



## **Regional Sewerage Program Policy Committee Meeting**

### **AGENDA**

**Thursday, May 4, 2023  
3:30 p.m.**

**Agency Headquarters – Board Room  
6075 Kimball Avenue, Building A  
Chino, CA 91708**

**Telephone Access: (415) 856-9169/Conf ID: 966 283 115#**

The public may participate and provide public comment during the meeting by joining in person or by calling the number provided above. Comments may also be submitted by email to the Recording Secretary Laura Mantilla at [lmantilla@ieua.org](mailto:lmantilla@ieua.org) prior to the completion of the Public Comment section of the meeting. Comments will be distributed to the Policy Members.

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**Call to Order**

**Roll Call**

**Flag Salute**

**Public Comment**

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

**Additions to the Agenda**

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

*(Continued)*

**1. Technical Committee Report (Oral)**

**2. Action Item**

- A. Approval of April 6, 2023 Policy Committee Meeting Minutes
- B. RP-1 Digesters 6 and 7 Rehabilitation and Roof Repairs Construction Contract Award
- C. RP-1 SCADA Migration Project Construction Contract Award

**3. Informational Items**

- A. Fiscal Years 2023/24 and 2024/25 Biennial Budget Overview of the Regional Wastewater and Recycled Water Programs
- B. Recycled Water Groundwater Recharge Update
- C. Operations & Maintenance Department Quarterly Update

**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 – June 1, 2023

**Adjourn**

**DECLARATION OF POSTING**

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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](http://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 Laura Mantilla at (909) 993-1944 or [lmantilla@ieua.org](mailto: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 THE APRIL 6, 2023 MEETING

#### **CALL TO ORDER**

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program Policy Committee was held on Thursday, April 6, 2023, at 6075 Kimball Avenue, Building A, Chino, California.

Chair Randall Reed/Cucamonga Valley Water District (CVWD) called the meeting to order at 3:32 p.m. Recording Secretary Denise Garzaro established a quorum was present. Chair Reed led the Pledge of Allegiance.

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

Peter Rogers	City of Chino Hills
Phillip Cothran	City of Fontana
John Dutrey	City of Montclair
Debra Dorst-Porada	City of Ontario
Bill Velto	City of Upland
Randall Reed	Cucamonga Valley Water District (CVWD)
Marco Tule	Inland Empire Utilities Agency (IEUA)

#### **Others Present:**

Ron Craig	City of Chino Hills
Courtney Jones	City of Ontario
Nicole deMoet	City of Upland
Shivaji Deshmukh	IEUA
Christiana Daisy (joined virtually)	IEUA
Kristine Day	IEUA
Jerry Burke	IEUA
Javier Chagoyen-Lazaro	IEUA
Denise Garzaro	IEUA
Elizabeth Hurst	IEUA
Michael Larios	IEUA
Alex Lopez	IEUA
Jason Marseilles	IEUA
Ashley Womack	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**

Ron Craig/City of Chino Hills reported that at the March 30, 2023 Technical Committee meeting, the Committee approved two items: the February 23, 2023 Technical Committee Meeting Minutes and the Fiscal Years 2023/24 and 2024/25 Proposed Rates for the Regional Wastewater Programs. The Committee also received a Grants Semi-Annual Update; Engineering & Construction Management Project Updates; and an Operations & Compliance Update.

**2. ACTION ITEM****A. APPROVAL OF THE MARCH 2, 2023 POLICY COMMITTEE MEETING MINUTES**

**Motion:** By Committee member Bill Velto/City of Upland and seconded by Committee member Phillip Cothran/City of Fontana to approve the meeting minutes of the March 2, 2023 Regional Policy Committee Meeting by the following vote:

Ayes: Cothran, Dutrey, Velto, Reed

Noes: None

Absent: Dorst-Porada, Rogers, Ulloa

Abstain: None

The motion passed by a vote of 4 ayes, 0 noes, 3 absent, and 0 abstain.

*Committee member Peter Rogers and Committee member Debra Dorst-Porada arrived at 3:40 p.m.*

**B. RECOMMENDATION OF FISCAL YEARS 2023/24 AND 2024/25 PROPOSED RATES FOR THE REGIONAL WASTEWATER PROGRAMS**

Javier Chagoyen-Lazaro/IEUA provided the staff report. Discussion ensued on the wastewater operation cost of service, proposed EDU rates, and long-term financing.

Chair Reed asked about the percentage of fixed costs for solar and wind power. General Manager Deshmukh stated he would find out and get back to the Committee.

**Motion:** By Committee member John Dutrey/City of Montclair and seconded by Committee member Velto/City of Upland to recommend to the IEUA Board of Directors to approve the Fiscal Years 2023/24 and 2024/25 Proposed Rates for the Regional Wastewater Program by the following vote:

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

Noes: None

Absent: Ulloa

Abstain: None

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

**3. INFORMATIONAL ITEMS****A. GRANTS SEMI-ANNUAL UPDATE**

Ashley Womack/IEUA presented an update on the Agency's grants and loans portfolio.

**B. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES**

Jason Marseilles/IEUA gave a presentation on the following projects: Collection System Condition Assessment; RP-1 Headworks Bar Screens Improvements; and NRWS Manhole & Collection Systems Upgrades FY 2022/2023.

Discussion ensued regarding rags and wipes in the sewer. Mr. Marseilles explained how rags in the system cause downtime and the efficiency of the plant decreases. Committee member Velto recommended the information on ragging be shared with the public. General Manager Deshmukh stated that IEUA can provide a presentation on the coordinated outreach efforts that have been done at a future meeting if the Committee desires.

**4. RECEIVE AND FILE**

*Items 4A and 4B were received and filed by the Committee.*

**A. BUILDING ACTIVITY REPORT****B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY****5. OTHER BUSINESS****A. IEUA GENERAL MANAGER'S UPDATE**

There were no items to report.

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

There were no future requested agenda items.

**C. COMMITTEE MEMBER COMMENTS**

There were no committee member comments.

**D. NEXT MEETING – MAY 4, 2023****ADJOURNMENT**

Chair Reed adjourned the meeting at 5:15 p.m.

Prepared by:

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Denise Garzaro, Recording Secretary

**ACTION ITEM**

**2B**

Date: April 2023/May 2023

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: RP-1 Digesters 6 and 7 Rehabilitation and Roof Repairs Construction  
Contract Award

### **RECOMMENDATION**

It is requested that the Regional Committees recommend the Inland Empire Utilities Agency (IEUA) Board of Directors to award the construction contract for the Regional Water Recycling Plant No. 1 (RP-1) Digester 6 and 7 Roof Repairs, Project No. EN17042, to the lowest, responsive, and responsible bidder in the amount of \$4,930,500.

### **BACKGROUND**

To maintain the efficiency and reliability of the digestion process at the Regional Water Recycling Plant No. 1 (RP-1), the digesters need to be cleaned and maintained every seven to ten years to remove solids, debris, and deposits collected in the tank and piping system.

Digesters 6 & 7 were part of a two-phase project for repair and rehabilitation. Phase 1 completed the majority of Digester 6 work in late 2021. The project is currently in Phase 2 for Digester 7 work. The scope includes the replacement of the sludge recirculation pumps and the repair of Digester 7 roof. The scope also includes Digester 7 rehabilitation of the internal concrete surfaces and coating, and replacement/improvement of interior and exterior mechanical piping systems.

In late 2021, IEUA retained GHD Inc. (GHD) to provide consulting engineering services associated with the Digester 7 repairs and upgrades including condition assessment, design, construction administration services, and commissioning. GHD completed the design phase in January 2023.

On February 16, 2023, Inland Empire Utilities Agency (IEUA) issued an invitation for bids to three prequalified contractors. On April 6, 2023, IEUA received three construction bids. Innovative Construction Solutions (ICS) was the lowest responsive, responsible bidder with a bid price of \$4,930,500. This was above the engineer's estimate of \$3,540,000, we spoke with a few of the contractors about why the prices were higher than anticipated and they all expressed that labor prices have gone up due to recently negotiated labor agreements, and fuel prices have increased significantly, in addition to the increased price of materials and inflation that we've been seeing. We also spoke with ICS as their bid was lower than the others, they double-checked all of

their numbers and confirmed that they're comfortable with their bid price and are eager to proceed with the project.

The following table presents the anticipated project cost:

<b>Description</b>	<b>Estimated Cost</b>
<b><i>Design Services (Actual)</i></b>	<b><i>\$972,627</i></b>
Consultant Design Services (Dig 6. & 7)	\$471,019
IEUA Design Services (Dig 6. & 7)	\$501,608
<b><i>Construction Services</i></b>	<b><i>\$1,861,541</i></b>
IEUA & Consultant Engineering Services During Construction Digester. 6 ( <b>Actual</b> )	\$881,341
Consultant Engineering Services During Construction Dig. 7	\$240,700
IEUA Construction Services Dig. 7 (~15%)	\$739,500
<b><i>Construction</i></b>	<b><i>\$9,615,993</i></b>
Construction Digester 6	\$3,945,993
Construction Digester 7 (This Action)	\$4,930,500
Contingency (~15%)	\$739,500
<b>Total Project Cost</b>	<b>\$12,450,161</b>
<b>Total Project Budget</b>	<b>\$9,032,843</b>
<b>Total Budget Increase Needed (This Action)</b>	<b>\$3,417,318</b>
<b>Revised Total Project Budget</b>	<b>\$12,450,161</b>

The following is the project schedule:

<b>Project Milestone</b>	<b>Date</b>
Construction Contract Award	May 2023
Construction Completion	December 2023

The RP-1 Digester 6 and 7 Rehabilitation and Roof Repairs Project is consistent with ***IEUA's Business Goal of Wastewater Management***, specifically the Asset Management and Water Quality objectives that IEUA will ensure that systems are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use to protect public health, the environment, and meet anticipated regulatory requirements.

# RP-1 Digesters 6 and 7 Rehabilitation and Roof Repairs Construction Contract Award Project No. EN17042

Travis Sprague PE/Jason Marseilles PE  
April 2023/May 2023

# Location



# Background

## Asset Condition

- Constructed 1988
- Roof cracks and deteriorated insulation
- Failed protective coating
- Piping at end of useful life

## Phase 1 (Digester 6)

- Design Completed 2019
- Construction Completed 2021

## Phase 2 (Digester 7)

- Design Completed January 2023.



Digester 7 Interior



Digester 7 Roof Foam Cracks

# Scope

## Digester 6

Replace/rehab:

- Roof coating
- Pump

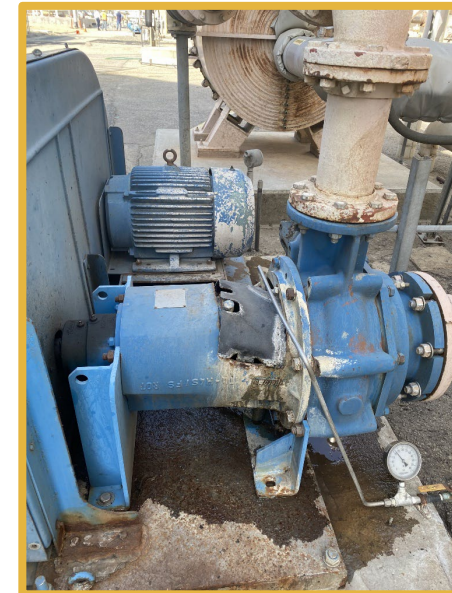
## Digester 7

Replace/rehab:

- Roof
- Pump
- Piping
- Coating and concrete
- Manways and mixing system



Digester 7 Interior Piping



Existing Sludge  
Recirculation Pump

# Contractor Selection

- Pre-Qualified three Contractors July 28, 2022
- PlanetBids solicitation posted February 16, 2023  
—50 calendar days (37 worked days)
- Three bids received April 6, 2023
- Innovative Construction Solutions was the lowest, responsive, responsible bidder

Bidder's Name	Total
Innovative Construction Solutions	\$4,930,500
GSE Construction Company Inc.	\$5,737,500
W.A. Rasic Construction Company, Inc.	\$5,992,405
Engineer's Estimate	\$3,540,000

# Project Budget and Schedule

Description	Estimated Cost
<b>Design Services (Actual)</b>	<b>\$972,627</b>
Consultant Design Services (Dig 6. & 7)	\$471,019
IEUA Design Services (Dig 6. & 7)	\$501,608
<b>Construction Services</b>	<b>\$1,861,541</b>
IEUA & Consultant Engineering Services During Construction Dig. 6 ( <b>Actual</b> )	\$881,341
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<b>Total Project Cost</b>	<b>\$12,450,161</b>
<b>Total Project Budget</b>	<b>\$9,032,843</b>
<b>Total Budget Augmentation</b>	<b>\$3,417,318</b>
<b>Revised Total Project Budget</b>	<b>\$12,450,161</b>

Project Milestone	Date
<b>Construction</b>	
Construction Contract Award	May 2023
Construction Completion	December 2024

# Staff's Recommendation

It is requested that the Regional Committees recommend the IEUA Board of Directors to award the construction contract RP-1 Digester 6 & 7 Rehabilitation and Roof Repairs, Project No. EN17042, to Innovative Construction Solutions, in the amount of \$4,930,500.

The RP-1 Digester 6 & 7 Rehabilitation and Roof Repairs project is consistent **with IEUA's Business Goal of Wastewater Management**, specifically the Asset Management and Water Quality objectives that IEUA will ensure that systems are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use to protect public health, the environment, and meet anticipated regulatory requirements.

**ACTION ITEM**

**2C**

Date: April 2023/May 2023

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: RP-1 SCADA Migration Project Construction Contract Award

### **RECOMMENDATION**

It is requested that the Regional Committees recommend the Inland Empire Utilities Agency (IEUA) Board of Directors to award the construction contract for the Regional Water Recycling Plant No. 1 (RP-1) SCADA Migration, Project No. EN13016.05, to the lowest, responsive, and responsible bidder in the amount of \$9,695,500.

### **BACKGROUND**

The Regional Plant No. 1 (RP-1) Supervisory Control and Data Acquisition (SCADA) Migration project will upgrade RP-1's current SCADA system from its existing state of Foxboro Legacy Distributed Control System (DCS) and Rockwell SCADA systems with multiple vendor Programmable Logic Controllers (PLCs) to a single, integrated plant-wide Rockwell PlantPAX 5.0 Distributed Control System. The distributed control system is designed to monitor and automate treatment processes at RP-1 and will provide alarm notifications, remote control for on-call operators, and recording of process data reported to regulatory agencies. This is the final phase of the SCADA Migration Master plan, in which Inland Empire Utilities Agency (IEUA) has already completed this migration at Carbon Canyon in 2016 and at Regional Plant No. 4 (RP-4) and Regional Plant No. 5 (RP-5) in 2019.

After issuing a Request for Qualifications in May 2022, IEUA pre-qualified four contractors to submit a bid for this project. IEUA issued an invitation for bids in November 2022 and three bids were received in March 2023. CDM Constructors was deemed the lowest, responsive, responsible bidder with a bid price of \$9,695,500. As a reminder, CDM Constructors was the contractor for the RP-4 and RP-5 SCADA Migration Projects.

The following table presents the anticipated project cost:

<b>Description</b>	<b>Estimated Cost</b>
<b><i>Design Services</i></b>	<b><i>\$4,183,510</i></b>
Consultant Design Services	\$2,547,987
IEUA Design Services	\$1,303,883
Arcadis U.S. Inc. (RP-1 Control Schematics)	\$239,940
SCADA Programming Services – PCN Review	\$91,700
<b><i>Construction Services</i></b>	<b><i>\$5,692,901</i></b>
Consultant Engineering Services During Construction	\$669,717
IEUA Construction Services	\$1,223,184
SCADA Programming Services - Integration - TSI	\$3,800,000
<b><i>Construction</i></b>	<b><i>\$13,120,075</i></b>
Construction Contract	\$9,695,500
Rockwell Pre-Purchased Parts	\$1,891,100
Cisco Pre-Purchased Parts	\$189,853
Tertiary Building Water Piping Upgrades	\$150,888
Contingency (~10%)	\$1,192,734
<b>Total Project Cost (this Project)</b>	<b>\$22,996,486</b>
<b>Total Project Cost (CCWRF, RP-4, and RP-5)</b>	<b>\$14,952,890</b>
<b>Total Project Cost (All)</b>	<b>\$37,949,376</b>
<b>Total Project Budget</b>	<b>\$31,117,055</b>
<b>Budget Augmentation</b>	<b>\$6,882,945</b>
<b>Proposed Total Project Budget</b>	<b>\$38,000,000</b>

The following is the project schedule:

<b>Project Milestone</b>	<b>Date</b>
Construction Contract Award	May 2023
Construction Completion	June 2026

The RP-1 SCADA Migration Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Asset Management and Water Quality objectives that IEUA will ensure that systems are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use to protect public health, the environment, and meet anticipated regulatory requirements.

# RP-1 SCADA Migration Project Construction Contract Award

Project No. EN13016.05

Travis Sprague PE/Jason Marseilles PE  
April 2023/May 2023

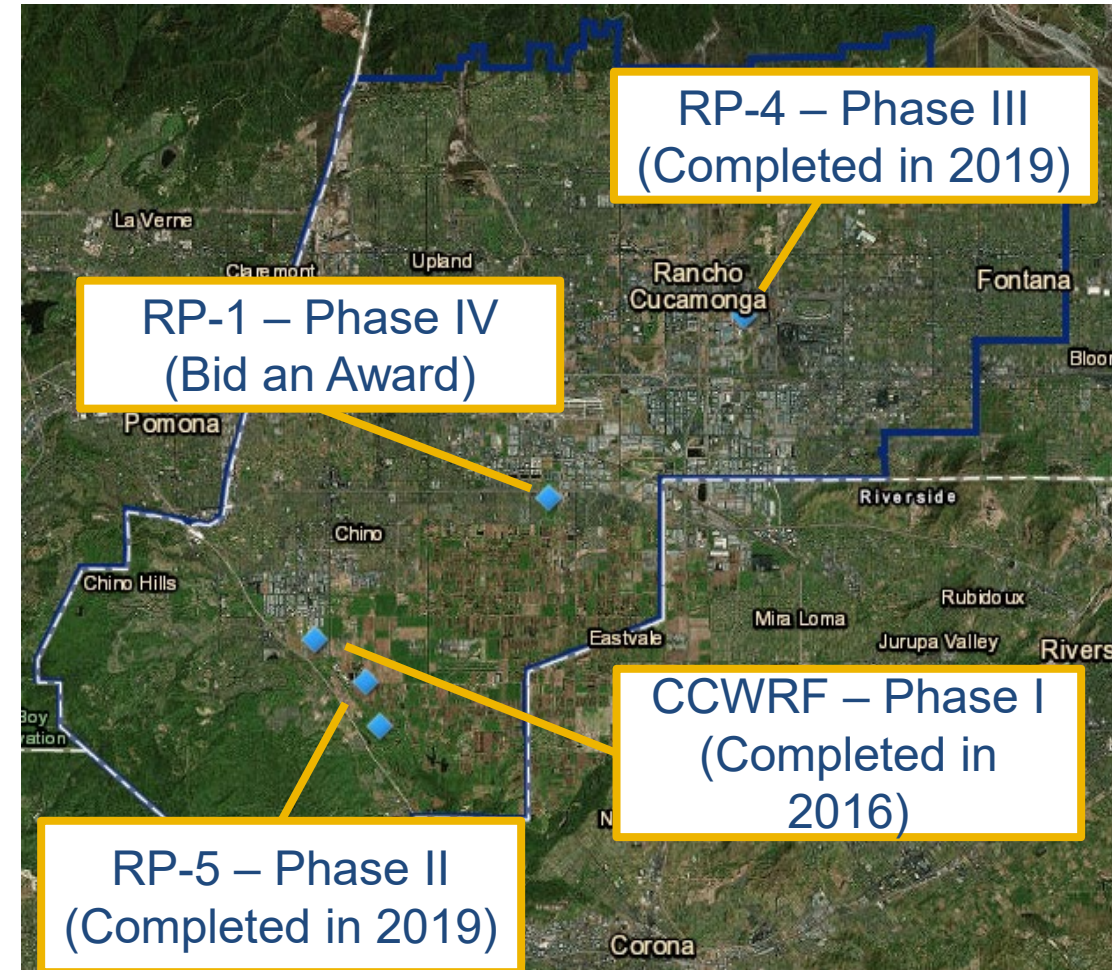
# Project Location

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



# Background

- SCADA Master Plan adopted in 2012
- Carbon Canyon, RP-4, and RP-5 migrated to new SCADA system
- RP-1 last treatment plant to be migrated  
—Design completed in November 2022



# Project Scope

- Upgrades to existing control and server rooms
- Upgrades to existing control panels
- New Human Machine Interface (HMI) hardware and software
- Replacement of most of the existing RP-1 fiber network
- Programming services provided by Technical Systems, Inc. (TSI)



Main Control Building Server Room



Human Machine Interface (HMI)

# Contractor Selection

- Pre-Qualified four contractors on July 26, 2022
- PlanetBids solicitation posted on November 23, 2022  
—111 calendar days (73 working days)
- Three bids were received on March 14, 2023
- CDM Constructors was the lowest, responsive, responsible bidder

Bidder's Name	Final Bid Amount
CDM Constructors, Inc.	\$9,695,500.00
Technical Systems Inc.	\$11,661,000.00
LEED Electric Inc.	\$13,313,000.00
Engineer's Estimate	\$10,000,000.00

# Project Budget and Schedule

Description	Cost
<b>Design Services</b>	<b>\$4,183,510</b>
Design Consultant Contract (actuals)	\$2,547,987
IEUA Design Services (actuals)	\$1,303,883
Arcadis U.S. Inc. (RP-1 Control Schematics)	\$239,940
SCADA Programming Services – PCN Review	\$91,700
<b>Construction Services</b>	<b>\$5,692,901</b>
Engineering Services During Construction – (this action)	\$669,717
IEUA Construction Services (10%)	\$1,223,184
SCADA Programming Services – Integration - TSI	\$3,800,000
<b>Construction</b>	<b>\$13,120,075</b>
Construction Contract (this action)	\$9,695,500
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<b>Total Project Cost (All)</b>	<b>\$37,949,376</b>
<b>Total Project Budget:</b>	<b>\$31,117,055</b>
<b>Budget Augmentation:</b>	<b>\$6,882,945</b>
<b>Proposed Total Project Budget:</b>	<b>\$38,000,000</b>

Project Milestone	Date
<b>Design</b>	
Design Completion	November 2022
<b>Construction (Estimated)</b>	
Construction Contract Award	May 2023
Construction Completion	June 2026

# Staff's Recommendation

It is requested that the Regional Committees recommend the IEUA Board of Directors to award the construction contract for the RP-1 SCADA Migration, Project No.EN13016.05, to CDM Constructors Inc., in the amount of \$9,695,500.

The RP-1 SCADA Migration Project is consistent with ***IEUA's Business Goal of Wastewater Management*** that ensures quality asset management and that systems are planned, constructed, and managed to protect quality asset management and that systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements.

INFORMATION ITEM

**3A**

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Date: April 27, 2023/May 4, 2023

To: Regional Committees

From: Inland Empire Utilities Agency

Subject: Review of Proposed Biennial Budget for Fiscal Years 2023/24 and 2024/25 for the Regional Wastewater and Recycled Water Programs

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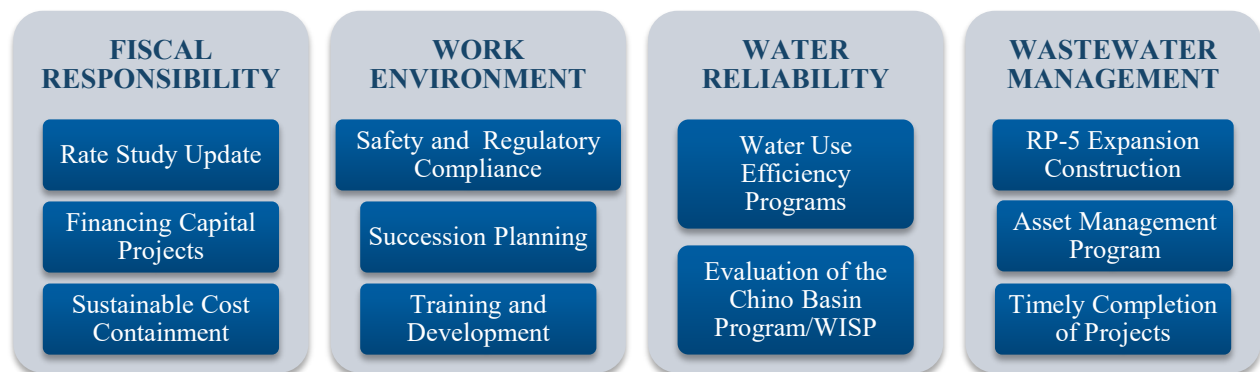
## **RECOMMENDATION**

This is an information item for the Regional Committees to review the proposed biennial budget for the Regional Wastewater and Recycled Water funds.

## **BACKGROUND**

This item was presented as an information item at the IEUA Board of Directors meeting on April 19, 2023.

The proposed Biennial Budget for the Regional Wastewater and Recycled Water programs and Ten-Year Capital Improvement Plan (TYCIP) are consistent with the Agency's long-term planning documents, and the Board-adopted Business Goals of fiscal responsibility, work environment, water reliability, and wastewater management. Some of the key objectives of the proposed biennial budget include:



The focus of this review is the proposed biennial budget for the Regional Wastewater and the Recycled Water programs. The Regional Wastewater proposed rates and budget were presented to the Regional Technical and Policy Committees on March 30 and April 6, 2023, respectively.

## Key Objective Highlights

**Agency Workforce:** Establish a long-range plan for our Agency’s most important asset, our staff, to ensure the appropriate level of staff needed to accomplish Agency objectives, serve the region, and optimize organizational development and effectiveness.

The Agency wide staffing plan proposes 345 positions (340 authorized full time and 5 limited term employees) for FY 2023/24 and 356 positions (342 full time and 4 limited term employees) for FY 2024/25. The proposed staffing will allow for early recruitment of critical positions in support of the operations of the new and expanded RP-5 facilities coming on-line over the next two fiscal years, ensuring sustainable operations and services to our communities.

## Property Tax Allocation

As summarized in Table 1, the property tax allocation remains unchanged. Property taxes continue to be a key funding source in support of the Agency debt service, the pay-go portion of expansion projects, future growth projects projected by sewage collection agencies, asset management for timely upkeep and improvement of aging assets, and to maintain compliance with changing regulatory and safety requirements. The completion of the RP-5 expansion project and key rehabilitation projects at RP-1 and RP-4 continues to be the primary focus over the next two fiscal years.

**Table 1: Property Tax Allocation by Fund (\$ Millions)**

Fund	Purpose	Current Allocation	FY 2023/24 Projection	FY 2024/25 Projection
<b>Regional Wastewater Capital Improvement</b>	Supports debt service costs for acquisition, improvement, and expansion of regional wastewater facilities.	65%	\$51.4	\$52.2
<b>Regional Wastewater Operations &amp; Maintenance</b>	Supports capital replacements and rehabilitation cost and any operation costs not fully recovered by rates.	23%	18.2	18.5
<b>Recycled Water</b>	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional recycled water facilities.	4.0%	3.1	3.2
<b>Administrative Services</b>	Supports agency-wide costs not allocated to other Agency funds.	4.5%	3.5	3.6
<b>Water Resources</b>	Supports regional water supply strategies.	3.5%	2.8	2.8
<b>Total</b>			<b>\$79.0</b>	<b>\$80.3</b>

**Capital Investments and Capacity Efforts:** The Agency will continue to focus on our long-standing tradition of constructing quality facilities and being an industry leader with our water resource management and wastewater treatment efforts.

The capital projects included in the proposed TYCIP of \$1.6 billion are needed to support an increase in services for future growth projected by the sewage collection agencies, asset management for timely upkeep and improvement of aging assets, and improvement of the treatment capacity to maintain compliance with changing regulatory and safety requirements.

The financing plan for the proposed TYCIP is supported by new debt borrowings of 64 percent and pay-go of 36 percent which includes connection fees, rates, and property taxes. The remaining one percent is a conservative estimate of grant funding. Agency staff will continue to pursue federal and state grant funding opportunities as well as low interest loan financing to facilitate the implementation of the TYCIP at the lowest possible cost.

## Regional Wastewater Program

In accordance with the Regional Sewage Service Ordinance No. 111, the Regional Wastewater Program is comprised of two funds; the Regional Wastewater Capital Improvement (Wastewater Capital) fund and the Regional Wastewater Operations and Maintenance (Wastewater Operations) fund, components of each fund are shown below in Table 2.

**Table 2: Regional Wastewater Program Components**

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

*\*EDU = Equivalent dwelling unit is the estimated discharges from a single residence.*

## Regional Wastewater Capital Improvement Fund (Wastewater Capital Fund)

Total revenues and other funding sources in the Wastewater Capital fund are estimated at \$173.0 million and \$171.2 million for FYs 2023/24 and 2024/25, respectively. This amount includes financing in the form of State Revolving Fund (SRF) and Water Infrastructure Finance and Innovation Act (WIFIA) loan proceeds of \$85.5 million in FY 2023/24, and \$81.3 million in FY 2024/25 to support the construction of the RP-1 Solids Thickening Building, RP-5 Expansion, Philadelphia Force Main Project, and Carbon Canyon Water Recycling Facility Improvements. Table 3 summarizes the major funding sources for the Regional Wastewater Capital Improvement Fund.

New equivalent dwelling unit (EDU) connections are projected to be 3,000 each year. This projection is lower than the sewage customer agencies forecast of 7,701 and 7,551 units for FY 2023/24 and FY 2024/25, respectively. While the Agency applies sewage customer agencies growth forecasts to plan for future expansion of its facilities, a lower growth forecast is applied to revenue forecasts. This conservative approach ensures facilities are ready to meet the increased service demands from future growth and provides flexibility in financing options. Revenues from wastewater connection fees are estimated at \$24.4 million in FY 2023/24, and \$25.9 million in FY 2024/25. Projected connections and rates are shown in Appendix Table A3.

Property tax receipts allocated to the Wastewater Capital fund help support annual debt service costs and capital project expenditures. An increase of two percent in assessed valuations is assumed for property tax receipts projected for each of the next two fiscal years. Revenues from property tax receipts are estimated at \$51.4 million in FY 2023/24, and \$52.2 million in FY 2024/25.

**Table 3: Wastewater Capital Fund Major Funding Sources**

Major Funding Sources (\$Millions)	FY 2023/24	FY 2024/25	Key Assumptions
<b>Wastewater Connection Fees</b>	\$24.4	\$25.9	3,000 new EDU connections at a proposed fee of \$8,132 per EDU in FY 2023/24 and 3,000 new EDU connections at a proposed fee of \$8,620 for FY 2024/25.
<b>Property Tax</b>	51.4	52.2	Annual allocation of total property taxes to the Wastewater Capital fund will continue at 65% of total property tax receipts for both fiscal years.
<b>Debt and Grant Proceeds</b>	85.5	81.3	SRF and WIFIA loan proceeds for the RP-1 Solids Thickening Building, RP-5 Expansion, and various other projects.
<b>Inter-Fund Transfers and Other</b>	11.7	11.8	Interfund transfer from Wastewater Operations fund for their share of the RP-5 Solids Treatment expansion and the CCWRF* Asset Management Improvement project, inter-fund loan reimbursement and interest revenues.
<b>Total</b>	<b>\$173.0</b>	<b>\$171.2</b>	

\*CCWRF- Carbon Canyon Water Recycling Facility

Total expenses and other uses of funds are \$140.7 and \$167.6 for FY 2023/24 and FY 2024/25 respectively. Capital projects in the Ten-Year Capital Improvement Plan represent approximately 80 percent of the proposed budget for each fiscal year, with \$113.8 million in capital project costs budgeted in FY 2023/24 and \$136.9 million in FY 2024/25. Table 4 represents major uses of funds for both fiscal years.

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

Major Uses of Funds (\$Millions)	FY 2023/24	FY 2024/25	Key Assumptions
Program Support	\$8.8	\$9.1	Includes employment, professional services, etc. in support of CIP.
Capital Improvement Plan (CIP)	113.8	136.9	Major capital projects as summarized in Table 5.
Debt Service	7.0	7.9	Includes principal and interest for the 2017A, and 2020A bonds, 2020B Revenue Notes and various SRF loans.
Investment in IERCA	0.8	0.8	Includes the Agency's share of capital investment in the Inland Empire Regional Composting Authority (IERCA).
Other	10.2	12.9	Inter-fund transfers for capital and debt service support to other funds.
<b>Total</b>	<b>\$140.7</b>	<b>\$167.6</b>	

Table 5 includes major projects for FY 2023/24 and 2024/25 as well as future years per the Agency's Ten-Year Capital Improvement Plan.

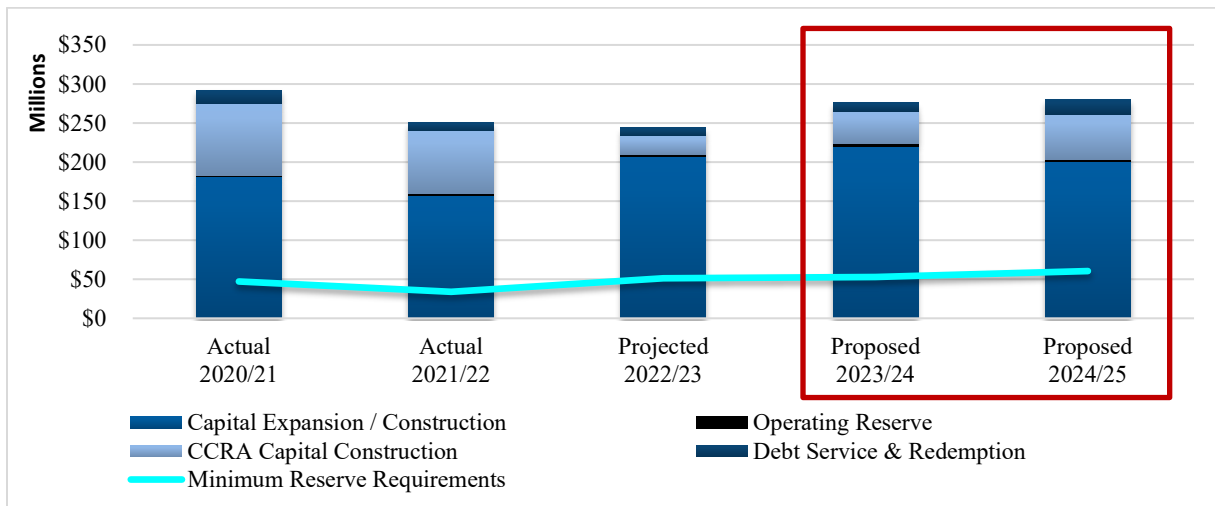
**Table 5: Wastewater Capital Fund Major Capital Projects**

Major Projects (\$Millions)	FY 2023/24	FY 2024/25	FY 2025/26 to FY 2032/33	TYCIP Total
RP-5 Expansion Construction	\$75.6	\$52.0	\$9.0	\$136.6
RP-1 Solids Thickening Bldg. & Acid Phase Digester	15.0	45.0	92.0	152.0
Asset Management Improvements	0.3	2.4	64.0	66.7
*CCWRF Asset Management Improvements	8.8	13.0	3.0	24.8
RP-1 Solids & Liquid Treatment Expansion	0.9	4.1	70.0	75.0
All Other Capital Projects	13.2	20.4	33.2	66.8
<b>Total Capital Projects</b>	<b>\$113.8</b>	<b>\$136.9</b>	<b>\$271.2</b>	<b>\$521.9</b>

\*CCWRF- Carbon Canyon Water Recycling Facility

### ***Wastewater Capital Fund Balance***

The Wastewater Capital Fund ending balance for FY 2023/24 is estimated at \$276.5 million, and \$280.1 million for FY 2024/25 as shown in Figure 1. The estimated increase for both fiscal years is due to anticipated debt and grant proceeds to support the construction of the RP-1 Solids Thickening Building and the RP-5 Expansion project.

**Figure 1: Wastewater Capital Fund Reserve by Type****Regional Wastewater Operations & Maintenance Fund (Wastewater Operations)**

Total revenues and other funding sources in the Wastewater Operations & Maintenance fund are estimated at \$128.0 million and \$145.0 million for FYs 2023/24 and 2024/25, respectively. Table 6 summarizes the Wastewater Operations & Maintenance fund proposed major revenues and other funding sources for the FYs.

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

Major Funding Sources (\$Millions)	FY 2023/24	FY 2024/25	Key Assumptions
Monthly EDU	\$83.1	\$88.5	Based on the proposed EDU rate of \$23.39 in FY 2023/24 and \$24.79 FY 2024/25
Property Tax	18.2	18.5	Annual allocation of property taxes of 23% of total property tax receipts for both fiscal years.
Debt Proceeds	17.3	28.5	Debt proceeds to support capital projects.
Cost Reimbursement from IERCA*	4.7	4.9	Reimbursement of IERCA* labor costs.
Other	4.7	4.6	Includes interfund-transfers from wastewater connection fees to support capital projects; interest revenue, contract cost reimbursement, and lease revenue.
<b>Total</b>	<b>\$128.0</b>	<b>\$145.0</b>	

\*Inland Empire Regional Composting Authority

Total expenses and other uses of funds are \$130.2 million in FY 2023/24 and \$150.1 million in FY 2024/25. Proposed expenses and other uses of funds for FYs 2023/24 and 2024/25 are shown in Table 7.

Major expenses in the Wastewater Operations fund include operating and maintenance (O&M) expenses, capital Replacement & Rehabilitation (R&R) project costs, organic management activities, and debt service costs. O&M expenses include employment costs based on the proposed

staffing plan supporting the operations of new facilities coming on-line as a result of the RP-5 Expansion project. The projected O&M expenses also include anticipated increases in electricity rates from Southern California Edison (SCE) and significant increases seen in chemical costs across the industry.

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

Major Uses of Funds (\$Millions)	FY 2023/24	FY 2024/25	Key Assumptions
Operations & Maintenance (O&M)	\$83.2	\$90.6	Includes employment, chemicals utilities, professional and contract labor costs, and other O&M costs.
O&M project costs	7.3	5.4	Includes repairs to treatment facilities and collection system.
Capital Rehabilitation & Replacement (R&R) project costs	33.3	47.2	Major capital projects are summarized in Table 8.
Debt Service	1.4	1.4	Includes principal and interest for the 2017A bonds and SRF loan for the water quality laboratory.
Other	5.0	5.5	Inter-fund transfers for capital project support to the Administrative. Services and share of the RP-5 Expansion project and CCWRF Asset Management Improvement project.
<b>Total</b>	<b>\$130.2</b>	<b>\$150.1</b>	

A total of \$33.3 million in capital project costs is budgeted for FY 2023/24 and \$47.2 million is projected for FY 2024/25. Major capital projects are listed in Table 8.

**Table 8: Wastewater Operations Fund Major Capital Projects**

Major Projects (\$Millions)	FY 2023/24	FY 2024/25	FY 2025/26 to FY 2032/33	TYCIP Total
RP-4 Advanced Water Purification Facility	0.6	2.0	114.9	117.5
SCADA Enterprise System	6.8	7.4	4.5	18.7
RP-1 Secondary System Rehabilitations	0.0	0.5	11.0	11.5
RP-1 Influent Pump Station Electrical Improvements	0.9	6.3	0.9	8.1
RP-4 Process Improvement Phase II	1.1	6.3	0.5	7.9
All Other Capital Projects	23.9	24.7	112.3	160.9
<b>Total</b>	<b>\$33.3</b>	<b>\$47.2</b>	<b>\$244.1</b>	<b>\$324.6</b>

### Monthly EDU Sewer Rate

The proposed monthly sewer rate for Fiscal Years 2023/24 and 2024/25 are \$23.39 and \$24.79, respectively. Table 9 presents the adopted monthly sewer rate for FY 2022/23 and the proposed rates for FYs 2023/24 and 2024/25.

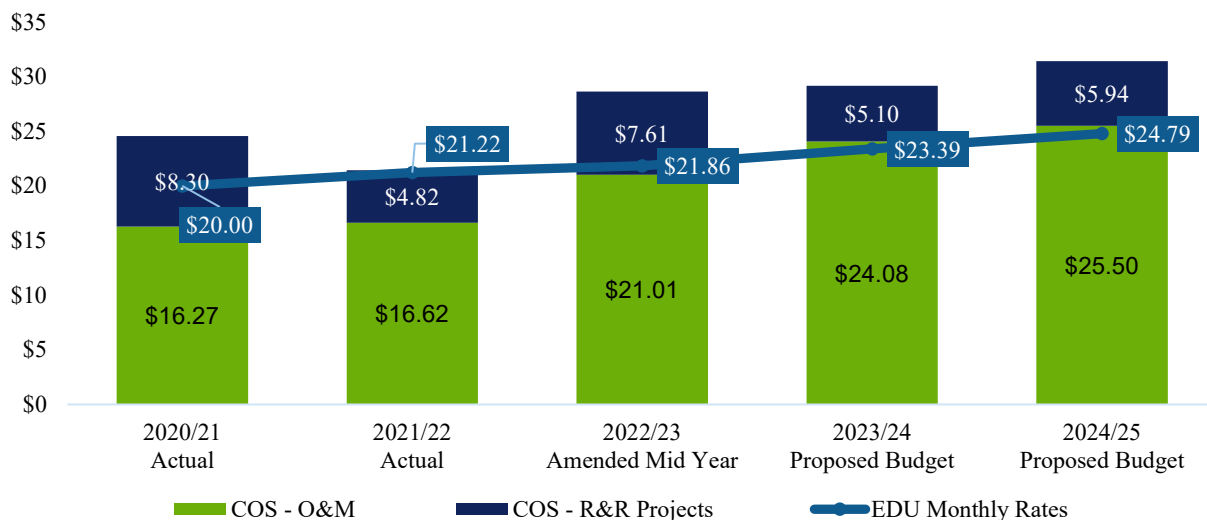
**Table 9: Proposed Monthly EDU Sewage Rates**

Rate Description	FY 2022/23 Adopted	FY 2023/24 Proposed	FY 2024/25 Proposed
EDU Monthly Rate	\$21.86	\$23.39	\$24.79
Effective Date	7/01/22	7/01/23	7/01/24

Figure 2 shows actual cost of service for the Wastewater Operations fund, with actual data for Fiscal Years 2020/21 and 2021/22 and projected from FY 2022/23 through FY 2024/25. The proposed rates for FY 2023/24 and FY 2024/25 are below the projected full cost of service. The cost of service not covered by the monthly EDU rate will be covered by property taxes and the use of reserves.

One of the key objectives from the Agency Board is to establish rates that fully recover the cost of providing service. The Agency will perform a comprehensive cost-of-service study upon the completion of the return to sewer study to help update the parameters defining an EDU in the Agency service area.

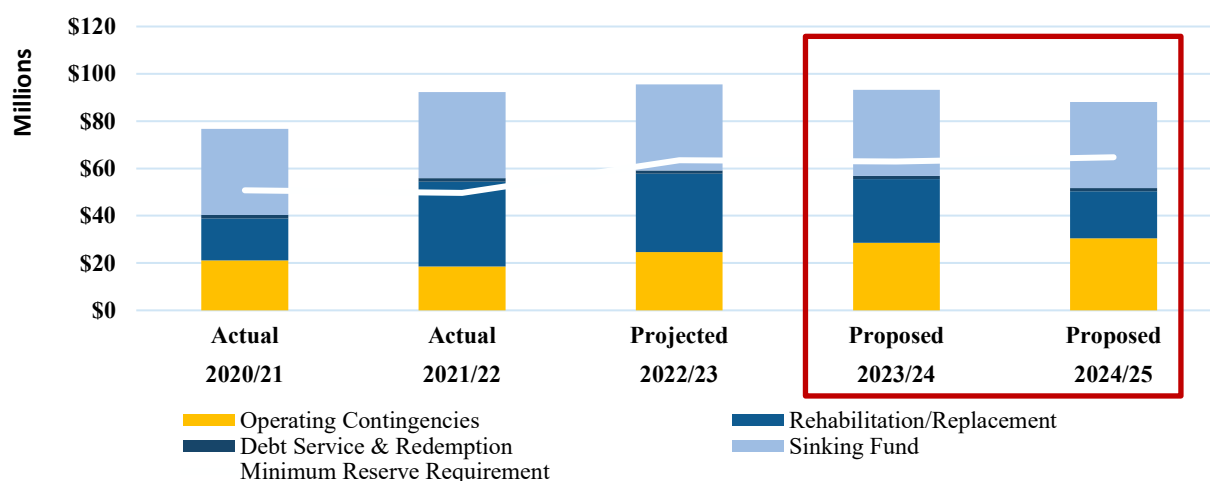
**Figure 2: Monthly EDU Sewage Cost of Service**



### Wastewater Operations Fund Balance

The projected Wastewater Operations fund ending balance is estimated at \$93.3 million and \$88.1 million for FYs 2023/24 and 2024/25, respectively. The projected change in fund balance is due to the contributions (inter-fund transfers) to the Wastewater Capital fund to support for the Wastewater Operations fund share of the RP-5 Expansion and planned R&R projects, such as the CCWRF Asset Management and Improvements project costs as well as overall costs to operate and maintain the regional wastewater system facilities and infrastructure. Figure 3 represents the trend in reserves for the Wastewater Operations Fund.

**Figure 3: Wastewater Operations Fund Reserves by Type**



### Recycled Water Fund

The Recycled Water Fund includes the operating activities related to the distribution of the recycled water produced in the regional recycling plants, and the capital activities related to expand and maintain the Regional Recycled Water Distribution System for direct use and groundwater recharge.

Total sources of funds are \$39.9 million and \$55.0 million for FY 2023/24 and FY 2024/25. In addition to operating revenue, other sources of funds include interest earnings, miscellaneous reimbursements, inter-fund debt service support for the 2017A Revenue bonds, and inter-fund loan re-payment from the Recharge Water program. Revenues and other funding sources of the Recycled Water fund are summarized below in Table 10.

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

Major Funding Sources (\$Millions)	FY 2023/24	FY 2024/25	Key Assumptions
Recycled Water Sales	\$19.5	\$19.0	FY 2023/24 adopted direct rate of \$510/AF and Groundwater Recharge (GWR) rate of \$660/AF FY 2024/25 adopted direct rate is \$465/AF and the GWR rate is \$665/AF.

Major Funding Sources (\$Millions)	FY 2023/24	FY 2024/25	Key Assumptions
Fixed Cost Recovery	2.4	5.0	Fixed cost recovery revenues are based on each recycled water customers 3 year rolling average of recycled and groundwater use.
Water Connection Fees	7.0	7.2	3,700 new MEU connections are projected for FYs 2023/24 and FY 2024/24. Adopted rates are \$1,896/MEU and \$1,953/MEU for FY 2023/24 and 2024/25, respectively.
Property Tax	3.1	3.2	Property tax receipts allocation of 4% of total property tax receipts.
Grant Proceeds	0.3	13.3	Grants receipts to support the Jurupa Community Services District (JCSD) Intertie capital project.
Other	7.6	7.3	Includes inter-fund loan repayment from the Recharge Water program, interest, miscellaneous other reimbursements, and inter-fund debt service support for the 2017A Revenue bonds.
<b>Total</b>	<b>\$39.9</b>	<b>\$55.0</b>	

### ***Recycled Water Rates***

The Recycled Water rates adopted in June 2022 introduced a fixed and variable component structure. The fixed component recovers debt service costs based on each customer three year rolling average of direct and recharge recycled water use. The fixed cost recovery budget for FY 2023/24 is \$2.4 million and \$5.0 million for FY 2024/25. Recycled water deliveries projections are 34,000-acre feet (AF) for each budget year. Recycled Water sales are estimated to generate revenues of \$19.5 million and \$19.0 million, for FYs 2023/24 and 2024/25. Adopted rates and estimated deliveries are summarized in Appendix Table A5.

### ***One Water Connection Fee***

Water connection fee revenues are collected to support capital investments in the Agency's regional water distribution system. The projections are \$7.0 million for FY 2023/24 and \$7.2 million for FY 2024/25. Water connection fee rates are set per meter equivalent unit (MEU). One MEU is equivalent to a 5/8" and 3/4" meter size (standard residential meter size). These revenue projections are based on 3,700 new MEU per year. One Water Connection Fee rates are reported in Appendix Table A6.

Total expense in FY 2023/24 and FY 2024/25 are projected to be \$49.9 and \$55.2 million, respectively. Major expenses for the Recycled Water fund include debt service, operating costs, and capital project expense. Operating costs include employment, pumping costs, non-capital projects, and the portion of the groundwater recharge operating costs not reimbursed by Chino Basin Watermaster (CBWM). The projected biennial budget expense and other uses of funds for the Recycled Water fund are summarized in Table 11.

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

Major Uses of Funds (\$Millions)	FY 2023/24	FY 2024/25	Key Assumptions
Operating Expenses	\$16.1	\$17.6	Includes employment, professional fees, materials and supplies, pumping costs, a portion of the groundwater recharge operations expense, and O&M project costs.
Capital Improvement Plan (CIP)	14.5	20.7	See Table 12 for a summary of major capital projects.
Debt Service	15.2	14.5	Includes principal and interest costs for outstanding bonds, SRF loans, and inter-fund loan repayments to the Regional Wastewater Capital fund.
Other	4.1	2.4	Inter-fund transfers for water connection fees in support of the RRWDS*, and capital and operating support to the Administrative Services and Recharge Water funds.
<b>Total</b>	<b>\$49.9</b>	<b>\$55.2</b>	

\*Regional Recycled Water Distribution System

Annual debt service costs include principal, interest, and financial fees for SRF loans, 2017A and 2020A Revenue Bonds, and interfund loan repayment to the Regional Wastewater Capital fund. Debt service is estimated to be \$15.2 million in FY 2023/24 and \$14.5 million in FY 2024/25. Re-payments of the \$13.5 million inter-fund loan due to the Regional Wastewater Capital began in FY 2022/23, and final re-payment of inter-fund loans is scheduled for FY 2024/25. A summary of inter-fund loans and repayment schedules is provided in Appendix Table A7.

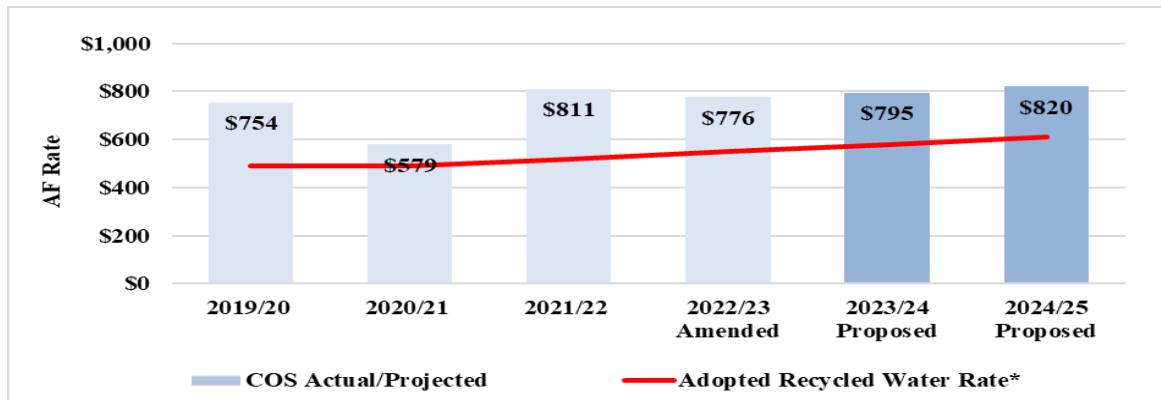
**Table 12: Recycled Water Fund Major Capital Projects**

Major Projects (\$Millions)	FY 2023/24	FY 2024/25	FY 2025/26 to FY 2032/33	TYCIP Total
RP-4 Advanced Water Purification Facility (6 TAFY)	\$0.5	\$1.6	\$96.3	\$98.4
Injection Facilities	2.1	2.7	84.8	89.6
Recycled Water Interconnection to City of Rialto	0.3	5.2	47.5	53.0
Recycled Water Connections to Jurupa Community Services District	0.3	1.0	25.7	27.0
RP-4 Chlorine Contact Basin Cover Repair	2.2	2.8	-	5.0
Etiwanda interceptor Grade Break	2.8	1.4	-	4.2
Recycled Water SCADA migration	0.6	2.0	1.8	4.4
1299 Reservoir repairs	1.7	0.2	-	1.9
All Other Capital Projects	4.0	3.8	60.8	68.60
<b>Total</b>	<b>\$14.5</b>	<b>\$20.7</b>	<b>\$316.9</b>	<b>\$352.1</b>

## Cost of Service Review

A key Agency objective is to establish rates which fully recover the cost of providing service. As shown in Figure 4 the estimated cost of service for FY 2023/24 is \$795/AF, and \$820/AF for FY 2024/25. The increase in cost-of-service rate is driven by increasing operating and maintenance costs caused by inflationary price increases of utilities, chemicals, and wages. Projections and underlying assumptions are reviewed and updated each year as part of the budget process. The next cost of service study will generate rates for Fiscal Year 2025/26.

**Figure 4: Recycled Water Cost of Service**

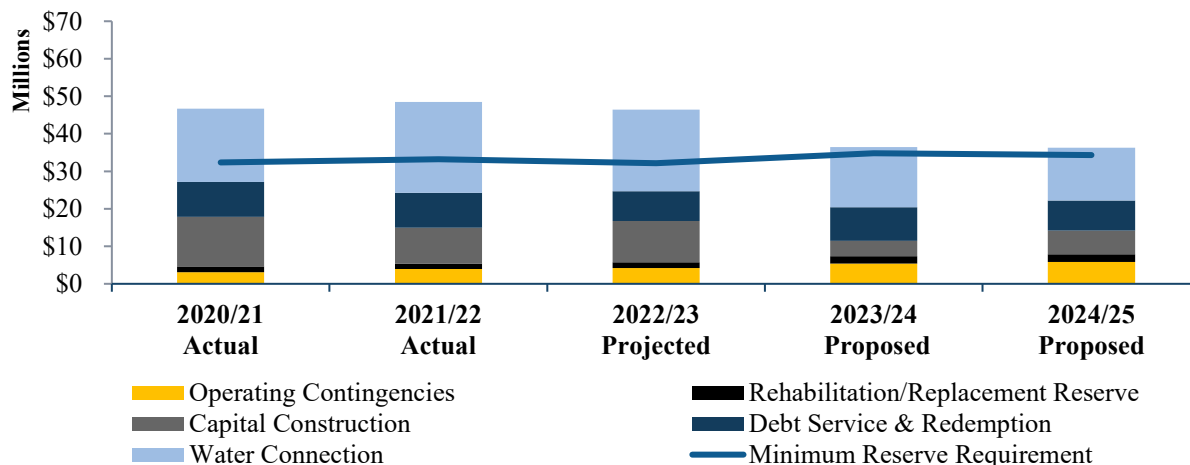


\*Adopted Recycled Water rate includes Fixed Cost Recovery equivalent amount

## Recycled Water Fund Reserves

The Recycled Water fund projected ending fund balances for FY 2023/24 and FY 2024/25 is \$36.5 million and \$36.3 million, respectively. The projected reserve balance decrease is largely due to increased capital project costs. The Agency will pursue additional federal and state grants along with low interest financing to support the implementation of the recycled water projects and to maintain reserve levels above the minimum requirements. Projected ending fund balances are reported below in Figure 5.

**Figure 5: Recycled Water Fund Reserve by Type**



## **Conclusion**

This proposed biennial budget dealt with many inflationary challenges, program expansions, and critical capital project requirements to maintain the Agency's business goals.

During the budget period, the Agency will continue to work towards the completion of the RP5 Expansion project and the Return to Sewer study to set up the parameters necessary to adjust the EDU monthly rate and the wastewater connection fees through the corresponding cost of service studies. Additionally, the proposed biennial budget supports increased human capital to ensure fulfillment of Agency objectives and organization effectiveness. Achieving these objectives will ensure that the Agency can continue its commitment to delivering essential high-quality services in a cost-effective manner, supporting the region's economic development, and maintaining the Agency's fiscal health.

Review of the Proposed Biennial Budget for Fiscal Years 2023/24 and 2024/25 for the Regional Wastewater and Recycled Water Programs are consistent with the IEUA Business Goals of Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices

## Appendix A

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET**  
**REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
<b>REVENUES</b>								
Interest Revenue	\$1,405	\$967	\$1,177	\$1,206	\$1,218	\$1,200	\$1,200	\$1,300
<b>TOTAL REVENUES</b>	<b>\$1,405</b>	<b>\$967</b>	<b>\$1,177</b>	<b>\$1,206</b>	<b>\$1,218</b>	<b>\$1,200</b>	<b>\$1,200</b>	<b>\$1,300</b>
<b>OTHER FINANCING SOURCES</b>								
Property Tax - Debt and Capital	\$43,638	\$46,550	\$50,365	\$51,373	\$52,195	\$53,033	\$53,885	\$54,752
Regional System Connection Fees	36,732	37,658	19,000	24,396	25,859	26,894	27,970	28,809
Debt Proceeds	0	0	32,000	25,500	45,764	233,516	0	0
State Loans	0	12,143	51,500	60,000	35,500	6,500	0	0
Other Revenues	57	95	1	1	1	1	1	1
Inter Fund Loan	0	0	2,000	6,000	5,500	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$80,427</b>	<b>\$96,445</b>	<b>\$154,866</b>	<b>\$167,270</b>	<b>\$164,819</b>	<b>\$319,944</b>	<b>\$81,856</b>	<b>\$83,562</b>
<b>EXPENSES</b>								
Employment Expenses	\$3,944	\$2,859	\$4,180	\$4,769	\$5,186	\$5,243	\$5,649	\$6,253
Contract Work/Special Projects	350	519	0	136	16	16	16	16
Operating Fees	270	274	274	274	282	291	300	309
Professional Fees and Services	300	436	607	1,156	1,166	1,092	1,119	1,148
Other Expenses	926	1,125	1,675	2,436	2,495	2,905	3,041	3,170
<b>TOTAL EXPENSES</b>	<b>\$5,790</b>	<b>\$5,213</b>	<b>\$6,735</b>	<b>\$8,771</b>	<b>\$9,145</b>	<b>\$9,546</b>	<b>\$10,125</b>	<b>\$10,895</b>
<b>CAPITAL PROGRAM</b>								
Work In Progress	\$70,210	\$114,598	\$135,148	\$113,854	\$136,869	\$95,458	\$46,133	\$17,078
IERCA Investment	250	500	1,000	750	750	250	250	250
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$70,460</b>	<b>\$115,098</b>	<b>\$136,148</b>	<b>\$114,604</b>	<b>\$137,619</b>	<b>\$95,708</b>	<b>\$46,383</b>	<b>\$17,328</b>
<b>DEBT SERVICE</b>								
Financial Expenses	\$1,325	\$214	\$11	\$17	\$17	\$17	\$17	\$11
Interest	9,756	9,979	9,857	1,965	2,781	6,789	8,232	7,991
Principal	9,007	4,271	4,672	4,988	5,150	205,066	13,267	12,852
<b>TOTAL DEBT SERVICE</b>	<b>\$20,087</b>	<b>\$14,464</b>	<b>\$14,539</b>	<b>\$6,970</b>	<b>\$7,948</b>	<b>\$211,872</b>	<b>\$21,515</b>	<b>\$20,854</b>
<b>TRANSFERS IN (OUT)</b>								
Capital Contribution	\$7,211	\$5,090	\$2,985	\$2,513	\$779	(\$5,087)	(\$4,788)	\$817
Debt Service	(3,118)	(3,128)	(3,215)	(3,317)	(3,266)	(3,266)	1,056	1,635
Capital - Connection Fees Allocation	(7,909)	(6,020)	(5,006)	(5,074)	(5,280)	(5,108)	(2,915)	(1,929)
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$3,817)</b>	<b>(\$4,058)</b>	<b>(\$5,236)</b>	<b>(\$5,878)</b>	<b>(\$7,767)</b>	<b>(\$13,460)</b>	<b>(\$6,646)</b>	<b>\$522</b>
<b>FUND BALANCE</b>								
Net Income (Loss)	(\$18,323)	(\$41,419)	(\$6,616)	\$32,252	\$3,558	(\$8,942)	(\$1,114)	\$35,806
Beginning Fund Balance July 01	310,615	292,292	250,872	244,256	276,508	280,066	271,123	270,009
<b>ENDING FUND BALANCE AT JUNE 30*</b>	<b>\$292,292</b>	<b>\$250,872</b>	<b>\$244,256</b>	<b>\$276,508</b>	<b>\$280,066</b>	<b>\$271,123</b>	<b>\$270,009</b>	<b>\$305,815</b>
<b>RESERVE BALANCE SUMMARY</b>								
Operating Contingency	\$1,455	\$1,738	\$2,245	\$2,924	\$3,048	\$3,182	\$3,375	\$3,632
Capital Construction	181,642	157,779	207,645	220,408	200,495	170,443	154,406	176,457
CCRA Capital Construction	91,465	81,170	24,079	41,962	57,822	72,716	88,685	102,494
Debt Service & Redemption	17,730	10,186	10,287	11,214	18,701	24,782	23,543	23,232
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$292,292</b>	<b>\$250,872</b>	<b>\$244,256</b>	<b>\$276,508</b>	<b>\$280,066</b>	<b>\$271,123</b>	<b>\$270,009</b>	<b>\$305,815</b>

\*Numbers may not tie due to rounding

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET**  
**REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
<b>REVENUES</b>								
User Charges	\$71,362	\$75,729	\$77,810	\$83,142	\$88,529	\$94,290	\$97,594	\$101,001
Cost Reimbursement JPA	4,175	3,580	3,718	4,733	4,875	5,021	5,172	5,327
Contract Cost Reimbursement	101	249	206	206	5	5	5	5
Interest Revenue	851	489	1,400	1,400	1,400	1,400	1,500	1,500
<b>TOTAL REVENUES</b>	<b>76,489</b>	<b>80,047</b>	<b>83,134</b>	<b>89,481</b>	<b>94,809</b>	<b>100,716</b>	<b>104,271</b>	<b>107,833</b>
<b>OTHER FINANCING SOURCES</b>								
Property Tax Revenues - Debt/Capital/R€	\$8,726	\$16,465	\$17,822	\$18,178	\$18,469	\$18,765	\$19,067	\$19,374
State Loans	-	-	-	17,300	28,500	20,200	20,000	20,500
Grants	-	90	-	-	-	-	-	-
Other Revenues	65	92	100	80	80	80	80	80
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>8,791</b>	<b>16,647</b>	<b>17,922</b>	<b>35,558</b>	<b>47,049</b>	<b>39,045</b>	<b>39,147</b>	<b>39,954</b>
<b>EXPENSES</b>								
Employment Expenses	\$34,664	\$28,148	\$36,400	\$42,349	\$46,055	\$46,567	\$50,178	\$55,552
Contract Work/Special Projects	7,668	5,589	6,917	7,293	5,435	7,650	7,578	5,440
Utilities	6,762	7,003	7,857	10,079	11,759	12,114	12,479	12,856
Operating Fees	1,193	1,855	2,414	2,654	2,848	2,943	3,115	3,153
Chemicals	5,402	6,313	9,884	9,681	10,975	11,143	11,400	11,664
Professional Fees and Services	2,881	2,852	3,762	3,859	3,972	4,677	4,849	5,052
Office and Administrative expenses	-	1	19	0	0	0	0	0
Biosolids Recycling	4,611	5,013	4,416	5,321	5,469	5,633	5,802	5,976
Materials & Supplies	1,840	2,256	2,141	2,590	2,704	2,791	2,882	2,975
Other Expenses	2,589	3,241	4,623	6,695	6,851	7,955	8,325	8,676
<b>TOTAL EXPENSES</b>	<b>67,612</b>	<b>62,271</b>	<b>78,434</b>	<b>90,521</b>	<b>96,067</b>	<b>101,472</b>	<b>106,608</b>	<b>111,345</b>
<b>CAPITAL PROGRAM</b>								
Capital Construction & Expansion (WIP)	\$27,212	\$14,925	\$15,500	\$33,338	\$47,157	\$28,325	\$33,003	\$31,122
<b>TOTAL CAPITAL PROGRAM</b>	<b>27,212</b>	<b>14,925</b>	<b>15,500</b>	<b>33,338</b>	<b>47,157</b>	<b>28,325</b>	<b>33,003</b>	<b>31,122</b>
<b>DEBT SERVICE</b>								
Interest	\$674	\$608	\$565	\$573	\$548	\$522	\$1,883	\$1,832
Principal	761	784	806	849	874	900	1,545	1,511
<b>TOTAL DEBT SERVICE</b>	<b>1,440</b>	<b>1,392</b>	<b>1,372</b>	<b>1,422</b>	<b>1,422</b>	<b>1,422</b>	<b>3,429</b>	<b>3,344</b>
<b>TRANSFERS IN (OUT)</b>								
Capital Contribution	(\$8,511)	(\$6,540)	(\$5,335)	(\$4,500)	(\$5,100)	(\$1,300)	(\$1,000)	(\$2,599)
Debt Service	124	114	114	114	114	114	(4,209)	(4,209)
Operation support	(52)	(530)	(277)	(528)	(373)	(373)	(373)	(1,574)
Capital - Connection Fees Allocation	6,448	4,374	3,059	2,865	2,997	2,295	654	535
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(1,991)</b>	<b>(2,582)</b>	<b>(2,438)</b>	<b>(2,049)</b>	<b>(2,362)</b>	<b>737</b>	<b>(4,927)</b>	<b>(7,847)</b>
<b>FUND BALANCE</b>								
Net Increase (Decrease)	(\$12,974)	\$15,523	\$3,312	(\$2,291)	(\$5,150)	\$9,279	(\$4,549)	(\$5,871)
Beginning Fund Balance July 01	89,725	76,750	92,273	95,585	93,294	88,145	97,424	92,875
<b>ENDING FUND BALANCE AT JUNE 30</b>	<b>\$76,750</b>	<b>\$92,273</b>	<b>\$95,585</b>	<b>\$93,294</b>	<b>\$88,145</b>	<b>\$97,424</b>	<b>\$92,875</b>	<b>\$87,004</b>
<b>RESERVE BALANCE SUMMARY</b>								
Operating Contingencies	\$21,145	\$18,606	\$24,613	\$28,596	\$30,398	\$32,151	\$33,812	\$35,339
Rehabilitation/Replacement	17,792	35,854	33,185	26,861	19,910	25,429	19,303	11,237
Debt Service	1,398	1,398	1,372	1,422	1,422	3,429	3,344	4,012
Sinking Fund	36,415	36,415	36,415	36,415	36,415	36,415	36,415	36,415
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$76,750</b>	<b>\$92,273</b>	<b>\$95,585</b>	<b>\$93,294</b>	<b>\$88,145</b>	<b>\$97,424</b>	<b>\$92,875</b>	<b>\$87,004</b>

\* Numbers may not tie due to rounding

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET**  
**RECYCLED WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
<b>REVENUES</b>								
Interest Revenue	\$222	\$237	\$967	\$815	\$606	\$654	\$793	\$902
Water Sales	18,095	19,643	19,716	21,853	23,967	25,224	26,513	27,281
<b>TOTAL REVENUES</b>	<b>\$18,316</b>	<b>\$19,880</b>	<b>\$20,683</b>	<b>\$22,668</b>	<b>\$24,573</b>	<b>\$25,879</b>	<b>\$27,306</b>	<b>\$28,182</b>
<b>OTHER FINANCING SOURCES</b>								
Property Tax - Debt/Capital	\$2,170	\$2,863	\$2,961	\$3,161	\$3,212	\$3,264	\$3,316	\$3,369
Connection Fees	5,700	8,749	4,326	7,015	7,226	7,371	7,518	7,668
Debt Proceeds	0	0	0	0	0	7,000	21,400	21,000
Grants	10,692	239	0	309	13,309	9,000	2,000	28,000
Capital Contract Reimbursement	0	92	355	94	96	97	98	100
Other Revenues	97	394	(87)	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$18,660</b>	<b>\$12,338</b>	<b>\$7,555</b>	<b>\$14,580</b>	<b>\$27,776</b>	<b>\$26,732</b>	<b>\$34,332</b>	<b>\$60,137</b>
<b>EXPENSES</b>								
Employment Expenses	\$5,022	\$4,562	\$5,464	\$7,168	\$7,796	\$7,882	\$8,494	\$9,403
Contract Work/Special Projects	544	1,098	793	1,845	1,912	1,365	1,367	1,345
Operating Fees	5	0	5	10	10	11	11	11
Professional Fees and Services	464	649	1,078	1,081	1,159	1,244	1,266	1,289
Office and Administrative expenses	1	1	5	8	8	9	9	9
Materials & Supplies	107	174	134	138	142	147	151	155
Other Expenses	731	872	744	1,836	1,874	2,162	2,261	2,354
<b>TOTAL EXPENSES</b>	<b>\$9,348</b>	<b>\$11,736</b>	<b>\$12,679</b>	<b>\$16,165</b>	<b>\$17,589</b>	<b>\$17,646</b>	<b>\$18,530</b>	<b>\$19,689</b>
<b>CAPITAL PROGRAM</b>								
Work In Progress	\$3,626	\$649	\$2,826	\$14,496	\$20,745	\$20,405	\$29,523	\$51,372
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$3,626</b>	<b>\$649</b>	<b>\$2,826</b>	<b>\$14,496</b>	<b>\$20,745</b>	<b>\$20,405</b>	<b>\$29,523</b>	<b>\$51,372</b>
<b>DEBT SERVICE</b>								
Financial Expenses	\$1	\$5	\$4	\$5	\$6	\$6	\$6	\$6
Interest	2,897	2,892	2,961	2,628	2,258	1,893	1,698	1,508
Principal	5,773	6,085	6,214	6,544	6,692	6,065	6,265	5,877
Short Term Inter-Fund Loan	4,933	10,000	5,000	6,000	5,500	0	0	0
<b>TOTAL DEBT SERVICE</b>	<b>\$13,604</b>	<b>\$18,983</b>	<b>\$14,179</b>	<b>\$15,178</b>	<b>\$14,455</b>	<b>\$7,965</b>	<b>\$7,969</b>	<b>\$7,391</b>
<b>TRANSFERS IN (OUT)</b>								
Capital Contribution	(\$47)	(\$197)	(\$198)	(\$127)	(\$385)	(\$654)	(\$633)	(\$277)
Debt Service	2,539	2,535	2,546	2,675	2,673	2,673	2,674	2,098
Operation support	(413)	(870)	(1,190)	(1,682)	(1,313)	(1,327)	(1,413)	(1,584)
Water Connection Allocation	(789)	(524)	(1,717)	(2,236)	(724)	(820)	(804)	(567)
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>\$1,290</b>	<b>\$944</b>	<b>(\$559)</b>	<b>(\$1,369)</b>	<b>\$252</b>	<b>(\$127)</b>	<b>(\$176)</b>	<b>(\$330)</b>
<b>FUND BALANCE</b>								
Net Income (Loss)	\$11,688	\$1,794	(\$2,005)	(\$9,960)	(\$189)	\$6,467	\$5,440	\$9,538
Beginning Fund Balance July 01	34,974	46,662	48,456	46,451	36,491	36,302	42,770	48,209
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$46,662</b>	<b>\$48,456</b>	<b>\$46,451</b>	<b>\$36,491</b>	<b>\$36,302</b>	<b>\$42,770</b>	<b>\$48,209</b>	<b>\$57,747</b>
<b>RESERVE BALANCE SUMMARY</b>								
Operating Contingency	\$3,116	\$3,912	\$4,226	\$5,388	\$5,863	\$5,882	\$6,177	\$6,563
Capital Construction	13,265	9,505	11,029	4,104	6,347	9,577	12,097	18,048
Water Connection	19,472	24,230	21,731	16,044	14,127	16,342	19,545	22,597
Rehabilitation/Replacement (R&R)	1,500	1,500	1,500	2,000	2,000	3,000	3,000	4,000
Debt Service	9,309	9,309	7,965	8,955	7,965	7,969	7,391	6,539
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$46,662</b>	<b>\$48,456</b>	<b>\$46,451</b>	<b>\$36,491</b>	<b>\$36,302</b>	<b>\$42,770</b>	<b>\$48,209</b>	<b>\$57,747</b>

\* Numbers may not total due to rounding

**Appendix Table A1: Acronyms**

<b>Acronyms</b>	
<b>AF</b>	Acre Foot
<b>CBFIP</b>	Chino Basin Facilities Improvement Project
<b>CBP</b>	Chino Basin Program
<b>CBWM</b>	Chino Basin Water Master
<b>CCWRF</b>	Carbon Canyon Wastewater Reclamation Facility
<b>CIP</b>	Capital Improvement Plan
<b>EDU</b>	Equivalent Dwelling Unit
<b>FTE</b>	Full Time Equivalent
<b>FY</b>	Fiscal Year
<b>GG</b>	Administrative Services Program
<b>GWR</b>	Groundwater Recharge
<b>IERCA</b>	Inland Empire Regional Composting Authority
<b>kWh</b>	Kilowatt hour
<b>MEU</b>	Meter Equivalent Unit
<b>NC</b>	Non-Reclaimable Wastewater Program
<b>NRW</b>	Non-Reclaimable Wastewater
<b>O&amp;M</b>	Operations & Maintenance
<b>R&amp;R</b>	Replacement & Rehabilitation
<b>RC</b>	Regional Wastewater Capital Improvement Program
<b>RMPU</b>	Recharge Master Plan Update
<b>RO</b>	Regional Wastewater Operations and Maintenance Program
<b>RP-1</b>	Regional Water Reclamation Facility (Plant) in the City of Ontario
<b>RP-2</b>	Regional Water Reclamation Facility (Plant) in the City of Chino
<b>RP-3</b>	Old Regional Water Reclamation Facility (Plant) in the City of Fontana rebuilt into a recharge facility with 4 recharge basins or cells.
<b>RP-4</b>	Regional Water Reclamation Facility (Plant) in the City of Rancho Cucamonga
<b>RP-5</b>	Regional Water Reclamation Facility (Plant) in the City of Chino
<b>RRWDS</b>	Regional Recycled Water Distribution System
<b>RW</b>	Recharge Water Program
<b>SBCFCD</b>	San Bernardino County Flood Control District
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SRF</b>	State Revolving Fund
<b>TCE</b>	Trichloroethylene
<b>TYCIP</b>	Ten Year Capital Improvement Plan
<b>WW</b>	Water Resources Program

**Appendix Table A2: Key Assumptions for FYs 2023/24 and 2024/25 Budget**

Revenues and Other Funding Sources	Expenses and Other Uses of Funds
New Wastewater Connections fee rate of \$8,132 in FY 2023/24 and \$8,620 FY 2024/25. Based on 3,000 new EDU connections.	Supports debt service costs for the construction of new capital projects
7% increase in EDU monthly rate starting in FY 2023/24 and 6% increase in EDU monthly rate in FY 2024/25, applied over 3.5 million annual EDU @ 0.50% annual growth	Increase staffing to support Agency Objectives and Optimize organizational development and effectiveness.
Recycled Water Deliveries for FY 2023/24 and 2024/25 34,000 AF each fiscal year	
3,700 new water connections (MEU) for rate of \$1,896 for FY2023/24 and \$1,953 for FY 2024/25	Supports debt service and capital project expenses
2% average growth in property tax receipts. Maintaining allocation among funds: Regional Wastewater Capital 65%, Regional Wastewater O&M 23%, Recycled Water 4%, Water Resources Fund 3.5%, and Administrative Services Fund 4.5%.	
Capital Improvement Plan (CIP) partially dependent upon Federal Loans, low interest State Revolving Fund Loans and proposed new debt.	Debt, loan, and grants to support major construction projects such as the construction of RP-1 Thickening and completion of RP-5 Expansion projects

**Appendix Table A3: Wastewater Connection Fees**

Rate Description	FY 2023/24 Adopted	FY 2024/25 Adopted	FY 2025/26 Projected	FY 2026/27 Projected	FY 2027/28 Projected
Projected New Connections	3,000	3,000	3,000	3,000	3,000
Wastewater Connection Fee	\$8,132	\$8,620	\$8,965	\$9,323	\$9,603
Rate change	7%	6%	4%	4%	3%
Effective Date	7/01/23	7/01/24	7/01/25	7/01/26	7/01/27

**Appendix Table A4: Monthly EDU Sewage Rates**

	FY 2023/24 Proposed	FY 2024/25 Proposed	FY 2025/26 Projected	FY 2026/27 Projected	FY 2027/28 Projected
EDU Monthly Rate	\$23.39	\$24.79	\$26.28	\$27.07	\$27.88
Rate Change	7%	6%	6%	3%	3%
Effective Date	7/01/23	7/01/24	To be reviewed based on sewer use evaluation results		

**Appendix Table A5: Recycled Water Rates**

Rate Description	FY 2023/24 Adopted	FY 2024/25 Adopted	FY 2025/26 Projected	FY 2026/27 Projected	FY 2027/28 Projected
Projected Acre Feet (AF)	34,000	34,000	34,000	34,000	34,000
Direct AF Rate	\$510	\$465	\$486	\$521	\$536
Groundwater Recharge AF Rate	\$660	\$665	\$692	\$733	\$754
Fixed Cost Recovery	\$2.4M	\$5.0M	\$5.4M	\$5.4M	\$5.6M

**Appendix Table A6: Water Connection Fees**

Rate Description	FY 2023/24 Adopted	FY 2024/25 Adopted	FY 2025/26 Projected	FY 2026/27 Projected	FY 2027/28 Projected
Projected Meter Equivalent Units (MEUs)	3,700	3,700	3,700	3,700	3,700
One Water Connection Fee (for 5/8" and 3/4" meter size)	\$1,896	\$1,953	\$1,992	\$2,032	\$2,073
Effective Date	7/01/23	7/01/24	7/01/25	7/01/25	7/01/24

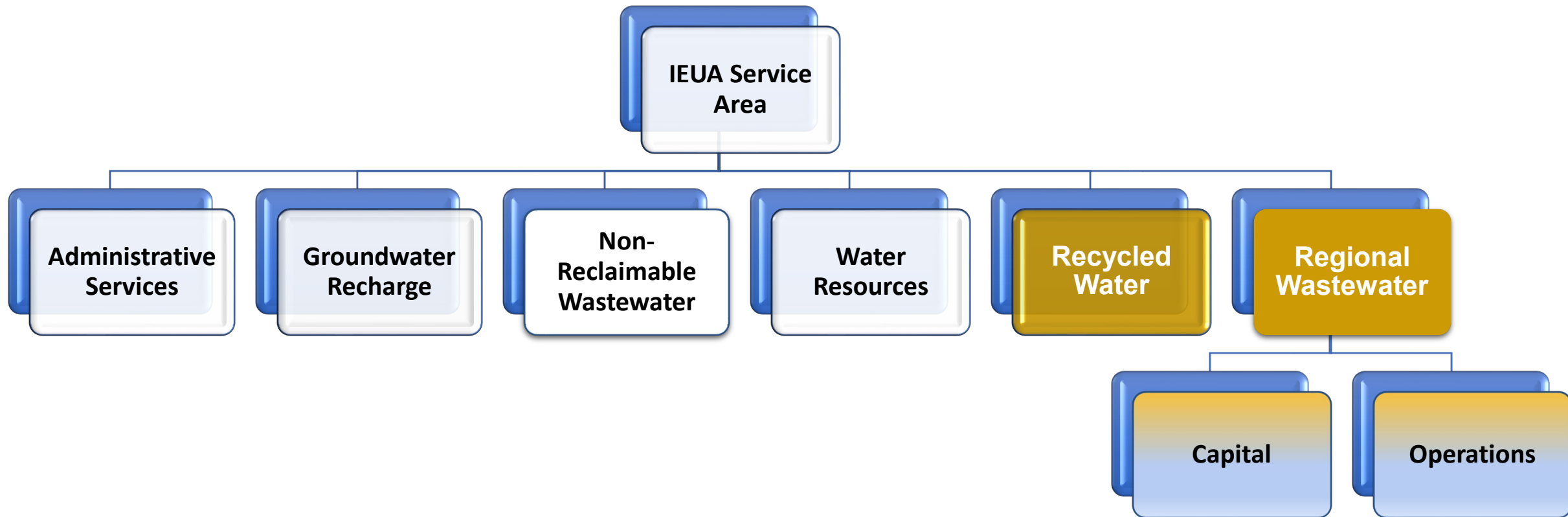
**Appendix Table A7: Inter-Fund Loan Repayment Schedule**

Inter Fund Loans Issued	Due to	Loan Amount (\$Millions)	Repayment Schedule (\$ Millions)
<b>FY 2007/08</b>	Regional Wastewater Capital (RC) Fund	\$3.0	2022/23 \$2.0 2023/24 \$1.0 Total \$3.0
<b>FY 2014/15</b>	Regional Wastewater Capital Improvement (RC) Fund	10.5	2023/24 \$5.0 2024/25 \$5.5 Total \$10.5
<b>Total</b>	<b>Grand Total</b>	<b>\$13.5</b>	<b>\$13.5</b>

# **FY 2023/24 and 2024/25 Biennial Budget Overview of the Regional Wastewater and Recycled Water Programs**

Kristine Day  
Assistant General Manager  
May 2023

# Fund Structure



# Key Assumptions

- Inflation driven increases operating expenses: Utilities and chemicals
- Staffing to support Agency objectives: RP-5 Expansion on-line, TYCIP
- Capital projects based on the Proposed Ten-Year Capital Improvement Plan (TYCIP) and Ten-Year Forecast (TYF) FYs 2024-2033
  - Support growth, asset management, and regulatory compliance
  - Financing with debt, low interest federal and state loans, while pursuing grant opportunities
- Maintain property tax allocation by fund
- Proposed rate increases for Regional Wastewater program
- Recycled Water rates adopted May 2022 for FYs 2023/24 and 2024/25

# Funding Sources

## Advance Water Purification Facility (AWPF) Design

- The AWPF is a single construction project of a 15-thousand-acre feet year (TAFY) facility. Currently, the allocation of costs is divided between compliance 60 percent (9TAFY) and recycled water 40% percent (6TAFY).
- For FY 2023/24 and FY 2024/25 the cost related to the AWPF are only related to the design of the facility for a total of \$1.1 million and \$3.4 million, respectively.
- The compliance funding sources for these two fiscal years is derived from property taxes in amount of \$2.6 million. The recycled water component will be funded through the grant from the CWC in amount of \$2.1 million.

# Rates and Fees

	Proposed		Adopted			
Fund	Wastewater Operations	Wastewater Capital	Recycled Water			
As of July 1	Monthly Sewer (EDU)	Wastewater Connection Fee (EDU)	Fixed Cost Recovery ***	Recycled Water Direct Use (AF)***	Recycled Water Recharge (AF)***	One Water Connection Fee (MEU)**
FY 2020/21*	\$20.00	\$6,955	-	\$490	\$550	\$1,684
FY 2021/22	\$21.22	\$7,379	-	\$520	\$580	\$1,787
FY 2022/23	\$21.86	\$7,600	\$1.11M	\$516	\$616	\$1,841
FY 2023/24	\$23.39	\$8,132	\$2.36M	\$510	\$660	\$1,896
FY 2024/25	\$24.79	\$8,620	\$4.96M	\$465	\$665	\$1,953

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

\*\*Rates for FYs 2020/21 through 2024/25 adopted July 2020

\*\*\* Rates for FYs 2022/23 through 2024/25 adopted June 2022

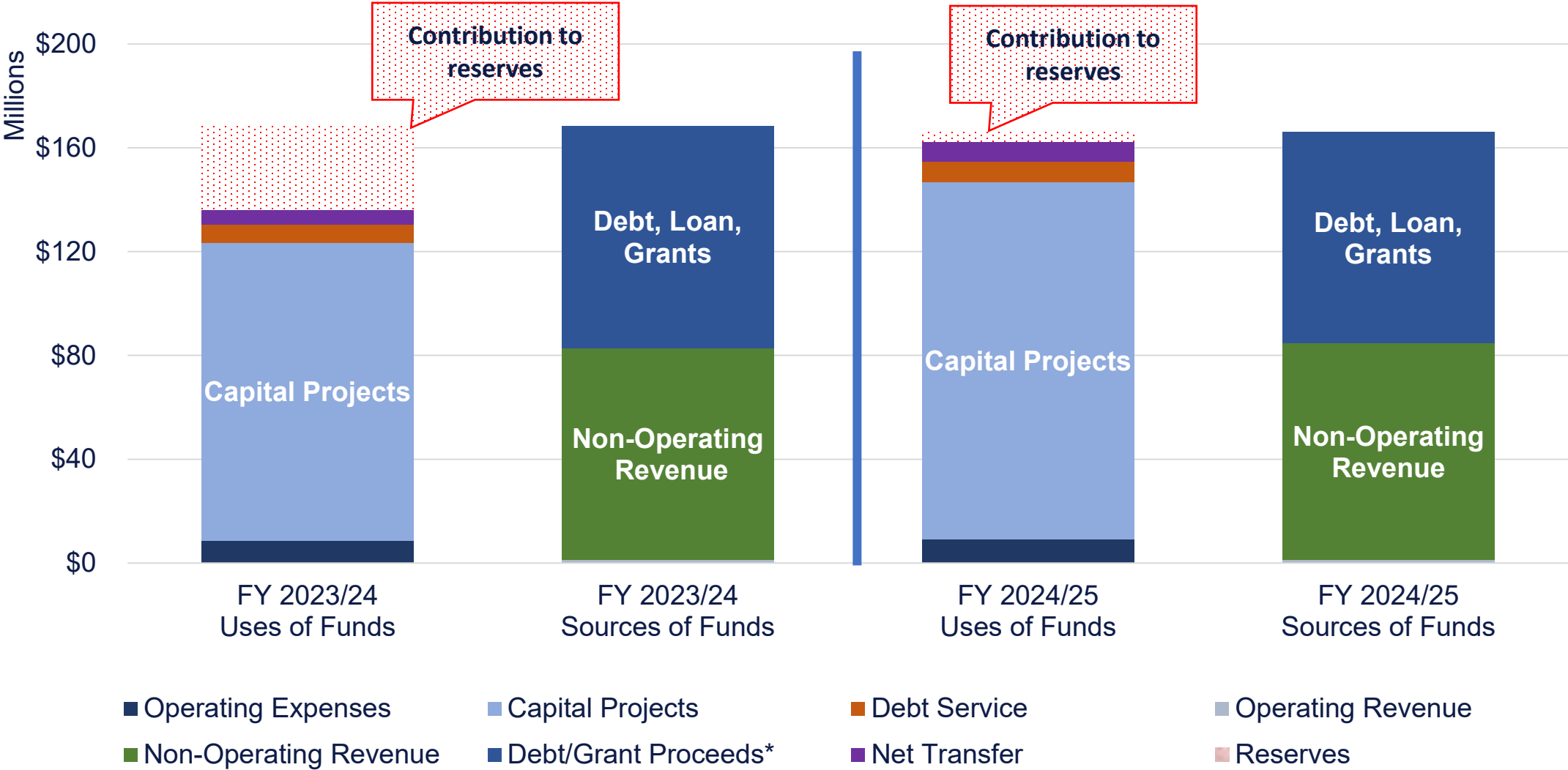
# Property Tax Allocation

- Maintain property tax fixed percent allocation

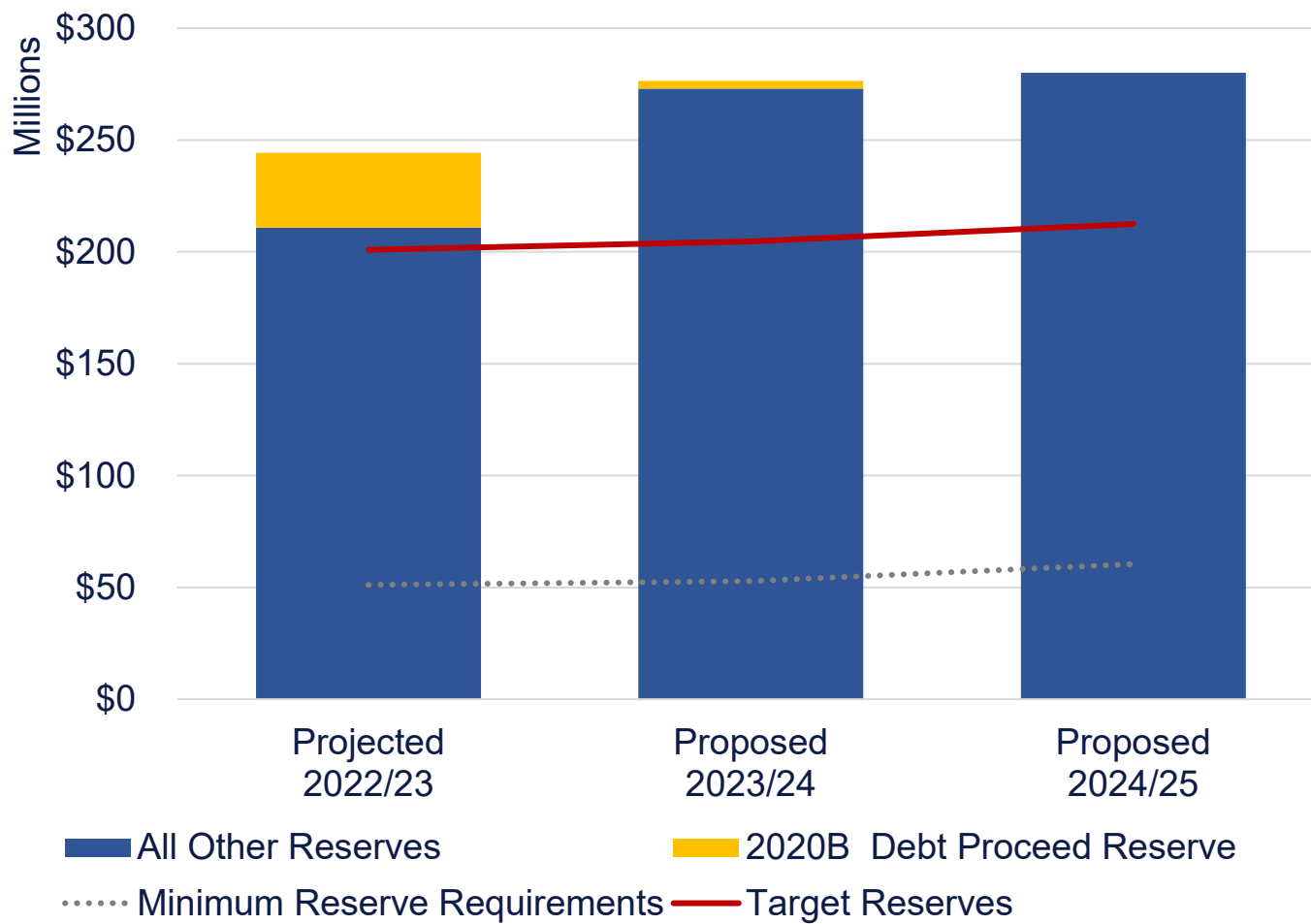
Fund	Current Allocation Fixed %	FY 2022/23 Projected Actual	FY 2023/24 Proposed	FY 2024/25 Proposed
Regional Wastewater Capital	65%	\$50.4M	\$51.4M	\$52.2M
Regional Wastewater Operations	23%	\$17.8M	\$18.2M	\$18.5M
Recycled Water	4%	\$2.9M	\$3.1M	\$3.2M
Administrative Services	4.5%	\$3.5M	\$3.5M	\$3.6M
Water Resources	3.5%	\$2.7M	\$2.8M	\$2.8M
Total		\$77.3M	\$79.0M	\$80.3M

# Wastewater Capital Improvement Fund

## Total Sources and Uses of Funds



# Wastewater Capital Improvement Fund Fund Reserves

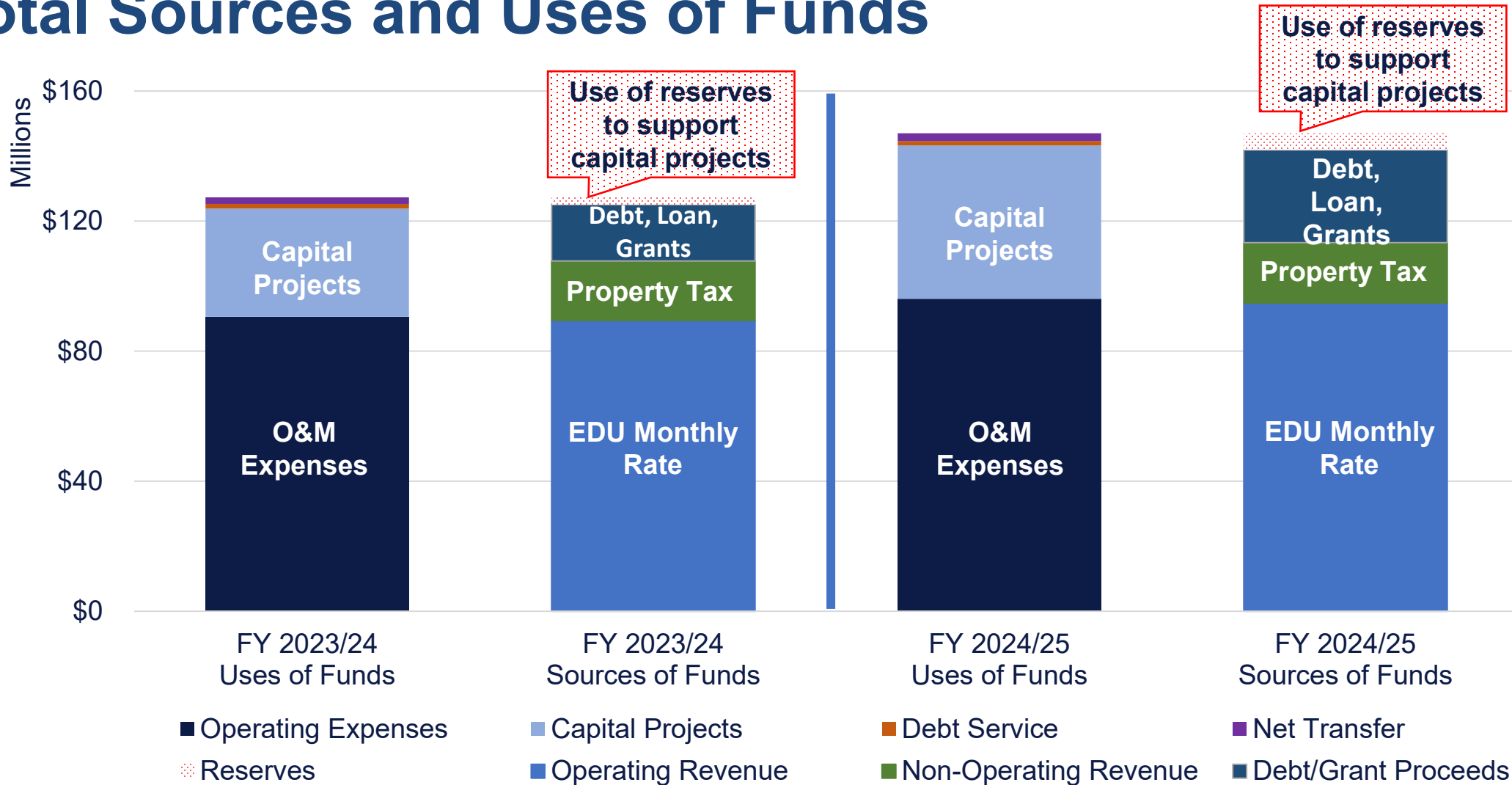


**Stable reserves for planned capital project expenditures:**

- Use of 2020B Revenue Notes (RP-5 Expansion)
- Use of connection fees
- Use of Property Tax
- State loans and grants

# Wastewater Operations & Maintenance Fund

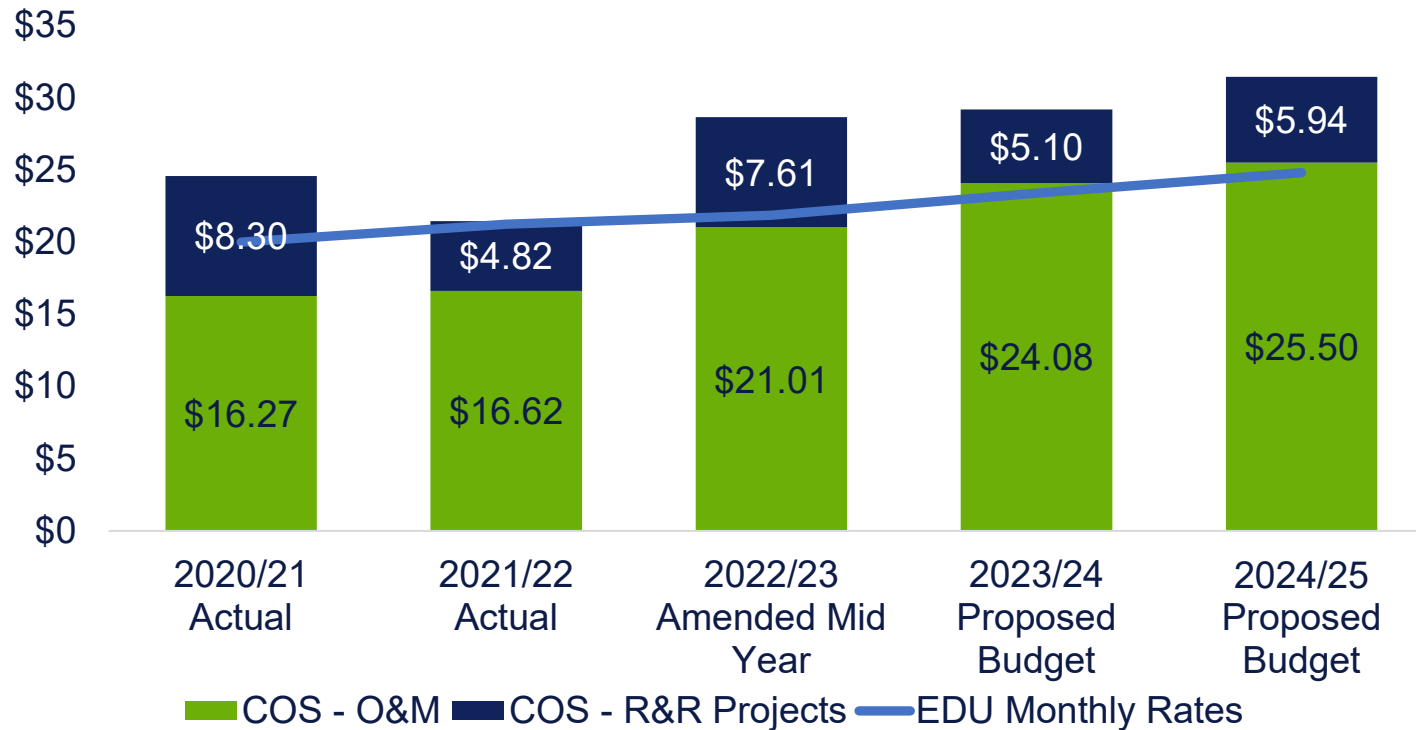
## Total Sources and Uses of Funds



# Wastewater Operations & Maintenance Fund

## Cost of Service/EDU

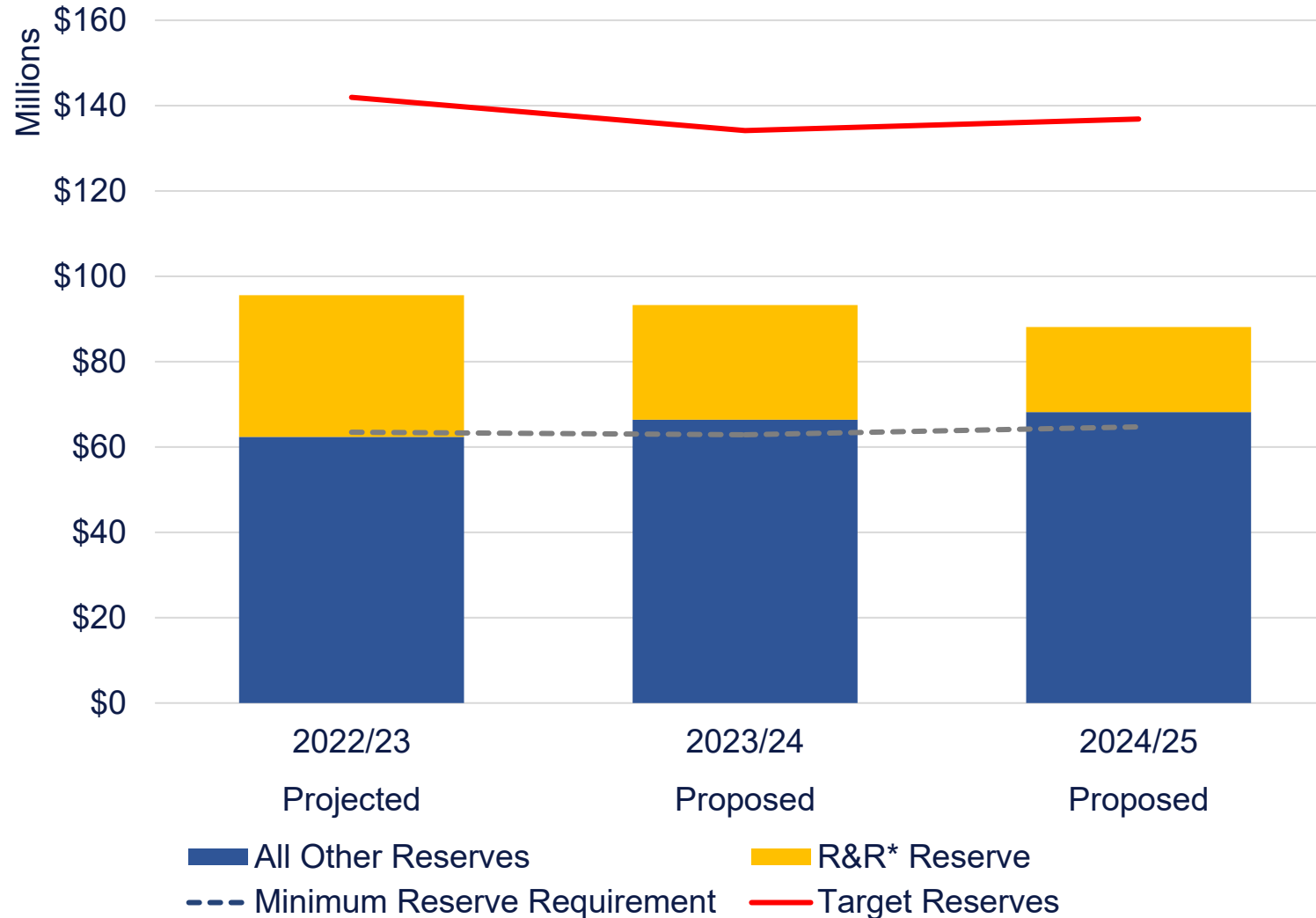
	2022/23 Adopted	2023/24 Proposed	2024/25 Proposed
Monthly EDU Rate	\$21.86	\$23.39	\$24.79



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

# Wastewater Operations & Maintenance Fund

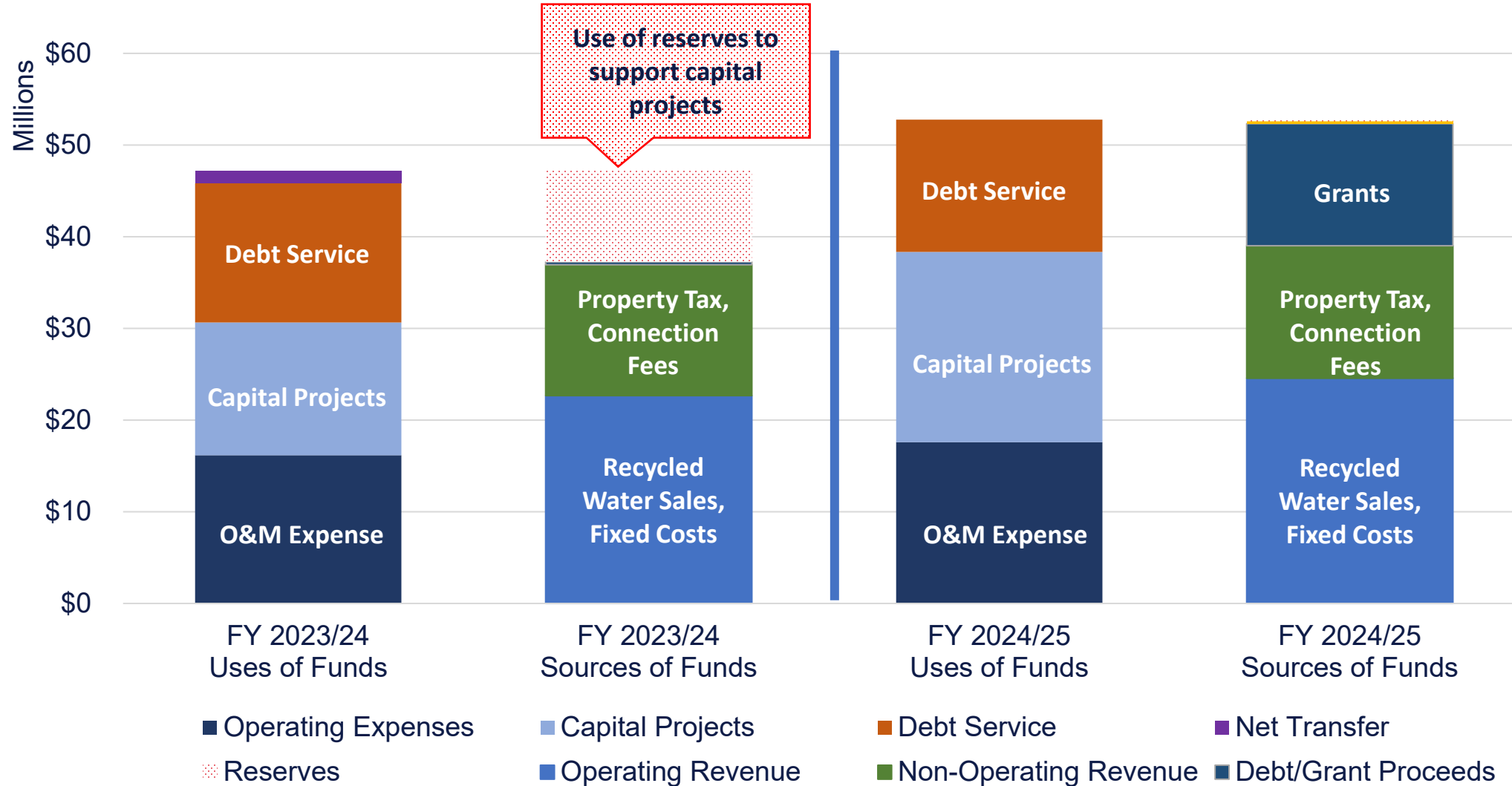
## Fund Reserves



- Stable reserves after property taxes and reserves to support planned R&R\* capital projects

# Recycled Water Fund

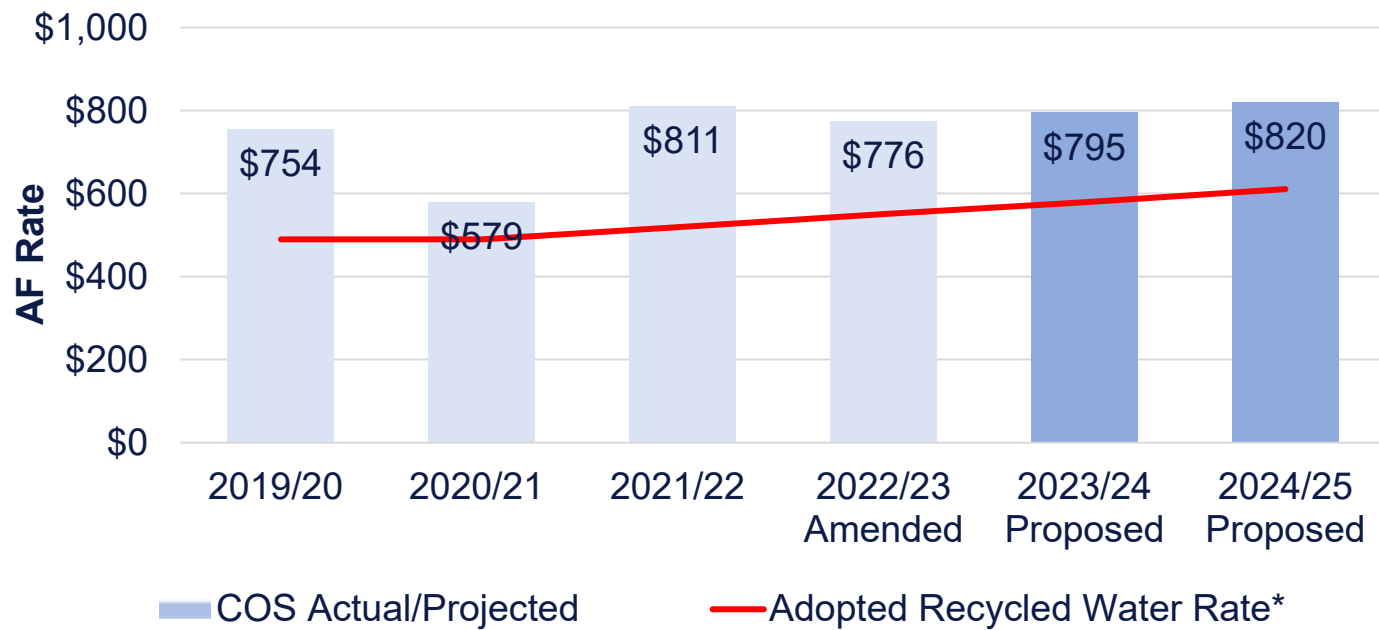
## Total Sources and Uses of Funds



# Recycled Water Fund

## Cost of Service/AF

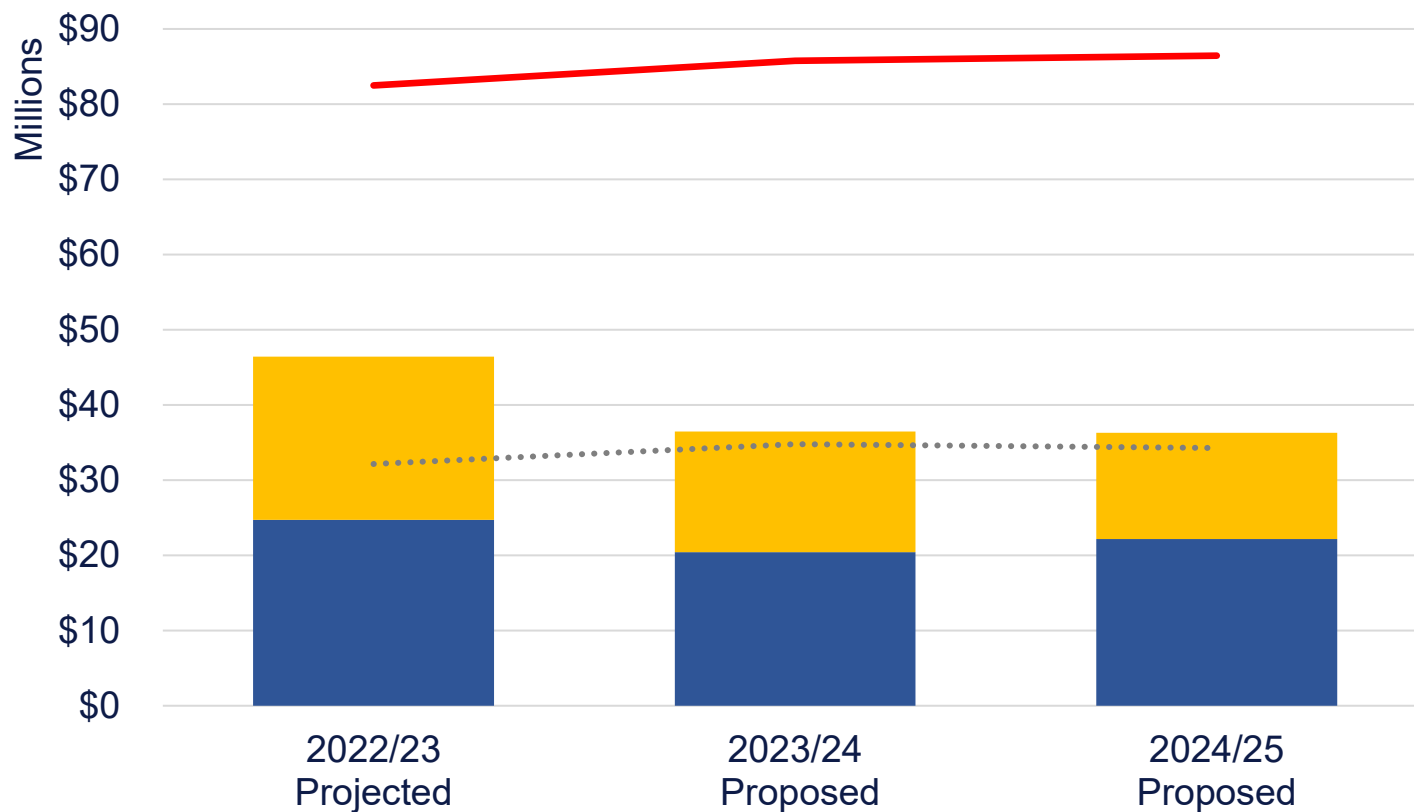
Recycled Water Acre Foot Rate	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted
Direct Delivery	\$516	\$510	\$465
Groundwater Recharge	\$616	\$660	\$665
Fixed Cost Recovery	\$1.1M	\$2.4M	\$5.0M



- COS components include O&M, CIP, and Debt Service
- June 2022 Recycled Water Rate Structure changed to include Fixed Cost Recovery to support debt service costs
- COS shortfall is supported by Fixed Cost Recovery and reserves

\*Adopted Recycled Water rate includes Fixed Cost Recovery equivalent amount

# Recycled Water Fund Reserves



- Projected decrease to support planned capital project costs.
- Agency will continue to pursue federal and state grants to support implementation of projects
- Maintain reserve levels above the minimum requirements

All Other Reserves
  Water Connection Reserve

Minimum Reserve Requirement
  Target Reserve

# Take-Away

Inflation driven operating costs up, mainly utilities and chemicals.

Maintain current property tax allocation.

Proposed Wastewater rates for FYs 2023/24 and 2024/25.

Adopted Recycled Water rates through FY 2024/25.

CIP emphasis on RP-5 Expansion and R&R of aging assets. Financing with low interest federal and state loans, while pursuing grants opportunities.

Increase in staffing to support Agency objectives.

# Biennial Budget Review and Approval Timeline

Month	Budget Item	IEUA Committee	IEUA Board	Regional Technical	Regional Policy
Mar 2023	FY 2023/24 – 2024/25 Wastewater Cost of Service and Proposed Rates workshop		3/01/23	3/30/23	4/6/23
Apr 2023	Adoption of Service Rates (EDUs), Wastewater Connection Fees, and Extra-Territorial Service Charges	4/12/23	4/19/23		
	Regional Program Budgets (Wastewater and Recycled Water) Information Item	4/12/23	4/19/23	4/27/23	5/4/23
May 2023	Non-Reclaimable Wastewater, Groundwater Recharge, Water Resources, and Administrative services Budgets	5/10/23	5/17/23		
Jun 2023	Biennial Budget, Rate Resolutions, and TYCIP	6/14/23	6/21/23	5/25/23	6/1/23

# Questions



**INFORMATION ITEM**

**3B**



# Recycled Water Groundwater Recharge Update

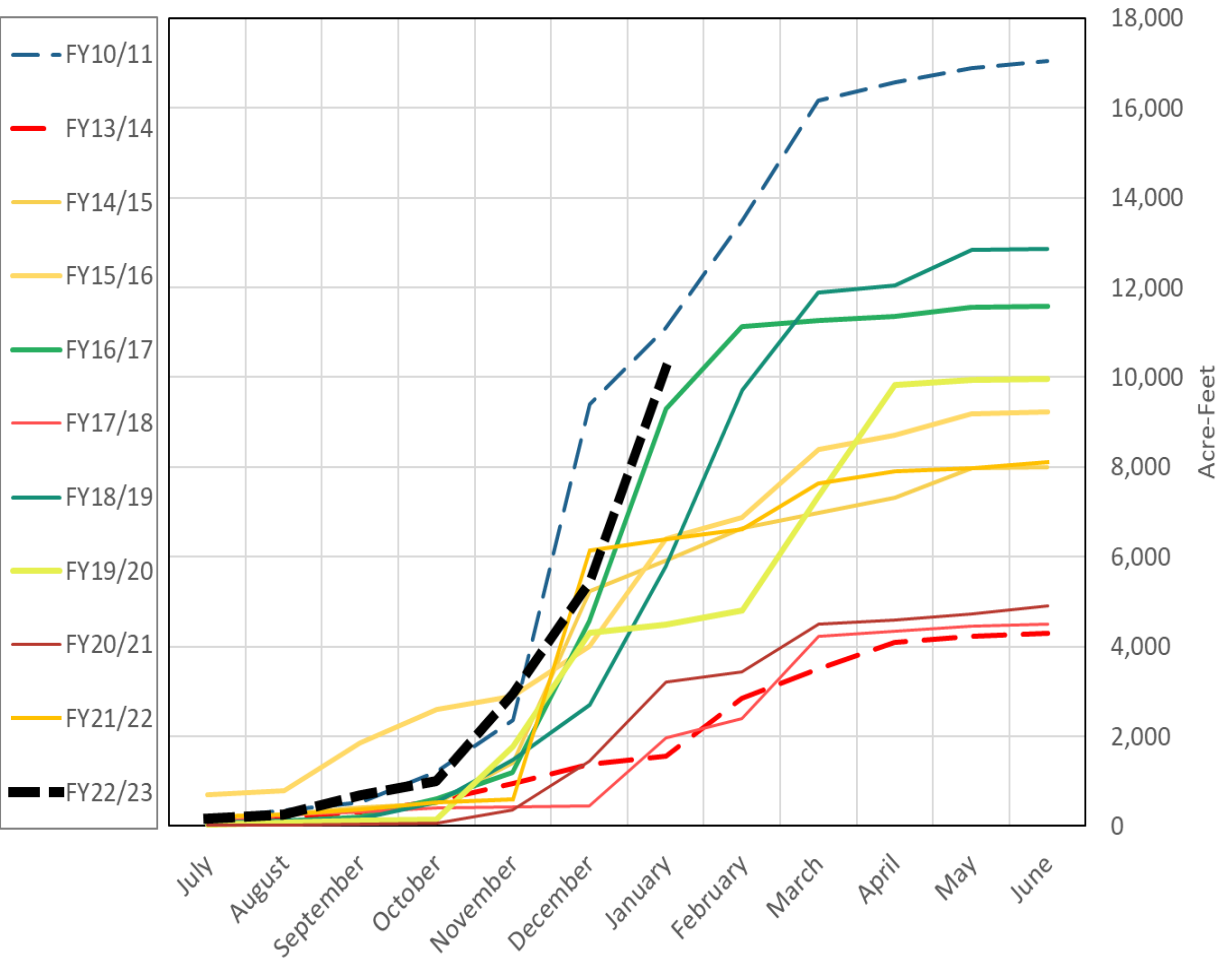
Steven Smith

Acting Groundwater Recharge Coordinator

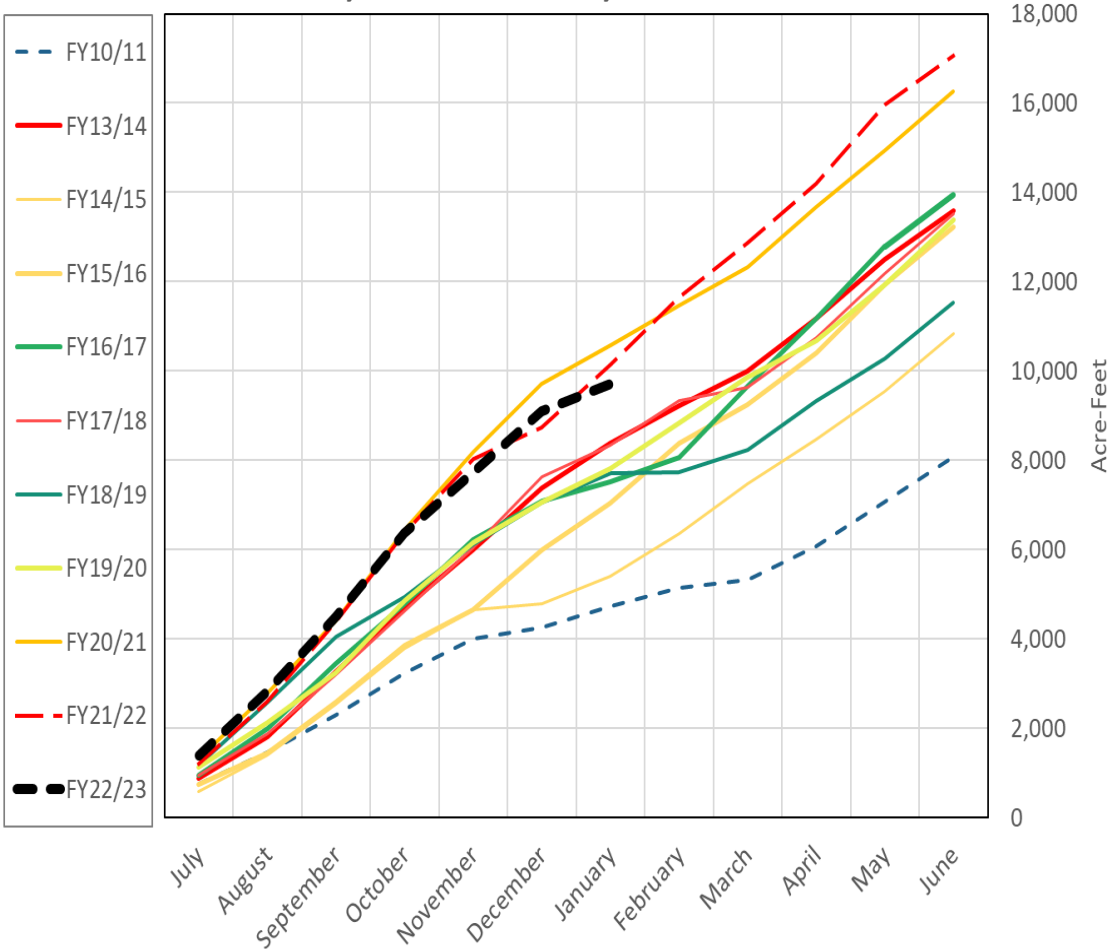
April/May 2023

# Annual Recharge Monthly Accumulation

Stormwater Monthly Accumulation

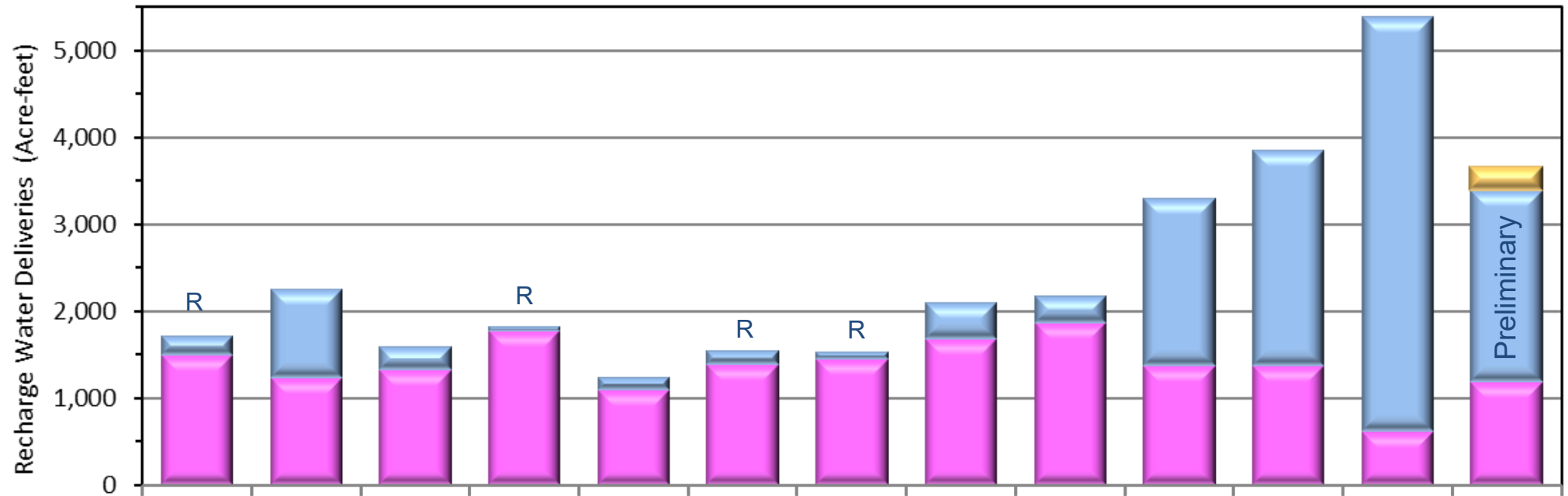


Recycled Water Monthly Accumulation



# Groundwater Recharge Deliveries – Past 12 Months

R – Record Monthly RW Recharge in  
February, May, July and August 2022



	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023
■ MWD and other Imported Water	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	281.6
■ Stormwater and Local Runoff (excluding Non-Replenishment)	222.1	1,022.1	272.7	66.1	145.6	166.0	94.4	429.0	325.4	1,941.8	2,486.0	4,786.7	2,216.4
■ Recycled Water	1,491.7	1,231.6	1,327.2	1,761.7	1,091.2	1,379.8	1,448.3	1,680.7	1,862.6	1,366.1	1,368.7	606.0	1,174.2

# Preliminary Storm Capture Estimates

Month	Storm Capture (Preliminary)
November	1,948 AF
December	2,486 AF
January	4,829 AF
February (Preliminary)	~2,000 AF

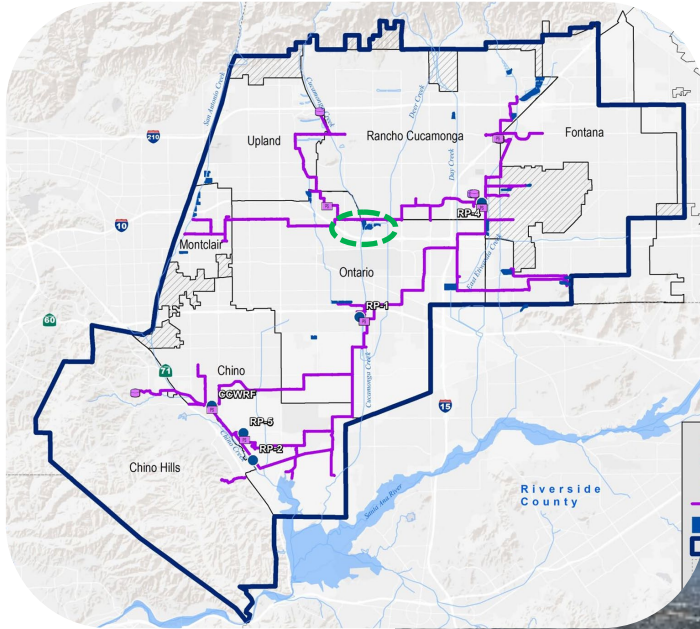


# Imported water deliveries

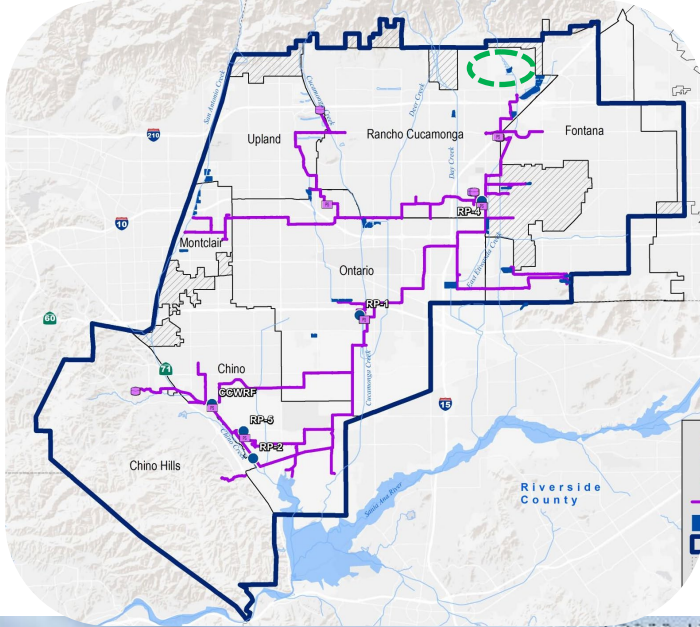
- SAWCO – San Antonio Creek
- CVWD – West Cucamonga Creek
- MWD – TBD



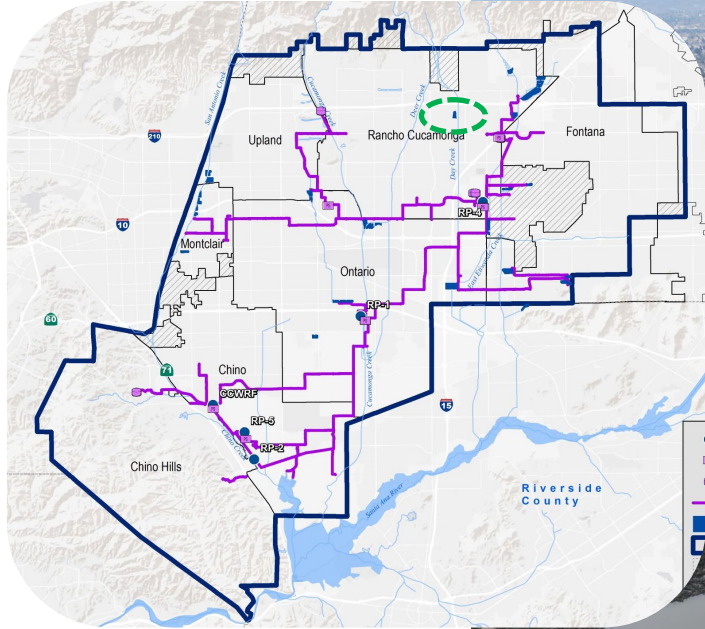
# Storm Capture – Turner Basins



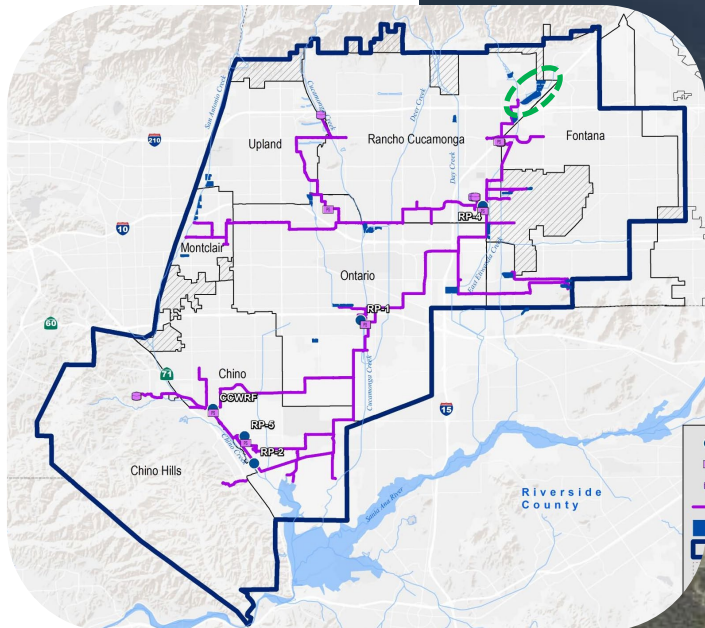
# Storm Capture – Etiwanda Debris Basin



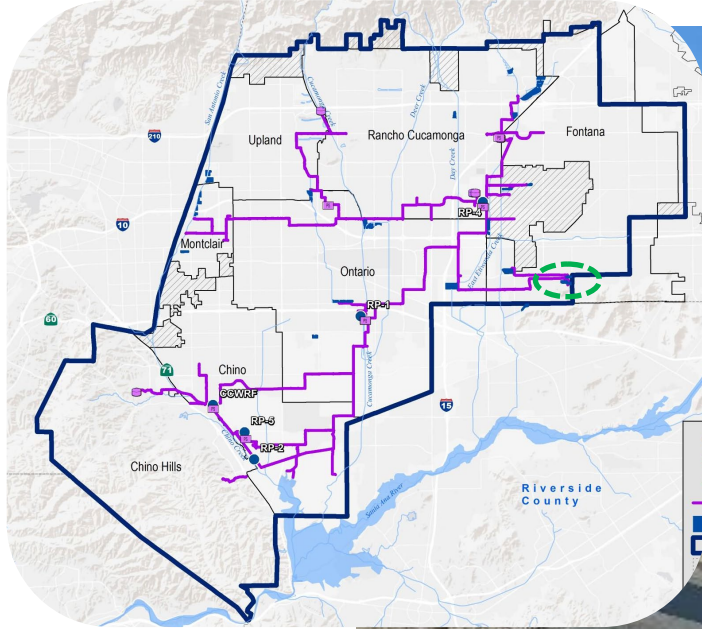
# Storm Capture – Lower Day



# San Sevaine 3 Muddy Inflows



# RP3 Trash Net Installation



# New Recharge Basin Use – RP3 Cell 2R

12/07/2022 14:26



# Upcoming Maintenance Projects

11/30/2022 10:29

Erosion near San Sevaine 5 Pump Vault

09/21/2022 08:29

Lower Day access ramp  
washout repair and regrading

11/30/2022 10:28

02/02/2021

Turner 1 and RP-3  
Rubber Dam Replacement

11/07/2022 10:06

Sediment removal from  
base of outlet headwall

# Questions?



INFORMATION ITEM

**3C**

# Operations & Maintenance Department Quarterly Update

Arin Boughan  
Acting Manager of Regional Composting Authority  
April/May 2023

# Operations & Maintenance Department



- 4 Units, Training Coordinator
- 145 employees
- Work directly with every Department and Unit across the Agency

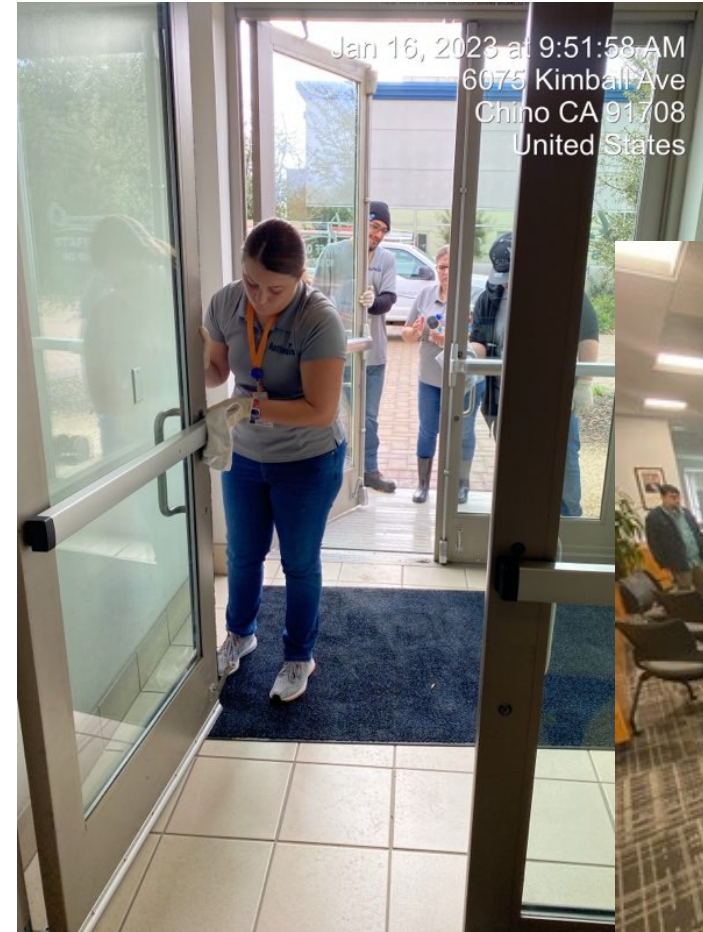
# Facilities & Water System Programs Unit

- 24 staff
- Manages:
  - Sewer Collection System
    - Cleaning & CCTV target of 2,754ft weekly
    - CWEA SARBS Award for Collection System of the Year Small – GOLD
  - Groundwater Recharge
  - Recycled Water Distribution
  - Facilities Management & Security
    - Completes 600 support tickets annually
    - New - Anthesis Partnership



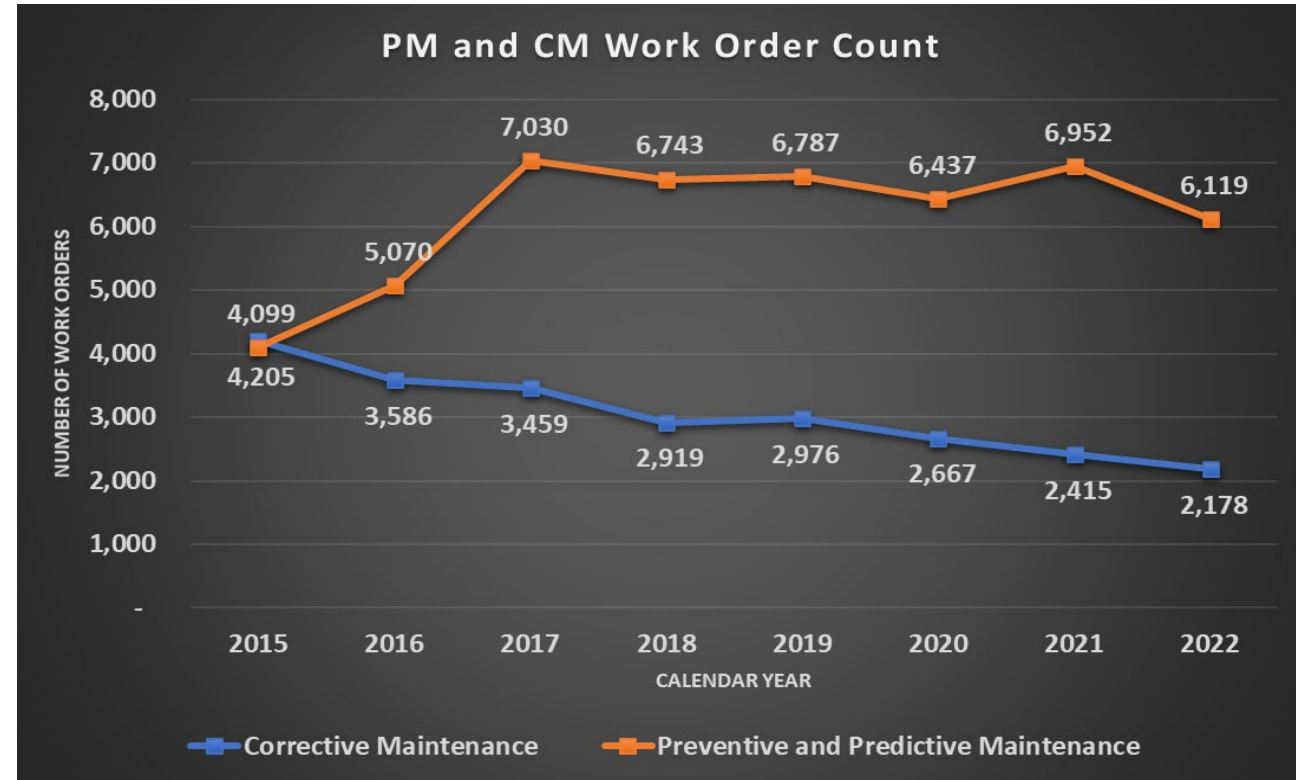
# Facilities & Water System Programs Unit

- Anthesis Partnership
  - Started Monday, January 16, 2023
  - Performing day-to-day on-site porter services around our headquarters facilities
  - Operating together with the Facilities Management team to keep our headquarters site hospitable for staff and visitors.



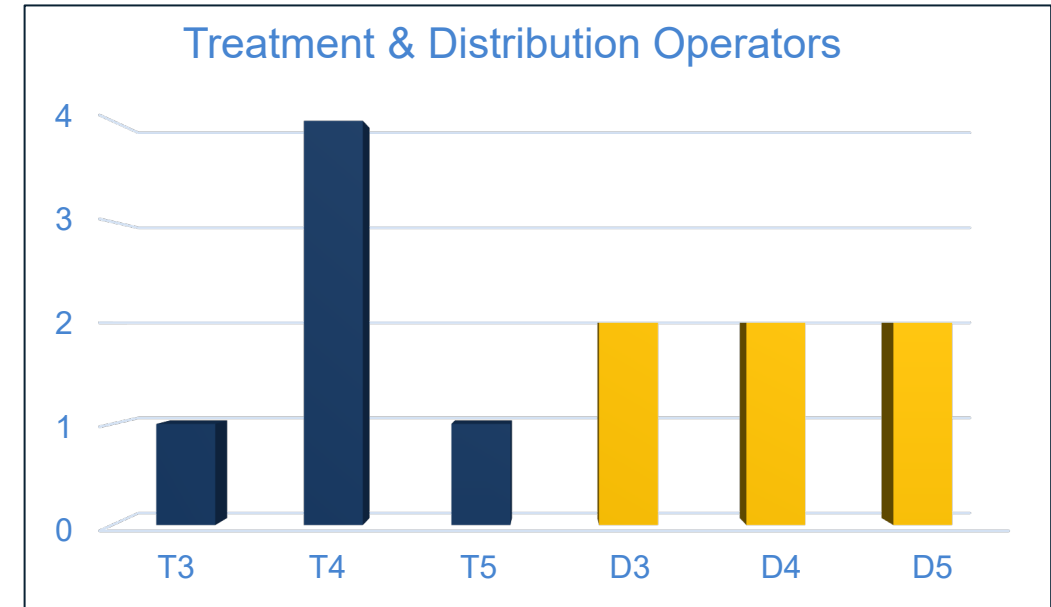
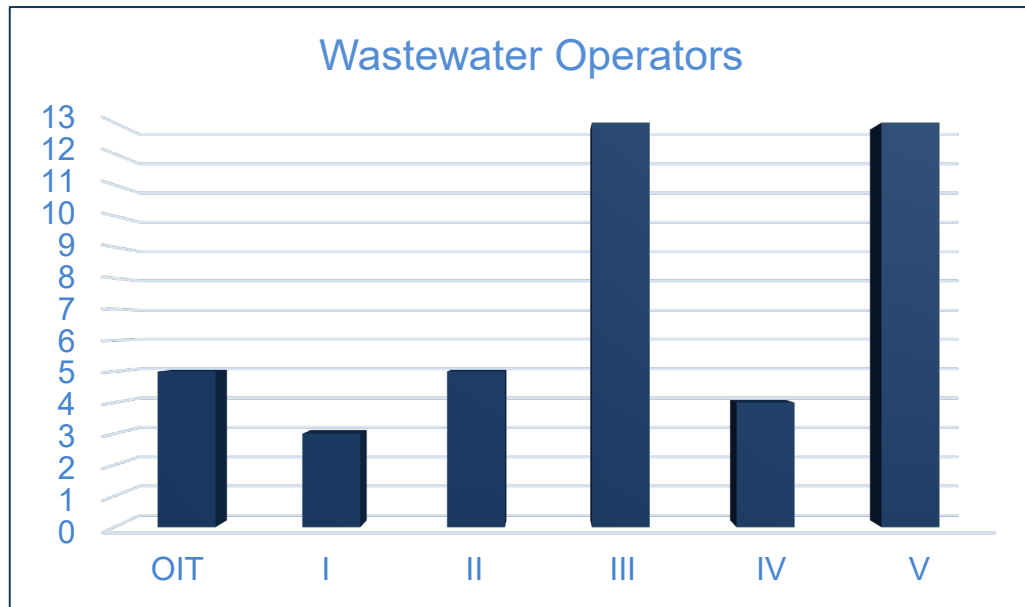
# Maintenance Unit

- 41 staff
- Maintains >15,000 assets
- Completes >10,000 work orders/year
- Includes: Planners, Mechanics, Electrical and Instrumentation Technicians



# Operations Unit

- 49 certified wastewater and water operators across IEUA
- 51 MGD wastewater into valuable recycled water
- 7 Advanced Water Treatment Operators



# Organics Management Unit

- 25 staff
- 200,000 tons/yr processed (biosolids and greenwaste)
- Markets 230,000 cys/yr compost
- All operations, maintenance, sales, warehouse, and administration onsite



**RECEIVE AND FILE**

**4A**

# Building Activity Report - YTD Fiscal Year 2022/23



**Legend**

Service Area

Unincorporated

## Residential

<=1.0

1.0 - 10.0

>10.0

## Commercial

<=1.0

1.0 - 10.0

>10.0

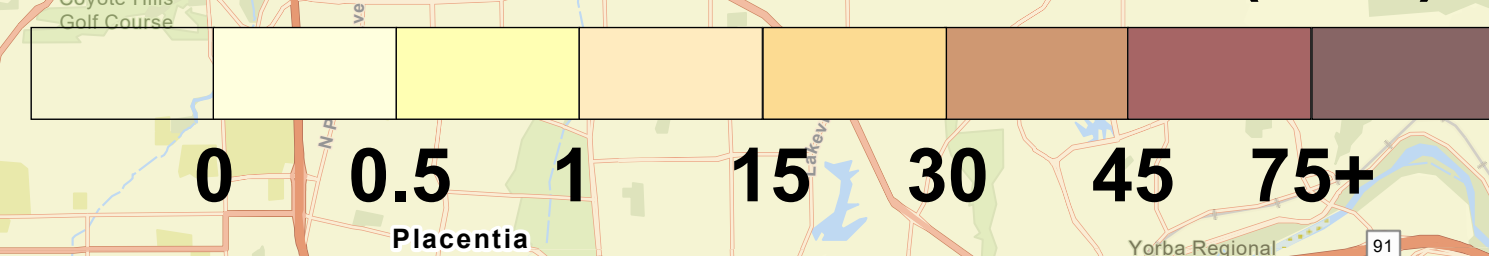
## Industrial

<=1.0

1.0 - 10.0

>10.0

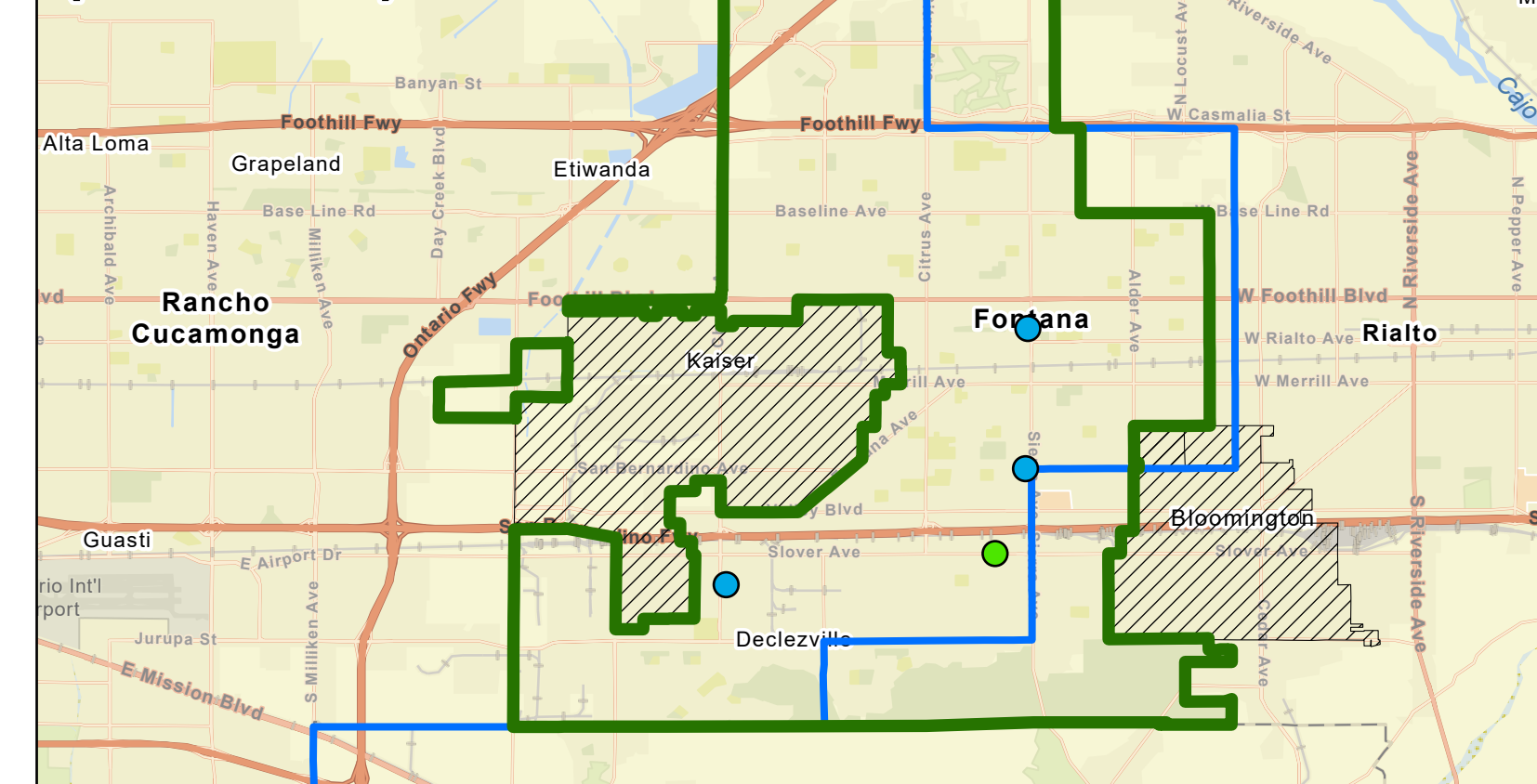
## HALF MILE GRID: TOTAL EDU's (YTD)



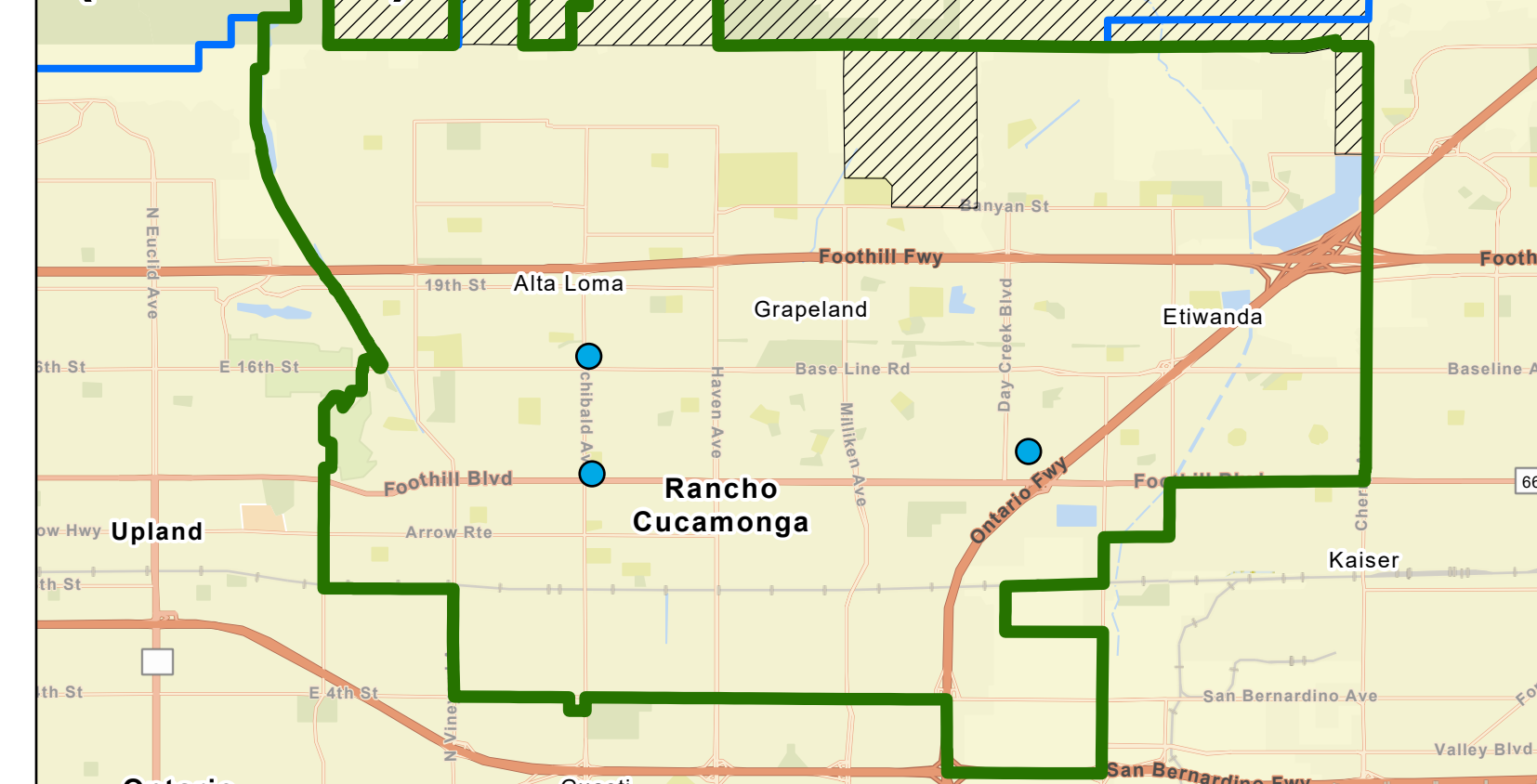
## TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual				Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)	Total (EDUs)	
Chino	36	0	66	102	434
Chino Hills	13	0	2	15	19
CVWD	25	0	18	43	2050
Fontana	61	2	270	333	962
Montclair	19	2	0	21	474
Ontario	73	152	519	744	3780
Upland	17	0	74	91	340
Total	244	157	949	1350	8059

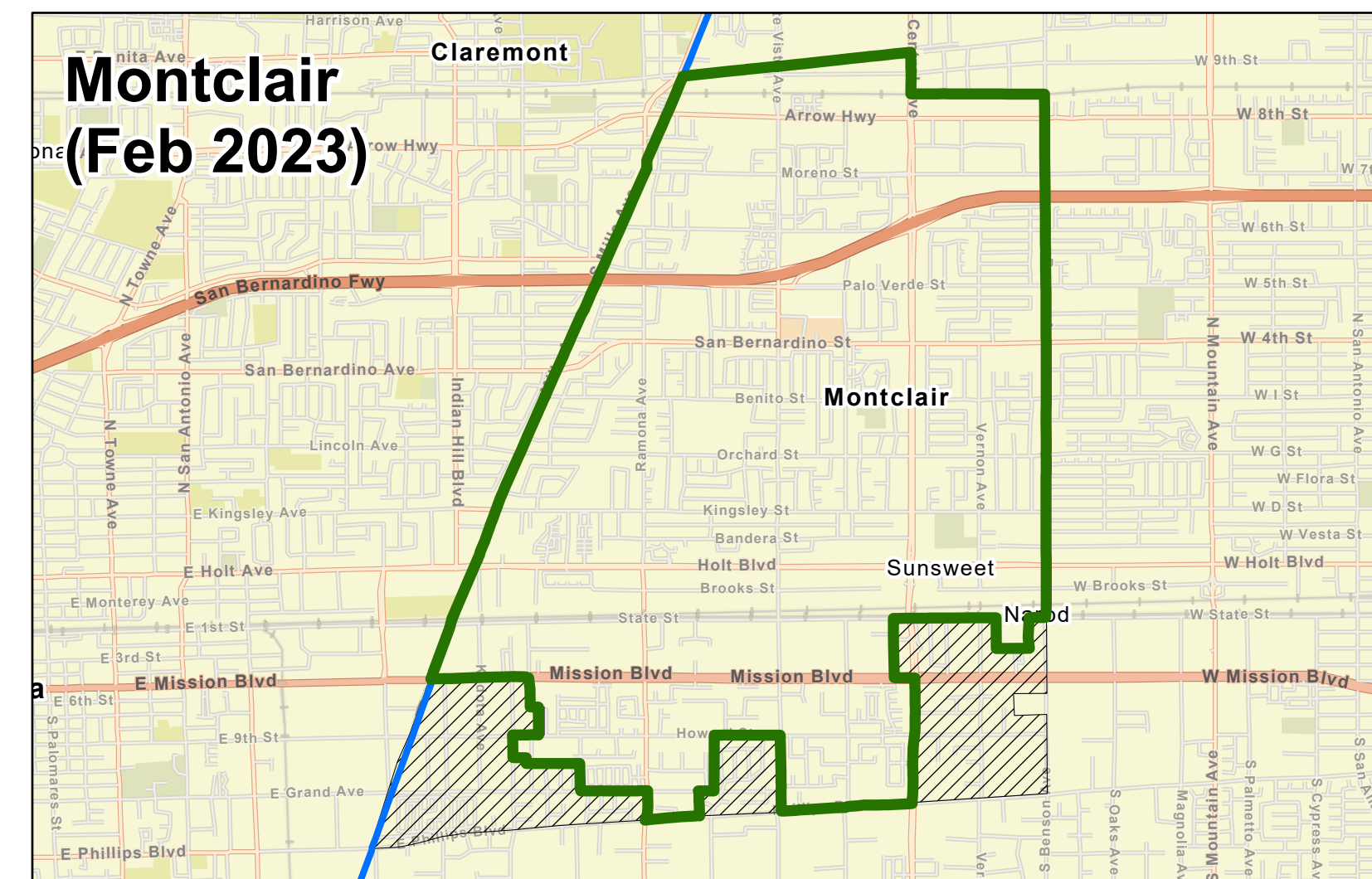
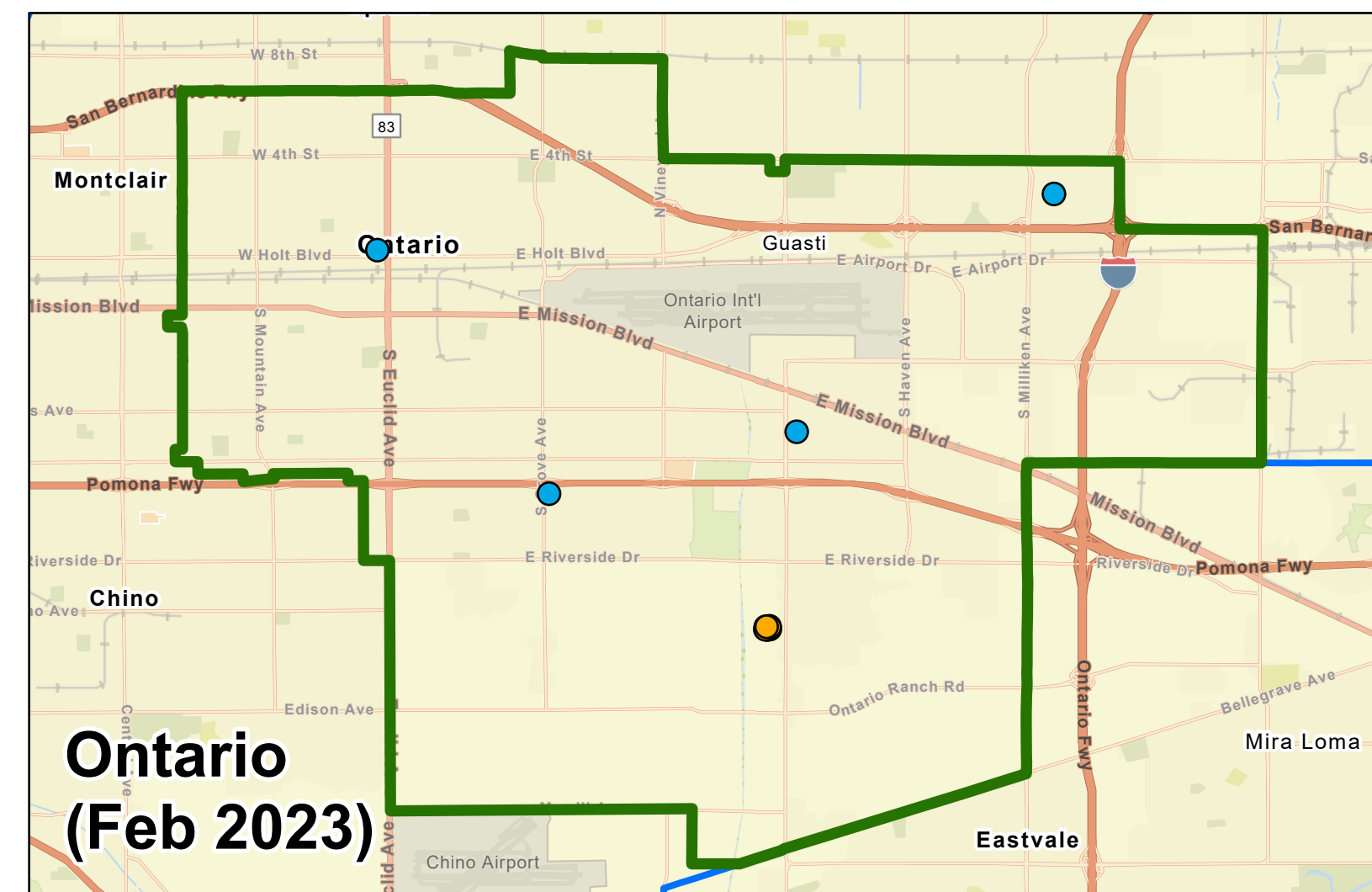
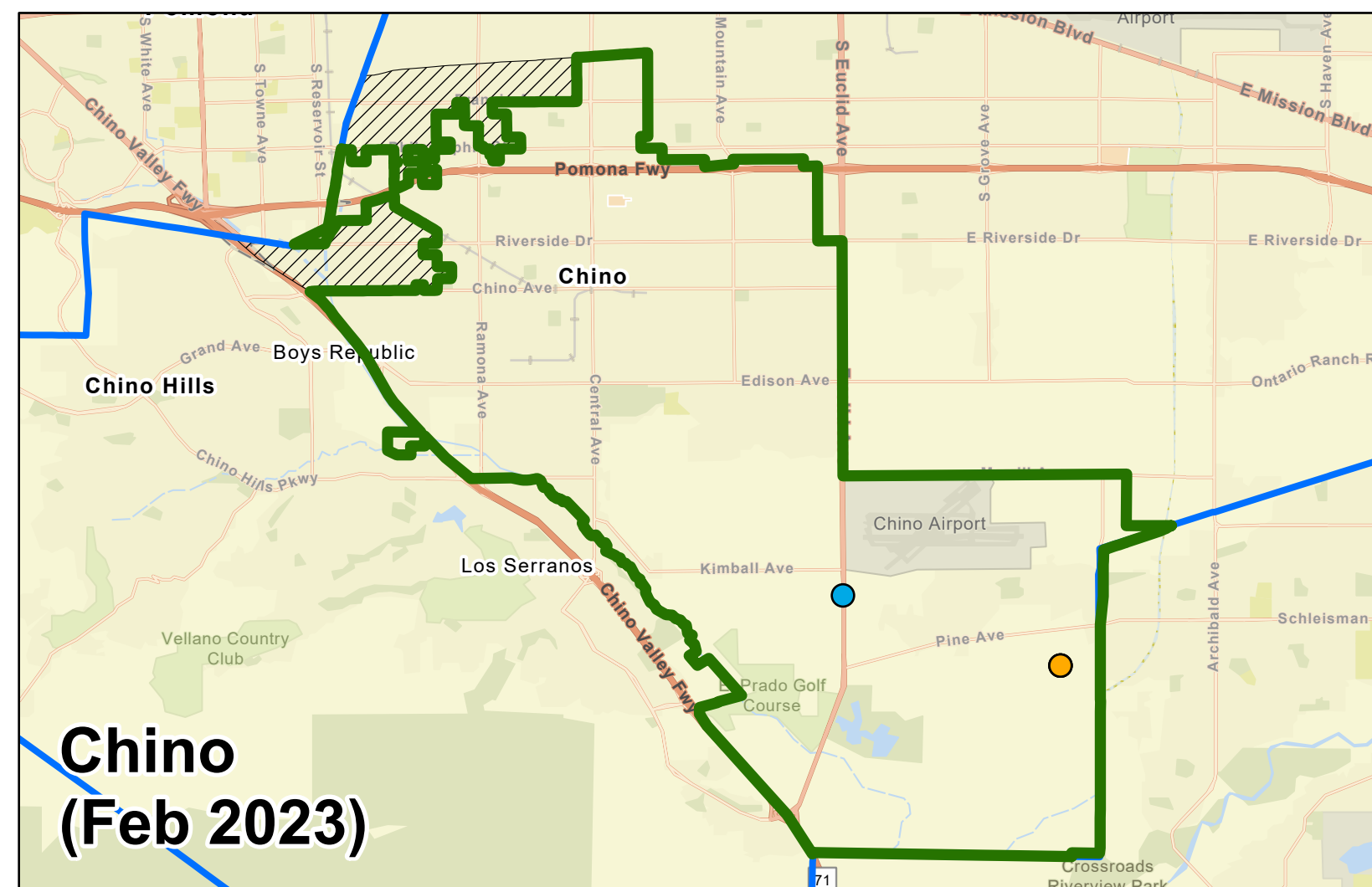
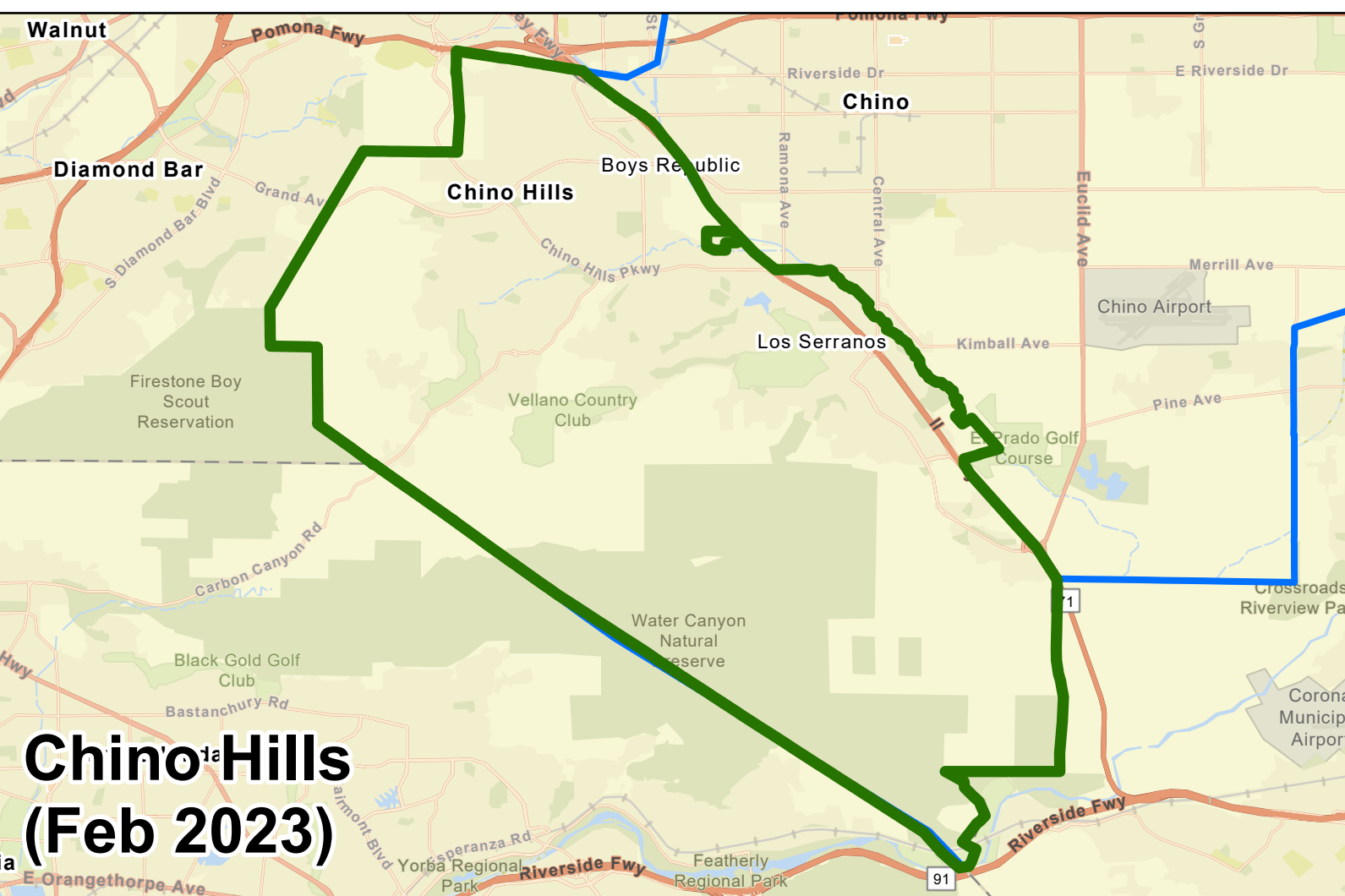
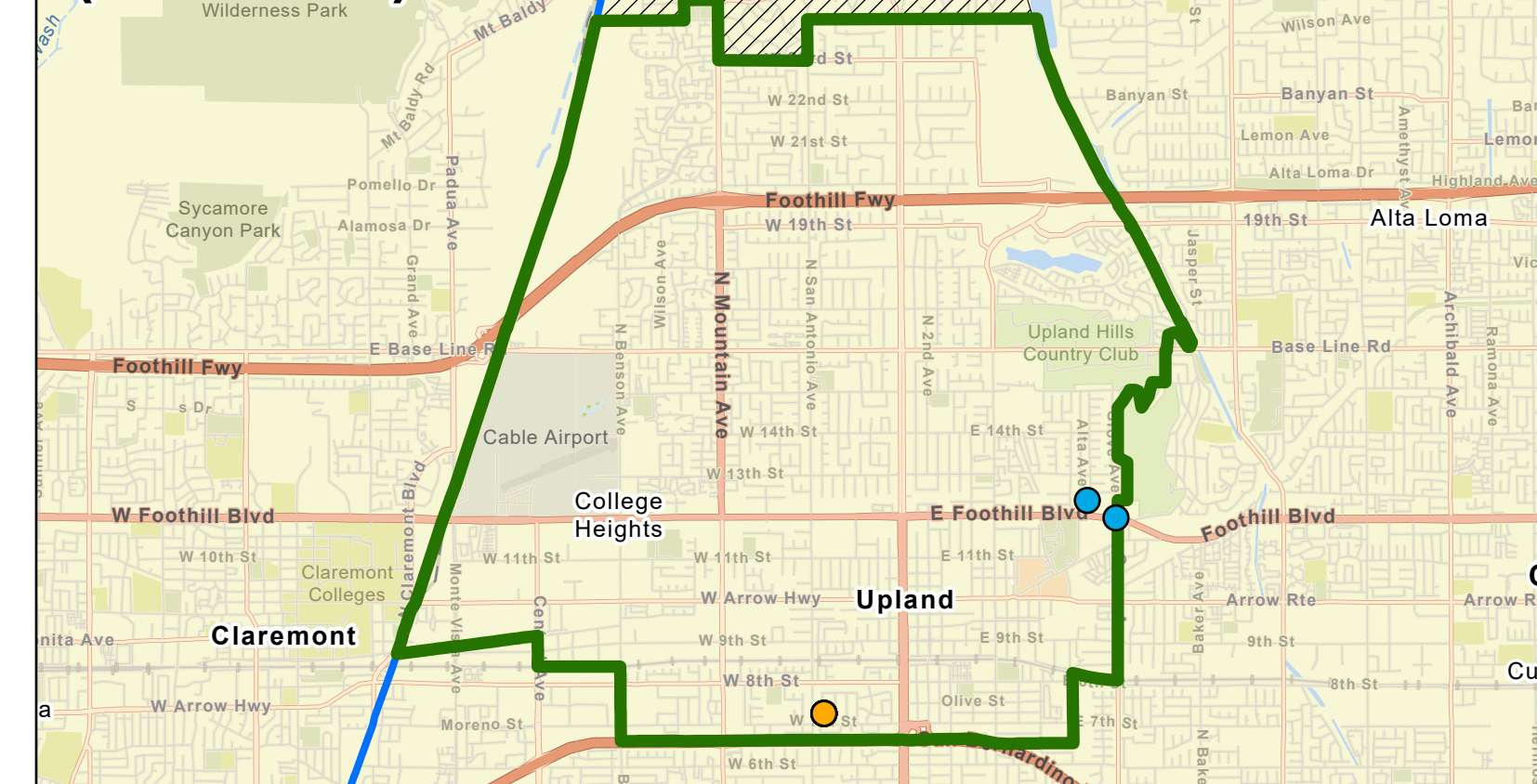
## Fontana (Feb 2023)



## Cucamonga Valley Water District (Feb 2023)



## Upland (Feb 2023)



RECEIVE AND FILE

**4B**

# IEUA RECYCLED WATER DISTRIBUTION – MARCH 2023

## TOTAL ALL PLANTS

Influent: 55.9 MGD  
 Delivered: 9.9 MGD  
 Percent Delivered: 18%

## Preliminary Deliveries

RW GWR: 2.8 MGD  
 RW Direct Use: 7.1 MGD

## RP-4

Delivered: 5.2 MGD

## RP-1

Delivered: 0.3 MGD

## CCWRF

Delivered: 3.0 MGD

## RP-5

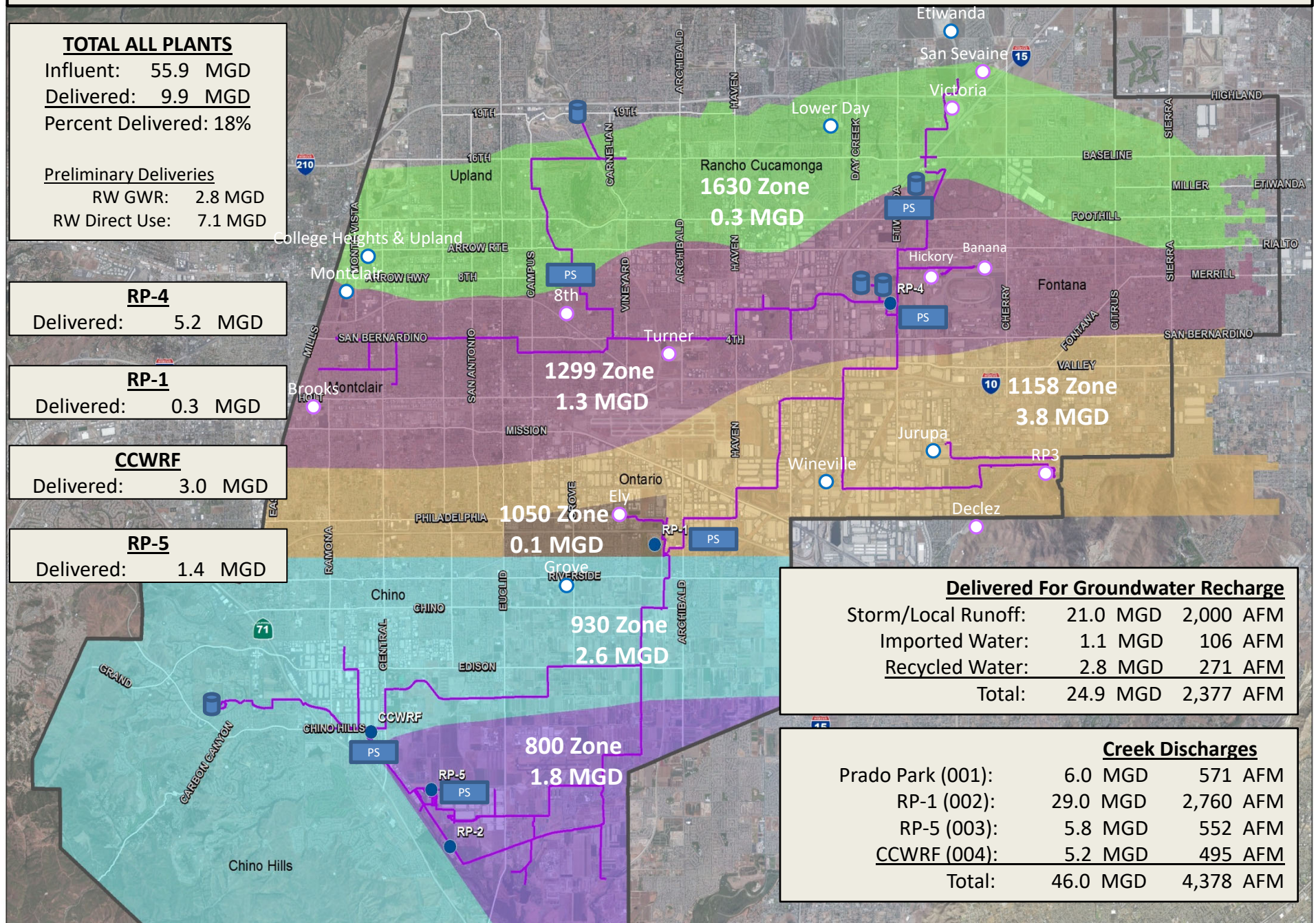
Delivered: 1.4 MGD

## Delivered For Groundwater Recharge

Storm/Local Runoff:	21.0 MGD	2,000 AFM
Imported Water:	1.1 MGD	106 AFM
Recycled Water:	2.8 MGD	271 AFM
Total:	24.9 MGD	2,377 AFM

## Creek Discharges

Prado Park (001):	6.0 MGD	571 AFM
RP-1 (002):	29.0 MGD	2,760 AFM
RP-5 (003):	5.8 MGD	552 AFM
CCWRF (004):	5.2 MGD	495 AFM
Total:	46.0 MGD	4,378 AFM



**Recycled Water Recharge Deliveries - March 2022 (Acre-Feet)**

Basin	3/1-3/5	3/6-3/12	3/13-3/19	3/20-3/26	3/27-3/31	Month Actual	FY To Date Actual	Deliveries are draft until reported as final and do not included evaporative losses.	
Ely	16.4	0.0	0.0	0.0	0.0	16.4	513		
Banana	0.0	36.1	24.0	24.9	1.4	86.4	522		
Hickory	8.4	15.4	24.0	24.9	1.4	74.1	788		
Turner 1 & 2	0.0	0.0	0.0	0.0	0.0	0.0	542		
Turner 3 & 4	0.0	0.0	0.0	33.1	3.7	36.8			
8th Street	0.0	72.8	65.3	20.1	0.0	158.2	1812		
Brooks	0.0	0.0	0.0	0.0	0.0	0.0	550		
RP3	22.4	51.1	72.2	50.8	58.7	255.2	3899		
Declez	4.9	24.6	31.3	22.5	0.3	83.6	629		
Victoria	17.2	40.0	55.1	92.5	31.0	235.8	1147		
San Sevaine	36.5	50.4	67.0	94.0	31.1	279.0	2475		
<b>Total</b>	<b>105.8</b>	<b>290.4</b>	<b>338.8</b>	<b>362.8</b>	<b>127.7</b>	<b>1,225.5</b>	<b>12,875</b>	<b>11,470</b>	<b>AF previous FY to day actual</b>

