

AGENDA MEETING OF THE INLAND EMPIRE UTILITIES AGENCY* BOARD OF DIRECTORS

WEDNESDAY, JULY 19, 2023 10:00 A.M.

AGENCY HEADQUARTERS BOARD ROOM 6075 KIMBALL AVENUE, BUILDING A CHINO, CALIFORNIA 91708 VIEW THE MEETING LIVE ONLINE AT IEUA.ORG TELEPHONE ACCESS: (415) 856-9169 / Conf Code: 373 012 992#

The public may participate and provide public comment during the meeting by attending the meeting inperson or by dialing the number provided above. Comments may also be submitted by email to the Board Secretary/Office Manager Denise Garzaro at <u>dgarzaro@ieua.org</u> prior to the completion of the Public Comment section of the meeting. Comments will be distributed to the Board of Directors.

CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS MEETING

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; 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. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to email the Board Secretary/Office Manager prior to the public comment section or request to address the Board during the public comments section of the meeting. <u>Comments will be limited to three minutes per speaker.</u> Thank you.

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.

NEW, PROMOTED AND RECLASSIFIED EMPLOYEE INTRODUCTIONS

*A Municipal Water District

PRESENTATION

<u>RECOGNITION FOR PARTICIPATION AT THE SPHERES OF</u> <u>SUSTAINABILITY SUMMIT – Hispanic Coalition of Small Businesses Chair</u> <u>Frank Montes</u>

1. CONSENT ITEMS

NOTICE: All matters listed under the Consent Calendar are considered to be routine and noncontroversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. <u>MINUTES</u>

Approve minutes of the May 3 and June 21, 2023 Board Meetings.

B. <u>**REPORT ON GENERAL DISBURSEMENTS**</u> (*Finance & Admin*) Staff recommends that the Board approve the total disbursements for the month of May 2023, in the amount of \$21,475,484.18.

C. <u>ADOPTION OF RESOLUTION NO. 2023-7-2, APPROVING THE</u> <u>DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-</u> <u>STATE AGENCIES</u>

Staff recommends that the Board adopt Resolution No. 2023-7-2 authorizing the General Manager or designee to execute the FEMA assistance agreement and to submit all required documents to the California Office of Emergency Services.

D. FISCAL YEAR 2023/24 ANNUAL AUDIT PLAN (Audit) Staff recommends that the Board:

- 1. Approve the FY 2023/24 Annual Audit Plan; and
- 2. Direct the Manager of Internal Audit to implement the FY 2023/24 Annual Audit Plan.
- E. <u>ADOPT POSITION OF SUPPORT ON THE SUPPORT TO REHYDRATE</u> <u>THE ENVIRONMENT, AGRICULTURE AND MUNICIPALITIES ACT</u> (*Community & Leg*) Staff recommends that the Board adopt a position of support on the Support to Rehydrate the Environment, Agriculture and Municipalities Act (STREAM Act).
- F. <u>SODIUM HYPOCHLORITE AND FERRIC CHLORIDE CHEMICAL</u> <u>CONTRACT AWARDS</u> (*Eng/Ops/WR*) Staff recommends that the Board:
 - 1. Approve the award to provide the supply of sodium hypochlorite chemicals, Contract No. 4600003367 to JCI Jones Chemicals Incorporated, for a one-year contract, with four one-year renewal options, for a potential total contract term of five years for a not-to-exceed amount of \$17,000,000;

- 2. Approve the award to provide the supply of ferric chloride chemicals, Contract No. 4600003373, to California Water Technologies, LLC for a one-year contract, with four one-year renewal options, for a potential total contract term of five years for a not-to-exceed amount of \$9,100,000; and
- 3. Authorize the General Manager to execute the contracts, subject to non-substantive changes.

G. <u>PURCHASE OF AGENCY-WIDE INSURANCE FOR FISCAL YEAR</u> 2023/24 (Finance & Admin)

Staff recommends that the Board ratify the purchase of Agency-wide insurance policies providing coverage through Fiscal Year 2023/24 as follows:

- a. Excess General Liability insurance in the amount of \$933,009;
- b. Property, Boiler & Machinery insurance in the amount of \$1,050,000; and
- c. Excess Workers' Compensation insurance in the amount of \$115,818.

H. <u>PRE-APPROVAL FOR HEAVY FLEET EQUIPMENT PURCHASES</u> (*Eng/Ops/WR*) (*Finance & Admin*) Staff recommends that the Board authorize the General Manager to execute the procurement of "off-the-lot" vehicles, up to \$1,000,000.

2. ACTION ITEMS

A. <u>CONSULTING PROGRAM MANAGEMENT AND OWNER</u> <u>ENGINEERING SERVICES CONTRACT AWARD</u> (Eng/Ops/WR) (Finance & Admin)

Staff recommends that the Board:

- 1. Award a master services contract for the consulting program management and owner engineering services to the Jacobs Engineering Team. Inc, in the amount of \$9,113,805; and
- 2. Authorize the General Manager to execute the contract, subject to nonsubstantive changes.

B. ADOPTION OF RESOLUTION NO. 2023-7-1, AUTHORIZING THE EXECUTION AND DELIVERY OF A WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT LOAN AMENDMENT

Staff recommends that the Board adopt Resolution No. 2023-7-1, Authorizing the Execution and Delivery of a Water Infrastructure Finance and Innovation Act (WIFIA) Loan Amendment.

3. RECEIVE AND FILE INFORMATION ITEMS

- A. <u>LAND LEASE AND DEVELOPMENT RP-5 SOLIDS HANDLING</u> <u>FACILITY SITE REQUEST FOR PROPOSALS UPDATE (POWERPOINT)</u> (*Eng/Ops/WR*)
- B. <u>GROUNDWATER RECHARGE UPDATE (POWERPOINT) (Eng/Ops/WR)</u>
- C. <u>PLANNING AND RESOURCES DEPARTMENT UPDATE</u> (<u>POWERPOINT</u>) (Eng/Ops/WR)
- D. <u>FEDERAL LEGISLATIVE REPORT FROM CARPI AND CLAY</u> (WRITTEN) (Community & Leg)
- E. <u>STATE LEGISLATIVE REPORT FROM WEST COAST ADVISORS</u> (WRITTEN) (Community & Leg)
- F. <u>PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)</u> (Community & Leg)
- G. <u>RP-5 EXPANSION PROJECT UPDATE JULY 2023 (POWERPOINT)</u> (*Eng/Ops/WR*)
- H. <u>OPERATIONS AND MAINTENANCE DEPARTMENT QUARTERLY</u> <u>UPDATE (POWERPOINT) (Eng/Ops/WR)</u>
- I. <u>HUMAN RESOURCES UPDATES (POWERPOINT)</u> (Finance & Admin)
- J. <u>TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE MONTH</u> ENDED MAY 2023 (WRITTEN/ POWERPOINT) (Finance & Admin)
- K. <u>FISCAL YEAR 2022/23 FINANCIAL AUDIT ENGAGEMENT</u> <u>COMMUNICATIONS (WRITTEN/POWERPOINT)</u> (Audit)
- L. <u>LARGE AND HEAVY-DUTY EQUIPMENT AND VEHICLE AUDIT</u> (WRITTEN/POWERPOINT) (Audit)
- M. <u>FOLLOW-UP REVIEW OF RECOMMENDATIONS RELATED TO</u> <u>AGENCY POLICIES AND ETHICS POINT, BOARD RESOLUTIONS,</u> <u>AND ADMINISTRATIVE HANDBOOK (WRITTEN/POWERPOINT)</u> (Audit)
- N. <u>PROGRESS UPDATE FOR ALL PROCURE TO PAY AUDIT</u> <u>RECOMMENDATIONS – SIXTH UPDATE (WRITTEN/POWERPOINT)</u> (Audit)
- O. <u>REPORT OF OPEN AUDIT RECOMMENDATIONS AS OF JUNE 2023</u> (WRITTEN/POWERPOINT) (Audit)
- P. <u>INTERNAL AUDIT QUARTERLY STATUS REPORT FOR JUNE 2023</u> (WRITTEN) (Audit)

4. AGENCY REPRESENTATIVES' REPORTS

- A. <u>SANTA ANA WATERSHED PROJECT AUTHORITY REPORT</u> The July 18, 2023 SAWPA Commission Meeting agenda was not available at time of posting.
- B. <u>METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA</u> <u>REPORT (WRITTEN)</u> July 11, 2023 MWD Board meeting.
- C. <u>REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT</u> The next Regional Sewerage Program Policy Committee meeting is scheduled for August 3, 2023.
- D. <u>CHINO BASIN WATERMASTER REPORT (WRITTEN)</u> June 22, 2023 Chino Basin Watermaster Board meeting.
- E. <u>CHINO BASIN DESALTER AUTHORITY REPORT (WRITTEN)</u> July 6, 2023 CDA Board meeting.
- F. <u>THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY</u> <u>REPORT</u> The next IERCA Board meeting is scheduled for August 7, 2023.

5. GENERAL MANAGER'S REPORT (WRITTEN)

6. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

7. DIRECTORS' COMMENTS

A. <u>CONFERENCE REPORTS</u>

This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

8. CLOSED SESSION

- A. <u>PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) –</u> <u>CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION</u>
 1. City of Ontario v. Inland Empire Utilities Agency, Case No. CIVSB2211925
 - 2. Manuel Moreno v. Inland Empire Utilities Agency, et al., Case No. CIVSB2314111
- B. <u>PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)(e)1</u> <u>CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION</u> One Case

ADJOURN

I, Denise Garzaro, CMC, Board Secretary/Office Manager 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 <u>www.ieua.org</u> at least seventy-two (72) hours prior to the meeting date and time above.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary at (909) 993-1736 or <u>dgarzaro@ieua.org</u>, 48 hours prior to the scheduled meeting so that IEUA can make reasonable arrangements to ensure accessibility.

CONSENT CALENDAR ITEM





MINUTES REGULAR WORKSHOP OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS

WEDNESDAY, MAY 3, 2023 10:00 A.M.

DIRECTORS PRESENT:

Marco Tule, President Steven J. Elie, Vice President Michael Camacho, Director Paul Hofer, Director

DIRECTOR ABSENT:

Jasmin A. Hall, Secretary/Treasurer

STAFF PRESENT

Shivaji Deshmukh, P.E., General Manager Christiana Daisy, P.E., Deputy General Manager Kristine Day, Assistant General Manager Jerry Burke, Director of Engineering Andrea Carruthers, Communications Officer Stephanie Chancellor, External Affairs Analyst Lucia Diaz, Manager of Facilities & Water System Programs Lisa Dye, Director of Human Resources Chris Garcia, Environmental Resources Planner II Denise Garzaro, Board Secretary/Office Manager Brandon Gonzalez Contreras, Technology Specialist I Michael Hurley, Director of Planning & Resources Elizabeth Hurst, Chino Basin Program Manager Nolan King, Manager of Information Technology Yvonne Lam, External Affairs Specialist II Michael Larios, Technology Specialist I Eddie Lin, Senior Engineer William McDonnell, Senior Water Resources Analyst Catherine Mendoza, Intern Cathleen Pieroni, Acting Manager of Water Resources Alyson Piguee, Director of External & Government Affairs Sushmitha Reddy, Manager of Laboratories John Russ, Environmental Resources Planner I Travis Sprague, Principal Engineer Teresa Velarde, Manager of Internal Audit Ashley Womack, Grants and Government Affairs Officer Maxus Wong, Intern Jeff Ziegenbein, Acting Director of Operations & Maintenance

STAFF PRESENT via Video/Teleconference:

Tony Arellano, Safety Officer Deborah Berry, Controller Andy Campbell, Acting Deputy Manager of Maintenance Javier Chagoyen-Lazaro, Director of Finance Jana Crawford, Administrative Assistant II Robert Delgado, Manager of Maintenance Don Hamlett, Director of Information Technology Jennifer Hy-Luk, Executive Assistant Jason Marseilles, Manager of Engineering Monica Nelson, Administrative Assistant II Brian Noh, Senior Engineer

OTHERS PRESENT

Gil Aldaco, Chino Basin Water Conservation District (CBWCD) Paulina Alvarez, Office of Assemblymember Phillip Chen Brandon Burgess, CBWCD Marty Cihigovenetche, JC Law Firm Cindy Campbell, Conserv Inc. Steve Campbell, Conserv Inc. Amanda Coker, Cucamonga Valley Water District Gabby De La Cruz, Monte Vista Water District (MVWD) Maureen Erbeznik, Maureen Erbeznik & Associates Scott Kleinrock, CBWCD Daphne Lezo Duran, Office of Assemblymember Freddie Rodriguez Keith Martinez, City of Chino Bill McDonald, Metropolitan Water District of Southern California Lisa Meiri, MVWD Frank Montes, Hispanic Coalition of Small Businesses Ben Orosco, City of Chino Salvatore Parra, City of Chino Kurt Scorza, Conserv Inc Justin Scott-Coe, MVWD Sheen Sidhu, Office of Senator Josh Newman Liz Skrzat, CBWCD

OTHERS PRESENT via Video/Teleconference:

Justin Nakano, Chino Basin Watermaster

A meeting of the Board of Directors of the Inland Empire Utilities Agency* was held at the office of the Agency, 6075 Kimball Avenue, Building A, Chino, California.

President Tule called the meeting to order at 10:00 a.m. Environmental Resources Planner I John Russ led the Pledge of Allegiance.

PUBLIC COMMENT

Frank Montes, Chairman of the Hispanic Coalition of Small Businesses (HCSB) addressed the Board, expressing gratitude for IEUA's participation at the HCSB summit on April 27, 2023. The community feedback from the event was overwhelmingly positive.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

1. WORKSHOP ITEMS

A. <u>CHINO BASIN PROGRAM UPDATE</u>

Chino Basin Program Manager Elizabeth Hurst provided the staff presentation.

INFORMATION ITEM ONLY; NO ACTION TAKEN

B. <u>TEN-YEAR CAPITAL IMPROVEMENT PLAN AND TEN-YEAR SEWER</u> <u>CAPITAL FORECAST FISCAL YEAR 2023/24 – FISCAL YEAR 2032/33</u> Director of Engineering Jerry Burke provided the staff presentation.

INFORMATION ITEM ONLY; NO ACTION TAKEN

C. <u>20TH ANNIVERSARY OF IEUA'S REGIONAL WATER USE EFFICIENCY</u> <u>PROGRAM (WUE)</u>

Environmental Resources Planner II Chris Garcia and Maureen Erbeznik & Associates Principal Maureen Erbeznik provided the staff presentation.

Acting Manager of Water Resources Cathleen Pieroni acknowledged those who have partnered with IEUA on the WUE program and presented certificates of recognition to those program partners.

INFORMATION ITEM ONLY; NO ACTION TAKEN

2. <u>GENERAL MANAGER'S COMMENTS</u>

General Manager Shivaji Deshmukh reported that on April 19 the Agency held its annual Earth Day Celebration for schools in partnership with the City of Chino at the Chino Creek Wetlands and Educational Park. Due to the hard work of IEUA staff, the event provided over 700 students, parents and educators with an unforgettable field trip experience that helped them understand how to recycle, learn the movement of the water cycle, observe wildlife and natural wetlands, and understand how to preserve their natural resources.

The second part of the Celebration was a Community Day on April 20, which included a variety of interactive mediums aimed to teach environmental stewardship, saw an attendance of approximately 1,000 community members.

General Manager Deshmukh stated that on April 27, the Metropolitan Water District of Southern California staff provided an excellent bus tour of the facilities currently under construction that will soon connect the IEUA service area with water stored in Diamond Valley Lake (DVL) as needed during future shortage conditions. The tour provided an overview of the projects that will soon offer the IEUA region additional drought resilience starting as soon as late 2024 by reoperating existing facilities to move water from DVL to the beginning of Metropolitan's Rialto pipeline at Devil's Canyon. Representatives from nearly all IEUA customer agencies and the Water Facility Authority were able to join this informative technical tour.

Lastly, General Manager Deshmukh stated that on April 27, IEUA hosted its first Open House for the community. The event aimed to provide members of the community

information about career opportunities at IEUA and meet staff members from various departments. IEUA hopes to continue holding this event to connect with the community and attract highly qualified candidates.

4. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

There were no future requested agenda items from the Board of Directors.

5. BOARD OF DIRECTORS' COMMENTS

The Directors thanked staff for the presentations and acknowledged the representatives in attendance.

ADJOURNMENT

President Tule adjourned the meeting at 11:17 a.m.

Jasmin A. Hall, Secretary/Treasurer

APPROVED: JULY 19, 2023



MINUTES MEETING OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS

WEDNESDAY, JUNE 21, 2023 10:00 A.M.

DIRECTORS PRESENT:

Steven J. Elie, Vice President Jasmin A. Hall, Secretary/Treasurer Paul Hofer, Director

DIRECTORS PRESENT via Video/Teleconference:

Marco Tule, President Michael Camacho, Director

STAFF PRESENT:

Shivaji Deshmukh, P.E., General Manager Christiana Daisy, P.E., Deputy General Manager Kristine Day, Assistant General Manager Adham Almasri, Principal Engineer Andrew Alonzo, Human Resources Officer Jerry Burke, Director of Engineering Mark Carlos, Facilities Technician II Onye Day, Accounting Technician II Lucia Diaz, Manager of Facilities & Water System Programs Carolyn Echevarria, Administrative Assistant II Adrianne Fernandez, Administrative Assistant II Denise Garzaro, Board Secretary/Office Manager Christian Gomez, Associate Engineer Brandon Gonzalez Contreras, Technology Specialist I Maria Guzman, Financial Analyst II Don Hamlett, Director of Information Technology Paula Hooven, Senior Financial Analyst Michael Hurley, Director of Planning & Resources Elizabeth Hurst, Chino Basin Program Manager Joel Ignacio, Senior Engineer Jason Jones, Procurement Specialist I Nolan King, Manager of Information Technology Michael Larios, Technology Specialist I Randy Lee, Acting Director of Finance Scott Lening, Manager of Operations Alex Lopez, Budget Officer Edward Makowski, Collection System Supervisor Jason Marseilles, P.E, Manager of Engineering Liza Munoz, Senior Engineer

Octavio Navarrete, Wastewater Treatment Plant Operator-in-Training Vicky Salazar, Associate Engineer Stacey Scott, Engineering Services Analyst James Spears, Senior Engineer Travis Sprague, Manager of Asset Management Hector Tejeda, Mechanic II Teresa Velarde, Manager of Internal Audit Brian Wilson, Principal Engineer Ashley Womack, Grants & Government Affairs Officer Annie Wu, Financial Analyst Jeff Ziegenbein, Acting Director of Operations & Maintenance

STAFF PRESENT via Video/Teleconference:

Warren Green, Manager of Contracts & Procurement Jennifer Hy-Luk, Executive Assistant Linda Johnson, Records Management Supervisor Monica Nelson, Administrative Assistant II Cathy Nhothsavath, Associate Engineer Alyson Piguee, Director of External & Government Affairs Kristian Saenz, Assistant Engineer Megan Trott, Associate Engineer

OTHERS PRESENT:

Jean Cihigoyenetche, JC Law Firm Chris Robles, Fair Ontario

A meeting of the Board of Directors of the Inland Empire Utilities Agency* was held at the office of the Agency, 6075 Kimball Avenue, Building A, Chino, California and via video/teleconference on the above date.

Vice President Elie called the meeting to order at 10:15 a.m. Engineering Services Analyst Stacey Scott led the flag salute.

PUBLIC COMMENT

Chris Robles, Fair Ontario, addressed the Board and inquired why the City of Ontario indicates that IEUA is the reason the residents' utility bills will be increasing.

ADDITIONS TO THE AGENDA

There were no changes/additions/deletions to the agenda.

President Tule and Director Camacho joined the meeting from the remote location at 10:20 am.

NEW, PROMOTED AND RECLASSIFIED EMPLOYEE INTRODUCTIONS

The following staff member from the Engineering Department was introduced:

• Cathy Nhothsavath, Associate Engineer, hired June 11, 2023, Engineering

The following staff members from the Finance Department were introduced:

- Onye Day, Accounting Technician II, hired June 5, 2023, Accounting
- Jason Jones, Procurement Specialist I, hired May 30, 2023, Contracts & Procurement

The following staff members from the Operations & Maintenance Department were introduced and recognized:

- Mark Carlos, Facilities Technician II, hired May 22, 2023, Facilities
- Hector Tejeda, Mechanic II, hired May 30, 2023, Maintenance
- Octavio Navarrete, Wastewater Treatment Plant Operator-in-Training, hired May 30, 2023, Operations
- Edward Makowski, Collection System Supervisor, promoted June 11, 2023, Water Systems

The Board of Directors welcomed Ms. Nhothsavath, Ms. Day, Mr. Jones, Mr. Carlos, Mr. Tejeda, and Mr. Navarrete to the IEUA team. The Board of Directors congratulated Mr. Makowski on his promotion.

1. PUBLIC HEARING ITEMS

A. FISCAL YEAR 2023/24 - 2032/33 TEN-YEAR CAPITAL IMPROVEMENT PLAN

B. ADOPTION OF THE AGENCY'S BIENNIAL BUDGET FOR FISCAL YEARS 2023/24 AND 2024/25

Assistant General Manager Kristine Day provided the staff presentation on the biennial budget. Director of Engineering Jerry Burke provided the presentation on the Ten-Year Capital Improvement Plan.

Vice President Elie opened the public hearing. Chris Robles addressed the Board and encouraged the Board to consider the impacts of budget decisions on area residents. Director Elie closed the public hearing.

Director Hall noted that with increased growth in the region, it is necessary to increase rates to maintain a quality water supply.

President Tule stated that the Agency aims to be as fiscally responsible as possible and added that residents in the service area pay some of the lowest rates in the region.

Vice President Elie acknowledged staff for continually finding the best way to fund projects including grants and low interest loans.

MOVED BY DIRECTOR TULE, SECONDED BY DIRECTOR CAMACHO, THE BOARD ADOPTED RESOLUTION NO. 2023-6-8, APPROVING THE AGENCY'S BIENNIAL BUDGET FOR FISCAL YEARS 2023/24 AND 2024/25; INCLUDING THE **INTER-FUND LOAN REPAYMENT OF \$5 MILLION** FROM RECYCLED WATER FUND: \$3 MILLION TO THE NON-RECLAIMABLE WASTEWATER FUND AND \$2 MILLION то THE REGIONAL WASTEWATER CAPITAL FUND, AGENCY-WIDE DEPARTMENTAL GOALS AND OBJECTIVES; AND ADOPTED RATE RESOLUTION NOS. 2023-6-1 THROUGH 2023-6-7 AND APPROVED THE FISCAL YEAR 2023/24 - 2032/33 TEN-YEAR CAPITAL IMPROVEMENT PLAN; AND THE TOTAL PROJECT BUDGET INCREASE FOR

EXISTING PROJECTS TO ALIGN WITH THE TEN-YEAR CAPITAL IMPROVEMENT PLAN, BY THE FOLLOWING VOTE:

Ayes: Camacho, Elie, Hall, Hofer, Tule

Noes: None

Absent: None

- 2. CONSENT ITEMS
 - A. MINUTES
 - B. <u>REPORT ON GENERAL DISBURSEMENTS</u> (Finance & Admin)
 - C. <u>ADOPT POSITIONS ON BUDGET TRAILER BILLS</u> (Community & Leg)
 - D. <u>RP-1 HEADWORKS BIOFILTER CONSTRUCTION CONTRACT AWARD</u> (*Eng/Ops/WR*)
 - E. <u>VARIABLE FREQUENCY DRIVE REPLACEMENT (RECYCLED WATER)</u> (*Eng/Ops/WR*)
 - F. <u>EMERGENCY AND SMALL CONSTRUCTION PROJECT CONTRACT AWARDS</u> (*Eng/Ops/WR*)
 - G. <u>TELECOMMUNICATION AND COLLABORATION SOLUTION SERVICES</u> <u>CONTRACT AWARS</u> (Finance & Admin)
 - H. ADOPTION OF RESOLUTION NO. 2023-6-10, APPROVING THE SANTA ANA WATERSHED PROJECT AUTHORITY ADOPTED BUDGET FOR FISCAL YEARS 2023/24 AND 2024/25 (Finance & Admin)
 - I. <u>ADOPTION OF RESOLUTION NO. 2023-6-9, ESTABLISHING THE</u> <u>APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023/24</u> (Finance & Admin)
 - J. ADOPTION OF RESOLUTION NO 2023-6-15, AMENDING THE AGENCY'S SALARY SCHEDULE/MATRIX FOR ALL GROUPS

Vice President Elie requested that item 2J be pulled for discussion.

MOVED BY DIRECTOR HOFER, SECONDED BY DIRECTOR TULE, AGENDA ITEM NOS. 2A, THROUGH 2I, APPROVED AS RECOMMENDED BELOW, BY THE FOLLOWING VOTE:

Ayes: Camacho, Elie, Hall, Hofer, Tule

Noes: None

Absent: None

- Approved the minutes of the May 17, 2023 Board Meeting.
- Approved the total disbursements for the month of March 2023, in the amount of \$19,534,046.66.
- Adopted a position of support on Trailer Bill: Delta Reform Act Refinement; and Trailer Bill: California Quality Act (CEQA): infrastructure projects: streamlining judicial review.
- Awarded a construction contract for the RP-1 Headworks Biofilter Construction, Project No. EN23088.05, to T.E. Roberts, for the amount of \$479,100.70; and authorized the General Manager to execute the construction contract, subject to non-substantive changes.
- Awarded a construction contract for the Variable Frequency Drive Replacement (Recycled Water), Project No. AM23002, to Big Sky Electric Co., Inc., in the amount of \$242,600; and authorized the General manager to execute the contract, subject to no-substantive changes.
- Awarded three-year Emergency Master Contracts with four one-year extension options to the following 38 Contractors: Allison Mechanical, Arizona Pipeline Company, Athena Engineering, Inc., Best Contracting, Inc., Big Sky Electric, Inc., CertaPro Painters, Charles King Company, Inc., Davis Electric Inc., Diversified Thermal Services, Inc., E.J. Meyer Company, Ferreira Construction Co, Inc., FM Thomas Air Conditioning, Garney Pacific, Inc., GSE Construction Co., Inc., Hampton Tedder Electric Company, Hemet Mfg Co. Inc dba Genesis Construction, Henkels & McCoy, Horizons Construction Company Int'l, Inc., Howard Ridley Co., Inc., Innovative Construction Solutions, JF Shea, J.R. Filanc Construction Co., Inc., Kiewitt Infrastructure West Co., Kingmen Construction, Inc., Leed Electric, Inc., Mladen Buntich Construction Co., Inc., Norstar Plumbing and Engineering, Inc., Pacific Hydrotech Corporation, PCL Construction, Inc., Rite-Way Roof Corporation, Sancon Technologies, Inc., SCW Contracting Corporation, SoCal Pacific Construction Corp dba National Coating & Lining. Southern Contracting Company, T.E. Roberts, Inc., Tony Painting, United Mechanical Contractors, Inc., W.A. Rasic Construction Company, Inc.; awarded three-year Small Construction Project Master Contracts with four one-year extension options with an aggregate total of \$10,000,000 to the following 37 Contractors: Allison Mechanical, Arizona Pipeline Company, Athena Engineering, Inc., Best Contracting, Inc., Big Sky Electric, Inc., CertaPro Painters, Charles King Company, Inc., CSI Electrical Contractors, Inc., Davis Electric Inc., Diversified Thermal Services, Inc., E.J. Meyer Company, Ferreira Construction Co, Inc., FM Thomas Air Conditioning, Garney Pacific, Inc., GSE Construction Co., Inc., Hampton Tedder Electric Company, Hemet Mfg Co. Inc dba Genesis Construction, Henkels & McCoy, Horizons Construction Company Int'l, Inc., Howard Ridley Co., Inc., Innovative Construction Solutions, JF Shea, J.R. Filanc Construction Co, Inc., Kingmen Construction, Inc., Leed Electric, Inc., Mladen Buntich Construction Co., Inc., Norstar Plumbing and Engineering, Inc., Pacific Hydrotech Corporation, PCL Construction, Inc., Rite-Way Roof Corporation, Sancon Technologies, Inc., SCW Contracting Corporation, SoCal Pacific Construction Corp dba National Coating & Lining, Southern Contracting Company, T.E. Roberts, Inc., Tony Painting, United Mechanical Contractors, Inc., W.A. Rasic Construction Company, Inc.; and authorized the General Manager to

execute the contracts, subject to non-substantive changes.

- Awarded a contract for telecommunications and collaboration services to Continuant Inc., Contract No. 46000003354, for three-years, with the option of two additional one-year extensions, for a not-to-exceed amount of \$275,000; and authorized the General Manager to execute the contract.
- Ratified the Santa Ana Watershed Project authority (SAWPA) adopted budget for Fiscal Years 2023/24 and 2024/25, as submitted; and adopted Resolution No. 2023-6-10, approving the SAWPA general and specific budgets for FYs 2023/24 and 2024/25.
- Adopted Resolution No. 2023-6-9, establishing the appropriation limit for Fiscal Year 2023/24, and rescinded Resolution No. 2022-6-8 adopted in June 2022.

J. <u>ADOPTION OF RESOLUTION NO. 2023-6-15, AMENDING THE AGENCY'S</u> <u>SALARY SCHEDULE/MATRIX FOR ALL GROUPS</u>

General	Manager	Shivaji	Deshmukh	explained	why	staff	is	recommending
amendm	ents to the	Salary S	chedule at th	is time.				

MOVED BY DIRECTOR ELIE, SECONDED BY DIRECTOR HOFER, THE BOARD ADOPTED RESOLUTION NO. 2023-6-15, AMENDING THE AGENCY'S SALARY MATRIX/SCHEDULE FOR ALL GROUPS, AS RECOMMENDED BELOW, BY THE FOLLOWING VOTE:

Ayes: Camacho, Elie, Hall, Hofer, Tule

Noes: None

Absent: None

- 3. ACTION ITEMS
 - A. <u>ADOPTION OF THE LOCAL AGENCY INVESTMENT FUND, DEPOSITORY</u> <u>AGREEMENT, INVESTMENT, AND THIRD-PARTY SIGNATORY RESOLUTIONS</u> Budget Officer Alex Lopez provided the presentation.

MOVED BY DIRECTOR HALL, SECONDED BY DIRECTOR HOFER. THE BOARD ADOPTED THE FOLLOWING RESOLUTIONS: NO. 2023-6-11, AUTHORIZING PARTICIPATION IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) AND DESIGNATING SIGNATORIES FOR THE DEPOSIT AND WITHDRAWL OF FUNDS: NO. 2023-6-12, AUTHORIZING AND DESIGNATING SIGNATORIES FOR DEPOSITORY AGREEMENT, DEPOSITORY CARDS. DEPOSITS. TRANSFERS. CHECKS AND WITHDRAWL OF FUNDS; NO. 2023-6-13, AUTHORIZING AND DESIGNATING

SIGNATORIES FOR INVESTMENT AGREEMENTS, INVESTMENT AUTHORIZATIONS, AND INVESTMENT FUND TRANSFERS TO FUND INVESTMENT TRANSACTIONS: AND NO. 2023-6-14. **AUTHORIZING** AND DESIGNATING SIGNATORIES FOR THE MOVEMENT OF FUNDS INVESTMENT SECURITIES AND FOR SAFEKEEPING WITH А THIRD-PARTY CUSTODIAN, BY THE FOLLOWING VOTE:

Ayes: Camacho, Elie, Hall, Hofer, Tule

Noes: None

Absent: None

B. <u>CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS</u> <u>ELECTION FOR SEAT C, SOUTHERN NETWORK</u>

Board Secretary/Office Manager Denise Garzaro provided the staff presentation.

MOVED BY DIRECTOR TULE SECONDED BY DIRECTOR CAMACHO. THE BOARD DETERMINED THE AGENCY'S VOTE FOR THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION 2023 BOARD OF DIRECTORS' ELECTION FOR SEAT C, SOUTHERN NETWORK, BY SELECTING AL NEDERHOOD, BY THE FOLLOWING VOTE:

Ayes: Camacho, Elie, Hall, Hofer, Tule

Noes: None

Absent: None

4. INFORMATION ITEMS

A. CONSULTING PROGRAM MANAGEMENT AND OWNER ENGINEERING SOLICITATION UPDATE (POWERPOINT) Bringing Engineer Adhem Almosti provided the staff procentation

Principal Engineer Adham Almasri provided the staff presentation.

- B. FISCAL YEAR 2022/23 THIRD QUARTER BUDGET VARIANCE, PERFORMANCE UPDATES, AND BUDGET TRANSFERS (WRITTEN/POWERPOINT) (Finance & Admin) Budget Officer Alex Lopez provided the staff presentation.
- C. <u>ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES</u> (<u>POWERPOINT</u>) (*Eng/Ops/WR*)

Manager of Engineering Jason Marseilles provided an update on the following projects: RP-1 Main Control and Old Lab Building Rehab; Regional Force Main Improvements; and RP-1 Disinfection Pump Improvements.

The following items were received and filed by the Board:

- D. <u>NEW SPLASH: NEW HIRE EXPERIENCE (POWERPOINT)</u> (*Finance & Admin*)
- E. <u>FEDERAL LEGISLATIVE REPORT FROM CARPI AND CLAY (WRITTEN)</u> (Community & Leg)
- F. <u>STATE LEGISLATIVE REPORT & MATRIX FROM WEST COAST ADVISORS</u> (WRITTEN) (Community & Leg)
- G. <u>PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)</u> (Community & Leg)
- H. <u>RP-5 EXPANSION PROJECT UPDATE JUNE 2023 (POWERPOINT)</u> (*Eng/Ops/WR*)
- I. <u>TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE MONTH ENDED</u> <u>APRIL 2023 (WRITTEN/POWERPOINT)</u> (Finance & Admin)

4. AGENCY REPRESENTATIVES' REPORTS

A. SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) REPORT

Director Hall reported that at the June 6 SAWPA Commission meeting, the SAWPA Commission authorized the General Manager to execute a General Service Agreement, approved a 4% merit pool and a 4.6% cost of living increase for FY 2023/24 and received a report on the Integrated Climate Adaptation and Resilience Program Regional Resilience Planning and Implementation Grant Program. She reported that at the June 20 SAWPA Board meeting, the SAWPA Commission approved the Investment Policy and delegate authority to the Chief Financial Officer to invest or reinvest funds consistent with the Statement of Investment Policy and authorized the release of an Request For Proposals for Santa Ana River surface water quality monitoring services.

B. <u>METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD)</u> <u>REPORT</u>

Director Camacho asked General Manager Deshmukh to provide the report. General Manager Deshmukh expressed appreciation to MWD Staff who were successful in securing a \$30 million grant to implement a turf replacement program available to all member agencies. He continued that at the June Board meeting, the MWD Board took action to support two bond bills that will provide funding to make California more climate resilient.

C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT

President Tule reported that at the June 1 Policy Committee meeting, the Committee heard presentations on the Ten-Year Capital Improvement Plan & Ten-Year Sewer Capital Forecast FY 2023/24 – 2032/33.

D. CHINO BASIN WATERMASTER (CBWM) REPORT

Director Elie reported that at the May 25 CBWM Board meeting, the Board approved the Fiscal Year 2023/24 Budget as presented. The Board also conducted the General Manager's Evaluation.

- E. <u>CHINO BASIN DESALTER AUTHORITY REPORT</u> There was nothing to report.
- F. <u>INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY REPORT</u> There was nothing to report.

5. <u>GENERAL MANAGER'S REPORT</u>

General Manager Deshmukh stated that on June 8, members of the Sewer Collections crew provided mutual aid support to Cucamonga Valley Water District (CVWD) during a sewer line break. This incident reiterates the importance of IEUA's mutual aid response program.

GM Deshmukh also stated that on June 16, State Senator Josh Newman joined President Tule and Director Camacho for a discussion and tour of the IERCF.

GM Deshmukh noted that IERCF completed their Bi-Annual Physical inventory last week. The FY 2022/23 IERCA physical inventory result reflected only a \$235 or 0.05% overage compared to SAP's stock value of \$476,563. And there was only a 0.27% shortage of 17 units out of 6,312 items counted. These great results can be attributed to several key factors: Staff's commitment to following procedures when checking out and receiving items, detailed daily cycle count process which cycles through all the items multiple times per year.

He added that new CARB regulations and chip shortages have resulted in increased demand for heavy-duty vehicles. Staff continues to develop solutions to obtain the vehicles necessary to support Agency operations.

6. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

Director Hall requested details on the small businesses that are responding to the Agency's RFPs and RFQs to ensure IEUA is engaging new small businesses to partner with the Agency on projects and initiatives.

7. DIRECTORS' COMMENTS AND CONFERENCE REPORTS

Director Hall stated that she attended the ACWA Region 2 Program & Tour at the Sites Reservoir Project on June 1; and participated on a panel for Water and the Black Community: Jobs, Justice and Equity event on June 15.

President Tule stated that he attended the tour of IERCF with Senator Newman on June 16.

Vice President Elie reported that he attended the MWD One Water Awards Ceremony on May 22 and presented an award to the City of Chino; the Chino Hills State of the City on May 31; and traveled to Washington D.C. June 5 through the 7 and met with several elected and appointed officials regarding Agency initiatives. He noted that he also attended the Chino Hills City Council Meeting and Chino City Council meetings in the month of June and commented on the potential for IEUA to direct bill residents.

8. <u>CLOSED SESSION</u>

The Board recessed to Closed Session at 12:10 p.m.

A. <u>PURSUANT TO GOVERNMENT CODE SECTIONS 5497.6 - CONFERENCE</u> <u>WITH LABOR NEGOTIATORS</u>

Successor Negotiations – General Unit Negotiating Parties: Michael Duenas, Employee and Labor Relations Advocate and Recognized Employee Organizations

B. <u>PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)(e)1</u> <u>CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION</u> Two Cases

The meeting resumed at 1:20 p.m. General Counsel Cihigoyenetche stated that the Board discussed Item 8A with no reportable action. He reported they also discussed Item 8B case one with the following reportable action:

THE BOARD	APPROVED THE	RETEN	TION C	OF SL
LAW FIRM F	OR POTENTIAL L	ITIGAT	ION IN	THE
PFAS MATT	ER, SUBJECT T	O THE	GENE	RAL
MANAGER	NEGOTIATING	А	RETA	INER
AGREEMEN	r with the	FIRM,	ΒY	THE
FOLLOWING	VOTE:			
Ayes:	Camacho, Elie, H	Hall, Hof	er, Tule	Э

Noes: None

Absent: None

He added that the Board discussed the second case under Item 8B with no reportable action.

ADJOURNMENT

Vice President Elie adjourned the meeting at 1:21 p.m.

Jasmin A. Hall, Secretary/Treasurer

APPROVED: JULY 19, 2023





Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Finance & Administration

From: Shivaji Deshmukh, General Manager 07/12/23

SSD

Staff Contact: Kristine Day, Assistant General Manager

Subject: Report on General Disbursements

Executive Summary:

Total disbursements for the month of May 2023 were \$21,475,484.18. Disbursement activity included check payments of \$463,285.10 to vendors and \$7,496.94 for worker's compensation related costs. Electronic payments included the Automated Clearing House (ACH) of \$15,232,494.61 and wire transfers (excluding payroll) of \$3,921,366.16. The total payroll was \$1,844,076.32 for employees and \$6,765.05 for the Board of Directors.

Staff's Recommendation:

Approve the total disbursements for the month of May 2023 in the amount of \$21,475,484.18.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval: Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On June 21, 2023 the Board of Directors approved the April 2023 Report on General Disbursements totaling \$19,534,046.66.

Environmental Determination: Not Applicable

Business Goal:

The report on general disbursements is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for general disbursements associated with operating requirements.

Attachments:

Attachment 1 - Background Attachment 2 - Details of General Disbursements Attachment 3 - PowerPoint



Subject: Report on General Disbursements

Table 1 summarizes the disbursements detailed in each of the six attachments affixed to this letter. Table 2 lists the disbursements in excess of an aggregated \$500,000 per vendor and is presented in largest to smallest dollar value.

Attachment	Payment Type	Amount		
2A	Vendor Checks	\$	463,285.10	
2B	Workers' Comp Checks	\$	7,496.94	
2C	Vendor ACHs	\$	15,232,494.61	
2D	Vendor Wires (excludes Payroll)	\$	3,921,366.16	
2E	Payroll-Net Pay-Directors	\$	6,765.05	
2F	Payroll-Net Pay-Employees	\$	1,844,076.32	
	Total Disbursements	\$2	21,475,484.18	

Table 1: Disbursement Details

Table 2: Disbursements in Excess of \$500,000 per Vendor

Vendor	Amount	Description
WM LYLES COMPANY	\$ 6,523,319.67	Professional Svc's for EN19001- RP-5 Expansion to 30 mgd; EN19006- RP-5 Biosolids Facility.
METROPOLITAN WATER DISTRICT	\$ 2,139,818.50	March 2023 Water Purchases
SO CALIF EDISON	\$ 882,060.80	03/03/23 – 05/15/23 Electricity
ARCADIS US INC	\$ 814,564.52	Professional Svc's for EN19001- RP-5 Expansion to 30 mgd; EN19006- RP-5 Biosolids Facility; EN21041-RP-4 Chlorine Contact Basin Cover Repair
INTERNAL REVENUE SERVICE	\$ 788,691.50	P/R 09, 10, 109; Dir 05 Taxes
PERS	\$ 770,577.66	05/23 Health Ins; P/R 09, 10.
MNR CONSTRUCTION INC	\$ 692,990.22	Professional Svc's for RW15003.06- Wineville/Jurupa/Force Main Improvements
INNOVATIVE CONSTRUCTION SOLUTIONS	\$ 519,586.06	Professional Svc's for EN11039- RP-1 Disinfection Pump Improvements

Attachment 2A

Vendor Checks

Inland Empire Util.Agency Chino, CA Company code 1000

Check Register CBB Disbursement Account -May '23

06/12/2023 / 10:31:20 User: CCAMPBEL 1 Page:

Bank CEB Bank Key 122234		FIZENS BUSI	NESS BA	ANK	ONTARIO CA 9	017610000
Acct number CHECK	231	L167641				
Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
236299	2200129788	05/02/2023	USD		ACOSTA-GRIJALVA, SHARON CHINO HILLS CA	05/05/2023
236300	2200129785	05/02/2023	USD	325.27	CUCAMONGA VALLEY WATER DISTRICLOS ANGELES CA	05/05/2023
236301	2200129784	05/02/2023	USD	1,305.00	DENISE GONZALES MORENO VALLEY CA	05/08/2023
236302	2200129786	05/02/2023	USD		FONIANA WATER COMPANY FONIANA CA	05/11/2023
236303	2200129787	05/02/2023	USD	561.55	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	05/11/2023
236304	2200129783	05/02/2023	USD	4,000.00	MONIE VISIA WATER DISTRICT MONICLAIR CA	06/01/2023
236305	2200129781	05/02/2023	USD	7,900.00	NATIONAL THEATRE FOR CHILDREN MINNEAPOLIS MN	05/11/2023
236306	2200129789	05/02/2023	USD	550.00	SOON, KELLY CHINO HILLS CA	05/10/2023
236307	2200129780	05/02/2023	USD	711.59	WASIE MANAGEMENT PHOENIX AZ	05/11/2023
236308	2200129782	05/02/2023	USD		WORLDWIDE EXPRESS PASADENA CA	05/08/2023
236309	2200129854	05/04/2023	USD	4,913.11	CINIAS CORPORATION- LOC#150 PHOENIX AZ	05/15/2023
236310		05/04/2023		1,091.07	CITY OF CHINO CHINO CA	05/12/2023
236311	2200129855	05/04/2023	USD	696.78	CONCENTRA MEDICAL CENTERS RANCHO CUCAMONGA CA	05/12/2023
236312	2200129862	05/04/2023	USD	357.00	FRANCHISE TAX BOARD SACRAMENIO CA	
236313		05/04/2023		729.94	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	05/16/2023
236314	\$	05/04/2023	1	141.48	GONZALEZ, MIGUEL CHINO HILLS CA	05/10/2023
236315	1	05/04/2023			HARKEY COMPLIANCE SAN BERNARDINO CA	05/16/2023
236316		05/04/2023		342.04	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	
236317		05/04/2023	1		THE SHREDDERS POMONA CA	05/12/2023
236318		05/04/2023		145,649.25	TONY PAINTING GARDEN GROVE CA	05/11/2023
236319		05/04/2023			WM CORPORATE SERVICES INC LOS ANGELES CA	05/15/2023
236320		05/04/2023	1		WOODRUFF SPRADLIN & SMART COSTA MESA CA	05/11/2023
236321		05/04/2023		141.48	ZAVALA, ADOLFO CHINO HILLS CA	
236322		05/09/2023		431.17	CHINO VALLEY UNIFIED SCHOOL DICHINO CA	05/18/2023
236323	1	05/09/2023	1	142.71	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	05/19/2023
236324		05/09/2023	1	2,094.00	CONCENTRA MEDICAL CENTERS RANCHO CUCAMONGA CA	05/17/2023
236325		05/09/2023		668.05	HD SUPPLY INC GURNEE IL	06/02/2023
236326		05/09/2023			P2S ENGINEERING LONG BEACH CA	05/18/2023
236327	1	05/09/2023	1		PROJECT PARINERS INC LAGUNA HILLS CA	05/15/2023
236328		05/11/2023			CINTAS CORPORATION- LOC#150 PHOENIX AZ	05/30/2023
236329		05/11/2023			CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	05/25/2023
236329		05/11/2023	1		CPS HR CONSULTING LOS ANGELES CA	05/23/2023
236331		05/11/2023			CUCAMONGA VALLEY WATER DISTRICLOS ANGELES CA	05/23/2023
236332		05/11/2023			FRONTIER COMMUNICATIONS CORP CINCINNATI OH	05/25/2023
236332		05/11/2023	1		ROBERTS, JOHN B FONTANA CA	05/26/2023
236333	+	05/16/2023	1		ANIHESIS SERVICES ONIARIO CA	05/24/2023
		05/16/2023			BURRIEC WASTE INDUSTRIES INC FONTANA CA	05/22/2023
236338 236339		05/16/2023			CAEATFA SACRAMENTO CA	1
	1	05/16/2023	1		CALIF MUNICIPAL STATISTICS INCOAKLAND CA	06/02/2023
236340 236341		05/16/2023			CONCENTRA MEDICAL CENTERS RANCHO CUCAMONGA CA	05/23/2023
		05/16/2023			FRONTIER COMMUNICATIONS CORP CINCINNATI OH	05/25/2023
236342	F	05/16/2023			G3 ENGINEERING INC GRANITE BAY CA	05/30/2023
236343		05/16/2023			PROJECT PARINERS INC LAGUNA HILLS CA	05/26/2023
236344 236345		05/16/2023	1		VITAL RECORDS HOLDINGS LLC CITY OF INDUSIRY CA	05/23/2023
420340	2200130040	100/10/2023	Juni	005.55		

Inland Empire Util.Agency Chino, CA Company code 1000

Check Register CBB Disbursement Account -May '23

ONTARIO CA 917610000

Bank Bank Kev

CITIZENS BUSINESS BANK 122234149

CBB

Check	Punt date				
	Pmnt date				
Check number from to Payment	1	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
236346 2200130	65 05/18/202	3 USD	188.02	AMERICAN HERITAGE LIFE INSURANDALLAS TX	05/26/2023
236347 2200130	63 05/18/202	3 USD		BURRTEC WASTE INDUSTRIES INC FONTANA CA	05/23/2023
236348 2200130	55 05/18/202	3 USD		CALIFORNIA SURVEYING AND SACRAMENTO CA	05/24/2023
236349 2200130	57 05/18/202	3 USD	3,092.20	CINIAS CORPORATION- LOC#150 PHOENIX AZ	05/30/2023
236350 2200130	61 05/18/202	3 USD		CITY OF CHINO CHINO CA	05/24/2023
236351 2200130	58 05/18/202	3 USD		CONCENTRA MEDICAL CENTERS RANCHO CUCAMONGA CA	05/25/2023
236352 2200130	54 05/18/202	3 USD	703.12	CONTROL PRO INC CHINO CA	05/31/2023
236353 2200130	67 05/18/202	3 USD		EMPLOYMENT DEVELOPMENT DEPARTMSACRAMENTO CA	05/24/2023
236354 2200130	071 05/18/202	3 USD	2,733.16	FIDELITY SECURITY LIFE INSURANCINCINNATI OH	05/25/2023
236355 - 2200130	05/18/202	3 USD		FRANCHISE TAX BOARD SACRAMENTO CA	
236356 2200130	64 05/18/202	3 USD		FRONTIER COMMUNICATIONS CORP CINCINNATI OH	05/26/2023
236357 2200130)53 05/18/202	3 USD		GENERAL BOTTLE INC LOS ANGELES CA	05/24/2023
236358 220013	59 05/18/202	3 USD		MYERS & SONS HI-WAY SAFETY INCCHINO CA	05/23/2023
236359 220013	062 05/18/202	3 USD		ONIARIO MUNICIPAL UTILITIES COONIARIO CA	05/24/2023
	068 05/18/202		413.54	PERS LONG TERM CARE PROGRAM PASADENA CA	05/22/2023
	066 05/18/202	3 USD	342.04	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	
	069 05/18/202	3 USD	25.00	WILCO LIFE INSURANCE COMPANY CHARLOTTE NC	
	56 05/18/202		142.78	WORLDWIDE EXPRESS PASADENA CA	05/23/2023
	060 05/18/202		6,650.00	YELLOW JACKET DRILLING SERVICEPHOENIX AZ	05/23/2023
	135 05/18/202	3 USD	2,404.75	SOUTHERN CONTRACTING COMPANY SAN MARCOS CA	05/25/2023
	199 05/23/202	3 USD	53,597.74	ANTHRACTTE FILTER MEDIA CO LOS ANGELES CA	06/01/2023
	203 05/23/202	3 USD		CINTAS CORPORATION- LOC#150 PHOENIX AZ	05/30/2023
	207 05/23/202	3 USD	1,855.90	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	06/02/2023
	198 05/23/202			GENERAL BOTTLE INC LOS ANGELES CA	05/31/2023
	205 05/23/202		206.00	LITTLE SISTER'S TRUCK WASH, INFONIANA CA	05/31/2023
	206 05/23/202	3 USD	65.03	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	05/26/2023
	201 05/23/202	3 USD	9,600.00	PROJECT PARINERS INC LAGUNA HILLS CA	05/30/2023
	200 05/23/202	3 USD	150.00	THREE VALLEYS MND CLAREMONT CA	06/01/2023
	204 05/23/202		12,371.49	UTILIQUEST LLC ATLANTA GA	05/30/2023
	208 05/23/202		550.00	WANG, JAMES CHINO HILLS CA	
	202 05/23/202	+		WORLDWIDE EXPRESS PASADENA CA	05/30/2023
	215 05/25/202		3,055.22	ON CALL MECHANICAL SERVICES INFALLBROOK CA	06/02/2023
	213 05/25/202			SAN BERNARDINO COUNTY SAN BERNARDINO CA	06/01/2023
	216 05/25/202			SDI PRESENCE LLC CHICAGO IL	06/01/2023
	214 05/25/202			WORLDWIDE EXPRESS PASADENA CA	05/31/2023
	393 05/30/202			ARCHER, WILLIAM POMONA CA	
* Payment method Check	1	USD	462,825.41		

Inland Empire Util.Agen Chino, CA Company code 1000	cy			c	Check Reg BB Disbursement Acc		06/12/2023 User: Page:	/ 10:31:20 CCAMPBEL 3
Bank Bank Key Acct number	CBB 12223414 CHECK	19	112ENS BUSI 1167641	iess b/	ANK		CINTARIO CA	917610000
Separate Check								
Check number from to		Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code		Enca./void
236334 236335 236336	2	2200129988	05/11/2023 05/11/2023 05/11/2023	USD	153.23	South coast agmd diamond bar ca South coast agmd diamond bar ca South coast agmd diamond bar ca		06/01/2023 06/01/2023 06/01/2023
* Payment method Separ	rate Check	k.		USD	459.69			

tries	
-------	--

06/12/2023	1	10:31:20
User:		CCAMPBEL
Page:		4

Ţ	Check number from to	Payment.	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
1	**			USD	463,285.10		

Check Register CBB Disbursement Account -May '23

Attachment 2B

Workers' Comp Checks

nland Empire Util.Age hino, CA ompany code 1000	ncy			CBB	Check Regi Workers Compensatio		10:32:17 CCAMPBEL 1
Bank	CBB	CITI	ZENS BUSI	iess ba	ANK.	ONTARIO CA	917610000
Bank Key Acct number	122234149 WCCM2	2311	L59290				
Checks created manua	ally						
Check number from t	co Paymen	t I	Annt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
100451			05/04/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100452			05/04/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100453			05/04/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100454			05/04/2023		1	YORK RISK SERVICES GROUP INC MEMPHIS IN	
100455			05/04/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100456		,	05/04/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100457			05/04/2023			YORK RISK SERVICES GROUP INC MEMPHIS 'IN	
100458			05/11/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100459			05/11/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100460			05/11/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100461			05/11/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100462			05/11/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100463			05/11/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100464			05/11/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100465			05/11/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100466			05/11/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100467			05/18/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100468			05/18/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100469			05/25/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100470			05/25/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100471			05/23/2023			YORK RISK SERVICES GROUP INC MEMPHIS IN	
100472	220013	0521	05/25/2023	USD	275.00	YORK RISK SERVICES GROUP INC MEMPHIS IN	
* Payment method Che	cks created manu	ally		USD	7,496.94		

					Check Reg: Workers Compensatio		06/12/2023 / User: Page:	10:32:17 CCAMPBEL 2
(1 5)	Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code		Enca./void

7,496.94

USD

**

Attachment 2C

Vendor ACHs

Report: ZFIR TREASURERInland Empire Utilities AgencyPage1For 05/01/2023 ~ 05/31/2023Treasurer ReportDate 06/12/202					1 06/12/2023
Check	Payee / Description				Amount
ACH	AQUA BEN CORPORATION 748E TOTE Hydrofloc RP1- 18,400 lbs Hydr	748E ofloc 750A	46055 46056		7,236.49 30,333.78
		AQUA BEN CORPORATION			37,570.27
ACH	Casing Credit Tow Labor Charge	1814 PU 0401	632046-00 625520-00		396.12 198.11 47.00- 20.25-
		PETE'S ROAD SERVICE	\$		526.98
ACH	CHINO BASIN WATERMAS 67% Cost Sharing-Sal	TER inity Mgmt Plan WYI	2023-03-C		147.50
		CHINO BASIN WATERMAS	FER \$		147.50
ACH	KONICA MINOLTA BUSIN 4/1-4/30 Maintenance		286896382		6.55
		KONICA MINOLTA BUSIN	ESS SOLUTI\$		6.55
ACH	RED WING SHOE STORE Emp Safety Shoe Purc Emp Safety Shoe Purc	hase(s) hase(s)	2023042702355 2023043002355		218.18 218.18
		RED WING SHOE STORE	\$		436.36
ACH	TOM DODSON & ASSOCIA CE for RP-4 Chlorine	ATES 2 Contact Basin Cover	1E-373-1		950.00
		TOM DODSON & ASSOCIA	res \$		950.00
ACH	PALM AUTO DETAIL INC	4	23499		4,086.37
		PALM AUTO DETAIL INC	\$		4,086.37
ACH	CASC ENGINEERING AND EN23088-1/23 Prof Sv		0048167		3,900.00
		CASC ENGINEERING AND	CONSULTIN\$		3,900.00
ACH	ROBERT HALF MANAGEME Mahdian, M-WE4/21/202 Olivares, J-WE 4/21/23 Chen, R-WE 4/21/23 Chen, R-WE 4/14/23 Day, O WE 04/14/23 Mahdian, Mahsa 04/14/ Day, O-WE 4/21/23 Samore, J WE 04/28/23 Reyes, G WE 04/21/23 Steele, S WE 4/21/23	23 23 /2023 3	61895761 61902863 61919106 61868476 61868780 61868459 61912255 61941008 61913554		2,656.50 3,080.00 3,201.50 3,370.00 3,800.00 2,760.00 2,850.00 1,993.75 3,654.00 2,679.60
ROBERT HALF MANAGEMENT RESOURC\$ 30,045.3					

Report For 05	Page 2 Date 06/12/2023	
Check	Payee / Description	Amount
ACH	SWRCB ACCOUNTING OFFICE SRF RPYMT#13 C-06-5332-110 08823-23-13 SWRCB ACCOUNTING OFFICE \$	55,337.37
ACH	STANTEC CONSULTING INC Philadelphia Lift Station Pump Upgrades 2072741	4,795.50
ACH	NATIONAL CONSTRUCTION RENTALS CCP-national construction rentals 6962773	572.70
ACH	NATIONAL CONSTRUCTION RENTALS \$DETECTION INSTRUMENTS CORP RP1-L2 Calibration - 46085674371-54702	572.70
	DETECTION INSTRUMENTS CORP \$	133.05
ACH	OLIN CORP4,898 Sodium Hypochlorite 12.59002690164,902 Sodium Hypochlorite 12.5900269629	9,594.95 9,602.79
	OLIN CORP \$	19,197.74
ACH	PFM ASSET MANAGEMENT LLC 3/1/23-3/31/23 IEUA Investment Portfolio 13668163	7,560.32
	PFM ASSET MANAGEMENT LLC \$	7,560.32
ACH	GHD INC EN21053-2/19-3/25/23 Prof Svcs 380-0030445	62,717.15
	GHD INC \$	62,717.15
ACH	EUROFINS EATON ANALYTICAL LLC ANNUAL GWR Walnut Well 02/02/2023 3800021188 Title 22 MCL TP-1 002 Effluent 03/22/202 3800021181 3/21/23 Water Sample Analysis 3800021211	1,380.00 125.00 100.00
	EUROFINS EATON ANALYTICAL LLC \$	1,605.00
ACH	FRONTIER TECHNOLOGY, LLC 2259020	5,602.95
	FRONTIER TECHNOLOGY, LLC \$	5,602.95
ACH	CALIFORNIA WATER TECHNOLOGIESFerric Chloride Solution DWG Bulk43886RP1-17,246.32 Lb Ferric Chloride4363243.600 Ferric Chloride Solution43887	7,465.30 8,237.92 8,051.96
	CALIFORNIA WATER TECHNOLOGIES \$	23,755.18
ACH	ARCADIS US INC EN21041 RP-4 Contact Basin Cover and RW 34357944	93,178.75

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utilit 3 Treasurer Report	ies Agency	Page Date	3 06/12/202
Check	Payee / Description				Amoun
		ARCADIS US INC	Ś	ž	93,178.75
ACH	TECHNICAL SYSTEMS I T&M Programming	NC	7954-005		1,125.00
		TECHNICAL SYSTEMS IN	2 D	>	1,125.00
ACH	THE SOLIS GROUP EN18006.00-3/1/23-3	/31/23 Prof Svcs	10423		1,893.00
		THE SOLIS GROUP	Ś	5	1,893.00
ACH	STAPLES CONTRACT & Paper,Notebooks,Pen		3536192950)	370.60
		STAPLES CONTRACT & C	OMMERCIAL S	\$	370.60
ACH	MCCARRON & COMPANY Individual Coaching	ទ	2280		1,050.00
		MCCARRON & COMPANY	:	\$	1,050.00
ACH	HUNT ORTMANN PALFFY Prof Services 3/1/2		98798		1,446.50
		HUNT ORTMANN PALFFY	NIEVES	\$	1,446.50
ACH	ECONOMIC ALTERNATIV RP1-4/23 Monthly Wa	ES INC ter Treatment Svc	100283		883.33
		ECONOMIC ALTERNATIVE	S INC	\$	883.33
ACH	LEVEL ONE PROTECTIO Armed Security Offi		3086		5,280.00
		LEVEL ONE PROTECTION	I, INC.	\$	5,280.00
ACH	SO CALIF EDISON RP4/TP4/RCA-3/7-4/4 DclzBsn-3/3-4/2 139	12811 6th St 78 Phila	800003669 800228394	0 3/ 6 3/	208,692.30 45.85
		SO CALIF EDISON		\$	208,738.15
ACH	BENEFIT COORDINATOR 4/23 Agency Dental		BO8F6L		21,064.10
		BENEFIT COORDINATORS	CORPORATI	\$	21,064.10
ACH	MORENO, MANUEL Moreno,M_ExpRpt_4/2	2-4/5 Seminar	4/2 CONFE	RENC	241.05
		MORENO, MANUEL		\$	241.05
ACH	WANG, PHEBE MlgReim-8/19 Call C Milage Reimb. to 16 Milage reimb. CDA F	Out-Wang,P 530 W. Reservoir CACO Watchdog Alarm re	8/19 MLG MILEAGE R MILAGE RE	EIMB IMB.	38.63 25.13 12.81
		WANG, PHEBE		\$	76.57

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit: 3 Treasurer Report	ies Agency	Page Date	4 06/12/2023
Check	Payee / Description				Amount
ACH	SIANPOUR, SIAMAK Mileage Reimb. to RI Milage Reimb. to PI Mileage Reimb. Filte MlgReim-4/25 Call Ou	LC Issue IERCF ers RP1 Comm tower	MILEAGE 09/09 MILEAGE REIMB MILEAGE REIMB 4/21 MLG \$		17.80 18.70 17.50 40.61 94.61
ACH	TULE, MARCO				
ACH	Mileage Reimb. trip		MILEAGE REIMB		15.00
		TULE, MARCO	\$		15.00
ACH	HATTER, HANNAH RcrdsMgt-Open House	Refreshments	REIM-CKREQ# 3		80.70
		HATTER, HANNAH	\$		80.70
ACH	QIAN, MENG Reimb. Mileage to R	P2 round trip.	MILAGE REIMB.		7.13
		QIAN, MENG	\$		7.13
ACH	VIZCARRA, MICHELLE Trip to CWEA Conference	ence 04/17/23	05/01/2023		141.48
		VIZCARRA, MICHELLE	Ş		141.48
ACH	FISHER SCIENTIFIC Xylene, Filter Caps REPLACEMENT FILTERS	FOR HELIUM	2097623 2019137		2,625.62 735.81
		FISHER SCIENTIFIC	\$		3,361.43
ACH	ROYAL INDUSTRIAL SO PVC Connl and Liq.		6441-1087197		475.66
		ROYAL INDUSTRIAL SOL	UTIONS \$		475.66
ACH	SOUTHWEST ALARM SER Monitoring Security 5/23 Monitoring Sec	VICE System May 2023 urity System IEUA-HR	080373 080375		4,852.00
		SOUTHWEST ALARM SERV	TCE \$		4,902.00
ACH	UNDERGROUND SERVICE 2021 Dig Safe Board	ALERT/SC CA Regulatory Costs	22-2303792		146.24
		UNDERGROUND SERVICE	ALERT/SC \$		146.24
ACH	UNIVAR SOLUTIONS US 10,445 SOD BISULFIT 12,435 SOD BISULFIT 12,345 SOD BISULFIT 12,350 SOD BISULFIT	E 25% BULK TECH E 25% BULK TECH E 25%	51099557 51081514 51076441 51073838		7,173.17 8,539.81 8,478.01 8,481.45
		UNIVAR SOLUTIONS USA	A INC \$		32,672.44

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utilit 3 Treasurer Report	ies Agency	Page Date	5 06/12/2023
Check	Payee / Description				Amount
ACH	WAXIE SANITARY SUPP Soap, Degreaser, Po Premium Wood Polish	lish and Towels	81676139		1,629.12
		WAXIE SANITARY SUPPL	Y \$)	1,692.20
ACH	AIRGAS USA LLC Lab-Argon Microbulk	Tank, Telemetry Renta	9137543648		556.77
		AIRGAS USA LLC	Ş	5	556.77
ACH	GRAINGER INC Hooded Coveralls Windshield Wash Cle Masks, Paint, Latex		9689011816 9689067412 9689067404	2	616.59 24.47 6,203.39
		GRAINGER INC	Ş		6,844.45
ACH	CDM SMITH INC EN17006-3/19-4/22 P EN19024-3/5-4/8/23	rof Svcs Prof Svcs	90176756 90176142		10,864.25 15,467.14
		CDM SMITH INC	Ş	5	26,331.39
ACH	CAROLLO ENGINEERS EN11039 RP-1 Disinf	ection Pump Improveme	FB35575		26,667.00
		CAROLLO ENGINEERS	¢,		26,667.00
ACH	LIEBERT CASSIDY WHI 3/2/23 Interview Tr		239802		2,250.00
		LIEBERT CASSIDY WHIT	MORE \$	>	2,250.00
ACH	PANTHER PROTECTION Locksmith Restricte	d Keys and Trip charg	P 7565		9,157.75
		PANTHER PROTECTION	Ś	\$	9,157.75
ACH	WESTERN WATER WORKS Razor Backs,Pipe Wr	SUPPLY CO apping Tape,Gate Valv	1132933-00)	561.27
		WESTERN WATER WORKS	SUPPLY CO \$	5	561.27
ACH	ATMAA INC RP1-4/14 Analysis R	educed Sulfur Compoun	. 39262		240.00
		ATMAA INC	ŝ	5	240.00
ACH	TRUSSELL TECHNOLOGI Professional Servic	ES INC es from March 1,2023	000000903	7	17,797.50
		TRUSSELL TECHNOLOGIE	S INC	\$	17,797.50
ACH	STANTEC CONSULTING EN23123 RP-4 Outfal CCWRF-3/4-3/31 Prof EN21045-2/25-3/24 P EN23088.02-3/23 Pro	l Valve Replacement a Svcs rof Svcs	2072662 2072605 2070772 2072659		16,374.50 2,448.25 98,133.95 18,884.50

Check	Payee / Description			Amoun
CHECK		2072661		
	RW/GWR Safety Work Improvements for Basi		.	5,134.00
	STANTEC CONSULTING IN	IC	\$	140,975.20
ACH	PEST OPTIONS INC April 2023 Agency Wide Weed Control	421957		4,302.93
	PEST OPTIONS INC		\$	4,302.93
ACH	GEI CONSULTANTS INC IEUA-CBP PM SERVICES	3130021		72,766.00
	GEI CONSULTANTS INC		\$ 	72,766.00
ACH	OLIN CORP RP1-4,922.00 Sodium Hypochlorite 12.5 RP1-4,884 Sodium Hypochlorite 12.5 RP1-4,858 Sodium Hypochlorite 12.5 RP5-4,854 Sodium Hypochlorite 12.5 RP4-4,920 Sodium Hypochlorite 12.5 wt% B CCWRP-4,950 Sodium Hypochlorite 12.5 RP1-4,896 Sodium Hypochlorite 12.5	900270743 900270028 900268718 900270745 900270967 900270968 900270968		9,641.97 9,567.53 9,516.60 9,508.76 9,638.05 9,696.82 9,594.95
	OLIN CORP		\$	67,164.68
ACH	GHD INC EN21051-4/2-4/29 Prof Svcs	380-00312	75	4,604.29
	GHD INC		\$	4,604.29
ACH	ROGER BRYENTON & ASSOCIATES Mobilization: Scope of Work, Insurance P	2023-1		2,000.00
	ROGER BRYENTON & ASSO	DCIATES	\$	2,000.00
ACH	CONSERV CONSTRUCTION INC 4600002630-Prof Svcs 4600002872-Prof Svcs 4600002791-Prof Svcs CONSERV CONSTRUCTION	2145 2147 2146 INC	 \$	17,604.72 52,237.92 56,193.20 126,035.84
ACH	FRONTIER TECHNOLOGY, LLC Cisco Catalyst Network Essentials Cisco Catalyst	2257711 2260307		19,770.44 22,326.90
	FRONTIER TECHNOLOGY,	LLC	\$	42,097.34
ACH	CALIFORNIA WATER TECHNOLOGIES RP1-46,660 Ferric Chloride Solution DWG	43884		8,533.63
	CALIFORNIA WATER TEC	HNOLOGIES	\$	8,533.63
ACH	V3IT CONSULTING INC SAP Basis Support for April 2023	V3IT20233	IEUA0	6,184.00
	V3IT CONSULTING INC		 \$	6,184.00

For 05	/01/2023 ~ 05/31/202	Inland Empire Utilit 3 Treasurer Report		Date	7 06/12/202
Check	Payee / Description				Amoun
	Legislative Consult	ing May 2023	13637		9,500.00
		WEST COAST ADVISORS	\$		9,500.00
ACH	PACIFIC COURIERS IN Courier Services Ap Board Packages Apri	ril 2023, Daily Lab	23-04-2006 23-04-2007		3,294.00 2,983.00
		PACIFIC COURIERS INC	\$		6,277.00
ACH	3/23 Ontario vs IEU 3/23 Kaiser Vs CBWC 3/23 Watermaster	WD vs IEUA (MEU Rate A (CBP) D (Ely Basin) it Authority vs IEUA	1240 1239 1238		945.00 1,267.50 467.50 3,207.50 9,782.50 427.50 27,892.50 2,270.65 11,832.50 19,079.50
		JC LAW FIRM	\$		77,172.65
ACH	GILLIS + PANICHAPAN EN20051-3/1 Prof Sv		108491J		1,620.00
		GILLIS + PANICHAPAN	ARCHITECTS\$		1,620.00
ACH	LA OPINION March Banner and Ad	vertising	107290423		3,037.50
		LA OPINION	\$		3,037.50
ACH	CAPO PROJECTS GROUP 4600002731-3/23 Pro Prof. Services for	f Svcs	6785 6794		36,936.98
		CAPO PROJECTS GROUP	LLC \$		37,270.98
ACH	AMTEC Z Bratton - W/E 04/	24-04/27	74662		960.00
		AMTEC	\$		960.00
ACH	WSP USA ENVIRONMENT EE&CM-10/1-10/28 Pr	& oject/Admin Staff Svc	: S49835798		21,597.00
		WSP USA ENVIRONMENT	& \$		21,597.00
ACH	ADAM'S FALCONRY SER Bird Control 04/17		17773		1,560.00
		ADAM'S FALCONRY SERV	VICE LLC \$	5	1,560.00
ACH	CARPI & CLAY INC Advocacy Servs. for	April 2023	23-04-IEU		7,000.00
		CARPI & CLAY INC	Ś		7,000.00

	: ZFIR TREASURER Inland Empire Utiliti /01/2023 ~ 05/31/2023 Treasurer Report	.es Age	ency	8 06/12/2023
Check	Payee / Description			Amount
ACH	LEVEL ONE PROTECTION, INC. 4/21-4/23 Security Svcs LEVEL ONE PROTECTION,	3080 INC.	\$	 6,930.00
ACH	SO CALIF EDISON PrdDchlStn-3/30-4/27 34 Johnson-Pine PrdLS-3/30-4/27 34 Johnson-Pine ElyBsn- 3/8-4/5 1665 Phila Ave 930RsvrPrjct-3/23-4/20 2950 Galloping Hi RP1/RP5/8thStBsn-3/31-4/30 8865 Kimball/ SO CALIF EDISON	800003 800005 80017	32049 4/ 32094 4/ 57558 3/ 75817 4/ 24092 4/ \$	658.92 76.90 36.28 50.04 36.90
ACH	HQA/B-3/29-4/27 6075 Kimball Ave	15729'	076 4/23 783 4/23 305 4/23 \$	24.02 117.55 2,243.27 2,384.84
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 09 5/5/23 Employee Ded IEUA EMPLOYEES' ASSOC	HR	0114000 N \$	 174.00
ACH	IEUA SUPERVISORS UNION ASSOCIA	HR	0114000	 315.00
ACH	IEUA SUPERVISORS UNIC IEUA GENERAL EMPLOYEES ASSOCIA P/R 09 5/5/23 Employee Ded IEUA GENERAL EMPLOYEE	HR	0114000	 956.60
ACH	INLAND EMPIRE UNITED WAY P/R 09 5/5/23 Employee Ded INLAND EMPIRE UNITED	HR	0114000 Ş	 21.00
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 09 5/5/23 Employee Ded IEUA PROFESSIONAL EMI	HR PLOYEE	0114000 S AS\$	 660.00
ACH	WEX HEALTH INC P/R 09 5/5/23 Cafeteria Plan WEX HEALTH INC	HR	0114000 \$	 4,896.10
ACH	CITY EMPLOYEES ASSOCIATES P/R 09 5/5/23 Employee Ded CITY EMPLOYEES ASSOC	HR LATES		 331.50
ACH	NGUYEN, ROSE ExpRpt-4/24-27 Esker Conference-Nguyen,R	4/24-	27 ESKER	54.76

For 05	/01/2023 05/31/202	Inland Empire Utilit: 3 Treasurer Report		Date	06/12/202
Check	Payee / Description				Amoun
		NGUYEN, ROSE	\$	778 AN	54.76
ACH	MENDEZ, JOSE CWEA AC23 Conf. and	Expo	AND EXPO		140.57
		MENDEZ, JOSE	\$		140.57
ACH	SIANPOUR, SIAMAK MileageReim-Call Ou	t-Sianpour,S	MLG 8/16		19.38
		SIANPOUR, SIAMAK	\$ [´]		19.38
ACH	EMPOWER RETIREMENT P/R 109 4/25/23 Off P/R 09 5/5/23 Defer	-Cycle Deferred Comp red Comp	HR 0113800 HR 0114000		15,025.00 91,548.65
		EMPOWER RETIREMENT	\$	-	106,573.65
ACH	HARRINGTON INDUSTRL Elbows, Adapters, P Warehouse parts GRATING PULT 1" I-B 2-1/2" PIPE P/E CLR	ipes, Niples AR IFR GRY	012M4153 012M4282 012M4281 012M4280		2,323.36 2,514.14 2,981.56 434.34
		HARRINGTON INDUSTRIA	L PLASTICS\$		8,253.40
ACH	ROYAL INDUSTRIAL SO PVCs Connections , UL489 MINI CKT BRKR	Seals Hubs and space	6441-1086783 6441-1088876		11,573.00 903.50
		ROYAL INDUSTRIAL SOL	UTIONS \$		12,476.50
ACH	SANTA ANA WATERSHED March 2023 Svc		10264		75,575.6
		SANTA ANA WATERSHED	\$		75,575.65
ACH	AIRGAS USA LLC Lab-4/30 Cylinder R RP-1 93.2 Gal Propa RP-1 75.5 Gal Propa RP1-4/30 Cylinder R RP1-4/30 Cylinder R	nd Ind Bulk ne Ind Bulk ental	9996966380 9137806087 9137806088 9996943747 9996966381		79.02 436.84 353.88 10.80 55.50
		AIRGAS USA LLC	\$		936.04
ACH	GRAINGER INC Ratchet, Faceshield	, Tags, Strainer	9695760778		898.0
		GRAINGER INC	\$		898.0
ACH	AQUATIC BIOSYSTEMS WQLab-Sbcptt Algl C	ncntrt,YTC Dphnd Fd M	147287		204.0
		AQUATIC BIOSYSTEMS	Ş		204.0
ACH	KONICA MINOLTA BUSI	NESS SOLUTI 1-04/26	9009283608		160.2

For 05	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utilit 3 Treasurer Report	Leb Ageney	Page 10 Date 06/12/202
Check	Payee / Description	1		Amoun
		KONICA MINOLTA BUSIN	ESS SOLUTI\$	160.21
ACH	CS-AMSCO Series 800 Check Va	llve	18579	12,400.58
		CS-AMSCO	\$	12,400.58
ACH	NATIONAL CONSTRUCTI 4/18 Regular Unit,H	ON RENTALS JandWash Station,Handi	6967083	1,239.13
		NATIONAL CONSTRUCTIO	n rentals \$	1,239.13
ACH	OLIN CORP 4,910 Sodium Hypoch 4,932 Sodium Hypoch 4,904 Sodium Hypoch 4,956 Sodium Hypoch 4,920 Sodium Hypoch	nlorite 12.5 nlorite 12.5 nlorite 12.5	900271475 900271797 900271798 900271937 900272149	9,618.46 9,661.56 9,606.71 9,708.57 9,638.05
		OLIN CORP	\$	48,233.35
ACH	ARCADIS US INC EN19001/EN19006-3/2	23 Prof Svcs	34361106	397,654.29
		ARCADIS US INC	\$	397,654.29
ACH	TECHNICAL SYSTEMS I IEUA Task-14 RP-1 S	NC Solids Thickening T&M	8187-001	10,890.00
		TECHNICAL SYSTEMS IN	IC \$	10,890.00
ACH	ECOTECH SERVICES IN Repair Kits, PRV Mo	NC odel Wilkins replaceme	2639	168.28
		ECOTECH SERVICES INC	\$	168.28
ACH	KRD MANAGEMENT CONS EE&CM- Prof Svcs 1/	SULTING LLC /21/23-4/25/23	8 4600002730	4,560.00
		KRD MANAGEMENT CONSU	JLTING LLC \$	4,560.00
ACH	WESTLAND GROUP INC EN23043-12/22 Prof	Svcs	24940REV1	6,814.00
		WESTLAND GROUP INC	\$	6,814.00
ACH	EHS INTERNATIONAL 1 2/21 Electrical Sat	INC Sety Awareness Trainir	ı 3-19525.	3,300.00
		EHS INTERNATIONAL IN	1C \$	3,300.00
ACH	HOWDEN ROOTS LLC RP1Mnt-Parts		POIR097076	547.01
		HOWDEN ROOTS LLC	\$	547.01
ACH	REDWOOD ENERGY STOR 4/23 RP4 Energy Sto	RAGE II LLC prage System Mgmt	2034	29,864.58

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utilit: 3 Treasurer Report	les Agency	Dat	e 11 e 06/12/202
Check	Payee / Description				Amoun
		REDWOOD ENERGY STORA	GE II LLC	\$	29,864.58
ACH	DECALS BY DESIGN IN 4/6 Door Logos Remo		17507	_	1,363.10
		DECALS BY DESIGN INC		\$	1,363.10
ACH	RADAR ENVIRONMENTAL April 2023 Monthly		2060	_	861.10
		RADAR ENVIRONMENTAL	INC	\$	861.10
ACH	DENALI WATER SOLUTI RP1-11/22 Biosolids		INV469200)	24,420.23
		DENALI WATER SOLUTIO	NS LLC	\$	24,420.23
ACH	ACCUSOURCE HR		110089		1,059.34
		ACCUSOURCE HR		\$	1,059.34
ACH	INFINITE CONTROL SY May 2023 Monthly Ma		5427		2,960.00
		INFINITE CONTROL SYS	TEMS INC	\$	2,960.00
ACH	ESKER INC 4/23 Prof Svcs		460245213	3	391.54
		ESKER INC		\$	391.54
ACH	DIVERSIFIED THERMAL Maintenance April / Maintenance for Apr Maint. 04/23 Plant Maint for April 202	23 il 2023 5	S37260 S37252 S37258 S37254	-	2,541.00 2,541.00 2,541.00 2,541.00 2,541.00
3.011	CO CALLE EDICON	DIVERSIFIED INERVAL		L.Y.	10,104.00
ACH	SO CALIF EDISON CCWRP/TP-3/28-4/25	14950 Telephone Ave	800354371	-	75.02
		SO CALIF EDISON		\$	75.02
ACH	FOUNDATION HA ENERG RP4/RWPS-4/1-4/30 2	Y GENERATIO 811 6th St-Wind Power	3653	_	2,311.54
		FOUNDATION HA ENERGY	GENERATIO	D\$	2,311.54
ACH	AQUA BEN CORPORATIO RP1- 750A TOTE Hydr RP1 748E TOTE Hydro	ofloc	46091 46090		30,615.30 7,303.65
		AQUA BEN CORPORATION	ſ	\$	37,918.95
ACH	HARRINGTON INDUSTRI 3/4"IDX1"OD X1/8"W		012M4319		61.25

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utili 3 Treasurer Report	ties Agency	Page Date	12 06/12/202
Check	Payee / Description				Amoun
		HARRINGTON INDUSTRI	AL PLASTICS\$		61.25
ACH	HOME DEPOT CREDIT SI Gloves, Tape, WR Ad		2514110		124.48
		HOME DEPOT CREDIT S	SERVICES \$		124.48
ACH	PATTON SALES CORP Channel, All Thread Credit f/Inv 4531603		4584068 4531627		173.84 40.95
		PATTON SALES CORP	\$		132.89
ACH	ROYAL INDUSTRIAL SO RP1-parts GRY 3/4 FEED-THRU BI 12W LIGHT FX 10PORT MANAGED SW, 3 THHN-10-GRN-19STR-W3 WAREHOUSE PARTS, PV UL489 MINI CKT BRKR	DY, GRY PVC 100MB M-MODE CBL IRE C	6441-1084569 6441-1089514 6441-1089323 6441-1085677 6441-1087197 6441-1089109 6441-1088881		6,754.40 1,807.40 1,755.74 549.95 1,102.24 4,184.70 225.87
		ROYAL INDUSTRIAL SC	OLUTIONS \$		16,380.30
ACH	SANTA ANA WATERSHED March 2023 Truck Di	scharge	10258		25,678.98
		SANTA ANA WATERSHEL	D \$		25,678.98
ACH	AIRGAS USA LLC CCWRF-4/30 Cylinder	Rental	9996966378		21.60
		AIRGAS USA LLC	\$		21.60
ACH	CHINO BASIN WATERMA 50% Cost Sharing-PB	STER HSP WYI 2053180	2023-03-B		11,692.3
		CHINO BASIN WATERMA	ASTER \$		11,692.37
ACH	KONICA MINOLTA Renewal Summary Ren	ewal Charge	42321595		5,499.33
		KONICA MINOLTA	\$		5,499.33
ACH	KONICA MINOLTA BUSI Maintenance 03/27-0		9009289666		805.68
		KONICA MINOLTA BUS	INESS SOLUTI\$		805.68
ACH	THATCHER COMPANY OF P1-21704 Aluminum S	CALIFORNIA ulfate Liquid -	202325010964	1	4,883.40
		THATCHER COMPANY OF	F CALIFORNIA\$		4,883.4
ACH	POWER SYSTEMS SERVI RP5 Switchgear Modi	CES INC fication	5907		20,334.2
		POWER SYSTEMS SERV	ICES INC \$		20,334.2

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utilit: 23 Treasurer Report	ies Agency	Page 13 Date 06/12/2023
Check	Payee / Description	1		Amount
ACH	MPS SECURITY IEUA Rover Patrol S	Services for March 202 MPS SECURITY	2839 \$	13,899.60 13,899.60
ACH	PONTON INDUSTRIES I Calibration	INC	26255-50087	3,799.00
ACH	INLAND EMPIRE REGIO Biosolids (RP1) 04,	PONTON INDUSTRIES IN DNAL /01/2023-04/30-2023 INLAND EMPIRE REGION	90034353	3,799.00
ACH	HACH COMPANY Digital pH Sensor	HACH COMPANY	13565010 \$	2,884.89
ACH	ROBERT HALF MANAGE Olivares-Hernand,Jo Samore,J WE- 05/05, Steele, Shannon R W Reyes,Gloria WE 04,	oshua WE 04/28/2023 /2023 WE 04/28/23	61937452 61975180 61947536 61946401	3,080.00 2,320.00 3,572.80 3,379.95
		ROBERT HALF MANAGEME	NT RESOURC\$	12,352.75
ACH	RSD Clip, Refrigerant,	Cylinder RSD	55389333-00 \$	917.80 917.80
ACH	OLIN CORP 4,952 Sodium Hypocl RP1-4,910 Sodium Hy 4,914 Sodium Hypocl 2,974 Sodium Hypocl	ypochlorite 12.5 Credi nlorite 12.5	900273217 960010959 900272822 900272823 \$	9,700.74 9,618.46- 9,626.29 6,420.73
ACH	REED, RANDALL J 5/23 Policy Cmmtt	Fee-Reed,R REED, RANDALL J	RPC-5/23 \$	100.00
ACH	ULLOA, EUNICE M 5/23 Policy Cmmtt		RPC-5/23	100.00
ACH	DORST-PORADA, DEBR 5/23 Policy Cmmtt	A	RPC-5/23	100.00
ACH	SIEMENS INDUSTRY I RP1-parts		5608341384	281.66

	/01/2023 ~ 05/31/2023 Tre	aburer Report			06/12/202
Check	Payee / Description				Amour
	SIEME	NS INDUSTRY INC	\$		281.66
ACH	DAVID WHEELER'S PEST CONT Trap dev. 4/08/23 RP-5 All 04/24/23 Pest Control Prof. Servs. 04/20/23 Re	Services	65124 66493 66641		1,199.00 524.00 536.00
	DAVID	WHEELER'S PEST	CONTROL IS		2,259.00
ACH	KIM'S MASTER AUTO REPAIR SERVICE CALL F150		043642		1,652.71
	KIM'S	MASTER AUTO REI	PAIR \$		1,652.71
ACH	TRICO CORPORATION RP2 Oil Analysis		P65858		56.00
	TRICO	CORPORATION	\$		56.00
ACH	BENNETT, ARTHUR E 5/23 Policy Cmmtt Fee-Ben	nett,A	RPC-5/23		100.00
	BENNE	TT, ARTHUR E	\$		100.00
ACH	CALIFORNIA WATER TECHNOLO PhillS-18,012.65 Ferric C RP-2 41,340lbs Ferric Chl RP1-43,420lbs Ferric Chl PhillS-43,620Lbs Ferric Ch RP-2 43,640lbs Ferric Chl RP2- 45,120 Ferric Chlori	hloride oride Solution ride Solution hloride oride Solution	43946 43945		8,054.59 7,634.60 8,135.22 7,977.64 7,961.78 8,433.56
	CALIF	ORNIA WATER TEC	HNOLOGIES \$		48,197.39
ACH	V3IT CONSULTING INC Professional Srvs Ad Hoc				106.00
	V3IT	CONSULTING INC	\$		106.00
ACH	MANAGED MOBILE INC Cab Or Front Door Maint S 04/01/23 Vehicle Service Engine Assembly Repair Parts/Labor F/Veh Front Brakes/Dums/Labor f	Call/Maintenanc 0802	IN00-02657 IN00-02658 IN00-02647 IN00-02651 IN00-02649	86 56 89	912.53 908.39 1,393.10 563.22 3,790.8
	MANAC	ED MOBILE INC	\$		7,568.1
ACH	PRIORITY BUILDING SERVICE RP5 April 2023 Janitorial		87816		1,489.0
	PRIOF	RITY BUILDING SE	RVICES LLC\$		1,489.0
ACH	MICHAEL BAKER INTERNATION 4600002559 4/2/23 Prof St		1177419		10,240.0
	МТСНИ	L BAKER INTERN	ATIONAL INS		10,240.0

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utilit 3 Treasurer Report	ies Agency	Page 15 Date 06/12/2023
Check	Payee / Description	L		Amount
ACH	SHAW HR CONSULTING HR CONSULTING FEES	INC - PROF SRVS 3/27/23-5 SHAW HR CONSULTING I		1,305.00
ACH	PRO-CRAFT CONSTRUCT Lab sink	'ION INC PRO-CRAFT CONSTRUCTI	22097-19 ON INC \$	356.47
ACH	KEARNS & WEST Professional Servic	es 04/01-04/30 KEARNS & WEST	023507 \$	328.75
ACH	GARRATT CALLAHAN CO RP1-4/26 Water Trea RP2-parts		1252757 1252553 IPANY \$	610.75 510.70 1,121.45
ACH	COMPLETE PAPERLESS LaserFiche LSAP Lic		1 3801	66,902.00
ACH	THE SOLIS GROUP Regional Force Mair	1 Improvements EN19025 THE SOLIS GROUP	\$ 10625 \$	1,770.00
ACH	AMTEC Bratton, Zhalen WE	05/07/2023 AMTEC	74729 \$	720.00
ACH	INLAND EMPIRE WINDU Warehouse parts Warehouse parts Warehouse parts		046619 01 046728 01 046691 01	3,193.31 108.36 3,022.03
ACH	VELTO, BILL 5/23 Policy Cmmtt B	INLAND EMPIRE WINDUS Fee-Velto,B VELTO, BILL	RPC-5/23	6,323.70 100.00 100.00
ACH	THE GATE GUY Service Call 4/25 Service Call 04/27	THE GATE GUY	611 619 \$	310.00 130.00 440.00
ACH	HckrvDm - 3/8 - 4/5 134	-4/25 14950 Telephone 400 Whittram Ave 3sn/TrnrBsn1-3/1-3/29	8004814080 04 8000257085 3	4 61,398.20 / 199.48 / 472.56

For 05	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utiliti 3 Treasurer Report			Date	16 06/12/202
Check	Payee / Description					Amoun
	8thStBsn-3/28-4/25	1180 8th St	800003533	39 4/		59.93
		SO CALIF EDISON		\$		62,204.03
ACH	SO CALIF GAS RP1Cmplx-3/30-4/28	2450 Phila St	12140888	4/23		45.88
		SO CALIF GAS		\$		45.88
ACH	AQUA BEN CORPORATIC RP2-2300lb 748E TOI RP1-2300 TOTE Hydr RP1 2300 TOTE Hydro	'E Hydrofloc ofloc 748E	46099 46135 46136			36,182.45 7,303.65 30,615.30
		AQUA BEN CORPORATION		\$		74,101.40
ACH	HARRINGTON INDUSTRI GRATING PULT 1" I-B		012M4121			274.60
		HARRINGTON INDUSTRIA	D PLASTICS	3\$		274.60
ACH	UNDERGROUND SERVICE April 2023-257 Dig		420230345	5		459.75
		UNDERGROUND SERVICE A	ALERT/SC	\$		459.75
ACH	UNIVAR SOLUTIONS US RP1- 12,390 SOD BIS		51146008			8,508.92
		UNIVAR SOLUTIONS USA	INC	\$		8,508.92
ACH	WAXIE SANITARY SUPE CUP SLEEVE/JACKET	PLY	81705537			134.02
		WAXIE SANITARY SUPPL	Y	\$		134.02
ACH	AIRGAS USA LLC RP-1 73.5 Gal Propa	ne Ind Bulk	91378721	52		344.51
		AIRGAS USA LLC		\$		344.51
ACH	GRAINGER INC Warehouse parts		97033405	71		694.23
		GRAINGER INC		\$		694.23
ACH	FLW INC DURALIFE GAUGE		1307282			229.18
		FLW INC		\$		229.18
ACH	CDM SMITH INC Assessment/Maintena	ance of Collection Sys	90177828			12,468.03
		CDM SMITH INC		\$		12,468.03
ACH	DELL MARKETING L P Dell Performance Do	ock,Soundbar,Briefcase	10668270	635		18,832.65

Report For 05	: ZFIR TREASURER Inland Empire Utili /01/2023 ~ 05/31/2023 Treasurer Report	ties Agency	Page Date	17 06/12/2023
Check	Payee / Description			Amount
	DELL MARKETING L P	-	\$	18,832.65
ACH	POLYDYNE INC RP1- 15600 FLOSPERSE 30 S	1737031		20,595.51
	POLYDYNE INC	4 	\$	20,595.51
ACH	CAROLLO ENGINEERS TO 02 Evaluation of 1299 Zone for Ontar EN11039-3/23 Prof Svcs	i FB36172 FB35311		13,046.00 19,840.44
	CAROLLO ENGINEERS		\$	32,886.44
ACH	TELEDYNE ISCO TBG BDL PMP 5 Pump tubing for Y 5800/47	0 S02060107	3	2,258.74
	TELEDYNE ISCO		\$	2,258.74
ACH	KENNEDY/JENKS CONSULTANTS INC 4600003021-11/26/22-3/31/23 Prof Svcs	163076		1,585.55
	KENNEDY/JENKS CONSU	LTANTS INC	\$	1,585.55
ACH	SHI INTERNATIONAL CORP Microsoft 365 Project 2	B16763255		4,478.47
	SHI INTERNATIONAL C	ORP	\$	4,478.47
ACH	INSIDE PLANTS INC FcltyMgt/Lab-5/23 Indoor Plant Care	94304		706.50
	INSIDE PLANTS INC		\$	706.50
ACH	NATIONAL CONSTRUCTION RENTALS CCP-national construction rentals	6971826		700.00
	NATIONAL CONSTRUCTI	ON RENTALS	\$	700.00
ACH	OLIN CORP RP1-4,948 Sodium Hypochlorite 12.5 RP1-4,952 Sodium Hypochlorite 12.5 RP5- 4,934 Sodium Hypochlorite 12.5 RP1-1,955 Sodium Hypochlorite 12.5 RP1-4,920 Sodium Hypochlorite 12.5 CCWRF-3,020 Sodium Hypochlorite 12.5	900274928 900273776 900273985 900274321 900273376 900274196		9,692.90 9,700.74 9,665.48 9,716.41 9,638.05 6,218.04
	OLIN CORP		\$	54,631.62
ACH	JB'S POOLS & PONDS INC MAY POND MAINTENANCE	236676050	0	1,194.85
	JB'S POOLS & PONDS	INC	\$	1,194.85
ACH	GHD INC EN24020-2/28-3/31 Prof Svcs	380-00309	71	14,263.55
	GHD INC		\$	14,263.55
ACH	ENVIRONMENTAL SCIENCE ASSOCIAT			

For 05	/01/2023 ~ 05/31/202	Inland Empire Utilit: 3 Treasurer Report		Date	06/12/202
Check	Payee / Description				Amoun
	D202000275.13-3/23	Prof Svcs	183709		5,082.04
		ENVIRONMENTAL SCIENCE	E ASSOCIAT\$		5,082.04
ACH	CALIFORNIA WATER TE RP1-Ferric Chloride NRW-45,220 Ferric C	Solution	43963 43700		7,967.74 8,899.16
		CALIFORNIA WATER TECH	HNOLOGIES \$		16,866.90
ACH	MWH CONSTRUCTORS IN EN19025-3/23 Prof S		2023-3050577	7	20,005.95
		MWH CONSTRUCTORS INC	\$		20,005.95
ACH	GILLIS + PANICHAPAN EN22027: RP-1 New/O	ARCHITECTS ld Lab Building Conve	108512J		12,335.00
		GILLIS + PANICHAPAN A	ARCHITECTS\$		12,335.00
ACH	CSI SERVICES INC RP1-1/18-2/10/23 Co RP1-8/22 Coating In	ating Inspection Svcs spection Svcs	11894 11591		8,550.00
		CSI SERVICES INC	\$		23,750.00
ACH	SHAW HR CONSULTING HR Consulting, Prof	INC Srvs 04/10/23-05/12	008128		200.00
		SHAW HR CONSULTING I	NC \$		200.00
ACH	MEANS CONSULTING LL PL19005-4/23 Prof S		IE-5657		13,242.38
		MEANS CONSULTING LLC	\$		13,242.38
ACH	THE SOLIS GROUP RP-1 Flare Improvem Jurupa-Labor Compli	ents Labor Compliance ance	10626 10627		1,000.00
		THE SOLIS GROUP	\$		3,967.00
ACH	REDWOOD ENERGY STOR Monthly Management	AGE LLC Services: April 2023	1034		10,458.33
		REDWOOD ENERGY STORA	GE LLC \$		10,458.33
ACH	BUCKNAM INFRASTRUCT PA22003.01-4/23 Pro		358-07.05		14,047.50
		BUCKNAM INFRASTRUCTU	RE GROUP I\$		14,047.50
ACH	SMARTCOVER SYSTEMS SmartCover System		25742		28,836.00
		SMARTCOVER SYSTEMS	\$		28,836.00
ACH	WSP USA ENVIRONMENT For Professional Se	& rvices Rendered throu	S49836299		66,033.00

. 01 00	/01/2023 03/31/202	23 Treasurer Report		2400	06/12/202
Check	Payee / Description	1			Amount
	Prof Srvs through 0	03/31/2023	S49836298		76,492.50
		WSP USA ENVIRONMENT	& \$		142,525.50
ACH	WEST YOST & ASSOCIA EN16021-3/4-4/7 Pro		2053347		10,243.75
		WEST YOST & ASSOCIAT	'ES INC \$		10,243.75
ACH	DENALI WATER SOLUTI RP2-11/22 Biosolids RP1-10/22 Biosolids	Hauling to IERCF Hauling to IERCF	INV469198 INV469199		24,780.35 25,647.38
		DENALI WATER SOLUTIO	NS LLC \$		50,427.73
ACH	ASPIRE HR INC 12/22-12/23 Sucess	Factor Cloud License	16590		16,637.00
		ASPIRE HR INC	\$		16,637.00
ACH	DR MARISSA INC Training Team Build	ling 04/03-04/20	202304		3,241.92
		DR MARISSA INC	\$		3,241.92
ACH	SO CALIF EDISON OntLS-4/4-5/2 2525 ElyBsn-4/6-5/4 1665 JrpBsn-4/6-5/4 1345 BnaBsn-4/6-5/4 1401 1630WPmpStn-3/28-4/ Trnr3&4-3/29-4/26 9 SnSvnRW-3/24-4/23 6 CllgHgts/LwrDy/RP3E MWDCB14/20-3/17-4/1 RP1StLts-4/1-4/30 3 RP4-4/5-5/3 12811 6 PhilLS-4/6-5/4 1818 RP1-4/1-4/30 2450 E ZnRsvr-4/5-5/3 1274	5 Phila Ave 50 Jurupa 27 Whittram Ped 25 1530 6th St 516 Archibald Ave 5000 Cherry Ave 3sn/TrnrBsn-3/30-4/27 16 5752 East Ave/475 1 34 Phila 5th St 3 Phila St Phila St	8001610323 04 8000057558 04 8000401711 04 8004504662 04 8001265279 04 8000141055 4, 0297941406 4, 0478658163 3, 8000340637 04 8000598564 04 800031143 04 8000389509 4, 8002740158 04	1 1 3 3 4 /// 1 1 1 1 1 1	24.45 97.33 3,165.78 20.29 9,161.94 39.27 11.32 233.79 110.49 27.69 304.61 8,071.01 112.98 102.86
		SO CALIF EDISON	\$		21,483.81
ACH	SO CALIF GAS Lab-3/30-4/28 2450	Phila St	15577783 4/23	3	14.30
		SO CALIF GAS	\$		14.30
ACH	IEUA EMPLOYEES' ASS P/R DIR 05 5/12/23		HR 011410	0	12.00
		IEUA EMPLOYEES' ASSO	CIATION \$		12.00
ACH	COLONIAL LIFE & ACC 5/23 Disability, Ca	CIDENT INSUR ancer , Universal Term	n 727419405017	1	229.57
		COLONIAL LIFE & ACCI			229.57

Report For 05,	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit: 3 Treasurer Report	ies Agency	Page Date	20 06/12/2023
Check	Payee / Description				Amount
	MlgReim-5/9 On Call MlgReim-5/3 On Call	Response-Barajas,E Response-Barajas,E	MLG 5/9 MLG 5/3		39.30 39.30
		BARAJAS, ELIZABETH	\$		78.60
ACH	AQUA BEN CORPORATION RP1 3,519 Hydrofloc		46158		45,922.95
		AQUA BEN CORPORATION	\$		45,922.95
ACH	FISHER SCIENTIFIC Sodium Carbonate		2747164		37.39
		FISHER SCIENTIFIC	\$		37.39
ACH	ROYAL INDUSTRIAL SOI 3P 250A CB 3000VA UPS 1G WP BOXW/3 1/2HUBS APC and Shipping		6441-1090009 6441-1085807 6441-1089847 6441-1084553 UTIONS \$		2,990.63 8,031.88 103.12 8,031.88
ACH	UNIVAR SOLUTIONS USA Prado-11,685 Sodium RP5-12,010 Sodium B RP-1 12,250 Sodium B	Bisulfite isulfite	51154731 51154730 51154733		7,950.96 8,172.10 8,412.77
		UNIVAR SOLUTIONS USA	INC \$		24,535.83
ACH	WAXIE SANITARY SUPPI Clorox, towels, soap		81712724		3,697.19
		WAXIE SANITARY SUPPL	Y \$		3,697.19
ACH	AIRGAS USA LLC RP-1 45.2 Gal Propa Lab Nitrogen, Oxygen	ne Ind Bulk n, Helium Cylinders	9137504801 9137955540		211.86 311.45
		AIRGAS USA LLC	\$		523.31
ACH	GRAINGER INC Ball Valve		9695760786		1,129.43
		GRAINGER INC	\$		1,129.43
ACH	CDM SMITH INC EN19006/24001/24002	4/2-5/1 Prof Svcs	90177396		3,069.55
		CDM SMITH INC	\$		3,069.55
ACH	KONICA MINOLTA 5/23 Lease Copiers		2000296533 95	5	951.20
		KONICA MINOLTA	\$		951.20
ACH	GENESIS CONSTRUCTIO EN22041-4/23 Pay Es		PE 3-EN22041	1	91,463.00

Chock	Payee / Description			Amour
Check	Payee / Description		·	
		GENESIS CONSTRUCTION	\$	191,463.00
ACH	CAROLLO ENGINEERS IEUA - NRW System C	ost of Service Study	FB36676	2,591.50
		CAROLLO ENGINEERS	\$	2,591.50
ACH	RED WING SHOE STORE Emp Safety Shoe Pur Emp Safety Shoe Pur Emp Safety Shoe Pur	chase(s) chase(s)	2023050602355 2023050402355 2023051302355	225.00
		RED WING SHOE STORE	\$	900.00
ACH	LIEBERT CASSIDY WHI Demand Harassment T		#05092023	4,128.00
		LIEBERT CASSIDY WHIT	MORE \$	4,128.00
ACH	OLSON REMCHO LLP 4/23 Lobbyist Repor	t	736633	720.00
		OLSON REMCHO LLP	\$	720.00
ACH	NORSTAR PLUMBING & EN23014/EN23015-4/2		PE 2-EN23014/	229,452.79
		NORSTAR PLUMBING & E	NGINEERING\$	229,452.79
ACH	SCHNEIDER ELECTRIC Software Upgrades,S	SYSTEMS USA System Advisor EcoStru	94798428	22,833.30
		SCHNEIDER ELECTRIC S	YSTEMS USA\$	22,833.30
ACH	PLUMBERS DEPOT INC Pump, filter Servic	e and Labor	PD-53499	1,829.1
		PLUMBERS DEPOT INC	\$	1,829.1
ACH	ROBERT HALF MANAGEM Olivares-Hernand,Jo Samore,J-WE 5/12/23 Reyes,G-WE 05/05/23 Steele, S WE 05/05/	oshua 05/05/2023	61987778 62008664 61969666 61981339	2,310.00 2,102.50 3,654.00 3,572.80
		ROBERT HALF MANAGEME	INT RESOURC\$	11,639.30
ACH	CS-AMSCO Valves		18631	7,151.02
		CS-AMSCO	\$	7,151.02
ACH	SHI INTERNATIONAL C NPM SL2000 ANNUAL M		B16703444	11,068.54
		SHI INTERNATIONAL CO	DRP \$	11,068.54

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit: 3 Treasurer Report	ies Agency	Page 22 Date 06/12/202
Check	Payee / Description			Amoun
		W M LYLES COMPANY	\$	6,523,319.67
ACH	PEST OPTIONS INC April 2023 Agency W:	ide Weed Control	421995	10,237.61
		PEST OPTIONS INC	\$	10,237.61
ACH	OLIN CORP RP1 4,900 Sodium Hy CCWRF 4,890 Sodium Hy RP4- 4,866 Sodium Hy RP1 1,955 Sodium Hy RP5-4,916 Sodium Hy	Aypochlorite 12.5 ypochlorite pochlorite 12.5	900276253 900275435 900275730 900275434 900275211	9,598.87 9,579.28 9,532.27 9,649.80 9,630.22
		OLIN CORP	\$	47,990.44
ACH	BIG SKY ELECTRIC IN EN22034-4/23 Pay Est		PE 2-EN22034	203,098.12
		BIG SKY ELECTRIC INC	\$	203,098.12
ACH		MAIN IMPROVEMENT PROJ IMPROVEMENT PROJECT rof Svcs		2,224.73 23,997.00 16,879.80
		GHD INC	\$	43,101.53
ACH	EUROFINS EATON ANALY 4/14/23 Water Sample 3/29/23 Water Sample 4/7/23 Water Sample 4/8/23 Water Sample	e Analysis e Analysis Analysis	3800022067 3800021418 3800022175 3800022182	100.00 500.00 500.00 2,000.00
		EUROFINS EATON ANALY	TICAL LLC \$	3,100.00
ACH	MNR CONSTRUCTION IN RW15003.06-4/23 Pay		PE 20-RW15003	692,990.22
		MNR CONSTRUCTION INC	\$	692,990.22
ACH	CCWRF-44780 Ferric	CHNOLOGIES Chloride Solution Chloride Solution DWG hloride Solution DWG	43996	8,101.49 8,289.91 7,812.82
		CALIFORNIA WATER TEC	HNOLOGIES \$	24,204.22
ACH	BEJAC CORPORATION Hydraulic Oil		C17680	1,961.81
		BEJAC CORPORATION	\$	1,961.81
ACH	FERREIRA COASTAL CO EN19025-4/23 Pay Es		PE 9-EN19025	58,678.89
		FERREIRA COASTAL CON	STRUCTION \$	58,678.89

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit 3 Treasurer Report	ies Agency	Page 23 Date 06/12/2023
Check	Payee / Description			Amount
ACH	TECHNICAL SYSTEMS II EN13016.05-12/19-3/2	NC 24 Prof Svcs	8164-001	74,640.00
		TECHNICAL SYSTEMS IN	°C \$	74,640.00
ACH	SUPERIOR ELECTRIC MO New Baldor Motor	OTOR SERVIC	131667	2,265.11
		SUPERIOR ELECTRIC MC	TOR SERVIC\$	2,265.11
ACH	WALLACE & ASSOCIATE 4600002853-2/27-4/2		W801137	33,570.00
		WALLACE & ASSOCIATES	CONSULTIN\$	33,570.00
ACH	GILLIS + PANICHAPAN FM21005.01-4/1-4/30		108510J	965.00
		GILLIS + PANICHAPAN	ARCHITECTS\$	965.00
ACH	CSI SERVICES INC RP1-2/15-3/9 Coating RP1-9/22 Coating In	g Inspection Svcs spection Svcs	11969 11645	5,320.00 14,440.00
		CSI SERVICES INC	\$	19,760.00
ACH	MICHAEL BAKER INTER Prof. Svcs Thru 04/		1178331	10,257.50
		MICHAEL BAKER INTERN	IATIONAL IN\$	10,257.50
ACH	KIEWIT INFRASTRUCTU EN17082-Ret Rls	RE WEST CO	RETRLS-EN1708	180,740.07
		KIEWIT INFRASTRUCTUR	RE WEST CO \$	180,740.07
ACH	CAPO PROJECTS GROUP EN11039 Prof. Servi	LLC ces for 03/13	6795	334.00
		CAPO PROJECTS GROUP	LLC \$	334.00
ACH	OSISOFT LLC 5/1/23-4/30/24 PI S	oftware	9000152552	37,496.25
		OSISOFT LLC	\$	37,496.25
ACH	AMTEC Bratton,Z-WE 5/14/2	3	74812	900.00
		AMTEC	\$	900.00
ACH	WSP USA ENVIRONMENT 127100-1/12-/31 Pro 4600002855-1/2-3/31	f Svcs	S49836300 S49836297	63,204.00 35,956.00
		WSP USA ENVIRONMENT	& \$	99,160.00
ACH	INLAND EMPIRE WINDU X CLOSE, 2X2-1/2, I		046656 01	189.65

Report For 05	: ZFIR_TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit 3 Treasurer Report	ies Agency	Page Date	24 06/12/202
Check	Payee / Description				Amoun
		INLAND EMPIRE WINDUS	TRIAL CO \$		189.65
ACH	LIBERTY LANDSCAPING Landscaping Headqua		116728		434.07
		LIBERTY LANDSCAPING	INC \$		434.07
ACH	ERAMOSA INTERNATION EN23000-4/1-4/28 Pro		US29322 - 2	2	13,283.18
		ERAMOSA INTERNATIONA	L INC \$		13,283.18
ACH	CASAMAR GROUP LLC EN19001/EN19006-4/2	3 Prof Svcs	13454		15,823.26
		CASAMAR GROUP LLC	\$		15,823.26
ACH	ADAM'S FALCONRY SER 5/23 Bird Control S		17806		1,820.00
		ADAM'S FALCONRY SERV	ICE LLC \$		1,820.00
ACH	INNOVATIVE CONSTRUC EN11039-4/23 Pay Es		PE 10-EN110)39	519,586.06
		INNOVATIVE CONSTRUCT	ION SOLUTIȘ		519,586.06
ACH	DOPUDJA & WELLS CON AgncyMgmt-4/23 Prof		1242		5,457.50
		DOPUDJA & WELLS CONS	ULTING INC\$		5,457.50
ACH	CINDY GOODBURN CONS March/23 Prof. Srvs		2302		6,400.00
		CINDY GOODBURN CONSU	LTING LLC \$		6,400.00
ACH	THE ROVISYS COMPANY Project Management,	Document Reporting	84379		3,218.00
		THE ROVISYS COMPANY	\$		3,218.00
ACH	LEVEL ONE PROTECTIO Armed Off Duty Offi	N, INC. cer 04/26-04/30	3089		13,310.00
		LEVEL ONE PROTECTION	I, INC. \$		13,310.00
ACH	MntclLS-4/10-5/8 34 DclzBsn-4/3-5/1 139 HckryDm-4/6-5/4 134 BrksStBsn-4/13-5/11 RP2MntLnchRm-4/1-4/	78 Phila 00 Whittram Ave 10661 Silicon Ped 30 16400 El Prado Rd 30 16400 El Prado Rd ila St	8000031789 8002283946 8000257085 8000094378 8005078295	4/ 04 4/ 4/ 4/ 04	169,348.92 1,428.60 49.83 202.27 33.40 12,897.37 263.84 144,666.83 49.03

	, - , - , - , - , - , - , - , - , - , -	Inland Empire Utiliti 3 Treasurer Report				
Check	Payee / Description					Amour
		SO CALIF EDISON		\$		328,940.09
ACH	SO CALIF GAS CCWRP/TP-3/31-5/1 1 RP2Dg-3/1-4/1 16400 RP1-4/1-5/1 2450 Ph		149446	861 4/23 555 4/23 .0 4/23		207.1 262.02 53.58
		SO CALIF GAS	·	\$		522.7
ACH	SHELL ENERGY NORTH RP1/RP2/RP4/RP5/CWR	AMERICA LP F/NRW-3/1-3/31	367616	59		6,510.00
		SHELL ENERGY NORTH AN	MERICA	LP \$		6,510.00
ACH	LEVEL 3 COMMUNICATI 5/23 993-1600	ONS LLC	993-16	500 5/23		3,514.2
		LEVEL 3 COMMUNICATION	NS LLC	\$		3,514.2
ACH	IEUA EMPLOYEES' ASS P/R 10 5/19/23 Empl		HR	0114200		174.0
		IEUA EMPLOYEES' ASSO	CIATION	1\$		174.0
ACH	IEUA SUPERVISORS UN P/R 10 5/19/23 Empl		HR	0114200		315.0
		IEUA SUPERVISORS UNI	ON ASSO	DCIA\$		315.0
ACH	IEUA GENERAL EMPLOY P/R 10 5/19/23 Empl		HR	0114200		956.6
		IEUA GENERAL EMPLOYE	es asso	DCIA\$		956.6
ACH	INLAND EMPIRE UNITE P/R 10 5/19/23 Empl		HR	0114200		21.0
		INLAND EMPIRE UNITED	WAY	\$		21.0
ACH	IEUA PROFESSIONAL E P/R 10 5/19/23 Empl		HR	0114200	~ -	660.0
		IEUA PROFESSIONAL EM	PLOYEE	s as\$		660.0
ACH	WEX HEALTH INC April 2023 Admin Fe P/R 10 5/19/23 Cafe	ees eteria Plan	00017: HR	21670-IN 0114200		261.2 4,896.1
		WEX HEALTH INC		\$		5,157.3
ACH	CITY EMPLOYEES ASSO P/R 10 5/19/23 Empl		HR	0114200		331.5
		CITY EMPLOYEES ASSOC	IATES	\$		331.5
ACH	NGUYEN, ROSE ExpRpt-4/24-27 Eske	er Conference-Nguyen,R	ESKER	CONF 4/		107.9
		NGUYEN, ROSE		\$		107.9

Report For 05,	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utiliti 3 Treasurer Report	les Agency	Page Date	26 06/12/2023
Check	Payee / Description				Amount
ACH	EMPOWER RETIREMENT P/R 10 5/19/23 Defe	-			93,792.51
		EMPOWER RETIREMENT	\$		93,792.51
ACH	FISHER SCIENTIFIC SYR FLT 25 MM. CYL	SER CL A TC CERT/TRC,			3,329.17
		FISHER SCIENTIFIC	\$		3,329.17
ACH	HARRINGTON INDUSTRI	AL PLASTICS			
	Gauge Guard		012M4426 012M4515		444.47 1,075.19
		HARRINGTON INDUSTRIA	L PLASTICS\$		1,519.66
ACH	ROYAL INDUSTRIAL SO RP4 Flouresent Ball Wires,Materials		6441-1090439 6441-1090543		123.54 1,921.68
		ROYAL INDUSTRIAL SOLU	JTIONS \$		2,045.22
ACH	UNIVAR SOLUTIONS US TP1-12,511.244 Sodi		51165462		8,592.17
		UNIVAR SOLUTIONS USA	INC \$		8,592.17
ACH	WEST VALLEY MOSQUI 10/22 Vector Contro 4/23 Vector Control 6/22 Vector Control	l Svcs Svcs	2805 2843 2778		11,560.90 702.29 4,067.00
		WEST VALLEY MOSQUIT	OAND \$		16,330.19
ACH	AIRGAS USA LLC RP1 04/1-04/30/23 C RP2-4/30 Cylinder R PROPANE INDUSTRIAL	ylinder Rental ental 33 CGA 510 FORKLIFT	9996966379 9996943746 9137955539		91.80 37.80 180.68
		AIRGAS USA LLC	\$		310.28
ACH	GRAINGER INC CABLE TIE,3.62 IN,N	ATURAL, PK100 MANUFACT	9697297076		109.51
		GRAINGER INC	\$		109.51
ACH	WATEREUSE ASSOCIATI Uniform Guide to Tr	ON	WRCA6		10,000.00
		WATEREUSE ASSOCIATIO	n \$		10,000.00
ACH	CDM SMITH INC 4600003019-4/9-5/6		90178542		5,287.50
	1000000010 1/0 0/0				
		CDM SMITH INC	\$		5,287.50
ACH	O RINGS & THINGS RP-1 Parts		133715		253.53

Report For 05	: ZFIR TREASURER Inland Empire Utilit: /01/2023 ~ 05/31/2023 Treasurer Report	les Agency	Page 27 Date 06/12/202
Check	Payee / Description		Amoun
	2" Miller PTFE hat packing	133686	73.57
	O RINGS & THINGS	\$	327.10
ACH	CAROLLO ENGINEERS EN11039-4/1-4/30 Prof Svcs Contract Nam TO-1 Recycled Water Model U EN22044-4/23 Prof Svcs	FB36615	21,030.50 19,170.00 300,202.56
	CAROLLO ENGINEERS	\$	340,403.06
ACH	RED WING SHOE STORE Emp Safety Shoe Purchase(s) Emp Safety Shoe Purchase(s) Emp Safety Shoe Purchase(s) Emp Safety Shoe Purchase(s)	2023051902355 2023051802355 2023052302355 2023052202355	225.00 225.00
	RED WING SHOE STORE	\$	1,350.00
ACH	STRADLING YOCCA CARLSON & RAUT 3/23 WIFIA Loan Legal Svcs 7/22-9/30 WIFIA Loan Legal Svcs	396632-0000 391903-0000	6,670.00 1,077.00
	STRADLING YOCCA CARL	SON & RAUT\$	7,747.00
ACH	E S R I ArcGIS Online Creator Subscription	94487997	28,250.66
	ESRI	\$	28,250.66
ACH	WESTERN WATER WORKS SUPPLY CO Valves,Gaskets,O-Rings,Seals	1132537-00	31,378.63
	WESTERN WATER WORKS	SUPPLY CO \$	31,378.63
ACH	W A RASIC CONSTRUCTION CO INC EN23090.01-3/27-5/15 Prof Svcs	344392	24,800.00
	W A RASIC CONSTRUCTION	ON CO INC \$	24,800.00
ACH		90034354 REDWOOD REIM 4/23 USB REIM	
	INLAND EMPIRE REGION	AL \$	161,447.97
ACH	RACO MANUFACTURING & ENGINEERI Alarm Agent Clud Based Alarm	INV-108984	9,141.19
	RACO MANUFACTURING &	ENGINEERIŞ	9,141.19
ACH	HACH COMPANY Ryton Salt Bridge,Bulk Dispenser	13575367	717.36
	HACH COMPANY	\$	717.36
ACH	KVAC ENVIRONMENTAL SERVICES IN CCWRF-4/12 Prof Svcs	KV2304341	2,465.93

For 05	: ZFIR TREASURER Inland Empire Utiliti /01/2023 ~ 05/31/2023 Treasurer Report	.eb ngeney	Page Date	28 06/12/2023
Check	Payee / Description			Amount
	KVAC ENVIRONMENTAL SE	RVICES IN\$		2,465.93
ACH	ROBERT HALF MANAGEMENT RESOURC Mahdian,M WE 05/05/23 Day,Onye WE 05/12/23 Day,Onye WE 04/28/2023 Samore,J-WE 5/19/2023 Steele, S-WE 5/12/23 Reyes,G-WE 5/12/2023	61963479 62003901 61937090 62041693 62015124 62020092		2,760.00 3,800.00 3,800.00 2,718.75 3,572.80 2,694.83
	ROBERT HALF MANAGEMEN	TT RESOURC\$		19,346.38
ACH	NATIONAL CONSTRUCTION RENTALS CCP-national construction rentals CCP-national construction rentals	6997431 6988698		572.70 290.88
	NATIONAL CONSTRUCTION	I RENTALS \$		863.58
ACH	RSD MICROMET CARTRIDGE FILTER E SERIES EVERP SINGLE FILTER HEAD E SERIES EVERPURE MICROMET CARTRIDGE FILTER E SERIES REFRIGERANT HCFC R-22 AEROSOL DEGREASING SOLVENT, LEAK DETECTO Liquid Line, Buckets, Tubing	55390396-00 55390413-00 55390378-00		349.32 282.36 131.17 5,445.12 150.39 192.22
	RSD	, \$		6,550.58
ACH	U S BANK *4246044555646425 5/23	5564 6425 5/2		239,888.82
	U S BANK	\$		239,888.82
ACH	OLIN CORP RP 1 4,960 Sodium Hypochlorite 12.5 RP1 4,960 Sodium Hypochlorite 12.5 RP-1 4,858 Sodium Hypochlorite 12.5 RP-1 4,894 Sodium Hypochlorite 12.5 RP5-4,978. Sodium Hypochlorite 12.5 CCWRF-4,918 Sodium Hypochlorite 12.5	900277059 900277428 900240144 900233520 900276878 900276877		9,716.41 9,716.41 8,059.20 8,118.92 9,751.67 9,634.13
	OLIN CORP	\$		54,996.74
ACH	PFM ASSET MANAGEMENT LLC 4/1-4/30 Investment Portfolio	13715182		7,334.48
	PFM ASSET MANAGEMENT	LLC \$		7,334.48
ACH	CALIFORNIA STRATEGIES LLC 5/23 Prof Svcs	052325		7,500.00
	CALIFORNIA STRATEGIE	G LLC \$		7,500.00
ACH	MEYERS NAVE 4/23 PFAS Issues	205299	_	8,265.00
	MEYERS NAVE	\$		8,265.00

	/01/2023 ~ 05/31/2023			 06/12/202
Check	Payee / Description			Amoun
ACH	INDUSTRIAL RUBBER & Gaskets Hoses SUCTION HOSE	SUPPLY INC	57018 57119 57103 SUPPLY INC\$	 193.41 6,054.77 4,315.65 10,563.83
ACH	SIEMENS INDUSTRY IN Echomax XPS10	C SIEMENS INDUSTRY INC	5608383081 \$	 2,111.93
ACH	DAVID WHEELER'S PES RP-1 5/1/23 Pest Con RP-4 5/5/23 Pest Con RP-5 5/1/23 Pest Con	ntrol ntrol	67192 66986 67137 ' CONTROL I\$	 585.00 1,075.00 536.00 2,196.00
ACH	DOWNS ENERGY RP2-398.30 Gals Dye	d Diesel DOWNS ENERGY	0316231-IN \$	 1,246.20 1,246.20
ACH	GHD INC RP4- 2/26-4/29/23 A EN24020-4/1-4/30 Pro EN23124-3/26-4/29 P	of Svcs	380-0031850 380-0032096 380-0032242 \$	 12,124.35 40,802.90 1,538.08
ACH	ELECTRO-CHEMICAL DE Electrode pH Gen Pu	VICES INC	75657	 1,438.47
ACH	CALIFORNIA WATER TE PhillS-16,488.24 L RP1-16,520 Lbs Ferr	CHNOLOGIES bs Ferric Chloride Sc	0 44009 44014	 7,372.92 7,387.13 14,760.05
ACH	WALLACE & ASSOCIATE 4600002853-2/27-4/2	S CONSULTIN	W801138	 34,948.85
ACH	GILLIS + PANICHAPAN EN23100-4/23 Prof S EN20051-4/23 Prof S	ARCHITECTS vcs vcs	108513J 108511J	 14,460.00
D CT I		GILLIS + PANICHAPAN	ARCHITECTS\$	 25,480.00
ACH	TRANSENE COMPANY IN Buffer Solution		218829	 603.38
		TRANSENE COMPANY INC	S \$	 603.38

For 05	/01/2023 ~ 05/31/202	Inland Empire Utilit 3 Treasurer Report			30 06/12/202
Check	Payee / Description				 Amoun
	Water Resource Prog	ram-4/23 Prof Svcs	7890		 7,048.75
		WATER SYSTEMS CONSUL	TING INC	\$	 7,048.75
ACH	VIDEO SERVICES 4/26 Iron Sponge Tr	aining	00228		525.00
		VIDEO SERVICES		\$	 525.00
ACH	CAPO PROJECTS GROUP EN11039-4/14 Prof S		6961		334.00
		CAPO PROJECTS GROUP	LLC	\$	 334.00
ACH	RAILPROS FIELD SERV EN23014-4/18 Watchm EN23014-4/23 Utilit	an Lookout	IE4276920 IEFC2304	02304	1,450.00
		RAILPROS FIELD SERVI	ICES INC	\$	 4,050.00
ACH	INLAND EMPIRE WINDU Ball Valves,Tubes	ISTRIAL CO	046786 03	1	866.47
		INLAND EMPIRE WINDUS	STRIAL CO	\$	 866.47
ACH	LIBERTY LANDSCAPING May Monthly Mainten	INC ance Landscaping	116462		19,088.00
		LIBERTY LANDSCAPING	INC	\$	19,088.00
ACH	SENTRIMAX CENTRIFUG Centrifuge Installa		6003100		8,634.13
		SENTRIMAX CENTRIFUG	ES USA INC	\$	8,634.13
ACH	MCCARRON & COMPANY 5/4 & 5/19 Individu	al Coachings	2295		 3,200.00
		MCCARRON & COMPANY		\$	3,200.00
ACH	PEAKEPOTENTIAL INC Workshop Facilitati	on Fee	2		 600.00
		PEAKEPOTENTIAL INC		\$	600.00
ACH	SECURITAS SECURITY Guard Svcs 4/14-4/2		11255206		2,286.55
		SECURITAS SECURITY S	SERVICES U	S\$	 2,286.55
ACH	WEST VALLEY WATER I 2023 Earth Day Post	SISTRICT card Fund Request	FUND RQS	т	 3,829.00
		WEST VALLEY WATER D	ISTRICT	\$	 3,829.00
ACH	US WATER ALLIANCE FY 2023 Membership	Dues	1956		5,850.00
		US WATER ALLIANCE		\$	 5,850.0

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utilit. 3 Treasurer Report	ies Agency	Page Date	31 06/12/202
Check	Payee / Description				Amoun
ACH	EWERS ENGINEERING I Multi-agency wastew	NC ater training day, 5/	130-01		6,000.00
		EWERS ENGINEERING IN	C \$		6,000.00
ACH	SO CALIF GAS RP4-4/18-5/17 12811	6Th St	10605111 5/23		32.49
		SO CALIF GAS	\$		32.49
ACH	MAKOWSKI, EDWARD MlgReim-4/17 CWEA C	onf-Makowski,E	MLG 4/17		159.82
		MAKOWSKI, EDWARD	\$		159.82
ACH	FERNANDEZ, ADRIANNE Reim-RCA Staff BBQ	Supplies-Fernandez,A	RCA SUPPLIES		20.49
		FERNANDEZ, ADRIANNE	\$		20.49
ACH	VEGA, YOLANDA Reim-5/5 Staff Meet	ing Lunch-Vega,Y	5/5 LUNCH MTG	4 7 	347.81
		VEGA, YOLANDA	\$		347.81
ACH	Inland Empire Reg. December 2021 L&B C March 2023 O&M Char	Composting harges-RCA Interco Bi ges-RCA Interco Billi	SAP0423-IEUAI SAP0323-IEUAC)	204.49 145.76
		Inland Empire Reg. C	omposting \$		350.25
ACH	HARRINGTON INDUSTRI Valve Balls	AL PLASTICS	012M4393		577.53
		HARRINGTON INDUSTRIA	L PLASTICS\$		577.53
ACH	AIRGAS USA LLC RP-1 63.6 Gal Propa	ne Ind Bulk	9138196329		298.1
		AIRGAS USA LLC	\$		298.11
ACH	GRAINGER INC DOT HANDLING LABEL, MEN'S BOOTS, ROUND	EMPTY PACK OF 100 POINT SHOVEL, SAFETY	9715245982 9715507647		321.42 879.31
		GRAINGER INC	\$		1,200.73
ACH	ENVIRONMENTAL RESOU Ceriodaphnia Dubia	IRCES ASSOC	040741		686.18
		ENVIRONMENTAL RESOUR	CES ASSOC \$		686.18
ACH	POLYDYNE INC FLOSPERSE 30 S		1719851		20,406.13

Report For 05	: ZFIR_TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utiliti 3 Treasurer Report	es Agency	Page Date	32 06/12/2023
Check	Payee / Description				Amount
	4/30 Attorney Svcs		240327		539.50
		LIEBERT CASSIDY WHITM	IORE \$		539.50
ACH	TRUSSELL TECHNOLOGI 3/01-04/30 Prof. Set		0000009079		305.00
		TRUSSELL TECHNOLOGIES	S INC \$		305.00
ACH	ROBERT HALF MANAGEM Reyes,G-WE 05/19/20 Olivares-Hernand,J- Olivares-Hernandez, Mahdian,M-WE 5/12/2 Mahdian,Mahsa WE 04 Chen,Reychia WE 04/2	23 WE 05/19/2023 Joshua WE 05/12/2023 023 /28/2023	62036830 62036896 62020095 61997454 61930036 61930093		3,654.00 3,080.00 2,310.00 2,656.50 2,760.00 3,370.00
		ROBERT HALF MANAGEMEN	NT RESOURC\$		17,830.50
ACH	GEI CONSULTANTS INC Chino Basin Program		3131452		57,089.00
		GEI CONSULTANTS INC	\$		57,089.00
ACH	GRISWOLD INDUSTRIES Parts		867890		6,809.52
		GRISWOLD INDUSTRIES	\$		6,809.52
ACH	OLIN CORP RP1-4,924 Sodium Hy RP1-4,914 Sodium Hy RP4-4,920 Sodium Hy RP5-4,984 Sodium Hy RP1-4,956 Sodium Hy CCWRF-4,950 Sodium	pochlorite 12.5 pochlorite pochlorite 12.5 pochlorite 12.5	900278890 900278328 900278131 900277874 900277872 900277873		9,645.89 9,626.29 9,638.05 9,763.43 9,708.57 9,696.82
		OLIN CORP	\$		58,079.05
ACH	GK & ASSOCIATES 4600002849-4/23 Pro	f Svcs	23-024		27,376.00
		GK & ASSOCIATES	\$		27,376.00
ACH	RUSSELL SIGLER INC HVAC WHOLESALE PART HVAC WHOLESALE PART		INV-ONT230022 INV-ONT230022		3,748.61 6,930.12
		RUSSELL SIGLER INC	\$		10,678.73
ACH	DAVID WHEELER'S PES RP-2 5/1/23 Pest Co IEUA-CCWRF 5/1/23 P	ntrol	66987 67014		1,470.00 2,796.00
		DAVID WHEELER'S PEST	CONTROL I\$		4,266.00
ACH	TRICO CORPORATION Desiccant Breather		216309		1,645.79

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/202	Inland Empire Utilit 3 Treasurer Report	ies Agency	Page Date	33 06/12/202
	Payee / Description				Amoun
		TRICO CORPORATION	\$		1,645.79
ACH	EUROFINS EATON ANAI 2/22/23 Water Samp 2/22/23 Water Samp 2/22/23 Water Samp]	e Analysis e Analysis	3800022626 3800022627 3800022628 TICAL LLC \$		1,500.00 1,500.00 2,605.00 5,605.00
ACH	AUTOZONE PARTS INC OIL FILTER LUBER-FINER OIL FII Nitrile Gloves	TER, GOLF CART BATTER	5618971783		40.89 5,436.06 1,261.06
		AUTOZONE PARTS INC	\$		6,738.01
ACH	CALIFORNIA WATER TH PhillS-18,212.19 Lk	ECHNOLOGIES os Ferric Chloride Sol	44039		8,143.81
		CALIFORNIA WATER TEC	HNOLOGIES \$		8,143.81
ACH	RALPH ANDERSEN & AS Recruitment for Mar	SSOCIATES nager of Human Resourc	INV-04259		16,500.00
		RALPH ANDERSEN & ASS	OCIATES \$		16,500.00
ACH	ARCADIS US INC EN19001/19006-4/1-4	1/30 Prof Svcs	34366712	3	323,731.48
		ARCADIS US INC	\$	3	323,731.48
ACH	TECHNICAL SYSTEMS RW15003.05-4/25-5/ RW15003.05- 3/25-4,	L9 Prof Svcs	8179-003 8179-002		920.00 12,780.00
		TECHNICAL SYSTEMS IN	iC \$		13,700.00
ACH	SUPERIOR ELECTRIC N New Baldor Motor	MOTOR SERVIC	132013		5,409.88
		SUPERIOR ELECTRIC MC	TOR SERVIC\$		5,409.88
ACH	MANAGED MOBILE INC Service on Ford L Repairs for F750 L	IC 495796 ic. 1261571	IN00-0266305 IN00-0266307	5	681.05 681.05
		MANAGED MOBILE INC	\$		1,362.10
ACH	MWH CONSTRUCTORS II EN19001/EN19006-4/	NC 1-4/30 Prof Svcs	23-30505777.	1	5,365.00
		MWH CONSTRUCTORS INC	\$		5,365.00
ACH	PRO-CRAFT CONSTRUC Prof Srvs 03/08/20 Prof Srvs 11/9/202 Prof Srvs 4/20/23	23	22097-17 22097-9 22097-20		604.3 560.00 335.52
		PRO-CRAFT CONSTRUCT	ION INC \$		1,499.89

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit: Treasurer Report	ies Agency	Page 34 Date 06/12/2023
Check	Payee / Description			Amount
ACH	CAPO PROJECTS GROUP RW15003.06-4/24 Prof		6962 LLC \$	334.00
ACH	SMARTCOVER SYSTEMS SmartCover System Ir	stallation	25788 \$	1,752.77
ACH	HYAS GROUP LLC FinAdm-2Q23 Investme	ent Consulting Servic HYAS GROUP LLC	5701 \$	7,500.00
ACH	DECALS BY DESIGN INC Installation IEUA De		17543	230.81
ACH	AMTEC Bratton,Z-WE 5/21/23	AMTEC	74875	480.00
ACH	1630EPmpStn-4/17-5/2 RP2MntLnchRm-4/17-5/	8707 San Bernardino A L5 7420 1/2 East /15 16400 El Prado Rd 5 5752 East Ave/475 1 12811 6th St	8000414223 5/ 8001015118 5/	26,014.17 5,158.21 124.99
		SO CALIF EDISON	\$	259,760.66
ACH	SHELL ENERGY NORTH A RP2-4/1-4/30 Power U CCWRP/TP/RWP-4/1-4/3	Jsaqe	2044 4/23 2046 4/23 MERICA LP \$	13,319.17 70,224.92 83,544.09
ACH	WANG, PHEBE MlgReim-5/9 RP2 PLC	5 Failure WANG, PHEBE	MLG 5/9 \$	18.41 18.41
ACH	BREIG, ANNA Reim Monthly Health	Prem BREIG, ANNA	healith prem \$	132.25 132.25
ACH	LICHTI, ALICE Reim Monthly Health	Prem LICHTI, ALICE	HEALTH PREM \$	132.25 132.25
ACH	NOWAK, THEO T Reim Monthly Health	Prem	HEALTH PREM	397.06

Check	Payee / Description					Amount
		NOWAK, THEO T		\$		397.06
ACH	DYKSTRA, BETTY Reim Monthly Health	Prem	HEALTH	PREM		132.25
		DYKSTRA, BETTY		\$		132.25
ACH	MUELLER, CAROLYN Reim Monthly Health	Prem	HEALTH	PREM		132.25
		MUELLER, CAROLYN		\$		132.25
ACH	CANADA, ANGELA Reim Monthly Health	Prem	HEALTH	PREM		132.25
		CANADA, ANGELA		\$		132.25
ACH	CUPERSMITH, LEIZAR Reim Monthly Health	Prem	HEALTH	PREM		132.25
		CUPERSMITH, LEIZAR		\$		132.25
ACH	DELGADO-ORAMAS JR, J Reim Monthly Health		HEALTH	PREM		283.25
		DELGADO-ORAMAS JR, J	OSE	\$		283.25
ACH	GRANGER, BRANDON Reim Monthly Health	Prem	HEALTH	PREM		137.02
		GRANGER, BRANDON		\$		137.02
ACH	WEBB, DANNY C Reim Monthly Health	Prem	HEALTH	PREM	- *	151.00
		WEBB, DANNY C		\$		151.00
ACH	HUMPHREYS, DEBORAH Reim Monthly Health		HEALTH	PREM		141.63
		HUMPHREYS, DEBORAH E]	\$		141.63
ACH	MOUAT, FREDERICK W Reim Monthly Health	Prem	HEALTH	PREM		141.63
		MOUAT, FREDERICK W		\$		141.63
ACH	MORGAN, GARTH W Reim Monthly Health	Prem	HEALTH	PREM		151.00
		MORGAN, GARTH W		\$		151.00
ACH	MAZUR, JOHN Reim Monthly Health	Prem	HEALTH	PREM		518.95
		MAZUR, JOHN		\$		518.95

For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utiliti 3 Treasurer Report	.es Agen	lcy	Page Date	36 06/12/202
Check	Payee / Description					Amour
		HAMILTON, MARIA		\$		151.00
ACH	FISHER, JAY Reim Monthly Health	Prem	HEALTH	PREM		151.00
		FISHER, JAY		\$		151.00
ACH	DIETZ, JUDY Reim Monthly Health	Prem	HEALTH	PREM		151.00
		DIETZ, JUDY		\$		151.00
ACH	PETERSEN, KENNETH Reim Monthly Health	Prem	HEALTH	PREM		132.25
		PETERSEN, KENNETH		\$		132.2
ACH	TRAUTERMAN, HELEN Reim Monthly Health	Prem	HEALTH	PREM		132.2
		TRAUTERMAN, HELEN		\$		132.2
ACH	TIEGS, KATHLEEN Reim Monthly Health	Prem	HEALTH	PREM		415.5
		TIEGS, KATHLEEN		\$		415.5
ACH	DIGGS, GEORGE Reim Monthly Health	Prem	HEALTH	PREM		406.2
		DIGGS, GEORGE		\$		406.2
ACH	RODRIGUEZ, LOUIS Reim Monthly Health	Prem	HEALTH	PREM		141.6
		RODRIGUEZ, LOUIS		\$		141.6
ACH	VARBEL, VAN Reim Monthly Health	Prem	HEALTH	PREM		283.2
		VARBEL, VAN		\$		283.2
ACH	CLIFTON, NEIL Reim Monthly Health	Prem	HEALTH	PREM		283.2
		CLIFTON, NEIL		\$		283.2
ACH	WELLMAN, JOHN THOMA Reim Monthly Health		HEALTH	PREM		283.2
		WELLMAN, JOHN THOMAS		\$		283.2
ACH	TROXEL, WYATT Reim Monthly Health	Prem	HEALTH	PREM		132.2

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit 3 Treasurer Report	ies Agency	Page 37 Date 06/12/202
Check	Payee / Description			Amour
	Reim Monthly Health	Prem	HEALTH PREM	283.25
		CORLEY, WILLIAM	\$	283.25
ACH	LESNIAKOWSKI, NORBER Reim Monthly Health		HEALTH PREM	123.03
	-	LESNIAKOWSKI, NORBER	.T \$	123.03
ACH	VER STEEG, ALLEN J	_		125.00
	Reim Monthly Health		HEALTH PREM	137.02
		VER STEEG, ALLEN J	\$	137.02
ACH	HACKNEY, GARY Reim Monthly Health	Prem	HEALTH PREM	283.25
		HACKNEY, GARY	\$	283.25
ACH	TOL, HAROLD Reim Monthly Health	Prem	HEALTH PREM	132.25
	-	TOL, HAROLD	\$	132.25
ACH	BANKSTON, GARY	_		
	Reim Monthly Health		HEALTH PREM	132.29
		BANKSTON, GARY	\$	132.25
ACH	ATWATER, RICHARD Reim Monthly Health	Prem	HEALTH PREM	151.00
		ATWATER, RICHARD	\$	151.0
ACH	ANDERSON, JOHN L Reim Monthly Health	Prem	HEALTH PREM	415.5
		ANDERSON, JOHN L	\$	415.50
ACH	SANTA CRUZ, JACQUEL		HEALTH PREM	745.34
	Reim Monthly Health			745.3
		SANTA CRUZ, JACQUELN	ΩN \$	745.5
ACH	SOPICKI, LEO Reim Monthly Health	Prem	HEALTH PREM	274.0
		SOPICKI, LEO	\$	274.0
ACH	GOSE, ROSEMARY Reim Monthly Health	Prem	HEALTH PREM	151.0
	-	GOSE, ROSEMARY	\$	151.0
ACH	KEHL, BARRETT			1 - 7 - 0
	Reim Monthly Health		HEALTH PREM	151.0
		KEHL, BARRETT	\$	151.0

FOT 05	/01/2023 ~ 05/31/2023	, iicabarer nepere		Date 06/12/2023
Check	Payee / Description			Amount
ACH	RITCHIE, JANN Reim Monthly Health	Prem	HEALTH PREM	151.00
		RITCHIE, JANN	\$	151.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health	Prem	HEALTH PREM	367.95
		LONG, ROCKWELL DEE	\$	367.95
ACH	FATTAHI, MIR Reim Monthly Health	Prem	HEALTH PREM	151.00
		FATTAHI, MIR	\$	151.00
ACH	VERGARA, FLORENTINO Reim Monthly Health	Prem	HEALTH PREM	283.25
		VERGARA, FLORENTINO	\$	283.25
ACH	WALL, DAVID Reim Monthly Health	Prem	HEALTH PREM	141.63
		WALL, DAVID	\$	141.63
ACH	CHUNG, MICHAEL Reim Monthly Health	Prem	HEALTH PREM	141.63
		CHUNG, MICHAEL	\$	141.63
ACH	BLASINGAME, MARY Reim Monthly Health	Prem	HEALTH PREM	132.25
		BLASINGAME, MARY	\$	132.25
ACH	ANDERSON, KENNETH Reim Monthly Health	Prem	HEALTH PREM	141.63
		ANDERSON, KENNETH	\$	141.63
ACH	POLACEK, KEVIN Reim Monthly Health	Prem	HEALTH PREM	283.25
		POLACEK, KEVIN	\$	283.25
ACH	ELROD, SONDRA Reim Monthly Health	Prem	HEALTH PREM	141.63
		ELROD, SONDRA	\$	141.63
ACH	HOAK, JAMES Reim Monthly Health	Prem	HEALTH PREM	151.00
		HOAK, JAMES	\$	151.00
ACH	CLEVELAND, JAMES Reim Monthly Health	Prem	HEALTH PREM	151.00
		CLEVELAND, JAMES	\$	151.00

Report: ZFIR TREASURER Inland Empire Utilities Agency For 05/01/2023 ~ 05/31/2023 Treasurer Report Page 39 Date 06/12/2023

Check Payee / Description

ACH

ACH

ACH

ACH

ACH

ACH

ACH

LANGNER, CAMERON HEALTH PREM Reim Monthly Health Prem 132.25 - - - -LANGNER, CAMERON \$ 132.25 HOOSHMAND, RAY Reim Monthly Health Prem HEALTH PREM 151.00 - - - -HOOSHMAND, RAY 151.00 \$ POOLE, PHILLIP Reim Monthly Health Prem HEALTH PREM 226.32 _ _ _ _ POOLE, PHILLIP \$ 226.32 ADAMS, BARBARA Reim Monthly Health Prem HEALTH PREM 137.02 _ _ _ ~ ADAMS, BARBARA \$ 137.02 VANDERPOOL, LARRY Reim Monthly Health Prem HEALTH PREM 123.03 - - - -VANDERPOOL, LARRY 123.03 \$ AMBROSE, JEFFREY HEALTH PREM Reim Monthly Health Prem 283.25 - - - -AMBROSE, JEFFREY \$ 283.25 MERRILL, DIANE Reim Monthly Health Prem HEALTH PREM 577.72 - - - -\$ 577.72 MERRILL, DIANE

		·		
ACH	HOUSER, RODERICK A Reim Monthly Health	Prem	HEALTH PR	REM 714.73
		HOUSER, RODERICK A		\$ 714.73
ACH	RUSSO, VICKI Reim Monthly Health	Prem	HEALTH PR	REM 226.32
		RUSSO, VICKI		\$ 226.32
ACH	HUSS, KERRY Reim Monthly Health	Prem	HEALTH PR	REM 1,004.43
		HUSS, KERRY		\$ 1,004.43
ACH	BINGHAM, GREGG Reim Monthly Health	Prem	HEALTH PF	REM 132.25
		BINGHAM, GREGG		\$ 132,25
ACH	CHARLES, DAVID Reim Monthly Health	Prem	HEALTH PF	REM 151.00

Amount

For US	/01/2023 05/31/2023	Inland Empire Utilit 3 Treasurer Report		Date 06/12/202
Check	Payee / Description			Amour
		CHARLES, DAVID	\$	151.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health	Prem	HEALTH PREM	132.25
		ALVARADO, ROSEMARY	\$	132.25
ACH	BARELA, GEORGE Reim Monthly Health	Prem	HEALTH PREM	151.00
		BARELA, GEORGE	\$	151.00
ACH	FETZER, ROBERT Reim Monthly Health	Prem	HEALTH PREM	754.64
		FETZER, ROBERT	\$	754.64
ACH	ROOS, JAMES Reim Monthly Health	Prem	HEALTH PREM	367.95
		ROOS, JAMES	\$	367.9
ACH	MULLANEY, JOHN Reim Monthly Health	Prem	HEALTH PREM	377.3
		MULLANEY, JOHN	\$	377.32
ACH	VALENZUELA, DANIEL Reim Monthly Health	Prem	HEALTH PREM	603.6
		VALENZUELA, DANIEL	\$	603.64
ACH	PACE, BRIAN Reim Monthly Health	Prem	HEALTH PREM	426.7
		PACE, BRIAN	\$	426.7
ACH	KING, JOSEPH Reim Monthly Health	Prem	HEALTH PREM	151.0
		KING, JOSEPH	\$	151.0
ACH	VILLALOBOS, HECTOR Reim Monthly Health	Prem	HEALTH PREM	226.3
		VILLALOBOS, HECTOR	\$	226.3
ACH	PENMAN, DAVID Reim Monthly Health	Prem	HEALTH PREM	603.6
		PENMAN, DAVID	\$	603.6
ACH	ANGIER, RICHARD Reim Monthly Health	Prem	HEALTH PREM	603.6
		ANGIER, RICHARD	\$	603.6
ACH	MERRILL, DEBORAH Reim Monthly Health	Prem	HEALTH PREM	141.6

.01 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	ileasurer Report		Date	06/12/202
Check	Payee / Description				Amour
		MERRILL, DEBORAH	\$		141.63
ACH	O'DEA, KRISTINE Reim Monthly Health	Prem	HEALTH PREM		141.63
		O'DEA, KRISTINE	\$		141.63
ACH	OAKDEN, LISA Reim Monthly Health	Prem	HEALTH PREM		754.64
		OAKDEN, LISA	\$		754.6
ACH	LAUGHLIN, JOHN Reim Monthly Health	Prem	HEALTH PREM		151.0
		LAUGHLIN, JOHN	\$		151.0
\CH	HUGHBANKS, ROGER Reim Monthly Health	Prem	HEALTH PREM		226.3
		HUGHBANKS, ROGER	\$		226.3
ACH	SPENDLOVE, DANNY Reim Monthly Health	Prem	HEALTH PREM		141.6
		SPENDLOVE, DANNY	\$		141.6
ACH	HOULIHAN, JESSE Reim Monthly Health	Prem	HEALTH PREM		367.9
		HOULIHAN, JESSE	\$		367.9
ACH	HERNANDEZ, DELIA Reim Monthly Health	Prem	HEALTH PREM		226.3
		HERNANDEZ, DELIA	\$		226.3
ACH	GUARDIANO, GARY Reim Monthly Health	Prem	HEALTH PREM		
		GUARDIANO, GARY	\$		141.6
ACH	BARRER, SATURNINO Reim Monthly Health	Prem	HEALTH PREM		377.3
		BARRER, SATURNINO	\$		377.3
ACH	LACEY, STEVEN Reim Monthly Health	Prem	HEALTH PREM		830.0
		LACEY, STEVEN	\$		830.0
ACH	REED, RANDALL Reim Monthly Health	Prem	HEALTH PREM		754.6
		REED, RANDALL	\$		754.6

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit 3 Treasurer Report	ies Agency	Page 42 Date 06/12/202
Check	Payee / Description			Amoun
	Reim Monthly Health	Prem	HEALTH PREM	377.32
		RAMIREZ, REBECCA	\$	377.32
ACH	RAZAK, HALLA Reim Monthly Health	Prem	HEALTH PREM	151.00
		RAZAK, HALLA	\$	151.00
ACH	OSBORN, CINDY L Reim Monthly Health	Prem	HEALTH PREM	377.32
		OSBORN, CINDY L	\$	377.32
ACH	FESTA, GARY Reim Monthly Health	Prem	HEALTH PREM	305.87
		FESTA, GARY	\$	305.87
ACH	DELGADO, FLOR MARIA Reim Monthly Health	Prem	HEALTH PREM	151.00
		DELGADO, FLOR MARIA	\$	151.00
ACH	GROENVELD, NELLETJE Reim Monthly Health		HEALTH PREM	226.32
		GROENVELD, NELLETJE	\$	226.32
ACH	BATONGMALAQUE, CHARI Reim Monthly Health		HEALTH PREM	358.64
		BATONGMALAQUE, CHARL	IEL \$	358.64
ACH	BOBBITT, JOHN Reim Monthly Health	Prem	HEALTH PREM	151.00
		BOBBITT, JOHN	\$	151.00
ACH	NEIGHBORS, CLAUDIA Reim Monthly Health	Prem	HEALTH PREM	141.63
		NEIGHBORS, CLAUDIA	\$	141.63
ACH	CHENG, TINA Y Reim Monthly Health	Prem	HEALTH PREM	132.25
		CHENG, TINA Y	\$	132.25
ACH	JACKSON, PATRICIA M Reim Monthly Health	Prem	HEALTH PREM	141.63
		JACKSON, PATRICIA M	\$	141.63
ACH	GIBSON, CONSTANCE A Reim Monthly Health	Prem	HEALTH PREM	151.0
		GIBSON, CONSTANCE A	\$	151.0

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit 3 Treasurer Report	ies Agency	Page 43 Date 06/12/2023
Check	Payee / Description			Amount
ACH	GU, JASON Reim Monthly Health	Prem	HEALTH PREM	141.63
		GU, JASON	\$	141.63
ACH	SCHERCK, JOHN Reim Monthly Health	Prem	HEALTH PREM	378.11
		SCHERCK, JOHN	\$	378.11
ACH	BUCHANAN, JAMES S Reim Monthly Health	Prem	HEALTH PREM	151.00
		BUCHANAN, JAMES S	\$	151.00
ACH	LUCAS, LARRY Reim Monthly Health	Prèm	HEALTH PREM	151.00
		LUCAS, LARRY	\$	151.00
ACH	LOPEZ, MARK A Reim Monthly Health	Prem	HEALTH PREM	377.32
		LOPEZ, MARK A	\$	377.32
ACH	SANTA CRUZ, VICTOR Reim Monthly Health	Prem	HEALTH PREM	594.34
		SANTA CRUZ, VICTOR	\$	594.34
ACH	TRAUGOTT, JEFFREY P Reim Monthly Health	Prem	HEALTH PREM	141.63
		TRAUGOTT, JEFFREY P	\$	141.63
ACH	RIVERA, VINCENT J Reim Monthly Health	Prem	HEALTH PREM	283.25
		RIVERA, VINCENT J	\$	283.25
ACH	DOAN, KHANH V Reim Monthly Health	Prem	HEALTH PREM	754.64
		DOAN, KHANH V	\$	754.64
ACH	ARGUELLES, ALEX Reim Monthly Health	Prem	HEALTH PREM	830.03
		ARGUELLES, ALEX	\$	830.03
ACH	PROCTOR, CRAIG Reim Monthly Health	Prem	HEALTH PREM	603.64
		PROCTOR, CRAIG	\$	603.64
ACH	STONE, VICTORIA L Reim Monthly Health	Prem	HEALTH PREM	603.64
		STONE, VICTORIA L	\$	603.64

Report: ZFIR TREASURER Inland Empire Utilities Agency For 05/01/2023 ~ 05/31/2023 Treasurer Report Page 44 Date 06/12/2023

Check Payee / Description

Amount

ACH	KREIMEYER, CARL L Reim Monthly Health	Prem	HEALTH :	PREM	377.3
		KREIMEYER, CARL L		\$	377.3
ACH	CHAVEZ, NESTOR Reim Monthly Health	Prem	HEAL/TH	PREM	377.3
		CHAVEZ, NESTOR		\$	377.3
ACH	CUNNINGHAM, RICHARD Reim Monthly Health	A Prem	HEALTH	PREM	141.6
		CUNNINGHAM, RICHARD	A	\$	141.6
ACH	MYERS, ALAN R Reim Monthly Health	Prem	HEALTH	PREM	151.0
		MYERS, ALAN R		\$	151.0
ACH	MCCHRISTY, KAREN Reim Monthly Health	Prem	HEALTH	PREM	141.6
		MCCHRISTY, KAREN		\$	141.6
ACH	ROSALES, TIMOTEO P Reim Monthly Health	Prem	HEALTH	PREM	754.6
		ROSALES, TIMOTEO P		\$	754.6
ACH	PELLY, GARY Reim Monthly Health	Prem	HEALTH	PREM	137.0
		PELLY, GARY		\$	137.0
ACH	ROBISON, JOHN Reim Monthly Health	Prem	HEALTH	PREM	151.0
		ROBISON, JOHN		\$	151.0
ACH	DELZER, HARLAN D Reim Monthly Health	Prem	HEALTH	PREM	283.2
		DELZER, HARLAN D		\$	283.2
ACH	OAKDEN, SCOTT A Reim Monthly Health	Prem	HEALTH	PREM	603.6
		OAKDEN, SCOTT A		\$	603.6
ACH	HEIN, DAVID J Reim Monthly Health	Prem	HEALTH	PREM	141.6
		HEIN, DAVID J		\$	141.6
ACH	VALENCIA, CHRISTINA Reim Monthly Health	Prem	HEALTH	PREM	226.3

Report For 05	: ZFIR TREASURER /01/2023 ~ 05/31/2023	Inland Empire Utilit: 3 Treasurer Report	ies Agency	Page Date	45 06/12/2023
Check	Payee / Description				Amount
		VALENCIA, CHRISTINA		\$	226.32
ACH	FRESQUEZ, ADRIAN Reim Monthly Health	Prem	HEALTH PR	λEM	377.32
		FRESQUEZ, ADRIAN		\$	377.32
ACH	SARMIENTO, JESSICA Reim Monthly Health	Prem	HEALTH PF	REM	226.32
		SARMIENTO, JESSICA		\$	226.32
ACH	VANBREUKELEN, ALBERT Reim Monthly Health		HEALTH PF	REM	151.00
		VANBREUKELEN, ALBERT		\$	151.00
ACH	O'BRIEN, MICHELLE Reim Monthly Health	Prem	HEALTH PF	REM	227.11
		O'BRIEN, MICHELLE		\$	227.11
ACH	AVILA, GLORIA Reim Monthly Health	Prem	HEALTH PR	REM	226.32
		AVILA, GLORIA		\$	226.32
ACH	MALKANI, SURESH Reim Monthly Health	Prem	HEALTH PH	REM	377.32
		MALKANI, SURESH		\$	377.32
ACH	JONES, ALLAN D Reim Monthly Health	Prem	HEALTH PH	REM	226.32
		JONES, ALLAN D		\$	226.32
ACH	NORIEGA, MANUAL Reim Monthly Health	Prem	HEALTH PH	REM	226.32
		NORIEGA, MANUAL		\$	226.32
ACH	KLING, WANDA Reim Monthly Health	Prem	HEALTH PI	REM	377.32
		KLING, WANDA		\$	377.32
ACH	MEDEIROS, SHAWN Reim Monthly Health	Prem	HEALTH PI	REM	830.03
		MEDEIROS, SHAWN		\$	830.03
ACH	WITTE, ANGELA Reim Monthly Health	Prem	HEALTH PI	REM	141.63
		WITTE, ANGELA		\$	141.63
ACH	MORGAN-PERALES, LIS Reim Monthly Health		HEALTH P	REM	226.32

Report For 05,	Report: ZFIR TREASURER Inland Empire Utilities Agency For 05/01/2023 ~ 05/31/2023 Treasurer Report			Page 46 Date 06/12/2023
Check	Payee / Description			Amount
		MORGAN-PERALES, LISA	Ą. \$	226.32
ACH	DELGADO-ORAMAS III, Reim Monthly Health		HEALTH PREM	830.03
		DELGADO-ORAMAS III,	JOSE M \$	830.03
ACH	GLAZIER, JONATHAN Reim Monthly Health	Prem	HEALTH PREM	151.00
		GLAZIER, JONATHAN	\$	151.00
ACH	REYES, RAYMOND G Reim Monthly Health	Prem	HEALTH PREM	226.32
		REYES, RAYMOND G	\$	226.32
ACH	ESTRADA, HELEN L Reim Monthly Health Reim Monthly Health		HEALTH PREM HEALTH PREM	358.72 132.25
		ESTRADA, HELEN L	\$	490.97
ACH	GADDY, FERRY D Reim Monthly Health	Prem	HEALTH PREM	137.02
		GADDY, FERRY D	\$	137.02
ACH	SCHLAPKOHL, KATHRYN Reim Monthly Health		HEALTH PREM	453.00
		SCHLAPKOHL, KATHRYN	A \$	453.00

Grand Total Payment Amount: \$ 15,232,494.61

Attachment 2D

Vendor Wires (excludes Payroll)

Check	Payee / Description				Amou
Wire	INTERNAL REVENUE SER P/R 109 4/25/23 Taxe		HR	0113800	4,521.3
		INTERNAL REVENUE S	SERVICE	\$	4,521.3
Wire	EMPLOYMENT DEVELOPME P/R 109 4/25/23 Taxe		HR	0113800	265.9
		EMPLOYMENT DEVELOR	MENT DEP	PARTM\$	265.9
Wire	METROPOLITAN WATER D March 2023 Water Pur		11079)	2,139,818.5
		METROPOLITAN WATER	R DISTRIC	T \$	2,139,818.5
Wire	STATE BOARD OF EQUAL 3/23 Sales Tax Depos		23784	1561 3/23	21,994.0
		STATE BOARD OF EQU	JALIZATIO	DN \$	21,994.0
Wire	EMPLOYMENT DEVELOPME P/R 10 5/19/23 Taxes P/R 10 5/19/23 Taxes	4	HR HR	0114200 0114200	69,867.0 13,201.2
		EMPLOYMENT DEVELO	MENT DEP	PARTM\$	83,068.3
Wire	EMPLOYMENT DEVELOPME P/R DIR 05 5/12/23 I		HR	0114100	419.8
		EMPLOYMENT DEVELO	PMENT DEP	PARTM\$	419.8
Wire	EMPLOYMENT DEVELOPME P/R 9 5/5/23 Taxes P/R 9 5/5/23 Taxes	INT DEPARTM	HR HR	0114000 0114000	12,932.8 67,654.0
		EMPLOYMENT DEVELO	PMENT DEI	PARTM\$	80,586.9
Wire	INTERNAL REVENUE SER P/R 09 5/5/23 Taxes	VICE	HR	0114000	385,697.8
		INTERNAL REVENUE	SERVICE	\$	385,697.8
Wire	INTERNAL REVENUE SER P/R DIR 05 5/12/23 I		HR	0114100	2,782.9
		INTERNAL REVENUE	SERVICE	\$	2,782.9
Wire	INTERNAL REVENUE SER P/R 10 5/19/23 Taxes		HR	0114200	395,689.4
		INTERNAL REVENUE	SERVICE	\$	395,689.4
Wire	STATE DISBURSEMENT U P/R 10 5/19/23	JNIT	HR	0114200	1,751.3
		STATE DISBURSEMEN	T UNIT	\$	1,751.1
Wire	STATE DISBURSEMENT U	JNIT			

Report: ZFIR TREASURER Inland Empire Utilities Agency For 05/01/2023 ~ 05/31/2023 Treasurer Report Page 1 Date 06/12/2023

Report For 05	: ZFIR TREASURER Inland Empire Uti /01/2023 ~ 05/31/2023 Treasurer Repor		gency	Page Date	2 06/12/2023
Check	Payee / Description				Amount
	P/R 09 5/5/23	HR.	0114000		1,751.18
	STATE DISBURSEMEN	T UNIT	\$		1,751.18
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 9 5/5 ADJ P/R 09 5/5/23 PERS	HR HR	0113800 0114000		297.48 217,108.18
	PUBLIC EMPLOYEES	RETIREME	NT SY\$		217,405.66
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 10 5/19 Adj P/R 10 5/19/23 PERS	P/R HR	10 5/19 A 0114200		0.08 222,290.69
	PUBLIC EMPLOYEES	RETIREME	INT SY\$		222,290.77
Wire	PUBLIC EMPLOYEES' RETIREMENT S 05/23 Health Ins-Retirees, Employees	1714	6066		322,953.88
	PUBLIC EMPLOYEES	RETIREM	IENT S\$		322,953.88
Wire	PUBLIC EMPLOYEES' RETIREMENT S 06/23 Health Ins-Board	1714	6071		7,927.35
	PUBLIC EMPLOYEES	RETIREM	IENT S\$		7,927.35
Wire	STATE BOARD OF EQUALIZATION 4/23 Sales Tax Deposit	2378	34561 4/23		32,441.00
	STATE BOARD OF EQ	UALIZATI	ION \$		32,441.00

Grand Total Payment Amount: \$ 3,921,366.16

Attachment 2E

Payroll-Net Pay-Directors

INLAND EMPIRE UTILITIES AGENCY

Ratification of Board of Directors

Payroll for May 12 ,2023 Presented at Board Meeting on July 19, 2023

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
Jasmin Hall	\$3,403.57	\$2,011.35
Marco A. Tule	\$3,645.58	\$1,377.05
Michael Camacho	\$5,362.06	\$1,695.10
Steven J. Elie	\$5,362.06	\$1,681.55
Paul Hofer	\$0.00	\$0.00
TOTALS	\$17,773.27	\$6,765.05

	Count	Amount
TOTAL EFTS PROCESSED	4	\$6,765.05
TOTAL CHECKS PROCESSED	0	\$0.00
CHECK NUMBERS USED	N/	A

DIRECTOR PAYSHEET IEUA/MWD SAWPA (alternate) 1 of 2

MICHAEL CAMACHO EMPLOYEE NO.: 1140 ACCOUNT NO.: 10200-120100-100000-501010

APRIL 2023

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION	
4/3/2023	MWD - MWD Legislation, Reg Affairs, & Communications Committee Planning Meeting via Zoom	Yes	\$260.00	
4/4/2023	IEUA - Dinner Meeting with WMWD Director Dennstedt & GM Craig Miller/IEUA Director Camacho & GM Shivaji Deshmukh	Yes	\$260.00	
4/5/2023	IEUA – IEUA Board Workshop/Meeting In-Person	Yes	\$260.00	
4/6/2023	IEUA - Joint Inland and Orange County Caucus Meeting Conference Call	Yes	\$260.00	
4/10/2023	MWD - Committee Meetings In-person	Yes	\$260.00	
4/11/2023	MWD - Committee Meeting and Board Meetings In-person	Yes	\$260.00	
4/12/2023	4/12/2023 IEUA - Community and Legislative Affairs Committee and Engineering, Operations & Water Resources Committee (In-Person)		\$260.00	
4/12/2023			\$0.00	
4/14/2023	IEUA - Water Infrastructure Networking Summit	Yes	\$260.00	
4/17/2023	4/17/2023 MWD - Subcommittee on Public Affairs Engagement via zoom		\$260.00	
4/19/2023	4/19/2023 IEUA – IEUA Board Meeting In-Person		\$260.00	
4/25/2023	4/25/2023 MWD - Subcommittee Meetings		\$0.00	
4/27/2023	IEUA - CBWM Board Meeting	Yes (10 mtgs max)	\$0.00	
4/28/2023	MWD - BVC Meeting	Yes (10 mtgs max)	\$0.00	

DIRECTOR PAYSHEET IEUA/MWD SAWPA (alternate) 2

2 of :	2
--------	---

4/28/2023	IEUA - SCWC Quarterly Luncheon		Yes (10 mtgs ma	x) \$0.00
Director's Sig	nature	11	n I	11

Michael Camacho, Director

Minaji Veshmuth

Approved by: Shivaji Deshmukh

TOTAL REIMBURSEMENT	\$2,600.00
TOTAL MEETINGS ATTENDED	15
TOTAL MEETINGS PAID	10

NOTE:

IEUA/MWD/IERCA

Up to 10 days of service per month per Ordinance No. 107, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.

SAWPA

Up to 10 days of service per month per Ordinance No. 107 (i.e., \$20.00 – difference between SAWPA (\$240.00 (eff. 2/2022) and Agency meetings \$260.00 (eff. 7/01/19), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.

DIRECTOR PAYSHEET IEUA/CBWM/CBWB/CDA Regional Policy Cte (alternate) 1 of 2

STEVEN J. ELIE EMPLOYEE NO.: 1175 ACCOUNT NO.: 10200-120100-100000-501010

APRIL 2023

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
4/1/2023	IEUA - Well 11th Annual Conference In-Person	Yes	\$260.00
4/4/2023	IEUA - 2023 Chino Valley Salute to Public Safety in- Person	Yes	\$260.00
4/4/2023	IEUA - WNA Leadership Council Monthly Call via Zoom	Yes (Same Day)	\$0.00
4/4/2023	IEUA - Meeting w/Communications Officer Carruthers and Board Secretary Garzaro re Op-Ed	Yes (Same Day)	\$0.00
4/5/2023	IEUA – IEUA Board Workshop Meeting In-Person	Yes	\$260.00
4/6/2023	IEUA - Chino Basin Desalter Authority Board In- Person	Yes	\$260.00
4/7/2023	IEUA - Chino Valley Chamber - Leadership Collaborative IEUA Presentation and RP-5 Tour In- Person	Yes	\$260.00
4/7/2023	IEUA - Meeting with Senator Newman & GM Deshmukh	Yes (Same Day)	\$0.00
4/12/2023	IEUA - IEUA Community & Legislative Affairs Committee Meeting In-Person	Yes	\$260.00
4/13/2023	IEUA - SCWC Special Board Briefing via zoom	Yes	\$260.00
4/14/2023	IEUA - GWRS Final Completion Dedication In-Person	Yes	\$260.00
4/14/2023	IEUA - SCWC Executive Committee Meeting via zoom	Yes (Same Day)	\$0.00
4/14/2023	IEUA - Water Infrastructure Networking Summit In- Person	Yes (Same Day)	\$0.00
4/18/2023	IEUA - City of Chino Eastside Water Treatment Facility Expansion Ribbon Cutting (In-Person)	Yes	\$260.00
4/18/2023	IEUA - Meeting with Kevin Hardy, NWRI via MS Teams	Yes (Same Day)	\$0.00
4/18/2023	IEUA - Meeting w/GM Deshmukh	Yes (Staff)	\$0.00

DIRECTOR PAYSHEET IEUA/CBWM/CBWB/CDA Regional Policy Cte (alternate)

2 of 2

4/19/2023	IEUA - Board Meeting In-Person	Yes	\$260.00
	ΤΟΤΑ	L REIMBURSEMENT	\$2,600.00
	TOTAL M	EETINGS ATTENDED	17
	тот	AL MEETINGS PAID	10
Director's Signat	ture	A I I	1

S 1. Else

Steven J. Elie, Vice President

Shivayi Deshmuth

Approved by: Shivaji Deshmukh

NOTE:

IEUA

Up to 10 days of service per month per Ordinance No. 107, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.

CBWM

Up to 10 days of service per month per Ordinance No. 107, including MWD meetings at \$260.00 (eff. 7/01/19). IEUA pays both primary and alternate for attendance. (i.e., \$135.00 - difference between Watermaster \$125.00 and Agency meetings \$260.00 (eff. 7/01/19). Chino Basin Watermaster does not compensate an alternate Director unless the alternate Director is attending on behalf of an absent primary Director. In accordance to Ordinance No. 98, Section 1, (i) Attendance at any meeting provided for under Sections 1.b,c,e, and f, shall also include payment to both the primary representative and the alternate representative to said body if they both attend said meeting. Record full amount on timesheet for attendance by alternates.

CDA

Up to 10 days of service per month per Ordinance No. 107, (i.e., \$120.00 - difference between CDA (\$150 and Agency meetings \$260.00 (eff. 7/01/19), including MWD meetings. CDA pays directly to IEUA. Record full amount on timesheet. CDA pays both primary and alternate for attendance.

CBWB

Up to 10 days of service per month per Ordinance No. 107 (i.e., \$160.00 - difference between CBWB (\$100.00 and Agency meetings \$260.00 (eff. 7/01/19)), including MWD meetings. CBWB pays directly to IEUA. Record full amount on timesheet.

Regional Policy Committee

Up to 10 days of service per month per Ordinance No. 107, including MWD meetings at \$260.00 (eff. 07/01/19.) IEUA pays Regional Policy Committee members (total amount of \$260.00, should reflect on timesheet).

*Decline IEUA portion of CBWM

IEUA DIRECTOR PAYSHEET IEUA\IERCA\SAWPA 1 of 2

JASMIN A. HALL EMPLOYEE NO.: 1256 ACCOUNT NO.: 10200-120100-100000-501010

APRIL 2023

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
4/1/2023	IEUA - WELL 11th Annual Statewide Conference In- Person	Yes	\$260.00
4/4/2023	IEUA - CSDA Live Web Event: How and Why Involvement in LAFCO Matters for Special Districts	Yes	\$260.00
4/4/2023	SAWPA - SAWPA PA 23 & PA24 Committee Meetings	Yes (decline payment)	\$0.00
4/4/2023	IEUA - Meeting w/GM Deshmukh via MS Teams	Yes (staff)	\$0.00
4/5/2023	IEUA - IEUA Board Workshop/Meeting In-Person	Yes	\$260.00
4/7/2023	IEUA - CAAWEF Board Meeting via Zoom	Yes	\$260.00
4/10/2023	IEUA - SCWC Legislative Task Force Meeting ia Zoom	Yes	\$260.00
4/13/2023	IEUA - Rancho Cucamonga State of the City In-Person	Yes	\$260.00
4/14/2023	4/2023 IEUA - Water Infrastructure Networking Summit In- Person		\$260.00
4/17/2023	IEUA - IEWorks Board Meeting via Zoom	Yes	\$260.00
4/18/2023	SAWPA - SAWPA Commission Meeting In-Person	Yes (decline payment)	\$0.00
4/19/2023	IEUA - IEUA Board Meeting In-Person	Yes	\$260.00
4/19/2023	IEUA - IEUA Earth Day Celebration for Schools	Yes (same day)	\$0.00

IEUA DIRECTOR PAYSHEET IEUA\IERCA\SAWPA 2 of 2

4/24/2023	IEUA - CASA Nominating Committee Meeting via Zoom Yes		\$260.00
4/26/2023	IEUA - CASA Board of Directors Meeting via zoom	Yes (10 mtgs max)	\$0.00
4/26/2023	2023 IEUA - Fontana USD District's CTE Advisory via MS Teams Yes (same day)		\$0.00
4/27/2023	IEUA - HRTP Grant - Statewide Advisory Council Meeting via Zoom	Yes (same day)	\$0.00
4/28/2023	IEUA - SCWC Quarterly Luncheon In-Person	Yes (10 mtgs max)	\$0.00
4/29/2023 ITEUA - Installation of Gloria D Grav In-Person		Yes (10 mtgs max)	\$0.00
	\$2,600.00		
	TOTAL MEE	TINGS ATTENDED	19
	ΤΟΤΑ	L MEETINGS PAID	10

TOTAL MEETINGS PAID

Director's Signature

Jasma a Hall

Shivingi Deshmalk

Jasmin A. Hall, Director

Approved by: Shivaji Deshmukh, General Manager

NOTE:

IEUA/IERCA

Up to 10 days of service per month per Ordinance No. 107, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.

CBWB

Up to 10 days of service per month per Ordinance No. 107 (i.e., \$160.00 - difference between CBWB (\$100.00 and Agency meetings \$260.00 (eff. 7/01/19)), including MWD meetings. CBWB pays directly to IEUA. Record full amount on timesheet.

SAWPA

Up to 10 days of service per month per Ordinance No. 107 (i.e., \$20.00 – difference between SAWPA (\$240.00 (eff. 2/2022) and Agency meetings \$260.00 (eff. 7/01/19), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.

DIRECTOR PAYSHEET IEUA/IERCA 1 of 1

PAUL HOFER **EMPLOYEE NO.: 1349** ACCOUNT NO.: 10200-120100-100000-501010

MARCH 2023

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
4/12/2023	1/12/2023 IEUA - IEUA Finance & Administration Committee Meetings		\$0.00
4/19/2023	IEUA - IEUA Board Meeting	Yes	\$0.00
		IMBURSEMENT	\$0.00
		NGS ATTENDED	2

NOTE:

IEUA/IERCA

Up to 10 days of service per month per Ordinance No. 107, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.

Director Hofer has waived all stipend payments.

Director's Signature

- JAmes

Paul Hofer, Director

Shing Deshmuth Approved by:

DIRECTOR PAYSHEET IEUA/Regional Policy Cte IERCA/CBWM/CDA (alternate) 1 of 2

MARCO TULE EMPLOYEE NO.: 1520 ACCOUNT NO.: 10200-120100-100000-501010

APRIL 2023

DATE	TTE TYPE OF MEETING		TOTAL COMPENSATION
4/5/2023	IEUA - IEUA Board Workshop/Meeting In-Person	Yes	\$260.00
4/6/2023	IEUA - Regional Sewerage Program Policy Committee Meeting In-Person	Yes	\$260.00
4/10/2023	IEUA - Meeting w/City of Ontario Councilmember Dorst-Porada and GM Deshmukh In-Person	Yes	\$260.00
4/12/2023	IEUA - Engineering, Operations & Water Resources Committee and Finance & Administration Committee Meetings In-Person	Yes	\$260.00
4/19/2023	IEUA - IEUA Board Meeting In-Person	Yes	\$260.00
4/27/2023	EUA - Hispanic Coalition of Small Businesses: Spheres of Sustainability		\$260.00
4/27/2023	IEUA - IEUA HR Open House	Yes (same day)	\$0.00
	TOTAL	REIMBURSEMENT	\$1,560.00

Director's Signature

Marco Tule, President

TOTAL REIMBURSEMENT \$1,560.00

TOTAL MEETINGS ATTENDED

7

6

TOTAL MEETINGS PAID Jeshmah Mutal N 56-58

Approved by: Shivaji Deshmukh, General Manager

DIRECTOR PAYSHEET IEUA/Regional Policy Cte IERCA/CBWM/CDA (alternate) 2 of 2

NOTE:

IEUA/IERCA

Up to 10 days of service per month per Ordinance No. 107, including MWD meetings at \$260.00 (eff. 07/01/19). IEUA pays both primary and alternate for attendance.

Regional Policy Committee

Up to 10 days of service per month per Ordinance No. 107, including MWD meetings at \$260.00 (eff. 07/01/19.) IEUA pays Regional Policy Committee members (total amount of \$260.00, should reflect on timesheet).

CDA

Up to 10 days of service per month per Ordinance No. 107, (i.e., \$120.00 - difference between CDA (\$150 and Agency meetings \$260.00 (eff. 7/01/19), including MWD meetings. CDA pays directly to IEUA. Record full amount on timesheet. CDA pays both primary and alternate for attendance CBWM

Up

to 10 days of service per month per Ordinance No. 107, including MWD meetings at \$260.00 (eff. 7/01/19). IEUA pays both primary and alternate for attendance. (i.e., \$135.00 - difference between Watermaster \$125.00 and Agency meetings \$260.00 (eff. 7/01/19). Chino Basin Watermaster does not compensate an alternate Director unless the alternate Director is attending on behalf of an absent primary Director. In accordance to Ordinance No. 107, Section 1, (i) Attendance at any meeting provided for under Sections 1.b,c,e, and f, shall also include payment to both the primary respreseantive and the alternate representative to said body if they both attend said meeting. Record full amount on timesheet for attendance by alternates.

Attachment 2F

Payroll-Net Pay-Employees

Non-Board Members	PP 9 Checks	PP 9 EFTs	PP 10 Checks	PP 10 EFTs	May
NET PAY TO EE	\$0.00	\$920,137.82	\$0.00	\$923.938.50	\$1,844,076.32
		Contraction (Series)			

INLAND EMPIRE UTITLIES AGENCY

Payroll for May 5, 2023

Presented at Board Meeting on July 19, 2023

GROSS PAYROLL COSTS			\$1,650,990.05
DEDUCTIONS			(\$730,852.23)
NET PAYROLL			920,137.82
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED			
TRANSACTION PROCESSED	0	410	410
AMOUNT	\$0.00	\$920,137.82	\$920,137.82

INLAND EMPIRE UTITLIES AGENCY

Payroll for May 19, 2023

Presented at Board Meeting on July 19, 2023

GROSS PAYROLL COSTS			\$1,651,982.30
DEDUCTIONS			(\$728,043.80)
NET PAYROLL			923,938.50
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED			
TRANSACTION PROCESSED	0	413	413
AMOUNT	\$0.00	\$923,938.50	\$923,938.50



Report on General Disbursements

Deborah Berry Controller July 2023

Staff's Recommendation



• Approve the total disbursements for the month of May 2023 in the amount of \$21,475,484.18.

The Report on General Disbursements is consistent with *IEUA's Business Goal under Fiscal Responsibility*, specifically safeguarding the Agency's fiscal health to effectively support short-term and long-term needs, while providing the best value for our customers.

consent calendar item **1 C**



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee:

SSD

From: Shivaji Deshmukh, General Manager

Staff Contact:Shivaji Deshmukh, General ManagerSubject: Adoption of Resolution No. 2023-7-2, Approving the Designation of Applicant's
Agent Resolution for Non-State Agencies

Executive Summary:

On March 4, 2020, the Governor declared a state of emergency pursuant to Government Code 8625 due to the COVID-19 Pandemic. This allowed the State and local governmental entities to apply for public assistance from the Federal Emergency Management Agency (FEMA) for costs incurred to maintain essential operations and keep staff safe during the pandemic. FEMA requires a resolution granting authority to the designated officials to execute the assistance agreement and submit all required documents on behalf of IEUA. The authorization will remain in effect for three (3) years following the date of approval.

IEUA applied for a FEMA grant to cover the costs of responding to the pandemic. This will include all labor and supplies that were required for staff to work remotely as ordered by the Governor, as well as personal protective equipment for essential field staff. FEMA requires the Board of Directors to adopt a resolution that authorizes representatives to execute a public assistance agreement and authorizes the submittal of all required documents pertaining to State disaster assistance to the California Office of Emergency Services in order to obtain reimbursement.

Staff's Recommendation:

Adopt Resolution No. 2023-7-2, authorizing the General Manager or designee to execute the FEMA assistance agreement and to submit all required documents to the California Office of Emergency Services.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval: Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action: None.

Environmental Determination: Not Applicable

Business Goal:

This action supports the Agency's Business Goal of fiscal responsibility.

Attachments:

Attachment 1 - Resolution No. 2023-7-2

Attachment 2 - CalOES Form 130 - Designation of Applicant's Agent Resolution

RESOLUTION NO. 2023-7-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ADOPTING THE DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES FOR FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FOR COVID-19 FUNDING

WHEREAS, the Inland Empire Utilities Agency, a municipal water district, duly organized and existing under and pursuant to the Constitution and Laws of the State of California; and

WHEREAS, on March 4, 2020, the Governor declared a state of emergency pursuant to Government Code 8625 due to the COVID-19 pandemic being severe enough to warrant federal assistance under the Disaster Relief and Emergency Assistance Act for the state of California; and

WHEREAS, this allowed the State and local governmental entities to apply for public assistance from the Federal Emergency Management Agency (FEMA) for costs incurred to maintain essential operations and keep staff safe during the pandemic; and

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Inland Empire Utilities Agency* hereby authorizes the General Manager, OR Director of External & Government Affairs, OR, Grants and Government Affairs Officer to execute the Designation of Applicant's Agent Resolution for Non-State Agencies for and on behalf of the Inland Empire Utilities Agency*, and to file it with the California's Governor's Office of Emergency Services for the purpose of obtaining federal financial assistance for any existing or future grant program, including, but not limited to any of the following; and

- Federally declared Disaster (DR), Fire Mitigation Assistance Gant (FMAG), California State Only Disaster (CDAA), Immediate Services Program (ISP), Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities (BRIC), Legislative Pre-Disaster Mitigation Program (LPDM), under
- Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.
- Flood Mitigation Assistance Program (FMA), under Section 1366 of the National Flood Insurance Act of 1968.
- National Earthquake Hazards Reduction Program (NEHRP) 42 U.S. Code 7704 (b) ((2) (A) (ix) and 42 U.S. Code 7704 (b) (2) (B) National Earthquake Hazards Reduction Program, and also the Consolidated Appropriations Act, 2018, Pub. L. No. 115-141
- California Early Earthquake Warning (CEEW) under CA Gov Code Gov, Title 2, Div. 1, Chapter 7, Article 5, Sections 8587.8,8587.11,8587.12

Resolution No. 2023-7-2 Page 2

BE IT FURTHER RESOLVED, that the Inland Empire Utilities Agency*, hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

This is a universal resolution and is effective for all open and future disasters/grants declared up to three (3) years following the date of approval.

ADOPTED this 19th day of July 2023.

Marco Tule President of the Inland Empire Utilities Agency* and of the Board of Directors thereof

ATTEST:

Jasmin A. Hall Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

*A Municipal Water District

Resolution No. 2023-7-2 Page 3

STATE OF CALIFORNIA)COUNTY OF) SSSAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2023-7-2, was adopted at a regular Board Meeting on July 19, 2023, of said Agency* by the following vote:

AYES: NOES: ABSTAIN: ABSENT:

> Jasmin A. Hall Secretary/Treasurer of the Inland Empire Utilities Agency* and of the Board of Directors thereof

(SEAL)

*A Municipal Water District

STATE OF CALIFORNIA	ATTACHMENT 2
CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY	' Services
DESIGNATION OF APPLICANT'S AGENT	RESOLUTION
NON-STATE AGENCIES	

OES-FPD-130 (Rev. 10-2022)

Cal OES ID No: _____

DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES

BE IT RESOLVED BY THE _____OF THE _____OF THE ______(Governing Body) (Name of Applicant)
THAT _______, OR
(Title of Authorized Agent) ______, OR
(Title of Authorized Agent) _

and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining federal financial assistance for any existing or future grant program, including, but not limited to any of the following:

- Federally declared Disaster (DR), Fire Mitigation Assistance Grant (FMAG), California State Only Disaster (CDAA), Immediate Services Program (ISP), Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities (BRIC), Legislative Pre-Disaster Mitigation Program (LPDM), Under
- Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.
- Flood Mitigation Assistance Program (FMA), under Section 1366 of the National Flood Insurance Act of 1968.
- National Earthquake Hazards Reduction Program (NEHRP) 42 U.S. Code 7704 (b) ((2) (A) (ix) and 42 U.S. Code 7704 (b) (2) (B) National Earthquake Hazards Reduction Program, and also The Consolidated Appropriations Act, 2018, Div. F, Department of Homeland Security Appropriations Act, 2018, Pub. L. No. 115-141
- California Early Earthquake Warning (CEEW) under CA Gov Code Gov, Title 2, Div. 1, Chapter 7, Article 5, Sections 8587.8, 8587.11, 8587.12

That the _____, a public entity established under the (Name of Applicant)

laws of the State of California, hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.



OES-FPD-130 (Rev. 10-2022)

Please check the appropriate box below

This is a universal resolution and is effective for all open and future disasters/grants declared up to three (3) years following the date of approval.

This is a disaster/grant specific resolution and is effective for only

disaster/grant number(s):_____

Passed and approved this___day of_____, 20____

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

CERTIFICATION

l,	, d	uly appoir	nted and	of		
	(Name)		(Title)			
	(Name of Applicant)	, do herek	by certify that t	he above is a true and		
correct copy of a resolution passed and approved by the						
				(Governing Body)		
of the		_on the	day of	, 20		
	(Name of Applicant)					
	(Signature)			(Title)		



Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted resolution is older than three (3) years from the last date of approval, is invalid, or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on pages 1 and 2. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California.

Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the California Governor's Office of Emergency Services regarding grants for which they have applied. There are two ways of completing this section:

- 1. Titles Only: The titles of the Authorized Agents should be entered here, not their names. This allows the document to remain valid if an Authorized Agent leaves the position and is replaced by another individual. If "Titles Only" is the chosen method, this document must be accompanied by either a cover letter naming the Authorized Agents by name and title, or the Cal OES AA Names document. The supporting document can be completed by any authorized Agent, secretary to the Director). It does not require the Governing Body's signature.
- 2. Names and Titles: If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document, or their title changes.



Checking Universal or Disaster-Specific Box: A Universal resolution is effective for all past disasters and for those declared up to three (3) years following the date of approval. Upon expiration it is no longer effective for new disasters, but it remains in effect for disasters declared prior to expiration. It remains effective until the disaster goes through closeout unless it is superseded by a newer resolution.

Governing Body Representative: These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents. A minimum of three (3) approving board members must be listed. If less than three are present, meeting minutes must be attached in order to verify a quorum was met.

Certification Section:

Name and Title: This is the individual in attendance who recorded the creation and approval of this resolution.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member. If a person holds two positions (such as City Manager and Secretary to the Board) and the City Manager is to be listed as an Authorized Agent, then that person could sign the document as Secretary to the Board (not City Manager) to eliminate "Self-Certification."

CONSENT CALENDAR ITEM **1D**



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Audit

From: Teresa Velarde, Manager of Internal Audit 07/10/23

Manager Contact: Teresa Velarde, Manager of Internal Audit Subject: Fiscal Year 2023/24 Annual Audit Plan

Executive Summary:

The Board-approved Audit Committee Charter requires the Audit Committee to approve a flexible Annual Audit Plan of proposed audit projects and to recommend the plan and periodic updates to the Board of Directors for review and approval. The Annual Audit Plan of proposed projects intends to objectively review and evaluate the Agency's operations, processes and business activities depending on the assessed risk, level of priority, or specific requests, and make recommendations for improvements and efficiencies.

The Internal Audit Unit Charter and the Institute of Internal Auditors (IIA) auditing standards require that periodic risk assessments be performed to ensure information captured is relevant, timely, and aligned with the Agency's changing environment, goals, and objectives. IA performs the required risk assessment, prepares the Annual Audit Plan, and submits quarterly status reports and amendments, as required. The main audit projects proposed for the Fiscal Year (FY) 2023/24 include the following audits: Procurement Card, Payroll, Petty Cash, Accounts Receivable, and various follow-up reviews to evaluate the implementation status of prior audit recommendations. Additionally, IA is available to assist with questions related to Agency policies, processes, compliance, and efficiencies and to participate in various trainings, meetings, committees and discussions.

Staff's Recommendation:

1. Approve the FY 2023/24 Annual Audit Plan; and

2. Direct the Manager of Internal Audit to implement the FY 2023/24 Annual Audit Plan.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): Y Amount for Requested Approval: Account/Project Name: N/A

Fiscal Impact (explain if not budgeted):

Only when additional outside auditing or consulting services are required to provide assistance to IA or fulfill the responsibilities of the Audit Committee for appropriate action. Additionally, some audit projects are intended to identify opportunities for cost containment.

 Full account coding (internal AP purposes only):
 Project No.:

Prior Board Action:

On December 21, 2022, the Board of Directors reconfirmed the approved Audit Committee and the Internal Audit Unit Charters. Both Charters require the Manager of IA to annually complete and present the Annual Audit Plan.

Environmental Determination: Not Applicable

Business Goal:

The Annual Audit Plan is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by proposing for completion audits that evaluate and promote a strong internal control and ethical environment, evaluate efficiencies and effectiveness of processes and operations, and make recommendations to assist management in achieving compliance with required policies to achieve organizational goals and objectives.

Attachments:

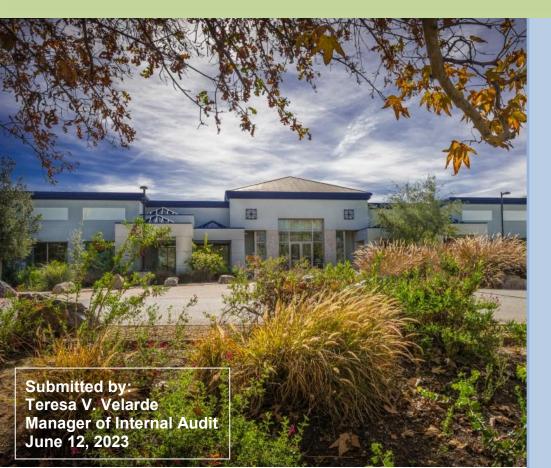
Attachment 1 - FY 2023/24 Annual Audit Plan Attachment 2 - PowerPoint





Fiscal Year 2023-2024

Internal Audit Annual Audit Plan



The Annual Audit Plan is consistent with the Agency's **Business Goals of Fiscal** Responsibility, Workplace **Environment**, and Business Practices by proposing for completion audits that evaluate and promote a strong internal control and ethical environment, evaluate efficiencies and effectiveness of processes and operations, and make recommendations to assist management in achieving compliance with required policies to achieve organizational goals and objectives.

Table of Contents	Page
Purpose of the Internal Audit Unit	3
Mission Statement & Values	4
Purpose of the Annual Audit Plan	5
FY 2023-2024 Annual Audit Plan	Z
Outstanding Audit Recommendations	2
On-Going Audit Projects	<u>10</u>
Long Range Audit Planning & Additional Audit Areas	<u>11</u>
<u>Risk Assessment Strategy & Audit Universe</u>	<u>13</u>
Quality Assurance and Improvement Program	<u>14</u>

Purpose of Internal Audit

According to the Board-approved Charter, the purpose of the Internal Audit Unit (Internal Audit or IA) is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for reporting, internal controls, and compliance with legal and regulatory requirements applicable to Agency operations, and to provide objective assurance about the Agency's operations.

The purpose of the Internal Audit Unit is also to provide consulting services, analyses, recommendations, and information concerning the operations of the Agency, as a service to management and as a way of adding value to improve the operations of the Agency. IA assists management and staff in achieving organizational goals and objectives by providing recommendations and advisory services based on results of analysis of the Agency's processes, procedures, governance, internal controls, financial reporting, and compliance with applicable laws and regulations.

Guidance: International Standards for the Professional Practice of Internal Auditing

The Internal Audit Unit follows the guidance of the globally accepted *International Standards for the Professional Practice of Internal Auditing (Standards)* as documented in the International Professional Practices Framework (IPPF) and the Code of Ethics issued by the Institute of Internal Auditors (IIA) (<u>https://theiia.org</u>). This guidance is also documented in the Internal Audit Unit Charter and is a requirement in the Internal Audit Unit Standard Operating Procedures, and all IEUA internal auditors are required to follow.

Independence

The Internal Audit Unit reports directly to the Board of Directors through the Audit Committee. The Internal Audit Unit has a dotted line reporting relationship to the General Manager and works in cooperation with the Leadership Team and Agency management to coordinate audit projects and resources. As described in the Charter and according to the IIA *Standards* and best practices, IA is an independent function from Agency management, to provide objective analysis and recommendations, as a value-added service for the Board and Agency management. Independence is essential to the effectiveness of internal auditing and is emphasized by the IIA. The authority and responsibilities of the Internal Audit Unit are specifically defined in the Internal Audit Unit Charter approved each year by the Board of Directors.

Mission Statement and Values

The Internal Audit Unit seeks to improve the operations of the Agency by providing unbiased and objective assessments to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Unit will help the Agency achieve accountability and integrity, improve operations and instill confidence among its employees and the citizens it serves by:

- Promoting a sound control environment.
- Providing independent, objective assurance and consulting services.
- Improving Agency risk management, control and governance.
- Promoting the Agency's vision and mission with a high degree of professionalism.

Values

Internal Audit adopted the following value statements that form the foundation for the Internal Audit function:

<u>Independence</u>

As documented in the Charter, the Internal Audit Unit is an independent function of the Agency for the purpose of providing independent, objective, unbiased reviews and opinions.

<u>Integrity</u>

The Internal Audit Unit staff is required to maintain the highest degree of integrity in handling information and conducting its audit work.

Professionalism

The Internal Audit Unit will always perform its work with a high degree of professionalism and participate in continuing professional development to stay informed of new audit trends.

Collaboration

The Internal Audit Unit will foster collaboration with all Agency personnel to promote teamwork within the various business units.

Purpose of the IA's Annual Audit Plan

The Annual Audit Plan (Audit Plan) has been prepared in accordance with recommendations and best practices provided by the IIA. The Audit Plan allows the Manager of Internal Audit to carry out the responsibilities of the Internal Audit Unit by prioritizing projects and allocating necessary resources where audit efforts are deemed appropriate and necessary. The Audit Plan is created to assist management and the Board in achieving organization goals and objectives.

The Audit Plan is a flexible plan of internal audit activities and was developed using an appropriate risk-based methodology, including any risks or control concerns identified or communicated by Management, the Internal Audit Unit, External Auditors, the Audit Committee's Independent Advisor, the Audit Committee or Board. Additionally, IA discussed with the Agency's legal counsel information that came through the Agency's anonymous hotline, Ethics-Point, to determine if any of the reported items are under the responsibility and scope of IA's activities or should be considered in planning audit projects. The overall objectives of the Annual Audit Plan are:

- to develop a plan of audit projects that is consistent with the Agency's goals and objectives,
- to address the potential risk areas within the Agency,
- to evaluate and contribute to the improvement of risk management, internal control, and governance processes, and
- to add value by recommending opportunities for improvements to increase effectiveness and efficiency of operations.

To provide practical guidance and an authoritative framework for the development of the Annual Audit Plan, the Internal Audit Unit recognizes the following items: Achieving one hundred percent audit coverage each year is not practical or achievable. It should be noted that audit resources are limited; therefore, a system for prioritizing audits has been employed. The Annual Audit Plan must be a flexible plan and should be amended periodically as deemed necessary to reprioritize areas that require attention. In preparing the Annual Audit Plan, consideration is given to the work performed by other auditors, regulatory authorities, established rules, laws and ordinances and the Agency's system of controls. Auditable areas are ranked by knowledge of identified or perceived areas of risk and understanding of the systems of internal controls. It should be noted that there are inherent and residual risks, and limitations with any methodology applied when prioritizing risks and ranking audit projects; furthermore, risk factors exist with any system of controls.

As stated in the Internal Audit Unit Charter, the Manager of Internal Audit will set audit frequencies, select the subjects, and set objectives, determine the scope of work and apply the techniques required to accomplish the audit objectives. The Manager of Internal Audit has the authority to deviate from the approved Annual Audit Plan, when necessary, and if warranted by unforeseen issues that require immediate attention. The Manager of Internal Audit will use professional discretion and judgment in response to such unforeseen issues and resolve them according to the requirements of the Charter. Significant changes to or deviations from the approved Annual Audit Plan shall be reported to the Audit Committee and to the Board at the next regularly scheduled Audit Committee meeting.

Both the IA Charter and the IIA's Code of Ethics have strict standards of ethical conduct for internal auditors. Internal auditors have a responsibility to maintain independence, ensure integrity, objectivity, confidentiality, and competency in work performed.

Annual Audit Plan Methodology

In planning for the IA projects, the following were also considered:

- The Internal Audit Unit Charter required responsibilities
- The Audit Committee Charter required responsibilities
- Communications with the Audit Committee and the Board of Directors
- Communications with Leadership Team, management, and key Agency personnel
- Communications with the Audit Committee Financial Expert Advisor
- Communications with the External Financial Auditors
- Prior audit findings and recommendations
- Assessed risks in business practices and operations
- Agency's goals and objectives, including activities, developments, and changes
- Agency's policies and procedures
- Key areas that affect revenue(s) and expenses
- Identified opportunities to improve operations and add value to services
- New accounting and audit requirements, trends and leading practices
- Internal Audit Unit resources

Fiscal Year 2023-2024 Annual Audit Plan

For the Fiscal Year 2023/2024 Annual Audit Plan, the audits were selected based on all things considered as discussed above, the results of audits completed, risks identified, discussions with key individuals and auditor judgement. Significant deviations and changes to the Audit Plan will be communicated to the Audit Committee through an Amended Audit Plan and progress information is provided through Quarterly Status Reports presented to the Audit Committee.

Audit of Agency Procurement Card Program

The purpose is to analyze Procurement Card (P-card) program, including the internal controls related to issuance, monitoring, and reviewing P-card transactions to determine compliance with Agency policy requirements. Evaluate transactions and review supporting documentation to determine if transactions were appropriately approved and made and expenses were for the benefit of Agency business operations. Because the fuel card program was absorbed by the P-card program, this review would also evaluate corrective actions and implementation procedures for the Fuel Card audit recommendations provided during a prior audit program. Evaluate internal controls related to accounts payable functions and evaluate the overall process for approvals, reconciliation and submitting of transaction information.

Payroll Audit

Payroll Operations Audits were performed in 2010, 2012 and again in 2017. The purpose is to analyze IEUA's payroll processes and records to ensure accuracy and compliance with regulations. To examine employee, pay rates, wages, and tax withholdings to ensure processes are up to date, legally compliant, and accurate. To evaluate if operational processes are efficient and compliance with Agency's policies and processes. To determine the effectiveness of a backup process and/or documented disaster recovery and business continuity plan for payroll operations.

Accounts Receivable Operational Audit

To evaluate internal control processes, examine receivable transactions for accuracy and determine compliance with Agency policies and procedures. Additionally, to determine if the Agency billed all revenue the Agency is entitled to, collected all revenue based on account billings, accounted for amounts owed and revenue received, and implemented policies and procedures to collect amounts owed.

Information Technology Physical Inventory and Internal Controls Audit

To evaluate compliance with policies and procedures, accountability and inventory controls of equipment purchased, assigned, and stored, disposal processes and controls, financial transactions and supporting documents of purchases to ensure compliance with all procurement policies. This project was planned in FY 21/22; however, the P2P audits took greater priority, additionally, there have been staffing and organizational changes within the department and currently management is implementing additional processes and systems that will require time for full implementation.

Petty Cash Review

To determine if internal controls and policies have been established for the proper safeguarding and handling and use of Petty Cash. To examine and determine if the Petty Cash fund is being used for the purpose it was set up for and to ensure transactions are properly approved, recorded and documented.

Cybersecurity Risk Assessment

Complete the risk assessment of the Agency's cybersecurity controls to evaluate the Agency's established security controls and monitoring of vulnerabilities and determine if the current program agrees with the Agency's objectives, risk appetite, and ability to respond to any events that occur.

Audit Software Tools

IA is evaluating the use of, the feasibility, available tools, efficiencies and overall benefits and considerations of audit software tools to improve reports, audit techniques and comply with audit workpaper retention and support requirements.

Fraud Training

IA staff will prepare and provide fraud awareness training to requesting departments. Statistics show that effective fraud awareness training can assist in mitigating the risk of fraud.

Follow-up Reviews to evaluate the status of outstanding audit recommendations

As required by the Charters and audit standards, IA will follow up on the status of outstanding recommendations to determine if corrective actions or alternate controls were implemented. As of June 2023, there are 115 outstanding recommendations: 31 related to the renegotiation of the Regional Contract which should be implemented with the finalization of the Contract, 12 relate to Agency Policy updates, HR has worked with LCW, an outside consultant who provided comments to all Agency Policies. HR should be working to make needed updates and implement the revised policies. In summary there are 40 recommendations eligible for follow up evaluation and 24 related to the P2P audits which are evaluated every quarter. See details on Page 9.

Outstanding Audit Recommendations

The Internal Audit Unit Charter requires follow-up action be taken to ensure that management has effectively implemented recommendations or alternate controls have been incorporated to mitigate the risks identified during the original audits. Follow-up audit work includes detailed testing and verification by Internal Audit staff. Below is a table of the Outstanding Audit Recommendations:

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA	Planned Follow-Up	
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	May 27, 2021	1	FY 2023	
Accounts Payable Follow-Up (Deferred Recommendations related to Agency Policies)	August 29, 2013	2	FY 2024	
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY 2024	
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6	FY 2024	
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY 2024	
Payroll Operations Audit	August 30, 2017	5	FY 2024	
Procurement Card Audit	March 1, 2018	7	FY 2024	
Wire Transfers Audit	March 1, 2018	4	FY 2025	
Inter-fund Transactions Audit	August 30, 2018	1	FY 2025	
Accounts Payable Follow-Up Audit	May 30, 2019	4	FY 2024	
Voyager Fuel Card Audit	May 30, 2019	4	FY 2024	
Human Resources Audit: Hiring and Promotions Operations Review	December 2, 2019	7	FY 2025	
Recycled Water Revenues Audit	May 28, 2020	3	FY 2025	
Human Resources: Workload Indicators Review	May 29, 2020	2	FY 2025	
Human Resources Operational Audit: Administration of Employee Training and Development Programs	August 31, 2020	5	FY 2025	
 Accounts Payable Operational and Internal Controls Audit Report Review of Procure to Pay Processes for: Chemicals (November 24, 2021) Engineering & Construction Management (February 24, 2022) Planning & Resources (May 26, 2022) Materials & Supplies (December 2022) Pay Estimates (March 2023) 	Dates noted on first column to the left	24	On-going	
Regional Contract Review –Final Audit Report (planned for implementation with the renegotiation of the Regional Contract)	December 16, 2015	31	FY 2023	
Total Outstanding Audit Recon	115			

Summary of Outstanding Audit Recommendations

Of the 115 recommendations noted above, 102 are eligible for follow up evaluation as explained below:

- 31 relate to the renegotiation of the Regional Contract,
 - 12 relate to upcoming updates to Agency policies which is being facilitated by an outside consultant working with Human Resources Department,
- Eligible for follow up evaluation:
- 24 recommendations relate to the ongoing P2P follow up reviews completed quarterly
- 48 recommendations are eligible for follow up evaluation

*See the Report of Open Audit Recommendations under separate cover.

On-going Audit Projects

- Internal Audit Unit Quality Assurance and Improvement Program
- Assist with annual ACFR Review and Filing
- Review and update IA Unit and Audit Committee Charters
- Continue to participate with the Safety Committee and the Technology/Cybersecurity Committee, additional task force and committees requested.
- Provide needed support related to audit topics, internal controls, Agency policies and procedures and compliance items as requested by Agency personnel
- Further utilize capabilities of SAP and other Agency software tools to enhance IA functions
- On-going required administrative reporting, such as budget, goals/objectives, staff appraisals, and other administrative items.
- Conduct special requests and/or unforeseen projects that require immediate attention
- Provide recommendations to strengthen/streamline policies and procedures
- Update IA Annual Audit Plan and corresponding Risk Assessment
- Continue to work with auditees to resolve outstanding recommendations
- Assist with requests for internal controls questions, discussions and evaluations
- Continue to review, update and document IA Policies and Procedures
- Continuous Professional Development and education of all auditors
- Plan, prepare and coordinate Audit Committee Meetings
- Utilize the IA site on AIM as an Agency-wide communication tool
- Provide "audit approach" presentations and fraud awareness training to requesting Units/Departments for/within professional associations as a guest speaker and for Agency-wide meetings

Long Range Audit Planning & Additional Audit Areas

IA has identified additional audit areas. This list has been compiled as a preliminary list of future and potential audit projects where audit resources and efforts can be focused. This is not a complete list. If the risk/priority in any of the identified auditable areas increases, or a special request comes from the Audit Committee or Agency Management, IA would perform the required audit work.

Grants Operations Audit

To determine if grant administration complies with Federal/State requirements and regulations and agency policies. To ensure funding is effectively used for the purposes intended. Determine if internal controls are implemented to ensure accurate record keeping, quality assurance and identify areas for efficiencies.

Accounts Receivables Review - Monthly Sewer Billing

Evaluate compliance with the Agency's Ordinance 111 and/or Resolutions 2022-12-4 & 2022-12-5 and to evaluate how each of the contracting agencies apply the ordinance and ensure all monthly sewer billable units or fees is reported accurately, consistently, and completely. Evaluate that all internal controls are working as intended.

Accounts Receivables Review - Connection Fees

Evaluate compliance with the Agency's Ordinance 111 and Resolutions 2022-12-4 & 2022-12-5 to evaluate how each of the contracting agencies apply the ordinance and ensure connection fees are reported accurately. Evaluate that all internal controls are working as intended.

Accounts Payable Operations & Use of Esker

Evaluate the Accounts Payable operations' internal controls and processes to ensure there are sufficient procedures established to gather, account for, review, and process transactions accurately, timely, and in accordance with applicable policies and regulations. To evaluate internal controls related to the vendor master database maintenance to ensure vendors are legitimate and appropriate vendors and all required information is maintained. Additionally, to evaluate internal controls and processes with the use of Esker, the Agency's invoice recognition software system to ensure it is working as intended.

Fleetistics Use, Vehicle Maintenance and Maintenance Vendors Controls

Evaluate the use of Fleetistics and the application/software system is used as intended and the goals for the program are achieved. To evaluate how fleet vehicle maintenance is detected by Fleetistics or other method, how maintenance is planned, scheduled, approved and completed timely or as needed. Lastly, to evaluate the maintenance vendors utilized to ensure that work is issued according to the contract and/or follow Agency approved procurement policies and all internal controls are in place.

Capital Projects

The external financial auditors, have in the past, noted deficiencies with the process for closing completed capital projects. Projects were left open long after the project had been completed, therefore, impacting the accounting value of the capital assets. This audit would focus on evaluating when open capital projects have been completed and examining when the construction in progress balances are closed to capital assets.

Records Management

To evaluate legal, regulatory and Agency policy compliance with records management requirements regarding creation, retention, maintenance, use and disposal, including an evaluation of internal controls and procedures related to the ownership, recovery, changes and sharing of records. To evaluate efficiencies in the processes and procedures.

Various or Other Agreements

Evaluate the variety of special and/or other types of agreements the Agency may have with other agencies or vendors that may or may not be formalized under an official Agency contract. This audit would also evaluate whether the special agreements provide preferential treatment or significant discounts/credits when compared to similar agencies for similar services.

Asset Management Audit

According to the Agency's Asset Management Plan, the current values for Agency assets are \$845 million for replacement and \$534 million for depreciation. An audit of this area would evaluate the accountability and controls to ensure assets are properly recorded in the Agency's financial records. Additionally, to determine if periodic inventories or other valuation processes are performed to validate the amount of assets reported in accounting records. Additional audit areas could include asset maintenance, preventive maintenance, internal controls to safeguard, evaluate and report the assets.

Operations Audit

Evaluate permit compliance requirements, preventive maintenance of plants or equipment, staff training and staff certifications to operate plants/facilities, chemical and equipment use, and customer service to the service area, where applicable.

Personal Computer Loan Program and Policy Compliance

Review Agency policies and internal controls as they relate to the employee personal computer loan program and reimbursements to ensure adequate controls and that policy requirements are followed.

Safety & Security Audit

To evaluate the effectiveness of the Agency's safety/security programs and the current method and process for identifying, addressing, resolving, and mitigating hazards, vulnerabilities, threats, and risks to the safety and security of Agency personnel and assets. To evaluate internal controls in place to mitigate risks and dangers to life, health and property. Additionally, to evaluate policies in place to create a safe and healthy workplace.

Construction Project Audit

To evaluate internal controls with regards to the project's financial management and monitoring of costs, deliverables and requirements. To ensure any billing errors are detected and resolved and minimize the need for change orders or financial concerns. To evaluate the details of the contractor's invoicing activity to ensure only allowable costs according with the terms of the contract are paid. Identify areas for improvement.

Maintenance Audit

To evaluate how maintenance costs are recorded on the financial statements and determine if they are properly expensed or capitalized according to Agency and accounting rules and policies. Evaluate additional operational efficiencies.

Risk Assessment Strategy

The IIA IPPF standard 2120 states that IA must evaluate the effectiveness and contribute to the improvement of risk management processes.

The IIA IPPF defines Risk as follows:

- **Risk** The possibility of an event occurring that will have an **impact on the achievement of objectives**. Risk is measured in terms of impact and likelihood, and
- **Residual Risks** As the risk remaining **after management acts to reduce the impact** and likelihood of an adverse event, including control activities in response to a risk.

The risk assessment is a general assessment performed using best practice guidance, professional judgment and consideration for the impact on the Agency's operations if the targeted units fail to function in the most effective and efficient manner or neglect to comply with required policies. In performing the Risk Assessment for this FY 2023/24 Annual Audit Plan, the following were considered:

- Agency Policies and Procedures
- Communication with the External Auditors
- Communication with the Audit Committee and Board
- Communications with key Agency personnel
- Assessing risks and exposures that may affect the organization
- New Agency activities, developments and major changes
- Key areas that affect revenue and expenses
- Observations resulting from previous audits and reviews
- New audit requirements and trends
- Opportunities to improve operations

Audit Universe

The IIA IPPF defines Universe as all possible auditable areas. For the purposes of this Annual Audit Plan, the universe includes all Agency Units/Departments, operations, contracts, transactions, processes, and activities.

Quality Assurance and Improvement Program

The Institute of Internal Auditing (IIA), International Professional Practices Framework (IPPF) defines a Quality Assurance and Improvement Program: "A quality assurance and improvement Program is designed to enable an evaluation of internal audit activity's conformance with the Definition of Internal Auditing and the *Standards* and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement."

Standard 1311 of the IPPF requires that internal assessments include ongoing monitoring of the performance of internal audit activity; and periodic reviews performed through self-assessments.

Standard 1312 of the IPPF requires that external assessments be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organization.

As part of IA's commitment for continued quality audit services, beginning FY 2023-24, IAD will perform internal assessments of the IAD. An external assessment by an independent reviewer is planned for FY 2024/25. Results will be presented and discussed at the regularly scheduled Audit Committee meetings.



Inland Empire Utilities Agency

Fiscal Year 2023/24 Annual Audit Plan

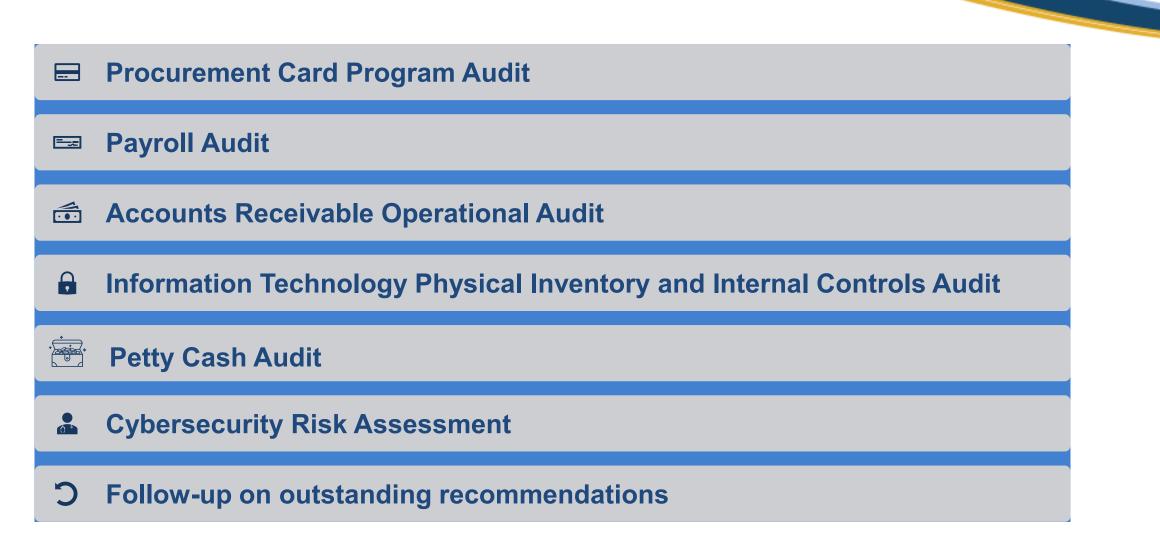
Teresa Velarde Manager of Internal Audit July 10, 2023

Fiscal Year 2023/24 Annual Audit Plan Planning Considerations

- The Internal Audit Unit Charter required responsibilities
- The Audit Committee Charter required responsibilities
- Communications with the Audit Committee and the Board of Directors
- Communications with Leadership Team, management, and key Agency personnel
- Communications with the External Financial Auditors
- Communications with the Audit Committee Financial Expert Advisor
- Prior audit findings and recommendations
- Assessed risks in business practices and operations
- Agency's goals and objectives, including activities, developments, and changes
- Agency policies and procedures
- Key areas that affect revenue(s) and expenses
- Identified opportunities to improve operations and add value
- New accounting and audit requirements, trends and leading practices
- Internal Audit resources

nland Empire Utilities Ageno

Fiscal Year 2023/24 Annual Audit Plan Proposed Projects



Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT

Fiscal Year 2023/24 Annual Audit Plan Proposed Projects

Procurement Card Program Audit

- Authorized use
- Policy requirements
- Evaluate purchases
- Review approvals
- Review account codes
- Rebate program
- Identify opportunities for improvements

Petty Cash Audit

- Authorized use
- Reimbursement policy
- Review approvals
- Review account codes
- Identify opportunities for improvements

nland Empire Utilities Agency

Fiscal Year 2023/24 Annual Audit Plan Proposed Projects



Inland Empire Utilities Agency a municipal water district

Fiscal Year 2023/24 Annual Audit Plan Outstanding Audit Recommendations

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA	Planned Follow-Up
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	May 27, 2021	1	FY 2023
Accounts Payable Follow-Up (Deferred Recommendations related to Agency Policies)	August 29, 2013	2	FY 2024
Follow-Up - IT Equipment Audit - ISS	February 29, 2016	2	FY 2024
Follow-Up - IT Equipment Audit - FAD	December 5, 2016	6	FY 2024
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY 2024
Payroll Operations Audit	August 30, 2017	5	FY 2024
Procurement Card Audit	March 1, 2018	7	FY 2024
Wire Transfers Audit	March 1, 2018	4	FY 2025
Inter-fund Transactions Audit	August 30, 2018	1	FY 2025
Accounts Payable Follow-Up Audit	May 30, 2019	4	FY 2024
Voyager Fuel Card Audit	May 30, 2019	4	FY 2024
Human Resources Audit: Hiring and Promotions Operations Review	December 2, 2019	7	FY 2025
Recycled Water Revenues Audit	May 28, 2020	3	FY 2025
Human Resources: Workload Indicators Review	May 29, 2020	2	FY 2025
Human Resources Operational Audit: Administration of Employee Training and Development Programs	August 31, 2020	5	FY 2025
 Accounts Payable Operational and Internal Controls Audit Report Review of Procure to Pay Processes for: Chemicals (November 24, 2021) Engineering & Construction Management (February 24, 2022) Planning & Resources (May 26, 2022) Materials & Supplies (December 2022) Pay Estimates (March 2023) 	Dates noted on first column to the left	24	On-going
Regional Contract Review –Final Audit Report (planned for implementation with the renegotiation of the Regional Contract)	December 16, 2015	31	FY 2023
Total Outstanding Audit Recon	115		

Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT

Report of Open Audit Recommendations

As of June 2023, 115 recommendations remain outstanding:

- 48 are eligible for follow-up evaluation
- 24 relate to ongoing P2P follow-up reviews completed quarterly
- 12 require Agency policy updates
- 31 renegotiation of the Regional Contract

Outstanding Audit Recommendations	
as of June 1, 2023	

	Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
	Finance and Accounting	Accounts Payable Follow-Up Audit	August 28, 2013	4	AFM should work with the appropriate Agency personnel to update Agency policies and remind employees of the requirements of Agency Policy A-12, Employee Personal Computer Purchase Program; Policy A-37, Reimbursement for Attendance at a Conference, Seminar or Meeting; Policy A-50, Non-Purchase-Order Invoice Approval Procedures; Policy A-55, Agency Credit Cards; and Agency Policy A-14 Vehicle Use.			x
	Finance and Accounting	Accounts Payable Follow-Up Audit	August 28, 2013		Human Resources department, in conjunction with Information Support Systems, should ensure that loans for personal computers are not approved for items not covered by the loan program as described in Agency Policy A-12. Additionally, consider revising Agency Policy A-12 to clarify the applicability of the computer loan program to tablet computers and operating systems other than Microsoft Windows.			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	Overall	Consider legal, political and financial impacts of governing by ordinance vs. contract			x
S	Agency Management	Regional Contract Review - Final Report	December 16, 2015	Overall	Review and revise EDU formula			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	Overall	Resolve identified differences of over/under collected amounts of Connection fees and identified differences of over/under collected amounts of unreported monthly sewerage fees			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015		Connection Fees: Centralize the permitting process OR IEUA provides final sign-off and plumbing permit approval for all nonresidential entities.			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	2	Connection Fees: IEUA should establish monitoring program to inspect random facilities and those were there is a suspected discrepancy			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	3	Connection Fees: Contract should include IEUA inspection, verification and recourse rights for under- collected/under-reported Connection Fees			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	4	<u>Connection Fees:</u> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	5	Connection Fees: Two tier connection fees process that distinguishes between common features and unique features (i.e, a toilet always costs the same regardless of type of business)			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	6	Connection Fees: Update Exhibit J regularly to include new/evolving business types			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	7	Connection Fees: Update & clarify Fixture Unit descriptions of Exhibit J regularly			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	8	<u>Connection Fees:</u> Standardize calculation worksheet to ensure it is consistent with Exhibit J and consistent region-wide			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015	9	Connection Fees: IEUA should require copies of calculation worksheets for all nonresidential customers along with the monthly Building Activity Reports.			x
	Agency Management	Regional Contract Review - Final Report	December 16, 2015		Connection Fees: Regular workshops, meetings, plant tours, etc. with staff in Building, Plan Check and Utility Billing/Financial Departments			x

Fiscal Year 2023/24 Annual Audit Plan On-Going Audit Projects

- ✤ IA Unit Quality Assurance and Improvement Program
- Assist with the annual review of the Annual Comprehensive Financial Report (ACFR)
 Review and Filing
- * Review and update the IA Unit and Audit Committee Charters
- Continue to participate on the Safety Committee and the Technology/Cybersecurity Committee, additional task force and committees requested
- Provide needed support related to audit topics, internal controls, Agency policies and procedures and compliance items as requested by Agency personnel
- Further utilize capabilities of SAP to enhance IA functions
- On-going required administrative reporting, such as budget, goals/objectives, staff appraisals, and other administrative items
- Conduct special requests and/or unforeseen projects
- Provide recommendations to strengthen/streamline policies and procedures

nland Empire Utilities Agenc

Fiscal Year 2023/24 Annual Audit Plan On-Going Audit Projects



- Update IA Annual Audit Plan and corresponding Risk Assessment
- Continue to work with auditees to resolve outstanding recommendations
- * Assist with requests for internal controls questions, discussions, and evaluations
- Continue to review, update, and document IA Policies and Procedures
- Continuous Professional Development and education of all auditors
- Plan, prepare, and coordinate Audit Committee Meetings
- Utilize the IA site on AIM as an Agency-wide communication tool
- Provide "audit approach" presentations to requesting departments

Fiscal Year 2022/23 Annual Audit Plan Additional Audit Areas

Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT

- Grant Audits Operations
- ✤ Accounts Receivable Review Monthly Sewer Billing
- Accounts Receivable Review Connection Fees
- Accounts Payable Operations & Use of Esker
- Fleetistics Use, Vehicle Maintenance and Maintenance Vendors Controls
- Capital Projects
- Records Management
- Various or Other Agreements
- ✤ Asset Management Audit
- Operations Audit
- Personal Computer Loan Program and Policy Compliance
- ✤ Safety & Security Audit
- Construction Project Audit
- ✤ Maintenance Audit

Fiscal Year 2023/24 Annual Audit Plan



Staff recommends the Board:

- 1. Approve the FY 2023/24 Annual Audit Plan; and
- 2. Direct the Manager of Internal Audit to implement the FY 2023/24 Annual Audit Plan.

<u>Mission Statement</u>

The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve accountability and integrity, improve operations and instill confidence among its employees and the citizens it serves by:

- Promoting a sound control environment.
- Providing independent, objective assurance and consulting services.
- Improving Agency risk management, control and governance.
- Promoting the Agency's vision and mission with a high degree of professionalism.

Inland Empire Utilities Agency

The Annual Audit Plan is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by proposing for completion audits that evaluate and promote a strong internal control and ethical environment, evaluate efficiencies and effectiveness of processes and operations, and make recommendations to assist management in achieving compliance with required policies to achieve organizational goals and objectives.





Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Community & Legislative Affairs

From: Shivaji Deshmukh, General Manager 07/12/23

SSD

 Staff Contact:
 Shivaji Deshmukh, General Manager

Subject: Adopt Position of Support on STREAM Act

Executive Summary:

Senator Feinstein has reintroduced the Support to Rehydrate the Environment, Agriculture and Municipalities Act (STREAM Act) which authorizes \$750 million for water storage, \$300 million for water recycling, \$150 million for desalination, and \$100 million for drinking water for disadvantaged communities.

The STREAM Act authorizes grants for storage and conveyance projects that include environmental benefits, drinking water benefits for disadvantaged communities or other public benefits either as part of the project design or as part of a watershed restoration plan adopted together with the project.

Additionally, the STREAM Act will authorize low-interest loans for storage and conveyance projects that solely provide irrigation and general municipal and industrial water supply benefits.

More details on the STREAM Act can be found in the provided background attachment.

Staff's Recommendation:

Adopt a position of support on the Support to Rehydrate the Environment, Agriculture and Municipalities Act (STREAM Act).

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): Y Amount for Requested Approval: Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On March 1, 2023 the Board adopted the 2023-24 Legislative Priorities and Policy Principles.

Environmental Determination: Not Applicable

Business Goal:

Taking legislative positions is in line with IEUA's business practices goal of advocating for the development of policies, legislation and regulations that benefit the region.

Attachments:

Attachment 1 - STREAM Act Fact Sheet

Attachment 1. STREAM Act Fact Sheet

<u>Summary of STREAM Act</u> Senators Feinstein, Kelly and Sinema -- June 2023

- Expedites non-federal storage projects with less than \$250 million in federal funding, water recycling, and desalination projects by allowing Interior to approve the projects.
 - This provision is needed following the *Water Infrastructure Improvements for the Nation Act's* expiration in December 2021. Absent this provision, Congress must individually authorize all water recycling, desalination and storage projects, with the exception of projects that receive construction funding under the bipartisan infrastructure legislation.
 - Allowing projects to proceed with Interior's approval avoids frequent and lengthy delays in the Congressional approval process.
- Authorizes \$750 million in funding for surface and groundwater storage and conveyance projects (including natural water retention and release projects).
- Authorizes \$300 million for water recycling projects, \$150 million for desalination projects, \$100 million for projects to provide drinking water for disadvantaged communities, and \$250 million for environmental restoration projects.
- **Requires Congressional approval of future federal storage projects** and non-federal storage projects with over \$250 million in federal funding. Congressional approval is appropriate for federal and the most expensive projects.
- Shortens timeline for Congressional approval of Federal storage projects through a "Reclamation WRDA" process where Reclamation notifies Congress of completed feasibility studies each year to set up an orderly process to authorize projects.
- Grandfathers storage projects that receive construction funding from the \$1.15 billion provided for storage in the bipartisan infrastructure law so they can receive storage funds authorized under this bill and they do not need further authorization to complete construction.
- Federal non-reimbursable grants are available for non-Federal storage projects funded by the bill only if they have public benefits that are provided either directly as part of the project or through federal spending on environmental benefits in the same watershed approved as part of a watershed plan adopted together with the project.
 - If a project does have public benefits, it can receive non-reimbursable grants for water supply benefits on a dollar-for-dollar basis for each dollar of public benefits the project provides, up to the 25% maximum federal cost-share (e.g. a project can receive \$5 million in non-reimbursable funding for water supply if it has \$5 million or more of public benefits). This incentivizes multi-benefit projects with water supply and environmental benefits.
 - Non-federal storage projects with water supply benefits only are eligible for reimbursable funding.
- During droughts, Interior can implement emergency drought relief projects through building permanent facilities, if those facilities are supported by the State where the projects are located and require a federal investment of less than \$30 million.
 - Current law allows funding only for temporary facilities, excepting groundwater wells.
 - Given the increased frequency of droughts, it is more efficient to install permanent facilities rather than frequently installing and removing temporary facilities.

CONSENT CALENDAR ITEM



Date: July 19, 2023

To: The Honorable Board of DirectorsFrom: Shivaji Deshmukh, General ManagerCommittee: Engineering, Operations & Water Resources07/12/23

SSD

Staff Contact: Christiana Daisy, Deputy General Manager

Subject: Sodium Hypochlorite and Ferric Chloride Chemical Contract Awards

Executive Summary:

Sodium Hypochlorite is a chemical used at the Agency to disinfect tertiary filtered effluent. To maintain compliance with the Agency's National Pollutant Discharge Elimination System permit, tertiary filtered effluent must meet a total chlorine residual concentration time of at least 450 milligram-minutes per liter, a modal contact time of at least 90 minutes, and the disinfected water must be free of total coliform.

Ferric chloride is a chemical used at the Agency to control the hydrogen sulfide (H2S) concentrations in the treatment process. The South Coast Air Quality Management District limits Agency facilities to emit five pounds per day or less of total sulfur compounds. The addition of ferric chloride is needed to maintain permit compliance. Ferric chloride also enhances settleability of solids in the primary treatment process.

Staff's Recommendation:

1. Approve the award to provide the supply of sodium hypochlorite chemicals, Contract No. 4600003367, to JCI Jones Chemicals Incorporated, for a one-year contract, with four one-year renewal options, for a potential total contract term of five years for a not-to-exceed amount of \$17,000,000

2. Approve the award to provide the supply of ferric chloride chemicals, Contract No. 4600003373, to California Water Technologies, LLC for a one-year contract, with four one-year renewal options, for a potential total contract term of five years for a not-to-exceed amount of \$9,100,000; and

3. Authorize the General Manager to execute the contracts, subject to non-substantive changes.

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

Account/Project Name: N/A

Fiscal Impact (explain if not budgeted): N/A

Prior Board Action:

The IEUA Board approved a 5 year contract with Olin Corporation for sodium hypochlorite chemical on June 14, 2018.

The IEUA Board approved a contract with California Water Technologies for Ferric Chloride chemical for a one year on August 17, 2022.

Environmental Determination:

Not Applicable N/A

Business Goal:

The IEUA sodium hypochlorite and ferric chloride chemical contracts is consistent with IEUA's Business Goal of Business Practices, specifically the Operations objective that IEUA is committed to sustainable cost containment of operating and capital costs.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint Presentation

Attachment 3 - JCI Jones Chemicals Incorporated Contract 4600003367 (Click to Download)

Attachment 4 - California Water Technologies, LLC Contract 4600003373 (Click to Download)

Attachment 1



Background

Subject: Sodium Hypochlorite and Ferric Chloride Chemical Contract Awards

The Agency's current sodium hypochlorite chemical contract expires August 1, 2023. A Request for Quote was issued on PlanetBids on May 15, 2023, to secure a sodium hypochlorite chemical supplier. There were two responsive bidders, JCI Jones Chemicals, Incorporated (JCI) and Olin Corporation. The proposals were reviewed, and it was determined that JCI was the lowest responsive and responsible bidder. JCI's bid is approximately 10% lower than the Agency's current rate. The Contract and Procurement Unit also benchmarked this bid with neighboring agencies and found the price to be consistent. Ferric chloride is a chemical used at the Agency to control the hydrogen sulfide (H2S) concentrations in the treatment process. The South Coast Air Quality Management District limits Agency facilities to emit five pounds per day or less of total sulfur compounds. The addition of ferric chloride is needed to maintain permit compliance. Ferric chloride also enhances settleability of solids in the primary treatment process.

The Agency's current ferric chloride contract expires in August 2023. A Request for Quote was issued on PlanetBids on May 22, 2022, to secure a ferric chloride chemical supplier. There were three responsive bidders, California Water Technologies, LLC (CWT), Kemira Water Solutions, Incorporated, and Pencco, Incorporated. The proposals were evaluated, and it was determined that CWT was the most qualified and responsive bidder. CWT's bid is approximately 36% higher than the current rate, but the proposed rate aligns with recent chemical cost increases due to raw material shortages and increased freight costs. The Contract and Procurement Unit also benchmarked this bid with neighboring agencies and found the price to be consistent. CWT is the current ferric chloride supplier and has performed well in their current capacity.

Attachment 2

Inland Empire Utilities Agency

Sodium Hypochlorite and Ferric Chloride Chemical Contract Awards

Ryan Love Deputy Manager of Operations July 19, 2023

Purpose of Sodium Hypochlorite



RP-1 Sodium Hypochlorite Storage Tanks

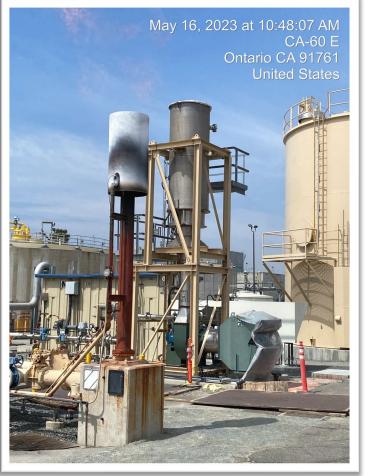
Permit requirement:

- Disinfection requirements are regulated by the National Pollutant Discharge Elimination System (NPDES) permit.
 - Total Chlorine Residual Concentration Time of at least 450 milligram-minutes per liter
 - Detention time of at least 90 minutes
 - Free of total coliform
- Title 22 division four of the California Code of Regulations guidelines for disinfected tertiary recycled water.

nland Empire Utilities Agency

Purpose of Ferric Chloride





RP-1 Flare

• To meet South Coast Air Quality Management District Hydrogen Sulfide Emission Requirements.

- Emit less than 5lb/day of total sulfur compounds
- -Anaerobic Digesters
- Flare
- -Boiler
- Improve settleability in treatment process.
 - Primary Clarifiers



RP-2 Boiler

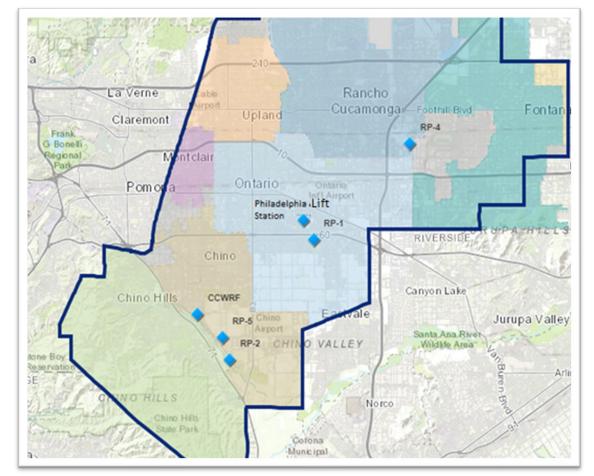
Background

Sodium hypochlorite is used at:

- Regional Water Recycling Plant No. 1 (RP-1)
- Regional Water Recycling Plant No. 4 (RP-4)
- Regional Water Recycling Plant No. 5 (RP-5)
- Carbon Canyon Water Recycling Facility (CCWRF)

Ferric Chloride is used at:

- Regional Water Recycling Plant No. 1 (RP-1)
- Regional Water Recycling Plant No. 2 (RP-2)
- Regional Water Recycling Plant No. 4 (RP-4)
- Regional Water Recycling Plant No. 5 (RP-5)
- Carbon Canyon Water Recycling Facility (CCWRF)
- Philadelphia Lift Station



nland Empire Utilities Agency

A MUNICIPAL WATER DISTRIC

IEUA Wastewater Chemicals

Chemical	Purpose
Sodium hypochlorite	Disinfection
Ferric chloride	 H₂S management and primary clarifier settling
Aluminum sulfate	Tertiary flocculation
Polymer 750E	Centrifuge dewatering
Polymer 748E	Dissolved air flotation thickener and belt press dewatering
Sodium bisulfite	Neutralize residual chlorine
Anti-struvite	Struvite prevention in centrate piping

Chemical Supplier Challenges

Chemical	Cost Justification	Agency Impact FY22/23
Sodium hypochlorite	CausticChlorineFreight	 Increase of 114%
Ferric chloride	Hydrochloric acidFreight	 Increase of 32%
Aluminum sulfate	Sulfuric acidAlumina trihydrateFreight	Increase of 34%
Polymer 750E	Methyl acrylateFreight	 Increase of 11%
Polymer 748E	Methyl acrylateFreight	 Increase of 11%
Sodium bisulfite	Caustic sodaMolten sulfurFreight	 Increase of 69%

Quote Results Sodium Hypochlorite

Quotes Received

Olin Incorporated (Olin)

JCI Jones Chemicals Incorporated (JCI)

Award Criteria

Lowest responsive, responsible bidder

Quote Results

JCI would provide the best value to the Agency.

Previous supplier 2012-2015.

Manufacturing and Distribution center in Torrance, CA.

Unit price decrease of approximately 10%.

Current Cost

Olin

\$1.96/gallon

Contract Terms	JCI	Olin
One-year fixed price	\$1.7765/gallon	\$2.055/gallon
Option year 1	0-10%	3-7%
Option year 2	0-25%	3-7%
Option year 3	0-50%	3-7%
Option year 4	0-50%	3-7%

Quote Results Ferric Chloride

Quotes Received

California Water Technologies, LLC (CWT) Kemira Water Solutions, Incorporated (Kemira) Pencco, Incorporated (Pencco)

Award Criteria

Lowest responsive, responsible bidder

Quote Results

CWT provides the best value to the Agency.

Manufactured in Sante Fe Springs, CA.

Lowest unit price increase at 36%.

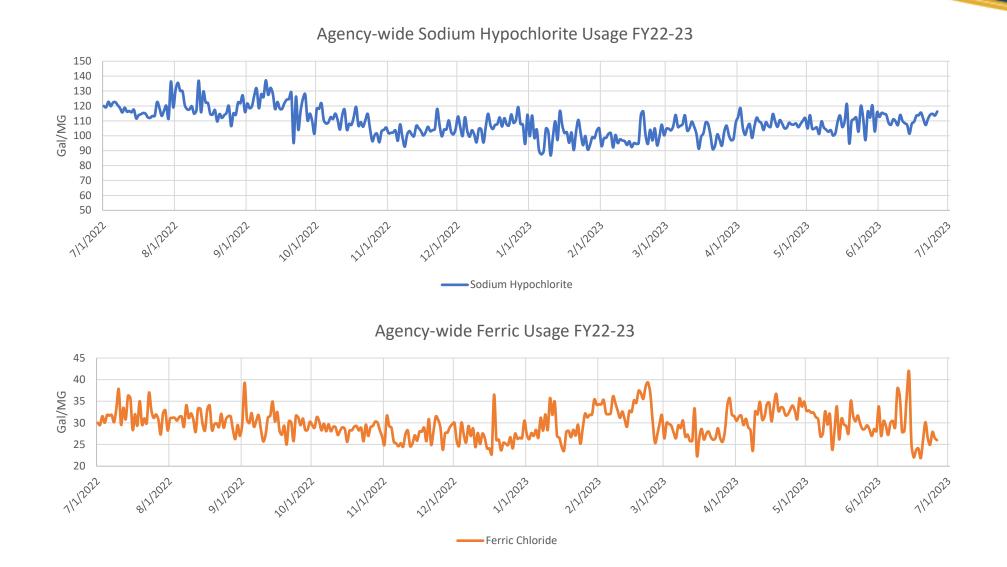
Current Cost

CWT

\$0.445/dry pound

Contract Terms	СМТ	Kemira	Pencco
One-year fixed price	\$0.604/dry pound	\$0.637/dry pound	\$0.754/dry pound
Option year 1	0-10%	0-7%	0-10%
Option year 2	0-20%	0-7%	0-10%
Option year 3	0-30%	0-7%	0-10%
Option year 4	0-30%	0-7%	0-10%

Agency-wide Usage FY22/23



Inland Empire Utilities Agency

Staff's Recommendation

Inland Empire Utilities Agency

- 1. Approve the award to provide the supply of sodium hypochlorite chemicals, Contract No. 4600003367, to JCI Jones Chemicals Incorporated, for a one- year contract, with four one-year renewal options, for a potential total contract term of five years for a not-to-exceed amount of \$17,000,000;
- 2. Approve the award to provide the supply of ferric chloride chemicals, Contract No. 4600003373, to California Water Technologies, LLC, for a oneyear contract, with four one-year renewal options, for a potential total contract term of five years for a not-to-exceed amount of \$9,100,000; and
- 3. Authorize the General Manager to execute the contracts, subject to non-substantive changes.

The IEUA Sodium Hypochlorite and Ferric Chloride Chemical Contracts is consistent with **IEUA's Business Goal** of Business Practices, specifically the Operations objective that IEUA is committed to sustainable cost containment of operating and capital costs.

CONSENT CALENDAR ITEM **1G**



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Finance & Administration

From: Shivaji Deshmukh, General Manager 07/12/23

SSD

Staff Contact:Kristine Day, Assistant General Manager

Subject: Purchase of Agency-wide Insurance Policies for Fiscal Year 2023/24

Executive Summary:

Each year, the Agency purchases excess insurance policies to protect the Agency and the public against potential liabilities related to General, Auto, Errors & Omissions, Employment Liability, Property, Boiler & Machinery, Cyber, Workers' Compensation, etc. Staff works closely with the Agency's broker, Alliant Insurance Services, to evaluate the Agency's insurance programs and needs as well as the insurance market and various insurance programs available. The process includes the completion of detailed underwriter applications identifying the Agency's operations, exposures, operating budget, property and equipment values, loss history, and total wages. This information is compared against current market performance, industry losses, and various insurance carriers in support of receiving renewal premiums or quotes. The California insurance market continues to see significant challenges and limitations in carrier interest. These market conditions, as well as increases in operating budget, payroll, and exposures, reflect increases in Agency premiums.

In anticipation of the increases, staff adjusted the insurance budget in support of having sufficient funding for the premiums. There are no changes in policy terms, conditions, self-insured retentions, or policy coverage limits.

Staff's Recommendation:

Ratify the purchase of the following Agency-wide insurance policies providing coverage through Fiscal Year 2023/24 as follows:

- a. Excess General Liability insurance in the amount of \$933,009;
- b. Property, Boiler & Machinery insurance in the amount of \$1,050,000; and
- c. Excess Workers' Compensation insurance in the amount of \$115,818.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): Amount for Requested Approval: Account/Project Name:

Fiscal Impact (explain if not budgeted):

Full account coding (internal AP purposes only):

Project No.:

Prior Board Action:

On June 15, 2022 the Board approved the purchase of Agency-wide insurance policies for coverage during FY 2022/23 in the amounts of:

- a. Excess General Liability insurance (Projected at \$755,000);
- b. Property, Boilers & Machinery insurance (Projected \$930,000); and
- c. Excess Workers' Compensation (Actual \$109,685).

Environmental Determination:

Not Applicable

Business Goal:

The purchase of Agency-wide insurance policies supports the Agency's commitment to safeguarding the Agency's fiscal health and effectively supports the short and long term needs, while providing the value to our customers.

Attachments:

Attachment 1 - PowerPoint



Purchase of Agency-wide Insurance Policies FY 2023/24





Major Excess Insurance Policies

- Excess Liability
 - General
 - 3rd party coverage for bodily injury and property damage
 - -Automobile
 - Coverage for bodily injury and property damage caused by Agency vehicles
 - -Public Entity Errors & Omissions
 - Coverage for damages arising out of negligent acts, errors and omissions of the Agency
- Property, Boiler & Machinery
 - Property
 - Coverage for destruction or damage to property, buildings, etc.
 - -Boiler & Machinery
 - Coverage of equipment within the Agency facilities
- Excess Workers' Compensation
 - Coverage for bodily injury and illness to employees in the scope of employment

Excess General Liability

Coverage: Allied World National

- General
- -Automobile
- Employment Practices
- Public Officials
- $-\,{\rm Terrorism}$

• Limits

- -\$20,000,000 Aggregate
- -\$10,000,000 Primary
- -\$10,000,000 Umbrella
- Self Insured Retention (SIR)/Deductible
 - -\$1,000,000 (IEUA Responsible)



Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT

Property, Boiler & Machinery Insurance



- Property
- -Boiler & Machinery
- Cyber Liability
- -Pollution
- Limits
 - -- Up to \$1,000,000,000
 - Varies by coverage type
- Self Insured Retention (SIR)/Deductible
 - -\$25,000 (IEUA Responsible)



Inland Empire Utilities Agency

MUNICIPAL WATER DISTRICT

Excess Workers' Compensation

- Coverage: Arch Insurance
 - Workers' Compensation
 - Employers Liability
- Limits - \$25,000,000 Aggregate
- Self Insured Retention (SIR)/Deductible -\$1,000,000 (IEUA Responsible)



Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT

Premium Summary



Policy	Coverage Limits SIR	Expiring Premium FY 2022/23	Budget FY 2023/24	Premium FY 2023/24
				% Increase
General Liability	\$20,000,000	\$742,590	\$1,000,000	\$933,009
	SIR: \$1,000,000			23%
Property, Boiler & Machinery	\$1,000,000,000	\$814,794	\$1,100,000	\$1,050,000
,	SIR: \$25,000			28%
Workers' Compensation	\$25,000,000	\$109,685	\$135,000	\$115,818
	SIR: \$1,000,000			5.6%

Staff's Recommendation



- Ratify the purchase of the following Agency-wide insurance policies providing coverage through Fiscal Year 2023/24 as follows:
 - -A. Excess General Liability insurance in the amount of \$933,009;
 - -B. Property, Boiler & Machinery insurance in the amount of \$1,050,000; and
 - -C. Excess Workers' Compensation insurance in the amount of \$115,818.

CONSENT CALENDAR ITEM



Date: July 19, 2023

SSD From: Shivaji Deshmukh, General Manager **To:** The Honorable Board of Directors 07/12/23 Committee: Engineering, Operations & Water Resources Finance & Administration **Staff Contact:** Christiana Daisy, Deputy General Manager Subject: Pre-Approval for Heavy Fleet Equipment Purchases

Executive Summary:

On May 2, 2023, the Agency posted a Request for Quotes (RFQ) on PlanetBids for multiple fleet vehicles previously Board approved under project FM23001 Heavy Equipment Replacement; however, no proposals were received. A second attempt was made where staff exercised several national procurement cooperatives with no successful results. Due to the lack of vehicles available in California, staff sought vehicle availability outside of California, finding several units for purchase. Purchasing vehicles outside of California will help alleviate the possibility of delays in sourcing each vehicle due to the lack of inventory in the market. Another complication is that dealerships place municipalities on waiting lists, adding challenging timelines for delivering heavy duty vehicle types over \$150,000.

Staff is recommending the pre-approval of "off-the-lot" vehicles to procure the following heavy duty vehicle types up to \$1,000,000, two 2023 F550 Crane Truck, one 2024 F450 Truck, four 2024 F350 Utility Trucks, and one 2024 Sewer Collections CTV Van.

Staff's Recommendation:

Authorize the General Manager to execute the procurement of "off-the-lot" vehicles, up to \$1,000,000.

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

Account/Project Name:

FM23001 Heavy Equipment Replacements from Operations and Maintenance (RO) Fund, Professional Fees and Services.

Fiscal Impact (explain if not budgeted):

An amount of \$670,000 was budgeted from FY 2022-23 and another \$670,000 from FY 2023-24 was budgeted to procure heavy duty vehicles.

Prior Board Action:

June 15, 2022 - Approved project FM23001 Heavy Duty Replacements.

Environmental Determination: Not Applicable

Business Goal:

Business Practices - IEUA will provide outstanding services that support our member agencies and region in a cost effective, efficient and reliable manner.

Attachments:

1. PowerPoint Presentation

Attachment 1



Pre-Approval for Heavy Fleet Equipment Purchases

Lucia Diaz

- 5

Manager of Facilities & Water Systems Programs

July 2023

Procurement Challenges

Heavy Duty Fleet Replacements

- Procurement of Vehicles
 - Submitted RFQ on May 2, 2023
 - \circ No response
 - Low on inventory
 - Need to source out of state
 - Vehicles over \$150K
- CARB Regulations
 - 50% of purchases must be electric after 2024





Procurement Challenges

Heavy Duty Fleet Replacements

- Vehicles to be Sourced
 - Two 2023 Ford F550 Crane Trucks
 - One 2024 Ford F450 Utility Truck
 - Four 2024 Ford F350 Utility Trucks
 - One 2024 Sewer Collections CCTV





Staff's Recommendation

 Authorize the General Manager to execute the procurement of "off-the-lot" vehicles, up to \$1,000,000.

IEUA's Business Practices will provide outstanding services that support our member agencies and region in a cost effective, efficient and reliable manner.



nland Empire Utilities

ACTION ITEM

2A



Date: July 19, 2023

Ducc. July 19, 2023		
To: The Honorable Board of Directors	From: Shivaji Deshmukh, General Manager	
Committee: Engineering, Operations & Water	Resources 07/12/23	
Finance & Administration	07/12/23	
Staff Contact: Christiana Daisy, Deputy	General Manager	

1 AM

Subject: Consulting Program Management and Owner Engineering Services Contract Award

Executive Summary:

The services by the consultant program manager and owner engineer (PM/OE) are needed to support the Inland Empire Utilities Agency (IEUA) in a variety of potential future projects but most immediately, to support the design and construction of the advanced water treatment system to meet the region's compliance needs in addition to the recycled water system expansion.

Soliciting for the PM/OE was established as a three-step process which started with a broadcast announcement of the PM/OE opportunity, followed by the request for qualifications from interested consulting teams, and finalized by the review of proposals from the short listed consulting teams. Based on the weighted average score by four panelists (internal and external), Jacobs Engineering Group, Inc. was deemed as the most qualified consultant. Staff negotiated the scope of services and confirmed the total fees of \$9,113,805 towards the services for the first two years utilizing the offered labor rates and mark-ups in the proposals.

Staff's Recommendation:

1. Award a master services contract for the consulting program management and owner engineering services to the Jacobs Engineering Team. Inc, in the amount of \$9,113,805; and

2. Authorize the General Manager to execute the contract, subject to non-substantive changes.

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

Account/Project Name:

Multiple Projects under the Recycled Water System Expansion Program: WR24002 6 TAFY AWPF, WR23001 Injection Facilities, WR23002 RW Interconnection to the City of Rialto, EN16065 RW Connections to JCSD, and PL26001 Advanced Water Purification Facility

Fiscal Impact (explain if not budgeted):

The five projects have a combined approved FY23/24 budget of \$4,800,000, and a combined approved total projects' budget of \$330,180,905 in the Recycled Water Fund (10600), and \$165,000,000 in the Wastewater (10800) Fund.

Prior Board Action: None.

Environmental Determination: Not Applicable

Business Goal:

The Recycled Water System Expansion Program supports IEUA's business goal of Water Reliability, of implementing an integrated water resources management plan providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Attachments:

Attachment 1 - PowerPoint Attachment 2 - Master Services Contract (Click to Download)

Attachment 1



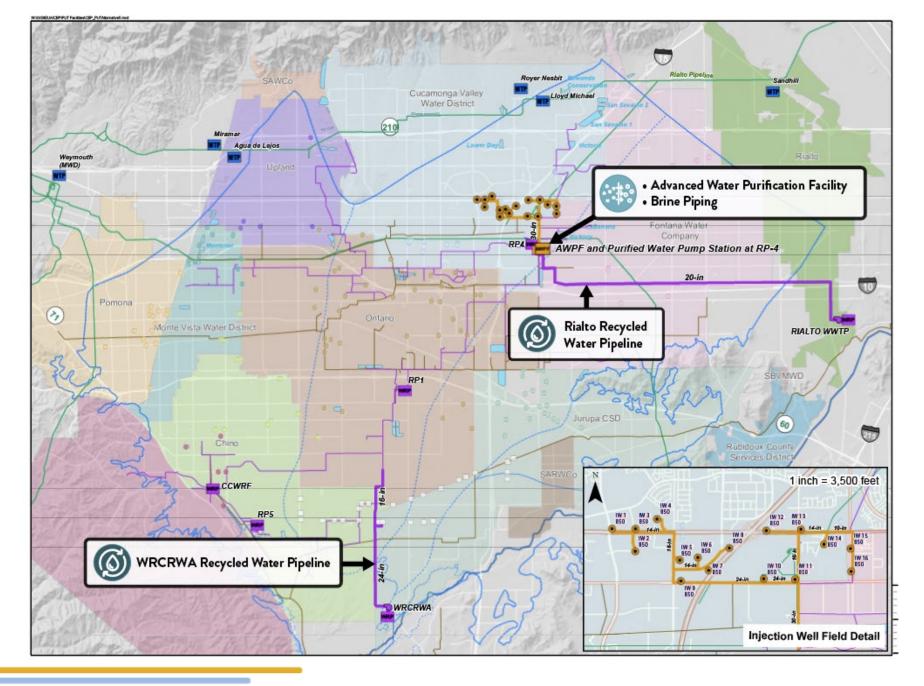
Consulting Program Management and Owner Engineering Services Contract Award

Adham Almasri, P.E., PMP Principal Engineer July 2023

Capital Project Alternatives- Facility Comparison

Facility	Baseline Compliance		Recycled Water	CBP WSIP
	Salinity (9 TAFY)	PFAS (15 TAFY)	Program Expansion (15 TAFY)	(15 TAFY)
Advanced Water Purification Facility [AWPF]	✓	\checkmark	\checkmark	\checkmark
External SuppliesCity of Rialto RWWRCRWA RW		\checkmark	\checkmark	\checkmark
Aquifer Replenishing Wells			\checkmark	\checkmark
 Extraction and Regional Distribution System Wells and Laterals Backbone Distribution System 				✓ ✓
MWD Interconnection				\checkmark





Recycled Water Program Expansion

- AWPF
- Rialto RW
- WRCRWA RW
- Aquifer Replenishing Wells



Consultant Program Manager's Solicitation and Funding

- Three steps (broadcast, RFQ, RFP)
- Jacobs Team deemed as the most qualified
- Staff negotiated an initial 2-year contract
- Contract can be expanded to support CBP
- Fees will be covered using 2019 property taxes
- Task orders will be executed against the individual projects in the TYCIP



Rendering of the Advanced Water Purification Facility



Consultant Program Manager's First Two Years Services

- Staff Augmentation
- Owner Engineering: Subject matter experts
- Coordination with a third-party legal team
- Support IEUA with land acquisition
- Support with funding applications, public outreach, and compliance
- Quick start program



Example Site for Aquifer Replenishment Well



Staff's Recommendation:

- 1. Award a master services contract for the consulting program management and owner engineering services to the Jacobs Engineering Team, Inc. in the amount of \$9,113,805; and
- 2. Authorize the General Manager to execute the contract, subject to nonsubstantive changes.

Water System Expansion Program supports **IEUA's business goal of Water Reliability**, of implementing an integrated water resources management plan providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.



ACTION ITEM

2B



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Finance & Administration

SSD

From: Shivaji Deshmukh, General Manager

Staff Contact: Kristine Day, Assistant General Manager

Subject: Adoption of Resolution No. 2023-7-1, Authorizing the Execution and Delivery of a Water Infrastructure Finance and Innovation Act Loan Amendment

Executive Summary:

On March 24, 2022, IEUA, the Chino Basin Regional Financing Authority and US Environmental Protection Agency (EPA) entered into a Water Infrastructure Finance and Innovation Act (WIFIA) loan agreement for the Regional Wastewater Improvements Program for a maximum of 49 percent of eligible project costs. This program is intended to implement infrastructure upgrades across IEUA's service area, including the RP-5 Expansion, RP-1 Solids Thickening, CCWRF Asset Management and Improvement, and Philadelphia Lift Station and Force Main Improvements Projects.

This amendment eliminates the Philadelphia Lift Station and Force Main Improvements Project, which replaces two existing pipelines with larger diameter pipelines due to alignment issues and project timing. Funds associated with this project will be reallocated to the RP-1 project.

Staff's Recommendation:

Adopt Resolution No. 2023-7-1, Authorizing the Execution and Delivery of a Water Infrastructure Finance and Innovation Act (WIFIA) Loan Amendment.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval: Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On March 16, 2022, the Board of Directors adopted Resolution No. 2022-3-3, authorizing the WIFIA Loan Agreement between IEUA, the Chino Basin Regional Financing Authority and the US EPA to finance a portion of the Project for a not-to-exceed amount of \$120,000,000, excluding interest and other related costs, effective March 23, 2022, with a final maturity of November 1, 2060.

Environmental Determination:

Not Applicable

Business Goal:

Leveraging low-interest borrowing is consistent with the IEUA Business Goal of Fiscal Responsibility to ensure capital projects are completed at the lowest cost to ratepayers.

Attachments:

Attachment 1 - Resolution No. 2023-7-1

Attachment 2 - Amendment 1 to 2022 WIFIA Installment Purchase Agreement

Attachment 3 - PowerPoint

RESOLUTION NO. 2023-7-1

RESOLUTION OF THE INLAND EMPIRE UTILITIES AGENCY* AUTHORIZING THE EXECUTION AND DELIVERY OF A WIFIA LOAN AMENDMENT AND THE EXECUTION OF CERTAIN OTHER DOCUMENTS AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Inland Empire Utilities Agency^{*} (the "Agency"), a municipal water district duly organized and existing under and pursuant to the Constitution and laws of the State of California, proposes to undertake the acquisition of certain improvements to the Agency's wastewater system (the "Project"); and

WHEREAS, on March 24, 2022, the Agency, the Chino Basin Regional Financing Authority (the "Authority") and the EPA, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender") entered into that certain WIFIA Loan Agreement for the Regional Wastewater System Improvements Program (WIFIA-N20111CA) (the "2022 WIFIA Loan Agreement"); and

WHEREAS, the parties thereto desire to amend the 2022 WIFIA Loan as set forth in the Amendment No. 1 to the WIFIA Loan Agreement dated as of March 24, 2022, for the Regional Wastewater System Improvements Program (WIFIA-N20111CA) ("Amendment No. 1 to the 2022 WIFIA Loan Agreement").

NOW THEREFORE, the Board of Directors (the "Board") of the Inland Empire Utilities Agency* hereby finds, determines, declares, and resolves as follows:

1. Amendment No. 1 to the 2022 WIFIA Loan Agreement in substantially the form on file with the Agency is hereby approved. The President, the Vice President, the General Manager, or the designee thereof are each hereby individually authorized and directed to execute and deliver Amendment No. 1 to the 2022 WIFIA Loan Agreement with such changes, insertions and omissions as may be recommended by the General Counsel or Bond Counsel and approved by the person executing the same, said execution being conclusive evidence of such approval.

2. The President, the Vice President, the General Manager, the Assistant General Manager or the designee thereof and any other proper officer of the Agency, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments, including any amendments necessary to conform that certain Installment Purchase Agreement, by and between the Agency and the Authority, dated as of March 24, 2022, to the amendments set forth in Amendment No. 1 to the 2022 WIFIA Loan Agreement, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by Amendment No. 1 to the 2022 WIFIA Loan Agreement and this Resolution.

3. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in Amendment No. 1 to the 2022 WIFIA Loan Agreement unless the context otherwise clearly requires.

^{*} A Municipal Water District

Resolution No. 2023-7-1 Page 2

4. This Resolution shall take effect immediately.

ADOPTED this 19th day of July, 2023.

Marco Tule President of the Inland Empire Utilities Agency^{*} and the Board of Directors thereof

ATTEST:

Jasmin A. Hall Secretary/Treasurer of the Inland Empire Utilities Agency^{*} and the Board of Directors thereof

(SEAL)

* A Municipal Water District

Resolution No. 2023-7-1 Page 3

STATE OF CALIFORNIA)) ss. COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency^{*}, DO HEREBY CERTIFY that the foregoing Resolution being No. 2023-7-1, was adopted at a regular Board Meeting on July 19, 2023, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall Secretary/Treasurer

* A Municipal Water District

AMENDMENT NO. 1 TO INSTALLMENT PURCHASE AGREEMENT

by and between

INLAND EMPIRE UTILITIES AGENCY*

and

CHINO BASIN REGIONAL FINANCING AUTHORITY

Dated as of July 19, 2023

relating to the

\$120,000,000 CHINO BASIN REGIONAL FINANCING AUTHORITY 2022 WIFIA LOAN AGREEMENT

^{*} A Municipal Water District.

AMENDMENT NO. 1 TO INSTALLMENT PURCHASE AGREEMENT

This AMENDMENT NO.1 TO INSTALLMENT PURCHASE AGREEMENT (the "Amendment") is made and entered into as of July 19, 2023, by and between INLAND EMPIRE UTILITIES AGENCY, a municipal water district duly organized and existing under and by virtue of the laws of the State of California (the "Agency"), and CHINO BASIN REGIONAL FINANCING AUTHORITY, a joint powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority").

$\underline{\mathbf{W} \mathbf{I} \mathbf{T} \mathbf{N} \mathbf{E} \mathbf{S} \mathbf{S} \mathbf{E} \mathbf{T} \mathbf{H}}:$

WHEREAS, the Authority, the Agency and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the "Authority Lender"), have entered into a WIFIA Loan Agreement dated March 24, 2022 (the "Original 2022 WIFIA Loan Agreement"), secured, *inter alia*, by the payments to be made by the Agency to the Authority under an Installment Purchase Agreement, dated as of March 24, 2022 (the "Installment Purchase Agreement"), by and between the Agency and the Authority, to finance the WIFIA Portion of the Project; and;

WHEREAS, the Authority, the Agency and the Authority Lender have determined to amend the Original 2022 WIFIA Loan Agreement pursuant to an Amendment No. 1, dated as of July 19, 2023 (the "Amendment 1 to the 2022 WIFIA Loan Agreement"), by and among the Authority, the Agency and the Authority Lender, to, among other things, amend the scope of work of the Project due to updates in permitting and project costs;

WHEREAS, the Authority and the Agency desire to amend the Installment Purchase Agreement pursuant to Section 9.14 thereof to make certain changes to align the Installment Purchase Agreement provisions with the terms of Amendment 1 to the 2022 WIFIA Loan Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. This Amendment hereby incorporates by reference all terms and conditions set forth in the Installment Purchase Agreement unless specifically modified by this Amendment. All terms and conditions set forth in the Installment Purchase Agreement which are not specifically modified by this Amendment shall remain in full force and effect.

SECTION 2. The capitalized terms set forth in this Amendment not otherwise defined herein shall have the meanings set forth in the Installment Purchase Agreement.

SECTION 3. Each of the following definitions in Section 1.1 of the Installment Purchase Agreement is hereby amended in its entirety to read as follows (<u>double underlining</u> indicates additions and strikethrough indicates deletions):

<u>Project</u>. The term "Project" means the Regional Wastewater System Improvements Program, located in Chino and Ontario, CA, and which consists of the following components: (a) Regional Plant No. 5 (RP-5) Expansion Sub-Project, which includes expansion of the liquids treatment system capacity, construction of a new RP-5 solids treatment facility and construction of offsite pump stations and force mains to convey sewer flows to RP-5; (b) Regional Plant No.1 (RP-1) Solids Thickening Sub-Project, which includes increasing the liquids stream capacity at the plant and converting the secondary treatment system to a membrane bioreactor process; <u>and</u> (c) the Philadelphia Lift Station and Force Main Improvements Sub-Project, which replaces two existing pipelines with larger diameter pipelines; and (d) the Carbon Canyon Water Recycling Facility Sub-Project, a process improvements project which includes replacement of the existing headworks, odor control system and aeration blowers to maintain wastewater treatment capacity at the Agency's wastewater treatment plant; and as such Project may be modified in accordance with any modifications to the definition of "Project" in the 2022 WIFIA Loan Agreement.

<u>2022 WIFIA Loan Agreement</u>. The term "2022 WIFIA Loan Agreement" has the meaning provided in the third WHEREAS clause herein means that certain WIFIA Loan Agreement (WIFIA ID – 20111CA), dated as of March 24, 2022, and amended on July 19, 2023, by and among the Authority, the Agency and the Authority Lender, and as it may from time to time be amended or supplemented.

SECTION 4. Section 3.2 of the Installment Purchase Agreement is hereby amended in its entirety to read as follows (<u>double underlining</u> indicates additions and strikethrough indicates deletions):

Section 3.2 Acquisition and Construction of the Project. The Authority hereby agrees to cause the Project and any additions or modifications thereto to be constructed, acquired and installed by the Agency as its agent, and hereby appoints the Agency to act on its behalf as its agent hereunder and under the other Related Documents. The Agency hereby accepts such appointment. The Agency shall enter into contracts and provide for, as agent for the Authority, the complete design, construction, acquisition and installation of the Project in accordance with all applicable laws and the 2022 WIFIA Loan The Agency hereby agrees that it will cause the Agreement. construction, acquisition and installation of the Project to be diligently performed. The Agency agrees to deposit the WIFIA Amount (or relevant portion thereof) (other than any funds to be applied to prepayment or redemption of Interim Financing) into the Project Acquisition Fund, upon satisfactory completion of design work and compliance with the California Environmental Quality Act and approval by the Board of Directors of the Agency, and that it will use its best efforts to cause the construction, acquisition and installation of the Project to be substantially completed by December 31, 2026 June 30, 2027 unforeseeable delays beyond the reasonable control of the Agency only excepted. It is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character

whatsoever for the payment of any cost of the Project and that all such costs and expenses shall be paid by the Agency.

SECTION 5. THIS AMENDMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

SECTION 6. This Amendment shall become effective upon its execution and delivery.

SECTION 7. This Amendment may be executed in several counterparts, each of which shall be deemed as an original, all of which shall constitute but one of the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their officers thereunto duly authorized as of the day and year first written above.

INLAND EMPIRE UTILITIES AGENCY

By:_____ General Manager

CHINO BASIN REGIONAL FINANCING AUTHORITY

By:_____General Manager



Authorization and Approval of Water Infrastructure Finance and Innovation Act (WIFIA) Loan Amendment Resolution

Kristine Day Assistant General Manager July 2023

Resolution Amendment

- On March 24, 2022, IEUA, Chino Basin Regional Financing Authority and EPA entered into a Water Infrastructure Finance and Innovation Act (WIFIA) Ioan agreement for the Regional Wastewater Improvements Program for a maximum of 49 percent of eligible project costs. This program is intended to implement infrastructure upgrades across IEUA's service area, including the RP-5 Expansion, RP-1 Solids Thickening, CCWRF Asset Management and Improvement, and Philadelphia Lift Station and Force Main Improvements Projects.
- The amendment eliminates the Philadelphia Lift Station and Force Main Improvements Project, which replaces two existing pipelines with larger diameter pipelines due to alignment issues and project timing. Funds associated with this project will be reallocated to the RP-1 project.





Adopt Resolution No. 2023-7-1, Authorizing the Execution and Delivery of a Water Infrastructure Finance and Innovation Act (WIFIA) Loan Amendment.

Leveraging low-interest borrowing is consistent with the IEUA Business Goal of Fiscal Responsibility to ensure capital projects are completed at the lowest cost to ratepayers.

INFORMATION ITEM

3A



Land Lease and Development RP-5 Solids Handling Facility Site RFP Update Project No. EN20034.03

Kristian Saenz Assistant Engineer July 2023

RP-5 Solids Handling Facility Project Location/Map

ILE CHURCHSTREET RUPPER

Inland Empire Utilities Agency

Chino Creék Wetlands

and Educational Park



16195 N

RMWATER

2

EIIOWERS STREE

DETENTION BASIN AND

MITIGATION AREA PARCEL 1027/21110

The Background

- RP-5 Solids Handling Facility (SHF)
 - -Idle since April 2019
 - -Site partially used for RP-5 Expansion
 - -Potential partial site use for IEUA drying beds (future)
- Consultant: GHD Inc.
 - -Comprehensive evaluation report in 2021
 - -Future viable alternatives for site utilization
 - Potential land use, half site or full site
 - 20-year lease or 50-year lease
 - Organics Processing
 - Logistics Hub
 - -Request for Proposals (RFP) for 3rd party development



Aerial View Showing Laydown/Parking Lot

Request for Proposals Progress

- RFP released on October 11, 2022
 - Solicit comments/input from private ventures
 - Held two site walks and one virtual briefing
 - Received comments on draft RFP
- Type of respondents
 - Organics Processors
 - Land Developers (Logistics hub)
- Responses coordinated with:
 - IEUA Stakeholders
 - Contracts and Procurement/Risk Management
 - Legal Counsel
- Responses to questions issued March 2, 2023



nland Empire Utilities Agency

Aerial View of RP-5 SHF

Current Issues/Concerns in RFP



- Bid Bond
 - Bid Bond is required
 - Negotiate bonding/financial guarantees with successful lessee
- Air Quality Management District (AQMD) Permit
 - Respondents will be liable for possible violations
 - Transfer of existing permit to lessee
- Santa Ana Watershed Project Authority (SAWPA)
 - Lessee will be responsible for their own allowable discharge quantity and quality via SAWPA agreement
- Delegation of Assets After Contract Completion
 - Negotiate site restoration
- Environmental Site Assessment (ESA)
 - Completed by GHD in 2021; included with RFP
 - Respondent will be responsible for hazardous elements and contamination remediation



Street View

Current Issues/Concerns

- Community Input
 - Future type of lessee and site utilization
- Zoning
 - Portion of the facility is zoned agriculture (AG)
 - Define rezoning requirements



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRI

RP-5 SHF Zoning per City of Chino

Next Steps

- Release final RFP
 - Hold virtual preproposal conference
 - Conduct site walks
- Compose proposals review panel including City of Chino, GHD and IEUA staff
- Receive and evaluate proposals
- Shortlist respondents
- Conduct interviews and negotiations with shortlisted respondents
- Select respondent offering best value to IEUA and community



nland Empire Utilities Agency

Front View of Food Waste Tanks and Digester

Evaluation Criteria

- Proposals initially evaluated as "Pass/Fail" scale:
 - Completeness of Proposal
 - Exceptions taken
 - Safety history
 - Financial and legal standing
- "Passing" Proposals Evaluation:
 - Benefits to IEUA and community
 - Environmental Impact
 - Experience in similar projects
 - Experience with similar facilities in California
 - Experience of personnel
- Prepare Internal Weighted Scoresheet for Evaluation and Ranking

8



Inland Empire Utilities Agency

View of Flare

Schedule

Activity	Date	
Release of RFP	August 2023	
Pre-Proposal Conference and Site Walk	September 2023	
Deadline for Inquiries	October 2023	
Proposal Closing	December 2023	
Select Shortlist of Respondents	February 2024	
Additional Due Diligence Period for Shortlisted Respondents	February 2024 – April 2024	
Conduct Interviews with Shortlisted Respondents	May 2024	
Selection of Preferred Respondent	June 2024	
IEUA Board Award and Execution of Lease Agreement	July 2024	

INFORMATION ITEM

3B

Inland Empire Utilities Agency

Groundwater Recharge Update

Steven Smith, PE

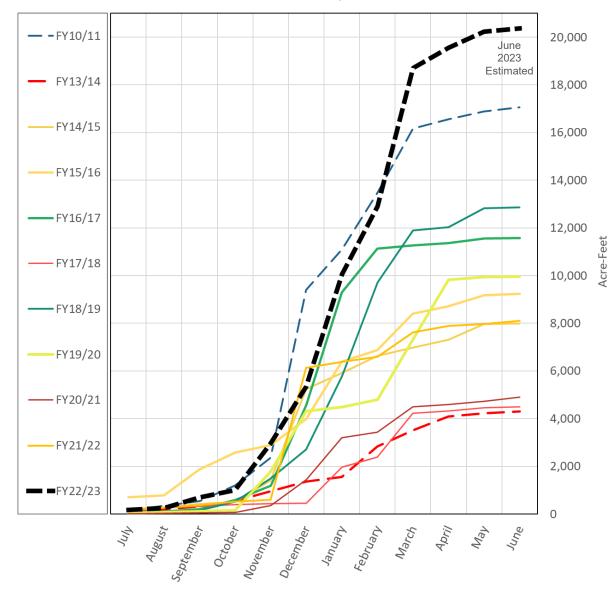
Acting Groundwater Recharge Coordinator

July 2023

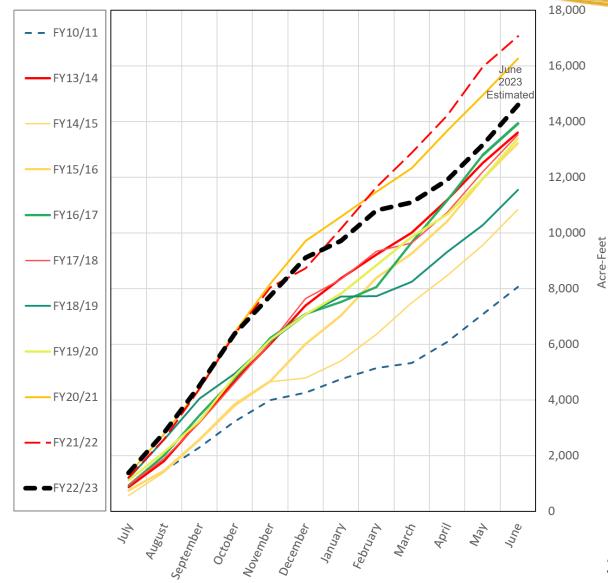
Annual Recharge Monthly Accumulation

Inland Empire Utilities Agency

Stormwater Monthly Accumulation

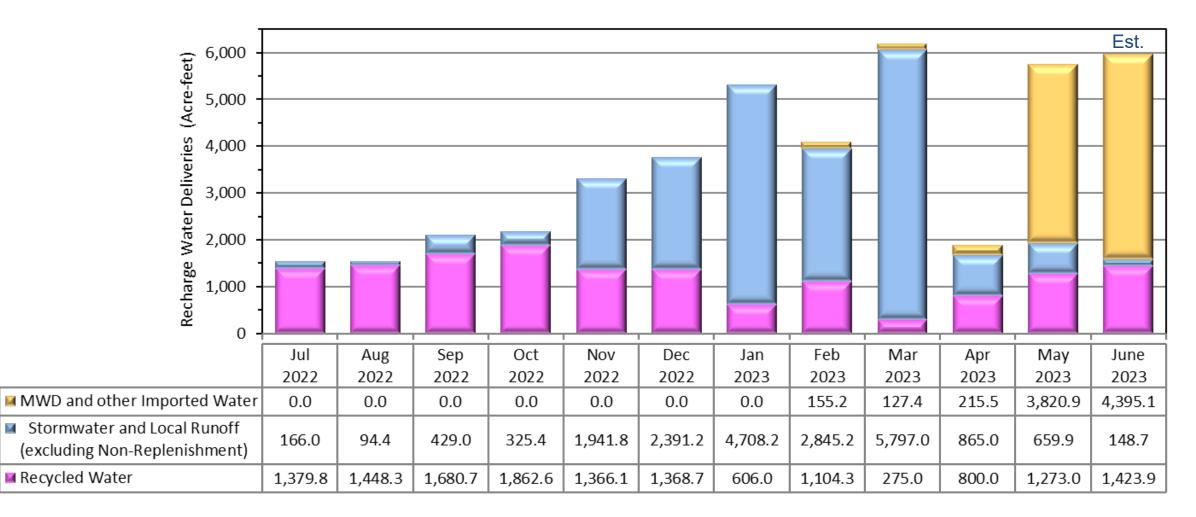


Recycled Water Monthly Accumulation



2

Groundwater Recharge Deliveries – Past 12 Months



Inland Empire Utilities Agency

Stormwater Capture

Montclair Basins after March Storms

Snowmelt into Etiwanda Debris Basin



Victoria Basin at Capacity





DYY Delivery in MZ-1 San Antonio Creek

DYY Diversion to College Heights and Upland Basins

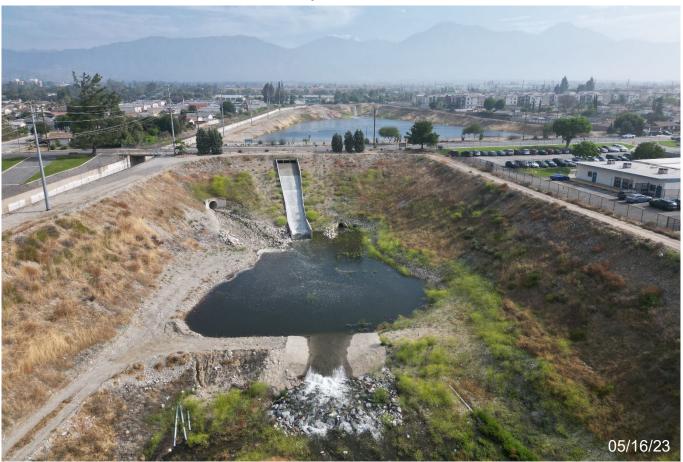


DYY Delivery past wall collapse at Arrow Hwy





DYY Delivery to Montclair Basins





MWD Deliveries and New Infrastructure

- Obermeyer Dam on Day Creek operated manually during MWD deliveries to Lower Day Basin
- Final Testing Awaits Completion
 of Communications Hardware





Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRIC

Upcoming Maintenance Projects



- Infiltration Restoration
 - San Sevaine Basin 3
 - -Banana Basin
 - Hickory Basin
 - Ely Basin
 - Declez Basin
 - Turner Basin 3
- Erosion Repair
 - -Lower Day Basin
 - -San Sevaine Basin 5
 - Turner Basin 4
- Rubber Dam Replacement
 - -RP-3 Basin
 - Turner Basin





Inland Empire Utilities Agency

Questions?

INFORMATION ITEM

3C



Carles .

Planning & Resources Department Update

Alta Loma

Grapeland

Eastvale

Rancho

Cucamonga

Etiwanda

Kaiser

60

Mira Loma

30

210

Upland

San Ber

Pomona Fwy

College Heights

nardino

Chino

Los Serranos

remon

Boys Republic

Pomona

Eddie Lin, PE Senior Engineer July 19, 2023

Glen Avon

Jurupa Valley

Fontana

mona Fw

ngton

Pomona

Rive

Rubidoux

IEUA's Wide-Ranging Services Start with Defining and Planning for the Region's Water and Wastewater Needs

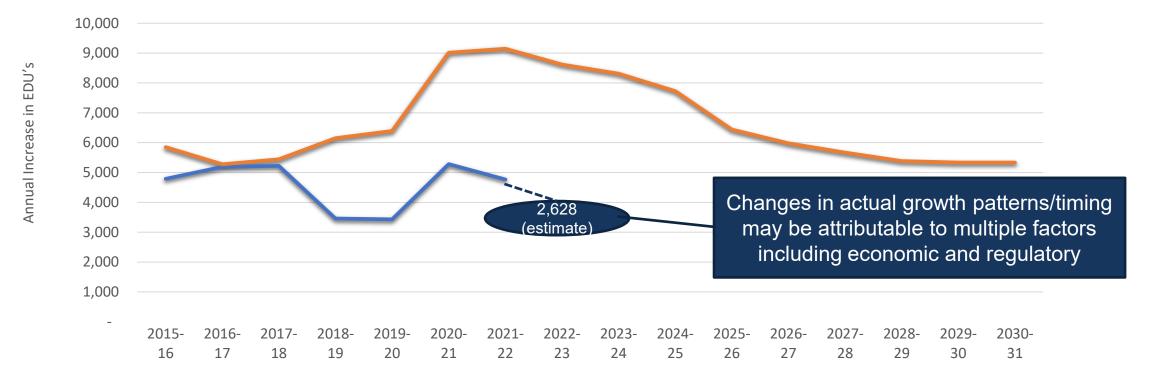
Key Areas of Service

- Securing and supplying imported water
- Collecting and treating wastewater
- Development of **recycled water** supplies
- Promoting sustainable use of groundwater



Rates of Growth (i.e., EDUs) Are Lower Than Anticipated, but Population Expected To Increase

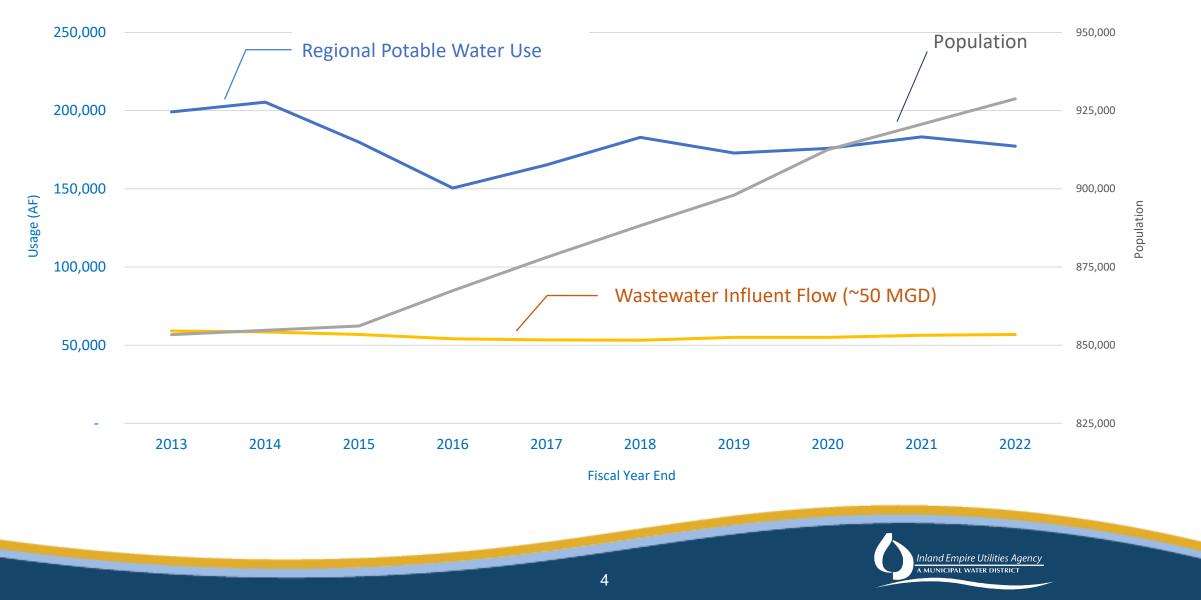
Actual vs SCA's Projected New EDU's



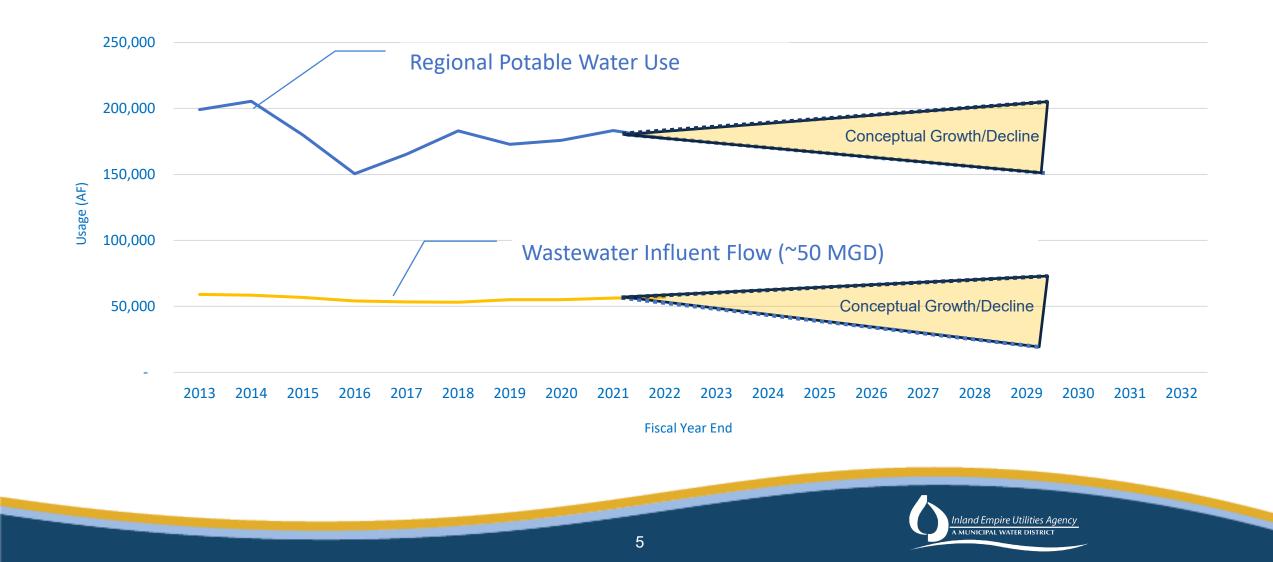
3

Inland Empire Utilities Agence A MUNICIPAL WATER DISTRICT

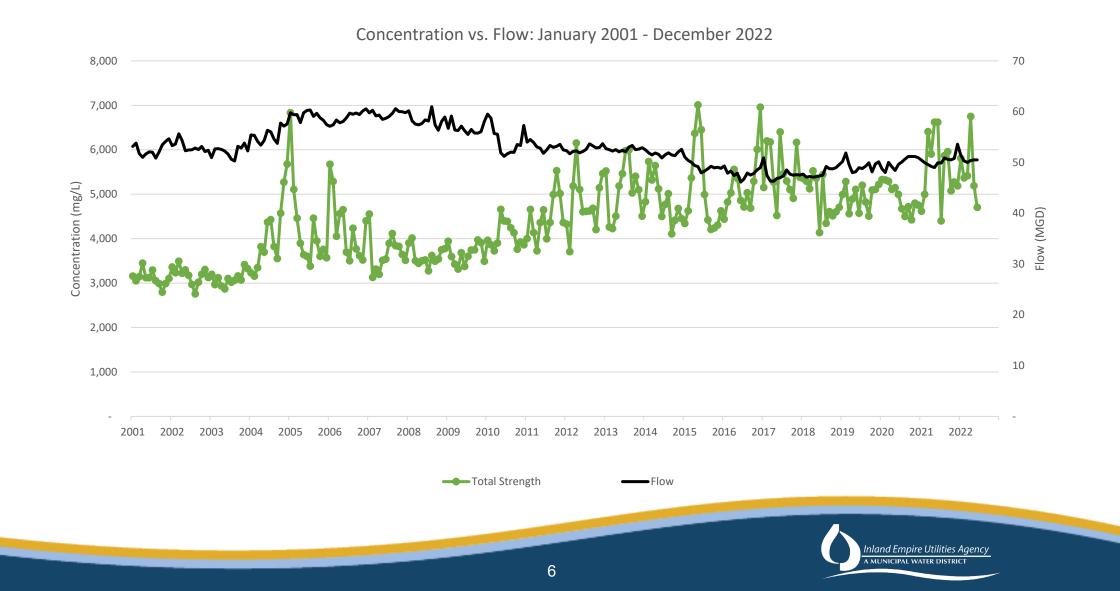
Steady Wastewater Influent Flows Suggest Indoor Water Use Efficiency is Offsetting Population Growth Demands



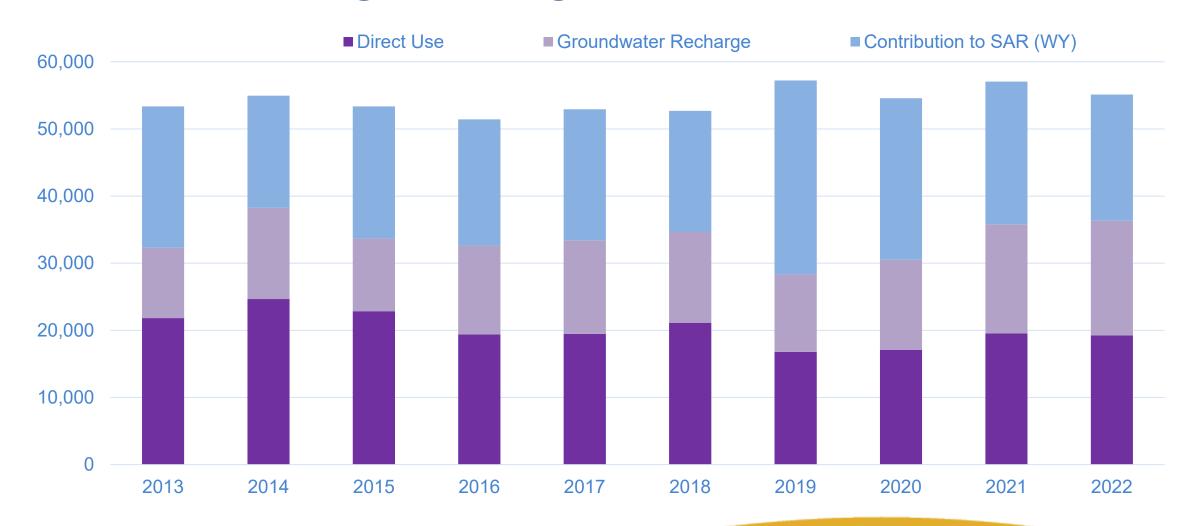
Regional Potable Water Use and Influent Not Expected to Significantly Increase with Population Growth



Wastewater Influent Flows Have Remained Steady in Recent Years, but Influent Strength Continues to Increase



Recycled Water Continues to be an Important Resource but Faces Growing Challenges



7

Inland Empire Utilities Agence

Emerging Water Quality Regulations May Impact Treatment Requirements of IEUA's Supply Portfolio



In 1962 there were a total of 28 substances under regulation.

Today, the U.S. EPA has a list of 126 "Priority Pollutants" that are regulated and for which analytical test methods have been developed.



Upcoming Board Workshops Will Review Challenges Facing Multiple IEUA Services

Growth has slowed recently coming in far below regional and internal projections

New Water-Use Efficiency Regulations will mandate continued reductions in per capita water use

• Likely to result in reduced influent into treatment plants and increase solids loading

Increasing regulatory compliance and combination of lower influent, higher solids loading create numerous issues for treatment and recycled water planning

9

- Drive the need for further treatment facility expansions
- Increasingly require advanced treatment technology
- Higher costs could further drive down water consumption

INFORMATION ITEM

3D



Inland Empire Utilities Agency, a Municipal Water District Federal Update

June 30, 2023

FY 2024 Appropriations Update

In June, the House and Senate Appropriations Committees began work on the Fiscal Year (FY) 2024 appropriations bills. The debt deal reached between the Administration and House Republicans included a deal on spending caps—set at FY 2023 spending levels. However, House Republicans have agreed that these caps represent a "ceiling" on spending and will be marking up to levels below those listed in the debt deal. The Senate has announced that they will be marking up bills to the levels in the agreed package. Both the House and the Senate Appropriations Committee are expected to continue to work on their respective bills during the month of July.

Below is a chart that outlines the topline numbers for each of the twelve appropriations subcommittees in the House and Senate, as well as the status of each bill. Congress must approve FY 2024 appropriations bills before the end of the fiscal year on September 30th or approve a continuing resolution (CR) to keep the government funded beyond that date.

SUBCOMMITTEE	FY 2023 ENACTED (in billions)	FY 2024 HOUSE (in billions)	FY 2024 SENATE (in billions)	STATUS
Agriculture-FDA	\$25.48	\$17.83	\$25.99	 House: Approved by Committee on June 14th by a vote of 34-27. Senate: Approved by Committee on June 22nd by a vote of 28-0.
Commerce- Justice-Science	\$82.44	\$58.67	\$69.63	House: TBD Senate: TBD
Defense	\$797.73	\$.826.44	\$823.26	House: Approved by Committee on June 15 th by a vote of 34-24. Senate: TBD

Energy & Water	\$54	\$52.37	\$56.73	House: Approved by Committee on June 22 nd by a vote of 34-24.
Financial Services	\$27.55	\$11.31	\$16.80	Senate: TBD House: Approved by
				Subcommittee. Senate: TBD
Homeland Security	\$60.7	\$62.79	\$56.92	House: Approved by Committee on June 21 st by a vote of 33-25
Interior- Environment	\$38.85	\$25.41	\$37.85	Senate: TBD House: TBD Senate: TBD
Labor-HHS- Education	\$207.36	\$147.09	\$195.23	House: TBD Senate: TBD
Legislative Branch	\$6.9	\$6.74	\$6.76	House: Approved by Committee on June 21 st by a vote of 33-24. Senate: TBD
MilCon-VA	\$154.16	\$155.70	\$154.35	House: Approved by Committee on June 13 th by a vote of 34-27. Senate: Approved by Committee by a vote of 28-0.
State-Foreign Ops	\$59.69	\$41.36	\$58.35	House: Approved by Subcommittee.
Transportation, Housing & Urban Development	\$87.33	\$65.20	\$88.09	House: TBD Senate: TBD

OMB Releases Spring 2023 Regulatory Agenda

The White House Office of Information and Regulatory Affairs (OIRA) released President Biden's latest Unified Regulatory Agenda. This agenda is a roadmap for which federal rules

and regulations the agencies will be targeting over the next 6 months. The complete agenda, which can be searched by each individual federal agency, can be found <u>HERE</u>.

IRS Releases Proposed Guidance on IRA Tax Credits Elective Pay and Transferability

The Internal Revenue Service (IRS) released proposed guidance on the following two clean energy tax credits that were included in the Inflation Reduction Act (IRA):

- Elective pay makes certain clean energy tax credits effectively refundable. With elective pay, an eligible entity (such as a local government) that qualifies for a clean-energy investment tax credit can notify the IRS of their intent to claim the credit and file an annual tax return to claim elective pay for the full value of the credit. The IRS would then pay the local government the value of the credit. NOTE: Elective pay is sometimes also known as "direct pay," which should not be confused with the IRS payment method. Comments on the elective pay proposal are due by August 14th and a public hearing is scheduled for August 21st at 10:00 am ET. More information can be found <u>HERE</u>.
- Transferability allows entities that qualify for a tax credit but are not eligible to use elective pay to transfer all or a portion of the credit to a third-party buyer in exchange for cash. The buyer and seller would negotiate and agree to the terms and pricing. Comments on the transferability proposal are due by August 14th and a public hearing is scheduled for August 23rd at 10:00 am ET. More information can be found <u>HERE</u>.

EPA Releases Solar for All NOFO

The Environmental Protection Agency (EPA) released a Notice of Funding Opportunity (NOFO) for its Solar for All program. The Solar for All program is part of the Greenhouse Gas Reduction Fund that was created by the IRA. The NOFO will award a total of \$7 billion for up to 60 grants to states, territories, tribal governments, municipalities, and nonprofits to expand low-income and disadvantaged community access to residential solar. EPA will host a webinar on the NOFO on July 12th at 1:00 pm ET and registration can be found <u>HERE</u>. Applicants must submit a Notice of Intent to apply by August 14th. Applications are due by September 26th and more information can be found <u>HERE</u>.

Reclamation Releases NOI to Prepare Environmental Impact Statement and Develop Colorado River Operational Guidelines

The Bureau of Reclamation (Reclamation) released a Notice of Intent (NOI) to prepare an Environmental Impact Statement for post-2026 Colorado River operations. Reclamation is seeking public comments on the 2007 Interim Guidelines, as well as how and whether elements of the 2007 Interim Guidelines should be retained, modified, or eliminated to provide greater stability to water users and the public throughout the Colorado River Basin. It is important to note that this action is separate and apart from the recent deal on the Colorado River being considered between now and 2026. Reclamation is holding three virtual, public meetings to receive oral comments on these guidelines:

- July 17th at 1:00 pm MT (register HERE)
- July 18th at 10:00 am MT (register HERE)
- July 24th at 6:00 pm MT (register <u>HERE</u>)

Comments on the NOI are due by August 15th and more information can be found <u>HERE</u>.

Senate EPW Committee Releases Draft PFAS Legislation

Senate Environment and Public Works Committee Chair Tom Carper (D-DE) and Ranking Member Shelley Moore Capito (R-WV) released draft legislation on perfluoroalkyl or polyfluoroalkyl substances (PFAS). The draft legislation sets a deadline of September 30, 2024, for the Environmental Protection Agency (EPA) to complete its ongoing rulemaking process to set drinking water standards for specific PFAS substances, and there is no language included that would provide for a *Comprehensive Environmental Response, Compensation, and Liability Act* (CERCLA) exemption. The draft text of the legislation can be found <u>HERE</u>, and a section-by-section summary can be found <u>HERE</u>.

Senator Feinstein Introduces Three Water Bills

Senator Dianne Feinstein (D-CA) introduced the following legislation related to water:

- Support to Rehydrate the Environment, Agriculture and Municipalities (STREAM) Act (S. 2162): This legislation would authorize \$750 million for storage, \$300 million for water recycling, \$150 million for desalination, and \$100 million for drinking water for disadvantaged communities. The bill would authorize grants for storage and conveyance projects that include environmental benefits, drinking water benefits for disadvantaged communities or other public benefits either as part of the project design or as part of a watershed restoration plan adopted together with the project. A one-page summary can be found HERE, and a section-by-section summary can be found HERE.
- Restore Aging Infrastructure Now (RAIN) Act (<u>S. 2202</u>): This legislation would authorize Reclamation to upgrade its aging canals and other facilities when they are repaired to serve multiple purposes, including environmental benefits, and drinking water for disadvantaged communities. The bill would also incentivize agricultural and municipal irrigation districts to participate in these projects to add environmental and disadvantaged community benefits to these upgraded facilities by providing a 15% discount the amount owed for repairing the facilities. A summary can be found <u>HERE</u>.
- **Canal Conveyance Capacity Restoration Act (S. 2161).** This legislation would authorize a one-third federal cost share for restoring canal capacity. It would authorize funding for four major projects:
 - \$180 million to restore the Friant-Kern Canal.
 - \$183.9 million to restore the Delta Mendota Canal.

- \$289.5 million to restore the California Aqueduct.
- \$180 million to restore salmon runs on the San Joaquin River.

The *Canal Conveyance Capacity Restoration Act* funding would not be authorized to build new surface storage or raise existing reservoirs. It would also exclude projects that enlarge the capacity of any canal, except for a temporary increase to mitigate anticipated future subsidence. A companion bill was introduced in the House (<u>H.R.</u> 2419) in March by Representative Jim Costa (D-CA).

Senator Padilla Introduces Atmospheric Rivers Forecasting Bill

Senator Alex Padilla (D-CA) introduced the *Atmospheric Rivers Reconnaissance, Observation and Warning Act* (S. 2203), a bill that aims to improve accuracy and timeliness of West Coast Atmospheric River forecasts and warnings. The legislation would direct the Air Force and NOAA to provide aircraft, personnel, and equipment during the winter season (November to March) to improve data collection and stakeholder engagement. The bill was referred to the Senate Committee on Armed Services for consideration.

Federal Funding Opportunities/Announcements

EPA Announces \$50 Million for Disadvantaged Communities Grant Program. EPA announced over \$50 million in funding to support states and territories with projects focused on underserved, small, and disadvantaged communities through the Small, Underserved, and Disadvantaged Communities grant program. The program assists public water systems in meeting *Safe Drinking Water Act* requirements. More information can be found <u>HERE</u>.

Reclamation Releases \$5 Million WaterSMART-Applied Science NOFO. Reclamation released a \$5 million NOFO for the Water Smart-Applied Science Grants program. The program funds projects that improve hydrologic information and develop decision support tools to improve water management, including improved modeling and forecasting capabilities. Funding may also support the application of nature-based solutions and the improvement of stream conditions for ecological values. Reclamation will hold a webinar on the program on July 26th at 11:00 am ET. Registration is not required for the webinar and participants can join at the start of the webinar <u>HERE</u>. Applications are due by October 17th and more information can be found <u>HERE</u>.

Federal Agency Personnel/Regulatory Announcements

President Biden Appoints New Executive Director of Federal Permitting Improvement Steering Council. President Biden appointed Eric Beightal as Executive Director of the Federal Permitting Improvement Steering Council, replacing Christine Harada. The 16member council seeks to streamline the federal permitting process for large-scale infrastructure, including energy, coastal restoration, broadband, and electric transmission projects. **White House Launches Invest.gov.** The White House launched a new resource that details federally funded infrastructure and energy projects. <u>Invest.gov</u> features an interactive map that shows projects funded and jobs created by projects funded through BIL and IRA.

DOE Under Secretary for Infrastructure Confirmed by Senate. The Senate voted to confirm David Crane to the newly established Under Secretary for Infrastructure at DOE. The role focuses on deploying clean energy manufacturing, domestic energy security, job creation, and reducing energy costs.

EPA Releases PFAS Framework. EPA released its "Framework for Addressing New PFAS and New Uses of PFAS." The framework outlines EPA's planned approach for reviewing new PFAS and new uses of existing PFAS to limit the impact on environmental and human health. The framework can be found <u>HERE</u>.

EPA Requests Nominations for National Environmental Youth Advisory Council. EPA is requesting nominations for its new National Environmental Youth Advisory Council (NEYAC). NEYAC will advise the EPA Administrator on environmental issues as they relate to youth communities. Nominations are due by August 22nd and more information can be found <u>HERE</u>.

EPA Solicits Comments on SRF BABA Waiver. EPA is accepting comments on a proposed revision of a public interest waiver from the Build America, Buy America Act (BABA) requirements in section 70914 of BIL. EPA is proposing to amend the approved public interest waiver for State Revolving Fun projects that have initiated design planning to also include additional eligible water infrastructure projects. Comments are due by July 9th and the proposed amended waiver can be found <u>HERE</u>.

EPA to Host Webinar on Stormwater Management and Green Infrastructure. EPA will host a webinar to discuss how green infrastructure can be used in off-site stormwater management. EPA recently developed several off-site stormwater management case studies to provide examples of a range of strategies. The webinar will be held on July 26th at 2:00 pm ET and registration can be found **HERE**.

EPA Releases 2022 WaterSense Accomplishments Report. EPA published its "2022 WaterSense Accomplishments Report" that details the effectiveness of WaterSense labeled products. The report notes that consumers with WaterSense products saved 1.1 trillion gallons of water in 2022, and the WaterSense program has saved over 7.5 trillion gallons of water since its inception in 2006. The report can be found <u>HERE</u>.

EPA Launches Nationwide Community Lead Awareness Sessions. EPA announced it will hold a series of free educational session on the dangers of lead and ways to reduce and prevent lead exposure. The series will include two types of sessions: "Understanding Lead" sessions for community members and "Train-the-Trainer" sessions for community leaders. A list of sessions and registration information can be found <u>HERE</u>.

EPA Announces CRWU Technical Assistance Initiative. EPA announced it is providing free technical assistance for climate change risk assessments through the Creating Resilient Water Utilities (CRWU) program. The program provides water utilities and stakeholders with tools, training, and technical assistance to improve climate resilience. Responses are requested by August 15th and more information can be found <u>HERE</u>.

FEMA Publishes Community Disaster Resilience Zone Act RFI. FEMA published an RFI for implementation of the *Community Disaster Resilience Zone Act of 2022*. The legislation allows FEMA to develop disaster resilience nationwide by designating resilience zones in atrisk communities. Comments are due by July 25th and more information can be found <u>HERE</u>.

FEMA Requests Feedback on BRIC Program. FEMA is seeking feedback from state, local, and tribal government entities on the Building Resilient Infrastructure and Communities (BRIC) grant program to update and improve implementation of the program. Comments are due by August 16th and more information, including how to submit comments, can be found **HERE**.

IRS Releases Updated Energy Community Bonus Eligibility Guidance for Clean Energy ITC and PTC. IRS released updated information regarding the energy community bonus for the clean energy Investment Tax Credit (ITC) and Production Tax Credit (PTC) authorized by IRA. The program provides eligible communities with an ITC or PTC boost of up to 10% for projects, facilities, and technologies located in energy communities. The new guidance includes updated local unemployment rate data and technical clarifications regarding eligibility for communities. More information can be found <u>HERE</u>.

##

INFORMATION ITEM

3E

June 30, 2023



То:	Inland Empire Utilities Agency
From:	Michael Boccadoro Beth Olhasso
RE:	June Report

Overview:

The month of June was mild enough to keep torrents of floodwater from inundating California farms and cities, but warm enough to melt significant amounts of the abundant snowpack. Reservoirs and groundwater basins up and down the state have been storing as much water as possible- with the legislature even revising water rights rules to allow for floodwaters to be used without a water right for recharge.

The \$310 billion fiscal year 2023-24 state budget has passed after some tense negotiations between the Governor and the Legislature. The deal includes a \$30-plus billion deficit that was accounted for without dipping into reserve funds. Along with the budget, the legislature passed a package of "Infrastructure Bills" aimed at streamlining permitting, regulatory and judicial processes that often delay critical water, energy and transportation projects.

The State Water Resources Control Board (SWRCB) released the Intended Use Plan for the Clean Water State Revolving Fund and stakeholders are voicing strong displeasure with the draft and the process by which it was created. Concerns over the total funding amount, \$191 million, retroactively changing awards, and the "sustainable lending capacity" calculations are the most controversial topics in the draft plan. CASA and WateReuse are working together to gain further understanding of the plan and potential delay its adoption until a more robust discussion can occur.

Both the Senate and Assembly resource bonds have gotten a little more attention with the Governor's renewed support. Both are now \$15 billion bonds and include funding for recycled water, integrated regional water management, brackish desal, and Water Storage Investment Program (only in the Senate proposal). Major unresolved issues now include the uncertainty of size and timing of the bond. The Governor has not indicated the total amount he is interested in supporting but the talk around Sacramento is that between the three bonds that are likely to be supported by the legislature and Governor, resources, housing/homelessness and education, the Governor is interested in a total of \$25 billion. Recently it was announced that the housing/homelessness bond would be about \$4 billion. It is also unclear if the resources bond will be considered on the March or November 2024 ballot.

With the budget passed, Legislators are racing towards the second house policy committee deadline of July 14. The group of PFAS control bills all passed off of the Assembly floor while adding in enforcement and penalties language and have moved through their first Senate policy committee test. The water community effort to include water supply targets in the California Water Plan (SB 366) took some amendments, but was ultimately approved unanimously in the

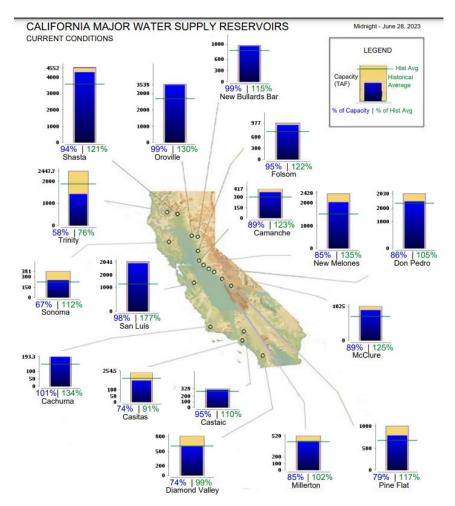
Senate. AB 460, Assembly Bauer-Kahan's water rights bill has been made into a two-year bill, after it became clear the bill wasn't going to have the votes in the Senate Natural Resources & Water Committee. The Assemblymember is hoping to work with stakeholders soon to come to a consensus.

Inland Empire Utilities Agency Status Report – June 2023

Water Supply Conditions

Summer weather took a toll on the snowpack, melting 75 percent in the last 30 days. 15 percent of April 1 average is still sitting on the ground, but a significant portion of that will likely not survive the blistering heat expected over the first weekend in July.

Water managers are keeping reservoirs full. Lake Oroville is sitting at 130 percent of historical average and 99 percent capacity. San Luis Reservoir, the main south-of-Delta storage facility for the State Water Project, is at 177 percent of average for this time of the year and 98 percent capacity. As widely reported, State Water Project water is currently flowing into Diamond Valley Lake, which is at 74 percent capacity.



Final Budget and Infrastructure Package

The Governor and the Legislature reached a final deal on the 2023-24 state budget the week of June 26. The final, \$310 billion spending plan includes cuts to cover a \$30 billion-plus deficit without dipping into reserves. The deal was delayed over the Governor's proposed Infrastructure Package—a package of bills that aims to fast-track clean energy and water projects.

The budget deal includes a new permit fee on recycled water, similar to the waste discharge fee. Additionally, the budget includes \$32 million for recycled water projects.

When the Governor proposed the May Revise, he also released a package of 11 trailer bills aimed at removing regulatory roadblocks to getting critical infrastructure projects built- focusing on water and transportation.

• CEQA Judicial Streamlining: SB 149 provides expedited judicial review of challenges to water and recycled water projects. Any litigation, including appeals, would need to be resolved, to the extent feasible, within 270 days.

This bill was one of the most controversial bills of the package because it would allow for CEQA streamlining of the Delta Conveyance Project. After vehement opposition the bill was amended to expressly *prohibit* Delta Conveyance from qualifying for expedited judicial review.

• Fully Protected Species: AB 147 repeals the four existing statutes designating species as "fully protected" under California law. The bill reclassifies 37 fully protected species so that 15 will be listed as threatened under the CA Endangered Species Act (CESA), 19 listed as endangered, and three will have no listing but retain protections under the Fish and Game Code.

SRF IUP Released

The annual Clean and Drinking Water State Revolving Fund Intended Use Plans were recently released, with disturbing provisions. The State Water Resources Control Board (SWRCB), Division of Financial Assistance (DFA) has recalculated what they believe is the "sustainable lending capacity" of the fund-\$600 million per year. This is about half of what they traditionally have funded.

Additionally, that \$600 million is a total of ALL projects on the "fundable list." So, a project that was approved in 2022, but hasn't yet completed a funding agreement with DFA, counts towards the \$600 million for 2023. As a result, only \$191 million worth of NEW projects were added to the fundable list in this year's IUP.

The final insult in the IUP is that they are retroactively applying a \$50 million grant cap. This results in projects that were awarded funds above \$50 million are getting their funds reduced—this is not something explained in any of the webinars or workshops talking about the IUP.

CASA and WateReuse CA have sent a joint letter, and done extensive outreach to Board members, highlighting this claw-back of previously awarded funds and have asked the Board to

delay action on the IUP until this can be clarified. Additionally, both organizations have significant concerns with only \$191 million in projects getting funded this year.

Water Rights Legislation-- Update

After some bad actors refused to abide by curtailment orders issued by the State Water Resources Control Board during the drought, several legislators introduced bills aimed at "revising" the water rights system in California.

AB 460 (Bauer-Kahan) The author has stated that she is only trying to target the "bad actors" who diverted water during the drought despite curtailment orders from the SWRCB. She claims the bill is only intended to give the SWRCB powers they need to go after the bad actors. Jennifer Pierre, General Manager of the State Water Contractors, testified in opposition to the bill stating that the bill goes far beyond the stated intent. Pierre noted that the bill would eliminate judicial review of water board actions and could significantly affect the Voluntary Agreements. The bill passed off the Assembly floor by a two-vote margin and was made a 2-year bill when the author pulled the bill from the Senate Natural Resources and Water Committee hearing because she knew she didn't have the votes. The author and her staff have indicated that they would like to work with the opposition to come up with some acceptable amendments.

SB 389 (Allen) would give the SWRCB broad authority to investigate the diversion and use of water from a stream system to determine whether the diversion and use are based on appropriation, riparian right, or other basis of right, and authorizes the SWRCB to require the water right claimant, diverter, or user to provide information related to the diversion and use of water. Opposition to the bill revolves around the broad authority given to the SWRCB with little recourse from any entity under investigation. While the bill narrowly advanced out of committee members raised concerns with the bill. In particular, committee members questioned the need to hand the SWRCB sweeping authority to investigate law-abiding water right holders.

Similar to AB 460, SB 389 narrowly passed off the Senate floor, with two more votes than needed. The bill has not taken any amendments since April and is scheduled to be heard in the Assembly Water, Parks & Wildlife Committee July 11.

Resources Bonds

While presenting his May Revise, the Governor and his administration indicated support for a resources bond. Though they have offered no details on how large of a bond they are interested in or which ballot, March or November 2024 they continue to support the concept of a resources bond in 2024. Recently, the Administration has indicated that they are interested in three total bonds in 2024: Housing/Homelessness, Resources and Education. The total for all three bonds is \$25B and the Governor has already announced agreement on a \$4 billion housing/homelessness bond. No further details on the education or resources bonds have been discussed.

This has turned attention to the two resources bonds moving through the legislature.

AB 1567 (Garcia) is a \$15B bond that includes the following categories that might be of interest to IEUA:

- \$300M for recycled water
- \$100M for brackish desal, seawater desal, contaminant and salt removal, salinity management projects.
- \$200M for projects adopted in an integrated regional water management plan that respond to climate change and contribute to regional water security.

SB 867 (Allen) is also a \$15B bond and contains the following categories of interest to IEUA:

- \$300M for recycled water
- \$300M for direct expenditures related to integrated regional water management
- \$100M for projects related to contaminant and salt removal projects
- \$300M for WSIP
- \$250M for regional conveyance projects that improve regional or interregional water supply or water supply reliability.

Both measures are moving through the process. If the decision is to put a bond on the March 2024 ballot, it would need to be passed by the time the Legislature leaves in September. If November 2024, the bond won't need to pass until summer of 2024.

Legislation

The Legislature is fast approaching the "Second House Policy Committee Deadline" where all bills that made it out of their house of origin must be out of their policy committees by July 14.

PFAS

The three PFAS bills moving through the Legislature this year have passed out of the Assembly and are in the Senate for policy consideration. AB 727 (Weber) is sponsored by CASA and would prohibit PFAS in cleaning products. AB 1423 (Schiavo) would prohibit PFAS in artificial turf. AB 246 (Schiavo) would ban PFAS in menstrual products. They all took amendments in ESTM that would add specific enforcement and penalty provisions- aimed to bolster the effectiveness of the measures and are moving well over in the Senate.

AB 727 is facing opposition from the Housing & Commercial Products Association and the California Manufacturers and Technology Association. They are mostly concerned about how the bill would impact polish or floor maintenance products, noting that these products are critical to mitigate wear and tear and extend the life of flooring. The measure was heard in the Senate Environmental Quality Committee where it passed out 5-0-2. It is next heard in Judiciary Committee July 11.

SB 754 (Cortese) aims to promote onsite reuse and dual plumbing in residential and commercial buildings. Recent amendments from the Assembly Environmental Safety & Toxic Materials Committee remove the "mandatory" part of the operative language that would require the Building Standards Commission and the Department of Housing and Community Development to develop voluntary and mandatory standards for onsite reuse- aka dual plumbing of new residential and commercial properties. Recent amendments also remove the requirement on the BSC and DHC to include standards for the residential onsite treatment of blackwater. The bill passed out of Assembly ESTM and is moving into Assembly Housing Committee.

SB 366 (**Caballero**) is California Municipal Utilities Association and Western Municipal Water District's bill to establish a target of producing ten million acre feet of new water by 2040, through the California Water Plan. The bill unanimously passed the Senate Natural Resources and Water Committee and passed 40-0 off the Senate floor. It will be heard next in Assembly Water, Parks & Wildlife Committee July 11.

AB 1216 (Muratsuchi) is a bill that would require fence line monitoring of emissions at Hyperion Wastewater Treatment Plant. The bill is opposed by CASA the water community because it is a dangerous precedent for the legislature, rather than an air quality board, to mandate any type of emissions monitoring for a specific facility. While the bill hasn't been amended since the end of April, it is believed that the author is going to take amendments in Senate Appropriations Committee that would alleviate the concerns of the water community. The final details are still getting worked out.

IEUA BILLS—June 2, 2023

Bill Number	Author/Sponsor	Title and/or Summary	Summary	IEUA Position/ Bill Location	Positions Taken by Associations & Regional Agencies
AB 727	Weber/ CASA	Product safety: cleaning products: perfluoroalkyl and polyfluoroalkyl substances.	Would, beginning January 1, 2025, prohibit a person from manufacturing, selling, delivering, distributing, holding, or offering for sale in the state a cleaning product that contains regulated PFAS, as specified. The bill would make a violation of these provisions punishable by a civil penalty not to exceed \$5,000 for a first violation and not to exceed \$10,000 for each subsequent violation, upon an action brought by the Attorney General, a city attorney, a county counsel, or a district attorney.	SUPPORT Senate Judiciary Committee 7/7	CASA Support
AB 1072	Wicks	Water conservation and efficiency: low- income residential customers.	Would declare the policy of the state that all residents have access to water conservation and efficiency programs. The bill would also set forth related findings including that reaching the state's environmental justice goals and commitments requires designing climate adaptation programs so that all households may participate.	WATCH Failed in Asm. Appr.	
AB 1216	Muratsuchi	Wastewater treatment plants: monitoring of air pollutants.	Would require, on or before January 1, 2025, the owner or operator of a wastewater treatment facility that is located within 1,500 feet of a residential area and has an original design capacity of 425,000,000 gallons or more per day to develop, install, operate, and maintain a wastewater treatment-related fence-line monitoring system in accordance with guidance developed by the appropriate air quality management district. The bill would require the wastewater treatment-related fence-line monitoring system in accordance of concern, include equipment capable of measuring pollutants of concern, including hydrogen sulfide, nitrogen oxides, and volatile organic compounds emitted to the atmosphere from wastewater treatment or reclamation processes that the appropriate district deems appropriate for monitoring. The bill would also require the owner or operator of a wastewater treatment facility to collect real-time data from the wastewater treatment-related fence-line monitoring system, to maintain records of that data, and to transmit the data to the appropriate air quality management district in accordance with the district's guidance. In addition, the bill would require, to the extent feasible, the data generated by these systems to be provided to the public as quickly as possible in a publicly accessible format.	OPPOSE Senate Appropriations Committee	CASA OPPOSE Amendments under discussion— could alleviate CASA concerns.
AB 1423	Schiavo	Product safety: perfluoroalkyl and polyfluoroalkyl substances: artificial turf or	Would, commencing January 1, 2024, require a manufacturer or installer of a covered surface, defined as artificial turf or a synthetic surface that resembles grass, proposing to design, sell, or install a field with a covered surface to any party to notify the party at the earliest possible date that the covered surface contains regulated PFAS, as defined. The bill would also prohibit, commencing January 1, 2024, a public entity, including a charter city, charter county, city, or county, any public or private school serving pupils in kindergarten or any of grades 1 to 12, inclusive, a public institution of higher education, other than the University of California, or a private institution of higher education from	SUPPORT Senate Governance & Finance Committee	

		synthetic surfaces.	purchasing or installing a covered surface containing regulated PFAS, as provided.		
AB 1572	Friedman	Potable water: nonfunctional turf	This bill would make legislative findings and declarations concerning water use, including that the use of potable water to irrigate nonfunctional turf is wasteful and incompatible with state policy relating to climate change, water conservation, and reduced reliance on the Sacramento-San Joaquin Delta ecosystem. The bill would direct all appropriate state agencies to encourage and support the elimination of irrigation of nonfunctional turf with potable water. This bill contains other related provisions and other existing laws.	WATCH Senate Natural Resources & Water 7/3	ACWA- Oppose unless amended- likely removing opposition— Negotiated amendments remove multifamily housing from the bill
AB 1573	Friedman	Water conservation: landscape design: model ordinance	The Water Conservation in Landscaping Act provides for a model water efficient landscape ordinance that is adopted and updated at least every 3 years by the Department of Water Resources, unless the department makes a specified finding. Existing law requires a local agency to adopt the model ordinance or to adopt a water efficient landscape ordinance that is at least as effective in conserving water as the updated model ordinance, except as specified. Existing law specifies the provisions of the updated model ordinance, as provided. Existing law includes a related statement of legislative findings and declarations. This bill would require the updated model ordinance to include provisions that require that plants included in a landscape design plan be selected based on their adaptability to climatic, geological, and topographical conditions of the project site, as specified. The bill would also exempt landscaping that is part of ecological restoration projects that do not require a permanent irrigation system, mined-land reclamation projects that do not require a permanent irrigation system, and existing plant collections, as part of botanical gardens and arboretums open to the public, from the model ordinance. The bill would require the updated model ordinance to include provisions that require that all new or renovated nonresidential areas install plants that meet specified criteria, and that prohibit the inclusion of nonfunctional turf in nonresidential landscape projects after January 1, 2026. The bill would also revise the legislative findings and declarations to state that the model ordinance furthers the state's goal to conserve biodiversity and provide for climate resilience consistent with state drought efforts to eliminate the use of irrigation of nonfunctional turf. This bill contains other related provisions and other existing laws.	WATCH Senate Natural Resources & Water 7/3	ACWA- Oppose unless amended
AB 1637	Irwin	Local government: internet websites and email addresses	The California Constitution authorizes cities and counties to make and enforce within their limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws and further authorizes cities organized under a charter to make and enforce all ordinances and regulations in respect to municipal affairs, which supersede inconsistent general laws. This bill, no later than January 1, 2027, would require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a ".gov" top-level domain or a ".ca.gov" second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a	WATCH- AMENDS TAKE OUT SPECIAL DISTRICTS	CSDA- moves to "watch" with new amends

			domain name that does utilize a ".gov" or ".ca.gov" domain. This bill, no later than January 1, 2027, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a ".gov" domain name or a ".ca.gov" domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.		
SB 366	Caballero CMUA	The California Water Plan: long-term supply targets	Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as "The California Water Plan." Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department, in coordination with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified long-term water supply targets established by the bill for purposes of "The California Water Plan."	SUPPORT Assm. Water, Parks & Wildlife Committee	ACWA in support
<u>SB 687</u>	Eggman	Water Quality Control Plan: Delta Conveyance Project.	Would require the State Water Resources Control Board to adopt a final update of the 1995 Water Quality Control Plan for the San Francisco Bay/Sacramento- San Joaquin Delta Estuary, as provided, before the board may consider a change in point diversion or any other water rights permit or order for the Delta Conveyance Project. The bill would also, if, after completing the update of the plan and in compliance with existing law, the board approves a change in point of diversion or any other water rights permit or order associated with the Delta Conveyance Project, prohibit the operation of the Delta Conveyance Project unless and until the updated plan is fully implemented. The bill would specify that these provisions do not constitute an authorization for or approval of funding for the Delta Conveyance Project or any other project that includes isolated Delta conveyance facilities, and do not reduce any statutory or other regulatory conditions or permit requirements for Delta conveyance projects.	BILL FAILED IN SENATE APPOPS	State Water Contractors OPPOSE
SB 745	Cortese	Drought- Resistant Buildings Act	Would require the California Building Standards Commission to research, develop, adopt, approve, codify, and publish voluntary and mandatory building standards to reduce potable water use in new residential and nonresidential buildings, as specified. The bill would require the commission to perform a review of voluntary and mandatory water efficiency and water reuse standards in the California Buildings Standards Code every 3 years, commencing with the next triennial edition, and update as needed.	OPPOSE UNLESS AMENDED Assembly Housing 7/12	Oppose unless amended by CASA, CSDA, CMUA, ACWA, WateReuse

SB 149	Caballero	California Environmental Quality Act: administrative and judicial procedures: record of proceedings: judicial	Infrastructure Package bill on streamlining of judicial review for CEQA challenges	Assembly Floor	Support by ACWA, CMUA, WateReuse
		streamlining.			

INFORMATION ITEM

3F



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Community & Legislative Affairs

From: Shivaji Deshmukh, General Manager 07/12/23

SSD

Staff Contact: Shivaji Deshmukh, General Manager

Subject: Public Outreach and Communication

Executive Summary:

- July, Smart Irrigation Month
- July, Park and Recreation Month
- July 1, Flush Smart Day
- July 27, National Intern Day
- July 27, IEUA Hosted Women in Water Event, HQ-B Event Room, 8:00 AM 10:00 AM

Staff has coordinated with Customer Agencies to partner for a region-wide hose nozzle giveaway during Smart Irrigation Month.

Staff has been developing outreach collateral and coordinating outreach events for CBP. Currently, video shorts are being developed to highlight CBP topics, and on July 8, the CBP team hosted a booth at Assemblymember Freddie Rodriguez's 10th Annual Summer Community Awards Event in Chino.

Staff's Recommendation:

This is an informational item for the Board of Directors to receive and file.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): Y Amount for Requested Approval: Account/Project Name:

Fiscal Impact (explain if not budgeted):

Full account coding (internal AP purposes only): - - Project No.:

Prior Board Action: N/A

Environmental Determination: Not Applicable

Business Goal:

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

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

Attachments:

Attachment 1 - Background



Background

Subject: Public Outreach and Communication

July

- July, Smart Irrigation Month
- July, Park and Recreation Month
- July 1, Flush Smart Day
- July 27, National Intern Day
- July 27, IEUA Hosted Women in Water Event, HQ-B Event Room, 8:00 AM 10:00 AM

Media and Outreach

- General
- Staff continues to work with the Chino Basin Program team leads, partners, and Arellano Associates to develop and implement an outreach strategy for additional program communication, roadshow scheduling, identifying collaboration and partnership opportunities on shared media, and more. Staff is working with other program team members to help plan for outreach events where CBP can be highlighted. Additionally, the team is working to develop a series of video shorts that can be included in presentations and shared more broadly. On July 8, the CBP team hosted a booth at Assemblymember Freddie Rodriguez's 10th Annual Summer Community Awards Event in Chino.
- Staff coordinated and hosted IEUA's Summer Blood Drive on June 21. Over 30 donors attended and were able to participate in a raffle, a spin-a-wheel game, and light refreshments.
- Staff has coordinated with Customer Agencies to partner for a region-wide hose nozzle giveaway during Smart Irrigation Month. The amount of hose nozzles prepared for distribution has increased due to the high demand in 2022.
- Staff is continuing to update the toolkit for Fats, Oils, and Greases (FOG) and Wipes messaging collateral. Staff continues to work with the Collections' team to implement video footage and stills on our social media platforms and on our website. The most recent video posted has received over 5,200 views on Instagram alone and was used for social ad placement as well.
- Staff recognized the first week of June as National Garden Week and shared water-wise gardening tips to Agency social media platforms.
- Staff hosted the Metropolitan Water District's "Water is Life" Student Art Roadshow from June 5 through June 12 at Agency Headquarters. A series of stills, reels, and stories were shared to Agency social platforms throughout the week to encourage community members to stop by to view the artwork.
- Staff commemorated the replacement of the RP-1 flare with a short reel on Agency social media channels. The reel has received over 4,700 views solely on Instagram.

- Staff promoted the Agency's Summer Carnival Blood Drive on all social media platforms, which took place on June 21st.
- Staff highlighted Public Service Day and National Hydration Day on June 23 with a social media and blog post highlighting IEUA's diverse water supply portfolio and staff's commitment to a clean, reliable water supply.
- Staff continues to work closely with the Agency's Safety unit to facilitate public outreach communication as required for updates to the Agency's Hazard Mitigation Plan.

Water Supply Awareness Efforts

• Staff is in the process of updating its "Time is Now" message to coincide with current water supply conditions. The messaging will have an increased emphasis on water-saving tips and will continue to be shared to the Agency's social media channels.

Advertising/Marketing

- A Water Awareness/Rebates ad ran in June in the Chino Champion and La Opinion.
- Two Water Smart/Rebate ads ran in the Daily Bulletin on June 11 and 19.
- A Water Smart/FOG/Education Spadia ran in the Daily Bulletin on June 25.
- A FOG/Wipes social media ad ran the last week of June.
- A Smart Irrigation Month/Water Smart ad was placed in the July issue of the Inland Empire Magazine.
- A Smart Irrigation Month/Hose nozzle giveaway email blast was distributed on June 30.

Social Outreach and Analytics

- The Agency continues to publish content on LinkedIn and has gained 49 followers since May, with 698 page views in the last 30 days (May 27 June 25).
- June: 27 posts were published to the IEUA Facebook page, 27 tweets were sent on the @IEUAWater Twitter handle, 27 posts were published to IEUA's Instagram grid, and 12 posts were published to the IEUA LinkedIn page.
 - The top three Facebook posts, based on reach and engagement, in the month of June were:
 - 6/5 IEUA Candlestick Flare Reel
 - 6/13 MWD Water is Life Student Art Roadshow
 - 6/23 Public Service Day/National Hydration Day
 - The top three Twitter tweets, based on reach and engagement, in the month of June were:
 - 6/5 IEUA Candlestick Flare Reel
 - 6/5 MWD & City of Fullerton SWP Inspection Trip
 - 6/1 MWD Water is Life Student Art Roadshow (a collaboration post with @chinocreekwetlands)
 - The top three Instagram posts, based on reach and engagement, in the month of June were:
 - 6/12 Collections #NoWipesinthePipes Reel
 - 6/5 IEUA Candlestick Flare Reel
 - 6/13 MWD Water is Life Student Art Roadshow
 - The top three LinkedIn posts, based on impressions and reactions, in the month of June were:
 - 6/5 IEUA Candlestick Flare Reel

- 6/13 Assistant Engineer/Associate Engineer, Human Resources Specialist, and Senior External Affairs Specialist Hiring
- 6/15 IEUA Washington D.C. Trip
- For the month of June, there were 12,139 searches for a park in IEUA's service area on Yelp and the Chino Creek Wetlands and Educational Park was viewed 644 times.
- Chino Creek Wetlands and Educational Park's Instagram page, @chinocreekwetlands, gained 21 followers since May.

Education and Outreach Updates

- Field trip dates for the Water Discovery Field Trip Program for school year 22/23 concluded on June 20. The program's field trip calendar is now open and actively being scheduled for the upcoming 23/24 school year. We have received interest in selected summer dates on behalf of summer camps and are monitoring the weather closely.
- Staff successfully submitted and forwarded the Agency's at large winning submissions to Metropolitan Water District to compete in their 23/24 "Water is Life" Student Art Poster Contest.
- Staff was invited and attended Cal Aero Preserve Academy's assembly on June 26 to present and raise awareness about IEUA's Education Programs and present the winner with awards/prizes for the "Water is Life" Student Art Poster Contest.
- The "Water is Life" Student Art Post Travelling Roadshow concluded on June 12. The Roadshow was open for viewing for the public and staff to enjoy; approximately 70 people were estimated to have viewed the artwork.
- Staff attended the Water Education Coordinator Meeting / Mini-Retreat with Metropolitan Water District and its member agencies at MWD's Headquarters on June 14.

Organization	Date(s)	Participants	Topic/Activity
California Association of Sanitation Agencies (CASA)	May 4, 2023	Richard Lao	CASA Air Quality, Climate Change and Energy (ACE) Workgroup Meeting
Association of California Water Agencies (ACWA)	May 5, 2023	Alyson Piguee	ACWA State Legislative Committee Meeting
California Association of Sanitation Agencies (CASA)	May 10, 2023	Richard Lao	CASA Air Toxics Subgroup Meeting
California Association of Sanitation Agencies (CASA)	May 11, 2023	Richard Lao	CASA Regulatory Working Group Water Quality and Biosolids Meeting

Agency-Wide Membership Updates

Association of California Water Agencies (ACWA)	May 9-11, 2023	Jasmin A. Hall, Michael Camacho, Shivaji Deshmukh, and Christiana Daisy	ACWA 2023 Spring Conference & Exhibition in Monterey
Southern California Water Coalition (SCWC)	May 15, 2023	Steve Elie, Jasmin A. Hall, and Alyson Piguee	SCWC Legislative Task Force Meeting
California Association of Sanitation Agencies (CASA)	May 17, 2023	Richard Lao	CASA Clean Water SoCal Joint Collection Committee Meeting
California Association of Sanitation Agencies (CASA)	May 19, 2023	Alyson Piguee	CASA State Legislative Committee Meeting
WaterReuse Association	May 19, 2023	Shivaji Deshmukh, Alyson Piguee	WateReuse CA Leg- Reg Meeting; GM Deshmukh serves as Chair of Committee
Americas' SAP Users' Group	May 23, 2023	Don Hamlett and Matt Hanson	Simplifying Migration of SAP Applications from ON-Premise to SaaS
Santa Ana Watershed Project Authority (SAWPA)	May 23, 2023	Richard Lao	SAWPA Task Force Meeting
National Association of Clean Water Agencies (NACWA)	May 23, 2023	Sheila Esparza	NACWA Career Development workshop at IEUA
Chino Valley Chamber of Commerce	May 24, 2023	Michelle Vizcarra	San Bernardino County Workforce Development Department Hiring Event
Southern California Water Coalition (SCWC)	May 25, 2023	Steve Smith	Stormwater Task Force Meeting

Association of California Water Agencies (ACWA)	May 26, 2023	Alyson Piguee	ACWA State Legislative Committee Meeting
---	--------------	---------------	--

INFORMATION ITEM

3G

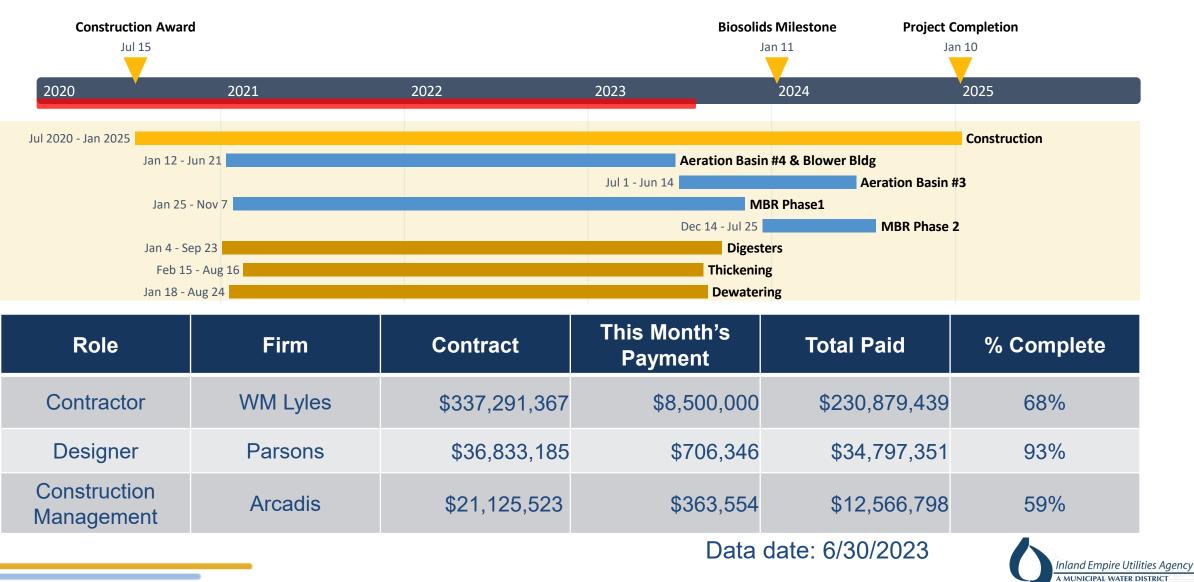


RP-5 Expansion Project Update July 2023 Project Nos. EN19001 and EN19006

Vicky Salazar Senior Associate Engineer July 2023

RP-5: Project Status

Day 1078 of 1640 = 65%



RP-5: Major Activity Areas



Construction Staff

- WML Craft: 115
- WML Project: 35
- IEUA & CM: 15
- Total:



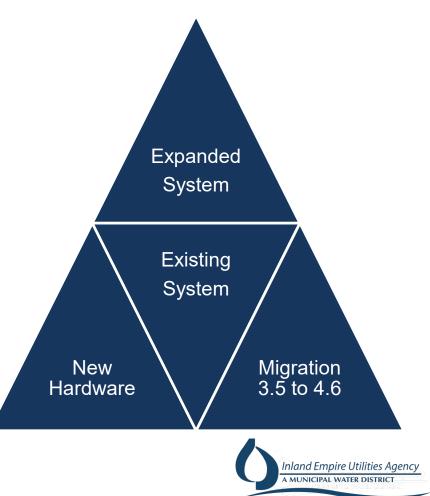
165

Electrical and SCADA Status Update

- HMI Graphics & PLC Programming Workshops for PRI, SEC, TER completed June 2023
- Delivery and installation of Generator 1

CHALLENGES AHEAD

- Electrical Subcontractor
 - New SCE power feed expected by August 2023
 - Factory acceptance & delivery of Generator 2
- SCADA Integrator
 - PlantPAx 3.5 to 4.6 Migration
 - Interactive staff training prior to migration
 - Control system parts delays
 - Programming and factory testing
 - Commissioning





Emergency Storage Basin (ESB)





Membrane Bioreactor







Thickening Building





Gas Phase Digester Tank and Building





Dewatering Building





Emergency Overflow Pond (EOP)





Generator Delivery



Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT

Questions?

A

V AS

INFORMATION ITEM

3H

Inland Empire Utilities Agency

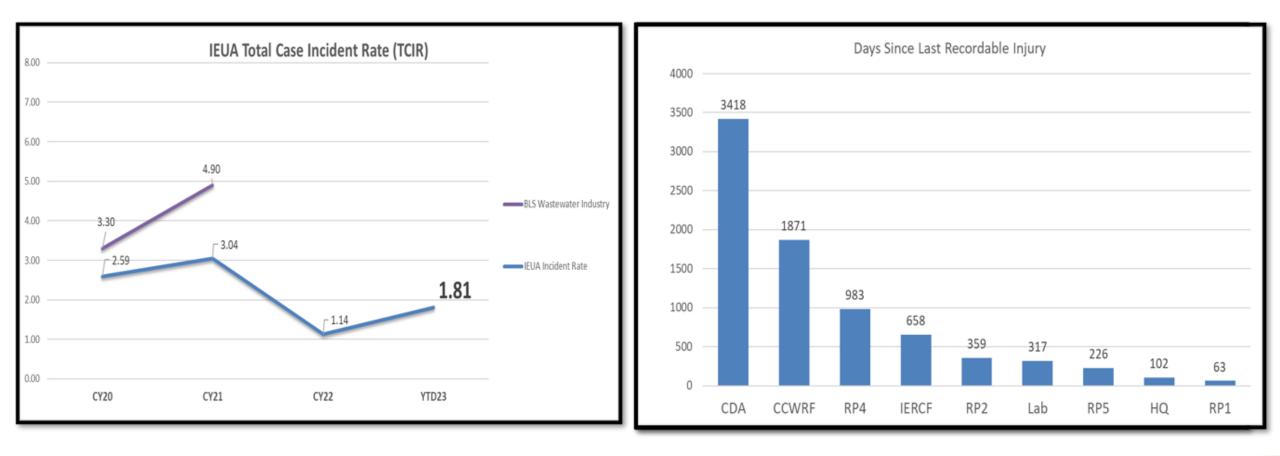
Operations & Maintenance Department Quarterly Update

Lucia Diaz

Manager of Facilities & Water System Program

July 2023

IEUA Incident Rates vs. Industry & Total Recordable Injuries



* Incident Case Rate does not include June hours

Inland Empire Utilities Agency

Facilities & Water System Programs

- Unit Overview
 - -Facilities Management
 - Facility Services
 - Security
 - Fleet Management
 - Hazardous Waste Management
 - -Groundwater Recharge & Recycled Water
 - -Sewer Collection Management



nland Empire Utilities

3

Operational Challenges Increasing

• Fats, Oils & Grease

- -Additional cleaning at the regional plants
- -Wet well cleaning due to grease build up
- -Equipment failures due to the rags
- -Time away from pipeline inspections and cleaning





Operational Challenges

- Security Incidents
 - -1158 Reservoir Security Breach
 - -Theft at HQ-B Utility Truck
 - -Two theft incidents at RP-2 for catalytic converters
 - -Theft at Carbon Canyon HVAC Van
 - -Vandalism in HQ-B parking lot







Operational Challenges

- Fleet Management
 - -Procuring of vehicles
 - -CARB
 - -Outsourced new F-550 in Arizona
 - -Submitted RFP for 6 Heavy Equipment vehicles (no response)





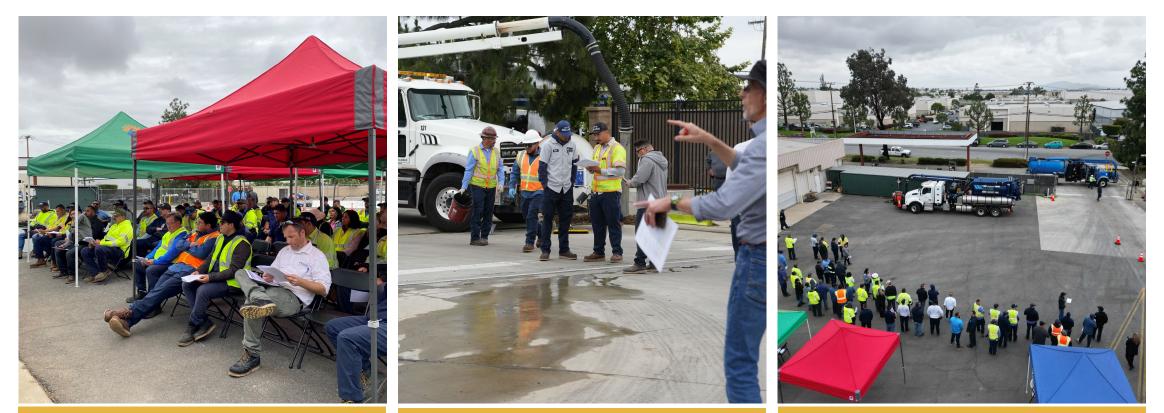
Mutual Aid Partners Update

- Class instruction
 - -Expectations of responders
 - -Calculations of spills
- Received 6 hours of CEUs
- Sanitary Sewer Overflow (SSO) Simulations
- New WDR Categories for spills
- Lunch hosted by City of Ontario –Vendor booths
- A total of 10 agencies from the Inland Empire Region

SAVE THE DATE **Mutual Aid Partners SSO DRILL** May 10th, 2023 **Ontario Training Facility** 1425 S Bon View Avenue **Ontario, CA 91762 RSVP to Ed Makowski at** emakowski@ieua.org Hosted in partnership with Inland Empire Utilities Agency, Cucamonga Valley Water District and the City of Ontario. Cucamonga Vallev ervice Revond Expectation

land Empire Utilities

Mutual Aid Partners



Class sessions

Simulation

Simulatior

Inland Empire Utilities Agency

Mutual Aid Event Video

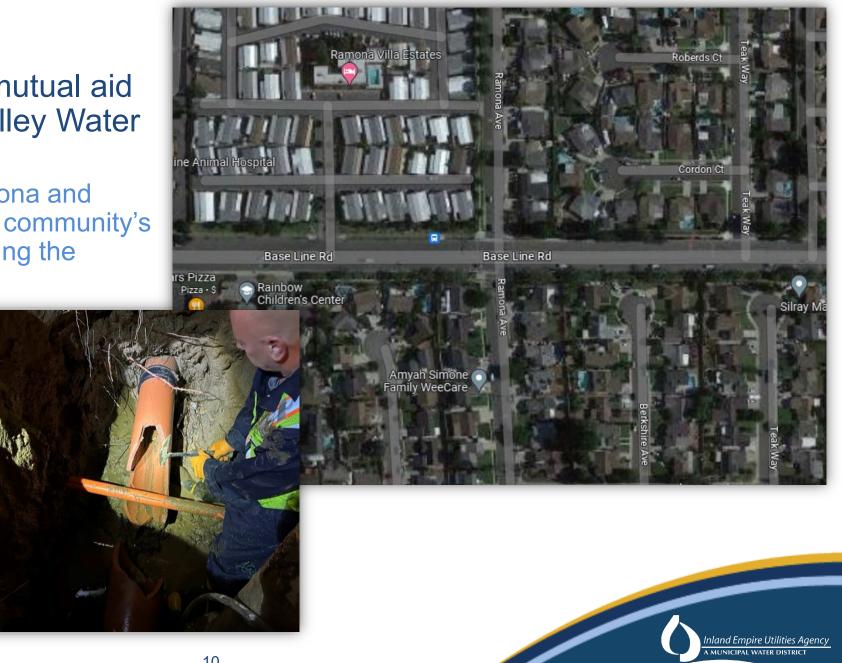


Inland Empire Utilities Agency

Mutual Aid Support

- June 8, 2023 Provided mutual aid support to Cucamonga Valley Water District (CVWD)
 - -A sewer line break off Ramona and Baseline shutting down the community's water and began investigating the potential causes.





Thank you to our partners!



Inland Empire Utilities Agency

INFORMATION ITEM

31



Human Resources Updates

Sheila Esparza Human Resources Officer July 12, 2023

Agenda

- 1. Strategic Plan
- 2. Talent Acquisition
- 3. Total Compensation
- 4. Engagement



Strategic Planning

Inland Empire Utilities Agency

Build efficiencies through our collaborative master plan with the Information Technology Department

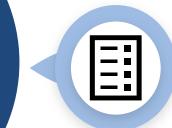
> **8 6**-8



Items completed:

- Automated staffing dashboard
- Intern hours report
- Recruiting software improvements

Develop and implement a comprehensive talent acquisition plan



Establish and implement a plan to develop staff competencies

Talent Acquisition

Inland Empire Utilities Agency

Goal: Develop and implement a comprehensive talent acquisition plan.



Positions Filled (4/5/23 - 6/30/23)

30 Positions Filled:

- Accountant II (2)
- Accounting Technician I-II (3)
- Associate Engineer
- Administrative Assistant II (2)
- Collection System Supervisor
- Electrical & Instrumentation Technician I
- Facilities Technician II
- Intern (7)
- Maintenance Supervisor
- Manager of Asset Management
- Mechanic II (4)
- Operations Supervisor
- Procurement Specialist I
- Records Specialist
- Senior Associate Engineer PE
- Wastewater Treatment Plant Operator-in-Training (2)



43% from Operations & Maintenance Department

nland Empire Utilities Agency



1,234 Applications



FY 22/23 Recruitment Facts

Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT



Classification and Compensation

- Classification a collection of related duties and responsibilities that are grouped into a single body of work.
- Compensation wages and benefits paid by the Agency to employees in exchange for their work.



Recruitment and Selection

- Establishes role clarity
- Ensures competitive salaries
- Provides candidates with opportunities for growth

Equity

- Provides a defined compensation structure
- Establishes minimum qualifications

Succession Planning

- Establish career pathways
- Ensures upward mobility
- Retains institutional knowledge



Benefits

2

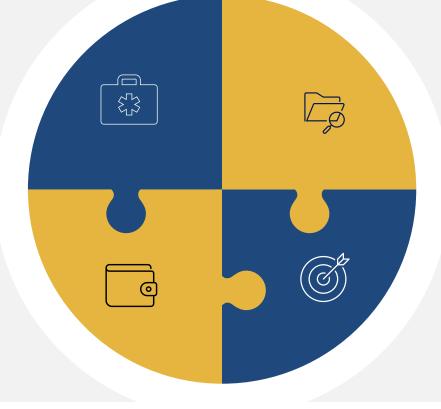
1

Comprehensive Benefit Plan

Medical through CalPERS Dental Vision

Deferred Compensation

457(b) 401(a)



Retirement

CalPERS retirement Social Security Medicare

Wellness

Critical Illness Long term Disability Employee Assistance Program Flexible Spending Account

4

Engagement

Inland Empire Utilities Agency

Training and Development



71% of employees reported training initiatives increased their job satisfaction **Recognition**

61% of employees stated access to opportunities played pivotal role to stay

Training and Development

Inland Empire Utilities Agency

GOAL: Establish and implement a plan to develop staff competencies

Develop competencies

Align with performance appraisal

Identify key competencies







Training and Development



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRIC

11

Recognition and Awards Program

Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT









Thank you!



INFORMATION ITEM

3J



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Finance & Administration

From: Shivaji Deshmukh, General Manager 07/12/23

SSD

Staff Contact: Kristine Day, Assistant General Manager

Subject: Treasurer's Report of Financial Affairs for the Month Ended May 2023

Executive Summary:

The Treasurer's Report of Financial Affairs for the month ended May 31, 2023 is submitted in a format consistent with the State requirements.

For the month of May 2023, total cash, investments, and restricted deposits of \$412,009,566 reflects an increase of \$1,912,747 compared to the total of \$410,096,819 reported for April 2023. The increase was primarily due to property tax receipts. As a result, the average days cash on hand for the month ended May 2023 increased from 324 to 334 days.

The unrestricted Agency investment portfolio yield in May 2023 was 3.193 percent, a slight decrease of 0.073 percent compared to the April 2023 yield of 3.266 percent. The change is attributed to lower yields in US Government Sponsored Entities and in the Citizens Business Bank Daily Repurchase account.

Staff's Recommendation:

The Treasurer's Report of Financial Affairs for the month ended May 31, 2023 is an information item for the Board of Director's review

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval: Account/Project Name:

Fiscal Impact (explain if not budgeted):

Interest earned on the Agency's investment portfolio increases the Agency's overall reserves.

Prior Board Action:

On June 21, 2023 the Board of Directors received the Treasurer's Report of Financial Affairs for the month ended April 30, 2023.

Environmental Determination: Not Applicable

Business Goal:

The Treasurer's Report of Financial Affairs is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

Attachments:

Attachment 1 - Background Attachment 2 - PowerPoint Attachment 3 - Treasurer's Report of Financial Affairs



Background

Subject: Treasurer's Report of Financial Affairs for the Month Ended May 2023

The Treasurer's Report of Financial Affairs for the month ended May 31, 2023, is submitted in a format consistent with State requirements. The monthly report denotes investment transactions that have been executed in accordance with the Agency's Investment Policy (Resolution No. 2022-4-8).

Agency total cash, investments, and restricted deposits for the month of May 2023 was \$412.0 million, an increase of \$1.9 million compared to the \$410.1 million reported in April 2023. The increase was primarily due to property tax receipts, as shown in Figure 1.

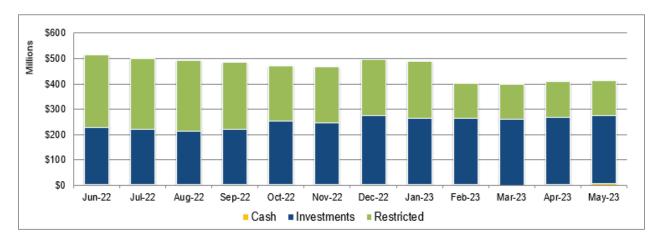


Figure 1: Cash, Investments, and Restricted Deposits

PFM continues to focus on investment discipline and maintaining a neutral duration strategy to ensure current investments align with the Agency's Investment Policy's goals of preservation of capital in the overall portfolio, providing sufficient liquidity to meet operating requirements, and attaining a market rate of return throughout budgetary and economic cycles.

Table 1 below represents the Agency's unrestricted investment portfolio by authorized investment and duration with a total portfolio amount of \$266.8 million. The Agency portfolio excludes cash and restricted deposits in the amount of \$145.2 million held with fiscal agents, including \$71.4 million in capitalized interest and debt proceeds for the RP-5 Expansion Project.

The Agency's unrestricted investment portfolio yield in May 2023 was 3.193 percent, a slight decrease of 0.073 percent compared to the April 2023 yield of 3.266 percent. The change can be attributed to lower yields in US Government Sponsored Entities and in the Citizens Business Bank Daily Repurchase account.

Authorized Investments	Allowable Threshold (\$ million	Iı	nvestment V May 31, (\$ mill	Average Yield %	Portfolio% (Unrestricted)		
	(\$ minon or %)	Under 1 Year	1-3 Years	Over 3 Years	Total	1 ICIU 70	(Offestiletta)
LAIF*- Unrestricted	\$75	\$22.8	\$0.0	\$0.0	\$22.8	2.993%	8.54%
CAMP** – Unrestricted	n/a	109.0	0.0	0.0	109.0	5.160%	40.84%
CBB*** – Sweep	40%	20.0	0.0	\$0.0	20.0	0.100%	7.50%
Sub-Total Agency Ma	naged	\$151.8	\$0.0	\$0.0	\$151.8	4.168%	56.88%
Brokered Cert. of Deposit	30%	\$0.0	\$1.1	\$0.0	\$1.1	5.440%	0.40%
Medium Term Notes	30%	2.5	10.6	9.2	22.3	2.861%	8.38%
Federal Agency Mortgage- Backed Security	n/a	0.0	0.0	0.8	0.8	4.310%	0.29%
Municipal Bonds	10%	0.2	1.9	0.0	2.1	0.986%	0.80%
Supranational Bonds	20%	0.0	1.7	0.0	1.7	0.520%	0.63%
US Treasury Notes	n/a	6.2	40.6	21.1	67.9	1.908%	25.47%
US Gov't Securities	n/a	3.4	15.7	0.0	19.1	0.719%	7.15%
Sub-Total PFM Managed	\$12.3	\$71.6	\$31.1	\$115.0	1.907%	43.12%	
Total		\$164.1	\$71.6	\$31.1	\$266.8	3.193%	100.00%

Table 1: Agency Portfolio

*LAIF - Local Agency Investment Fund

**CAMP - California Asset Management Program

***CBB - Citizens Business Bank

+/- due to rounding

Average days cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service costs, and capital expenditures. The average days cash on hand increased from 324 days to 334 days for the month of May 2023 as shown in Figure 2.

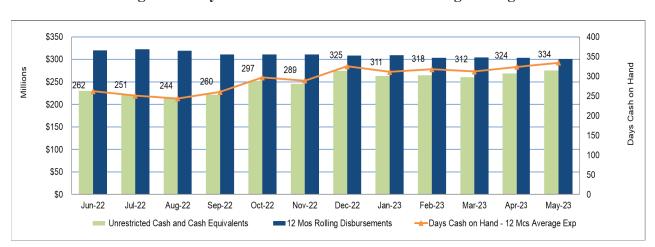


Figure 2: Days Cash on Hand – 12 Month Rolling Average

Monthly cash and investment summaries are available on the Agency's website at: https://www.ieua.org/read-our-reports/cash-and-investment/

TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended May 31, 2023

Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT

All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2022-4-8) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on April 20, 2022.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

* A Municipal Water District

INLAND EMPIRE UTILITIES AGENCY Cash and Investment Summary Month Ended

May 31, 2023

	Мау	April	Variance
Cash, Bank Deposits, and Bank Investment Accounts	\$8,793,715	\$2,150,264	\$6,643,451
<u>Investments</u>			
Agency Managed			
Citizens Business Bank (CBB) Repurchase (Sweep)	\$20,010,337	\$9,540,007	\$10,470,330
Local Agency Investment Fund (LAIF)	22,779,306	22,779,306	-
California Asset Management Program (CAMP)	108,982,084	120,469,403	(11,487,319)
Total Agency Managed Investments	151,771,727	152,788,716	(\$1,016,989)
PFM Managed			
Certificates of Deposit	\$1,065,000	\$1,065,000	\$0
Municipal Bonds	2,140,723	2,140,752	(29)
Federal Agency Commercial Mortgage-Backed Securites	765,837	0	765,837
Supra-National Agency Bonds	1,669,459	1,669,424	35
Medium Term Notes	22,354,179	20,253,895	2,100,284
U.S. Treasury Notes	67,973,193	67,016,844	956,349
U.S. Government Sponsored Entities	19,088,181	21,763,346	(2,675,165)
Total PFM Managed Investments	115,056,572	113,909,261	\$1,147,311
Total Investments	\$266,828,299	\$266,697,977	\$130,322
Total Cash and Investments Available to the Agency	\$275,622,014	\$268,848,241	\$6,773,773
<u>Restricted Deposits</u>			
CAMP Water Connection Reserve	\$27,655,618	\$27,080,833	\$574,785
LAIF Self Insurance Reserve	6,573,509	6,573,509	-
Bond and Note Accounts	15,206,208	20,257,214	(5,051,006)
2020B Construction Accounts	56,218,396	56,170,745	47,651
California Employers' Retirement Benefit Trust Account - CERBT (Other Post Employment Benefits - OPEB)	20,195,189	20,637,467	(442,278)
Escrow Deposits	10,538,632	10,528,810	9,822
Total Restricted Deposits	\$136,387,552	\$141,248,578	(\$4,861,026)
Total Cash, Investments, and Restricted Deposits	\$412,009,566	\$410,096,819	\$1,912,747

Cash and Investment Summary Month Ended

May 31, 2023

Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Negative balance offset by CBB Sweep Balance)	\$2,961,973
CBB Payroll Account CBB Workers' Compensation Account	- 110,591
Subtotal Demand Deposits	\$3,072,564
Other Cash and Bank Accounts	
Petty Cash	\$2,250
Subtotal Other Cash	\$2,250
US Bank Pre-Investment Money Market Account	\$5,718,901
Total Cash and Bank Accounts	\$8,793,715
Unrestricted Investments	
CBB Repurchase (Sweep) Investments	
Freddie Mac (FHLMC)	\$13,075,979
Fannie Mae (FNMA)	6,934,358
Subtotal CBB Repurchase (Sweep)	\$20,010,337
Local Agency Investment Fund (LAIF)	
LAIF Fund	\$22,779,306
Subtotal Local Agency Investment Fund	\$22,779,306
California Asset Management Program (CAMP)	
Short Term	\$108,982,084
Subtotal CAMP	\$108,982,084
Subtotal Agency Managed Investment Accounts	\$151,771,727
Brokered Certificates of Deposit	
Brokered Certificates of Deposit	\$1,065,000
Subtotal Brokered Certificates of Deposit	\$1,065,000
Federal Agency Commercial Mortgage-Backed Sercurity	
Federal Agency Comm. Mortgage-Backed Sercurity	\$765,837
Subtotal Federal Agency Comm. Mortgage-Backed Security	\$765,837
Supra-National Agency Bonds	
Inter-American Development Bank Notes	\$1,669,459
Subtotal Supra-National Agency Bonds	\$1,669,459

Cash and Investment Summary Month Ended

May 31, 2023

Municipal Bonds	
Subtotal State and Local Municipal Bonds	\$2,140,723
Subtotal State and Municipal Bonds	\$2,140,723
Medium Term Notes	
Medium Term Notes	\$22,354,179
Subtotal Medium Term Notes	\$22,354,179
U.S. Treasury Notes	
Treasury Note	\$67,973,193
Subtotal U.S. Treasury Notes	\$67,973,193
U.S. Government Sponsored Entities	
Fannie Mae Bank	\$11,916,626
Freddie Mac Bank	5,160,666
Federal Home Loan Bank	2,010,889
Subtotal U.S. Government Sponsored Entities	\$19,088,181
Subtotal PFM Managed Investment Accounts	\$115,056,572
Total Investments	\$266,828,299
Restricted Deposits	
Investment Pool Accounts	
CAMP - Water Connection Reserves	\$27,655,618
LAIF - Self Insurance Fund Reserves	6,573,509
Subtotal Investment Pool Accounts	\$34,229,127
Subtotal Investment Pool Accounts Bond and Note Accounts	\$34,229,127
	\$34,229,127 \$427
Bond and Note Accounts 2017A Debt Service Accounts 2020A Debt Service Accounts	\$427 1
Bond and Note Accounts 2017A Debt Service Accounts 2020A Debt Service Accounts 2020B Debt Service Accounts	\$427 1 36
Bond and Note Accounts 2017A Debt Service Accounts 2020A Debt Service Accounts	\$427 1

Cash and Investment Summary Month Ended

May 31, 2023

Restricted Deposits Continued

2020B Construction Project Accounts	
LAIF Construction Project Accounts	\$45,299,804
CAMP Construction Project Accounts	10,918,592
Subtotal 2020B Construction Project Accounts	\$56,218,396
CalPERS	
CERBT Account (OPEB)	\$20,195,189
Subtotal CalPERS Accounts	\$20,195,189
Escrow Deposits	
W.M. Lyles Construction	\$10,003,810
MNR Construction, Inc.	534,822
Subtotal Escrow Deposits	\$10,538,632
Total Restricted Deposits	\$136,387,552
Total Cash, Investments, and Restricted Deposits as of May 31, 2023	\$412,009,566
Total Cash, Investments, and Restricted Deposits as of 05/31/2023	\$412,009,566
Less: Total Cash, Investments, and Restricted Deposits as of 04/30/2023	410,096,819
Total Monthly Increase (Increase)	\$1,912,747

Cash and Investment Summary Month Ended May 31, 2023

	гт					1	1 1	
	Par	Cost Basis	Term	May	%	% Yield to	Maturity	Market
	Amount	Amount	(Days)	Value	⁹⁰ Coupon		Date	Value
Cash, Bank Deposits, and Bank Investment Accounts								
Citizens Business Bank (CBB)								
Demand Account	\$2,961,973	\$2,961,973	N/A	\$2,961,973		N/A	N/A	\$2,961,973
Payroll Checking	0	0	N/A	0		N/A	N/A	0
Workers' Compensation Account	110,591	110,591	N/A	110,591	-	N/A	N/A	110,591
Subtotal CBB Accounts	\$3,072,564	\$3,072,564		\$3,072,564				\$3,072,564
US Bank (USB)								
Custodial Money Market (Investment Mgmt.)	\$137,985	\$137,985	N/A	\$137,985		4.52%	N/A	\$137,985
Custodial Money Market (Debt Service)	5,580,916	5,580,916	N/A	5,580,916		4.52%	N/A	5,580,916
Subtotal USB Account	\$5,718,901	\$5,718,901	· _	\$5,718,901	-	4.52%		\$5,718,901
Petty Cash	\$2,250	\$2,250	N/A	\$2,250	_	N/A	N/A	\$2,250
Total Cash, Bank Deposits and								
Bank Investment Accounts	\$8,793,715	\$8,793,715	_	\$8,793,715	-		_	\$8,793,715
Investments								
CBB Daily Repurchase (Sweep) Accounts								
Freddie Mac (FHLMC)	\$13,075,979	\$13,075,979	N/A	\$13,075,979		0.10%	N/A	\$13,075,979
Fannie Mae (FNMA)	6,934,358	\$6,934,358	N/A	\$6,934,358		0.10%	N/A	\$6,934,358
Subtotal CBB Repurchase Accounts	\$20,010,337	\$20,010,337	, _	\$20,010,337	-	0.10%		\$20,010,337
LAIF Accounts								
Non-Restricted Funds	\$22,779,306	\$22,779,306	N/A	\$22,779,306		2.993%	N/A	\$22,779,306
Subtotal LAIF Accounts	\$22,779,306	\$22,779,306	· _	\$22,779,306	•	2.993%	· , _	\$22,779,306
CAMP Accounts								
Non-Restricted Funds	\$108,982,084	\$108,982,084	N/A	\$108,982,084		5.16%	N/A	\$108,982,084
Subtotal CAMP Accounts	\$108,982,084	\$108,982,084	· _	\$108,982,084	-	5.16%	· · <u> </u>	\$108,982,084
Subtotal Agency Managed Investment Accounts	\$151,771,727	\$151,771,727	-	\$151,771,727		4.17%	· –	\$151,771,727
Brokered Certificates of Deposit (CDs)								
Toronto Dominion Bank NY	\$1,065,000	\$1,065,000	1312	\$1,065,000	5.47%	5.44%	10/25/24	\$1,064,255
Subtotal Brokered CDs	\$1,065,000	\$1,065,000		\$1,065,000		5.44%		\$1,064,255
Federal Agency Commercial Mortgage-Backed Security (CMBS)								
FHMS K061 A2	\$790,000	\$765,683	1257	\$765,837	3.35%	4.31%	11/01/26	\$763,974
Subtotal Federal Agency CMBS	\$790,000	\$765,683	1237	\$765.837	- 5.5570	4.31%		\$763,974
Subidial Fruetal Agency UNDS	φ/ 5 0,000	\$703,003		\$7 UJ,OJ /		4.3170		\$703,974

Cash and Investment Summary

Month Ended May 31, 2023

	Par	Cost Basis	Term	May	%	% Yield to	Maturity	Market
	Amount	Amount	(Days)	Value	Coupon	Maturity	Date	Value
Investments (continued)	·							
US Treasury Note								
US Treasury Note	\$1,085,000	\$1,082,626	877	\$1,084,548	0.25%	0.34%	11/15/23	\$1,060,079
US Treasury Note	990,000	988,608	1044	989,737	0.13%	0.17%	12/15/23	962,930
US Treasury Note	120,000	120,356	1813	120,042	2.63%	2.56%	12/31/23	118,144
US Treasury Note	810,000	806,235	917	809,064	0.13%	0.31%	01/15/24	784,181
US Treasury Note	675,000	709,778	566	685,198	2.38%	0.35%	02/29/24	660,656
US Treasury Note	2,345,000	2,355,534	1792	2,346,963	2.00%	1.90%	04/30/24	2,276,116
US Treasury Note	210,000	208,679	1059	209,565	0.25%	0.47%	05/15/24	200,255
US Treasury Note	575,000	580,930	1824	576,284	2.00%	1.78%	06/30/24	555,863
US Treasury Note	1,000,000	1,016,172	2183	1,003,789	2.13%	1.78%	07/31/24	966,875
US Treasury Note	1,310,000	1,349,146	1824	1,320,452	2.13%	1.50%	09/30/24	1,263,331
US Treasury Note	595,000	614,454	1822	600,531	2.25%	1.57%	10/31/24	574,082
US Treasury Note	510,000	521,814	1789	513,619	2.13%	1.63%	11/30/24	490,716
US Treasury Note	1,820,000	1,876,875	1258	1,844,775	1.50%	0.58%	11/30/24	1,734,688
US Treasury Note	1,445,000	1,383,587	1009	1,408,846	1.13%	2.73%	01/15/25	1,365,073
US Treasury Note	340,000	335,232	1475	337,640	0.25%	0.60%	05/31/25	313,119
US Treasury Note	1,900,000	1,866,230	1440	1,882,881	0.25%	0.71%	05/31/25	1,749,781
US Treasury Note	2,050,000	2,027,898	1488	2,037,791	0.25%	0.52%	08/31/25	1,874,469
US Treasury Note	990,000	968,228	1463	977,321	0.25%	0.81%	09/30/25	903,994
US Treasury Note	1,600,000	1,573,125	1482	1,584,550	0.25%	0.67%	09/30/25	1,461,000
US Treasury Note	435,000	427,965	1658	431,126	0.38%	0.74%	11/30/25	396,122
US Treasury Note	1,910,000	1,873,218	1623	1,889,308	0.38%	0.82%	11/30/25	1,739,294
US Treasury Note	2,925,000	2,845,591	1489	2,876,309	0.38%	1.06%	11/30/25	2,663,578
US Treasury Note	815,000	810,034	1814	812,416	0.38%	0.50%	12/31/25	741,141
US Treasury Note	1,780,000	1,751,145	1699	1,763,967	0.38%	0.73%	12/31/25	1,618,688
US Treasury Note	870,000	820,995	1439	836,796	0.38%	1.86%	01/31/26	788,573
US Treasury Note	1,520,000	1,466,087	1486	1,484,627	0.38%	1.27%	01/31/26	1,377,737
US Treasury Note	1,540,000	1,400,437	1368	1,440,531	0.38%	2.95%	01/31/26	1,395,866
US Treasury Note	2,345,000	2,248,910	1479	2,281,655	0.38%	1.42%	01/31/26	2,125,523
US Treasury Note	2,940,000	3,257,428	1822	3,109,864	2.63%	0.43%	01/31/26	2,828,831
US Treasury Note	1,765,000	1,717,428	1850	1,734,097	0.50%	1.15%	02/28/26	1,601,186
US Treasury Note	3,110,000	3,068,088	1821	3,086,915	0.50%	0.78%	02/28/26	2,821,353
US Treasury N/B Note	1,360,000	1,359,469	1664	1,359,670	0.75%	0.76%	03/31/26	1,241,425
US Treasury N/B Note	1,464,000	1,453,192	1805	1,457,443	0.75%	0.90%	05/31/26	1,329,037
US Treasury N/B Note	2,120,000	1,942,947	1453	1,986,570	0.75%	2.99%	05/31/26	1,924,562
US Treasury N/B Note	\$890,000	\$819,461	1637	\$837,559	0.88%	2.77%	09/30/26	\$805,033
US Treasury N/B Note	1,190,000	1,086,851	1604	1,111,738	0.88%	3.00%	09/30/26	1,076,392
US Treasury Note	1,500,000	1,457,637	1686	1,465,954	2.25%	2.91%	02/15/27	1,413,516
US Treasury N/B Note	2,115,000	1,890,281	1729	1,929,272	0.50%	2.92%	04/30/27	1,855,582
US Treasury Note	1,055,000	936,436	1784	955,975	0.50%	2.99%	06/30/27	920,817

Cash and Investment Summary Month Ended May 31, 2023

	Par	Cost Basis	Term	May	%	% Yield to	Maturity	Market
	Amount	Amount	(Days)	Value	Coupon		Date	Value
Investments (continued)								
US Treasury Note	\$3,315,000	\$3,142,905	1804	\$3,168,471	2.25%	3.40%	08/15/27	\$3,107,812
US Treasury Note	1,965,000	1,952,181	1792	1,953,684	4.13%	4.27%	09/30/27	1,984,343
US Treasury Note	1,105,000	1,120,366	1788	1,118,862	4.13%	3.81%	10/31/27	1,116,395
US Treasury Note	2,165,000	1,843,717	1759	1,870,384	0.50%	3.91%	10/31/27	1,872,048
US Treasury Note	2,235,000	2,145,949	1750	2,147,476	2.75%	3.66%	02/15/28	2,132,679
US Treasury Note	620,000	613,122	1820	613,447	4.00%	4.25%	02/29/28	625,619
US Treasury Note	2,160,000	2,158,313	1795	2,158,341	3.63%	3.64%	03/31/28	2,143,800
US Treasury Note	625,000	561,694	1786	562,439	1.25%	3.52%	03/31/28	554,785
US Treasury Note	1,200,000	1,194,609	1826	1,194,701	3.50%	3.60%	04/30/28	1,184,625
Subtotal US Treasuries	69,409,000	67,751,964		\$67,973,193		1.91%		\$64,701,714
U.S. Government Sponsored Entities								
Fannie Mae Bond	\$645,000	\$645,000	1,092	\$645,000	0.36%	0.36%	08/18/23	\$638,250
Freddie Mac Bond	885,000	884,097	1,098	884,931	0.25%	0.28%	08/24/23	874,808
Freddie Mac Bond	805,000	804,203	1,095	804,865	0.25%	0.28%	12/04/23	784,423
Federal Home Loan Bank	870,000	895,642	1,772	872,748	3.38%	2.72%	12/08/23	861,018
Federal Home Loan Bank	190,000	189,327	1,824	189,905	2.50%	2.58%	02/13/24	186,262
Fannie Mae Bond	2,055,000	2,130,234	1,769	2,079,922	1.63%	0.85%	01/07/25	1,958,092
Freddie Mac Bond	1,215,000	1,214,065	1,825	1,214,681	1.50%	1.52%	02/12/25	1,153,040
Federal Home Loan Bank	950,000	945,288	1,824	948,236	0.50%	0.60%	04/14/25	881,967
Fannie Mae Bond	495,000	496,629	1,792	495,628	0.63%	0.56%	04/22/25	460,341
Fannie Mae Bond	1,275,000	1,272,373	1,824	1,274,005	0.63%	0.67%	04/22/25	1,185,727
Fannie Mae Bond	1,425,000	1,432,296	1,782	1,427,829	0.63%	0.52%	04/22/25	1,325,224
Fannie Mae Bond	240,000	241,126	1,716	240,490	0.50%	0.40%	06/17/25	221,542
Fannie Mae Bond	995,000	996,473	1,693	995,650	0.50%	0.47%	06/17/25	918,475
Fannie Mae Bond	1,435,000	1,441,931	1,778	1,437,912	0.50%	0.40%	06/17/25	1,324,634
Fannie Mae Bond	1,480,000	1,476,936	1,824	1,478,745	0.50%	0.54%	06/17/25	1,366,173
Freddie Mac Bond	895,000	890,543	1,824	893,092	0.38%	0.48%	07/21/25	821,731
Fannie Mae Bond	950,000	945,554	1,824	948,011	0.38%	0.47%	08/25/25	869,337
Freddie Mac Bond	1,365,000	1,360,891	1,824	1,363,097	0.38%	0.44%	09/23/25	1,246,107
Fannie Mae Bond	895,000	891,796	1,821	893,434	0.50%	0.57%	11/07/25	817,141
Subtotal U.S. Gov't Sponsored Entities	\$19,065,000	\$19,154,404	_,	\$19,088,181		0.72%		\$17,894,292
Supra-National Agency Bond								
Inter-American Development Bank Notes	\$1,670,000	\$1,668,764	1,096	\$1,669,459	0.50%	0.52%	09/23/24	\$1,578,387
Subtotal Supra-National Agency Bond	\$1,670,000	\$1,668,764	-	\$1,669,459	-	0.52%	· · · <u> </u>	\$1,578,387

Cash and Investment Summary

Month Ended May 31, 2023

	Par	Cost Basis	Term	May	%	% Yield to	Maturity	Market
	Amount	Amount	(Days)	Value	Coupon	Maturity	Date	Value
Investments (continued)								
Municipal Bonds								
CA State Earthquake Authority Taxable Rev	\$195,000	\$195,000	949	\$195,000	1.48%	1.48%	07/01/23	\$194,240
Maryland State GO Bond	250,000	249,930	1457	249,979	0.51%	0.52%	08/01/24	236,718
CA State Dept of Wtr Res	100,000	100,000	1578	100,000	0.56%	0.56%	12/01/24	93,495
Univ. of CA Revenue Bond	90,000	90,326	1764	90,129	0.88%	0.81%	05/15/25	83,797
Univ. of CA Revenue Bond	205,000	205,000	1764	205,000	0.88%	0.88%	05/15/25	190,871
Florida State Board of Admin. Taxable Rev	200,000	201,414	1749	200,615	1.26%	1.11%	07/01/25	184,924
Florida State Board of Admin. Taxable Rev	520,000	520,000	1749	520,000	1.26%	1.26%	07/01/25	480,802
Los Angeles CCD CA Taxable GO Bonds	375,000	375,000	1725	375,000	0.77%	0.77%	08/01/25	345,255
NJ Turnpike Authority	205,000	205,000	1792	205,000	1.05%	1.05%	01/01/26	186,695
Subtotal State and Local Municipal Bonds	\$2,140,000	\$2,141,670		\$2,140,723		0.99%		\$1,996,797
Medium Term Notes								
UnitedHealth Group Inc	\$720,000	\$755,741	1330	\$720,376	3.50%	2.08%	06/15/23	\$719,528
Pfizer Inc	1,260,000	1,276,393	1807	1,262,388	2.95%	2.67%	03/15/24	1,238,121
Amazon Com. Inc.	560,000	559,182	1096	559,742	0.45%	0.50%	05/12/24	534,862
Walmart Inc	1,425,000	1,495,195	1768	1,440,065	2.85%	1.78%	07/08/24	1,393,066
JP Morgan Chase	570,000	570,000	1461	570,000	0.65%	0.65%	09/16/24	561,916
Bank of America	725,000	725,000	1464	725,000	0.81%	0.81%	10/24/24	710,762
John Deere Capital Corp	790,000	770,045	1037	778,666	1.25%	2.17%	01/10/25	746,200
Toyota Motor	315,000	318,078	1724	316,112	1.80%	1.58%	02/13/25	299,466
Toyota Motor	425,000	429,152	1724	426,501	1.80%	1.58%	02/13/25	404,042
Novartis Capital	1,425,000	1,475,744	1743	1,442,577	1.75%	0.98%	02/14/25	1,356,858
JP Morgan Chase	555,000	555,000	1461	555,000	0.82%	0.82%	06/01/25	527,487
Pepsico Inc	1,115,000	1,092,510	1437	1,095,562	3.50%	4.37%	07/17/25	1,086,157
Intel Corp	1,115,000	1,091,474	1449	1,094,624	3.70%	4.60%	07/29/25	1,089,848
JP Morgan Chase	355,000	355,000	1460	355,000	0.77%	0.77%	08/09/25	334,147
Microsoft Corp (Callable)	560,000	543,346	1546	545,361	3.13%	4.28%	11/03/25	543,480
Bristol Myers	349,000	345,524	1606	347,061	0.75%	0.98%	11/13/25	319,051
Bank of America Corp	880,000	880,000	1472	880,000	3.38%	3.38%	04/02/26	845,879
Microsoft Corp (Callable)	1,100,000	1,112,199	1625	1,108,530	2.40%	2.14%	08/08/26	1,043,120
Mastercard Inc	1,705,000	1,621,148	1430	1,630,589	2.95%	4.33%	11/21/26	1,627,893
Target Corp	150,000	149,745	1817	149,814	1.95%	1.99%	01/15/27	137,976
Target Corp	690,000	689,579	1810	689,692	1.95%	1.96%	01/15/27	634,690
Truist Financial Corp	935,000	817,779	2010	837,059	1.13%	3.91%	08/03/27	787,878
Home Depot Inc	1,145,000	1,079,586	1726	1,084,314	2.80%	4.17%	09/14/27	1,073,621
Amazon Inc	1,075,000	1,079,322	1804	1,078,932	4.55%	4.46%	12/01/27	1,082,801
Walmart Inc	1,330,000	1,327,034	1794	1,327,057	4.55%	3.95%	04/15/28	1,313,870
Apple Inc	1,330,000	1,334,190	1819	1,334,157	4.55%	3.93%	05/10/28	1,325,733
Subtotal Medium Term Notes	\$22,604,000	\$22,447,965		\$22,354,179		2.86%		\$21,738,452

Cash and Investment Summary

Month Ended May 31, 2023

	Par	Cost Basis	Term	May	%	% Yield to	Maturity	Market
	Amount	Amount	(Days)	Value	% Coupon	Maturity	Date	Value
					-	· · · · ·		
Subtotal PFM Managed Investment Accounts	\$116,743,000	\$114,995,450		\$115,056,572	-	1.91%		\$109,737,871
Total Investments	\$268,514,727	\$266,767,177		\$266,828,299				\$261,509,598
(Source of Investment Amortized Cost: PFM)					-			
Restricted Deposits								
Investment Pool Accounts								
CAMP - Water Connection Reserves	\$27,655,618	\$27,655,618	N/A	\$27,655,618		5.16%	N/A	\$27,655,618
LAIF - Self Insurance Reserves	6,573,509	6,573,509	N/A	6,573,509	-	2.99%	N/A	6,573,509
Total Investment Pool Accounts	\$34,229,127	\$34,229,127		\$34,229,127	-	4.74%		\$34,229,127
Bond and Note Accounts								
2017A Debt Service Accounts	\$427	\$427	N/A	\$427		0.00%	N/A	\$427
2020A Debt Service Accounts	1	1	N/A	1		0.00%	N/A	1
2020B Debt Service Accounts	36	36	N/A	36		0.00%	N/A	36
2020B Capitalized Interest Account	15,205,744	15,205,744	N/A	15,205,744	-	5.16%	N/A	15,205,744
Total Bond and Note Accounts	\$15,206,208	\$15,206,208		\$15,206,208	-	5.16%		\$15,206,208
2020B Construction Project Account								
LAIF Construction Fund	\$45,299,804	\$45,299,804	N/A	\$45,299,804		2.99%	N/A	\$45,299,804
CAMP Construction Fund	10,918,592	10,918,592		10,918,592	-	5.16%	N/A	10,918,592
Total 2020B Construction Project Accts	\$56,218,396	\$56,218,396		\$56,218,396	-	4.81%		\$56,218,396
CalPERS Deposits								
CERBT Account (OPEB)	\$16,000,000	\$16,000,000	N/A	\$20,195,189		N/A	N/A	\$20,195,189
Subtotal CalPERS Deposits	\$16,000,000	\$16,000,000	,	\$20,195,189	-	,	,	\$20,195,189
CERBT Strategy 2 Performance as of April 30, 2023 based on 1 year net return was	-2.70%							
Escrow Deposits								
W. M. Lyles Construction	\$10,003,810	\$10,003,810	N/A	\$10,003,810		N/A	N/A	\$10,003,810
MNR Construction, Inc	534,822	534,822	N/A	534,822	-	N/A	N/A	534,822
Subtotal Escrow Deposits	\$10,538,632	\$10,538,632		\$10,538,632				\$10,538,632
Total Restricted Deposits	\$132,192,363	\$132,192,363		\$136,387,552	-			\$136,387,552
Total Cash, Investments, and Restricted Deposits as of May 31,2023	\$409,500,805	\$407,753,255		\$412,009,566	-			\$406,690,865

INLAND EMPIRE UTILITIES AGENCY Cash and Investment Summary

Month Ended May 31, 2023

May Purchases

No.	Date	Transaction	Investment Security	Туре	Par Amount Purchased	Investment Yield to Maturity
1	5/1/2023	Buy	US Treasury Note	US Treasury	\$1,200,000	3.600%
2	5/2/2023	Buy	US Treasury Note	US Treasury	2,160,000	3.640%
3	5/2/2023	Buy	US Treasury Note	US Treasury	2,235,000	3.660%
4	5/11/2023	Buy	US Treasury Note	US Treasury	625,000	3.520%
5	5/18/2023	Buy	Walmart Inc Corporate Note	Corporate	1,330,000	3.950%
6	5/18/2023	Buy	Apple Inc Corporate Note	Corporate	1,330,000	3.930%
				Federal Agency Mortgage-		
7	5/24/2023	Buy	FHMS K061 A2	Backed Security	790,000	4.310%
			Total Purchases	_	\$ 9,670,000	

May Investment Maturities, Calls & Sales

5		,			Par Amount	Investment
No.	Date	Transaction	Investment Security	Туре	Matured/Sold	Yield to Maturity
1	5/2/2023	Sale	US Treasury Note	US Treasury	\$1,825,000	2.520%
2	5/2/2023	Sale	US Treasury Note	US Treasury	2,525,000	2.520%
3	5/11/2023	Maturity	Apple Inc Corporate Note	Corporate	565,000	0.840%
4	5/18/2023	Sale	Fannie Mae Note	Federal Agency Bond	855,000	2.920%
5	5/18/2023	Sale	Fannie Mae Note	Federal Agency Bond	1,820,000	3.080%
6	5/24/2023	Sale	US Treasury Note	US Treasury	790,000	0.340%
			Total Maturities, Calls & Sales		\$ 8,380,000	-

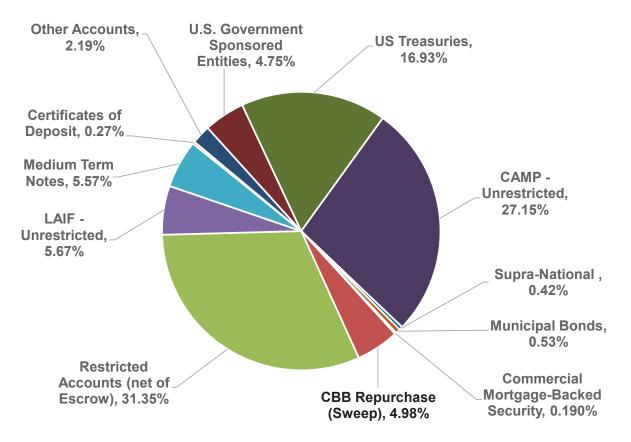
INLAND EMPIRE UTILITIES AGENCY Cash and Investment Summary

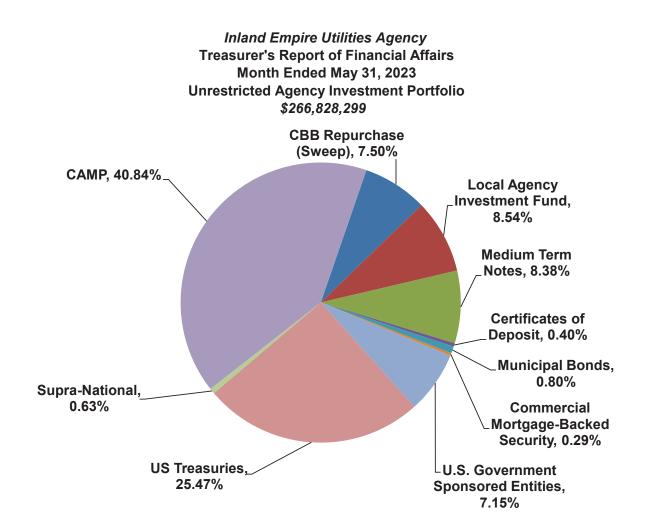
Month Ended May 31, 2023

Directed Investment Category	Amount Invested	Yield
CBB Repurchase (Sweep)	\$20,010,337	0.100%
LAIF - Unrestricted	22,779,306	2.993%
CAMP - Unrestricted	108,982,084	5.160%
Brokered Certificates of Deposit	1,065,000	5.440%
Medium Term Notes	22,354,179	2.861%
Commercial Mortgage-Backed Security	765,837	4.310%
Municipal Bonds	2,140,723	0.986%
Supra-National Bonds	1,669,459	0.520%
US Treasury Notes	67,973,193	1.908%
U.S. Government Sponsored Entities	19,088,181	0.719%
Total Investment Portfolio	\$266,828,299	
Investment Portfolio Rate of Return		3.193%
Restricted/Transitory/Other Accounts	Amount Invested	Yield
CalPERS OPEB (CERBT) Account	\$20,195,189	N/A
CAMP Restricted Water Connection Reserve	27,655,618	5.160%
LAIF Restricted Insurance Reserve	6,573,509	2.993%
US Bank - 2017A Debt Service Accounts	427	0.000%
US Bank - 2020A Refunding Bond Accounts	1	0.000%
US Bank - 2020B Revenue Note Accounts	15,205,780	5.160%
US Bank - Pre-Investment Money Market Account	5,718,901	4.520%
LAIF Construction Account	45,299,804	2.993%
CAMP Construction Account	10,918,592	5.160%
Citizens Business Bank - Demand Account	2,961,973	N/A
Citizens Business Bank - Workers' Compensation Account	110,591	N/A
Citizens Business Bank - Payroll Account	0	N/A
Other Accounts*	2,250	N/A
Escrow Account	10,538,632	N/A
Total Restricted/Transitory/Other Accounts	\$145,181,267	
Average Yield of Other Accounts		4.118%
Total Agency Directed Deposits	\$412,009,566	

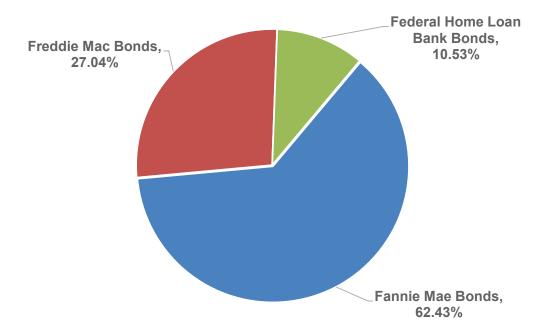
*Petty Cash

Inland Empire Utilities Agency Treasurer's Report of Financial Affairs Month Ended May 31, 2023 Agency Investment Portfolio (Net of Escrow Accounts) \$401,470,934

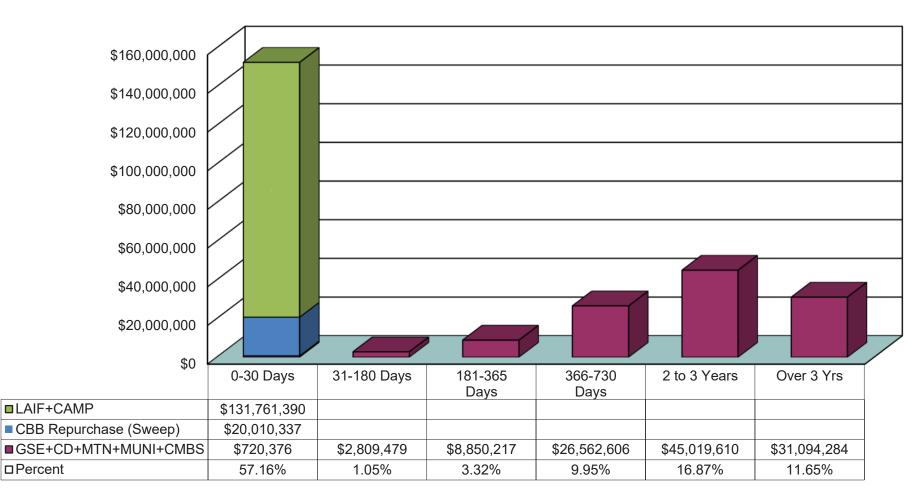


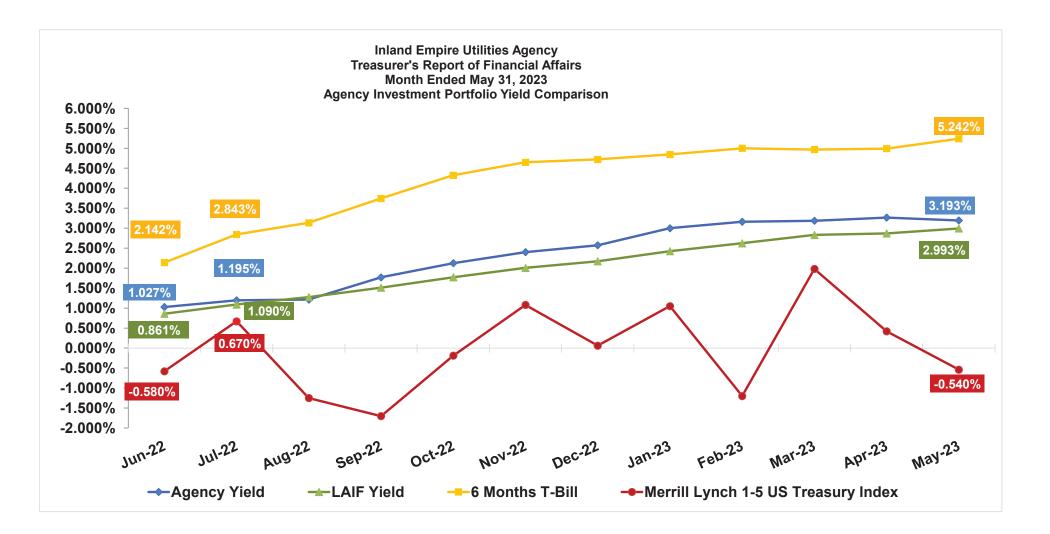


Inland Empire Utilities Agency Treasurer's Report of Financial Affairs Month Ended May 31, 2023 U.S. Government Sponsored Entities Portfolio \$19,088,181



Inland Empire Utilities Agency Treasurer's Report of Financial Affairs Month Ended May 31, 2023 Agency Investment Portfolio Maturity Distribution (Unrestricted) \$266,828,299







Treasurer's Report of Financial Affairs for the Month Ended May 2023

Alex Lopez Acting Treasurer July 2023

Agency Liquidity

- Increase in Cash, Investment, and Restricted Deposits is primarily due to property tax receipts.
- Decrease in Investment Portfolio Yield primarily due to lower yields in US Government Sponsored Entities and Citizens Business Bank Daily Repurchase account.

Description	May \$ Millions	April \$ Millions	Increase / (Decrease) \$ Millions
Investment Portfolio	\$266.8	\$266.7	\$0.1
Cash and Restricted Deposits	\$145.2	\$143.4	\$1.8
Total Investments, Cash, and Restricted Deposits	\$412.0	\$410.1	\$1.9
Investment Portfolio Yield	3.193%	3.266%	(0.073)
Weighted Average Duration (Years)	1.38	1.13	0.25
Average Cash on Hand (Days)	334	324	10

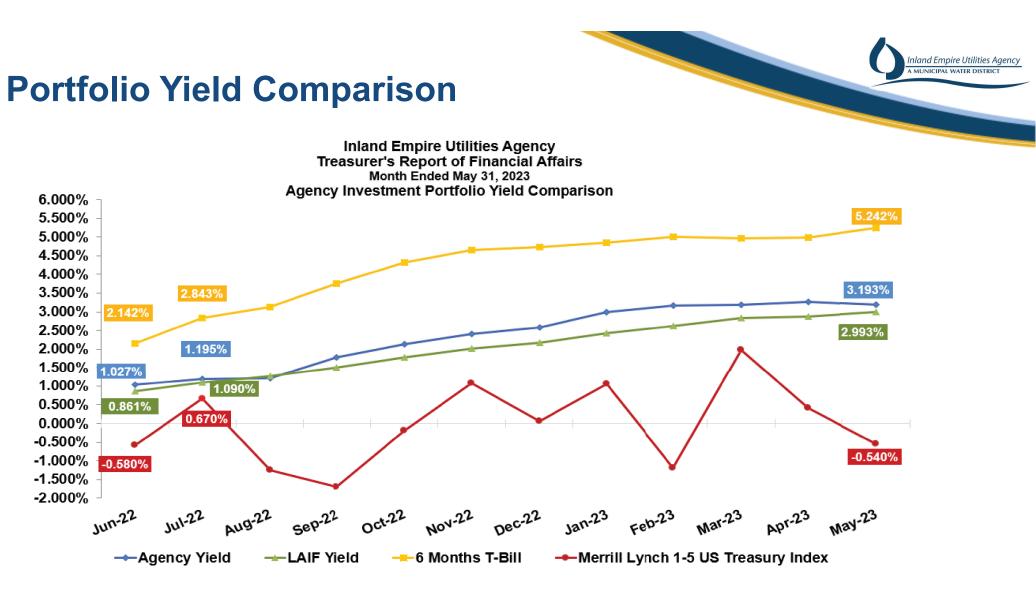
Monthly cash and investment summaries available at: <u>https://www.ieua.org/read-our-reports/cash-and-investment/</u>

Inland Empire Utilities Agency



Authorized Investments	Allowable Threshold (\$ million or %)	Under 1 Year	1 – 3 Years	Over 3 Years	Total	Average Yield %	Portfolio % (Unrestricted)
Local Agency Investment Fund	\$75	\$22.8	\$0.0	\$0.0	\$22.8	2.993%	8.54%
California Asset Management Program	n/a	109.0	0.0	0.0	109.0	5.160%	40.84%
Citizens Business Bank – Sweep	40%	20.0	0.0	0.0	20.0	0.100%	7.50%
Sub-Total Agency Managed		\$151.8	\$0.0	\$0.0	151.8	4.168%	56.88%
Brokered Certificates of Deposit (CD)	30%	\$0.0	\$1.1	\$0.0	\$1.1	5.440%	0.40%
Medium Term Notes	30%	2.5	10.6	9.2	22.3	2.861%	8.38%
Federal Agency Mortgage- Backed Security	n/a	0.0	0.0	0.8	0.8	4.310%	0.29%
Municipal Bonds	10%	0.2	1.9	0.0	2.1	0.986%	0.80%
Supranational Bonds	20%	0.0	1.7	0.0	1.7	0.520%	0.63%
US Treasury Notes	n/a	6.2	40.6	21.1	67.9	1.908%	25.47%
US Government Securities	n/a	3.4	15.7	0.0	19.1	0.719%	7.15%
Sub-Total PFM Managed		\$12.3	\$71.6	\$31.1	\$115.0	1.907%	43.12%
Total		\$164.1	\$71.6	\$31.1	\$266.8	3.193%	100.00%

Inland Empire Utilities Agency



INFORMATION ITEM

3K



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Audit

From: Teresa Velarde, Manager of Internal Audit 07/10/23

Manager Contact: Teresa Velarde, Manager of Internal Audit Subject: Fiscal Year 2022/2023 Financial Audit Engagement Communications

Executive Summary:

The Board approved Fiscal Ordinance and other regulatory requirements require that the Agency undergo an annual financial audit. The financial audit must be performed by an independent certified public accountant. The auditors evaluate whether the Agency's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

On March 17, 2021, the Board approved a contract with CliftonLarsonAllen LLP (CLA) to provide Annual Financial and Single Audit Services for the Inland Empire Utilities Agency for the three fiscal years ending June 30, 2021, 2022 and 2023 with options for two additional years.

Attached, are the Scope of Work letters which describe the terms and objectives of the financial audit services with CLA for the Fiscal Year ending June 30, 2023. During the Audit Committee meeting, Mr. Nitin Patel, CPA, Principal with CLA and Ms. Tiffany Fung, CPA, Manager with CLA will provide a presentation about the audit scope and approach, the required auditor communications and information on the new accounting requirements that apply to the Agency.

Staff's Recommendation:

This is an information item.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval: Account/Project Name: N/A

Fiscal Impact (explain if not budgeted):

None, only when additional outside auditing or consulting services are required to provide assistance to IA or fulfill the responsibilities of the Audit Committee. A proposal with proposed fees would be submitted through the Audit Committee for appropriate action. Additionally, some audit projects are intended to identify opportunities for cost containment.

Full account coding (internal AP purposes only): -

- -

Project No .:

Prior Board Action:

On March 17, 2021, the Board approved Contract Numbers 4600003005, for a not-to-exceed amount of \$115,115 with CliftonLarsonAllen LLP, to provide Annual Financial and Single Audit Services for the Inland Empire Utilities Agency for the three fiscal years ending June 30, 2021, 2022 and 2023 with options for an additional two fiscal years.

Environmental Determination:

Not Applicable

Business Goal:

The Annual Financial Statement and Single Audit of the Agency is a requirement per the Agency's approved Fiscal Ordinance and other regulatory requirements and is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing transparent information, ensuring that the financial audit evaluate and promote a strong fiscal control environment and assist the Board in fulfilling their oversight responsibilities over internal controls and financial reporting.

Attachments:

Attachment 1 - Statement of Work - Audit Services - CLA Attachment 2 - Statement of Work - Agreed Upon Procedures - CLA Attachment 3 - CLA Audit Planning PowerPoint



IEUA Statement of Work - Audit Services

May 2, 2023

This document constitutes a statement of work ("SOW") to serve as an addendum to the Master Services Contract Number 4600003005 and 4600003007 made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Inland Empire Utilities Agency ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended June 30, 2023.

Nitin Patel and Kassie Radermacher are responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of Inland Empire Utilities Agency, and the financial statements of the Chino Basin Regional Financing Authority and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The following RSI will be subjected to certain limited procedures, but will not be audited.

- Management's discussion and analysis.
- GASB-required supplementary pension and OPEB schedules.

We will also evaluate and report on the presentation of the following supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole:

- Schedule of expenditures of federal awards.
- Combining and individual fund financial statements and schedules.

Nonaudit services

We will also provide the following nonaudit services:

• Preparation of your financial statements and the related notes for the Chino Basin Regional Financing Authority only.

- · Preparation of schedule of federal awards.
- · Preparation of the Data Collection Form

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe

the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the financial statements or compliance are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

It is our understanding that our auditors' report will be included in your annual report which is comprised of other information, including the introductory and statistical sections, and that your annual report will be issued at the same time as the financial statements. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS, the standards for financial audits contained in *Government Auditing Standards*, and the Uniform Guidance.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

• Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

• Management override of controls.

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, Government Auditing Standards, and the Uniform Guidance. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a single audit. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, Government Auditing Standards, and the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under Government Auditing Standards.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records

and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your

knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers), and for ensuring management information and financial information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed

to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities , internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We expect to begin our interim audit in June 2023 and our final audit in September 2023.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to California State Controller's Office, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies or electronic versions of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the California State Controller's Office. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fees are detailed in the table below, which is inclusive of a technology and client support fee of five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation. Service Professional Fee

Inland Empire Utilities Agency Financial Audit	\$33,000
Inland Empire Utilities Agency Single Audit	\$6,100
Chino Basin Regional Financing Authority Financial Audit	\$4,500

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. For year ended June 30, 2023, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, may require additional audit work if the entity does not appropriately implement the standard. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide to you the services described in this SOW as an addendum to the Master Services Contract Number 4600003005 and 4600003007 46, and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the Master Services Contracts constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your

financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of Inland Empire Utilities Agency.

CLA

CLA Kassie Radermacher

Kassie Radermacher, CPA, CFE, Principal

Client

Inland Empire Utilities Agency

Shivaji Deshmukh

Shivaji Deshmukh, General Manager

CLA litin Patel

Patel, Nitin, Principal

OUTLAW

Certificate of completion

IEUA Statement of Work - Audit Services

Parties: 2

Certificate pages: 1

TimeZone: America/Los_Angeles

Client (Party)

Shivaji Deshmukh

sdeshmukh@ieua.org

User ID: xT1CT2hSWFOvNwcHSBDakFzRwbf2

Pages: 13 Variables: 171 Audit log pages: 0

Outlaw ID: -NSIR2AmDbaDz5iQyjrM

Signature

Signing location: On platform

Status: Done Secrets: 0

Attachments: 0

Timestamp

Timestamp Viewed: 5/15/2023, 1:32:27 PM PDT

Signed: 5/15/2023, 1:32:45 PM PDT

Shivaji Deshmukh

Electronic record and signature disclosure

CLA (Party)

Kassie Radermacher, CPA, CFE

kassie.radermacher@claconnect.com

User ID: aGcBM1Y3quMvyh20JexbFUbNa0w2

Electronic record and signature disclosure

Patel, Nitin

nitin.patel@claconnect.com

User ID: t4kLGVCdhmPGWDBR19nRpyX4RAz1

Electronic record and signature disclosure

IP Address: 136.226.66.207

Signature

Signing location: On platform

Kassie Radermacher

IP Address: 136.226.66.209

Signing location: On platform

Viewed: 5/15/2023, 12:00:03 PM PDT Signed: 5/15/2023, 12:00:41 PM PDT

Viewed: 5/15/2023, 1:18:08 PM PDT

Signed: 5/15/2023, 1:21:05 PM PDT





IEUA Statement of Work - Agreed-upon Procedures

May 2, 2023

This document constitutes a statement of work ("SOW") that serves as an addendum to the Master Services Contract Number 4600003005 made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and Inland Empire Utilities Agency ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended June 30, 2024.

Nitin Patel and Kassie Radermacher are responsible for the performance of the agreed-upon procedures engagement.

Scope, objective, and responsibilities

We will apply the agreed-upon procedures which Inland Empire Utilities Agency and the League of California Cities (as presented in the League Publication entitled "Article XIII⊠ B Appropriation Limit Uniform Guidelines") has specified and agreed to, listed in the attached schedule, to Appropriation Limit Worksheet No. 6 of Inland Empire Utilities Agency as of or for the year ended June 30, 2024. Inland Empire Utilities Agency is responsible for Appropriation Limit Worksheet No. 6.

Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require us to be independent of the entity or responsible party, as applicable, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our engagement. Inland Empire Utilities Agency agrees to and acknowledges the procedures performed or to be performed are appropriate for the intended purpose of meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The intended users of the agreed-upon procedures report are Board of Directors and management of Inland Empire Utilities Agency. Intended users in addition to Inland Empire Utilities Agency may be requested to agree to the procedures and acknowledge that the procedures performed are appropriate for the intended purpose. Consequently, we make no representation regarding the appropriateness of the procedures enumerated in the attached schedule either for the purpose for which this report has been requested or for any other purpose. The intended users assume the risk that such procedures might be inappropriate for the intended purpose and the risk that they might misunderstand or otherwise inappropriately use findings properly reported by CLA.

Our responsibility is to perform the specified procedures and report the findings in accordance with the attestation standards. Because the agreed-upon procedures listed in the attached schedule do not constitute an examination, audit, or review, we will not express an opinion or conclusion on the Appropriation Limit Worksheet No. 6. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

At the conclusion of the engagement, you agree to provide a written representation letter that includes your agreement and acknowledgement that the procedures performed are appropriate for the intended purpose of the engagement and, if applicable, that you have obtained from necessary other parties their agreement to the procedures and acknowledgement that the procedures performed are appropriate for their purposes.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. This report is intended solely for the information and use of Board of Directors and management of Inland Empire Utilities Agency, and should not be used by anyone other than the specified parties. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report and withdraw from this engagement. Our report will include a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the Appropriation Limit Worksheet No. 6 that come to our attention, unless they are clearly inconsequential. In addition, if, in connection with this engagement, matters come to our attention that contradict the Appropriation Limit Worksheet No. 6, we will disclose those matters in our report. Such disclosures, if any, may not necessarily include all matters that might have come to our attention had we performed additional procedures or an examination or review.

Management is responsible for providing us with (1) access to all information of which you are aware that is relevant to the Appropriation Limit Worksheet No. 6 and the agreed-upon procedures, such as records, documentation, and other matters, and for the accuracy and completeness of that information; (2) additional information that we may request for the purpose of performing the agreed-upon procedures; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing the procedures. You agree to inform us of events occurring or facts discovered subsequent to the date of the Appropriation Limit Worksheet No. 6 that may affect the Appropriation Limit Worksheet No. 6.

Engagement administration and other matters

A list of information we expect to need for the engagement and the dates required will be provided in a separate communication.

CLA will not disclose any of your confidential, proprietary, or privileged information to any persons without the authorization of your management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us. Our engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Fees

Our professional fees is included in the audit fee for Inland Empire Utilities Agency. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation.

Agreement

We appreciate the opportunity to be of service to you and believe this SOW accurately summarizes the significant terms of our engagement. This SOW and Master Services Contract Number 4600003005 constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this SOW, please sign, date, and return the enclosed copy to us.

Sincerely,

CliftonLarsonAllen LLP

CLA

CLA Kassie Radermacher

Kassie Radermacher, CPA, CFE, Principal

Client

Inland Empire Utilities Agency

Shivaji Deshmukh

Shivaji Deshmukh, Principal

CLA litin Patel

Patel, Nitin, Principal

Schedule of Procedures to be Performed

1. We will obtain the completed Worksheet No. 6 for the year ended June 30, 2024, and compare the limit and annual adjustment factors included in that worksheet to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors. We will also compare the population and inflation options included in the aforementioned worksheet to those that were selected by a recorded vote of the Board of Directors.

2. For the Appropriations Limit Worksheet No. 6, we will add last year's limit to the total adjustments, and compare the resulting amount to this year's limit. We will also recalculate the adjustment factor and the adjustment for inflation and population, and compare the results to the amounts on Worksheet No. 6.

3. We will compare the prior year appropriations limit presented in the Appropriations Limit Worksheet No. 6 to the prior year appropriations limit adopted by the Board of Directors for the prior year.

Certificate of completion

IEUA Statement of Work - Agreed-upon Procedures

Parties: 2 Certificate pages: 1 Certificate pages:

TimeZone: America/Los_Angeles

Client (Party)

Shivaji Deshmukh

sdeshmukh@ieua.org

User ID: xT1CT2hSWFOvNwcHSBDakFzRwbf2

Electronic record and signature disclosure

CLA (Party)

Kassie Radermacher, CPA, CFE

kassie.radermacher@claconnect.com

User ID: aGcBM1Y3quMvyh20JexbFUbNa0w2

Electronic record and signature disclosure

Patel, Nitin

nitin.patel@claconnect.com

User ID: t4kLGVCdhmPGWDBR19nRpyX4RAz1

Electronic record and signature disclosure

Variables: 190

Pages: 4

Audit log pages: 0

Outlaw ID: -NSICWzrLRzIS-Bg23Lr

Signature IP Address: 47.176.186.68

Signing location: On platform

Shivaji Deshmukh

Status: Done Secrets: 0

Attachments: 0

Timestamp

Viewed: 5/15/2023, 1:31:06 PM PDT

Signed: 5/15/2023, 1:31:32 PM PDT

Timestamp

Viewed: 5/15/2023, 12:02:35 PM PDT

Signed: 5/15/2023, 12:04:19 PM PDT

Signature
IP Address: 136.226.66.207

Signing location: On platform

Kassie Radermacher

IP Address: 136.226.66.209

Signing location: On platform

Nitin Patel

Viewed: 5/15/2023, 1:01:32 PM PDT

Signed: 5/15/2023, 1:17:01 PM PDT

OUTLAW



Inland Empire Utilities Agency Planning Presentation to Audit Committee

Fiscal Year 2022-2023

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Outline

- Scope of services for year ending June 30, 2023
- GASB Standards
- Auditor' responsibilities
- Planned scope and timing



Scope of Service

- Audit of the annual financial statements for the Inland Empire Utilities Agency and Chino Basin Regional Financing Authority for the year ending June 30, 2023, in accordance with Generally Accepted (US) and Governmental Auditing Standards
- Audit of federal grant expenditures under the Uniform Guidance
- Agreed-Upon-Procedures related to the Agency's calculation of the GANN limit



GASB Standards

 GASB 96 – Subscription-Based information Technology Arrangements







Auditor's Responsibilities

- Forming and expressing opinions on whether the financial statements prepared by management are fairly presented in all material respects in conformity with generally accepted accounting principles
- Planning and performing the audit to obtain reasonable assurance whether the financial statements are free of material misstatements





Auditor's Responsibilities

- Examining in accordance with the Uniform Guidance about the Agency's compliance applicable to each of the major federal program for the purpose of expressing an opinion on the Agency's compliance with those requirements
- Communicating significant matters related to the financial statement audit that in our judgement are relevant to your responsibilities in overseeing the financial statement process





Planned scope and timing of audit

- Audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statements: therefore, our audit will involve judgement about the number of transactions to be examined and areas to be tested
- Material misstatements may result from:
 - Errors
 - Fraudulent financial reporting
 - Misappropriation of assets
 - Violations of laws or government regulations that are attributable to the Agency or to acts by management or employees acting on behalf of the Agency





Planned scope and timing of audit

- Communicate significant findings and internal controls matters that are required to be communicated at the conclusion of the audit
- Timing of work to be finalized with management
 - Interim fieldwork June 2023
 - Final fieldwork September 2023
 - Report issuance December 2023





Nitin Patel, CPA nitin.patel@claconnect.com

WEALTH ADVISORY | OUTSOURCING AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

INFORMATION ITEM

3L



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Audit

From: Teresa Velarde, Manager of Internal Audit 07/10/23

Manager Contact: Teresa Velarde, Manager of Internal Audit **Subject:** Large and Heavy-Duty Equipment and Vehicles Audit

Executive Summary:

IA completed the Large and Heavy-Duty Equipment and Vehicles Audit. The purpose of the audit was to evaluate the physical existence and condition, record-keeping, and internal controls over the large and heavy-duty assets. Additionally, to identify opportunities to improve operations. The audit found that Facilities & Water Systems Program manages 23 large and heavy-duty equipment and vehicles. The audit identified observations and provides 18 recommendations. IA recommends routine inspections be performed to identify items that require attention, for example the condition and safety of the assets. IA also recommends periodic reconciliations of all asset records be performed periodically to identify and resolve differences to ensure the financial statements represent the Agency's assets. IA also recommends updated and improved processes for recording and capitalizing assets to ensure compliance with accounting rules that require assets are capitalized when placed in operation. Accounting and Facilities should to work together to ensure the Agency is in compliance with accounting and capitalization best practices for inventorying, recording and capitalizing assets.

The report attached provides details of the audit observations and recommendations.

Staff's Recommendation:

This is an information item.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): Y Amount for Requested Approval: Account/Project Name: N/A

Fiscal Impact (explain if not budgeted): N/A

Prior Board Action:

On June 15, 2022, the Board of Directors approved the Fiscal Year 2022/23 Annual Audit Plan. The Large and Heavy-Duty Equipment and Vehicles audit scheduled in the Annual Audit Plan.

On December 21, 2022, the Board of Directors approved the Audit Committee and Internal Audit Unit Charters.

Environmental Determination:

Not Applicable

Business Goal:

The Large and Heavy-Duty Equiment and Vehicles audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - Large and Heavy-Duty Equipment and Vehicles Attachment 2 - PowerPoint



6075 Kimball Avenue • Chino, CA 91708 P.O. Box 9020 • Chino Hills, CA 91709 TEL (909) 993-1600 • FAX (909) 993-1985 www.ieua.org

DATE: June 2, 2023

TO: Shivaji Deshmukh General Manager

Teresa Delanda.

FROM: Teresa V. Velarde Manager of Internal Audit

SUBJECT: Large and Heavy-Duty Equipment and Vehicles Audit

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Unit (IA) has performed an audit of the Agency's large and heavy-duty equipment and vehicles. The audit was performed under the authority given by the Board of Directors in the approved Fiscal Year (FY) 2022-2023 Annual Audit Plan and IA's Charter.

Audit Objectives

The objective of the Large and Heavy-Duty Equipment and Vehicles Audit was to evaluate the various processes and determine whether operations are in accordance with established Agency policies. Additionally, to evaluate the internal controls in place and the procedures to record, inventory, safeguard, and inspect the Agency's large and heavy-duty equipment and vehicles. Lastly, to identify opportunities to improve operations.

The specific audit objectives were to:

- Evaluate the processes for recording, safeguarding, and managing large and heavy-duty equipment and vehicles
- Evaluate how the purchase and value of large and heavy-duty equipment and vehicles are recorded in the Agency's Annual Comprehensive Financial Report (ACFR)
- Determine if Standard Operating Procedures (SOPs) are established and followed
- Evaluate internal controls over assignments, inventory, and inspections
- Perform a physical observation of the assets
- Verify if periodic inventories and reconciliations are performed
- Evaluate the use of technology and reporting tools
- Identify opportunities for improvements

Large and Heavy-Duty Equipment and Vehicles Audit June 2, 2023 Page 2 of 24

Audit Results – Executive Summary

As of April 2023, Facilities & Water System Program Unit (Facilities) manages 23 large and heavy-duty equipment and vehicles, including the purchasing, tracking, maintenance, inventory, and disposal processes. The audit identified opportunities to improve internal controls. The attached report provides the details of the observations and the 18 audit recommendations, the points below provide a summary:

- Periodic observations are necessary: IA performed physical inspections of the large and heavy-duty equipment and vehicles under the responsibility of Facilities. Currently, Facilities does not complete inspections to review the condition of the large and heavy-duty equipment and vehicles. IA identified items that require attention and recommends routine inspections (details in the report).
- Periodic reconciliations are necessary: There is no current process in place to reconcile the various asset listings for heavy equipment and vehicles, from Finance and Facilities. Several assets could not be reconciled because there was not one key identifying piece of information consistent across all reports and not all items are recorded on all lists. The lists do not match, and it is not possible to determine the actual assets of the Agency.
- <u>Recording and capitalization should be reviewed and verified</u>: Currently, the large and heavy-duty equipment and vehicles are recorded and capitalized after the established capital project, that the assets were budgeted and purchased under, is closed, instead of when the asset is placed in operation. This impacts the Agency's financial statements and the Agency's compliance with accounting requirements.

Acknowledgements

IA would like to extend our appreciation to staff who assisted us during this review, including staff from the following units/departments: Finance, Facilities, and Planning & Resources. The observations and recommendations in this report were shared with each of the respective units on May 23, 2023, their comments have been considered and where possible their responses have been incorporated. IA looks forward to the continued collaboration.

The Large and Heavy-Duty Equipment and Vehicles audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

TV:sn:dp

Background Information

Fixed assets (also capital assets or property, plant, and equipment) are any tangible assets with a useful life of more than one year and used in the operations of the organization, examples include land, buildings and facilities, machinery, equipment, furniture, vehicles, computer equipment, etc. Additionally, the type and quantity of fixed assets purchased are unique to each organization, and the recording and treatment must follow accounting principles and any regulatory guidelines.

The Agency owns and operates five water recycling treatment facilities to provide wastewater and water services, convert waste into compost, and generate energy from renewable sources. To support the day-to-day operations of its treatment plants and facilities, the Agency purchases various fixed assets, and certain types of fixed assets fall under the Agency's Fleet Management Program.

Fleet Management Program

Facilities oversees the Agency's Fleet Management Program, and includes assets such as autos, trucks and large and heavy-duty equipment and vehicles. For the Agency's Fleet Management Program, Facilities is responsible for purchase, inventory, inspection, maintenance, safeguarding, replacement, and disposal of the vehicles and large and heavy-duty equipment.

Prior Audit Report

The focus of this audit report is on the **Agency's large and heavy-duty equipment and vehicles** that fall under the responsibility of the Facilities. Autos and trucks were previously reviewed under a separate internal audit in 2021. Through this review IA will follow-up on the one outstanding audit recommendation related to reconciliation of asset records. For the vehicle audit reports, IA defers readers to those reports that are available on the Agency's intranet or can be requested from the Manager of Internal Audit.

Definition of Large & Heavy-Duty Equipment and Vehicles

The Planning & Resources Unit (P&R) provided the definition for large and heavy-duty equipment and vehicles: Specialized vehicles or equipment that are designed for a specific purpose and used to perform material transportation, construction, or maintenance activities outside of general transportation purposes. These vehicles or equipment can be driven on the public streets (as applicable). Examples could include forklifts, manlift, trailers, cranes, backhoe loaders (and/or loaders of any kind), dozers, excavators, generators, motor grader, dump trucks and so on.

This specialized equipment and vehicles are utilized at the Agency's treatment plants and the Inland Empire Regional Composting Authority. According to Facilities and P&R, the Agency has several different types of large, movable, and heavy-duty equipment and vehicles that can be categorized into the following sections:

Large and Heavy-Duty Equipment and Vehicles Audit June 2, 2023 Page 4 of 24



*Source: Planning & Resources, provided on March 22, 2023.

Referencing the picture above, the table below outlines the categories of equipment, provides examples or descriptions of the type of equipment that fall within the category, and the responsible Agency Unit or Department for the use of each. Facilities is responsible to oversee the use of equipment in the categories of: **On-Road Diesel**, **Off-Road LSI**, and **Autos & Trucks**. Portable and Off-Road Diesel are the responsibility of other Agency units/departments.

IEUA Large and Heavy-duty Equipment and Vehicles			
Types of Facility Equipment	Unit/Department Responsible		
Portable Equipment	quipment generators, trailers		
On-Road Diesel ⁽²⁾	dump truck, water truck, gapvax truck	Facilities	
Off-Road Large Spark Ignition ⁽³⁾	forklifts, cranes, manlifts	Facilities	
Off-Road Diesel (ORD) tractors, backhoes, loaders, dozers, excavators, and/or aerial lifts, off-road vehicles		IERCA ⁽¹⁾	
Autos & Trucks vehicles and trucks		Facilities	

(1) IERCA = Inland Empire Regional Composting Authority

(2) On-Road Diesel are equipment and vehicles that can be driven on the public streets, diesel fueled and has gross vehicle weight rating greater than 14,000 pounds.
 (3) Large Spark Ignition (LSI) are gas, propane, or compressed natural gas (CNG) fueled vehicles or equipment with 25 horsepower or more and greater than 1 liter displacement

Annually, P&R is required to report the Agency's large and heavy-duty specialized equipment that are considered Off-Road LSI and Off-Road Diesel to the California Air Resources Board (CARB). Reporting includes confirming the list of Agency equipment, and the number of hours each was used in order to be considered low-use equipment.

Inventory Management

Facilities uses Fleetistics (an on-board diagnostic system) to track, manage and monitor equipment and vehicles under their responsibility as part of the Agency's Fleet

Large and Heavy-Duty Equipment and Vehicles Audit June 2, 2023 Page 5 of 24

Management Program. The Fleetistics trackers provide real-time data on use, maintenance, mileage (when applicable), and location of the asset. Two types of trackers were installed:

- Geotab G09 GPS+ Telematics (autos & trucks), and
- Solar-Power Asset Tracker (large and heavy-duty equipment or vehicle)

Below is an example of the Solar-Power Asset Tracker installed on an Agency forklift:



Financial Reporting of the Large and Heavy-duty Equipment and Vehicles

In the Agency's Annual Comprehensive Financial Report (ACFR), capital/fixed assets are reported on the Agency's *Statement of Net Position* under the Assets section in the lineitem **Capital Assets, net of accumulated depreciation**. Note 7 of the Basic Financial Statements provides additional information about the Agency's *Change in Capital Assets*. Per Note 7, Total Capital Assets being depreciated were valued at \$1,101,997,860 with a Total Net Book Value of \$508,486,481 on June 30, 2022. Of the \$1.1 billion, equipment consists of \$283,239,374 (net book value \$65,365,581), which is made of up of items such as Computer Equipment (97%), Office Furniture (1.6%) and Autos & Trucks (1.4%), which includes large and heavy-duty equipment and vehicles.

Information specific to the costs and value of the large and heavy-duty equipment and vehicles: IEUA Only

FY 2021/22				
Type of Equipment	Acquisition Cost	Accumulated Depreciation	Book Value	
Total Equipment	\$283,239,374	\$(217,873,794)	\$65,365,580	
Autos & Trucks	\$3,915,904	\$(3,507,658)	\$408,246	
Large and Heavy-duty Equipment and Vehicles	\$1,749,632	\$(1,464,713)	\$284,919	

*Source: Agency's financial system (SAP) and Annual Comprehensive Financial Report (ACFR)

Large and Heavy-Duty Equipment and Vehicles Audit June 2, 2023 Page 6 of 24

Inspections

Safety staff, within the Human Resources Department, perform annual inspections of the Agency's facilities. As part of those inspections, Safety staff may perform informal inspections on large and heavy-duty equipment and vehicles.

Agency staff who are authorized to operate the large and heavy-duty equipment and vehicles perform inspections prior to operating the equipment or vehicle. Additionally, staff are required to be certified to be able to operate and use the large and heavy-duty equipment or vehicle, such as forklifts, cranes, etc.

Each category of equipment has their own specific inspection. For example, cranes and fire extinguishers are required to have an annual inspection. Cranes are inspected by a contractor, and the inspection tag is documented by the contractor.

Policy, Standard Operating Procedures (SOPs) and other Guidance

Guidance related to large and heavy-duty equipment and vehicles:

Type of document	Number	Name/Title	Effective date/ Revision date
Department-specific SOP (Facilities) To onboard and manage large and heavy-duty specialized equipment and vehicles	No number assigned Documented by GHD	Process Mapping – Fleet Acquisition & Retirement Workflow (documented by GHD Advisory)	02/21/23
Agency Policy	A-25	Disposal of Surplus Agency Personal Property, Materials and Equipment	09/01/06
Department-specific SOP (Finance/Accounting)	FA PR-01	Policy of Tangible and Intangible Assets – SAP FY 20/21	07/01/20
California Code of Regulations sections (CARB)	California Code of Regulations sections 2449, 2249.1, 2449.2 and 2449.3 in title 13, article 4.8, chapter 9	Final Regulation Order General Requirements for In-Use Off-Road Diesel-Fueled Fleets	Effective 6/15/2008, Revised 12/14/2011
California Code of Regulations sections (CARB)	California Code of Regulations sections 2775, 2775.1, and 2775.2, title 13, chapter 15, article 2	Final Regulation Order Large Spark-Ignition Engine Fleet Requirements Regulation	Effective 5/12/2007 Revised 6/20/2017

Observations and Recommendations

The table that follows provides a list of internal audit observations and recommendations, along with the results of the review of the one open recommendation from 2021.

Observation/Finding	Recommendations	Impact/Effect of the Recommendation		
Recommendations for Facilities:				
 Results of Physical Observations On April 5, 2023, IA was accompanied by Facilities staff to perform physical observations on a sample of 17 large and heavy-duty equipment and vehicles selected for review. For the 17 items, IA's physical inspections noted items that require attention: See Table 1 on page 15 for the details of the inspections. Unable to locate asset: 1 forklift could not be located; inspection could not be performed (VQUI 0810). Untidy/Cleanliness: 1 truck had empty plastic bottles left inside, interior vehicle cleanliness not acceptable (VQUI 1102). Fire Extinguisher annual maintenance was not Current: 1 forklift, the tag on the fire extinguisher showed the "annual maintenance performed" was last in October 2020 (VQUI 0806). Inspection tag Ink/Writing has disappeared: 1 Genie Lift, ink and writing on Inspection Tag is no longer legible (VQUI 0804). Inspection tag Writing has become faded and no longer legible: 1 Crane, the All-American Crane (VQUI 8810). Asset not yet recorded: 1 Genie Lift, asset observed during inspection, but has not yet been recorded in the financial records (VQUI 2301). IEUA logo is outdated and peeling off: 1 Flatbed (VQUI 8908). No asset identifier or missing letter on the Asset Identifying Information did not match: 3 vehicles or equipment, information did not match: 3 vehicles or equipment, information did not match: 4 wicles or equipment, information did not match between the manufacturer tag and Fleetistics, includ	 Facilities should take the lead to perform periodic physical inspections of all large and heavy-duty specialized equipment assigned under their responsibility as part of the Agency's Fleet Management Program. Inspections should evaluate if the vehicles or equipment contain the proper asset tagging or labeling, information is visible and legible on the manufacturer or maintenance tag, fire extinguisher tag is current and if the asset is accounted for. Inspections should be documented. Facilities should remind Agency staff about their responsibilities for keeping and maintaining Agency vehicles and equipment clean and presentable. Facilities may want to provide a list of things that should be maintained to ensure the upkeep of the equipment. 	Physical inspections validate the equipment's existence and evaluate the overall operational condition of the equipment. Additionally, performing periodic observations provides the opportunity to verify the information recorded in the asset lists and financial records.		

 SOP: No definition of Large and Heavy-Duty Specialized Equipment and Vehicles In February 2023, Facilities adopted their department SOP for Process Mapping-Fleet Acquisition & Retirement Workflow related to the acquisition and retirement of assets. According to Facilities, this SOP applies to both vehicles and large and heavy-duty equipment and vehicles. IA reviewed the SOP and throughout the document it references "fleet" or "vehicle", but there is no specific definition for large, heavy-duty, or specialized equipment and vehicles. Vehicles are generally known as automobiles, sedans, and trucks, while the large and heavy-duty vehicles or equipment are specialized and typically include forklifts, manlifts, cranes, and so on. 	upd Flee Wo the that	ilities should take the lead to late the SOP for Process Mapping- et Acquisition & Retirement rkflow to include definitions for type of vehicles or equipment t are covered by the SOP to ensure re is clarity about the vehicles ered under the SOP processes.	Having established and documented procedures that outlines and defines the specific assets covered, will provide clarity for the process.
 Recordkeeping of Facilities Internal Reports: For large and heavy-duty equipment and vehicles, Facilities maintains the information for these assets in two systems, Fleetistics and SAP Plant Maintenance (PM) module. IA was provided the asset lists from these systems, and reviewed and reconciled the information, and noted the following: SAP PM report for large & heavy-duty equipment - information is not always recorded in these fields: model number, manufacturer and ManufPartNo. No data is recorded in the order column. SAP PM report for forklifts – information is not always recorded in the order column. SAP PM report for forklifts – information is not always recorded in the order column. SAP PM report for forklifts – information is not always recorded in the order and ManufPartNo. No data is recorded in the order and ManufPartNo fields. Additionally, no model number is recorded for VQUI7235 (forklift RP-2). Fleetistics report for forklifts – data in the serial number column is the information for the 11 assets listed in the report. (VQUI 2001, VQUI 2002, VQUI 8810, VQUI 8908, and VQUI 9218). Fleetistics solar unit assigned, not the actual serial number column is the information related to the asset is not recorded, including the asset's serial number, model number or manufacturer number or description. 	revi reco lists PM Faci com ider nec the the faci cum num othe disc	ilities should take the lead to few and perform periodic ponciliations of all internal asset and records, including the SAP module asset list and Fleetistics. ilities should ensure asset lists are pplete and include the asset's ntifying information and all essary details are populated on list. Confirming information after physical observations will litate ensuring information is rent. For example, (i.e., vehicle nber, license plate number or er identifying information). Any crepancies identified should be estigated and resolved mediately.	Having an accurate and complete data in the asset listings provides a record of large and heavy-duty equipment in operation and ensures they have custody and control of the assets purchase by the Agency.

Γ

Recommendations for Accounting			
 <u>Recordkeeping & Review</u> IA reviewed the asset report from the SAP FI module that is maintained by Accounting and noted the following: <u>Vendor Part # column</u>: asset tag numbers (i.e., VQUI or VATV) are not always recorded or recorded incorrectly. Of the 17 large and heavy-duty equipment and vehicles identified under the responsibility of Facilities:	 5. Accounting should the lead to review the asset list from SAP FI module and work with Facilities to ensure all asset identifying information is recorded and updated and to ensure complete information is listed. Information noted as missing or incorrect should be reviewed and updated with the correct information as soon as possible. Discrepancies identified should be investigated and resolved immediately. 5. Accounting should the lead to review tand work with Facilities to ensure all asset identifying information is recorded and updated and to ensure there is accountability of the assets purchased by the Agency. 		
 Reconciliations of asset lists are not performed IA was provided 4 different asset listings for the Agency's large and heavy-duty equipment and vehicles: Fleetistics SAP PM module SAP FI (financial) module Assets report to CARB Using the 4 different asset listings provided, IA attempted to complete a reconciliation of all lists provided to determine completeness, accuracy, and reliability of the reports managed by the different units and departments. IA noted the following: Lists do not match and are difficult to reconcile and cross-check. Lists have empty fields or incorrect information in the designated fields (See Observation above). There is not one common, key identifying piece of information that is the same across all reports. The Asset List that Accounting maintains does not have 	 6. Accounting should take the lead to perform periodic reconciliations of the SAP FI Module asset list against other internal asset lists and records from Facilities, ensure that the asset tag number for each large and heavy-duty equipment is recorded in the SAP FI module to ensure there is one key identifier across all lists. Discrepancies identified should be investigated and resolved immediately. 7. Accounting should periodically share the asset listing for large and heavy-duty equipment and vehicles with Agency departments that manage and report assets and equipment to verify the asset information. The asset listing for large and heavy-duty equipment should be shared at 		
the asset tag number consistently recorded. The asset tag number should be the one similar identifier. Facilities assigns an asset tag number for large and heavy-duty equipment when it places the asset in operation. Begins "VQUI" and proceeds	information can be used to validate the asset's existence and ensures accountability.		

with a number. For example, a forklift located at Regional Plant No. 1 is assigned VQUI1802.		
 Two asset reports from the Agency's ERP system (SAP PM and SAP FI) do not interface with each other and contain different information. 		
• Not all large and heavy-duty equipment and vehicles appear on all the reports or asset listings.		
See page 18 for the detailed results of the reconciliation.		
Useful lives assigned are not consistent withAccounting's SOP of tangible and intangible assetsIA was provided the list of large and heavy-duty	 Accounting should take the lead to review the useful life assigned to the large and heavy-duty equipment and 	Having the correct useful life assigned to
equipment by Accounting (within the Finance Department) as of March 31, 2023. Accounting records and capitalizes any fixed/capital assets purchased by the Agency, in accordance with their department-specific	ensure they are consistently applied across the board. If there are any useful lives assigned that do not follow the capitalization procedures,	the large and heavy-duty equipment or vehicle ensures consistency in applying the information
Standard Operating Procedure (FA PR-01, Policy of Tangible and Intangible Assets).	then Accounting should take the lead to work with the departments to	outlined in the SOP and allows for accurate
IAs review noted 3 assets (or 12.5%) had useful lives assigned that were not consistent with Accounting's SOP (Policy of Tangible and Intangible assets).	evaluate and assign the correct useful life to the asset in accordance with Accounting's SOP and other	calculation of the accumulated depreciation.
See page 21 for the detailed results of the calculation.	accounting guidance.	
Accumulated Depreciation – Variances		
IA was provided the list of large and heavy-duty equipment by Accounting as of March 31, 2023. <i>Depreciation</i> is the process of allocating the cost of the asset over a period of time. For example, automobiles are assigned a 5-year useful life, and the cost is allocated over those 5 years.	 Accounting should take the lead to evaluate the calculation for accumulated depreciation for large and heavy-duty equipment and make any updates to the depreciation amounts/calculation as 	Having the correct useful life assigned to the large and heavy-duty
Each fixed/capital asset should be depreciated according to the useful life assigned in the SOP (FA PR-01, Policy of Tangible and Intangible Assets). SAP automatically calculates the Agency's depreciation for vehicles and	required. Additionally, Accounting should take the lead to review and resolve the differences identified during this review.	equipment or vehicle ensures consistency in applying the information outlined in the SOP and correct and accurate
large and heavy-duty equipment.	10. Accounting should also take the lead	calculation of the
IA performed a recalculation of the depreciation for	to connect with the Agency's External Auditors and determine if	accumulated depreciation.
large and heavy-duty equipment and noted some variances in the accumulated depreciation calculated.	any differences identified with accumulated depreciation impact	
See table on page 22 for the detailed results of the recalculation.	the Agency's financial statements.	
Crystal report in SAP	11. Accounting should take the lead to	
Currently, there is no established process for	work with IT to determine if an auto-	Having a reporting tool for staff to be able to
departments to perform an inventory of assets assigned to them.	generated report or ad-hoc report (such as a Crystal Report) can be developed for Agency units and	run and generate their fixed/capital asset
Facilities does not have access to any asset or inventory	departments to utilize and run and	reports will provide transparency and
reports from the SAP financial (FI) module and must	generate the list of fixed/capital	greater visibility of the
contact Accounting for a list of the capital/fixed assets	assets assigned to their department,	0

assigned to their department. The capital/fixed asset list from SAP (FI) module can be used by the department to perform a periodic reconciliation between SAP financial records and their internal reports.	cost center and under their responsibility. For the purpose of performing a reconciliation against the departments' internal asset list to verify accuracy and ensure completeness of all Agency records.	assets recorded in the financial system.
There is no process or requirement to ensure all assetsare recorded when they are placed in operation asrequired by accounting rules.Fixed/Capital Assets that meet the definition of a fixedasset and criteria for capitalization should be recordedand accounted for as soon as it is placed in service in theAgency's SAP Financial (FI) module. Recording of assetsshould be timely, accurate and complete.During the physical observations, IA noted there was 1forklift (VQUI 2301) that was recently purchased but hadnot yet been recorded in SAP. The reason this asset hasnot yet been recorded is because the project it waspurchased under has not yet been closed.The Agency uses "projects" to plan, budget and purchasefixed/capital assets. The Agency's practice has alwaysbeen to add the fixed assets that were purchased to theSAP Financial (FI) module after the project has beenclosed, not when the asset has been placed intoservice.Projects can be one year or multiple years,depending on the project's needs.	12. Accounting should take the lead to work with Facilities and other Agency departments to communicate and establish a policy and process to ensure all Agency assets are recorded on the financial statements as soon as they are placed into operation, instead of waiting for the project to be closed. Accounting must provide information or education, either create a new form and procedure, and work closely with all departments to monitor asset purchases that require capitalization.	Having a process in place that ensures fixed assets are recorded in the financial system as soon as they have been placed in operation ensures assets are recorded according to accounting rules and financial reporting is accurate and complete.

In the 2021, IA completed a follow up review and provided the following recommendation:

	Prior Recommendations from 2021 Agency Vehicle Operational Follow-Up Audit				
Ne	Prior Audit Recommendation from 2021 Agency Vehicle Operational Follow-Up Audit: Review of Vehicle Inventory Procedures (dated May 27, 2021) 2021 Recommendation Status: NOT IMPLEMENTED - RESTATED HERE in Recommendations 13-18	2023 Vehicle Recommendations 13. Accounting should take the lead and work closely with Facilities to reconcile the vehicle asset records in SAP by resolving differences in the various asset lists.	Good accounting practices require asset records be reconciled periodically through physical observations or inspections to ensure all assets are accounted for and records are verified.		
#1		14. Accounting should take the lead and periodically share the Fixed Asset List Report from the SAP Financial Module with the respective Agency Departments to provide them a list of the vehicles listed as part of the financial asset information and request prompt updates if anything has changed.	Sharing the list will facilitate the reconciliation process. Completing the appropriate forms and		

Facilities Management should work closely with	
FAD to reconcile their internal reports to the	
financial information and resolve differences	
immediately. The departments work together	
to reconcile all internal reports used to track	
assets under their responsibility, perform	
periodic reconciliations, ensure the same	
identifying information identify assets in all	
report and complete all needed documents and	
forms for proper accountability of disposals,	
surplus, new purchases, etc.	

- FAD should and will continue to provide ongoing training and departments should reach out for additional information and guidance.
- Facilities Management should document their own SOP for the process of adding, removing and tracking assets under their custody.

IA performed a reconciliation of the asset listings for vehicles that were provided by Facilities and Accounting. See pages 24-26 for the detailed results of the reconciliation.

- 15. Facilities should take the lead to perform periodic reconciliations of all asset reports, ensure the same identifying information identify assets on all reports. Report updates and changes to Accounting promptly.
- 16. Facilities should take the lead to complete all needed documents and forms to promptly communicate to Accounting any new purchases and disposals. Work with Accounting to determine the appropriate timelines to report changes.
- 17. Accounting should take the lead to provide on-going continuous communication related to the information Accounting staff need to properly set up capital assets in the Agency's financial records and ensure asset records are updated.
- 18. Accounting should take the lead to update or develop a new form and/or process to use when new assets are purchased/added (i.e. vehicles, large and heavy-duty equipment and vehicles, etc.) instead of waiting for a project closure form to be submitted. Submission of the information in a timely manner ensures the Accounting can comply with required accounting rules and ensures the asset records in SAP and the financial statements are accurate.

reporting any new

assets that have been purchased and placed in operation or disposed, ensures information the recorded timely and accurately reflected in the Agency's financial reporting.

It is important for the departments to work together to ensure the financial statements are accurately represented and all accounting rules are followed.

Results of Physical Inspections

IA and Facilities staff performed a physical observation of 17 large and heavy-duty specialized equipment and vehicles. The purpose of the observations and inspections were to verify **physical existence** and **validate operational condition** of the assets. The inspections assessed the exterior and interior of the asset, such as: asset identification labeling (i.e., VQUI, license plate #), equipment usable, secured/locked, seatbelts, body damages (if applicable), warning or manufacturing labels are visible and legible, cleanliness and no loose items in the interior floor, review the operating manual/relevant documents, horn works (if applicable), and review status of the fire extinguisher (if applicable). The details of the results of the inspections are as follows:

Table 1 Summary of IA's physical observations			
Device # Selected from Facilities' List	<u>Asset</u> <u>Description</u>	<u>Location</u> <u>Equipment</u> <u>Inspected</u>	Exceptions noted
Items s	selected from the	Listings/Re	ports provided (Asset Listing to Physical Asset)
VQUI 1802	2018 CLARK FORKLIFT - RP1 OPS	RP-1:	 Asset exists, and observed at the assigned location Fire extinguisher check was conducted and current Inspection tag was present and updated Fleetistics solar unit was attached Asset appears on all three lists
VQUI 1101	RP-1 Genie Lift Z2445/25	RP-1	 Asset exists, and observed at the assigned location Fleetistics solar unit attached <u>Manufacturer tag versus Fleetistics</u>: Extra number included in the license plate field in Fleetistics; description noted Rp-1 Genie Lift Z2445/25. Model number per equipment is Z245/25, not Z2445/25, includes an extra "4" Asset is on Fleetistics and the Financial Module, but not the SAP (PM)
VQUI 0700	TEREX CRANE - FORD L8000	RP-1	 Asset exists, and observed at the location Fleetistics solar unit was attached Asset appears on all three lists License Plate number listed in license plate column/field in Fleetistics does not match the license plate number listed on the actual equipment Fleetistics 495796 Heavy/large Equipment – 1261571 (CA Exempt) Asset tag assigned is VQUI 0700, but on the actual vehicle the letter "V" is missing
VQUI 1102	RECYCLE WATER RESPOND TRUCK	RP-1	 Asset exists, and observed at this location Fleetistics solar unit was attached CA license plate CA1376603 Asset is found on all three reports <u>Untidy/cleanliness:</u> IA observed empty plastic bottles had been left inside the vehicles from the prior use
*VQUI 9218	FORD SAFETY VAN W/GRUMMAN BODY	RP-1	 Asset exists, and observed at this location Fleetistics solar unit was attached Facilities noted this vehicle is out of service because of possible engine leak

VQUI 8908	1989 FORD F- 700 DIESEL (FLATBED)	RP-1	 No license plate information listed in Fleetistics: license plate # per the actual equipment is CA license plate # 380424 IA suggests Facilities update Fleetistics with this information Asset was on Fleetistics report and on PM Plant Maintenance Report but not on FI Financial Module Report (asset in the process of being disposed of) Facilities also noted that they plan to dispose of this vehicle during the next cycle VQUI0250 trailer replaces VQUI9218; VQUI0250 trailer is used for confined spaces & contains all the needed items Asset exists, and observed at the location Fleetistics solar unit was attached No license plate information listed in Fleetistics: License plate number of equipment is 209712. No license plate number listed in Fleetistics with this information IEUA Logo is peeling off and outdated (old logo) Asset was on Fleetistics report and on PM Plant Maintenance Report but not on FI Financial Module Report
VQUI 0201	YALE FORKLIFT (WHSE)	RP-1	 Asset exists, and observed at this location Fleetistics solar unit attached, but not working because there is no sunlight Fire extinguisher was current inspection tag was present and updated Asset is present on the FI Financial Module in SAP and on PM Module (also on Planning's list), but not Fleetistics
VQUI 0806	FORKLIFT - RP1 MAINTENANCE	RP-1	 Asset exists, and observed at its location Forklift dedicated to Maintenance Unit No (Fleetistics) solar unit attached to this forklift. Per Facilities, no solar unit was attached because the forklift is located inside the maintenance shop/building, and the solar unit needs sunlight in order to be able to operate inspection tag was present and updated Fire extinguisher inspection was not current. Last inspection was October 2020. All others were fall of 2022 and should be annually maintained Asset is present on the on PM Module (also on Planning's list), but not Fleetistics and the SAP (FI Module)
VQUI 0810	FORKLIFT – RP1 OPERATIONS	RP-1	• Asset was not located; inspection could not be conducted
		Physical <i>i</i>	Asset to Asset Listings
VQUI 0401	RP-5 FORKLIFT	RP-5	 Forklift was present and could be traced to the Fleetistics list and the SAP list Model information matched Fire Extinguisher was present, and check was updated Asset is found on all three lists
VQUI 0804	Genie Lift	RP-5	Asset exists and observed at the locationAsset contained proper device tagging number

			 All American Crane Maintenance inspection tag writing has disappeared and is not legible Asset is on the Fleetistics list, but not the SAP PM or FI
VQUI 8810	FORD L-8000 DIESEL CRANE	RP-5	 Asset exists and observed at the location Asset contained proper device tagging number Asset is found on all three reports All-American Crane Maintenance tag was completed, but is becoming illegible License Plate does not Match: The License plate number (495796) does not match with the Fleetistics listing
*VQUI 2301	Facilities Genie Lift Model GS3369 DC	RP-5	 Asset is present and matched with the Fleetistics listing but not the SAP listing – appears to be a new asset Asset did not contain the appropriate Device # Tagging yet Facilities noted that this asset was brand new, but this asset was not listed on the SAP (FI module)
VQUI 7235	CAT Forklift	RP-2	 Asset was present and matched in Fleetistics and SAP Asset contained the maintenance inspection tag Asset contained a reviewed Fire Extinguisher Asset did not have the proper device number tagging number tag appears to be an old method for tagging equipment not consistent with current tags and no "V" included Asset was found on Fleetistics and SAP (PM) but is not on the Finance Module
VQUI 9216	Dump Truck	RP-2	 Asset exists and observed at its location Asset is on Fleetistics and the SAP PM module, but not the Finance Module Asset's license number matched with the license number in Fleetistics
VQUI 0400	RP-2 Cal-lift	RP-2	 Asset exists and observed at its location Asset was present and could be traced to Fleetistics and the SAP (PM), but not SAP's FI Asst contained current Fire Extinguisher inspection Asset contained the maintenance inspection tag
VQUI 1103	CCWRF FORKLIFT FG40N	CCWRF	 Asset was present and could be traced to Fleetistics and the SAP (PM), but not SAP's FI Asset contained a current Fire Extinguisher inspection Asset contained the maintenance inspection tag

Results of Reconciliation of the Asset Listings

IA reviewed the asset lists for large and heavy-duty equipment and vehicles maintained by Facilities and compared this information to the asset listings retained in the Agency's financial system, SAP FI (financial) module and SAP Plant Maintenance (PM) module, and assets reported to the CARB. The following was noted:

• SAP FI (financial) module had 17 large and heavy-duty equipment and vehicles (Note: Original list provided had 117 items, but included items that are not considered large and heavy-duty equipment or not managed or under the responsibility of Facilities)

Large and Heavy-Duty Equipment and Vehicles Audit June 2, 2023 Page 16 of 24

- SAP PM module had 23 large and heavy-duty equipment and vehicles
- Fleetistics had 21 large and heavy-duty equipment and vehicles
- **CARB** had **16** large and heavy-duty equipment and vehicles that are reported and broken out into two categories: Off-road Diesel and Large Spark Igniition
 - 1. Compared the listings for large and heavy-duty equipment, **SAP FI (financial) module** to the **SAP Plant Maintenance (PM) module**, both reports generated from Agency's financial system (SAP):

Number	Asset	Make/Model	Vendor Part #	Serial #	Invent #	Acquis. Val.	Acc. Dep	Book Value	Asset Description
1	600687	Not Listed	Not Listed	AX17C00316	04OE04002	\$18,807.76	(\$18,807.76)	\$0	RP2/RP5 FORKLIFT- TOWMOTOR I/C
2	600880	Not Listed	Not Listed	Not Listed	EN91037	88,682.95	(88,682.95)	\$0	CRANES
3	600889	Not Listed	Not Listed	Not Listed	OLD05108	85,538.76	(85,538.76)	\$0	KENWORTH TRUCK/ LOADING EQUIPM
4	600898	Not Listed	Not Listed	Not Listed	OP91037	15,692.71	(15,692.71)	\$0	CATERPILLAR FORKLIFT
5	600963	Not Listed	Not Listed	1FDYW80U8GVA48289	04PA03025	50,735.72	(50,735.72)	\$0	1FDYW80U8GVA48289 U2RP1-CRANE
6	602384	Z45/252W	Not Listed	Z452511A41422	EP10001.99	52,216.76	(35,391.37)	16,825.39	RP1 Boom 45' 2W Genie Manlift
7	602293	TZ34/20DC	VQUI502	TZ3415-1495	EP15002.00	27,356.40	(13,070.28)	14,286.12	RP1 40' Genie Manlift (Boom Lift)
8	604574	1-C40L	Not Listed	169981	EP18002.00	43,262.54	(9,133.20)	34,129.34	RP1 Forklift
9	700124	2013 ARGO 750 HDI	VATV1401	2DGSSOBT9DNP33599	RW14001.00	27,774.84	(27,774.84)	\$0	RP1 2013 Terrain Vehicle w/steel trailer & Spray Unt
10	604620	Not Listed	Not Listed	Not Listed	EN14019.00	138,810.19	(29,304.37)	109,505.82	RP1 Jib Crane
11	601473	Not Listed	Not Listed	Not Listed	EC07002	3,726.75	(3,726.75)	\$0	ER TRAILER ARROW LIGHT BOARD

 11 of the 17 (or 65%) assets selected (large & heavy-duty equipment under Facilites) <u>could not</u> be matched to the SAP PM module, as follows:

- Compared the listings for large and heavy-duty equipment, SAP PM module to SAP FI (finanical) module, both reports generated from Agency's financial system (SAP):
 - 17 of the 23 (74%) assets (large & heavy-duty equipment under Facilites) <u>could not</u> be matched to the SAP FI module:

Number	Equipment	Description	Object type	Model Number	Manufacturer	ManufPartNo.	User Status
1	VQUI0400	TOWMOTOR FORKLIFT - RP5	HVEQ	TGP25	CAL-LIFT	None listed	INUS
2	VQUI0401	2016 CLARK FORKLIFT - RP5	HVEQ	C40L	CLARK	None listed	INUS
3	VQUI0500	MITSUBISHI FORKLIFT - DESALTER	HVEQ	FG25N	MITSUBISHI	None listed	INSU
4	VQUI0800	SCISSOR LIFT *deleted* sent to auction	HVEQ	65700-030	Upright	None Listed	INSU
5	VQUI0806	FORKLIFT - RP1 MAINTENANCE	HVEQ	P6000	CAT	None Listed	INSU
6	VQUI0810	FORKLIFT - RP1 OPERATIONS	HVEQ	P6000	CATERPILLAR	None Listed	INSU
7	VQUI1103	CCWRF 2012 FORKLIFT MITSUBISHI	HVEQ	FG40N	MITSUBISHI	None Listed	INSU
8	VQUI1802	2018 CLARK FORKLIFT - RP1 OPS	HVEQ	C40L	CLARK	None Listed	Not listed
9	VQUI2000	2020 CLARK FORKLIFT - RP4 OPS	HVEQ	C40L	CLARK	SS35014A20	INSU
10	VQUI7201	FORKLIFT - RP-4 (PROPANE)	HVEQ	GP-30	CATERPILLAR	None Listed	INSU
11	VQUI7235	FORKLIFT - RP-2	HVEQ	Not Listed	CATERPILLAR	None Listed	INSU

12	VQUI2001	2020 WESTERN STAR GAPVAX COMBO TRUCK	HVEQ	Not Listed	DAIMLER	None listed	INUS
13	VQUI2101	2101 (DUMPTRUCK)	HVEQ	Not Listed	Not Listed	None Listed	Not Listed
14	VQUI2002	WATER TRUCK FREIGHTLINER	HVEQ	Not Listed	Freightliner	None Listed	INSU
15	VQUI8908	1988 FORD L-8000	HVEQ	Not Listed	Not Listed	None Listed	INSU
16	VQUI9216	1993 INTERNATIONAL 4700 (DUMPTRUCK)	HVEQ	Not Listed	Not Listed	None Listed	INUS
17	VQUI9218	FORD SAFETY VAN W/GRUNMAN BODY	HVEQ	Not Listed	Not Listed	None Listed	INUS

3. Compared the Fleetistics to SAP PM module:

 3 forklifts on the Fleetistics list <u>could not</u> be matched to the SAP PM module list (VQUI 0804, VQUI 1101, VQUI 2301).

4. Compared **SAP PM module** to **Fleetistics**:

 4 forklifts on the SAP PM module list <u>could not</u> be matched to the Fleetistics list (VQUI 0201, VQUI 0806, VQUI 0810, and VQUI 7201).

5. Compared Fleetistics to SAP FI (financial) module):

	Facilites) <u>could not</u> be matched to the SAP FI (financial) module):									
Number	Equipment	Description	Last Stop Address	VIN Number	Serial No.	License Plate (If applicable)				
1	VQUI0400	Rp-2 Cal-lift	RP-2	Not Listed	CY33211C1C0C	N/A				
2	VQUI0401	RP-5 FORKLIFT	RP-5	Not Listed	CY9C20FC96CE	N/A				
3	VQUI0500	CDA FORKLIFT	CDA	Not Listed	CYA120FC93F0	N/A				
4	VQUI0804	Genie Lift	RP-5	Not Listed	CY3F211C1705	N/A				
5	VQUI1103	CCWRF FORKLIFT FG40N	CCWRF	Not Listed	CYA520FC91F2	N/A				
6	VQUI1802	RP-1 FORKLIFT C40L	RP-1	Not Listed	CYA320FC99FC	N/A				
7	VQUI2000	RP-4 FORKLIFT	RP-4	Not Listed	CY9F20FC99C0	N/A				
8	VQUI2301	Facilities Genie Lift Model GS3369	RP-5	Not Listed	CY50211C0D7C	N/A				
9	VQUI7235	CAT Forklift	RP-2	Not Listed	CYA320FCA0C7	N/A				
10	VQUI2001	Gapvax Truck	13050 Marlay Ave, Fontana, CA	5KKHAVDV6LLLU8325	Not Listed	0				
11	VQUI2002	RP-4 Water Truck	RP-4	3ALACXFC2MDMR9455	Not Listed	0				
12	VQUI2101	DUMP TRUCK	RP-4	1FDXF7DC7MDF06137	Not Listed	1614169				
13	VQUI8908	FORD F-700 DIESEL	RP-1	1FDXK74PXKVA37048	Not Listed	0				
14	VQUI9216	(FLATBED) RP-1 Dump Truck	RP-1	1HTSCPMP6PH464649	Not Listed	331434				
14	VQUI9218 VQUI9218	SAFETY VAN	RP-1	1FVACWDU69DAG1003	Not Listed	0				
15	VQUI9218	SAFELT VAN	NP-1	IFVACWD069DAG1003	NOT LISTED	U				

 15 of the 21 (or 71%) assets (large & heavy-duty equipment under Facilites) <u>could not</u> be matched to the SAP FI (financial) module):

6. Compared SAP FI (financial) module to Fleetistics:

 11 of the 17 (or 65%) assets (large & heavy-duty equipment under Facilites) <u>could not</u> be matched to Fleetistics:

Large and Heavy-Duty Equipment and Vehicles Audit June 2, 2023 Page 18 of 24

Number	Asset	Make/Model	Vendor Part #	Serial #	Inventory #	Acqui. Val.	Acc. Dep.	Book Value	Asset Description
1	600639	GLP050RGNU AE	GLP050RG NUAE	A875B1529 4Y	02MM02002	\$22,695.38	\$(22,695.38)	\$0	RP1-Warehouse Forklift
2	600687	Not Listed	Not Listed	AX17C0031 6	04OE04002	18,807.76	(18,807.76)	\$0	RP2/RP5 FORKLIFT- TOWMOTOR I/C
3	600880	Not Listed	Not Listed	Not Listed	EN91037	88,682.95	(88,682.95)	\$0	CRANES
4	600889	Not Listed	Not Listed	Not Listed	OLD05108	85 <i>,</i> 538.76	(85 <i>,</i> 538.76)	\$0	KENWORTH TRUCK/LOADING EQUIPM
5	600898	Not Listed	Not Listed	Not Listed	OP91037	15,692.71	(15,692.71)	\$0	CATERPILLAR FORKLIFT
6	600963	Not Listed	Not Listed	1FDYW80U 8GVA48289	04PA03025	50,735.72	(50,735.72)	\$0	1FDYW80U8GVA48289 U2RP1-CRANE
7	603293	TZ34/20DC	VQUI502	TZ3415- 1495	EP15002.00	27,356.40	(13,070.28)	14,286.12	RP1 40' Genie Manlift (Boom Lift)
8	604574	1-C40L	Not Listed	169981	EP18002.00	43,262.54	(9,133.20)	34,129.34	RP1 Forklift
9	700124	2013 ARGO 750 HDI	VATV1401	2DGSSOBT9 DNP33599	RW14001.00	27,774.84	(27,774.84)	\$0	RP1 2013 Terrain Vehicle w/steel trailer&Spray Unt
10	604620	Not Listed	Not Listed	Not Listed	EN14019.00	138,810.19	(29,304.37)	109,505.82	RP1 Jib Crane
11	601473	Not Listed	Not Listed	Not Listed	EC07002	3,726.75	(3,726.75)	\$0	ER TRAILER ARROW LIGHT BOARD

7. Compared **CARB** to **Fleetistics**:

8 of the 16 (5 off-road diesel and 3 large spark ignition) assets ((large & heavy-duty equipment under Facilites) <u>could not</u> be matched to Fleetistics:

Number	Equipment	Vehicle type	Manufacturer	Model Number	Serial No.
1	VQUI2105	Skid Steer Loads	Case	2V280B	NMM404158
2	VQUI1509	Tractors/Loaders/Backhoes	DEERE	6175R	PE6068U021367
3	VQUI0200	Tractors/Loaders/Backhoes	CATERPILLAR	924G	8XJ02864
4	VQUI0807	Tractors/Loaders/Backhoes	DEERE	210LE	T0210LE882738
5	VQUI9700	Tractors/Loaders/Backhoes	CATERPILLAR	416C	5YN02173
6	VQUI0201	Forklifts	MITSUBISHI	N/A	NS7R47
7	VQUI0806	Forklifts	CATERPILLAR	N/A	AT3400037
8	VQUI7201	Forklifts	CATERPILLAR	N/A	7AM01238

8. Compared CARB to SAP PM module:

6 of the 16 (6 off-road diesel and 0 large spark ignition) assets (large & heavy-duty equipment under Facilites) <u>could not</u> be matched to SAP PM module:

Number	Equipment	Vehicle type	Manufacturer	Model Number	Serial No.
1	VQUI2105	Skid Steer Loads	Case	2V280B	NMM404158
2	VQUI1509	Tractors/Loaders/Backhoes	DEERE	6175R	PE6068U021367
3	VQUI 1101	Aerial Lifts	GENIE	Z-45/25	Z452511A41422
4	VQUI0200	Tractors/Loaders/Backhoes	CATERPILLAR	924G	8XJ02864
5	VQUI0807	Tractors/Loaders/Backhoes	DEERE	210LE	T0210LE882738
6	VQUI9700	Tractors/Loaders/Backhoes	CATERPILLAR	416C	5YN02173

Results of Analysis - Asset Useful Lives & Captitalization

IA reviewed the list of large and heavy-duty equipment provided by Accounting (within the Finance Department) and compared the information to the department's SOP, specifically the useful life assigned to the asset. Listed below are the asset categories that large and heavy-duty equipment would be related to in the SOP, Section 2.03 (Asset life determination), Number 1:

IEUA Fiscal Management Operating Policies and Procedures Handbook Policy of Tangible and Intangible Assets – SAP FY 20/21 Procedure No: FA PR – 01 Revision No. 10 Effective Date: 07/01/20					
Asset Categories	Asset Class	Life in years			
D. Equipment	F170600	5,10, or 15			
G. Automobiles, Trucks, Motorized equipment & trailers	F170700	5			
H. Specialized Equip	F170600-170606	3			

Using the Asset Class assigned, for each large and heavy-duty equipment or vehicle, IA compared the useful life assigned in SAP to the useful life listed in the SOP. IA noted the following differences:

	IEUA Large & Heavy-duty Equipment and vehicles Useful Life Assignments								
Asset ClassAsset NumberAsset descriptionDate CapitalizedUseful Life assigned in SAPUseful Life per SOF 									
F170606	600639	RP-1 Warehouse Forklift	06/30/2002	7 years	3 or 5				
F170700	700030	1988 Ford L-8000 Diesel Crane	9/13/1988	8 years	3 or 5				
F170605	601473	ER Trailer Arrow Light Board	6/30/2007	7 years	3 or 5				

Results of Analysis – Depreciation Calculation

Accounting provided the list of large and heavy-duty equipment as of March 2023. IA reviewed the list and compared the useful life assigned for each individual equipment or vehicle to the department's SOP, and then recalculated the accumulated depreciation using the appropriate useful life and straight-line depreciation method. IA noted the following variances:

	IEUA Large & Heavy-duty Equipment and vehicles Recalculation of Accumulated Depreciation Assets with Differences Only									
Asset Class	Asset Number	Asset description	Date Capitalized	Useful Life assigned in SAP In years	Useful Life per SOP (FA PR- 01) In years	Acquisition Value	Accumulated Deprecation	Book Value (as of 3/31/2023)	Accumulated Depreciation Recalculated by IA	Variance between SAP and Recalculation
F170606	602384	RP1 Boom 45' 2W Genie Manlift	6/30/2013	15	15	\$52,216.76	(\$35,391.37)	\$16,825.39	\$33,940.89	(\$1,450.48)
F170606	604574	RP1 Forklift	6/30/2020	15	15	\$43,262.54	(\$9,133.20)	\$34,129.34	\$7,931.47	(\$1,201.73)
F170700	700175	RP5 Terex Crane	6/30/2020	15	15	\$300,468.89	(\$190,296.97)	\$110,171.92	\$165,257.89	(\$25,039.08)
F170606	604620	RP1 Jib Crane	6/30/2020	15	15	\$138,810.19	(\$29,304.37)	\$109,505.82	\$25,448.53	(\$3,855.84)

Accounting stated that they are evaluating the capitalization calculations and working to resolve and make needed updates. IA will continue to follow up.

Follow up on Prior Internal Audit Recommendations

For the 2021 recommendation that was provided, see the table on page 12 of the report.

Detailed Results of Reconciliation of the Listings for Vehicles

During the 2021 follow-up audit, IA reviewed the list of vehicles maintained by Facilities and compared the information to the asset listing retained in the Agency's financial system (SAP). At that time, IA determined the recommendation continued to be outstanding and additional time was required by both departments to maintain and reconcile vehicle asset records.

The details of the audit procedures and findings can be found in the following follow-up audit report: Agency Vehicle Operational Follow-Up Audit: Review of Vehicle Inventory Procedures, dated May 27, 2021. This report is available on the Agency's intranet or can be requested from the Manager of Internal Audit.

Since both vehicles (i.e., autos & trucks) and large and heavy-duty equipment and vehicles are managed by Facilities, IA determined it would be best to follow up on the open recommendation from 2021. Detailed below are the results of IA's 2023 follow-up review of the outstanding recommendation.

For the 2023 follow-up evaluation, IA reviewed the asset lists for vehicles maintained by Facilities and compared this information to the asset listings retained in the Agency's financial system, SAP FI (financial) module and SAP Plant Maintenance (PM) module.

Fixed asset listings provided:

- **SAP FI module** had **82** vehicles provided by Accounting
- **SAP PM module** had **115** vehicles provided by Facilities
- Fleetistics had 98 vehicles provided by Facilities, with an additional 15 vehicles placed with a status of surplus in Fleetistics. Note: Items on the surplus list have not been deleted or placed in the surplus designation in SAP
- 1. Compared the listings for vehicles (i.e. autos & trucks), **SAP FI (financial) module** to the **SAP PM module**, both reports generated from Agency's financial system (SAP):
 - 1 of the 82 vehicles could not be matched to the SAP PM module, VEH0608.
- Compared the listings for vehicles (i.e. autos & trucks), SAP PM module to the SAP FI (financial) module, both reports generated from Agency's financial system (SAP):

• 32 of the 115 (or 28%) vehicles could not be matched to the SAP FI module, they are as follows:

Number	Equipment	Vehicle type	License Number	Vin
1	VEH0501	2005 FORD F150 X-CAB 4.6 L	1183225	1FTRX12W15NA89050
2	VEH0612	2006 FORD F-150 X- CAB	1202996	1FTRX12WX6KD28761
3	VEH0613	2006 FORD F-150 X- CAB	1202997	1FTRX12W16KD28762
4	VEH0702	2007 SD CHEVY MALIBU LS	1256940	1G1ZS58N07F175234
5	VEH703	2007 SD CHEVY MALIBU LS (0703)	1256939	1G1ZS58NX7F174298
6	VEH1505	2015 FORD TRANSIT VAN (1505)	1451803	NM0GE9E78F1224949
7	VEH1904	2019 FORD F150 XT CAB & LGBed RP5.	1573343	1FTEX1CP5KKE52291
8	VEH1905	2019 FORD F150 XT CAB & LGBed RP5-	1573344	1FTEX1CP7KKE52292
9	VEH1906	2019 FORD F150 XT CAB & LGBed RP5	1564717	1FTEX1CP0KKE83996
10	VEH1907	2019 FORD F150 XT CAB & LGBed RP4	1580457	1FTEX1E51KKE52395
11	VEH1908	2019 FORD ESCAPE SE FWD.	1564949	1FMCU0GD7KUA35734
12	VEH1909	2019 FORD ESCAPE SE FWD	1564946	1FMCU0GD5KUA80171
13	VEH1910	2019 Ford F150 PU Truck RP1	1564718	1FTEX1CP9KKE83995
14	VEH1911	2019 F150 XT CAB 4 x4 RP1	1573314	1FTEX1E56KKE52294
15	VEH1912	2019 Ford F150 PU Truck RP5	1573317	1FTEX1CP9KKE52293
16	VEH1913	2019 Ford F250 PU Utility Truck RP1.	1573316	1FD7X2A69KEF81766
17	VEH1914	2019 Ford F250 PU Utility Truck RP5	1573315	1FD7X2A60KEF81767
18	VEH1916	2019 Ford F250 PU Utility Truck RP4	1580458	1FD7X2A67KEF81765
19	VEH1917	2019 Ford F250 PU Utility Truck RP1	1580060	1FT7X2A67KEF81768
20	VEH1918	2019 FORD Van Cargo (1918)	1573345	1FTYR2XM8KKB47204
21	VEH2101	2021 FORD ESCAPE (2101)	1621824	1FMCUOG62MUA86109
22	VEH2102	2021 FORD ESCAPE (2102)	1621823	1FNCYIG66MUA86128
23	VEH2103	2021 FORD F150 (2103)	1625779	1FTMF1CB6MKF06591
24	VEH2104	2021 FORD F150 (2104)	1625778	1FTMF1CB8MKF06592
25	VEH2105	2021 FORD F150 (2105)	1625871	1FTMF1CBXMKF06593
26	VEH2201	2022 FORD F250 SERVICE BED (2201)	1634716	1FD7X2A6XNEE22016
27	VEH2202	2022 FORD F250 SERVICE 4X4 (2202)	1634715	1FD8X3B60NEE22017
28	VEH2203	2022 FORD ESCAPE (2203)	LIC#1639006	VIN#1FMCU0F63NUB00473
29	VEH2204	2022 FORD ESCAPE (2204)	LIC#1639007	VIN#1FMCU0F60NUB00379
30	VEH2205	2022 FORD RANGER (2205)	LIC#1639005	VIN#1FTER1EHXNLD37880
31	VEH2206	2022 FORD RANGER (2206)	LIC#1639164	VIN#1FTER1EH9NLD37918
32	VEH9902	2014 TOYOTA TACOMA -IERCF	1436262	5TFJX4CN8EX038427

- 3. Compared the listings for vehicles (i.e. autos & trucks), **SAP FI (financial) module** to **Fleetistics**:
 - 1 of the 82 Vehicles could not be matched to the Fleetistics report. IA noted that 12 additional assets were placed with a status of surplus within Fleetistics.
- 4. Compared the listings for vehicles (i.e. autos & trucks), **Fleetistics** to the **SAP FI** (financial) module:
 - 31 of the 98 (or 32%) vehicles could not be matched to the **SAP FI** (financial) module, they are as follows:

Number	Equipment	Vehicle type	License Number	Vin
1	VEH0501	2005 FORD F150 X-CAB 4.6 L	1183225	1FTRX12W15NA89050
2	VEH0205	2002 CHEVY 3/4 TON (0205)	1124371	1GCHC24Y82E110819
3	VEH0613	2006 FORD F-150 X- CAB	1202997	1FTRX12W16KD28762
4	VEH0712	2007 SD CHEVY MALIBU LS	1256940	1G1ZS58N07F175234
5	VEH1101	2011 FORD F250 PICKUP (1101)	1357389	1FT7X2A65CEA93243
6	VEH1505	2015 FORD TRANSIT VAN (1505)	1451803	NM0GE9E78F1224949
7	VEH1904	2019 FORD F150 XT CAB & LGBed RP5.	1573343	1FTEX1CP5KKE52291
8	VEH1905	2019 FORD F150 XT CAB & LGBed RP5-	1573344	1FTEX1CP7KKE52292
9	VEH1906	2019 FORD F150 XT CAB & LGBed RP5	1564717	1FTEX1CP0KKE83996
10	VEH1907	2019 FORD F150 XT CAB & LGBed RP4	1580457	1FTEX1E51KKE52395
11	VEH1908	2019 FORD ESCAPE SE FWD.	1564949	1FMCU0GD7KUA35734
12	VEH1909	2019 FORD ESCAPE SE FWD	1564946	1FMCU0GD5KUA80171
13	VEH1910	2019 Ford F150 PU Truck RP1	1564718	1FTEX1CP9KKE83995
14	VEH1911	2019 F150 XT CAB 4 x4 RP1	1573314	1FTEX1E56KKE52294
15	VEH1912	2019 Ford F150 PU Truck RP5	1573317	1FTEX1CP9KKE52293
16	VEH1913	2019 Ford F250 PU Utility Truck RP1.	1573316	1FD7X2A69KEF81766
17	VEH1914	2019 Ford F250 PU Utility Truck RP5	1573315	1FD7X2A60KEF81767
18	VEH1916	2019 Ford F250 PU Utility Truck RP4	1580458	1FD7X2A67KEF81765
19	VEH1917	2019 Ford F250 PU Utility Truck RP1	1580060	1FT7X2A67KEF81768
20	VEH1918	2019 FORD Van Cargo (1918)	1573345	1FTYR2XM8KKB47204
21	VEH2101	2021 FORD ESCAPE (2101)	1621824	1FMCUOG62MUA86109
22	VEH2102	2021 FORD ESCAPE (2102)	1621823	1FNCYIG66MUA86128
23	VEH2103	2021 FORD F150 (2103)	1625779	1FTMF1CB6MKF06591
24	VEH2104	2021 FORD F150 (2104)	1625778	1FTMF1CB8MKF06592
25	VEH2105	2021 FORD F150 (2105)	1625871	1FTMF1CBXMKF06593
26	VEH2201	2022 FORD F250 SERVICE BED (2201)	1634716	1FD7X2A6XNEE22016
27	VEH2202	2022 FORD F250 SERVICE 4X4 (2202)	1634715	1FD8X3B60NEE22017
28	VEH2203	2022 FORD ESCAPE (2203)	LIC#1639006	1FMCU0F63NUB00473
29	VEH2204	2022 FORD ESCAPE (2204)	LIC#1639007	1FMCU0F60NUB00379
30	VEH2205	2022 FORD RANGER (2205)	LIC#1639005	1FTER1EHXNLD37880
31	VEH2206	2022 FORD RANGER (2206)	LIC#1639164	1FTER1EH9NLD37918

Twenty-five (25) vehicles on the Fleetistics report were not on the SAP FI listing and appear to be newer vehicles (VEH1904-VEH2206). The acquisition value of these vehicles is approximately between \$700K-\$800K, which means the financial statements are understated and do not represent the true value of the assets and depreciation in the Annual Comprehensive Financial Report.

Additionally, six (6) vehicles listed in Fleetistics could not be matched and reconciled to the SAP FI listing and were identified in the prior follow up audits, **2018** and **2021**. (VEH 0501, VEH 0205, VEH 0613, VEH 0712, VEH 1101 and VEH 1505)

- 5. Compared the listings for vehicles (i.e. autos & trucks), **SAP PM module** to **Fleetistics**:
 - 3 of the 115 (or 3%) vehicles could not be matched to Fleetistics. IA noted that 15 additional vehicles were set to be deleted and were placed with a status of surplus within Fleetisitics.

Large and Heavy-Duty Equipment and Vehicles Audit June 2, 2023 Page 24 of 24

- 6. Compared the listings for vehicles (i.e. autos & trucks), **Fleetistics** to **SAP PM module**:
 - 1 of the 98 (or 1%) vehicles could not be matched to the SAP PM module, VEH0613.

As stated in IA's prior 2021 follow-up report, it is important that records be reconciled to ensure all assets are accounted for properly. According to both Facilities and Accounting, the fixed asset list for vehicles has been shared since our 2021 review, but Facilities is in the process of disposing vehicles and Accounting will not remove any assets from the list until all the proper forms, approvals and documentation have been received.

Vehicles that have been purchased by the Agency and placed into operation, the information must be provided to Accounting in a timely manner in order to ensure they are recorded in the financial system and accurately reflected on the financial statements. The Agency's practice has been to record and capitalize the assets after the project has been fully completed and closed, which could be months or years after the fixed assets were originally placed into service. This business practice or approach impacts financial reporting and presentation of the financial statements.

For this follow up, the 2021 audit recommendation originally provided is being **restated** and a breakdown of the different steps required to achieve complete implementation can be found on pages 12-14 of the report.

Conclusion

IA did not expand the scope of this audit to evaluate additional areas or operations within the Facilities Unit. Additional reviews will be scheduled through the Board-approved Annual Audit Plan. Please contact any member of the Internal Audit Unit for additional information. Inland Empire Utilities Agency

Large and Heavy-Duty Equipment and Vehicles Audit

Teresa Velarde Manager of Internal Audit July 10, 2023

Large and Heavy-Duty Equipment and Vehicles Audit

- Audit Objective and Scope
- Definition of Fixed & Capital Asset
- Facilities oversees the fleet
- Results of Open Audit Recommendation from 2021



Definition of Large & Heavy-duty Equipment/Vehicles

Specialized vehicles or equipment that are designed for a specific purpose and used to perform material transportation, construction, or maintenance activities outside of general transportation purposes.

IEUA's Large and/or Heavy-duty Equipment or vehicles						
Types of Facility Equipment	Description	Unit/Department Responsible				
Portable Equipment	generators, trailers	Maintenance				
On-Road Diesel	dump truck, water truck, gapvax truck	Facilities				
Off-Road Large Spark Ignition	forklifts, cranes, manlifts	Facilities				
Autos & Trucks	vehicles and trucks	Facilities				

Inland Empire Utilities Agency

Annual Comprehensive Financial Report for Fiscal Year 2021-2022

IEUA Only FY 2021/22						
	Acquisition Cost	Accumulated Depreciation	Book Value			
Total Equipment	\$283,239,374	\$(217,873,794)	\$65,365,580			
Autos & Trucks	\$3,915,904	\$(3,507,658)	\$408,246			
Large and Heavy-duty Equipment and Vehicles	\$1,749,632	\$(1,464,713)	\$284,919			

- Note 7: Equipment (valued at \$283,239,374) makes up 25% of the total Capital Assets (\$1,101,997,860) listed in the ACFR as of June 30, 2022.
- Total Equipment category is made up of Computer Equipment, Office Furniture, and Autos & Trucks, which includes large and heavy-duty equipment and vehicles.



Results of Physical Observations

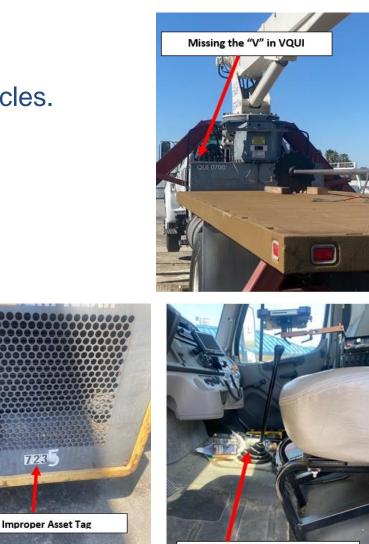
Performed an inspection of 17 large and heavy-duty equipment and vehicles. Observed the following:

- 1 asset was not located
- 1 asset was untidy and not presentable
- 2 inspection tags were not legible
- 1 asset was not recorded in SAP
- 1 asset had an outdated IEUA logo and peeling
- 3 assets had incorrect identifying information
- 2 assets did not have identifying information recorded
- 3 assets had incorrect or missing asset identifiers









723

Empty plastic bottles & trash

Asset Records for Large and Heavy-duty Equipment and Vehicles

- SAP FI (Financial) module had 17 large and heavy-duty equipment and vehicles
- SAP PM (Plant Maintenance) module had 23 large and heavy-duty equipment and vehicles
- Fleetistics had 21 large and heavy-duty equipment and vehicles
- CARB had 16 large and heavy-duty equipment and vehicles that are reported and broken out into two categories: Off-road Diesel and Large Spark Ignition







Observations related to the Reconciliation of Large & Heavy-Duty Equipment and Vehicles

- Not all reports match or agreed, reconciliation of listings identified differences, and requires follow-up and attention
- Incomplete or missing information in the lists
- No one key identifier across all reports and lists







Observations related to depreciation applied Results of IA's analysis

Useful lives

 3 assets that did not adhere to the useful lives assigned in the SOP.

IEUA Large & Heavy-duty Equipment and vehicles Useful Life Assignments							
Asset Class	Asset Number	Asset description	Date Capitalized	Useful Life assigned in SAP	Useful Life per SOP (FA PR-01)		
F170606	600639	RP-1 Warehouse Forklift	06/30/2002	7 years	3 or 5		
F170700	700030	1988 Ford L-8000 Diesel Crane	9/13/1988	8 years	3 or 5		
F170605	601473	ER Trailer Arrow Light Board	6/30/2007	7 years	3 or 5		

Accumulated Depreciation

 5 assets had a variance in accumulated depreciation recalculation compared with what recorded in SAP

	IEUA Large & Heavy-duty Equipment and vehicles Recalculation of Accumulated Depreciation Assets with Differences Only									
Asset Class	Asset Number	Asset description	Date Capitalized	Useful Life assigned in SAP In years	Useful Life per SOP (FA FR- 01) In your	Acquisition Value	Accumulated Deprecation	Book Value	Accumulated Depreciation Recalculated by IA	Variance between SAP and Recalculation
F170606	602384	RP1 Boom 45' 2W Genie Manlift	6/30/2013	15	15	\$52,216.76	(\$35,391.37)	\$16,825.39	\$33,940.89	(\$1,450.48)
F170606	603293	RP1 40' Genie Manlift	12/31/2015	15	15	\$27,356.40	(\$13,070.28)	\$14,286.12	\$13,222.26	\$151.98
F170606	604574	RP1 Forklift	6/30/2020	15	15	\$43,262.54	(\$9,133.20)	\$34,129.34	\$7,931.47	(\$1,201.73)
F170700	700175	RP5 Terex Crane	6/30/2020	15	15	\$300,468.89	(\$190,296.97)	\$110,171.92	\$165,257.89	(\$25,039.08)
F170606	604620	RP1 Jib Crane	6/30/2020	15	15	\$138,810.19	(\$29,304.37)	\$109,505.82	\$25,448.53	(\$3,855.84)



2021 Recommendation #1

Finance and Accounting Department (FAD) and Facilities Management should work together to reconcile the asset records in SAP:

- The Finance and Accounting Department (FAD) should periodically share the Fixed Asset List Report to Agency Departments.
- Facilities Management should work closely with FAD to reconcile their internal reports to the financial information and resolve differences immediately. The departments work together to reconcile all internal reports used to track assets under their responsibility, perform periodic reconciliations, ensure the same identifying information identify assets in all report and complete all needed documents and forms for proper accountability of disposals, surplus, new purchases, etc.
- FAD should and will continue to provide on-going training and departments should reach out for additional information and guidance.
- Facilities Management should document their own SOP for the process of adding, removing and tracking assets under their custody.

9

Status: Not Implemented

Summary of 2021 Follow-Up Results

- Reconciliation of the vehicle asset listings identified differences, requires follow-up and attention.
- 31 new vehicles purchased since 2019 not recorded on the asset lists.
- Unrecorded assets can potentially impact the financial reporting.









Audit Observations & Recommendations

18 New Recommendations

6 for Facilities

12 for Accounting

Observations

Periodic physical inspections of assets

Periodic reconciliation of asset records

Recording and capitalization of assets





The Large and Heavy-Duty Equipment and Vehicles Audit is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Questions?

INFORMATION ITEM

3M



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Audit

From: Teresa Velarde, Manager of Internal Audit 07/10/23

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Follow-Up Review of Recommendations Related to Agency Policies and Ethics Point, Board Resolutions, and Administrative Handbook

Executive Summary:

IA staff completed an evaluation of all prior audit recommendations related to the Agency's policies. In addition, IA staff evaluated the Agency's guidelines related to ethical conduct and conflict of interest and the reporting hotline reference information. The purpose of the review is to centralize, into one report and under one department's responsibility, the 12 outstanding audit recommendations related to the need to make updates to 19 existing Agency policies. Additionally, the purpose of this review is also to provide recommendations related to the Agency's reporting hotline webpage (EthicsPoint) and communicating the guidelines related to conflict of interest.

IA continues to work closely with the Human Resources Department (HR) to evaluate the need to address the items noted above. HR stated that making the necessary updates to Agency policies has been a priority and is currently pursuing filling department staffing needs with the needed expertise to take the lead on these priorities. The report that follows provides a list of the 19 Agency policies that require update, the report also discusses the need communicate the most updated ethics and conflict of interest policy as well as ensure contact and reference information on the Agency's reporting hotline webpage is updated. IA will continue to evaluate progress.

Staff's Recommendation:

This is an information item.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval: Account/Project Name: N/A

Fiscal Impact (explain if not budgeted): N/A

Prior Board Action:

On June 15, 2022, the Board of Directors approved the Fiscal Year 2022/23 Annual Audit Plan and the Report of Open Audit Recommendations. The follow-up review was planned under the Annual Audit Plan.

Environmental Determination: Not Applicable

Business Goal:

The Follow-Up Review of Recommendations Related to Agency Policies and Ethics Point, Board Resolutions, and Administrative Handbook is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - Follow-Up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolution, and Administrative Handbook Attachment 2 - PowerPoint



6075 Kimball Avenue • Chino, CA 91708 P.O. Box 9020 • Chino Hills, CA 91709 TEL (909) 993-1600 • FAX (909) 993-1985 www.ieua.org

DATE: June 1, 2023

TO: Shivaji Deshmukh General Manager

Terera 20

FROM: Teresa V. Velarde Manager of Internal Audit

SUBJECT: Follow-Up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions, and Administrative Handbook

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Unit (IA) completed a follow-up evaluation of all prior audit recommendations related to the Agency's policies. Additionally, in the process of this review, IA evaluated the Agency's guidelines related to ethical conduct and conflict of interest and the reporting hotline reference information. This evaluation was performed under the authority given by the Board of Directors in the approved Fiscal Year (FY) 2022/2023 Annual Audit Plan and IA's Charter.

Audit Purpose & Objective

The purpose of this follow-up evaluation was to:

- Centralize, into this one report and under one department, the 12 outstanding audit recommendations related to the need to make updates to existing Agency policies (refer to **Table 1**).
- Provide recommendations related to the Agency's reporting hotline information webpage (EthicsPoint) including the need to make updates to the contact information and referenced policies on this information webpage.
- Provide recommendations related to communicating to employees the requirement to review and abide by Chapter 7 of the Agency's Administrative Handbook (dated 2018) which provides guidelines related to employee ethical conduct and conflict of interest.

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 2 of 19

Acknowledgements

IA appreciates the Human Resources Department for their cooperation and assistance during this review and looks forward to the continued collaboration.

Discussions with Management

Drafts of this report have been provided to Lisa Dye, Director of HR and Michael Dueñas, Project Manager of the Policy Review Project, for their review and input; where possible, their comments have been incorporated.

The Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions, and Administrative Handbook is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

TV:sn

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 3 of 19

Background

IA worked closely with the Human Resources Department (HR) to evaluate the 12 outstanding audit recommendations related to Agency policies, the information referenced in the Agency's reporting hotline webpage and the Administrative Handbook. HR stated that making the necessary updates to Agency policies has been a priority and is currently pursuing filling department staffing needs with the needed expertise to take the lead on these priorities. This report discusses the items that require attention.

Agency Policies

Since 2012 and earlier, IA has provided various recommendations related to the need for Agency policy updates. The recommendations were previously provided to other Agency departments. Through this evaluation, the recommendations are formally being transferred to HR to take the lead to make the needed updates. The reason for the transfer to HR is due to the sensitivity of how Agency Policies may affect personnel-related topics. Therefore, making the needed updates to Agency policies that establish terms and conditions of employment falls under the oversight of HR. Refer to **Table 1**.

EthicsPoint (Agency's reporting hotline)

Information for EthicsPoint is posted to both, the main IEUA webpage and the Agency's intranet (internal webpage). The information encourages that any wrongdoing be reported through the anonymous reporting site and references information related to Agency's policies and provides HR personnel contact information, both of which are currently outdated and require updates.

EthicsPoint is accessed through a link at the bottom of the IEUA webpage and intranet.

Administrative Handbook & Board Resolutions 2018-2-7 & 2005-2-9

Board Resolution No. 2005-2-9 was the Agency's Ethics Policy. This resolution was rescinded with Board-approved Resolution No. 2018-2-7 in February 2018. According to Resolution No. 2018-2-7, the Administrative Handbook incorporated the policies and procedures that were found in Resolution No. 2005-2-9.

IEUA's Resolution 2018-2-7 and the Administrative Handbook are not readily accessible on the Agency's website nor the intranet for employees to access.

Information documented in Chapter 7 of the Agency's Administrative Handbook (dated and approved by the Board in 2018) is intended to provide guidelines related to conflict of interest and apply to <u>all</u> Agency employees and the Board of Directors, but the information is not clearly communicated for employees to be aware of these policy requirements. Additionally, Chapter 7 of the Administrative Handbook is not a required Safety Tailgate Training topic that employees are responsible to review each year, as was Resolution No. 2005-2-9. Even though, Chapter 7 of the Handbook applies to all

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 4 of 19

Agency employees, it is not listed on the intranet as an Agency policy document nor easily accessible on the Agency's website.

The Agency's Administrative Handbook appears to apply primarily to the conduct of the Board members, with only Chapter 7 referencing that it applies to all employees. The Administrative Handbook is available on the Agency's website (<u>https://www.ieua.org</u>) as follows: *Agency's website > Menu (top right-hand corner) > About Us >Transparency (scroll to the bottom) > Resources > Click on IEUA Administrative Handbook.* (See *Attachment 2).*

IA suggests that the requirements of Chapter 7 of the Agency's Administrative Handbook be clearly communicated and available to all Agency employees like other Agency policies are easily available and required they be reviewed periodically.

HR stated that they will recommend that the Administrative Handbook only include information that applies to the Board and not to employees. Information that applies to terms and conditions of staff employment, such as the conflict of interest information, will be included as a policy on the Agency's intranet (AIM).

Internal Audit Observations & Recommendations

Observations related to EthicsPoint:

Outdated information on the EthicsPoint (introduction) webpage, including:

- Agency's logo
- Agency's mission statement
- reference to a rescinded Agency resolution
- contact person is no longer an employee of the Agency
- links to outdated Agency policies and ordinances

See Attachment 1 – Screenshot of the link and EthicsPoint (introduction) webpage (as of May 18, 2023).

Observations related to the Agency's Administrative Handbook:

- The Administrative Handbook is not clearly communicated and is not easily accessible or visible on the Agency's websites for employees' reference
- The Administrative Handbook should be posted under employee policies to ensure it is communicated that the Handbook is a requirement for employees to follow
- Only Chapter 7 of the Handbook (*Conflict of Interest*) applies to both the Board members and Agency staff, while the other 6 chapters apply only to the Board
- Agency employees are not required to review Chapter 7 (*Conflict of Interest*) of the handbook as part of the Agency's Safety Tailgate Training Program

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 5 of 19

• Only section 7.3, Agency's Ethical Philosophy, the first sentence mentions employees, but all other sentences within this section only mention Board members or Board of Directors.

See Attachment 2 – Screenshot of the Table of Contents and Chapter 7 of the Administrative Handbook

IA provides two recommendations for consideration related to the Handbook and the EthicsPoint information and can be found at the end of the report, **2023 Recommendation #20 and #21.**

Observations related to Agency Policies

The Agency currently has approximately 79 different Agency Policies. As noted above, IA has provided, in past audits, 12 audit recommendations related to the need to update 19 of the Agency Policies to ensure these match existing Agency practices and the most current requirements. The recommendations (see **Table 1**) were previously provided to other Agency departments at the time of IAs review of those processes. IA understands that some Agency departments have already provided suggested updates and edits to most policies, but departments do not have the ability to make formal updates and needed changes to policies if changes impact terms and conditions of employment require meet and confer with the bargaining units . HR can help facilitate updates to Agency policies and the meet and confer process with the bargaining units.

IA is transferring the 12 recommendations related to 19 Agency policies from the various departments to HR in 19 new updated recommendations with details of the needed updates for each policy. IA is available to provide additional context and information related to the findings and updates needed for each. IA recommends HR take the lead to evaluate if changes are needed and pursue the necessary process to ensure Agency policies are updated and match current Agency practices. Current and updated policies are necessary and important because they provide guidelines for employees. Policies should be reviewed periodically to ensure they are consistent with current business practices and expectations.

The table that follows provides a list of the original 12 outstanding recommendations along with the original audit report name, the corresponding recommendation number, and the original department assignment. The following recommendations will be considered no longer applicable and are restated in **Table 2** which follows.

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 6 of 19

Audit Report Rec #		(Table 1) Internal Audit Recommendation	Current Unit/ Department Assignment
Accounts Payable Follow-Up Audit August 29, 2013	Follow-Up Audit 4 Program; Policy A-37, Reimbursement for Attendance at a Conference, Seminar or Meeting; Policy		Accounting
Accounts Payable Follow-Up Audit August 29, 2013	Accounts PayableHuman Resources department, in conjunction with Information Support Systems, should ensure that loans for personal computers are not approved for items not covered by the loan program as described in Agency Policy A-12. Additionally, consider revising Agency Policy A-12 to clarify the		Accounting
2017 Petty Cash Audit & Follow-up Review June 5, 2017	3	FAD should take the lead to communicate changes to the Petty Cash policy and forms immediately after implementation, to ensure employees understand the policy and utilize the updated forms.	Accounting
2017 Petty Cash Audit & Follow-up Review June 5, 2017	6	Human Resources and FAD should work together to formally document or communicate the policy on the purchase and gifting of Gift Cards to ensure compliance with Federal requirements. The policy should be communicated to all Agency employees and be reminded periodically.	Accounting
2017 Petty Cash Audit & Follow-up Review June 5, 2017	7	Human Resources and FAD should continue to work with the appropriate personnel in making revisions and updates to the following Agency policies that relate to cash reimbursements and controls: A-75 Employee Recognition Rewards Program, A-68 Meal Reimbursement and Unscheduled Overtime, and A-34 Vehicle Maintenance.	Accounting
Procurement Card Audit 1 March 1, 2018		Agency Policy A-89, Procurement Card Program should be updated to reflect desired internal controls and provide clearer guidelines about the proper use of P-Cards. The policy should provide greater clarity about the purchases that are allowed or not allowed (i.e.: food, restaurant, meals, training registrations, membership payments, etc.). Additionally, the policy should provide instructions for users to follow when there are situations that are unusual and note the additional written justification that is necessary. Lastly, A-89, should direct users to seek CAP's guidance when there is a unique need, keeping the Agency's need in mind and ensuring adequate controls are maintained.	Contracts and Procurement
Procurement Card Audit 2 March 1, 2018		The P-Card Administrator role should be clarified in Policy A-89 and expanded to include greater oversight responsibilities to ensure compliance. The role should include duties to fully utilize the various on-line tools available through US Bank for reports, alerts, training and other controls for reviewing and monitoring activity. Additionally, the P-Card Administrator should provide assistance and give advice on the best procurement method and periodically review statements and identify purchases and transactions that are not aligned with policy and request additional information.	Contracts and Procurement
Procurement Card Audit March 1, 2018	3	CAP should update Department-specific SOP CAP-0012 to incorporate any changes in Agency Policy A-89 Procurement card Program, including any updates to the P-Card Administrator's role and responsibilities. Additionally, CAP should ensure the SOP CAP-0012 complies with the guidelines and format set forth in Agency Policy A-51.	Contracts and Procurement
HR audit: Hiring and Promotions Operations Review December 2, 2019		Human Resources should take the lead to ensure all Agency policies related to hiring and recruitment, as well as the department's SOPs are updated to include the most recent and accurate requirements for the processes and Agency formats.	Human Resources
HR audit: Hiring and Promotions Operations Review December 2, 2019	5	Human Resources should work with Executive Management to determine the best approach to ensure compliance with the Agency Policy A-20 on completing timely performance appraisals for employees.	Human Resources

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 7 of 19

HR audit: Hiring and Promotions Operations Review December 2, 2019	6	Human Resources should work with Executive Management to determine an approach/method on how to address: having an Agency-wide Ethics Policy, the requirement for a Confidentiality Agreement for selected employees, and Conflict of Interest policy and related training that covers all topics. Any requirement should be documented and be clearly communicated to all Agency employees.	Human Resources
HR Operational Audit: Administration of Employee Training and Development Programs August 31, 2020	5	HR should determine the need to either delete or update Agency Policy A-57.	Human Resources

The recommendations listed in **Table 1** require at least 19 Agency policies be updated.

2023 Recommendations related to Agency Policies:

IA recommends HR take the lead, work with the required departments to ensure the 19 Agency policies identified below are updated with the most current required Agency practice and format. IA recommends updates to the following 19 policies:

2023 Recommendation Number	Agency Policy #	Agency Policy Title	(Table 2) Recommendation and reason(s) for needed revisions
1	A-01	Documentations of Policies and Procedures (Last policy update: 11/11/2013)	 HR should take the lead to make needed updates to Agency Policy A-01, ensure to address the following: Evaluate to determine if this is the format the Agency will follow to document Policies and Procedures.
2	A-02	Petty Cash (Last policy update: 12/18/2014)	 HR should take the lead to make needed updates to Agency Policy A-02, ensure to address the following: Needs to address transactions greater than \$50. Link to the petty cash reimbursement form should be updated. Clarify if purchasing gift cards are an allowable petty cash expense. Link to the Resolution should be added. Update the Job/Position titles to coincide with the organizational chart.
3	A-12	Employee Personal Computer Purchase Program (Last policy update: 2/25/2015)	 HR should take the lead to make needed updates to Agency Policy A-12, ensure to address the following: Ensure loans for personal computers are not approved for items not covered by the loan program. Evaluate and clarify the types of computer equipment or devices that are allowed under the computer loan program to include tablets, computers, and operating systems other than Agency compatible hardware/software. Evaluate and clarify if multiple computers and equipment, expensive headphones, TV monitors and cloud-based subscriptions can be purchased. Training to Agency staff on all their respective policy requirements.
4	A-14	Vehicle Use Policies and Procedures (Last policy update: 9/11/2008)	 HR should take the lead to make needed updates to Agency Policy A-14, ensure to address the following: Address when milage claim reimbursements should be submitted to ensure these are timely. Clarify the use of Agency and personal vehicles when driving for Agency-related business.

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 8 of 19

5	A-17	Use and Insurance Requirements for Vehicles and Equipment rented by the Agency (Last policy update: 07/15/2005)	 HR should take the lead to make needed updates to Agency Policy A-17, ensure to address the following: Policy updates resulting from updates to vehicle and related processes and procedures as previously discussed in the Vehicle Audits and from updates suggested by Agency departments. If this policy will be eliminated, then ensure the information is included any policy(ies) related to vehicle operations and functions provide clear guidelines.
6	A-25	Disposal of Surplus Agency Personal Property, Materials, and Equipment (Last policy update: 09/01/2006)	 HR should take the lead to make needed updates to Agency Policy A-25, ensure to address the following: Policy updates resulting from updates to vehicle and related processes and procedures as previously discussed in the Vehicle Audits and from updates suggested by Agency departments. If this policy will be eliminated, then ensure the information is included any policy(ies) related to vehicle operations and functions provide clear guidelines.
7	A-27	Department of Motor Vehicle Records Verification and Confidentiality (Last policy update: 07/15/2005)	 Policy updates resulting from updates to vehicle and related processes and procedures as previously discussed in the Vehicle Audits and from updates suggested by Agency departments. If this policy will be eliminated, then ensure the information is included any policy(ies) related to vehicle operations and functions provide clear guidelines.
8	A-20	Performance Appraisals (Last policy update: 05/16/2019)	 HR should take the lead to make needed updates to Agency Policy A-20, ensure to address the following: Employee performance appraisals were not being completed in a timely manner.
9	A-34	Vehicle Maintenance (Last policy update: 07/15/2005)	 HR should take the lead to make needed updates to Agency Policy A-34, ensure to address the following: Policy updates resulting from updates to vehicle and related processes and procedures as previously discussed in the Vehicle Audits and from updates suggested by Agency departments. Update the language that states in extenuating circumstances a car wash for an Agency vehicle can be purchased and reimbursed through petty cash if this practice will be allowed. Update the exhibits to the most current version.
10	A-37	Reimbursement for Attendance at a Conference, Seminar or Meeting (Last policy update: 07/24/2015)	 HR should take the lead to make needed updates to Agency Policy A-37, ensure to address the following: Needed updates related to reimbursements for attendance at training events. Training to Agency staff on all their respective policy requirements. Update the Job/Position titles to coincide with the current organizational chart.
11	A-49	Closing Capital and Non-Capital Projects (Last policy update: 07/15/2005)	 HR should take the lead to make needed updates to Agency Policy A-49, ensure to address the following: Needs to be updated to ensure it matches current Agency practice for the capitalization of IT equipment.
12	A-50	Non-Purchase Order Invoice Approval (Last policy update: 04/27/2015)	 HR should take the lead to make needed updates to Agency Policy A-50, ensure to address the following: Training to Agency staff on all their respective policy requirements. Needs to be updated to include the policy requirements for both PO and Non-PO items. Update the Job/Position titles to coincide with the organizational chart.
13	A-51	Standard Operating Procedures (Last policy update: 11/11/2013)	 HR should take the lead to make needed updates to Agency Policy A-51, ensure to address the following: Should be updated and all Departments need to be made aware and held accountable in maintaining and updating their SOPs.

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 9 of 19

14	A-55	Agency Credit Cards (Last policy update: 05/25/2015)	HR should take the lead to make needed updates to Agency Policy A-55, ensure to address the following:Training to Agency staff on all their respective policy requirements
15	A-57	Training Policy (Last policy update: 07/15/2005)	 HR should take the lead to make needed updates to Agency Policy A-57, ensure to address the following: Update or delete the policy Update the positions and departments according the most recent organizational updates Update with the current and updated training forms Eliminate reference to a training report that is no longer used and a practice that is non-existent. Update with all other current training policy requirements
16	A-68	Meal Reimbursement for Unscheduled Overtime (Last policy update: 04/10/2008)	 HR should take the lead to make needed updates to Agency Policy A-68, ensure to address the following: Update the language that states the meal can be purchased as "authorized expenditure utilizing petty cash up to the authorized amount of \$10"
17	A-75	Employee Recognition Rewards Program (Last policy update: 11/01/2005)	 HR should take the lead to make needed updates to Agency Policy A-75, ensure to address the following: Update language to state that items purchased for employee recognition rewards (such as gift cards) can be purchased using petty cash funds, appropriate type of award for this recognition, and maximum allowable amount
18	A-86	Refueling Agency Vehicles (Last policy update: 02/04/2005)	 HR should take the lead to make needed updates to Agency Policy A-86, ensure to address the following: Policy updates resulting from updates to vehicle and related processes and procedures as previously discussed in the Vehicle Audits and from updates suggested by Agency departments. If this policy will be eliminated, then ensure the information is included any policy(ies) related to vehicle operations and functions provide clear guidelines Provide procedures for fueling Agency pool and assigned vehicles Update the policy language to match the current Agency practice
19	A-89	Procurement Card Program (Last policy update: 01/26/2016)	 HR should take the lead to make needed updates to Agency Policy A-89, ensure to address the following: Role of the P-card administrator should be enhanced/strengthened. Evaluate and update to provide greater clarity and additional guidance about allowable and unallowable purchases Adopt processes to improve P-Card transaction approvals and reconciliations Additional internal control recommendations include safeguarding gift cards purchased with P-cards and updating SOPs

Source: Various Internal Audit Reports issued between 2012 and present.

Recommendations #20 and #**21** below relate to the webpage information and the Agency's Ethics Policies as described in the beginning of this audit report.

2023 Recommendation #20:

Human Resources should take the lead to make the necessary updates to the EthicsPoint webpage to ensure it is up-to-date and clearly communicates the Agency's message related to the ethics policy.

2023 Recommendation #21:

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 10 of 19

Determine if the Agency needs a documented Ethics Policy, or if the Administrative Handbook and Chapter 7 (of the Handbook) serves as the only required ethics policy document. If so, ensure this is clearly communicated to employees and consider the need to add this policy as a requirement for all employees to review annually as part of the Safety Tailgate Training Program.

Auditee Response:

In January 2021, HR hired Liebert Cassidy Whitmore (LCW) to perform a comprehensive Personnel Policy review, which included an evaluation of all Agency documents that govern the employment relationship. LCW provided their comments and recommendations to the existing Agency policies and documents in March 2022.

According to HR, the Agency does have many different types of policies, but not all of those policies govern the employment relationship with the Agency. Each individual policy falls into its own category and has a different priority level, and policies that are related to legal compliance and terms and conditions of employment have greater priority than those policies that are not compulsory. For example, policies related to Landscaping (A-13), Vehicle Use (A-14), Credit Cards (A-55, A-86, and A-89) and so forth, are related to day-to-day processes and procedures, whereas policies related to Equal Employment Opportunity (A-29), Harassment Prevention (A-30), Drug/Alcohol Free Workplace (A-63), Family and Medical Care Leave (A-64) and many others, are related to compliance and obligation by law. As of April 2023, the policies have been updated and are currently with the bargaining units for their review and comments.

Conclusion

IA refers readers to the current policies posted on the Agency's intranet for the complete information related to each current policy. IA continues to be available to provide assistance and additional audit services related to the policies. IA did not expand the scope of this review to evaluate additional areas or operations within the HR department. Additional reviews will be scheduled through the Board-approved Annual Audit Plan. Please contact any member of the Internal Audit Unit for additional information.

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 11 of 19

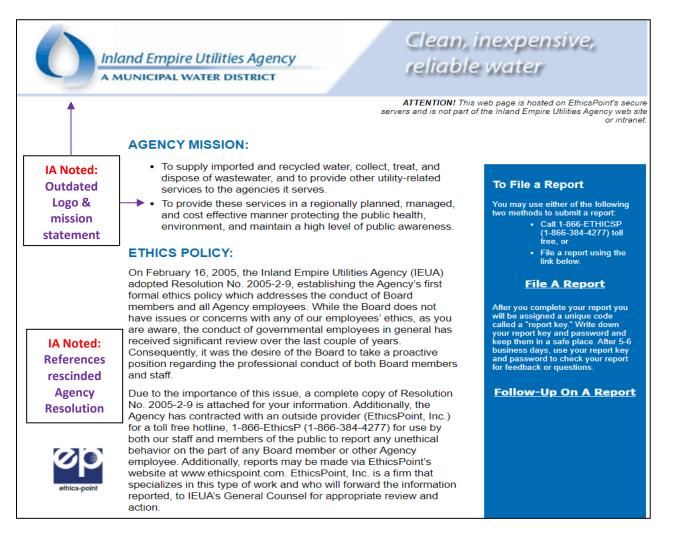
Attachment 1 – Screenshots

Screenshot of link to EthicsPoint (reporting reference site):

Path to access EthicsPoint: Agency's website (<u>https://www.ieua.org</u>) > Scroll down to the bottom of the Page > Click on:

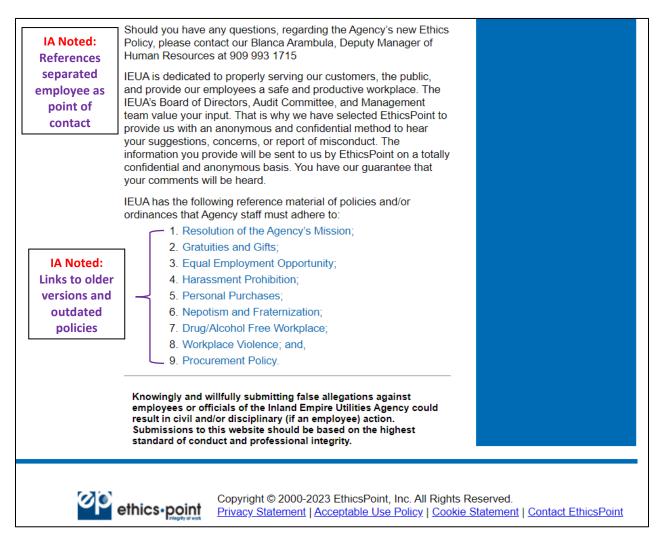


Screenshot of the EthicsPoint (introduction) webpage (reporting reference site):



Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 12 of 19

Screenshot of the EthicsPoint (introduction) webpage (reporting reference site): (Continued)



Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 13 of 19

Attachment 2

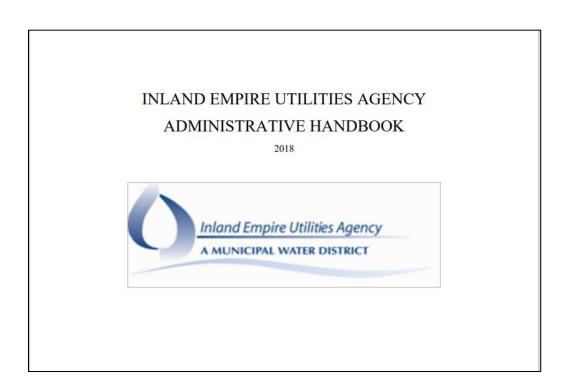
Screenshot of the links to the Administrative Handbook:

Path to access IEUA Administrative Handbook: Agency's website (<u>https://www.ieua.org</u>) > Click Menu (located top-right hand corner) > Click About Us > Click Transparency > Resources (Scroll down to the bottom) > Click on IEUA Administrative Handbook

About Us	Resources			
	ANNUAL REPORTS	EINANCIAL REPORTS		
What We Do	REQUEST FOR PUBLIC RECORDS	ΕΔΩ		
Leadership	BOARD OF DIRECTORS	SENIOR MANAGEMENT TEAM & KEY STAFF		
Human Resources		SAN BERNARDING COUNTY ELECTIONS OFFICE		
Transparency	IEUA PRESS KIT	SIGN UP FOR OUR NEWSLETTER		
Facilities	EDUCATION PROGRAMS	VIEW OUR CALENDAR		

The following 34-page document will populate:

Screenshot of the first page of the Administrative Handbook:



Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 14 of 19

Attachment 2 (Continued):

Screenshot of the fourth page of the Table of Contents (Page 5 of 34 PDF):

6.2 Protection of Agency Resources, Property, and Information	23
6.2.1 Handling of Confidential Information and Legal Matters	23
CHAPTER 7: CONFLICT OF INTEREST (APPLICABLE TO ALL AGENCY DIRECTORS EMPLOYEES)	
7.1 Board of Directors Conflict of Interest Adherence	25
7.1.1 Compensation, Gifts and Gratuities	26
7.1.2 Post-Employment Relationships	26
7.1.3 Incompatible Offices	26
7.2 Ethics and Anti-Harassment Training	27
7.2.1 Ethics Training	27
7.2.2 Sexual Harassment Prevention Training	27
7.3 Agency Ethical Philosophy	27
7.4 Equal Treatment	27
CHAPTER 8: COMPLAINT PROCEDURE	

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 15 of 19

Attachment 2 (Continued):

Screenshots that follow are of Chapter 7 from the Administrative Handbook:

<u>CHAPTER 7: CONFLICT OF INTEREST (APPLICABLE TO ALL</u> <u>AGENCY DIRECTORS AND EMPLOYEES)</u>

In order to assure their independence and impartiality on behalf of the public good, state law prohibits Board members from using their official positions to influence government decisions in

Page 24 of 29

which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable state law.

Conflict of interest rules apply to Agency employees as well. Employees cannot participate in the making of a contract if the employee or a family member has a financial interest in the contract. The making of a contract includes more than just voting for its approval. Under the law, the making of a contract includes discussions, negotiations, drafting and approval. Therefore, if an employee has been assigned to prepare a request for qualifications or request for proposal, or is in a position to recommend a purchase from a vendor, that employee has participated in the making of a contract. The objective of these conflict of interest provisions is to ensure the Board member or employee's dedication to the Agency is not impaired or potentially impaired by familial relationships, contractual relationships, or similar financial interests.

If a Board member becomes aware or suspects that he or she or a family member has a financial interest in a transaction involving the Agency, they should immediately disclose the fact to the Legal Counsel for evaluation and opinion on the potential conflict.

Whenever an employee becomes aware or suspects that he or she or a family member has a financial interest in a transaction involving the Agency, they should immediately disclose that fact to a supervisor. The matter will then be referred to Legal Counsel for evaluation and opinion on the potential conflict.

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 16 of 19

7.1 Board of Directors Conflict of Interest Adherence

- 1. A Board member or employee shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members.
- 2. A Board member or employee will not participate in the discussion, deliberation or vote on a matter before the Board of Directors, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has a prohibited interest with respect to the matter, as defined in the Political Reform Act, Government Code section 81000 et seq. relating to conflicts of interest. A Director has a financial interest if he/she has a material financial effect that is distinguishable from the effect on the public generally on:
 - Any business entity in which the Board member or employee has a direct or indirect investment worth the amount specified in the then-effective Fair Political Practices Commission (FPPC) regulations;
 - b. Real property in which the Board member or employee has a direct or indirect interest, with a worth in the amount specified in the then-effective FPPC regulations;
 - c. A source of income of the Board member or employee in the amount specified in the then-effective FPPC regulations;
 - d. A source of gifts to the Board member or employee in an amount specified in the theneffective Fair Political Practices Commission (FPPC) regulations within twelve months before the Board decision;
 - e. A business entity in which the Board member holds a position as a director, trustee, officer, partner, manager or employee;

Page 25 of 29

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 17 of 19

- f. The Board member or employee's personal expenses, income, assets or liabilities, and those of his or her immediate family, are likely to go up and down in a 12-month period as a result of the decision in the amount specified in the then-effective FPPC regulations.
- 3. If a Board member believes that he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedures will be followed:
 - a. If the Board member becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Board member will notify the Agency's General Manager and the Agency's Legal Counsel of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest;
 - b. If it is determined that a disqualifying conflict of interest exists, the Board member shall state on the record during an open Board meeting, the nature of the conflict of interest and shall excuse himself/herself from the boardroom prior to Board discussion on the agenda item. The conflicted Board member shall abstain from voting and shall not participate in Board discussion or in any way attempt to influence the Board's consideration of the agenda item.

Board members shall refrain from voting on or otherwise influencing matters involving any person with whom the member is negotiating for, or has accepted, future employment, or where the member has a direct or indirect ownership interest or business relationship.

Board members are also prohibited from recommending the employment of a relative by the Agency.

No conflict exists if a Board member votes on a rate increase or tax level that effects all members of a class in the same manner as it will affect the Board member.

7.1.1 Compensation, Gifts and Gratuities

No Board member shall receive or agree to receive, directly or indirectly, any compensation, reward, honoraria or gift from any source except from his or her employer, for any action related to the conduct of the Agency's business.

7.1.2 Post-Employment Relationships

A former Board member, General Manager, Executive Manager, or department supervisor cannot represent, for compensation, any non-governmental entity before the Agency for a period of one year after leaving office or employment. This means to actively support or oppose a particular decision in a proceeding by lobbying in person to the executive managers or employees of the Agency, and to members of the Board of Directors. This does not apply to representation for a not-for-profit charitable entity or government entity before the Agency.

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 18 of 19

7.1.3 Incompatible Offices

Any Board member being considered for election to, or appointment at, another public entity, the duties of which may require action contrary or inconsistent with the interest of the Agency, may

Page 26 of 29

request an opinion from the Legal Counsel, Attorney General of the State of California, or the California Fair Political Practices Commission, whichever may be applicable as to the compatibility of the offices.

7.2 Ethics and Anti-Harassment Training

7.2.1 Ethics Training

AB 1234 requires elected or appointed officials who are compensated for their service or reimbursed for their expenses to take two hours of training in ethics principles and laws every two years. Those who enter office after January 1, 2006, must receive the training within a year starting their service. They must then receive the training every two years after that.

The training must cover general ethics principles relating to public service and ethics laws, including:

- Laws relating to personal financial gain by public officials (including bribery and conflict of interest laws);
- 2. Laws relating to office-holder perks, including gifts and travel restrictions, personal and political use of public resources, and prohibitions against gifts of public funds;
- Governmental transparency laws, including financial disclosure requirements, and open government laws (the Brown Act and Public Records Act);
- 4. Laws relating to fair processes, including fair contracting requirements, common law bias requirements, and due process.

7.2.2 Sexual Harassment Prevention Training

Existing law requires any civil or political subdivision of the state and all cities to provide at least two hours of training regarding sexual harassment to all supervisory employees, as specified.

7.3 Agency Ethical Philosophy

It is Agency policy that Board members, executive managers, and employees maintain the highest standard of personal honesty and fairness in carrying out their duties. The Board members must uphold the United States Constitution, the California Constitution, and local and state laws. They must comply with both the spirit and letter of the applicable laws regulating conduct, including conflict of interest and financial disclosure requirements.

Board members should work in full cooperation with other public officials unless prohibited by law or officially recognized confidentiality of their work. This includes those Board members elected to the Board but who have not yet assumed office as a Board member.

Follow-up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions and Administrative Handbook June 1, 2023 Page 19 of 19

The Board of Directors must perform its duties in accordance with rules established by the Agency, state law, federal law, and those rules and regulations established by state and federal agencies.

7.4 Equal Treatment

Board members shall also refrain from abusive conduct, personal attacks upon the character or morals of other Board members, Executive Managers, Agency, employees, or members of the public. Furthermore, no Board member, Executive Manager, or Agency employee shall directly or

Page 27 of 29

indirectly use or attempt to use the authority or influence of his or her position for the purpose with the intent of interfering with that person's duty to disclose improper activity.

Board members are prohibited from offering inducements to potential vendors, contractors, consultant, or other parties, to the exclusion of similar persons or firms, in hopes of obtaining reciprocal favors.

Board members shall not, in the performance of their official functions, discriminate against any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, sex, sexual preference, medical condition, or disability.



Follow-Up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions, and Administrative Handbook

> Sapna Nangia Senior Internal Auditor July 10, 2023

Audit Purpose & Objective

- Open recommendations related to Agency policies that require updates
- EthicsPoint
- Agency's Administrative Handbook







Inland Empire Utilities Agency

Observations & Recommendations related to Agency Policies

- 79 Agency Policies
- 12 prior audit recommendations
 - -related to needed updates to Agency policies
 - -Some dated as far back as 2012 and earlier
- 19 of the Agency Policies require updates

-to ensure expectations and guidelines match current Agency practices -based on prior audit findings

List of Agency Policies that require updates



Rec #	Agency Policy	Agency Policy Title	Last Policy Update
1	A-01	Documentations of Policies and Procedures	11/11/2013
2	A-02	Petty Cash	12/18/2014
3	A-12	Employee Personal Computer Purchase Program	2/25/2015
4	A-14	Vehicle Use Policies and Procedures	9/11/2008
5	A-17	Use and Insurance Requirements for Vehicles and Equipment rented by the Agency	7/15/2005
6	A-25	Disposal of Surplus Agency Personal Property, Materials, and Equipment	9/1/2006
7	A-27	Department of Motor Vehicle Records Verification and Confidentiality	7/15/2005
8	A-20	Performance Appraisals	5/16/2019
9	A-34	Vehicle Maintenance	7/15/2005
10	A-37	Reimbursement for Attendance at a Conference, Seminar or Meeting	7/24/2015
11	A-49	Closing Capital and Non-Capital Projects	7/15/2005
12	A-50	Non-Purchase Order Invoice Approval	4/27/2015
13	A-51	Standard Operating Procedures	11/11/2013
14	A-55	Agency Credit Cards	5/25/2015
15	A-57	Training Policy	7/15/2005
16	A-68	Meal Reimbursement for Unscheduled Overtime	4/10/2008
17	A-75	Employee Recognition Rewards Program	11/1/2005
18	A-86	Refueling Agency Vehicles	2/4/2005
19	A-89	Procurement Card Program	1/26/2016

List of Agency Policies that require updates



Rec #	Agency Policy	Agency Policy Title	Last Policy Update
1	A-01	Documentations of Policies and Procedures	11/11/2013
2	A-02	Petty Cash	12/18/2014
3	A-12	Employee Personal Computer Purchase Program	2/25/2015
4	A-14	Vehicle Use Policies and Procedures	9/11/2008
5	A-17	Use and Insurance Requirements for Vehicles and Equipment rented by the Agency	7/15/2005
6	A-25	Disposal of Surplus Agency Personal Property, Materials, and Equipment	9/1/2006
7	A-27	Department of Motor Vehicle Records Verification and Confidentiality	7/15/2005
8	A-20	Performance Appraisals	5/16/2019
9	A-34	Vehicle Maintenance	7/15/2005
10	A-37	Reimbursement for Attendance at a Conference, Seminar or Meeting	7/24/2015
11	A-49	Closing Capital and Non-Capital Projects	7/15/2005
12	A-50	Non-Purchase Order Invoice Approval	4/27/2015
13	A-51	Standard Operating Procedures	11/11/2013
14	A-55	Agency Credit Cards	5/25/2015
15	A-57	Training Policy	7/15/2005
16	A-68	Meal Reimbursement for Unscheduled Overtime	4/10/2008
17	A-75	Employee Recognition Rewards Program	11/1/2005
18	A-86	Refueling Agency Vehicles	2/4/2005
19	A-89	Procurement Card Program	1/26/2016

Agency Policies related to Vehicles

Suggested revisions:

- Clarify the use of vehicles for Agency-related business; address timeliness of mileage claim reimbursements
- Clarify the automobile insurance requirements
- Identify the situations when car washes are allowed via petty cash
- Provide procedures for re-fueling Agency vehicles

List of Agency Policies that require updates



Rec #	Agency Policy	Agency Policy Title	Last Policy Update
1	A-01	Documentations of Policies and Procedures	11/11/2013
2	A-02	Petty Cash	12/18/2014
3	A-12	Employee Personal Computer Purchase Program	2/25/2015
4	A-14	Vehicle Use Policies and Procedures	9/11/2008
5	A-17	Use and Insurance Requirements for Vehicles and Equipment rented by the Agency	7/15/2005
6	A-25	Disposal of Surplus Agency Personal Property, Materials, and Equipment	9/1/2006
7	A-27	Department of Motor Vehicle Records Verification and Confidentiality	7/15/2005
8	A-20	Performance Appraisals	5/16/2019
9	A-34	Vehicle Maintenance	7/15/2005
10	A-37	Reimbursement for Attendance at a Conference, Seminar or Meeting	7/24/2015
11	A-49	Closing Capital and Non-Capital Projects	7/15/2005
12	A-50	Non-Purchase Order Invoice Approval	4/27/2015
13	A-51	Standard Operating Procedures	11/11/2013
14	A-55	Agency Credit Cards	5/25/2015
15	A-57	Training Policy	7/15/2005
16	A-68	Meal Reimbursement for Unscheduled Overtime	4/10/2008
17	A-75	Employee Recognition Rewards Program	11/1/2005
18	A-86	Refueling Agency Vehicles	2/4/2005
19	A-89	Procurement Card Program	1/26/2016

Agency Policy A-57: Training Policy



Suggested revisions:

- Update the positions and departments per the most recent organizational structure
- Update and refer to the most current training forms
- Refers currently to a business practice that is no longer used

HR's Response

- Updates to Agency Policies are a priority
- In 2021, engaged a consultant to perform a comprehensive review
- In 2022, consultant provided their recommendations
- Currently, bargaining units are reviewing the proposed updates

Observations & Recommendations related to EthicsPoint

EthicsPoint introduction page has outdated information including:

- Agency's logo
- Agency's mission statement
- Reference to a rescinded Agency resolution
- Contact person is no longer an employee of the Agency
- Links reference outdated Agency policies and ordinances

Water Smart - Thinking in Terms of Tomorrow



Contact U: | EthicsPoint | Sitemap | Privacy Policy | Website Accessibility | Customer Agency Portal

	land Empire Utilities Agency MUNICIPAL WATER DISTRICT	inexpensive, e water
		s web page is hosted on EthicsPoint's secure of the Inland Empire Utilities Agency web site or intranet.
	AGENCY MISSION:	
	 To supply imported and recycled water, collect, treat, and dispose of wastewater, and to provide other utility-related services to the agencies it serves. To provide these services in a regionally planned, managed, and cost effective manner protecting the public health, environment, and maintain a high level of public awareness. 	To File a Report You may use either of the following two methods to submit a report: • Call 1-866-ETHICSP (1-866-384-4277) toll
	ETHICS POLICY:	free, or File a report using the link below.
	On February 16, 2005, the Inland Empire Utilities Agency (IEUA) adopted Resolution No. 2005-2-9, establishing the Agency's first formal ethics policy which addresses the conduct of Board	File A Report
	members and all Agency employees. While the Board does not have issues or concerns with any of our employees' ethics, as you are aware, the conduct of governmental employees in general has received significant review over the last couple of years. Consequently, it was the desire of the Board to take a proactive position regarding the professional conduct of both Board members and staff.	After you complete your report you will be assigned a unique code called a "report key." Write down your report key and password and keep them in a safe place. After 5-6 business days, use your report key and password to check your report for feedback or questions.
ethics-point	Due to the importance of this issue, a complete copy of Resolution No. 2005-2-9 is attached for your information. Additionally, the Agency has contracted with an outside provider (EthicsPoint, Inc.) for a toll free hotline, 1-866-EthicsP (1-866-384-4277) for use by both our staff and members of the public to report any unethical behavior on the part of any Board member or other Agency employee. Additionally, reports may be made via EthicsPoint's website at www.ethicspoint.com. EthicsPoint, Inc. is a firm that specializes in this type of work and who will forward the information reported, to IEUA's General Counsel for appropriate review and	Follow-Up On A Report

Inland Empire Utilities Agency a municipal water district

action.

Observations & Recommendations related to the Administrative Handbook

Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT

- Not easily accessible or visible for employees' reference
- Not posted under employee policies
- Only Chapter 7, Conflict of Interest, applies to Board members and employees, while the other 6 chapters only apply to the Board members
- Employees are <u>not</u> required to review Chapter 7 as a part of the Agency's Safety Tailgate Training Program





The Follow-Up Review of Recommendations Related to Agency Policies and EthicsPoint, Board Resolutions, and Administrative Handbook is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong internal control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Questions?

INFORMATION ITEM

3N



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Audit

From: Teresa Velarde, Manager of Internal Audit 07/10/23

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Progress Update for all Procure to Pay Audit Recommendations - Sixth Update

Executive Summary:

Internal Audit (IA) completed a follow up review of the audit recommendations provided through the various Procure to Pay (P2P) audits under the comprehensive Accounts Payable Operational and Internal Control audit. The scope of these audits was to evaluate the payment processes for the Agency's goods and services and to determine if internal controls and processes are efficient to ensure vendor invoices are paid timely. This is the sixth progress update. IA reports that several processes have been updated and improved and new initiatives have been explored and implemented to ensure vendors are paid on time. The Agency is now current on all payments.

To-date, IA has provided 120 recommendations through seven comprehensive P2P audits. Of the 120 audit recommendations provided, 58 are now considered implemented, 24 are in progress of being implemented and 38 are considered no longer applicable because alternate controls have been implemented to address the observations identified. The attached report provides details of the results and responses provided by the departments as well as highlights of the items that have been achieved. IA will continue to provide quarterly progress updates on the outstanding recommendations, including new recommendations through additional P2P audits.

Staff's Recommendation:

This is an information item.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval: Account/Project Name: N/A

Fiscal Impact (explain if not budgeted): N/A

Prior Board Action:

On June 15, 2022, the Board of Directors approved the Fiscal Year 2022/23 Annual Audit Plan. The Plan proposed the various Procure to Pay Audits under the Accounts Payable Operational and Internal Control Audit.

Environmental Determination: Not Applicable

Business Goal:

The Progress Update for all Procure to Pay Audit Recommendations - Sixth Update is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - Progress Update for all Procure to Pay Audit Recommendations - Sixth Update Attachment 2 - Progress Update List of all outstanding P2P audits

Attachment 3 - PowerPoint



6075 Kimball Avenue • Chino, CA 91708 P.O. Box 9020 • Chino Hills, CA 91709 TEL (909) 993-1600 • FAX (909) 993-1985 www.ieua.org

DATE: June 1, 2023

TO: Shivaji Deshmukh General Manager

lereja XD

FROM: Teresa V. Velarde Manager of Internal Audit

SUBJECT: Progress Update for all Procure to Pay Audit Recommendations – Sixth Update

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Unit (IA) is providing a progress update of the one-hundred and twenty (120) audit recommendations provided in the previous seven (7) Procure to Pay (P2P) audits completed under the comprehensive Accounts Payable Operational and Internal Controls Audit. The progress update is provided under the authority given by the Board of Directors in the approved Fiscal Year (FY) 2022/2023 Annual Audit Plan and IA's Charter.

Audit Objective

The scope of the original audits was to evaluate the ordering, receiving, and payment processes for the Agency's goods and services and to identify observations and recommendations for improvements to the processes to ensure the vendor invoices are paid on time. The purpose of the quarterly progress reports is to provide a status of each original audit recommendation from the P2P audits, including the corrective action plans, and planned dates for implementation.

Background

As detailed in the original audit reports, goods and services purchased by the Agency are considered critical to the wastewater treatment process because of public health regulatory requirements and are critical to the business initiatives of the Agency. The original audits evaluated the internal controls and business processes in place to ensure goods and services are ordered, delivered, received, and paid for in a timely manner, while following approved procurement guidelines. Good internal controls and sound business practices ensure the Agency can operate according to regulatory requirements and maintain healthy business relationships and a good business image with its vendors.

Water Smart - Thinking in Terms of Tomorrow

Michael Camacho Director

Paul Hofer Director



Progress Update for all Procure to Pay Audit Recommendations – Sixth Update June 1, 2023 Page 2 of 5

To date, IA has completed the following audits related to the comprehensive Accounts Payable Operational and Internal Controls Audit:

Interim Audit Report: Accounts Payable	Operational and Internal Control Audit								
Date Issued	Recommendations								
August 20, 2021	Interim Audit Report								
Review of Procure to Pay	Processes for Chemicals								
Date Issued	Recommendations								
November 24, 2021	35								
	sses for Professional Services – ion Management (E&CM)								
Date Issued Recommendations									
February 24, 2022	21								
Review of Procure to Pay Processes for Prof	essional Services – Planning and Resources								
Date Issued Recommendations									
May 24, 2022	11								
Review of Procure to Pay Proces	ses for Home Depot Credit Cards								
Date Issued	Recommendations								
September 1, 2022	7 (no longer applicable)								
	lome Depot Credit Card program and absorb the d program, as originally proposed by IA through the p on the 7 recommendations.								
Review of Procure to Pay Proce	sses for Materials and Supplies								
Date Issued	Recommendations								
December 2, 2022	19								
Review of Pay Estimate Processes									
Date Issued	Recommendations								
February 27, 2023	27								

The dashboard that follows provides a breakdown of the audit recommendations provided to each department and unit through the P2P audits with the status for each. The attached report, provides a detailed list of each outstanding recommendation, noting the departments' current responses, planned date for implementation and IA comments and the final disposition for each recommendation. The list attached provides a list of items that were still outstanding as of May 30, 2023. Audit recommendations, resolved are not included. For additional information about prior audit recommendations, resolutions and final disposition of each, IA refers readers to the original final P2P Audits and prior Progress Update Reports submitted through scheduled Audit Committee Meetings. Reports are also available on IA's website on AIM or can be requested by contacting any member of IA.

Progress Update for all Procure to Pay Audit Recommendations – Sixth Update June 1, 2023 Page 3 of 5

Unit	Implemented	In Progress	Not Implemented	No Longer Applicable	Total Original Audit Recommendations
Operations – Materials & Supplies	-	2	0	-	2
Maintenance – Materials & Supplies	-	2	0	-	2
Warehouse – Materials & Supplies	1	0	0	1	2
Water Quality Laboratory – Materials & Supplies	1	2	0	1	4
Facilities and Water System Programs – Materials & Supplies	-	2	0	-	2
Procurement Card Program	2	1	0	-	3
Contracts and Procurement	7	3	0	1	11
Accounting	19	4	0	19	42
Engineering	6	8	0	2	16
Operations – Chemicals	12	0	0	4	16
Engineering & Construction Management	6	0	0	1	7
Planning	4	0	0	2	6
Home Depot Credit Cards	0	0	0	7	7
Total Recommendations	58	24	0	38	120
Percentages	48%	20%	0	32%	100%

Of the 120 audit recommendations:

- 58 are now implemented
- 38 are considered no longer applicable because alternate controls were implemented. These recommendations are considered closed.
- 24 are in progress of being implemented

Of the 24 recommendations in progress:

- 1 recommendation is in progress of being implemented by the Procurement Card Administrator. The recommendation relates to finalizing and implementing an Agency PCard policy that provides clear guidelines for the use of the Procurement Card. This recommendation will be evaluated during the PCard audit that will begin after the approval of the new Annual Audit Plan.
- 3 recommendations are in progress of being implemented by Contracts and Procurement (CAP). One recommendation relates to making updates to Agency Policy A-50 related to non-POs and approval authorities. The remaining two recommendations relate to working closely with IT to make processes more

efficient in SAP, the Agency's ERP system. CAP continues to meet with Information Technology (IT) to discuss the needed updates.

- 8 recommendations are in progress of being implemented by the following departments or units: Operations, Maintenance, the Warehouse, the Water Quality Laboratory and Facilities & Water Systems Programs. The recommendations relate to tightening controls related to the receiving function. These recommendations will be considered in progress until all staff is fully trained on Esker and departments evaluate process changes because processes will require updates because of the implementation. IA will follow up on these processes during the next quarterly progress update.
- 4 recommendations are in progress of being implemented by Finance. These relate to documenting SOP's and providing training and establishing KPIs.
- 8 recommendations are in progress of being implemented by the Engineering department related the improving Pay Estimate processes to streamline their internal processes.

<u>Highlights</u>

IA participates in various meetings with all Agency departments related to the implementation of the audit recommendations and the many Agency initiatives related to the P2P audit recommendations.

Highlights of the recommendations that have been implemented in the recent months include the following:

- <u>Esker Implementation</u>: With the implementation of Esker, Accounting has been able to implement and address several recommendations that were previously In Progress. Esker provides visibility of pending invoices and staff can take follow-up action immediately. Esker also provides several dashboards and reports to quantify activities and keep track of the processes. Accounting continues to work with departments to improve the invoice approval processes and the timeliness of payments.
- <u>IT Reports:</u> IT continues to work closely with all departments to evaluate software, report capabilities and other needs related to technology and improvements with priority being on ensuring bills are paid on time.
- <u>Expanded Procurement Card (P-card) program</u>: In September 2022, the Agency expanded the P-card program to consolidate the various credit programs used by the Agency and to make small dollar purchases more efficient. A dedicated P-Card Administrator was assigned to implement and oversee the program, provide training and assistance to end-users, and implement US Bank Online system process. IA will evaluate the program as approved under the Annual Audit Plan.

- <u>CAP Café & on-going communications</u>: CAP continues to reach out to the departments to work closely with them to gain a clear understanding of their unique procurement requirements and to provide additional training, guidance, and assistance to ensure the transactions follow the Agency's P2P process. CAP initiated a virtual Q&A session each month "CAP Café" where attendees can ask questions, request guidance, assistance, and discuss any unique issues. The additional outreach efforts have provided valuable information for all users.
- <u>Standard Operating Procedures:</u> various departments continue to document and formalize their processes and procedures to serve as guidelines for the many processes.

The next progress update will report on the 24 remaining recommendations. Additional progress updates will be submitted until all recommendations are addressed.

The attached matrix provides a status for each of the outstanding audit recommendations. For additional details, IA refers readers to the original audit reports, received and filed by the Board of Directors. The reports can be accessed through the Agency's intranet website or requested from the Manager of Internal Audit. IA will provide additional progress updates until all P2P audit recommendations have been addressed.

<u>Acknowledgements</u>

IA would like to extend our appreciation to staff for their cooperation and assistance during this progress update and look forward to the continued collaboration.

Discussions with Management

IA met with each of the respective department managers and representatives to discuss the observations, the status of each recommendation, and corrective action plans. Where possible, their comments have been incorporated.

The Progress Update for all Procure to Pay Audit Recommendations – Sixth Update is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

P2P Audit Recommendations - 6th Progress Update Report Page 1 of 16

					Sta	atus			
P2P		Unit(s) Taking the Lead		Implemented	In Progress	Not Implemented	No Longer d Applicable	Department's Response, Corrective Action Plan and Proposed Date for Implementation	IA Notes
M&S	8	Ops M&S	Operations should establish and document clear procedures, KPI's, metrics and/or goals for the timely processing of all receiving. This includes ensuring that anyone who physically receive shipments of goods, promptly forward the shipping documents to the appropriate person that will perform the receiving in SAP. Ensure the procedures include details of the expectation of all involved in the receiving process, from the person who physically receives items, to the individual who does the receiving in SAP, including procedures to use current/existing or other technology when feasible and if it makes the process more efficient and quicker. Ensure procedures contain metrics, goals and KPIs for the timeliness of the items.		X				IA will follow up after the implementation of Esker and once all staff is trained and familiar with the new invoice recognition system and processes have been updated.
M&S	9	Ops M&S	Periodically review the Open PO Report as an additional monitoring control to check for any items that require receiving in SAP. Also, refer to closing information/instructions provided by Accounting each month for the SAP code to run the report and for additional closing instructions or seek assistance from Accounting or CAP to run report or identify items that still require receiving in SAP.		X				IA will follow up after the implementation of Esker and once all staff is trained and familiar with the new invoice recognition system and processes have been updated.
M&S	10	Mnt	Maintenance should establish and document clear procedures, KPI's, metrics and/or goals for the timely processing of all receiving. This includes ensuring that anyone who physically receive shipments of goods, promptly forward the shipping documents to the appropriate person that will perform the receiving in SAP. Ensure the planners forward any information about items ordered or received promptly to the administrative assistants for receiving into SAP. Ensure the procedures include details of the expectation of all involved in the receiving process, from the person who physically receives items, to the individual		X				IA will follow up after the implementation of Esker and once all staff is trained and familiar with the new invoice recognition system and processes have been updated.

P2P Audit Recommendations - 6th Progress Update Report Page 2 of 16

M&S	11	Mnt	who does the receiving in SAP, including procedures to use current/existing or other technology when feasible and if it makes the process more efficient and quicker. Ensure procedures contain metrics, goals and KPIs for the timeliness of the items. Periodically review the Open PO Report as an additional monitoring control to check for any items that require receiving in SAP. Also, refer to closing information/instructions provided by Accounting each month for the SAP code		X		Esi fan	will follow up after the implementation of sker and once all staff is trained and miliar with the new invoice recognition stem and processes have been updated.
	10		to run the report and for additional closing instructions or seek assistance from Accounting or CAP to run report or identify items that still require receiving in SAP.					20/2002 The Marshard Lister Land of
M&S	12	WHS	Warehouse should establish and document clear procedures, KPI's, metrics and/or goals for the timely processing of all receiving, similar to the new procedures established to ensure receiving for chemicals within 5-7 days. Warehouse indicated that they currently complete the receiving in SAP within 3-5 days and rely on the Open PO Report to monitor the timeliness of receiving. Additionally, Warehouse staff indicated that they perform the receiving for anything that comes through the warehouse and sometimes items that do not come through the warehouse, whether it is inventory or not.				basis to ensure all receiving is completed within the 5- 7 day timeline. The only 2 KPI's warehouse currently monitors are inventory accuracy and inventory dollars on hand/month. As mentioned, the indirect KPI's to ensure timely receiving (for which we have 100% control over) is the weekly review of the Open PR/PO Reports for which I personally review or work with admin and staff to complete. 4/11/23: Warehouse review/receiving process remains the same as above, with the exception of utilizing Esker to communicate/resolve any outstanding receiving/invoicing discrepancies. Mary Escobar reviews Esker daily to review/resolve outstanding issues. Warehouse receiving is still completed within 5-7 days of receipt and the open PR/PO report is worked on a weekly basis.	mpleting receiving within 5-7 days appears to timely and appropriate to allow Accounting fficient time to process payments. IA will nsider this recommendation In Progress, noting process changes resulting from the plementation of Esker for new invoice intake d routing and measurement and visibility of e receiving function. IA will follow up after iker has been implemented to re-evaluate the al of completing all receiving within 5-7 days. 2023 Based on changes made as of the plementation of Esker this recommendation considered No Longer Applicable and osed. The warehouse will monitor sponsiveness with the use of Esker and mplete receiving within 5-7 days. Thre is no ed for documented procedures and KPIs nen relying on information from Esker.
M&S	13	WHS	Warehouse staff should take the lead to frequently communicate with all administrative assistants about the responsibilities for completing the receiving function in SAP for inventory and non- inventory items and for items that are physically delivered to the warehouse and those delivered to other Agency locations. Warehouse staff may want to periodically send out email messages or use other forms of disseminating information about the responsibilities for SAP receivers. Warehouse should use the Open PO	X			times, to resolve any outstanding receiving issues causing delay of receiving in SAP. The importance of having each department generate and work their PR/PO Reports weekly has been made, however, it is outside the control of Warehouse to ensure that it is completed; this initiative needs to be driven from within each dpt mgt team. 4/11/23: No changes since implementation of Esker other then utilizing this platform for ongoing communications, which has allowed more direct communications to the appropriate parties. 4/17/23: Email communication will be forwarded to all	sure continuous communications with counting, Admins, Planners and other its/groups appears to be appropriate and eat customer service. IA will consider this commendation In Progress, pending process anges resulting from the implementation of the for new invoice intake and routing and

P2P Audit Recommendations - 6th Progress Update Report Page 3 of 16

			report as tool to guide the discussion about the items needing receiving.		what Warehouse is responsible for receiving in SAP vs. Dept responsibility. Reminder communication will be sent out quarterly thereafter through the balance of the FY, shifting to bi-annual for future FYs. 5/25/23: An email communication was sent to ALL (no board) informing everyone of the receiving protocol at warehouse. Follow-up communication will be send September 2023, then bi-annually beginning January 2024.
M&S	6		Facilities and Water System Programs should establish and document clear procedures, KPI's, metrics and/or goals for the timely processing of all receiving. (May consider using as an example similar new procedures established for chemical receiving is done within 5-7 days).	X	IA will follow up after the implementation of Esker and once all staff is trained and familiar with the new invoice recognition system and processes have been updated.
M&S	7		Periodically review the Open PO Report as an additional monitoring control to check for any items that require receiving in SAP. Also, refer to closing information/instructions provided by Accounting each month for the SAP code to run the report and for additional closing instructions or seek assistance from Accounting or CAP to run report or identify items that still require receiving in SAP.	X	IA will follow up after the implementation of Esker and once all staff is trained and familiar with the new invoice recognition system and processes have been updated.
M&S	1		The PCard Administrator should establish a strategy to continuously review the program and the related policies and reinforce the guidelines and requirements of the Procurement Ordinance, Procurement Card Policy and other related Agency Policies that provide guidelines and policies for the use of PCards. Additionally, to take the lead to make necessary updates to policies and processes and ensure employees are aware of the required policies, to ensure the PCard program is working as intended.	X	 On 2/7/2023 Pcard Administrator responded: 2/7/2023. Thank you for your response. This The PCard Admin continues to review all recommendation is specific to your current process which you have addressed and also related to reinforcing the current guidelines and prolicies. IA has the following follow up questions: PCard Admin sends reminder emails to all policies, IA has the following follow up questions: Depending on the items requiring attention there are individual emails that are sent to different users pertaining to their issues. PCard Admin reviews all charges to ensure that it aligns with the Procurement Ordinance 10. This is done through perusing the card Agency policies? If so, what are they? Portal and spot checking. IT provides an additional level of review prior to posting for any missing required documentation or support.
M&S	4	CAP	CAP should consider working with IT to set up an automated purchase order processing system. The new system	X	On 2/7/2023P CAP stated they have had several meetings with IT in support of having the automation of the PR to PO established. IT

P2P Audit Recommendations - 6th Progress Update Report Page 4 of 16

			should include a system of checks and balances for purchase order approval. Upon approval, the Agency's financial system, SAP, should automatically generate the purchase order and email it to the vendor, requestor, and CAP staff.		continues to research and evaluate the process requirements to support this automation. We have not received a status update from IT as to the potential implementation timeline.
M&S	5	CAP	CAP take the lead to work with IT to ensure there is a designated line item/area in SAP where users can add contact information about the PR/PO to facilitate follow up questions from either staff or vendors. It would be beneficial to have the contact information for the person that initiated the requisition. For vendor follow up. CAP indicated that SAP can populate the information with the SAP user information and they are already working with IT to have this information populate on the PO.	X	On 2/7/2023, CAP stated they have been working closely with IT to identify the work order number associated with PO's. There are some challenges in pulling the requestor contact information. While IT continues to explore the functionality, CAP is evaluating the manual process of entering the contact information for the requestor in the body of the PO. This will allow for the full name, email and phone number to be included and visible in the PO.
P&R	8	CAP	CAP should take the lead to make needed updates to Agency Policy A-50 and the Procurement Ordinance, to ensure they provide policy requirements for both PO and Non-PO items and addresses the changes resulting from the recent Agency reorganization to establish the most current and applicable controls for the Agency's procurement activities.	X	On 11/28/2022 It was discussed that updates to the policy will be made after the implementation of Esker - the new invoice upload system. On 8/22/22 Received update from CAP: Yes, we had a meeting with a lot of great discussion. The meeting included CAP and Accounting. The policy is under review, CAP is taking the lead on the review with track changes. Areas of discussion included updating the definition in 4.1 to identify that invoices for NPO aren't tied to a contract or PO routed through the formal P2P process. Update the workflow to remove the reference to the Procurement Ordinance. This is because the ordinance is not the governing document for invoice approvals. Update 5.2.A Guidelines to include more accurately identify the types of goods and services that should be processed via NPO. Update the table in 5.3A for correct titles and thresholds. Update details in 5.4 Processing to include AP related information and where the new Invoice processing software will be applied. CAP stated they would take the lead to evaluate A- 50 and provide recommendations to update.
PEs	12	E&CM	Engineering Management should take the lead to evaluate the accuracy and reliability of using CIPO to ensure the system is the most effective tool to gather Pay Estimate	x	Engineering Leadership has evaluated the accuracy and reliability of using CIPO based on the tickets over the last FY to ensure the system is the most effective tool to gather payOctober/November if needed to
			information. Or work closely with IT to		estimate information. The tickets did not have determine if there have been any CIPO anything to do with accuracy, they were either

P2P Audit Recommendations - 6th Progress Update Report Page 5 of 16

	10		evaluate if there are modules or functions in SAP, the Agency's ERP system, to upload Pay Estimate information.			user issues or system update issues. These two areas have been addressed with quality control program CIPO has implemented and training the Engineering Unit has scheduled for the next unit-wide meeting at the end of April. Response provided on 5/1/2023
PEs	13	E&CM	Engineering Management should work with CIPO to develop an ongoing process to test and verify the reliability of patches and updates to ensure CIPO has accurate formulas and calculations before relying on the data and submitting to AP for processing.	×		CIPO implemented a program in November 2022 which performs automated testing when changes and new features are introduced into the CIPO. This program automatically runs tests on application scenarios to avoid regressions (bugs in already implemented stuff). The tests are enhanced as new features are introduced into the application to check all modules when new enhancements/upgrades are implemented. Response provided on 5/1/2023
PEs	14	E&CM	Engineering Management must implement additional internal controls to ensure there is adequate review, verification, and approval of the Pay Estimate information from the Project Managers and other reviewers and approvers prior to submitting to AP for payment, to ensure its accuracy and prevent delays in payment process.			Engineering completed overview training on April 26, 2023, for pay estimate review and processing in the unit-wide meeting. See attached PowerPoint. Response provided on 5/1/2023 Second State (1/2023) Second State (1/202
PEs	15	E&CM	Engineering Management must implement additional internal controls and provide staff training to ensure the Receiving function in SAP is performed correctly. Additionally, there should be a process to review the receiving information entered by staff prior to information sent to AP, to ensure its accuracy and prevent delays in payment process.	×		Engineering completed overview training on April 26, 2023, for pay estimate review and processing in the unit-wide meeting. See attached PowerPoint. Response provided on 5/1/2023.
PEs	16	E&CM	Engineering Management should take the lead to reevaluate the processes for Pay	X	(Engineering will be moving from using the G/EN drive into using Teams for all active project documentation starting in July 2023.

P2P Audit Recommendations - 6th Progress Update Report Page 6 of 16

			Estimates and determine the need to have the Pay Estimate documentation saved/uploaded in multiple locations (both inside and outside of SAP). If needed, work with IT and Records Management to determine the most efficient method for linking and/or interfacing the documentation and eliminate the need for multiple copies				Once this is complete, the pay estimates will be housed in CIPO and in the project folder located on Teams. Once Engineering transitions to Teams, the CM drive folder which houses all the pay estimates will be eliminated. Response provided on 5/1/2023	review the use and implementation of the new folders in TEAMS. We will schedule a follow up meeting in July/August.
PEs	17	E&CM	Engineering should take the lead to work with IT and possibly Finance, to determine if there are ways to eliminate the reliance on excel spreadsheets with centralized reports from SAP or leveraging AP's spreadsheets. Reports should assist with the review, tracking, reconciliation and monitoring of Pay Estimate payment information. The reports should include the needed information that both departments rely on. SAP report tools should be available and visible to all staff that need the information.		X		Engineering reached out to IT and showed them the one spreadsheet that is updated each month with all the Pay Estimate, Change Order, GR/IR information, and total amount being paid for the month. All of these items are needed by Finance and AP to process payments. Currently, SAP doesn't have a report to provide these details. IT did state however, that one of the things they are working on is building a database that extracts SAP information and giving users a new Microsoft tool called Power BI which lets staff build dashboards and spreadsheets from the data. This is currently a few months out of being implemented. Response provided on 5/1/2023	
PEs	18	E&CM	Engineering and AP should discuss and work together to determine if Accounting requires more time to process Pay Estimates. If AP requires more time, then Engineering should reevaluate its internal processes and determine if they can provide more time to AP to process Pay Estimates. Additionally, Engineering should work with Finance staff to determine if the 20th of the month is the most effective date to process and Pay Estimate or if changes and efficiencies can be achieved by reevaluating internal processes to ensure all information is provided timely to AP.	X			This is similar to action item 24. Engineering reached out to AP and verified that one week before the week of the 20th to be paid out on the Thursday of that week is enough time to process the pay estimates each month. If this timing becomes an issue in the future, AP will work with Engineering on new deadline requirements. Response provided on 5/1/2023	5/20/2023 Thank you for your response. IA has reviewed and determines that departments have the appropriate time needed. This recommendation is considered fully implemented and closed.
PEs	19	E&CM	Engineering Management should take the lead to evaluate internal controls for requiring multiple signatures on Pay Estimates. Engineering should follow their				This action item is similar to number 20 of the audit recommendations. The signature approvals on the pay estimate are currently based off Policy A-50. AP stated they will look into this policy to see if it requires	Thank you for your response. Per your response, the department has evaluated the cost-benefit of requiring the 3-7 reviewers and signatures on each Pay Estimate and keep this

P2P Audit Recommendations - 6th Progress Update Report Page 7 of 16

			own SOP requirements and Agency Policy A-50 regarding approval authority and ensure only required signatures are obtained per the dollar threshold required. Evaluate the costs and benefits of requiring 3-7 reviewers and signatures on each Pay Estimate and note that A-50 does not have a requirement for the Agency's GM to approve Pay Estimates.				Currently, these approval levels are required based off of knowledge of work being	departments preference to keep the layers of review/approval. At this time, this process does not cause delays, therefore, IA will consider this recommendation No Longer Applicable and closed.
PEs	20	E&CM	Engineering Management should take the lead to work with HR to update Agency Policy A-50 to ensure the required authority, reviews and approvals for Pay Estimates are documented in the policy. Ensure the Agency's practice meets the policy requirements to ensure internal controls are implemented and work as intended. The Policy requires updates to positions and threshold levels and dollar amounts.			x	This action item is similar to number 19 of the audit recommendations. The signature approvals on the pay estimate are currently based off of Policy A-50. AP stated they will	response. IA will consider this No Longer Applicable and closed. IA will follow up with HR and Accounting on their process to update A-50.
PEs	21	E&CM	Engineering Management must implement additional internal controls and provide staff training to ensure the receiving function is completed timely and accurately. Once additional recommendations and internal controls related to ensuring the accuracy of the information of Pay Estimates have been implemented, Engineering Management might want to evaluate implementing efficiencies and establishing the purpose for the receiving function in SAP. Because Pay Estimates and documentation are approved on multiple systems and by multiple approval levels, the receiving	X			Engineering completed overview training in April 26, 2023, for pay estimate review and processing in the unit-wide meeting. See	5/20/2023 Thank you for your response. IA will consider this Implemented and closed because training was provided. The current process for receiving is not slowing down the process per accounting's comments. Follow up question, will this training be provided periodically and how often?

P2P Audit Recommendations - 6th Progress Update Report Page 8 of 16

			function may or may not be necessary to certify the payment is ready to be processed. At this time, the receiving function should be completed as soon as possible after the PM has approved to not			
			delay the payment process.			
PEs	22	E&CM	Engineering Management should take the lead to work with Finance to evaluate ways to improve the Pay Estimate form to ensure it serves as an effective communication tool for both departments about the payment information. AP relies on the information on the Pay Estimate to process accounting transactions, ensuring the information is available, reliable, visible, and complete will improve efficiencies in processing payments, retentions, escrows, etc.	x		Engineering has followed up with the AP Team. They like the pay estimate format that Engineering uses and does not want to make any major changes. They had one request, which is to add a field for the vendor number to the pay estimate and the compiled excel file with the GR/IR information. They stated all other areas work for them currently. The vendor number has been added to both the pay estimate and the excel log. If there are any additional fields, AP will work with Engineering on adding new items. Engineering is also looking internally to see if there are any areas to update on the pay estimate cover page that may be repetitive to streamline and add efficiency when reviewing. If any changes come from this internal review, the change requests will be submitted to CIPO and reviewed with AP. Response provided on 5/1/2023
PEs	23	E&CM	Engineering should coordinate with the contractors to ensure the Schedule of Values are completed and uploaded into CIPO no later than the 20th of each month.	X		The Schedule of Values is uploaded by the contractor at the beginning of the construction phase, after contract award. This is a one- time function, which then builds the monthly pay estimate. Response provided on 5/1/2023 Response provided on 5/1/2023 State of the construction response. IA will consider this Implemented and closed because the recommendation intended to encourage the contractors upload the information for the Pay Estimate each month by the 20 th . Based on our discussions with Engineering and Accounting, the current timing of the contractors seems to work effectively and does not delay the processing of payments. IA will continue to monitor.
PEs	24	E&CM	Engineering Management should take the lead to work with AP to tighten internal controls to ensure payments are made according to PCC rules, Net 30. See all recommendations provided in this report to improve processes and implement efficiencies to ensure the payments for the Pay Estimates are processed, reviewed,		x	This is similar to action item 18. Engineering reached out to AP and verified that one week before the week of the 20th to be paid out on the Thursday of that week is enough time to process the pay estimates each month. If this timing becomes an issue in the future, AP will work with Engineering on new deadline requirements. Response provided on 5/1/2023

P2P Audit Recommendations - 6th Progress Update Report Page 9 of 16

	05	50.04	approved and received in SAP in a timely manner and provide AP sufficient time to reconcile and process payments, to ensure the Agency does not incur an interest and/or have to pay a contractor interest.	~				
PEs	25	E&CM	Engineering should review their SOP and include processes (step-by-step procedures) related to Stop Notices.	X			The stop notice procedures for the Engineering Unit has been incorporated in the Invoice/Pay Estimate ENGCM-07 SOP. See attached section 3.4, page 7-9. Response provided on 5/1/2023	5/20/2023 Implemented. SOP attached.
PEs	26	E&CM	Engineering should document guidelines about processing the receiving for Pay Estimates, specifically providing guidelines and information about the dollar amounts to be received (gross vs. net) and the retention/escrow withheld.	X			The stop notices procedures for the Engineering Unit has been incorporated in the Invoice/Pay Estimate ENGCM-07 SOP. See attached section 3.3.F, page 6. Engineering completed overview training on April 26, 2023, for pay estimate review and processing in the unit-wide meeting. Response provided on 5/1/2023	5/20/2023 Implemented. SOP attached.
PEs	27	E&CM	Engineering should provide on-going training to all staff on the various Pay Estimate requirements and responsibilities; including carefully reviewing and comparing information from the schedule of values to the Pay Estimate, and ensure the receiving is done correctly to ensure the processes are working as intended and minimize delays to the payment processes and minimize AP's review, reconciliation and involvement in verifying data.		x		Engineering completed overview training on April 26, 2023, for pay estimate review and processing in the unit-wide meeting. Response provided on 5/1/2023	5/20/2023 Thank you for your response. The recommendation suggests "on-going training". Does the department have plans for on going training and if so what is the plan? IA will consider recommendation In Progress and follow up next quarter.
M&S	14	Lab	Lab should work closely with Accounting and CAP to establish and document clear procedures, KPI's, metrics and/or goals for the timely processing of all receiving into SAP, for both goods and services. (Similar to the new procedures established to ensure receiving for chemicals is completed within 5-7 days).			X	Once invoices are received through Esker, invoices will be processed within 5-7 days of receipt. When out of office, a back up will be assigned.	On 5/3/2023 Lab staff indicated that the goal for Lab items for receiving into SAP and the approval of the invoice will both happen within 5-7 days. Esker added a layer of visibility that helps staff with prompts and messages to ensure approval and process the invoices is done timely, and therefore prompting the receiving process. Staff also indicated that Esker has helped with expediting the processing and approval process of invoices. Additionally, staff indicated that the PCard flexibility to make Lab purchases is also expediting the process to approve and pay for goods needed. Staff is still working on their internal processes to ensure they can capture all items. Staff indicated there has been a significant improvement in processes. Additional staff is also assisting in the process and is currently in training. The recommendation is considered no longer applicable because Esker has added the layer of

P2P Audit Recommendations - 6th Progress Update Report Page 10 of 16

								visibility to capture the timeliness of processing the invoices.
M&S	15		Lab should incorporate the use of existing or new technologies (such as iPhones) to upload delivery documentation directly into SharePoint/OneDrive for their administrative staff. (Lab agrees to use technology and mentioned that they currently have 2 shared Lab iPhones that can be used for the uploading of documents to make the process more efficient.)	X			For goods received, the receipts are scanned and saved to one-drive that admins can access and also emailed to the admin as a backup. In the absence of a packing slip, it will be communicated to the admin and when the invoice is received, the approval of items will be coordinated with the Lab assistant or the lab supervisor.	Laboratory staff is using the scanner to upload items to OneDrive. For missing packing slips, there is no longer a need for DocuSign. If there are no delivery documents, the invoice on Esker is used for the receiving and approval process. The assistance of additional staff is also helping speed up the receiving and approval of invoices . This recommendation is considered implemented because additional technologies are being applied to improve the process.
M&S	16		Periodically review the Open PO Report as an additional monitoring control to check for any items that require receiving in SAP. Also, refer to closing information/instructions provided by Accounting each month for the SAP code to run the report and for additional closing instructions or seek assistance from Accounting or CAP to run report or identify items that still require receiving in SAP.		X		Once the PO report is received from CAPs monthly admin will review and flag laboratory management on any old and aging POs that need to be closed o extended. Will also review all packing slips received against the existing PO for any pending charges.	Laboratory items to monitoring invoices that should be sent by vendors. Staff will be
M&S	17		Lab staff should take the lead to periodically meet with staff completing SAP receiving (currently Engineering administrative staff or other administrative assistant) to discuss and coordinate receiving responsibilities, including: • Create a list to indicate which Lab staff to send invoices to for approval via DocuSign (provide list to Accounting or administrative assistance as a guide). • Discuss items that always need invoices sent for signature approval (i.e., Airgas rentals).		X		Lab Supervisor will meet with the Admin Monthly to follow-up on unmatched invoices and packing slips Admin will refer to the existing vendor list to assign incoming invoices. The list will also indicate vendors not needing approvals on invoices and car be processed as received based on packing slips.	implemented with #16 above along with the training of the Open PO Report and other SAP receiving responsibilities.
M&S	19	Meetings	Accounting should continue to lead periodic meetings with the administrative assistants or staff responsible for SAP receiving and if needed include CAP staff or others to discuss open items, invoices, receiving responsibilities and anything requiring attention to ensure vendor payments are made timely.	X			4/12/2023: AP and CAP hold twice a week meeting to review and resolve any open invoice issues. We review open PO, GR, and invoices for roadblocks that could prevent them from posting for payment. We also educate each other in our processes to improve efficiency in the procure-to-pay cycle. We have an open AP/CAP chat on MS Teams to communicate daily. We also have the Internal Conversation on Esker for invoices to communicate to any relevant staff.	On 5/10/2023 Staff indicated that AP Meetings are on Monday and Wednesday each week with Admin Assistants as needed and rely on the Esker chat/discussion option to communicate frequently. IA verified both the meetings and the chat discussions. Staff also indicated that Esker has improved visibility and any invoice approver, and the AP person can have communication on Esker. Accounting believes new initiatives have improved the payment cycle and timing. Per the response and the review of

P2P Audit Recommendations - 6th Progress Update Report Page 11 of 16

								meetings and discussions, IA considers this recommendation implemented.
CHEM	26	SOP	Formalize and document specific procedures to specify how and what items should be selected by AP staff to perform the 3-way match AND processing of payments, also specify the frequency of when this process should be completed. SOPs establish consistent procedures for employees to follow and be trained and evaluated on.			~	4/12/2023: Chemical receiving has been eliminated and is now a 2-way match to the PO. New SOP for Chemical invoice procedure will be created with Esker as the primary point of data entry. All processes in Esker are in real time with invoices processed as soon as available. All AP staff are able to process chemical invoices, no batch process and selected staff.	5/10/2023 This recommendation is specific to how and what items AP staff select to perform the 3-way match and process payments. Accounting had originally committed to documenting all SOPs after all processes have been finalized and adopted. Staff indicated that with the implementation of Esker, workload and staff changes/updates, there is greater visibility of where the invoices are in the process and staff are trained to proactively process and assist other staff with the necessary steps in the process. Additionally, the 3-way match for chemicals has been eliminated therefore this recommendation is considered No Longer Applicable.
CHEM	27	Acct Training	Training should be provided periodically to reinforce the documented SOPs to ensure employees are following consistent procedures.	X			4/12/2023: Training on the new Chemical 2-way voucher match is completed and ongoing for new staff. Verify with Teresa if the training is specific to AP (Esker approvers + Admin as needed). Save recording of training sessions and publish on SharePoint for record.	5/10/2023: Per staff's prior responses, IA had suggested to provide AP staff with some training even if new SOPs had not yet been developed. Staff responded that training has been ongoing and continuous with the implementation of Esker, training includes anything related to assisting others to complete their receiving functions and approving invoices. IA suggested any TEAMS videos related to training, if recorded to keep on their intranet for future resource. Staff has addressed the intent of the recommendation, IA considers recommendation to be implemented.
CHEM	29	KPIs	Accounting should establish and document performance metrics and KPI's, goals and objectives and a method to measure how timely invoices are paid. Work with BIS to establish any reports that can provide measurements and metrics.		X		4/12/2023: establish KPI for AP group on local processes where we can manage the process. Work with Esker to update the dashboard and new KPI for AP group. # of AP Invoice/ staff, time from submission to approval to post. KPI for departments for processing time with invoice approval. Percentage of discount captured. Money saved by discount captured. Turnaround time for invoice processing and payments.	5/10/2023. The response is appropriate to address the recommendation. As a follow up, where will these KPIs and goals be published or how will they be used and reported and reported to who? Who will use the KPIs? The response indicates that the department will explore KPIs now that Esker has been implemented. The recommendation will continue to be In Progress as with the prior progress report until KPIs have been finalized.
CHEM	30	SOP	Document and formalize an Agency Policy or Department SOP about the requirement for completing receiving, matching, and processing payments. -Specify the types of documents that should be included and verified in SAP or other required reports, before payments are processed. -Specify if the Bill of Lading provided by			Λ	4/12/2023: this process is obsolete and no longer require processing 2-way match for Chemicals.	5/10/2023 This is similar to Chem 26 related to having an SOP for how AP staff chooses and completes the 3-way matching process. This recommendation is considered no longer applicable because the 3-way match for chemicals has been eliminated, making this recommendation No Longer Applicable.

P2P Audit Recommendations - 6th Progress Update Report Page 12 of 16

			the delivery drivers to the operators should be uploaded into SAP at the time SAP Receiving is completed or be retained in hard-copy and where specifically.					
CHEM	31	Acct	Document and formalize in an Agency Policy or Department SOP about the requirement for completing receiving, matching, and processing payments. -Specify the types of documents that should be included and verified in SAP or other required reports, before payments are processed. -Specify that the invoice received by Accounts Payable should be documented with a date received and uploaded into SAP and accurately matched to the corresponding transaction. Accounting should work with BIS to develop an Aging Report or a report that shows all outstanding invoice information, including total days held and outstanding or overdue so that Accounting can take prompt action.			~	5/10/2023: this process is obsolete since we are doing 2-way match. 4/12/2023: verify with Bonnie and Sunny if there is any value in keeping the reconciliation sheet of qty and amount paid to chemical vendors. 5/3/2023: chemical vendors provide spreadsheets of all activities during the prior month (except Thatcher). Bonnie matches the spreadsheet data with Esker invoices – verify Invoice Number, quantity, Sales Tax (paid), deliver costs, and Total Amount. The total quantity is provided to Sunny to pay sales tax for Olin and Thatcher only (bleach & aluminum sulfate)	Chem30. The intent of the recommendation is to ensure AP staff have sufficient and
CHEM	32	Acct SOP	Document and formalize in an Agency Policy or Department SOP about the requirement and expectation for the accuracy of data entry. -Emphasize the importance that staff is expected to make every attempt to ensure the data entered in SAP for receiving and invoice processing needs to be accurate and accurately match the corresponding supporting documentation. -Specify when it is allowable and when it is not allowable to back-post or post- date information.			~	4/12/2023: Receiving process has been eliminated and only 2-way voucher match is required. Matching PO to invoice only. Data entry accuracy is important to match the invoice content. Esker has automated some of this process to aid AP staff with data entry. If any issue is found, AP staff communicates with Admin staff to verify and correct the invoice/content w vendor.	5/10/2023 This is like Chem 26 and Chem 30 and Chem 31 above. The intent of the recommendation was to document a procedure for the accuracy of the 3-way match process. The 3-way match for the chemical invoices has been eliminated. Additionally, with the implementation of Esker, there is accuracy, timeliness and visibility of the information uploaded. This recommendation is no longer applicable.
CHEM	33	Acct SOP	Document and formalize in an Agency Policy or Department SOP about the requirement and expectation for the accuracy of data entry.	X			4/12/2023: no need to wait for the receiving of chemical to be done. We are doing 2-way voucher match now and there's no time lag between the receiving of invoice & processing	See comment above. This recommendation is considered Implemented because, no SOP was

P2P Audit Recommendations - 6th Progress Update Report Page 13 of 16

			 Specify what is an acceptable best practice and approximate time frame for processing the invoice, complete the 3- way match, and process for payment. Specify how invoices uploaded are monitored to ensure that items are processed by the payment terms. Specify how delayed items should be handled and communicated with the goal of issuing payment by the payment terms or that items are processed by the payment terms. 			in Esker. Issue is due to batch processing & delay.	documented but the intent for the recommendation was fully implemented with the visibility gained through processing invoices using Esker. With the visibility the timing of processing the invoice including completing a 3-way match and process payment is visible and completed within the vendor payment terms and payments on time. This recommendation is considered fully implemented.
СНЕМ	35	Acct SOP	Document and formalize in an Agency Policy or Department SOP about the requirements and expectations for AP staff to open/download invoices, date, upload, match and process invoices in SAP and process payments. Consider establishing KPI's and/or benchmarks to determine a reasonable amount for invoice retrieving, uploading, matching, and posting to be performed and processing the Invoices for payment.	X		4/12/2023: We no longer wait to download chemical invoices and upload. Our chemical invoices are uploaded to Esker for immediate processing within 1 business day.	5/10/2023 This recommendation has been addressed and considered Implemented. With the implementation of Esker, all invoices are uploaded into Esker and routed for approval. Accounting staff look up contact information to properly route the invoice. This is handled and done as soon as the invoice arrives at the Agency. IA will verify the accuracy and timeliness of invoice processing in a future review. For now, the recommendation is considered implemented.
ENG	10	Acct	The Accounting management evaluate and make necessary updates to its internal processes and procedures to ensure all professional service invoices are received by AP staff and are immediately sent to the corresponding Agency department for approval and receiving. Accounting management continuously work closely with the E&CM Department and other Agency Departments and keep a reference list of the professional/consulting services vendors that each Department is managing, to ensure proper reference and routing of the invoices is done immediately upon receipt. This will require continuous communication with the Departments as well as continuous communication with vendors to specify instructions for submitting invoices. Accounting management track the professional/consulting services invoices in the Invoice Held database or other tracking database to monitor when they are received by the Agency and when they are due for payment.	X		uploaded to Esker for immediate processing and route to department to review and approve within 1 business day. AP staff has been trained by CAP staff to look up vendor information associated with department contact	5/10/2023 This recommendation has been addressed and considered Implemented. With the implementation of Esker, all invoices are uploaded into Esker and routed for approval. Accounting staff look up contact information to properly route the invoice. This is handled and done as soon as the invoice arrives at the Agency. IA will verify the accuracy and timeliness of invoice processing in a future review. For now, the recommendation is considered implemented.

P2P Audit Recommendations - 6th Progress Update Report Page 14 of 16

P&R	11	Acct	Accounting management should take the lead to work directly with P&R department to determine the most efficient/effective way to communicate that the receiving function in SAP has been performed. Both departments should discuss and agree if there is a need to use email communication for invoice management.	X			4/12/2023: All P&R invoices are now uploaded to Esker and sent out to P&R department immediately for review and approval. All communication is done in Esker.	5/10/2023 This recommendation has been addressed and considered Implemented. With the implementation of Esker, all invoices are uploaded into Esker and routed for approval. Accounting staff look up contact information to properly route the invoice. This is handled and done as soon as the invoice arrives at the Agency. IA will verify the accuracy and timeliness of invoice processing in a future review. For now, the recommendation is considered implemented.
PEs	1	Acct	AP should take the lead to work with IT to determine if there are ways to eliminate the many excel spreadsheets with centralized report tools from SAP. Reports should assist with the review, tracking, reconciliation and monitoring of Pay Estimate payment information. The reports should include contract spending, retention/escrow funds including contractor information, contract balance, description/pay estimate number, gross invoice, net invoice, retentions/escrow withheld, year-to-date totals, etc. SAP report tools should be available and visible to all staff that need the information.	X			provided by Engineering and does not track any additional spreadsheet anymore.	5/10/2023 This recommendation has been addressed and considered Implemented. With the implementation of Esker, all Pay Estimate invoices are uploaded into Esker and routed for approval, similar to a vendor invoice. IA will verify the accuracy and timeliness of invoice processing in a future review. For now, the recommendation is considered implemented.
PEs	2	Acct excel	Determine a method or purpose for ensuring there is evidence of supervisory review on the spreadsheets to confirm that the information is up to date, accurate and reliable. This internal control may not be necessary if reports are generated from SAP since payment information, retentions/escrows withheld are automatically and independently calculated in SAP.			~	4/12/2023: We plan to upload all Pay Estimate invoices into Esker for Engineering approvals and processing. AP will not be maintaining a separate spreadsheet.	5/10/2023 Accounting indicated that spreadsheets will no longer be maintained to review and verify Pay Estimate information because the PE will be uploaded into Esker just as a regular invoice, eliminating the need for spreadsheets. This recommendation is no longer applicable.
PEs	3	Acct Network security	Accounting should take the lead to request from IT limited access to the shared drive folder where the excel spreadsheets for Pay Estimates are located. Including removing unauthorized users and deactivate users that are no longer with the Agency.				4/12/2023: AP no longer maintain the spreadsheet for Pay Estimates. The Share drive folder is only accessible by current Accounting staff.	5/10/2023 Accounting indicated that spreadsheets will no longer be maintained to review and verify Pay Estimate information because the PE will be uploaded into Esker just as a regular invoice, eliminating the need for spreadsheets. This recommendation is no longer applicable.

P2P Audit Recommendations - 6th Progress Update Report Page 15 of 16

PEs	4		Engineering, Finance, and IT should work together to explore possibilities of CIPO interfacing with SAP.			4/12/2023: it was determined that this recommendation is not necessary with the implementation of Esker.	5/10/2023 Accounting will not explore this option since it recently implemented Esker. This helps improve processing of PEs.
PEs	5	ERP efficiency	Finance should take the lead to evaluate if there are ways to make SAP entries for Pay Estimates more efficient, currently there are two transactions codes that require processing, MIRO for the receiving and F-51 are for the retention. Determine if the receiving function in SAP is necessary or if there is a more efficient method that can be implemented to recognize the Pay Estimate liability in the Agency's financial system.			4/12/2023: we can improve the process of posting the invoice match from Esker and complete F-51 for retention. These are essential processes that cannot be eliminated to capture the retention and pay the correct amounts to the vendors.	5/10/2023 Accounting will not explore this option since it recently implemented Esker to expedite and monitor the process of invoices. Per Accounting staff, the process is as efficient as it can be set up at this time. Therefore, the recommendation is no longer applicable.
PEs	6		Finance should take the lead to evaluate reporting tools available in SAP to manage projects, contracts, contractor, etc. and eliminate the use and reliance on the many excel spreadsheets.			4/12/2023: all data resides in CIPO system and AP does not track info in any additional spreadsheet.	5/10/2023 Accounting indicated it is not necessary to explore options at this time because all project related data will reside in CIPO as it will be the primary project management tool. Therefore, the recommendation is no longer applicable.
PEs	7		Finance should take the lead to evaluate the possibility of using Esker to process Pay Estimates.	x		4/12/2023: in progress. Estimated to start with Pay Estimate in April 2023.	5/10/2023 Esker was implemented around January/February 2023. The system is working as intended. Recently staff began processing Pes through Esker and it is has worked as intended.
PEs	8	Interface/ Efficiency	Finance Department should reevaluate the need to have 4 copies of the Pay Estimate saved in multiple locations (both inside and outside of SAP). Finance should work with IT and Records Management to determine the most efficient method for linking/interfacing the documentation and eliminate the need for multiple copies.	x		4/12/2023: CIPO and Esker will be the primary document storage for Pay Estimates. Invoices in Esker are accessible from SAP.	5/10/2023, Accounting staff indicated that CIPO will be the primary project management tool and retain all supporting documentation. Additionally, PEs will be retained in Esker. According to staff, the multiple copies of the Pay Estimates have been eliminated.

P2P Audit Recommendations - 6th Progress Update Report Page 16 of 16

PEs	9	Acct SOPs	Finance should take the lead to document the many activities and procedures to process payments for Pay Estimates. SOPs should include information for resolving issues or discrepancies. The SOP should contain the location where necessary information is saved, such as the project spreadsheets and other information.		X			4/12/2023: new SOP will be documented with Esker point of entry.	5/10/2023 Recommendation will be considered In Progress until the SOP has been documented if Accounting believes this SOP will be beneficial to accounting staff.
PEs	10	Acct Training	Finance should provide on-going training to all staff on the various accounting responsibilities, including processing Pay Estimates to ensure the processes are working as intended.		X			4/12/2023: Training is in progress with new Pay Estimate process for all AP staff.	/5/10/2023 Recommendation will be considered In Progress until the training is completed.
PEs	11	Acct Forms	Finance Management should take the lead to work with Engineering to evaluate if the Pay Estimate form requires improvements to ensure it serves as an effective communication tool for both departments about the payment information. AP relies on the information on the Pay Estimate to process accounting transactions, ensuring the information is available, reliable, visible, and complete will improve efficiencies in processing payments, retentions, escrows, etc.		x			4/12/2023: completed. Met with Rachael Solis about form requirements and provided improvement request to her 4/12/2023.	5/10/2023 Recommendation will be considered In Progress until the forms updates is complete or Accounting determines that all information on the PE form is sufficient to effectively process Pay Estimates.
			See – Report for details*	58	24	0	38		



Progress Update for all Procure to Pay Audit Recommendations – Sixth Update

Sapna Nangia Senior Internal Auditor July 10, 2023



Audit Recommendations related to the P2P Recommendations

		Sta	atus		
Unit	Implemented	In Progress	Not Implemented	No Longer Applicable	Total Original Audit Recommendations
Operations – Materials & Supplies	-	2	0	-	2
Maintenance – Materials & Supplies	-	2	0	-	2
Warehouse – Materials & Supplies	1	0	0	1	2
Water Quality Laboratory – Materials & Supplies	1	2	0	1	4
Facilities and Water System Programs – Materials & Supplies	-	2	0	-	2
Procurement Card Program	2	1	0	-	3
Contracts and Procurement	7	3	0	1	11
Accounting	19	4	0	19	42
Engineering	6	8	0	2	16
Operations – Chemicals	12	0	0	4	16
Engineering & Construction Management	6	0	0	1	7
Planning	4	0	0	2	6
Home Depot Credit Cards	0	0	0	7	7
Total Recommendations	58	24	0	38	120
Percentages	48%	20%	0	32%	100%



The Progress Update for all Procure to Pay Audit Recommendations – Sixth Update is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

INFORMATION ITEM

30



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Audit

From: Teresa Velarde, Manager of Internal Audit 07/10/23

Manager Contact: Teresa Velarde, Manager of Internal Audit Subject: Report of Open Audit Recommendations as of June 2023

Executive Summary:

The Board-approved Internal Audit Unit Charter (Charter) requires the Internal Audit Unit (IA) to provide the Audit Committee and the Board with an annual report listing all outstanding audit recommendations including action plans and expected resolution dates. The Charter also requires IA staff to follow-up on the status of outstanding audit recommendations to determine if corrective action efforts have been made to address the original observations or findings. A recommendation is considered "outstanding" when management agreed with the original recommendation at the time of the audit but the area audited has not yet addressed the observation noted or requires IA's verification in order to close out the item. Responses to the recommendations, including action plans, were discussed and incorporated in the original audit report when issued. As of June 2023, 115 recommendations are considered outstanding; 12 relate to required policy updates currently under review, 31 relate to the renegotiation of the Regional Contract, 24 relate to the recent P2P audits, and 48 are eligible for reevaluation. Attached, is a complete report listing all outstanding recommendations and the status. Follow-up reviews are scheduled according to the proposed Annual Audit Plan or sooner if requested by management, the Audit Committee, the Board, or if risk and/or priority increases for the area reviewed. This report is updated, with the completion of new and follow-up audits.

Staff's Recommendation:

This is an information item.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval: Account/Project Name: N/A

Fiscal Impact (explain if not budgeted):

None, only when additional outside auditing or consulting services are required to provide assistance to IA or fulfill the responsibilities of the Audit Committee. A proposal with proposed fees would be submitted through the Audit Committee for appropriate action. Additionally, some audit projects are intended to identify opportunities for cost containment.

Full account coding (internal AP purposes only):

Project No.:

```
-
```

Prior Board Action:

On June 15, 2022, the Board of Directors approved the Fiscal Year 2022/23 Annual Audit Plan.

On December 21, 2022, the Board of Directors reconfirmed the approved Audit Committee and IA Unit Charters. The Charters require an Annual Report listing all Outstanding Audit Recommendations.

Environmental Determination:

Not Applicable

Business Goal:

The Report of Open Audit Recommendations is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices. IA's ongoing monitoring activities are to follow-up on the status of open audit recommendations to determine if the staff have taken corrective action to address audit observations and issues identified. IA provides recommendations to tighten internal controls, improve processes and assist the Agency and the Board in achieving compliance with policies and organizational goals.

Attachments:

Attachment 1 - Report of Open Audit Recommendations as of June 2023 Attachment 2 - PowerPoint

Outstanding Audit Recommendations as of June 1, 2023 Page 1 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Finance and Accounting	Accounts Payable Follow-Up Audit	August 28, 2013	4	AFM should work with the appropriate Agency personnel to update Agency policies and remind employees of the requirements of Agency Policy A-12, Employee Personal Computer Purchase Program; Policy A-37, Reimbursement for Attendance at a Conference, Seminar or Meeting; Policy A-50, Non-Purchase-Order Invoice Approval Procedures; Policy A-55, Agency Credit Cards; and Agency Policy A-14 Vehicle Use.			x
Finance and Accounting	Accounts Payable Follow-Up Audit	August 28, 2013	5	Human Resources department, in conjunction with Information Support Systems, should ensure that loans for personal computers are not approved for items not covered by the loan program as described in Agency Policy A-12. Additionally, consider revising Agency Policy A-12 to clarify the applicability of the computer loan program to tablet computers and operating systems other than Microsoft Windows.			х
Agency Management	Regional Contract Review - Final Report	December 16, 2015	Overall	Consider legal, political and financial impacts of governing by ordinance vs. contract			х
Agency Management	Regional Contract Review - Final Report	December 16, 2015	Overall	Review and revise EDU formula			х
Agency Management	Regional Contract Review - Final Report	December 16, 2015	Overall	Resolve identified differences of over/under collected amounts of Connection fees and identified differences of over/under collected amounts of unreported monthly sewerage fees			х
Agency Management	Regional Contract Review - Final Report	December 16, 2015	1	Connection Fees: Centralize the permitting process OR IEUA provides final sign-off and plumbing permit approval for all nonresidential entities.			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	2	Connection Fees: IEUA should establish monitoring program to inspect random facilities and those were there is a suspected discrepancy			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	3	Connection Fees: Contract should include IEUA inspection, verification and recourse rights for under- collected/under-reported Connection Fees			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	4	Connection Fees: Contract should include IEUA right to audit, full cooperation and access to records and documents upon request			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	5	<u>Connection Fees:</u> Two tier connection fees process that distinguishes between common features and unique features (i.e, a toilet always costs the same regardless of type of business)			х
Agency Management	Regional Contract Review - Final Report	December 16, 2015	6	<u>Connection Fees:</u> Update Exhibit J regularly to include new/evolving business types			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	7	<u>Connection Fees:</u> Update & clarify Fixture Unit descriptions of Exhibit J regularly			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	8	Connection Fees: Standardize calculation worksheet to ensure it is consistent with Exhibit J and consistent region-wide			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	9	Connection Fees: IEUA should require copies of calculation worksheets for all nonresidential customers along with the monthly Building Activity Reports.			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	10	Connection Fees: Regular workshops, meetings, plant tours, etc. with staff in Building, Plan Check and Utility Billing/Financial Departments			х

Outstanding Audit Recommendations as of June 1, 2023 Page 2 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Agency Management	Regional Contract Review - Final Report	December 16, 2015	11	Connection Fees: IEUA develop fixture count expertise and provide regular/ongoing training for Contracting Agencies - Building Departments			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	12	<u>Connection Fees:</u> Contracting Agency internal review of Connection Fees as part of preparing the Building Activity Report			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	1	Monthly Sewerage: Collect monthly sewerage fees for the entire region through County's property tax roll			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	2	Monthly Sewerage: Evaluate methodology used for billing monthly sewerage fees (residential and commercial) and consider alternatives by water consumption, EDUs purchased or other methodology			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	3	<u>Monthly Sewerage:</u> Standardize monthly report to provide IEUA automated, itemized listings of non-residential monthly sewerage charges			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	4	<u>Monthly Sewerage:</u> Establish contract for monthly sewerage payments from Contracting Agencies rather than IEUA issuing monthly invoices			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	5	Monthly Sewerage: IEUA exercise inspection, verification and recourse rights for under-collected/under- reported monthly sewerage fees			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	6	<u>Monthly Sewerage:</u> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	7	<u>Monthly Sewerage:</u> Update 1997 billing memorandum regularly for new business types to provide detailed definitions and descriptions			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	8	Monthly Sewerage: Create a correlation between monthly sewerage fees and Connection Fees			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	9	Monthly Sewerage: Add billing guidance for locations with multiple types of businesses serviced by a master meter			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	10	Monthly Sewerage: Bill commercial businesses at least a minimum of one EDU per month			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	1	Public Service Facility: Consider legal, political and financial impacts of excluding Public Service Facilities from Connection Fees and monthly sewerage charges.			×
Agency Management	Regional Contract Review - Final Report	December 16, 2015	2	Public Service Facility: Consider legal, political and financial impacts of IEUA assuming responsibility for Connection Fees calculations, collections and CCRA accounts			х
Agency Management	Regional Contract Review - Final Report	December 16, 2015	3	Public Service Facility: Contract should include IEUA inspection, verification and recourse rights for under- collected/under-reported Connection Fees			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	4	Public Service Facility: Contract should include IEUA right to audit, full cooperation and access to records and documents upon request			x

Outstanding Audit Recommendations as of June 1, 2023 Page 3 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Agency Management	Regional Contract Review - Final Report	December 16, 2015	5	Public Service Facility: Address difference between "Publicly Owned" vs. "Publicly Used"			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	6	Public Service Facility: Consider cross-departmental approach to the development review process as a regional model			x
Information Technology	Follow-Up - IT Equipment Audit - ISS (IT Equipment August 21, 2012 - Original audit)	February 29, 2016	3	ISS implement appropriate tracking systems that include relevant information on IT purchases (i.e., serial numbers, etc.), are updated timely and are complete and accurate. ISS should establish procedures to enter, modify, and delete information in the tracking systems that address areas such as timeliness for updates, responsibilities for maintaining the systems, and the types of items included in the tracking system.	х		
Information Technology	Follow-Up - IT Equipment Audit - ISS (IT Equipment August 21, 2012 - Original audit)	February 29, 2016	1	ISS should ensure that any services procured with P-cards are expressly authorized by the Manager of CAP, CFO, AGM, or GM prior to committing to services.	х		
Information Technology	Follow-Up - IT Equipment Audit - FAD (IT Equipment August 21, 2012 - Original audit)	December 5, 2016	15	FMD should implement adequate controls to ensure that the stated capitalization policy for IT equipment is consistently followed to ensure that all items meeting the capitalization threshold are capitalized and to ensure that items not meeting the capitalization threshold are not capitalized.			х
Information Technology	Follow-Up - IT Equipment Audit - FAD (IT Equipment August 21, 2012 - Original audit)	December 5, 2016	17	FMD should implement adequate controls to ensure that asset records established in SAP are accurate and complete, such as ensuring that all data fields in SAP are completed and ensuring that only those items allowed by the capitalization policy are capitalized.			х
Finance and Accounting	Follow-Up - IT Equipment Audit - FAD (IT Equipment August 21, 2012 - Original audit)	December 5, 2016	19	FMD should return incorrect or incomplete Project Closure Authorization Forms to the Project Manager for proper completion. FMD should also provide training to Project Managers on the importance of proper completion and instructions on completing the form.	х		
Finance and Accounting	Follow-Up - IT Equipment Audit - FAD (IT Equipment August 21, 2012 - Original audit)	December 5, 2016	22	FMD should document Standard Operating Procedures to address the functions of setting up capital assets such as procedures for completing the SAP asset information, compliance with stated capitalization thresholds, and processing of Project Closure Authorization Forms.	х		
Finance and Accounting	Follow-Up - IT Equipment Audit - FAD December 5, 2016	December 5, 2016	1	FAD should take the lead to ensure a physical inventory and inspection of the Agency's IT fixed assets is completed on a periodic basis to verify existence, location, and working condition of assets.	х		
Finance and Accounting	Follow-Up - IT Equipment Audit - FAD December 5, 2016	December 5, 2016	2	FAD should evaluate the Agency's current capitalization thresholds for IT equipment and determine if these need to be increased to ensure current practice meets policy and are consistent with current trends.			x
Finance & Accounting	2017 Petty Cash Audit & Follow-up Review	June 5, 2017	1	FAD should reinforce the guidelines of the petty cash fund, including custodian responsibilities and internal controls over petty cash accountability and record-keeping.	х		
Finance & Accounting	2017 Petty Cash Audit & Follow-up Review	June 5, 2017	2	FAD should consider updating the "Monthly Mileage Log and Reimbursement Request" to add a designated signature area for when the petty cash funds are utilized as a reimbursement for mileage.	х		
Finance & Accounting	2017 Petty Cash Audit & Follow-up Review	June 5, 2017	3	FAD should take the lead to communicate changes to the Petty Cash policy and forms immediately after implementation, to ensure employees understand the policy and utilize the updated forms.			x
Finance & Accounting	2017 Petty Cash Audit & Follow-up Review	June 5, 2017	4	Petty cash custodians should only accept the appropriate forms and inform the requestor of the most appropriate procurement methods if the requestor's petty cash request does not conform to Agency policies.	х		

Outstanding Audit Recommendations as of June 1, 2023 Page 4 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Finance & Accounting	2017 Petty Cash Audit & Follow-up Review	June 5, 2017	5	FAD should take the lead to review and determine if the Petty Cash limit of \$50 is adequate or if it should be updated (increased or decreased), or determine if there is a threshold that will require Executive Manager/General Manager authorization (i.e., anything over \$50).	х		
Finance & Accounting	2017 Petty Cash Audit & Follow-up Review	June 5, 2017	6	Human Resources and FAD should work together to formally document or communicate the policy on the purchase and gifting of Gift Cards to ensure compliance with Federal requirements. The policy should be communicated to all Agency employees and be reminded periodically.			х
Finance & Accounting	2017 Petty Cash Audit & Follow-up Review	June 5, 2017	7	Human Resources and FAD should continue to work with the appropriate personnel in making revisions and updates to the following Agency policies that relate to cash reimbursements and controls: A-75 Employee Recognition Rewards Program, A-68 Meal Reimbursement and Unscheduled Overtime, and A-34 Vehicle Maintenance.			x
Human Resources	Payroll Operations Audit	August 30, 2017	1	IA recommends that HR consider evaluating alternatives to the manual files used to maintain employee information, for example: Working with Business Information Systems (BIS) to develop or acquire a self-service portal for employees to make updates and changes to certain information that currently requires a hard-copy document, such as withholding information, beneficiary information, address changes, or for adding or deleting a family member from their policies, and contribution amounts to various accounts. The Agency is in the process of implementing ECMS. HR may want to consider whether the new ECMS would provide an automated approach to maintaining and updating employee information or whether another automated approach would be possible.	х		
HR	Payroll Operations Audit	August 30, 2017	2	As part of the Agency's disaster preparedness effort, IA recommends that HR consider maintaining manual/hard-copy files in fire proof/water proof cabinets.	х		
Finance and Accounting	Payroll Operations Audit	August 30, 2017	3	FAD should update Standard Operating Procedure No. CR PR-08 to reflect the new payroll bank reconciliation process, communicate the procedure to all department employees and ensure the SOP is in the format outlined in accordance with Agency Policy A-51.	х		
Finance and Accounting	Payroll Operations Audit	August 30, 2017	4	FAD should ensure bank reconciliations are prepared monthly and supervisory review occurs in a timely manner to ensure all outstanding and reconciling items are researched, investigated and resolved.	х		
HR	Payroll Operations Audit	August 30, 2017	6	Both HR and FAD should encourage employees with payroll related functions to attend ethics/fraud awareness training specific to their job responsibilities to stay informed about new developments, risks and safeguards (for example, safeguards for potential payroll fraud, safeguarding personnel files and employee confidential information, etc.)	х		
САР	Procurement Card Audit	March 1, 2018	1	Agency Policy A-89, Procurement Card Program should be updated to reflect desired internal controls and provide clearer guidelines about the proper use of P-Cards. The policy should provide greater clarity about the purchases that are allowed or not allowed (i.e.: food, restaurant, meals, training registrations, membership payments, etc.). Additionally, the policy should provide instructions for users to follow when there are situations that are unusual and note the additional written justification that is necessary. Lastly, A-89, should direct users to seek CAP's guidance when there is a unique need, keeping the Agency's need in mind and ensuring adequate controls are maintained.			X

Outstanding Audit Recommendations as of June 1, 2023 Page 5 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
САР	Procurement Card Audit	March 1, 2018	2	The P-Card Administrator role should be clarified in Policy A-89 and expanded to include greater oversight responsibilities to ensure compliance. The role should include duties to fully utilize the various on-line tools available through US Bank for reports, alerts, training and other controls for reviewing and monitoring activity. Additionally, the P-Card Administrator should provide assistance and give advice on the best procurement method and periodically review statements and identify purchases and transactions that are not aligned with policy and request additional information.			х
CAP	Procurement Card Audit	March 1, 2018	3	CAP should update Department-specific SOP CAP-0012 to incorporate any changes in Agency Policy A-89 Procurement card Program, including any updates to the P-Card Administrator's role and responsibilities. Additionally, CAP should ensure the SOP CAP-0012 complies with the guidelines and format set forth in Agency Policy A-51.			x
CAP	Procurement Card Audit	March 1, 2018	4	CAP and FAD should work together to utilize any in-house tools and/or online tools available through US Bank to make the review, approval, reconciliation and upload of P- Card purchases more efficient with adequate oversight.	х		
CAP	Procurement Card Audit	March 1, 2018	5	CAP should take the lead to evaluate the benefits of consolidating credit card programs to utilize P-Cards for all purchases (other than fuel) and to eliminate other vendor-specific credit card or credit programs. At a minimum, the Agency should ensure all Credit Card programs are governed by an approved Agency Policy.			x
CAP	Procurement Card Audit	March 1, 2018	6	CAP should maximize the use of the US Bank online tools for downloading/reviewing reports, creating blocks and alert notices for unusual activity, streamlining the approval, reconciliation and upload/posting process and training end users and approvers.	х		
CAP	Procurement Card Audit	March 1, 2018	7	FAD should evaluate ways for the Agency to increase and/or maximize any rebates received.	х		
Finance and Accounting	Wire Transfers Audit	March 1, 2018	2	FAD should finalize the new SOPs in the format provided in Agency Policy A-51.			Х
Finance and Accounting	Wire Transfers Audit	March 1, 2018	3	The Agency should evaluate the cost/benefit of obtaining additional coverage and consider a per occurrence limit greater than \$2 million to ensure the Agency has adequate insurance coverage to address the Agency's risk tolerance. In addition, to address potential uncovered losses, the Agency should consider reducing the threshold for a bank call-back to any amounts that exceed the Agency's chosen limit for Fraud Transfer Insurance.	x		
Finance and Accounting	Wire Transfers Audit	March 1, 2018	4	FAD should develop standards for documentation of transactions in SAP and a process of reviewing transactions once posted to ensure that the information in the accounting records is consistent and complete.	х		
Finance and Accounting	Wire Transfers Audit	March 1, 2018	5	FAD should document or revise a separate SOP that describes the steps in the wire transfer process for investment transactions to provide guidelines for the processing of investment transactions.	x		
	Inter-fund Transactions Audit	August 30, 2018	2	FAD should document a Standard Operating Procedure and/or Inter-Fund Transfer policy that provides clear guidance as to the methodology applied to calculate and process inter-fund transfers, including the purpose, authorization procedures and methodology applied.			Х

Outstanding Audit Recommendations as of June 1, 2023 Page 6 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Finance and Accounting	Accounts Payable Follow-Up Audit	May 30, 2019	1	In evaluating access controls over all IEUA staff that have some level of AP authorization, IA noted that some staff members have transferred to other departments at IEUA or to different functions within FAD. There is a need to implement additional controls to regularly evaluate and monitor employees' SAP roles and authorizations to prevent the risk of conflicts of duties. Business Information Systems (BIS) should work with Finance and Accounting Department (FAD) and Human Resources (HR) to implement additional controls to regularly evaluate and monitor employees' SAP roles and authorizations to prevent the risk of conflicts of duties. Options include: - Business Information Systems (BIS) working closely with IA and FAD to perform regular (at minimum annual) reviews and evaluations of roles and authorizations to search for conflicts of duties. - BIS working with HR to establish a formal notification method/checklist when changes occur as a result of employees changing job duties and responsibilities that may present a risk and potential conflict of duties. - BIS determining the feasibility of seeking to implement an automated program or service to scan SAP for conflicts of duties on a regular basis, either through SAP or another third- party vendor.	x		
Finance and Accounting	Accounts Payable Follow-Up Audit	May 30, 2019	3	FAD should perform a comprehensive review of all existing VMD records (particularly older records and those created by the conversion to SAP) and ensure all vendor information is complete and up-to-date and includes a verified physical address.	х		
	Accounts Payable Follow-Up Audit	May 30, 2019	4	FAD should perform a comprehensive review of the VMD to ensure only active vendors remain active and those with no activity in the previous 3-5 years are blocked appropriately. Additionally, vendors created through the conversion process to SAP and never used should be deleted.	х		
Finance and Accounting	Accounts Payable Follow-Up Audit	May 30, 2019	5	FAD should update all SOPs to reflect business process changes resulting from the implementation of the Agency's ERP SAP system of mid-2007 and any enhancements to internal controls since then.	х		
Opeartions or Facilities & Fleet	Voyager Fuel Card Audit	May 30, 2019	1	Operations & Maintenance Department should develop and document goals and objectives, Key Performance Indicators (KPIs), and/or other metrics for the Agency's fleet operations for measurement, analysis, tracking and reporting the fleet program's effectiveness. Goals should be aligned with the Division's overall mission and could include cost of fuel, fuel usage/consumption, cost of maintenance, asset value of the fleet by type of vehicle, etc. Goals should be measured, evaluated and updated periodically.	x		
Opeartions or Facilities & Fleet	Voyager Fuel Card Audit	May 30, 2019	2	Operations & Maintenance should work with US Bank to evaluate the reporting tools and features that are available to provide useful information about the Agency's fleet to identify inefficiencies, areas of improvement, and instances of unusual card usage where follow- up is be required and reduce potential risks of misuse.	х		
Opeartions or Facilities & Fleet	Voyager Fuel Card Audit	May 30, 2019	3	The Fuel Card Administrator role should be clarified and enhanced, either in Agency Policy A-86 and/or other related policy. The Fuel Card Administrator role should be enhanced to include greater oversight roles and responsibilities, to include: - Responsibilities to maximize the use of online reports and tools available through the US Bank Fleet Commander® Online system. - Analysis and evaluation reports and communications to provide Operations & Maintenance information about the fuel card program.			х

Outstanding Audit Recommendations as of June 1, 2023 Page 7 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Opeartions or Facilities & Fleet	Voyager Fuel Card Audit	May 30, 2019	4	Operations & Maintenance should establish a process to periodically review the use of fuel cards and ensure cards no longer needed or used are deactivated to reduce risks to the Agency.	х		
HR	HR audit: Hiring and Promotions Operations Review	December 2, 2019	1	Human Resources should include additional justification information for the final selection made in the recruitment file to close out the recruitment file and ensure it stands alone.	х		
HR	HR audit: Hiring and Promotions Operations Review	December 2, 2019	2	Human Resources should take the lead and work with Business Information Services and determine ways to implement automated workflows for recruitment documents and forms and utilize electronic files.	х		
HR	HR audit: Hiring and Promotions Operations Review	December 2, 2019	3	Human Resources should take the lead to install fireproof and waterproof filing cabinets to safeguard manual personnel, recruitment, and other HR related files, in the event of a disaster.	х		
HR	HR audit: Hiring and Promotions Operations Review	December 2, 2019	4	Human Resources should take the lead to ensure all Agency policies related to hiring and recruitment, as well as the department's SOPs are updated to include the most recent and accurate requirements for the processes and Agency formats.			x
HR	HR audit: Hiring and Promotions Operations Review	December 2, 2019	5	Human Resources should work with Executive Management to determine the best approach to ensure compliance with the Agency Policy A-20 on completing timely performance appraisals for employees.			x
HR	HR audit: Hiring and Promotions Operations Review	December 2, 2019	6	Human Resources should work with Executive Management to determine an approach/method on how to address: having an Agency-wide Ethics Policy, the requirement for a Confidentiality Agreement for selected employees, and Conflict of Interest policy and related training that covers all topics. Any requirement should be documented and be clearly communicated to all Agency employees.			x
HR	HR audit: Hiring and Promotions Operations Review	December 2, 2019	7	IA recommends that Human Resources and Contracts and Procurement work together to establish written contracts for all vendors used by HR to document the scope, terms and conditions and prices for the services. The contracts should establish what information is included in the invoices for payment and what information needs to be maintained separately and confidentially.	х		
Planning & Resources	Recycled Water Revenues Audit	May 28, 2020	1	IA recommends implementing a process to review and verify recycled water records and processes (including how meters are checked, maintained and calibrated) at the individual contracting agencies to ensure completeness and accuracy of information provided to the Agency as provided in Agency Ordinance #63. An internal or external audit and/or review of contracting agency reporting of recycled water would provide an independent analysis of the information received from the contracting agencies to verify the data reported to the Agency. At a minimum, Planning staff should request additional supporting documentation from the contracting agencies periodically, to verify the information reported. This would potentially prevent, detect and/or correct any discrepancies to minimize any potential risk of error in reporting.	x		
Planning & Resources	Recycled Water Revenues Audit	May 28, 2020	3	Planning should take the lead to work together with Agency staff and the contracting agencies to develop standardized information reporting. Standardized and automated reports and methods of providing information would create efficiencies, make the process consistent and ensure accuracy.	х		
Planning & Resources	Recycled Water Revenues Audit	May 28, 2020	4	Engineering should update the Standard Operating Procedure and attached Exhibit #1: Work Instruction for Preparing Recycled Water Billing (last updated in 2015) to provide current detailed instructions and information for recording and reporting the recycled water information received from the contracting agencies.	х		
HR	Human Resources: Workload Indicators Review	May 29, 2020	1	HR should evaluate the Department Workload Indicators as reported in the Agency's Budget document and consider additional and/or different Workload Indicators that provide information about the various activities of the department and ensure they are aligned to the department's goals.	х		

Outstanding Audit Recommendations as of June 1, 2023 Page 8 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
HR	Human Resources: Workload Indicators Review	May 29, 2020	2	HR should document a Standard Operating Procedure or desk procedures to ensure consistency in the data collected and the method in calculating workload indicator results as documented in the Budget Book.	х		
HR	HR Operational Audit: Administration of Employee Training and Development Programs	August 31, 2020	1	HR should re-evaluate the purpose and objective of the "Training Hours per Employee" Workload Indicator reported in the Agency's Budget document, determine what the indicator is intended to measure, capture and report and how the indicator aligns with the department's goals and the overall Agency goals and objectives.	х		
HR	HR Operational Audit: Administration of Employee Training and Development Programs	August 31, 2020	2	HR should re-evaluate the calculation applied for "Training Hours per Employee" to ensure it is capturing the intended type of training. If the intent is to capture all training including training not administered through HR, periodically remind employees, supervisors and managers to appropriately code each type of training on timesheets to ensure the needed information is captured for the Workload Indicator.	х		
HR	HR Operational Audit: Administration of Employee Training and Development Programs	August 31, 2020	3	HR should take the lead to work with Records Management on the record retention needs of the department and ensure the information in ABRA is managed and follows the recommended record retention guidelines to ensure the Agency complies with any requests and to minimize any potential risks of retaining older personnel records in the ABRA system.	х		
HR	HR Operational Audit: Administration of Employee Training and Development Programs	August 31, 2020	4	HR should reevaluate Skillsoft as a training resource and consider establishing goals and objectives for the utilization of Skillsoft for employee training and development. Additionally, if HR determines Skillsoft is a beneficial training resource, HR should implement plans to increase utilization of Skillsoft.	х		
HR	HR Operational Audit: Administration of Employee Training and Development Programs	August 31, 2020	5	HR should determine the need to either delete or update Agency Policy A-57.			х
	Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	May 27, 2021	1	 Finance and Accounting Department (FAD) Facilities Management should work together to reconcile the asset records in SAP: The Finance and Accounting Department (FAD) should periodically share the Fixed Asset List Report to Agency departments. Facilities Management should work closely with FAD to reconcile their internal reports to the financial information and resolve differences immediately. The departments work together to reconcile all internal reports used to track assets under their responsibility, perform periodic reconciliations, ensure the same identifying information identify assets in all report and complete all needed documents and forms for proper accountability of disposals, surplus, new purchases, etc. FAD should and will continue to provide on-going training and departments should reach out for additional information and guidance. Facilities Management should document their own SOP for the process of adding, removing and tracking assets under their custody 	x		

Outstanding Audit Recommendations as of June 1, 2023 Page 9 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Finance and Accounting	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Chemicals (P2P-Chemicals)	November 24, 2021	29	Accounting should establish and document performance metrics and KPI's, goals and objectives and a method to measure how timely invoices are paid. Work with BIS to establish any reports that can provide measurements and metrics.	х		
САР	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Planning & Resources (P2P P&R)	May 25, 2022	8	CAP should take the lead to make needed updates to Agency Policy A-50 and the Procurement Ordinance, to ensure they provide policy requirements for both PO and Non- PO items and addresses the changes resulting from the recent Agency reorganization to establish the most current and applicable controls for the Agency's procurement activities.	x		
	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	1	The PCard Administrator should establish a strategy to continuously review the program and the related policies and reinforce the guidelines and requirements of the Procurement Ordinance, Procurement Card Policy and other related Agency Policies that provide guidelines and policies for the use of PCards. Additionally, to take the lead to make necessary updates to policies and processes and ensure employees are aware of the required policies, to ensure the PCard program is working as intended.	x		
	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	4	CAP should consider working with IT to set up an automated purchase order processing system. The new system should include a system of checks and balances for purchase order approval. Upon approval, the Agency's financial system, SAP, should automatically generate the purchase order and email it to the vendor, requestor, and CAP staff.			
	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	5	CAP take the lead to work with IT to ensure there is a designated line item/area in SAP where users can add contact information about the PR/PO to facilitate follow up questions from either staff or vendors. It would be beneficial to have the contact information for the person that initiated the requisition. For vendor follow up. CAP indicated that SAP can populate the information with the SAP user information and they are already working with IT to have this information populate on the PO.			

Outstanding Audit Recommendations as of June 1, 2023

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Facilities and Water System Programs	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	6	Facilities and Water System Programs should establish and document clear procedures, KPI's, metrics and/or goals for the timely processing of all receiving. (May consider using as an example similar new procedures established for chemical receiving is done within 5-7 days).	x		
	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	7	Periodically review the Open PO Report as an additional monitoring control to check for any items that require receiving in SAP. Also, refer to closing information/instructions provided by Accounting each month for the SAP code to run the report and for additional closing instructions or seek assistance from Accounting or CAP to run report or identify items that still require receiving in SAP.	x		
Operations	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	8	Operations should establish and document clear procedures, KPI's, metrics and/or goals for the timely processing of all receiving. This includes ensuring that anyone who physically receive shipments of goods, promptly forward the shipping documents to the appropriate person that will perform the receiving in SAP. Ensure the procedures include details of the expectation of all involved in the receiving process, from the person who physically receives items, to the individual who does the receiving in SAP, including procedures to use current/existing or other technology when feasible and if it makes the process more efficient and quicker. Ensure procedures contain metrics, goals and KPIs for the timeliness of the items.	x		
Operations	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	9	Periodically review the Open PO Report as an additional monitoring control to check for any items that require receiving in SAP. Also, refer to closing information/instructions provided by Accounting each month for the SAP code to run the report and for additional closing instructions or seek assistance from Accounting or CAP to run report or identify items that still require receiving in SAP.	x		
Maintenance	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	10	Maintenance should establish and document clear procedures, KPI's, metrics and/or goals for the timely processing of all receiving. This includes ensuring that anyone who physically receive shipments of goods, promptly forward the shipping documents to the appropriate person that will perform the receiving in SAP. Ensure the planners forward any information about items ordered or received promptly to the administrative assistants for receiving into SAP. Ensure the procedures include details of the expectation of all involved in the receiving process, from the person who physically receives items, to the individual who does the receiving in SAP, including procedures to use current/existing or other technology when feasible and if it makes the process more efficient and quicker. Ensure procedures contain metrics, goals and KPIs for the timeliness of the items.	x		
Maintenance	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	11	Periodically review the Open PO Report as an additional monitoring control to check for any items that require receiving in SAP. Also, refer to closing information/instructions provided by Accounting each month for the SAP code to run the report and for additional closing instructions or seek assistance from Accounting or CAP to run report or identify items that still require receiving in SAP.	x		
Water Quality Laboratory	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	14	Lab should work closely with Accounting and CAP to establish and document clear procedures, KPI's, metrics and/or goals for the timely processing of all receiving into SAP, for both goods and services. (Similar to the new procedures established to ensure receiving for chemicals is completed within 5-7 days).	x		

Outstanding Audit Recommendations as of June 1, 2023 Page 11 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Water Quality Laboratory	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	15	Lab should incorporate the use of existing or new technologies (such as iPhones) to upload delivery documentation directly into SharePoint/OneDrive for their administrative staff. (Lab agrees to use technology and mentioned that they currently have 2 shared Lab iPhones that can be used for the uploading of documents to make the process more efficient.)	x		
Water Quality Laboratory	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	16	Periodically review the Open PO Report as an additional monitoring control to check for any items that require receiving in SAP. Also, refer to closing information/instructions provided by Accounting each month for the SAP code to run the report and for additional closing instructions or seek assistance from Accounting or CAP to run report or identify items that still require receiving in SAP.	x		
	Accounts Payable and Internal Control Audit Report - Review of Procure to Pay Processes for Materials & Supplies (P2P M&S)	December 2, 2022	17	Lab staff should take the lead to periodically meet with staff completing SAP receiving (currently Engineering administrative staff or other administrative assistant) to discuss and coordinate receiving responsibilities, including: •Create a list to indicate which Lab staff to send invoices to for approval via DocuSign (provide list to Accounting or administrative assistance as a guide). •Discuss items that always need invoices sent for signature approval (i.e., Airgas rentals).	x		
Accounting	Review of Pay Estimate Processes	February 27, 2023	9	Finance should take the lead to document the many activities and procedures to process payments for Pay Estimates. SOPs should include information for resolving issues or discrepancies. The SOP should contain the location where necessary information is saved, such as the project spreadsheets and other information.	x		
Accounting	Review of Pay Estimate Processes	February 27, 2023	10	Finance should provide on-going training to all staff on the various accounting responsibilities, including processing Pay Estimates to ensure the processes are working as intended.	х		
Accounting, Engineering, and IT	Review of Pay Estimate Processes	February 27, 2023	11	Finance Management should take the lead to work with Engineering to evaluate if the Pay Estimate form requires improvements to ensure it serves as an effective communication tool for both departments about the payment information. AP relies on the information on the Pay Estimate to process accounting transactions, ensuring the information is available, reliable, visible, and complete will improve efficiencies in processing payments, retentions, escrows, etc.	x		
Engineering	Review of Pay Estimate Processes	February 27, 2023	12	Engineering Management should take the lead to evaluate the accuracy and reliability of using CIPO to ensure the system is the most effective tool to gather Pay Estimate information. Or work closely with IT to evaluate if there are modules or functions in SAP, the Agency's ERP system, to upload Pay Estimate information.	x		
Engineering	Review of Pay Estimate Processes	February 27, 2023	13	Engineering Management should work with CIPO to develop an ongoing process to test and verify the reliability of patches and updates to ensure CIPO has accurate formulas and calculations before relying on the data and submitting to AP for processing.	х		
Engineering	Review of Pay Estimate Processes	February 27, 2023	14	Engineering Management must implement additional internal controls to ensure there is adequate review, verification, and approval of the Pay Estimate information from the Project Managers and other reviewers and approvers prior to submitting to AP for payment, to ensure its accuracy and prevent delays in payment process.	х		
Engineering	Review of Pay Estimate Processes	February 27, 2023	15	Engineering Management must implement additional internal controls and provide staff training to ensure the Receiving function in SAP is performed correctly. Additionally, there should be a process to review the receiving information entered by staff prior to information sent to AP, to ensure its accuracy and prevent delays in payment process.	х		

Outstanding Audit Recommendations as of June 1, 2023 Page 12 of 12

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Engineering	Review of Pay Estimate Processes	February 27, 2023	16	Engineering Management should take the lead to reevaluate the processes for Pay Estimates and determine the need to have the Pay Estimate documentation saved/uploaded in multiple locations (both inside and outside of SAP). If needed, work with IT and Records Management to determine the most efficient method for linking and/or interfacing the documentation and eliminate the need for multiple copies	х		
Engineering	Review of Pay Estimate Processes	February 27, 2023	17	Engineering should take the lead to work with IT and possibly Finance, to determine if there are ways to eliminate the reliance on excel spreadsheets with centralized reports from SAP or leveraging AP's spreadsheets. Reports should assist with the review, tracking, reconciliation and monitoring of Pay Estimate payment information. The reports should include the needed information that both departments rely on. SAP report tools should be available and visible to all staff that need the information.	x		
Engineering	Review of Pay Estimate Processes	February 27, 2023	24	Engineering Management should take the lead to work with AP to tighten internal controls to ensure payments are made according to PCC rules, Net 30. See all recommendations provided in this report to improve processes and implement efficiencies to ensure the payments for the Pay Estimates are processed, reviewed, approved and received in SAP in a timely manner and provide AP sufficient time to reconcile and process payments, to ensure the Agency does not incur an interest and/or have to pay a contractor interest.	x		
Engineering	Review of Pay Estimate Processes	February 27, 2023	27	Engineering should provide on-going training to all staff on the various Pay Estimate requirements and responsibilities; including carefully reviewing and comparing information from the schedule of values to the Pay Estimate, and ensure the receiving is done correctly to ensure the processes are working as intended and minimize delays to the payment processes and minimize AP's review, reconciliation and involvement in verifying data.	x		

Inland Empire Utilities Agency

Report of Open Audit Recommendations

Teresa Velarde Manager of Internal Audit July 10, 2023

Outstanding Audit Recommendations

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA	Planned Follow-Up
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	May 27, 2021	1	FY 2023
Accounts Payable Follow-Up (Deferred Recommendations related to Agency Policies)	August 29, 2013	2	FY 2024
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY 2024
Follow-Up - IT Equipment Audit - FAD	December 5, 2016	6	FY 2024
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY 2024
Payroll Operations Audit	August 30, 2017	5	FY 2024
Procurement Card Audit	March 1, 2018	7	FY 2024
Wire Transfers Audit	March 1, 2018	4	FY 2025
Inter-fund Transactions Audit	August 30, 2018	1	FY 2025
Accounts Payable Follow-Up Audit	May 30, 2019	4	FY 2024
Voyager Fuel Card Audit	May 30, 2019	4	FY 2024
Human Resources Audit: Hiring and Promotions Operations Review	December 2, 2019	7	FY 2025
Recycled Water Revenues Audit	May 28, 2020	3	FY 2025
Human Resources: Workload Indicators Review	May 29, 2020	2	FY 2025
Human Resources Operational Audit: Administration of Employee Training and Development Programs	August 31, 2020	5	FY 2025
 Accounts Payable Operational and Internal Controls Audit Report Review of Procure to Pay Processes for: Chemicals (November 24, 2021) Engineering & Construction Management (February 24, 2022) Planning & Resources (May 26, 2022) Materials & Supplies (December 2022) Pay Estimates (March 2023) 	Dates noted on first column to the left	24	On-going
Regional Contract Review –Final Audit Report (planned for implementation with the renegotiation of the Regional Contract)	December 16, 2015	31	FY 2023
Total Outstanding Audit Recon	nmendations	115	

Inland Empire Utilities Agency

Report of Open Audit Recommendations

As of June 2023, 115 recommendations remain outstanding:

- 48 are eligible for follow-up evaluation
- 24 relate to ongoing P2P follow-up reviews completed quarterly
- 12 require Agency policy updates
- 31 renegotiation of the Regional Contract

Outstanding Audit Recommendation as of June 1, 2023

Department Assigned	Audit Report Title	Date Audit Report Issued	Rec #	Internal Audit Recommendation	In Progress	Not Implemented	Outstanding pending finalization of IA's Follow up review
Finance and Accounting	Accounts Payable Follow-Up Audit	August 28, 2013	4	AFM should work with the appropriate Agency personnel to update Agency policies and remind employees of the requirements of Agency Policy A-12, Employee Personal Computer Purchase Program; Policy A-37, Reimbursement for Attendance at a Conference, Seminar or Meeting; Policy A-50, Non-Purchase-Order Invoice Approval Procedures; Policy A-55, Agency Credit Cards; and Agency Policy A-14 Vehicle Use.			x
Finance and Accounting	Accounts Payable Follow-Up Audit	August 28, 2013	5	Human Resources department, in conjunction with Information Support Systems, should ensure that loans for personal computers are not approved for items not covered by the loan program as described in Agency Policy A-12. Additionally, consider revising Agency Policy A-12 to clarify the applicability of the computer loan program to tablet computers and operating systems other than Microsoft Windows.			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	Overall	Consider legal, political and financial impacts of governing by ordinance vs. contract			х
Agency Management	Regional Contract Review - Final Report	December 16, 2015	Overall	Review and revise EDU formula			х
Agency Management	Regional Contract Review - Final Report	December 16, 2015	Overall	Resolve identified differences of over/under collected amounts of Connection fees and identified differences of over/under collected amounts of unreported monthly sewerage fees			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	1	<u>Connection Fees:</u> Centralize the permitting process OR IEUA provides final sign-off and plumbing permit approval for all nonresidential entities.			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	2	Connection Fees: IEUA should establish monitoring program to inspect random facilities and those were there is a suspected discrepancy			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	3	<u>Connection Fees:</u> Contract should include IEUA inspection, verification and recourse rights for under- collected/under-reported Connection Fees			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	4	<u>Connection Fees:</u> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	5	Connection Fees: Two tier connection fees process that distinguishes between common features and unique features (i.e, a toilet always costs the same regardless of type of business)			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	6	Connection Fees: Update Exhibit J regularly to include new/evolving business types			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	7	Connection Fees: Update & clarify Fixture Unit descriptions of Exhibit J regularly			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	8	Connection Fees: Standardize calculation worksheet to ensure it is consistent with Exhibit J and consistent region-wide			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	9	Connection Fees: IEUA should require copies of calculation worksheets for all nonresidential customers along with the monthly Building Activity Reports.			x
Agency Management	Regional Contract Review - Final Report	December 16, 2015	10	Connection Fees; Regular workshops, meetings, plant tours, etc. with staff in Building, Plan Check and Utility Billing/Financial Departments			x

1 of 15



The Report of Open Audit Recommendations is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices. IA's ongoing monitoring activities are to follow-up on the status of open audit recommendations to determine if the staff have taken corrective action to address audit observations and issues identified. IA provides recommendations to tighten internal controls, improve processes and assist the Agency and the Board in achieving compliance with policies and organizational goals.

INFORMATION ITEM

3P



Date: July 19, 2023To: The Honorable Board of DirectorsCommittee: Audit

From: Teresa Velarde, Manager of Internal Audit 07/10/23

Manager Contact: Teresa Velarde, Manager of Internal Audit Subject: Internal Audit Quarterly Status Report for June 2023

Executive Summary:

The Audit Committee Charter requires that a written status report be prepared and submitted each quarter. The Internal Audit (IA) Quarterly Status Report includes a summary of significant audit activities for the reporting period.

During this quarter, along with additional routine audit projects and administrative tasks, IA staff completed the Audit of Large and Heavy Equipment, the Follow Up Review of the 12 recommendations related to updates needed to Agency Policies and the sixth Progress Update for all P2P audit recommendations as well as other audit projects and activities.

IA continues to participate in various committees and discussions and assists with requests for review of Agency policies and procedures, and provides training and recommendations to improve internal controls.

For additional information and insight, attached is a published article by the Institute of Internal Auditors, Tone at the Top which discusses non financial risks.

Staff's Recommendation:

This is an information item.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval: Account/Project Name: N/A

Fiscal Impact (explain if not budgeted): N/A

Prior Board Action:

On June 15, 2022, the Board of Directors approved the Fiscal Year 2022/23 Annual Audit Plan.

On December 21, 2022, the Board of Directors reconfirmed the approved Audit Committee and IA Unit Charters. The Charters require a Quarterly Status Report.

Environmental Determination:

Not Applicable

Business Goal:

The IA Status Report is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by describing IAs progress in providing independent evaluations and audit services of Agency financial and operational activities and making recommendations for improvement, to promote a strong, ethical internal control environment, safeguarding Agency's assets and fiscal health, providing recommendations to improve processes and to assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - Internal Audit Quarterly Status Report for June 2023 Attachment 2 - Tone at the Top by the IIA

Projects Completed This Quarter

Project:

Large and Heavy-Duty Equipment and Vehicles Audit

Scope:

To evaluate the processes and internal controls in place to record, inventory, safeguard, and inspect the Agency's large and heavy-duty equipment and vehicles under the Fleet Management Program that is managed by Facilities & Water Systems Program (Facilities or Facilities Unit). In addition, to identify opportunities to improve operations. Lastly, to follow up on one open recommendation from the Agency Vehicle Operational Follow-Up Audit Review of Vehicle Inventory Procedures completed on May 27, 2021.

Status: Complete

Facilities currently manages 23 large and heavy-duty equipment and vehicles that falls under their purview. Internal Audit (IA) did not review the large and heavy-duty equipment assigned to other Agency departments (i.e., Maintenance) or the Inland Empire Regional Composting Authority (IERCA or Compositing facility). For this audit, IA worked closely with Facilities and Accounting (within the Finance Department). IA reviewed the controls in place and identified areas that could be improved. The bullet points below provide a summary of the audit:

- IA recommends the department perform routine inspections of the large and heavy-duty equipment and vehicles. Currently, Facilities does not perform inspections. IA's observations of the assets identified items that require attention and review.
- IA recommends the department perform periodic reconciliations of the different asset lists and reports for large and heavy-duty equipment and vehicles. There is no current process in place to reconcile these asset lists or reports by either Facilities or Finance. IA's reconciliation noted several items could not be matched or reconciled because there was not one key identifying piece of information consistent across all reports. This impacts the amount the Agency presents on the financial statements.
- The Agency must ensure compliance with accounting disclosures of recording an asset immediately when it is placed in service. Currently, assets are recorded and capitalized when the capital project is closed, instead of when the asset is place into service. This impacts the Agency's financial reporting and compliance with the accounting rules and requirements.
- One open recommendation provided during the 2021 follow-up review, which was related to periodically
 reconciling the department's records and the accounting records for vehicles continues to be in progress.
 The one recommendation has been revised and restated into new 2023 recommendations, and requires
 future follow-up and verification by IA.

Details of the observations and recommendations are included in the audit report, under separate cover.

Project:

Follow-Up Review of Recommendations Related to Agency Policies and Ethics Point, Board Resolutions, and Administrative Handbook

Scope:

The purpose of this follow up evaluation was to 1) centralize, into one report and under one department the 12 outstanding audit recommendations related to the need to make updates to existing Agency policies, 2) provide recommendations related the Agency's reporting hotline information webpage and 3) provide recommendations related to the Agency's policy about employee ethical conduct and conflict of interest.

Status: Complete

IA worked closely with the Human Resources Department (HR) to evaluate the 12 outstanding audit recommendations related to Agency policies, the information referenced in the Agency's reporting hotline webpage and the Administrative Handbook. HR stated that making the necessary updates to Agency policies has been a priority and is currently pursuing filling department staffing needs with the needed expertise to take the lead on these priorities. This report discusses the items that require attention. Some Agency policies require updates, some are outdated. Since 2012 and earlier, IA has made several recommendations related to the need to make policy updates. This report provides details of the findings and provides 21 recommendations to address each of the Agency policies that require updates. The report attached provides details of the review.

Project:

Accounts Payable Operational and Internal Control Audit: Quarterly Progress Update for all P2P Audit Recommendations – 6th Progress Update

Scope:

The purpose of the Progress Update for all Procure to Pay (P2P) Audit Recommendations is to provide a status update related to the 120 audit recommendations provided through the P2P audits.

Status: On-going

As of May 31, 2023, of the 120 audit recommendations provided through the P2P audits, 58 are now considered implemented, 24 are in progress of being implemented and 38 are considered no longer applicable because alternate controls were implemented. Of the 24 recommendations in progress, 4 are in progress of being implemented by Finance, 8 are in progress of being implemented by Engineering, 3 are in progress of being implemented by Contracts and Procurement, 1 is in progress of being implemented by the Procurement Card Program Administrator, and the remaining 8 are in progress of being implemented by various Agency units/departments. IA will continue to provide quarterly progress reports until all audit recommendations have been addressed. The report is included under a separate cover and provides details.

Project:

Navex/EthicsPoint System Upgrade

Scope:

EthicsPoint is the Agency's reporting hotline system. Navex is the company that oversees the EthicsPoint system. This calendar year, Navex upgraded the overall system to improve functionality, make the system and the reporting hotline more user friendly to make reports, use, and manage cases and reports. IEUA had to ensure it made the needed upgrades to ensure continuity and keep up with the supported system.

Status: Complete

In the past 3 years, the Agency has received less than 5 cases per year. Reports that come through EthicsPoint go directly to the attorney's law firm, these are managed directly by the attorneys as they are the individuals who receive and determine the proper assignment of each according to the sensitivity and the needed expertise to handle the reports. The Manager of IA reviews the cases each year to determine if there is a need to incorporate additional projects as part of the annual audit plan. Additionally IA manages the budget for this system, currently at approximately \$1,900 per year. The Manager of IA worked closely with software representatives from Navex to ensure the upgrade of the system was necessary, would be complete and seamless, with minimal downtime and minimal work from the Agency's attorneys. The Manager negotiated a lower price than originally quoted for on going services and worked closely with CAP and IT to review and verify the contract documents and the

software requirements. Once all background research, work and questions were addressed and agreed to, the Manager of IA on-boarded the Agency's attorney to ensure he had all the access and training needed for the upgraded EthicsPoint system. Overall, the project was seamless and required a small amount of time from others not in Internal Audit.

Project:

Single Audit Filing Requirements

Scope:

Annually, IA takes the lead to file the Single Audit Reporting package and other Financial Statements/Reports with the various regulatory agencies. The Single Audit Reporting packages are due nine months after the entity's fiscal year end according to 2 CFR 200.512, which is March 31st.

Status: Complete

Each December, IA presents the IA's Quality Control Review of the Agency's Annual Comprehensive Financial Report. IA coordinates with the External Auditors and the Accounting Unit to provide IAs observations related to IAs quality control review. Additionally, every year, once all audit reports have been completed by the External Auditor and approved for distribution by the Board of Directors, IA takes the lead to ensure these are filed with the required regulatory agencies.

In March 2023, IA completed the required filings with the State Controller's Office, State Water Resources Control Board and County of San Bernardino. Documents filed included: IEUA's Single Audit Reporting Package*, Chino Basin Regional Financing Authority's (CBRFA) Financial Statements, and the Inland Empire Regional Composting Authority's (IERCA) Annual Financial Report for Fiscal Year (FY) 21/22.

(*Note: Single Audit Reporting package is comprised of the IEUA's Annual Comprehensive Financial Report and Single Audit)

To complete the filing, IA had to coordinate with the Grants, Accounting and Records Management to gather the information needed for the filing. IA updated and notified each of the respective departments after the filing had been completed and provided the information for the Agency's record retention requirements.

Projects In Progress

Project:

Audit Software Review Project: Workpaper and Data Analytics Software Tools

Scope:

IA is evaluating the costs and benefits of implementing automated audit tools to enhance audit processes. The Institute of Internal Auditors (IIA) Audit Standard 1220.A2 provides guidance for exercising due professional care for internal auditors. IIA 1220.A2 states that internal auditors must consider the use of technology-based audit and other data analysis techniques.

The use of technology, including, an automated working paper system as well the use of data analytics would enhance the audit capabilities and efficiency of the audit process. Currently, IA is using Microsoft Office products. SharePoint is not geared toward auditing tools and creating audit workpapers. Resources, including costs and staff time, will be necessary for implementation and maintenance. IA is carefully evaluating costs/benefits as well as risks and opportunities. Benefits and opportunities include time saving; quicker, more robust, and larger scale analysis of transactions; sustainability; efficiencies; report production; dashboards; continuous monitoring; storage; workpaper documentation and review administration.

Status: In Progress

To date, IA has met with the three audit workpaper software vendors: AuditBoard, TeamMate and Workiva. Each vendor has provided a quick version of a demo and preliminary information. AuditBoard provided a three-day sandbox opportunity. Additional meetings will be scheduled to obtain additional information for further research and evaluation with all vendors.

IA has met with both the IT and CAP departments to discuss requirements before moving forward. Both departments have provided helpful insight and guidance to consider for a successful process, project implementation and considerations. IA will continue to work with internal departments before moving forward. In January 2023, the Agency implemented Esker, a new invoice recognition software system. This system will assist the Agency with improving visibility of routing and tracking all invoices. IA plans to explore the features available within Esker to determine if there are any analytical reports and tools for audit procedures. For this reason, IA has delayed further evaluation of audit software tools.

Any proposed plans to move forward with the audit workpaper software tool will be discussed in detail with the General Manager and any affected Agency departments. IA will bring updates to the Audit Committee as required. Any proposed changes will be carefully evaluated, budgeted, and planned with sufficient advanced time and notice.

Project: On-going Committees & Meetings

Scope:

IA is asked to participate in various meetings to gain an understanding of the Agency's priorities, risks, and be a resource to provide feedback and recommendations.

Status: On-going

During this quarter, IA participated in meetings related to the Agency's Budget, various Finance Meetings related to Esker and improvements in efficiencies and GASB 96, Safety Committee, and other programs. The meetings provide an opportunity for IA to gain an understanding of the Agency's priorities and identify potential risks that assist in audit planning. During the meetings, IA provides input and suggestions related to the initiatives underway. During this quarter, IA spent approximately 40 hours of staff time participating in these types of meetings.

Project:

Follow-Up IT Equipment Audit – Information Technology Department & Cybersecurity Assessment Scope:

To evaluate the status of the two open audit recommendations from the original IT Equipment audit completed in 2012. The recommendations are:

- <u>Original Recommendation # 3 (dated August 2012):</u> ISS implement appropriate tracking systems that include relevant information on IT purchases (i.e., serial numbers, etc.), are updated timely and are complete and accurate. ISS should establish procedures to enter, modify, and delete information in the tracking systems that address areas such as timeliness for updates, responsibilities for maintaining the systems, and the types of items included in the tracking system.
- <u>Original Recommendation # 1 (dated November 2012):</u> ISS should ensure that any services procured with P-Cards are expressly authorized by the Manager of CAP, CFO, AGM, or GM prior to committing to services.

Additionally, to evaluate additional areas that require review and evaluation including processes for the inventory and accountability of computer equipment issued for remote work. Lastly to perform a cybersecurity assessment including evaluating that the Agency has plans for the mitigation and resolution of any potential cyber-attack, or a disaster preparedness plan.

Status: In Progress

IA has met several times with Information Technology staff to discuss audit plans. IA is working closely with IT staff to assess cybersecurity controls, determine future internal audit assessments and evaluate the audit recommendations. During the meetings it has been discussed the approach for technology assets inventory,

capitalization policy, cybersecurity controls, incident response plans and IT initiatives. The outstanding recommendations may no longer be applicable. IA is working closely with IT staff to finalize and determine the scope of an audit and propose the project under the FY 2023/24 Annual Audit Plan in June 2023.

Project: Final Report: Review of Agency COVID-19 Expenses

Scope:

The original evaluation reviewed the expenses incurred by the Agency in response to the ongoing global pandemic (COVID-19). Expenses include costs incurred to comply with health guidelines, prevent the spread of COVID-19, transition employees to work from home, ensure proper on-site precautions and protect Agency personnel and the public. The objectives of the review were to evaluate if the expenses follow proper internal controls, contain the required supporting documentation, and meet compliance requirements according to Agency policies and procedures

Status: In Progress

IA will contact the Grants Unit to evaluate reportable updates. This coordination/report will be scheduled through the Annual Audit Plan as required. A final report will be presented to the Audit Committee when final financial information is available.

Report of Open Audit Recommendations

Scope:

To evaluate the implementation status of the outstanding recommendations.

The Internal Audit Unit (IA) Charter requires IA to follow up on the status of outstanding audit recommendations to determine if corrective actions have been implemented. A recommendation is considered "outstanding" if it requires corrective action to address the finding and risk identified. IA performs follow-up reviews to ensure that risks have been addressed and the recommendation is cleared/satisfied when corrective actions are implemented. Follow-up reviews are scheduled through the Board-approved Annual Audit Plan. Agency Management supports the implementation efforts of the recommendations previously provided and/or the development of alternative controls to address the original risks identified.

Status: On-going

As of June 2023, there are 115 outstanding audit recommendations. Details about each of the outstanding recommendations are submitted with the Annual Audit Plan each June. This summary provides an updated count of the outstanding recommendations. This summary includes new recommendations provided during this fiscal year and considers any recommendations cleared during the year (up to the prior quarter). A follow-up review is typically scheduled between 12–24 months from the date of the original audit, to allow time for full implementation. If a recommendation is deemed not implemented, the recommendation remains outstanding or alternate controls to mitigate any risks are evaluated to determine if the risk has been addressed and the recommendation is no longer applicable. A follow-up review is also scheduled sooner, if requested by the Audit Committee or Executive Management and/or the department audited. The audited business units are encouraged to submit additional information for IA review if they determine the recommendation has been satisfied.

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA*
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	May 27, 2021	1
Accounts Payable Follow-Up (Deferred Recommendations related to Agency Policies)	August 29, 2013	2
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7
Payroll Operations Audit	August 30, 2017	5
Procurement Card Audit	March 1, 2018	7
Wire Transfers Audit	March 1, 2018	4
Inter-fund Transactions Audit	August 30, 2018	1
Accounts Payable Follow-Up Audit	May 30, 2019	4
Voyager Fuel Card Audit	May 30, 2019	4
Human Resources Audit: Hiring and Promotions Operations Review	December 2, 2019	7
Recycled Water Revenues Audit	May 28, 2020	3
Human Resources: Workload Indicators Review	May 29, 2020	2
Human Resources Operational Audit: Administration of Employee Training and Development Programs	August 31, 2020	5
Accounts Payable Operational and Internal Controls Audit Report Review of Procure to Pay Processes for: Chemicals (November 24, 2021) Engineering & Construction Management (February 24, 2022) Planning & Resources (May 26, 2022) Materials & Supplies (December 2022)	See dates each audit was completed under column called Area Audited	24
(Open recommendations as of March 1, 2023) Regional Contract Review – Final Audit Report (planned for full implementation with the renegotiation of the Regional Contract)	December 16, 2015	31
Total Outstanding Audit Recomment	115	

* Items/changes resulting from projects completed during this quarter are not updated on this chart. This Outstanding Recommendations Table is updated only when audit reports have been received and filed by the Audit Committee and the Board of Directors.

Summary

As of June 2023, 115 recommendations remain outstanding:

o 31 relate to the renegotiation of the Regional Contract (to be evaluated next quarter)

 12 relate to upcoming updates to Agency policies which is being facilitated by an outside consultant working with Human Resources Unit,

Eligible for follow up evaluation:

- 24 recommendations relate to ongoing P2P follow-up reviews completed quarterly
- 48 recommendations are eligible for follow-up evaluation

Special Projects

Purpose:

IA perform special reviews and projects including analyzing transactions, evaluating documents and policies, verifying information, assisting with interpretation of Agency Policies or other required procedures, and providing recommendations and feedback on results of the analysis, engaging necessary assistance if and/or when necessary, reporting to the General Manager and the Audit Committee. These services are provided according to the IA Charter and the Audit Committee Charter, the Annual Audit Plan, and audit guidelines. Special Projects can be short or long-term projects, typically requiring approximately more or less 80 hours of staff time and requiring setting aside or delaying work on scheduled audit projects.

Scope:

The scope of the review is not generally known, the scope of the work is planned in response to the special project requirements and the work must be handled with the highest degree of confidentiality, sensitivity, and care, as with all audit projects. Special Projects are usually considered highly confidential.

Status: On-going and Complete

During this quarter, the Manager of Internal Audit has also been involved with additional projects that are on-going. IA will report once items have been fully evaluated and closed out.

Management Requests

Purpose:

IA assists Agency Management with analysis requests, evaluations, and information verification; assists with the interpretation of Agency policies and procedures; and/or provides review and feedback on new policies or procedures. Additionally, staff assists with interviews, document evaluations and discussions when asked and time permits. These services are provided according to the IA Unit Charter, the Audit Committee Charter, the Annual Audit Plan, and best practices. Management requests are short-term projects, typically lasting no more than 80 hours where IA determines it has the necessary staff, skills, and resources to provide the requested assistance without having to delay/defer scheduled audits and priority projects.

Scope:

The scope of each review is agreed upon between the department manager requesting the evaluation, review, analysis, or assistance; the Manager of IA; and when deemed appropriate by the Leadership Team and department Managers. The scope of the review is planned according to the requirements of the request.

Status: On-going

During this quarter, IA provided fraud training to the Accounts Payables group, provided assistance with various items related to accounts payable, GASB96, the financial audit, and various other topics, attended meetings and responded to requests to evaluate Safety related policies, continued engagement and assistance with Esker implementation questions, and discussions related to the GASB 96 and Agency's tax filing responsibilities and continued discussions related to the implementation of schedules and plans related to the financial audit of IERCA and the IEUA Single Audit.

Audit News and Trends

Attached is the latest issue of *Tone at the Top*, published by the Institute of Internal Auditors. This is a newsletter targeting senior management, boards of directors and audit committees with highlights of key topics related to the audit function. The topic in April was focused on organizational risks that are non-financial in nature. Specifically, the article discusses the importance on focusing on those non-financial areas that may be of high

priority, for example "operational, compliance, cybersecurity, reputational, environmental, employee conduct, ethical and corporate culture, public health, social justice, diversity, equity and inclusion, human rights, strategic, third-party, geopolitical, natural resources, human resources, and data integrity risk—among others". See the attached guidance for additional information. It should be noted that IA does mainly focus on the non-financial operations of the agency when conducing audits. IA audits encompass areas related to compliance, financial, operational while focusing on efficiencies and noting other risks that may affect the Agency.

Internal Audit Staffing and Professional Development

Staffing

The Internal Audit Department is staffed as follows:

- 1 Full-time Manager of Internal Audit
- 1 Full-time Senior Internal Auditor
- 1 Full-time Internal Auditor
- 1 Part-time Internal Audit Intern

Professional Development

As required by the International Standards for the Professional Practice of Internal Auditing, and the IA Unit Charter, auditors must regularly enhance their knowledge, skills, and other competencies through continuing professional development. Audit standards require practicing internal auditors attain, a minimum of 40 continuing professional education credits every 2 years. During the past quarter, IA staff have continued to stay abreast of industry developments through review of industry literature and participation in on-line webinars. Most training is obtained through the Institute of Internal Auditors (IIA), the global association for the Profession of Internal Auditing, and virtual trainings, most of which have been complimentary.

All training hours met the requirements for Continuing Professional Education (CPE) and earned CPE credits. These highlighted trainings are in addition to mandatory IEUA Safety Trainings and other Agency training related to finance, procurements, etc. During this quarter, staff attended the following trainings:

- IIA 3-day Leadership Conference
- CSMFO Public Sector Budgeting
- ISACA & IIA LA Cybersecurity Audit Program
- IIA OC Teaching Auditors How to be Better Thinkers
- IIA Inland Empire Professional Development Conference
- IIA Collaboration of the 7 chapters all day conference Internal Audit Hot Topics & IA Awareness Month
- IIA ChatGPT and Generative AI Risks and Ethical Concerns
- GASB 96 implementation various CPA firms

Two members of the IA team participate in the local chapters of the IIA in an officer/board capacity. All members volunteer in IIA activities. All members of the IA team have various certifications and higher degrees as required by the IIA standards and the IA Charter.

Future Audit Committee Meeting Dates

- Monday, September 11, 2023 Regularly Scheduled Audit Committee Meeting
- Monday, December 11, 2023 Regularly Scheduled Audit Committee Meeting
- Monday, March 11, 2024 Regularly Scheduled Audit Committee Meeting
- Monday, June 10, 2024 Regularly Scheduled Audit Committee Meeting

Internal Audit Staff participated in various professional development and volunteer opportunities.

Sapna Nangia and Dominic Palencia volunteered during the Earth Day School Event:



In May, the Institute of Internal Auditors, the Inland Empire Chapter hosted a full day education event at IEUA. In appreciation of IEUA hosting the IIA for the second year in a row, IEUA was presented with a plaque. Sapna Nangia was recognized for earning her Certified Internal Auditor (CIA) Certification.







TONE COP

Providing senior management, boards of directors, and audit committees with concise information on governance-related topics.

Issue 116 | April 2023

Adjusting the Risk Appetite for Non-Financial Measures

Risk appetite – the level of risk that an organization is prepared to accept in pursuit of its objectives – is fundamental to effective governance in all organizations, and boards play a critical role in setting that appetite. But are credit and market risks and other financial factors the only issues that should be considered? Despite their name, non-financial risks can also have a significant financial impact on an organization. As companies focus on governance, risk, and compliance concerns, they should consider how non-financial risk is impacting the success of their enterprise risk management (ERM) efforts and overall risk appetite. The sheer number of risks that fall into the non-financial category raises the chances that some may be overlooked. They may include operational, compliance, cybersecurity, reputational, environmental, employee conduct, ethical and corporate culture, public health, social justice, diversity, equity and inclusion, human rights, strategic, third-party, geopolitical, natural resources, human resources, and data integrity risk—among others. This partial list shows just how significant non-financial risks can be and makes the case for incorporating them into any discussion on risk appetite. Indeed, "non-financial risks now pose a potentially costlier threat than financial exposures," according to PwC.¹

"Non-financial risks now pose a potentially costlier threat than financial exposures." PwC

Expecting the Unexpected

Organizations should be aware that this is an evolving area where new and unfamiliar risks should be expected to emerge. Five years ago, for example, few companies had protocols in place to deal with a potential global health crisis that would interrupt worldwide economic activity, upend supply chains, and bring some industries to a virtual halt, but the COVID-19 pandemic highlighted the need to expect the unexpected.

Even when organizations believe they have their arms around potential non-financial risks, they may not anticipate all the issues that can arise. Privacy risk, for example, seems like a well-known consideration, but it can become a problem in unexpected ways. One wellknown retailer experienced reputational damage when it was reported that a parking system app used by its landlord was tracking customers' browser usage. In the uproar that ensued, the retailer argued that it was not in charge of the app, but the reputational damage was done.

The board has an important role in this effort. Regarding environmental, social and governance (ESG) issues, which encompass many common types of non-financial risk, "boards need to continuously examine and question information provided by management and recognize that ESG is an enterprise-level risk that should be viewed through the lens of strategy and operations," according to a National Association of Corporate Directors report.²



An Alphabet Soup

Identifying and measuring non-financial risk is an important concern, but there is little consistency in guidance on how this should be done. There is currently an alphabet soup of frameworks and standards that organizations can choose to use but no actual comprehensive requirements at the federal level in the United States and no globally embraced standards. For the moment, the available guidance covers a number of different areas, as demonstrated by the 23 non-financial measurement and reporting standards and frameworks in a list compiled by the Center for Sustainable Organizations.³ They are categorized based on considerations such as primary constituency of interest (shareholder versus stakeholder), performance constructs of interest (risk, value creation/impact valuation, sustainability), triple bottom line considerations, and primary form of measurement (incrementalist versus context based). Organizations can choose to follow one set of guidelines, to mix and match rules from more than one, or to opt out of this type of reporting altogether. However, the latter may not be a truly viable option going forward. Internal audit can provide insights to help organizations make sense of measurement and reporting options at a time when there is increasing pressure on organizations from a wide range of stakeholders who want more information and transparency on nonfinancial issues, including ESG. For some of the world's largest institutional investors, "ESG has become a proxy for good risk management and long-termism, two primary concerns today," according to management consulting firm Russell Reynolds Associates.⁴

ISSB REPORTING STANDARDS

In November 2021, the IFRS Foundation trustees announced the creation of a new standard-setting board—the International Sustainability Standards Board (ISSB) to help meet demands for high-quality, transparent, reliable, and comparable reporting by companies on climate and other environmental, social and governance (ESG) matters.

The ISSB was tasked with developing a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities to help them make informed decisions.

The new ISSB reporting standards addressing climate and sustainability reporting are expected to be published by the end of the second quarter of 2023.

An Evolving Regulatory Landscape

The number of disclosure regulations involving nonfinancial risk is growing rapidly worldwide, with European Union regulators leading the way. In the U.S., reporting regulations in two non-financial areas are on the imminent horizon. Last year, the U.S. Securities and Exchange Commission (SEC) proposed to require registrants to include specified climate-related and cybersecurity disclosures in their registration statements and periodic reports. For climate concerns, disclosures would include details on risks that could have a material impact on the

Gathering Non-Financial Risk Data

Many organizations may have some well-established procedures in place related to specific non-financial information, so it's important to understand what data is already available, especially if reporting and disclosure becomes mandatory in some areas. Companies likely have collected a great deal of data for compliance with rules set by regulatory bodies. In the U.S., examples include the Environmental Protection Agency, Occupational Safety and business, results of operations, or financial condition, along with some climate-related financial statement metrics and disclosures on greenhouse gas emissions.⁵ Regarding cybersecurity, there would be amendments to the commission's rules to enhance and standardize disclosures regarding cybersecurity risk management, strategy, governance, and incident reporting by public companies. ⁶ Although the proposals are aimed at listed companies, private company stakeholders may also press for similar disclosures.

Health Administration, Department of Labor, Department of Commerce, and others. Risk management procedures related to COSO's internal control framework and ISO management systems may also be capturing information on non-financial issues. Internal audit can help companies assess the data on hand to identify information gaps and to avoid duplication of efforts.



About The IIA

The Institute of Internal Auditors (IIA) is a nonprofit international professional association that serves more than 230,000 global members and has awarded more than 185.000 Certified Internal Auditor (CIA) certifications worldwide. Established in 1941, The IIA is recognized throughout the world as the internal audit profession's leader in standards, certifications, education, research, and technical guidance. For more information, visit theiia.org.

The IIA

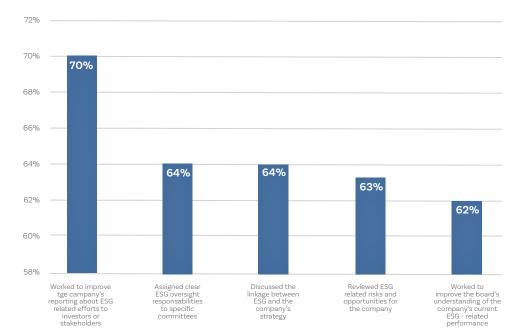
1035 Greenwood Blvd. Suite 401 Lake Mary, FL 32746 USA

Complimentary Subscriptions

Visit theiia.org/Tone to sign up for your complimentary subscription. However, even though companies may already have information, it's important to be aware that, because of the lack of consistent reporting requirements for non-financial risks and lack of familiarity with this area, the processes and procedures around them may be inadequate. Controls and risk assessment procedures may be less developed in some functions than in others, or insufficient for current needs. The information may be coming from a range of areas—such as human resources, procurement, ESG, or sales—making it challenging to identify and gather. Regarding ESG, "fraud risk in this area should be top of mind for audit committees and a focal point in fraud risk assessments overseen by the audit committee," according to a Deloitte report, which noted that this risk is not governed by the same types of controls present in financial reporting processes. As a result, it may be easier to manipulate voluntarily reported data on carbon emissions or other key non-financial measures.⁷

Private companies may find their controls are lacking. There's clearly room for boards to make a difference on this front. Fourteen percent of private companies told the NACD that their boards had not focused on ESG issues over the past 12 months, compared to only 3% at public companies, which face more demands for data in this area. Only 39% of private companies said their board has reviewed ESG-related risks and opportunities for the company. ⁸ (See figure 1.)

Figure 1 - Which ESG Oversight Practices Have Boards Performed in the Last 12 Months?



Source: : 2022 NACD Board Practices and Oversight Survey-ESG: Compare and Contrast Among Public and Private Companies

Involving Internal Audit

To help leadership understand and tackle non-financial risks, internal audit leaders can use their holistic understanding of the entity's many facets—and threatsto identify risk considerations and provide advice on how best to deal with them.

Internal audit teams build their audit plans on a number of factors, among them the organization's overall risk appetite. Auditors consider the organization's financial risk limits and appetite statements, as well as considerations such as laws and regulations, organizational policies and standards, and the expectations of stakeholders-such as the board, investors, analysts, customers, employees, and business partners—as well as industry standards.

One step for boards is to see that internal audit has a chance to play a critical role in ensuring the completeness and accuracy of non-financial data. Unfortunately, many organizations are not making full use of the contribution that internal audit can make. The chief audit executive (CAE) reports to the board on ESG issues at only 11% of public companies surveyed and 8% of private companies, according to the NACD survey.



Internal audit can provide data and advice that can help mitigate and identify risks that include:

- Impact on the business model. Companies may find themselves facing unexpected pressure to adopt new practices that address unexpected non-financial risks.
- Loss of competitive edge. Non-financial risks have the potential to damage a company's market share and reputation.
- **Difficulty accessing capital or higher borrowing costs.** Investors or lenders may require greater transparency on non-financial risks than the company can offer.
- Labor disadvantages. A tight hiring market or lack of employee engagement could be damaging, particularly if a company appears as an unappealing place to work.
- Social and geopolitical implications. Companies may fail to anticipate localized social or civil unrest.

A Deep Understanding

"Risk management cannot be seen as a collection of static practices but must evolve to keep pace with rapidly changing business models," according to a McKinsey report.⁹ As companies monitor and maintain risk approaches for non-financial data, internal audit can provide a deep understanding of the organization and ongoing insights in a changing and uncertain risk landscape.

QUESTIONS FOR BOARD MEMBERS

- » Are non-financial risks incorporated into our organization's risk appetite?
- » How does our organization monitor non-financial risk?
- » What controls are in place to identify, prevent or mitigate non-financial risks?
- » Are these controls regularly evaluated and updated?
- » Is the board receiving independent assurance from internal audit on non-financial risk measurement and oversight?





Are non-financial risks incorporated into your organization's risk appetite?

- O Yes
- O No
- O Don't Know

Visit theiia.org/Tone to answer the question and learn how others are responding.

Copyright © 2023 by The Institute of Internal Auditors, Inc. All rights reserved.



QUICK POLL RESULTS

Overall, how would you rate the value that has been created from internal audit's use of data analytics or automation at your organization?





ource[.] Tone at the Ton December 2022 Quick Poll Survey

- ¹⁴Taking Control: How to Get on Top of Non-Financial Risk," Christopher Eaton and David O'Brien, PwC, March 9, 2021.
- ²2022 NACD Board Practices and Oversight Survey–ESG: Compare and Contrast Among Public and Private Companies, NACD, 2022.
- ^shttps://www.sustainableorganizations.org/Non-Financial-Frameworks.pdf
- **ESG and Stakeholder Capitalism," Andrew Droste, Russell Reynolds Associations, published by Bloomberg Law, April 2020.
- 5"SEC Proposes Rules to Enhance and Standardize Climate-Related Disclosures for Investors," US Securities and Exchange Commission press release, March 21, 2022.
- **SEC Proposes Rules on Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure by Public Companies," SEC press release, March 9, 2022.
- ²"Emerging Fraud Risks to Consider: ESG; On the Audit Committee's Agenda," Deloitte, July 2022-
- *2022 NACD Board Practices and Oversight Survey-ESG: Compare and Contrast Among Public and Private Companies, NACD, 2022

**Financial Institutions and Nonfinancial Risk: How Corporates Build Resilience," Bjorn Nilsson, Thomas Poppensieker, Sebastian Schneider, and Michael Thun, McKinsey, February 28, 2022.



AGENCY REPRESENTATIVES' REPORTS

4B

The Metropolitan Water District of Southern California

The mission of the Metropolitan Water District of Southern California is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Board of Directors - Final - Revised 2

July 11, 2023

1:00 PM

Tuesday, July 11, 2023 Meeting Schedule	
08:30 a.m. FAIRP 10:30 a.m. EOP 12:30 p.m. Break 01:00 p.m. BOD 02:30 p.m. Sp Exec	

Agenda

Agendas, live streaming, meeting schedules, and other board materials are available here: https://mwdh2o.legistar.com/Calendar.aspx. A listen-only phone line is available at 1-877-853-5257; enter meeting ID: 891 1613 4145. Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via in-person or teleconference. To participate via teleconference 1-833-548-0276 and enter meeting ID: 815 2066 4276 or click https://us06web.zoom.us/j/81520664276pwd=a1RTQWh6V3h3ckFhNmdsUWpKR1c2Z z09

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012 Teleconference Locations: Fullerton City Hall Council Chambers • 303 W. Commonwealth Avenue • Fullerton, CA 92832 2680 W. Segerstrom Avenue Unit I, • Santa Ana, CA 92704 3008 W. 82nd Place • Inglewood, CA 90305 Meritage Resort • 875 Bordeaux Way • Napa, CA C94558

1. Call to Order

- a. Invocation: Director John T. Morris, City of San Marino
- b. Pledge of Allegiance: Board Secretary Lois Fong-Sakai, San Diego County Water Authority
- 2. Roll Call
- 3. Determination of a Quorum
- 4. Jordan D. Joaquin, President Fort Yuma Quechan Indian Tribe
- 5. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code §54954.3(a))
- 6. OTHER MATTERS AND REPORTS

Page 2

Α.	Report on Directors' Events Attended at Metropolitan's Expense					
	Attachments: 07112023 BOD 6A Report (REVISED 7/5/2023)					
В.	Chair's Monthly Activity Report	<u>21-2262</u>				
	Attachments: 07112023 BOD 6B Report (REVISED 7/8/2023)					
C.	General Manager's summary of activities	<u>21-2263</u>				
	Attachments: 07112023 BOD 6C Report					
D.	General Counsel's summary of activities	<u>21-2264</u>				
	Attachments: 07112023 BOD 6D Report					
E.	General Auditor's summary of activities	<u>21-2265</u>				
	Attachments: 07112023 BOD 6E Report					
F.	Ethics Officer's summary of activities	<u>21-2266</u>				
	Attachments: 07112023 BOD 6F Report					
G.	Induction of new Director Gary E. Bryant of Foothill Municipal Water District. [ADDED SUBJECT 7/6/2023]	<u>21-2533</u>				

- (a) Receive credentials
- (b) Report on credentials by General Counsel
- (c) File credentials
- (d) Administer Oath of Office
- (e) File Oath
- H. Presentation of 5-year Service Pin to Director Tim M. Smith, San Diego County Water Authority

** CONSENT CALENDAR ITEMS -- ACTION **

7. CONSENT CALENDAR OTHER ITEMS - ACTION

A. Approval of the Minutes of the Board of the Directors Meeting for June 13, 2023 (Copies have been submitted to each Director, any additions, corrections, or omissions)

Attachments: 07112023 BOD 7A (06132023) Minutes

Board of Directors

Page 3

21-2<u>487</u>

- **B.** Approve Commendatory Resolution for Director Richard Atwater <u>21-2490</u> representing Foothill Municipal Water District
- **C.** Approve Committee Assignments

8. CONSENT CALENDAR ITEMS - ACTION

7-1 Authorize an increase of \$950,000 in change order authority for the contract with W.A. Chester, LLC to terminate 6.9 kV power cables at all five Colorado River Aqueduct pumping plants; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT)

<u>Attachments</u>: 07112023 EOT 7-1 B-L 07112023 EOT 7-1 Presentation

7-2 Authorize an increase of \$2 million to an agreement with Jacobs Engineering Group, Inc. for a new not-to-exceed total amount of \$2.65 million for final design of the first stage of security upgrades for the Colorado River Aqueduct Region; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT)

Attachments: 07112023 EOT 7-2 B-L 07112023 EOT 7-2 Presentation

7-3 Award a \$452,886 contract to Best Contracting Services, Inc. for replacement of the administration and warehouse building roofs at the Lake Mathews site; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT)

<u>Attachments</u>: <u>07112023 EOT 7-3 B-L</u> <u>07112023 EOT 7-3 Presen</u>tation

7-4 Award a \$349,527.80 procurement contract to TechnoFlo Systems
 Inc. for 50 magnetic flowmeters to comply with surface water diversion regulations on Metropolitan's Delta Island properties; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT)

<u>Attachments</u>: 07112023 EOT 7-4 B-L 07112023 EOT 7-4 Presentation 7-5 Adopt Ordinance No. 152 determining that the interests of Metropolitan require the use of revenue bonds in the aggregate principal amount of \$500 million to finance a portion of capital expenditures and waive the full reading of Ordinance No. 152 (two-thirds vote of the Board); the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [SUBJECT REVISED 7/5/23] (FAIRP)

Attachments: 07112023 FAIRP 7-5 B-L

7-6 Review and consider the Lead Agency's adopted Mitigated <u>21-2476</u> Negative Declaration and take related CEQA actions, and adopt resolution for 114th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan (FAIRP)

Attachments: 07112023 FAIRP 7-6 B-L 07112023 FAIRP 7-6 A-4 07112023 FAIRP 7-6 Presentation

7-7 Award a \$359,725 contract to Mesa Energy Systems, Inc. for the repair of heating, ventilation and air conditioning (HVAC) chiller #2 located at the Metropolitan Headquarters building; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAIRP)

Attachments: 07112023 FAIRP 7-7 B-L 07112023 FAIRP 7-7 Presentation

7-8 Approve General Auditor's Business Plan for fiscal year 2023/24; <u>21-2478</u> the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAIRP)

Attachments: 07112023 FAIRP 7-8 B-L 07112023 FAIRP 7-8 Presentation

** END OF CONSENT CALENDAR ITEMS **

9. OTHER BOARD ITEMS - ACTION

 8-1 Award a \$3,740,792 contract to M.S. Construction Management Group, Inc. for replacement of a portion of the existing fire sprinkler system's piping and network components at Metropolitan's Headquarters Building; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT)

Attachments: 07112023 EOT 8-1 B-L 07112023 EOT 8-1 Presentation

8-2 Approve amendment of the Metropolitan Water District Administrative Code to delete the requirement that matters may not be placed on consent if a roll call vote is required and increase the cost of items that may be placed on the Consent Calendar from \$2 million to \$10 million; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (LC)

Attachments: 07112023 LC 8-2 B-L 07112023 LC 8-2 Presentation

8-3 Award a \$16,490,000 contract to J. F. Shea Construction Inc. to replace equipment storage buildings at three Colorado River Aqueduct pumping plants; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [ADDED SUBJECT 7/6/2023] (EOT)

Attachments: 07112023 EOT 8-3 B-L 07112023 EOT 8-3 Presentation

10. BOARD INFORMATION ITEMS

 9-1
 Conservation Program Board Report
 21-2268

 Attachments:
 07112023 BOD 9-1 Report
 21-2484

 9-2
 Governor Newson's Infrastructure Trailer Bill Package (LRAC)
 21-2484

 Attachments:
 07112023 LRAC 9-2 B-L 07112023 LRAC 9-2 Presentation
 21-2484

11. OTHER MATTERS

NONE

12. FOLLOW-UP ITEMS

NONE

13. FUTURE AGENDA ITEMS

14. ADJOURNMENT

NOTE: Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parenthesis at the end of the description of the agenda item, e.g. (EOT). Board agendas may be obtained on Metropolitan's Web site https://mwdh2o.legistar.com/Calendar.aspx

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site https://mwdh2o.legistar.com/Calendar.aspx.

Requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

AGENCY REPRESENTATIVES' REPORTS

4D

CHINO BASIN WATERMASTER WATERMASTER BOARD MEETING

11:00 a.m. – June 22, 2023 *Mr. Jim Curatalo, Chair Mr. Jeff Pierson, Vice-Chair Mr. Bob Kuhn, Secretary/Treasurer* **At The Offices Of Chino Basin Watermaster** 9641 San Bernardino Road Rancho Cucamonga, CA 91730

<u>AGENDA</u>

FLAG SALUTE

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS

This is an opportunity for members of the public to address the Board on any short non-agenda items that are within the subject matter jurisdiction of the Chino Basin Watermaster. No discussion or action can be taken on matters not listed on the agenda, per the Brown Act. Each member of the public who wishes to comment shall be allotted three minutes, and no more than three individuals shall address the same subject.

AGENDA - ADDITIONS/REORDER

I. <u>CONSENT CALENDAR</u>

All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by one motion in the form listed below. There will be no separate discussion on these items prior to voting unless any members, staff, or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES

Approve as presented:

1. Minutes of the Watermaster Board Meeting held May 25, 2023 (Page 1)

B. FINANCIAL REPORTS

Receive and file as presented:

- 1. Cash Disbursements for the month of April 2023 (Page 6)
- 2. Watermaster VISA Check Detail for the month of April 2023 (Page 17)
- 3. Combining Schedule for the Period July 1, 2022 through April 30, 2023 (Page 20)
- 4. Treasurer's Report of Financial Affairs for the Period April 1, 2023 through April 30, 2023 (Page 23)
- 5. Budget vs. Actual Report for the Period July 1, 2022 through April 30, 2023 (Page 27)
- 6. Cash Disbursements for May 2023 (Information Only) (Page 58)

C. APPLICATION: RECHARGE – CHINO BASIN WATER CONSERVATION DISTRICT

Approve Chino Basin Water Conservation District's application for recharge and direct Watermaster staff to account for the same. (*Page 68*)

D. APPLICATION: LOCAL STORAGE AGREEMENT – ONAP

Approve the proposed agreements. (Page 78)

- E. 2022 ANNUAL REPORT OF THE PRADO BASIN HABITAT SUSTAINABILITY COMMITTEE Receive and file. (Page 86)
- F. PROFESSIONAL SERVICES AGREEMENT BETWEEN APPLIED COMPUTER TECHNOLOGIES AND CHINO BASIN WATERMASTER

Approve and authorize the General Manager to execute the contract on behalf of Watermaster. (*Page 92*)

G. PROFESSIONAL SERVICES AGREEMENT BETWEEN RAUCH COMMUNICATION CONSULTANTS, INC. AND CHINO BASIN WATERMASTER

Approve and authorize the General Manager to execute the contract on behalf of Watermaster. (Page 114)

H. FISCAL YEAR 2023/24 PROPOSED PAY SCHEDULE AND AMENDMENT TO MISSION SQUARE 401(a) QUALIFIED RETIREMENT PLAN ID 107757 EFFECTIVE JULY 1, 2023 Adopt the Fiscal Year 2023/24 Pay Schedule and Resolution 2023-04 as presented. (Page 137)

II. BUSINESS ITEMS

A. TASK ORDER NO. 7 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS: CHINO CREEK REACH 1B MONITORING PROGRAM

Approve Task Order No. 7 as presented and authorize the General Manager to execute. (Page 142)

B. AMENDMENT NUMBER 3 TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT, GENERAL MANAGER

No recommendation. Public Board discussion, deliberation, and possible action on proposed employment agreement amendment. (*Page 152*)

III. <u>REPORTS/UPDATES</u>

A. WATERMASTER LEGAL COUNSEL

- 1. August 4, 2023 Hearing (City of Ontario Motion re 2022-23 Assessment Package; Court Tour of Chino Basin)
- 2. Court Tour of Chino Basin
- 3. Court of Appeal Case No. E079052 (City of Chino, MVIC, MVWD, City of Ontario appeal re OAP Expenses and Attorney Fees)
- 4. Court of Appeal Case No. E080457 (City of Ontario appeal re 2021-22 Assessment Package)
- 5. Court of Appeal Case No. E080533 (Cities of Chino, Ontario appeal re 2022-23 Watermaster budget expenses to support CEQA analysis)
- 6. Kaiser Permanente Lawsuit

B. ENGINEER

- 1. 2022 Prado Basin Habitat Sustainability Committee Annual Report
- 2. Planning and Coordination on the EPA Proposed MCLs for PFAS

C. CHIEF FINANCIAL OFFICER

1. FY 2022/23 Ongoing Auditing Activity by C.J. Brown & Company CPAs

D. GENERAL MANAGER

- 1. Recharge Activities
- 2. OBMP CEQA Update
- 3. July Meeting Schedule
- 4. Other

IV. BOARD MEMBER COMMENTS

V. OTHER BUSINESS

VI. <u>CONFIDENTIAL SESSION – POSSIBLE ACTION</u>

Pursuant to Article II, Section 2.6, of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster Board meeting for the purpose of discussion and possible action.

 CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION: a) Chino Basin Municipal Water District v. City of Chino et al., San Bernardino County Superior Court Case No: RCVRS51010

VII. FUTURE MEETINGS AT WATERMASTER

06/22/23Thu9:30 a.m.Watermaster Orientation*06/22/23Thu11:00 a.m.Watermaster Board08/10/23Thu9:00 a.m.Appropriative Pool Committee08/10/23Thu11:00 a.m.Non-Agricultural Pool Committee08/10/23Thu1:30 p.m.Agricultural Pool Committee08/17/23Thu9:00 a.m.Advisory Committee08/24/23Thu9:30 a.m.Watermaster Orientation*08/24/23Thu11:00 a.m.Watermaster Board

* The Watermaster Orientation sessions are held in person with no remote access.

NOTE: Watermaster will be dark in July 2023 and can assist with any special meetings as requested. All regularly scheduled meetings will resume in August 2023.

ADJOURNMENT

AGENCY REPRESENTATIVES' REPORTS

4E

REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS CHINO BASIN DESALTER AUTHORITY

3550 E. Philadelphia Street, Suite 170, Ontario, CA 91761

OTHER TELECONFERENCE LOCATIONS LISTED BELOW

July 6, 2023 • 2:00 p.m.

NOTICE AND AGENDA

All documents available for public review are on file with the Authority's Secretary located at 3550 E. Philadelphia Street, Suite 170, Ontario, CA 91761

Public access is also available via remote teleconference:							
https://us02web.zoom.us/j/81352059101?pwd=M01uOEVteVBCTnVyZ0tKVUxrb1hHdz09							
-or-	https://zoom.us/	Zoom Meeting ID: 813 5205 9101	Passcode: <u>380557</u>				
Dial-in #:	<u>(669) 900 6833</u>	Zoom Meeting ID: 813 5205 9101	Passcode: <u>380557</u>				

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Chino Basin Desalter Authority; 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.

Under the provisions of the Brown Act, the CDA Board is prohibited from taking action on non-agendized matters. However, Board Members may respond briefly or refer the communication to staff. The CDA Board may also request the Secretary to calendar an item related to your communication at a future CDA Board meeting.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require twothirds 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.

CONSENT CALENDAR ITEMS

Consent Calendar items are expected to be routine and non-controversial to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it will be moved to the first item on the Action Items

- 1. MINUTES OF MAY 4, 2023 SPECIAL BOARD MEETING
- 2. REVIEW OF CURRENT INVESTMENT POLICY Report By: Michael Chung, CDA CFO/Treasurer
- 3. TREASURER'S FINANCIAL AFFAIRS REPORT Report by: Michael Chung, CDA CFO/Treasurer
- 4. TREASURER'S REPORT ON GENERAL DISBURSEMENTS Report by: Michael Chung, CDA CFO/Treasurer
- 5. BUDGET VARIANCE REVIEW Report by: Michael Chung, CDA CFO/Treasurer
- 6. INVESTMENT REPORT Report by: Michael Chung, CDA CFO/Treasurer

ACTION ITEMS

Prior to action of the CDA Board, any member of the public will have the opportunity to address the CDA Board on any item listed on the agenda.

7. CONSTRUCTION CONTRACT AWARD FOR CHINO II ION EXCHANGE SYSTEM COATING IMPROVEMENTS PROJECT

Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

- 1. Approve the contract award to the lowest responsive and responsible bidder Capital Industrial Coatings, LLC for the Chino II Ion Exchange System Coating Improvement Project in the not-to-exceed amount of \$395,258.
- 2. Authorize the General Manager/CEO to execute the contract and approve authorized expenditures up to a not-to-exceed total of \$415,000.
- 8. PROFESSIONAL SERVICES AGREEMENT WITH HARPER & ASSOCIATES ENGINEERING, INC. ENGINEERING CONSTRUCTION SERVICES AND QUALITY CONTROL COATING INSPECTION FOR VARIOUS STRUCTURES Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

- 1. Approve a professional services agreement with Harper & Associates Engineering, Inc. for construction services and coating inspection services in the not-to-exceed amount of \$74,100; and
- 2. Authorize the General Manager/CEO to finalize and execute the agreement, with subsequent authorizations up to a not-to-exceed total of \$75,000.
- 9. PROFESSIONAL SERVICES AGREEMENT WITH CAROLLO ENGINEERS, INC. FOR ON-CALL SUPPORT SERVICES FOR CONCENTRATE REDUCTION FACILITY OPERATIONS

Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

- Approve a Professional Services Agreement with Carollo Engineers, Inc., in the not-toexceed amount of \$100,000 for concentrate reduction facility operations support services for FY 2023/24; and
- 2. Authorize the General Manager/CEO to finalize and execute the agreement and approve up to \$100,000 in authorized expenditures.

10. AMENDMENT 2 TO HAZEN & SAWYER PROFESSIONAL SERVICES AGREEMENT FOR ON-CALL ENGINEERING SUPPORT SERVICES

Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

- Approve Amendment 2 to the Professional Services Agreement with Hazen & Sawyer in the not-to-exceed amount of \$828,000 for engineering support services for FY 2023/24; and
- 2. Authorize the General Manager/CEO to finalize and execute the amendment and approve authorized expenditures.

11. AMENDMENT 1 TO SYNAGRO-WWT, INC. CONTRACT FOR TRANSPORT AND DISPOSAL_OF CLARIFIER SOLIDS

Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

- 1. Approve Amendment 1 to the Contract with Synagro-WWT, Inc. for Transport and Disposal of Clarifier Solids in the not-to-exceed amount of \$475,000; and
- 2. Authorize the General Manager/CEO to finalize and execute the amendment and approve authorized expenditures up to a not-to-exceed total of \$575,000.

12. LABORATORY SERVICES FOR CHINO BASIN DESALTER AUTHORITY WATER QUALITY MONITORING PROGRAM FOR CHINO I AND CHINO II DESALTERS Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

- 1. Award a contract in the not to exceed amount of \$575,000 to Babcock Laboratories for laboratory services for the Chino Basin Desalter Authority Water Quality Monitoring Program.
- 2. Authorize the General Manager/CEO to execute the contract and approve authorized expenditures up to a not-to-exceed total of \$575,000.

13. PROFESSIONAL SERVICES AGREEMENT WITH AQUASYSTEC FOR SCADA PROGRAMMING AND MAINTENANCE SERVICES FOR CHINO II DESALTER Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

- 1. Approve a Professional Services Agreement with Aquasystec, in the not-to-exceed amount of \$150,000 for SCADA Support Services at the Chino II Desalter for FY 2023/24; and
- 2. Authorize the General Manager/CEO to finalize and execute the agreement and approve up to \$150,000 in authorized expenditures.

14. CONTRACT WITH UNIVAR SOLUTIONS USA INC. FOR SUPPLY OF SODIUM HYDROXIDE Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

- 1. Approve contract with Univar Solutions USA Inc. for supply and delivery of sodium hydroxide (caustic soda).
- Authorize the General Manager/CEO to finalize and execute the initial twoyear contract and amendments to extend the contract for (3) additional oneyear periods; and
- 3. Authorize the General Manager/CEO to authorize expenditures up to the approved annual budgeted amounts.

15. CONTRACT WITH AMAYA SOLUTIONS, INC. DBA AMERICAN WATER CHEMICALS FOR SUPPLY OF CLEAN IN PLACE CHEMICALS Report By: Thomas O'Neill, CDA General Manager/CEO

Staff Recommendation:

- 1. Approve a contract with Amaya Solutions, Inc. dba American Water Chemicals for supply and delivery of Clean in Place chemicals.
- 2. Authorize the General Manager/CEO to finalize and execute the initial twoyear contract and amendments to extend the contract for (3) additional oneyear periods; and
- 3. Authorize the General Manager/CEO to authorize expenditures up to the approved annual budgeted amounts
- 16. ADOPTION OF CHINO BASIN DESALTER AUTHORITY'S REVISED RESERVE

Report By: Michael Chung, CDA CFO/Treasurer

Staff Recommendation:

- 1. Approve the Chino Basin Desalter Authority's Reserve Policy; and
- 2. Adopt Resolution 2023-04 approving the CDA's Revised Reserve Policy.
- 17. CONSIDERATION OF APPROVAL OF THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT WITH THOMAS O'NEILL Report By: Allison Burns, CDA General Counsel

Staff Recommendation:

- 1. Approve the Third Amended and Restated Employment Agreement with Thomas O'Neill effective April 1, 2023; and
- 2. Authorize the Board Chairman to execute the Third Amended and Restated Employment Agreement with Thomas O'Neill with an effective date of April 1, 2023.

STAFF COMMENTS

- i. Deputy CDA General Counsel, Allison Burns
- ii. CDA CFO/Treasurer, Michael Chung
- iii. CDA General Manager/CEO, Thomas O'Neill

CLOSED SESSION

The Authority may adjourn to a Closed Session to consider litigation matters, personnel matters, or other matters as provided for in the Ralph M. Brown Act (Section 54950 et seq., of the Government Code).

18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: CONSIDERATION OF INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(4)

(ONE POTENTIAL CASE)

DIRECTOR COMMENTS

ADJOURN

One or more committee members will participate from the meeting location(s) listed below:

303 E. "B" Street, Ontario, CA 91764

Each teleconference location is accessible to the public and the public will be given the opportunity to address the committee at each teleconference location. Public comments will be taken on the agenda items at the time the specified item is raised.

Any person with a disability who requires accommodations in order to participate in this meeting or for package materials in an alternative format should telephone Executive Assistant Casey Costa at (909) 218-3730, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation. All accommodation requests will be handled swiftly and resolving all doubts in favor of access Copies of records provided to Board Members which relate to any agenda item to be discussed in open session may be obtained from Chino Basin Desalter Authority at 3550 Philadelphia Street, Suite 170, Ontario, CA 91761.

Declaration of Posting

I, Casey Costa, Executive Assistant to the Chino Basin Desalter Authority, hereby certify that a copy of this agenda has been posted by 2:00 p.m. at the Chino Basin Desalter Authority's main office, 3550 Philadelphia Street, Suite 170, Ontario, CA on July 3, 2023.

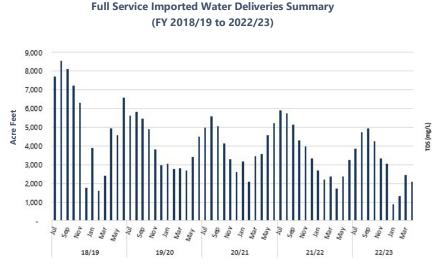
Casey Costa, Executive Assistant

GENERAL MANAGER'S REPORT

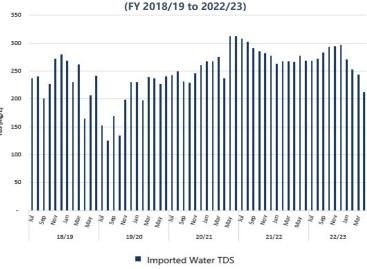
GENERAL MANAGER'S REPORT d Empire Utilities Agency

JULY 2023

Imported Water

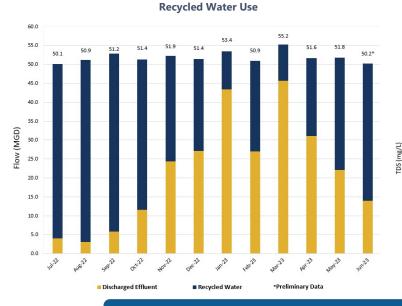


Monthly IW Deliveries

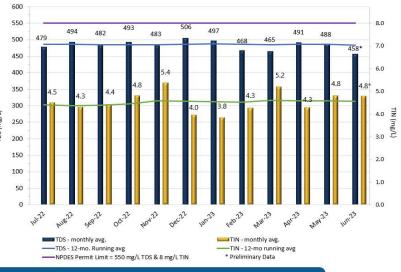


Imported Water TDS Summary

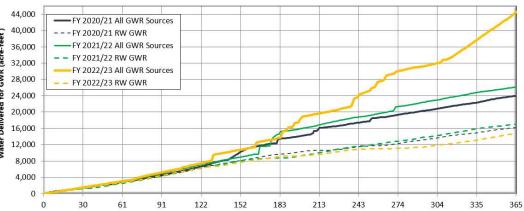
Recycled Water



Agency-Wide Effluent TDS & TIN



Groundwater Recharge

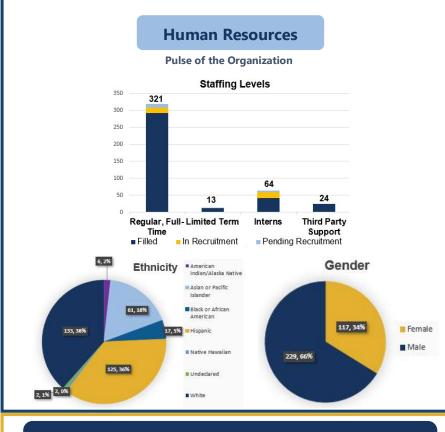


Days Into Fiscal Year

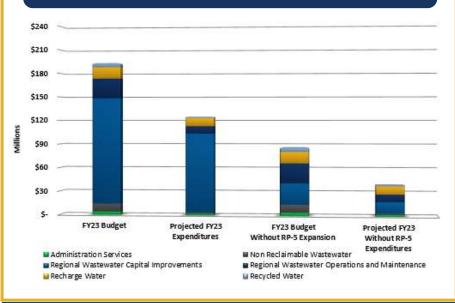
JUNE 2023 NOTES:

- stormwater and dry weather flow Total recharged is preliminarily estimated at 57 acrefeet.
- Recycled water delivered for recharge totaled 1,622 acre-feet.
- Imported water recharge from SAWco and CVWD was 5,083 acre-feet.
- Chino Basin Watermaster will remove 4.2% for evaporation losses from delivered supplemental water sources (imported water and recycled water).
- Considering evaporation losses, total recharge is preliminarily estimated at 6,480 acre-feet.

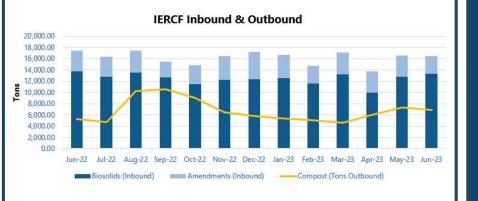
for GWR (acre-feet) Delivered Water

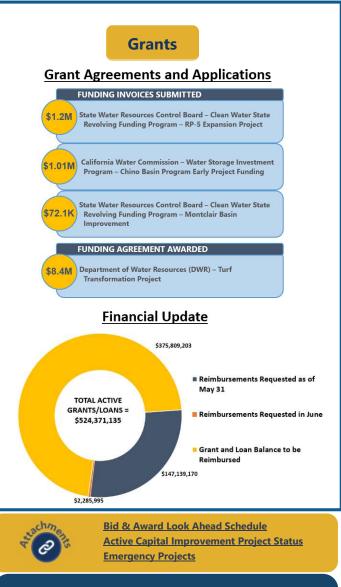


Engineering & Construction Management FY 2022/23 Budget Status Update



Biosolids/Compost





Agency Highlights

* On June 2-3, IEUA and its constituents participated in a two-day Metropolitan Water District inspection trip of the State Water Project and Sacramento-San Joaquin Delta (Delta) hosted by MWD directors Michael Camacho representing IEUA and Fred Jung representing the city of Fullerton. Attendees visited the Oroville Dam and spillway, Sites Project Authority, and various components of the Delta.

* On June 13, Agency management participated in its Quarterly Management Workshop. Working collaboratively, supervisors, managers, and the Senior Leadership Team discussed Agency priorities and provided recommendations for utilizing the Agencywide All-Hands Meetings as opportunities to engage staff by ensuring the delivery of relevant and meaningful content to staff.

* On June 15, the Agency participated in the San Bernardino County Workforce Development Department Expungement and Job Fair event. The event provided a holistic approach to addressing barriers to employment. By offering a range of resources such as expungement services, preschool services, veterans affairs support, transitional assistance, and workforce development programs, the fair aimed to empower individuals to overcome obstacles and secure meaningful employment opportunities.

* On June 16, State Senator Josh Newman joined IEUA Board President Marco Tule and Director Michael Camacho for a discussion and tour of the Inland Empire Regional Composting Facility (IERCF). The IERCF team provided the Senator with a great overview of how the composting facility relates to our overall wastewater treatment process and the benefits that IERCF provides for our community.

* On June 28, Deputy General Manager Christiana Daisy and Grants and Government Affairs Officer Ashley Womack attended a Water Roundtable hosted by Congresswoman Norma J. Torres. During the Roundtable, key water leaders throughout the region discussed cybersecurity, innovation, infrastructure, climate change, water retention, equity, and access.

Bid and Award Look Ahead Schedule

	Bid and Award Look Ahead Schedule		
	Project Name	Projected Bid Opening Date	Projected Bid Award Date
	Aug-23		
1	EN23121.00 1299 Reservoir Paint/Coating Repairs and Upgrades	6/18/2023	16-Aug-23
	Oct-23		
2	EN21053.00 RP-1 Filter Effluent Structure #2 Rehabilitation	8/13/2023	18-Oct-23
3	EN23123.00 RP-4 Outfall Valve Replacement and Blow off Upgrades	9/3/2023	18-Oct-23
4	EN23067.00 Hickory Basin Replacement Monitoring Well	9/8/2023	18-Oct-23
5	EN21041.00 RP-4 Chlorine Contact Basin Cover Repair & RW Wet Well Passive Overflow Line	9/6/2023	18-Oct-23
6	PA22003.01 Agency Wide Paving at RP-1 Dump Station	8/20/2023	18-Oct-23
	Nov-23		
7	EN21056.00 RP-1 Evaporative Cooling for Aeration Blower Building	10/4/2023	15-Nov-23
8	EN23100.00 Headquarter B Additional Office Space	10/4/2023	15-Nov-23
9	EN21045.00 Montclair Force Main Improvements	10/4/2023	15-Nov-23
10	EN24020.00 RP-1 Dewatering Centrate Pumps	9/16/2023	15-Nov-23
	Jan-24		
11	EN22031.00 RP-1 Intermediate Pump Station Electrical improvements	12/2/2023	17-Jan-24
12	RW15003.03 Montclair Basin Improvements (RMPU PID 2)	11/30/2023	17-Jan-24
	Feb-24		
13	EN20045.00 RP-1 TP-1 Level Sensor Replacement	12/4/2023	21-Feb-24
	Mar-24		
14	EN15002.00 1158 Reservoir Site Cleanup	2/2/2024	20-Mar-24
15	EN23002.00 Philadelphia Lift Station Force Main Improvements	1/28/2024	20-Mar-24
16	EN23113.00 RW/GRW Safety Work Improvements for Basin Gate Actuator Access	1/25/2024	20-Mar-24
	Apr-24		
17	EN20051.00 RP-1 MCB and Old Lab Building Rehab	2/21/2024	17-Apr-24
18	EN20057.00 RP-4 Process Improvements Phase II	2/3/2024	17-Apr-24
19	EN22027.00 RP-1 Repurpose Lab	2/18/2024	17-Apr-24
20	EN22044.00 RP-1 Thickening Building & Acid Phase Digester	2/7/2024	17-Apr-24
21	EN23000.00 RP-1 Device Net Replacement	2/14/2024	17-Apr-24
22	EN23113.01 RW/GRW Safety Work Improvements for Basin Gate Actuator Access	2/22/2024	17-Apr-24
	Jun-24		
23	EN22022.00 RP-1 Air Compressor Upgrades	3/21/2024	19-Jun-24

Active Capital Improvement Project Status

100

90

80

70

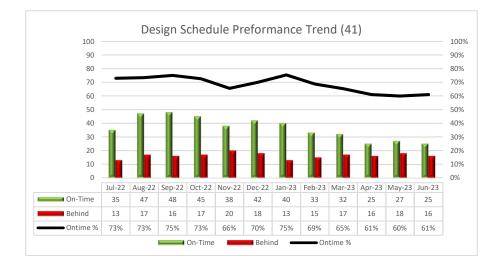
60

50

40

30

20



Construction Schedual Performance (38)

100%

90%

80%

70%

60%

50%

40%

30%

20%

10 0												10% 0%
	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
On-Time	23	24	21	19	13	15	22	20	22	28	25	28
Behind	9	6	9	9	10	9	10	12	9	10	11	10
Ontime %	72%	80%	70%	68%	57%	63%	69%	63%	71%	74%	69%	74%

🛋 On-Time 🛛 💻 Behind 🗕 Ontime %

				A	gency-Wi	de	
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
1	EN21020.00	Oracle P6 Migration and Web Hosting Services	17,532	325,000	Behind Schedule	Consultant Contract Award	Once the proposals were received, it was determined that the project would need a capital budget augmentation and a new O&M project created. To allow Finance to determine where the additional budget will come from it was recommended by the PMO to present the project to the Board in August. The project will be rebaselined once the consultant contact is awarded in August.
2	EN20034.03	RP5 Solids Handling Future Uses Evaluation	459,520	550,000	Behind Schedule	Consultant Contract Award	The project has had multiple review cycles during the RFI process and RFP preparation delaying the project schedule. Project may recover time by expediting the proposal review phase. This project is going to the IEUA Board of Directors in July.
3	EN19024.00	Regional System Asset Management (Assessment Only)	3,612,595	3,919,419	Behind Schedule	Pre-Design	IEUA is finalizing risk analysis which is the last phase of the project before the end of the fiscal year. Project will not recover time.
4	EN19051.00	RW Hydraulic Modeling	173,908	702,534	On-Time	Pre-Design	
5	AM23002.00	Old VFD Replacement (Recycled Water)	22,940	4,800,000	Behind Schedule	Construction	IEUA awarded contract to Big Sky Contractors on June 21st. No recovery will be made at this point, but project will be rebaselined once construction schedule is received.
6	EN20038.00	Agency Wide Pavement Management Study	229,123	340,000	On-Time	Design	
7	PA22003.01	Agency Wide Paving at RP-1 Dump Station	64,066	260,000	On-Time	Design	
8	EN19030.00	WC Asset Management	115,065	1,087,510	On-Time	Construction	
9	EN22040.00	NFPA 70E Arc Flash Labels	165,065	210,000	On-Time	Project Acceptance	
10	AM23001.00	Old VFD Replacement (Wastewater)	20,453	4,800,000	On-Time	Construction	
11	FM21005.01	Structural Agency Wide Roofing Phase III	1,856,550	1,942,000	On-Time	Project Acceptance	
12	EN22024.00	AM Cleaning Services	7,429	18,500,000	N/A	N/A	
13	EN22005.00	RO Asset Management	96,949	6,415,000	N/A	N/A	
14	EN23077.00	NRW Assessment Projects	-	50,000	N/A	N/A	

				Agen	cy-Wide (Cont.)							
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan						
15	EN23078.00	GWR Assessment Projects	-	50,000	N/A	N/A							
16	EN23079.00	GG Assessment Projects	-	50,000	N/A	N/A							
17	EN22006.00	RC Asset Management	-	66,900,000	N/A	N/A							
18	EN22009.00	WC Asset Management Project	-	54,100,000	N/A	N/A							
19	EN22010.00	GG Asset Management Project	-	8,100,000	N/A	N/A							
20	EN22008.00	GWR Asset Management Project	18,896	4,718,896	N/A	Not Started							
21	EN23025.00	Agency Power Monitoring	503	-	N/A	Not Started							
22	EN23099.00	CIPO Enhancements	-	-	N/A	Not Started							
23	EN22045.00	New Regional Project PDR's	-	2,500,000	N/A	Not Started							
24	EN23021.00	Agency Wide Infiltration and Inflow Study	-	600,000	N/A	Not Started							
25	EN23034.00	Agency Wide EV Charging Stations	703	1,100,000	N/A	Not Started							
26	EN23087.00	New Recycled Water Project PDR's FY 22/23	-	-	N/A	Not Started							
27	EN23088.00	RO On-Call/Small Projects FY 22/23	20,539	(328,806)	N/A	Not Started							
28	EN23089.00	RO Safety On-Call/Small Projects FY 22/23	7,647	-	N/A	Not Started							
29	EN23090.00	WC On-Call/Small Projects FY 22/23	2,346	57,000	N/A	Not Started							
		Sub Total	6,891,827	181,748,553									
	Carbon Canyon												
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan						
30	EN23038.00	CWRF HVAC System Upgrade	42,543	257,577	On-Time	Pre-Design							
31	EN23035.00	CCWRF RAS Header Replacement	61,144	285,000	On-Time	Pre-Design							
32	EN23074.00	CCWRF Influent Box Rehab at the Primary Clarifiers	66,567	600,000	On-Time	Pre-Design							
33	EN23004.00	CCWRF Aeration Basins 1-6 Drain Valve Replacements	63,680	1,500,000	On-Time	Pre-Design							
34	EN23005.00	CCWRF Filter Effluent Sodium Hypochlorite Modification	56,498	112,975	Behind Schedule	Bid & Award	The bid Evaluation completed with award anticipated week of July 10, 2023, and construction start anticipated week of July 17, 2023. Bids opened on May 18, 2023. Schedule will be rebaselined once the construction contract award is issued.						
35	EN17006.00	CCWRF Asset Management and Improvements	7,042,169	30,293,386	On-Time	Construction							
36	EN17006.01	CCWRF 12kV Backup Generator Control Circuit Improvements	261,850	1,456,614	Behind Schedule	Construction	The delay is due to electrical instrumentation availability. No recovery at this point.						
		Sub Total	7,594,450	34,505,552									
	:			Chino Des	alter Auth	ority (CD	A)						
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan						
37		None to report currently.	0	0									
		Sub Total	-	-									
				Coll	ections/N	RWS							
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan						
38	EN21058.00	Regional Sewer-Hydraulic Modeling	99,047	100,000	On-Time	Pre-Design							
39	EN20064.00	NSNT Sewer Siphon Replacement	1,041,785	4,572,126	On-Time	Construction							

				S (Cont.)			
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
40	EN19025.00	Regional Force Main Improvements	2,412,831	4,807,327	Behind Schedule	Construction	The delay was due to coordination with other IEUA projects and operational constraints. IEUA has finished work at Vaults 2 and 6 and is starting work at Vaults 9, 10, and 11. No recovery plan can occur at this point.
41	EN19028.00	NRW Manhole and Pipeline Condition Assessment	1,252,926	1,272,079	Behind Schedule	Construction	IEUA is finalizing risk analysis which is the last phase of the project before the end of the fiscal year. Project will not recover time.
42	EN23015.00	Collection System Upgrades FY 22/23	431,611	5,491,647	On-Time	Project Acceptance	
43	EN23014.00	NRWS Manhole Upgrades FY 22/23	191,039	204,238	On-Time	Project Acceptance	
44	EN23075.00	NRWS On Call O&M Projects FY22/23	-	-	N/A	Not Started	
45	EN23086.00	New NRW Projects PDR's FY 22/23	-	-	N/A	Not Started	
		Sub Total		_			

5,429,238 16,447,417

				Groun	dwater Re	echarge	
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
46	EN23067.00	Hickory Basin Replacement Monitoring Well	24,398	653,100	On-Time	Pre-Design	
47	EN23113.01	RW/GRW Safety Work Improvements for Basin Gate Actuator Access	19,695	1,020,000	Behind Schedule	Design	The 30% design was converted to a formal PDR submittal which delayed the project. A date extension was granted to August 15th due to change of scope. Project may recover time throughout design and will be rebaselined once construction contract award is issued.
48	RW15003.06	Wineville/Jurupa/Force Main Improvements (RMPU PID 23a)	18,094,903	23,477,040	Behind Schedule	Construction	The Project was extended due to the delayed approval of the pump submittal, traffic control issues and SCE delays. Currently mitigating the SCE delay by providing contractor with a redesign. No recovery plan at this point. IEUA is also reviewing a value that engineering recommendation from the contractor which can potentially reduce construction costs.
49	EN21057.00	Recharge Basin Clean-up of Illegally Dumped Materials	249,135	552,978	Behind Schedule	Construction	Due to heavy rain basin availability has been delayed. No recovery plan currently. Scheduling of work between basins may be extended due to weather.
50	EN23041.00	Ely Monitoring Well Capital Project	60,582	600,000	On-Time	Construction	
51	EN23040.00	Turner Basin 1 Turnout Fencing	48,520	45,000	On-Time	Project Acceptance	
52	EN21051.00	Ely Monitoring Well	247,949	284,999	On-Time	Construction	
53	EN23090.01	Turner Basin 1 Turnout Modifications	34,895	38,000	On-Time	Project Acceptance	
54	EN22049.00	GWR-RW OIT Upgrades	-	150,000	N/A	Not Started	
55	EN22050.00	GWR Basin PLC Upgrades	-	1,000,000	N/A	Not Started	
56	EN22051.00	Jurupa Basin VFD Upgrades	117	300,000	N/A	Not Started	
		Sub Total	40 700 404	20 424 447			

		Sub Total	18,780,194	28,121,117									
	Headquarters												
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan						
57	EN23039.00	Lab Rooms Temperature Variation	1,932	240,000	On-Time	Project Evaluation							
58	FM20001.00	HQ Interior Replacements	141,370	1,986,000	On-Time	Project Evaluation							
59	EN23100.00	Headquarter B Additional Office Space	23,757	75,000	Behind Schedule	Design	Due to workload and short staff, project schedule has slipped. No recovery plan at this point. Project will be rebaselined once contractors baseline schedule is received.						
60	EN23003.00	Central Plant Cooling Tower Replacement	65,280	3,000,000	On-Time	Pre-Design							
	-	Sub Total	232,340	5,301,000									

				l	.ift Statior	าร	
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
61	EN23036.00	San Bernardino Ave Lift Station Reliability Improvements	81,081	3,259,752	On-Time	Pre-Design	
62	EN22020.00	Philadelphia Lift Station Pump Upgrades	315,075	6,762,142	On-Time	Pre-Design	
63	EN23002.00	Philadelphia Lift Station Force Main Improvements	1,727,692	23,109,407	Behind Schedule	Design	IEUA received confirmation from City of Ontario on alignments. Just waiting on confirmation of MOU to proceed. Project is now active and will be rebaselined once construction contract is awarded. Project was initially delayed due to city of Ontario review times being extended. No recovery plan can occur at this point.
64	EN23066.00	Preserve Lift Station Improvements	26,591	1,050,000	On-Time	Construction	
65	FM21005.02	Prado Dechlor Roofing Assessment	58,381	150,000	On-Time	Construction	
66	EN22054.03	Montclair Lift Station Gate	36,496	150,000	On-Time	Project Acceptance	
67	EN22037.00	Prado De-Chlorination Station Inundation Protection	231,736	380,000	On-Time	Project Acceptance	
		Sub Total	2,477,053	34,861,301		[
			Region	al Water	Recycling	Plant No	1 (RP-1)
					Necyching		
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
68	EN23114.00	RP-1 Instrumentation and Control Enhancement	30,409	170,000	On-Time	Pre-Design	
69	EN23000.00	RP-1 Device Net Replacement	109,404	4,246,416	On-Time	Pre-Design	
70	EN22022.00	RP-1 Air Compressor Upgrades	297,798	5,427,944	On-Time	Design	
71	EN23024.00	RP-1 TP-1 Stormwater Drainage Upgrades	87,061	1,394,353	On-Time	Design	
72	EN24020.00	RP-1 Dewatering Centrate Pumps	221,653	1,394,353	Behind Schedule	Design	One day of cleaning did occur, but the remaining 4 days left on NPS contract was postponed due to a partially closed plug valve that was found, which will be removed and replaced with a temporary spool piece. The cleaning does not affect the critical path of this project. IEUA determined not to continue with cleaning right now as the one day of cleaning did not show any flow improvements.
73	EN22031.00	RP-1 Intermediate Pump Station Electrical improvements	474,272	9,237,147	On-Time	Design	
74	EN22027.00	RP-1 Repurpose Lab	255,436	2,622,730	Behind Schedule	Design	the conceptual design is finished. IEUA does not currently have the specs, which is pushing out 80% design. Project will not recover time but will be rebaselined once construction contract award is issued.
75	EN23102.00	RP-1 New Parking Lot	30,461	1,248,465	Behind Schedule	Design	IEUA will execute a new task order with Bucknam Infrastructure. The before will be closed due to the nonperformance of the previous sub, which delayed design. Project may recover time during bid and award phase but will be rebaselined once construction contract award is issued.
76	EN20051.00	RP-1 MCB and Old Lab Building Rehab	342,621	2,546,161	Behind Schedule	Design	The conceptual design is finished. IEUA does not currently have the specs, which is pushing out 80% design. Project will not recover time but will be rebaselined once construction contract award is issued.
77	EN21053.00	RP-1 Filter Effluent Structure #2 Rehabilitation	461,326	2,589,450	Behind Schedule	Design	The Final Design is in progress. Due to coordination with the ongoing RP-1 disinfection project in the same area and investigation of SCADA interface the project has been delayed. Project may recover time once construction contract award is issued and the current construction duration is further evaluated. At that time, the schedule will be rebaselined.
78	EN21056.00	RP-1 Evaporative Cooling for Aeration Blower Building	296,421	1,371,732	Behind Schedule	Design	The 90% design is currently in-progress. Design was originally delayed due to additional time needed to complete alternate unit placement design options. No recovery plan currently. Schedule will be rebaselined once the construction contract award is issued.
79	EN22044.00	RP-1 Thickening Building & Acid Phase Digester	6,400,192	160,565,672	On-Time	Design	
80	EN13016.05	SCADA Enterprise System - (Regional Water Recycling Plant No. 1)	6,535,332	23,000,000	On-Time	Construction	
81	EN13016.06	RP-1 TP Building Water Piping Upgrades	16,438	200,000	On-Time	Construction	
82	EN22041.00	RP-1 Aeration Basins Utility Water System Improvement	978,843	2,090,941	On-Time	Construction	
83	EN22021.00	RP-1 Digester Area Utility Water (UW) Line Replacement	47,494	160,000	On-Time	Construction	
84	EN23111.00	RP-1 Headworks Bar Screens Improvements	567,380	3,900,000	On-Time	Construction	
85	EN11039.00	RP-1 Disinfection Pump Improvements	5,460,441	12,997,043	On-Time	Construction	
86	EN17042.00	Digester 6 and 7 Roof Repairs	5,864,428	12,450,161	On-Time	Construction	
87	EN18006.00	RP-1 Flare Improvements	8,110,659	9,200,000	Behind Schedule	Construction	The PLC program had delays with the flare supplier, delaying project completion. Additionally, digester gas leaks have been identified at the gas blowers which is causing unforeseen delays. No recovery is determined at this time.

			Regional V	Vater Recy	cling Plar	nt No. 1 (I	RP-1) (Cont.)						
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan						
88	EN21042.00	RP-1 East Influent Gate Replacement	319,058	666,117	Behind Schedule	Construction	The Estimated delivery of lids is currently unknown which is delaying the project schedule. Project is now behind with no remaining contingency. No recovery can be made.						
89	EN22034.00	RP1/RP4 Generator Control Panel Retrofit/Modernization	425,555	460,000	On-Time	Construction							
90	EN17082.01	RP-1 Clarifier Level Sensor Signal Cable	57,127	10,146,000	On-Time	Warranty							
91	EN23022.00	RP-1 Solids Sludge Recirc Pump Upgrades	-	-	N/A	Not Started							
92	EN22030.00	Replace Anoxic Mixers with More Energy Efficient System	-	-	N/A	Not Started							
93	EN23020.00	RP-1 Solids Heat Exchanger Replacements & Upgrades	-	-	N/A	Not Started							
94	EN23076.00	RP-1 Centrate Line Improvements	-	-	N/A	Not Started							
95	EN19009.00	RP-1 Energy Recovery	408	4,325,000	N/A	Not Started							
96	EN23116.00	RP-1 Solids Electrical Panel Upgrades	-	1,600,000	N/A	Not Started							
97	EN23117.00	RP-1 Motor Control Center 9M Upgrades	-	1,050,000	N/A	Not Started							
		Sub Total	37,390,218	275,059,685									
	Regional Water Recycling Plant No. 4 (RP-4)												
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan						
98	EN20057.00	RP-4 Process Improvements Phase II	346,714	8,324,536	On-Time	Design							
99	EN23123.00	RP-4 Outfall Valve Replacement and Blow off Upgrades	233,985	2,587,886	Behind Schedule	Design	The 90% design submittal was received. Caltrans permit submitted on 6/19. Project may recover time once construction contract award is issued and the current construction duration is further evaluated. At that time, the schedule will be rebaselined.						
100	EN21041.00	RP-4 Chlorine Contact Basin Cover Repair & RW Wet Well Passive Overflow Line	499,188	5,543,778	Behind Schedule	Design	The project has been extended due to additional potholing being required. Location of buried utilities had to be confirmed before finalizing design.						
101	EN23115.00	RP-4 Headworks Utility Water Addition	159,444	175,000	On-Time	Construction							
102	EN23090.02	RW Improvements (Valves, Blow Offs)	23,279	150,000	Behind Schedule	Construction	The delay was caused by contractor getting their business license, which delayed obtaining a permit from Chino, as well as contractor prioritizing other IEUA projects. Project will be completed by the end of the fiscal year.						
103	EN22039.00	RP-4 SCADA Performance Improvement	2,741	1,012,000	N/A	Not Started							
		Sub Total	1,265,351	17,793,200		Γ							
	I		Regior	al Water	Recycling	Plant No.	. 5 (RP-5)						
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan						
104	EN19001.02	RP-5 New Radio Tower Design-Build	-	1,700,000	On-Time	Project Evaluation							
105	EN19001.00	RP-5 Expansion to 30 mgd	121,919,562	243,300,000	On-Time	Construction							
106	EN19006.00	RP-5 Biosolids Facility	160,826,358	205,050,000	On-Time	Construction							
		Sub Total	282,745,920	450,050,000									

				Re	cycled Wa	ater	
No.	Project ID	Project Title	Total Expenditures thru 7/3 (\$)	Total Project Budget (\$)	Project Schedule Performance	Status	Schedule Recovery Plan
107	EN15002.00	1158 Reservoir Site Cleanup	383,808	1,215,000	On-Time	Project Evaluation	
108	EN23119.00	RW SCADA Migration	65,103	4,815,240	Behind Schedule	Pre-Design	The project was delayed because of the schedule revision after the completion of field investigations. PC and Development are currently in progress. Project may recover time throughout design phase and will be rebaselined once construction contract award is issued.
109	EN21045.00	Montclair Force Main Improvements	755,967	8,714,434	On-Time	Design	
110	EN23121.00	1299 Reservoir Paint/Coating Repairs and Upgrades	39,574	2,000,000	On-Time	Bid & Award	
111	EN23124.00	1630 East Pump Station VFD Installation	158,368	750,000	Behind Schedule	Construction	The delay with VFD delivery date currently set in February 2024 pushing the construction finish to March 2024. No recovery at this point.
		Sub Total	1,402,821	17,494,674			
		Overall Totals	364,209,413	1,061,382,499			

Emergency Projects

			FY22/23 Emergency	y Projects					
	Project ID	Contractor	Task Order Description	Location	то #	Original Not-to- Exceed /Estimate	Actual Cost thru 7/3	Date of Award	Status
Age	ency Wide								
1	EN23019.02	Norstar Plumbing and Engineering, Inc	El Prado Road 8-inch Ductile Iron Primary Sludge Leak	El Prado Road	TO-007	200,000	172,407	7/19/2022	Completed
2	EN23017.01	W.A. Rasic	42-inch RW Leak South of I-10 fwy	Ontario	TO-032	98,615	64,103	11/19/2022	Completed
3	EN23019.06	Norstar Plumbing and Engineering	C1C-001 Manhole Repair	City of Chino	TO-010	18,000	0	6/21/2023	Active
			Sub Totals	316,615	236,510				
CCI	WRF							·	
4	EN23019.04	Norstar Plumbing and Engineering, Inc.	CCWRF 12-inch Backwash Water Pipeline Leak	CCWRF	TO-009	50,000	39,271	11/10/2022	Completed
5	EN23019.05	Houston Harris	CCWRF CCTV Inspection Sludge Line to RP-2	CCWRF		50,000	0	12/20/2022	Completed
6	EN23017.02	Ferreira Construction	CCWRF Utility Water Leak	CCWRF	TO-009	20,000	4,989	4/4/2023	Completed
					Sub Totals	120,000	44,259		
RP-	1								
7	EN23019.01	Norstar Plumbing and Engineering, Inc.	West RP-1 Main Potable Water Line Leak	RP-1	TO-006	25,000	24,266	7/7/2022	Completed
8	EN23019.03	Norstar Plumbing and Engineering, Inc.	13553 San Bernardino Ave., Fontana Force Main Strike	RP-1	TO-008	50,000	15,716	8/22/2022	Completed
9	EN11039.00	Innovative construction solutions (ICS)	Water leak in roadway south of Equalization Basin #3	RP-1	N/A	N/A	N/A	12/23/2022	Completed
					Sub Totals	75,000	39,982		
					Grand Total	511,615	320,751		

June Emergency Project(s)						
Contractor	Task Order Description	Details of the Circumstances/Cause of Emergency	Scope of Repair	Location	Date of Call Out	Not-to-Exceed /Estimate
Norstar Plumbing and Engineering	C1C-001 Manhole Repair	Manhole C1C-001 on Kimball Avenue was found to be damaged. The grade ring appeared to be shifting, making the manhole lid, and surrounding area wobble when vehicles drove over it.	The contractor provided traffic control, removed the existing manhole frame and surrounding areas, verified condition of the grade rings, and installed a new composite frame and cover. Pavement was repaired per City of Chino standards.	City of Chino	6/21/2023	18,000