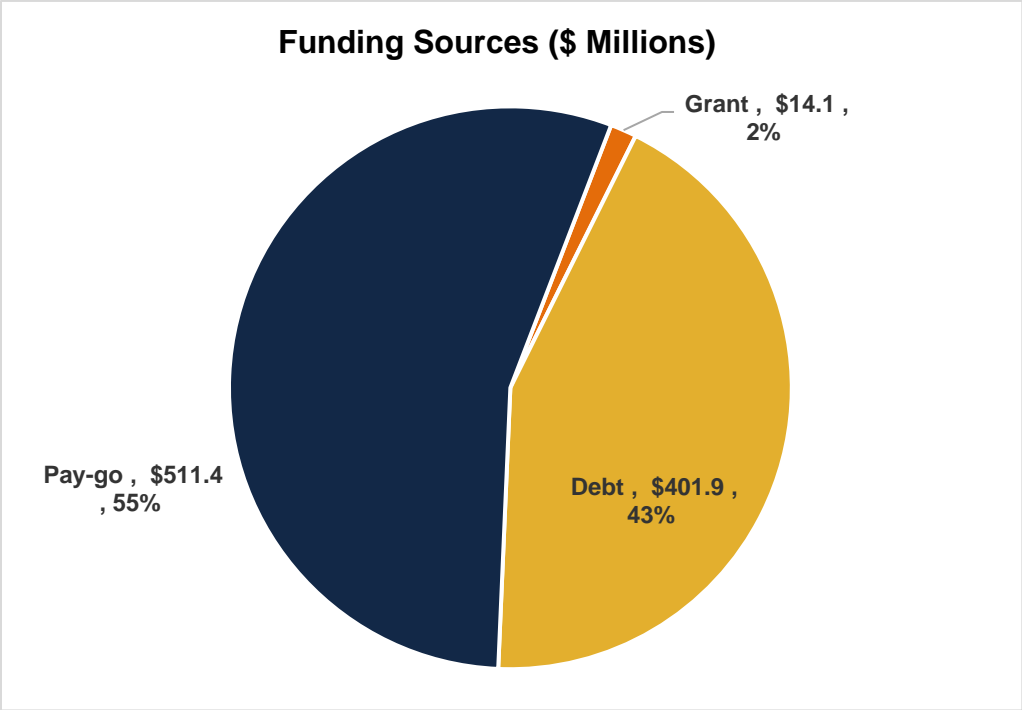
**TABLE 6-4: FY 2021/22 AND 2022/23 NON-CAPITAL PROGRAM
BY PROJECT TYPE (\$MILLIONS)**

Fund	FY 2021/22 Non-Capital (O&M) Projects	FY 2022/23 Non-Capital (O&M) Projects
Wastewater Operations	6.9	4.2
Non-Reclaimable Wastewater	0.3	0.1
Recycled Water	1.2	0.7
Water Resources	2.7	2.4
Administrative Services	1.5	1.1
Total	\$12.6	\$8.5

CAPITAL IMPROVEMENT PROGRAM

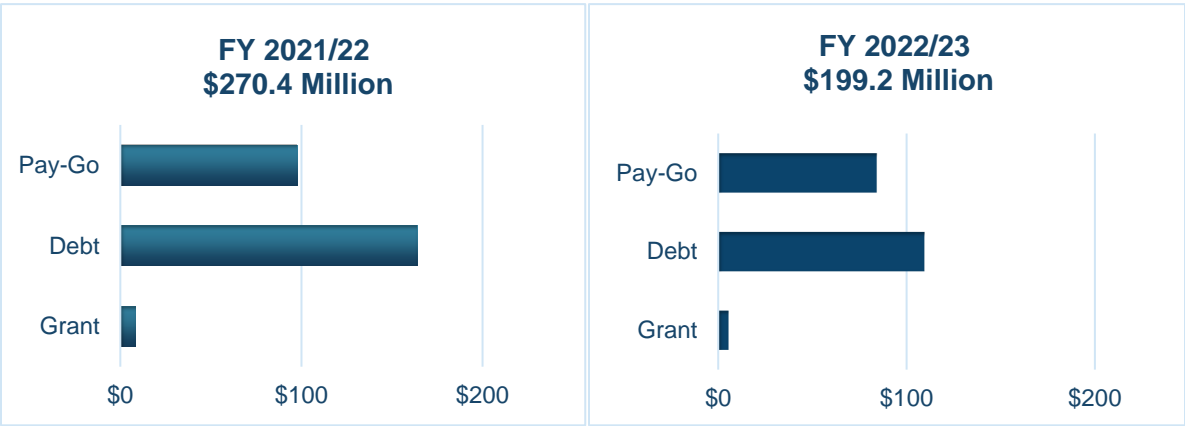
The Agency’s total project budget is funded by a combination of pay-go, low interest state and federal loans, grants, and contributions; 55 percent on a pay-go basis, 43 percent by debt including State Revolving Fund (SRF) loans and bond proceeds, and the remaining 2 percent by grants, contributions from member agencies and joint power authorities (JPAs), as shown in Figure 6-2.

FIGURE 6-2: FY 2021/22 – FY 2030/31
TOTAL PROJECT FUNDING SOURCES \$927.4 MILLION
(Includes Ten-Year Capital Improvement Program and Non-Capital (O&M) Projects)



The breakdown of the funding sources for total project budget in FY 2021/22 and FY 2022/23 are shown in Figure 6-3. SRF loans and grants are leveraged as an important funding source of the Agency’s CIP in combination with pay-go (includes contributions from outside parties), comprised of connection fees, user charges, and property taxes.

FIGURE 6-3: TOTAL PROJECT FUNDING SOURCES (\$ MILLIONS)



The allocation of funds is based upon an analysis of available funding sources, as well as a review of project needs and priorities. Table 6-5 shows summary of the total project budget by Agency fund.

**TABLE 6-5: FY 2021/22 – FY 2030/31 TOTAL PROJECT BUDGET
FUNDING SOURCE AND SUMMARY OF PROJECT TYPES BY FUND (\$THOUSANDS)**

Contributions	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	Total TYCIP
Debt	163,928	109,416	67,763	25,195	7,650	401,900
Paygo	97,745	84,112	56,001	46,753	36,367	509,108
Grant	8,452	5,455	73	73	-	14,051
Outside	304	229	229	229	229	2,365
Total Project Funding	270,429	199,212	124,066	72,250	44,246	927,424

Fund Program	Project Type	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	Total TYCIP
Regional Wastewater	CC	197,501	148,467	95,758	49,083	21,350	596,909
Capital	RP	3,795	5,460	850	500	500	13,605
Wastewater Capital Total		201,296	153,927	96,608	49,583	21,850	610,514
Regional Wastewater	CC	14,872	8,410	12,447	7,364	5,426	80,344
Operations & Maintenance	RP	1,420	1,200	1,400	1,000	1,000	12,020
	OM	6,942	4,220	4,385	3,600	5,289	48,046
Wastewater Operations Total		23,234	13,830	18,232	11,964	11,715	140,410
Non-Reclaimable	CC	3,045	1,900	500	500	500	8,945
Wastewater	RP	15,480	4,980	580	180	380	22,500
	OM	350	100	100	100	100	1,250
Recharge Water Total		18,875	6,980	1,180	780	980	32,695
Recharge Water	CC	11,950	8,600	800	500	500	24,850
	RP	19	79	19	-	-	116
Non-Reclaimable Total		11,969	8,679	819	500	500	24,966
Water Resources	CC	5,043	5,043	-	-	-	10,086
	OM	2,393	2,105	2,103	2,100	2,100	21,051
	RE	290	290	290	290	-	1,160
Water Resources Total		7,726	7,438	2,393	2,390	2,100	32,297
Recycled Water	CC	1,420	2,050	2,150	3,000	5,000	56,220
	RP	1,060	3,500	-	-	-	4,560
	OM	1,215	710	840	1,050	820	7,405
Recycled Water Total		3,695	6,260	2,990	4,050	5,820	68,185
Administrative	CC	940	50	50	300	1,000	7,340
Services	RP	1,217	945	259	269	224	4,115
	OM	1,477	1,103	1,535	2,413	58	6,902
Administrative Services Total		3,634	2,098	1,844	2,982	1,282	18,357
Grand Total		270,429	199,212	124,066	72,249	44,247	927,424

Type: CC - Capital Construction; EQ - Equipment; RP = Replacement; RE - Reimbursable; OM - Operations and Maintenance

CAPITAL PROJECT HIGHLIGHTS

Included in the Capital Improvement Program (CIP) are sixteen non-routine capital projects with annual project budgets over \$2 million in FY 2021/22 and FY 2022/23. The majority of these significant non-routine capital projects are included in the Recycled Water and Regional Wastewater Programs.

These sixteen projects account for \$244.1 million of the \$257.8 million budgeted in the CIP for FY 2021/22 and \$174.2 million of the \$190.7 budgeted in FY 2022/23. Many of these significant non-routine capital projects will have an impact not only on the capital budget with their annual appropriations and total project budgets, but on the Agency's operating budget as well after the project has been completed. The impact on the operating budget can often be classified as an increase in utility or maintenance costs related to capital additions. They can also be offset by an increase in revenues related to increased capacity or cost savings in comparison to current operating procedures. The operating impact that each of these significant projects will incur after completion are described in Table 6-6 below. The table also includes pertinent information for each project including project type, priority, timeline, and funding source. In the following pages of the document, projects budgeted for FY 2021/22 and FY 2022/23 are listed and description of each project is provided by program fund.

TABLE 6-6: HIGHLIGHTS AND OPERATING IMPACTS OF SIGNIFICANT NON-ROUTINE PROJECTS (\$THOUSANDS)

							Operating Budget Impact	
Project Number	Project Name	Project Type, Priority, Timeline	2021/2022 Adopted Budget	2022/2023 Adopted Budget	Total Project Budget	Funding Source	Annual Cost	Type of Impact
Recharge Water Fund								
RW15003	Recharge Master Plan Update	CC; High; July 2014 - June 2025	\$11,350	\$7,800	\$24,004	SRF loan; Contributions	\$0	No significant operating impact
TOTAL RECHARGE WATER FUND			\$11,350	\$7,800	\$24,004		\$0	
NON-RECLAIMABLE WASTEWATER FUND								
EN23002	Philadelphia Lift Station Force Main Improvement	CC; High; Feb 2018 - June 2025	\$15,000	\$3,000	\$18,258	Pay-go	\$15	Increased maintenance costs due to new clean out vaults to be used for inspection and cleaning.
EN19027	NRW Pipeline Relining Along Cucamonga Creek	CC; High; July 2018 - June 2022	2,000	-	2,395	Pay-go		The pipeline lining will not require additional O&M man hours or budget other than what is already budgeted on routine line cleaning.
TOTAL NON-RECLAIMABLE WASTEWATER FUND			\$17,000	\$3,000	\$20,653		\$0	
RECYCLED WATER FUND								
EN21041	RP-4 Contact Basin Cover & Wet Well Passive Overflow Replacement	RP; medium; June 2020 - June 2023	\$700	\$3,500	\$4,200	Pay-go	\$0	No significant operating impact
TOTAL RECYCLED WATER FUND			\$700	\$3,500	\$4,200		\$0	
WATER RESOURCE FUND								
PL19005	Chino Basin Program	CC; High; June 2018 - June 2023	\$5,043	\$5,043	\$15,000	SRF loan; Grants; Pay-go	\$0	Increase utility, chemical, equipment and maintenance costs to provide treatment, pumping and pipeline distribution.
TOTAL WATER RESOURCE FUND			\$5,043	\$5,043	\$15,000		\$0	

Type: CC - Capital Construction; EQ - Equipment; RP = Replacement

							Operating Budget Impact	
Project Number	Project Name	Project Type, Priority, Timeline	2021/2022 Adopted Budget	2022/2023 Adopted Budget	Total Project Budget	Funding Source	Annual Cost	Type of Impact
REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUND								
EN13016	SCADA Enterprise System	CC; Critical; Sept 2012 - June 2022	\$1,300	\$5,250	\$21,995	Pay-go	\$0	No significant operating impact
EN17042	Digester 6 and 7 Roof Repairs	CC; High; Aug 2016 - June 2023	2,500	300	6,731	Pay-go	-	No significant operating impact
EN17043	RP4 Primary Clarifier Rehab	CC; Critical; Sept 2016 - June 2022	3,500	-	5,182	Pay-go	-	No significant operating impact
EN17110	RP-4 Process Improvements	CC; Medium; June 2016 - June 2022	5,000	-	23,462	Pay-go	-	No significant operating impact; project is for various process improvement at RP-4
TOTAL REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUND			\$12,300	\$5,550	\$57,370		\$0	
REGIONAL WASTEWATER CAPITAL FUND								
EN17006	CCWRF Asset Management and Improvements	CC; Medium; Jan 2016 - June 2025	\$3,000	\$13,000	\$26,803	SRF loan; Pay-go	\$0	No significant operating impact. Project will provide process improvements to the primary and secondary treatments.
EN18006	RP-1 Flare Improvements	CC; High; June 2016 - June 2023	2,500	100	7,650	Pay-go	-	No significant operating impact
EN19001	RP-5 Expansion to 30 mgd	CC; Critical; Mar 2017 - June 2025	72,000	50,000	175,000	SRF loan; Bonds	3,892	Increase utility, chemical, equipment and maintenance costs due to expansion of treatment capacity.
EN19006	RP-5 Biosolids Facility	CC; Critical; Mar 2017 - June 2025	105,000	63,000	165,400	SRF loan; Bonds	1,358	Increase utility, chemical, equipment and maintenance costs due to expansion of treatment facility.
EN21045	Montclair Force Main Improvements	CC; Medium; July 2020 - June 2023	800	5,500	6,800	Pay-go	250	Increase utility, chemical, equipment and maintenance costs due to improvements of existing pipelines.
EN22044	RP-1 Thickening Building & Acid Phase Digester	CC; Very High; July 2021 - June 2025	12,000	13,000	100,000	SRF loan; Pay-go	-	No significant operating impact. The project is adding solids capacity to RP-1 as well as replacing aging infrastructure
EN11039	RP-1 Disinfection Pump Improvements	RP; Low; Sept 2016 - June 2024	2,400	4,660	8,490	SRF loan	-	No significant operating impact
TOTAL REGIONAL WASTEWATER CAPITAL FUND			\$197,700	\$149,260	\$490,143		\$5,500	

Type: CC - Capital Construction; EQ - Equipment; RP = Replacement

CAPITAL PROJECT HIGHLIGHTS

Two significant capital projects that will be completed within FY 2021/22 – FY 2030/31 CIP are RP-5 Liquids Expansion (EN19001) and RP-5 Solids Treatment Facility (EN19006). These Regional Wastewater Capital Improvement projects involve the expansion of Regional Water Reclamation Plant No. 5 (RP-5) for the treatment of both solids and liquids.

Figure 6-4 below shows the site of the projects at the RP-5 facility.

FIGURE 6-4: EN19001 AND EN19006 PROJECT LOCATIONS



Currently, RP-5 has liquid treatment capacity of 15 million gallons per day (MGD). To meet the future projected wastewater flow for the Agency's service area, the plant capacity needs to increase to 30 MGD. Project EN19001 will address that increase. RP-5 does not currently have any solids treatment capacity, however, solids treatment at RP-5 will soon be necessary. RP-2, another Agency facility, was deemed to be within the 100-year flood level by the U.S. Army Corps of Engineers, so the facility needs to be decommissioned by the year 2035. Solids treatment availability at RP-5 will make up for the loss of capacity at RP-2. This issue will be addressed through project EN19006.

The RP-5 Liquids Expansion and RP-5 Solids Treatment Facility projects will be completed concurrently, with design completion aimed for in FY 2021/22 and construction to start in FY 2022/23 and completed by FY 2024/25. Because each of these projects will create additional or new service capacity at the plant, they will have a significant impact on the operating budget after the additions are operational. The impact, caused by increased utility and maintenance costs of the new facilities, are noted in the project list in Table 6-6 above.

FY 2021/22 AND FY 2022/23

BUDGETED PROJECTS

REGIONAL WASTEWATER OPERATIONS FUND

Table 6-7 shows the capital and O&M projects budgeted in the Regional Wastewater Operations and Maintenance fund, followed by Table 6-8 which provides a description of each of the projects to be executed in FY 2021/22 and FY 2022/23.

TABLE 6-7: REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUND
FY 2021/22 – FY 2030/31 PROJECTS (\$THOUSANDS)

Project Number	Project Name	2021/2022 Adopted Budget	2022/2023 Adopted Budget	FY 2023/24	FY 2024/25	FY 2025/26	Total Ten Year CIP	2021/2022 Total Project Budget
Capital Construction								
EN13016	SCADA Enterprise System	\$ 1,300	\$ 5,250	\$ 3,350	\$ -	\$ -	\$ 9,900	\$ 21,995
EN17042	Digester 6 and 7 Roof Repairs	2,500	300	-	-	-	2,800	6,731
EN17043	RP4 Primary Clarifier Rehab	3,500	-	-	-	-	3,500	5,182
EN17110	RP-4 Process Improvements	5,000	-	-	-	-	5,000	23,462
EN18025	RP-1 Secondary System Rehabilitation	-	-	250	1,100	1,950	8,300	8,300
EN19009	RP-1 Energy Recovery	200	-	-	-	-	200	4,425
EN20041	RP-1 TP-1 Bleach Mixing Repairs	150	-	-	-	-	150	680
EN20045	RP-1 TP-1 Level Sensor Replacement	-	500	-	-	-	500	500
EN20051	RP-1 MCB and Old Lab Building Rehab	506	110	1,905	-	-	2,521	2,521
EN20057	RP-4 Process Improvements Phase II	-	500	4,000	3,500	-	8,000	8,000
EN21042	RP-1 East Influent Gate Replacement	400	-	-	-	-	400	450
EN21053	RP-1 Old Effluent Structure Rehabilitation	400	1,000	-	-	-	1,400	1,400
EN21056	RP-1 Evaporative Cooling for Aeration Bl	400	50	-	-	-	450	450
EN22005	RO Asset Managment	50	50	50	300	1,000	6,450	6,450
EN22025	RP-1 Dump Station	-	-	64	95	1,856	2,121	2,121
EN22027	RP-1 Repurpose Lab	-	-	228	1,619	-	1,847	1,847
EN22031	RP-1 Influent Pump Station Electrical Im	200	400	1,400	-	-	2,000	3,000
EN22033	RP-5 Emergency Generator Load Bank Installation	120	-	-	-	-	120	120
EN22034	Generator Retrofit RP-1	85	-	-	-	-	85	85
EN22035	Generator Retrofit RP-4	50	-	-	-	-	50	50
EN22036	RP-1 Centrate Pipeline Assessment	11	-	-	-	-	11	11
EN23024	RP-1 TP-1 Stormwater Drainage Upgrades	-	250	1,000	50	-	1,300	1,300
EN24020	RP-1 Dewatering Centrate Pumps	-	-	200	500	120	820	820
EN25020	RP-1 Digester Cleaning Lagoon (DCL) Lini	-	-	-	200	-	200	200
EN26021	Regional Conveyance AMP	-	-	-	-	500	500	500
EN27001	RP-1 Equalization Basin #1 Access Ramp	-	-	-	-	-	442	442
PL26001	Advanced Water Purification Facility	-	-	-	-	-	21,277	21,277
Total Capital Construction		\$ 14,872	\$ 8,410	\$ 12,447	\$ 7,364	\$ 5,426	\$ 80,344	\$ 122,318
Capital Replacement								
EN20044	RP-1 Plant 3 Primary Cover Replacement	\$ -	\$ 200	\$ 400	\$ -	\$ -	\$ 600	\$ 600
EN21044	RP-1 Dewatering Centrate and Drainage Valves	320	-	-	-	-	320	320
EN22021	RP-1 Digester Area Utility Water (UW) Li	100	-	-	-	-	100	100
EP21002	North Major Facilities Repair/Replacement	600	600	600	600	600	6,000	6,000
EP21003	South Major Facilities Repair/Replacement	400	400	400	400	400	5,000	5,000
Total Capital Replacement		\$ 1,420	\$ 1,200	\$ 1,400	\$ 1,000	\$ 1,000	\$ 12,020	\$ 12,020
Total Capital Project Costs		\$ 16,292	\$ 9,610	\$ 13,847	\$ 8,364	\$ 6,426	\$ 92,364	\$ 134,338
Operations & Maintenance (O&M)								
EN16021	TCE Plume Cleanup	\$ 542	\$ -	\$ -	\$ -	\$ -	\$ 542	\$ 26,200
EN19023	Asset Management Planning Document	500	400	-	-	-	900	900
EN19024	Regional System Asset Management (Assess	100	-	-	-	-	100	2,800
EN20038	Agency Wide Pavement Management Study	75	-	75	-	-	150	300
EN22024	RP-1 Digester Cleaning Service Contract	100	1,000	1,000	1,000	2,000	16,100	16,100
EN22032	RP-1 TP-1 Stormwater Drainage Upgrades	50	-	-	-	-	50	50
EN22037	Prado De-Chlor	380	-	-	-	-	380	380
EN23021	Agency Wide Infiltration and Infow Study	-	300	300	-	-	600	600
EN23023	RP-1 DAFT Pavement Improvements	-	20	510	-	-	530	530
EN26025	RP2-Preliminary Design Report for Decomm	-	-	-	-	-	3,200	3,200
EN26027	RP-1 & RP-4 Bird Deterent Systems	-	-	-	-	100	100	100
PA17006	Agency-Wide Aeration	2,500	-	-	-	-	2,500	8,859
PA22002	Agency Wide Coatings	750	50	50	150	389	2,549	2,549
PA22003	Agency Wide Paving	260	800	800	800	1,150	3,810	3,810
PL22007	RO Planning Documents	150	150	150	150	150	1,500	1,500
EN22038	RP-2 Digester 3 4 Exterior Condition Assessment and Repairs	35	-	-	-	-	35	35
EN22019	RO Emergency O&M Projects FY 21/22	500	500	500	500	500	5,000	5,000
EN22053	RO On-Call/Small Projects FY 21/22	500	500	500	500	500	5,000	5,000
EN22054	RO Safety On-Call/Small Projects FY 21/22	500	500	500	500	500	5,000	5,000
Total O&M Project Costs		\$ 6,942	\$ 4,220	\$ 4,385	\$ 3,600	\$ 5,289	\$ 48,046	\$ 82,913
TOTAL REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUND		\$ 23,234	\$ 13,830	\$ 18,232	\$ 11,964	\$ 11,715	\$ 140,410	\$ 217,251

**TABLE 6-8: REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE
FY 2021/22 AND FY 2022/23 PROJECT DESCRIPTIONS**

Project Number	Name	Description
Capital Construction		
EN13016	SCADA Enterprise System	Procurement, installation, and programming of new hardware and software for the Supervisory Control and Data Acquisition (SCADA) system.
EN17042	RP-1 Digester 6 and 7 Roof Repairs	Repair of cracks to the roof of digesters 6 and 7 to stop and prevent leaking.
EN17043	RP-4 Primary Clarifier Rehab	Repairs to items of significant deterioration as identified during condition assessments for primary infrastructure and primary clarifiers.
EN17110	RP-4 Process Improvements	Improvements include the grit removal system, primary diversion structure, aeration blower replacement, RAS wasting station, filtration system, lagoon recovery pump station, and recycled water distribution system.
EN19009	RP-1 Energy Recovery	Installation of energy recovery system for RP-1 which can use digester gas as a possible power source.
EN20041	RP-1 Tertiary Treatment FM-1 Bleach Mixing & Access	Modifications to the Water Champ disinfecting system due to a lack of support from the manufacturer.
EN20045	RP-1 TP-1 Level Sensor Replacement	Replace existing bubbler level sensor system with new ultrasonic level sensors on 18 filters.
EN20051	RP-1 Main Control Building and Old Laboratory Building Rehabilitation	The condition assessment conducted concluded that the building shows signs of aging and need a rehabilitation to prevent further deterioration.
EN20057	RP-4 Process Improvements Phase II	Reconfigure influent pump station structure and update pumps and equipments; replace deteriorated gates; replace blowers and make electrical and control upgrades and improvements.
EN21042	RP-1 East Influent Gate Replacement	This project shall replace the existing gate with a new manual gate. The installation will require a bypass of the channel and the new gate does not need to be connected
EN21053	RP-1 Old Effluent Structure Rehabilitation	Complete rehabilitation of structure and valves. Gates and stems are already severely corroded.
EN21056	RP-1 Evaporative Cooling for Aeration Bl	Add an evaporative cooling or AC system to prevent the equipment inside the blowers building from failing due to overheating.
EN22005	RO Asset Management	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets within the Regional Wastewater O&M Systems.
EN22031	RP-1 Influent Pump Station Electrical Improvements	Replace MCC 6M and 8M with new Allen Bradley IntelCenter. Install new 18 pulse VFSs for IPS pump motors.
EN22033	RP-5 Emergency Generator Load Bank Installation	Size and install needed load bank to test and run generator as needed per SCAQMD for emission controls.
EN22034	Generator Retrofit RP-1	New state of the art digital control panels and Caterpillar digital voltage regulators shall be installed for RP-1 Generator.
EN22035	Generator Retrofit RP-4	New state of the art digital control panels and Caterpillar digital voltage regulators shall be installed for RP-4 generators.
EN22036	RP-1 Centrate Pipeline Assessment	The scope of this project is to perform a pipeline condition/capacity assessment on the entire RP-1 centrate pipeline system
EN23024	RP-1 TP-1 Stormwater Drainage Upgrades	Repair the old discharge line and tie in a permanent pump or if unable to repair line will need to be replaced. A permanent pump and pipeline installation needs to be constructed, to minimize potential flooding and potential permit violation of spillover into the creek.
Capital Replacement		
EN20044	RP-1 Plant 3 Primary Cover Replacement	Design new services of primary clarifier covers which can be secured so they don't fly away in the wind but are user friendly to operations staff who must have the ability to open and move covers as needed for inspection and housekeeping.

FY 2021/22 AND FY 2022/23

BUDGETED PROJECTS

REGIONAL WASTEWATER OPERATIONS FUND

Project Number	Name	Description
EN21044	RP-1 Dewatering Centrate and Drainage Valves	Replace two manual isolation valves for the centrate and drainage wells with the two 12" motor operated valves (MOV) downstairs in the centrifuge dewatering building.
EN22021	RP-1 Digester Area Utility Water (UW) Line Replacement	This project will replace all utility water piping in the digester area.
EP21002	North Major Facilities Repair/Replacement FY21/22	Support for pre-identified maintenance projects to replace aging equipment.
EP21003	South Major Facilities Repair/Replacement FY21/22	Support for pre-identified maintenance projects to replace aging equipment.
Operations and Maintenance		
EN16021	South Archibald trichloroethylene (TCE) Plume	Funding of three new groundwater supply wells and approximately 30,000 feet of raw water pipeline to strengthen the Chino Basin Desalter Authority's groundwater supply infrastructure while also acting as a remedial solution to the South Archibald TCE plume.
EN19023	Asset Management Planning Document	Staffing and consultants necessary to forecast, budget, and implement the replacement of critical assets.
EN19024	Regional System Asset Management	Staffing and consultants necessary to forecast, budget, and implement the replacement of critical assets.
EN20038	Agency Wide Pavement Management Study	Necessary rehabilitation of pavement and hardscape throughout the Agency's facilities.
EN22024	RP-1 Digester Cleaning Service Contract	Digesters to be cleaned periodically to avoid the build-up of solids in the tank that affect the dewatering process when proper cleaning/management of the solids is not performed.
EN22032	RP-1 TP-1 Stormwater Drainage Upgrades	Assessment to repair the old discharge line and tie in a permanent pump or if unable to repair line will need to be replaced.
EN22037	Prado De-Chlorination Station Inundation Protection	Engineering to investigate whether it is more cost effective to protect in place the Prado De-Chlorination chemical storage facility, metering building, and the injection & monitoring buildings or to relocate them above 566' of elevation
EN23021	Agency Wide Infiltration and Inflow Study	Pipeline Analysis which is an engineering firm specializing in wastewater collection systems which will conduct field tests and monitoring.
EN23023	RP-1 DAFT Pavement Improvement	To refurbish and regrade existing pavement, place V-drain, curb and gutter. This is approximately 56,000 sf of pavement to be replaced/rehabilitated.
PA17006	Agency-Wide Aeration	Third-party review through consultants to measure progress with Agency cybersecurity improvements.
PA22002	Agency Wide Coatings FY21/22	Annual maintenance for process piping coatings to ensure each facility is properly maintained.
PA22003	Agency Wide Paving FY21/22	Repairing or replacing pavement, asphalt concrete, and hardscapes throughout the Agency.
PL22007	Planning Documents	Development of reports and studies pertaining to operational and treatment strategies for wastewater and treated effluent.
EN22038	RP-2 Digester 3 4 Exterior Condition Assessment and Repairs	The scope of the project is to perform a condition assessment of RP-2 digesters #3 and #4 including any repairs that result from the condition assessment report. The extent of the condition assessment will be limited to the exterior of the digesters.
EN22019	RO Emergency O&M Projects FY 21/22	The project will address unforeseen O&M repairs and modifications to treatment facilities.
EN22053	RO On-Call/Small Projects FY 21/22	O&M repairs to treatment facilities and collection system.
EN22054	RO Safety On-Call/Small Projects FY 21/22	The project's scope consists of maintenance and repair of IEUA facilities for a safe working environment.

FY 2021/22 AND FY 2022/23

BUDGETED PROJECTS

REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND

Table 6-9 shows the capital and O&M projects budgeted in the Regional Wastewater Capital Improvement fund, followed by Table 6-10 which provides a description of each of the projects to be executed in FY 2021/22 and FY 2022/23.

TABLE 6-9: REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND
FY 2021/22 – FY 2030/31 PROJECTS (\$THOUSANDS)

Project Number	Project Name	2021/2022 Adopted Budget	2022/2023 Adopted Budget	FY 2023/24	FY 2024/25	FY 2025/26	Total Ten Year CIP	2021/2022 Total Project Budget
Capital Construction								
EN17006	CCWRF Asset Management and Improvements	\$ 3,000	\$ 13,000	\$ 50	\$ 650	\$ -	\$ 16,700	\$ 26,803
EN18006	RP-1 Flare Improvements	2,500	100	-	-	-	2,600	7,650
EN18036	CCWRF Asset Mgmt and Improvement Pkg. III	-	200	500	300	-	1,000	1,000
EN19001	RP-5 Expansion to 30 mgd	72,000	50,000	37,600	7,803	-	167,403	175,000
EN19006	RP-5 Biosolids Facility	105,000	63,000	14,758	-	-	182,758	165,400
EN21045	Montclair Force Main Improvements	800	5,500	-	-	-	6,300	6,800
EN22006	RC Asset Management	250	250	250	2,400	8,000	51,150	51,150
EN22022	RP-1 Air Compressor Upgrades	250	1,500	-	-	-	1,750	1,750
EN24001	RP-1 Liquid Treatment Capacity Recovery	-	-	-	-	-	35,000	182,050
EN24002	RP-1 Solids Treatment Expansion	-	-	-	4,000	8,000	20,000	48,050
EN22039	RP4 SCADA Improvements	100	912	-	-	-	1,012	1,012
EN22040	NFPA 70E required labels	105	105	-	-	-	210	210
EN22041	RP-1 Aeration Basins UW System Improvements	141	-	-	-	-	141	141
EN22042	RP-4 Ammonia Analyzers and Support System	500	-	-	-	-	500	500
EN22043	Chemical Confinement Area Rehab Phase 2	505	-	-	-	-	505	505
EN24021	Chemical Confinement Area Rehab Phase 3	-	-	870	-	-	870	870
EN22044	RP-1 Thickening Building & Acid Phase Digester	12,000	13,000	40,000	30,000	5,000	100,000	100,000
EN22045	New Regional Project PDR's	250	250	250	250	250	2,500	2,500
EN22046	New Project PDR's	50	50	50	50	50	500	500
EN22047	New Project PDR's	50	50	50	50	50	500	500
EN25001	TP-1 Wire Replacement T PLANT	-	-	-	80	-	80	80
PL17002	HQ Solar Photovoltaic Power Plants Ph. 2	-	300	1,100	-	-	1,400	1,400
PL19001	Purchase Existing Solar Installation	-	-	-	3,500	-	3,500	3,500
EN23025	Agency Power Monitor	-	250	280	-	-	530	530
Total Capital Construction		\$ 197,501	\$ 148,467	\$ 95,758	\$ 49,083	\$ 21,350	\$ 596,909	\$ 777,901
Capital Replacement								
EN11039	RP-1 Disinfection Pump Improvements	\$ 2,400	\$ 4,660	\$ 350	\$ -	\$ -	\$ 7,410	\$ 8,490
IS22006	SCADA Network Infrastructure Replacement	335	300	-	-	-	635	635
EN22015	Collection System Upgrades FY 20/21	500	500	500	500	500	5,000	5,000
IS22007	RP-1 and RP-2 DCS Upgrade	420	-	-	-	-	420	420
IS22008	Operation Electronic Log Book	140	-	-	-	-	140	140
Total Capital Replacement		\$ 3,795	\$ 5,460	\$ 850	\$ 500	\$ 500	\$ 13,605	\$ 14,685
Total Capital Project Costs		\$ 201,296	\$ 153,927	\$ 96,608	\$ 49,583	\$ 21,850	\$ 610,514	\$ 792,586
TOTAL REGIONAL WASTEWATER CAPITAL FUND		\$ 201,296	\$ 153,927	\$ 96,608	\$ 49,583	\$ 21,850	\$ 610,514	\$ 792,586

**TABLE 6-10: REGIONAL WASTEWATER CAPITAL IMPROVEMENT
FY 2021/22 AND FY 2022/23 PROJECT DESCRIPTIONS**

Project Number	Name	Description
Capital Construction		
EN17006	CCWRF Assets Management and Improvements	Upgrade and replacement of odor control equipment at the Carbon Canyon Wastewater Reclamation Facility (CCWRF).
EN18006	RP-1 Flare Improvements	Upgrade of the gas system and flares as required by the South Coast Air Quality Management District (SCAQMD) requirements.
EN18036	CCWRF Asset Management and Improvements – Package III	Improvements to the tertiary treatment and lining of the recycled water lagoon.
EN19001	RP-5 Liquids Expansion	Expansion of existing Regional Plant No. 5 (RP-5) liquid treatment capacity from 15 to 30 million gallon per day (MGD) to meet the future flow projections.
EN19006	RP-5 Solids Treatment Facility	Construction of new solids handling facility at RP-5 to meet the Agency's needs throughout the decommissioning of the Regional Plant No. 2 (RP-2) site.
EN21045	Montclair and San Bernardino Lift Station Force Main Clean Out Vaults	Installation of the clean outs for Montclair and San Bernardino Lift Stations and increasing the useful life of the pipelines.
EN22006	RC Asset Management	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets within the Regional Wastewater Capital systems.
EN22022	RP-1 Air Compressor Upgrades	Design and construct a new centralized/consolidated air compressor and piping to replace the existing air compressors.
EN22039	RP4 SCADA Improvements	New control panel to be installed in server room, provide 2 new sets of redundant controllers to be installed in new control panel, existing Secondary redundant controller remains, tertiary redundant controller will be repurposed as the second Secondary redundant controller
EN22040	NFPA 70E required labels	Apply required additional NFPA 70E Arc Flash Labels that are missing at RP-1, RP-4, and Remote Lift Stations. Update existing ETAP power system model files for RP-1 & RP-4. Perform Arc Flash Studies for Remote Lift Stations.
EN22041	RP-1 Aeration Basins UW System Improvements	The project shall replace the existing PVC utility water loop with stainless steel piping for service life longevity (consistent with other facilities at RP-4, RP-5). New water supply connections and hose bibs shall be added at strategic locations of the aeration basins to provide convenient water supply for cleaning and housekeeping purposes.
EN22042	RP-4 Ammonia Analyzers and Support System	The project shall provide influent and effluent ammonia analyzers for the aeration basins at RP-4. A support system (at a minimum shall include pivot mount/hoist, water supply connections) shall be installed along the analyzers for maintainability and for keeping the analyzers in good working condition.
EN22043	Chemical Containment Area Rehab Phase 2	Chemical Containment areas within the CCWRF and RP-1 facilities are in a failed state and in need of coating rehabilitation.
EN22044	RP-1 Thickening Building & Acid Phase Digester	The RP-1 Gravity Thickener does not have sufficient capacity to treat the raw solids produced at RP-1. In addition, the gravity thickening process is no longer effective at treating RP-1 primary solids as it contains WAS from RP-4.
EN22045	New Regional Project Preliminary Design Report (PDR)	Create preliminary design reports for new project requests from Operations and Maintenance.
EN22046	New Project PDR's	This project is to complete preliminary design reports for new project requests to allow cost and schedule to be detailed before the budgeting cycle.
EN22047	New Project PDR's	This project is to complete preliminary design reports for new project requests to allow cost and schedule to be detailed before the budgeting cycle.
PL17002	HQ Solar Photovoltaic Power Plants Phase 2	The Agency is requesting vendors propose alternate photovoltaic products, design, and mounting methodologies to install solar power at the Headquarters roof top and parking lot (car port).

FY 2021/22 AND FY 2022/23
BUDGETED PROJECTS
REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND

Project Number	Name	Description
EN23025	Agency Power Monitor (PM)	Purchase and install new power monitoring system on all renewable energy installation at Agency major facilities. Program new PM into existing SCADA system for each site to be use for monitoring and reporting.
Capital Replacement		
EN11039	RP-1 Disinfection Pump Improvements	Replace bleach pumps and underground piping which is prone to failure and provide a chemical containment system within the pump area. It will also update SCADA for power loss.
IS22006	SCADA Network Infrastructure Replacement	Servers must be replaced every five years and network switches every 8 years to maintain performance and reliability.
EN22015	Collection System Upgrades FY 21/22	Repairs to the manholes and lines. Once identified, the Engineering department will respond by creating projects, designing necessary repairs, and constructing.
IS22007	RP-1 and RP-2 DCS Upgrade	Replaced 3 DCS Servers and Software at RP-1. Replace 1 DCS server and 1 workstation at RP-2. Move control from 3 obsolete control processors to newer equipment which is existing at RP-1.
IS22008	Operation Electronic Log book	Purchase software and server resources. Configuration, setup and training.

FY 2021/22 AND FY 2022/23 BUDGETED PROJECTS RECYCLED WATER FUND

Table 6-11 lists the capital and O&M projects budgeted in the Recycled Water fund, followed by Table 6-12 which provides a description of each of the projects to be executed in FY 2021/22 and FY 2022/23.

**TABLE 6-11: RECYCLED WATER FUND FY 2021/22 – FY 2030/31 PROJECTS
(\$THOUSANDS)**

Project Number	Project Name	2021/2022 Adopted Budget	2022/2023 Adopted Budget	FY 2023/24	FY 2024/25	FY 2025/26	Total Ten Year CIP	2021/2022 Total Project Budget
Capital Construction								
EN14042	1158 RWPS Upgrades	\$ 20	\$ -	\$ -	\$ -	\$ -	20	\$ 7,525
EN15002	1158 Reservoir Site Cleanup	100	-	-	-	-	100	1,215
EN20022	1299 Reservoir Paint/Coating Repairs and Upgrades	200	-	-	-	-	200	200
EN21050	8th Street RW Turnout Connection to the	600	900	-	-	-	1,500	1,500
EN22009	WC Asset Management Project	500	1,000	2,000	3,000	5,000	54,100	54,100
EN24005	1630 West Reservoir Paint/Coating Repair	-	150	-	-	-	150	150
EN24006	930 Reservoir Paint/Coating Repairs and Upgrades	-	-	150	-	-	150	150
Total Capital Construction		\$ 1,420	\$ 2,050	\$ 2,150	\$ 3,000	\$ 5,000	\$ 56,220	\$ 64,840
Capital Replacement								
EN21041	RP-4 Contact Basin Cover & Wet Well Pass	\$ 700	\$ 3,500	\$ -	\$ -	\$ -	4,200	\$ 4,200
EN22023	Prado Dechlor Sump Pump Replacement	360	-	-	-	-	360	360
Total Capital Replacement		\$ 1,060	\$ 3,500	\$ -	\$ -	\$ -	\$ 4,560	\$ 4,560
Total Capital Project Costs		\$ 2,480	\$ 5,550	\$ 2,150	\$ 3,000	\$ 5,000	\$ 60,780	\$ 69,400
Operations & Maintenance (O&M)								
EN19030	WC Asset Management	\$ 250	\$ -	\$ -	\$ -	\$ -	250	\$ 250
EN19051	RW Hydraulic Modeling	45	40	40	-	-	125	225
EN20050	Reservoir Maintenance	-	20	-	-	20	60	60
EN21051	Ely Monitoring Well	285	100	-	-	-	385	585
EN22028	Philly RW Gravity Line Abandonment	-	-	250	250	-	500	500
EN22017	WC Emergency O&M Projects FY 21/22	150	150	150	150	150	1,500	1,500
EN22055	WC On-Call/Small Projects FY 21/22	150	150	150	150	150	1,500	1,500
EN22052	WC Planning Documents	250	250	250	250	250	2,500	2,500
EN25031	Recycled Water Program Strategy 2025	-	-	-	250	250	500	500
WR20029	Upper SAR HCP & Int Model-Recycled Water Benefit	85	-	-	-	-	85	268
Total O&M Project Costs		\$ 1,215	\$ 710	\$ 840	\$ 1,050	\$ 820	\$ 7,405	\$ 7,888
TOTAL RECYCLED WATER FUND		\$ 3,695	\$ 6,260	\$ 2,990	\$ 4,050	\$ 5,820	\$ 68,185	\$ 77,288

TABLE 6-12: RECYCLED WATER FY 2021/22 AND FY 2022/23 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
EN14042	RP-1 1158 Pump Station Improvements	Evaluation of the pump station capacities to assess whether the station can meet forecasted future demands.
EN15002	1158 Reservoir Site Cleanup Project	Removal of old piping associated with the oil tanks at 1158 Reservoir, which involves cutting and capping the lines, and draining and removing oil from the site to prevent any future leaks.
EN20022	1299 Reservoir Paint/Coating Repairs	Spot repairs for the 1299 Reservoir recycled water stores required to meet the expected 20 to 25-year life cycle of the system.
EN21050	8th Street RW Turnout Connection to the 1630 W Pipeline	Modify both pipeline segments on the intersection of Grove and 8 th Street and install a pressure reducing valve to drop the operating pressure to 100-150psi, a vault, and three new isolation valves.
EN22009	Recycled Water Asset Management Project	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets within the Recycled Water Systems.
EN24005	1630 West Reservoir Paint/Coating Repair	The project will consist of minor touch-up of delaminating, blistering, corroding or other defective coating and painting on interior and exterior surfaces by Power Tool Cleaning to Near White Metal (SSPC-SP11) [spell out] or other surface preparation.
Capital Replacement		
EN21041	RP-4 Contact Basin Cover & Wet Well Pass	Replace the concrete covers to provide a safer means to access the top area of the basins while providing a covered system to the chlorinated treatment process.
EN22023	Prado Dechlor Sump Pump Replacement	Removal and replacement of the two existing sump pumps, including the replacement of the pump floats and guide rails.
Operations and Maintenance		
EN19030	Recycled Water Asset Management	Staffing and consultants to forecast, budget, and replace and/or repair critical assets for recycled water fund projects.
EN19051	RW Hydraulic Modeling	Hydraulic Modeling will allow hydraulic analyses of existing and future demands of existing and future facilities. The resulting information will be used for planning of required capital projects.
EN20050	Reservoir Maintenance (Repair/Improve)	Condition assessment of the recycled water reservoirs to identify necessary repairs and maintenance.
EN21051	Ely Monitoring Well	Field monitoring from engineering firm specializing in geotechnical, subsidence and groundwater remodeling. The results will help identify critical impacts and develop a mitigation action plan.
EN22017	Emergency O&M Projects 21/22	Supporting Engineering and Construction Management to fund emergency repairs to the recycled water system.
EN22055	On Call/Small Projects 21/22	Non-emergency repairs necessary for the recycled water system to maintain compliance and efficiency in operations.
EN22052	Planning Documents	Develop individual report scopes will be developed to solicit proposals for document development. IEUA staff will manage the consultants to complete the needed planning documents.
EN25031	Recycled Water Program Strategy 2025	Planning document necessary to develop a program to maximize groundwater recharge.
WR20029	Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) & Integrated Model-Recycled Water Benefits	Project to identify conservation measures to support future water and recycled water projects as well as modelling surface flow and groundwater models along the SAR.

FY 2021/22 AND FY 2022/23 BUDGETED PROJECTS WATER RESOURCES FUND

Table 6-13 is a list of O&M projects budgeted in the Water Resources fund, followed by Table 6-14 which provides a description of each of the projects that will be executed in FY 2021/22 and FY 2022/23.

**TABLE 6-13: WATER RESOURCES FUND FY 2021/22 – FY 2030/31 PROJECTS
(\$THOUSANDS)**

Project Number	Project Name	2021/2022 Adopted Budget	2022/2023 Adopted Budget	FY 2023/24	FY 2024/25	FY 2025/26	Total Ten Year CIP	2021/2022 Total Project Budget
Capital Construction								
PL19005	Chino Basin Program	\$ 5,043	\$ 5,043	\$ -	\$ -	\$ -	\$ 10,086	\$ 15,000
Total Capital Construction		\$ 5,043	\$ 5,043	\$ -	\$ -	\$ -	\$ 10,086	\$ 15,000
Operations & Maintenance (O&M)								
PL18001	Calif. Data Collab. WUE Data Analytics	\$ 5	\$ 5	\$ 3	\$ -	\$ -	\$ 13	\$ 80
WR16024	SARCCUP	200	-	-	-	-	200	32,907
WR20028	Upper SAR HCP& Int. Model-Water Benefits	88	-	-	-	-	88	268
WR21028	Implement. of Upper SAR HCP - Wtr Benefi	250	250	250	250	250	2,250	2,250
WR22027	WW Planning Documents	250	250	250	250	250	2,500	2,500
WR22002	CBWCD Leap	30	30	30	30	30	300	300
WR22004	Garden in Every School	45	45	45	45	45	450	450
WR22006	Large Landscape Retrofit Program	200	200	200	200	200	2,000	2,000
WR22007	Residential Rebate Incentives	124	124	124	124	124	1,235	1,235
WR22008	CII Rebate Incentives	130	130	130	130	130	1,300	1,300
WR22009	National Theater for Children	60	60	60	60	60	600	600
WR22013	Sponsorships & Public Outreach Activitie	59	59	59	59	59	590	590
WR22015	Landscape Training Classes	10	10	10	10	10	100	100
WR22017	Residential Pressure Regulation Program	100	100	100	100	100	1,000	1,000
WR22018	Member Agency Administered Project	100	100	100	100	100	1,000	1,000
WR22019	Residential Small Site Controller Upgrad	300	300	300	300	300	3,000	3,000
WR22020	WUE Business Plan Model Update and Wkshp	5	5	5	5	5	45	45
WR22021	Regional WUE Support Tools	73	73	73	73	73	730	730
WR22022	Landscape Design Services	20	20	20	20	20	200	200
WR22023	CIMIS Station	5	5	5	5	5	50	50
WR22024	WUE Research and Evaluation	40	40	40	40	40	400	400
WR22025	Landscape Irrigation Tune-Ups	300	300	300	300	300	3,000	3,000
Total O&M Project		\$ 2,393	\$ 2,105	\$ 2,103	\$ 2,100	\$ 2,100	\$ 21,051	\$ 54,005
Reimbursable Project								
WR18028	Chino Basin Water Bank Planning Authority	\$ 290	\$ 290	\$ 290	\$ 290	\$ -	\$ 1,160	\$ 2,451
Total Reimbursable Project		\$ 290	\$ 290	\$ 290	\$ 290	\$ -	\$ 1,160	\$ 2,451
TOTAL WATER RESOURCE FUND		\$ 7,726	\$ 7,438	\$ 2,393	\$ 2,390	\$ 2,100	\$ 32,297	\$ 71,456

TABLE 6-14: WATER RESOURCES FY 2021/22 AND FY 2022/23 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
PL19005	Chino Basin Project (CBP)	Preliminary Design Report and Programmatic Environmental Impact Report to begin implementation of the CBP.
Operations and Maintenance		
PL18001	California Data Collaborative WUE Data Analytics	Assistance with the California Data Collaborative to pioneer a new water use efficiency (WUE) data infrastructure non-profit to support water managers in meeting their reliability objectives and serve the public good.
WR16024	Santa Ana River Watershed Action Team Conjunctive Use Project (SARCCUP)	SARCCUP to utilize funds from SAWPA Prop 84 grants in conjunction with Eastern Municipal Water District, Western Municipal Water District, Orange County Municipal Water District, and San Bernardino Valley Municipal Water District to develop a watershed-scale conjunctive use program.
WR20028	Upper SAR HCP & Integrated Model	Model for surface and groundwater flow along the Santa Ana River from Yucaipa to Prado Dam.
WR21028	Implement of Upper SAR HCP – Water benefits	Implementation of the Santa Ana River Habitat Conservation Plan (HCP) is part of the Agency's long-term water resources and environmental permitting strategy for the groundwater recharge.
WR22027	Water Resources (WW) Planning Documents	Evaluation of potential WW projects to augment water supply, such as supplies from Northern California or other neighboring agencies, as projects are identified.
WR22002	CBWCD Leap	Continuation of Regional Landscape Evaluation Program for residential and Commercial Institutional Industrial (CII) customers within service area.
WR22004	Garden in Every School	Installs up to four water efficient gardens for grades K-12 within the service area.
WR22006	Large Landscape Retrofit Program	Direct installation and retrofit of existing non-weather-based irrigation controllers with Smart Controllers and high efficiency sprinkler nozzles.
WR22007	Residential Rebate Incentives	Supplemental funding to Municipal Water District's base rates to enhance rebate and increase public participation.
WR22008	Commercial Institutional Industrial (CII) Rebate Incentives	Supplemental funding to Municipal Water District's base rates to enhance rebate and increase public participation.
WR22009	National Theater for Children	Live theater performances for students in grades K-6 to educate them on efficient water use and environmental issues. Provides online teaching curriculum and student and teacher workbooks.
WR22013	Sponsorships & Public Outreach Activities	Funding for water efficiency marketing, public outreach, membership dues, BMP Support Grants, and special events.
WR22015	Landscape Training Classes	Funding for landscape instructors who teach residential landscape workshops with the service area.
WR22017	Residential Pressure Regulation Program	Identifies customers who reside within high water pressure zones, provides free pressure reducing valve or replaces failed valves.
WR22018	Member Agency Administered Project	Program provides funding to IEUA member agencies for retail level locally implemented water use efficiency programs/projects.
WR22019	Residential Small Site Controller Upgrade Program	Provides mandatory training class, onsite landscape evaluation, and upgrade of existing controllers with weather-based controllers for residential customer on a lot size smaller than 11,000 square feet.
WR22020	WUE Business Plan Model Update and Workshop	Annual update to the water use efficiency model. Training for member agency staff of the model and performance over the last fiscal year compared to the Regional WUE Business Plan targets.
WR22021	Regional WUE Support Tools	Support new regulation that requires member agencies to collect and report new types of customer water use data.
WR22022	Landscape Design Services	Partnership between IEUA and CBWCD that provides residential landscape design for customers desiring to transform their landscape to a more sustainable option.
WR22023	CIMIS Station	CIMIS (California Irrigation Management Information System) weather station installation across from IEUA headquarters.
WR22024	WUE Research and Evaluation	Funds WUE research and evaluation studies, activities, market saturation, and efforts to support progress toward implanting AB1668 and SB606.
WR22025	Landscape Irrigation Tune-Ups	Water efficiency program that provides residential customers with a landscape irrigation assessment, controller programming and scheduling.
Operations and Maintenance		

FY 2021/22 AND FY 2022/23
BUDGETED PROJECTS
WATER RESOURCES FUND

Project Number	Name	Description
WR18028	Chino Basin Water Bank Planning Authority	Evaluation to understand institutional agreements and models that will have to be developed to understand how to implement a water bank in the Chino Basin.

FY 2021/22 AND FY 2022/23 BUDGETED PROJECTS ADMINISTRATIVE SERVICES FUND

Table 6-15 shows the capital and O&M projects budgeted in the Administrative Services fund, followed by Table 6-16 which provides a description of each of the projects to be executed in FY 2021/22 and FY 2022/23.

**TABLE 6-15: ADMINISTRATIVE SERVICES FUND FY 2021/22 – FY 2030/31 PROJECTS
(\$THOUSANDS)**

Project Number	Project Name	2021/2022 Adopted Budget	2022/2023 Adopted Budget	FY 2023/24	FY 2024/25	FY 2025/26	Total Ten Year CIP	2021/2022 Total Project Budget
Capital Construction								
EN20040	HQ Driveway Improvements	\$ 450	\$ -	\$ -	\$ -	\$ -	450	450
EN21049	Main HDQ Improvements Office Addition	440	-	-	-	-	440	440
EN22010	GG Asset Managment Project	50	50	50	300	1,000	6,450	6,450
Total Capital Construction		\$ 940	\$ 50	\$ 50	\$ 300	\$ 1,000	\$ 7,340	\$ 7,340
Capital Replacement								
IS22001	Telephone System Upgrade	\$ 150	\$ -	\$ -	\$ -	\$ -	150	150
IS22002	Wide Area Microwave Radio Updates	220	220	-	-	-	440	440
IS22003	IT Infrastructure Assets New	100	80	-	-	-	180	180
EP22004	Agency Wide Vehicle Replacement	150	155	159	169	174	1,757	1,757
FM22005	Agency Wide HVAC Replacements	277	100	100	100	50	877	877
IS22004	IT Infrastructure Assets Replacement	320	390	-	-	-	710	710
Total Capital Replacement		\$ 1,217	\$ 945	\$ 259	\$ 269	\$ 224	\$ 4,115	\$ 4,115
Total Capital Project Costs		\$ 2,157	\$ 995	\$ 309	\$ 569	\$ 1,224	\$ 11,455	\$ 11,455
Operations & Maintenance (O&M)								
EN20008	HQ Parking Lot FY19/20	\$ 375	\$ -	\$ -	\$ -	\$ -	375	440
FM20001	HQ Interior Replacements	-	-	850	1,782	-	2,632	2,632
FM21002	Agency Wide Roofing	1,050	1,050	630	575	-	3,305	3,305
FM22003	Agency Wide Facilities Rehab & Repairs	52	53	55	56	58	590	590
Total O&M Project Costs		\$ 1,477	\$ 1,103	\$ 1,535	\$ 2,413	\$ 58	\$ 6,902	\$ 6,967
TOTAL ADMINISTRATIVE SERVICES FUND		\$ 3,634	\$ 2,098	\$ 1,844	\$ 2,982	\$ 1,282	\$ 18,357	\$ 18,422

TABLE 6-16: ADMINISTRATIVE SERVICES FY 2021/22 AND FY 2022/23 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
EN20040	Headquarters Campus Driveway Improvements	Upgrade the driveway entrances from/to Kimball Avenue for headquarter buildings to comply with the American Association of State Highway and Transportation (AASHTO) standards.
EN21049	Main Head Quarter Improvements Office Addition	Construction of two new offices in the Human Resources department to provide an appropriate workspace for employees that require privacy for their job function
EN22010	Asset Management Project	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets.
Capital Replacement		
IS22001	Telephone System Upgrade	Purchase, configure, and install new telephone systems as needed.
IS22002	Wide Area Microwave Radio Updates	Purchase, configure, and install new wide area microwave radio.
IS22003	Information Technology Infrastructure Replacement Project	Purchase, configure, and install new hardware. Retire old hardware. Eighty workstations will be replaced and four servers. A UPS will be purchased and installed to replace one of the Business network servers room.
EP20004	Agency Wide Vehicle Replacement	Purchase of new fleet vehicles to replace identified vehicles that have high repair costs due to age and accumulated wear and tear.
FM20005	Agency Wide Heating, Ventilation, and Air Conditioning (HVAC) Replacement	Replace HVAC systems past their efficient life-cycle throughout the Agency to provide adequate and safe environment.
IS22004	Information Technology Infrastructure Assets Replacement	Purchase replacement personal computers (PCs), Laptops, Servers and other network switch infrastructure that have reached the end of useful life. Year 1; replace 5 servers, 1 fiber switch and 80 Laptops/PCs. Year 2; replace 3 servers, 1 switch and 1 HP 3PAR SAN (Storage Area Network) and 80 laptops / PCs.
Operations and Maintenance		
EN20008	HQ Parking Lot	Funding for HQ parking lot needed repair and rehabilitation consistent with a condition assessment performed in February 2010. Project includes replacement of parking stalls and Shamal Ash trees.
FM21002	Agency Wide Roofing	Repair and replacement of roof systems for regional plants throughout the Agency.
FM22003	Agency Wide Facilities Rehab & Repairs	Repair and rehabilitation of Agency structures including paved structures and signage for regional plants.

FY 2021/22 AND FY 2022/23 BUDGETED PROJECTS RECHARGE WATER FUND

Table 6-17 shows the capital and O&M projects budgeted in the Recharge Water fund, followed by Table 6-18 which provides a description of each of the projects to be executed in FY 2021/22 and FY 2022/23.

**TABLE 6-17: RECHARGE WATER FUND FY 2021/22 – FY 2030/31 PROJECTS
(\$THOUSANDS)**

Project Number	Project Name	2021/2022 Adopted Budget	2022/2023 Adopted Budget	FY 2023/24	FY 2024/25	FY 2025/26	Total Ten Year CIP	2021/2022 Total Project Budget
Capital Construction								
RW15003	Recharge Master Plan Update	\$ 11,350	\$ 7,800	\$ -	\$ -	\$ -	\$ 19,150	\$ 24,004
EN22050	GWR Basin PLC Upgrades	300	300	300	-	-	900	900
EN22051	Jurupa Basin VFD Upgrades	300	-	-	-	-	300	300
EN22008	GWR Asset Management Project	-	500	500	500	500	4,500	4,500
Total Capital Construction		\$ 11,950	\$ 8,600	\$ 800	\$ 500	\$ 500	\$ 24,850	\$ 29,704
Capital Replacement								
EN22049	GWR-RW OIT Upgrades	\$ 19	\$ 19	\$ 19	\$ -	\$ -	\$ 56	\$ 56
IS22005	RW / GWR SCADA Infrastructure Replacement	-	60	-	-	-	60	60
Total Capital Replacement		\$ 19	\$ 79	\$ 19	\$ -	\$ -	\$ 116	\$ 116
TOTAL RECHARGE WATER FUND		\$ 11,969	\$ 8,679	\$ 819	\$ 500	\$ 500	\$ 24,966	\$ 29,821

TABLE 6-18: RECHARGE WATER FY 2021/22 AND FY 2022/23 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
RW15003	Recharge Master Plan Update Projects	Preparation of preliminary design reports for projects that are selected for implementation for the first phase of the Recharge Master Plan Update.
EN22050	GWR Basin Programmable Logic Controller (PLC) Upgrades	Replace aging PLC at 17 recharge locations. The current equipment will become obsolete and unsupported by the manufacturer within 3 years (estimated). The current equipment is planned to become unsupported by the manufacturer. A newer model is needed to ensure GWR staff has continued and reliable access to control/operate the remote basins reliably and safely.
EN22051	Jurupa Basin Variable Frequent Drive (VFD) Upgrades	Replacement of the existing VFD which has reached it end of its useful life. This is a critical asset in the groundwater recharge program to convey captured stormwater to RP3 Basin for recharge.
EN22008	Ground Water (GWR) Asset Management Project	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets within the Groundwater Recharge Systems.
Capital Replacement		
EN22049	GWR-RW Operator Interface Terminal (OIT) Upgrades	The project will fund the cost to purchase the required replacement. IEUA staff will install five new terminals once a year for three years to address the 17 sites.
IS22005	RW / GWR SCADA Infrastructure Replacement	Purchase 2 replacement servers and other network switch infrastructure that have reached the end of its life cycle.

FY 2021/22 AND FY 2022/23 BUDGETED PROJECTS NON-RECLAIMABLE WASTEWATER FUND

Table 6-19 shows the capital and O&M projects included in the Non-Reclaimable Wastewater (NRW) fund, followed by Table 6-20 which provides a description of each of the projects to be executed in FY 2021/22 and FY 2022/23.

**TABLE 6-19: NON-RECLAIMABLE WASTEWATER FUND FY 2021/22 – FY 2030/31
PROJECTS (\$THOUSANDS)**

Project Number	Project Name	2021/2022 Adopted Budget	2022/2023 Adopted Budget	FY 2023/24	FY 2024/25	FY 2025/26	Total Ten Year CIP	2021/2022 Total Project Budget
Capital Construction								
EN19027	NRW Pipeline Relining Along Cucamonga Cr	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,395
EN20064	NSNT Sewer Siphon Replacement	600	1,900	-	-	-	2,500	2,500
EN22002	NRW East End Flowmeter Replacement	400	-	-	-	-	400	3,600
EN22007	NRW Asset Management Projects	-	-	500	500	500	4,000	4,000
EN22048	Generator Retrofit - PLS	45	-	-	-	-	45	45
Total Capital Construction		\$ 3,045	\$ 1,900	\$ 500	\$ 500	\$ 500	\$ 8,945	\$ 12,540
Capital Replacement								
EN22014	NRWS Manhole Upgrades FY 21/22	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180	\$ 1,800	\$ 1,800
EN22020	Philadelphia Lift Station Pump Upgrades	\$ 300	\$ 1,800	\$ 400	\$ -	\$ -	\$ 2,500	\$ 2,500
EN23002	Philadelphia Lift Station Force Main Imp	15,000	3,000	-	-	-	18,000	18,258
EN26020	Lift Station AMP Projects	-	-	-	-	200	200	200
Total Capital Replacement		\$ 15,480	\$ 4,980	\$ 580	\$ 180	\$ 380	\$ 22,500	\$ 22,758
Total Capital Project Costs		\$ 18,525	\$ 6,880	\$ 1,080	\$ 680	\$ 880	\$ 31,445	\$ 35,298
Operations & Maintenance (O&M)								
EN19028	NRW Man Hole and Pipeline Condition Asse	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ 915
EN22016	NRWS Emergency O&M Projects FY 21/22	100	100	100	100	100	1,000	1,000
Total O&M Project Costs		\$ 350	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,250	\$ 1,915
TOTAL NON-RECLAIMABLE WASTEWATER FUND		\$ 18,875	\$ 6,980	\$ 1,180	\$ 780	\$ 980	\$ 32,695	\$ 37,213

TABLE 6-20: NON-RECLAIMABLE WASTEWATER FY 2021/22 AND FY 2022/23 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
EN19027	Non-Reclaimable Wastewater (NRW) Pipeline Relining Along Cucamonga Creek	Install a variable frequency drive and updated control system to reduce excessive run times required by the lack of variable control at the pump.
EN20064	North System North Trunk (NSNT) Sewer Siphon Replacement	Design and install a complete 21" (VCP) sewer bypass to the double siphon at Cucamonga channel and 8 th Street in Ontario to reconnect the manholes to mitigate the odor issues.
EN22002	NRW East End Flowmeter Replacement	Install a new divergent structure and piping bypass on the existing 36" NRW North System Center Trunk line.
EN22048	Generator Control Panel Retrofit/ Modernization Philadelphia Lift Station	Install a new state of the art digital control panels and Caterpillar digital voltage regulators for the Philadelphia Lift Station Generators.
Capital Replacement		
EN22014	Non-Reclaimable Wastewater System (NRWS) Manhole Upgrades – 21/22	Repairs to the manholes and lines for NRWS within the Agency service area.
EN22020	Philadelphia Lift Station Pump Upgrades	Replace pumps with newer style non-clog dry pit submersible pumps provide higher efficiency and easier to service and maintain and consistent with the Montclair Lift Station. .
EN23002	Philadelphia Lift Station Force Main Improvements	Replace and construct force mains, manholes for inspection, and cleanouts every 500 feet to increase the capacity for the Philadelphia Lift Station.
Operations and Maintenance		

Project Number	Name	Description
EN19028	NRW Manhole and Pipeline Condition	Provides funding for Agency staffing and specialized consultants and contractors to develop economic forecasts and implement the recommended replacement and/or repair of critical assets.
EN22016	NRWS Emergency O&M Projects FY21/22	Provision of funds for Engineering and Construction Management to facilitate such items such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year.



**RP-4 PRIMARY CLARIFIER REHAB
TO EXTEND ASSET LIFE AND IMPROVE
EFFICIENCY**

DEBT MANAGEMENT

OVERVIEW

The Agency issues debt to finance the acquisition, construction, and improvement of capital assets, as well as to refinance existing long-term debt that result in cost savings. The Agency applies a priority tiered financing strategy to ensure the lowest cost of borrowing while maximizing financial flexibility. This tiered financing strategy includes system revenues, grants, use of fund reserves, low interest Federal and State loans, and bonded debt prioritizing low-cost funds and approaching expensive funding sources last.

Consistent with the IEUA Business Goal of Fiscal Responsibility to safeguard the Agency's creditworthiness, a key objective is to leverage low interest debt and pay down higher interest rate obligations. To accomplish this goal, the Agency has taken the following actions:

- ◆ Over the years, the Agency has leveraged the low interest Clean Water State Revolving Fund (SRF) loan program administered by the State Water Resources Control Board (SWRCB) to finance regional capital investments, including construction of its regional recycled water distribution system, replacement of the Water Quality Laboratory, and replacement of the Dewatering Facility at the RP-1 plant. As of June 30, 2021, the Agency has sixteen SRF loans with an aggregate outstanding balance of \$104.6 million. To date, the Agency's use of SRF loans versus bonded debt has resulted in total interest savings of approximately \$97.3 million.
- ◆ May 2020, the Board approved the U.S. Department of Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) loan agreement in the amount of \$196,436,445 at a fixed interest rate of 1.36 percent to finance a portion of the RP-5 Expansion project with an estimated cost of \$450 million. WIFIA loans provide longer-term, low-cost supplemental financing for water and wastewater projects. Total interest savings from the use of the WIFIA loan versus bonded debt are estimated at \$176.8M.
- ◆ June 2020, the Agency issued the 2020A Revenue Refunding Bonds to refinance the 2008B Variable Rate Demand Bonds to a fixed rate to eliminate future interest rate risk and credit risk by eliminating the need for a letter of credit provider. Additionally, the 2020A Revenue Bonds refinanced the 2010A Refunding Revenue Bonds and eight SRF loans resulting in a net present value savings of over \$2 million.
- ◆ June 2020, the Agency issued the 2020B Revenue Notes as interim financing to support the construction of the RP-5 Expansion project. At a fixed interest rate of 4.0 percent, the use of interim financing reduces the all-in-cost of the WIFIA loan and provides the Agency flexibility to avoid any disruptions in project execution while awaiting approval from the State Water Resource Control Board for an SRF loan to be used as additional financing for the RP-5 Expansion project. The use of interim financing resulted in additional estimated gross savings of \$6.1 million over the life of the WIFIA loan.

OUTSTANDING DEBT

As of June 30, 2021, total outstanding debt (principal and interest), *excluding financial expenses and inter-fund loans*, is estimated at \$448 million, as reported in Table 7-1. In FY 2025/26, total outstanding debt is projected to increase to \$747.8 million primarily due to new borrowing requirements for the RP-5 Expansion, RP-2 Thickening Building & Acid Phase Digester and other regional improvement projects. New debt will be a combination of low interest federal and state loans. Annual debt service payments are projected to range between \$19 million to \$35 million per fiscal year over the next ten years.

TABLE 7-1: TOTAL OUTSTANDING DEBT BY TYPE (\$MILLIONS)

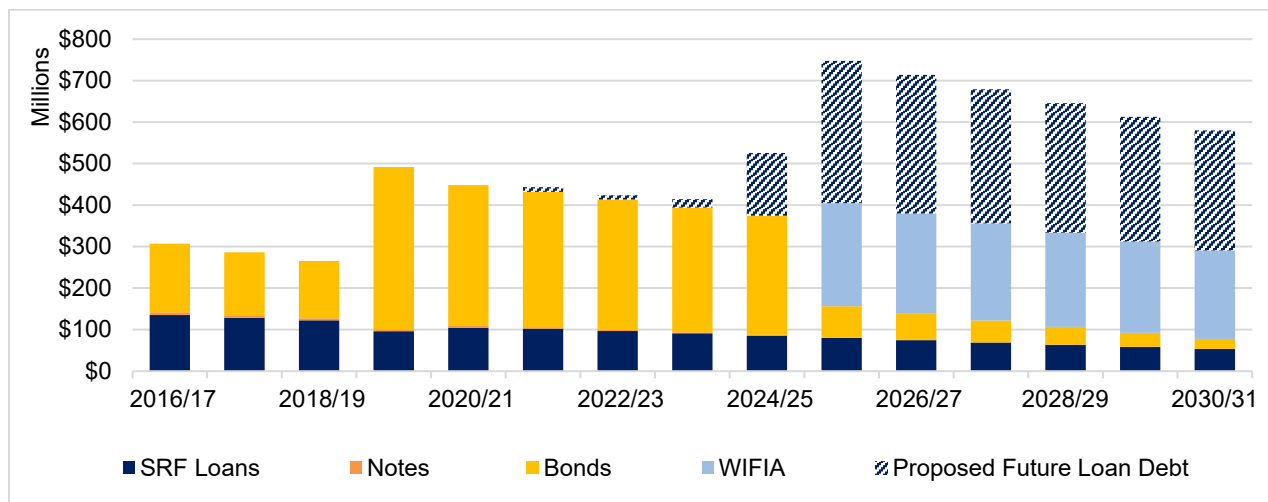
(Principal and Interest)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Bonds and Revenue Notes	\$391.1	\$339.2	\$326.3	\$313.6	\$300.8	\$287.1	\$75.0
SRF Loans ⁽¹⁾	96.0	104.6	113.1	107.0	110.8	236.6	291.6
Notes	4.7	4.2	3.6	3.0	2.5	1.9	1.3
WIFIA	-	-	-	-	-	-	248.2
Future Debt ⁽²⁾	-	-	-	-	-	-	131.7
Total	\$491.8	\$448.0	\$443.0	\$423.6	\$414.1	\$525.6	\$747.8

(1) Includes proposed future SRF Loans for the Regional Wastewater and Recharge Water programs.

(2) Includes proposed future WIFIA Loan for the Regional Wastewater Systems Improvement Program.

Figure 7-1 below shows the estimated trend of outstanding debt from FY 2016/17 to FY 2030/31.

FIGURE 7-1: SUMMARY OF AGENCY'S OUTSTANDING PRINCIPAL & INTEREST DEBT (\$MILLIONS)



DEBT MANAGEMENT

The Agency's Ten-Year Capital Improvement Plan (TYCIP) is funded by a combination of pay-go, low interest financing, grants, and reimbursements. Aggregate capital expenditures of \$841.6 million (excluding non-capital (O&M) projects, over the next 10 years will require new debt. New debt is assumed to be a combination of WIFIA and SRF loans as summarized in Table 7-2. The Agency will continue to aggressively pursue federal, state, and regional grants and incentives, including low interest state and federal loans and grants.

TABLE 7-2: ESTIMATED SOURCE OF NEW BORROWING (\$MILLIONS)

Projects	Fund	Fiscal Year	Estimate (Principal)
ASSUMED WIFIA DEBT			
RP-5 Expansion	Wastewater Capital	2023/24	\$25.4
RP-1 Thickening Bldg. & Acid Phase Digester		2022/23	50.8
Carbon Canyon Asset Management projects		2021/22	8.1
Philadelphia Lift Station Force Main Improvements	Non-Reclaimable Wastewater	2021/22	9.7
TOTAL			\$94.0
ASSUMED LOW INTEREST SRF LOANS			
RP-5 Expansion	Wastewater Capital	2022/23	\$101.5
RP-1 Thickening Bldg. & Acid Phase Digester			50.5
Regional Improvement projects			16.4
Recharge Master Plan Update ⁽¹⁾	Recharge Water	2021/22	10.2
TOTAL			\$178.6
TOTAL LOAN PROCEEDS			\$272.6

⁽¹⁾ Funded by Chino Basin Watermaster

In addition to WIFIA funding, the State Water Resources Control Board (SWRCB) committed \$101.5 million in the 2019/20 Intended Used Plan (IUP) for the RP-5 Expansion Project. A second WIFIA application has been submitted for \$94 million to finance a portion of the RP-1 Thickening Building and Acid Phase Digester Building, the Philadelphia Lift Station Force Main Improvements project, Carbon Canyon Water Recycling Facility Improvements, and the RP-5 Expansion project. During the coming fiscal year, the Agency will continue to pursue grant funding opportunities and refine its financing strategy for the capital investments planned over the next ten fiscal years.

DEBT SERVICE COSTS

Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans, notes, and inter-fund loans. Debt service costs are budgeted at \$22.5 million in FY 2021/22 and \$24.8 million in FY 2022/23, Table 7-3.

TABLE 7-3: SUMMARY OF AGENCY'S DEBT SERVICE PAYMENTS BY TYPE (\$MILLIONS)

By Type (Principal and Interest)	2021/22	2022/23
Bonds	\$12.9	\$12.7
SRF Loans	5.5	6.1
Notes Payable	0.6	0.6
Financial Expenses	0.03	0.03
Inter Fund Loans	3.5	5.4
Total	\$22.5	\$24.8

TABLE 7-4: SUMMARY OF AGENCY'S DEBT SERVICE PAYMENTS BY FUND (\$MILLIONS)

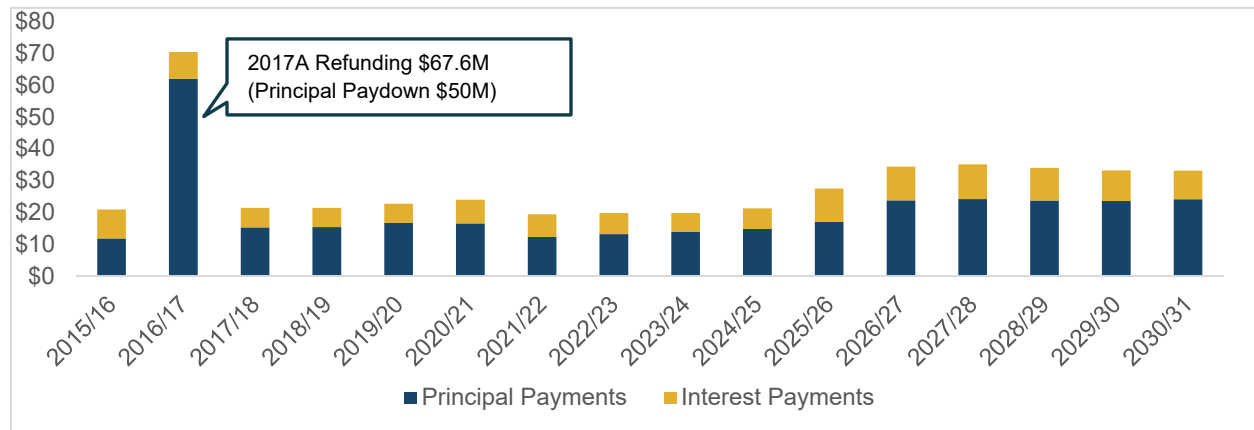
By Fund	2021/22		2022/23	
<i>(excludes Fin. Exp. & Inter-fund Loan)</i>	Principal	Interest	Principal	Interest
Regional Wastewater Capital	\$4.5	\$2.7	\$4.7	\$2.3
Regional Wastewater O&M	0.8	0.6	0.8	0.6
Non-Reclaimable Wastewater	0.3	0.3	0.4	0.2
Recycled Water	6.0	2.8	6.2	2.6
Recharge Water	0.6	0.4	1.1	0.4
Debt Service*	\$12.2	\$6.8	\$13.2	\$6.2

*Debt Service totals include principal and interest only.

DEBT MANAGEMENT

Figure 7-2 shows the debt service payment schedule for FY 2015/16 through FY 2030/31. This table excludes inter-fund loan principal payments (for the complete inter-fund loan repayment schedule see table 7-9 below).

FIGURE 7-2: ANNUAL DEBT SERVICE PAYMENT SCHEDULE



Not reflected in FY 2025/26 is \$196.4 million payment of 2020B Revenue Notes to be paid with a draw from the WIFIA loan.

BONDS AND REVENUE NOTES

Bonded debt has been used to finance new construction, expansion and improvement of existing facilities and infrastructure. In June of 2020, the Agency issued revenue notes to be used as interim financing to support construction costs of the RP-5 Expansion. The 2020B Revenue Notes, issued in June 2020, have a fixed interest rate of 4.0 percent and mature 5 years after issuance. The premium received for the 2020B Revenue Notes will be used to reduce interest payments until maturity in FY 2025/26. The 2020B Revenue Notes will be paid by a draw from the WIFIA loan secured to finance the RP-5 Expansion project. In FY 2021/22 and FY 2022/23 debt service costs for bonded debt and 2020B Revenue Notes is estimated to be \$12.9 million and \$12.7 million, respectively (Table 7-3).

Total outstanding balance for bonded debt and the 2020B Revenue Notes, including principal and interest, is estimated to be \$326.3 million as of June 30, 2022 and \$313.6 million as of June 30, 2023, as shown in Table 7-5.

TABLE 7-5: OUTSTANDING BOND AND REVENUE NOTES ISSUES (\$MILLIONS)

	Maturity Date	Ratings	Interest Rate	Bond Par Amount	2021/22 Bond Payments	Outstanding Balance As of 6/30/22	2022/23 Bond Payments	Outstanding Balance As of 6/30/23
2017A Revenue Bond (2008A Refinancing)	11/1/2033	AA+ S&P/ Aa2 Moody's	2%-5%	\$67.6	\$6.2	\$67.3	\$6.1	\$61.2
2020A Revenue Refunding Bonds *	8/1/2021		5%	56.3	6.2	57.1	6.2	50.9

	Maturity Date	Ratings	Interest Rate	Bond Par Amount	2021/22 Bond Payments	Outstanding Balance As of 6/30/22	2022/23 Bond Payments	Outstanding Balance As of 6/30/23
2020B Revenue Notes	11/1/2025		4%	196.4	7.9	223.9	7.9	216.0
	Capitalized Interest offset				(7.4)	(22.0)	(7.5)	(14.5)
Total				\$320.3	\$12.9	\$326.3	\$12.7	\$313.6

*Refunded 2008B Variable Rate, 2010A Revenue Bonds, and various SRF loans.

WATER INFRASTRUCTURE AND FINANCE INNOVATION ACT (WIFIA) LOAN

The WIFIA program administered by the U.S. Department of Environmental Protection Agency (EPA) is a federal loan and guarantee program, established by The Water Infrastructure Finance and Innovation Act of 2014. A key objective of the WIFIA program is to accelerate investment in the nation's water infrastructure. WIFIA loans provide a low-cost alternative loan program to credit worthy borrowers by allowing repayment to be deferred a maximum of 5 years from substantial completion of the project. Based on program regulations, WIFIA loans are limited to 49 percent of total project costs and a fixed interest rate equal to or greater than the U.S. Treasury rate of a similar maturity (e.g. 30-year U.S. Treasury plus 50 basis points).

The WIFIA loan secured by the Agency to finance a portion of the RP-5 Expansion project has a fixed interest rate of 1.36 percent and a final maturity November 1, 2060. It is estimated that the first draw from the WIFIA loan will be in FY 2025/26 to repay the 2020B Revenue Notes. The 2020B Revenue Notes were issued as interim financing to leverage historically low short term interest rates and further reduce the all-in cost of the WIFIA loan.

STATE REVOLVING FUND (SRF) LOANS

The outstanding SRF loan balance, including principal and interest, as of June 30, 2022 is estimated to be \$113.0 million. SRF loan payments (including principal and interest) for FYs 2021/22 and 2022/23 are projected to be \$5.5 million and \$6.1 million, respectively, as shown in Table 7-6.

TABLE 7-6: OUTSTANDING SRF LOANS DEBT SERVICE SCHEDULE (\$MILLIONS)

SRF Loans by Program	Interest Rate Range	SRF Loan Principal Amount	2021/22 SRF Debt Payments	Outstanding SRF Loans As of 6/30/22	2022/23 SRF Debt Payments	Outstanding SRF Loans As of 6/30/23
<i>Recycled Water:</i>						
Phase III (RP-4 Area)	0%	\$10.9	\$0.5	\$3.8	\$0.5	\$3.3
Phase IV (Northeast Area)	0.074%-0.214%	15.1	0.8	6.9	0.8	6.1
Phase V (Northeast Area)	1.0%	1.0	0.1	0.4	0.1	0.4
Central Wineville	1.0%	23.1	0.9	25.0	0.9	24.1

DEBT MANAGEMENT

SRF Loans by Program	Interest Rate Range	SRF Loan Principal Amount	2021/22 SRF Debt Payments	Outstanding SRF Loans As of 6/30/22	2022/23 SRF Debt Payments	Outstanding SRF Loans As of 6/30/23
San Sevaïne/Napa Lateral	1.8%	5.9	0.3	7.2	0.3	6.9
Baseline Extension ⁽¹⁾	1.4%	5.8	0.2	6.9	0.2	6.7
1158 Recycled Water Pump Station ⁽¹⁾	1.4%	5.1	0.2	6.1	0.2	5.9
RP-5 Recycled Water Pipeline Bottleneck ⁽¹⁾	1.4%	2.4	0	3.0	0.1	2.9
Subtotal – Recycled Water		\$69.3	\$3.0	\$59.4	\$3.1	\$56.3

SRF Loans by Program	Interest Rate Range	Orig. SRF Loan Principal Amount	2021/22 SRF Debt Payments	Outstanding SRF Loans As of 6/30/22	2022/23 SRF Debt Payments	Outstanding SRF Loans As of 6/30/23
Wastewater Capital:						
RP-1 Dewatering Facility Expansion	0.46%	27.6	1.5	14.5	1.5	13.0
Wastewater Operations:						
Water Quality Laboratory	2.1%	23.4	1.0	28.2	1.0	27.2
Subtotal – Regional Wastewater		\$51.0	\$2.5	\$42.7	\$2.5	\$40.2
Recharge Water:						
Proposed Future SRF Loans	0.7%	11.0	0	11.0	0.5	10.4
Total (may not tie due to rounding)		\$131.3	\$5.5	\$113.0	\$6.1	\$106.9

⁽¹⁾ Pending final loan amortization schedules.

Repayment of principal for each of the respective SRF loans is amortized over a 20 or 30-year period at fixed interest rates ranging from 0.0 to 2.1 percent with payments commencing one year after the completion of construction. State Water Resources Control Board (SWRCB) offers various financing options:

- ◆ Standard: 20-year to 30-year term, fixed interest rate ranging from 1 percent to 2.6 percent.
- ◆ Discounted Rate: 15-year term, fixed interest rate ranging from 1 percent to 2.6 percent discounted by 15 basis points
- ◆ Local Match – 20-year term, zero percent annual interest rate. Local match of 20 percent is deducted from loan proceeds during construction.

The SWRCB can offer additional assistance in the form of grants for various projects. SWRCB grant funds can be received in conjunction with SRF loans receipts during the pre-construction and construction phases of the project, however not every loan qualifies for grant funding. The Agency has been successful in securing SWRCB and SRF loan related grants and other non-repayment financing in support of regional and recycled water capital projects.

The Regional Recycled Water Distribution System Phases IV & V (Northeast Area) for \$16.1 million, net of grant proceeds, was the first appropriation of American Recovery and Reinvestment Act (ARRA) federal stimulus funds awarded by the SWRCB under the Clean Water Act. Agency ARRA loans include the Recycled Water Phase IV (Northeast Area) loan for \$16.1 million and the RP-1 Dewatering Facility Expansion SRF loan for \$27.5 million.

Over the next ten years, the Agency will continue to submit reimbursements for eligible projects associated with currently approved SRF loans and proactively submit applications for projects that can be funded by SRF loan program. Included in the capital improvement plan (CIP) over the next two years are continued capital upgrades and improvements to the various facilities, including construction of RP-5) Expansion project.

NOTES PAYABLE

The Agency has one outstanding note payable to the City of Fontana:

- On October 18, 2005, the Agency entered into a reimbursement agreement with the City of Fontana for the design and construction of the San Bernardino Avenue lift station and force main. The City of Fontana received \$9.5 million, 20-year note payable from the SWRCB. The project was completed in June 2010 and title and ownership of the regional lift station and force main was transferred to the Agency from the City of Fontana.

FY 2021/22 and FY 2022/23 note payable payments are estimated to be \$0.6 million per year, including principal and interest as shown on Table 7-8.

TABLE 7-8: OUTSTANDING NOTES PAYABLE DEBT SERVICE SCHEDULE (\$MILLIONS)

Notes Payable	Note Principal Amount	Outstanding Notes as of June 30, 2021	2021/22 Debt Service Costs	Outstanding Notes as of June 30, 2022	2022/23 Debt Service Costs	Outstanding Notes as of June 30, 2023
City of Fontana	\$9.5	\$4.2	\$0.6	\$3.6	\$0.6	\$3.0
Total	\$9.5	\$4.2	\$0.6	\$3.6	\$0.6	\$3.0

INTER-FUND LOANS

Inter-fund loans between Agency programs help to support funding gaps in debt service, operating and capital requirements. Table 7-9 summarizes total Agency inter-fund loan and annual repayment amounts due from the Recycled Water fund. Inter-fund loan payment (principal) for FY 2021/22 is projected to be \$3.0 million and FY 2022/23 payment is projected to be \$5.0 million. The final inter-fund loan payment from the Recycled Water fund is scheduled for FY 2024/25.

DEBT MANAGEMENT

**TABLE 7-9: INTER-FUND LOAN PAYMENTS FROM THE RECYCLED WATER FUND
(\$MILLIONS)**

Loans Issued	Due to	Loan Amount (\$Millions)	Outstanding as of June 30, 2021	2021/22 Loan Payment	Outstanding as of June 30, 2022	2022/23 Loan Payment	Outstanding as of June 30, 2023
FY 2007/08	Non-Reclaimable Wastewater Fund (Paid in full as of 6/30/2021)	\$9.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FY 2007/08	Regional Wastewater Capital Improvement Fund	3.0	3.0	0	3.0	1.0	2.0
FY 2009/10	Non-Reclaimable Wastewater Fund	6.0	6.0	3.0	3.0	3.0	0.0
FY 2014/15	Regional Wastewater Capital Improvement Fund	10.5	10.5	0	10.5	1.0	9.5
Total	Grand Total	\$28.5	\$19.5	\$3.0	\$16.5	\$5.0	\$11.5

DEBT COVERAGE RATIO

The Debt Coverage Ratio (DCR) is the measurement of an entity's ability to generate enough cash to cover debt payments (principal and interest). DCR serves as a critical financial indicator in determining the Agency's overall credit rating, its ability to refinance existing debt, issue new debt, and Agency accessibility to lower rates for future borrowing costs.

Credit agencies, such as Moody's Investor Services (Moody's) and Standard & Poors (S&P), assign credit ratings to organizations and specific debt issues to reflect their credit worthiness and serve as a notable reference to the investment community. The DCR is one of the financial ratios applied in the evaluation of an organization's overall credit rating that can affect market accessibility and the cost of future borrowings.

The Agency's debt covenants require a legal DCR of at least i) 1.20 times maximum annual debt service for senior obligations; ii) 1.15 times maximum annual debt service for all system obligations; iii) 1.20 times maximum annual debt service for senior and parity obligations for the next five years; iv) 1.0 times maximum annual debt service for all system obligations for the next five years. A DCR of 1.20 means the Agency will generate a minimum of 1.20 times more (or 20 percent more) net operating cash flow than is required to pay annual debt service costs. The Agency has no legal debt limits imposed by state legislation.

The Agency is projecting to maintain a favorable DCR through FY 2025/26 as indicated in Table 7-10 below. Annual fluctuations of the DCR can be attributed to a combination of higher system revenues and increasing debt service costs for improvements to the regional wastewater and recharge water programs. It is estimated that beginning in FY 2024/25 debt service will begin for new debt issues needed to finance regional expansion and improvement projects. New debt is assumed to be low interest state loans and the corresponding annual debt service costs are included in the calculation of the DCR.

TABLE 7-10: TOTAL DEBT COVERAGE RATIO BASED ON CURRENT ASSUMPTIONS

	Amended 2020/21	Budget 2021/22	Budget 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
DCR*	3.39x	4.62x	4.78x	4.80x	4.60x	3.68x

* Amended, Budget and Forecasts based on current assumptions

DEBT MANAGEMENT

Chino Basin Regional Financing Authority (Inland Empire Utilities Agency)

Refunding Revenue Bonds, Series 2017A (Parity Debt)

Principal Issue Amount: \$67,615,000
Issue Date: January 1, 2017
Maturity Date: November 1, 2033
Rating: Standard & Poors AA+

Purpose: The Bonds are issued (i) to provide money, which together with certain other moneys, will refund all of the outstanding Chino Basin Regional Financing Authority Revenue Bonds,, Series 2008A (Inland Empire Utilities Agency) (the "2008A Bonds"), and (ii) to pay the costs of issuing the Bonds. To finance the cost of certain replacements of the Agency's wastewater facilities and certain improvements to the wastewater, recycled water and non-reclaimable wastewater facilities of the Agency.

Security: Pursuant to the 2017A Installment Purchase Agreement, the 2017A Installment Purchase Payments are payable by the Agency solely from Net Revenues, excluding revenues recorded in the Water Resources Fund. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Principal	Interest	Total Payment
2016/17	\$0	\$782,050	\$782,050
2017/18	3,010,000	3,133,250	6,143,250
2018/19	3,090,000	3,056,800	6,146,800
2019/20	3,200,000	2,946,450	6,146,450
2020/21	3,330,000	2,815,850	6,145,850
2021/22	3,480,000	2,662,250	6,142,250
2022/23	3,660,000	2,483,750	6,143,750
2023/24	4,185,000	2,287,625	6,472,625
2024/25	4,395,000	2,073,125	6,468,125
2025/26	4,620,000	1,847,750	6,467,750
2026/27	4,860,000	1,610,750	6,470,750
2027/28	3,595,000	1,399,375	4,994,375
2028/29	3,830,000	1,213,750	5,043,750
2029/30	4,025,000	1,017,375	5,042,375
2030/31	4,235,000	810,875	5,045,875
2031/32	4,500,000	592,500	5,092,500
2032/33	4,680,000	363,000	5,043,000
2033/34	4,920,000	123,000	5,043,000
	\$67,615,000	\$31,219,525	\$98,834,525

Principal due annually, November .

Interest due semi-annually, May 1 and November 1.

Fiscal Year: 12 month period starts from July 1 through June 30.



**Chino Basin Regional Financing Authority
(Inland Empire Utilities Agency)**

**Refunding Revenue Bonds, Series 2020A
(Parity Debt)**

Principal Issue Amount: \$56,255,000
Issue Date: June 24, 2020
Maturity Date: June 1, 2035
Rating: Standard & Poors AA+

Purpose: The Bonds are issued to provide moneys, together with certain other moneys (1) to refund all of the outstanding Chino Basin Regional Financing Authority Variable Rate Demand Refunding Bonds, Series 2008B, (ii) to refund all of the outstanding Chino Basin Regional Financing Authority Revenue Bonds, Series 2010A, (iii) to refund certain Clean Water State Revolving Fund Financing Agreements from the California State Water Resources Control Board, and (iv) to pay the costs of issuing the Bonds.

Security: Pursuant to the 2020A Installment Purchase Agreement, the 2020A Installment Purchase Payments are payable by the Agency solely from Net Revenues of the Agency System on a subordinate basis to the obligation of the Agency to make \$58.315 million aggregate principal amount of 2017A Installment Payments pursuant to the 2017A Installment Purchase Agreement and on a parity with the obligation of the Agency to make \$193,436,445 aggregate principal amount of WIFIA Installment Payments pursuant to the WIFIA Installment Purchase Agreement and \$85,926,49 aggregate principal amount of payments to the State of California Regional Water Quality Control Board under Revolving Fund Loans not being refunded with proceeds of the Bonds.

Fiscal Year	Principal	Interest	Total Payment
2020/21	\$8,610,000	\$2,586,167	\$11,196,167
2021/22	3,855,000	2,382,250	6,237,250
2022/23	4,025,000	2,189,500	6,214,500
2023/24	4,240,000	1,988,250	6,228,250
2024/25	4,380,000	1,776,250	6,156,250
2025/26	3,745,000	1,557,250	5,302,250
2026/27	3,935,000	1,370,000	5,305,000
2027/28	4,120,000	1,173,250	5,293,250
2028/29	3,470,000	967,250	4,437,250
2029/30	3,640,000	793,750	4,433,750
2030/31	3,825,000	611,750	4,436,750
2031/32	4,010,000	420,500	4,430,500
2032/33	1,395,000	220,000	1,615,000
2033/34	1,465,000	150,250	1,615,250
2034/35	1,540,000	77,000	1,617,000
	\$56,255,000	\$18,263,417	\$74,518,417

Principal due annually, June.

Interest due semi-annually, June 1 and December 1.

Fiscal Year: 12 month period starts from July 1 through June 30.

DEBT MANAGEMENT

Chino Basin Regional Financing Authority (Inland Empire Utilities Agency)

Interim Financing Revenue Notes, Series 2020B (Parity Debt)

Principal Issue Amount: \$196,435,000
Issue Date: June 15, 2020
Maturity Date: November 1, 2025
Rating: Standard & Poors AA+

Purpose: The Bonds are issued to finance, on an interim basis, a portion of the cost of certain Projects defined at the Installment Purchase Agreement.

Security: Pursuant to the 2020B Installment Purchase Agreement, the 2020B Installment Purchase Payments are payable by the Agency solely from all revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of the Installments Payments and the Revenues shall not be used for any other purpose while any of the Installments Payment remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted.

Fiscal Year	Principal	Interest	Total Payment
2020/21	\$0	\$6,569,659	\$6,569,659
2021/22	0	7,857,400	7,857,400
2022/23	0	7,857,400	7,857,400
2023/24	0	7,857,400	7,857,400
2024/25	0	7,857,400	7,857,400
2025/26	196,435,000	3,928,700	200,363,700
	<u>\$196,435,000</u>	<u>\$41,927,959</u>	<u>\$238,362,959</u>

Principal due annually, November .

Interest due semi-annually, May 1 and November 1.

Fiscal Year: 12 month period starts from July 1 through June 30.



RP-4 Aeration Basin Wall Repair to Increase Operational Efficiency

PERSONNEL

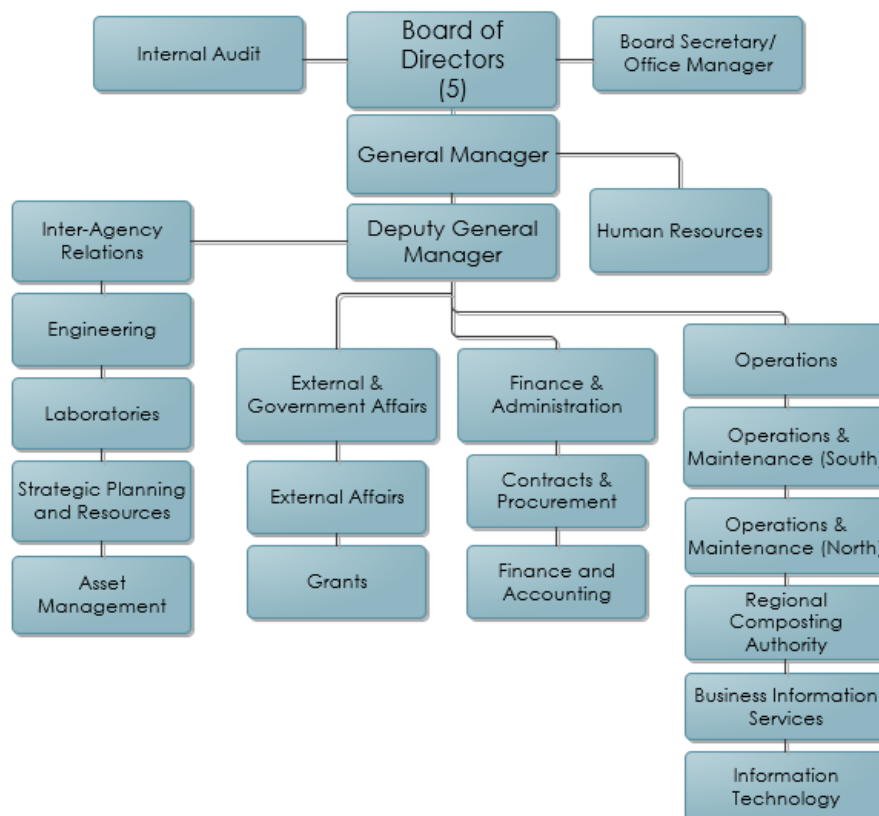
The Agency regards employees as its most valuable asset and promotes a dynamic work environment that values leadership, integrity, collaboration, open communication, accountability, and respect for each other. The Agency is committed to providing a safe, equitable and inclusive workplace that empowers employees to reach their full potential and contribute to the Agency.

During FYs 2021/22 and 2022/23, the Agency will continue to support the achievement of the workplans outlined in the IEUA Business Goals identified under Workplace Environment. Key objectives include integrating the Agency's commitment to employee engagement, achievement, and retention into human capital management programs, implementing an Agencywide Learning and Development program, implementing personnel policies that align with the Agency's commitment to diversity, equity, and inclusion, promote consistent application of policy and practice, promote the highest ethical principles and standards and promote transparency, and align employee performance with Agency goals and objectives.

Like many water/wastewater organizations, the Agency continues to proactively plan for impending retirements. The Agency will continue to provide ongoing leadership in support of the organization's succession planning efforts. These efforts include developing employees, engaging in Career Outreach, creating water/wastewater career pathways, evaluating staffing levels, and promoting a workplace culture where employees feel engaged, included, valued and successful.

The following Agency-wide organizational chart (Figure 8-1) provides an overview of the Agency's current organizational structure by division and department.

FIGURE 8-1: AGENCY-WIDE ORGANIZATIONAL CHART



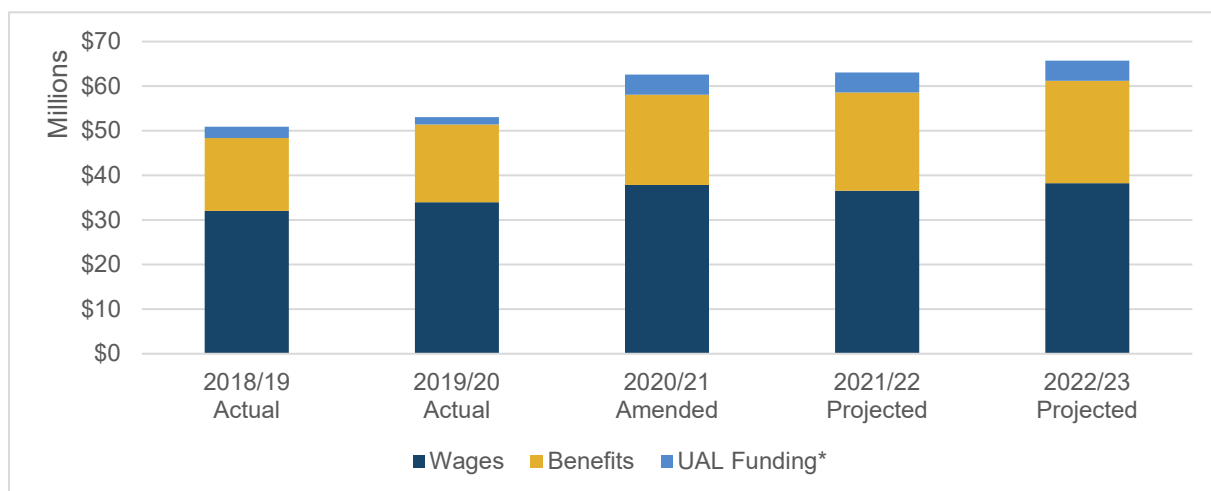
STAFFING PLAN

Over the next few years, approximately forty one percent of the current workforce is eligible for retirement. During FY 2021/22 the Agency will continue to support succession planning by filling vacancies previously on hold to streamline operations, and more effectively support the areas of technology, finance, and administration.

The Agency has increased the full time equivalent (FTE) authorized employment from 290 to 302 in the biennial budget. In addition to the 302 FTE staffing level, included in the FY 2021/22 budget are 47 interns and 10 limited-term positions primarily to support engineering, construction management, accounting, and grants administration activities. Approximately \$8.6 million in total employment costs annually are allocated to support capital improvement plan (CIP) activities.

Total employment costs for FY 2021/22 are budgeted to be \$63.1 million, one percent or \$0.5 million higher compared to the FY 2019/20 amended budget, as shown in Figure 8-2. Included in the proposed FY 2021/22 employment budget is a cost-of-living adjustment (COLA) of three percent and six percent in benefits reflecting the estimated increases in the California Public Employees Retirement System (CalPERS) rates and health insurance benefits. Employment cost also includes \$6.5 million for each fiscal year in contributions toward the unfunded accrued liabilities for CalPERS pension and other post-employment benefits (OPEB). Fiscal years 2021/22 and 2022/23 are the first and second year of the three-year Memorandums of Understanding (MOUs) negotiated with the various employee bargaining units in 2021.

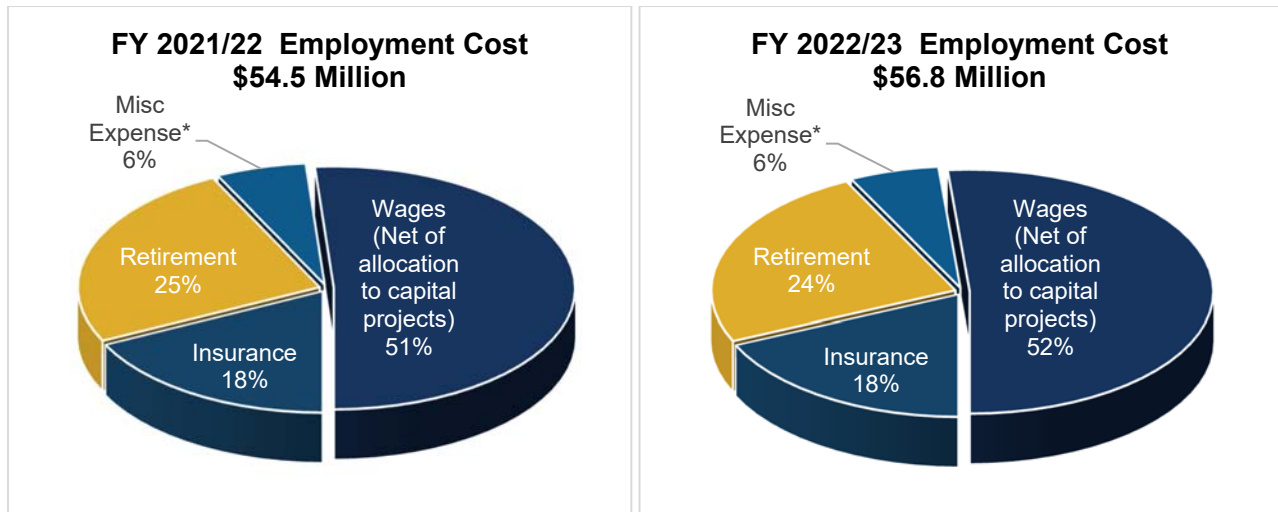
FIGURE 8-2: TOTAL GROSS EMPLOYMENT COSTS (\$MILLIONS)



PERSONNEL

Total net employment costs as indicated in Figure 8-3, inclusive of wages and benefits, are budgeted at \$54.5 million (net of allocation to capital projects) in FY 2021/22 and \$56.8 million in FY 2022/23.

FIGURE 8-3: NET EMPLOYMENT COSTS



* Misc. Expense includes state unemployment taxes, directors' fees, auto allowance, and other benefits.

Table 8-1 provides the change in number of positions for each department from FY 2021/22 to FYs 2022/23 and 2023/24 and staffing forecast for future years.

TABLE 8-1: STAFFING PLAN

DIVISION	ACTUAL	AMENDE	PROPOSE	PROPOSE	PROPOSE	FORECAST		
Department/Cost Center	2019/20	2020/21	CHANGES	2021/22	2022/23	2023/24	2024/25	2025/26
BOARD OF DIRECTORS								
Internal Audit	2	2	1	3	3	3	3	3
AGENCY MANAGEMENT								
Agency Management	6	6	0	6	6	6	6	6
Government Affairs	1	0		0	0	0	0	0
Human Resources	7	7	0	7	7	7	7	7
TOTAL AGENCY MANAGEMENT DIVISION	16	15	1	16	16	16	16	16
FINANCE & ADMINISTRATION DIVISION								
Finance and Administration	1	1	0	1	1	1	1	1
Business Information Services	10	0	0	0	0	0	0	0
Contracts and Procurement	10	11	0	11	11	11	11	11
Finance and Accounting	19	18	1	19	19	19	19	19
TOTAL FINANCE & ADMINISTRATION DIVISION	40	30	1	31	31	31	31	31
EXTERNAL & GOVERNMENT AFFAIRS DIVISION								
External Affairs Administration	1	1	0	1	1	1	1	1
External Affairs	6	6	1	7	7	7	7	7
Records Management	2	0	0	0	0	0	0	0
Grants	6	6	0	6	6	6	6	6
TOTAL EXTERNAL & GOVERNMENT AFFAIRS DIVISION	15	13	1	14	14	14	14	14
TECHNICAL RESOURCES								
Technical Resources Administration	1	1	0	1	1	1	1	1
Engineering & Construction Management	25	26	0	26	26	26	26	26
Strategic Planning & Resources	20	19	0	19	19	19	19	19
Inter-Agency Relations		2	0	2	2	2	2	2
Records Management		2	0	2	2	2	2	2
Laboratory	13	13	1	14	14	14	14	14
Asset Management	1	3	0	3	3	3	3	3
Materials Management Warehouse	6	5	0	5	5	5	5	5
TOTAL TECHNICAL RESOURCES DIVISION	66	71	1	72	72	72	72	72
OPERATIONS DIVISION								
Operations Administration	3	2	0	2	2	2	2	2
Technical Services	0	0	0	0	0	0	0	0
Integrated Systems Services	14	15	0	15	15	15	15	15
Business Information Services		9	1	10	10	10	10	10
Organics Management	25	25	0	25	25	25	25	25
O&M - North								
O&M North Administration	2	2	0	2	2	2	2	2
North Maintenance	26	23	0	23	23	23	23	23
RP-1 Operations	19	17	5	22	22	22	22	22
RP-4 Operations	4	5	(1)	4	4	4	4	4
Groundwater Recharge	5	6	0	6	6	6	6	6
O&M - South								
O&M South Administration	3	4	0	4	4	4	4	4
Facilities Management	7	8	(1)	7	7	7	7	7
Sewer Collections	8	8	0	8	8	8	8	8
South Maintenance	18	17	0	17	17	17	17	17
RP-2 Operations	3	4	1	5	5	5	5	5
RP-5 Operations	8	7	0	7	7	7	7	7
CCWRF Operations	2	5	2	7	7	7	7	7
Desalter Operations	6	4	1	5	5	5	5	5
TOTAL OPERATIONS DIVISION	153	161	8	169	169	169	169	169
TOTAL AGENCY STAFF POSITIONS	290	290	12	302	302	302	302	302
LIMITED TERM/INTERN POSITIONS								
Limited Term/Contract	17	13	(3)	10	10	10	10	10
Intern Positions	42	44	6	50	50	50	50	50
SUBTOTAL LIMITED TERM/INTERN POSITIONS	59	57	3	60	60	60	60	60
GRAND TOTAL AGENCY STAFF POSITIONS	349	347	15	362	362	362	362	362

PERSONNEL

PERSONNEL COSTS BY PROGRAM

Total net employment costs in FY 2021/22 are budgeted at \$54.5 million (net of \$8.6 million allocation to support the Agency's capital improvement program). The increase of \$2.2 million from FY 2020/21 amended budget net cost of \$52.3 million includes the negotiated three percent cost of living adjustments (COLAs), adjustments for projected merit increases and to support succession planning. FY 2022/23 total net employment costs are budgeted at \$56.8 million (net of a \$9.0 million allocation for capital improvement program labor). The increase over the FY 2021/22 budget includes the estimated three percent COLA and adjustments for projected merit increases. As indicated in Table 8-2, the employment cost allocation for each fund varies each year, as determined by the anticipated level of staff work for the respective programs.

TABLE 8-2: NET EMPLOYMENT COSTS ALLOCATION BY PROGRAM

Program	Allocation Percentage		
	2020/21 \$52.3 million	2021/22 \$54.5 million	2022/23 \$56.8 million
Regional Wastewater*	74.5%	72.9%	72.9%
Recycled Water	10.3%	11.1%	11.1%
Administrative Services/Chino Basin Desalter Operations (JPA)	3.2%	2.8%	2.8%
Non-Reclaimable Wastewater System	5.0%	5.8%	5.8%
Water Resources	5.7%	5.9%	5.9%
Recharge Water	1.3%	1.5%	1.5%
Total	100%	100%	100%

**Includes Organics Management/Inland Empire Regional Composting Authority Operations (JPA)*

Total employment cost, comprised of wages and benefits, is initially recorded in the Administrative Services (GG) fund. These costs are then allocated to other Agency programs, capital projects, and other agencies and Joint Power Authorities (JPAs) based on their level of support. Employment costs for staff assigned to support other agencies, such as Chino Basin Desalter Authority (CDA) and the Inland Empire Regional Composting Authority (IERCA), are reimbursed to the Agency based on contractual agreements. Table 8-3 and Figure 8-4 show the allocation of the Agency's authorized FTEs by program and activities.

TABLE 8-3: ALLOCATION OF AUTHORIZED FTES BY FUND/PROGRAM

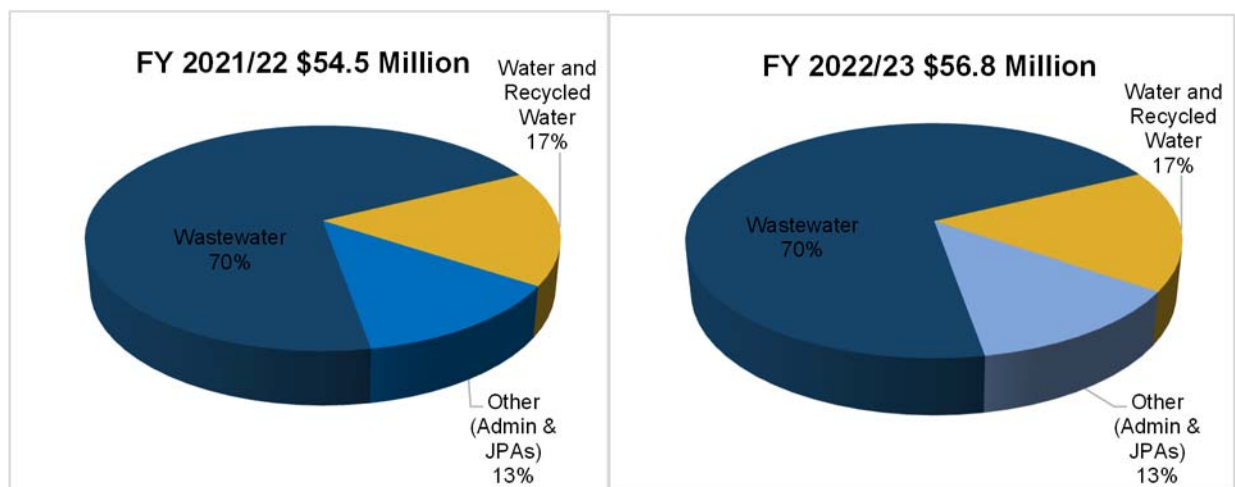
Fund/Program	2020/21	2021/22	2022/23	Average
Regional Wastewater Operations Fund	174	179	179	60%
Regional Wastewater Capital Fund	24	27	27	9%
Recycled Water Fund	24	26	26	8%
Non-Reclaimable Wastewater Fund	16	16	16	5%
Recharge Water Fund	4	6	6	2%
Water Resources Fund	15	15	15	5%
IE Regional Composting Authority (IERCA) / JPA ⁽¹⁾	25	25	25	8%
Chino Basin Desalter Authority (CDA) / JPA ⁽²⁾	6	5	5	2%
General Administration Fund	2	3	3	1%
Total	290	302	302	100%

⁽¹⁾ IERCA JPA labor costs are 100 percent reimbursable from the IERCA and are reported in the Regional Wastewater Operations fund.

⁽²⁾ CDA JPA labor costs are 100 percent reimbursable from CDA and are reported in the Administrative Services fund.

Total employment cost reimbursements due from other agencies/JPAs and are estimated to be \$5.9 million in FY 2021/22 and \$6.1 million in FY 2022/23: \$4.4 million of employment costs for FY 2021/22 and \$4.6 million for FY 2022/23 from IERCA for operation of the facility which are recorded in the Regional Wastewater Operations and Maintenance fund, and \$1.5 million for both fiscal years from CDA for operations and program support of the CDA facility which is recorded in the Administrative Services fund. The Chino Basin Watermaster (CBWM) partially reimburses labor costs of approximately \$663,400 in FY 2021/22 and \$667,000 in FY 2022/23 for recharge water basin maintenance recorded in the Recharge Water fund.

FIGURE 8-4: NET EMPLOYMENT COST BY PROGRAM



PERSONNEL

BENEFITS

In FY 2021/22, total benefit costs are budgeted at \$26.5 million and make up 42 percent of the total gross employment costs. The costs increase to \$27.5 million in FY 2022/23. These benefits are comprised of:

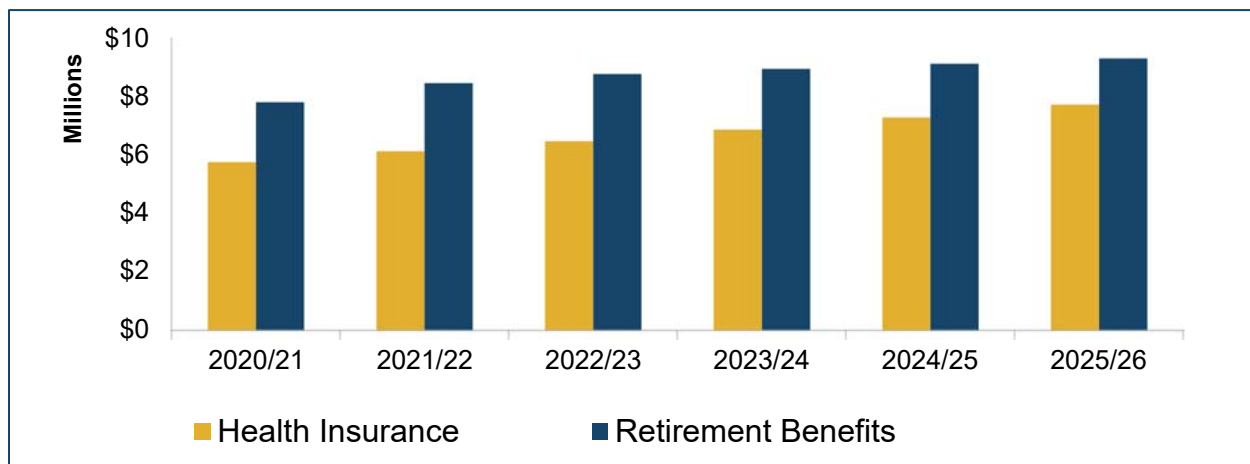
- ◆ Insurance (i.e., health, dental, vision, life, long term disability, and workers' compensation).
- ◆ Paid leave (e.g., holiday pay, sick leave, vacation leave, executive leave, floating holidays, etc.).
- ◆ Retirement benefits in the form of participation in the California Public Employees' Retirement System (CalPERS) and Social Security.
- ◆ Contribution towards retirement Unfunded Accrued Liabilities (UAL) and Other Post-Employment Benefits (OPEB).

The CalPERS employer contribution rate projected for FY 2020/21 and FY 2021/22 are 22.41 percent and 23.10 percent of total "persable" wages, respectively. As of July 1, 2017, all Agency employees pay 100 percent of the employer paid member contributions (EPMC). Employment cost also includes \$6.5 million for each fiscal year in contributions toward the unfunded accrued liabilities for CalPERS retirement and other post-employment benefits.

Figure 8-4 reflects a combined increase of approximately eight percent in health and retirement benefit costs in FY 2021/22 over the prior year's amended budget. Effective January 1, 2015, the agency is capped to pay up to 6.5 percent of the medical health rate increase per calendar year and anything in excess of the 6.5 percent will be paid the employee.

The budget for FY 2021/22 includes approximately eight percent increase in the Agency's CalPERS employer contribution rate and health insurance costs. In December 2016, the CalPERS Board of Administration voted to lower the discount rate incrementally from 7.5 percent in FY 2017/18 to 7.0 percent and remains the same for FY 2020/21 based on actuarial valuation report reflects statutory changes, regulatory changes, and CalPERS Board actions through January 2020. Any subsequent changes or actions are not reflected. Lowering the discount rate means employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities.

FIGURE 8-4: BENEFITS COST TREND (\$MILLIONS)



SAFETY

Safety strives to provide a safe and healthful work environment, dedicated to reducing injuries, accidents, and ensuring regulatory compliance through a comprehensive safety program. Safety provides high-quality training, comprehensive workplace evaluations and inspections, and offers support to all employees.

Safety works with outside agencies and organizations to address all applicable regulations and standards. Safety also maintains and updates various permits and certificates from federal, state, and local regulatory agencies.

Safety training focuses on Agency and California Division of Occupational Safety Health (Cal/OSHA) required topics applicable to our industry. Online training is offered for annual topic reviews as well as initial training for new hires. Specific employee training required by Cal/OSHA (New Employee Safety Orientation, Asbestos, Hazardous Communication Standard (HazCom), Bloodborne Pathogen, Hearing Conservation, Respirators, Confined Space, Lockout/Tagout, Hot Work, Forklift, etc.) is conducted annually and upon request. Cal/OSHA trainings, which require annual recertification, are taught by qualified/certified trainers. Regular refresher training is important to ensure information retention, knowledge of potential hazards, and to reinforce employee adherence to Safety approved guidelines. Employees are required to take FEMA Training for National Incident Management System and Incident commands systems for emergency disaster preparedness. FEMA training is taught both online and through FEMA qualified trainers.

An active effort by management, and empowering employees to assist in recognizing and evaluating health and safety risks as well as initiating appropriate steps to remove or reduce them, encourages a proactive approach to working safely every day. Safety is everyone's responsibility, and we continue to make every effort toward exceeding OSHA standards, demonstrating our commitment to best practices, and reinforcing safety as our core value.

PERSONNEL

TRAINING, DEVELOPMENT, AND SUCCESSION PLANNING PROGRAMS

The use of organizational development to maximize the long-term effectiveness of human resources through succession planning and other developmental strategies will continue with an end goal to increase the internal capacity to accomplish the Agency's strategic plan and business goals, sustain a high level of productivity and result in improved customer satisfaction.

In order to avoid a significant loss in workforce skill and knowledge, succession planning is crucial to addressing future gaps because of more employees reaching retirement age. One approach is to identify Agency positions and systematically placing lower-level high potential staff on a development path now that will prepare them to easily move into jobs with higher level competency requirements in the future. The other approach is to hire new employees before incumbents retire to allow for cross training and seamless transitions.

The Training and Development Program involves on-site training by subject matter experts in a variety of topics, online training, group collaborations, facilitated classes, and external college courses with other public agency employees. This evolution has resulted in significant savings to the Agency. The design of the Training and Development Program focuses on the balance between both the immediate and future needs of the employees and the Agency.

Training and Development focuses on three areas: Personal Development, Supervisory Development, and Leadership Development. The Personal Development Program consists of Microsoft Office training, "The 7 Habits of Highly Effective People" Program, and various development workshops. Supervisory development is achieved through participation in The Southern California Local Government Supervisory Program, and Liebert Cassidy Whitmore (LCW) employment law workshops. The next generation of Agency leaders participates in The Southern California Local Government Leadership Academy. A key objective in future years, is to expand onsite training efforts to include more customized soft skills and leadership development for our supervisors and managers. These programs target the developmental needs of the various stages of an employee's career. Online e-learning through Skillsoft is also available to provide all employees with the resources they need to achieve their performance goals and objectives.

The Agency has implemented a Career Management Program as a development opportunity for selected participants. Participants further their development by networking and meeting in learning groups to discuss their current jobs and career interests. The program includes: a highly interactive workshop where individuals learn skills and responsibilities for effectively managing their own careers; a 360 feedback from peers, subordinates, and direct supervisors; and participants' identification of a unique learning experience that they can use for professional growth.



RP-4 INFLUENT SCREEN REPLACEMENT
TO IMPROVE EFFICIENCY

AGENCY MANAGEMENT DIVISION

MISSION STATEMENT

It is the mission of the Agency Management Division to provide a safe, equitable, and inclusive workplace that empowers employees to reach their full potential and contribute to the Agency. The Division is committed to managing the activities of the Agency by providing leadership and guidance on all Agency strategic initiatives, projects and programs to effectively serve the region.

DEPARTMENTS

- Internal Audit
- Agency Management
- Human Resources

EXECUTIVE SUMMARY

The Agency Management Division is responsible for delivering human capital management programs that promote an engaging work environment and for the management and administration of all Agency activities. Its purpose is to establish the IEUA business goals, administer Agency programs, organize efficient delivery of the Agency's services, implement Agency policies pursuant to the direction of the Board of Directors, and promote a workplace culture of respect, safety, accountability, collaboration, engagement, efficiency, continuous learning and improvement, and coaching for performance. The Division provides management services on all matters pertaining to the business of the Agency. Total division staffing is budgeted at 16 full time equivalents (FTE) positions for FYs 2021/22 and 2022/23.

INTERNAL AUDIT

MISSION STATEMENT

The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve its goals and objectives, improve operations, and instill confidence among its employees and the citizens it serves by providing independent, objective assurance and consulting services and provide management and the Board of Directors with recommendations to:

- ◆ Promote a sound control environment.
- ◆ Provide independent, objective assurance and consulting services.
- ◆ Improve Agency risk management, control, and governance.
- ◆ Promote the Agency's vision and mission with a high degree of professionalism.
- ◆ Assist the Board of Directors and senior management achieve organizational goals and objectives.

DESCRIPTION AND PURPOSE

The purpose of the Internal Audit Department (Internal Audit) is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for financial reporting, internal controls, compliance with legal and regulatory requirements applicable to Agency operations, and to provide objective assurance about the Agency's operations. Additionally, the purpose of Internal Audit is to provide, as a service to management and as a way of adding value to improve the operations of the Agency, consulting services, analyses, recommendations, and information concerning IEUA operations. Internal Audit assists management and staff in achieving their objectives by providing recommendations based on an analysis of the Agency's processes, procedures, governance, internal controls, financial reporting, and compliance with applicable laws and regulations. The Board approved the Charter which establishes the authority and responsibilities of the Internal Audit Department.

Internal Audit (IA) performs audits and abides by the *International Standards for the Professional Practice of Internal Auditing* and the Code of Ethics issued by the Institute of Internal Auditors (IIA). The Department adopted four values which form the foundation for its purpose: independence, integrity, professionalism, and collaboration.

Internal Audit reports to the Board of Directors through the Audit Committee and is an independent function from management and this is consistent with best practices recommendations to ensure independence. The authority and responsibilities of the Internal Audit Department are specifically defined in the Internal Audit Department Charter approved by the Board.

MAJOR PRIORITIES

- Promote a strong internal control environment
- Conduct objective and independent evaluations and assessments
- Provide audit recommendations to improve processes and comply with policies and procedures
- Provide audit recommendations to foster collaboration among the Agency departments
- Provide audit recommendations to make processes more effective and efficient
- Assist management in the achievement of organizational goals and objectives
- Assist the Audit Committee in fulfilling their oversight responsibilities
- Fulfill the requirements of the Board-approved Internal Audit Department Charter.
- Continuously reassess audit priorities and make needed updates to the Annual Audit Plan of proposed audit projects

POSITION SUMMARY

One full time equivalent Senior Internal Auditor is added to the department for FYs 2021/22 and 2022/23 through the conversion of one limited term position into a full time position.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Internal Audit	1	1	1	1
Senior Internal Auditor	1	1	2	2
Total	2	2	3	3
Limited Term Positions				
Senior Internal Auditor	1	1	-	-
Total	1	1	0	0
FTE and Limited Term Total	3	3	3	3

INTERNAL AUDIT

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Evaluation of staffing levels to appropriately support the Agency’s Mission, Goals, and Objectives	Promote a strong control environment by conducting independent and objective internal audits of Agency operations where the focus and audit scope includes analyzing financial transactions, evaluating cost containment opportunities, compliance with policies, effectiveness and efficiency of operations and the use of resources and processes in order to assist the Agency in achieving its Mission, Goals and Objectives, including all Agency Strategic Priorities	<ul style="list-style-type: none"> Completion of Board approved audits specific to staffing levels and efficiency of processes 	Quarterly FYs 2021/22 and 2022/23

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Safety and wellness of employees and the communities we serve	Promote a strong control environment in the areas of safety and wellness of employees and the public by conducting independent and objective audits of Agency operations where the focus and audit scope includes areas for improvement, cost containment, effectiveness and efficiency of operations, compliance with Agency policies and procedures to assist the Agency in achieving its goals and objectives in the areas of safety and wellness of employees and the public	<ul style="list-style-type: none"> Completion of Board-approved audits specific to safety and wellness. 	Quarterly FYs 2021/22 and 2022/23
	Ensure Internal Audit staff follows Agency policies and	<ul style="list-style-type: none"> Complete review of all required Agency Safety Tailgate Topic policies 	Annually FYs 2021/22 and 2022/23

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

	procedures related to safety compliance		
Evaluation of staffing levels to appropriately support the Agency's Mission, Goals, and Objectives	Promote a strong control environment by conducting independent and objective internal audits of Agency operations where the focus and audit scope includes analyzing financial transactions, evaluating cost containment opportunities, compliance with policies, effectiveness, and efficiency of operations, use of resources and processes in order to assist the Agency in achieving its Mission, Goals and Objectives, including all Agency Strategic Priorities	<ul style="list-style-type: none"> Completion of Board-approved audits specific to evaluating Agency resources 	Quarterly FYs 2021/22 and 2022/23
Continue to improve relationships with customer agencies by ensuring open, timely, and transparent communication regarding Agency projects and initiatives	Continuously require audit staff to be professional and knowledgeable. Establish, maintain, and strengthen audit-related private/public partnership opportunities and relationships, have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous audit process improvements and overall relationship improvement. Maintain good professional relationships with internal and external staff at all times and ensure open, transparent, and timely communication about all audit projects	<ul style="list-style-type: none"> Completion of Board approved audits in a timely manner and gather feedback from auditees, Agency management, and the Audit Committee During each Board approved audit/project and during all interactions with internal and external staff of all level 	Quarterly FYs 2021/22 and 2022/23
Continue to promote employee engagement, achievement, and retention	Maintain professional, skilled, knowledgeable, and experienced audit staff and promote continuous professional development, professional certifications, and higher education to stay abreast of developing trends. Requires a minimum 20 hours of Continuous Professional Development as recommended and as	<ul style="list-style-type: none"> Completion of 20 continuous professional development hours 	Annually FYs 2021/22 and 2022/23

INTERNAL AUDIT

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

	required under the auditing standards and the Internal Audit Department Charter and to ensure continuous Internal Audit Department improvement and overall valuable IEUA employee. Training and education are achieved through professional associations, higher education, and Agency sponsored training opportunities		
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Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Continue update of Administrative Policies	Review Agency policies, including Administrative Policies and any additional Agency policies, procedures and standard operating procedures during planned/scheduled and approved audits and provide recommendations when prompted by the results of internal audit evaluations to ensure compliance of policies	<ul style="list-style-type: none"> Complete review of Agency policies while performing audits approved on the Annual Audit Plan 	<p>Ongoing FYs 2021/22 and 2022/23</p> <p>And when warranted as part of the Audit's scope</p>

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Document an Annual Audit Plan with proposed audit projects	Board approved Annual Audit Plan	1	1	1	1
Complete a quality control review of the Agency's Comprehensive Annual Financial Report	Complete quality control review	1	1	1	1
Scheduled audits completed	Completed and documented audit reports and	4	3	4	4

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
	presentations to the Audit Committee				
Scheduled follow up audits completed	Complete follow up reviews and document report	7	4	2	2
Special Projects/Requests completed	Complete project and documented update to the Audit Committee	2	2	2	2
Audits completed within budgeted time	Compare budgeted staff time with actual time reported.	11	7	6	6

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs. Operating costs include professional fees and services. Agency-wide expense budgeted here include external auditing services.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$486,891	\$397,205	\$581,295	\$606,946
Administrative	6,069	4,027	15,750	16,005
Operating	48,088	51,066	74,000	82,000
Total	\$541,048	\$452,298	\$671,045	\$704,951

OFFICE OF THE GENERAL MANAGER

MISSION STATEMENT

To manage the activities of the Agency by providing leadership and guidance on all Agency strategic initiatives, projects, planning, programs, legislation, and funding.

DESCRIPTION AND PURPOSE

Agency management is responsible for the overall policy direction and day-to-day management of the Inland Empire Utilities Agency. Under the general direction of the General Manager, the Agency is responsible for several programs and services including providing a high-quality, reliable water supply to the region while enhancing water resource management throughout the Chino Basin, the wholesale distribution of water and recycled water, regional wastewater treatment, industrial and municipal wastewater collection, biosolids recycling, and other related utility services.

MAJOR PRIORITIES

- ◆ Provide information and support on Board and Committee meeting processes.
- ◆ Timely preparation of Board and Committee meeting agenda packages.
- ◆ Ensure open, timely and transparent governance.
- ◆ Continue to promote employee engagement, achievement, and retention.
- ◆ Update the Agency's 5-Year Strategic Plan.

POSITION SUMMARY

There are no departmental staffing changes proposed for the FY 2021/22 and FY 2022/23 budget years.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
General Manager	1	1	1	1
Board Secretary/Office Manager	1	1	1	1
Executive Assistant	2	2	2	2
Administrative Assistant I/II	1	1	1	1
Office Assistant	1	1	1	1
Total	6	6	6	6

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Continue to promote employee engagement, achievement, and retention	Provide employees with opportunities for continued development and growth through training courses and cross-training	<ul style="list-style-type: none"> Allocate time for department employees to participate in training courses and professional development opportunities (both in-house and external offerings) 	Ongoing FYS 2021/22 and 2022/23
Ensure open, timely and transparent governance	Implement Agency-wide agenda management system for Committee and Board meetings	<ul style="list-style-type: none"> Implement agenda management system and partner with Agency departments to learn and utilize the new system 	1st Quarter FY 2021/22
	Implement electronic filing system for Statements of Economic Interests (Form 700s) to transition to a paperless solution and allow for increased transparency to the public	<ul style="list-style-type: none"> Implement electronic filing system approved by the FPPC to utilize paperless solution for filers in positions designated to file Form 700s under the Agency's Conflict of Interest Code 	2nd Quarter FY 2021/22

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's 5-Year Strategic Plan	Conduct Strategic Planning assessment and produce a 5-Year Strategic Plan	<ul style="list-style-type: none"> Complete Strategic Planning Assessment Finalize 5-Year Strategic Plan 	June 30, 2022

OFFICE OF THE GENERAL MANAGER

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Promote communication on Board processes and Agency Management initiatives	Host Agency-wide Administrative team meetings every other month	N/A	3	6	6
Ensure open, timely and transparent governance	Number of Board/Committee Packages Prepared	55	68	65	65
Administer the Agency's Conflict of Interest Code program	Number of completed Statements of Economic Interest (Form 700) timely filed and reviewed	30	58	60	60

EXPENSES

Employment includes wages and benefits. Administrative and operating costs budgeted in this department include agency-wide expenses for legal, memberships, contributions, and sponsorships. FY 2022/23 administrative expense budget includes director election expense, budgeted every other year.

Expense	2019/20 Actual	2020/21 Projected	2021/22 Budget	2022/23 Budget
Employment	\$1,012,079	\$1,187,801	\$1,261,153	\$1,313,827
Administrative	378,996	395,380	697,410	855,050
Operating	1,257,421	1,050,267	1,325,000	1,228,500
Total	\$2,648,496	\$2,633,448	\$3,283,563	\$3,397,377

HUMAN RESOURCES

MISSION STATEMENT

It is the mission of the Human Resources Department to serve as a strategic and collaborative partner in the development, implementation and support of initiatives that maximize individual and organizational potential. The Human Resources Department is committed to delivering human resources programs that are equitable, informed, efficient and compliant and that positively contribute to the workplace experience of the Agency's most valued asset – its employees.

DESCRIPTION AND PURPOSE

The Human Resources Department serves as a catalyst to empower employees to reach their full potential and contribute to the success of the Agency. We are committed to continuous improvement and learning, integrating technology into the human resources experience, providing consistent, timely and dependable information, and promoting progressive practices in talent acquisition, talent management, learning and development, total compensation, policy administration, employee and labor relations, and performance management. We deliver equitable human capital management programs in alignment with the Agency's Strategic Plan and in support of a work environment where employees feel engaged, included, valued and successful.

MAJOR PRIORITIES

Departmental priorities for FYs 2021/22 and 2022/23 include:

- Automating Human Resources processes to create the efficiencies needed to best support Agency staffing initiatives
- Integrating the Agency's commitment to employee engagement, achievement, and retention into Human Resources programs
- Developing a pipeline of talent to ensure continuity of Agency operations
- Assessing employee benefit programs
- Aligning employee performance factors with Agency goals and objectives
- Integrating the Agency's Asset Management Commitment into Human Resource programs

POSITION SUMMARY

No changes are proposed for the Human Resource department for the biennial budget years.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Human Resources	1	1	1	1
Deputy Manager of Human Resources	1	1	1	1
Employee and Labor Relations Advocate	1	1	1	1
Human Resources Officer	1	1	1	1

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Human Resources Analyst II	2	2	2	2
Human Resources Technician	1	1	1	1
Total	7	7	7	7
Limited Term Positions				
Human Resource Technician	1	1	1	1
Total	1	1	1	1
FTE and Limited Term Total	8	8	8	8

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce			
Strategic Priority	Department Goal	Department Objective	Timetable
Safety and wellness of employees and the communities we serve	Assess employee benefit programs	<ul style="list-style-type: none"> Create and distribute an employee benefits survey 	FYE 2023
Evaluation of staffing levels to appropriately support the Agency's Mission, Goals, and Objectives	Automate Human Resources processes to create the efficiencies needed to support Agency staffing initiatives	<ul style="list-style-type: none"> Implement the NEOGOV Onboard module Streamline employment application review process Implement electronic reference checks Implement electronic employment verifications Transition facilities access function out of Human Resources Implement a Learning Management System 	FYE 2023
	Develop a pipeline of talent to ensure continuity of Agency operations	<ul style="list-style-type: none"> Implement Operations/Engineering Rotation Program Partner with community colleges to develop wastewater operator career pathways Continue Career Outreach programming 	FYE 2023
Update the Agency's 5-Year Strategic Plan	Align performance factors with Agency goals and objectives	<ul style="list-style-type: none"> Implement a revised performance evaluation 	FYE 2023
Update the Agency's Planning Documents: Asset Management Plan	Integrate the Agency's Asset Management Commitment into Human Resources programs	<ul style="list-style-type: none"> Integrate reliability concepts into the revised performance evaluation 	FYE 2023

HUMAN RESOURCES

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce

		<ul style="list-style-type: none"> Integrate reliability concepts into the Learning and Development program 	
Continue to promote employee engagement, achievement, and retention	Integrate the Agency's commitment to employee engagement, achievement and retention into Human Resources programs	<ul style="list-style-type: none"> Implement an enhanced onboarding program Implement an Agencywide Learning and Development program that includes curriculum on coaching for performance, best practices for talent acquisition, and career development Implement personnel policies that ensure compliance with applicable laws and regulations, align with the Agency's commitment to diversity, equity and inclusion, promote transparency, promote consistent application of policy and practice, and promote the highest ethical principles and standards 	FYE 2023

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service

Strategic Priority	Department Goal	Department Objective	Timetable
Continue update of Administrative Policies	Complete a comprehensive review of Agency documents that govern the employment relationship	<ul style="list-style-type: none"> Implement a Personnel Policy Framework Implement an updated Employer-Employee Relations Resolution Implement a set of revised personnel policies 	FYE 2023

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Automate Human Resources Processes	Time spent onboarding new employees	300 hours	450 hours	200 hours	100 hours
Automate Human Resources Processes	Time spent reviewing applications	200 hours	300 hours	150 hours	100 hours
Automate Human Resources Processes	Time spent managing facilities access per employee	7 minutes	7 minutes	0 minutes	0 minutes

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Automate Human Resources Processes	Time spent performing employment verifications	200 hours	200 hours	150 hours	100 hours
Automate Human Resources Processes	Time spent manually entering new hires information into SAP	300 hours	300 hours	200 hours	100 hours
Automate Human Resources Processes	Time spent manually preparing and distributing interview packets	350 hours	400 hours	100 hours	50 hours

EXPENSES

Employment expense includes wages and benefits, included in this category are Agency-wide benefit expense related life and disability insurances. Administrative expense includes office and administrative costs. Operating expense includes professional fees and services, and materials and supplies. Agency-wide expenses pertaining to benefits, recruitment, legal (labor related), and training expense are included in expense categories below.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/2022 Budget	FY 2022/23 Budget
Employment	\$1,143,145	\$1,379,010	\$1,980,187	\$2,046,480
Administrative	109,993	61,812	137,330	140,077
Operating	330,771	397,100	735,300	735,306
Total	\$1,583,909	\$1,831,922	\$2,852,817	\$2,921,863

FINANCE & ADMINISTRATION DIVISION

MISSION STATEMENT

To provide timely, quality, cost effective, and efficient service to all stakeholders and do so with excellence, responsiveness, transparency, and reliability while safeguarding and sustaining Agency resources to ensure current and long-term needs are appropriately met.

DEPARTMENTS

- Contracts and Procurement
- Finance and Accounting

EXECUTIVE SUMMARY

The Finance & Administration Division is the administrative core of the organization. Services provided include: acquisition of equipment, materials, supplies, and services; contract administration and management pursuant to the Agency's Board adopted Procurement Ordinance; compliance with state and federal regulations related to maintaining a safe work environment for the benefit of employees, customers, vendors and the public, fiscal accountability and financial regulatory compliance; internal and external financial reporting; budgetary preparation, control, and analysis; cash and debt management. Total division staffing is budgeted at 31 Full Time Equivalents (FTE) for FY 2021/22 and FY 2022/23.

EXPENSES

The Executive Manager of Finance and Administration/Assistant General Manager employment expense includes both wages and benefits. Administrative expenses include office and administrative costs. Operating expenses includes professional fees and services, agency-wide expense for outside consulting services and financial advisory services to support the Agency's long-term financial planning and debt obligations is included in this category.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$286,562	\$317,952	\$370,600	\$385,879
Administrative	3,183	2,101	12,350	13,700
Operating	30,000	85,787	200,000	200,000
Total	\$319,745	\$405,840	\$582,950	\$599,579

CONTRACTS & PROCUREMENT

MISSION STATEMENT

Provide cost-effective, responsive, and responsible environmentally friendly customer service and support to all Agency Departments in a professional and ethical manner with respect to Agency-wide contract administration and purchasing, risk, and safety.

DESCRIPTION AND PURPOSE

The Contracts and Procurement (CAP) is responsible for a diverse scope of services and responsibilities. CAP administers the acquisition of equipment, materials, supplies, and services. This is accomplished through business practices as outlined in the Board adopted Procurement Ordinance as well as associated resolutions, policies, and procedures. Department ethic and compliance guidelines in support of meeting the many state and federal government contracting and procurement codes have been established and are adhered to in conducting business on behalf of the Agency. Additionally, risk and safety services are provided to ensure protection of the Agency's business, employees, and assets, as well as the public, by ensuring appropriate insurance policies and procedures are in place.

MAJOR PRIORITIES

- Providing professional guidance and outstanding customer service in compliance with Agency and regulatory procurement standards
- Providing a safe working environment that ensures Agency facilities and employees are compliant with Agency and OSHA regulatory standards
- Providing training and information on Agency procurement, safety, and risk programs

POSITION SUMMARY

In FY 2020/21 a second Safety Analyst was added to the department. As part of the continued succession planning efforts, one Limited Term Procurement Specialist is assigned to the department.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Contracts & Procurement	1	1	1	1
Contracts and Procurement Supervisor	1	1	1	1
Safety Officer	1	1	1	1
Safety Analyst	1	2	2	2
Contracts Administrator II	3	3	3	3
Contracts Administrator I	1	1	1	1
Procurement Specialist I/II	1	1	1	1
Risk Specialist	1	1	1	1
Total	10	11	11	11

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Limited Term Positions				
Procurement Specialist I	1	1	1	1
Contracts Administrator	1	-	-	-
Total	2	1	1	1
FTE and Limited Term Total	12	12	12	12

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Evaluation of staffing levels to appropriately support the Agency’s Mission, Goals, and Objectives	Ensure the Agency is fiscally responsible through appropriate adherence to Agency and regulatory procurement practices	<ul style="list-style-type: none"> Ensure expenditures are properly reviewed and solicited through proper channels Work with sister agencies to broaden vendor participation 	<p>Ongoing FYs 2021/22 and 2022/23</p> <p>FYE 2022/23</p>

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Safety and wellness of employees and the communities we serve	Assessment of Safety Programs as a standing item on the Safety & Health Committee (SHC) Agenda ensuring regular review by members	<ul style="list-style-type: none"> Present a new safety program at each of the regular SHC for review, discussion and amendment as needed 	FYE 2021/22
	Engage SHC members in various safety related inspections, discussions, and program analysis	<ul style="list-style-type: none"> Invite SHC members to attend facility inspections and investigations 	FYE 2021/22
	Work with departments to further implement Cal/OSHA required programs outlined on the Cal-VPP, ensuring an inclusive, supportive, safer work environment	<ul style="list-style-type: none"> Schedule monthly job showing with department in the field 	FYE 2022/23
	Ensure all staff have the appropriate level of training for FEMA Incident Command Systems	<ul style="list-style-type: none"> Retrain staff through FEMA that has not trained within the last 5 years 	FYE 2021/22

CONTRACTS & PROCUREMENT

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.			
Evaluation of staffing levels to appropriately support the Agency's Mission, Goals, and Objectives	Ensure the duties of the department are consistently executed with outstanding customer service and professionalism. Provide regular training to end-users on the Agency's contract and procurement protocols to support the Agency's Mission, Vision and Values	<ul style="list-style-type: none"> Monitor 100% compliance with Agency, State and Federal standards using staff updates in weekly/monthly department meetings 	Ongoing FYs 2021/22 and 2022/23
Continue to promote employee engagement, achievement, and retention	Expand employee/management inspections throughout Agency facilities, including collaborative processes to correct any opportunities in accordance with safety program guidelines	<ul style="list-style-type: none"> Conduct monthly inspections of facilities with supervisors and staff members from the areas of inspection 	FYE 2021/22

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.			
Strategic Priority	Department Goal	Department Objective	Timetable
Continue to improve relationships with customer agencies by ensuring open, timely, and transparent communication regarding Agency projects and initiatives	Increase participation and response to RFP, IFB, etc. through PlanetBids with collaborative discussion with requesting departments. Promote Agency programs related to contracts, procurement, and mutual aid agreements	<ul style="list-style-type: none"> Provide training on Scope of Work development Increase department collaboration through advance planning opportunities to ensure comprehensive RFP, IFB, etc. 	FYE 2021/22
Continue update of Administrative Policies	Annually review and update department related policies, procedures, and ordinance	<ul style="list-style-type: none"> Through department outreach and collaborative meetings, work with various staff to review and update department guidance 	FYE 2021/22

Business Goal – Environmental Stewardship: IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region’s heritage.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency’s 5-Year Strategic Plan	Encourage the inclusion of green products in various Agency projects	<ul style="list-style-type: none"> Provide guidance and support to include green products as a viable alternative in Agency scope of work 	FYE 2022/23
Update the Agency’s Planning Documents: Asset Management Plan	Work with departments throughout the Agency to support long-service contracts for complex and critical equipment	<ul style="list-style-type: none"> Recommend three to five-year contracts to secure competitive services and rates 	FYE 2021/22

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Ensure the duties of the department are consistently executed with outstanding customer service and professionalism. Provide regular training to end-users on the Agency’s contract and procurement protocols to support the Agency’s Mission, Vision and Values	Number of Solicitations posted to PlanetBids	93	54	80	85
Ensure the Agency is fiscally responsible through appropriate adherence to Agency and regulatory procurement practices	Number of Purchase Orders processed annually	2,678	2,490	2,500	2,500
Expand inspections throughout Agency facilities, including collaborative processes to correct any opportunities in accordance with safety program guidelines	Number of workplace inspections	N/A	12	24	36
Work with departments to further implement Cal/OSHA required	Reduce Recordable injuries and illness Rate	2.23	2.00	1.7	1.5

CONTRACTS & PROCUREMENT

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
programs ensuring an inclusive, supportive, safer work environment	Reduce Number of Workers' Comp Claims	6	5	4	3

EXPENSES

Employment expense includes wages and benefits and includes Agency-wide expense for employment related insurances. Administrative expense includes office and administrative costs. Agency-wide expenses in this category are for safety, and postage and delivery services. Operating expense includes professional fees and services, materials and supplies, leases, and utilities. The Contracts and Procurement departments annual budget includes agency-wide expense for insurance, security services, copy machine, cell phone service, lease expense, and disaster preparedness supplies.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$1,757,332	\$1,601,880	\$2,281,972	\$2,363,362
Administrative	112,042	98,013	223,005	294,385
Insurance	770,958	889,186	1,212,300	1,232,300
Operating	469,447	515,681	815,365	823,475
Total	\$3,109,779	\$3,104,760	\$4,532,642	\$4,713,522

FINANCE AND ACCOUNTING

MISSION STATEMENT

Provide accurate, reliable, clear, and timely financial budgeting and reporting of Agency programs and activities to the public, elected officials, Agency personnel, customers, regulatory agencies, grantors, investors, and other stakeholders. Provide strategic planning and identification of financial resources to meet the Agency's long-range financial needs; evaluate financing options to effectively meet future capital requirements, including securing the lowest borrowing; prudently manage the Agency's investments to secure the safety of principal and optimize earnings; and provide timely and cost-effective quality customer service to the Agency and its constituents while practicing responsible stewardship of Agency resources.

DESCRIPTION AND PURPOSE

The Finance and Accounting department is responsible for recording and maintaining the Agency's financial information. The department provides the following services:

- Manage Agency payroll, billing, revenue collection, cash application, accounts payable, project and fixed asset accounting, internal and external annual financial reporting, and various other financial analysis and reports.
- Oversee the administration of the Agency's budget to ensure appropriations comply with those approved by the Board of Directors; support the enhancement of SAP financial and budget applications that facilitate the planning, monitoring, and reporting of the Agency's biennial budget and long-range plan of finance (LRPF).
- Collaborate with financial investment advisors to manage the Agency's investment portfolio to ensure the safety of principal, while optimizing investment earnings; monitor daily cash activities to fund operating requirements in a timely manner and sustain the Agency's high-quality credit standing.
- Administer outstanding debt to ensure timely payment and compliance with respective bond covenants and continuing disclosures; evaluate different financing options to maximize Federal and State grants and low-interest loan funding to fund future investments in capital construction, replacement, and improvement consistent with the Agency's long-term planning documents.
- Support Agency-wide financial analysis and evaluation of; rate studies, capital projects, and prequalification of vendors and contractors.

MAJOR PRIORITIES

- Timely and accurate monthly/quarterly/annual financial reporting
- Timely monitoring and reporting of budget to actual activities
- Timely preparation of Agency payroll, customer billing, and vendor payments
- Timely debt service administration and compliance reporting

POSITION SUMMARY

In FY 2020/21 a second Manager of Finance and Accounting position was added to the department. The addition of this new position will allow for more effective management by assigning one manager to oversee the accounting related functions, payroll, and fixed assets. The second manager will focus on finance related activities, including budget, debt management, and investment portfolio management. An Accountant I position is added for FYs 2021/22 and 2022/23 to provide back-up for Payroll, Accounts Payable, and Accounts Receivable.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Accounting				
Manager of Finance and Accounting	2	2	2	2
Principal Accountant	1	1	1	1
Accounting Supervisor	1	1	1	1
Senior Accountant	2	2	2	2
Accountant II	3	3	3	3
Accountant I	-	-	1	1
Accounting Technician II	4	3	3	3
Total Accounting	13	12	13	13
Finance				
Budget Officer	1	1	1	1
Senior Financial Analyst	1	3	3	3
Financial Analyst II	2	-	-	-
Financial Analyst I	1	1	1	1
Administrative Assistant II	1	1	1	1
Total Finance	6	6	6	6
Total	19	18	19	19

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Timely execution and funding of the Agency's Capital Improvement Program (CIP) with	Optimize the use of the 2020B revenue notes interim financing to support the execution of the RP-5 Expansion project	<ul style="list-style-type: none"> Minimize debt service costs associated with the interim financing 	Continuous FYs 2022 and 2023

FINANCE AND ACCOUNTING

<i>Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.</i>			
emphasis on the RP-5 Expansion Project			
Timely execution and funding of the Agency’s Capital Improvement Program (CIP) with emphasis on securing grant funding and optimal use of low-cost borrowing	Support grant applications, WIFIA and SRF loan applications	<ul style="list-style-type: none"> Finalize negotiation of an SRF loan to finance a portion of the RP-5 Expansion project and the second WIFIA loan contract. Secure funding prior to the execution of critical projects 	<p>June 2022</p> <p>Continuous FYs 2022 and 2023</p>
Evaluation of program rates: Rate Study for Recycled Water and the NRW Rate Structure Evaluation	Support the Rate Study for Recycled Water and NRW rate structure evaluation	<ul style="list-style-type: none"> Implementation of new rates and rate structure within program budgets Prepare rate resolutions for new rates Ensure billing practices are modified to support new rate structures 	June 2022
Evaluation of program rates: MEU rate evaluation	Support the evaluation of MEU rates with a focus on fiscal impacts	<ul style="list-style-type: none"> Estimate fiscal impact of any proposed changes in MEU rates 	June 2023
Finalize terms of the Regional Contract with member agencies	Support the Regional Contract review with focus on fiscal implications of proposed adjustments	<ul style="list-style-type: none"> Evaluation of fiscal impacts of proposed changes to contract language 	June 2023
Update the Agency’s 5-Year Strategic Plan	Support development of the Agency’s Strategic Plan and incorporate key initiatives into the Agency’s financial plans	<ul style="list-style-type: none"> Evaluate fiscal impact of key initiatives 	June 2023
Update the Agency’s Planning Documents: Long-Range Plan of Finance	Update the Agency’s Long-Range Plan of Finance (LRPF) document	<ul style="list-style-type: none"> Secure Board approval of updated LRPF 	December 2022
Update the Agency’s Planning Documents: Asset Management Plan	Support the Agency’s efforts in updating the Asset Management Plan	<ul style="list-style-type: none"> Incorporate the fiscal impact of Asset Management efforts in the Agency’s budget and financial plans 	June 2023

Business Goal – Workplace Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Evaluation of staffing levels to appropriately support the Agency's Mission, Goals, and Objectives	Evaluate key roles and responsibilities of each position in the Finance and Accounting department to ensure optimal utilization of limited resources	<ul style="list-style-type: none"> Reassignment of responsibilities or reclassification of positions as needed 	Continuous FYs 2022 and 2023
Continue to improve relationships with customer agencies by ensuring open, timely, and transparent communication regarding Agency projects and initiatives	The department will support the Executive Manager of Finance & Administration /AGM during periodic meetings with Finance Directors of customer agencies	<ul style="list-style-type: none"> Participate in and provide support during quarterly meetings 	Continuous FYs 2022 and 2023
Continue to promote employee engagement, achievement, and retention	Promote internal communication, teamwork, recognition, and healthy relationships within the department and with other areas of the Agency	<ul style="list-style-type: none"> Hold regular department meetings and periodic meetings with external departments Provide regular feedback to employees and timely performance evaluations Support continuous professional development by promoting training and networking opportunities 	Continuous FYs 2022 and 2023

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Continue update of Administrative Policies	Support the Agency's initiative to update and maintain Administrative Policies	<ul style="list-style-type: none"> Perform periodic review of policies relevant to the department to ensure timely update 	Continuous FYs 2022 and 2023

FINANCE AND ACCOUNTING

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Support grant, WIFIA, and SRF loan applications	Negotiated low-cost borrowings secured	2	0	4	3
Promote internal communication, teamwork, recognition, and healthy relationships within the department and with other areas of the Agency	Meetings and/or trainings held with other departments	11	12	12	12
Support the Agency's initiative to update and maintain Administrative Policies	Administrative Policies reviewed and updated	3	2	3	3

EXPENSES

Employment expense includes wages and benefits. Employment expense in FY 2019/20 includes Agency pension and retiree medical benefits adjustments related to GASB 68 and GASB 75 actuarial reports. Administrative expense includes office and administrative costs, and other non-operating expense for agency-wide member agency contributions. Operating expense includes professional fees and services, and materials and supplies. FY 2019/20 operating expense includes Agency-wide costs for underwriting and legal review of different financing transactions closed during the fiscal year, as well as rate study related fees. Interest and financial expenses include the Agency's outstanding debt service. For more information regarding the Agency's outstanding debt, see the Debt Management section of this document.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$13,946,382	\$2,198,043	\$3,075,577	\$3,205,898
Administrative	322,492	314,345	491,631	515,600
Operating	700,814	185,175	203,550	182,800
Interest and Financial*	8,142,831	6,054,350	7,205,852	6,665,226
Total	\$23,112,519	\$8,751,913	\$10,976,610	\$10,569,524

*Interest and Financial expense are net of capitalized interest.



**1158 WEST RESERVOIR RE-COATING AND
UPGRADES
TO EXTEND ASSET LIFE**

EXTERNAL & GOVERNMENT AFFAIRS

MISSION STATEMENT

To provide environmental education and community outreach to the region IEUA serves; to ensure consistency and transparency in all communication with the community, member agencies and external stakeholders; to maximize Federal and State grants and low-interest loan funding by identifying and securing funding opportunities; to promote and monitor Agency programs, as it relates to grant funding, by maintaining compliance with all applicable Federal, State and local environmental regulations and requirements while minimizing Agency liability; to establish strong working relationships and open communication with Federal, State and local elected officials and agencies.

DEPARTMENTS

- External Affairs
- Grants

EXECUTIVE SUMMARY

The External and Government Affairs Division is responsible for the Agency's communication and community outreach, grants administration, and Federal and State government relations. Responsibilities of these major functions include:

- Communication & Outreach – manage the Agency's community relations, campaigns/marketing tactics, strategic communication efforts, events, and numerous educational programs that engage the community.
- Grants – proactively identify and seek out Federal and State grants and low-interest loan funding opportunities; ensure compliance with grant reporting requirements.
- Government Relations – work closely with Federal and State elected officials to provide education and advocacy on Agency priorities and legislation that will affect the Agency.

FY 2021/22 and 2022/23 total division staffing is budgeted at 14 Full Time Equivalents (FTE) each budget year.

EXPENSES

Employment expense for the Executive Manager of External and Government Affairs/Assistant General Manager includes both wages and benefits. Administrative expenses include office and administrative costs. Operating expense include professional fees and services. Agency-wide expense in this category includes training, and legislative consulting services.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$298,809	\$292,205	\$377,736	\$393,287
Administrative	12,340	1,900	21,393	22,111
Operating	346,042	315,689	420,000	420,000
Total	\$657,191	\$609,794	\$819,129	\$835,398

EXTERNAL AFFAIRS

MISSION STATEMENT

The External Affairs Department seeks to establish and strengthen relations with the media, elected officials, businesses, civic organizations, member agencies, educators, and general members of the public to enhance public awareness of the Agency's programs, projects, and services. The department also seeks to facilitate programs and communication initiatives that align with the Agency's business goals and objectives.

DESCRIPTION AND PURPOSE

The External Affairs Department is a liaison between the Agency and its stakeholders and supports the following functions and activities:

- Responsible for developing and directing the Agency's community relations, public outreach, and education programs.
- Manages numerous education programs that benefit the community, including the Chino Creek Wetlands and Educational Park's Water Discovery Field Trip, Garden in Every School®, Solar Cup, and the Water Is Life Poster Contest programs.
- Responsible for developing regional campaigns, digital and print communication, social media management, and website design and maintenance.
- Facilitates internal and external communication through branding awareness, newsletter development and publication production, and video development to highlight Agency programs, processes, and staff.
- Responsible for internal and external large-scale Agency events, including Leadership Breakfasts, Earth Day, dedications, groundbreakings, and employee recognition events.

MAJOR PRIORITIES

The External Affairs Department's major priorities for FYs 2021/22 and 2022/23 are as follows:

- Implement communication strategies and tactics that enhance relationships with member agencies, stakeholders, and the community (i.e., regional communication toolkits, social media partnerships, community-based learning academy, etc.).
- Continue to transition education programs based on need and accessibility parameters.
- Develop communication methods and tactics that align with current trends.
- Work with regional agencies to develop messaging, addressing current and/or potential water supply issues (i.e., drought, PFAS, etc.).
- Adjust ad campaigns based on readership, demand, platform, and need.

- Maintain Agency external website to provide updated information, “ease-of-use” for visitors, and update per department’s communication needs and goals.

POSITION SUMMARY

For FYs 2021/22 and 2022/23 a new Creative Services Specialist is added to the department. The new FTE and Limited term positions will be used to support increased community outreach and education programs.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of External Affairs	1	1	1	1
Senior External Affairs Specialist	1	1	1	1
External Affairs Analyst	1	1	1	1
External Affairs Specialist I	2	2	2	2
Administrative Assistant II	1	1	1	1
Creative Services Specialist I/II	-	-	1	1
Total	6	6	7	7
Limited Term Positions				
External Affairs Specialist I	1	1	1	1
Total	1	1	1	1
FTE and Limited Term Total	7	7	8	8

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Continue to improve relationships with customer agencies by ensuring open, timely, and transparent communication regarding Agency projects and initiatives	Continue to incorporate the Agency’s mission, vision and values throughout all Agency communication assets and ensure branding aligns with and is consistent with all Agency communication	<ul style="list-style-type: none"> • Implement updated templates for PowerPoint presentations and Agency documents to Agency employees • Work with BIS on the “Branding Tools” AIM page and implement templates and assets for employee ease of use • Quarterly check-ins on branding guidelines and communication to employees on changes, etc. 	Ongoing FYs 2021/22 and 2022/23

EXTERNAL AFFAIRS

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.			
		<ul style="list-style-type: none"> • Ensure all documents have updated branding guidelines implemented. • Complete Annual Report. Update Agency brochures per branding guidelines. 	
Continue to promote employee engagement, achievement, and retention	Provide employees with opportunities for continued development and growth through trainings (both in-house and externally)	<ul style="list-style-type: none"> • Provide training opportunities to department employees as they develop and adapt to provide time for growth. Schedule in-house department trainings bi-annually 	Ongoing FYs 2021/22 and 2022/23
	Work with departments to recognize Agency and employee efforts and achievements through multiple media channels; Highlight Agency achievements to educate on the Agency's services and mission	<ul style="list-style-type: none"> • Implement employee and Agency recognition plan by publishing highlights on multiple media channels monthly 	Ongoing FYs 2021/22 and 2022/23

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.			
Strategic Priority	Department Goal	Department Objective	Timetable
Continue to improve relationships with customer agencies by ensuring open, timely, and transparent communication regarding Agency projects and initiatives	Build and maintain a strong working relationship with regional stakeholders to assist in promoting the Agency's priorities and investments	<ul style="list-style-type: none"> • Work with customer agencies to implement communication toolkits based on regional need • Implement networking opportunities 	Ongoing FYs 2021/22 and 2022/23
	Hold department brainstorming and lessons learned sessions to successfully implement trends and communication initiatives into outreach programs	<ul style="list-style-type: none"> • Hold bi-annual brainstorming sessions and lessons learned following campaign or project conclusion • Adjust communication strategy based on findings 	Ongoing FYs 2021/22 and 2022/23
	Continue to cultivate strong working relationships with elected officials and governmental agencies to help ensure IEUA continues	<ul style="list-style-type: none"> • Develop customer agency highlight campaign through social media 	Ongoing FYs 2021/22 and 2022/23

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

	to be a regional leader in water, wastewater, and renewable energy issues	<ul style="list-style-type: none"> • Coordinate with other agencies to develop outreach partnerships • Facilitate/ Coordinate Agency VIP tours and develop communication assets for distribution. – Coordinate Agency events (virtual or in-person) and include Elected Officials in the communication outreach 	
	Implement regional communication and education programming to the community and work with customer agencies to execute programs in their respective areas	<ul style="list-style-type: none"> • Communicate Agency projects and initiatives through multiple communication channels including website, social media, newsletters, and in-person presentations • Utilize communication channels and methods for print and digital messaging on an ongoing basis • Implement communication trends as they develop 	Ongoing FYs 2021/22 and 2022/23
Continue update of Administrative Policies	Continue to evaluate and update department policies for communication and outreach	<ul style="list-style-type: none"> • Update social media policy as the development of communication trends and functions begin to develop and are implemented into the Agency's social media profile 	Ongoing FYs 2021/22 and 2022/23

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Facilitate/ Coordinate Agency VIP and community tours	Number of VIP and community tours	20	10	15	25
Coordinate Agency events (in person and virtual)	Number of events	5	5	5	7

EXTERNAL AFFAIRS

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Facilitate education programming (includes field trips, poster contest, Solar Cup and GIES)	Number of participants	975	1,200	4,000	5,000
Develop press releases	Number of press releases	15	20	20	20
Increase social media following (IG, FB, Twitter, LinkedIn)	Number of followers	3,687	4,500	5,000	5,500

EXPENSES

Employment expense includes wages and benefits. Administrative expenses include Agency-wide costs for printing, advertisements, and contributions and sponsorships. Operating expense includes professional fees and services, materials and supplies, and leases and rentals. Agency-wide expense included in this category is for video campaigns and graphic services.

Expense	FY 2019/20 Actual	FY 2020/21 Amended	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$750,931	\$832,728	\$1,020,021	\$1,044,335
Administrative	141,859	106,163	314,496	323,931
Operating	99,182	39,900	115,312	118,772
Total	\$991,972	\$978,791	\$1,431,829	\$1,487,038

GRANTS ADMINISTRATION

MISSION STATEMENT

To maximize Federal and State grants and low-interest loan funding by identifying and securing funding opportunities. To cost-effectively support the future regional groundwater management, wastewater, recycled water, and energy management needs through enhanced partnerships with various regional stakeholders in pursuing grants and loans. To promote and monitor Agency programs, as it relates to grant funding, by maintaining compliance with all applicable Federal, State, and local environmental regulations and requirements while minimizing Agency liability.

DESCRIPTION AND PURPOSE

The Grants Department proactively identifies and seeks out grant opportunities in conjunction with management to fund capital projects throughout the Agency, oversees the entire lifecycle of the Agency's grants administration activities and provides centralized Agency grants management oversight to IEUA and joint power authorities to ensure regulatory compliance, cost eligibility and accurate and timely reporting for each grant award in accordance with grantor compliance requirements.

MAJOR PRIORITIES

The Grants Department's major priorities for FYs 2021/22 and 2022/23 are as follows:

- Complete Water Infrastructure Finance and Innovation Act (WIFIA) application for the Regional Wastewater System Improvements Program and execute agreement for a low-interest loan to finance the projects included in the Program.
- Work with the State Water Resources Control Board to develop the executable low-interest loan agreement for the RP-5 Expansion Project in a timely manner to secure a favorable interest rate and facilitate cash flow to the project.
- Prepare and submit applications to the Clean Water State Revolving Fund (CWSRF) program for eligible projects that are cost-intensive, such as the Carbon Canyon Water Recycling Facility Process Improvements and RP-1 Solids Thickening Projects.
- Track ongoing infrastructure legislation at the state and federal levels to identify potential new funding opportunities that will support cost-effective implementation of the Agency's capital program.

POSITION SUMMARY

FYs 2021/22 and 2022/23 the Deputy Manager of Grants position is converted to an Accountant I/II position. The limited term position helps to support grant and low interest loan identification, award, and compliance requirements.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Grants	1	1	1	1
Deputy Manager of Grants	1	1	-	-
Grants Administrator	2	2	2	2
Senior Accountant	1	1	1	1
Accountant I/II	1	1	2	2
Total	6	6	6	6
Limited Term				
Grants Administrator	1	1	1	1
Accountant I	1	1	-	-
Total	2	2	1	1
FTE and Limited Term Total	8	8	7	7

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long term needs while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on securing grant funding and optimal use of low-cost borrowing	Update Grants Strategic Plan to guide Agency grant activities	<ul style="list-style-type: none"> Complete draft Grants Strategic Plan Update and review with executive management to incorporate any additional edits or modifications 	Draft complete by June 2021 Final Plan complete by December 2021
	Recommend and pursue potential grant opportunities that align with the Agency mission and goals	<ul style="list-style-type: none"> Continuous submittal of grant applications 	Ongoing FYs 2021/22 and 2022/23
	Collaborate with departments that have project funding needs	<ul style="list-style-type: none"> Semiannual interdepartmental meetings 	Ongoing FYs 2021/22 and 2022/23

GRANTS ADMINISTRATION

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Grants will recommend and pursue potential grant opportunities that align with the Agency mission and goals.	Grant/Loan applications submitted	8	10	10	10
Grants will diversify revenue by providing accurate and timely reimbursement billings.	Grant/Loan billings and status reports submitted by due date	180	145	160	170
Grants will provide timely execution and funding of the Agency's Capital Improvement Program (CIP).	Average number of days to submit grant/loan billings	30	30	30	30
Grants will collaborate with Federal and State grantors on status of billings submitted.	Average number of days to collect grant/loan billings	60	60	60	60
Grants will manage funding agreements awarded by collaborating with Federal and State grantors, Agency departments, member agencies, JPAs and regional leaders on projects that can be partially funded by grant or SRF loan programs.	Number of Grants/Loans managed in eCivis	21	25	27	27

EXPENSES

Employment expenses includes wages and benefits. Administrative expenses include budget for training, travel, and postage; operating expenses includes professional fees and services.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$943,925	\$992,919	\$1,112,983	\$1,160,393
Administrative	6,631	4,412	15,984	16,384
Operating	20,955	30,433	41,000	42,025
Total	\$971,511	\$1,027,764	\$1,169,967	\$1,218,802

TECHNICAL RESOURCES DIVISION

MISSION STATEMENT

To identify, plan and implement strategies for assuring regional water supply reliability, meet all regulatory requirements, and construct facilities to meet Agency needs in a cost effective and environmentally responsible manner.

DEPARTMENTS

- Engineering & Construction Management
- Strategic Planning & Resources
 - Environmental Compliance
 - Pretreatment and Source Control
- Laboratory
- Inter-Agency Relations
 - Records Management
- Asset Management
 - Materials Management Warehouse

EXECUTIVE SUMMARY

This Division works collaboratively with its regional contract agencies, retail customer agencies, the Metropolitan Water District of Southern California (MWD), Chino Basin Watermaster and other stakeholders to provide regional wastewater and water resources planning, MWD program support, cost of service evaluations for the agency's programs, engineering, construction, laboratory services, implement regional water-use efficiency programs and oversee the development of an agency-wide asset management program. Additionally, the Division assures Agency compliance with environmental regulations and adherence with Records Information Management protocols. Its purpose is to plan, engineer, and construct projects and Agency programs to effectively meet the growing needs of the region in a regulatory compliant and cost-effective manner. The Division is responsible for supporting the Operations Division in monitoring the Agency's facilities and activities to meet regulatory requirements and to protect the public's health. Total division staffing is budgeted at 72 full time equivalent (FTE) for both FY 2021/22 and FY 2022/23.

EXPENSES

Employment expense for the Deputy General Manager includes both wages and benefits. Administrative expenses include office and administrative costs. Operating expense include professional fees and services. Biennial budget years include additional travel and training expense.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$247,773	\$304,115	\$395,499	\$411,921
Administrative	1,016	1,907	14,600	20,850
Total	\$248,789	\$306,022	\$410,099	\$432,771

ENGINEERING & CONSTRUCTION MANAGEMENT

MISSION STATEMENT

To engineer and construct state of the art facilities and infrastructure to meet the dynamic and growing needs of recycled water demand, wastewater collection, treatment and disposal needs of the Agency's service area, and to implement and manage the capital improvement program (CIP) with cost effective solutions.

DESCRIPTION AND PURPOSE

The Engineering and Construction Management (ECM) Department provides design, administration, and construction management services for water, wastewater, and energy projects that implement the Agency's CIP. The department integrates the latest and most cost-effective technologies into the IEUA service area. A total of 28 personnel (26 full-time equivalent and 2 limited-term positions) contributes to the success of the department, providing many diversified tasks such as:

- ◆ Plan, budget, design, and construct capital facilities.
- ◆ Design and construct projects through efficient project management to ensure projects are completed on schedule and on budget.
- ◆ Coordinate the capital project process to produce the Ten-Year Capital Improvement Plan.
- ◆ Administer grants, permits, and environmental compliance reports.
- ◆ Plan, design, and coordinate the standardization of the Agency's Supervisory Control & Data Acquisition system (SCADA).
- ◆ Provide engineering and construction management support to the Agency's Operations and Maintenance departments.
- ◆ Provide in-house design services including development of plans and specifications for the bid process.
- ◆ Prepare Requests-for-Proposals and replies to project information requests from prospective consultants and contractors.
- ◆ Review and check design reports, proposals, and specifications submitted by consulting engineers and subsequent management of those consultant services.
- ◆ Provide construction management support for construction work in progress, including field inspections, to ensure compliance with approved plans, specifications, and standards.
- ◆ Develop and maintain Computer Aided Design (CAD) drawings for the Agency, including in-house design, as-builts, mylars, site maps, distribution system maps, and 3D modeling of facility sites and projects.

MAJOR PRIORITIES

The Engineering & Construction Management Department's major priorities for FYs 2021/22 and 2022/23 are as follows:

- Implement a system to keep As-Builts current.
- Create a culture where staff feel challenged to grow and develop their skills.
- Build a reputation for delivering practical projects on time, with state-of-the-art proven technology.

POSITION SUMMARY

FYs 2021/22 and 2022/23 in addition to the 26 FTE positions, 2 Limited terms positions are projected. The limited term positions are used to support additional workloads required for major rehabilitation and expansion projects. Outside consulting and engineering services may also be contracted to assist the Engineering and Construction Management department in supporting the increased workloads that will be required to manage major rehabilitation, replacement, improvement, and expansion projects.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Engineering	1	1	1	1
Deputy Manager of Engineering	3	1	1	1
Principal Engineer	-	2	2	2
Engineering Services Supervisor	1	1	1	1
Senior Engineer	6	6	6	6
Senior Project Manager	1	1	1	1
Project Manager II	1	1	1	1
Project Manager I	1	1	1	1
Construction Project Inspector	2	2	2	2
Control Systems Analyst II	1	1	1	1
Senior Associate Engineer, PE	1	-	-	-
Senior Associate Engineer	1	-	-	2
Associate Engineer	1	3	5	4
CAD Designer	-	1	1	1
Assistant Engineer	3	3	1	-
Engineering Services Analyst	1	1	1	1
Administrative Assistant I	1	1	1	1
Total	25	26	26	26
Limited Term Positions				
Assistant/Associate Engineer	4	2	1	1

ENGINEERING & CONSTRUCTION MANAGEMENT

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
CAD Designer	1	-	-	-
Administrative Assistant I	1	1	1	1
Total	6	3	2	2
FTE and Limited Term Total	31	29	28	28

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Timely execution and funding of the Agency’s Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project	Provide high quality project management for the completion of Capital Improvement Projects	<ul style="list-style-type: none"> • Maintain department capital costs with the goal of equal to or greater than 80% of the Fiscal Year budget • Maintain quarterly actual expenditures equal to or greater than 80% of forecasted expenditures. • Project costs should be within 110% of the total project budget established in the Preliminary Design Report 	FYE 2021/22 and FYE 2022/23

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Safety and wellness of employees and the communities we serve	Ensure IEUA staff, all consultants, and contractors are adhering to appropriate safety procedures	<ul style="list-style-type: none"> • Zero lost time incidents 	Monthly FYs 2022 and 2023
Timely execution and funding of the Agency’s Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project.	Continue to provide training opportunities to Engineering staff	<ul style="list-style-type: none"> • Staff to attend training ten times per year 	Ongoing FYs 2021/22 and 2022/23

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Continue to promote employee engagement, achievement, and retention	Review and evaluate all projects for best practices that can be applied to future projects. (Lessons Learned)	<ul style="list-style-type: none"> Complete reviews six times per year 	Ongoing FYs 2021/22 and 2022/23
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Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service

Strategic Priority	Department Goal	Department Objective	Timetable
Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project	Engineering will ensure member agencies are informed and involved with the projects of the Capital Improvement Program	<ul style="list-style-type: none"> Member agencies contacted 6 times a year to review projects within their service area 	FYs 2021/22 and 2022/23

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Department Goal	Department Objective	Timetable
Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project	Ensure all projects reliably meet or exceed the needs of the project stakeholders	<ul style="list-style-type: none"> Perform an End-of-Year Survey with the goal of reaching greater than 90% Customer Satisfaction 	FYE 2021/22 and FYE 2022/23

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Department Goal	Department Objective	Timetable
Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project	Provide high quality project management for the completion of Capital Improvement Projects	<ul style="list-style-type: none"> Completed project design, bid, and award should within 110% of the days allotted for design as established in the Preliminary Design Report Complete project construction within 110% of the days allotted for the construction duration established in the project bid documents Design scope amendments should be 	FYE 2021/22 and FYE 2022/23

ENGINEERING & CONSTRUCTION MANAGEMENT

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

		<p>equal to or less than 10% of original contract value</p> <ul style="list-style-type: none"> • Change Orders should be equal to or less than 20% of the original contract value of less than \$100,000 • Change Orders should be equal to or less than 15% of original contract values greater than \$100,000 and less than \$500,000 • Change Orders should be equal to or less than 10% of the original contract values greater than \$500,000 the construction duration established in the project bid document 	
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PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Ensure IEUA staff, all consultants, and contractors are adhering to appropriate safety procedures	Zero lost time incidents	0	0	0	0
Continue to provide training opportunities to Engineering staff	The number of training sessions provided	4	8	6	6
Review and evaluate all projects for best practices that can be applied to future projects. (Lessons Learned)	Conduct lessons learned sessions to evaluate key program implementation	5	10	6	6
Engineering will ensure member agencies are informed and involved with the projects of the Capital Improvement Program	The number of months member agencies are updated of project activity in their area	N/A	N/A	6	6

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Ensure all projects reliably meet or exceed the needs of the project stakeholders	Perform an End-of-Year Survey with the goal of reaching greater than 90% Customer Satisfaction	N/A	N/A	≥90%	≥90%
Provide high quality project management for the completion of Capital Improvement Projects	The amount the department spends per FY against the FY Capital Project Budget should be ≥80% (Actual vs Budget)	59%	82%	≥80%	≥80%
Provide high quality project management for the completion of Capital Improvement Projects	Actual expenditures equal to or greater than 80% of the forecasted project expense	76%	55%	≥80%	≥80%
	The Number of projects that are completed will be within 110% of the days allotted	60%	77.78%	≥80%	≥80%
	80% of projects in the design phase should be completed the within 110% of the days allotted for in the Preliminary Design Report	N/A	N/A	≥80%	≥80%
	80% of projects completed in the construction phase should be within 110% of the days allotted for construction duration as established in the project bid documents	N/A	N/A	≥80%	≥80%
	Design Scope Amendment Ratio - Design Amendment % tracked against the original contract award Goal ≤10%	17.62%	24.95%	≤10%	≤10%

ENGINEERING & CONSTRUCTION MANAGEMENT

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
	Change Order Ratio - Change Orders should ≤7% of the original contract. This was tracked against all construction contracts regardless of their value	6.35%	w/out RP5 Expansion 6.37% w/RP5 Expansion 1.72%	N/A	N/A
Provide high quality project management for the completion of Capital Improvement Projects	Change Orders should be equal to or less than 20% of the original contract value of less than \$100,000	N/A	N/A	≤20%	≤20%
	Change Orders should be equal to or less than 15% of original contract values greater than \$100,000 and less than \$500,000	N/A	N/A	≤15%	≤15%
	Change Orders should be equal to or less than 10% of the original contract values greater than \$500,000	N/A	N/A	≤10%	≤10%

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative expense. Operating expense includes permits, licenses, materials and supplies, and professional fees and services. Agency-wide costs included in this category are for 'dig safe' and professional engineer services. Additional biennial budget in this category includes project development, labor compliance, and project management fees.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$3,789,998	\$3,958,696	\$5,751,318	\$6,041,057
Administrative	27,849	15,481	46,500	62,790
Operating	343,064	312,076	980,250	980,250
Total	\$4,160,911	\$4,286,253	\$6,778,068	\$7,084,097

STRATEGIC PLANNING & RESOURCES

MISSION STATEMENT

The Strategic Planning & Resources (SPAR) Department plans and implements regional projects and programs to meet current and future water/wastewater needs and regulatory requirements. SPAR also seeks to establish and strengthen relationships with local, regional, and statewide stakeholders to ensure access to water supplies, wastewater recycling, and to explore related institutional efficiencies such as energy management.

DESCRIPTION AND PURPOSE

The SPAR department proactively addresses local, regional, and statewide challenges to support the following functions and activities:

- ◆ Facilitate and develop regional water program to ensure all residents in IEUA's service area have access to reliable and resilient water supplies
- ◆ Develop feasibility reports, master plans, and environmental reports.
- ◆ Administers the Agency's federally approved regional pretreatment program. The pretreatment program helps protect the Agency's Regional Water Recycling Plants and sewer systems, its workers and public safety by working with industries and Regional Contracting Agencies (RCAs) to assure compliance with local, state, and federal discharge requirements. The group also monitors pollutant concentrations in the industrial dischargers, so treatment plant operations are not impacted, and most importantly ensures the protection of the Agency's recycled water, groundwater recharge and biosolids programs.
- ◆ Administers the Agency's Non-Reclaimable Wastewater System (NRWS) pretreatment programs. The NRWS pretreatment programs consist of two separate collection systems (North NRWS) that discharges industrial brine wastewater to Los Angeles County Sanitation Districts (LACSD) for the northern portion of the service area and the Inland Empire Brine Line (Brine Line) that discharges industrial brine wastewater to Orange County Sanitation Districts (OC San) for the southern portion of the service area. The Agency serves as delegated control authority with an approved pretreatment program for the northern NRWS. For the Brine Line, the Agency collaborates with Santa Ana Watershed Project Authority's as OC San's delegated control authority to administer the pretreatment program.
- ◆ Maintain and develop cooperation and coordination with local and regional stakeholders including Metropolitan Water District (MWD), Chino Basin Watermaster (CBWM), Santa Ana Watershed Project Authority (SAWPA), local water agencies, municipalities, wastewater contractors, and regulatory agencies at the local, state, and federal levels.
- ◆ Responsible for ensuring transparent and timely environmental monitoring and reporting for the Agency's water and wastewater facilities, air pollution control systems, and biosolids treatment and composting facilities to ensure compliance with all local, state, and federal regulations governing Publicly Owned Treatment Works (POTW). The group is also responsible for planning

and implementing the regulatory permitting needs for the long-term operation of facilities and construction of new facilities.

- ◆ Provide exceptional customer service for new water connections
- ◆ Provide strategic support to other departments in developing Agency fees/rates, PDRs, environmental studies, grant activities, political strategy development, energy projects implementation and coordination with the utilities.
- ◆ Administer grants, permits, and environmental compliance reports.
- ◆ Manage various energy agreements to ensure contractual requirements and performance expectations are met.

MAJOR PRIORITIES

- ◆ Complete evaluation of feasibility of the Water Storage Investment Program (WSIP) / Chino Basin Program (CBP) (Preliminary Design Report (PDR) for the Advanced Water Purification Facility (AWPF), economic evaluation, Board decision
- ◆ Complete negotiation of Regional Sewage Service Contract with the regional contracting agencies
- ◆ Complete the 2020 Urban Water Management Plan (UWMP)
- ◆ Develop streamlined comprehensive annual water, wastewater, recycled water report
- ◆ Maintain wholesale imported, local, and recycled water databases
- ◆ Provide timely compliance support to Engineering and Operations & Maintenance Department by preparing and submitting to the Regulatory Agencies compliance reports and as needed, permit applications
- ◆ Perform technical reviews, analyze, and interpret the impacts of proposed federal, state, and local legislation and regulations on the Agency's operations and programs
- ◆ Negotiate the National Pollutant Discharge Elimination System (NPDES) permit renewal with Regional Water Quality Control Boards (RWQCB) and train operations and laboratory staff on new permit conditions
- ◆ Continue to provide timely and courteous customer service for water connection fee program
- ◆ Continue collaboration with Regional Contracting Agencies (RCA) to track and administer the regional sewer connection fees via the monthly Building Activity Report
- ◆ Complete the evaluation of Agency Program rates: Non-Reclaimable Wastewater System, Regional Sewage System, and Recycled Water
- ◆ Complete the development of a regional wastewater and recycled water demand land use-based forecasting model
- ◆ Work with the Santa Ana Regional Water Quality Control Board (RWQCB) towards amending the Santa Ana Regional Basin Plan
- ◆ Continue to administer the Regional, NRWS, and Brine Line pretreatment programs in compliance with the local, state, and federal requirements
- ◆ Participate in SAWPA's Brine Line Pretreatment Program Coordination Meetings
- ◆ Track, monitor, and participate in SAWPA taskforces

STRATEGIC PLANNING & RESOURCES

- Support and actively participate in CBWM discussions regarding the Optimum Basin Management Program Update (OBMPU), Peace Agreements, Safe-yield recalculation, Prado Basin Habitat Sustainability program, and basin modeling efforts
- Coordination with MWD regarding service connections, Rialto Pipeline long-term reliability, imported water deliveries Dry Year Yield (DYY) performance, and long-term planning efforts
- Assume responsibility of the monthly recycled water billing process and continue reconciling recycled water purchases at the end of each fiscal year.
- Implement energy efficiency projects and initiatives consistent with the Energy Management Plan and the Climate Change Action Plan
- Obtain the environmental approvals for the Upper Santa Ana River Habitat Conservation Plan which allows for the long-term water resources planning within the Santa Ana River Watershed

POSITION SUMMARY

In FY 2020/21 one Senior Water Resource Analyst was transferred to Inter-Agency Relations, one Environmental Resource Planner I moved from Environmental Compliance to Source Control, and one Assistant Engineer was promoted to Associate Engineer. No changes are projected for the biennial budget years.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Planning & Water Resources				
Manager of Strategic Planning & Resources	1	1	1	1
Deputy Manager of Strategic Planning & Resources	1	1	1	1
Senior Engineer	2	2	2	2
Senior Associate Engineer - PE	1	1	1	1
Senior Environmental Resource Planner	1	1	1	1
Senior Water Resources Analyst	1	-	-	-
Administrative Assistant II	1	1	1	1
Total	8	7	7	7
Limited Term Positions				
Environmental Resource Planner	1	-	-	-
Total	1	0	0	0
Total Planning & Water Resources	9	7	7	7
Environmental Compliance				
Senior Environmental Resources Planner	2	2	2	2
Associate Engineer	-	1	1	1
Assistant Engineer	1	-	-	-
Environmental Resources Planner I	1	-	-	-

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Total Environmental Compliance	4	3	3	3
Source Control				
Deputy Manager of Strategic Planning & Resources	1	1	1	1
Senior Engineer	1	1	1	1
Senior Associate Engineer	1	1	1	1
Senior Pre-Treatment & Source Control Inspector	1	1	1	1
Environmental Resource Planner II	1	1	1	1
Environmental Resource Planner I	-	1	1	1
Pretreatment & Source Control Inspector I	3	3	3	3
Total Source Control	8	9	9	9
FTE and Limited Term Total	21	19	19	19

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long-term needs, while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Evaluation of Agency Program rates	<ul style="list-style-type: none"> Complete Non-Reclaimable Wastewater and Recycled Water rate studies. Complete the Return to Sewer flow study and statewide flow and loading study to provide supporting data to evaluate and complete a sustainable and technically defensible Regional Wastewater rate structure 	<ul style="list-style-type: none"> Take Non-Reclaimable Wastewater and Recycled Water rate studies and proposed rates to the Board of Directors for adoption Take Return to Sewer study and any proposed rates/adjustments to the Board of Directors for adoption 	<p>June 2022</p> <p>June 2023</p>

STRATEGIC PLANNING & RESOURCES

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Evaluation of staffing levels to appropriately support the Agency's Mission, Goals, and Objectives	Ensure adequate staffing is available with regular or contract services to complete department objectives	<ul style="list-style-type: none"> Review staffing levels to ensure the department can complete all assignments in a timely and efficient manner 	Continuous FYs 2021/22 and 2022/23

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Finalize terms for the Regional Contract with Member Agencies	Update the Regional Contract language that modernizes the contract to current conditions	<ul style="list-style-type: none"> Negotiate agreement and approval of the Regional Contract Amendment 	December 2021

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Recycled Water Program Strategy	Update as needed and periodically based on changes in conditions, or at a minimum once every 10 years	<ul style="list-style-type: none"> Complete RW demand forecast model Complete the PDR for external supply sources and advanced water treatment 	Summer 2021 December 2021

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Wastewater Facilities Masterplan	Periodically update the Wastewater Facilities Master Plan at a minimum every 15 years	<ul style="list-style-type: none"> Create flow factors for wastewater and recycled water to generate reasonable demand forecasts to 2040 	Summer 2021

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Complete Non-Reclaimable Wastewater and Recycled Water rate studies	Take Non-Reclaimable Wastewater and Recycled Water rate studies and proposed rates to the Board of Directors for adoption	N/A	N/A	June 2022	N/A
Complete the Return to Sewer flow study and statewide flow and loading study to provide supporting data to evaluate and complete a sustainable and technically defensible Regional Wastewater rate structure	Take Return to Sewer study and any proposed rates/adjustments to the Board of Directors for adoption	N/A	N/A	N/A	June 2023
Ensure adequate staffing is available with regular or contract services to complete department objectives	Review staffing levels to ensure the department can complete all assignments in a timely and efficient manner	December 2019	December 2020	December 2021	December 2022
Update the Regional Contract language that modernizes the contract to current conditions	Negotiate agreement terms of the Regional Contract Amendment	N/A	N/A	December 2021	N/A

STRATEGIC PLANNING & RESOURCES

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative and other non-operating expense. Operating expense includes materials and supplies, professional fees and services, operating fees, utilities, leases, and rentals, and MWD water expense. Agency-wide expense in this category includes consultant fees for analysis, research, and special studies, MWD water expense, and Non-reclaimable Wastewater (NRW) operating fees. NRW fees are passed through to the industries who utilize the NRW system.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$3,084,151	\$3,348,519	\$3,921,514	\$4,085,490
Administrative	43,715	36,758	101,063	103,767
Operating	11,910,197	12,996,619	14,253,909	14,632,752
Total	\$15,038,063	\$16,381,896	\$18,276,486	\$18,822,009

LABORATORY

MISSION STATEMENT

To provide high quality, reliable, analytical support to the Agency in its efforts to protect the public's health and environment in accordance with Environmental Laboratory Accreditation Program (ELAP) Quality Assurance/ Quality Control requirements.

DESCRIPTION AND PURPOSE

The Laboratory Department provides the analytical support to allow efficient operation of the Agency's four recycling facilities: Regional Water Recycling Plant No. 1 (RP-1) in Ontario, Carbon Canyon Water Recycling Facility (CCWRF) and Regional Water Recycling Plant No. 5 (RP-5) located in Chino, and Regional Water Recycling Plant No. 4 (RP-4) located in Rancho Cucamonga. The department also provides support for groundwater recharge monitoring efforts and verification of their compliance with state and federal discharge limits. The Agency Water Quality Laboratory is a full-service laboratory certified by the State of California ELAP for wastewater and drinking water testing. The Laboratory follows the strict guidelines to produce quality results required by the Environmental Protection Agency (EPA) and State Water Resources Control Board, Department of Drinking Water. On average the Laboratory analyzes approximately 18,000 samples and performs 64,000 various tests per year.

MAJOR PRIORITIES

The Laboratory Department's major priorities for FYs 2021/22 and 2022/23 are as follows:

- Evaluate laboratory operations to identify gaps and required resources to achieve compliance with Environmental Laboratory Accreditation Program's (ELAP) new regulation, The NELAC institute 2016 Standard minus 2.
- Provide support for analysis of operations process control.

POSITION SUMMARY

FY 2022/22 a biologist position is converted to a second laboratory supervisor. The additional supervisor position is added due to expanded regulations and sample testing, to assist with testing, and provide guidance. The limited term positions will help to provide relief during absences and assist with cross training, and sampling.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Laboratories	1	1	1	1
Laboratory Supervisor	1	1	2	2
Chemist	2	2	2	2
Biologist	1	-	-	-
Laboratory Scientist II	1	2	2	2

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Laboratory Scientist I	6	6	6	6
Laboratory Assistant	1	1	1	1
Total	13	13	14	14
Limited Term				
Chemist	-	1	1	1
Laboratory Assistant I	-	1	1	1
Total	0	2	2	2
FTE and Limited Term Total	13	15	16	16

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Evaluation of staffing levels to appropriately support the Agency’s Mission, Goals, and Objectives	Evaluate lab operations to identify gaps and required resources to achieve compliance with Environmental Laboratory Accreditation Programs (ELAP) new standard The NELAC institute 2016 Standard minus 2	<ul style="list-style-type: none"> Gap Assessment On-site assessment through third party 	December 2023
Update the Agency’s Planning Documents: Recycled Water Program Strategy	Evaluate current instrumentation to meet the new California’s detection limit for reporting requirements for Perchlorate of 1 part per billion (ppb)	<ul style="list-style-type: none"> Method Detection Limit study demonstrating the higher instrument sensitivity to achieve lower Reporting Level of 1 ppb Cost analysis for inhouse vs. contract lab testing 	December 2023

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Safety and wellness of employees and the communities we serve	Update Laboratory Chemical Hygiene Plan (CHP)	<ul style="list-style-type: none"> CHP reviewed and updated 	Annually by December 30
	Conduct all bi-weekly training per Agency policies	<ul style="list-style-type: none"> Require all staff attendance, track via 	Bi-weekly FYs 2022 and 2023

LABORATORY

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

		safety tail gate sign in sheet	
Update the Agency's Planning Documents: Wastewater Facilities Masterplan	Conduct training on proper sampling techniques for operation staff	<ul style="list-style-type: none"> Create power point and have attendance log signed by all attending operators 	Annually FYs 2022 and 2023
Update the Agency's Planning Documents: Recycled Water Program Strategy	Conduct training on proper sampling techniques for Ground Water Recharge (GWR) staff	<ul style="list-style-type: none"> Create power point and have attendance log signed by attendees 	Annually by December 30
	Conduct annual internal audit of Laboratory practices to meet ELAP requirements	<ul style="list-style-type: none"> Audit checklist and implement corrective action plans 	Annually by December 30

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project	Provide support for analysis of operations process control	<ul style="list-style-type: none"> 100% acceptable Turnaround Time (TAT) and zero missed holding time (HT) 	Daily FYs 2021/22 and 2022/23
Continue to improve relationships with customer agencies by ensuring open, timely, and transparent communication regarding Agency projects and initiatives	Participate in stakeholder meetings to evaluate the impacts of current or new regulations	<ul style="list-style-type: none"> Attend ELTAC, CWEA, CASA, SCCWRP, meetings and provide updates to Agency management 	As needed FYs 2021/22 and 2022/23
Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on securing grant funding and optimal use of low-cost borrowing	Develop inhouse capability of Per- and polyfluoroalkyl substances (PFAS) testing through <ul style="list-style-type: none"> Purchase of LCMS (lab testing) instrument Obtaining State accreditation 	<ul style="list-style-type: none"> Updated ELAP certificate reflecting PFAS capability 	Instrument: December 2021 Accreditation: October 2022

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Update the Agency's Planning Documents: Wastewater Facilities Masterplan	Evaluate new technologies in wastewater analyses, implementing those that will add value to Laboratory practices	<ul style="list-style-type: none"> Document implementation with reports 	Annually by December 30
Update the Agency's Planning Documents: Recycled Water Program Strategy	Evaluate new technologies in water analyses, implementing those that will add value to Laboratory practices	<ul style="list-style-type: none"> Document implementation with reports 	Annually by December 30

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Recycled Water Program Strategy	Meet sample turnaround time in support of recycled water program requirements	<ul style="list-style-type: none"> 100% acceptable Turnaround Time (TAT) and zero missed holding time (HT) 	Quarterly FYs 2021/22 and 2022/23

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Department Goal	Department Objective	Timetable
Timely execution and funding of the Agency's Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project	Meet sample turnaround times in support of Operations process control and Nation Pollutant Discharge Elimination System (NPDES) permit requirements	<ul style="list-style-type: none"> 100% acceptable Turnaround Time (TAT) and zero missed holding time (HT) 	Daily FYs 2021/22 and 2022/23
Update the Agency's Planning Documents: Wastewater Facilities Masterplan	Meet sample turnaround times in support of Operations process control and NPDES permit and pretreatment requirements	<ul style="list-style-type: none"> 1-day turnaround time for process control samples 	Daily FYs 2021/22 and 2022/23
	Coordinate PFAS testing as per the waste-water order	<ul style="list-style-type: none"> Testing no later than 10 days after end of month for NPDES compliance 	Quarterly through December 2021
Update the Agency's Planning Documents: Recycled Water Program Strategy	Meet sample turnaround time in support of recycled water program requirements Analyze required CECs using a contracted lab facility	<ul style="list-style-type: none"> 100% acceptable Turnaround Time (TAT) and zero missed holding time (HT) 	Quarterly FYs 2021/22 and 2022/23

LABORATORY

Business Goal –Environmental Stewardship: IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region’s heritage.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency’s Planning Documents: Wastewater Facilities Masterplan	Maintain ELAP accreditation	<ul style="list-style-type: none"> • Meet performance evaluation sample requirements • Complete biannual onsite assessments through third party vendors • Conduct annual internal audits • Submit quality assurance reports to ELAP • Update current Laboratory Standard Operating Procedures (SOP) and Quality Assurance (QA) Manual • Meeting analysis method quality control and holding time requirements • ELAP certification renewal • >99% acceptable quality control • 18-day turnaround time 	October 31 FYs 2022 and 2023

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Turnaround time (TAT) - < 18 day for compliance - 1-day TAT for process	How quickly the laboratory gets data out to the end user	20 days 1 day	18 days 1 day	18 days 1 day	18 days 1 day
< 1% missed sample hold time	Samples are processed within the mandated time frame	< 1%	< 1%	< 1%	< 1%
0 Performance evaluation (PE) samples	Laboratory must repeat the annual PE sample for any parameter it achieves a result that is	3	0	0	0

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
	outside of the test criteria				

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative expense, and other non-operating expense. Operating expense includes professional fees and services, permits, licenses, and materials and supplies. Agency-wide expense included in this category are outside lab services, permits, and instrument servicing contracts.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$1,666,615	\$1,715,010	\$2,473,302	\$2,578,925
Administrative	9,806	13,489	40,998	42,228
Operating	691,628	606,120	1,295,400	1,347,512
Total	\$2,368,049	\$2,334,619	\$3,809,700	\$3,968,665

INTER-AGENCY RELATIONS

MISSION STATEMENT

In collaboration with IEUA's retail customers, the Inter-Agency Relations (IAR) Department advances beneficial outcomes related to emerging regulations, external policy issues, and Metropolitan Water District of Southern California (MWD)/Santa Ana Watershed Project Authority (SAWPA) programs, including the implementation of regional water-use efficiency (WUE) programs. Additionally, the IAR Department assures Agency compliance with records and information management requirements.

DESCRIPTION AND PURPOSE

The IAR Department has four main areas of responsibility: 1) Effective engagement in emerging regulatory and other external (state, federal and regional) policies; 2) Staff level analysis and support of MWD and SAWPA programs; 3) Implementation of regional WUE programs; and 4) Effective management of Agency records; including access, retention, storage, disposition, and protection of all official paper and electronic records.

The first three areas listed above are accomplished, to the extent that is practicable, in collaboration with IEUA's retail customer agencies. Regarding the implementation of WUE programs, IEUA works closely with its retail agencies to design and implement turnkey regional programs promoting the efficient use of water by individual customers. The provision of IEUA's services and funding in support of WUE helps to promote demand management as part of a diversified water supply portfolio and effectively access MWD and other regional WUE program resources.

Using Generally Accepted Recordkeeping Principles as its guidelines, Records Management is responsible for the efficient and effective management of records, assuring compliance with legal requirements associated with protecting vital records and incorporating their protection into disaster recovery and risk management plans. Records management accountability begins with record creation or receipt and continues throughout the record's lifecycle, including maintenance, use, retention, and disposition.

MAJOR PRIORITIES

- ◆ Complete two annual Water Use Efficiency Programs Report
- ◆ Complete five-year Water Use Efficiency Business Plan (FY 21-26)
- ◆ Offer a water use efficiency tool to the Retail Member Agencies that will assist in meeting or exceeding compliance with the new CA State WUE Standards.
- ◆ Records retention compliance associated with amendments, storage, and destruction
- ◆ Development of Agency-wide processes using Laserfiche forms
- ◆ Optimization of department drives and migration of records to Laserfiche system
- ◆ Interface of records housed on Systems of Engagement to the Laserfiche System of Records
- ◆ Backfile scanning of records management hardcopy documents from offsite storage into the Laserfiche system
- ◆ Continuous agency staff training in records management

POSITION SUMMARY

In FY 2020/21 the Government Relations department name changed to Inter-Agency Relations. Other organizational changes moved Records Management from the External and Government Affairs division to the Technical Resources division and was integrated with Inter-Agency Relations. A Senior Water Resource Analyst was added to the department to assist with expanded departmental responsibilities. No additional staffing changes are projected for FYs 2021/22 and 2022/23.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Inter-Agency Relations				
Manager of Inter-Agency Relations	1	1	1	1
Senior Water Resources Analyst	-	1	1	1
Total	1	2	2	2
Limited Term				
Environmental Resources Planner	-	1	1	1
Total	0	1	1	1
Total Inter-Agency Relations	1	3	3	3
Records Management				
Records Management Supervisor	1	1	1	1
Records Specialist I	1	1	1	1
Total	2	2	2	2
Limited Term				
Records Specialist	1	1	1	1
Total	1	1	1	1
Total Records Management	3	3	3	3
FTE and Limited Term Total	4	6	6	6

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long term needs while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Evaluation of program rates: MEU rate evaluation	Provide input and analysis, as needed, in support of the evaluation of the Meter Equivalent Unit (MEU) rate	<ul style="list-style-type: none"> Participate in GM meetings and support Finance with evaluation of MEU rate as needed 	Ongoing FYs 2021/22 and 2022/23

INTER-AGENCY RELATIONS

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Continue to promote employee engagement, achievement, and retention	Provide IAR staff with opportunities for technical and professional training	<ul style="list-style-type: none"> Develop and implement personalized training plans for Departmental staff 	Ongoing FYs 2021/22 and 2022/23
	In accordance with best practices, conduct annual Agency-wide trainings on Records Management Best Practices and the proper use of Laserfiche (the Agency's system for Electronic Records Management)	<ul style="list-style-type: none"> Continue Records Management New Hire Training for Agency Employees Establish schedule for Agency-wide trainings on proper use of Laserfiche and assure continuous learning 	Ongoing FYs 2021/22 and 2022/23
	Departmental migration of records into Agency Electronic Records Management System (Laserfiche)	<ul style="list-style-type: none"> Continue management of Agency records throughout the life cycle from inception to destruction. Continue to develop Agency-wide processes through Laserfiche forms 	Ongoing FYs 2021/22 and 2022/23

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's 5-Year Strategic Plan	Provide input and analysis, as needed, to the update of the Agency's 5-Year Strategic Plan on matters related to inter-agency relations	<ul style="list-style-type: none"> Provide input/analysis as requested 	Ongoing FYs 2021/22 and 2022/23
Continue update of Administrative Policies	Update Records Management Policies	<ul style="list-style-type: none"> Update Policies A-10, A-72 and add a new policy on E-mail Managed Folders 	FYE 2021/22

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Continue to improve relationships with customer agencies by ensuring open, timely and transparent communication regarding Agency projects and initiatives	Collaborate with local agencies to identify and implement Low-Impact Development (LID) methods and Practices	<ul style="list-style-type: none"> Currently providing education and training opportunities for regional stakeholders on the State's updated Model Water Efficient Landscape ordinance that includes standards for installation for sustainable landscaping and low impact development 	FYE 2022/23
	Implement the Water Use Efficiency Business Plan the Long-Term Water Use	<ul style="list-style-type: none"> Annual water savings through the various initiatives 	FYE 2022/23
	Provide support and Implementation of the Long-Term Water Use Efficiency Regulations	<ul style="list-style-type: none"> Identify and develop activities, actions, and/or programs that will support the implementation and compliance with the new Regulations 	FYE 2022/23
	Collaborate as opportunities arise and identify funding sources to implement initiatives identified in the WUEBP	<ul style="list-style-type: none"> Implement the initiatives as opportunities arise 	Ongoing FYs 2021/22 and 2022/23

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Recycled Water Program Strategy	Ensure that activities are consistent with defined strategic planning documents, such as the Water Use Efficiency (WUE) business plan and the IEUA Drought Response Plan	<ul style="list-style-type: none"> Produce the Annual Water Use Efficiency Programs Report and complete the annual budget process 	Annually, December 31st

INTER-AGENCY RELATIONS

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
WUE Business Plan	Program Portfolio – annual water savings	408 AF	691 AF	1,340	1,851
WUE Business Plan	Program Portfolio – annual projected technologies and services	7,462	10,000	10,000	10,000
Records Management will provide timely responses to Public Records Requests	Public Records Request per quarterly and yearly	150	160	170	170
Records Management will continue to upload departmental records into the Laserfiche System	Number of Individual pieces of data electronically stored	450,000	460,000	460,000	460,000
Records Management will continue to disposition electronic stored data in Laserfiche per the retention schedule	Number of destroyed data electronic stored	500,000	510,000	510,000	510,000
Records Management will continue to disposition physically stored at offsite facility	Description of Hard Copy (Paper) Records (Boxes)	161	600	400	200
Records Management will continue to train Agency staff in RM best practices and the Laserfiche system	Number of Agency staff trained	52	100	100	100

EXPENSES

Employment costs include wages and benefits. Administrative expense includes office and administrative costs. Operating expense includes professional fee and services, and materials and supplies. Agency wide expense budgeted in this category includes regulatory and training consultant services. FY 2021/22 Administrative expense includes software licensing fees for data optimization software. This software is used for the identification and destruction of Redundant, Obsolete and Trivial (ROT) data.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$520,657	\$736,809	\$1,077,046	\$1,123,278
Administrative	15,882	8,258	105,338	49,438
Operating	42,495	40,078	212,598	213,090
Total	\$579,030	\$785,145	\$1,394,982	\$1,385,806

ASSET MANAGEMENT

MISSION STATEMENT

Improve reliability.

DESCRIPTION AND PURPOSE

The Asset Management (AM) Department seeks to continually improve reliability to reduce risk and costs while improving efficiency and eliminating waste. The overall strategy will focus on three things: people, processes, and assets. The department will work cross functionally to implement proven, best practice techniques and standardize processes.

MAJOR PRIORITIES

The Asset Management Department's major priorities for FYs 2021/22 and 2022/23 are as follows:

- Create a culture of Improvement
- Cross functional collaboration
- Create standardized Asset Management plans and processes (covering all phases of an assets lifecycle)
- Decision making based on best practices, processes, overall lifecycle costs, risk analysis, performance indicators Culture of Improvement
- Enhance Computerized Maintenance Management System (CMMS) data quality & integrity
- Maintenance Optimization
- Condition Assessment Program / Capital Improvement Project (CIP) prioritization

POSITION SUMMARY

In June 2020, the Asset Management department was established to enhance the Agency's asset management plan and create formal asset management policies and procedures. In FY 2020/21 two FTE positions, a Senior Engineer and Senior Associate Engineer, were added to and help support the expanded responsibilities of the department. Additionally, the Materials Management department was moved from the Operations division and now reports directly to Asset Management. Starting FY 2021/22, the Senior Associate Engineer position will be reclassified as a Senior Project Manager to better reflect the duties that are required of that position.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Asset Management				
Manager of Asset Management	1	1	1	1
Senior Engineer - PE	-	1	1	1

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Senior Project Manager	-	-	1	1
Senior Associate Engineer	-	1	-	-
Total Asset Management	1	3	3	3
Materials Management				
Warehouse Supervisor	1	1	1	1
Senior Inventory Analyst	1	-	-	-
Warehouse Technician	3	3	3	3
Administrative Assistant I	1	1	1	1
Total Materials Management	6	5	5	5
Total	7	8	8	8

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Asset Management Plan	Establish standardized AM plans and processes. Complete Plans and Documentation: <ul style="list-style-type: none"> • Asset Management Commitment • AM Strategy & Plans • Asset Management / Condition Assessment Plan • Strategic Asset Management Plan (SAMP) 	A. Complete AM Commitment Letter B. Finish Strategy, construct outline, complete two plans C. Prioritize major asset condition assessments & build an updateable Capital Improvement Plan (CIP) forecast D. Create outline	A. June/July 2021 B. June 2022 C. June 2023 D. June 2021

ASSET MANAGEMENT

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Asset Management Plan	Establish a culture of improvement / cross functional collaboration. A. Lead defect elimination task forces to research defects and eliminate waste B. Perform cross-functional group facility tours	A. Lead two task force groups a year B. Visit each facility once a year, collecting feedback from field staff	A. June 2023 B. June 2023

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Asset Management Plan	Decision making based on best practices, processes, overall lifecycle costs, risk analysis, performance indicators. Establish Standardized Asset Lifecycle Processes	A. Business Needs Analysis B. Design C. Create/Acquire D. O&M and Modify/Upgrade E. Dispose/Renew F. Residual Liabilities	A. June 2023 B. June 2022 C. June 2023 D. June 2023 E. June 2022 F. June 2022

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Asset Management Plan	Improve water reliability by implementing proven AM best practices. Develop a pilot program to implement and test practices prior to implementing across entire Agency	A. Level of Service Determination B. Register Accuracy C. Criticality Study D. CMMS Data Quality <ul style="list-style-type: none"> a. Maintenance History b. Cost History E. Maintenance Intentionality Predictive Maintenance (Pd.M.) Preventative Maintenance (PM)-Run to failure F. Operator Driven Reliability	A. June 2022 B. June 2022 C. June 2022 D. June 2023 E. June 2022 F. June 2023 G. June 2023 H. June 2023

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

		<p>G. PM Optimization</p> <p>H. Monitoring (Real Time Dashboards) for critical assets</p> <ul style="list-style-type: none"> a. Availability b. Dynamic Risk c. Asset Health (ex. relation to pump curves, vibration, lube oil, etc.) <p>I. Leading & Lagging Indicators</p> <ul style="list-style-type: none"> a. Lagging <ul style="list-style-type: none"> i. Mean Time Between Failure (MTBF) ii. Availability b. Leading <ul style="list-style-type: none"> i. Schedule Compliance ii. Wrench Time iii. % Planned Work iv. % Right Parts /Supplies v. % Part/Supplies on time vi. Inventory Accuracy vii. Inventory Turn Ratio viii. % out of stock critical parts. 	I. June 2022
Update the Agency's Planning Documents: Asset Management Plan	Design for Reliability (people and assets) / Maintenance Optimization. Enhance Predictive Maintenance (Pd.M.) Program	<p>A. Develop a second subject matter expert</p> <p>B. Increase Pd.M. and remove PM</p>	<p>A. June 2023</p> <p>B. June 2023</p>

ASSET MANAGEMENT

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Asset Management Plan	Enhance CMMS Data Quality and Integrity. Ensure assets are properly recorded (added/removed) during the RP-5 Expansion project:	A. Enter all new equipment into SAP with maintenance schedule B. Remove old equipment from SAP	A. June 2023 B. June 2023

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Develop AM Strategy & Plans	Finish Strategy, construct outline, complete two plans	N/A	0	2	4
Lead defect elimination task forces to research defects and eliminate waste	Lead two task force groups a year	N/A	2	2	2
Perform cross-functional group facility tours	Visit each facility once a year, collecting feedback from field staff	N/A	0	12	12
Develop a pilot program to implement/test practices prior to implementing across entire Agency	Leading & Lagging Indicators a. Lagging i. MTBF ii. Availability b. Leading Schedule Compliance ii. Wrench Time iii. % Planned Work iv. % Right Parts/Supplies v. % Part/Supplies on time vi. Inventory Accuracy vii. Inventory Turn Ration	N/A	N/A	Establish baseline & set targets	

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
	viii. % out of stock critical parts.				
Enhance Predictive Maintenance (Pd.M.) Program	Increase Pd.M. and remove PM	N/A	0	2%	5%
Ensure assets are properly recorded (added/removed) during the RP-5 Expansion project:	A. Enter all new equipment into SAP with maintenance schedule B. Remove old equipment from SAP	N/A	0	A. 90% B. 90%	A. 90% B. 90%

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative expense. Operating costs includes materials, supplies, and professional fees and services. Administrative budget in FYs 2021/22 and 2022/23 includes funds for obsolete and scrap inventory, the full budget may not be utilized as actual costs vary from year to year. Additional Operating budget includes professional fees and services for major asset condition assessments and development fees.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$402,475	\$792,649	\$1,200,740	\$1,253,839
Administrative	37,533	38,760	143,735	147,415
Operating	13,341	10,883	480,325	680,700
Total	\$453,348	\$842,292	\$1,824,800	\$2,081,954

OPERATIONS DIVISION

MISSION STATEMENT

Operations Division is committed to:

- Producing safe, cost effective, compliant water, recycled water, renewable energy, and compost while ensuring all assets are operating at optimum efficiency and reliability
- Maximizing groundwater recharge while meeting recycled water customer demands
- Maintaining a highly trained, motivated, friendly, and knowledgeable workforce that utilizes industry best practices
- Delivering a safe and hospitable work environment for all staff and visitors
- Providing staff with secure and up-to-date operational and business information technologies that meets industry cybersecurity requirements and the needs of the Agency.

DEPARTMENTS

- Operations Administration
- Business Information Services
 - Enterprise Business Applications
 - Business Intelligence and Analytics
 - Business Process Improvements
- Integrated Systems Services
 - Business Network
 - SCADA Network
- Operations and Maintenance - North
 - Regional Water Recycling Plant No. 1 (RP-1)
 - Regional Water Recycling Plant No. 4 (RP-4)
 - Groundwater Recharge (GWR)
 - Recycled Water Distribution
 - Materials Management
- Operations and Maintenance – South
 - Regional Water Recycling Plant No. 5 (RP-5)
 - Carbon Canyon Water Recycling Facility (CCWRF)
 - Regional Plant No. 2 (RP-2)
 - Collection System
 - Facilities Management
 - Chino I Desalter (CDA I)
- Organics Management
 - Inland Empire Regional Composting Facility (IERCF)

EXECUTIVE SUMMARY

The Operations Division is responsible for the day-to-day, safe, compliant, and cost effective operation and maintenance of the Agency's water recycling plants: Regional Water Recycling Plant No. 1 (RP-1), Regional Water Recycling Plant No. 4 (RP-4), Regional Water Recycling Plant No. 5 (RP-5), Carbon Canyon Water Recycling Facility (CCWRF), a biosolids-only treatment facility at Regional Plant No. 2 (RP-2); as well as the Chino I Desalter (CDA I), Groundwater Recharge, and the Inland Empire Regional Composting Facility (IERCF). FY 2021/22 and 2022/23 total division staffing is budgeted at 169 Full Time Equivalents (FTE) each budget year.

OPERATIONS AND MAINTENANCE - NORTH

Operations and Maintenance – North is responsible for the operations and maintenance of RP-1, RP-4, 19 Groundwater Recharge (GWR) sites, and recycled water distribution system in a safe and reliable manner to ensure that they meet all regulatory requirements. RP-1 and RP-4 are water recycling facilities that convert sewage into valuable tertiary treated recycled water, biogas, and biosolids. Recycled water produced from these facilities is beneficially reused by customers for landscape and agriculture irrigation, industrial cooling, groundwater recharge, and other non-potable uses. Biogas produced at RP-1 is beneficially used to produce heat to meet onsite demand. Biosolids produced at RP-1 are transported to IERCF for composting, which in turn becomes a valuable and marketable compost. GWR and Recycled Water Distribution departments are responsible for the distribution of compliant and reliable Title 22 recycled water to customer for reuse and recharge basins for replenishing local aquifer.

OPERATIONS AND MAINTENANCE - SOUTH

Operations and Maintenance – South is responsible for the operations and maintenance of RP-5, CCWRF, RP-2, the Regional Sewer System and the Non-Reclaimable Waste System, Facilities Management, and the Chino I Desalter in a safe and reliable manner to ensure they meet all regulatory requirements. RP-5, RP-2, and CCWRF facilities convert sewage into a valuable tertiary treated recycled water, biogas, and biosolids. Recycled water produced from RP-5 and CCWRF is beneficially reused by customers for landscape and agriculture irrigation, industrial cooling, and other non-potable reuse. Biogas produced at RP-2 is beneficially used to produce heat to offset natural gas demand. Biosolids produced at RP-2 are transported to IERCF for composting which in turn becomes a valuable and marketable compost. The Sewer Collection department is responsible for maintaining the Agency's regional and non-reclaimable wastewater collection system. Facilities Management is responsible for the upkeep of Agency grounds, buildings, fleet vehicles, and landscape.

ORGANICS MANAGEMENT

Inland Empire Regional Compost Authority (IERCA) - The IERCA is a Joint Powers Authority (JPA) between IEUA and the Los Angeles County Sanitation Districts (LACSD). The composting facility is the nation's largest indoor biosolids composting facility, located in Rancho Cucamonga, California. The facility produces a wood-based, nutrient-rich compost made from recycled green waste, biosolids, and horse stable bedding. Every year, the facility produces approximately 230,000 cubic yards (90,000 tons) of high-quality compost which is marketed under the name SoilPro Products. Treatment processes include mixing, aerated composting, screening, curing, and storing. All emissions are treated with a biofilter.

BUSINESS INFORMATION SERVICES

MISSION STATEMENT

Operations Division is committed to:

- Producing safe, cost effective, compliant water, recycled water, renewable energy, and compost while ensuring all assets are operating at optimum efficiency and reliability
- Maximizing groundwater recharge while meeting recycled water customer demands
- Maintaining a highly trained, motivated, friendly, and knowledgeable workforce that utilizes industry best practices
- Delivering a safe and hospitable work environment for all staff and visitors
- Providing staff with secure and up-to-date operational and business information technologies that meets industry cybersecurity requirements and the needs of the Agency.

DESCRIPTION AND PURPOSE

The Business Information Services Department (BIS) supports the Agency's business system solution needs, including enhancement and support of the Agency's core enterprise applications, such as SAP Enterprise Resource Planning (ERP), Geographic Information Services (GIS), Enterprise Content Management System (ECMS) and other applications, support of departmental and special function systems, development of custom applications and reports, and integration of Agency systems and data.

MAJOR PRIORITIES

The Business Information Services Department's major priorities for FYs 2021/22 and 2022/23 are as follows:

- Update SAP per agreement changes based on the outcome of the 2021 labor negotiation effort
- Evaluate and recommend options for lowering SAP annual maintenance
- Evaluate and recommend both software solutions and/or professional services that will enhance processes to support the Agency's asset management program
- Maximize the use of existing software solutions and lower dependencies on fee-based solutions.
- Establish mobile computing policy and new contract language to be suitable for cloud-based services and solutions

POSITION SUMMARY

The Senior Management Analyst position, currently vacant, will be filled for the FY 2021/22 and 2022/23 budget years. No other changes to departmental staffing are projected.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Business Information Services	1	1	1	1
Business Systems Supervisor	1	1	1	1
Senior Management Analyst	1	-	1	1
Business Systems Analyst II	3	3	3	3
Information Systems Analyst II	3	3	3	3
GIS Specialist	1	1	1	1
Total	10	9	10	10

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long-term needs, while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Evaluation of staffing levels to appropriately support the Agency's Mission, Goals, and Objectives	Maintain SAP professional services expenses within annual budgeted amount	<ul style="list-style-type: none"> Report actual quarterly spending as percentage of average annual budgeted amount 	Quarterly FYs 2021/22 and 2022/23
	Evaluate options for lowering SAP annual maintenance and propose recommendations with pros/cons	<ul style="list-style-type: none"> Complete the evaluation of options and provide recommendations to executives to decide no later than 9/30/2021 	September 2021
	Evaluate software needs to assess more cost-effective alternatives and/or potential consolidation (e.g., legacy CIPO, Primavera, Sage ABRA)	<ul style="list-style-type: none"> Provide list of recommendations to Agency executives and stakeholders, including potential cost savings 	Annually FYs 2021/22 and 2022/23
	Evaluate licensing needs for electronic signature solution to meet the Agency's needs	<ul style="list-style-type: none"> Complete evaluation of appropriate digital signature solutions based on use cases; complete the contract(s) for fee-based solution(s) 	December 2021 and June 2022

BUSINESS INFORMATION SERVICES

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Cyber Security Technology Master Plan	Evaluate solutions for streamlining Board meeting preparation and documentation processing and provide recommendations	<ul style="list-style-type: none"> Provide recommendations to the executive team, obtain approval, and implement the solution by target date 	September 2021
	Implement enhancements to Manager Self-Service and Employee Self-Service to maximize automation and data quality, including integrations to non-SAP applications (e.g., NeoGov)	<ul style="list-style-type: none"> Report project progress per project timeline NeoGov project 	On-going FYs 2021/22 and 2022/23 December 2021
	Complete integration between Laserfiche and SAP	<ul style="list-style-type: none"> Complete full integration between SAP attachments and Laserfiche by set date 	June 2022
	Evaluate cloud-based alternatives to existing software solutions for the purpose of planning both budget and possible implementations	<ul style="list-style-type: none"> Report list of proposed solutions along with potential benefits and risks to management 	March 2022

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Provide a high level of customer service	Complete 90% or better of break-fix support tickets by their due dates	82%	90%	90%	90%
Maintain SAP system integrity	Complete semi-annual upgrades to comply with federal and state regulation changes	2	2	2	2
Maintain SAP professional services expenses within annual budgeted amount	Report actual spending as percentage of average annual budgeted amount	63%	80%	<100%	<100%
Promote communication on BIS projects and technology initiatives	Host the IT Subcommittee meetings quarterly	N/A	2	4	4

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs. Operating expense includes professional fees and services, materials and supplies, and utilities. Agency wide expense for annual computer and software maintenance, enhancements, and support are included in professional fees and services category.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$1,471,421	\$1,310,976	\$1,587,596	\$1,654,465
Administrative	34,434	17,705	17,600	15,100
Operating	594,141	590,885	782,508	701,408
Total	\$2,099,996	\$1,919,566	\$2,387,704	\$2,370,973

INTEGRATED SYSTEM SERVICES

MISSION STATEMENT

Operations Division is committed to:

- ◆ Producing safe, cost effective, compliant water, recycled water, renewable energy, and compost while ensuring all assets are operating at optimum efficiency and reliability
- ◆ Maximizing groundwater recharge while meeting recycled water customer demands
- ◆ Maintaining a highly trained, motivated, friendly, and knowledgeable workforce that utilizes industry best practices
- ◆ Delivering a safe and hospitable work environment for all staff and visitors
- ◆ Providing staff with secure and up-to-date operational and business information technologies that meets industry cybersecurity requirements and the needs of the Agency.

DESCRIPTION AND PURPOSE

The Integrated System Services Department (ISS) maintains and supports the Agency's Supervisory Control and Data Acquisition (SCADA) and Distributed Control System (DCS) which includes: Human Machine Interface (HMI's), Historians, Programmable Logic Controllers (PLCs), Input/output (I/O) communication, and reporting services. ISS also maintains and supports the Agency's network infrastructure which includes: Email, Network, File/Print, Workstation, and Wireless services. The department provides strong cyber security detection, protection, response, and recovery capabilities for the critical infrastructure services the Agency provides.

MAJOR PRIORITIES

The Integrated System Services Department's major priorities for FYs 2021/22 and 2022/23 are as follows:

- ◆ Maintain a secure and reliable Infrastructure
- ◆ Provide a high level of customer service
- ◆ Promote cybersecurity awareness

POSITION SUMMARY

In FY 2020/21, a Manager of Integrated System Services and a Technology Specialist I position were added to support the expanding responsibilities of this department. No staffing changes are projected in the two budget years.

Position	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Integrated System Services (ISS)	-	1	1	1
Deputy Manager of ISS	2	1	1	1
Process Automation and Control Supervisor	1	1	1	1
Network Administrator	3	3	3	3
Control Systems Analyst II	2	2	2	2
Control Systems Analyst I	5	5	5	5
Technology Specialist II	1	1	1	1
Technology Specialist I	-	1	1	1
Total	14	15	15	15
Limited Term Positions				
Technology Specialist I	1	-	-	-
Total	1	0	0	0
FTE and Limited Term Total	15	15	15	15

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Cyber Security Technology Master Plan	Complete cybersecurity assessments for Business and SCADA networks within budget	<ul style="list-style-type: none"> Complete all assessments within established budget 	June 2022

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Cyber Security Technology Master Plan	Adoption of Information Security Policy	<ul style="list-style-type: none"> Adopt and publish policy 	December 2021

INTEGRATED SYSTEM SERVICES

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Cyber Security Technology Master Plan	Continued adoption of Center for Internet Security (CIS) Critical Controls to ensure business and SCADA system reliability	<ul style="list-style-type: none"> Apply the 20 CIS Critical Controls 	FYE 2021/22

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Cyber Security Technology Master Plan	Annually update the technology disaster recovery plans, contingency plans, and cyber security incident response plans	<ul style="list-style-type: none"> Update plans annually based on test results 	FYE 2021/22

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Cyber Security Technology Master Plan	Cybersecurity Patching for Business and SCADA systems	<ul style="list-style-type: none"> Install critical security patches within 30 days 	Monthly

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Maintain a secure and reliable infrastructure	Install 90% of critical patches within 30 days	90%	90%	90%	90%
Maintain a secure and reliable infrastructure	Mitigate Vulnerabilities within 30 days of discovery	100%	100%	100%	100%
Provide a high level of customer service	Complete 90% or better of repair-related work by the due date	90%	90%	90%	90%
Promote Cybersecurity Awareness	Communicate bi-monthly Cybersecurity awareness message	Started in April of 2021	6	6	6
Maintain a secure and reliable infrastructure	Agency-wide Area Network Availability During Business Hours	99.99%	99.99%	99.99%	99.99%

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administration expense. Operating expense includes agency wide expenses for materials and supplies, professional fees, and fees for items such as internet service, computer maintenance, software support services, and utilities.

Expense	FY 2019/20 Actual	FY 2020/21 Amended	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$2,194,432	\$2,210,060	\$2,542,390	\$2,649,046
Administrative	23,007	12,882	29,013	29,883
Operating	946,141	879,400	1,247,802	1,285,236
Total	\$3,163,580	\$3,102,342	\$3,819,205	\$3,964,165

OPERATIONS & MAINTENANCE

MISSION STATEMENT

Operations Division is committed to:

- Producing safe, cost effective, compliant water, recycled water, renewable energy, and compost while ensuring all assets are operating at optimum efficiency and reliability
- Maximizing groundwater recharge while meeting recycled water customer demands
- Maintaining a highly trained, motivated, friendly, and knowledgeable workforce that utilizes industry best practices
- Delivering a safe and hospitable work environment for all staff and visitors
- Providing staff with secure and up-to-date operational and business information technologies that meets industry cybersecurity requirements and the needs of the Agency.

DESCRIPTION AND PURPOSE

The Agency currently owns and/or operates, and maintains 5 water recycling facilities, 160 miles of sewer collection system, a potable water facility, 19 supply water well sites, 4 sewage lift stations, a recycled water distribution and storage system, 19 groundwater recharge sites, a 400,000-square foot indoor composting facility, and a 66,000 square foot Headquarters building.

The Operations group is responsible for:

- Potable water treatment and distribution.
- Wastewater collection and treatment.
- Distribution of recycled water for groundwater recharge and irrigation including agricultural crops, municipal parks and landscaping, and other types of reuse.
- Maximization of the production of biogas as a fuel source for energy generation through digestion of biosolids.
- Biosolids dewatering for subsequent recycling and production of high-quality compost.
- Utilization of modern condition monitoring tools to effectively maintain equipment reliability; and to
- Provide proactive maintenance for all facilities, collection systems, lift stations, water supply wells, recharge basins, and recycled water distribution and storage systems.

MAJOR PRIORITIES

The Operations and Maintenance Departments major priorities for FYs 2021/22 and 2022/23 are as follows:

- Maintain a safe work environment
- Maintain environmental permit compliance

- Maintain asset reliability
- Commission scheduling software throughout Operations Division
- Attain 100% Sewer System Management Program (SSMP) goals for Closed Circuit Television (CCTV) and inspection
- Maintain a highly motivated and trained workforce
- Send all Agency biosolids to Inland Empire Regional Composting Authority (IERCA) estimated at 70,000 wet tons per year and sell all compost produced, approximately 230,000 cubic yards per year
- Maintain optimal staffing levels through succession planning

POSITION SUMMARY

To preserve institutional knowledge and support the smooth transition of critical positions, early recruitment of critical positions is essential. An increase of 7 FTE positions in the Operations and Maintenance departments for FYs 2021/22 and 2022/23 is necessary to support succession planning efforts and continue to provide high quality critical services to our customers and the communities we serve. It is necessary and expected that positions may shift between plants during the fiscal year.

Operations Administration	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Executive Manager of Operations	1	1	1	1
Executive Assistant	2	1	1	1
Total	3	2	2	2

Operations & Maintenance – North North Administration, North Maintenance, RP-1 and RP-4 Operations, Groundwater Recharge	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Operations & Maintenance	1	1	1	1
Deputy Manager of Operations	1	1	1	1
Deputy Manager of Maintenance	2	1	1	1
Operations Supervisor	3	4	3	3
Maintenance Supervisor	2	2	2	2
Senior Wastewater Treatment Plant Op.	3	3	3	3
Wastewater Treatment Plant Operator V	2	2	2	2
Wastewater Treatment Plant Operator IV	1	1	1	1
Wastewater Treatment Plant Operator III	9	9	9	9
Wastewater Treatment Plant Operator I/II	1	2	6	6
Wastewater Treatment Plant Op in Training	1	-	-	-
Senior Associate Engineer	2	2	2	2
Senior Associate Engineer – PE	1	-	-	-

OPERATIONS & MAINTENANCE

Operations & Maintenance – North North Administration, North Maintenance, RP-1 and RP-4 Operations, Groundwater Recharge	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Associate Engineer	1	-	1	1
Mechanic III	7	6	6	6
Mechanic II	1	1	1	1
Mechanic I	1	1	1	1
Industrial Engine Tech II	1	1	1	1
Maintenance Planner	1	1	1	1
Electrical & Instrument Technician III	7	6	6	6
Electrical & Instrument Technician II	2	2	2	2
Electrical & Instrument Technician I	1	1	1	1
Groundwater Recharge Supervisor	1	1	1	1
Recycled/Groundwater O&M Specialist	1	1	1	1
Recycled Water Distribution Operator	1	2	2	2
Recycled/Groundwater O&M Technician	1	1	1	1
Administrative Assistant I/II	1	1	1	1
Total	56	53	57	57

Operations - South South Administration, Facilities Management, Sewer Collections, South Maintenance, RP-2 and RP-5 Operations, Carbon Canyon Water Recycling Facility, and Desalter Operations	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Operations and Maintenance	1	1	1	1
Deputy Manager of Operations	1	2	2	2
Deputy Manager of Maintenance	2	2	2	2
Operations Supervisor	2	1	2	2
Maintenance Supervisor	2	2	2	2
Senior Associate Engineer – PE	1	-	-	-
Senior Associate Engineer	1	1	1	1
Maintenance Planner	1	1	1	1
Senior Wastewater Treatment Plant Op.	3	3	3	3
Wastewater Treatment Plant Operator V	2	4	4	4
Wastewater Treatment Plant Operator IV	2	1	1	1
Wastewater Treatment Plant Operator III	2	2	2	2

Operations - South South Administration, Facilities Management, Sewer Collections, South Maintenance, RP-2 and RP-5 Operations, Carbon Canyon Water Recycling Facility, and Desalter Operations	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Wastewater Treatment Plant Operator-In- Training	-	2	4	4
Senior Water Plant Operator	1	1	1	1
Water Plant Operator IV	1	1	1	1
Water Plant Operator III	2	2	3	3
Water Plant Operator II	1	-	-	-
Collections System Supervisor	1	1	1	1
Collection System Operator III	2	2	2	2
Collection System Operator II	4	4	4	4
Collection System Operator I	1	1	1	1
Electrical & Instrument Tech IV	1	1	1	1
Electrical & Instrument Tech III	2	4	4	4
Electrical & Instrument Tech II	4	3	3	3
Electrical & Instrument Tech I	1	-	-	-
Senior Operations Assistant	1	-	-	-
HVAC Technician	-	1	1	1
Mechanic IV	2	1	1	1
Mechanic III	2	3	3	3
Mechanic II	1	1	1	1
Mechanic I	2	2	2	2
Facilities Program Supervisor	1	2	1	1
Facilities Program Coordinator	1	1	1	1
Materials Specialist	1	-	-	-
Facilities Specialist	1	1	1	1
Facilities Specialist/Landscape	1	1	1	1
Administrative Assistant II	-	1	1	1
Office Assistant	1	1	1	1
Total	55	57	60	60

Organics Management	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Manager of Regional Compost Authority	1	1	1	1
Compost Facility Supervisor	2	2	2	2

OPERATIONS & MAINTENANCE

Organics Management	2019/20 Actual	2020/21 Amended	2021/22 Budget	2022/23 Budget
Compost Sales Representative	1	1	1	1
Senior Compost O&M Technician	2	2	2	2
Maintenance Planner	1	1	1	1
Mechanic III	5	5	5	5
Electrical & Instrument Technician III	1	1	1	1
Compost Operator	8	8	8	8
Compost Worker	2	2	2	2
Administrative Assistant II	1	1	1	1
Administrative Assistant I	1	1	1	1
Total	25	25	25	25

DEPARTMENT GOALS AND OBJECTIVES FOR FYS 2021/22 AND 2022/23

<i>Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.</i>			
Strategic Priority	Department Goal	Department Objective	Timetable
Evaluation of staffing levels to appropriately support the Agency’s Mission, Goals, and Objectives	Continue with Trades Internship Program (TIP), continue to hire prior to Full Time Equivalents (FTE) retirements to maintain a smooth transition	<ul style="list-style-type: none"> Create a Bi-annual report of TIP success by measuring successful candidate placement from TIP 	January and July FY 2021/22
Timely execution and funding of the Agency’s Capital Improvement Program (CIP) with emphasis on the RP-5 Expansion Project	Collaborate with Technical Services department and provide necessary support to ensure the successful execution of CIP projects	<ul style="list-style-type: none"> Ensure at least 1 O&M representative is assigned to each Capital Improvement Project (CIP) impacting the division 	Ongoing FYs 2021/22 and 2022/23
	Work within fiscal year budget	<ul style="list-style-type: none"> Review and report quarterly via the budget variance report 	Quarterly FYs 2021/22 and 2022/23
Timely execution and funding of the Agency’s Capital Improvement Program (CIP) with emphasis on securing grant funding and optimal use of low-cost borrowing	Submit new CIP project request forms timely to ensure best method of funding is explored prior to project execution	<ul style="list-style-type: none"> Confirm all project forms are submitted by no later than December of each calendar year 	FYs 2021/22 and 2022/23

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Department Goal	Department Objective	Timetable
Safety and wellness of employees and the communities we serve	Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff	<ul style="list-style-type: none"> Strive to maintain lower recordable incidents than industry incident rate average 	Ongoing FYs 2021/22 and 2022/23
	Annually update Emergency Response and Operational Plans for all facilities	<ul style="list-style-type: none"> Review and update Plans 	FYE 2021/22 FYE 2022/23
	Participate and support research to validate compost and biosolids safety	<ul style="list-style-type: none"> Provide annual updates to Executive Management Participate in at least two workshops annually 	FYE 2021/22 and FYE 2022/23 Ongoing FYs 2021/22 and 2022/23
Continue to promote employee engagement, achievement, and retention	Clearly communicate the Agency's mission, vision, and values to staff to align their goals accordingly through regular all hands meetings. Publicly reward employees' promotions and anniversary achievements	<ul style="list-style-type: none"> Hold at least 2 staff meetings per fiscal year in each department to convey message Meet quarterly with union leadership 	Bi-annually FYs 2021/22 and 2022/23 Quarterly FYs 2021/22 and 2022/23

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's 5-Year Strategic Plan	Continued commitment to sustainable cost containment of operating and capital costs	<ul style="list-style-type: none"> Full budget utilization 	Ongoing FYs 2021/22 and 2022/23
	Utilize Sourcewell when possible to obtain favorable pricing for contracts	<ul style="list-style-type: none"> Collaborate with Contracts and Procurement (CAP) on all major purchases 	Ongoing FYs 2021/22 and 2022/23
	Optimize daily operations to reduce energy costs	<ul style="list-style-type: none"> Review monthly energy reports and billings for cost saving opportunities 	Ongoing FYs 2021/22 and 2022/23

OPERATIONS & MAINTENANCE

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.			
Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Wastewater Facilities Masterplan	Improve Agency asset reliability by striving for continuous improvement using the Uptime Elements as the foundation for culture change	<ul style="list-style-type: none"> Increase predictive maintenance and reduce reactive maintenance 	Ongoing FYs 2021/22 and 2022/23
	Ensure biosolids and compost recycling by promoting awareness of the connection between agricultural practices and long-term groundwater quality	<ul style="list-style-type: none"> Complete turf water conservation research and issue final report 	FYE 2021/22
	Maintain 100% permit compliance	<ul style="list-style-type: none"> Strive for zero permit violations 	Ongoing FYs 2021/22 and 2022/23
Update the Agency's Planning Documents: Recycled Water Program Strategy	Groundwater Recharge (GWR) ensure optimization of transmission and capture systems. Maintain optimal basin maintenance and appropriately prioritize deliveries of storm, recycled, and imported water. GWR to operate within the compliance limits of the program's recharge permit.	<ul style="list-style-type: none"> Preparation of quarterly basin maintenance activities update report for Groundwater Recharge Coordinating Committee Preparation of monthly basin recharge volume report 	Quarterly FYs 2021/22 and 2022/23 Monthly FYs 2021/22 and 2022/23
	GWR to meet National Pollution Discharge Elimination System (NPDES) Recycled Water Title 22 permit requirements for reservoir management	<ul style="list-style-type: none"> Meet 100% compliance goals 	Ongoing FYs 2021/22 and 2022/23

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.			
Strategic Priority	Department Goal	Department Objective	Timetable
Update the Agency's Planning Documents: Wastewater Facilities Masterplan	Monitor treatment plant performance to meet regulatory requirements	<ul style="list-style-type: none"> Goal is zero permit violations 	Ongoing FYs 2021/22 and 2022/23
	Comply with all regulatory requirements	<ul style="list-style-type: none"> Meet 100% compliance throughout the fiscal year 	Ongoing FYs 2021/22 and 2022/23

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

	Inland Empire Regional Composting Authority (IERCA) to continue to promote the State's Healthy Soil Initiative	<ul style="list-style-type: none"> Continue to work with farmers to increase use of compost 	Ongoing FYs 2021/22 and 2022/23
	IERCA will continue to support member agencies and city requirements to comply with SB1383 compost procurement and the Model Water Efficiency Landscape Ordinance	<ul style="list-style-type: none"> Increase SoilPro use for agriculture to 35% 	Ongoing FYs 2021/22 and 2022/23
	IERCA to participate and support research to validate compost and biosolids safety	<ul style="list-style-type: none"> Create FAQ guides 	FYE 2021/22
Update the Agency's Planning Documents: Recycled Water Program Strategy	GWR department to complete annual compliance report which includes the Recycled Water Contribution plan	<ul style="list-style-type: none"> Complete and submit annual report 	May 1, 2022 and May 1, 2023

PERFORMANCE MEASURES

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Continue with Trades Internship Program (TIP), continue to hire prior to Full Time Equivalents (FTE) retirements to maintain a smooth transition	Fill >75% of the 9 available TIP internship positions	5	9	7	7
Work within fiscal year budget	Maintain 90% of YTD budget	87%	90%	90%	90%
Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff	Maintain lower recordables than previous year	7	6	5	4

OPERATIONS & MAINTENANCE

Department Goal	Measure Description	2019/20 Actual	2020/21 Projected	2021/22 Target	2022/23 Target
Comply with all regulatory requirements	Maintain 100% permit compliance	4	0	0	0

EXPENSES

Employment expense includes wages and benefits for Operations Administration, Operations and Maintenance North, Operations and Maintenance South, and Organics Management departments (50 percent of Organics Management wages and benefits are reimbursed by Los Angeles County Sanitation District). Administrative expense includes office and administrative and other non-operating expense. Operating expense includes materials and supplies, professional fees and services, leases and rentals, chemicals, operating and biosolids fees, and utilities. All expense categories include costs for Agency-wide operations. Operating expense increases in FY 2021/22 and 2022/23 can be attributed to a projected increase in utility expense of approximately 13% each fiscal year.

Expense	FY 2019/20 Actual	FY 2020/21 Projected	FY 2021/22 Budget	FY 2022/23 Budget
Employment	\$19,047,930	\$19,373,132	\$23,627,526	\$24,625,599
Administrative	380,986	359,187	396,513	410,277
Operating	23,826,959	24,820,125	30,779,368	32,697,062
Total	\$43,255,875	\$44,552,444	\$54,803,407	\$57,732,938



**CCWRF ASSET MANAGEMENT AND
IMPROVEMENTS
CHEMICAL ODOR SCRUBBER AT HEADWORKS
TO EXTEND ASSET LIFE**

APPENDICES

INLAND EMPIRE UTILITIES AGENCY FY 2021/22 and FY 2022/23 ADOPTED RATES

		IMPLEMENTED RATES FY 2020/21	ADOPTED RATES FY 2021/22	ADOPTED RATES FY 2022/23
REGIONAL WASTEWATER PROGRAM				
Resolution 2020-7-10				
Regional Wastewater Connection Fee	per equivalent dwelling unit (EDU)	\$6,955.00 Effective 7/1/20	\$7,379.00 Effective 7/1/21	Pending completion of return to sewer study and evaluation
Resolution 2020-5-1				
Total Volumetric (EDU) Fee	per EDU per month	\$20.00 Effective 7/1/20	\$21.22 Effective 7/1/21	Pending completion of return to sewer study and evaluation
Resolution 2021-6-6				
Fontana Extra-Territorial Sewer Service Charge	per EDU per month	\$17.46 Effective 7/1/20	\$18.39 Effective 7/1/21	To be determined next fiscal year
RECYCLED WATER PROGRAM-Resolution 2020-7-9				
Wholesale Rates				
Direct Sale (All Tertiary Plants)	per million gallons (MG) per acre foot (AF)	Effective 7/1/20 \$1,503.98 \$490.00	Effective 7/1/21 \$1,596.07 \$520.00	Pending completion of rate study
Groundwater Recharge Sale (All Tertiary Plants)	per MG per AF	\$1,688.15 \$550.00	\$1,780.23 \$580.00	Pending completion of rate study
IMPORTED (MWD) POTABLE WATER -Resolution 2021-6-7				
Full Service Untreated Water				
Tier 1 1/1/20- 12/31/20	per acre foot (AF)	\$755.00		
Tier 1 1/1/21 - 12/31/21	per AF	\$777.00	\$777.00	
Tier 1 1/1/22 - 12/31/22	per AF		\$799.00	\$799.00
Tier 2 1/1/20 - 12/31/20	per AF	\$842.00		
Tier 2 1/1/21 - 12/31/21	per AF	\$819.00	\$819.00	
Tier 2 1/1/22 - 12/31/22	per AF		\$841.00	\$841.00
Ground Water Storage Program				
Replenishment Water Untreated				
1/1/20 - 12/31/20	per AF	No Rate Available	No Rate Available	
1/1/21 - 12/31/21	per AF		No Rate Available	
1/1/22 - 12/31/22	per AF			No Rate Available
Capacity Meter Charge	per diameter inch of meter per month			
Capacity Reservation Charge				
1/1/20 - 12/31/20	per cubic foot per second (cfs)	\$8,800.00		
1/1/21 - 12/31/21	per cubic foot per second (cfs)		\$10,700	
1/1/22 - 12/31/22	per cubic foot per second (cfs)			\$12,200.00
Industrial Connection Min. Charge	per connection per month			
7/1/20 - 6/30/21		\$1,000.00		
7/1/21 - 6/30/22			\$1,000	
Resolution 2020-7-12				
Readiness to Serve Recovery Charge		75% of MWD RTS Charge Effective 7/1/20	90% of MWD RTS Charge Effective 7/1/21	100% of MWD RTS Charge Effective 7/1/22
Meter Equivalent Unit (MEU)	per MEU per month	\$1.04 Effective 7/1/20	\$1.08 Effective 7/1/21	\$1.10 Effective 7/1/22
WATER CONNECTION FEE - Resolution 2020-7-11				
Connection Fee to all potable and recycled water connections and upgrades				
	Meter Sizes	Effective 7/1/20	Effective 7/1/21	Effective 7/1/22
	5/8 "	\$1,684.00	\$1,787.00	\$1,841.00
	3/4 "	\$1,684.00	\$1,787.00	\$1,841.00
	1"	\$4,211.00	\$4,466.00	\$4,603.00
	1.5"	\$8,420.00	\$8,933.00	\$9,205.00
	2"	\$13,472.00	\$14,292.00	\$14,728.00
	3"	\$29,471.00	\$31,265.00	\$32,218.00
	4"	\$53,047.00	\$56,277.00	\$57,992.00
	6"	\$117,880.00	\$125,059.00	\$128,870.00
	8"	\$202,080.00	\$214,387.00	\$220,920.00
	10"	\$252,600.00	\$267,983.00	\$276,150.00
	12"	\$294,700.00	\$312,647.00	\$322,175.00

INLAND EMPIRE UTILITIES AGENCY
FY 2021/22 and FY 2022/23 ADOPTED RATES

		IMPLEMENTED RATES FY 2020/21	ADOPTED RATES FY 2021/22	ADOPTED RATES FY 2022/23
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) ⁽¹⁾				
NRWS NORTH SYSTEM - LOS ANGELES COUNTY SANITATION DISTRICTS (LACSD) - 2021-6-3				
Acquisition of Wastewater Discharge Right				Not Currently Available
Refer to Resolution 2020-7-3 Section 1 (See Formula)				
Purchase Rate to discharge one NRWSCU (NRW System Capacity Unit)		\$4,172.00	\$4,172.00	
Option- Annual Lease Rate for right to discharge one NRWSCU		\$208.60	\$208.60	
Volumetric Fee				
Direct Line Deliveries	per million gallons (MG)	\$940.00	\$957.25	
Strength Charges				
Chemical Oxygen Demand (COD)	per 1,000 pounds (dry weight)	\$166.00	\$169.05	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$470.00	\$478.21	
Peak Flow				
	per MG	\$357.00	\$362.63	
Operations Fee				
O&M Charges	per NRWSCU per month	\$20.25	\$21.83	
Capital Improvement Program (CIP) Charges	per NRWSCU per month	\$8.00	\$8.73	
Recycled Water Usage Credit				
	per MG of recycled water used	\$178.01	\$133.51	
NRWS SOUTH SYSTEM - SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) - 2021-6-4				
Initial Capacity Charge				Not Currently Available
Purchase of Agency Capacity Rights		\$215,000.00	\$215,000.00	
Monthly Capital Improvement Program (CIP) Fee				
	per CU	\$90.00	\$90.00	
Monthly Capacity Unit Fee				
	per CU	\$418.67	\$435.43	
Volumetric Fee				
Direct Line Deliveries	per million gallons (MG)	\$979.00	\$1,018.00	
Minimum Volumetric Charge	<= 100,000 gallons per month per capacity unit (CU)	\$97.90	\$101.80	
Strength Charges				
Biochemical Oxygen Demand (BOD)	per 1,000 pounds (dry weight)	\$316.00	\$329.00	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$442.00	\$460.00	
Recycled Water Usage Credit				
	per MG of recycled water used	\$178.01	\$133.51	
Truck Station Deliveries				
<u>Schedule</u>	<u>BOD or TSS Concentration (Up to 5,000 gallon)</u>			
Brine	Less than 100 mg/l	\$300.92	\$315.20	
	Incremental above 5,000 gallons \$/gal	\$0.015	\$0.016	
	100 mg/l and higher	\$300.92	\$315.20	
Non Brine	Incremental above 5,000 gallons \$/gal	\$0.015	\$0.016	
	BOD Charge \$/lb	\$0.750	\$0.780	
	TSS Charge \$/lb	\$0.716	\$0.745	
Non Brine Strength Charges				

APPENDICES

INLAND EMPIRE UTILITIES AGENCY FY 2021/22 and FY 2022/23 ADOPTED RATES

		IMPLEMENTED RATES FY 2020/21	ADOPTED RATES FY 2021/22	ADOPTED RATES FY 2022/23
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) ⁽¹⁾				
NRWS WASTEWATER HAULERS - 2021-6-1				
Domestic Wastewater Haulers to the Regional System:				Not Currently Available
Initial Permit Application Fee	initial charge	\$250.00	\$250.00	
Permit Renewal Fee	renewal fee	\$125.00	\$125.00	
Trucked Waste Volumetric Fee	per load up to 2,000 gallons	\$76.05	\$76.09	
	per load over 2,000 gallons	\$0.038 per one (1) gallon	\$0.04	
Excessive Biochemical Oxygen Demand and Suspended Solids:				
Biochemical Oxygen Demand in excess of 404 milligrams per liter	per 1,000 lb. dry weight	\$327.01	\$329.13	
Suspended Solids in excess of 357 milligrams per liter	per 1,000 lb. dry weight	\$332.10	\$384.86	
Non-Compliance	Reinsate elapspsd or expired Insurance requirements		\$150.00	
NRWS ETIWANDA WASTEWATER LINE (EWL) - 2021-6-2				
Initial Capacity Charge				Not Currently Available
Purchase of Agency Capacity Rights	per capacity unit (CU)	\$215,000.00	\$215,000.00	
Monthly Capacity Charge		\$80.00	\$80.00	
Monthly Capital Improvement Program (CIP) Fee		\$90.00	\$90.00	
Volumetric Fee				
Direct Line Deliveries	per million gallons (MG)	\$760.00	\$762.33	
Minimum Volumetric Charge		\$76.00	\$76.23	
		<= 100,000 gallons per month per capacity unit		
Strength Charges				
Chemical Oxygen Demand (COD)	per 1,000 pounds (dry weight)	\$135.00	\$134.63	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$380.00	\$380.83	
Recycled Water Usage Credit		\$178.01	\$133.51	

INLAND EMPIRE UTILITIES AGENCY
FY 2021/22 and FY 2022/23 ADOPTED RATES

	IMPLEMENTED RATES FY 2020/21	ADOPTED RATES FY 2021/22	ADOPTED RATES FY 2022/23
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS)⁽¹⁾			
NRWS - ALL REGIONAL WASTEWATER SYSTEMS			
Application Fees:			
Capacity Right/Capacity Option agreement per agreement	\$250.00	\$250.00	Not Currently Available
Initial Wastewater Discharge Permit Application Fees:			
For Wastewater Generators who discharge directly through the pipeline connection to the Brine Line			
Categorical Industrial User	\$4,375.00	\$4,375.00	
with Combined Waste Stream Formula, add	\$1,063.00	\$1,063.00	
with Production Based Standards, add	\$563.00	\$563.00	
with Multiple Categories, add	\$2,125.00	\$2,125.00	
Non-Categorical, Significant, Industrial User	\$3,188.00	\$3,188.00	
Non-Categorical, Non-Significant Industrial User	\$2,625.00	\$2,625.00	
Permit Renewal Fees:			
For Wastewater Generators who discharge directly through the pipeline connection to the Brine Line			
Categorical Industrial Users	\$3,250.00	\$3,250.00	
with Combined Waste Stream Formula, add	\$563.00	\$563.00	
with Production Based Standards, add	\$313.00	\$313.00	
with Multiple Categories, add	\$1,063.00	\$1,063.00	
Non-Categorical, Significant, Industrial User	\$813.00	\$813.00	
Non-Categorical, Non-Significant Industrial User	\$563.00	\$563.00	
Initial Wastewater Discharge Permit Fees:			
For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRW sewer system			
Categorical Industrial User	\$2,750.00	\$2,750.00	
with Combined Waste Stream Formula, add	\$1,063.00	\$1,063.00	
with Production Based Standards, add	\$563.00	\$563.00	
with Multiple Categories, add	\$2,125.00	\$2,125.00	
Non-Categorical, Significant, Industrial User	\$1,625.00	\$1,625.00	
Non-Categorical, Non-Significant Industrial User	\$1,063.00	\$1,063.00	
Permit Renewal Fees:			
For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRW sewer system			
Categorical Industrial Users	\$2,250.00	\$2,250.00	
with Combined Waste Stream Formula, add	\$563.00	\$563.00	
with Production Based Standards, add	\$313.00	\$313.00	
with Multiple Categories, add	\$1,063.00	\$1,063.00	
Non-Categorical, Significant Industrial User	\$813.00	\$813.00	
Non-Categorical, Non-Significant Industrial User	\$563.00	\$563.00	
Initial Wastewater Hauler Permit Application & Permit Fees (NRWS):			
Permit Application for Wastewater Hauler	\$250.00	\$250.00	
Permit Renewal for Wastewater Hauler	\$125.00	\$125.00	
Major Permit Modification /Facility Expansion Fee			
Major Permit Modification	\$1,625.00	\$1,625.00	
Facility Expansion	\$1,625.00	\$1,625.00	
Minor Permit Modification Fees:			
Changes of Equipment Maintenance or Monitoring Requirements/Changes of Discharge Limits	\$813.00	\$813.00	
Business Name Change/Owner Name Change	\$250.00	\$250.00	
Change of Limits/Evaluation of Toxic Organic Management Plan Processing	No Charge	No Charge	

(Refer to respective rate resolutions for details)

(1) FY 2021/22 NRW Rates are adopted on an annual basis based on LACSD and SAWPA annual pass-through rate adoption

APPENDICES

RESOLUTION NO. 2021-4-4

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, DECLARING ITS INTENT TO ADOPT BUDGETS FOR THE REGIONAL SEWAGE, RECYCLED WATER, NON-RECLAIMABLE WASTEWATER, AND WATER RESOURCES PROGRAMS AND FIXING TIME AND PLACE OF HEARING THEREON

WHEREAS, pursuant to the Chino Basin Regional Sewage Service Contract, this Board of Directors shall adopt its resolution of intent to adopt budgets for its Regional Sewage Program and fix a time and place of hearing thereon.

WHEREAS, this Board of Directors shall also adopt its resolution to hold a public hearing to receive public comments on the proposed Fiscal Years 2021/22 and 2022/23 budget for the Recycled Water, Non-Reclaimable Wastewater, and Water Resources Programs.

NOW THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

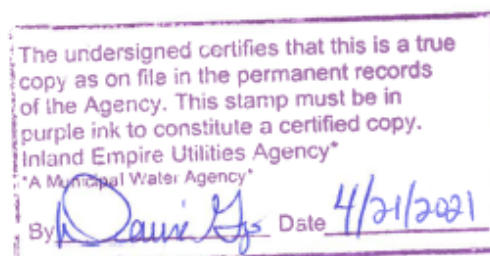
Section 1: That the Board of Directors hereby declares its intent to adopt Regional Sewage and said proposed budgets for Fiscal Years 2021/22 and 2022/23,

Section 2: That the Board of Directors hereby fixes a time and place for hearing on said proposed budgets as follows:

Date	Time	Place
<u>June 16, 2021</u>	<u>10:00 a.m.</u>	Office of the Agency 6075 Kimball Ave. Chino, CA 91708

Section 3: That the Secretary is hereby authorized and directed to distribute copies of this resolution. The draft program budget of the Regional Sewage Recycled Water, Non-Reclaimable Wastewater, Water Resources will be distributed following review by the Board of Directors.

Section 4: Upon adoption of this resolution, Resolution No. 2019-5-1 is hereby rescinded in its entirety.



Resolution No. 2021-4-4
Page 2 of 3

ADOPTED this 21st day of April 2021.



Jasmin A. Hall
President of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

(SEAL)

* A Municipal Water District

APPENDICES

Resolution No. 2021-4-4

Page 3 of 3

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2021-4-4 was adopted at a regular
Board Meeting on April 21, 2021 of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None



Steven J. Elie
Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2021-6-15

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING AND ADOPTING ITS BUDGET FOR
FISCAL YEARS 2021/22 and 2022/23.**

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities
Agency* does hereby **RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

Section 1. That this Board of Directors hereby approves and adopts the biennial budget
for Fiscal Years 2021/22 and 2022/23, subject to any regulatory reform, or action of the
State legislature that would have negative impact on the Agency's revenues and
expenditures.


Section 2. Upon adoption of this resolution, Resolution No. 2019-6-10 is hereby
rescinded in its entirety.

ADOPTED this 16th day of June 2021.



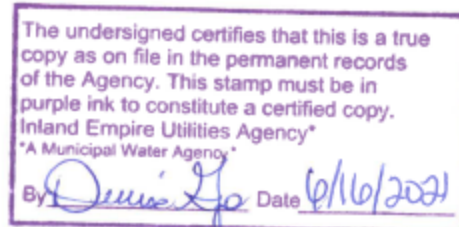
Jasmin A. Hall
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District



APPENDICES

Resolution No. 2021-6-15
Page 2 of 2

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2021-6-15 was adopted at a regular
meeting on June 16, 2021, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2020-5-1

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN
BERNARDINO COUNTY, CALIFORNIA, REVISING THE
ESTABLISHED SERVICE RATES FOR IMPROVEMENT
DISTRICT "C" FOR FISCAL YEAR 2020/21 THROUGH
YEAR 2021/22**

WHEREAS, the Board of Directors approved on November 20, 2019 the monthly wastewater Equivalent Dwelling Unit (EDU) for Fiscal Years 2020/21 and 2021/22, as requested by member agencies and unanimously recommended by the Regional Committees;

WHEREAS, since the approval of the rates, the outbreak of the COVID-19 pandemic and the drastic measures undertaken at the federal, state, and local levels to contain the spread of the virus have significantly altered our lives, our communities, and our economy;

WHEREAS, the Board of Directors is aware of the potential economic impact this pandemic may have on member agencies and communities we serve:

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following on the equivalent dwelling unit (EDU) rates:

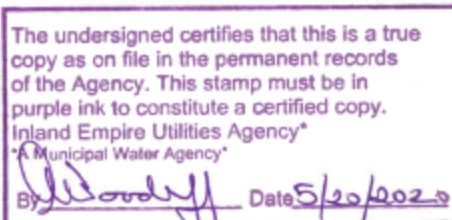
Section 1. Effective July 1, 2020, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be maintained at \$20.00 per equivalent dwelling unit (EDU) per month.

Section 2. Effective July 1, 2021, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage shall be \$21.22 per equivalent dwelling unit (EDU) per month.

Section 6. The provisions of the Regional Sewage Service Contract and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 7. That upon the effective date of this Resolution, Resolution No. 2019-11-2 is hereby rescinded.

ADOPTED this 6th day of May, 2020.

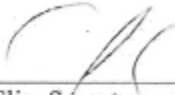


[Signature]
Kati Parker, President of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

APPENDICES

Resolution No. 2020-5-1
Page 2 of 3

ATTEST:



Steven J. Elie, Secretary of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

* A Municipal Water District

Resolution No. 2020-5-1

Page 3 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2020-5-1 was adopted at a Board
Meeting on May 6, 2020, of said Agency by the following vote:

AYES: Hofer, Hall, Elie, Camacho, Parker

NOES: None

ABSTAIN: None

ABSENT: None



Steven J. Elie, Secretary/Treasurer of
the Inland Empire Utilities Agency*
and of the Board of Directors thereof

(SEAL)

* A Municipal Water District

APPENDICES

RESOLUTION NO. 2020-7-9

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING RATES COVERING THE SALE OF RECYCLED WATER TO SUPPORT OPERATIONS AND MAINTENANCE OF IEUA'S REGIONAL RECYCLED WATER SYSTEM FOR FISCAL YEARS 2020/21 AND 2021/22

WHEREAS, The Regional Advisory Committees have reviewed and recommended service rates for Fiscal Years 2020/21 and 2021/22:

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

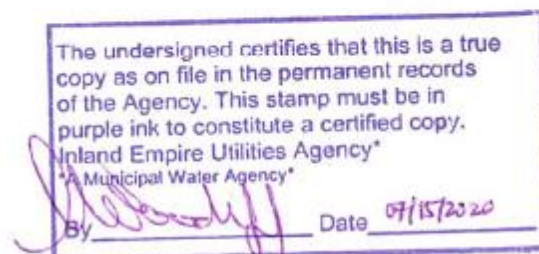
Section 1. That effective July 1, 2020, the direct sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,503.98 per million gallons or \$490.00 per acre foot.

Section 2. That effective July 1, 2020, the recharge sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,688.15 per million gallons or \$550.00 per acre foot.

Section 3. That effective July 1, 2021, the direct sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,596.07 per million gallons or \$520.00 per acre foot, and remain in effect until rescinded by a new resolution.

Section 4. That effective July 1, 2021, the recharge sale of recycled water under the terms of Ordinance 69 that is available to our Contracting Agencies from the Tertiary Treatment Plants shall be \$1,780.23 per million gallons or \$580.00 per acre foot, and remain in effect until rescinded by a new resolution.

Section 5. Upon the effective date of this Resolution, Resolution No. 2015-5-4 is hereby rescinded in their entirety.



Resolution No. 2020-7-9
Page 2 of 3

ADOPTED this 15th day of July 2020.



Kati Parker
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

* A Municipal Water District

APPENDICES

Resolution No. 2020-7-9

Page 3 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2020-7-9, was adopted at
a regular meeting on July 15, 2020, of said Agency* by the following vote:


AYES: Camacho, Elie, Hofer, Hall, Parker

NOES: None

ABSTAIN: None

ABSENT: None

(SEAL)



Steven J. Elie
Secretary/Treasurer

* A Municipal Water District

RESOLUTION NO. 2020-7-10

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY* (IEUA), SAN BERNARDINO
COUNTY, CALIFORNIA, ESTABLISHING THE
REIMBURSEMENT PAYMENT FOR FISCAL YEAR 2020/21
THROUGH 2021/22.**

WHEREAS, the Finance, Legal, and Administration Committee and the Board of Directors have reviewed and recommended the adjustments to the Reimbursement Payment;

WHEREAS, the financing of the Ten-Year Forecast requires that the Reimbursement Payment will be maintained at \$6,955 per Equivalent Dwelling Unit (EDU) effective July 1, 2020; and increased to \$7,379 per EDU effective July 1, 2021;

NOW THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby **RESOLVE, DETERMINE AND ORDER** the following to be effective on the dates shown, and remain in effect until rescinded by a new resolution:


Section 1. July 1, 2020 for Fiscal Year 2020/21 the Reimbursement Payment for the Contracting Agencies shall be \$6,955 per EDU.

Section 2. July 1, 2021 for Fiscal Year 2021/22 the Reimbursement Payment for the Contracting Agencies shall be \$7,379 per EDU

Section 3. That the provisions of the Regional Sewage Service Contract and any amendments thereto, are hereby applicable and will remain in full force and effect.

Section 4. That upon the effective date of this Resolution, Resolution No. 2015-5-5 is hereby rescinded.

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

By  Date 7/15/2020

APPENDICES

RESOLUTION NO. 2020-7-10

Page 2 of 3

ADOPTED this 15th day of July 2020



Kati Parker
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:



Steven J. Elle
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of Directors
thereof

RESOLUTION NO. 2020-7-10
Page 3 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

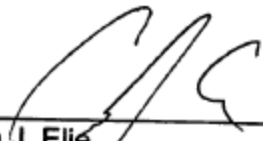
I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2020-7-10 was adopted at a
regular Board Meeting on July 15, 2020, of said Agency by the following vote:

AYES: Camacho, Elie, Hofer, Hall, Parker

NOES: None

ABSTAIN: None

ABSENT: None



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

APPENDICES

RESOLUTION NO. 2020-7-11

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING THE WATER CONNECTION FEE FOR FISCAL YEARS 2020/21 THROUGH 2024/25

WHEREAS, modification of this policy may be included in future rate resolutions; and

WHEREAS, the Board of Directors establishes a fee from each new connection or upsized connection within IEUA's service area as a condition of receiving water deliveries from any source provided by IEUA including, but not limited to, Metropolitan supplies, recycled water, and groundwater; and

WHEREAS, the Board of Directors has determined that each new connection is subject to fees based upon the meter size; and

WHEREAS, the Board of Directors has determined that the levy of a one-time connection fee charge be imposed on any new retail water connection or upsized connection to any water system within the Agency's service area in order to recover growth related costs incurred by the Agency and defined in Ordinance 104.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS the following to be effective, July 1 of each fiscal year, and remain in effect until rescinded by a new resolution:

Section 1. Customers subject to payment of water capacity charges for new connections shall pay the charges in accordance with the following table:

Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
Effective Date	7/1/2020	7/1/2021	7/1/2022	7/1/2023	7/1/2024
5/8"	\$1,684	\$1,787	\$1,841	\$1,896	\$1,953
3/4"	\$1,684	\$1,787	\$1,841	\$1,896	\$1,953
1"	\$4,211	\$4,466	\$4,603	\$4,740	\$4,883
1.5"	\$8,420	\$8,933	\$9,205	\$9,480	\$9,765
2"	\$13,472	\$14,292	\$14,728	\$15,168	\$15,624
3"	\$29,471	\$31,265	\$32,218	\$33,180	\$34,178
4"	\$53,047	\$56,277	\$57,992	\$59,724	\$61,520
6"	\$117,880	\$125,059	\$128,870	\$132,720	\$136,710
8"	\$202,080	\$214,387	\$220,920	\$227,520	\$234,360
10"	\$252,600	\$267,983	\$276,150	\$284,400	\$292,950
12"	\$294,700	\$312,647	\$322,175	\$331,800	\$341,775

Resolution No. 2020-7-11
Page 2 of 3

ADOPTED this 15th day of July, 2020.



Kati Parker
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

APPENDICES

Resolution No. 2020-7-11
Page 3 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

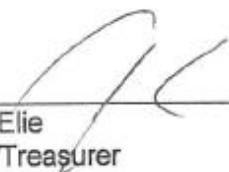
I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2020-7-11 was adopted at a regular
meeting on July 15, 2020, of said Agency* by the following vote:

AYES: Camacho, Elie, Hofer, Hall, Parker

NOES: None

ABSTAIN: None

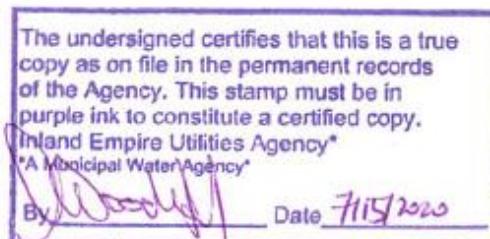
ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District



RESOLUTION NO. 2020-7-12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING METER EQUIVALENT UNIT (MEU) RATES AND THE READINESS-TO-SERVE (RTS) TEN YEAR ROLLING AVERAGE (TYRA) PASS_THROUGH

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency (IEUA) establishes, from time to time, rates to support the readiness-to-serve charges from Metropolitan Water District of Southern California (MWD), program costs incurred for the regional water resources program.

WHEREAS, the Board of Directors of IEUA shall establish an annual Readiness to serve (RTS) pass-through charge, based on a Ten Year Rolling Average (TYRA) MWD methodology.

WHEREAS, the Board of Directors shall establish an annual Meter Equivalent Unit (MEU) charge rate to yield revenues sufficient to recover the regional water resources program costs.

WHEREAS, modification of this resolution may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS that the following to be effective on the rates shown below, and remain in effect until rescinded by a new resolution:

Section 1.A That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass-through shall be charged to the Local Agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority), to recover their share of total RTS charge imposed by MWD, and will be phased-in over a period of - seven (7) years as follows:

- a. October 1, 2016 through June 30, 2017 of Fiscal Year 2016/17, the RTS TYRA charge shall be 15% of the MWD RTS charge
- b. July 1, 2017 for Fiscal Year 2017/18, the RTS TYRA charge shall be 30% of the MWD RTS charge.
- c. July 1, 2018 for Fiscal Year 2018/19 the RTS TYRA charge shall be 45% of the MWD RTS charge.
- d. July 1, 2019, for Fiscal Year 2019/20 the RTS TYRA charge shall be 60% of the MWD RTS charge.

APPENDICES

Resolution No. 2020-7-12

Page 2 of 4

- e. July 1, 2020 for Fiscal Year 2020/21 the RTS TYRA charge shall be 75% of the MWD RTS charge.
- f. July 1, 2021, for Fiscal Year 2021/22 the RTS TYRA charge shall be 90% of the MWD RTS charge.
- g. July 1, 2022, for Fiscal Year 2022/23 the RTS TYRA charge shall be 100% of the MWD RTS charge.

Section 1.B That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass through shall be charged to Non Local Agencies to recover 100% of their share of total RTS charge imposed by MWD, effective October 1, 2016.

Section 2. That the Meter Equivalent Unit (MEU) rate, shall be charged to the Local Agency effective July 1, 2020:

- a. July 1, 2020 for Fiscal Year 2020/21, that the rate for each active retail water meter shall be \$1.04 per meter equivalent unit per month.
- b. July 1, 2021 for Fiscal Year 2021/22, that the rate for each active retail water meter shall be \$1.08 per MEU per month.
- c. for Fiscal Year 2022/23, that the rate for each active retail water meter shall be \$1.10 per MEU per month.
- d. for Fiscal Year 2023/24, that the rate for each active retail water meter shall be \$1.12 per MEU per month.
- e. for Fiscal Year 2024/25, that the rate for each active retail water meter shall be \$1.14 per MEU per month.

Section 3. In the event of any delinquent payments for bills related to MEU or other charges, the Agency will apply Division III, Part I, Section 107 of Ordinance No. 104

Section 4. That upon the effective date of this Resolution, Resolution No. 2016-6-7 is hereby rescinded in its entirety.

Resolution No. 2020-7-12
Page 3 of 4

ADOPTED this 15th day of July 2020.



Kati Parker
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

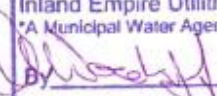
ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

The undersigned certifies that this is a true
copy as on file in the permanent records
of the Agency. This stamp must be in
purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

By  Date 7/15/2020

APPENDICES

Resolution No. 2020-7-12

Page 4 of 4

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2020-7-12, was adopted at a regular
meeting on July 15, 2020, of said Agency* by the following vote:

AYES: Camacho, Elie, Hofer, Hall, Parker

NOES: None

ABSTAIN: None

ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2021-6-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA WATERSHED PROJECT AUTHORITY FOR FISCAL YEARS 2021/22 AND 2022/23

WHEREAS, the Inland Empire Utilities Agency* is a member agency of the Santa Ana Watershed Project Authority (SAWPA);

WHEREAS, the Joint Exercise of Powers Agreement (JPA), which created SAWPA, required approval by the member agency of all general and specific project budgets of SAWPA to the extent that such budgets may impose any liability on the member agency; and

WHEREAS, Paragraphs 9 and 27 of the JPA required the Agency's approval of such budgets be evidenced by a certified copy of a Resolution of Approval filed with SAWPA.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Inland Empire Utilities Agency hereby approves SAWPA's Fiscal Year (FY) 2021/22 and Fiscal Year 2022/23 Budgets, directs the Board Secretary/Office Manager to send a certified copy of this Resolution to SAWPA, and authorizes payment to SAWPA of the member agency contribution for \$311,369 (FY 2021/22) and \$313,087 (FY 2022/23).


ADOPTED this 16th day of June 2021.



Jasmin A. Hall

President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

*A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

By  Date

6/16/2021

APPENDICES

Resolution No. 2021-6-13

Page 2 of 2

STATE OF CALIFORNIA

)

)SS

COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2021-6-13 was adopted at a regular
meeting on June 16, 2021, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None

Steven J. Elie/
Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2021-6-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2021/22.

WHEREAS, it is necessary to establish service rates for processing and issuing permits to domestic, commercial, or industrial wastewater dischargers and wastewater haulers permitted by IEUA, and service rates for processing and treatment of sanitary, commercial or industrial wastewater deliveries to the Inland Empire Utilities Agency (Agency)'s Regional Wastewater System;

WHEREAS, it is necessary to establish application fees for processing and issuing of wastewater discharge permits to industrial wastewater generators who discharge directly through pipeline connections to the Regional Sewer System;

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 97, may establish said service rates by resolution.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1, 2021, and remain in effect until rescinded by a new resolution:

Section 1 That Wastewater Permit Application for Domestic Wastewater Hauler fees is as follow:

Initial Permit Application Fee	\$250.00
Permit Renewal Fee	\$125.00

Section 2 That wastewater volumetric fee for domestic and industrial wastewater hauler is as follow:

For each load up to 2,000 gallons	\$ 76.09
Loads in excess of 2,000 gallons	\$ 0.04 per one (1) gallon

APPENDICES

Resolution No. 2021-6-1

Regional Rates

Page 2 of 5

Section 3 That a rate schedule effective July 1, 2021, for delivery of domestic and industrial wastewater to regional plants with excessive biochemical oxygen demand and suspended solids is hereby established as follows:

<u>Quantity</u>	<u>Rate</u>
Biochemical Oxygen Demand (BOD) in excess of 404 mg/L	\$329.13 per 1,000 lb (dry weight)
Suspended Solids (SS) in excess of 357 mg/L	\$384.86 per 1,000 lb (dry weight)

Section 4 A Non-Compliance fee of \$150.00 shall be assessed to reinstate elapsed or expired insurance requirements.

Section 5 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the Regional Sewer System shall be:

Initial Wastewater Discharge Permit Application Fees (Ownership Change with Process Changes included):

Categorical Industrial User	\$4,375.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$3,188.00
Non-Categorical, Non-Significant Industrial User	\$2,625.00

Permit Renewal Fees:

Categorical Industrial User	\$3,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the NRWS sewer system shall be:

Resolution No. 2021-6-1
Regional Rates
Page 3 of 5

Initial Wastewater Discharge Permit Application Fees:

(Ownership Change with Process Changes included)

Categorical Industrial User	\$2,750.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$1,625.00
Non-Categorical, Non-Significant Industrial User	\$1,063.00

Permit Renewal Fees:

Categorical Industrial User	\$2,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$1,625.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 8 That for change of business name with no process changes shall be: \$250.00

That Permit Addendum fees shall be: \$813.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 9 That IEUA will pass on to wastewater permit holder any other charges, such as, but not limited to, excessive strength charges, laboratory analysis charges, inspection activity charges, etc.

APPENDICES

Resolution No. 2021-6-1
Regional Rates
Page 4 of 5

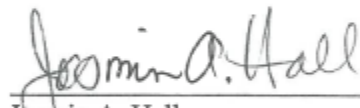
Section 10 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 11 That all provisions of the Regional Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 12 That upon the effective date of this Resolution, Resolution No. 2020-7-1 is hereby rescinded in its entirety.


* * *

ADOPTED this 16th day of June 2021



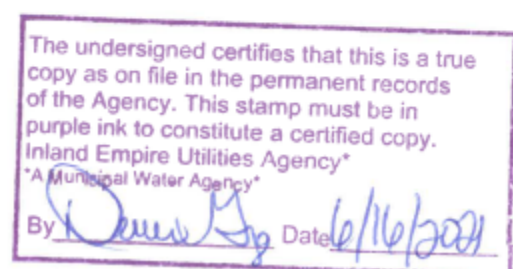
Jasmin A. Hall
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District



APPENDICES

RESOLUTION NO. 2021-6-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR (FY) 2021/22.

WHEREAS, *Etiwanda Wastewater Line Disposal Agreement* (Agreement) was entered between Los Angeles County Sanitation District (LACSD) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate industries with Etiwanda Wastewater Line Capacity Unit (EWLCU), in order to collect such charges;

WHEREAS, one EWLCU for the EWL is defined as an equalized discharge not to exceed a flow rate of 15 gallons per minute;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Agency's EWL;

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost;

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution;

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2021, and remain in effect until rescinded by a new resolution:

Resolution No. 2021-6-2
EWL Rates
Page 2 of 6

Section 1 That the acquisition of capacity rights shall be as follows:

(A) CAPACITY RIGHT ACQUISITION RATE

That the purchase rate for the right to discharge one (1) EWLCU for the EWL shall be \$215,000.00 per an equalized flow rate not to exceed 15 gallons per minute. This charge shall be paid in full upon the execution of the Capacity Right Agreement.

Section 2 That the monthly charges for discharge to the EWL are as follows:

(A) CAPACITY CHARGES

For discharge to the EWL, which reaches the jurisdiction of the LACSD, the monthly Capacity Charge is \$80.00 per month per each EWLCU.

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

The monthly Capital Improvements Program (CIP) charge for EWL is \$90.00 per month per each EWLCU.

(C) VOLUMETRIC CHARGES

The Volumetric Charge for EWL is \$762.33 per Million Gallons. The minimum Volumetric Charge for discharge of 100,000 gallons or less per each EWLCU per month is \$76.23 per month per each EWLCU.

(D) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the EWL. The rates are as follows:

PARAMETER**RATE**

COD	\$134.63 per 1,000 pounds (dry weight)
TSS	\$380.83 per 1,000 pounds (dry weight)

Strength charges for the EWL discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

APPENDICES

Resolution No. 2021-6-2

EWL Rates

Page 3 of 6

(E) AGENCY CIP AND O&M CHARGES

Agency CIP and O&M Charges of 50% shall be added to the charges of Section 2(A), 2(C), and 2(D).

(F) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate and shall decline at 5% intervals per year through FY 2023/2024.

For Fiscal Year 2021/22, the Recycled Water Usage Credit is \$133.51 per million gallons of recycled water used.

Section 3 OTHER CHARGES

IEUA will pass on any other charges from LACSD invoiced to the Agency to dischargers to the EWL, such as, but not limited to, flow and strength imbalances charges, permit fees, inspection fees, analytical fees, etc.

Section 4 That Application fees for an EWL Capacity Right Agreement shall be: \$250.00

Section 5 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the EWL sewer system shall be:

Initial Wastewater Discharge Permit Application Fees: (Ownership Change with Process Changes included)

Categorical Industrial User	\$4,375.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$3,188.00
Non-Categorical, Non-Significant Industrial User	\$2,625.00

Permit Renewal Fees:

Categorical Industrial User	\$3,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 6 That Permit Revision or Facility Expansion fees shall be: \$1,625.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 7 That for change of business name with no process changes shall be: \$250.00

That Permit Addendum fees shall be: \$813.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 8 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 9 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 10 That all provisions of the Etiwanda Wastewater Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 11 That upon the effective date of this Resolution, the Resolution No. 2020-7-2 pertaining to the EWL is hereby rescinded in its entirety.

APPENDICES

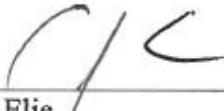
Resolution No. 2021-6-2
EWL Rates
Page 5 of 6

ADOPTED this 16th day of June 2021



Jasmin A. Hall
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:

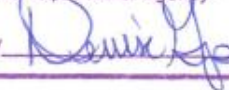


Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

The undersigned certifies that this is a true
copy as on file in the permanent records
of the Agency. This stamp must be in
purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

By



Date

6/16/2021

APPENDICES

RESOLUTION NO. 2021-6-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR (FY) 2021/22

WHEREAS, NRWS *Wastewater Disposal Agreement No. 4830* (Agreement) has been adopted between the Los Angeles County Sanitation District (LACSD) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate User with Non Reclaimable Wastewater System Capacity Unit (NRWSCU), in order to collect such charges;

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Solids Discrepancy at East End (SD_{EE}) monitoring facility determined by the *Fractional Solids Discrepancy* (FSD_i) formula;

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Volumetric, Chemical Oxygen Demand (COD), and NRWSCU discrepancies at East End monitoring facility as determined by the preceding fiscal year's monitoring data;

WHEREAS, it is necessary to establish application fees for processing applications for NRWSCU Allocations and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s NRWS;

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost;

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution;

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2021, and remain in effect until rescinded by a new resolution:

Resolution No. 2021-6-3
NRWS Rates
Page 2 of 7

Section 1 That the acquisition of wastewater discharge right shall be as follows:

(A) NRWSCU ACQUISITION RATES

1. A NRWSCU for the NRWS is determined by the following formula:

$$NRWSCU = \left(0.6513 \times \frac{Flow_{gpd}}{260} \right) + \left(0.1325 \times \frac{COD_{ppd}}{1.22} \right) + \left(0.2162 \times \frac{TSS_{ppd}}{0.59} \right)$$

Where:

gpd = gallons per day

ppd = pounds per day

2. The minimum number of NRWSCU shall be 25 NRWSCU.
3. The **purchase rate** for the right to discharge one (1) NRWSCU shall be as established by LACSD or \$4,172.00 per NRWSCU.
4. The optional **annual lease rate** for the right to discharge one (1) NRWSCU shall be 5% per year of the purchase rate, i.e. \$208.60 per NRWSCU per each year.

The above charges shall be paid in full upon the execution of the NRWSCU purchase or lease.

Section 2 That the monthly charges for discharge to the NRWS are:

(A) VOLUMETRIC CHARGES

For discharge to the NRWS, the monthly volumetric charge is \$957.25 per million gallons of discharge.

(B) PEAK FLOW CHARGES

For discharge to the NRWS, the monthly Peak Flow (PF) Charge shall be \$362.63 per million gallons of volumetric discharge.

(C) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the NRWS. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$169.05 per 1,000 pounds (dry weight)
TSS	\$478.21 per 1,000 pounds (dry weight)
Strength charges for the NRWS discharges are calculated from the average of all	

APPENDICES

Resolution No. 2021-6-3
NRWS Rates
Page 3 of 7

the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(D) AGENCY O&M Charge

The Agency's O&M charge shall be \$21.83 per NRWSCU per month.

(E) AGENCY CIP CHARGE

The Agency's capital improvement program charge shall be \$8.73 per NRWSCU per month.

(F) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate and shall decline at 5% intervals per year through FY 2023/2024.

For Fiscal Year 2021/22, the Recycled Water Usage Credit is \$133.51 per million gallons of recycled water used.

Section 3 IMBALANCE CHARGES

(A) SOLIDS DISCREPANCY CHARGES for NRWS

Solids Discrepancy Charge for an industry (SDC_i) shall be calculated on a monthly basis and invoiced on a quarterly basis. The charge shall be calculated by multiplying the individual industry's *Fractional Solids Discrepancy* (FSD_i) by the Total Solids Discrepancy at East End monitoring facility (TSD_{EE}) and by TSS rate:

$$SDC_i = (FSD_i) \times (TSD_{EE}) \times (TSS \text{ rate})$$

Individual industry's FSD_i for the NRWS is determined by the FSD_i formula to allocate the individual industry's solids contribution to the total solids discrepancy, based on their contribution to the overall loading of Alkalinity, Biological Oxygen Demand (BOD), Dissolved Calcium, and Flow.

$$FSD_i = 0.090 \times \left[\frac{Alk_i}{Alk_T} \right] + 0.589 \times \left[\frac{BOD_i}{BOD_T} \right] + 0.060 \times \left[\frac{Ca_i}{Ca_T} \right] + 0.261 \times \left[\frac{Flow_i}{Flow_T} \right]$$

Where:

FSD_i = Fractional Solids Discrepancy for individual discharger (i)

Alk_i = Individual dissolved alkalinity loading to the NRWS for discharger (i)

Alk_T = Combined dissolved alkalinity loading from all dischargers to the NRWS

BOD_i = Individual BOD_5 loading to the NRWS for discharger (i)

BOD_T = Combined BOD_5 loading from all dischargers to the NRWS

Ca_i = Individual dissolved calcium loading to the NRWS for discharger (i)

Ca_T = Combined dissolved calcium loading from all dischargers to the NRWS

$Flow_i$ = Individual flow contribution to the NRWS from discharger (i)

$Flow_T$ = Combined flow from all dischargers to the NRWS

(B) OTHER IMBALANCE CHARGES

IEUA will pass to NRWS dischargers any other charges from LACSD invoiced to the Agency as a result of imbalance in the NRWS, including volumetric, COD, and NRWSCU imbalance charges. The charges shall be calculated on pro rata share for each component and invoiced on a quarterly basis.

Section 4 OTHER CHARGES

IEUA will pass on any other charges from LACSD invoiced to the Agency to dischargers to the NRWS, such as, but not limited to permit fees, inspection fees, analytical fees, etc.

Section 5 That Application fee for a NRWS Capacity Unit Purchase or Annual Lease shall be: \$250.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees: (Ownership Change with Process Changes included)

Categorical Industrial User	\$4,375.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$3,188.00
Non-Categorical, Non-Significant Industrial User	\$2,625.00

APPENDICES

Resolution No. 2021-6-3
NRWS Rates
Page 5 of 7

Permit Renewal Fees:

Categorical Industrial User	\$3,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$1,625.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 8 That for change of business name with no process changes shall be: \$250.00

That Permit Addendum fees shall be: \$813.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 9 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 10 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 11 That all provisions of the Non-Reclaimable Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

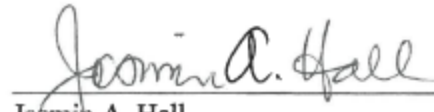
Section 12 That upon the effective date of this Resolution, the Resolution No. 2020-7-3 pertaining to the NRWS is hereby rescinded in its entirety.

Resolution No. 2021-6-3

NRWS Rates


Page 6 of 7

ADOPTED this 16th day of June 2021.



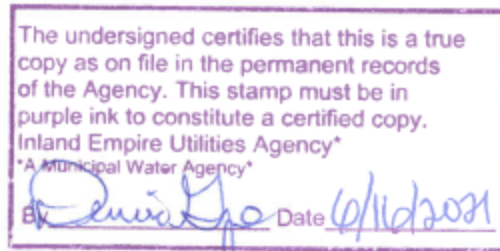
Jasmin A. Hall
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District



Resolution No. 2021-6-3
NRWS Rates
Page 7 of 7

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2021-6-3 as adopted at a regular
Board meeting on June 16, 2021, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None

Steven J. Elle
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2021-6-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE INLAND EMPIRE BRINE LINE (BRINE LINE) FOR FISCAL YEAR (FY) 2021/22.

WHEREAS, it is necessary to establish initial and monthly capacity charges, volumetric flow charges, CIP charges, trucked wastewater delivery charges and excessive strength charges;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s Brine Line;

WHEREAS, one Agency Capacity Unit (CU) is defined as an equalized discharge at the flow rate of 15 gallons per minute (GPM);

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost;

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 106, may establish said fees and charges by Resolution;

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2021, and remain in effect until rescinded by a new resolution:

Section 1 That the Initial Capacity Charge for the purchase of Agency Capacity Rights shall be set at \$215,000.00 per CU.

Section 2 That the monthly charges for discharge to the Brine Line are as follows:

(A) CAPACITY CHARGES:

For discharge to the Brine Line, which reaches jurisdiction of the Santa Ana Watershed Project Authority (SAWPA), the monthly Capacity Charge is \$435.43 per CU.

APPENDICES

Resolution No. 2021-6-4
IEBL Rates
Page 2 of 7

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

The monthly Capital Improvements Program (CIP) charge for Brine Line is \$90.00 per CU per month.

(C) VOLUMETRIC CHARGES

For discharge to the Brine Line, the monthly Volumetric Charge is \$1,018.00 per Million Gallons of discharge. The minimum Volumetric Charge for discharge of 100,000 gallons or less per CU per month is \$101.80 per CU per month.

(D) STRENGTH CHARGES

That Strength Charges are applicable to all discharges to the Brine Line, via pipeline or hauled by truck, for excessive Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS). The rates are as follows:

<u>QUANTITY</u>	<u>RATE</u>
BOD	\$329.00 per 1,000 pounds (dry weight)
TSS	\$460.00 per 1,000 pounds (dry weight)

Strength charges for the Brine Line discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a monthly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(E) AGENCY ADMINISTRATIVE CHARGES

Agency Administrative Charges of 50 percent shall be added to the charges of Section 2(A), 2(C), and 2(D).

(F) RECYCLED WATER USAGE CREDIT FOR BRINE LINE

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate and shall decline at 5 percent intervals per year through FY 2023/2024.

Resolution No. 2021-6-4
IEBL Rates
Page 3 of 7

For FY 2021/22, the Recycled Water Usage Credit is \$133.51 per million gallons of recycled water used.

(G) OTHER CHARGES

IEUA will pass on any other charges from SAWPA invoiced to the Agency to dischargers to the Brine Line, such as, but not limited to, flow and strength imbalances charges, permit fees, inspection fees, analytical fees, etc.

Section 3 For trucked discharges to the Brine Line, the wastewater discharge rate shall be based on the applicable Tiered Schedule as established by the higher concentration value for BOD or TSS. The Brine Line Tiered Rate Schedule for Trucks is shown in Table 1.

Table 1 – Brine Line Tiered Rate Schedule for Trucks

Tiered Schedule	BOD / TSS Concentration	Volumetric Charge Up to 5,000 gallons	Incremental Charge above 5,000 gallons, \$ per one (1) gallon	Concentrations over 100 mg/L	
				BOD Charge \$ per lb	TSS Charge \$ per lb
Brine	BOD and TSS Less than 100 mg/L	\$315.20	\$0.016		
Non-Brine	BOD or TSS 100 mg/L and higher	\$315.20	\$0.016	\$0.780	\$0.745

Section 4 That Application fees for a Capacity Right Agreement shall be: \$250.00

Section 5 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees
(Ownership Change with Process Changes included):

Categorical Industrial User	\$4,375.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$3,188.00
Non-Categorical, Non-Significant Industrial User	\$2,625.00

APPENDICES

Resolution No. 2021-6-4

IEBL Rates

Page 4 of 7

Permit Renewal Fees:

Categorical Industrial User	\$3,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 6 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees: (Ownership Change with Process Changes included)

Categorical Industrial User	\$2,750.00
with Combined Waste Stream Formula, add	\$1,063.00
with Production Based Standards, add	\$563.00
with Multiple Categories, add	\$2,125.00
Non-Categorical, Significant Industrial User	\$1,625.00
Non-Categorical, Non-Significant Industrial User	\$1,063.00

Permit Renewal Fees:

Categorical Industrial User	\$2,250.00
with Combined Waste Stream Formula, add	\$563.00
with Production Based Standards, add	\$313.00
with Multiple Categories, add	\$1,063.00
Non-Categorical, Significant Industrial User	\$813.00
Non-Categorical, Non-Significant Industrial User	\$563.00

Section 7 That initial Wastewater Hauler Permit application and Permit Renewal fees for the North NRWS shall be:

Initial Permit Application for Wastewater Hauler	\$250.00
Permit Renewal for Wastewater Hauler	\$125.00

Resolution No. 2021-6-4
IEBL Rates
Page 5 of 7

South NRWS Wastewater Hauler Permit Application and Permit Renewal are processed and administered by Santa Ana Watershed Project Authority (SAWPA).

Section 8 That Permit Revision or Facility Expansion fees shall be: \$1,625.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, etc.

Section 9 That for change of business name with no process changes shall be: \$250.00

That Permit Addendum fees shall be: \$813.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 10 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 11 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 12 That all provisions of the Brine Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 13 That upon the effective date of this Resolution, the Resolution No. 2020-7-4 pertaining to the Inland Empire Brine Line (also known as South NRWS) is hereby rescinded in its entirety.

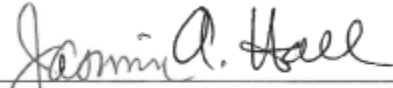
APPENDICES

Resolution No. 2021-6-4

IEBL Rates

Page 6 of 7

ADOPTED this 16th day of June 2021.



Jasmin A. Hall

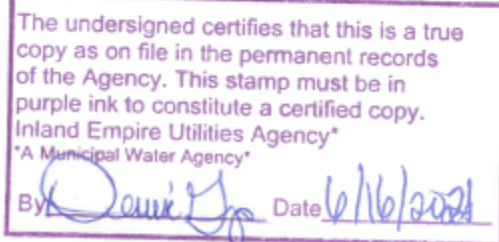
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District



Resolution No. 2021-6-4
IEBL Rates
Page 7 of 7

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2021-6-4 as adopted at a regular
Board meeting on June 16, 2021, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None

Steven J. Elje
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPENDICES

RESOLUTION NO. 2021-6-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY ANALYSES FOR FISCAL YEAR 2021/22

WHEREAS, The Agency occasionally enters into agreements with other local governmental agencies to perform laboratory analyses; and

WHEREAS, the most efficient and practical method of charging for this work is through the establishment of a price for each analysis.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS**, that, effective July 1, 2021, the single item prices for laboratory analyses are as shown on Exhibit 1 attached hereto, and remain in effect until rescinded by a new resolution:

Upon the effective date of this Resolution, Resolution No. 2020-7-5 is hereby rescinded in its entirety.


Resolution No. 2021-6-5
Laboratory Fees
Page 2 of 4

ADOPTED this 16th day of June 2021.

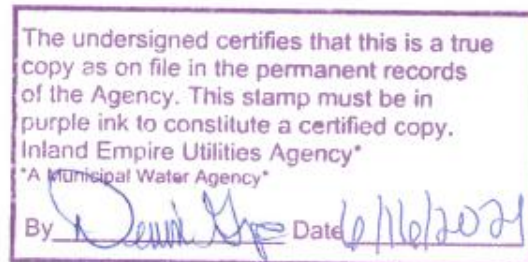


Jasmin A. Hall
President of the Inland Empire Utilities Agency* and
of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof



*a Municipal Water District

Resolution No. 2021-6-5
Laboratory Fees
Page 3 of 4

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2021-6-5, was adopted at a regular
meeting on June 16, 2021, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None


Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

Resolution No. 2021-6-5

Laboratory Fees

Page 4 of 4

**INLAND EMPIRE UTILITIES AGENCY
LABORATORY PRICES - FY 2021/2022**

Inorganic Chemistry		
Test	Method	Price
Alkalinity, Total	SM 2320B	\$16.00
Ammonia as Nitrogen	EPA 350.1	\$16.00
Anion Sum	SM 1050	\$2.70
BOD, Soluble	SM 5210	\$46.70
BOD, Total	SM 5210	\$41.40
Bromide	EPA 300.0	\$11.60
Cation Sum	SM 1050	\$2.70
Chlorate	EPA 300.0	\$50.40
Chloride	EPA 300.0	\$10.10
Chlorite	EPA 300.0	\$50.40
COD	SM 5220D	\$35.50
Color	SM 2120B	\$10.60
Conductivity	SM 2510	\$10.10
Corrosivity	SM 2330B	\$45.10
<i>If Alkalinity, Ca, EC, or pH are requested on Corrosivity cost is reduced by their respective</i>		
Cyanide, Available	EPA OIA-1677	\$53.00
Cyanide, Free	ASTM D7237	\$29.70
Cyanide, Total	ASTM D7284	\$32.90
Dissolved Organic Carbon	SM 5310B	\$42.40
Dissolved Organic Carbon	SM 5310C	\$37.20
Dissolved Oxygen	EPA 360.1	\$13.30
Fluoride	EPA 300.0	\$10.10
Fluoride	SM 4500-F C	\$18.00
Hardness, Total (Calculation)	EPA 200.7	\$23.90
<i>If Ca and Mg is requested, calculation is reduced by their respective prices.</i>		
Hardness, Total	SM 2340C	\$19.70
Mercury	EPA 245.2	\$42.40
Metals Digestion (liquid)		\$18.00
Metals Digestion (solid)		\$47.80
Metals by ICP	EPA 200.7	\$10.60
Metals by ICP/MS	EPA 200.8	\$10.60
Nitrate as Nitrogen	EPA 300.0	\$10.10
Nitrite as Nitrogen	EPA 300.0	\$10.10
Nitrogen, Organic	Various	\$69.00
Oil & Grease, Polar (FOG)	EPA1664B	\$79.60
Oil & Grease, Non-polar	EPA1664B	\$42.40
Oil & Grease, Total	EPA1664B	\$37.20
pH	SM 4500-H+ B	\$6.40
Phosphorus, Ortho	EPA 300.0	\$10.10
Phosphorus, Total	EPA 200.7	\$10.60

Inorganic Chemistry		
Test	Method	Price
Silica	EPA 200.7	\$10.60
Sulfate	EPA 300.0	\$10.10
Sulfide, Dissolved	SM 4500-S D	\$21.20
Sulfide, Total	SM 4500-S D	\$17.00
Surfactants (MBAS)	SM 5540C	\$53.00
TDS	SM 2540C	\$16.00
TDS, Fixed/Volatile	SM 2540E	\$23.90
TKN	EPA 351.2	\$42.40
TOC	SM 5310B	\$37.20
TOC	SM 5310C	\$31.80
Total Solids	SM 2540B	\$12.20
TSS	SM 2540D	\$16.00
Turbidity	EPA 180.1	\$9.60
Uranium pCi/L	EPA 200.8	\$29.70
Volatile Solids	SM 2540E	\$17.50
Volatile Suspended Solids	SM 2540E	\$23.90

Bioassay/Microbiology		
Test	Method	Price
Bioassay, C.Dubia, Chronic	EPA 1002	\$1,273.10
Coliform, Colilert P/A	SM 9223 B	\$10.60
Coliform, Colilert Total Enumeration	SM 9223 B	\$21.20
Coliform, Fecal	SM 9221E	\$26.60
Coliform, Total (15 Tube)	SM 9221B	\$26.60
Heterotrophic Plate Count	SM 9215B	\$21.20

Organic Chemistry		
Test	Method	Price
1,4-Dioxane	EPA 624	\$79.60
Acrolein & Acrylonitrile	EPA 624	\$79.60
MTBE	EPA 524.2	\$106.10
Pesticides	EPA 608	\$265.20
Pesticides w/ PCBs	EPA 608	\$344.80
PCBs	EPA 608	\$265.20
Semi-Volatiles (Short list DW)	EPA 525	\$344.80
Semi-Volatiles (Acid Extractables)	EPA 625	\$238.80
Semi-Volatiles (Base/Neutrals)	EPA 625	\$238.80
Semi-Volatiles (BNA)	EPA 625	\$318.30
Tert-Butyl Alcohol (TBA)	EPA 524.2 MOD	\$159.10
Thiobencarb	EPA 525	\$318.30
Volatiles, DW	EPA 524.2	\$159.10
Volatiles, WW	EPA 624	\$201.60

APPENDICES

RESOLUTION NO. 2021-6-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EXTRA-TERRITORIAL SEWER SERVICE CHARGE FOR SYSTEM USERS OUTSIDE THE AGENCY'S BOUNDARIES FOR FISCAL YEAR (FY) 2021/22

WHEREAS, it is necessary to establish an extra-territorial monthly sewer service charge for system user whose property served is located outside the boundaries of Improvement District "C" of the Inland Empire Utilities Agency (the Agency); and

WHEREAS, the charge shall be "A" dollars per equivalent dwelling unit (EDU) per month. "A" shall be determined annually by the Agency before July 1 and will be set at the amount of certain sewer taxes per EDU being received from the taxable area within Improvement District "C"; and

WHEREAS, these taxes are to be the Improvement District "C" portion of taxes plus the portion of the Agency's General Taxes applied each year to the Regional Wastewater Systems and the General Administrative expenditures for the Regional Wastewater Systems; and

WHEREAS, modification to this resolution may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2021, and remain in effect until rescinded by a new resolution:

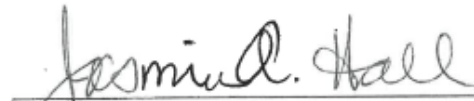
Section 1. That the monthly sewer service rate be determined based on the Agency-wide assessed valuation for FY 2020/21 as reported by the San Bernardino County Auditors Property Tax Division and the estimated number of billed EDU's listed in the Agency's FY 2021/22 Regional Wastewater Operations and Maintenance fund budget, as shown in Exhibit 1; and

Section 2. That the extra-territorial monthly sewer service charge should be set at a rate of \$18.39 per month per Equivalent Dwelling Unit (EDU) in addition to the FY 2021/22 adopted monthly EDU rate of \$21.22.

Section 3. That upon the effective date of this Resolution, Resolution No. 2020-7-6 is hereby rescinded in its entirety.


Resolution No. 2021-6-6
FY 2021/22 Extra Territorial Sewer Service Charge
Page 2 of 4

ADOPTED this 16th day of June 2021.



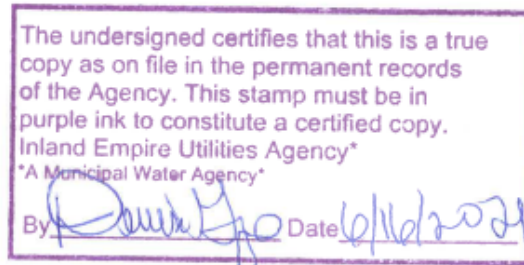
Jasmin A. Hall
President of the Inland Empire Utilities Agency* and
of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District



APPENDICES

Resolution No. 2021-6-6
FY 2021/22 Extra Territorial Sewer Service Charge
Page 3 of 4

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2021-6-6 was adopted at a Board Meeting
on June 16, 2021, of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

Resolution No. 2021-6-6
FY 2021/22 Extra Territorial Sewer Service Charge
Page 4 of 4

**AVERAGE VALUE OF AN EDU FOR FISCAL YEAR 2021/2022
CITY OF FONTANA MONTHLY EXTRA-TERRITORIAL USER SURCHARGE**

The information utilized includes the EDU projections identified in the Regional Wastewater Operations and Maintenance Fund budget and the San Bernardino County Auditors' report which lists the Agency's assessed valuation for FY 2020/21. Based on this information the estimated average value of an EDU within the Agency is as follows:

FY 2020/21 Agency Assessed Value	=	\$125,255,514,646
FY 2020/21 Projected number of EDU's within Agency	=	283,196 EDU per month
<i>\$125,255,514,646 divided by 283,196</i>	=	\$442,293

Annual tax obligation is calculated by:

<i>\$442,293 multiply by 0.000499</i>	=	\$220.70 per year
<i>(adjusted Agency tax rate)</i>	=	\$18.39 per month

APPENDICES

RESOLUTION NO. 2021-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING IMPORTED WATER RATES.

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency* (Agency) establishes, from time to time, rates for water sold or delivered by direct connections to Metropolitan Water District of Southern California (MWD) facilities;

WHEREAS, the Board of Directors of the Agency establishes rates for delivery of imported water supplies; and the rates are based on the approved and adopted biennial budget rates by the MWD Board on May 22, 2020; and

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS the following to be effective July 1, 2021, and January 1, 2022, and to remain in effect until rescinded by a new resolution:

Section 1. That the rates of sales of imported water are direct pass-through charged by Metropolitan for each class of water. The rates, by class of water are as follows:

- (a) **FOR TIER 1 FULL SERVICE UNTREATED WATER** – i.e., domestic and municipal purposes:

01/1/2021 – 12/31/2021 \$777.00 per acre foot
01/1/2022 – 12/31/2022 \$799.00 per acre foot

- (b) **FOR TIER 2 FULL SERVICE UNTREATED WATER** – i.e., domestic and municipal purposes:

01/1/2021 – 12/31/2021 \$819.00 per acre foot
01/1/2022 – 12/31/2022 \$841.00 per acre foot

- (c) **FOR GROUND WATER STORAGE PROGRAM**

REPLENISHMENT WATER UNTREATED – This rate is available contingent upon the requirements of Metropolitan's Administrative Code, and includes water delivered for groundwater replenishment and storage, by direct or in-lieu methods.

01/1/2021 – 12/31/2021 (NO RATE AVAILABLE)
01/1/2022 – 12/31/2022 (NO RATE AVAILABLE)

- (d) **METROPOLITAN WATER SUPPLY ALLOCATION PLAN (WSAP) PENALTY RATES** – Reduced imported water allocations caused by the adoption of a WSAP will reduce a member agencies Tier 1 allocation pursuant to Resolution 2016-9-1. Penalty rates will be applied in accordance to Metropolitan’s WSAP to IEUA and its member agencies if IEUA exceeds its imported water allocation from MWD and is invoiced by MWD for WSAP penalty rates. Any such penalty rates shall be “passed through” to the appropriate agency that caused the imposition of a penalty rate by MWD.

Section 2. That IEUA will impose any Metropolitan rates and charges, applicable to each service connection, if invoiced by Metropolitan to IEUA during FY 2021/22.

Section 3. That the Metropolitan levied Capacity Charge (\$/cfs) shall be as follows:

01/1/2021 – 12/31/2021	\$ 10,700 per cubic foot per second (cfs)
01/1/2022 – 12/31/2022	\$ 12,200 per cubic foot per second (cfs)

Section 4. That a minimum charge of \$1,000 per month will be collected from any active Metropolitan full-service industrial connection beginning 7/1/2021 through 6/30/2022.

Section 5. In the event of any delinquent payments for bills related to imported water or other charges, the Agency will apply Division III, Part I, Section 107 of Ordinance No. 104

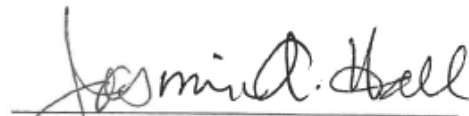
Section 6. That upon the effective date of this Resolution, Resolution No. 2020-7-7 is hereby rescinded in its entirety.

APPENDICES

Resolution No. 2021-6-7

Page 3 of 4

ADOPTED this 16th day of June 2021.



Jasmin A. Hall

President of the Inland Empire Utilities Agency* and of
the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

The undersigned certifies that this is a true
copy as on file in the permanent records
of the Agency. This stamp must be in
purple ink to constitute a certified copy.
Inland Empire Utilities Agency*

A Municipal Water Agency

By  Date 6/16/2021

Resolution No. 2021-6-7

Page 4 of 4

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2021-6-7, was adopted at a regular meeting on June 16, 2021, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPENDICES

RESOLUTION NO. 2021-6-8

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR FISCAL YEAR 2021/22.

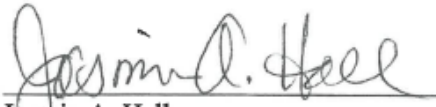
WHEREAS, the Board of Directors of Inland Empire Utilities Agency* is required by Agency Ordinance No. 28, Section 3, to establish, from time to time, rates for rental of maintenance and construction equipment.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS, pursuant to Ordinance No. 28, that the rates for equipment rental are as shown in Exhibit 1 attached hereto and are effective July 1, 2021, and remain in effect until rescinded by a new resolution:

Upon the effective date of this Resolution, Resolution No. 2020-7-8 is hereby rescinded in its entirety.


Resolution No. 2021-6-8
Equipment Rental
Page 2 of 4

ADOPTED this 16th day of June 2021.



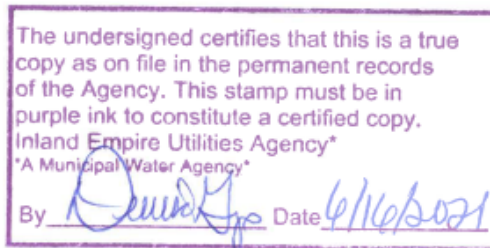
Jasmin A. Hall
President of the Inland Empire Utilities Agency* and of
the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District



Resolution No. 2021-6-8
Equipment Rental
Page 3 of 4

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2021-6-8 was adopted at a regular meeting on June 16, 2021, of said Agency* by the following vote:

ABSENT: None


Steven J. Elle
Secretary/Treasurer

(SEAL)

* A Municipal Water District

Resolution No. 2021-6-8
Equipment Rental
Page 4 of 4

EXHIBIT 1

INLAND EMPIRE UTILITIES AGENCY* MAINTENANCE EQUIPMENT RENTAL RATES FISCAL YEAR 2021/22

GOVERNMENTAL AGENCIES WITHIN IEUA SERVICE BOUNDARIES

		RATE IN FORCE
CCTV Camera Equipment Truck		
With one operator	per hour portal-to-portal	\$104.99
With two operators	per hour portal-to-portal	\$185.76
Gap Vactor Combo Truck		
With one operator	per hour portal-to-portal	\$108.74
With two operators	per hour portal-to-portal	\$189.51
Gap Vactor Combo Truck		
With one operator	per hour portal-to-portal	\$114.60
With two operators	per hour portal-to-portal	\$195.37
Safety Van		
With one operator	per hour portal-to-portal	\$ 87.34
With two operators	per hour portal-to-portal	\$168.12
Water Truck		
With one operator	per hour portal-to-portal	\$ 87.77
With two operators	per hour portal-to-portal	\$168.54

APPENDICES

RESOLUTION NO. 2021-8-1

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021/22

WHEREAS, on November 6, 1979, Proposition 4 on the ballot for the Special Election added Article XIII B to the Constitution, effective July 1, 1980, placing various limits on the fiscal powers of state and local governments;

WHEREAS, implementing legislation, Chapter 1205 Statutes of 1980 (SB 1352) became effective January 1, 1981, wherein the appropriations may increase each year by an amount equal to the percentage change in population from January to January each year and the lower of two price changes, i.e., either the U.S. March to March Consumer Price Index (CPI), or the fourth quarter per Capita Personal Income Index;

WHEREAS, Article XIII B and its implementing legislation were modified by Proposition 111 and SB88 (Chapter 60/90) to establish new annual adjustment factors beginning with the 1990/91 Appropriations Limit;

WHEREAS, Inland Empire Utilities Agency*, as a local government, is required under Article XIII B to annually establish an appropriations limit for the following fiscal year;

WHEREAS, Resolution No. 81-6-7 was adopted on June 24, 1981, setting forth definitions, declarations, findings, and determinations concerning the applicability of Article XIII B to the individual funds of the Agency;

WHEREAS, those definitions, declarations, findings, and determinations are modified as specifically provided herein;

WHEREAS, it is Inland Empire Utilities Agency's* intent to establish this year's Appropriations Limit, following the California League of Cities Uniform Guidelines dated March 1991; and

WHEREAS, except for data on non-residential assessed valuation due to new construction (since 1986/87), data concerning per capita personal income and population changes necessary for determining the Fiscal Year 2021/22 Appropriation Limits are now available.

NOW, THEREFORE, the Inland Empire Utilities Agency* does hereby RESOLVE and DETERMINE as follows:

Section 1. The Board of Directors has determined to select the State of California Per Capita Personal Income as its inflation adjustment factor, in the absence of up-to-date data on non-residential assessed valuation. The Board reserves the right to change its selection of the inflation adjustment factor once the assessment data are available.

Section 2. The Board has determined to select the San Bernardino County's population growth (since 1986/87) as its population adjustment factor.

Resolution No. 2021-8-1

Page 2 of 6

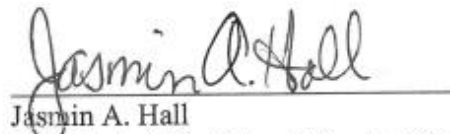
Section 3. Appropriations Limit. That pursuant to Section 7910 of the Government Code, the Board of Directors does hereby establish the following Appropriations Limit for Fiscal Year 2021/22 is \$215,549,215.

Section 4. Publication. Pursuant to Government Code Section 37200 the Appropriations Limit and the Total Appropriations Subject to Limitation will be published in the annual budget.

Section 5. Filing. The Board Secretary is hereby authorized and directed to file a certified copy of this Resolution with the State Auditor Controller.


Section 6. That upon adoption of this Resolution, Resolution No. 2021-6-14 is hereby rescinded in its entirety.

ADOPTED this 18th day of August 2021



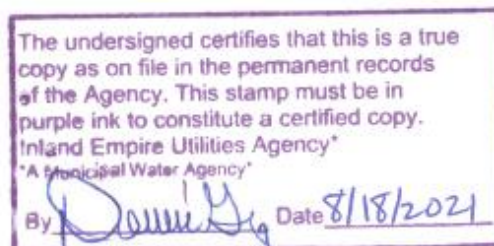
Jasmin A. Hall
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)



*A Municipal Water District

APPENDICES

Resolution No. 2021-8-1
Page 3 of 6

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2021-8-1, was adopted at a regular meeting on August 18, 2021, of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

EXHIBIT I

APPROPRIATIONS LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the GANN Initiative or GANN Limit, was adopted by California voters in 1980 and placed limits on the amount of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978-1979 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriations Limit is to be calculated.

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of the State of California per capita income or U.S. CPI, each agency may choose either the growth in the State of California per capita income or the growth in assessed valuation due to new non-residential construction within the agency service area. For population, each agency may choose to use the population growth within its county instead of using only the population growth of an agency's service area. These are both annual elections.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote. In certain situation, proceeds of taxes may be spent on emergencies without having to reduce the limit in the future years. Each agency must now conduct a review of its Appropriations Limit during its annual financial audits.

The legislation also requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Inland Empire Utility Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for the Fiscal Year 2021/22 are the change in the State of California per capita personal income and the change in the San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last five years and for FY 2021/22. The change in the limit is based upon population change of 0.17% within the county and a per capita personal income change of 5.73%, as provided by the State Department of Finance.

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2016/17	\$169,703,311	\$ 44,704,800
2017/18	\$178,006,894	\$ 46,046,000
2018/19	\$186,293,115	\$ 47,887,800
2019/20	\$195,207,240	\$ 52,364,002
2020/21	\$203,521,116	\$ 53,934,900
2021/22	\$215,549,215	\$ 57,486,000

APPENDICES

Resolution No. 2021-8-1

Page 5 of 6

Since the implementation of this legislation (effective 1981 then modified in 1990), Inland Empire Utilities Agency has annually established and adopted an appropriations limit and has been in compliance.

Resolution No. 2021-8-1
Page 6 of 6

EXHIBIT II

INLAND EMPIRE UTILITIES AGENCY Proposed Budget Fiscal Year 2021/22 Appropriations Limit Calculation

	Agency Total
2020/21 Appropriations Limit	\$203,521,116
2021/22 Change in Per Capital Personal income @ 1.0573	
2021/22 Change in Population @ 1.0017	
Ratio of Change (1.0573 x 1.0017)	1.0591
2021/22 APPROPRIATIONS LIMIT	\$215,549,215

	Agency Total
Total Expenses	\$172,739,619
Net Change in Capital Outlay	258,762,273
Debt Service	<u>22,451,836</u>
Subtotal of Appropriations	\$453,953,728
Increase/(Decrease) in Working Capital Reserves	<u>-155,449,544</u>
Total Appropriations	\$298,504,184
Less: Non-Tax Proceeds	<u>-241,018,184</u>
APPROPRIATIONS SUBJECT TO LIMITATION	\$57,486,000

GLOSSARY of GENERAL TERMS

A

ACRE-FOOT (AF) – A unit of measurement equivalent to 325,900 gallons of water, which meets the need of two average families in and around the home for one year.

ACCRUAL BASIS ACCOUNTING – Under this accounting method, transactions are recognized when occurred, regardless of the timing of related cash receipts and disbursements.

AD VALOREM TAX – A levy upon the assessed valuation of property from the 1% rate and voter approved debt.

ADMINISTRATIVE SERVICES FUND – Serves as the Agency's general fund. Accounts for Agency-wide goods and services such as employment, landscaping and janitorial expense.

ADOPTED BUDGET – The IEUA Board approves the plan for the Agency's operations, which includes an estimate of expenditures and revenues for a given fiscal year

AERATED STATIC PILE (ASP) – A composting method that processes 150,000 wet tons of biosolids into high-quality compost annually.

THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – The American Recover and Reinvestment Act (ARRA) of 2009 is a stimulus bill that was signed into law by President Barack Obama on February 17, 2009, which will provide approximately \$787 billion of funding to both state and local governments, sub-allocated by the states. Many of the funds will be distributed only for "shovel ready" projects and must be obligated within a specific time period. In addition, the ARRA sets forth some other broad requirements. First, no funds may be allocated for zoos, aquariums, golf courses, swimming pools, or casinos. Second, contractors and subcontractors working on projects funded by the ARRA must be paid the prevailing wage rate, as set forth in the Davis Bacon Act. Finally, the new law requires that a preference be given to American-made goods in construction and infrastructure projects financed by the Act.

AMORTIZATION – The process of spreading out a loan into a series of fixed payments over time; paying off the loan's interest and principal in different amounts each month, although the total payment remains equal each period.

APPROPRIATION – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ASSET – A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

ASSET MANAGEMENT – Asset management is a strategic, comprehensive approach that involves systematic data collection and the analysis to provide IEUA with a framework for making sound decisions each fiscal year. Asset managers must make decisions on when and how to inspect, maintain, repair, renew, and replace a diverse set of existing equipment in a cost-effective manner.

A

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – ACWA was founded in 1910, representing and providing key services to members has been ACWA's most important charge. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California's public water agencies. ACWA's involvement at the state and federal level has helped shape laws and policies that affect ACWA member agencies and their constituents.

AUDIT – An official inspection of an individual's or organization's accounts, typically by an independent body

B

BALANCED BUDGET – A budget in which revenues are equal to expenditures. Thus, neither a budget deficit nor a budget surplus exists. More generally, it is a budget that has no budget deficit, but could possibly have a budget surplus.

BIENNIAL BUDGET - The practice of preparing and adopting budgets for two-year periods.

BIOSOLIDS RECYCLING – Removal of sludge from treatment plants for composting.

BOND – A written promise to pay a specified sum of money (called principal or face value), at a specified date or dates in the future (called maturity date(s)) along with periodic interest paid at a specified interest rate.

BOND COVENANT – A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution, or indenture. (Example: pledged revenues).

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period, and the proposed means of financing them. Used without any modifier, the term usually indicated a financial plan for a single fiscal year.

BUDGETARY CONTROL – The control or management of a government in accordance with an approved budget to keep expenses within the limitations of available appropriations and available revenues.

BUDGET CALENDAR – The schedule of key dates, which the Agency follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

BUDGET MESSAGE – A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

GLOSSARY of GENERAL TERMS

C

CalPERS – California Public Employees Retirement System. An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

CALIFORNIA ASSOCIATION OF SANITATION DISTRICTS (CASA) – CASA is a non-profit organization whose members are public agencies involved in wastewater collection, treatment, and disposal.

CALIFORNIA URBAN WATER CONSERVATION COUNCIL (CUWCC) – The CUWCC was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

CAPITAL CAPACITY REIMBURSEMENT ACCOUNT (CCRA) – Accounts that are established and maintained by the contracting agencies, to which connection fees are deposited or credited, pursuant to the Regional Sewage Service Contract.

CAPITAL OUTLAY – Expenditures resulting in the acquisition of or addition to fixed assets having a useful life greater than one year.

CAPITAL PROJECT – Major construction, acquisition, or renovation which increases the useful life and value of the asset. It also includes non-routine capital expenditures (maintenance and repair) greater than or equal to \$5,000 which extends the asset's estimated useful life and capabilities. It is also sometimes referred to as capital expenditure.

CAPITAL IMPROVEMENT FUND – A fund used to account for costs incurred in acquisition, construction, and expansion of major capital facilities. It also includes expenditures for meeting the debt service obligations and the associated administrative costs.

CENTRATE – A product of biosolids dewatering; the water leaving a centrifuge after most of the solids have been removed.

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) – A Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies. Even those not contracted with CalPERS health benefits can prefund future retiree benefits such as health, vision, dental, and life insurance.

By joining this trust fund, California public agencies can help finance future costs in large part from investment earnings provided by CalPERS. Since its launch in 2007, more than 575 California public employers choose CERBT as their OPEB trust fund.

CHINO BASIN PROGRAM/WATER INVESTMENT STORAGE PROGRAM (CBP/WSIP) - The Chino Basin Program/Water Investment Storage Program (CBP/WSIP) was awarded a conditional funding award of \$206.9 million through the Proposition 1 Water Storage Investment Program in 2018. In exchange for The State's investment in the program, the CBP, as currently envisioned, will construct an advanced recycled water treatment facility that would store up to 15,000 acre-feet per year of water in the Chino groundwater basin for up to 25 years (total of 375,000 AF) as well as infrastructure to extract, treat, and deliver 50,000 AF to a State Water Contractor in exchange for deliveries to the Delta ecosystem during dry and critically dry years (maximum of 7.5 deliveries of 50,000 AF over the 25 year term). Workshops are being conducted with partnering agencies to identify project options and determine program operations and feasibility.

C

CHINO BASIN – An area which is underlain by the Chino and Cucamonga groundwater basins and portions of the Claremont Heights groundwater basins within San Bernardino County.

CHINO BASIN DESALTER AUTHORITY (CDA) – A joint power authority (JPA) formed in September 2001, which is comprised of the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, the Santa Ana River Water Company, and Inland Empire Utilities Agency (IEUA). IEUA serves as a non-voting member and operates the Chino Desalter I facility, as well as grant administration functions for the JPA. Its main purpose is to manage the production, treatment, and distribution of water produced by the desalination facilities.

CHINO BASIN WATER BANK (CBWB) - IEUA entered a cost-sharing letter agreement between IEUA, the Cucamonga Valley Water District, the City of Ontario, and Monte Vista Water District (CBWB Parties) in August 2016 to fund the initial steps in the formation of the Chino Basin Water Bank (CBWB). The CBWB's primary objective is to coordinate the development of groundwater storage within the Chino Basin. The agreement is consistent with the Agency's Business Goal of increasing Water Reliability by meeting the region's need to develop reliable, drought-proof and diverse local water resources to reduce dependence on imported water supplies.

CHINO BASIN WATER CONSERVATION DISTRICT (CBWCD) – An agency whose goal is the protection of the Chino Basin in order to guarantee that current and future water needs will be met. The agency's service area includes the cities of Chino, Chino Hills, Montclair, Ontario, Rancho Cucamonga, and Upland.

CHINO BASIN WATERMASTER (CBWM) – A court created entity to account for and implement the management of the Chino Basin. Water rights in the Chino Basin are allotted amongst three pools of Chino Basin Water users: agricultural users (AG), industrial users (non-AG), and water municipalities (appropriative pool).

CLEAN WATER ACT (CWA) - is the primary federal law in the United States governing water pollution. Its objective is to restore and maintain the chemical, physical, and biological integrity of the nation's waters by preventing point and nonpoint pollution sources, providing assistance to publicly owned treatment works for the improvement of wastewater treatment, and maintaining the integrity of wetlands.

CLEAN WATER STATE REVOLVING FUND (CWSRF) – Established in 1987 by the Clean Water Act, the program is part of the United States Environmental Protection Agency's Office of Wastewater Management and administered in California by the State Water Resources Control Board. The fund serves to finance "construction-ready" water and wastewater infrastructure projects.

COMPOST – A product resulting from the decomposition and sanitation of organic materials through processes that involve the reactions between controlled aerobic conditions (that require oxygen), temperature, moisture, microbial activity, and time. In this process, microbes (microorganisms which usually include types of bacteria and fungi) break down organic materials into smaller, more usable substances.

COLA – Cost of living adjustments to employee wages.

CONJUNCTIVE USE – The planned use of groundwater in conjunction with surface water in overall management to optimize total water resources.

GLOSSARY of GENERAL TERMS

C

CONTINGENCY – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CONTRACTING AGENCIES – Any sewage collection agency located, in whole or in part, within the boundaries of IEUA, which has entered into a service contract with IEUA. The current contracting agencies with IEUA include the Cities of Chino, Chino Hills, Upland, Montclair, Ontario, Fontana, and Cucamonga Valley Water Districts as part of the Regional Sewage Service contract.

COST CONTAINMENT STRATEGY – An action plan to identify sustainable cost reduction opportunities across the Agency by major expense categories and capital expenditures. Progress is monitored and reported as part of the budget to actual variance process.

D

DEBT SERVICE – Payment of current year portion of interest and principal costs incurred on long-term debt issued by the Agency.

DEPARTMENT – A basic organizational unit of government dealing with a specific subject. A department may be grouped into divisions, programs, activity groups, and/or activities. Also referred to as Business Area.

DEPARTMENT OF WATER RESOURCES (DWR) – DWR operates and maintains the State Water Project, including the California Aqueduct. The department also provides dam safety and flood control services, assists local water districts in water management and conservation activities, promotes recreational opportunities, and plans for future statewide water needs.

DISASTER RECOVERY PLAN – A written plan that describes how to recover systems and/or services in the event of a disaster.

E

EFFLUENT – Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

ENERGY MANAGEMENT PLAN -The Agency's the Energy Management Plan (EMP) was adopted by the Board of Directors in March 2017. Primarily it is to benchmark the Agency's current energy performance and greenhouse gas emissions baseline, forecast future demands, and explore measures for a reliable and sustainable energy infrastructure to achieve the objectives set forth in IEUA's Business Goals. The major initiatives included in the EMP are peak power independence, grid interdependence, organics diversion, and carbon neutrality.

E

ENTERPRISE FUND – A fund that provides goods or services to the public for a fee that makes the entity self-supporting. It basically follows GAAP as does a commercial enterprise. An example is a government-owned utility.

EQUIVALENT DWELLING UNIT (EDU) – EDU is a numerical value designation where 1 EDU represents the sewage flow from a single-family residential household and is measured as 270 gallons per day of sewage discharge pursuant to the Regional Sewage Service Contract.

EXPENSES – Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charged presumed to benefit the current fiscal period.

F

FISCAL YEAR – A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position and the results of its operation. Inland Empire Utilities Agency operates on a fiscal year from July 1, through June 30.

FISCAL CONTROL ORDINANCE – Provide a system of financial administration, accounting, and fiscal and budgetary control which conforms to generally accepted accounting principles and practices.

FULL TIME EQUIVALENT (FTE) – The conversion of a part-time, temporary, or volunteer position to a decimal equivalent of a full-time position based on an annual amount of 2,080 hours worked.

FUND – A fiscal and accounting entity with a self-balancing set of accounts in which assets are recorded and segregated to carry on specific activities.

Fund balance - used to describe the net position of the Agency's funds calculated in accordance with generally accepted accounting principles (GAAP). The Agency has historically maintained fund balance reserves to ensure sufficient funding is available to meet its operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events. Fund balance are designated for specific purposes, as defined in the Agency's Reserve Policy.

FUND TRANSFER – Fund transfer required to maintain a given level of fund balance in accordance with Board policies and bond covenants.

G

GASB 34 – Statement No. 34 issued by the Governmental Accounting Standards Board (GASB) that was implemented by the Commission in FY 2001/02. GASB 34 established new financial standards for state and local governments. Under the new financial reporting model, governmental financial statements include basic financial statements that present both government-wide and fund financial statements and require supplementary information, including Management's Discussion and Analysis.

GLOSSARY of GENERAL TERMS

G

GASB 45 – This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

GASB 67 - The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, FINANCIAL REPORTING FOR DEFINED BENEFIT PENSION PLANS AND NOTE DISCLOSURES FOR DEFINED CONTRIBUTION PLANS, and No. 50, PENSION DISCLOSURES, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB 68 - The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions in regards to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The GASB is the primary authoritative accounting and financial reporting standard-setting body on the application of GAAP to state and local governments.

GOALS AND OBJECTIVES – Specific projects and programs to be undertaken utilizing allocated financial resources and are designed to further the achievement of the Agency's vision, mission, and IEUA Business Goals.

GRANTS MANAGEMENT – The management of contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

GROUNDWATER – Water that occurs beneath the land surface and fills partially or wholly pore spaces of the alluvium, soil, or rock formation in which it is situated. It does not include water which is being produced with oil in the production of oil and gas or in a bona fide mining operation.

GROUNDWATER BASIN – A groundwater reservoir defined by the entire overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of successively deeper aquifers may differ and make it difficult to define the limits of the basin.

GROUNDWATER RECHARGE - The action of increasing groundwater storage by natural conditions or by human activity.

I

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA) – A joint power authority (JPA) established by IEUA and the Los Angeles County Sanitation Districts (LACSD) in February 2002 for recycling biosolids.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY (IERCF) – A fully enclosed, nuisance and odor free composting facility owned by the IERCA, for processing and recycling biosolids, which is located in Rancho Cucamonga, California.

INTEREST – Revenue derived from the investment of idle cash and/or reserves.

INTEREST RATE SWAP – A contractual agreement between two parties who agree to exchange (swap) certain cash flows for a defined period of time. The swap is designed to generate a new change in the interest rate cash flow related to an asset or liability, but neither impacts the principal of that asset or liability nor results in the creation of any new principal.

INTER-FUND LOAN – Loan between Agency program funds to support a shortfall in debt service, operating, and/or capital requirements, and the establishment of a promissory note between the borrower and lender, providing payment terms and a repayment timeline. This transaction requires approval by the Agency Board.

INSTITUTE OF INTERNAL AUDITORS (IIA) – Established in 1941 as an international professional association and recognized as the internal audit profession's leader in certification, education, and technical guidance.

INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) – The Integrated Regional Water Management planning process is a local water management approach preferred by the Governor, the State Department of Water Resources, and the State Water Resources Control Board. It is aimed at securing long-term water supply reliability within California by first recognizing the inter-connectivity of water supplies and the environment and then pursuing projects yielding multiple benefits for water supplies, water quality, and natural resources.

L

LEAN – A production practice that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful, and thus a target for elimination.

LIABILITY – Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer assets or provide service to other entities in the future as a result of a past transaction or event.

LONG RANGE PLAN OF FINANCE – A report that summarizes the results of a comprehensive financial planning model built to provide a clear funding strategy for the Agency to meet capital and operating requirements.

LOS ANGELES COUNTY SANITATION DISTRICTS (LACSD) – A special district created within Los Angeles County to treat residential and industrial wastewater discharge.

GLOSSARY of GENERAL TERMS

M

MAJOR FUND – Those funds whose revenues, expenditures/expenses, assets or liabilities are at least ten percent of the total for their fund category (governmental or enterprise) and five percent of the aggregate of all governmental and enterprise funds in total.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD) – MWD is one of the world's largest water agencies. It imports almost 60 percent of the water used by more than 15 million people in urban Southern California. MWD wholesales water to its 27 member agencies, including IEUA. Metropolitan is governed by a 51-member Board of Directors representing its member agencies.

METER EQUIVALENT UNIT (MEU) – a measurement expressed in terms of a ratio of rated meter capacity for each meter size relative to the size of a standard residential meter.

MILLION GALLONS PER DAY (MGD) – MGD is the term used to represent million gallons per day of sewage discharged to IEUA wastewater treatment facilities.

MUNICIPAL STORM WATER SEWER SYSTEM (MS4) – An MS4 is a conveyance or system of conveyance that is; Owned by a state, city, town, village, or other public entity that discharges to waters of the U.S.; Designed or used to collect or convey storm water (including storm drains, pipes, ditches, etc.); Not a combined sewer; and Not part of a Publicly Owned Treatment Works (sewage treatment plant).

N

NO DRUGS DOWN THE DRAIN (NDDD) – Program to discourage residents from flushing expired drugs.

NON-RECLAIMABLE WASTEWATER – Any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operation of whatever nature as defined by federal, state, or regional agencies authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin.

NON-RECLAIMABLE WASTEWATER PROGRAM – The activities of the NRW System, which is owned and operated by the Agency and provides for the export of high-salinity and industrial wastewater generated within the Agency's service area to the Pacific Ocean.

O

ONE WATER ON WATERSHED PROGRAM (OWOW) – A new and innovative planning process being developed within the Santa Ana Watershed. Through collaborative strategic partnerships and building upon the successful watershed planning in the past, the next generation of integrated regional watershed planning is under development to solve problems on a regional scale and give all water interests a voice in the planning process.

OPEB – Benefits (other than pensions) that U.S. state and local governments provide to their retired employees. These benefits principally involve health care benefits, but also may include life insurance, disability, legal, and other services.

O

OPERATION AND MAINTENANCE BUDGET (OPERATING BUDGET) – Plans of current expenses and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

OPERATING EXPENSES – Proprietary fund expenses related directly to the fund's primary activities.

OPTIMUM BASIN MANAGEMENT PLAN (OBMP) – A comprehensive plan to increase artificial groundwater recharge within Chino Basin using storm water, recycled water, and imported water.

ORANGE COUNTY SANITATION DISTRICT (OC San) – A public agency located in Fountain Valley, Orange County providing wastewater treatment services for 21 cities and 3 sanitation districts in the Orange County.

ORDINANCE – A law set forth by a governmental or legislative body.

ORGANICS MANAGEMENT PROGRAM – The activities for processing treated water, methane gas, and biosolids into useable, marketable products, i.e.: recycled water, renewable energy, and high-quality compost.

P

PAY-AS-YOU-GO (PAYGO) – The practice of funding construction expenditures from current revenue or existing revenue in lieu of using debt proceeds.

PEACE II – Approved by the Court on December 2007 as part of the Chino Basin Watermaster's Optimum Basin Management Plan (OBMP) and provides for the "re-operation" and attainment of "hydraulic control" in the groundwater basins.

PROGRAM - Group activities, operations, or organizational units directed to attaining specific purposes or objectives.

PROGRAM BUDGET – A budget wherein expenses are based primarily on the functions or activities of a government rather than based on specific items of cost, or specific departments.

PROPOSITION 1 FUNDING - In July 2018, the California Water Commission approved \$206.9 million, the full funding of IEUA's Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program (Chino Basin Project). Funding for the project comes from Proposition 1, a state water bond approved by voters in 2014, to invest \$2.7 billion for investments in new water storage projects. Projects were evaluated, ranked, scored, and offered funding based on their ability to increase statewide resiliency under climate change and other uncertainties; technical environmental, economic, and financial feasibility which have a low implementation risk; the ability to provide environmental value in alignment with the State's ecosystem and water quality priorities; and strong public benefits. The Chino Basin Project involves the construction of an advanced water treatment facility and distribution system that will treat and store up to 15,000 acre-feet per year of recycled water for 25 years in the Chino Basin Water Bank, creating a new local water supply. In partnership with an existing State Water Project Contractor, this water would be exchanged in blocks of up to 50,000 acre-feet per year towards ecosystem benefits north of the Delta.

PROPOSITION 1A – The proposition is intended to protect revenues collected by local governments from being transferred to the California state government for statewide use. The provisions may be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature approves the suspension.

GLOSSARY of GENERAL TERMS

P

PROPRIETARY FUND – A business-like fund in governmental accounting of a state or local government. Examples of proprietary funds include enterprise funds and internal service funds. Enterprise funds provide goods or services to the general public for a fee.

PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS) – An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

PUBLICLY OWNED TREATMENT WORKS (POTWs) – Members of the Southern California Alliance of Publicly Owned Treatment Works (SCAP). See SCAP definition.

Q

QUALITY IMPROVEMENT PROGRAM – Identify high impact or recurring issues and develop corrective action plans.

R

READINESS-TO-SERVE (RTS) CHARGE – A Metropolitan Water District charge to its member agencies. The charge is designated to provide firm revenue for the MWD's capital improvement program (CIP) and debt service to meet the reliability and quality needs of existing users.

READINESS TO SERVE TEN YEAR ROLLING AVERAGE (RTS TYRA) - A pass through charge to the local member agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority), to recover their share of total RTS charge imposed by MWD and phased-in over a period of seven (7) years, effective October 1, 2016.

RECHARGE – The physical process where water naturally percolates or sinks into a groundwater basin.

RECHARGE BASIN – A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

RECHARGE WATER PROGRAM – The activities for development of increased recharge capacity within the Chino Basin region using storm water, recycled water, and imported water.

RECYCLED WATER – Effluent that goes through a process or method for altering its quality to standards superior to those prescribed for treatment.

RECYCLED WATER BUSINESS PLAN (RWBP) – Developed to accelerate the implementation of the 2005 Regional Recycled Water Implementation Plan with a goal of increasing the demand for recycled water connections to 50,000-acre foot per year (AFY).

RECYCLED WATER PROGRAM – The activities for the use of recycled water to meet Southern California's water demand. Recycled water is a proven technology and implementing its use will provide a more dependable local supply of water, as well as, reduce the likelihood of water rationing during droughts.

R

RECYCLED WATER PROGRAM STRATEGY (RWPS) – The primary objective of the RWPS is to update supply and demand forecasts and prioritize projects to maximize the beneficial use of recycled water throughout the year. This is necessary as changes in the region's water resource priorities occur and increased water efficient landscape measures are adopted.

RECYCLING – A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term "recycled water" to reclaimed water.

REDEVELOPMENT AGENCY (RDA) – A government subdivision created to improve blighted, depressed, deteriorated economically depressed areas. RDAs were officially dissolved in February 2012.

REGIONAL COMPOSTING AUTHORITY (RCA) – (See Inland Empire Regional Composting Authority)

REGIONAL WASTEWATER PROGRAM – The activities associated with the primary, secondary, and tertiary treatments of domestic wastewater delivered by the contracting agencies to the Agency's interceptors and wastewater treatment facilities.

RENEWABLE ENERGY – Energy that is produced from clean renewable sources such as solar power, wind power, and natural gas produced from the decomposition of organic materials.

REQUEST FOR PROPOSAL (RFP) – An early stage in a procurement process, issuing an invitation for vendors, often through a bidding process, to submit a proposal on a project.

RESERVE – An account used to indicate that a portion of fund equity is restricted for a specific purpose, or not available for appropriation and subsequent spending.

RESOLUTION – A special or temporary order of a legislative body requiring less formality than a statute or ordinance. Resolutions typically become effective upon their adoption by the IEUA Board of Directors.

REVENUE – Income generated by taxes, user charges, connection fees, investment income, bonds, and leases.

S

SALINITY – Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids – TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

SANTA ANA REGIONAL INTERCEPTOR (SARI) – Underground regional wastewater interceptor line owned by the Santa Ana Watershed Project Authority.

SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) – A Joint Exercise of Powers Agency created to implement the regional components for water quality management as set forth in the adopted water quality control plan for the Santa Ana River Watershed. Member agencies include: Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, and Eastern Municipal Water District.

GLOSSARY of GENERAL TERMS

S

SYSTEM APPLICATION and PRODUCTS (SAP) – The Agency’s Enterprise Resource Planning (ERP) system which stands for increased efficiency, streamlining the supply-chain network and overhauling the entire business process of the organization. This ERP system provides transparency that follows – real-time visibility across the entire enterprise and is not limited to management or staff.

SANTA ANA RIVER WATERSHED ACTION TEAM CONJUNCTIVE USE PROJECT (SARCUP) – This project is to develop a watershed-scale conjunctive use program.

SB-272 - The California Public Records Act: local agencies: inventory - This bill requires each local agency, except a local educational agency, in implementing the California Public Records Act, to create a catalog of enterprise systems, as defined, to make the catalog publicly available upon request in the office of the person or officer designated by the agency’s legislative body, and to post the catalog on the local agency’s Internet Web site.

SERVICE AREA – The territory served by IEUA for sewage collection and treatment operations. IEUA territory covers 242 square miles, encompassing the urban west end of San Bernardino County, immediately east of the Los Angeles County line, and including the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Rancho Cucamonga.

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT (SBCFCD) – An agency whose goal is to intercept and convey flood flows through and away from the major developed areas of the County by a system of facilities, including dams, conservation basins, channels, and storm drains.

SECONDARY TREATMENT – Generally, a level of treatment that produces 85 percent removal efficiencies for biological oxygen demand and suspended solids.

SEWER SYSTEM MANAGEMENT PLAN (SSMP) – The plan was adopted by the Board in April 2009 to comply with the State Water Resources Control Board Order No. 2007-003. This Order established the General Waste Discharge Requirements (WDR) for all public entities that own or operate sanitary sewer systems greater than one mile in length of sewer line within the state of California to prevent and minimize sanitary sewer overflows (SSO).

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) – This is an air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside, and San Bernardino counties.

SOUTHERN CALIFORNIA ALLIANCE OF PUBLICLY OWNED TREATMENT WORKS (SCAP) – SCAP is a non-profit corporation organized to help ensure that regulations affecting Publicly Owned Treatment Works (POTWs) and collection systems are reasonable and in the public’s best interest and to provide leadership, technical assistance and timely information to promote regulations that focus on the sustainable protection of the environment and public health. As of December 2010, 86 of its 106 POTW members were public wastewater agencies located in seven counties. Collectively, the POTWs members provide over 1 billion gallons per day of wastewater treatment to more than 18 million people in Southern California and produce over 1.4 million wet tons of biosolids per year.

S

SPECIAL PROJECTS – Special projects are a collection of operation and maintenance expenses that are incurred by the Agency in pursuit of very specific goals and objectives that are consistent with the Agency's mission. They are, by their nature, a unique form of cost accounting. Special projects may consist of direct labor, materials and supplies, and outside consultant fees, but they may not contain any expenditure for any type of capital asset, such as construction or equipment costs. Example of a special project: a long-term planning or feasibility study that would involve the efforts of several different departments or in partnership with other agencies over a protracted period of time.

STATE REVOLVING FUND (SRF) – The Federal Clean Water Act amendments of 1997 authorized the use of federal money to create an SRF loan program to replace the Federal Clean Water Grant program. SRF loans are used for the construction and upgrade of publicly owned treatment works. SRF loans can also be used to support reclamation nonpoint source pollution, storm drainage, and estuary projects.

STATE WATER RESOURCES CONTROL BOARD (SWRCB) – This is a joint authority of water allocation and water quality protection that provides comprehensive protection for California's waters, enforcing the many uses of water, including the needs of industry, agriculture, municipal districts, and the environment. The SWRCB also administers SRF loans and grants.

SUPERVISORY CONTROL and DATA ACQUISITION (SCADA) - Is a system operating with coded signals over communication channels so as to provide control of remote equipment (using typically one communication channel per remote station).

T

TAXES – Compulsory charges levied by a government to finance services performed for the common benefit.

TEETER PLAN – California Legislature enacted an alternative method for the distribution of secured property taxes to local agencies.

TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP) - Volume II of the Agency's annual budget, this report is prepared each year to identify capital spending requirements, forecasted capacity demands and long-term programs.

TERTIARY TREATMENT – The treatment of wastewater beyond the secondary or biological stage. Normally implies to the removal of nutrients, such as phosphorous and nitrogen, and a high percentage of suspended solids.

TITLE 22 – Regulations set forth by the California Department of Health Services. Required to ensure water quality standards are being met.

GLOSSARY of GENERAL TERMS

U

UNITED STATES BUREAU OF RECLAMATION (USBR) – A public agency whose primary goal is to manage, develop, and protect water as well as related resources in an environmentally and economically sound manner in order to meet the increasing water demands of the Western States.

URBAN WATER MANAGEMENT PLAN – Describes all water supplies and demands within IEUAs service area in accordance with California State Law.

V

VADOSE ZONE – Region of earth between the land surface and the top of the water table.

VOLUMETRIC FEES – Fees charged to customers for their metered wastewater flows.

W

WATER CONNECTION FEE – It is also called "One Water Connection Fee," a fee to connect to the IEUA regional water system comprised of potable water, recycled water, and groundwater recharge. The fee will support future expansion of the regional water system, which is comprised of potable water, recycled water, and groundwater recharge.

WASTEWATER – Water that has been previously used by a municipality, industry, or agriculture and has suffered a loss of quality as a result of use.

WASTEWATER CONNECTION FEE – A fee to connect to the IEUA regional sewer system. The fee is restricted to support capital acquisition, construction, equipment, and process improvement costs for the regional sewer system.

WASTEWATER FACILITIES MASTER PLAN (WFMP) – The primary policy guiding the development of the Agency's Ten-Year Capital Improvement Plan. Used to coordinate an integrated water resources planning framework.

WATER FACILITIES AUTHORITY (WFA) – A public agency that treats and supplies approximately 40,000 acre-feet of imported water each year. This imported water serves as a supplemental source of water for approximately 450,000 residents in the west end of San Bernardino County.

WATER RESOURCES PROGRAM – The activities to support integrated water resource management and regional conservation programs to increase the resiliency of existing water supplies and reduce reliance on imported water purchase.

WATER REUSE ASSOCIATION (WaterReuse) – The Water Reuse Association is a nonprofit organization whose mission is to advance the beneficial and efficient use of water resources through education, sound science, and technology using reclamation, recycling, reuse, and desalination for the benefit of our members, the public, and the environment.

W

WATER USE EFFICIENCY PLAN (WUE) – Plan designed to supplement existing surface water and groundwater supplies.

WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT (WIFIA) – Administered by the Environmental Protection Agency, the federal credit program provides long term, low-interest funding for regionally and nationally significant water and wastewater infrastructure projects.

ACRONYMS

	4Rs	Repair, Relocation, Reconstruction, and Rehabilitation
A	ACFR	Annual Comprehensive Financial Report
	ACH	Automated Clearing House
	ACWA	Association of California Water Agencies
	AF	Acre-Feet
	AFY	Acre-Feet per Year
	AMP	Asset Management Plan
	AQMD	Air Quality Management District
	ARMA	Association of Records Managers and Administrators (now expanded to ARMA International)
	ARRA	American Recovery Rehabilitation Act
	ASA	Adaptive Security Appliance
B	BIS	Business Information Services
	BMP	Best Management Practice
	BOD	Biochemical Oxygen Demand
C	CalPERS	California Public Employees Retirement System
	CAL/VPP	Cal OSHA Star Voluntary Protection Program
	CAPPO	California Associations of Public Procurement Officials
	CASA	California Association of Sanitation Districts
	CBFIP	Chino Basin Facilities Improvement Project
	CBP/WSIP	Chino Basin Program/Water Investment Storage Program
	CBWB	Chino Basin Water Bank
	CBWCD	Chino Basin Water Conservation District
	CBWM	Chino Basin Watermaster
	CCMP	Chino Creek Master Plan
	CCMS	Computerized Maintenance Management System
	CCRA	Capital Capacity Reimbursement Account
	CCTV	Closed Circuit Television
	CCW	Carbon Canyon Wastewater
	CCWRF	Carbon Canyon Wastewater Reclamation Facility
	CCWRP	Carbon Canyon Water Recycling Plant
	CDA	Chino Basin Desalter Authority
	CDPH	California Department of Public Health
	CEC	California Energy Commission
	CEMS	Continuous Emission Monitoring System
	CEQA	California Environmental Quality Act

C	CERBT	California Employers' Retiree Benefit Trust
	CFS	Cubic Feet per Second
	ChaRM	Charge & Request Management
	CHP	Combined Heat and Power
	CIA	Cash in Advance
	CII	Commercial, Industrial, and Institutional
	CIM	California Institute for Men
	CIP	Capital Improvement Program
	CIW	California Institute for Women
	CM	Construction Management
	CMMS	Computerized Maintenance Management System
	COBRA	Consolidated Omnibus Budget Reconciliation Act
	COD	Chemical Oxygen Demand
	COLA	Cost of Living Adjustment
	COS	Cost of Service
	CPE	Continuing Professional Education
	CPI	Consumer Price Index
	CPUC	California Public Utilities Commission
	CSI	California Solar Incentive
	CSMFO	California Society of Municipal Finance Officers
	CUPA	Certified Public Utilities Commission
	CUWCC	California Urban Water Conservation Council
	CWA	Clean Water Act
	CWEA	California Water Environment Association
	CWSFR	California Clean Water State Revolving Fund
D	DAFT	Dissolved Air Flotation Thickener
	DCR	Debt Coverage Ratio
	DCS	Distribution Control System
	DF&G	Department of Fish and Game
	DFT	Don't Flush Trouble
	DHS	California Department of Health Services
	DOE	Department of Energy
	DWR	Department of Water Resources
	DYY	Dry Year Yield
E	E&I	Electrical and Instrumentation
	EC	Emerging Constituents
	ECM	Electronic Content Management
	ECMS	Electronic Content Management System
	ECOP	Environmental Compliance Operations Program
	EDU	Equivalent Dwelling Unit
	EEO	Equal Employment Opportunity
	EE&CM	Engineering, Energy, & Construction Management
	ELAP	Environmental Laboratory Accreditation Program
	EP	Energy Production
	EPA	Environmental Protection Agency

ACRONYMS

E	EMMC	Employer Paid Member Contribution
	ERP	Enterprise Resources Planning
	ESS	Employee Self-Service
F	FEMA	Federal Emergency Management Agency
	FMLA	Family Medical Leave Act
	FOG	Fats, Oils, and Grease
	FTE	Full Time Equivalent
	FY	Fiscal Year
G	GAAP	Generally Accepted Accounting Principles
	GASB	Governmental Accounting Standards Board
	GCMS	Gas Chromatograph/Mass Spectrometer
	GFOA	Government Finance Officers Association
	GG	Administrative Services Program
	GIS	Geographic Information System
	GIES	Garden in Every School
	GHG	Greenhouse Gas
	GM	Grants Management
	GPCD	Gallons per Capita per Day
	GPM	Gallons per Minute
	GUI	Graphical User Interface
	GWR	Groundwater Recharge
	GWRMP	Groundwater Recharge Master Plan
H	H2S	Hydrogen Sulfide
	HCM	Human Capital Management
	HCMP	Hydraulic Control Monitoring Program
	HECW	High-Efficiency Clothes Washers
	HET	High-Efficiency Toilet
	HQ	Headquarters
	HR	Human Resources
	HTFC	High Temperature Fuel Cell
	HVAC	Heating/Ventilation/Air Conditioning
I	I&C	Instrumentation & Control
	IAD	Internal Audit Department
	ICE	Internal Combustion Engine
	ICP	Inductively Coupled Plasma
	IDC	Improvement District "C"
	IE	Inland Empire
	IEBL	Inland Empire Brine Line
	IERCA	Inland Empire Regional Composting Authority
	IERCF	Inland Empire Regional Composting Facility

I	IEUA	Inland Empire Utilities Agency
	IIA	Institute of Internal Auditors
	IPS	Intrusion Prevention System
	IRP	Integrated Water Resources Plan
	IRWMP	Integrated Regional Water Management Plan
	ISS	Integrated System Services
J	JCSD	Jurupa Community Service District
	JPA	Joint Powers Authority
K	KPI	Key Performance Indicators
	KSA	Knowledge, Skills, and Abilities
	KVM	Keyboard/Video/Mouse
	kWh	Kilowatt hour
L	LACSD	Los Angeles County Sanitation Districts (LACSD)
	LAN	Local Area Network
	LC-MS/MS	Liquid Chromatography Mass Spectrometry
	LEED	Leadership in Energy and Environmental Design
	LF	Linear Feet
	LIBOR	London Inter-Bank Offered Rate
	LID	Low Impact Development
	LIMS	Laboratory Information Management System
	LOI	Letter of Interest
	LPP	Local Projects Program
	LRP	Local Resources Program
	LRPF	Long Range Plan of Finance
	LS	Lift Station
	LT	Limited Term
M	MCC	Microbial Culture Collection
	MG	Million Gallons
	Mg/L	Milligrams per liter
	MGD	Million Gallons per Day
	MEU	Meter Equivalent Unit
	MPC	Milk Producer's Council
	MOU	Memorandum of Understanding
	MS4	Municipal Storm Water Sewer System
	MSDS	Material Safety Data Sheets
	MSS	Manager Self-Service
	MVV	Mission, Vision, and Values
	MVWD	Monte Vista Water District
	MW	Megawatts
	MWD	Metropolitan Water District of Southern California

ACRONYMS

N	NAC	Network Access Control
	NC	Non-Reclaimable Wastewater Program
	NDDD	No Drugs Down the Drain
	NDMA	Nitrosodimethylamine
	NFPA	National Fire Protection Association
	NPDES	National Pollution Discharge Elimination System
	NPI	National Purchasing Institute
	NRW	Non-Reclaimable Wastewater
	NRWS	Non-Reclaimable Wastewater System
	NRWSCU	Non-Reclaimable Wastewater System Capacity Unit
	NTC	National Theatre for Children
	NWRA	National Water Resources Association
O	O&M	Operations & Maintenance
	OBMP	Optimum Basin Management Plan
	OC San	Orange County Sanitation District
	OCWD	Orange County Water District
	OE	Office Engineering
	OES	Office of Emergency Services
	OFA	Office of Finance and Administration
	OM	Organics Management Program
	OP	Obligation Payment Fund, Wastewater Program, Debt Services
	OPEB	Other Post-Employment Benefits
	ORC	Organic Rankine Cycle
	ORP	Oxidation Reduction Potential
	OTDR	Optical Time Domain Reflectometer
	OWOW	One Water One Watershed
P	PAYGO	Pay-As-You-Go
	P&ID	Piping and Instrumentation Diagrams
	PD	Positive Displacement
	PDR	Preliminary Design Report
	PE	Perkin Elmer
	PEIR	Preliminary Environmental Impact Report
	PERS	Public Employee Retirement System
	PIER	Public Interest Energy Research
	PIO	Public Information Officer
	PLCs	Programmable Logic Controllers
	PLPs	Personal Learning Plans
	PM	Plant Maintenance
	PMT	Plant Maintenance Technician
	POTWs	Publicly Owned Treatment Works
	PPA	Power Purchase Agreement
	PROP 1	Proposition 1
	PRV	Pressure Reducing Valve

P	PS	Pump Station
	PTSC	Pretreatment and Source Control
	PZ	Pressure Zone
Q	QA/QS	Quality Assurance/Quality Control
R	RAS	Return Activated Sludge
	RATA	Relative Accuracy Test Audit
	RC	Regional Capital Improvement (Wastewater) Program
	RCA	Regional Composting Authority
	RDA	Redevelopment Agency
	REEP	Renewable Energy Efficiency Project
	RFI	Request for Information
	RFP	Request for Proposal
	RMPU	Recharge Master Plan Update
	RO	Regional Operations and Maintenance (Wastewater) Program
	ROI	Return on Investment
	RP-1	Regional Water Reclamation Facility (Plant) in the City of Ontario
	RP-2	Regional Water Reclamation Facility (Plant) in the City of Chino
	RP-4	Regional Water Reclamation Facility (Plant) in the City of Rancho Cucamonga
	RP-5	Regional Water Reclamation Facility (Plant) in the City of Chino
	R&R	Replacement and Rehabilitation
	RRWDS	Regional Recycled Water Distribution System
	RTS	Readiness-to-Serve
	RTS TYRA	Readiness-to-Serve Ten Year Rolling Average
	RW	Recharge Water Program
	RWBP	Recycled Water Business Plan
	RWC	Recycled Water Contribution
	RWPL	Recycled Water Pipeline
	RWPS	Recycled Water Program Strategy
	RWQCB	Regional Water Quality Control Board
	RWRP	Regional Water Recycling Plants
S	SAC	San Antonio Channel
	SAN	Storage Area Network
	SAP	Systems Applications and Products
	SAP GUI	Systems Application and Products Graphical User Interface
	SARCCUP	Santa Ana River Conservation and Conjunctive Use Program
	SARDA	Santa Ana River Dischargers Association
	SARI	Santa Ana River Interceptor
	SAWA	Santa Ana Watershed Association
	SAWPA	Santa Ana Watershed Project Authority
	SAWCO	San Antonio Water Company
	SB-272	Senate Bill Relating to Public Records
	SBCFCD	San Bernardino County Flood Control District
	SCADA	Supervisory Control and Data Acquisition
	SCAP	Southern California Alliance of Publicly Owned Treatment Works

ACRONYMS

S	SCAQMD	South Coast Air Quality Management District
	SCE	Southern California Edison
	SCWC	Southern California Water Committee
	SE	Sterling Engine
	SEIR	Subsequent Environmental Impact Report
	SIU	Significant Industrial User
	SKU	Stock Keeping Unit
	SLO	Service Level Operator
	SOP	Standard Operating Procedures
	SRF	State Revolving Fund
	SRWS	Self-Regenerating Water Softener
	SSMP	Sewer Systems Management Plan
	SSO	Sanitary Sewer Overflows
	STA	United States Composting Council's Seal of Testing Assurance
	SWRCB	State Water Resources Control Board
	SWP	State Water Project

T	TCE	Trichloroethylene
	TDS	Total Dissolved Solids
	TEAMS	Technical Enhancement and Management Succession
	TYCIP	Ten-Year Capital Improvement Plan
	TYF	Ten-Year Forecast
	TIN	Total Inorganic Nitrogen
	TKN	Total Kjeldahl Nitrogen
	TM	Technical Memorandum
	TMDL	Total Maximum Daily Load
	TMECC	Testing Methods for Evaluating Compost and Compost Products
	TMP	Technology Master Plan
	TO	Wastewater Program – Tertiary Operations & Maintenance
	TOC	Total Organic Carbon
	TP	Tertiary Plant
	TSS	Total Suspended Solids
	TWAS	Thickened Waste Activated Sludge
	TYCIP	Ten Year Capital Improvement Plan
	TYRA	Ten Year Rolling Average

U	UA	Unauthorized Activities
	ULFT	Ultra Low-Flush Toilets
	UPC	Unit Production Cost
	UPCP	Unit Process Control Procedure
	UPS	Uninterruptible Power Supply
	USACE	US Army Core of Engineers
	USBR	United States Bureau of Reclamation
	UV	Ultra-Violet
	UWMP	Urban Water Management Plan
	UWRF	Urban Water Reclamation Facility

V	VFD	Variable Frequency Drives
	VOC	Volatile Organic Compound
W	WAN	Wide Area Network
	WaterReuse	Water Reuse – the use of treated wastewater or reclaimed water for beneficial purposes such as irrigation
	WC	Recycled Water Program
	WDR	Wastewater Discharge Requirement
	WEF	Water Environment Federation
	WEFTEC	Water Environment Federation Annual Technical Exhibition and Conference
	WEWAC	Water Education Water Awareness Committee
	WFA	Water Facilities Authorities
	WFMP	Wastewater Facilities Master Plan
	WIFIA	Water Infrastructure Finance and Innovation Act
	WM	Chino Basin Watermaster
	WRCWRA	Western Riverside County Regional Wastewater Authority
	WS	Workstation
	WSAP	Water Supply Allocation Plan
	WUE	Water Use Efficiency
	WW	Water Resources Program
Y	YCF	Youth Correctional Facility

INDEX

A

Acronyms	12-1/12-9
Agency Profile/Policy Goals	2-1/2-33
Appendices.....	10-1/10-71
Appropriations Limit.....	10-67/10-71

B

Balanced Budget	3-4
Budget Basis	3-6/3-7
Budget Message (GM's)	1-1/1-4
Budget Priorities	2-25
Budget Process	3-1/3-6
Budgetary Control	3-4

C

Capital Projects	6-1/6-25
Capital Expenditures by Program (Tables)	6-6
Capital Project List and Descriptions	6-7/6-25
Connection Fees	4-10/4-11
Consolidated Sources and Uses of Funds (By Program)	1-22
Consolidated Sources and Uses of Funds (By All Funds).....	1-23

D

Debt Coverage Ratios.....	7-9/7-10
Debt Management	7-1/7-13
Debt Service Payment Schedule (Table).....	7-3
Debt Summary	7-4
Department/Division	9-1/9-88
Agency Management Division	9-1
Internal Audit	9-2/9-7
Agency Management (Office of the General Manager)	9-8/9-10
Human Resources	9-11/9-14
Finance & Administration Division	9-15
Contracts & Procurement	9-16/9-20
Finance and Accounting	9-21/9-25
External and Government Affairs Division	9-26/9-27
External Affairs	9-28/9-32
Grants Administration	9-33/9-35
Technical Resources Division.....	9-36/9-37
Engineering and Construction Management	9-38/9-44
Strategic Planning and Resources.....	9-45/9-51
Laboratory.....	9-52/9-57
Inter-Agency Relations	9-58/9-63
Asset Management.....	9-64/9-69
Operations Division.....	9-70/9-71
Business Information Services.....	9-72/9-75
Integrated System Services.....	9-76/9-79
Operations & Maintenance	9-80/9-88

INDEX

E

EDU Revenue, Historic, and Projected (Chart).....	4-4/4-5
Executive Summary	1-5/1-23

F

Fund Structure	1-20, 5-1/5-4
Financial Policies	2-26/2-33
Fund Balance Position (Table)	1-18/1-19

G

Grant Revenues.....	4-13/4-14
Glossary–General Terms	11-1/11-16

I

Inter-fund Loans	4-14/4-15
------------------------	-----------

L

Long Range Plan of Finance	3-2
----------------------------------	-----

O

Organizational Chart - Agency Wide.....	8-2
Other Revenues and Funding Sources.....	4-1/4-3

P

Personnel	8-1/8-9
Personnel Cost by Program (Table)	8-5/8-6
Position Summary (Table)	8-4
Program / Fund Budgets.....	5-1/5-63
Administrative Services	5-5/5-12
Regional Wastewater	5-13/5-27
Non-Reclaimable Wastewater	5-28/5-37
Recharge Water	5-38/5-45
Recycled Water	5-46/5-55
Water Resources	5-56/5-63
Property Tax Receipts	4-7/4-10

R

Rate Resolutions	10-5/10-74
Intent to Adopt Budget.....	10-5/10-7
FY 2021/22 and 2022/23 Budget Adoption	10-8/10-9
Establishing Service Rates for Improvement District "C"	10-10/10-12
Recycled Water Rates	10-13/10-15
Establishing Reimbursement Payment FY 2020/21 – FY 21/22.....	10-16/10-18
Establishing Water Connection Fee Rates.....	10-19/10-21
Establishing Meter Equivalent Unit (MEU) Rates and the Readiness-to-Serve Ten-Year Rolling Average (RTS TYRA) Pass-Through	10-22/10-25
SAWPA Budget for FY 2021/22 & 2022/23.....	10-26/10-27
Service Rates for Domestic Waste Haulers	10-28/10-32
Service Rates for the Etiwanda Wastewater Line (EWL)	10-33/10-38

INDEX

Services Rates for Non-Reclaimable Wastewater	10-39/10-45
Service Rates the Inland Empire Brine Line	10-46/10-52
Laboratory Fees.....	10-53/10-56
Fontana Extra-Territorial	10-57/10-60
Imported Water Rates.....	10-61/10-64
Equipment Rental Rates	10-65/10-8
Appropriation Limits.....	10/69-10-74
Revenues	4-1/4-5
Total Revenues and Other Sources of Funds (table)	4-1/4-3
User Charges	4-3
EDU Service Charges	4-4/4-5
NRW User Charges	4-5/4-6
Meter Equivalent and RTS Cost Recovery Charges.....	4-6
Property Tax Receipts.....	4-7/4-10
Regional Wastewater Connection Fees.....	4-10/4-11
One Water Connection Fee.....	4-11
Recycled Water Sales.....	4-12
State Loans.....	4-13
Grants.....	4-13/4-14
Inter-Fund Loans.....	4-14/4-15
Total Revenues and Other Funding Sources.....	4-15

S

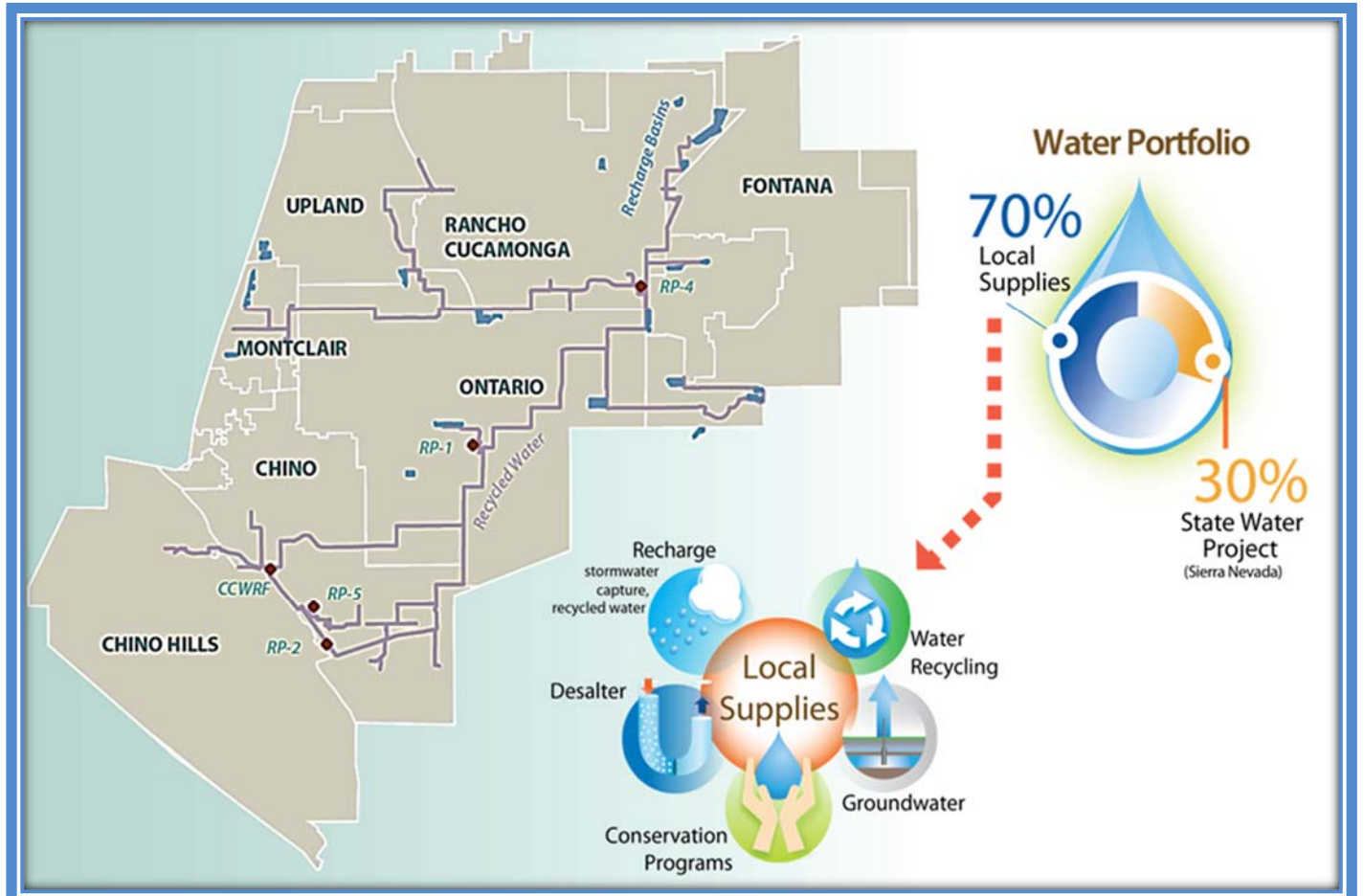
Staffing Plan	8-2/8-4
State Loans.....	4-13

U

User Fee Schedule	10-1/10-4
-------------------------	-----------

INDEX

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