



Regional Sewerage Program Policy Committee Meeting

AGENDA

Thursday, October 7, 2021

3:30 p.m.

Teleconference Call

In effort to prevent the spread of COVID-19, the Regional Sewerage Program Policy Committee Meeting will be held remotely by teleconference.

Teams Conference Link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_NWU1NzA2NDktM2VjMC00NDU1LTkxMmUtMjYyMjA2YWM3YWU4%40thread.v2/0?context=%7b%22Tid%22%3a%224c0c1e57-30f3-4048-9bd2-cd58917dcf07%22%2c%22Oid%22%3a%22329ec40e-eb94-4218-9621-6bfa0baa9697%22%7d

Teleconference: 1-415-856-9169/Conference ID: 552 973 583#

This meeting is being conducted virtually by video and audio conferencing. There will be no public location available to attend the meeting; however, the public may participate and provide public comment during the meeting by calling into the number provided above. Alternatively, you may email your public comments to the Recording Secretary Laura Mantilla at lmantilla@ieua.org no later than 24 hours prior to the scheduled meeting time. Your comments will then be read into the record during the meeting.

Call to Order/Flag Salute

Roll Call

Public Comment

Members of the public may address the Committee on any item that is within the jurisdiction of the Committee; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Comments will be limited to three minutes per speaker.

(Continued)

Additions to the Agenda

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

- 1. Technical Committee Report** (*Oral*)
- 2. Action Item**
 - A. Approval of September 2, 2021 Policy Committee Meeting Minutes
- 3. Informational Items**
 - A. Regional Contract Negotiation Update (*Oral*)
 - B. FY 2020/21 Fourth Quarter Budget Variance, Performance Goal Updates, and Budget Transfers
- 4. Receive and File**
 - A. Building Activity Report
 - B. Recycled Water Distribution – Operations Summary
 - C. Recycled Water Groundwater Recharge Update
 - D. Engineering Quarterly Project Updates
 - E. CBP/WSIP Baseline Scenario – Regional Contract
- 5. Policy Committee Items Distributed**

None
- 6. Other Business**
 - A. IEUA General Manager's Update
 - B. Committee Member Requested Agenda Items for Next Meeting
 - C. Committee Member Comments
 - D. Next Meeting – November 4, 2021

Adjourn

DECLARATION OF POSTING

I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency*, a Municipal Water District, hereby certify that, per Government Code Section 54954.2, a copy of this agenda has been posted at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA and on the Agency's website at www.ieua.org at least seventy-two (72) hours prior to the meeting date and time above.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Laura Mantilla at (909) 993-1944 or lmantilla@ieua.org, 48 hours prior to the scheduled meeting so that IEUA can make reasonable arrangements to ensure accessibility.

**ACTION
ITEM**

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF SEPTEMBER 2, 2021 MEETING

CALL TO ORDER

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program Policy Committee was held via teleconference on Thursday, September 2, 2021. Chair Bill Velto/City of Upland, called the meeting to order at 3:30 p.m.

PLEDGE OF ALLEGIANCE

Debra Dorst-Porada/City of Ontario led the Pledge of Allegiance. Recording Secretary Laura Mantilla took roll call and established a quorum was present.

ATTENDANCE via Teleconference

Committee Members:

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

Others Present:

Nicole deMoet	City of Upland
Eduardo Espinoza	CVWD
Shivaji Deshmukh	IEUA
Christiana Daisy	IEUA
Kathy Besser	IEUA
Christina Valencia	IEUA
Jerry Burke	IEUA
Denise Garzaro	IEUA
Sylvie Lee	IEUA
Laura Mantilla	IEUA

Others Present (continued):

Jeanina Romero	IEUA
Ken Tam	IEUA
Jeff Ziegenbein	IERCA

PUBLIC COMMENTS

There were no public comments.

ADDITIONS/CHANGES TO THE AGENDA

There were no additions or changes to the agenda.

1. TECHNICAL COMMITTEE REPORT

Nicole deMoet/City of Upland stated that the following action items were presented at the August 26 Technical Committee meeting: the approval of the July 29, 2021 Technical Committee meeting minutes and the approval of two requests from the City of Ontario for new regional sewer connection points to the Upland Interceptor Relief Sewer (#O-105 and #O-106). The 2021 Wastewater and Recycled Water Demand Forecast will be brought to the Technical Committee for consideration because the supporting information was inadvertently left out of the July meeting packet. IEUA presented the following four information items: CBP|WSIP update, Building Activity Report, Expanded Return to Sewer Study update, and the Operations and Compliance update. Ms. DeMoet shared that she will be presenting the Regional Contract Negotiations under information item 3B.

2. ACTION ITEM**A. APPROVAL OF THE AUGUST 5, 2021 POLICY COMMITTEE MINUTES**

Motion: By Randall Reed/Cucamonga Valley Water District and seconded by Jesse Sandoval/City of Fontana to approve the meeting minutes of the August 5, 2021 Regional Policy Committee meeting by the following vote:

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

The motion passed by a vote of 7 ayes, 0 noes, 0 abstain, and 0 absent.

3. INFORMATIONAL ITEMS**A. CHINO BASIN PROGRAM|WATER STORAGE INVESTMENT PROGRAM UPDATE**

Sylvie Lee/IEUA provided an overview and status update on the CBP/WSIP. She reviewed the four components, total cost of the program, and project schedule. Ms. Lee noted that the deadline to submit the final feasibility report to secure funding is December 2021. Ms. Lee stated that a Joint IEUA Board and Policy Committee workshop will be held on September 29 at Cucamonga Valley Water District with a virtual participation option. She added that the CEQA notice will be circulated in mid-September and the IEUA Board will be considering the item at

the October 20 Board meeting. Discussions ensued regarding annual operations and maintenance costs for participating agencies and how the Program works.

Mr. Dutrey asked if the CBP/WSIP will be on the October Policy committee agenda for action. General Manager Deshmukh stated that staff will provide an update regarding the roles of the Technical and Policy Committees within the Regional Contract at the September 15 staff meeting with member agencies as well as at the October Policy Committee meeting. Mr. Dutrey requested that IEUA also provide information at the workshop on other alternatives and the consequences if the project does not go forward.

B. REGIONAL CONTRACT NEGOTIATIONS UPDATE

Ms. deMoet stated that the Regional Contract Draft #6 is being prepared by Jeff Ferre from BB&K. The draft will be released to Kearns & West for review. Keans & West and the contracting agencies will meet to discuss the findings prior to releasing the document to IEUA in late September or the first week of October as noted in the milestones schedule.

4. RECEIVE AND FILE

A. BUILDING ACTIVITY REPORTING

B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY FOR JULY 2021

C. 2021 IEUA WASTEWATER AND RECYCLED WATER DEMAND FORECASTS

D. CBP|WSIP WORKGROUP MEETING PRESENTATION

Items 4A through 4D were received and filed by the Committee.

5. POLICY COMMITTEE ITEMS DISTRIBUTED

A. RESPONSE TO AUGUST 5, 2021 POLICY COMMITTEE QUESTIONS RELATED TO WASTEWATER CONNECTION FEES

6. OTHER BUSINESS

A. IEUA GENERAL MANAGER'S UPDATE

General Manager Deshmukh stated that the next quarterly meeting of the Finance Directors from member agencies will be held on September 8. Staff will be presenting an update on Metropolitan's Water Supply and Rate Refinement, the Agency's 2022 Rate Study and Water Use Efficiency Program Evaluation. In addition, staff will continue the presentations on the Agency's programs, focusing on Recycled Water and Recharge Water funds as requested by the Finance Directors.

He added that the upcoming CBP/WSIP Joint IEUA Board and Policy Committee Workshop will be held on Wednesday, September 29 at Cucamonga Valley Water District with a virtual participation option. Breakfast will be served at 8:00AM and the workshop will begin at 8:30AM.

He added that an invite was sent for a meet and greet with MWD General Manager Adel Hagekhalil on September 10 at 9:00AM at IEUA. This will give an opportunity for GM Hagekhalil to discuss his priorities and meet IEUA customer member agencies.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

Ms. Dorst-Porada followed up on the questions included in the memo from the City of Ontario regarding the components of the CBP and the Regional Contract. General Manager Deshmukh replied that IEUA received the memo and staff is working on the responses. Ms. Lee provided some of the responses in her update during today's meeting and will provide additional responses at the September 15 CBP Roundtable meeting. He stated that Mayor Dutrey also requested information on what should be approved through the Technical and Policy Committees per the Regional Contract, which will also be addressed.

C. COMMITTEE MEMBER COMMENTS

Mr. Reed/CVWD stated that he met with General Manager Deshmukh and IEUA staff regarding grants and loan negotiations. He stated that if the Committee members have an interest in a particular grant to let him know.

D. NEXT MEETING – OCTOBER 7, 2021

7. ADJOURNMENT

Chair Velto adjourned the meeting at 4:15 p.m.

Prepared by:

Laura Mantilla, Executive Assistant



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 Abstain: None

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be circulated in mid-September and the IEUA Board will be considering the item at the October 20 Board meeting. Discussions ensued regarding annual operations and maintenance costs for participating agencies and how the Program works.

Mr. John Dutrey/City of Montclair asked if the CBP/WSIP will be on the October Policy committee agenda for action. General Manager Deshmukh stated that staff will provide an update regarding the roles of the Technical and Policy Committees within the Regional Contract at the September 15 staff meeting with member agencies as well as at the October Policy Committee meeting. Mr. Dutrey requested that IEUA also provide information at the workshop on other alternatives and what are the consequences if the project does not go forward.

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4. THE FOLLOWING ITEMS WERE RECEIVED AND FILED BY THE COMMITTEE:

A. BUILDING ACTIVITY REPORT

B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY FOR JULY 2021

C. 2021 IEUA WASTEWATER AND RECYCLED WATER DEMAND FORECASTS

D. CBP|WSIP WORKGROUP MEETING PRESENTATION

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The upcoming CBP/WSIP Joint IEUA Board and Policy Committee Workshop will be held on Wednesday, September 29 at Cucamonga Valley Water District – Frontier Project in-person and online. Breakfast will be served at 8:00AM and the workshop will begin at 8:30AM.

Lastly, an invite was sent for a meet and greet with MWD General Manager Adel Hagekhalil on September 10 at 9:00AM at IEUA. This will give an opportunity for GM Hagekhalil to discuss his priorities and meet our customer member agencies.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

Ms. Debra Dorst-Porada/City of Ontario followed up on the questions included in the memo from the City of Ontario regarding the components and the Regional Contract. General Manager Deshmukh replied that IEUA received the memo and staff are working on the responses. Ms. Lee provided some of the responses in her update today as well as at the September 15 CBP Roundtable meeting. He stated that Mayor Dutrey also requested information on what should be approved through the Technical and Policy Committees per the Regional Contract, which will also be addressed.

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D. NEXT MEETING – OCTOBER 7, 2021**7. ADJOURNMENT**

Chair Velto adjourned the meeting at 4:15 p.m.

Prepared by:

Laura Mantilla, Executive Assistant

**INFORMATION
ITEM**

3B



Date: September 15, 2021

To: The Honorable Board of Directors

Committee: Finance & Administration

ADD

From: Shivaji Deshmukh, General Manager

09/08/21

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Fiscal Year 2020/21 Fourth Quarter Budget Variance, Performance Goal Updates, and Budget Transfers

Executive Summary:

The budget variance report presents the Agency's financial performance through the fourth quarter ended June 30, 2021 and various analyses are provided in the attachments.

The Agency's total revenues and other funding sources were \$296.1 million, or 84.7 percent of the fiscal year to date amended budget of \$349.5 million. The variance is primarily due to lower than budgeted loan receipts for the RP-5 Expansion and Recharge Master Plan Update (RMPU) projects.

The Agency's total expenses and other uses of funds were \$292.5 million, or 77.0 percent of the fiscal year to date amended budget of \$379.6 million. Lower than budgeted administrative and operating expenses and timing of capital project execution account for the favorable variance.

The net change of the unaudited total revenues and other funding sources over the total expenses and other uses of funds for the quarter ended June 30, 2021 is an estimated \$3.6 million.

Staff's Recommendation:

The Fiscal Year (FY) 2020/21 fourth quarter budget variance, performance goal updates, and budget transfers is an informational item for the Board of Directors to receive and file.

Budget Impact *Budgeted* (Y/N): N *Amendment* (Y/N): N *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

The net change of the total revenues and other funding sources over total expenses and other uses of funds is an increase of \$3.6 million for the quarter ended June 30, 2021.

Prior Board Action:

Environmental Determination:

Not Applicable

Business Goal:

The quarterly budget variance report is consistent with the Agency's business goal of fiscal responsibility to demonstrate the Agency has appropriately funded operational, maintenance, and capital costs.

Attachments:

Attachment 1 - Background

Exhibit A - Q4 Budget Variance Summary and Detail Report

Exhibit B - Business Goals and Objectives Report by Initiatives

Exhibit C-1 - Summary of Annual Budget Transfers through the Fourth Quarter

Exhibit C-2 - Summary of the GM Contingency Account Activity

Exhibit D - Project Budget Transfers for Capital and Non-Capital Projects

Attachment 2 - Power Point

Background

Subject: Fiscal Year 2020/21 Fourth Quarter Budget Variance, Performance Goal Updates, and Budget Transfers

The FY 2020/21 Fourth Quarter Budget Variance report continues to reflect the effects of the Agency's response to the Coronavirus (COVID-19) global pandemic. Facilities are fully operational and all non-essential support staff remain on a remote work status. Non-critical capital projects, maintenance, travel, and in person public events have been deferred.

The Budget Variance report presents the Agency's financial performance through the fourth quarter ended June 30, 2021 and includes the following highlights.

TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency's total revenue and other funding sources were \$296.1 million, or 84.7 percent of the fiscal year amended budget of \$349.5 million for the quarter ended June 30, 2021 (Exhibit A). The following section highlights key variances:

- ***MWD Water Sales*** – Total Metropolitan Water District of Southern California (MWD) sale of pass-through imported water were \$45.6 million or 98.5 percent of the fiscal year-to-date amended budget. Imported water deliveries were 48,349 AF compared to the annual budget of 60,000 AF. Additional Dry Year Yield Conjunctive Use deliveries totaled 23,000 AF.
- ***Connection Fees*** – Total connection fee receipts were \$42.4 million or 118.6 percent of the fiscal year to date amended budget. Receipts include \$36.7 million new regional wastewater system connections (EDU) and \$5.7 million new water connections (MEU). The number of new EDU connections reported through the fourth quarter were 5,274 EDUs compared to the annual budget of 4,000 EDUs. New MEU water connections were 3,785 compared to the 4,700 budgeted MEUs.
- ***Property Taxes*** – Total property tax receipts of \$66.3 million reported a favorable variance of 22.9 percent above budget. Property taxes are comprised of general ad-valorem property tax receipts from the San Bernardino County Tax Assessor (County) of \$40.7 million and \$25.6 million of incremental "pass through" taxes, formerly known as redevelopment taxes, were received through the end of the fourth quarter.
- ***Grants & Loans*** – Total receipts through the fourth quarter were \$20.2 million, or 21.5 percent of the fiscal year to date budget. Grant receipts for various recycled water program projects were \$10.7 million including \$8.3 million of one-time principal forgiveness for the Napa Lateral, San Sevaine, and Recycled Water Baseline Extension projects. Other grant receipts include \$8.3 million for the TCE Plume Cleanup project, and \$1.1 million for Recharge Master Plan Update (RMPU) projects in the Recharge Water program and water conservation projects in the Water Resources program. SRF loan receipts totaled

\$0.1 million. Grant and loan receipts are primarily reimbursable in nature and are dependent upon related capital project expenditures. Due to the COVID-19 pandemic, capital project activities have remained below the levels planned at the beginning of the fiscal year.

- ***Project Reimbursements and Other Revenue*** – Total project reimbursements and other revenues were \$3.7 million, or 88.8 percent of the fiscal year to date amended budget. Actuals include \$1.5 million one-time receipt from Monte Vista Water District (MVWD) for capacity rights and wastewater discharge permits to use 7 capacity units for the Etiwanda Wastewater Line (EWL), \$0.6 million from Chino Basin Waster Master(CBWM) for their share of the 2008B Rate Variable bond debt service and fixed project costs, \$0.3 million of miscellaneous revenues for Non-Reclaimable Wastewater leased capacity units, and \$1.3 gain on investments, other fees, and miscellaneous reimbursements.

TOTAL EXPENSES AND USES OF FUND

The Agency’s total fourth quarter expense and uses of funds were \$292.5 million, or 77.0 percent of the \$379.6 million fiscal year amended budget. Key expense variances include:

Administrative and Operating Expenses

- ***Office and Administration*** – Office and administrative expense for the fourth quarter was \$1.1 million or 37.6 percent of the fiscal year to date amended budget. The favorable variance was primarily due to the continued deferral of all travel, conferences, and in person public outreach events due to the COVID-19 pandemic. Other expense such as office supplies, printing, and copying were lower than budgeted due to the remote work environment for all non-essential support staff.
- ***Professional Fees & Services*** – Total expenses were \$7.9 million, or 57.5 percent of the fiscal year to date amended budget. The positive variance is primarily due to the continued deferral of non-critical contract labor and materials. As public health restrictions remained in effect for most of the fiscal year, contractor and consultant support budgets were not utilized as planned for operational response plans, energy storage projects, air quality source testing, repairs, and calibration of critical compliance equipment.
- ***O&M (Non-capital) and Reimbursable Projects*** – O&M and reimbursable project costs were \$10.5 million or 42.9 percent of the fiscal year to date amended budget. The favorable budget is mainly due to deferral of non-critical projects, delays, and decreased spending on planning documents, various fund emergency projects, and conservation projects.
- ***Operating Fees*** – Spending in this category was \$11.2 million, or 87.5 percent of the amended budget. A major part of this category are the “pass-through” fees from Los Angeles County Sanitation District (LACSD) and Santa Ana Watershed Project Authority (SAWPA) for the Agency’s non-reclaimable wastewater system (NRWS).

- **MWD Water Purchases** – Total Metropolitan Water District of Southern California (MWD) purchase of pass-through imported water were \$45.6 million or 98.5 percent of the fiscal year to date amended budget. Imported Tier 1 untreated water deliveries were 48,349 AF, an additional 23,000 AF of Dry Year Yield Conjunctive Use was delivered for a total of 71,349 AF.

Non-Operating Expenses

- **Capital Projects** – Total capital project expenditures year to date were \$111.0 million or 63.2 percent of the fiscal year to date amended budget. The favorable variance can be attributed to material procurement and contract award delays due to the COVID-19 pandemic, project scope and design delays and adjustments, and regulatory permit requirements. Capital project budget related to the Regional Wastewater program is \$139.3 million, or 79 percent of the \$175.6 million of the annual amended budget. Recycled Water program capital project budget accounts for \$5.2 million, or 3.0 percent of the annual amended budget.
- **Financial Expenses** - Fourth quarter expense totaled \$30.4 million or 118.7 percent of the fiscal year to date amended budget. Actual expense includes \$16.4 million of principal payments for the 2017A Revenue and 2020A Refunding Revenue bonds, and various SRF Loans, and total interest and financial administration fees of \$14.0 million.

A detailed explanation of significant revenues and expenses are included in the attached Exhibit A.

FUND BALANCES AND RESERVES

The estimated net change of the total revenues and other funding sources over the total expenses and other uses of funds for the fourth quarter is an increase of \$3.6 million.

Table 1 provides an overview of the fiscal year to date budget variance for revenues, expenses, and net change to overall fund balance.

Table 1: Fiscal Year and Year to Date (YTD) Revenues, Expenses, and Fund Balance (\$ Millions) Quarter Ended June 30, 2021

Operating	FY 2020/21 Amended Budget	Actual	% Amended Budget Used
Operating Revenue	\$161.6	\$163.5	101.2%
Operating Expense	(\$178.0)	(\$150.7)	84.6%
Net Operating Increase/(Decrease)	(\$16.4)	\$12.8	

Non- Operating			
Non-Operating Revenue	\$187.9	\$132.6	70.6%
Non-Operating Expense	(\$201.6)	(\$141.8)	70.3%
Net Non-Operating Incr./ (Decrease)	(\$13.7)	(\$9.2)	
Total Sources of Funds	\$349.5	\$296.1	84.7%
Total Uses of Funds	(\$379.6)	(\$292.5)	77.0%
Total Net Increase/(Decrease)	(\$30.1)	\$3.6	

+/- difference due to rounding

GOALS AND OBJECTIVES

Exhibit B provides information on division and related department goals and objectives and the status through the end of the fourth quarter. The key performance indicators (KPIs) are used to track the volume and complexity of work by type and to track the effort invested to accomplish that work. Staff use KPIs to track productivity and to justify current resource allocations, re-allocation, and requests for additional staff.

BUDGET TRANSFERS AND AMENDMENTS

Intra-fund O&M budget transfers of \$860,625 were recorded through the fourth quarter as detailed in Exhibit C-1.

General Manager (GM) Contingency Account of the \$300,000 adopted budget in the Administrative Services Fund, \$44,645 of funds were utilized through the fourth quarter as detailed in Exhibit C-2.

Inter-fund Capital and O&M project budget transfers accounted for \$1,652,735 as listed in Exhibit D.

The budget variance analysis report is consistent with the Agency's business goal of fiscal responsibility: to demonstrate the Agency appropriately funded operational, maintenance, and capital costs.

IMPACT ON BUDGET

For quarter ended June 30, 2021, total revenues and other funding sources exceeded total expenses and other uses of funds by \$3.6 million.

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2020/21
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended June 30, 2021

	Amended Budget	Budget YTD	Actual YTD	Variance YTD	% Budget YTD Used	% Annual Budget Used
<u>OPERATING REVENUES</u>						
User Charges	\$88,233,485	\$88,233,485	\$88,760,179	\$526,693	100.6%	100.6%
Recycled Water	16,155,000	16,155,000	19,223,412	3,068,412	119.0%	119.0%
MWD Water Sales	46,236,000	46,236,000	45,561,349	(674,651)	98.5%	98.5%
Cost Reimbursement from JPA	7,057,798	7,057,798	6,794,028	(263,771)	96.3%	96.3%
Interest Revenue	3,928,685	3,928,685	3,212,054	(716,631)	81.8%	81.8%
TOTAL OPERATING REVENUES	\$161,610,968	\$161,610,968	\$163,551,021	\$1,940,052	101.2%	101.2%
<u>NON-OPERATING REVENUES</u>						
Property Tax	\$53,934,900	\$53,934,900	\$66,274,703	\$12,339,803	122.9%	122.9%
Connection Fees	35,734,799	35,734,799	42,390,552	6,655,753	118.6%	118.6%
Grants	14,412,372	14,412,372	20,105,671	5,693,299	139.5%	139.5%
SRF Loan Proceeds	79,646,848	79,646,848	93,419	(79,553,429)	0.1%	0.1%
Project Reimbursements	3,050,651	3,050,651	622,101	(2,428,550)	20.4%	20.4%
Other Revenue	1,148,100	1,148,100	3,108,348	1,960,248	270.7%	270.7%
TOTAL NON OPERATING REVENUES	\$187,927,670	\$187,927,670	\$132,594,794	(\$55,332,876)	70.6%	70.6%
TOTAL REVENUES	\$349,538,638	\$349,538,638	\$296,145,815	(\$53,392,824)	84.7%	84.7%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>						
EMPLOYMENT EXPENSES						
Wages	\$27,477,731	\$27,477,731	\$29,977,605	(\$2,499,874)	109.1%	109.1%
Benefits	24,771,301	24,771,301	21,166,164	3,605,139	85.4%	85.4%
TOTAL EMPLOYMENT EXPENSES	\$52,249,032	\$52,249,032	\$51,143,768	\$1,105,265	97.9%	97.9%
ADMINISTRATIVE EXPENSES						
Office & Administrative	\$2,912,879	\$2,912,879	\$1,094,312	\$1,818,567	37.6%	37.6%
Insurance Expenses	1,048,795	1,048,795	948,775	100,020	90.5%	90.5%
Professional Fees & Services	13,829,574	13,829,574	7,952,464	5,877,110	57.5%	57.5%
O&M Projects	24,063,169	24,063,169	\$10,443,790	13,619,378	43.4%	43.4%
Reimbursable Projects	328,583	328,583	\$17,134	311,449	5.2%	5.2%
TOTAL ADMINISTRATIVE EXPENSES	\$42,182,999	\$42,182,999	\$20,456,475	\$21,726,524	48.5%	48.5%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2020/21
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Quarter Ended June 30, 2021

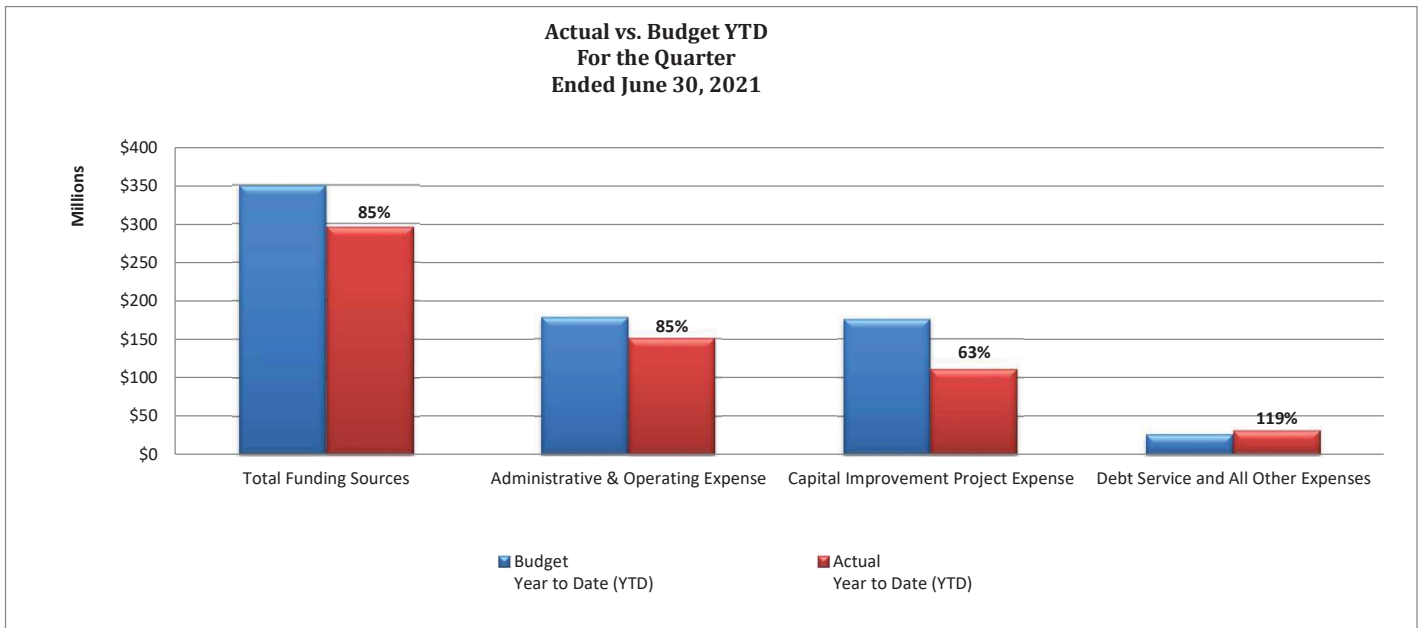
	Amended Budget	Budget YTD	Actual YTD	Variance YTD	% Budget YTD Used	% Annual Budget Used
OPERATING EXPENSES						
Material & Supplies/Leases	\$3,451,697	\$3,451,697	\$2,789,507	\$662,190	80.8%	80.8%
Biosolids Recycling	4,848,962	4,848,962	4,630,756	218,206	95.5%	95.5%
Chemicals	5,999,747	5,999,747	5,527,042	472,705	92.1%	92.1%
MWD Water Purchases	46,236,000	46,236,000	45,561,349	674,651	98.5%	98.5%
Operating Fees/RTS Fees/Exp. Alloc.	12,791,404	12,791,404	11,197,507	1,593,897	87.5%	87.5%
Utilities	10,273,925	10,273,925	9,374,199	899,725	91.2%	91.2%
TOTAL OPERATING EXPENSES	\$83,601,736	\$83,601,736	\$79,080,361	\$4,521,374	94.6%	94.6%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$178,033,767	\$178,033,767	\$150,680,604	\$27,353,163	84.6%	84.6%
<u>NON-OPERATING EXPENSES</u>						
CAPITAL OUTLAY	\$175,641,167	\$175,641,167	\$111,008,957	\$64,632,210	63.2%	63.2%
FINANCIAL EXPENSES						
Principal, Interest, and Financial Expenditures	25,610,574	25,610,574	30,390,437	(4,779,863)	118.7%	118.7%
OTHER NON-OPERATING EXPENSES	344,052	344,052	383,949	(39,897)	111.6%	111.6%
TOTAL NON-OPERATING EXPENSES	\$201,595,793	\$201,595,793	\$141,783,344	\$59,812,450	70.3%	70.3%
TOTAL EXPENSES	\$379,629,560	\$379,629,560	\$292,463,948	\$87,165,613	77.0%	77.0%
REVENUES IN EXCESS/ (UNDER) EXPENSES	(\$30,090,922)	(\$30,090,922)	\$3,681,866	\$33,772,789		

Totals may not add up due to rounding

I. Actual vs. Budget Summary:

Quarter Ended June 30, 2021

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Revenues	161,610,968	161,610,968	163,551,021	1,940,053	101.2%
Non-Operating (Other Sources of Fund)	187,927,670	187,927,670	132,594,794	(55,332,876)	70.6%
TOTAL FUNDING SOURCES	349,538,638	349,538,638	296,145,815	(53,392,823)	84.7%
Administrative & Operating Expense	(178,033,767)	(178,033,767)	(150,680,604)	27,353,163	84.6%
Capital Improvement Project Expense	(175,641,167)	(175,641,167)	(111,008,957)	64,632,210	63.2%
Debt Service and All Other Expenses	(25,954,626)	(25,954,626)	(30,774,387)	(4,819,761)	118.6%
TOTAL USES OF FUNDS	(379,629,560)	(379,629,560)	(292,463,948)	87,165,612	77.0%
Surplus/(Deficit)	(30,090,922)	(30,090,922)	3,681,867	33,772,789	



2. Actual Revenue vs. Budget:

Quarter Ended June 30, 2021

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Revenues:					
User Charges	88,233,485	88,233,485	88,760,179	526,694	100.6%
Recycled Water Sales	16,155,000	16,155,000	19,223,412	3,068,412	119.0%
MWD Water Sales	46,236,000	46,236,000	45,561,349	(674,651)	98.5%
Cost Reimbursement	7,057,798	7,057,798	6,794,028	(263,770)	96.3%
Interest	3,928,685	3,928,685	3,212,054	(716,631)	81.8%
OPERATING REVENUES	161,610,968	161,610,968	163,551,022	1,940,054	101.2%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	53,934,900	53,934,900	66,274,703	12,339,803	122.9%
Connection Fees	35,734,799	35,734,799	42,390,552	6,655,753	118.6%
Grants & Loans	94,059,220	94,059,220	20,199,090	(73,860,130)	21.5%
Other Revenue	4,198,751	4,198,751	3,730,448	(468,303)	88.8%
NON-OPERATING REVENUES	187,927,670	187,927,670	132,594,793	(55,332,877)	70.6%
Total Revenues	349,538,638	349,538,638	296,145,815	(53,392,823)	84.7%

User Charges, 100.6%	User charges were \$88.8 million, or 100.6 percent of the year to date budget. The category includes \$71.4 million monthly sewer charges based on equivalent dwelling units (EDU), \$9.9 million non-reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system for disposal of non-reclaimable and industrial wastewater; and \$7.5 million of monthly meter equivalent unit charges (MEU) imposed on all potable water connections and Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) charges to meet our Readiness-to-Serve obligation to Metropolitan Water District (MWD).
Property Tax/ AdValorem, 122.9%	Property tax receipts through the fourth quarter totaled \$66.3 million. General ad-valorem property tax receipts from the San Bernardino County Tax Assessor were \$40.7 million and former redevelopment agencies (RDA) pass-through tax was \$25.6 million through June. Property tax receipts are budgeted based on valuation projected by the county, increased home sales, and anticipated adjustments in property tax distribution due to the dissolution of the redevelopment agencies.
Recycled Water Sales, 119%	Recycled water direct sales were \$9.8 million for 19,534 acre feet (AF) and groundwater recharge sales were \$9.4 million for 16,253 acre feet (AF), for a combined total of \$19.2 million for 35,787 AF. Total deliveries budgeted for the fiscal year were 31,900 AF (19,000 AF Direct and 12,900 AF Recharge). Demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability.
Interest Income, 81.8%	Interest Income was \$3.2 million or 81.8 percent of the year to date budget. The Agency earns interest income by investing funds not immediately required for daily operations. The Agency's average investment portfolio yield for June 2021 was 1.23%. The budgeted interest rate assumption for FY 2020/21 is 2.50% based on the Agency's overall fund balance which is higher than the agency's investment portfolio.
MWD Water Sales, 98.5%	Total Metropolitan Water District of Southern California (MWD) pass-through imported water revenue was \$45.6 million or 98.5 percent of the year to date budget. Imported water deliveries were 48,349 AF, additional conjunctive use deliveries were 23,000 acre feet. Higher imported water demands can be attributed to warmer weather and low precipitation throughout the fiscal year.
Connection Fees, 118.6%	Total connection fee receipts were \$42.4 million or 118.6 percent of the year to date budget. Receipts include \$36.7 million for new regional wastewater system connections and \$5.7 million for new water connections. A total of 5,274 new equivalent dwellings unit (EDU) wastewater connections were reported through the fourth quarter compared to the annual budget of 4,000 new connections. A total of 3,785 meter equivalent units (MEU) were collected through the fourth quarter.
Grants and Loans, 21.5%	Grant receipts of \$20.1 million and loan receipts of \$0.1 million for a combined total of \$20.2 million were received through the fourth quarter. SRF loan receipts received were for the Recycled Water program and are net of \$10.6 million of principal forgiveness and other proceeds reclassified to grant revenues. Grant receipts included \$8.3 million principal forgiveness for the Napa Lateral, San Sevaine, and Baseline Recycled Water Extension projects, \$2.4 million for the Recycled Water Pump Station and Pipeline Bottleneck projects, \$8.3 million for the Plume cleanup project, \$1.1 million for Recharge Master Plan Update (RMPU) projects in the Recharge Water program and water conservation projects in the Water Resources program.
Cost Reimbursements JPA, 96.3%	Total cost reimbursements were \$6.8 million or 96.3 percent of the amended budget. Reimbursements include \$4.2 million from the Inland Empire Regional Composting Authority (IERCA) and \$1.3 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities respectively. Also included is \$1.3 million for operations & maintenance costs related to the groundwater recharge basins, net of the Agency's pro-rata share for the recycled water recharge costs.
Other Revenues, 88.8%	Total other revenues and project reimbursements were \$3.7 million, or 88.6 percent of the year to date budget. Actuals include \$1.5 million one-time receipt from Monte Vista Water District (MVWD) for capacity rights and wastewater discharge permits to use 7 capacity units for the Etiwanda Wastewater Line (EWL), \$0.6 million from Chino Basin Waster Master(CBWM) for their share of the 2008B Rate Variable bond debt service and fixed project costs, \$0.3 million of miscellaneous revenues for Non-Reclaimable Wastewater leased capacity units, and \$1.3 gain on investments, other fees, and miscellaneous reimbursements.

3. Actual Operating and Capital Expense vs. Budget:

Quarter Ended June 30, 2021

	Amended Budget	Budget Year to Date (YTD)	Actual Year to Date (YTD)	Budget YTD vs. Actual	% of Budget Used YTD
Operating Expenses:					
Employment	52,249,032	52,249,032	51,143,768	1,105,264	97.9%
Admin & Operating	79,548,735	79,548,735	53,975,487	25,573,248	67.9%
MWD Water Purchases	46,236,000	46,236,000	45,561,349	674,651	98.5%
OPERATING EXPENSES	178,033,767	178,033,767	150,680,604	27,353,163	84.6%
Non-Operating Expenses:					
Capital	175,641,167	175,641,167	111,008,957	64,632,209	63.2%
Debt Service and All Other Expenses	25,954,626	25,954,626	30,774,386	(4,819,760)	118.6%
NON-OPERATING EXPENSES	201,595,793	201,595,793	141,783,343	59,812,449	70.3%
Total Expenses	379,629,560	379,629,560	292,463,947	87,165,612	77.0%

Employment Expenses
net of allocation to
projects

Employment, 97.9%

Employment expenses were \$51.1 million or 97.9 percent of the annual budget. At the end of the fourth quarter, a total of 266 regular positions were filled compared to the 286 budgeted (290 authorized) and 10 limited term positions were filled compared to the 18 budgeted positions. Recruitment of key positions as part of the Agency's succession planning effort is expected to lower the vacancy factor going forward. The budget and actual expenses include \$7.3 million payment toward unfunded retirement liabilities.

Administrative &
Operating Expenses

Office and Administrative, 37.6%

Total expenses through the fourth quarter were \$1.1 million or 37.6 percent of the amended budget. Travel, training, meeting expense, office supplies, obsolete inventory budget, advertising, and sponsorships remained low through the fourth quarter due to COVID 19 and the remote work environment. Other items such as Optimization software, and drought publications and outreach are deferred until next fiscal year.

Professional Fees & Services, 57.5%

Total expenses were \$7.9 million, or 57.5 percent of the year to date budget. The variance is primarily due to the continued deferral of non-critical contract labor and materials. As public health restrictions remained in effect for the majority of the fiscal year, contractor and consultant support budgets were not utilized as planned for operational response plans, energy storage projects, air quality source testing, repairs, and calibration of critical compliance equipment. Other professional services such as audit and consulting fees for the ongoing rate studies are expected to be incurred in the following fiscal year.

Materials & Supplies/Leases/Contribution, 80.8%

Expenses through the of the fourth quarter were \$2.8 million or 80.8 percent of year to date budget. COVID-19 related supply shortages and long lead times led to departments using less materials and supplies for preventive and corrective maintenance tasks, and operations-related repairs. Promotional items and large equipment purchases were deferred to following fiscal year.

Biosolids Recycling, 95.5%

Biosolids expense through the end of the fourth quarter was \$4.6 million or 99.5 percent of the year to date budget. The biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. Year to date tonnage of the Agency's biosolids generated from all its water recycling facilities shipped to IERCA was 69,687 tons with a hauling rate of \$57 per ton.

Chemicals, 92.1%

Chemical expenses were \$5.5 million, or 92.1 percent of the annual budget. Chemicals are essential in meeting regulatory requirements, treatment process performance goals, and sustainment of high quality recycled water. New analyzers being used in the field are reducing the use of chemical solutions.

MWD Water Purchases, 98.5%

Total Metropolitan Water District of Southern California (MWD) pass-through imported water purchased was \$45.6 million or 98.5 percent of the year to date budget. Imported water deliveries were 58,650 AF compared to the annual budget of 60,000 AF.

Operating Fees, 87.5%

Total expenses were \$11.2 million or 87.5 percent of the year to date budget. A major part of this category are the "pass-through" fees from Los Angeles County Sanitation District (LACSD) and Santa Ana Watershed Project Authority (SAWPA) for the Agency's non-reclaimable wastewater system (NRWS).

Utilities, 91.2%

Total utilities expenses were \$9.4 million or 91.2 percent of the year to date budget. This category includes the purchase of electricity from Southern California Edison (SCE) or the grid, natural gas, and purchase of renewable energy generated on site from solar and wind. Through the fourth quarter, the average rate for imported electricity ranged between \$0.125/kWh - \$0.139/kWh compared to the budgeted rate of \$0.12/kWh.

O&M and Reimbursable Projects, 43.4% and 5.2%

The combined O&M and reimbursable project costs were \$10.5 million or 42.9 percent of the combined year to date budget. The favorable budget is mainly due to project deferrals, delays, and lower spending on planning documents, various fund emergency projects, and drought related projects.

Financial Expenses

Financial Expense, 118.7%

Total financial expenses through the fourth quarter were \$30.4 million. Actual costs include \$16.4 million of principal payments for the 2020A and 2017A Revenue bonds and State Revolving Fund loans. Total interest and financial administration fees were \$14.0 million.

Other Expenses

Other Expenses, 111.6%

Total other expenses were \$0.4 million or 111.6 percent of the amended budget. Major category expense includes the annual contribution-in-aid to the Santa Ana Watershed Project Authority.

Capital Expenses

Capital Costs, 63.2%

Total capital project expenditures year to date were \$111.0 million or 63.2 percent of the year to date budget. The favorable variance can be attributed to material procurement and contract award delays as a result of the COVID-19 pandemic, project scope and design delays and adjustments, and regulatory permit requirements. Capital project budget related to the Regional Wastewater program is \$139.3 million, or 79 percent of the \$175.6 million of the annual program budget. Recycled Water program capital project budget accounts for \$5.2 million, or 3.0 percent of the annual program budget.

Summary of major capital and non-capital project expenses and status as of June 30, 2021

Capital Projects		Annual Budget	Actual YTD	% of Budget Used YTD
EN17110	<p>RP-4 Process Improvements</p> <p>Regional water recycling plant No. 4 improvements to extend service life of facilities and provide enhanced operation flexibility. This variance is a result of a combination of the project being extended by several months due to longer than estimated lead time on equipment and also construction bids coming in lower than anticipated and as a result, expenditures will be less than anticipated.</p>	15,000,000	8,942,700	59.6%
EN17082	<p>RP-1 Mechanical Restoration</p> <p>The project will replace all nine RAS pumps, five WAS pumps, four scum pumps, two motor control centers, five variable frequency drives, and all ancillary piping in the RAS Buildings. The objective of the project is to ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use. The majority of the equipment was originally anticipated to be received in FY 19/20, but was not received until FY 20/21 as a result of the COVID pandemic. Unexpected issues with existing fiber optic cables required identification and relocation, this caused delays in scheduled electrical and control activities resulting in extended pump bypassing. Major construction, installation of all mechanical equipment, and the end of pump bypassing was completed by the end of June 2021. Small additions and programming work will be completed by end of first quarter 2021/22.</p>	4,300,000	6,399,088	148.8%
EN19006	<p>RP-5 Solids Handling Facility</p> <p>The relocation of the RP-2 Solids Treatment Facility to RP-5 is required due to the facility being located on United States Army Corps of Engineers (USACE) property, which is located in a future flood plain upon completion of USACE project to raise the Prado Dam Spillway. Foundation pours for the thickening building, acid phase digester, gas phase digesters and building, and dewatering facility and truck loading areas are various phases of completion. Began forming and reinforcing walls of the acid phase digesters. Excavation, subgrade installation, underground piping, and electrical for warehouse 1 and 2 were in progress as of fiscal year end.</p>	55,345,979	32,233,764	58.2%
EN19001	<p>RP-5 Expansion to 30 mgd</p> <p>Improvements at RP-5 are expected to increase the treatment capacity of RP-5 from 15 to 22.5 MGD. W.M. Lyles construction baseline schedule was approve in January. Excavation and shoring installation for the influent pump station is continuing and installation of the block walls for the power center buildings 4 and 9 is complete. Power center building 6 and the blower building 2 installation of block walls is nearly complete. Offsite pump stations design will be finalized in 2022, associate agreements, bidding, and construction will follow.</p>	31,711,330	30,080,317	94.9%
EN20056	<p>RSS Haven Avenue Repairs</p> <p>The project was awarded to Charlies King, Co. on April 21 for 210 calendar days to complete the project. As of today, the contractor is preparing necessary submittals for review in anticipation of a bypass operation and traffic control for the duration of the re-lining project that is scheduled for mid-August to November.</p>	5,601,606	253,437	4.5%
O&M & Reimbursable Projects		Annual Budget	Actual YTD	% of Budget Used YTD
EN19024	<p>Collection System Asset Management</p> <p>CDM Smith was awarded the contract to perform condition assessments of specified sewer lines and siphons within the Regional and Brine Sewer Systems. The contract includes an optimized planning system for future cleaning, inspecting and replacing sewer assets. The increase budget is part service contract to implement additional condition assessment efforts on critical sewer assets and optimize the Agency's asset management plan towards the collection system. In September 2020, the Board approved both the service contract and the augmented project budget. The project is currently in pre-design, all field inspections are scheduled to completed with the second quarter of next fiscal year. The optimization efforts will be completed one-year after the completion of the field assessment work.</p>	3,186,350	745,088	23.4%
EN19023	<p>Asset Management Plan</p> <p>As part of the Asset Management Program, this project will develop and gather the condition of Agency assets in order to forecast, budget, and implement the replacement and/or repair of critical assets. The program development phase and asset condition assessment for this project experienced some minor delays due to personnel integration into Asset Mgt. group to manage these projects. The expenditures for fourth quarter is less than expected due to this delay. The project is now assigned with a full time project manager and will be in pre-design stage in the first quarter of the new fiscal year.</p>	1,179,842	145,713	12.4%
WR18005	<p>Turf Removal Rebate</p> <p>This Project adds a \$1 per square-foot incentive to MWD's base-rate rebate of \$2. This Project provides supplemental funding for customers who replace their existing, high water-use turf with climate appropriate and water-wise plant materials for residential, commercial, industrial, and institutional sites. During the fourth quarter of FY 20/21, IEUA's WUE Turf Programs have experienced an increased customer interest in the commercial, industrial, and institutional demographic. With an impending drought approaching, staff anticipates these funds will be exhausted within the next 6-8 months.</p>	515,805	399,652	77.5%

Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
AGENCY MANAGEMENT			Several staff members completed trainings offered by CSDA on topics including Records Management and Emergency Preparedness. Staff members continued to cross-train to provide support to multiple Agency departments.		
HR	<p>HR staff continue to contribute to the strategic planning of the Agency’s human capital management, including participation in staffing-related forecasting related to the FY 2021/22 and FY 2022/23 biennial budget planning process.</p> <p>HR developed a strategic plan for FYs 2021/22 – 22/23 that includes the following goal: Integrate the Agency’s Asset Management Commitment into Human Resources programs.</p>		<p>HR has increased its marketing of Percipio, the Agency’s Learning and Development platform.</p> <p>HR staff have researched and recommended that IEUA participate as a signatory agency in IE Works, a regional collaboration to create career pathways within the Inland Empire’s water/wastewater industry.</p>		HR developed a strategic plan for FYs 2021/22 – 22/23 that includes the following goal: Automate Human Resources processes to create the efficiencies needed to support Agency staffing initiatives.

Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

GR/IAR

The newly formed IAR Dept members took a “Strengths Finder” survey and then subsequently met to discuss how to leverage our individual strengths at the workplace and also appreciate the value of incorporating the strengths of others.

Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
<p>EXTERNAL AFFAIRS AND POLICY DEVELOPMENT</p>	<p>External Affairs staff has implemented the Defect Elimination Task Force recommendations in regards to the wipes in the pipes issue by working closely with the Collections team to implement relevant messaging while also incorporating FOG messaging as well.</p>	<p>The Grants Department continues to pursue Federal and State funding to support the Agency’s capital projects.</p> <p><u>GRANT:</u> Awarded Funding: Cal Recycle \$397,639</p> <p>Illegal Disposal Site Abatement Grant Program Project will install trash clean-up devises in RP3, Ely and Turner basins.</p> <p><u>WIFIA LOAN:</u> Letter of Interest Selected To Proceed to Full Application Process</p> <p>Regional Wastewater System Improvements Program – Total Costs \$183 Million IEUA's Program was one of 55 projects in 20 states that EPA selected to submit a full funding application. The</p>	<p>External Affairs staff continue to take part in virtual training opportunities focused on outreach/campaign development, website accessibility regulations, social media and records retention, virtual event development, media relations, etc.</p>	<p>External Affairs staff has worked closely with CAP and Facilities Management to identify the level of security needed at the Chino Creek Wetlands and Educational Park as well as identifying safety messaging for visitors.</p>	

Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

		<p>Program includes four capital projects that will implement infrastructure upgrades across IEUA's service area, including the RP-5 Expansion, RP-1 Solids Thickening, CCWRF Process Improvements, and Philadelphia Force Main Improvements Projects.</p>			
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Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
TECHNICAL RESOURCES		<p>Chino Basin Program – SPAR Staff is continuing to work with stakeholders to identify regional priorities and craft the next water resources program that is needed within the IEUA service area and will then determine if the program still qualifies for the WSIP funding.</p> <p>As part of the Engineering and Construction Management Department’s goal of providing high quality project management for the completion of Capital Improvement Projects the Department’s KPIs are as follows:</p> <p>3rd Quarter Capital Spending was 56% (the amount we project as a department to spend this FY against our FY</p>	<p>SPAR Staff attends seminars and webinars hosted by the Agency, and Regulatory Agencies, and cross training within the department. SPAR Staff regularly interact with and develop information for Agency management, IEUA Board, contracting agency policy members. SPAR Staff also actively participate in industry-wide discussions about water resource management, development, and trends (PPIC, ACWA, SCAP, CASA, Water Reuse Association, Pacific Institute, etc.)</p> <p>RM Staff continue to train Agency employees including management staff on the use, processes, and elements of the Laserfiche system. Total number of employees trained so far is 55. RM will restart the New Hire Training for records management in the next quarter. RM staff continue to attend webinars and training on Records Management best practices.</p>	<p>SPAR Staff participates in monthly safety training videos. SPAR Staff has regularly been sending emails to IS before opening any suspicious links to verify if they are phishing attempts.</p>	<p>SPAR Staff participated in brown-bag seminars presented by various Agency departments. SPAR staff has been working diligently to QA/QC water purchase data to upload in the Bi Launch pad.</p>

Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

		<p>Budget (Actual vs FY Projection).</p> <p>3rd Quarter Actual Expenditures as a percentage of our forecasted expenditures was 68% (How accurate the department is with our capital call projections each quarter).</p> <p>3rd Quarter Design Scope Amendment ratio was 29.30%</p> <p>2nd Quarter Change Order ratio was 6.13% (this excludes the RP5 Expansion)</p> <p>2nd Quarter Project Costs within 110% of Total Project Budget Established in the Project Charter was 77.78%. 14 of 18 projects that had a Notice of Completion met the goal.</p>	<p>Staff Mentoring:</p> <p>The Engineering Department continues to meet with Intern staff to provide ongoing career development topics for discussion. The current effort is to continue to review and discuss the book Crucial Conversation by Patterson, Grenny, McMillan, and Switzer. Unfortunately, due to limited attendance and scheduling conflicts during 3rd quarter, staff was not able to finish the book discussion. The plan is to finish the discussion during the 3rd quarter.</p> <p>3 site visits (RP-1 Liquids, RP-1 Solids, and RP-5) were conducted with the assistant and associate engineers to review facility process, equipment operations, and opportunities to improve designs.</p> <p>RP-5 Expansion site tours were conducted for Agency staff during the month of March.</p>		
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Business Goals Status Updates – FY 2020/21 3rd Quarter

		<p>RP-5 Expansion Project:</p> <p>At the end of March 15.8% of the contract time has expired and 4.5% of the work is complete, \$14.9M of \$330M.</p> <p>The following is a list of the major areas of which work occurred for this quarter.</p> <ul style="list-style-type: none"> • Baseline schedule approved. • Influent Pump Station: Installed beams for excavation shoring • Power Center 9: Excavated area, installed subgrade, and poured concrete footings and trenches. • Fine Screens: Excavated area and installed subgrade • Primary Clarifiers (New): Installed beams for excavation shoring • Aeration Basin: For channels expansions on East and West sides 	<p>Lessons Learned:</p> <p>The Engineering and Construction Management Department did not conduct any Lessons Learned during 3rd quarter. However, the Department has 1 planned for June. The Ionized Lab Project will be presented.</p>		
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Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

		<p>excavated, installed subgrade, poured most of the foundation slabs, started wall reinforcing.</p> <ul style="list-style-type: none"> • Power Center 6 & New Blower Building: Excavated area, installed subgrade, and poured concrete footings. • RAS Vault: Excavated area and installed subgrade • MBR Phase 1: Finished demolition of Secondary Clarifier 4B, Excavated area, and installed subgrade. • Power Center 4: Excavated area, installed subgrade, poured concrete footings and trenches, and first lift of block walls. • Food Waste Receiving: Excavated area and installed subgrade. • Thickening Building: Excavated area and installed subgrade 			
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Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

		<ul style="list-style-type: none"> • Acid Phase Digester & Building: Excavated area, installed subgrade, started installing formwork for the foundation. • Gas Phase Digesters & Building: Excavated area, installed subgrade, installed drain piping, poured center drainage station slab on grade and walls, installed building drain lines. • Dewatering: Excavated area • Boiler Building & Gas Treatment: Excavated area 			
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Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

INITIATIVES DIVISION	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
FINANCE & ADMINISTRATION			Staff attended several webinars related to procurement strategy and development.	Additional cameras were upgraded at Agency facilities. Safety staff completed several inspections in cooperation with San Bernardino County Hazmat Division for the Agency’s Business Plans, reviewing CUPA and chemical labeling and storage. Agency Safety worked directly with our COVID safety consultant to conduct Risk Assessments of both Agency Headquarter buildings as well as the Lab.	Working with Records Management and BIS teams, Accounting Staff completed testing to facilitate the launch of electronic forms using Laserfiche: Wellness Reimbursement and Safety Shoes Accounts Payable Staff, in conjunction with BIS team, remained active participants and contributors in the ongoing testing of the Laserfiche form: Check Requests for IEUA and the IERCA. Working with the BIS team, Accounts Receivable staff remained active participants and contributors in the ongoing testing of the redesigned script for entering strength charges into the Accounts Receivable module and automatic generation of

Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

					<p>the monthly billing invoices.</p> <p>The Payroll staff assisted the BIS in testing and successful completion the semi-annual payroll updates to maintain compliance to current regulations and IRS rules.</p>
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Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

INITIATIVES	ASSET MANAGEMENT – CMMS	CAPITAL PROJECTS	CAREER DEVELOPMENT	AGENCY SECURITY	SAP TRAINING AND ENHANCEMENTS
DIVISION					
OPERATIONS	<p>(O&M) Staff remained active participants and contributors in the AM Steering Committee Meetings and supported AM initiatives such as Defect Elimination.</p> <p>BIS worked with Operations and Asset Management teams to complete the develop of GIS-based application to show historical records of the past 22 Sewage Spill Overflow events.</p>	<p>RP-1 Digester 7: Rehabilitation project started; Operations turned over Digester 7 to Contractors during Q3.</p> <p>RP-4 Rehabilitation Projects: Secondary Clarifiers 2 and 3 rehab and weir covers installed and clarifiers placed in service.</p> <p>RP-5 Expansion Project: O&M staff actively engaged in the planning and execution of plant shutdowns to progress the scheduled project tasks.</p> <p>CCWRF – Asset Management and Improvement Project: O&M staff collaborated with engineering staff in the 50% design review.</p>	<p>RP-1 Operations: Scott Francis passed Wastewater Operator II exam and received certificate.</p> <p>Ivan Cheng: Passed Advanced water Treatment III exam.</p> <p>Richard Selio Mech III attended a two-day training on Planning and Scheduling.</p> <p>AWWA symposium attended by 8 O&M staff during March 2021.</p>	<p>(ISS) During the month of February, CISA and DHS resources tested the defenses of IEUA systems. They examined network, application, and endpoint protections from the perspective of an attacker. A handful of minor findings were reported and IEUA has begun addressing the gaps found by DHS.</p> <p>ISS has been increasing the protection capability of our web filtering proxy to better defend against malicious downloads and compromised websites.</p> <p>The first issue of the IEUA Tech Minute will be published in the Wave’s May addition. The bi-monthly feature will deliver cybersecurity tips, special features by the ISS and BIS teams, and announcements of upcoming changes.</p>	<p>BIS successfully completed the semi-annual payroll updates to maintain compliance to current regulations and IRS rules.</p> <p>Working with CAP, BIS implemented a new PO document series (43-series) to easily distinguish them as the Blanket Purchase Agreement (BPA) POs.</p> <p>Working with IERCF team and consultants, BIS helped the Agency go live with the new work order scheduling tool called PaSTA. This tool provided ease of use for planners as well as tracking key metrics that are important to managing plant operations.</p> <p>Working with Operations, BIS created a new work center in SAP for the Electrical &</p>

Business Goals Status Updates – FY 2020/21 3rd Quarter

Exhibit B

				<p>Working with ISS team, BIS applied the critical Microsoft Windows security patches to all SAP servers.</p> <p>Working with ISS team, BIS completed the upgrade to SAP desktop application to maintain high security and software compatibility with the backend SAP server.</p>	<p>Instrumentation (E&I) to support the new craft.</p> <p>Through coordination with representatives from all departments, BIS and ISS launched the net support ticket application that is based on newer technology – PowerApps. This new technology is compatible with newer browsers and mobile devices.</p> <p>BIS completed a dashboard for IERCF that shows Key Performance Indicators (KPIs) automatically, eliminating the need for staff to compile data and compose the dashboard manually.</p> <p>Working with Records Management team, BIS launched electronic forms using Laserfiche: Wellness Reimbursement, Safety Shoe, and New Employee Notification.</p>
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Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2020/21
Budget Transfer

Fund	Fund Name	Date	TRANSFER FROM				TRANSFER TO				Description	QTR
			Cost Center	GL Account	Category	Amt Transfer Out	Cost Center	GL Account	Category	Amount Transfer In		
10200	Administrative Services	5/12/2021	112100	521080	Professional Fees & Services	\$15,625.00	131140	520980	Professional Fees & Services	\$15,625.00	This request is to transfer funds from Agency Management to the Lab to cover expenses from MRG for professional services - leadership training.	4
		5/12/2021	136100	511230	Office & Administration	\$6,300.00	136100	515030	Office & Administration	\$30,000.00	CASA has solicited a financial contribution to fund a Cerio Study that will develop guidance to improve consistency and comparability for C. dubia test results. The total contribution amount will be \$30,000. Funds will be transferred from Travel and Conference expense accounts to Contributions and Sponsorships	4
				511240		\$1,050.00						
				511250		\$12,600.00						
				511290		\$2,100.00						
				513020		\$7,950.00						
		5/12/2021	122100	513010	Office & Administration	\$500.00	120100	511310	Office & Administration	\$2,500.00	To move funds to the Employee Recognition account, as there are currently no available funds to use within this account.	4
				511110		\$2,000.00						
		5/18/2021	119100	511220	Office & Administration	\$250.00	119100	520213	Professional Fees & Services	\$36,000.00	Transfer to ensure funds are available to process payment of legal services invoices	4
				511230		\$900.00						
				511240		\$650.00						
				511240		\$4,850.00						
				511250		\$400.00						
				511290		\$550.00						
				512210		\$2,300.00						
				513010		\$6,100.00						
				514110		\$6,500.00						
				511430		\$7,000.00						
		511440	\$6,500.00									
		5/27/2021	114100	521080	Professional Fees & Services	\$2,500.00	119100	520980	Professional Fees & Services	\$2,500.00	Transfer \$2,500 from Cost Center 114100 to Cost Center 119100 to pay for an invoice from Nichols Consulting for preparation of Senate Bill 90/State Mandated Cost Claims for claims prepared related to Local Government Employee Relations for FY 2019/20. This cost was not anticipated when preparing for FY 2020/21 Budget.	4
6/3/2021	119100	511120	Office & Administration	\$1,000.00	119100	520213	Professional Fees & Services	\$26,000.00	To ensure available funds to process payment of legal services invoices.	4		
		512010		\$1,600.00								
		513020		\$4,000.00								
		514020		\$700.00								
		514110		\$2,700.00								
	120100	511130		\$12,000.00								
		511430		\$1,000.00								
	122100	511110		\$1,100.00								
		511220		\$125.00								
		511230		\$125.00								
		511240		\$350.00								
		511250		\$250.00								
		512010		\$450.00								
		513010		\$100.00								
513020	\$500.00											

Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2020/21
Budget Transfer

Fund	Fund Name	Date	TRANSFER FROM				TRANSFER TO				Description	QTR
			Cost Center	GL Account	Category	Amt Transfer Out	Cost Center	GL Account	Category	Amount Transfer In		
10200	Administrative Services	6/10/2021	115100	512710	Materials & Supplies	\$21,000.00	115100	545311	Utilities	\$21,000.00	Cover expenditures for Agency's cell phone program as a result of increased distribution to staff, initial expense, associated monthly service fees, and accessories (cases, chargers).	4
		6/10/2021	115100	512710	Materials & Supplies	\$5,000.00	115100	545310	Utilities	\$5,000.00	Budget transfer to cover the additional costs associated with the increase in Agency issued smartphones. Cover the added costs of accessories including cases and chargers.	4
		6/10/2021	154100	545110	Utilities	\$25,000.00	115100	545310	Utilities	\$4,000.00	Transfer to cover the additional expenses associated with the increase in distribution of Agency smart phones to staff throughout the Operations Division. These expenses will be applied toward the purchase of the phone, monthly service fees and the cost of accessories. (Cases and chargers).	4
								545311		\$21,000.00		
6/10/2021	144100	521010	Professional Fees & Services	\$25,000.00	146100	512110	Materials & Supplies	\$25,000.00	Provide additional funds for budget shortfall in Process Automation and Control (146100) Materials & Supplies. This shortfall is preventing completion of invoice processing for fiscal year 2021.	4		
10800	Regional Wastewater Operations & Maintenance	4/5/2021	151100	545110	Utilities	\$90,000.00	151151	530020	Chemicals	\$90,000.00	Due to rising renewal costs this fiscal year a budget transfer is necessary to pay for chemical invoices through the end of the fiscal year.	4
		6/1/2021	151100	520980	Professional Fees & Services	\$55,000.00	151151	526310	Biosolids Recycling	\$55,000.00	RP-1 has produced approximately 2% more biosolids than anticipated during the original budgeting cycles. This increase was caused by operational challenges with solids thickening, digester heating, and the overall digester performances.	4
		6/1/2021	151100	545110	Utilities	\$157,000.00	151100	530028	Chemicals	\$122,000.00	The cost for chemicals has increased higher than was anticipated during the original budgeting cycle. Specifically, Sodium Bisulfite increased by 57%, Ferric Chloride by 43%, and Sodium Hypochlorite by 8%.	4
								530025		\$10,000.00		
								530024		\$25,000.00		
		6/8/2021	144155	521010	Professional Fees & Services	\$175,000.00	154100	530016	Chemicals	\$180,000.00	Due to rising chemical renewal costs this fiscal year, a budget transfer is needed to supplement the chemical budget. Transfer will pay for chemical invoices through June 2021.	4
521050	\$160,000.00			530020		\$30,000.00						
6/15/2021	144155	521010	Professional Fees & Services	\$35,000.00	154100	526310	Biosolids Recycling	\$35,000.00	RP-2 solids loading has increased by approximately six percent in FY 20-21 from the previous fiscal year (FY 19-20). The solids loading increase has resulted in a near similar increase of approximately five percent of biosolids sent to the Inland Empire Regional Composting Facility.	4		
					Total O&M Transfers Out	\$860,625			Total O&M Transfers In	\$860,625		

**Inland Empire Utilities Agency
 FY 2020/21 General Manager Contingency Account Activity
 Budget Transfer**

Date	From Expense Account	Amount Transfer Out	Receiver Fund Name	Receiver Fund Center Name	Receiver Project / Expense Account	Receiver Project / Expense Account Name	Amount Transfer In	Balance	Justification	
Beginning Balance, July 1, 2020								\$300,000		
No Activity										
Balance, September 30, 2020							\$0	\$300,000		
12/9/2020	GM Contingency	\$4,005	Administrative Services	Agency Management	511310	Employee Recognition	\$4,005		Funds needed for Holiday Shirt order requested by C. Valencia	
Balance, December 31, 2020							\$4,005	\$295,995		
1/12/2021	GM Contingency	\$14,000	Non-Reclaimable Wastewater program	Agency Management	520210	Legal - General	\$14,000		Funds needed to cover the legal expenses due to the unpredictable level of public records request related to the NRW system, the NRW Legal - General fund has used more than the budget funds.	
Balance, March 31, 2021							\$14,000	\$281,995		
5/5/2021	GM Contingency	\$26,640	Recharge Water	Agency Management	520230	Legal - Litigation	\$26,640		This request is to transfer \$26,640 from the GM Contingency Fund into the Legal-Litigation fund to ensure there are enough funds to cover general counsel's invoices as there have been more costs associated with legal litigation this fiscal year.	
Balance, June 30, 2021							\$26,640	\$255,355		

GM Contingency Transfers Summary by Fund	
Administrative Services program	\$4,005
Recharge Water program	\$26,640
Non-Reclaimable Wastewater pro	\$14,000
Recycled Water program	-
Regional Wastewater O&M progra	-
Regional Wastewater Capital prog	-
Water Resources program	-
Total GM Contingency Transfers	\$44,645

Inland Empire Utilities Agency

Changes in Total Project Budget: Inter-Departmental/Division Capital & O&M Transfers FY 2020/21

Fund	Transfer Date	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
Capital Projects												
10200	5/5/21	EN21049	Main HDQ Improvement	\$140,000	\$0	(\$30,000)	\$110,000	\$140,000	(\$30,000)	\$110,000	IS21022	Transfer funds for the purchase of new SAP server hardware, operating system, and database licenses that will replace the existing server that is approaching end of useful life.
		IS21022	SAP Host Server Replacement	\$0	\$0	\$30,000	\$30,000	\$0	\$30,000	\$30,000	EN21049	
	6/9/21	IS21006	Replace RP-1 Trailer	\$200,000	\$70,000	(\$45,000)	\$225,000	\$270,000	(\$45,000)	\$225,000	IS20003	The transfer will fund 20 laptops, docking stations, and monitors to support new hire staff currently in recruitment by HR.
		IS20003	BIZ Infrastructure Replacement	\$410,500	\$0	\$45,000	\$455,500	\$138,820	\$45,000	\$183,820	IS21006	
Subtotal General Administrative (GG):				\$750,500			\$820,500	\$548,820		\$548,820		
10800	4/22/21	EN21046	CCWRF Filter Automatic Valves	\$388,000	(\$250,000)	(\$50,000)	\$88,000	\$138,000	(\$50,000)	\$88,000	EN20058	Transfer FY 20/21 and Total Project Budget in the amount of \$50,000 from the CCWRF Filter Automatic Valves, Project No. EN21046 to the RP-1 TP-1 Waste Wash Water Basin Pumps Replacement, Project EN20058. The project will need a budget transfer to cover the cost of the change orders, anticipated final invoices, and staff labor to close out the project. The change orders are a result of added scope required to completed the installation of the new pumps and a request from operations to replace additional valves.
		EN20058	RP-1/TP-1 Waste Wash Water Basin Pumps	\$650,000	\$100,000	\$50,000	\$800,000	\$610,000	\$50,000	\$660,000	EN21046	
Subtotal Regional Wastewater Operations & Maint. (RO):				\$1,038,000			\$888,000	\$748,000		\$748,000		
				Capital Total Project Budget			Total Annual Capital Budget					
				Adopted			Amended	Adopted			Amended	
				\$1,788,500			\$1,708,500	\$1,296,820			\$1,296,820	
O&M Projects												
10600	4/22/21	EN21036	WC On-Call Small Projects	\$150,000	\$0	(\$40,000)	\$110,000	\$150,000	(\$40,000)	\$110,000	EN21017	Transfer \$40,000 from WC On-Call/Small Projects FY 20/21, Project No. EN21036 to the WC Emergency Projects FY 20/21, Project EN21017. There is currently one additional emergency recycled water project that has occurred, which will require additional budget.
		WR21017	Residential Pressure Regulation Program	\$150,000	\$0	\$40,000	\$190,000	\$150,000	\$40,000	\$190,000	EN21036	
Subtotal Recycled Water (WC):				\$300,000			\$300,000	\$300,000		\$300,000		
10700	5/25/21	WR20013	Sponsorships & Public Outreach	\$174,500	\$0	(\$145,276)	\$29,224	\$150,281	(\$145,276)	\$5,005	WR21024	This transfer is providing additional funds to the WR21024 WUE Research and Evaluation Project. Staff are planning to implement an indoor leak detection program in FY 21/22. The transfer is occurring from WR20013.00 to WR21024.00 for a total amount of \$145,276.00.
		WR21024	WUE Research and Evaluation	\$40,000	\$0	\$145,276	\$185,276	\$40,000	\$145,276	\$185,276	WR20013	
	6/29/21	WR20007	Residential Rebate Incentive	\$100,000	\$0	(\$15,669)	\$84,331	\$65,634	(\$15,669)	\$49,965	WR21007	This transfer is providing additional funds to the WR21007 Residential Rebate Project. Staff continues to receive costs associated with MWD residential rebates and expects to see an increase in activity in FY 21/22. The transfer is occurring from WR20007.00 to WR21007.00 for a total amount of \$15,669.
		WR21007	Residential Rebate Incentive	\$100,000	\$0	\$15,669	\$115,669	\$100,000	\$15,669	\$115,669	WR20007	
Subtotal Water Resources (WW):				\$414,500			\$414,500	\$355,915		\$355,915		
				O&M Total Project Budget			Total Annual O&M Project Budget					
				Adopted			Amended	Adopted			Amended	
				\$414,500			\$414,500	\$355,915			\$355,915	



FY 2020/21 Budget Variance Report

4th Quarter Ended June 30, 2021

Javier Chagoyen-Lazaro
Manager of Finance and Accounting
September/October 2021

FY 2020/21 Budget Variance Summary

Regional Wastewater and Recycled Water Programs

(\$ Millions)

	Amended Budget	Actual YTD	% Budget Used YTD
Total Sources of Funds	\$254.7	\$213.9	84.0%
Total Uses of Funds	(\$266.8)	(\$212.8)	79.7%
Net Increase/(Decrease)	(\$12.1)	\$1.2	
Beginning Fund Balance	\$208.6	\$208.6	
Ending Fund Balance	\$196.5	\$209.8	

Highlights

Total Sources of Funds

- Unfavorable variance due to lower project loan reimbursements from delays in SRF loan approvals for various Regional Wastewater projects

Total Uses of Funds

- Favorable variance continues to reflect the effects of the Coronavirus (COVID-19) pandemic

FY 2020/21 Budget Variance Summary

Regional Wastewater and Recycled Water Programs

(\$ Millions)

Sources of Funds	Amended Budget	Actual YTD	% Budget Used YTD
User Charges	\$68.3	\$71.4	104.5%
Recycled Water Sales	16.2	19.2	119.0%
Property Taxes	46.8	54.8	117.1%
Connection Fees	35.7	42.4	118.6%
Grants and Loans	77.8	19.1	24.6%
Other Revenues*	9.9	7.0	102.9%
Total Sources of Funds	\$254.7	\$213.9	84.0%

*Other operating revenues includes contract cost reimbursements, lease, and interest revenue.

Highlights

<u>User Charges</u>	<u>Recycled Water (AF)</u>	<u>New Connections</u>	<u>Grants & Loans</u>																		
<ul style="list-style-type: none"> Higher number of billable EDUs than budgeted 	<table border="1"> <thead> <tr> <th></th> <th>Budget</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Direct Sales</td> <td>19,000</td> <td>19,534</td> </tr> <tr> <td>Recharge</td> <td>12,900</td> <td>16,253</td> </tr> </tbody> </table>		Budget	Actual	Direct Sales	19,000	19,534	Recharge	12,900	16,253	<table border="1"> <thead> <tr> <th></th> <th>Budget</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Wastewater (EDUs)</td> <td>4,000</td> <td>5,274</td> </tr> <tr> <td>Water (MEUs)</td> <td>4,700</td> <td>3,785</td> </tr> </tbody> </table>		Budget	Actual	Wastewater (EDUs)	4,000	5,274	Water (MEUs)	4,700	3,785	<ul style="list-style-type: none"> Includes grant proceeds of \$19M for the TCE Plume project and various recycled water projects.
	Budget	Actual																			
Direct Sales	19,000	19,534																			
Recharge	12,900	16,253																			
	Budget	Actual																			
Wastewater (EDUs)	4,000	5,274																			
Water (MEUs)	4,700	3,785																			

FY 2020/21 Budget Variance Summary

Regional Wastewater and Recycled Water Programs

(\$ Millions)

Uses of Funds Operating Expense	Amended Budget	Actual YTD	% Budget Used YTD
Employment Expenses (net of CIP)	\$44.4	\$44.7	100.7%
Operating Expenses*	27.8	20.9	75.3%
Utilities	10.0	8.9	89.4%
Projects Expenses**	161.4	109.3	67.7%
Financial Expenses	23.2	28.9	124.6%
Total Uses of Funds	\$266.8	\$212.8	79.7%

*Operating expenses includes insurance, office & admin., professional fees, chemicals, biosolids, and materials & supplies.

**Project expenses includes capital and non-capital projects.

Highlights

- Deferred non-critical contract labor and materials
- All travel, conferences, and related costs on hold
- All in person events and training shifted to a virtual environment

Financial Expense

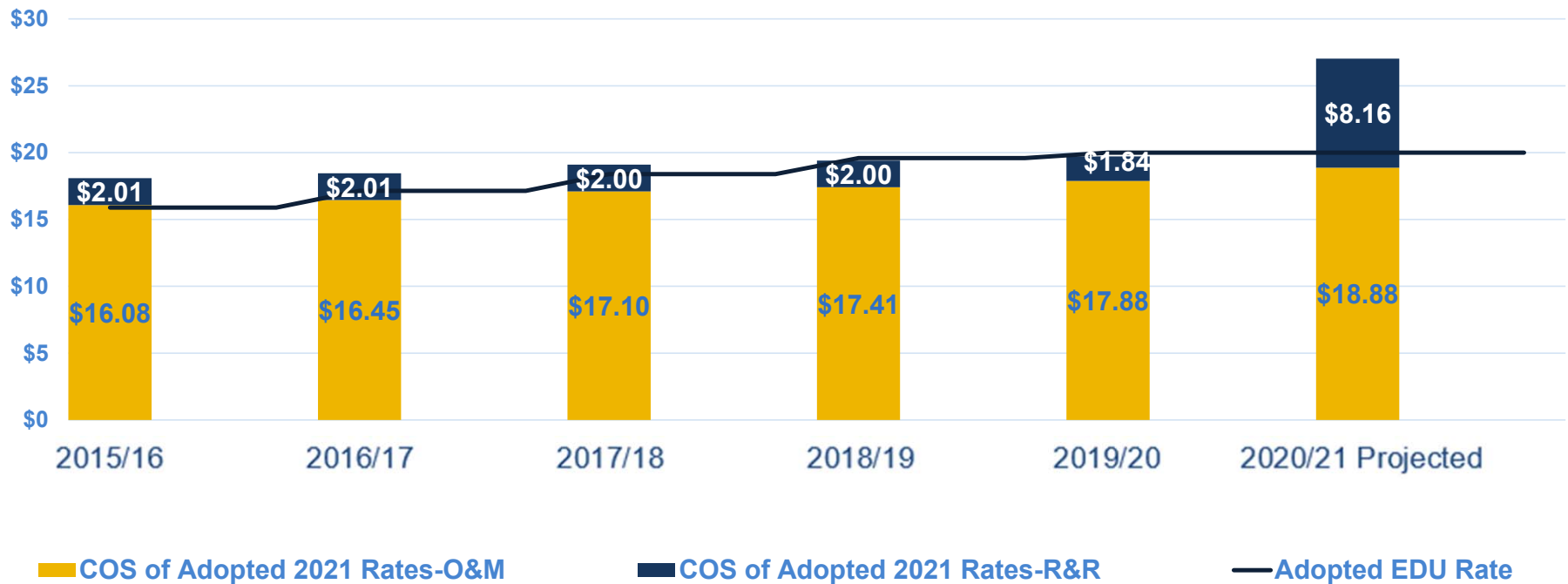
- Includes \$15.5M principal for the 2017A and 2020A Revenue bonds and various SRF Loans, and interest and financial fees

Regional Wastewater Operations Fund Cost of Service per EDU



Adopted Multi-Year Rates \$/EDU

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
\$15.89	\$17.14	\$18.39	\$19.59	\$20.00	\$20.00

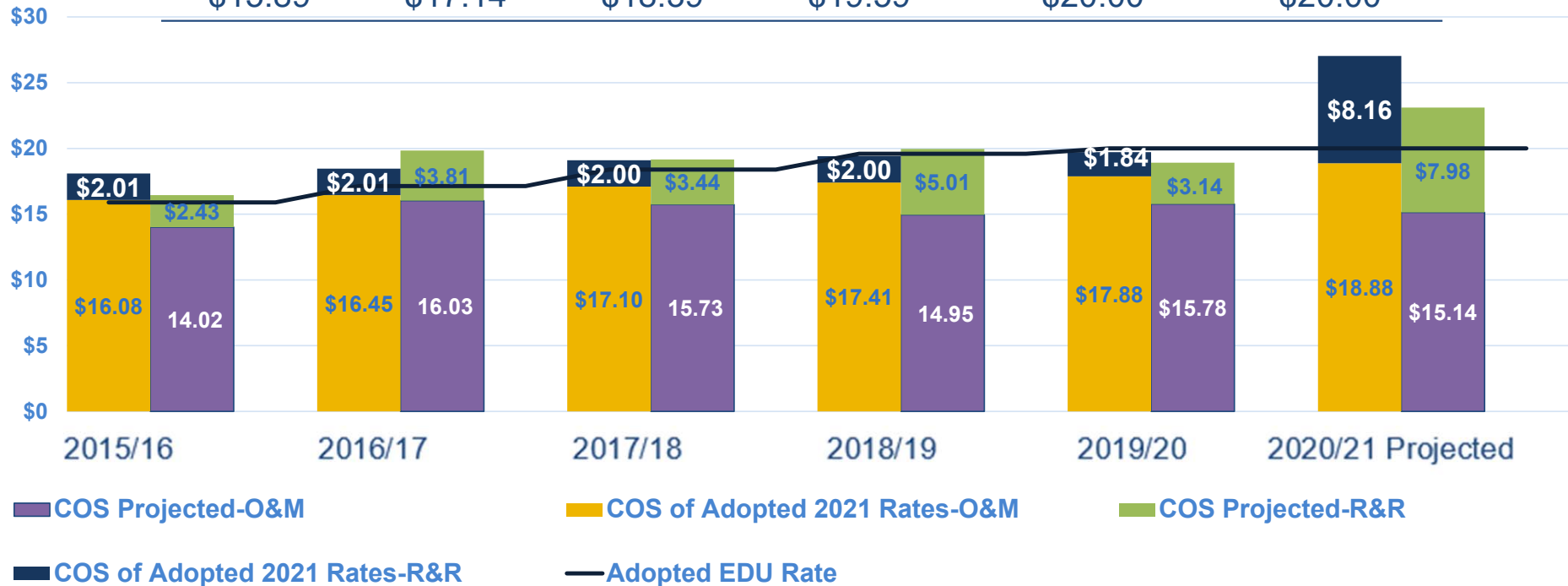


Regional Wastewater Operations Fund Cost of Service per EDU Projected vs. Actual

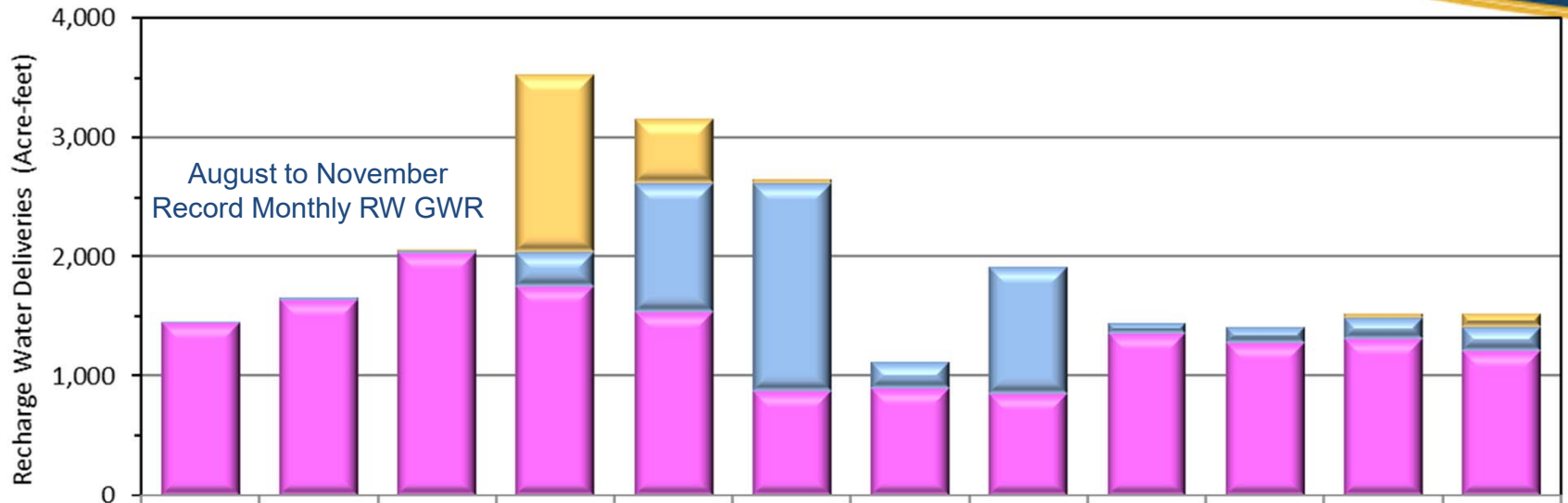


Adopted Multi-Year Rates \$/EDU

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
\$15.89	\$17.14	\$18.39	\$19.59	\$20.00	\$20.00



Groundwater Recharge Deliveries Past 12 Months

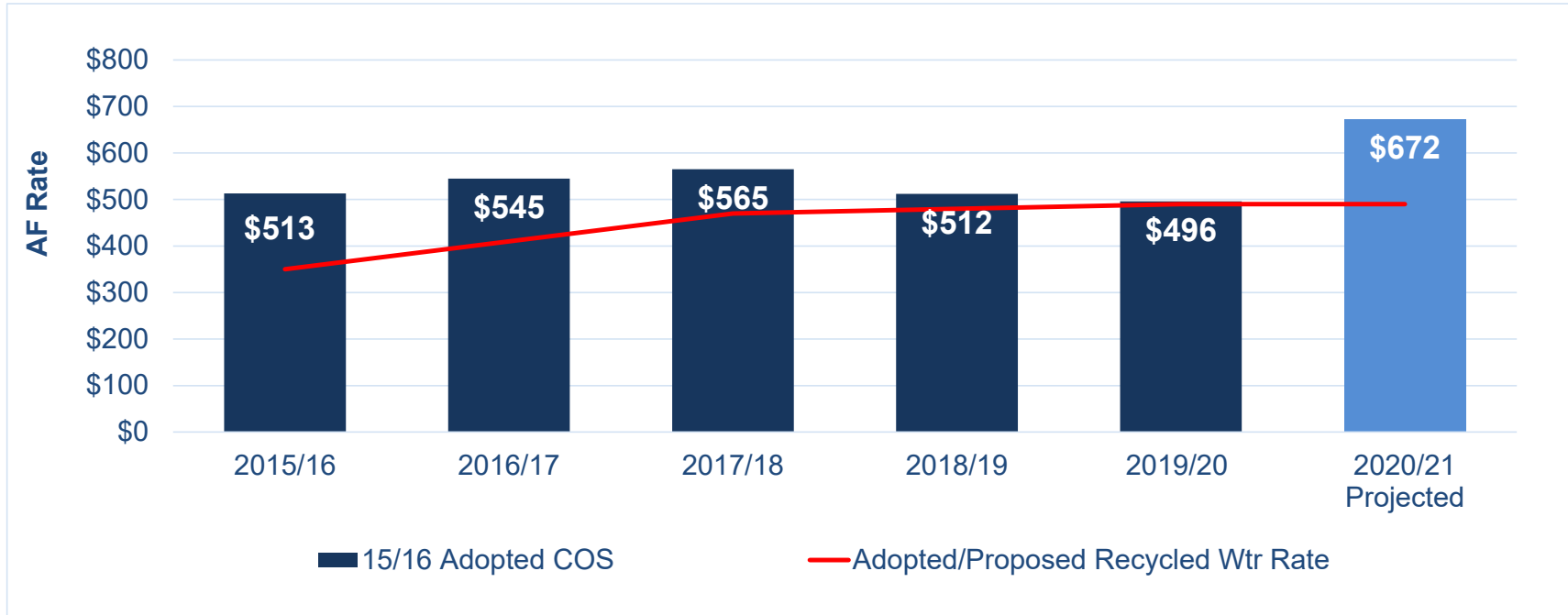


	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021
■ MWD and other Imported Water	0	0	9	1,498	545	31	0	0	0	0	29	114
■ Stormwater and LR (excluded Non-Replenishment)	18	18	24	290	1,090	1,758	227	1,063	93	132	180	198
■ Recycled Water	1,442	1,634	2,030	1,749	1,528	868	891	849	1,350	1,274	1,311	1,209

Recycled Water Program Projected Cost of Service per AF

Adopted Multi-Year Rates \$/AF

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
\$350	\$410	\$470	\$480	\$490	\$490

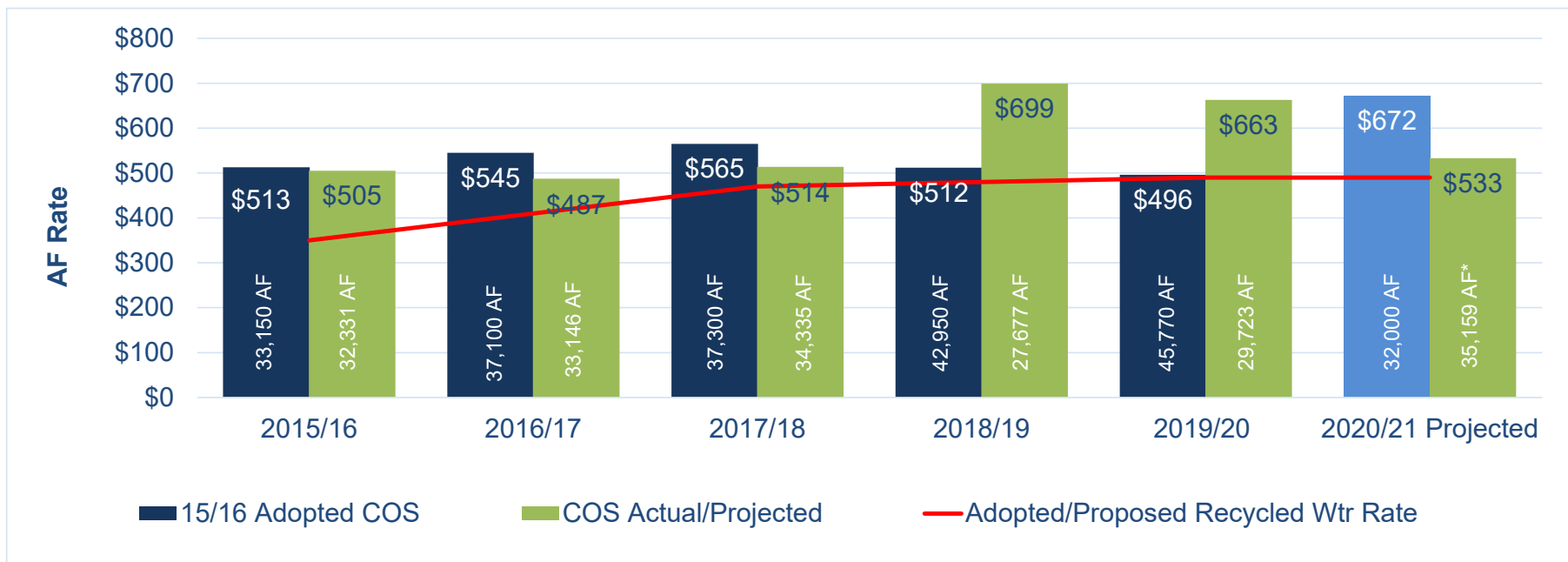


2020/21 - Unaudited Actuals

Recycled Water Fund Cost of Service per AF Projected v. Actual

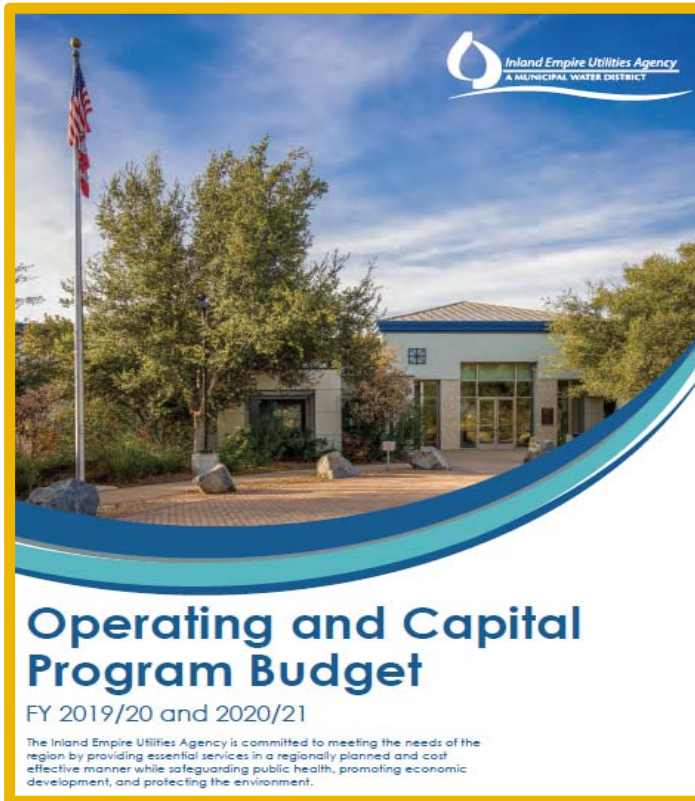
Adopted Multi-Year Rates \$/AF

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
\$350	\$410	\$470	\$480	\$490	\$490




*2020/21 - Unaudited Actuals, AF projection excludes IEUA usage of 628AF


Questions



The Budget Variance Analysis report is consistent with the Agency's business goal of fiscal responsibility to ensure actual revenues and expenditures are consistent with those approved by the Board of Directors.




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6075 Kimball Ave.
Chino, CA 91708



@IEUAWater

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4A

Building Activity Report - YTD Fiscal Year 2021/22



Legend

- Service Area
- Unincorporated

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

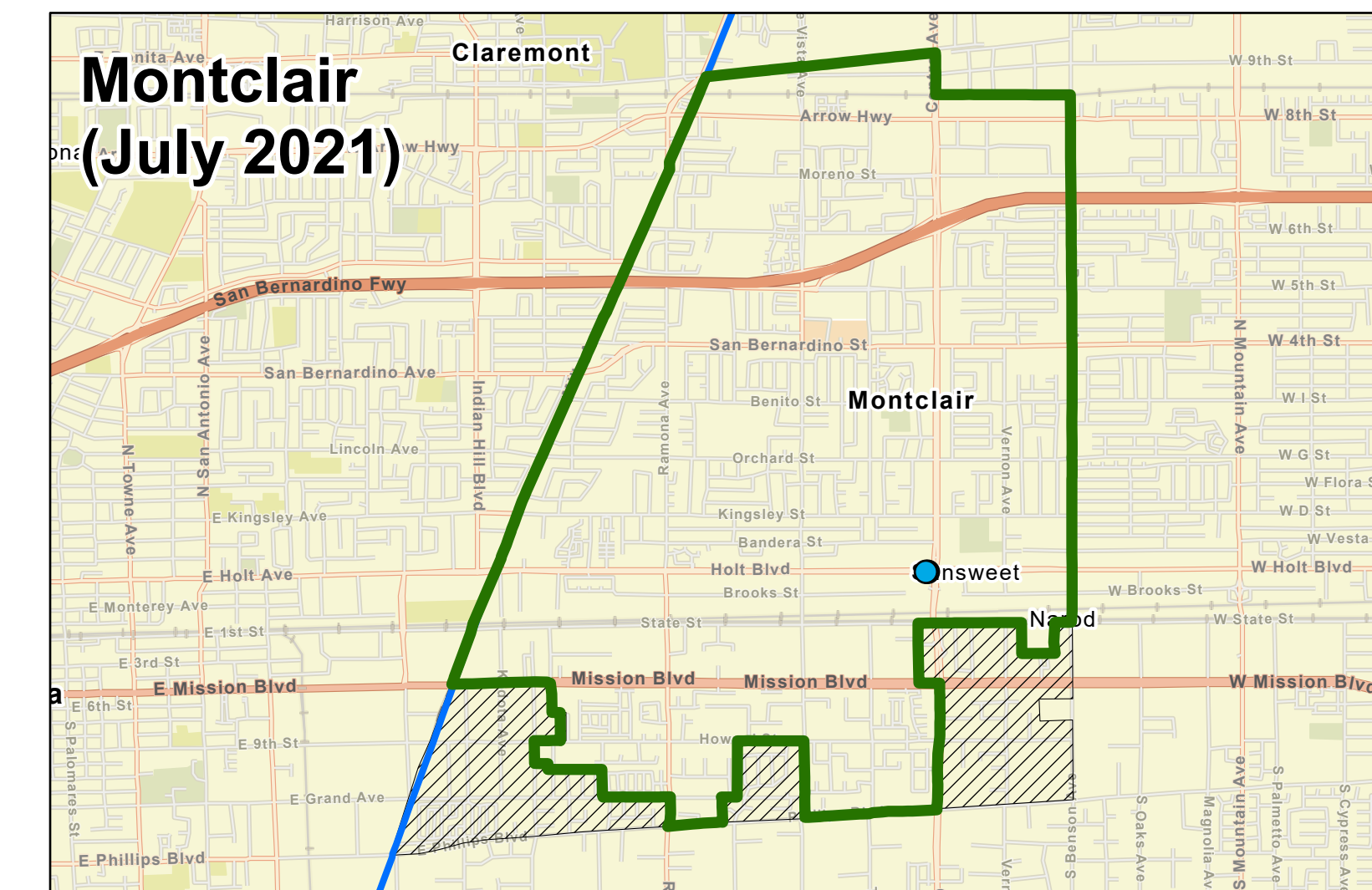
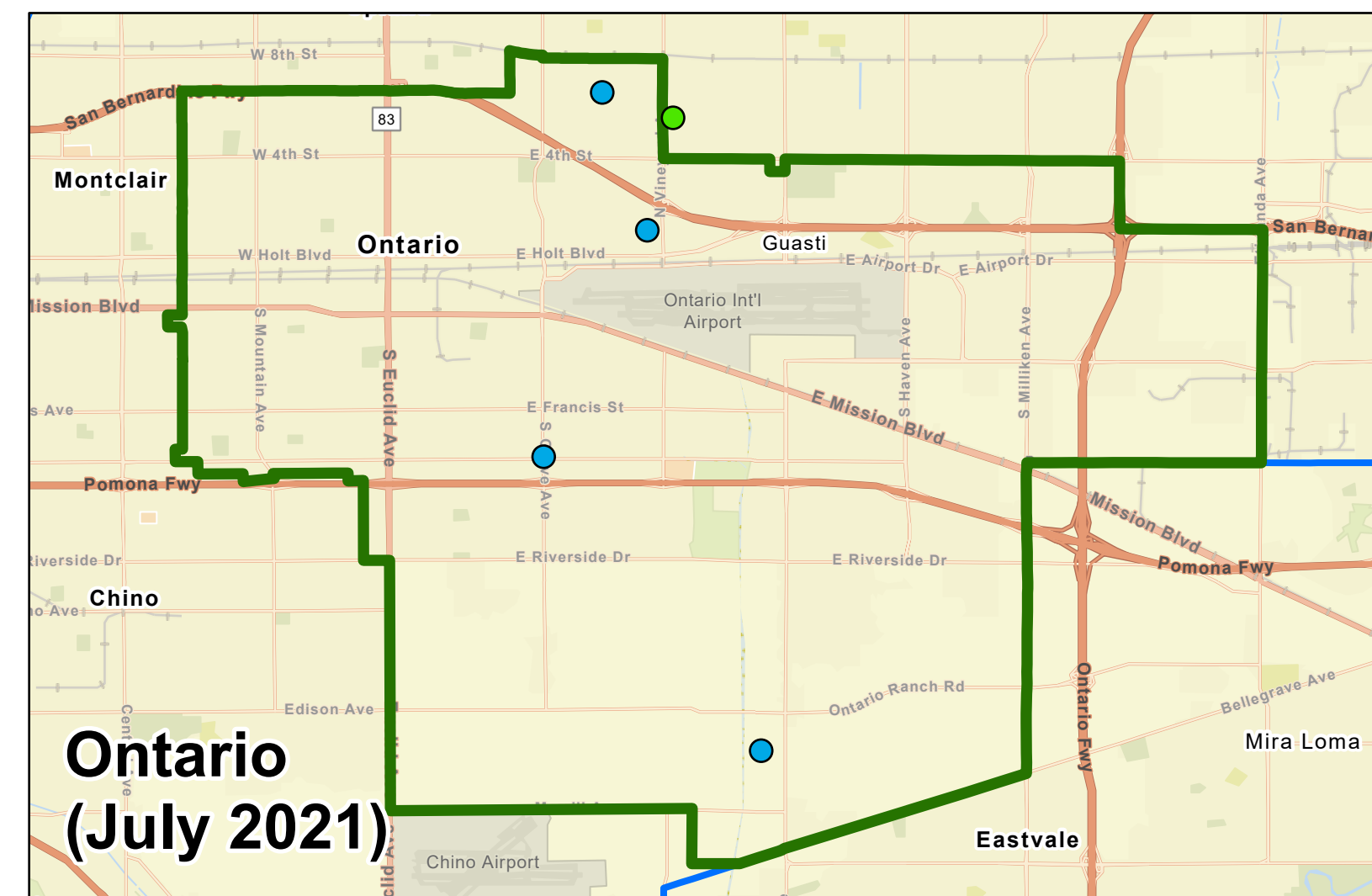
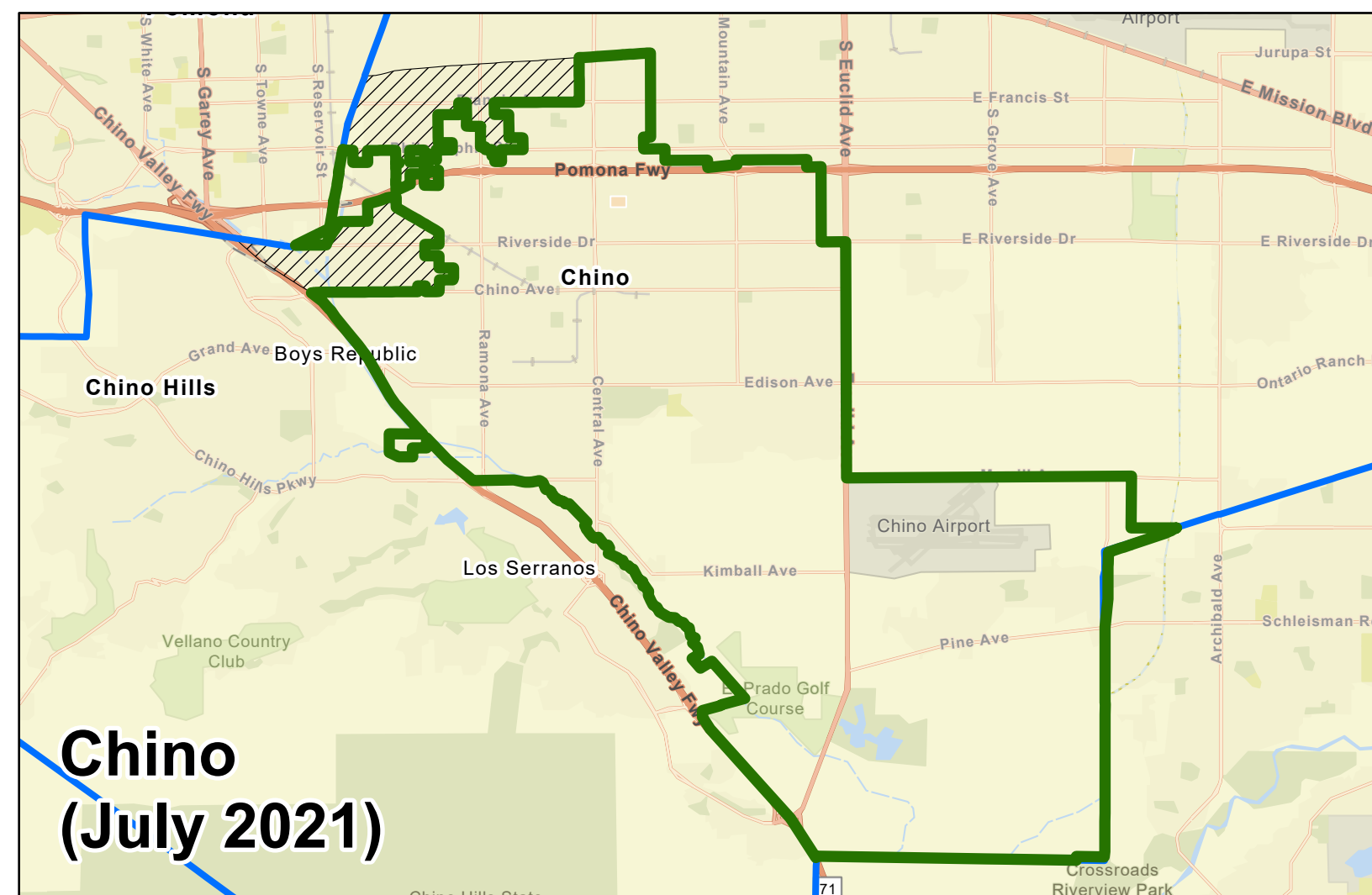
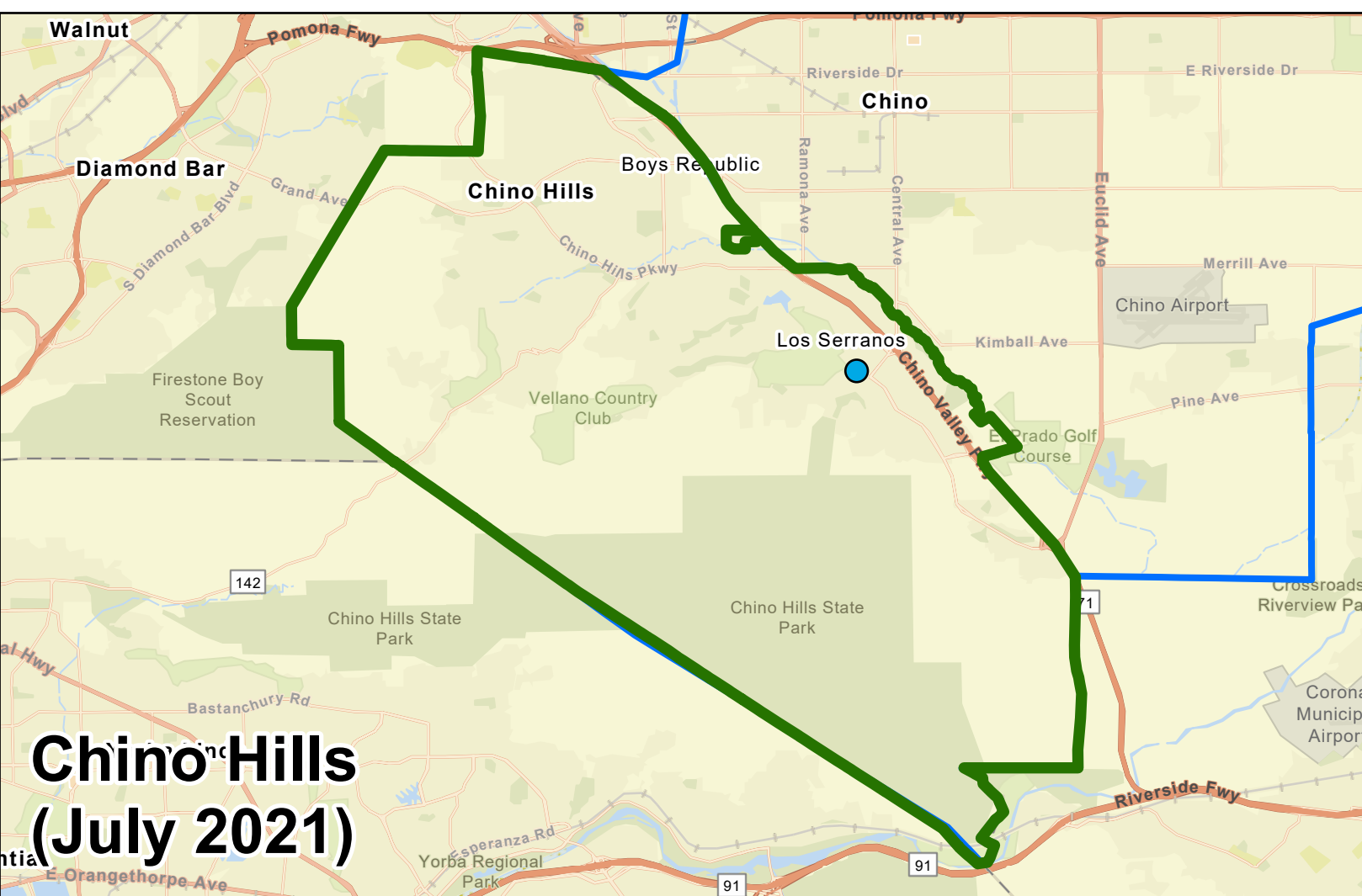
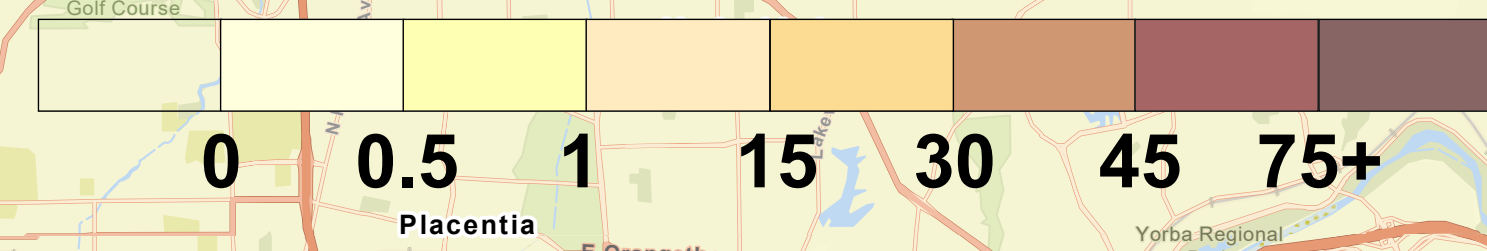
Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

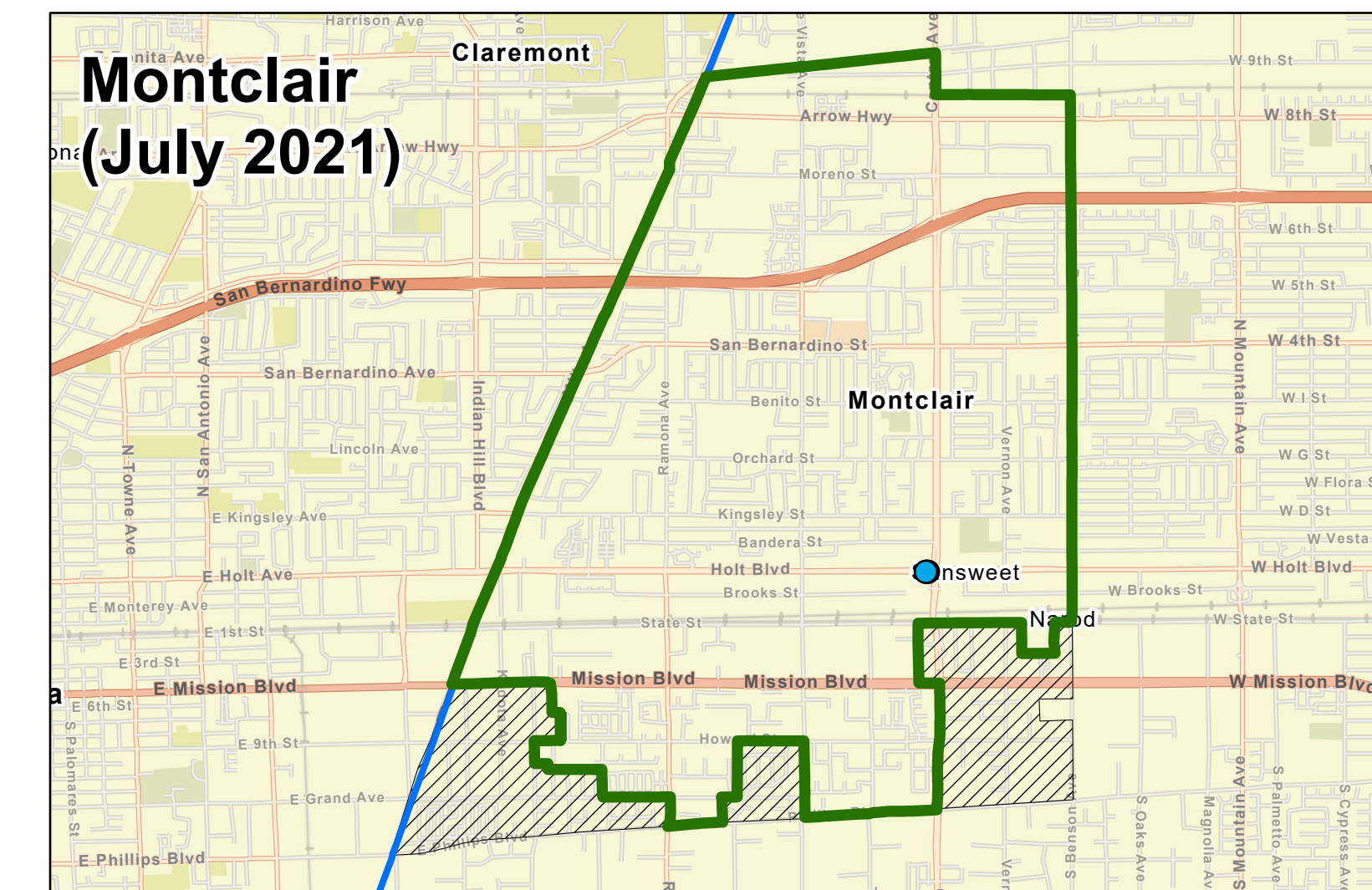
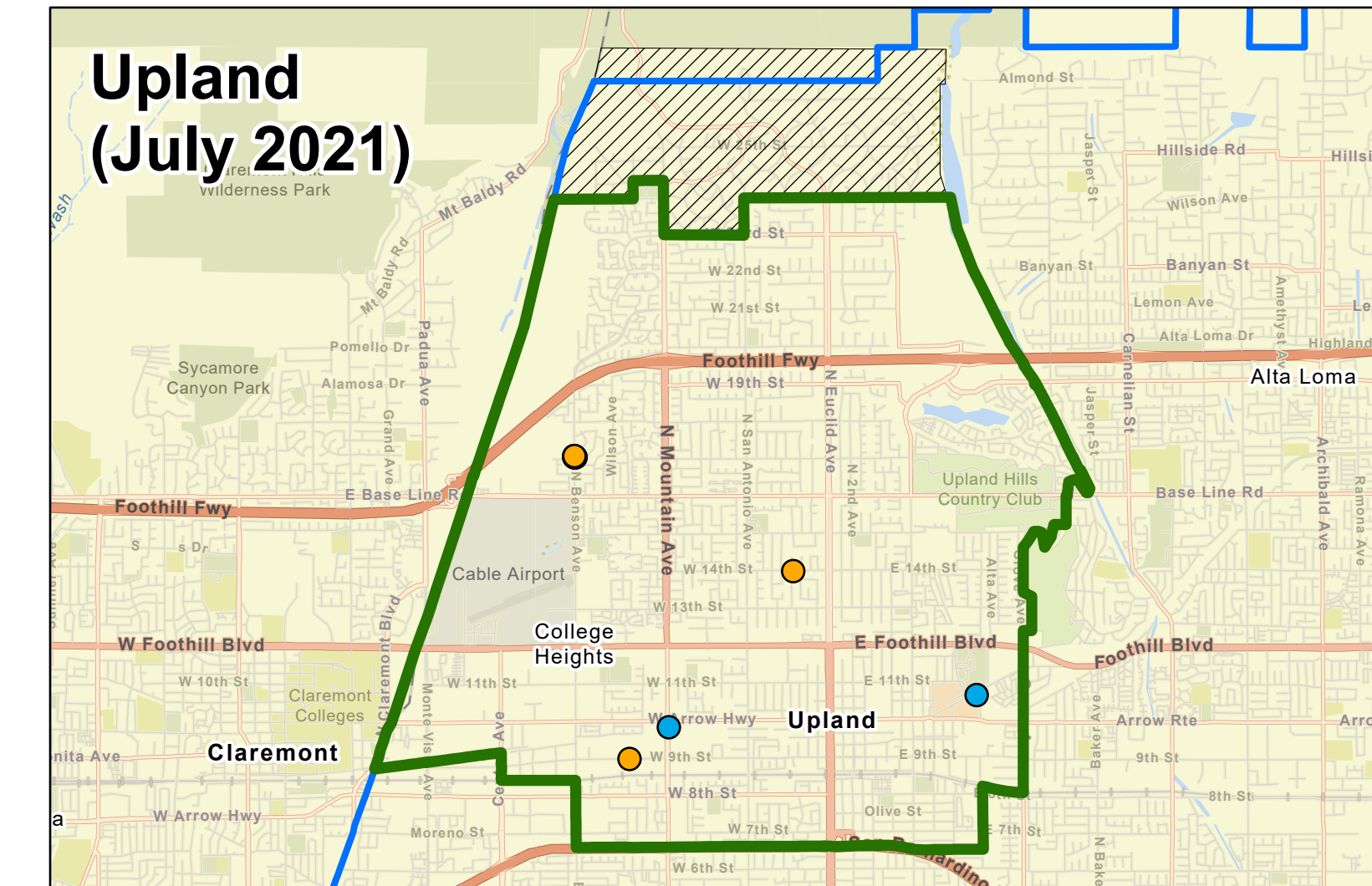
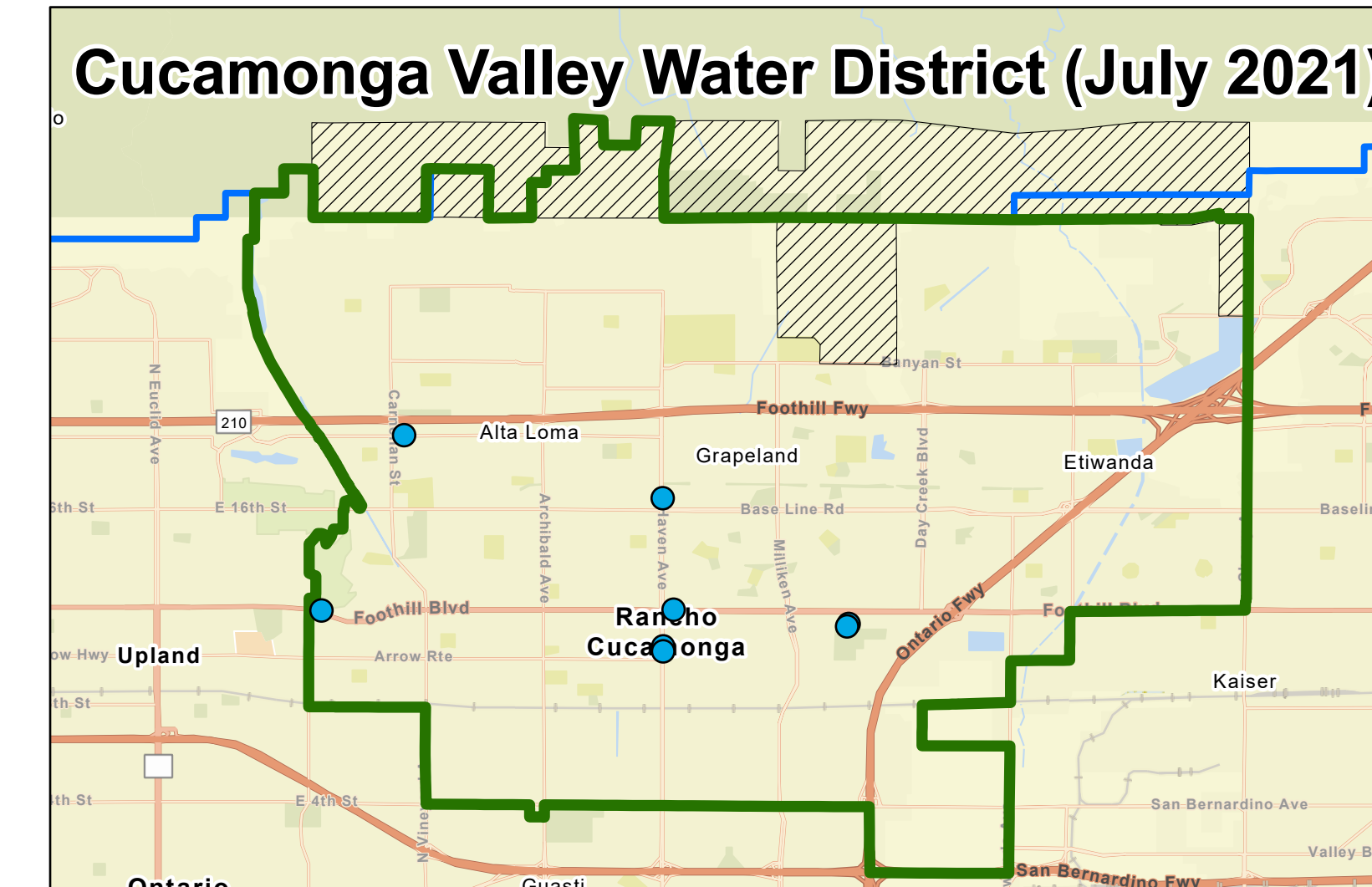
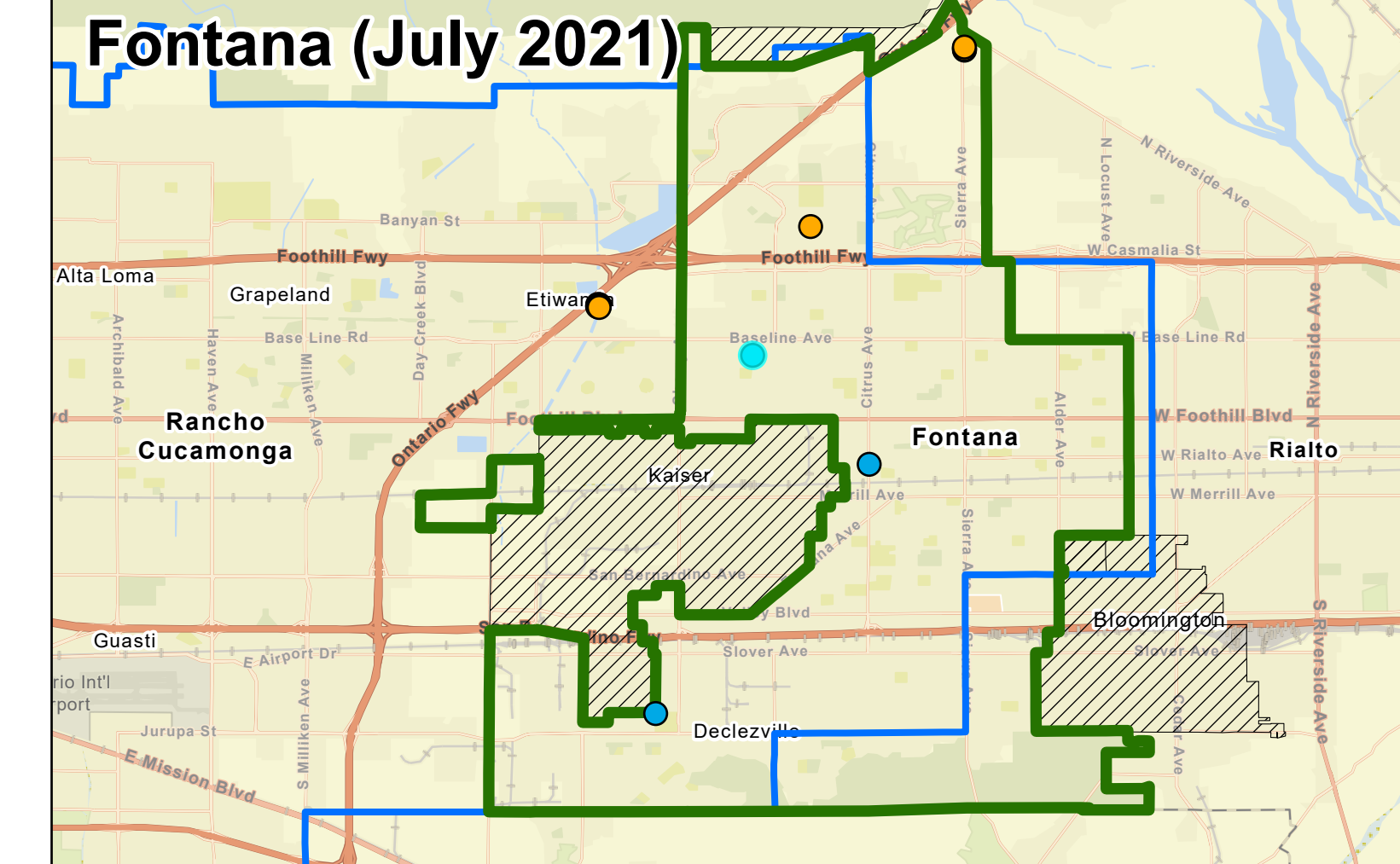
- <=1.0
- 1.0 - 10.0
- >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual				Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)	Total (EDUs)	
Chino	0	0	48	48	434
Chino Hills	0	0	0	0	276
CVWD	8	0	0	8	2050
Fontana	2	0	26	28	1792
Montclair	5	0	0	5	474
Ontario	5	0	17	22	7560
Upland	3	0	11	14	952
Total	23	0	102	125	13538



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4B

IEUA RECYCLED WATER DISTRIBUTION – AUGUST 2021

TOTAL ALL PLANTS

Influent: 51.0 MGD

Delivered: 42.2 MGD

Percent Delivered: 83%

Preliminary Deliveries

RW GWR: 14.6 MGD

RW Direct Use: 27.6 MGD

RP-4

Delivered: 8.9 MGD

RP-1

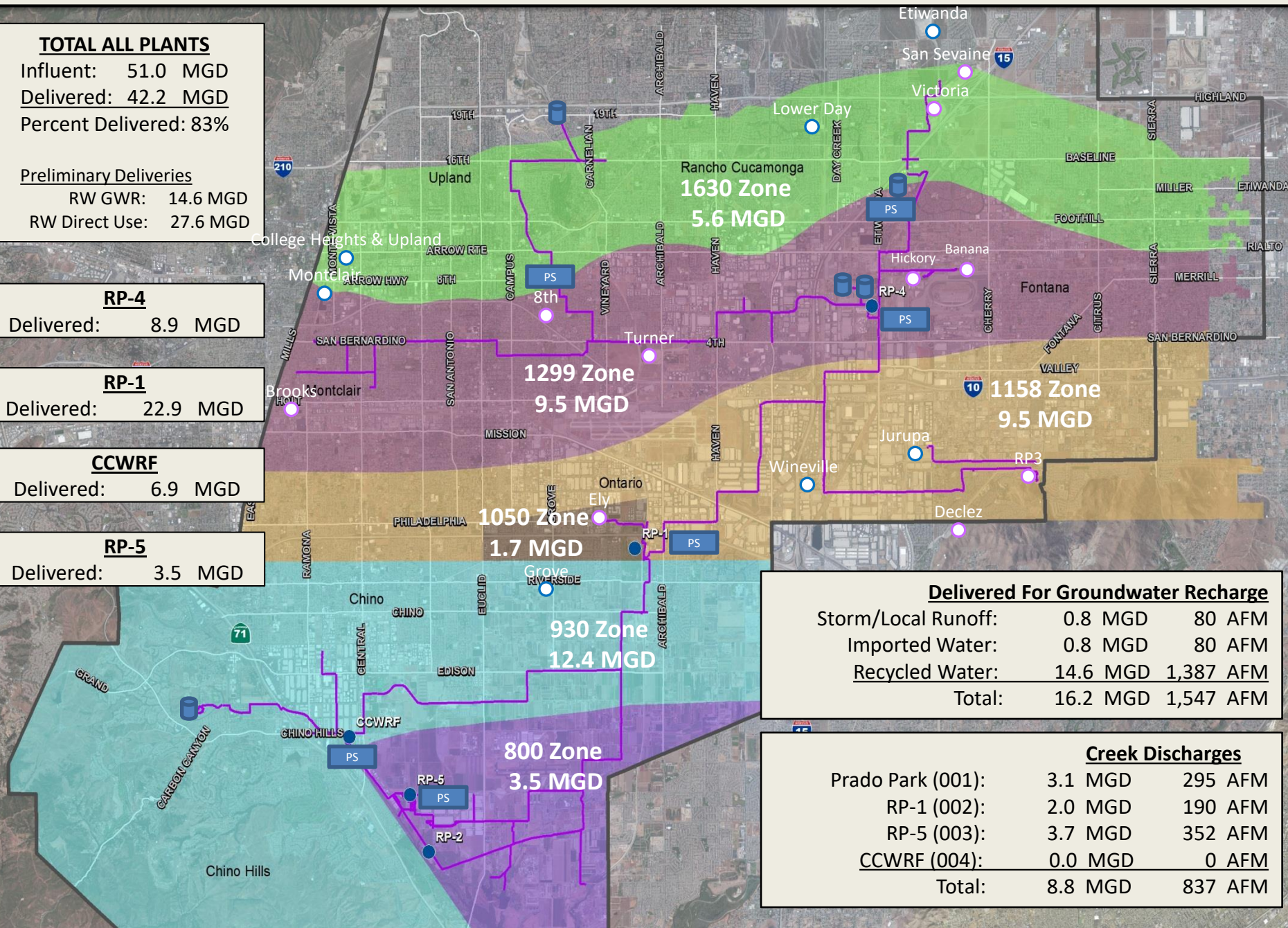
Delivered: 22.9 MGD

CCWRF

Delivered: 6.9 MGD

RP-5

Delivered: 3.5 MGD



Rancho Cucamonga
1630 Zone
5.6 MGD

1299 Zone
9.5 MGD

1158 Zone
9.5 MGD

1050 Zone
1.7 MGD

930 Zone
12.4 MGD

800 Zone
3.5 MGD

Delivered For Groundwater Recharge

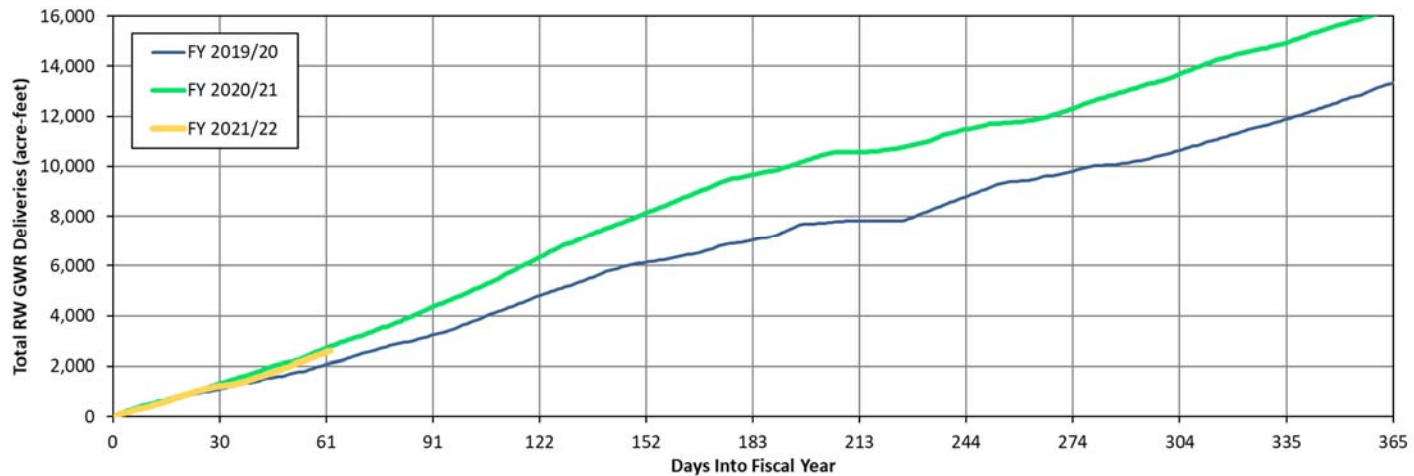
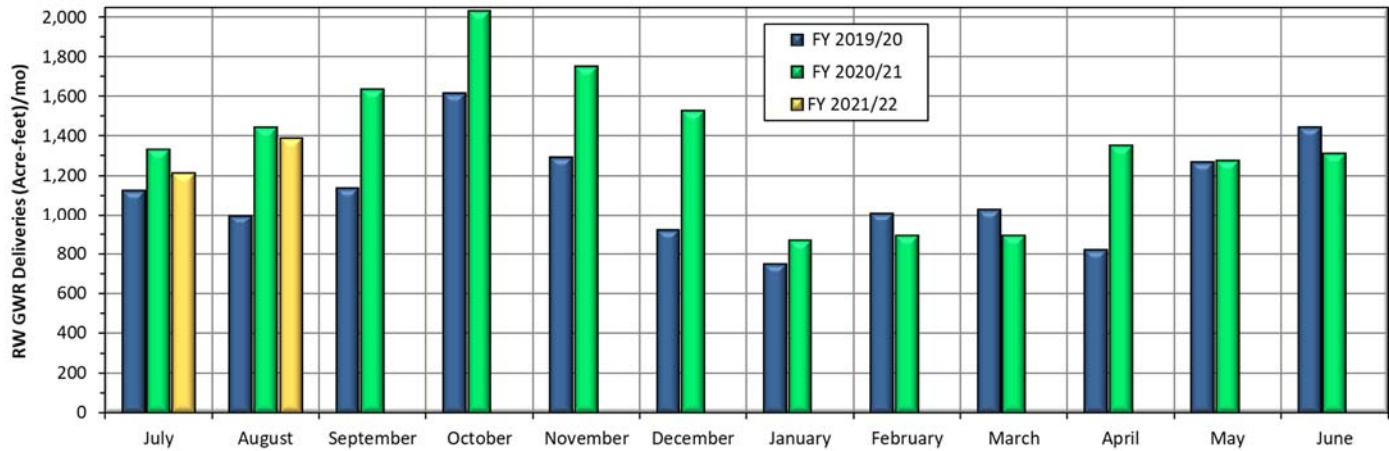
Storm/Local Runoff:	0.8 MGD	80 AFM
Imported Water:	0.8 MGD	80 AFM
Recycled Water:	14.6 MGD	1,387 AFM
Total:	16.2 MGD	1,547 AFM

Creek Discharges

Prado Park (001):	3.1 MGD	295 AFM
RP-1 (002):	2.0 MGD	190 AFM
RP-5 (003):	3.7 MGD	352 AFM
CCWRF (004):	0.0 MGD	0 AFM
Total:	8.8 MGD	837 AFM

Recycled Water Recharge Actuals - August 2021 (Acre-Feet)

Basin	8/1-8/7	8/8-8/14	8/15-8/21	8/23-8/31	Month Actual	FY To Date Actual	Deliveries are draft until reported as final and do not included evaporative losses.
Ely	6.3	0.0	0.0	0.0	6.3	201	
Banana	30.1	22.0	11.4	15.5	79.0	168	
Hickory	0.0	9.6	58.4	150.2	218.2	218	
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	0	
Turner 3 & 4	0.0	0.0	0.0	0.0	0.0		
8th Street	0.0	0.0	0.0	0.9	0.9	1	
Brooks	16.6	29.0	32.1	27.1	104.8	231	
RP3	53.8	116.1	136.2	214.6	520.7	916	
Declaz	14.6	30.9	34.9	33.5	113.9	188	
Victoria	0.0	0.0	0.0	0.0	0.0	0	
San Sevaine	77.5	106.4	88.2	71.3	343.4	673	
Total	198.9	314.0	361.2	513.1	1,387.2	2,596	2,772 AF previous FY to day actual



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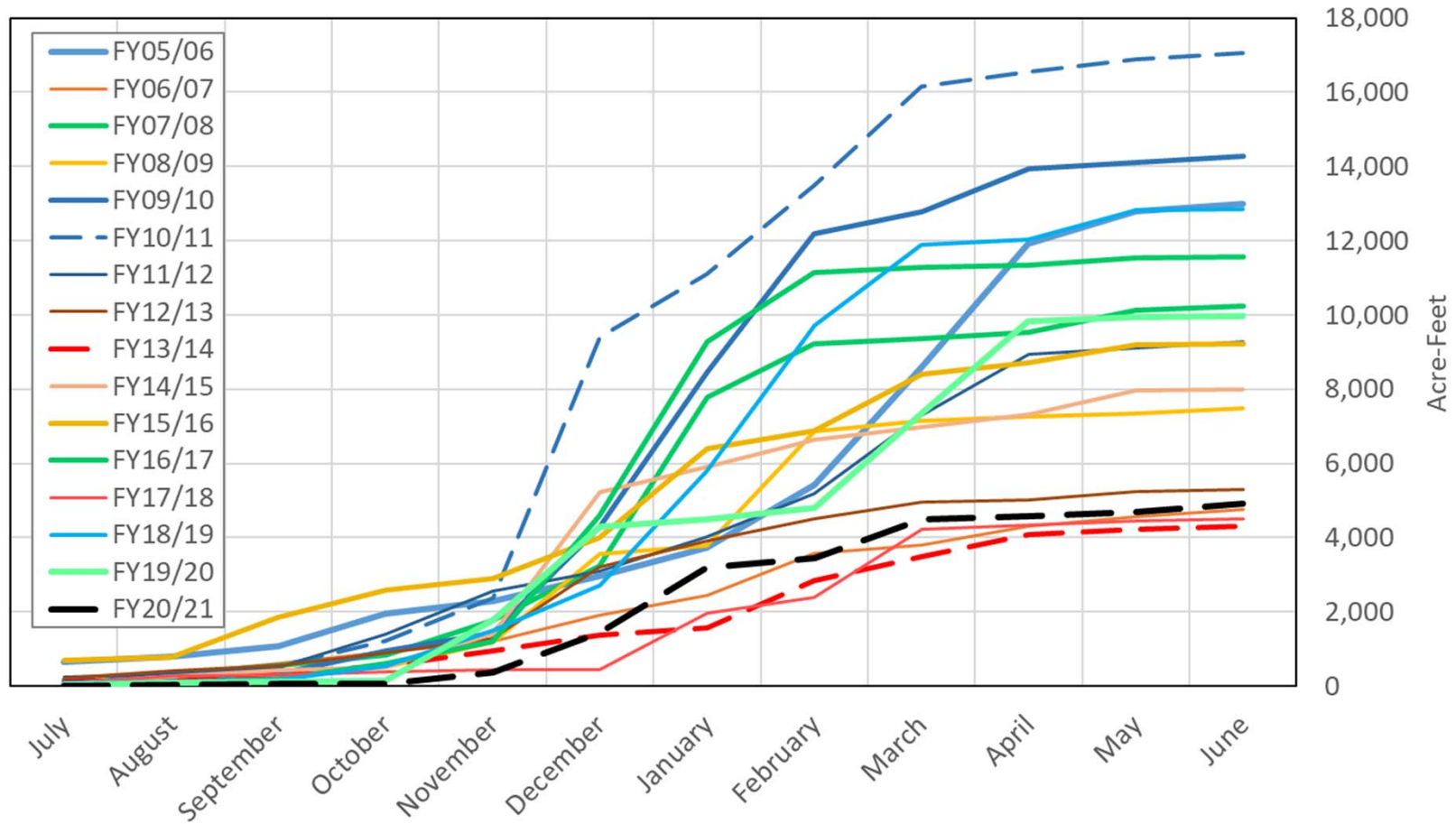
4C



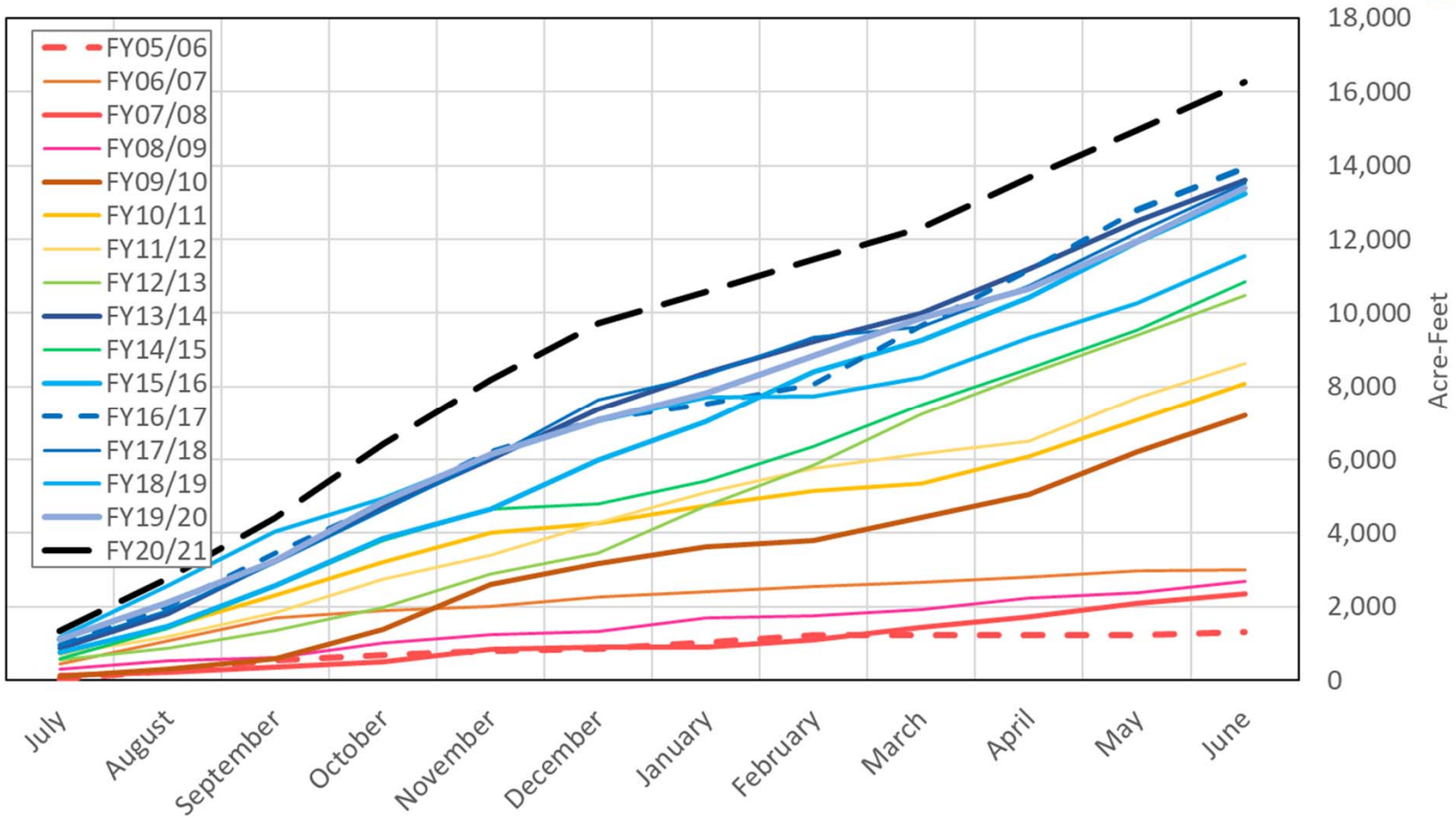
Recycled Water Ground Water Recharge Update

Andy Campbell, PG, CHG
GWR Coordinator/Hydrogeologist
September 30, 2021

Accumulated Monthly Stormwater



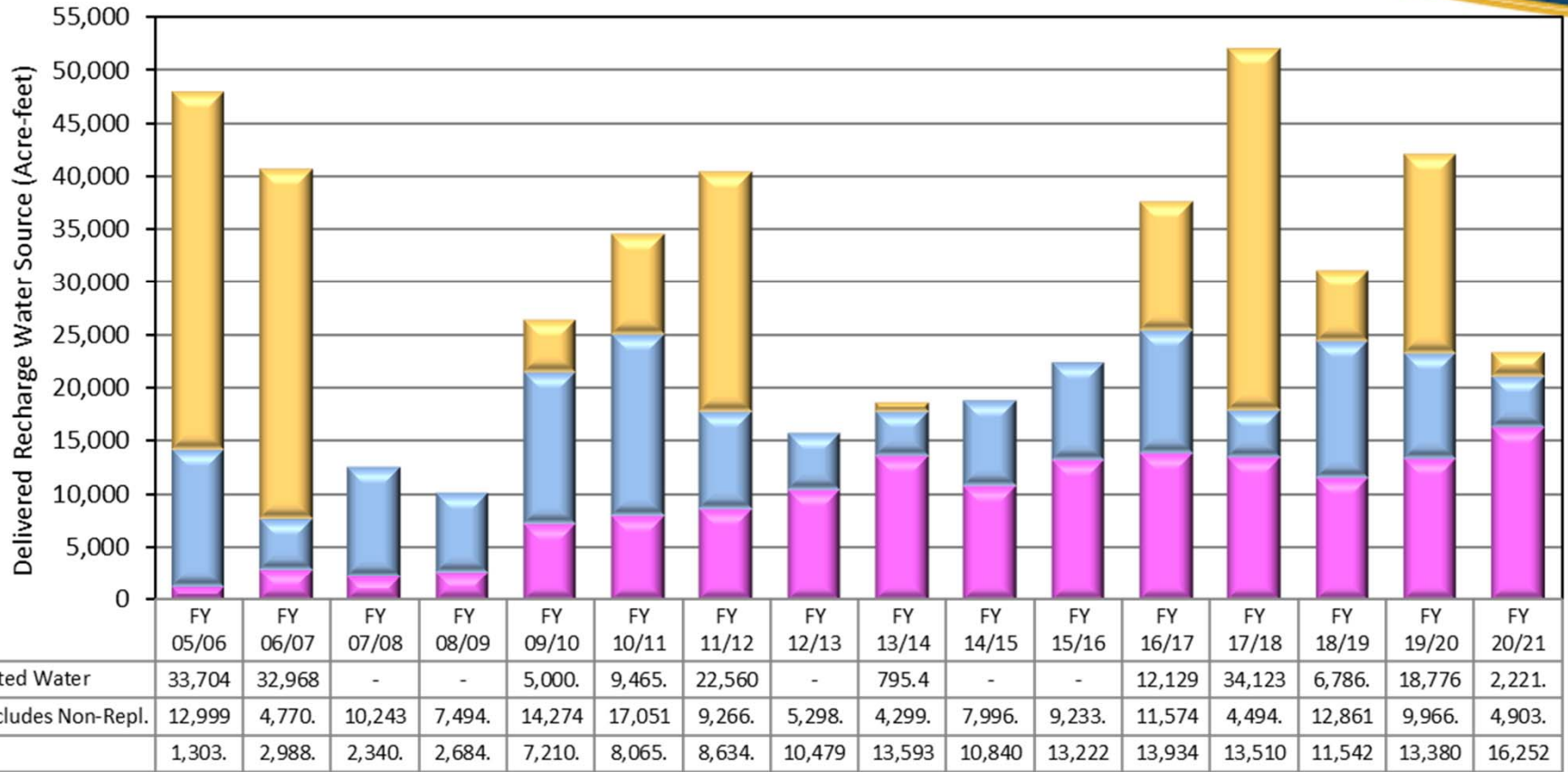
Accumulated Monthly Recycled Water



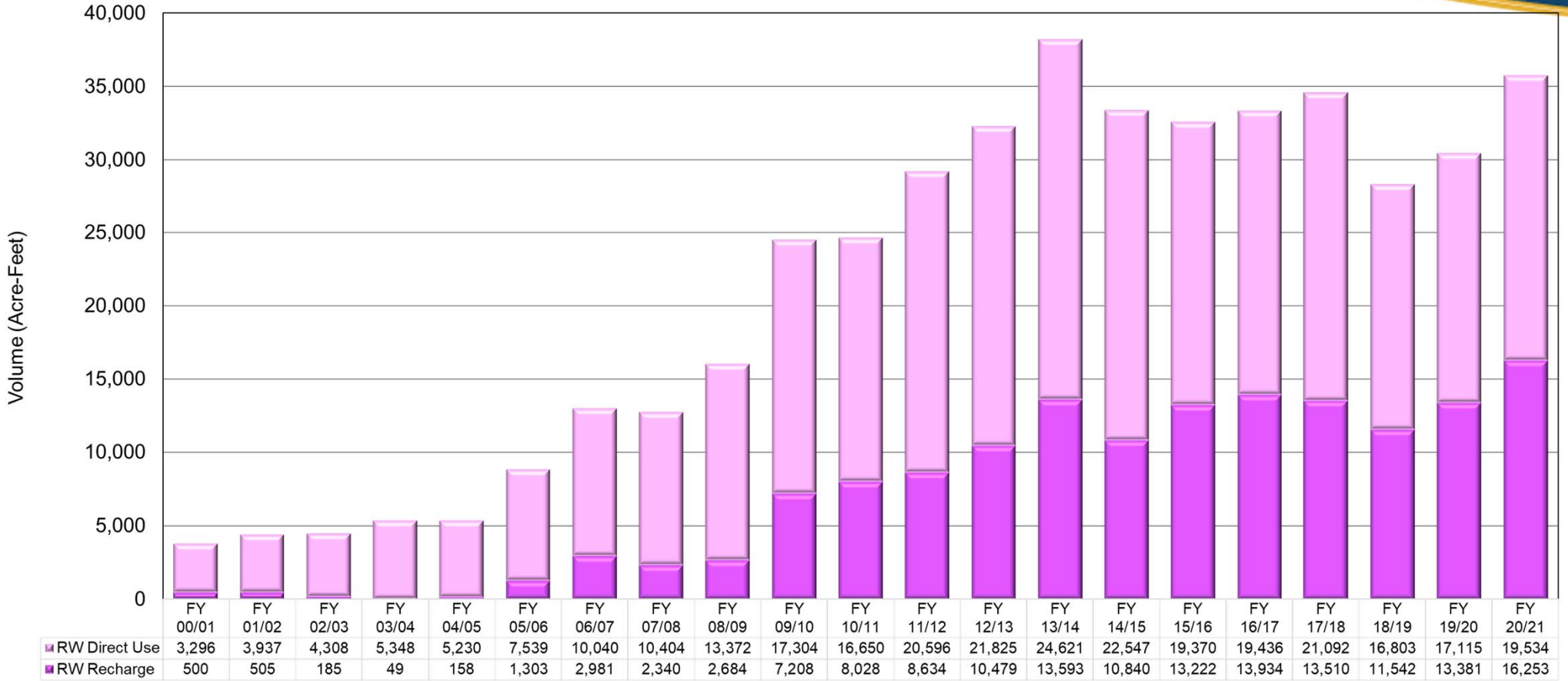
Hickory Basin Restoration and RW Delivery



Groundwater Recharge Annual History



Recycled Water (RW) Demand History



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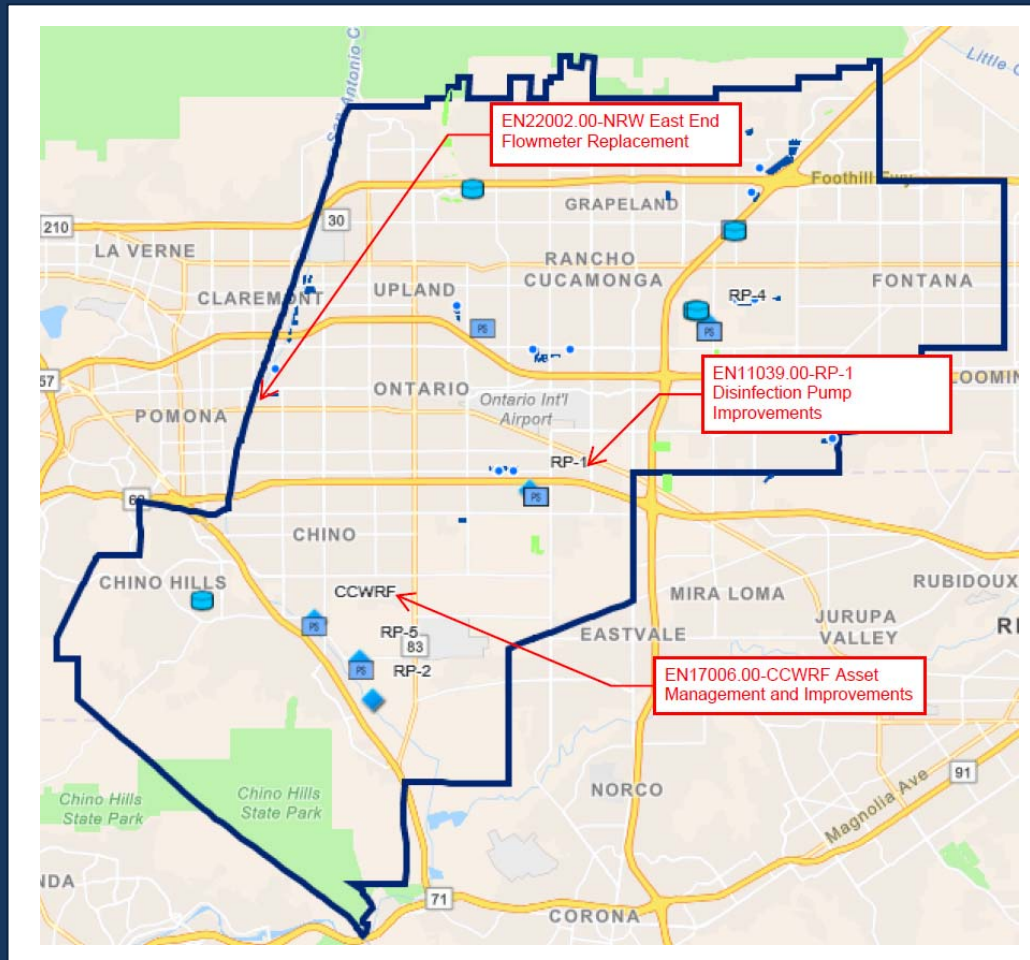


Engineering and Construction Management Quarterly Project Updates Regional Tech/Policy Committees

Jason Marseilles, P.E.

Deputy Manager of Engineering

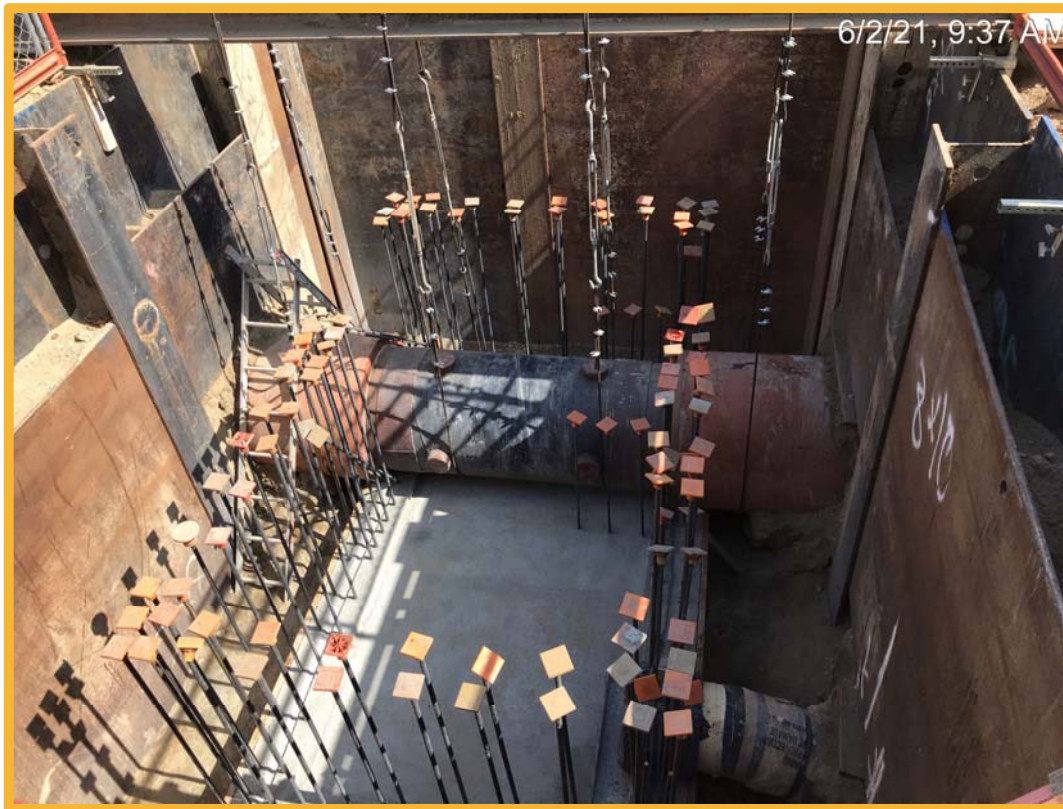
September/October 2021



Project Location Map

NRW East End Flowmeter Replacement

Project Goal: Improve Efficiency and Safety



West Diversion Structure

Total Project Budget: \$3.6 M
Project Completion: November 2021
Construction Percent Complete: 85%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Civiltec Engineering Inc	\$293 K	9%
Construction (Current)	SCW Contracting	\$2.3 M	1.6%
Project Management Team			
Project Manager:		Biesiada, Josh	
Assistant/Associate Engineer:		Trott, Megan	
Administrative Assistant:		Rodriguez, Teresa	
Inspector:		MWH Constructors	

RP-1 Disinfection System Improvements

Project Goal: Increase Operational Efficiency

Total Project Budget: \$8.5 M
Project Completion: August 2023
Design Percent Complete: 95%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	Carollo Engineering	\$750 K	10%
Construction	TBD	\$0	0%

Project Management Team

Project Manager:	Spears, James
Assistant/Associate Engineer:	Salazar, Victoria
Administrative Assistant:	Olsen, Wendy
Inspector:	TBD



Sedimentation Basin

CCWRF Asset Management and Improvements

Project Goal: Extend Asset Life



Chemical Odor Scrubber at Headworks

Total Project Budget: \$27 M
Project Completion: November 2023
Design Percent Complete: 85%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	CDM Smith	\$3.2 M	-12%
Construction	TBD	\$0	0%

Project Management Team	
Project Manager:	Ignacio, Joel
Assistant/Associate Engineer:	Ward, Ryan
Administrative Assistant:	Olsen, Wendy
Inspector:	TBD

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4E



Date: September 30, 2021 | October 7, 2021
To: Regional Committees *SD*
From: Inland Empire Utilities Agency
Subject: CBP | WSIP Baseline Scenario – Regional Contract

This is an informational item regarding the Regional Technical and Policy Committees role and authority to review and approve projects under the Regional Sewage Service Contract (Regional Contract) as it relates to the Chino Basin Program (CBP) and its project components.

BACKGROUND

At both the August 2021 Technical and the September 2021 Policy committees meetings, the Policy committee requested that Inland Empire Utilities Agency (IEUA) provide an opportunity for the committee to formally take an action with respect to moving forward with the CBP prior to the October 2021 IEUA's Board of Directors' (Board) meeting where the decision to continue CBP planning would be discussed. The CBP has two major components to the project: Baseline (maintaining IEUA's wastewater permit compliance) and water supply (water supply reliability, flexibility, and local resilience). As the Regional Contract is an agreement specific to the Regional Sewerage System, it is important to consider that the CBP's scope extends beyond the jurisdiction of the Regional Contract.

There are several opportunities in the Regional Contract in which the committees can advise IEUA's Board related to the budget and specific projects and are as follows:

- Section 9A Part 3 Subparts A and B of the Regional Contract outlines the authority of the Regional Policy Committee on the Ten-Year Forecast (TYF) and the Mid-Year Financial Reports. The Regional Policy Committee must prioritize capital improvement projects (CIP), and provide recommendations on IEUA's TYF with respect to the project schedules. The committee may similarly provide recommendations on the Mid-Year Financial Report.
- Section 9C of the Regional Contract establishes the governance of the Regional Policy and Technical Committees on major construction contracts. In Part A, IEUA cannot proceed with a construction contract award on Regional Sewerage System CIP above \$2 million without the approval of the Regional Policy Committee. Whereas Part B specifies authority of the committees during the design phase. Contract language states that IEUA cannot award design contracts for major projects that are not prioritized by the Regional Policy Committee as mentioned in Section 9A. Additionally, the Regional Technical Committee

shortlists the engineering firms during consultant selection and reviews the design at certain phases.

Per the Regional Contract and highlighted above, there are specific instances where the Regional Committees can take an action on IEUA wastewater projects. Since the CBP continues to be in the planning phase, there is no action required from the Regional Committees at this time. Consistent with the Regional Contract, IEUA would request action from the Regional Committees at the time of design shortlist, prior to bidding construction of the project, and as CBP project components are included in the TYF.