



Regional Sewerage Program Policy Committee Meeting

AGENDA
Thursday, June 2, 2022
3:30 p.m.
Teleconference Call

In an 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 the number provided above. Alternatively, you may email your public comments to the Recording Secretary Sally Lee at shlee@ieua.org no later than 24 hours prior to the scheduled meeting time. Your comments will then be read into the record during the meeting.

Call to Order/Flag Salute

Roll Call

Public Comment

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

(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 May 5, 2022 Policy Committee Meeting Minutes
- B. FY 2022/23 Proposed Budget Amendment for the Regional Wastewater Programs
- C. FY 2022/23 – 2031/32 Ten-Year Forecast

3. Informational Items

- A. Regional Contract Negotiation Update *(Oral)*
- B. Rotation of Chair for Monthly Regional Sewerage Program Committee Meetings

4. Receive and File

- A. Building Activity Report
- B. Recycled Water Distribution – Operations Summary

5. Other Business

- A. IEUA General Manager's Update
- B. Committee Member Requested Agenda Items for Next Meeting
- C. Committee Member Comments
- D. Next Meeting – July 7, 2022

Adjourn

DECLARATION OF POSTING

I, Sally Lee, 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 Sally Lee at (909) 993-1926 or shlee@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 MAY 5, 2022 MEETING

CALL TO ORDER

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program Policy Committee was held via teleconference on Thursday, May 5, 2022. Chair Bill Velto/City of Upland called the meeting to order at 3:30 p.m.

PLEDGE OF ALLEGIANCE

Luis Cetina/Cucamonga Valley Water District (CVWD) led the Pledge of Allegiance. Recording Secretary Sally Lee took roll call and established a quorum was present.

ATTENDANCE via Teleconference

Committee Members Present:

Phillip Cothran	City of Fontana
John Dutrey	City of Montclair
Luis Cetina	CVWD
Peter Rogers	City of Chino Hills
Debra Dorst-Porada	City of Ontario
Bill Velto	City of Upland

Committee Members Absent:

Eunice Ulloa	City of Chino
Marco Tule	IEUA

Others Present:

Steve Nix	City of Fontana
Courtney Jones	City of Ontario
Christopher Quach	City of Ontario
Nicole deMoet	City of Upland
Braden Yu	City of Upland
Amanda Coker	CVWD
Eduardo Espinoza	CVWD
Terra Alpaugh	Kearns & West
Michael Harty	Kearns & West
Douglas Denoir	Unknown
M. Hurley	Unknown

Others Present (continued)

John	Unknown
Shivaji Deshmukh	IEUA
Christiana Daisy	IEUA
Adham Almasri	IEUA
Jerry Burke	IEUA
Pietro Cambiaso	IEUA
Andrea Carruthers	IEUA
Javier Chagoyen-Lazaro	IEUA
Robert Delgado	IEUA
Lisa Dye	IEUA
Denise Garzaro	IEUA
Don Hamlett	IEUA
Randy Lee	IEUA
Sally Lee	IEUA
Scott Lening	IEUA
Eddie Lin	IEUA
Liza Muñoz	IEUA
Jesse Pompa	IEUA
Sushmitha Reddy	IEUA
Jeanina Romero	IEUA
Ken Tam	IEUA
Teresa Velarde	IEUA

PUBLIC COMMENTS

There were no public comments.

ADDITIONS/CHANGES TO THE AGENDA

There were no additions or changes to the agenda.

1. TECHNICAL COMMITTEE REPORT

Nicole deMoet/City of Upland stated that there were three action items presented at the April 28, 2022 Technical Committee meeting: 1. The approval of the March 31, 2022 Technical Committee meeting minutes; 2. Request by the City of Fontana for a Sewer Connection F-33 to the Fontana Interceptor Trunk Sewer; and 3. Fiscal Year (FY) 2022/23 Proposed Budget Amendment for the Regional Wastewater and Recycled Water Programs and Proposed Rates/Fees, all of which the Committee approved. IEUA presented five information items: 1. Development Fee Ordinance Change; 2. Operations and Maintenance Department Quarterly Update; 3. FY 2022/23 Proposed Regional Wastewater and Recycled Water Fund Budget and Rates Review; 4. Return to Sewer Study Update; 5. and the Operations and Compliance Update. Ms. deMoet stated that Michael Harty/Kearns & West will present an update on the Regional Contract negotiations under Information Item 3A.

2. ACTION ITEM**A. APPROVAL OF THE APRIL 5, 2022 POLICY COMMITTEE SPECIAL MEETING MINUTES**

Motion: By John Dutrey/City of Montclair and seconded by Debra Dorst-Porada/City of Ontario to approve the meeting minutes of the April 5, 2022 Regional Policy Committee Special Meeting by the following vote:

Ayes: Dutrey, Dorst-Porada, Cothran, Reed, Rogers, Velto

Noes: None

Absent: Ulloa

Abstain: None

The motion passed by a vote of 6 ayes, 0 noes, 0 abstain, and 1 absent.

Javier Chagoyen-Lazaro requested to present Information Item 3B with Action Item 2B as both items are closely related.

3. INFORMATIONAL ITEM**B. REVIEW OF THE PROPOSED BUDGET AMENDMENT FOR FY 2022/23 FOR THE REGIONAL WASTEWATER AND RECYCLED WATER PROGRAMS**

Javier Chagoyen-Lazaro/IEUA reviewed the proposed budget amendment for FY 2022/23 for the Regional Wastewater and Recycled Water Programs.

2. ACTION ITEM**B. FY 2022/23 PROPOSED BUDGET AMENDMENT FOR THE REGIONAL WASTEWATER AND RECYCLED WATER PROGRAMS AND PROPOSED RATES/FEES**

Javier Chagoyen-Lazaro/IEUA gave the staff presentation on the FY 2022/23 proposed budget amendment for the Regional Wastewater and Recycled Water Program and proposed rates and fees.

Discussion ensued regarding the proposed fees and rates and the implementation timeline. Committee member Dorst-Porada inquired about the impacts on property tax due to the significant increase in housing prices and if there needs to be a 3 percent increase on rates. Mr. Chagoyen-Lazaro stated that property taxes are allocated for debt service primarily and pay-as-you-go (PAYGO) portion of capital projects. In reviewing the Ten-Year Capital Improvement Program, the Agency will need the funds from property tax to support the PAYGO portion of capital projects. The modest increase in overall rates is justified and reasonable. Committee member Dorst-Porada stated her concerns for the affordability of the connection fee rates and shared the City of Ontario's efforts to address these concerns. General Manager Shivaji Deshmukh stated that staff does consider these concerns when developing their recommendations.

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

The motion passed by a vote of 6 ayes, 0 noes, 0 abstain, and 1 absent.

3. INFORMATIONAL ITEM

A. REGIONAL CONTRACT NEGOTIATION UPDATE

Michael Harty/Kearns & West reported that the contracting agencies have been following the schedule provided at the previous Policy Committee meeting. Weekly meetings have been taking place and are scheduled to continue until the end of this year. He gave an update on the status of the red-lined documents and stated that once contract agencies review and discuss all red-lined documents, the negotiations will move toward focused negotiations on priority issues.

4. RECEIVE AND FILE

A. IEUA-MWD TERM SHEET FOR THE CHINO BASIN PROGRAM WATER STORAGE INVESTMENT PROGRAM ENVIRONMENTAL WATER EXCHANGE

B. ENGINEERING AND CONSTRUCTION MANAGEMENT FEE ORDINANCE REVIEW

C. OPERATIONS AND MAINTENANCE DEPARTMENT QUARTERLY UPDATE

D. BUILDING ACTIVITY REPORT

E. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY

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

5. OTHER BUSINESS

A. IEUA GENERAL MANAGER'S UPDATE

General Manager Deshmukh stated that he attended the Association of California Water Agencies Spring Conference in Sacramento, CA, where the drought was a major topic of discussion. He stated that if any City Council or Board of Directors are interested, staff can provide an update on the drought. He expressed his appreciation for the coordination and collaboration of the Agency's retailers in working with the Metropolitan Water District of Southern California (MWD) on this matter. The Agency received the allocation numbers from MWD and because of the coordination, staff is better prepared for what is to come. He shared that the Agency, with its retailers, will need to consider long-term solutions in case of a persistent drought.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

Committee member Luis Cetina/CVWD requested a summary of Agency reserves and how they can be used moving forward.

C. COMMITTEE MEMBER COMMENTS

Chair Velto recognized Rancho Cucamonga's City Council Member Sam Spagnolo, who passed away on May 2, 2022.

D. NEXT MEETING – JUNE 2, 2022

6. ADJOURNMENT

Chair Velto adjourned the meeting in honor of Rancho Cucamonga City Council Member Sam Spagnolo at 4:05 p.m.

Prepared by:

Sally Lee, Recording Secretary

DRAFT

ACTION ITEM

2B

Date: May 26th/June 2nd

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: Fiscal Year 2022/23 Proposed Budget Amendment for the Regional Wastewater Programs

RECOMMENDATION

It is recommended that the Regional Technical and Policy Committees (Regional Committees) review and make a recommendation to the IEUA Board of Directors (Board) to approve the proposed;

1. Fiscal Year 2022/2023 Budget Amendment for Agency's Regional Wastewater Capital Improvement and Regional Wastewater Operations and Maintenance funds.

BACKGROUND

On June 16, 2021, the Board of Directors approved the Agency's Biennial Budget for fiscal years (FYs) 2021/22 and 2022/23, and Ten-Year Capital Improvement Plan (TYCIP) for FYs 2022-2031. As part of the biennial budget cycle, a review of the second budget year is done prior to the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions.

A review of the proposed FY 2022/23 budget amendment for the Regional Wastewater programs was presented as an information item at the IEUA Board of Directors meeting on April 20, 2022.

The FY 2022/23 Budget Amendment for the Regional Wastewater programs were first presented to the Regional Technical Committee on April 28, 2022, and the Regional Policy Committee on May 5, 2022.

The proposed budget amendment for FY 2022/23 is consistent with the information presented to the Regional Committees on April 28 and May 5, 2022.

Fiscal Year 2022/2023 Proposed Budget Amendments

Summarized below are the proposed amendments recommended for FY 2022/23 total Sources and Uses of funds.

Table 1: FY 2022/23 Proposed Budget Amendments (\$Millions)
Regional Wastewater Programs

Consolidated FY 2022/23	Adopted	Proposed	Amendment Amount
Sources of funds	\$211.7	\$271.6	\$59.9
Uses of funds	(\$262.0)	(\$262.8)	(\$0.8)
Increase (Decrease) in Net Position	(\$50.3)	\$8.8	\$59.1

TOTAL SOURCES OF FUNDS

The \$59.9 million increase to Sources of Funds is due to changes in the assumptions reflecting an increase in proceeds from federal and state loans, grants, user charges, property tax, cost reimbursements, and interest earnings. The distribution by major category of the proposed Sources of Funds is shown below in Table 2.

Table 2: FY 2022/23 Proposed Amendment to Sources of Funds (\$Millions)
Regional Wastewater Programs

Sources of Funds	Adopted	Proposed	Amendment Amount
User Charges	\$76.2	\$77.3	\$1.2
Federal and State Loans	44.7	83.5	38.8
Property Tax	51.4	65.1	13.7
Connection Fees	30.4	30.4	0.0
Grants	0.3	6.1	5.8
Cost Reimbursements	4.7	4.8	0.1
*Other Sources	4.0	4.3	0.3
Total	\$211.7	\$271.6	\$59.9

**Other Sources includes inter-fund loan receipts, capital contract cost reimbursements, interest income, and miscellaneous revenue.*

User Charges: The increase in \$1.2 million in user charges is due to higher projected monthly EDUs and a proposed escalation of the monthly sewer rate of 3% for FY 2022/23. All the proposed FY 2022/23 rates and fees are represented in table 5.

Property Tax: Projected property tax increases by \$13.7 million, as a result of updated growth assumptions and the revised method applied by San Bernardino County to allocate the property taxes associated with the dissolution of Redevelopment Agencies. The allocation criteria for property taxes received by the Agency remains the same as the adopted in the biennial budget for FY 2021/22-2022/23, as reflected in table 3 below.

Table 3: Proposed Property Tax Allocation

Fund	FY 2022/23
Regional Wastewater Capital	65%
Regional Wastewater Operations	23%
Recycled Water	4%
Administrative Services	4.5%
Water Resources	3.5%

State Loans and Grants: The increase of \$44.6 million is the result of securing additional funding from the U.S. Environmental Protection Agency (EPA) and the State Water Resources Control Board (SWRCB). The Agency has secured through EPA a second Water Infrastructure Finance Innovation Act (WIFIA) loan to support the RP-5 Expansion and Solids Handling Facility and other projects in the Regional Wastewater program. Additional State Revolving Fund Loans from SWRCB will complete the funding for the RP-5 Expansion and Solids Handling Facility, and RP-1 Thickening Building projects.

TOTAL USES OF FUNDS

The \$0.8 million change in total Uses of Funds is primarily due to an increase in non-capital project expenditures, as reflection of the current inflationary trends, partially offset with the decrease in projected capital. The table below provides a summary by category.

Table 4: FY 2022/23 Proposed Amendments to Uses of Funds (\$Millions)
Regional Wastewater Programs

Uses of Funds	Adopted	Proposed	Amendment Amount
Capital Projects	\$164.3	\$157.6	(\$6.7)
Operations & Administration	82.9	88.5	5.6
Debt Service	8.4	8.4	0.0
Inter-Fund Transfers	6.4	8.3	1.9
Total	\$262.0	\$262.8	\$0.8

Operations & Administration: An increase of expenditures for operations & administration is primarily due to non-capital project cost increases and inflationary increases for chemicals. The non-capital project increase can be attributed to continuing work on the TCE Plume Cleanup projects and lift station improvement projects. Amendments to non-capital project costs are reflected at the latest Ten-Year Forecast (TYF) report that was presented on April 7, 2022 to the Regional Policy meeting.

Capital Projects: Increase is primarily due to changes in project scope and project execution timelines. Amendments to capital project costs are reflected at the latest Ten-Year Forecast (TYF) report.

Inter-fund Transfers: The increase is due to additional capital support required in the Administrative Services fund.

The FY 2022/23 Rates and Fees for Regional Capital EDU connection fee and the monthly EDU charge represents an increase of three percent to support the costs in the Regional Wastewater Capital and Operations & Maintenance funds was adopted by the IEUA Board of Directors meeting on May 18, 2022, represented in table 5.

Table 5: FY 2022/23 Regional Wastewater Connection Fee and EDU Volumetric Rates

Program	Rate Description	FY 2021/22 Current	FY 2022/23 Proposed	FY 2023/24 Proposed
Regional Wastewater Capital	Wastewater Connection Fee	\$7,379	\$7,600	To be reviewed based on the sewer use evaluation results
Regional Wastewater Operations & Maintenance	Monthly EDU Volumetric	\$21.22	\$21.86	

Conclusion

If revenues and expenses occur as planned the proposed amendments to total Sources and Uses of Funds will increase the net position of the Regional Wastewater programs by \$8.8 million compared to the decrease in net position of \$50.3 million projected in the FY 2022/23 Adopted Budget, as summarized in Table 1.

The proposed amendment to the FY 2022/23 Adopted Budget for the Agency's Regional Wastewater programs is consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices*.

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2022/23 MID-YEAR BUDGET
REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2020/2021	2021/2022	2022/2023	2022/2023
	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	AMENDED MID YEAR
REVENUES				
Interest Revenue	\$1,405	\$862	\$700	\$1,226
TOTAL REVENUES	\$1,405	\$862	\$700	\$1,226
OTHER FINANCING SOURCES				
Property Tax - Debt and Capital	\$43,638	\$37,366	\$37,991	\$48,111
Regional System Connection Fees	36,732	29,514	30,400	30,400
Debt Proceeds	0	0	13,807	32,000
State Loans	0	0	30,906	51,500
Other Revenues	57	1	1	1
Inter Fund Loan	0	0	2,000	2,000
TOTAL OTHER FINANCING SOURCES	\$80,427	\$66,881	\$115,105	\$164,012
EXPENSES				
Employment Expenses	\$3,944	\$4,016	\$4,183	\$4,183
Contract Work/Special Projects	350	0	0	0
Operating Fees	270	281	289	289
Professional Fees and Services	300	675	546	549
Other Expenses	926	1,869	1,889	1,889
TOTAL EXPENSES	\$5,790	\$6,841	\$6,907	\$6,909
CAPITAL PROGRAM				
Work In Progress	\$70,210	\$201,954	\$153,927	\$134,179
IERCA investment	250	1,000	750	750
TOTAL CAPITAL PROGRAM	\$70,460	\$202,954	\$154,677	\$134,929
DEBT SERVICE				
Financial Expenses	\$1,323	\$9	\$8	\$10
Interest	9,756	2,669	2,350	2,350
Principal	9,007	4,540	4,672	4,672
TOTAL DEBT SERVICE	\$20,086	\$7,219	\$7,030	\$7,032
TRANSFERS IN (OUT)				
Capital Contribution	\$7,211	\$6,088	\$8,385	\$2,831
Debt Service	(3,118)	(3,138)	(3,136)	(3,148)
Capital - Connection Fees Allocation	(7,909)	(8,679)	(4,295)	(5,006)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$3,817)	(\$5,729)	\$954	(\$5,323)
FUND BALANCE				
Net Income (Loss)	(\$18,321)	(\$155,001)	(\$51,856)	\$11,045
Beginning Fund Balance July 01	310,512	292,191	123,392	137,190
ENDING FUND BALANCE AT JUNE 30*	\$292,191	\$137,190	\$71,536	\$148,235
RESERVE BALANCE SUMMARY				
Operating Contingency	\$1,455	\$2,280	\$2,302	\$2,303
Capital Construction	\$176,870	\$88,763	\$26,437	\$100,171
CCRA Capital Construction	91,465	35,979	32,567	35,479
Debt Service & Redemption	22,401	10,168	10,229	10,281
ENDING BALANCE AT JUNE 30	\$292,191	\$137,190	\$71,536	\$148,235

*Numbers may not tie due to rounding

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

	2020/2021	2021/2022	2022/2023	2022/2023
	ACTUAL	AMENDED BUDGET	ADOPTED BUDGET	AMENDED MID YEAR
REVENUES				
User Charges	\$71,362	\$74,726	\$76,203	\$77,349
Cost Reimbursement JPA	4,175	4,461	4,595	4,595
Contract Cost Reimbursement	101	75	75	206
Interest Revenue	851	1,200	1,200	1,000
TOTAL REVENUES	\$76,489	\$80,463	\$82,073	\$83,150
OTHER FINANCING SOURCES				
Property Tax Revenues - Debt/Capital	\$8,726	\$13,222	\$13,443	\$17,024
Grants	0	5,793	283	6,109
Other Revenues	65	80	80	80
TOTAL OTHER FINANCING SOURCES	\$8,791	\$19,095	\$13,806	\$23,213
EXPENSES				
Employment Expenses	\$34,664	\$35,662	\$37,142	\$37,142
Contract Work/Special Projects	7,668	10,861	4,220	7,567
Utilities	6,762	8,283	9,288	8,744
Operating Fees	1,193	2,404	2,497	2,541
Chemicals	5,402	6,450	6,184	8,274
Professional Fees and Services	2,881	5,015	4,463	5,131
Office and Administrative expenses	0	3	3	3
Biosolids Recycling	4,611	4,941	4,875	4,902
Materials & Supplies	1,840	2,212	2,048	2,058
Other Expenses	2,589	5,170	5,233	5,179
TOTAL EXPENSES	\$67,612	\$81,003	\$75,954	\$81,541
CAPITAL PROGRAM				
Work in Progress	\$27,212	\$18,504	\$9,610	\$22,669
TOTAL CAPITAL PROGRAM	\$27,212	\$18,504	\$9,610	\$22,669
DEBT SERVICE				
Financial Expenses	\$4	\$1	\$0	\$0
Interest	674	614	591	591
Principal	761	784	806	806
TOTAL DEBT SERVICE	\$1,440	\$1,398	\$1,398	\$1,398
TRANSFERS IN (OUT)				
Capital Contribution	(\$8,511)	(\$9,056)	(\$9,056)	(\$6,000)
Debt Service	124	114	114	114
Operation support	(52)	(1,452)	(744)	(209)
Capital - Connection Fees Allocation	6,448	4,769	2,291	3,059
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$1,991)	(\$5,624)	(\$7,394)	(\$3,035)
FUND BALANCE				
Net Increase (Decrease)	(\$12,974)	(\$6,971)	\$1,522	(\$2,280)
Beginning Fund Balance July 01	89,725	76,750	71,344	69,779
ENDING FUND BALANCE AT JUNE 30	\$76,750	\$69,779	\$72,867	\$67,499
RESERVE BALANCE SUMMARY				
Operating Contingies	\$21,145	\$25,514	\$23,786	\$25,649
Rehabilitation/Replacement	17,725	6,752	12,376	4,019
Debt Service	1,398	1,398	1,417	1,417
Sinking Fund	36,482	36,116	36,415	36,415
ENDING BALANCE AT JUNE 30	\$76,750	\$69,779	\$73,995	\$67,499

* Numbers may not tie due to rounding



FY 2022/23 Proposed Budget Amendments Regional Wastewater Programs

Javier Chagoyen-Lazaro
May 26th/June 2nd Regional Committees

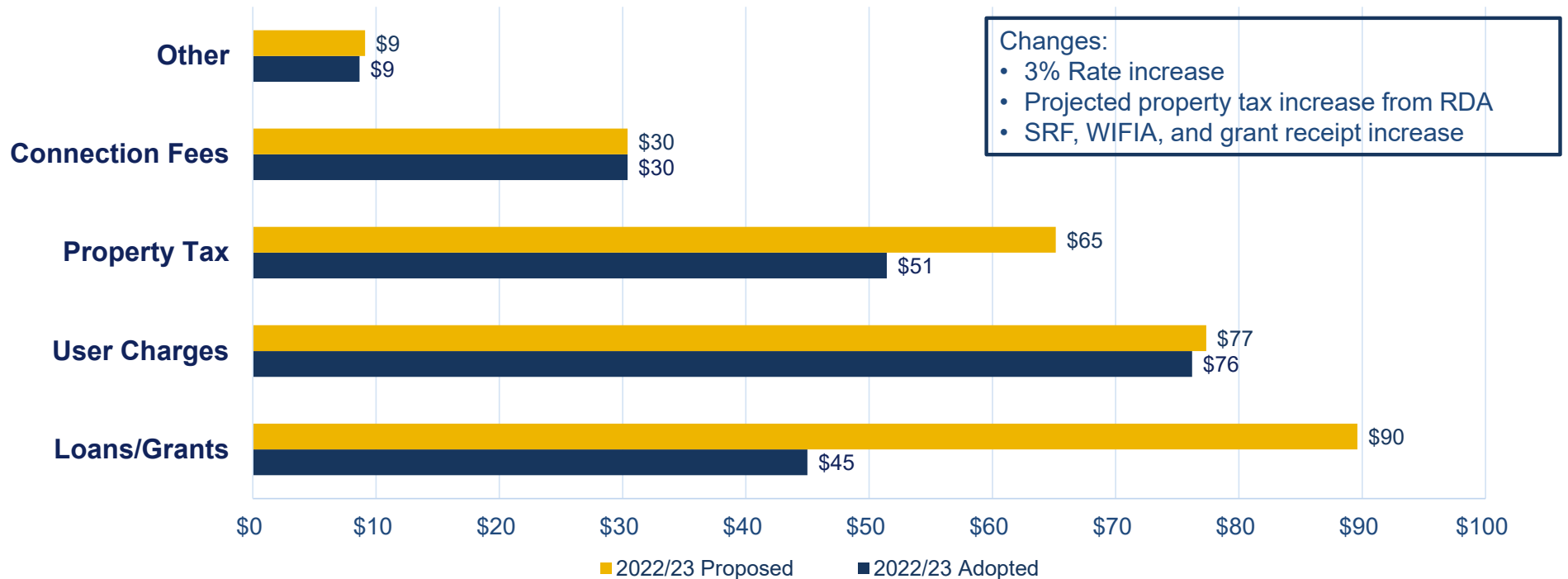
FY 2022/23 Regional Wastewater Programs Mid-Cycle Budget Amendment Summary

- Consistent with the information presented to Regional Committees on April 28 and May 5, 2022:
 - Three percent rate increase in Wastewater Connection Fee and Monthly EDU Volumetric for FY 2022/23
 - Property Tax Adjustments
 - Loan and Grants Adjustments
 - Ten Year Forecast Adjustments
 - Chemical cost adjustments

\$ Millions	FY 2022/23 Adopted	FY 2022/23 Proposed	Amendments
Total Sources of Funds	\$211.7	\$271.6	\$59.9
Total Uses of Funds	(\$262.0)	(\$262.8)	(\$0.8)
Increase/(decrease) in Net position	(\$50.3)	\$8.8	\$59.1

Regional Wastewater SOURCES OF FUNDS

\$ Millions	FY 2022/23 Adopted	FY 2022/23 Proposed	Amendments
Total Sources of Funds	\$211.7	\$271.6	\$59.9

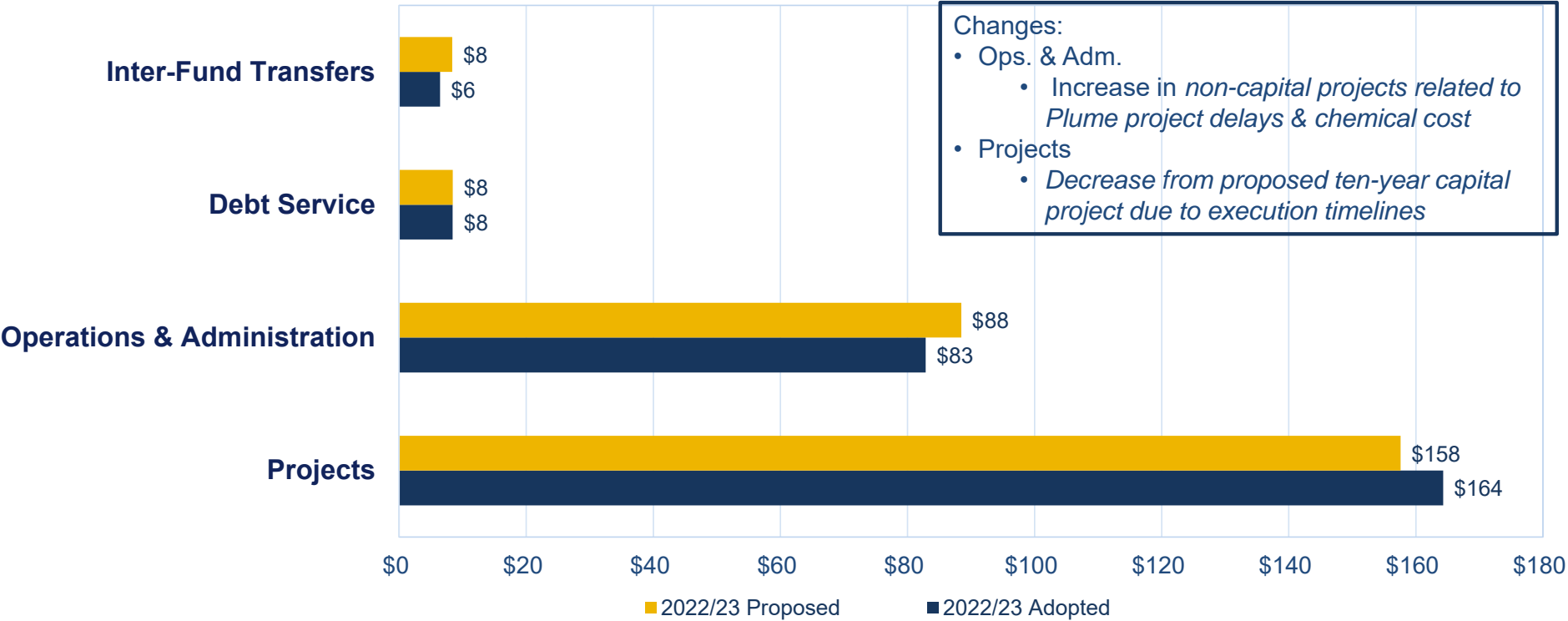


*Other Revenues include cost reimbursements, interest, Inter-Fund loan proceeds, misc. other

Regional Wastewater USES OF FUNDS



\$ Millions	FY 2022/23 Adopted	FY 2022/23 Proposed	Amendments
Total Uses of Funds	\$262.0	\$262.8	\$0.8



FY2022/23 Adopted Rates and Fees

Fund	Wastewater Operations	Wastewater Capital
As of July, 1	Monthly Sewer (EDU)	Wastewater Connection Fee (EDU)
FY 2019/20	\$20.00	\$6,955
FY 2020/21*	\$20.00	\$6,955
FY 2021/22	\$21.22	\$7,379
FY 2022/23**	\$21.86	\$7,600
FY 2023/24	To be reviewed based on the sewer use evaluation results	
FY 2024/25		

*On May 6, 2020, the Board approved to defer rate increases and maintain the rates unchanged for FY 2020/21.

** Rates and fees for FY 2022/23, effective July 1, 2022, were unanimously recommended by Policy Committee on May 5, 2022, and adopted by IEUA Board on May 18, 2022.

Review and Approval Timeline

Month	Description	Regional Technical Committee	Regional Policy Committee	IEUA Finance Committee	IEUA Board
April/May	<ul style="list-style-type: none"> Recommend FY 2022/23 Regional Wastewater Connection Fee and Monthly Sewer rate Proposed FY 2022/23 Regional Wastewater and Recycled Water Mid-Cycle Budget Amendment 	04/28	05/05		
May	<ul style="list-style-type: none"> Adopt FY 2022/23 Regional Wastewater Connection Fee and Monthly Sewer rate 			05/11	05/18
May/June	<ul style="list-style-type: none"> Recommend FY 2022/23 Regional Wastewater Mid-Cycle Budget Amendment 	05/26	06/02		
June	<ul style="list-style-type: none"> Adopt FY 2022/23 Regional Wastewater Mid-Cycle Budget Amendment 			06/08	06/15

Recommendation

Regional Technical and Policy Committees (Regional Committees) review and make a recommendation to the IEUA Board of Directors (Board) to approve the proposed:

- Fiscal Year 2022/2023 Proposed Budget Amendment for Agency's Regional Wastewater Capital Improvement and Regional Wastewater Operations and Maintenance funds.

Questions



The proposed amendments to the FY 2022/23 Adopted Budget are consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices*

ACTION ITEM

2C



Date: May 2022/June 2022
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: Fiscal Year 2022/23 - 2031/32 Ten-Year Forecast

RECOMMENDATION

It is requested that the Regional Committees approve the Fiscal Years 2022/23-2031/32 Ten-Year Forecast.

BACKGROUND

At the March/April Regional Committee meetings, IEUA staff submitted the Ten-Year Forecast (TYF), a subset of the Ten-Year Capital Improvement Plan, to the Regional Committees for review. The TYF includes wastewater flow forecasts, a description of planned wastewater capital projects, project expenditures, plant capacities, and available funding from the Regional Wastewater Capital Improvement Fund. During the review period, IEUA did not receive any comments on the TYF from the Committees; therefore, based on the schedule set forth by the Regional Sewage Service Contract, IEUA is now seeking the Regional Policy Committee's approval of the TYF previously submitted in March/April. The Regional Policy Committee's approval authority applies to capital wastewater projects that address future demands.

ATTACHMENTS

Attachment 1 - Ten-Year Forecast
Attachment 2 - PowerPoint Presentation



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

2022

IEUA's Ten-Year Forecast

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ABBREVIATIONS

AF: Acre Feet

CCRA: Capital Capacity Reimbursement Account

CCWRF: Carbon Canyon Water Reclamation Facility

CVWD: Cucamonga Valley Water District

EDU: Equivalent Dwelling Unit

FY: Fiscal Year

IEUA: Inland Empire Utilities Agency

IERCF: Inland Empire Regional Composting Facility

MGD: Million Gallons per Day

MWD: Metropolitan Water District of Southern California

O&M: Operation and Maintenance

RC: Regional Wastewater Capital Improvement Fund

TYF: Ten-Year Forecast

RCAs: Regional Contracting Agencies

RP-1: Regional Water Recycling Plant 1

RP-2: Regional Water Recycling Plant 2

RP-4: Regional Water Recycling Plant 4

RP-4: Regional Water Recycling Plant 5

WWFMPU: 2015 Wastewater Facilities Master Plan Update

SECTION 1: BACKGROUND

Inland Empire Utilities Agency Overview

The Inland Empire Utilities Agency (IEUA) is a regional wastewater treatment agency and wholesale distributor of imported water. IEUA is responsible for serving approximately 875,000 people over 242 square miles in western San Bernardino County. IEUA is focused on providing three key services: (1) treating wastewater, developing recycled water, local water resources, and conservation programs to reduce dependence on imported water supplies and provide local supply resiliency to the region; (2) converting biosolids and waste products into a high-quality compost made from recycled materials; and (3) generating electrical energy from renewable sources.

Formation & Purpose

IEUA was originally formed as the Chino Basin Municipal Water District on June 6, 1950, as a municipal corporation with the mission to supply supplemental imported water purchased from the Metropolitan Water District of Southern California (MWD) to municipalities in the Chino Basin. Since then, IEUA has expanded its mission from a supplemental water supplier to include regional wastewater treatment with both domestic and industrial disposal systems along with energy production facilities. In addition, IEUA has become a major provider of recycled water, a supplier of biosolids/compost materials, and continues its leading role in water quality management and environmental protection in the Inland Empire.

Governance

IEUA is a special district governed by five publicly elected Board of Directors. Each director is assigned to one of the five divisions which generally serve the following regions: Division 1- Upland/Montclair; Division 2- Ontario; Division 3- Chino/Chino Hills; Division 4- Fontana; and Division 5- Rancho Cucamonga. Monthly meetings are also held with the Regional Technical and Policy Committees comprised of representatives from each of IEUA's Regional Sewer Service Contracting Agencies. These Committees discuss and provide recommendations on various technical and policy issues affecting IEUA.

Contracting Agencies

As a regional wastewater treatment agency, IEUA provides wastewater utility services to seven contracting agencies under the Chino Basin Regional Sewage Service Contract (Regional Contract): the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, and Upland along with Cucamonga Valley Water District (CVWD). Figure 1 depicts each Contracting Agency's sphere of influence within IEUA's service area.

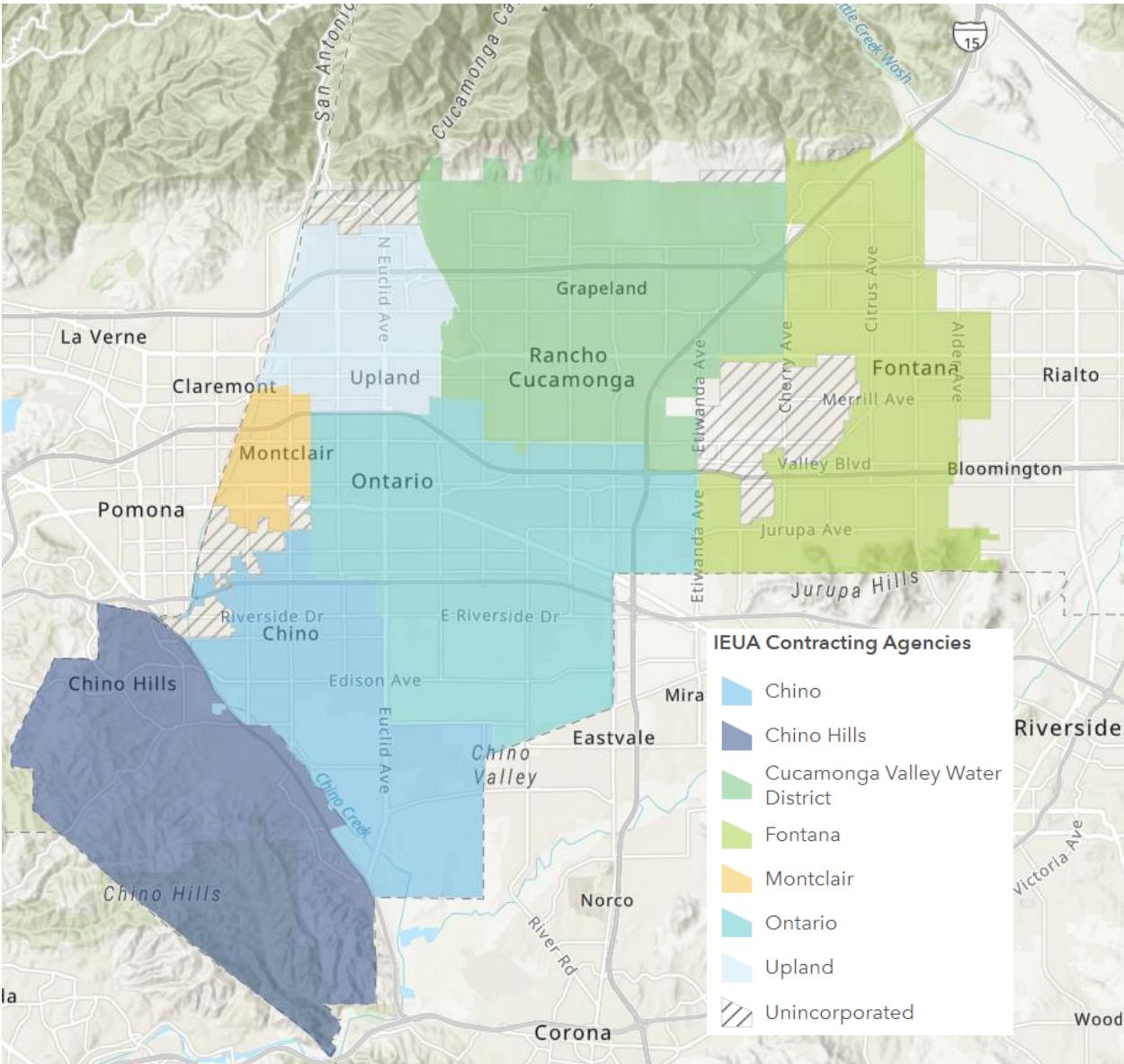


Figure 1 – IEUA Contracting Agencies

SECTION 2: INTRODUCTION TO THE TEN-YEAR FORECAST

Ten-Year Forecast Purpose

The Board of Directors of the Inland Empire Utilities Agency adopts a Ten-Year Forecast (TYF) based on the growth and regulatory requirements, existing asset management needs, and recommendations from the Regional Technical and Policy Committees, pursuant to the terms of the Regional Sewage Service Contract. The purpose of the TYF is to catalog and schedule capital improvement projects necessary to enable the regional wastewater system to meet forecasted demands for all the Contracting Agencies over a multi-year period. Pursuant to Section 9 of the Regional Contract, IEUA submits a TYF of capacity demands and capital projects to the Regional Technical and Policy Committees. This TYF identifies projects for the Fiscal Year (FY) 2022/2023 through FY 2031/2032.

Projects identified in the TYF are important to ensure regional reliability and safety while meeting all regulatory requirements based on the physical conditions of assets and the forecasted regional projection of wastewater needs. According to these projections, the TYF proposes a schedule for implementing projects based on necessity. The timing of the projects identified in the TYF are further refined during the Capital Budget process, based on the availability of financial resources.

Definition of a Capital Project

The TYF is composed of a list of capital projects, which are projects that involve the purchase, improvement, or construction of major fixed assets and equipment, such as the expansion of treatment plants, the construction of pipeline and pump stations, and the replacement of equipment. Capital projects do not include funds spent on standard operation and maintenance (O&M).

Regional Sewage Service Contract Requirements and Plan Adoption

The Regional Sewage Service Contract is the guiding document that defines the terms of the services and facilities in IEUA's regional wastewater system. The Regional Contract was originally signed in January 1973, amended in 1984 and 1994, and is due for renewal in January 2023, 50 years after it was originally executed.

As required by the Regional Contract, the TYF includes wastewater flow forecasts, a description of planned capital projects, capital project expenditures, plant capacities, and available funding of the Regional Wastewater Capital Improvement (RC) fund. After detailed review, comments, and recommendations from the Regional Technical and Policy Committees and the Agency's Board of Directors, the TYF is adopted.

SECTION 3: REGIONAL WATER RECYCLING INFRASTRUCTURE

Regional Wastewater Recycling Plants

The Agency has four regional water recycling plants which produce recycled water from treated wastewater. Recycled water from all four plants meets Title 22 standards and it is used for agriculture, landscaping, industrial processing and groundwater recharge. The four regional facilities are: Regional Water Recycling Plant No.1 (RP-1), Regional Water Recycling Plant No.4 (RP-4), Regional Water Recycling Plant No.5 (RP-5), and Carbon Canyon Wastewater Recycling Facility (CCWRF). All the plants have primary, secondary, and tertiary treatment and recycled water pumping facilities that are interconnected in a regional network. Agency staff use wastewater bypass and diversion facilities, such as the San Bernardino Lift Station, Montclair Diversion Structure, Etiwanda Trunk Line, and Carbon Canyon bypass, to optimize IEUA's flows and capacity utilization. In general, flows are routed between regional plants in order to maximize recycled water deliveries while minimizing overall pumping and treatment costs. IEUA also has three facilities where the biosolids from the water recycling plants are handled: RP-1 Solids Handling Facility, Regional Water Recycling Plant No.2 (RP-2) Solids Handling Facility, and the Inland Empire Regional Composting Facility (IERCF).

Regional Wastewater System

The regional pipeline system that connects the plants can be used to send sewer flow from one water recycling plant to another to balance and optimize the use of treatment capacity. Currently, the regional interceptors can send partially treated flows from RP-4 to RP-1 and RP-2 to RP-5 and raw influent from CCWRF to RP-5. In addition, primary effluent can be sent from the RP-1 equalization basins to RP-5.

IEUA also has four regional wastewater lift stations. These are used to shift flows that would naturally flow from one portion of the service area to a different treatment plant. This balancing of flows keeps water in the northern portion of the service area, maximizing potential recycled water use. The lift stations are:

- Montclair Lift Station – pumps wastewater from portions of Montclair, Upland, and Chino to RP-1 and CCWRF.
- Preserve Lift Station – pumps wastewater from the Prado Regional Park and The Preserve community in the City of Chino to RP-5.
- RP-2 Lift Station – pumps wastewater from the southeastern portions of the cities of Chino and Chino Hills and the solids treatment side streams from RP-2 to RP-5.
- San Bernardino Avenue Pump Station – pumps a portion of the flow from the City of Fontana to RP-4.

Figure 2 illustrates the regional wastewater network that connects the treatment plants.

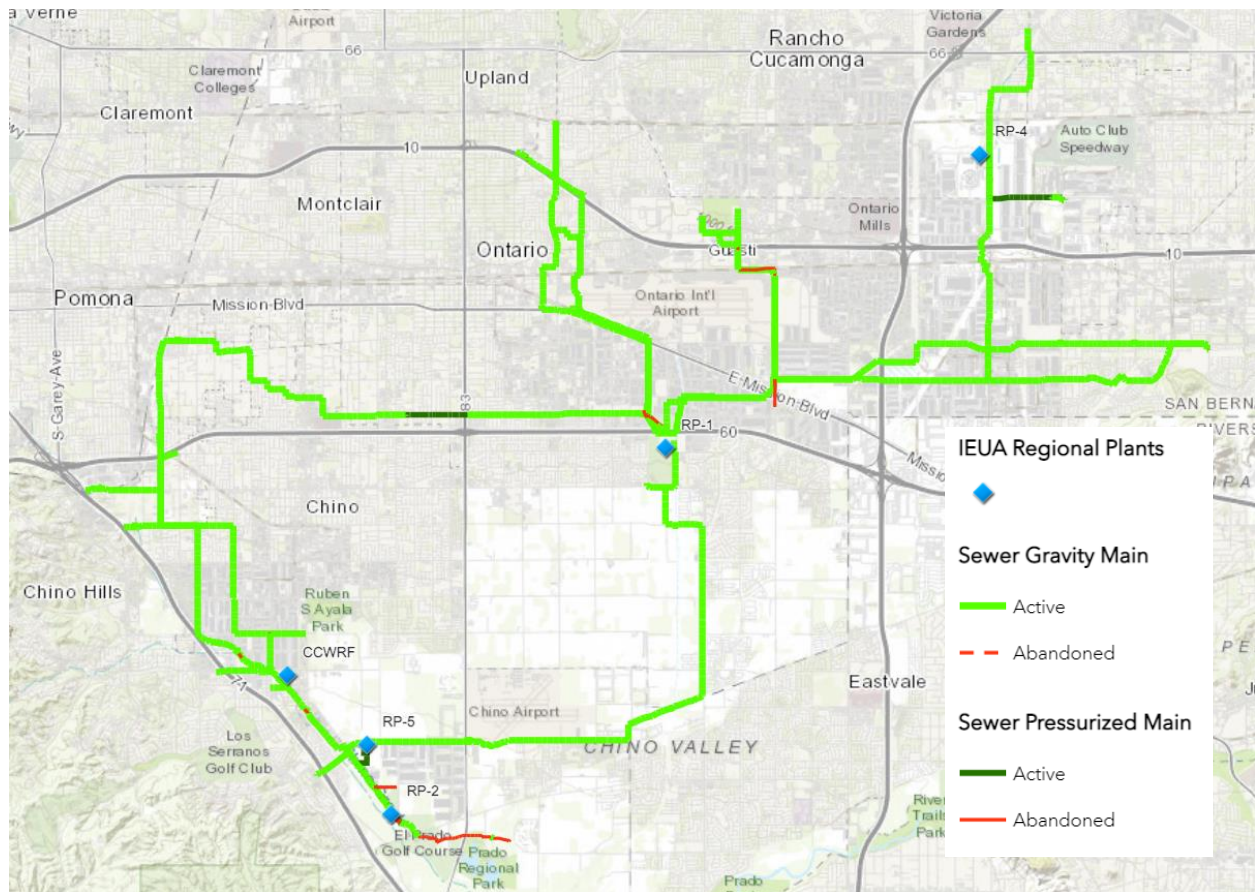


Figure 2 – IEUA Regional Wastewater System

Carbon Canyon Water Reclamation Facility

CCWRF is located in the City of Chino and has been in operation since May 1992. The CCWRF works in tandem with RP-2 and RP-5 to serve the areas of Chino, Chino Hills, Montclair, and Upland. Wastewater is treated at CCWRF while the biosolids removed from the wastewater flow are pumped to RP-2 for processing. The CCWRF is designed to treat an annual average flow of 12 MGD and treats approximately 8.0 MGD.

Regional Water Recycling Plant No. 1

RP-1 is located in the City of Ontario near the intersection of Highway 60 and Archibald Avenue. This facility was originally commissioned in 1948 and has undergone several expansions to increase the design wastewater treatment capacity to approximately 44 MGD, based on the wastewater characteristics at the time of the expansions. Although the projected wastewater flows do not show a significant increase from current to build-out, they do reflect higher loading characteristics that require treatment process modifications to meet effluent discharge regulations. RP-1 serves the areas of Ontario, Upland, Fontana, Chino, Montclair, and Rancho Cucamonga, and currently treats approximately 25.5 MGD.

Regional Water Recycling Plant No. 2

RP-2 in the City of Chino has been in operation since 1960. RP-2 was both a liquids and solids treatment facility until 2004, when RP-5 was constructed to handle the liquids portion. Since then, RP-2 treats only the solids from CCWRF and RP-5. RP-2 treatment processes include gravity thickening and DAF thickening, anaerobic digestion for stabilization, and dewatering by either belt press or centrifuge.

Once the solids are dewatered, they are transported to the IERCF. RP-2 is located on land leased from the US Army Corps of Engineers and the lease is due to expire in 2035. RP-2 is also located within the recently redefined flood zone behind Prado Dam. Orange County Flood Control District and the Army Corps have plans to raise the maximum operational water level behind the dam to allow greater water storage and conservation. Since RP-2 does not have physical flood protection, IEUA will relocate the solids handling from RP-2 to RP-5. The relocation of solids handling is expected to start in 2023.

Regional Water Recycling Plant No. 4

RP-4 is located in Rancho Cucamonga and has been in operation treating wastewater and producing recycled water since 1997. The RP-4 facility capacity was doubled in 2009 from 7 MGD to 14 MGD.

Waste sludge generated at RP-4 is discharged back to the sewer and flows by gravity to RP-1. RP-4 serves areas of Fontana and Rancho Cucamonga, treating approximately 8.8MGD.

Regional Water Recycling Plant No. 5

RP-5 is located immediately east of the Agency's Administrative Headquarters campus in the City of Chino and began operation in March 2004. It has a capacity rating of 16.3 MGD, which includes capacity for approximately 15 MGD of raw wastewater and 1.3 MGD of solids processing return or recycled flows from RP-2. Waste sludge produced at RP-5 is pumped to the RP-2 solids handling facility, which will be relocated to RP-5 around 2023. RP-5 serves areas of Chino, Chino Hills, and Ontario, treating approximately 8.3 MGD.

The RP-5 Solids Handling Facility was operated by IEUA from 2001 to 2009 as a regional facility accepting dairy manure for recycling and generating biogas. In 2010, IEUA entered into a lease agreement with Environ Strategies (now Inland BioEnergy) and in 2012, they began utilizing the facility for digestion of primarily food wastes with minor amounts of dairy manure. RP-5 SHF can process 705 wet tons/day of food and dairy waste through an anaerobic digestion process and can generate electricity from the biogas produced. As of August 2017, Inland BioEnergy stopped regular Operations of the facility. Due to the regional benefits of such a waste handling facility and the reduced energy costs, the Agency plans to keep RP-5 SHF available for the processing of food and dairy waste.

Regional Wastewater Recycling Plant Capacity

The regional wastewater recycling plants utilized capacity is calculated based on a 12-month average of influent flows measured in million gallons per day (MGD) as seen in Table 1.

Table 1 - Regional Plant Capacity Utilization (MGD)				
Regional Plant	Total Capacity	Average FY 20/21 Used Capacity	Capacity Remaining	Scheduled Expansions
CCWRF	12.0	8.0	4.0	N/A
RP-1	32.0*	24.7	7.3	+8.0
RP-2**	N/A	N/A	N/A	N/A
RP-4	14.0	8.9	5.1	N/A
RP-5	16.3	8.7	7.6	+6.2
Total Influent	74.3	50.3	24.0	+14.2

*RP-1 total hydraulic capacity without loading treatment limitations is 44 MGD

**RP-2 liquid treatment facilities have been relocated to RP-5

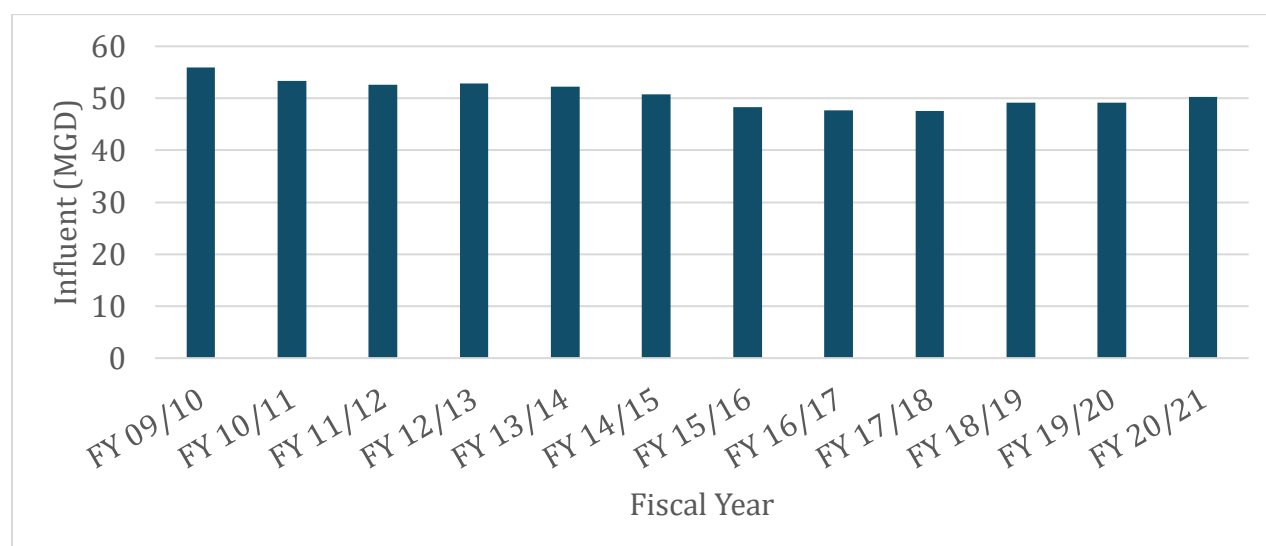


Figure 3 – Historical Regional Influent Flows

Capacity Expansion

Wastewater flow forecasts are conducted annually and are based on four main components: (1) historical wastewater flow trends; (2) per dwelling unit wastewater generation factors, based on the 2015 Wastewater Facilities Master Plan Update (WWFMPU) projections; (3) actual influent flows measured at the treatment plants; and (4) expected future growth numbers provided by the RCAs. These projections are used to determine future demands on

the Agency's facilities and help anticipate the need for modifications to treatment plants and solids handling facilities.

The WWFMPU identified the projected flows to the treatment plants in 2035 through 2060. The WWFMPU estimates that there will be a regional flow of 73.5 MGD by 2035 and an ultimate/build-out flow of 80 MGD by 2060. Capacity projects to address increasing demands within the 10-year window include expansions at RP-5, the relocation of RP-2 solids handling to RP-5, and the beginning of the RP-1 liquid capacity recovery and solids treatment expansion.

The expansion at RP-5 set for completion in 2025 will increase the plant capacity to 22.5 MGD, up 6.2 MGD from its current capacity of 16.3 MGD.

The RP-1 liquid capacity recovery project is set to recover 8 MGD of capacity lost due to system loading. While RP-1 has a hydraulic capacity of 44 MGD, only 32 MGD of capacity is usable due to loading treatment constraints. After the recovery project is completed, the total usable capacity will be increased to 40 MGD, still 4 MGD below the plant's hydraulic capacity.

System Loading

Over the past decade the IEUA service area has experienced an increase in indoor water use efficiency as a direct result of drought, shifting public policy, more efficient building and plumbing codes, and effective conservation program campaigns. This increased efficiency has decreased the total influent volume of wastewater flows received by IEUA treatment plants by approximately 10% since 2010. While the flows have decreased, the regional population has continued to grow. The combination of an increased population but reduced wastewater flow has resulted in an increase in the strength of the wastewater coming into IEUA's treatment facilities. This trend of increased wastewater strength is expected to continue as both the population and regional water efficiency continue to increase. Current and future wastewater treatment plant expansions are largely driven by the increased strength of wastewater flows to the facilities, rather than the volume of flows to the facilities.

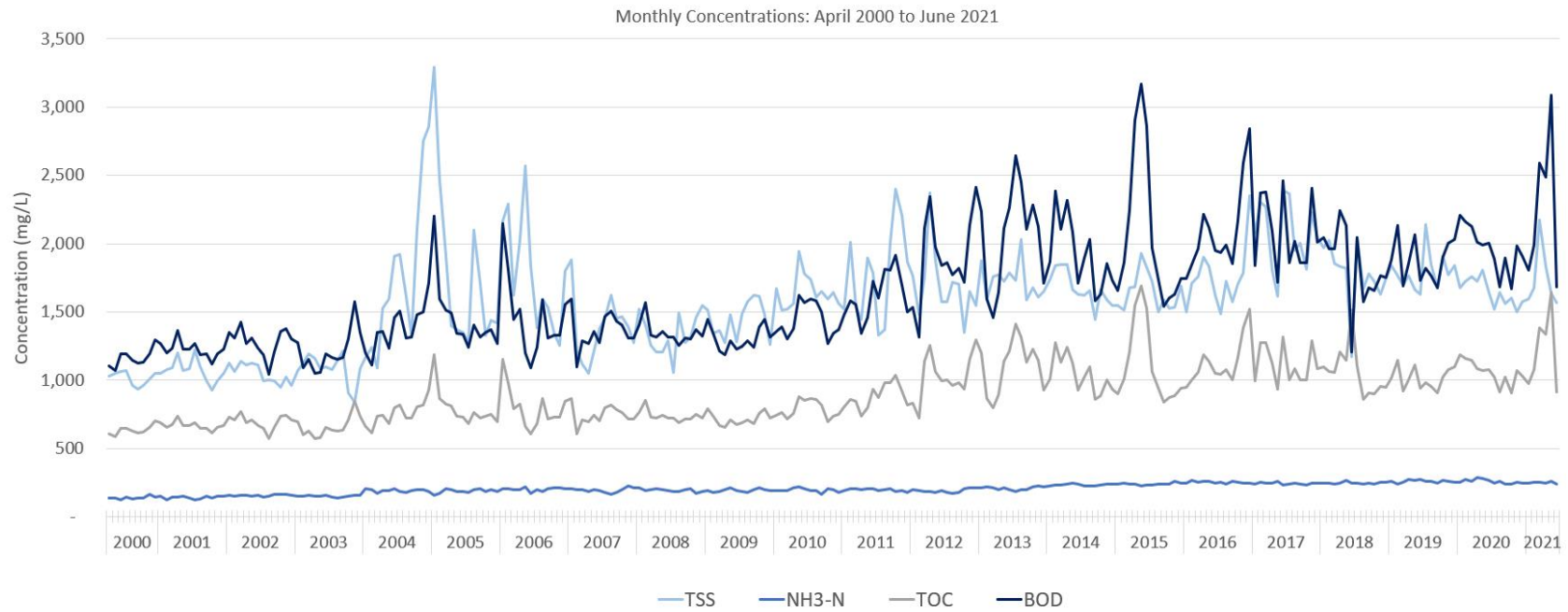


Figure 4 – Monthly Concentrations: April 2000 – June 2021

SECTION 4: EQUIVALENT DWELLING UNITS

One equivalent dwelling unit (EDU) is an approximate measure of the daily wastewater flow in quantity and strength of an average single-family household as determined in Exhibit “J” of the Regional Contract. This unit of measurement enables IEUA and the RCAs to uniformly track past and projected connections to the regional wastewater system.

Historical EDU Activity

EDU activity has increased from FY 19/20 to FY 20/21 with the addition of 5,281 EDUs to the region compared to the addition of only 3,435 EDUs the previous fiscal year. The additional EDUs added in FY 20/21 are 3,732 EDUs lower than the RCAs projections of 9,013 EDUs and 1,281 EDUs more than the IEUA Budgeted Projections of 4,000 EDUs. Two sets of projections exist in order to allow for conservative estimates. The RCAs’ projections are required under the Regional Contract and serve as a planning tool for plant treatment capacity and loading. Under the Regional Contract, RCAs who report EDU projections that are lower than what the regional experiences may have building moratoriums imposed. For this reason, the RCAs may make projections conservatively high. Budgeted projections are used by IEUA to project future wastewater treatment needs and fund availability. To ensure adequate fund availability, budgeted projections are conservatively low. The result of both sets of projections is the assumption that projections are conservative, ensuring IEUA treatment plants can safely and effectively treat the additional wastewater while also ensuring the agency does not over-project fund availability. Table 2 outlines the building activity in the region along with both sets of EDU projections.

Table 2 - Building Activity for Last Five Fiscal Years (FY 15/16 through FY 20/21)			
Year	Building Activity (EDUs)	Budgeted Projections (EDUs)	RCAs Projections (EDUs)
FY 15/16	4,787	4,330	5,849
FY 16/17	5,189	3,000	5,277
FY17/18	5,223	4,000	5,442
FY 18/19	3,459	4,000	6,149
FY 19/20	3,435	4,000	6,390
FY 20/21	5,281	4,000	9,013

Projected EDU Activity

In accordance with the Regional Contract, the RCAs completed a survey of their 10-year capacity demand forecast. The results of the 10-year capacity demand forecast survey are summarized in Table 3. For FY 2021/22, the forecasted activity was 9,144 additional EDUs. Over the next ten years, activity was projected to total 67,927 EDUs added region wide. Approximately 72% of this projected activity is a result of new development in the service areas of Ontario and Fontana. Over the next ten years, building activity is projected to be approximately 80% residential and 20% commercial/industrial. Figure 5 highlights the breakdown between residential and commercial/industrial projected EDUs.

Fiscal Year	Chino EDUs	Chino Hills EDUs	CVWD EDUs	Fontana EDUs	Montclair* EDUs	Ontario EDUs	Upland EDUs	Total EDUs
FY 21/22	434	138	2,050	1,792	474	3,780	476	9,144
FY 22/23	396	361	2,050	1,863	106	3,382	456	8,614
FY 23/24	396	570	1,650	1,935	26	3,382	351	8,310
FY 24/25	396	391	1,250	2,011	26	3,382	271	7,727
FY 25/26	396	200	890	2,089	26	2,660	176	6,437
FY 26/27	395	276	490	2,171	26	2,520	100	5,978
FY 27/28	285	231	490	2,171	26	2,410	55	5,668
FY 28/29	285	1	490	2,171	26	2,410	0	5,383
FY 29/30	235	1	490	2,171	26	2,410	0	5,333
FY 30/31	235	1	490	2,171	26	2,410	0	5,333
TOTAL	3,453	2,170	10,340	20,545	788	28,746	1,885	67,927

**The City of Montclair's forecasts have been extended from last Fiscal Year as a completed 2021 10-year capacity demand forecast was not completed.*

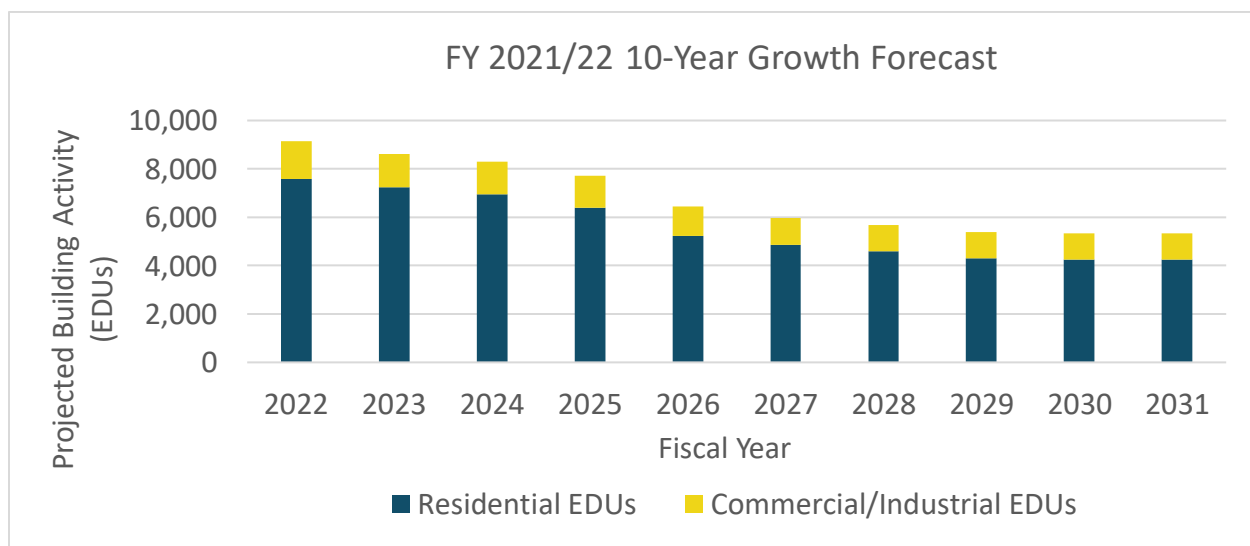


Figure 5 – FY 21/22 10-Year Growth Forecast

Estimated CCRA account contributions in 2022 dollars are calculated by taking the RCAs EDU projections and multiplying them by the current adopted EDU rate of \$7,379. Projected CCRA contributions are estimated at roughly \$67 million at the start of the ten-year period and steadily dropping year after year to around \$39 million.

Capital Capacity Reimbursement Accounts

IEUA levies a fee on all new connections to its regional wastewater system. Connection fees are restricted to finance capital acquisition, construction, equipment, and process improvement costs for the IEUA's regional wastewater system. Pursuant to the Regional Contract, new EDU connection fees are collected by each of IEUA's RCAs and held in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or "called", by IEUA. Capital calls, or connection fee payments of CCRA funds, are based on the identified and projected capital needs of IEUA over the ensuing nine months, as calculated and reported by IEUA each quarter. Connection fees rates were evaluated as part of IEUA's FY 2019/2020 Rate Study. Capital calls are calculated based on the proportionate share of each Contracting Agency's CCRA account balance relative to the aggregate amount. The current balance of the CCRA accounts can be found in Table 4 below.

Table 4 - Contracting Agencies CCRA Balance as of June 30th, 2021	
Regional Contracting Agency	CCRA Balance
City of Chino	\$ 12,540,350.96
City of Chino Hills	\$ 4,892,678.48
Cucamonga Valley Water District	\$ 11,578,029.93
City of Fontana	\$ 20,217,463.28
City of Montclair	\$ 2,770,381.23
City of Ontario	\$ 33,764,260.28
City of Upland	\$ 5,748,458.49
Total	\$ 91,511,622.65

SECTION 5: WASTEWATER CAPITAL IMPROVEMENT PROJECTS

Regional Wastewater Capital Improvement Fund

The TYF evaluates capital improvement projects necessary to meet wastewater forecasted demands. IEUA categorizes these projects into the RC Fund. Expenses charged to the RC Fund include capital projects that are required to meet regional growth in the forms of flow, loading, capacity or other factors. The RC Fund's primary sources of revenue include new EDU connection fees and property taxes but also include debt proceeds, loans, and grants. An estimated breakdown of the RC Fund balance over the next 10-years can be found in Appendix B.

Ten-Year Forecast Project List

The TYF contains projects which were identified by IEUA staff and include expansion projects to provide additional treatment capacity to meet future growth. Drivers used to determine the timeframe and necessity of projects include regulatory and permitting requirements, wastewater flow projections, asset age, performance, efficiency, and grant or funding availability. Total wastewater capital spending over the next ten-years is projected to be \$544,403,853. The TYF project list represents IEUA's capital projects forecast based on existing planning documents and anticipated funding sources. The full list of TYF projects can be found in Appendix A.

APPENDIX A: TEN-YEAR FORECAST PROJECT LIST

Fund Name	Project Number	Project Name	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/ 32	Total TYCIP FY 2023-2032
RC - Regional Wastewater Capital Improvement	EN19001	RP-5 Expansion to 30 mgd	\$ 40,000,000	\$ 50,000,000	\$ 20,000,000	\$ 13,000,000							\$ 123,000,000
RC - Regional Wastewater Capital Improvement	EN22044	RP-1 Thickening Building & Acid Phase Digester	\$ 4,500,000	\$ 27,100,000	\$ 47,340,000	\$ 42,140,000	\$ -						\$ 121,080,000
RC - Regional Wastewater Capital Improvement	EN19006	RP-5 Bio Solids Handling Facility	\$ 67,000,000	\$ 30,000,000	\$ 15,000,000	\$ -							\$ 112,000,000
RC - Regional Wastewater Capital Improvement	EN22006	RC Asset Management	\$ 250,000	\$ 250,000	\$ 2,400,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 58,900,000
RC - Regional Wastewater Capital Improvement	EN24001	RP-1 Liquid Treatment Capacity Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 13,000,000	\$ 13,000,000	\$ 13,000,000	\$ 41,000,000
RC - Regional Wastewater Capital Improvement	EN17006	CCWRF Asset Management and Improvements	\$ 9,000,000	\$ 16,000,000	\$ 699,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,699,853
RC - Regional Wastewater Capital Improvement	EN24002	RP-1 Solids Treatment Expansion	\$ -	\$ -	\$ 4,000,000	\$ 8,000,000	\$ 8,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000
RC - Regional Wastewater Capital Improvement	EN11039	RP-1 Disinfection Improvements	\$ 8,270,000	\$ 1,190,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,460,000
RC - Regional Wastewater Capital Improvement	EN21045	Montclair Force Main Improvements	\$ 1,040,000	\$ 4,800,000	\$ 2,600,000								\$ 8,440,000
RC - Regional Wastewater Capital Improvement	EN23015	Collection System Upgrades 22/23	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,000,000
RC - Regional Wastewater Capital Improvement	ENxxy85	New Regional Project PDR's FY22/23	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,000,000
RC - Regional Wastewater Capital Improvement	EN22022	RP-1 Air Compressor Upgrades	\$ 390,000	\$ 3,600,000									\$ 3,990,000
RC - Regional Wastewater Capital Improvement	PL19001	Purchase Existing Solar Installation						\$ 3,500,000					\$ 3,500,000
RC - Regional Wastewater Capital Improvement	EN22041	RP-1 Aeration Basins U/W System Improvements	\$ 1,500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
RC - Regional Wastewater Capital Improvement	PL17002	HQ Solar Photovoltaic Power Plants Ph. 2					\$ 300,000	\$ 1,100,000					\$ 1,400,000
RC - Regional Wastewater Capital Improvement	ENxxx17	RP-1 Motor Control Center 9M Upgrades	\$ 150,000	\$ 900,000									\$ 1,050,000
RC - Regional Wastewater Capital Improvement	EN18036	CCWRF Asset Mgmt and Improvement Pkg. III	\$ -	\$ -	\$ -	\$ 200,000	\$ 500,000	\$ 300,000					\$ 1,000,000
RC - Regional Wastewater Capital Improvement	ENxxy20	IEUA SCADA Master Plan	\$ -	\$ 500,000					\$ 250,000				\$ 750,000
RC - Regional Wastewater Capital Improvement	EN19025	Montclair and San Bernardino Lift Station Force Main Clean Out Vaults	\$ 704,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 704,500
RC - Regional Wastewater Capital Improvement	EN18006	RP-1 Flare Improvements	\$ 240,000										\$ 240,000
RC - Regional Wastewater Capital Improvement	ENxxxx5	CCWRF Filter Effluent Sodium Hypochlorite Modificaion	\$ 50,000	\$ 55,000									\$ 105,000
RC - Regional Wastewater Capital Improvement	EN22040	NFPA 70E required labels	\$ 75,000										\$ 75,000
RC - Regional Wastewater Capital Improvement	EN22042	RP-4 Ammonia Analyzers and Support System	\$ 9,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,500
Total			\$ 134,179,000	\$ 135,895,000	\$ 93,039,853	\$ 72,340,000	\$ 17,800,000	\$ 13,900,000	\$ 11,250,000	\$ 22,000,000	\$ 22,000,000	\$ 22,000,000	\$ 544,403,853

**APPENDIX B: REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND
BALANCE**

Table 5 - Regional Wastewater Capital Improvement Fund (RC) Yearly Balance												
	FY 2019/2020	FY 2020/2021	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31
	Actual	Projected Actual	Proposed Budget	Proposed Budget	Forecast							
REVENUES AND OTHER FINANCING SOURCES												
Interest Revenue	835,858	826,462	591,557	699,533	838,285	721,458	435,810	322,803	295,367	295,367	295,367	295,368
TOTAL REVENUES	\$835,858	\$826,462	\$591,557	\$699,533	\$838,285	\$721,458	\$435,810	\$322,803	\$295,367	\$295,367	\$295,367	\$295,368
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$36,148,496	\$36,751,700	\$37,366,000	\$37,991,000	\$38,628,000	\$39,275,000	\$39,935,000	\$40,607,000	\$41,291,000	\$41,987,000	\$42,696,000	\$43,417,000
Regional System Connection Fees	24,259,070	25,038,000	29,514,238	30,399,665	31,311,655	32,251,005	33,218,535	34,215,091	30,836,351	31,761,441	32,714,284	33,695,713
Debt Proceeds	196,436,445	0	761,460	13,807,300	33,045,840	31,000,000	198,508,043	0	0	0	0	0
State Loans	0	0	0	30,905,870	108,987,515	23,750,000	4,776,407	0	0	0	0	0
Grants	122,690	0	0	0	0	0	0	0	0	0	0	0
Capital Reimbursement	0	0	0	0	0	0	0	0	0	0	0	0
Other Revenues	1,051,715	4,430	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Loan Transfer from Internal Fund	0	0	0	2,000,000	6,000,000	5,500,000	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$258,018,416	\$61,794,130	\$67,642,698	\$115,104,835	\$217,974,010	\$131,777,005	\$276,438,985	\$74,823,091	\$72,128,351	\$73,749,441	\$75,411,284	\$77,113,713



Ten-Year Forecast FY 2022/23 - FY 2031/32

William McDonnell

Environmental Resources Planner II

May/June 2022

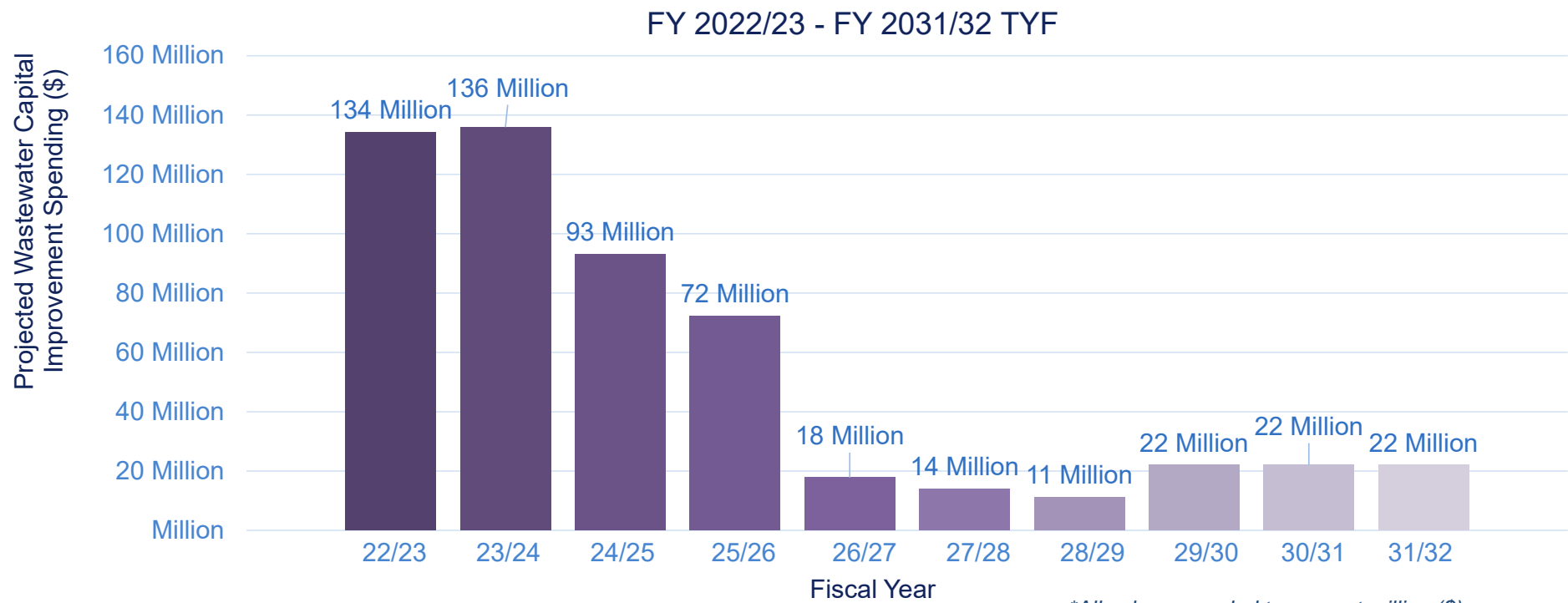
Ten-Year Capital Improvement Plan & Ten-Year Forecast Background

- **TYCIP:** Comprehensive planning document that lists capital projects planned over the next 10-years
 - Comprehensive capital project list
 - Promotes transparency into agency activity
- **TYF:** Planning document that lists regional wastewater capital improvement projects planned over the next 10-year
 - Project list is a subset of the TYCIP
 - Required by the Regional Contract



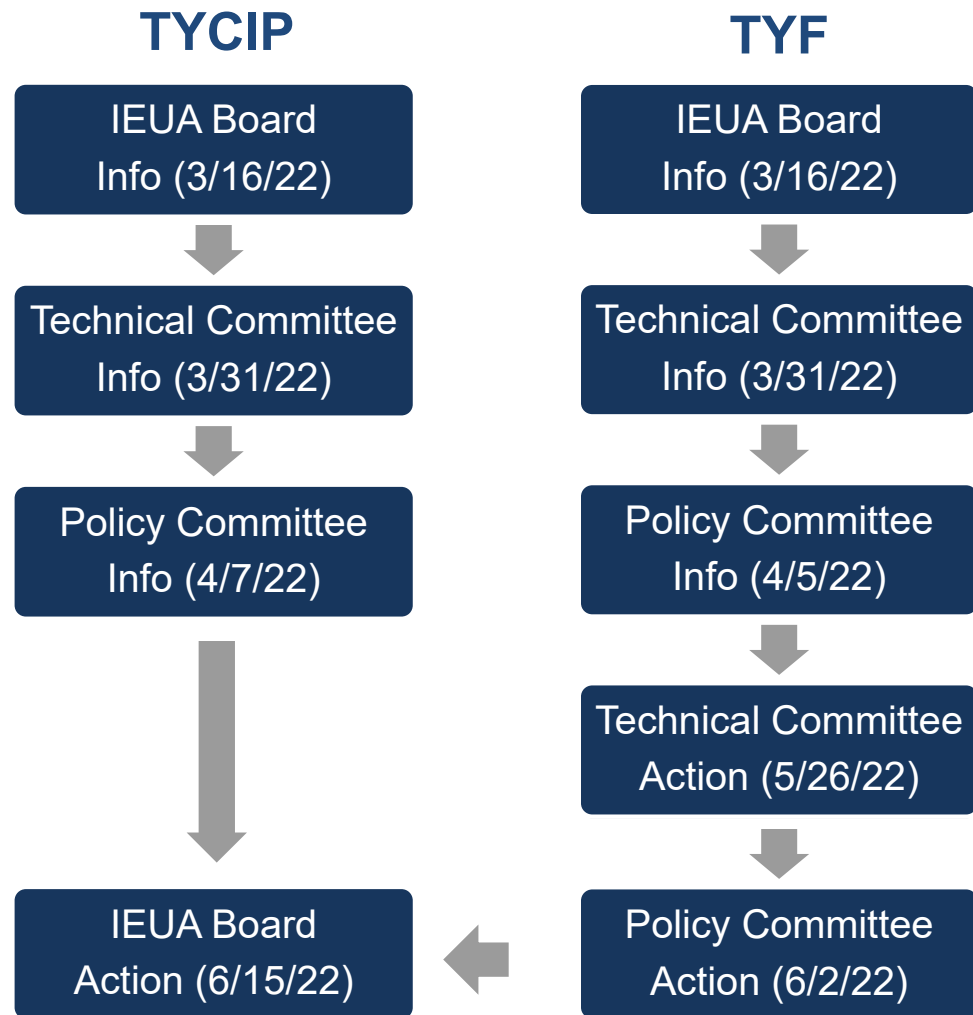
Wastewater Capital Spending

- Projected FY 2022/23 Ten-Year Regional Wastewater Capital Spending **\$544 Million**



**All values rounded to nearest million (\$)*

Schedule



Recommendation



It is requested that the Regional Committees approve the Fiscal Years 2022/23-2031/32 Ten-Year Forecast

The Ten-Year Forecast is consistent with ***IEUA's Business Goals of Wastewater Management and Fiscal Responsibility***, in meeting regional demands in an environmentally responsible and cost-effective manner that safeguards the Agency's fiscal health to effectively support short-term and long-term needs, while providing the best value for IEUA's customers.

**INFORMATION
ITEM**

3B

Date: May 2022/June 2022

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: Rotation of Chair for Monthly Regional Sewerage Program Committee Meetings

RECOMMENDATION

This is an information item on the rotation of the host agency for the monthly Regional Sewerage Program Committee meetings.

BACKGROUND

Historically, one of the Regional Sewer Service Contracting Agencies chairs the monthly Technical and Policy meetings for a two-year term. The City of Upland has chaired the Regional Committees since July 2020, and the chair agency is due to rotate in July 2022. The following are the agencies that have chaired the Committees over the past ten years:

Chino Hills	2010-2012
Chino	2012-2014
Ontario	2014-2016
Fontana	2016-2018
Montclair	2018-2020
Upland	2020-2022

The next agency in the rotation is Cucamonga Valley Water District. Therefore, the Regional Sewerage Committee meetings will be chaired by Cucamonga Valley Water District, beginning with the July 2022 meetings. The City of Chino Hills will also serve as alternate Chair beginning in July 2022.

Attachment: Regional Technical and Regional Policy Committee Chair Agency - Rotation Schedule

REGIONAL TECHNICAL AND REGIONAL POLICY COMMITTEE CHAIR AGENCY

Ontario	1986-1988	
Fontana	1988-1990	
Montclair	1990-1992	
Upland	1992-1994	
CVWD	1994-1996	
Chino Hills	1996-1998	
Chino	1998-2000	
Ontario	2000-2002	
Fontana	2002-2004	
Montclair	2004-2006	
Upland	2006-2008	
CVWD	2008-2010	
Chino Hills	2010-2012	
Chino	2012-2014	
Ontario	2014-2016	
Fontana	2016-2018	
Montclair	2018-2020	
Upland	2020-2022	– Current Chair until July 2022
CVWD	2022-2024	– Current Alternate Chair until July 2022, will be next Chair
Chino Hills	2024-2026	– Co-Alternate Chair if CVWD is not present, will be next Alternate Chair
Chino	2026-2028	
Ontario	2028-2030	
Fontana	2030-2032	
Montclair	2032-2034	
Upland	2034-2036	
CVWD	2036-2038	
Chino Hills	2038-2040	
Chino	2040-2042	
Ontario	2042-2044	
Fontana	2044-2046	
Montclair	2046-2048	

**RECEIVE AND
FILE**

4A

Building Activity Report - YTD Fiscal Year 2021/22



Legend

- Service Area
- Unincorporated

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

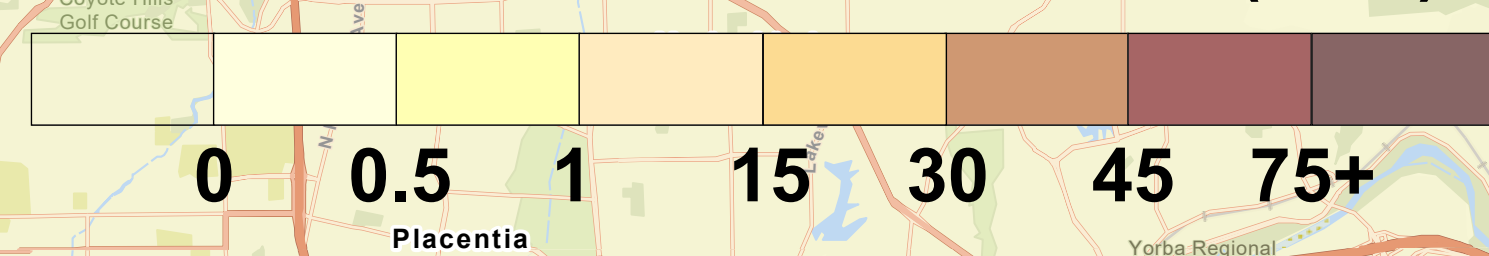
Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

- <=1.0
- 1.0 - 10.0
- >10.0

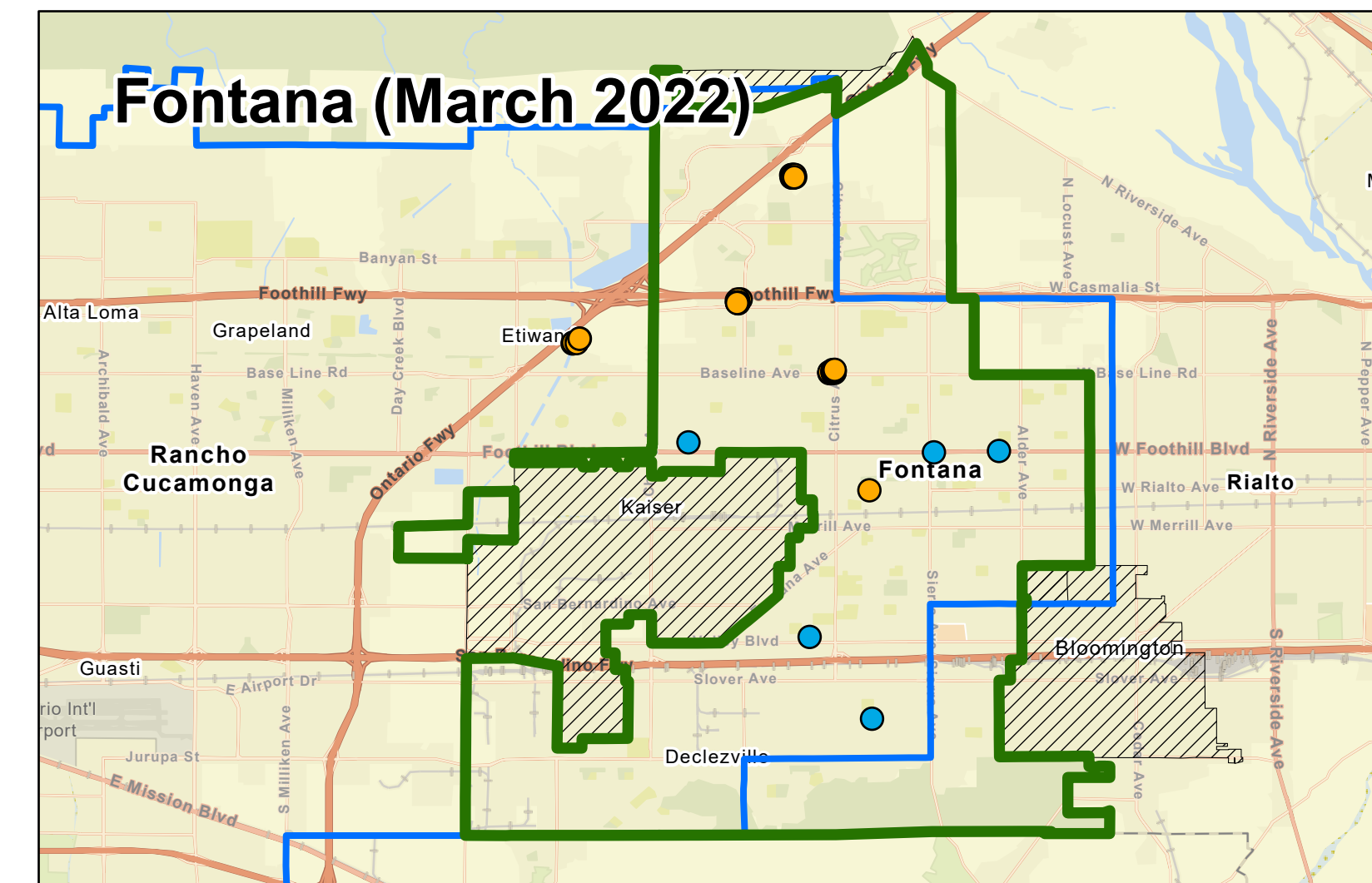
HALF MILE GRID: TOTAL EDU's (YTD)



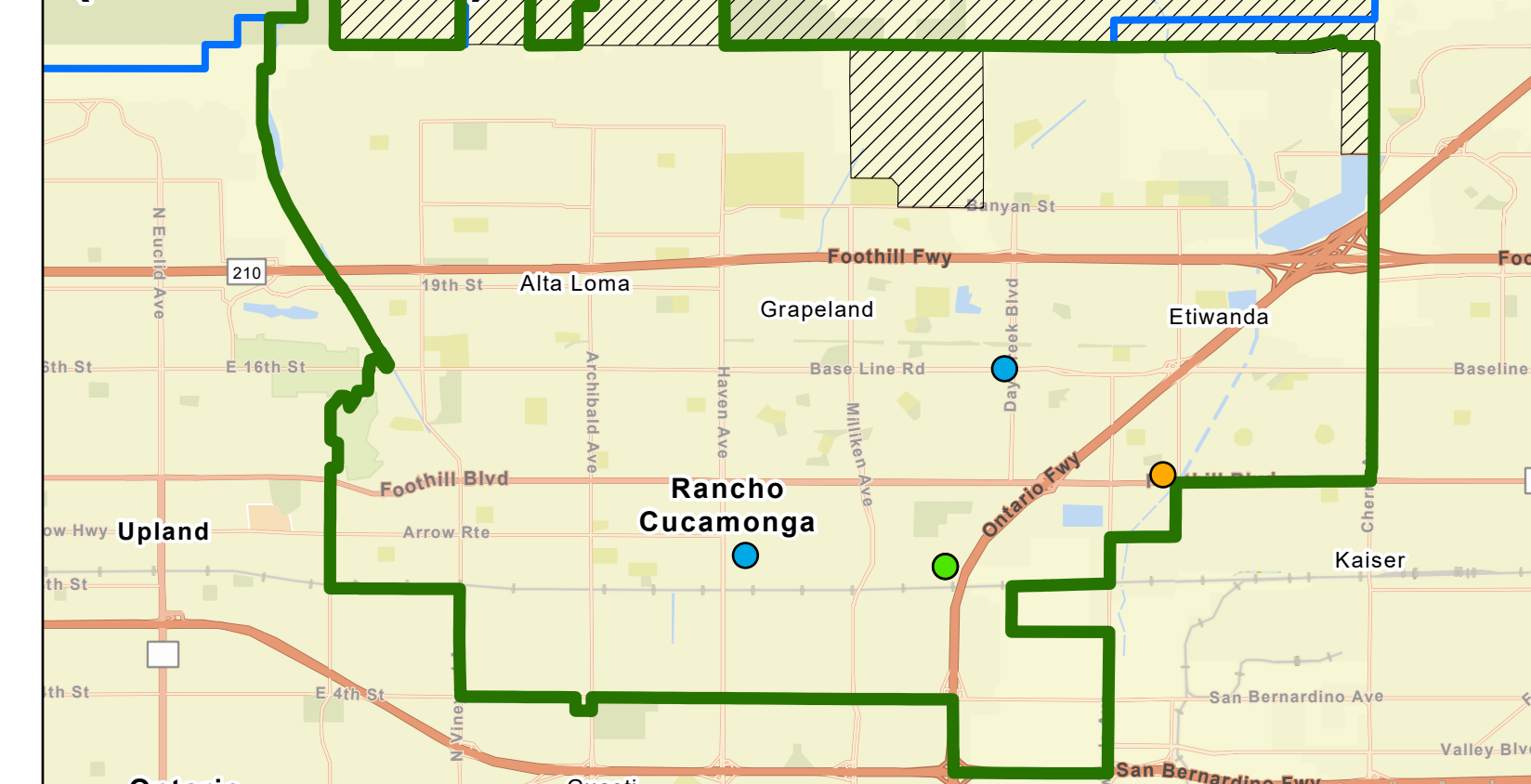
TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual				Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)	Total (EDUs)	
Chino	74	0	529	603	434
Chino Hills	47	0	20	67	276
CVWD	99	322	329	750	2050
Fontana	94	3	492	589	1792
Montclair	10	0	0	10	474
Ontario	199	12	965	1176	7560
Upland	11	0	28	39	952
Total	533	337	2364	3234	13538

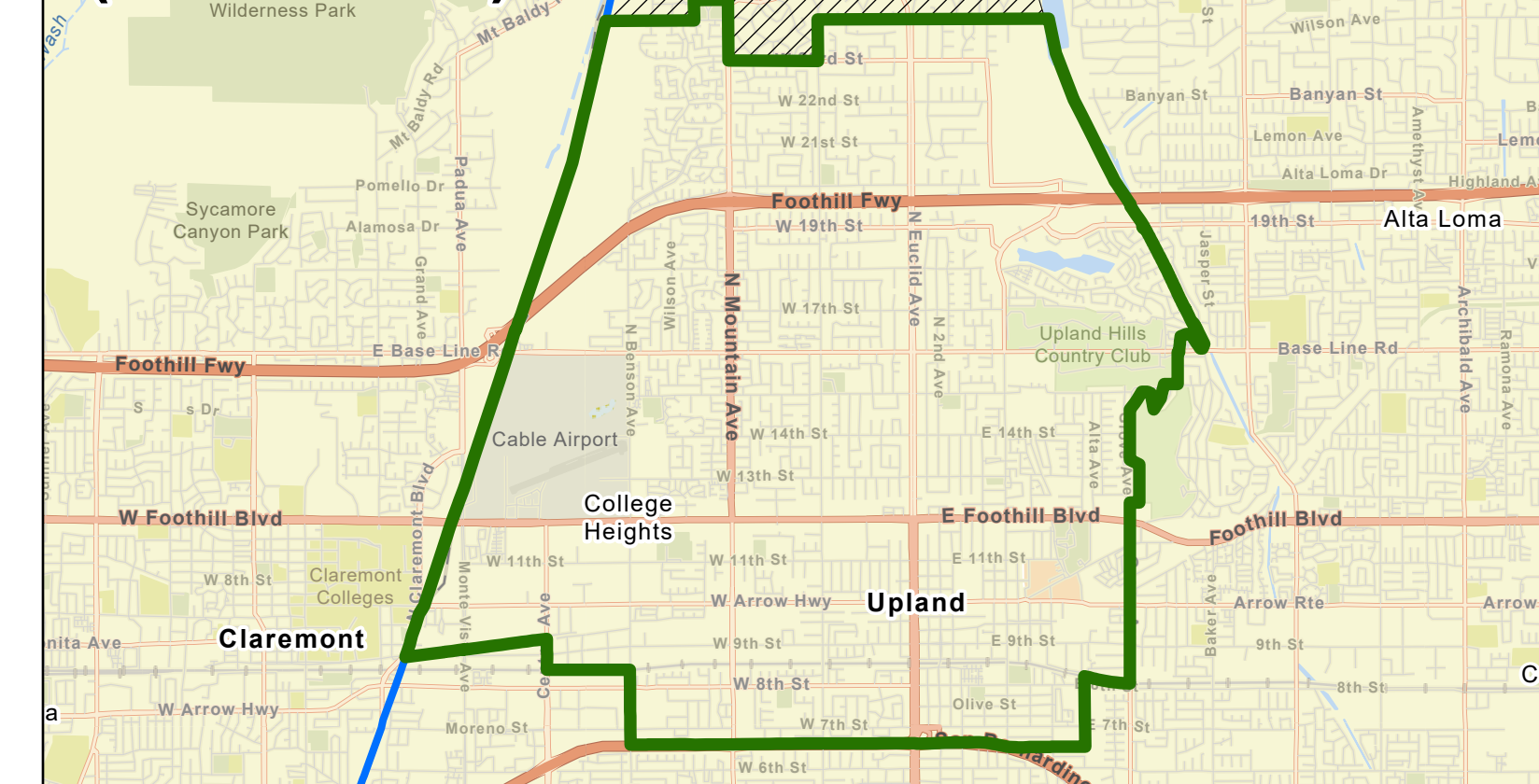
Fontana (March 2022)



Cucamonga Valley Water District (March 2022)



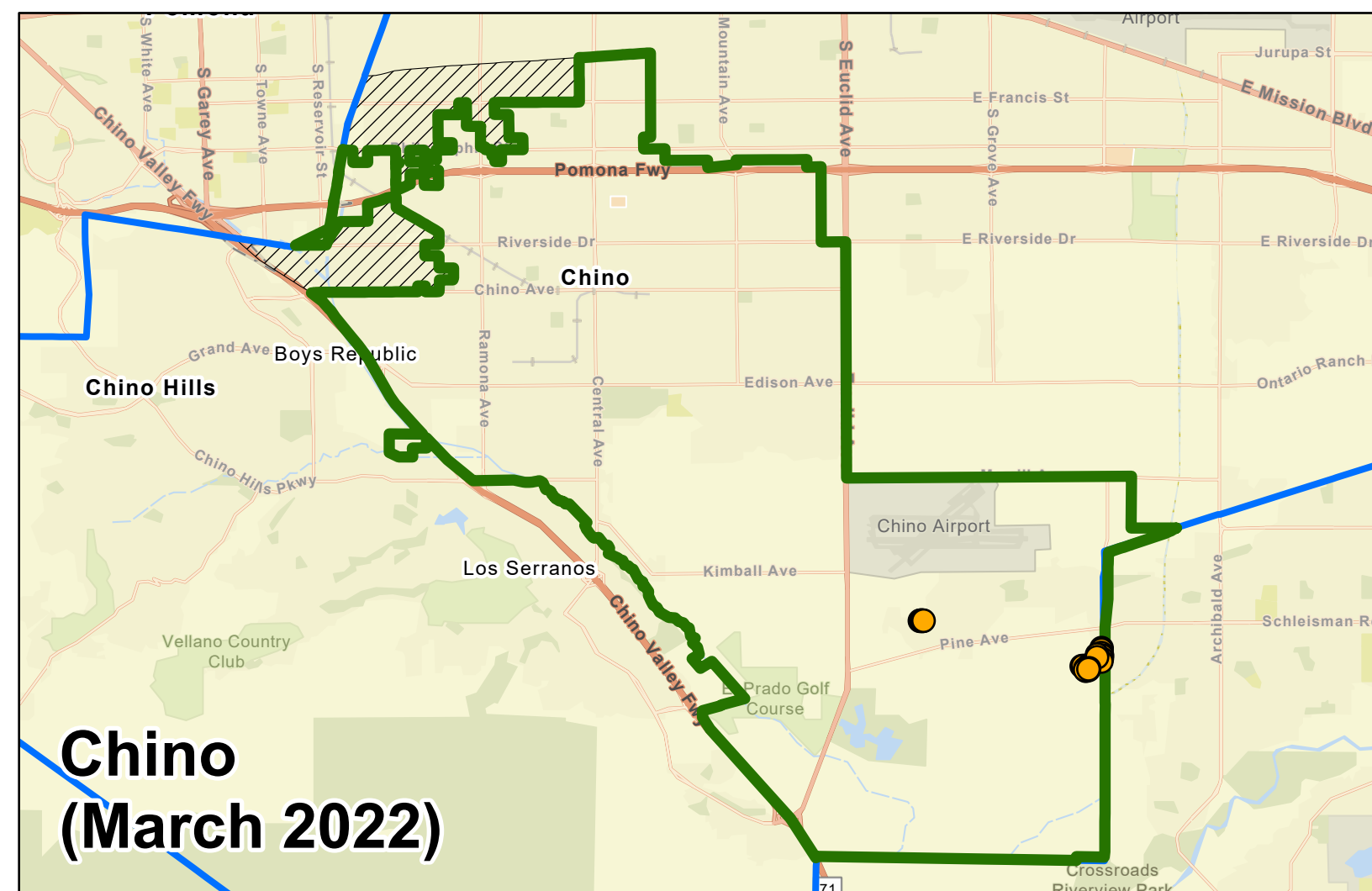
Upland (March 2022)



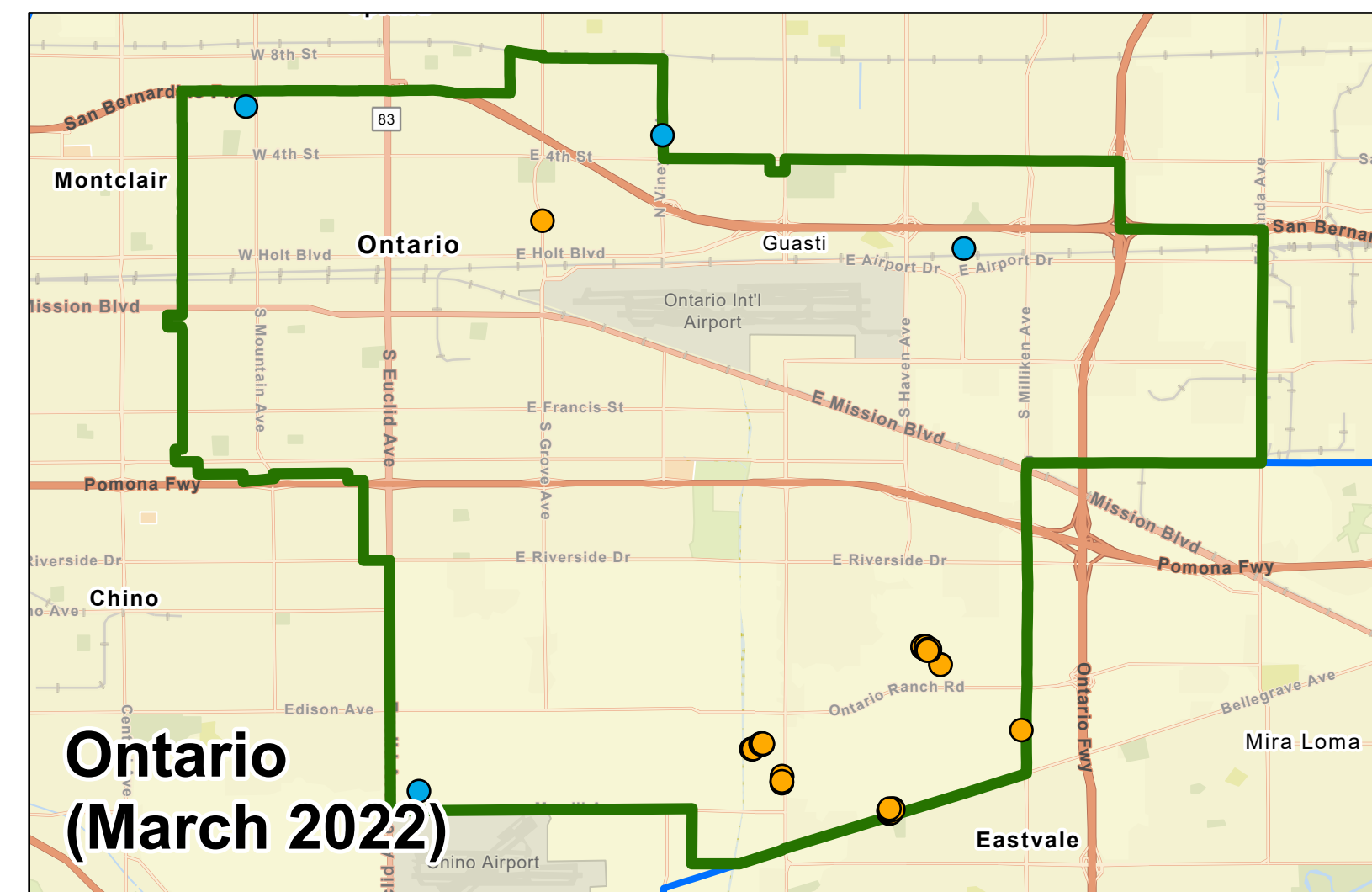
Chino Hills (March 2022)



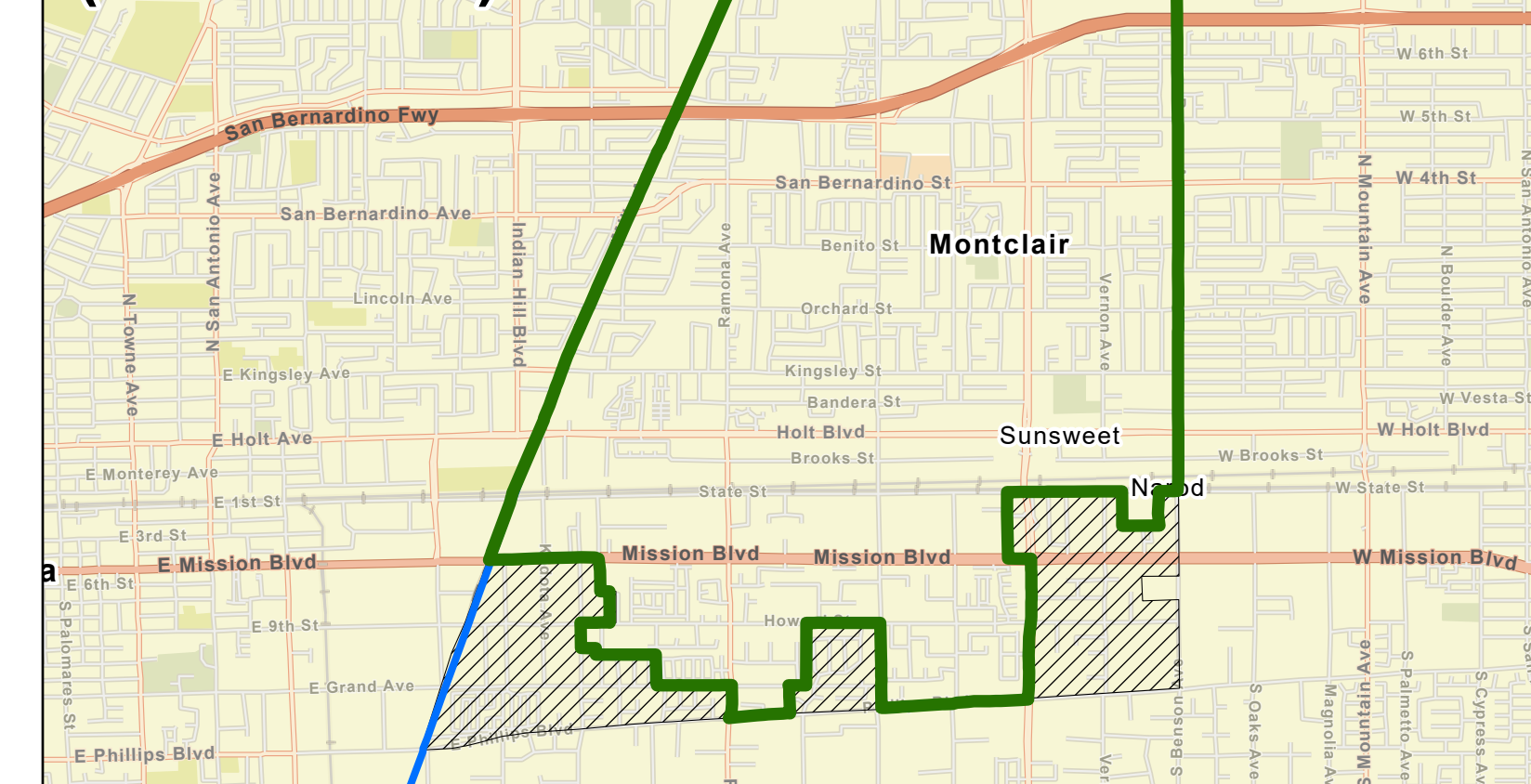
Chino (March 2022)



Ontario (March 2022)



Montclair (March 2022)



RECEIVE AND
FILE

4B

IEUA RECYCLED WATER DISTRIBUTION – APRIL 2022

TOTAL ALL PLANTS

Influent: 50.5 MGD
 Delivered: 33.3 MGD
 Percent Delivered: 66%

Preliminary Deliveries

RW GWR: 14.4 MGD
 RW Direct Use: 18.9 MGD

RP-4

Delivered: 9.5 MGD

RP-1

Delivered: 12.7 MGD

CCWRF

Delivered: 5.3 MGD

RP-5

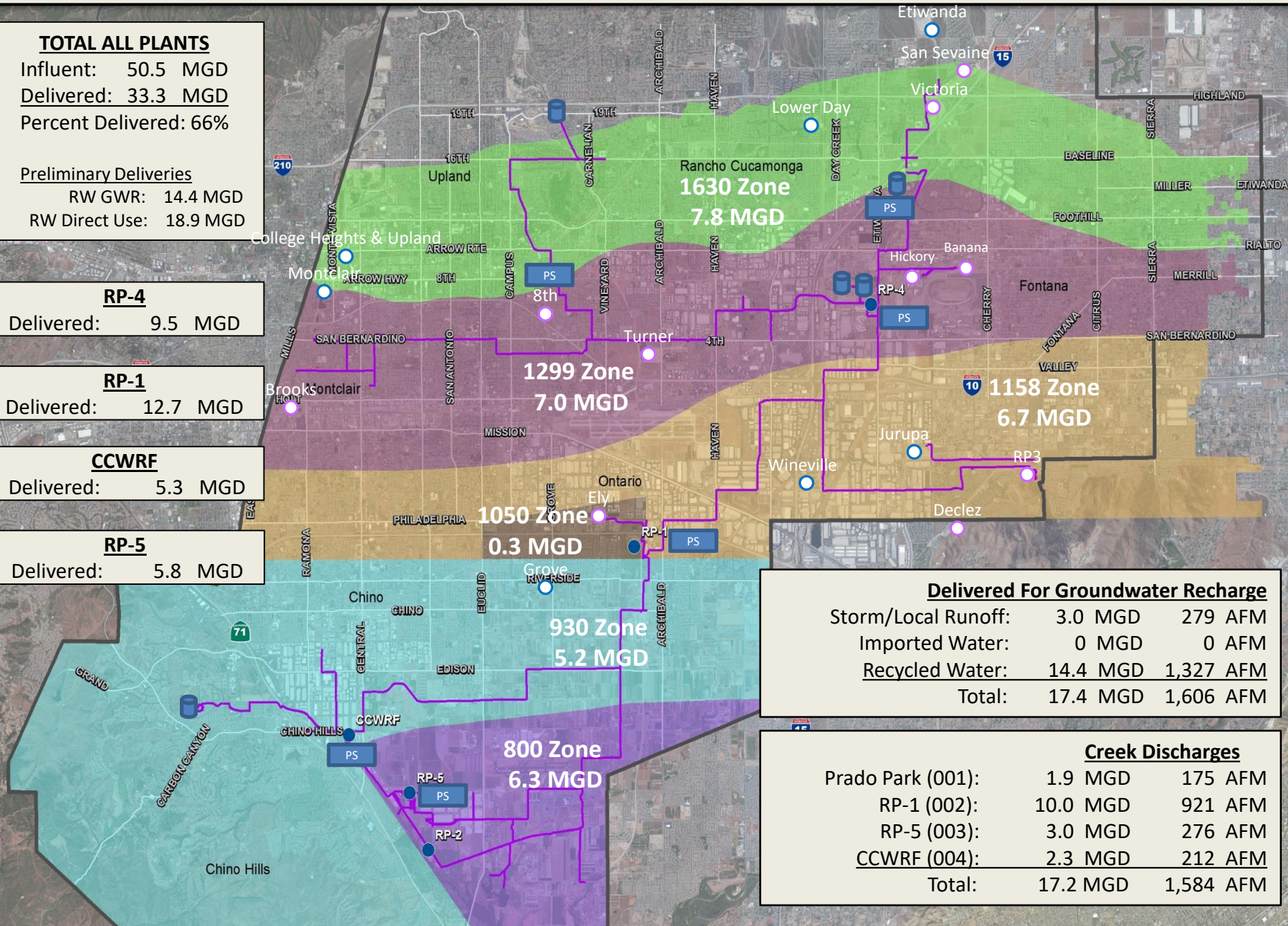
Delivered: 5.8 MGD

Delivered For Groundwater Recharge

Storm/Local Runoff:	3.0 MGD	279 AFM
Imported Water:	0 MGD	0 AFM
Recycled Water:	14.4 MGD	1,327 AFM
Total:	17.4 MGD	1,606 AFM

Creek Discharges

Prado Park (001):	1.9 MGD	175 AFM
RP-1 (002):	10.0 MGD	921 AFM
RP-5 (003):	3.0 MGD	276 AFM
CCWRF (004):	2.3 MGD	212 AFM
Total:	17.2 MGD	1,584 AFM



Recycled Water Recharge Deliveries - April 2022 (Acre-Feet)

Basin	4/1-4/9	4/10-4/16	4/17-4/23	4/24-4/30	Month Actual	FY To Date Actual	Deliveries are draft until reported as final and do not included evaporative losses.	
Ely	0.0	0.0	0.0	0.0	0.0	513		
Banana	10.7	17.1	12.8	15.6	56.2	578		
Hickory	32.8	20.4	12.5	15.6	81.3	869		
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	561		
Turner 3 & 4	0.0	0.0	8.9	10.1	19.0			
8th Street	45.4	100.8	60.0	27.2	233.4	2045		
Brooks	0.0	0.0	0.0	0.0	0.0	550		
RP3	119.7	95.7	53.9	61.1	330.4	4229		
Declez	0.0	0.0	0.0	0.0	0.0	629		
Victoria	67.8	68.3	66.5	86.7	289.3	1436		
San Sevaine	86.9	83.3	67.4	80.0	317.6	2793		
Total	363.3	385.6	282.0	296.3	1,327.2	14,202	13,710	AF previous FY to day actual

