



Regional Sewerage Program Policy Committee Meeting

AGENDA

**Thursday, February 1, 2024
3:30 p.m.**

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

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

The public may participate and provide public comment during the meeting by joining in person or by calling the number provided above. Comments may also be submitted by email to the Recording Secretary Jennifer Hy-Luk at jhyluk@ieua.org prior to the completion of the Public Comment section of the meeting. Comments will be distributed to the Policy Members.

Call to Order

Roll Call

Flag Salute

Public Comment

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

Additions to the Agenda

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

(Continued)

1. Technical Committee Report (Oral)

2. Action Item

- A. Approve minutes of October 5, 2023 Policy Committee Meeting

3. Information Items

- A. Recap of Recent Board Approved Actions (Oral)
- B. 2024 Rate and Fee Study Status Update

4. Receive and File Item

- A. Building Activity Report

5. Other Business

- A. IEUA General Manager's Update
- B. Committee Member Requested Future Agenda Items
- C. Committee Member Comments
- D. Next Meeting – March 7, 2024

Adjourn

DECLARATION OF POSTING

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

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Jennifer Hy-Luk at (909) 993-1727 or jhyluk@ieua.org 48 hours prior to the scheduled meeting so that IEUA can make reasonable arrangements to ensure accessibility.

ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF THE OCTOBER 5, 2023 MEETING

CALL TO ORDER

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program Policy Committee was held on Thursday, October 5, 2023, at 6075 Kimball Avenue, Building A, Chino, California.

Chair Randall Reed/Cucamonga Valley Water District (CVWD) called the meeting to order at 3:30 p.m. Recording Secretary Jennifer Hy-Luk established a quorum was present. Chair Reed led the Pledge of Allegiance.

Committee Members Present:

Eunice Ulloa	City of Chino
Peter Rogers	City of Chino Hills
Phillip Cothran	City of Fontana
John Dutrey	City of Montclair
Debra Dorst-Porada	City of Ontario
Bill Velto	City of Upland
Randall Reed	Cucamonga Valley Water District (CVWD)
Marco Tule	Inland Empire Utilities Agency (IEUA) <i>joined the meeting at 3:35 p.m.</i>

Others Present:

Courtney Jones	City of Ontario
Nicole deMoet	City of Upland
Amanda Coker	CVWD
Jerry Burke	IEUA
Christiana Daisy	IEUA
Kristine Day	IEUA
Robert Delgado	IEUA
Shivaji Deshmukh	IEUA
Lucia Diaz	IEUA
Denise Garzaro	IEUA
Don Hamlett	IEUA
Jennifer Hy-Luk	IEUA
Nolan King	IEUA

Others Present (continued):

Michael Larios	IEUA
Randy Lee	IEUA
Eddie Lin	IEUA
Alex Lopez	IEUA
Alyson Piguee	IEUA
Sushmitha Reddy	IEUA
Ken Tam	IEUA
Ashley Womack	IEUA

PUBLIC COMMENTS

There were no public comments.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

1. TECHNICAL COMMITTEE REPORT

Amanda Coker/CVWD stated that the Technical Committee approved the July 27, 2023 Technical Committee meeting minutes; heard the Pretreatment & Compliance Updates, Grants Semi-Annual Update, Regional Wastewater Fee Collection, and Recycled Water Study. Ms. Coker stated that the Technical Committee recommended that the Regional Wastewater Fee Collection be brought to the BAR Subcommittee for discussion.

2. ACTION ITEM**A. APPROVAL OF THE SEPTEMBER 7, 2023 POLICY COMMITTEE MEETING MINUTES**

Motion: By Committee member Ulloa/City of Chino and seconded by Committee member Rogers/City of Chino Hills to approve the meeting minutes of the September 7, 2023 Regional Policy Committee Meetings by the following vote:

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

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

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

Alyson Piguee/IEUA provided the update.

B. REGIONAL WASTEWATER FEE COLLECTION

Kristine Day/IEUA provided the presentation.

Committee member Velto/City of Upland expressed the importance of verifying addresses and questioned the impact on customers. Committee member Dutrey/City of Montclair stated that direct invoicing is easier so that customers can pay all fees at one location.

IEUA General Manager Deshmukh reiterated that the item was brought to the Board of Directors and the Policy Committee solely as an information item. He stated that the Board has no recommendation on the item.

Mr. Dutrey stated that he is leaning towards having IEUA take over the Equivalent Dwelling Unit (EDU) rate, but he would like to further discuss with City staff. Mr. Dutrey stated that the Policy Committee should continue to explore this option.

Mr. Velto stated that he thinks it is important for the EDU rates to be handled by the city while the Capital Capacity Reimbursement Account (CCRA) fees with the builder or developer be handled by IEUA since residents are already coming to the city to get their water turned on.

Committee member Rogers/City of Chino Hills stated that both he and alternate Committee member Art Bennet have noted their concerns to GM Deshmukh and Board Vice President Steven Elie.

Committee member Marco Tule/IEUA confirmed that the Agency has heard the Policy Committee members' concerns and stated that there will need to be more discussion on the topic.

Committee member Ulloa/City of Chino asked whether the information was modeled after a water district that handles all their collection of fees, like Eastern Municipal Water District. IEUA Assistant General Manager Day stated that staff gathered data from multiple sources, such as Orange County Sanitation District, Los Angeles County, and cities. Ms. Day stated that all options were presented as each option would represent different considerations, challenges, and impacts.

Chair Reed stated that there are advantages to CVWD handling the fees, such as direct customer contact and the revenue generated by fees. He stated that with builders and homeowners at times it is hard to explain the CCRA fees, but he hasn't not heard concerns from their staff.

AGM Day stated that IEUA can attend any Prop 218 hearings or City Council or Board meetings to assist with any questions. Committee member Dorst-Porada/City of Ontario requested that IEUA assist throughout the year to provide outreach and notify residents of IEUA's role in the water billing and rates.

Committee member Tule stated that he would like to see one regional hearing for Prop 218 instead of replicating efforts seven or eight times for each agency.

C. REVIEW OF RECYCLED WATER

Eddie Lin/IEUA provided the report.

Mr. Dutrey requested a timeline and clarification on the agencies involved. Mr. Lin stated that it is generally a one-year timeline and stated that it would include all of IEUA's retail recycled water customers.

GM Deshmukh added that there are many stakeholders, and the item was discussed at the quarterly GM meeting on October 4.

4. RECEIVE AND FILE

Items 4A was received and filed by the Committee.

A. BUILDING ACTIVITY REPORT

5. OTHER BUSINESS

A. IEUA GENERAL MANAGER'S UPDATE

General Manager Shivaji Deshmukh stated that in response to Committee member Dorst-Porada's comment, IEUA recognizes the importance of coordinated outreach. He shared that one of his top three goals is to continue to develop how the Policy Committee members work together and what IEUA can do to support customers.

Committee member Dorst-Porada stated her appreciation for Chair Reed and Monte Vista Water District Director Sandra Rose for speaking at the October 4 State Water Resources Control Board (SWRCB) Meeting. She mentioned their Water Conservation Draft Plan is an important item that all Policy Committee members should be aware of, as the intended requirement is to have a significant amount of water savings in each city.

Discussion ensued about the SWRCB Making Conservation a Way of California Life regulation.

Mr. Tule stated his appreciation for Councilmember Dorst-Porada, Chair Reed, and Director Rose for attending the SWRCB meeting and making them aware of the region's challenges.

Chair Reed brought attention to the region's reservoir issue.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

There were no Committee member requested agenda items.

C. COMMITTEE MEMBER COMMENTS

There were no Committee member comments.

D. NEXT MEETING – NOVEMBER 2, 2023

ADJOURNMENT

Chair Reed adjourned the meeting at 4:21 p.m.

Prepared by:

Jennifer Hy-Luk, Recording Secretary

**INFORMATION
ITEM**

3B



Date: January 25th, 2024 (Regional Tech) & February 1st, 2024 (Regional Policy)

To: Regional Technical Committee / Regional Policy Committee

From: Inland Empire Utilities Agency

Subject: 2024 Rate and Fee Study Status Update

RECOMMENDATION

This is an information item.

BACKGROUND

The IEUA Board of Directors adopted charges for the following rates and fees through fiscal year (FY) 2024/25:

- Wastewater Connection Fee
- Monthly Equivalent Dwelling Unit Rate
- One Water Connection Fee
- Monthly Meter Equivalent Unit Rate
- Recycled Water Direct Use Rate
- Recycled Water Groundwater Recharge Rate
- Recycled Water Fixed Cost Recovery Fee

With these charges set to expire soon, an updated study is required to develop fees and rates that appropriately recover the cost of service for each of the programs, as well as support the Agency's long-term Capital Improvement Plan. IEUA posted a request for proposals (RFP) on PlanetBids on October 12, 2023, and through a qualification-based selection, the evaluation team unanimously agreed Black & Veatch was the best qualified to complete the study based on an evaluation analysis, interview, and project team expertise.

The IEUA Board of Directors awarded the contract for the 2024 Rate and Fee Study to Black & Veatch during a regular board meeting on December 20, 2023. Project kickoff with the consultant occurred on January 11, 2024 and the Board of Directors is anticipated to adopt the new fees and rates by end of December 2024. Throughout the study process, IEUA intends to solicit input and feedback from customer agencies.

ATTACHMENT

Attachment 1 – PowerPoint

2024 Rate and Fee Study Status Update

Kristine Day

Assistant General Manager

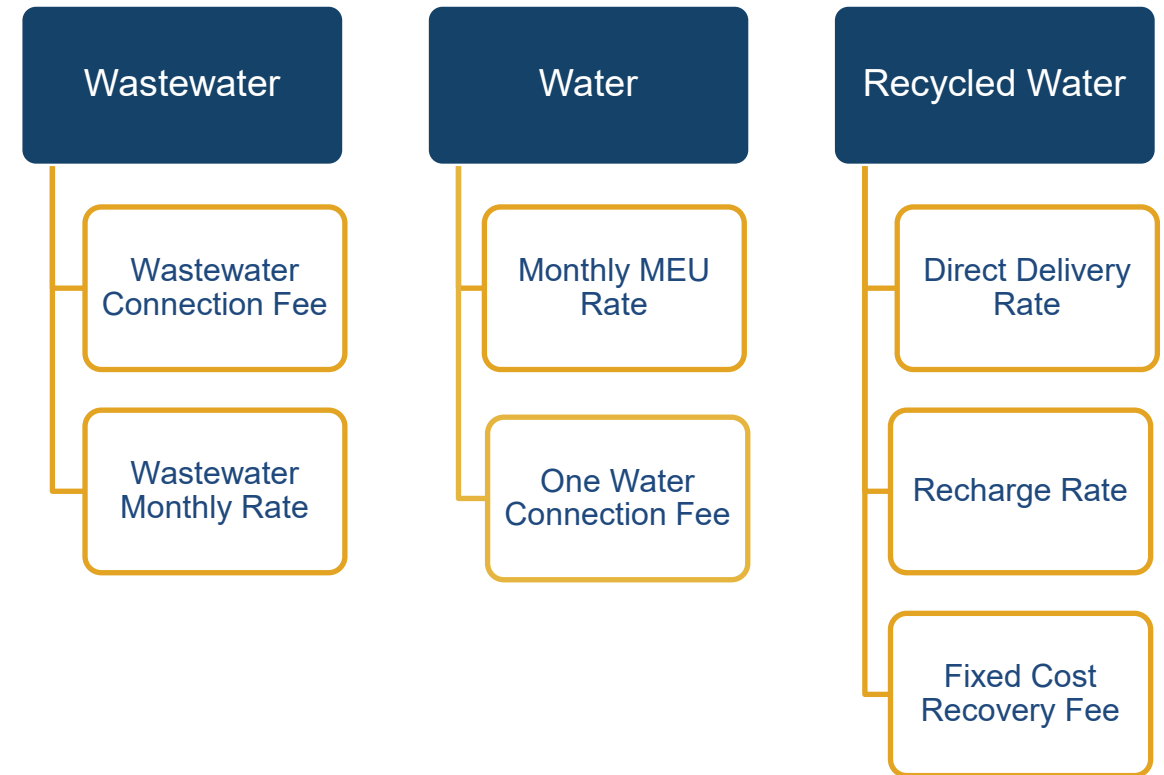
February 1, 2024

Project Background

The previous rate study effort initiated in 2019 and established several rate structures through the end of Fiscal Year (FY) 2024/25. Project highlights include:

- Updated connection fees and/or rates for water, wastewater, and recycled water (MEU and water connection fee completed 2020, recycled completed 2022)
- Fixed cost recovery fee added to recycled water charges
- Stakeholder outreach conducted and peer review by the Building Industry Association (BIA)

The following rates will be evaluated for **FY 2025/26 through 2029/30:**



Wastewater Fee and Monthly Rate Overview

Wastewater Connection Fee: Fee applied to all new wastewater connections.

- Supports the timely capacity expansion and improvement of the Agency's regional wastewater system to meet future growth and facilitate economic development.

Monthly Wastewater Rate: Reoccurring monthly charge for use of the regional wastewater system. Residential is based on one EDU while Commercial and Industrial are adjusted for flow and loading.

- Supports wastewater operations and maintenance, capital replacement and rehabilitation projects, and debt service costs.

The Wastewater Connection Fee and Monthly Rate are calculated on an equivalent dwelling unit (EDU), or average single-family residential unit, basis.

Rate Description	FY 2020/21*	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Wastewater Connection Fee (EDU)	\$6,955	\$7,379	\$7,600	\$8,132	\$8,620
Monthly Wastewater Rate (EDU)	\$20.00	\$21.22	\$21.86	\$23.39	\$24.79

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

One Water Fee and Monthly Rate Overview

One Water Connection Fee: Fee assessed on new and upsized connections to the Agency’s regional water system (imported and recycled).

- Supports the expansion of the regional water system and investment in integrated regional water resources.

Monthly Water (MEU) Rate: Reoccurring monthly charge for use of the regional water system.

- Supports management and distribution of imported water supplies, development and implementation of regional water use efficiency initiatives, water resource planning and support for regional water supply programs.

The One Water Connection Fee and Monthly Rate are calculated based on a meter equivalent unit (MEU), or a residential unit based on 5/8” and 3/4” meter sizes.

Rate Description	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
One Water Connection Fee (MEU)	\$1,684	\$1,787	\$1,841	\$1,896	\$1,953
Monthly Water Rate (MEU)	\$1.04	\$1.08	\$1.10	\$1.12	\$1.14

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

Recycled Water Rates Overview

Recycled Water Direct Use Rate: Volumetric charge for direct recycled water use billed per acre-foot (AF) delivered to users.

- Supports recycled water deliveries including operations and maintenance, administration, and capital replacement and rehabilitation.

Groundwater Recharge Rate: Surcharge added to the direct use charge per AF levied on recycled water delivered to recharge groundwater basins for future use.

- Supports a portion of groundwater recharge basin maintenance and operation costs not reimbursed by the Chino Basin Watermaster.

Recycled Water Fixed Cost Recovery Fee: Fixed fee charged per year that is based on a three-year rolling average of direct and recharge recycled water use.

- Supports debt service cost recovery for the recycled water program. This fee was phased in from FY 2022/23 to FY 2024/25.

Rate Description	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Recycled Water Direct Use Rate (AF)	\$490	\$520	\$516	\$510	\$465
Groundwater Recharge Rate (AF)	\$550	\$580	\$616	\$660	\$665
Recycled Water Fixed Cost Recovery Fee	N/A	N/A	\$1.11 M	\$2.36 M	\$4.96 M

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

Request for Proposals (RFP) Process

IEUA solicited rate consulting services through an RFP posted to PlanetBids. The RFP was advertised for a total of 33 calendar days (22 working days)



IEUA Evaluation Team conducted Qualifications Based Selection, with criteria focused on experience, references, approach, project team and ability to meet schedule.

Black & Veatch selected for Rate Study, board approval on 12/20

Consultants Submitted	
Black & Veatch	
HDR, Inc.	
Raftelis	
Robert D. Niehaus (RDN), Inc.	

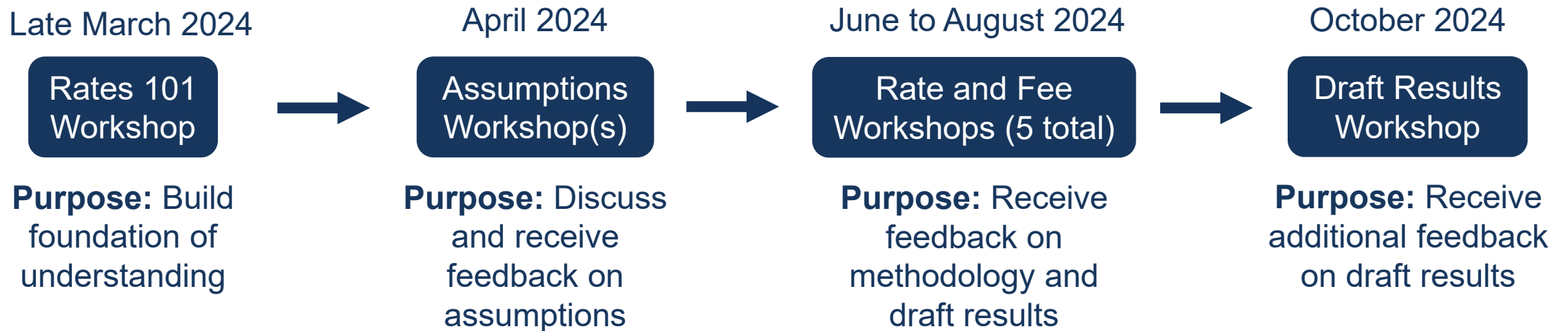
Anticipated Project Schedule

Project Elements	Date
Document Review	Feb 2024
Rates 101 Education	Mar 2024
Key Assumptions	Apr 2024
Financial Forecast Models	Apr 2024
Draft One Water and Wastewater Connection Fees	Jun 2024
Cost of Service Analysis	Jul 2024
Rate Structure Review	Oct 2024
Draft Reports	Nov 2024
Final Reports	Dec 2024
IEUA Rate Adoption	Jan 2025
Proposition 218 Start	
Customer Agency Rate Adoption	

Project kickoff with
the consultant
occurred on
January 11, 2024

Opportunities for Input

Throughout the study process, IEUA intends to solicit input and feedback from representatives of its customer agencies.



*This is a preliminary schedule and workshop content or dates may change.

Questions

**RECEIVE AND
FILE**

4A

Building Activity Report - YTD Fiscal Year 2023/24



Legend

- Service Area
- Unincorporated

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

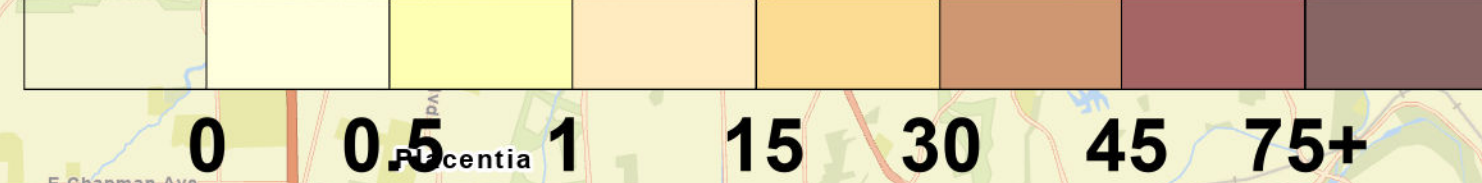
Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

- <=1.0
- 1.0 - 10.0
- >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual				Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)	Total (EDUs)	
Chino	74	0	84	158	434
Chino Hills	4	0	0	4	19
CVWD	54	0	2	56	2050
Fontana	20	0	365	385	962
Montclair	10	0	0	10	474
Ontario	50	0	293	343	3780
Upland	0	0	32	32	340
Total	213	0	776	989	8059

