

TEN-YEAR CAPITAL IMPROVEMENT PLAN

Fiscal Period 2000/2001 through 2009/2010

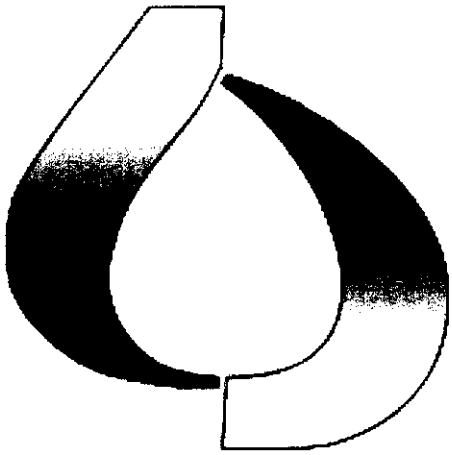
Inland Empire Utilities Agency

PLANNING LIBRARY
Do Not Remove
2542 T4CIP's 06

DRAFT

INLAND EMPIRE UTILITIES AGENCY
TEN-YEAR CAPITAL IMPROVEMENT PLAN
FISCAL PERIOD 2000/2001 through 2009/2010

March 5, 2001



Prepared
by
IEUA Staff

TABLE OF CONTENTS

CHAPTER 1

INTRODUCTION 1-1
PROLOGUE 1-3
WASTEWATER SERVICE AREAS 1-5

CHAPTER 2

REGIONAL SEWAGE SYSTEM 2-1
CAPITAL IMPROVEMENT PROGRAM 2-1
Non-Expansion Program 2-1
Expansion Program 2-13
Summary of Capital Improvement Program 2-16
Northern Service Area Capital Improvement Program 2-16
Southern Service Area Capital Improvement Program 2-20
CAPITAL IMPROVEMENT PROGRAM FINANCING 2-23
Non-Expansion Program Financing 2-25
Expansion Program Financing 2-28
AB-1600 Nexus Test 2-32
CONCLUSION 2-34

CHAPTER 3

NON-RECLAIMABLE WASTEWATER SYSTEM 3-1

CHAPTER 4

CO-COMPOSTING PROJECT 4-1

CHAPTER 5

WATER RESOURCES PROGRAM 5-1
CAPITAL IMPROVEMENT PROGRAM 5-2
CONCLUSION 5-7

TABLE OF CONTENTS

TABLES

2-1	RP-1 Service Area Non-Expansion Program	2-4
2-2	RP-4 Service Area Non-Expansion Program	2-8
2-3	RP-2/5 Service Area Non-Expansion Program	2-9
2-4	CCWRF Service Area Non-Expansion Program	2-10
2-5	Regional Projects Non-Expansion Projects	2-11
2-6	Expansion Program	2-15
2-7	Revenue/Cost Summary For Non-Expansion Projects	2-26
2-8	Revenue/Cost Summary For Expansion Projects	2-29
2-9	Projected Status of Reimbursement Payment Receipts	2-33
3-1	Revenue/Cost Summary For the Non-Reclaimable Wastewater Capital Improvement	3-3
4-1	Revenue/Cost Summary For the Co-Composting Project	4-4
5-1	Regional Recycled Water Program through 2020	5-1
5-2	Revenue/Cost Summary For Water Resources Projects	5-3
5-3	Recycled Water Available vs. Recycled Water Usage	5-5
5-4	Potential Near Term Groundwater Recharge Projects	5-7

TABLE OF CONTENTS

FIGURES

1-1	Contracting Area Boundaries	1-2
1-2	Service Area Boundaries RP-1, RP-2, RP-4, RP-5,CCWRF	1-6
2-1	Unadjusted Flow For The RP-1/RP-4 Service Area	2-2
2-2	Unadjusted Flow for the CCWRF and RP-2/RP-5 Service Area	2-3
2-3	Total Non-Expansion Projects	2-13
2-4	Total Expansion Projects	2-14
2-5	Regional System Flow & Capacity Utilization Summary	2-17
2-6	RP-1/RP-4 Service Area Capital Improvement Program Compared to Adjusted Flow	2-18
2-7	RP-4 Service Area Capital Improvement Program Compared to Adjusted Flow	2-19
2-8	RP-1/RP-4 Service Area Capital Improvement Program Compared to Projected Flow By Service Area Fifty Year Outlook	2-21
2-9	CCWRF and RP-2/RP-5 Service Area Capital Improvement Program for Adjusted Flow	2-22
2-10	CCWRF and RP-2/RP-5 Service Area Capital Improvement Program Compared to Projected Flow By Service Area	2-24
2-11	FY 09/10 System Treatment Summary	2-25

FIGURES (continued)

2-12	Total Non-Expansion Revenues & Costs	2-28
2-13	Total Expansion Revenues & Costs at Full EDUs	2-30
2-14	Total Expansion Revenues & Costs at Reduced EDUs	2-31
2-15	Total Combined Expansion & Non-Expansion Projects	2-34
2-16	Total Expansion & Non-Expansion Revenues & Costs at Full EDUs	2-35
3-1	NRW and Discharges	3-2
4-1	Co-Composting Site	4-1
4-2	Relative Cost Per Ton of Salt Removal from the Chino Basin	4-2
4-3	Organics Management Facility	4-5
4-4	Location of Fontana Site	4-5
4-5	Location of Colton Site	4-6
4-6	Location of Three Chino Sites	4-6
5-1	OBMP – Groundwater Management Zone	5-6

APPENDIX

A	Cash Flow Analyses For Full EDU Scenario
B	Cash Flow Analyses For Reduced EDU Scenario



1950's Board Members

Introduction

IEUA

CHAPTER 1

INTRODUCTION

As the Inland Empire Utilities Agency (IEUA) celebrates its 50th Anniversary this year, it is insightful to reflect on IEUA's first half century of service. The IEUA, originally named the Chino Basin Municipal Water District (CBMWD), was formed in 1950 to supply supplemental water to the region. Since its formation, the Agency has expanded its areas of responsibility from a supplemental water supplier to a regional wastewater treatment agency with domestic and industrial disposal systems and energy recovery/production facilities. In addition, the Agency has become a recycled water purveyor, biosolids/fertilizer treatment provider and continues as a leader in water supply salt management, for the purpose of protecting the regions vital groundwater supplies. On July 1, 1998, the CBMWD officially became the Inland Empire Utilities Agency. The name change was meant to reflect the changes in the District's mission. Today, the IEUA continues to work to ensure that reliable services, which protect the environment while fostering economic development, are readily available when needed.

The IEUA's 242 square mile service mile area is located in the southwest corner of San Bernardino County, approximately 35 miles east of Los Angeles, and provides regional wastewater service and imported water deliveries to seven contracting agencies. These contracting agencies include the:

- City of Chino;
- City of Chino Hills;
- Cucamonga County Water District (CCWD);
- City of Fontana;
- City of Montclair;
- City of Ontario; and
- City of Upland.

Figure No. 1-1 illustrates the IEUA's current boundaries and those of the pre-mentioned contracting agencies

Pursuant to the terms and conditions of the Regional Sewage Service Contract, the IEUA prepares a ten-year capital improvement (TYCIP) program annually, to identify the capital projects needed for the Regional Sewage System (Chapter 2). Beginning in Fiscal Year (FY) 1996/97, chapters were added which included the IEUA Non-Reclaimable Wastewater (NRW) System (Chapter 3) the Co-Composting Project (Chapter 4) and the Water Resources Programs

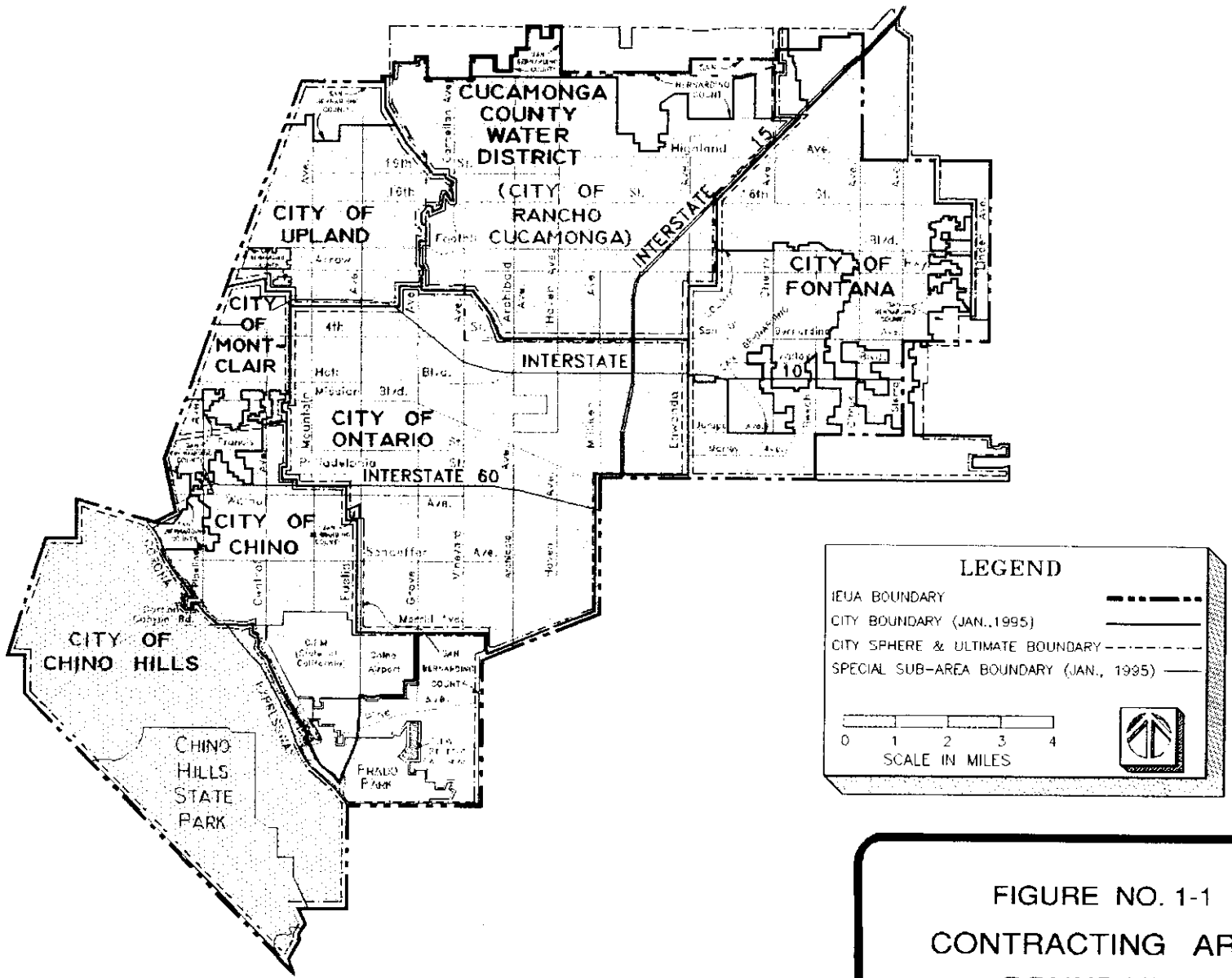


FIGURE NO. 1-1

CONTRACTING AREA BOUNDARIES

(Chapter 5). These programs serve IEUA's Contracting Agencies; however, each is discussed separately because the programs are funded differently.

New to IEUA this year is a preview of the proposed Five-Year Capital Plan/Budget (FYB). The purpose of going to a five-year budget is to better identify projects that will need to be done and assess their effects on the capital connection fee. It will also allow the IEUA and its contracting agencies to prioritize work more readily.

The results of this budgeting process are summarized in the TYCIP, however, the FYB and TYCIP will not be exactly the same, since their purposes are somewhat different. The Budget includes only projects that have been authorized by the Agencies Board of Director's and its Regional Committees. Project budgets stay the same unless amendments are approved to increase or decrease the cost of the individual projects. The TYCIP, by contrast, is meant as a tool to identify capital projects that will need to be constructed to meet the contracting agencies growth forecasts and to review their impacts on anticipated revenues. As such, projects may be included which have not been budgeted, but are expected to be needed. Likewise, the expected cost and time period to complete approved projects is reviewed to reflect revised project schedules and any cost revisions (up/down), to better access the overall impacts to the Budget and expected revenues.

PROLOGUE

Formation. Originally formed in 1950 for importing Colorado River Water to the area, IEUA (CBMWD) was originally named after the underlying Chino Groundwater Basin. The principal function of IEUA (CBMWD) was to provide its constituent areas with a supplemental source of water in an effort to stop groundwater depletion.

Nonreclaimable Wastewater Disposal. In the early 1960's, the IEUA (CBMWD) became involved in wastewater disposal through the purchase, operation and expansion of a nonreclaimable industrial waste disposal system. Known as the Non-Reclaimable Wastewater (NRW) System today, it was originally acquired and expanded to export highly saline industrial wastewater out of the area to an ocean disposal location. The intent of the system was to encourage industrial development while protecting the local groundwater quality.

Regional Wastewater Disposal. At about the same time as the acquisition of the NRW System, IEUA became involved in a lawsuit filed by the Orange County Water District (OCWD) against the City of Chino, and other Upper Santa River water agencies to establish water rights of the parties situated in the Lower Santa Ana River Basin – downstream of Prado Dam. The stipulated decree (Orange County Judgment), entered into on April 17, 1969, between IEUA (CBMWD), Western Municipal Water District (WMWD), and San Bernardino Valley Municipal Water District (SBVMWD), required the agencies to collectively deliver an average annual adjusted water supply of 42,000 acre-feet to the Prado Basin (17,000 acre-feet per year – IEUA's obligation).

Initially, IEUA (CBMWD) met its obligation to Orange County by utilizing State Project Water. However, because of the expense of utilizing imported water supplies, it was decided that building a tertiary treatment plant at the city (Ontario and Upland) owned RP-1 secondary plant, with an outfall to Mill Creek in the Prado Basin, would be a more economical method of meeting the Agency obligation. As such, IEUA (CBMWD) became involved in tertiary wastewater treatment through this process.

Subsequently, as part of an ongoing San Bernardino Planning Department study of the West Valley, to identify methods to consolidate management of the area's water resources, it was recommended that wastewater treatment and disposal facilities be placed under a single authority –IEUA (CBMWD). The proposed consolidation of wastewater treatment called for IEUA (CBMWD) to acquire existing treatment facilities from the individual cities that had been providing their own wastewater treatment up to that time. This resulted in the establishment of the Regional Sewage Program.

In January 1973, authority over regional collection and treatment of the domestic wastewater was transferred to IEUA (CBMWD), with the completion and ratification of the Regional Sewage Service Contract. This contract provides that IEUA (CBMWD) will collect and treat domestic wastewater generated from within each contracting agency and that these agencies will deliver their wastewater to the regional system's facilities at designated connection points. Each contracting agency, however, retains the responsibility to maintain it's own individual collection system.

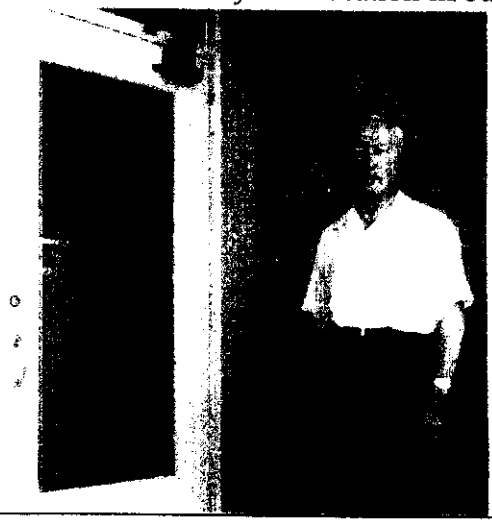
Recycled Water. From before the inception of the Regional Program, recycled water was provided, by the city owned RP-1, to the adjacent Whispering Lakes Golf Course. However, in the mid 1970's, with the construction of the RP-1 Mill Creek Outfall, and the formation of the Regional Program, recycled water availability was expanded to provide Prado Park and Golf Course with this alternative supply of water. In the 1980's and 1990's, Carbon Canyon Wastewater Reclamation Facility (CCWRF) and Regional Plant Number 4 (RP-4) were sited and designed to provide convenient access to recycled water supplies for a growing population. With the construction of these two facilities, and their recycled water distribution systems, the Agency continues to work with its contracting agencies to identify and connect new users to this system (Recycled Water Feasibility Study).

At this time, the IEUA is working on revising the Regional Sewage Service Contract. One of the purposes of this revision is to incorporate decisions that have been made by the IEUA Board of Directors and Regional Committees on provisions that will regionalize the recycled water system to make recycled water less costly to the contracting agencies with the goal of growing the number of users in the system. Concurrently, plans are underway to: further expand the recycled water distribution system, as demand and economic cost effectiveness dictate; expand the number of recycled percolation basins utilized by the Agency; manage and reduce salt impacts to the groundwater basin; and continue to evaluate and provide new sources of water for the regions growing population.

Co-Composting Project. In the late 1980's, the IEUA (CBMWD) became involved in a project to construct a facility to process manure with biosolids. The manure was produced by the Dairy

Industry in the large Agricultural Preserve, located within the Agency, and the biosolids were generated by the Regional Programs wastewater treatment facilities. The purpose of the project was to produce a marketable soil amendment that would be sold outside of the Agencies groundwater boundaries, for the purposes of exporting salt and addressing the growing problem of biosolids disposal. The project was dedicated in 1995 and is responsible for exporting between 100,000 and 200,000 tons a year of manure (8,000 to 15,000 tons of salt), which if left in place could impact the groundwater basin.

Currently, IEUA is evaluating technologies to make this site more compatible with the expected changing land uses in and around its current location. This might include an enclosed odor controlled facility. It might also result in the relocation of this facility to a location in/out of the Agency's boundary where digesters could be utilized to capture gas for powering co-generators to produce electricity.

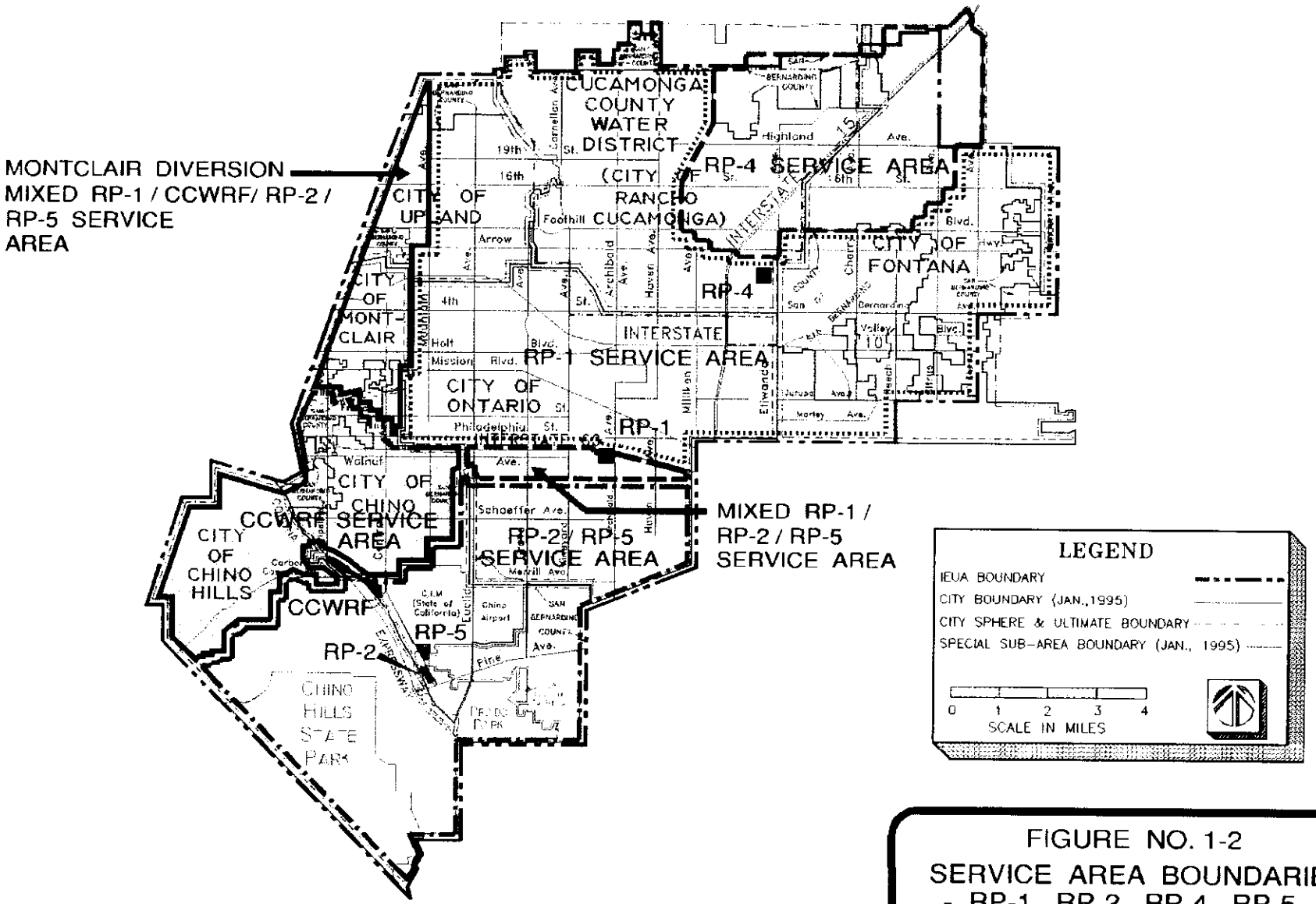


H.R. Clark, First General Manager of CBMWD.

Energy Recovery and Production. IEUA is in energy production as a means of offsetting the cost of electricity in treating wastewater. To meet redundancy and safety requirements at IEUA's wastewater treatment plants, IEUA has standby generators for emergencies only. Since RP-1 and Regional Plant Number 2 (RP-2) produce burnable gas, from the breakdown of organic materials in their digester processes, IEUA also has co-generators (permitted for full time use) which can be run off of this byproduct gas to help offset the cost of electrical power. At this time, IEUA can produce about half of the energy required to run these two facilities with its co-generators. The standby generators are available during emergencies to provide the remaining power. Due to the uncertainties of reliable and cost effective electrical power, work is underway to make these plants more energy reliant.

WASTEWATER SERVICE AREAS

Figure No. 1-2 illustrates IEUA's service area boundaries for its wastewater treatment plants. The IEUA's total service area is generally divided into two inter-related service areas. The Northern Service Area provides wastewater treatment at two wastewater treatment plants – Regional Plant No. 1 (RP-1) and Regional Plant No. 4 (RP-4), with RP-4 having the ability to bypass flows to RP-1. The Southern Service Area provides wastewater treatment at two additional wastewater treatment plants – Regional Plant No. 2 (RP-2) and Carbon Canyon Wastewater Reclamation Facility (CCWRF), with CCWRF also having the ability to bypass flows, to RP-2. As shown, a portion of the City of Upland and Montclair can be diverted to either the Northern (RP-1) Service Area, through the Montclair Interceptor, or Southern (CCWRF) Service Area through the Westside Interceptor Relief. Limitations of this diversion are those imposed by conveyance facility size. In addition, a small area in the City of Ontario,



Inland Empire Utilities Agency

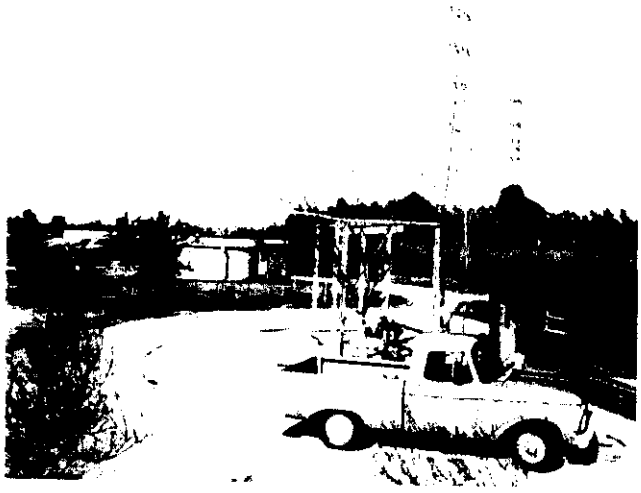
FIGURE NO. 1-2
SERVICE AREA BOUNDARIES
- RP-1, RP-2, RP-4, RP-5,
CCWRF, AND MIXED
SERVICE AREAS -
AND TREATMENT PLANTS

that is currently pumped up to RP-1 for wastewater treatment, is anticipated to become tributary to RP-2/RP-5 upon the completion of the City of Ontario's Eastern Trunk Sewer.

Currently IEUA is developing a third wastewater treatment plant for the Southern Service Area. This Regional Plant No. 5 (RP-5) is meant to replace the flood-prone RP-2 liquid processes and provide additional capacity for development of the converting Agricultural Preserve. This facility will also be located in the City of Chino, and resides about a mile north of the current RP-2 site - just above the proposed Prado Dam 566-foot take line. Digestion at RP-2 - for the CCWRF and the new RP-5 - is anticipated to continue into the future, for the useful life of the existing digesters (2030).



Three, of first four, CBMWD Employees.



1950's Fontana Plant

Regional Sewage System

REGIONAL SEWAGE SYSTEM

The Regional Sewage System covers cost to maintain or add capacity for wastewater treatment and conveyance. The cost of the Regional Sewage System's ten-year capital improvement program is dependent on the condition of the existing system and the ten-year growth forecast provided to IEUA by its Contracting Agencies during any particular year.

Anticipated growth within the system is shown on Figures 2-1 and 2-2. Growth within the RP-1 and RP-4 (Northern) Service Areas, the area generally north of the 60 Freeway (Figure 2-1), is expected to result in flows that are projected to reach 52.8 mgd by FY 2009/20. This compares with flows of 59.3 mgd, also illustrated, that were forecasted by last year's growth forecast. This represents a reduction of 6.5 mgd in expected future flows from last year's TYCIP. Growth within the CCWRF and RP-2/RP-5 (Southern) Service Areas, including the Agricultural Preserve, is expected to produce flows that will approach 16.7 mgd within the same time period. This compares to 18.2 mgd, also illustrated, that was forecasted in last year's Plan. Combined, this year's growth forecast, is expected to produce 69.5 mgd, by FY 2009/2010, which is 8 mgd less than in last year's TYCIP.

CAPITAL IMPROVEMENT PROGRAM

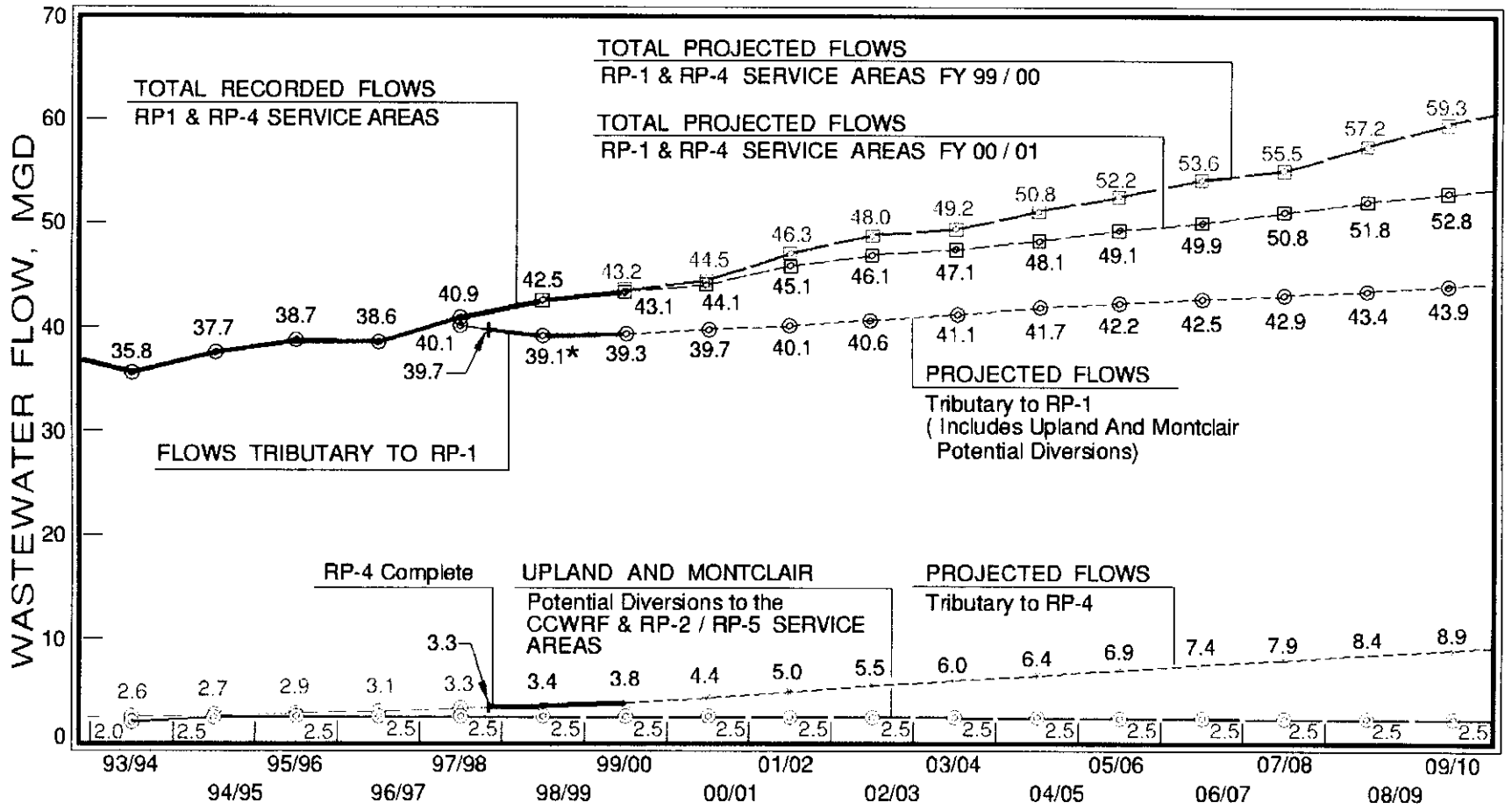
The Capital Improvement Program (CIP), for the Regional Sewage System, is separated into two parts. The "non-expansion" portion of the program either maintains or re-establishes a previously achieved system capacity and is paid for by ad-valorem (property) taxes. The Northern Service Area's capacity is 51.0 mgd, and is based on a capacity of 44 mgd at RP-1 and 7 mgd at RP-4. The Southern Service Area's capacity is 15.2 mgd, and is based on a 10.2 mgd capacity at CCWRF and the current 5 mgd rated capacity of RP-2. Additional capacity above the current system total of 66.2 mgd, is considered under the "expansion" portion of the program, and is funded by connection fees collected and held by the Contracting Agencies.

Non-Expansion Program

The Regional Sewage Systems' "non-expansion" capital improvement program is summarized by treatment plant, or under regional, for "non-expansion" benefits that apply to the entire region. Table No. 2-1 summarizes "non-expansion" projects in the Northern Service Area at RP-1. As noted on the third page of Table No. 1, projects at RP-1 are expected to total approximately $29-

USE ENGINEER'S SCALE 1"=30' ; AND DIVIDE BY 2

\AUTOCAD\TOMTEMP\PLANNING\00FIGURE_2.DWG



★ Estimated

FIGURE NO. 2-1

UNADJUSTED FLOW
FOR THE
RP-1 AND RP-4 SERVICE AREA

Inland Empire Utilities Agency

USE ENGINEER'S SCALE 1"=4'

AUTOCAD\TOMTEMP\PLANNING\00FIGURE2-2A.DWG

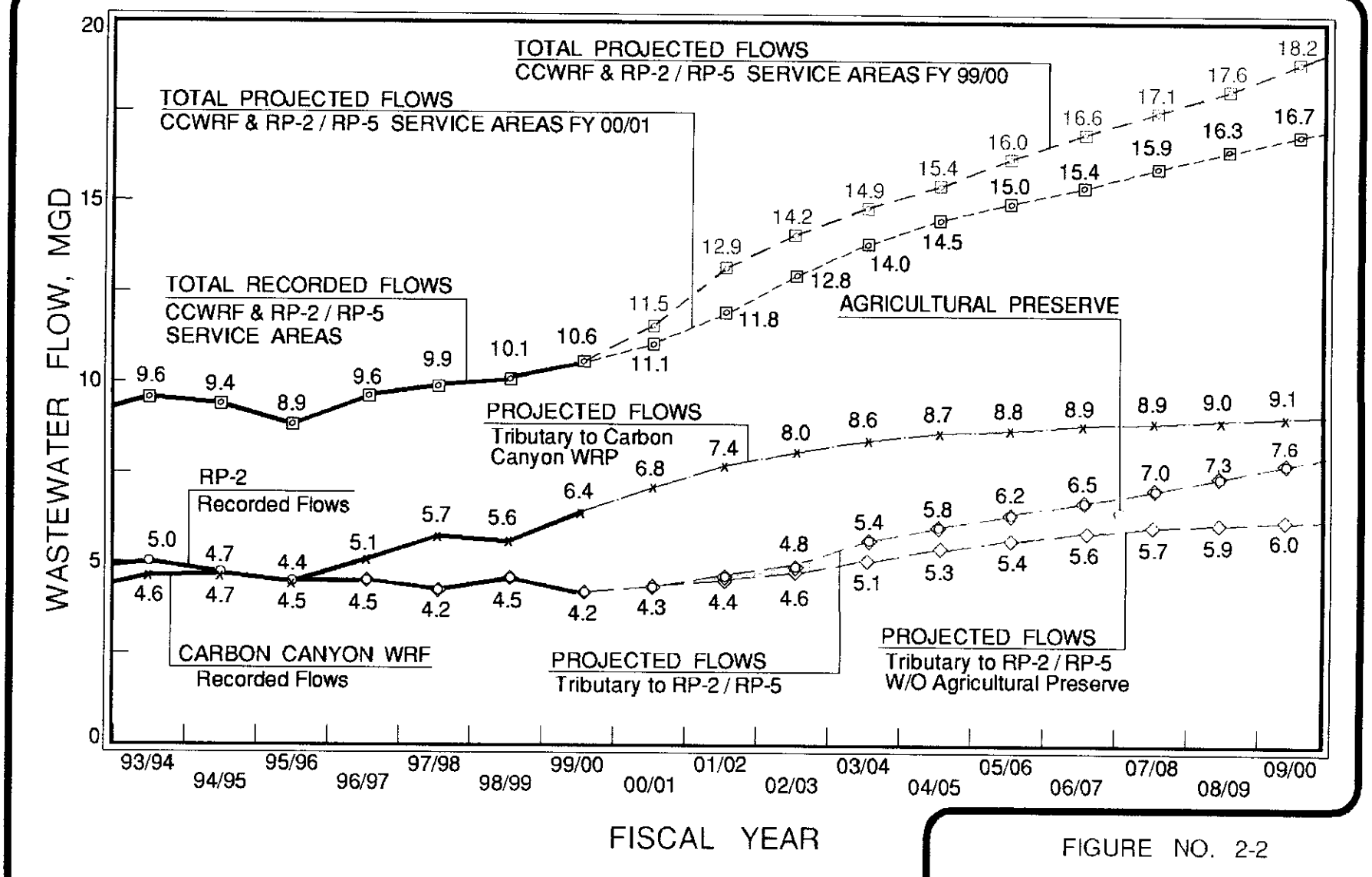


FIGURE NO. 2-2

UNADJUSTED FLOW
FOR THE
CCWRF AND RP-2 / RP-5
SERVICE AREA

Inland Empire Utilities Agency

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-1
RP-1 SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REGIONAL PLANT NO. 1														
NEW REGULATION PROJECTS														
RP-1 Primary Odor Control	EN97024 EN20036	100%	$344	$35	$200									$235
RP-1 Rag/Grit Loading Oder Control	EN06008	100%							30	45	337			412
RP-1 Odor Control	EN06009	100%							213	1,603	3,261			5,077
RP-1 RAS Chemical Addition	EN98013	100%	129	1										1
RP-1 Storm Water P.S. Improv.	EN20015	100%	227	20	240									260
RP-1 Cl_2 Scrubber Mod.	EN20054	100%	199	60										60
TP-1 Cl_2 Replacement		100%		300	1,400									1,700
Subtotal New Regulations			$899	$416	$1,840	$0	$0	$0	$243	$1,648	$3,598	$0	$0	$7,745
REFURBISHMENT PROJECTS														
RP-1 Digester/Solids Processing Ref.	EN96020 EN96042 EN97031 EN01022 PA01002	0%	$2,480	$531										$531
RP-1 Pavement Maintenance	EN98004 EN20012	0%	212	127	187									314
	EN05001	0%							93					93
Montclair Pavement Maint.	EN02022	0%			4									4
Prado Dechlor. Pavement & Groundcover	GS01002 EN03002	0%	22	22		13								35
RP-1 Motorize Valves at Lagoon	EN20001	0%	3	23	5									28
RP-1 HW Polymer Station Modifications	OA20006	0%	16	45										45
	EN01017	0%												
RP-1 Seismic Retro. Whar/Maint. Bldg.	EN04004	0%					62	100						162
Seismic Retrofit @ Prado Declor Station	EN02014	0%			93									93
RP-1 DO Probe Replacement	EA0(2,3,4)004	0%			21	21	21							63
RP-1 Replace Slide Gates		0%	0	0	11	0	331	1,141	0	0	0	0	0	1,483
RP-1 Overhaul Clairifiers		0%	0	0	89	32	37	37	41	0	0	0	0	236
RP-1 Rebuild/Replace Pumps & Misc.		0%	48	25	126	116	37	0	0	0	0	0	0	304
Montclair P.S. DC Clutch Drives	EA02009	0%			8									8
RP-1 Replace TP-1 Floculators		0%	0	0	12	12	14	24	0	0	0	0	0	62
RP-1 Solids Processing		0%	0	0	23	118	0	95	99	0	0	0	0	335
RP-1 Information Services Up/Auto.		0%	0	0	100	45	0	0	137	0	0	0	0	282
RP-1 Replace Motor Control Centers		0%	0	0	0	57	82	0	0	0	0	0	0	139
RP-1 Coating Maintenance	EN05002	0%	0	0	0	0	0	240	0	0	0	0	0	240
Subtotal Refurbishment			$2,781	$773	$679	$414	$584	$1,637	$370	$0	$0	$0	$0	$4,457

(a) New regulations are shown in italics.

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-1 (Continued)
RP-1 SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
EFFICIENCY PROJECTS														
RP-1 Cogeneration Imp.	EN95012	0%	$315	$18	$44									$62
RP-1 Sec. Aeration Mod.	EN96050	50%	887	0										0
RP-1 Scc. Eff. to Lagoon #3	EN99014	0%	123	22										22
TP-1 Energy Recovery	EN20046	0%	24	0										0
RP-1 Power Mngmt Syst.	PA04011	0%					33							33
RP-1 IPS&RAS Energy		0%		300	35									335
Subtotal Efficiency			$1,349	$340	$79	$0	$33	$0	$0	$0	$0	$0	$0	$452
OTHER PROJECTS														
RP-1 Landscaping	EN98007	0%	$305	$700	$20									$720
RP-1 Philadelphia Entry Widening	EN99003	0%	405	62	273	257								592
	EN01015													
RP-1 A.B. Sprays	EN20017	0%	170	98	125									223
RP-3 Demolition	EN01026	0%	157	1	156									157
RP-1 Auto. Pannel Flexing System	EN02003	0%			100	277								377
RP-1 Digestor & Solids Processing Imp.	EA02005	0%			3									3
	PA02013				32									32
	EN01033						51	377	764					1,192
	EN02035				460	2,000	1,000							3,460
	EN01036			1,000	200									1,200
	EN06007								50	100	1,161	650		1,961
	EN03006					43								43
	PA03016					19								19
RP-1 Sludge Blanket Level Det.	EA02001	0%			42									42
RP-1 Rel. Pumps & Analyzers @ Prado	PA02005	0%			35									35
RP-1 pH Control System	EN02006	0%			246									246
RP-1 Influent Control pH Monitoring	EC02010	0%			12									12
RP-1 CL_2 Analyzers	EA02006	0%			8									8
RP-1 H_2S Gas Analyzers	EA02010	0%			13									13
RP-1 Filter Effluent Gallery Access	EN02011	0%			20	188								208
RP-1 Washwater Pump Well Access	EN02013	0%			30	160								190
RP-1 Lagoon Cleaning Pump	PA02019	0%			6									6
RP-1 Induction Water Clamp	OA03001	0%				42								42
RP-1 Data Logger Calibration	PA03005	0%				11								11
CMOM & Conveyance System Work		50%												
-Upland Interceptor Evaluation	EN96039		11	0										0
-Montclair Int. TV Inspection	EN03007					13								13
-Archibald Trunk TV Inspection	EN03008					11								11
-Etiwanda Interceptor MH	EN03009					74	300							374
RP-1 Air Compressor Retrofit	PA03008	0%				24								24
RP-1 Aeration Basin Drain Pumps	EN03011	0%			20	279								299
RP-1 Closed Loop for Gas Compressor	PA03015	0%				31								31
RP-1 ABS PS Power Feed for TP-1	EA04001	0%					16							16
RP-1 Automated Chemical Reordering Sys.	PA04002	0%					39							39

(a) New regulations are shown in italics

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-1 (Continued)
RP-1 SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR										TOTAL
					FIVE YEAR BUDGET								
			2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	
OTHER PROJECTS Cont.														
RP-1 Install Wireless Remote Wrkstn.	IS03009	0%				$30								$30
RP-1 Blower Upgrades	EN06003	0%							623					623
RP-1 Misc Small Capital Projects		0%				50	100	150	200	770	801	833	866	3,770
	EA98002	0%	0	1										1
	EN01008	0%	24	0										0
	EN97003	0%	15	0										0
	EN97029	0%	21	0										0
	EA01002	0%	10	10										10
	PA01007	0%	17	17										17
	EA99001	0%	1	0										0
	PA01009	0%	39	76										76
RP-1 CL_2 Leak Alarms @ TP-1	EA02003	0%			5									5
RP-1 Replace Daft Lights	EA02007	0%			5									5
TP-1 Closed Circuit TV Camera/Vied.	GS02016	0%			9									9
RP-1 Keyless Door Hrdwr.	GS03002	0%				6								6
RP-1 Replace TP-1 Tank & Facilities	OA05002	0%						5						5
Subtotal Other			$1,175	$1,965	$1,820	$3,515	$1,506	$532	$1,637	$870	$1,962	$1,483	$866	$16,156
TOTAL RP-1			**$6,204**	$3,494	$4,418	$3,929	$2,123	$2,169	$2,250	$2,518	$5,560	$1,483	$866	$28,810
TOTAL RP-1 NEW REGULATIONS			**$1,348**	$416	$1,840	$49	$150	$0	$243	$1,648	$3,598	$0	$0	$7,944

(a) New regulations are shown in italics

million during the next ten-year period. This compares with a total of $22-million in last year's TYCIP. Major additions include additional odor control at $2.3-million (net); additional digester/solids processing work for $4-million (net); and conversion to Hypochloride disinfection (TP-1 Cl_2 Replacement) at $1.7-million. An additional reduction of $1-million is attributable to continued progress on efficiency projects.



1960's: CBMWD Main Office in Rancho Cucamonga.

Table No. 2-2 summarizes expected expenditures for the Northern Service Area's RP-4 treatment facility/Service Area. As indicated at the bottom of Table 2-2, total "non-expansion" spending at RP-4 is anticipated to climb to $11-million, over the next ten-years. This compares with $7-million in last years Plan. The major reason for this increase in spending is the addition of $4-million in efficiency projects that have been included to reduce energy consumption and add reliability to RP-4.

The "non-expansion" expenditures for the Southern Service Area for RP-2/RP-5 are shown on Table No. 2-3. Expenditures for ten-years are anticipated to be $38-million. This compares with $39-million in last year's TYCIP. Major changes from last years plan include: continued progress on RP-5 and the Kimball Interceptor (Chino Interceptor Diversion) for a reduction of $5-million; the addition of an RP-5 Maintenance Building at RP-5 ("non-expansion" portion of costs) at a program increase of $1-million; and the addition of efficiency and reliability projects at an increase of $3-million.

The "non-expansion" expenditures for the Southern Service Area for CCWRF are shown on Table No. 2-4. Expenditures for the CCWRF service area are expected to reach $4-million, over the next ten years. This compares to $3- million in last years Plan. Changes from last years TYCIP are primarily due to a $2-million increase in "Efficiency Projects" for the purpose of adding reliability and efficiency to CCWRF and the continued progress on existing jobs for a net $1-million reduction.

The $3-million in cost shown on Table No. 2-5 for Regional Projects would provide system-wide improvements that serve the entire IEUA service area. This compares to an estimated cost of $5-million in last years program. Major changes include a reduction of $3-million for miscellaneous small capital projects which are offset, somewhat, by the addition of $1-million in identified projects, for an overall program cost reduction of $2-million. As indicated at the bottom of Table No. 2-5, the total "non-expansion" program, or the program designed to maintain a capacity of 66.2 mgd, has been estimated to cost approximately $84-million over the Plans next ten-year period. This compares with $76-million outlined in last years program, or $8-million more.

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-2
RP-4 SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REGIONAL PLANT NO. 4														
REFURBISHMENT PROJECTS														
RP-4 Replace Sprinkler Syst.	PA02033	0%			$52									$52
RP-4 Refurbish IPS Pumps	PA04008	0%					27							27
RP-4 Pavement Maint.	EN05003	0%						70						70
RP-4 Refurb. Plant Process WP	PA06001	0%							6					6
RP-4 Coatings Maint.	EN06002	0%							60					60
Subtotal Refurbishment			$0	$0	$52	$0	$27	$70	$66	$0	$0	$0	$0	$215
EFFICIENCY PROJECTS														
RP-4 Lagoon Modification	EN20011	0%	$36	$68	$8									$76
RP-4 Filter Improvements	EA01001	0%	43	43										43
RP-4 Primary Clarifier	EN01003	0%	98	10	20	290	3,511							3,831
RP-4 Scum Removal System Improvements	EN01004	0%	48	40	30									70
RP-4 Relocate & Rebuild 580kW Gen.	EN01033	0%			500									500
RP-4 Aeration System Improvements	EN02029	0%			400	2,899								3,299
RP-4 Retrofit Ditch 1 & 2	PA02032	0%			31									31
RP-4 Power Mngmt. Sys.	PA04011	0%					32							32
Subtotal Efficiency			$225	$161	$989	$3,189	$3,543	$0	$0	$0	$0	$0	$0	$7,882
OTHER PROJECTS														
RP-4/TP-1 Declorination Modifications	EN99010	0%	$9	$0										$0
RP-4 H.W. Vactor Dump Station	EN20043	0%	128	42	275									317
RP-4 Misc. Improvements	EN20025	0%	92	207	3									210
	EN20026	0%												
	EN20041	0%												
RP-4 Cover & Post Aeration Tank	EN01011	0%	191	185	250									435
RP-4 Standby Climber Screen & Screening Press	EN01012	0%	291	132	364									496
RP-4 Vactor Dump Station/Odor Control	EN01013	0%	148	27	361									388
RP-4 Disinfection Evaluation & Report	EN01014	0%	33	33										33
RP-4 Misc Small Capital Projects		0%				42	44	46	48	99	103	107	111	600
	GS01001		14	14										14
	EA01003		20	21										21
	EN20027		9	16										16
	EN20029		2	25										25
RP-4 Update HW Level Controls	PA03003					39								39
RP-4 Install Keyless Door Hardware	GS03002					6								6
Subtotal Other			$937	$702	$1,253	$87	$44	$46	$48	$99	$103	$107	$111	$2,600
TOTAL RP-4			$1,162	$863	$2,294	$3,276	$3,614	$116	$114	$99	$103	$107	$111	$10,697
TOTAL RP-4 NEW REGULATIONS			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

(a) New regulations are shown in italics

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-3
RP-2/5 SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REGIONAL PLANT NO.2														
CAPACITY RESTOR. PROJ.														
Replace RP-2 at (5mgd Non-Exp.) (b)	EN95028	3.57%	$8,333	$6,700	$9,154	$5,816	$667							$22,337
Chino Interceptor Diversion (c)	EN97004	0%	750	159	517									676
RP-5 Maintenance Building (b)	EN02010	0%			333	333								666
Subtotal Capacity Restor.			$9,083	$6,859	$10,004	$6,149	$667	$0	$0	$0	$0	$0	$0	$23,679
REFURBISHMENT PROJECTS														
RP-2 Recycle Flow Pump	PB01001	0%	$27	$27										$27
RP-2 Well Pump Replacement	OB01002			14			32							46
RP-2 Recycled Flow PS Repaint	EN02005	0%			23									23
RP-2 Solid System Pump	PA02006	0%			11									11
RP-2 Repl. Cl_2 Residual Analyzers	PA02011	0%			14									14
RP-2 Digestor Cover Coating	EN02024	0%			89									89
RP-2 Refurb. Primary Clarifier	PA02025	0%			41									41
RP-2 Landscaping & Pavement Maint.	EN04002	0%					40	33						73
RP-2 Coatings Maint.	EN06004	0%							120					120
RP-2 Pavement Maint.	EN06005	0%							130					130
Subtotal Refurbishment			$27	$41	$178	$0	$72	$33	$250	$0	$0	$0	$0	$574
EFFICIENCY PROJECTS														
RP-2 Digestion System Improvements	EN01029	0%		$56	$734	$900								$1,690
RP-2 Micro Turbines					1,150	50								1,200
RP-2 Wakesha Engine Generator	PA04009	0%					151							151
RP-2 Power Mngmt Syst.	PA04011						32							32
Subtotal Efficiency			$0	$56	$1,884	$950	$183	$0	$0	$0	$0	$0	$0	$3,073
OTHER PROJECTS														
0.5 MGD SARI Purchase (97/98)(d)	IW98005	0%	$89	$89	$89	$557	$89	$583	$89	$607	$89	$633	$89	$2,914
RP-2 Liquids Side Demolition (e)		0%										76	6,580	6,656
RP-5 Truck Wash Facility		0%								35	175			210
RP-2 Potable Water Connection	EN04003	0%					227							227
RP-2 Engine Room Ventilation System	EN02030	0%					40	32						72
RP-2 Landscaping & Maint.	EN02031	0%			27									27
RP-2 Install Keyless Door Hardware	GS03002	0%				5								5
RP-2 Misc Small Capital Projects		0%				42	44	46	48	50	52	54	56	392
	PB20003		30	0										0
	EB01001		5	5										5
RP-2 PLC Network to DCS	PA04001						38							38
Subtotal Others			$124	$94	$116	$604	$438	$661	$137	$692	$316	$763	$6,725	$10,546
TOTAL RP-2			$9,234	$7,050	$12,182	$7,703	$1,360	$694	$387	$692	$316	$763	$6,725	$37,872
TOTAL RP-2 NEW REGULATIONS			$297	$239	$327	$208	$24	$0	$0	$0	$0	$0	$0	$797

(a) New regulations are shown in italics

(b) The RP-2 "expansion" (10 mgd) portion of the RP-5 project is shown on: TABLE NO. 2-6

(c) The Chino Interceptor Diversion is the non-expansion portion of the Kimball Interceptor Diversion project outlined on: TABLE NO. 2-6

(d) The cost of capacity is based on the purchase of 0.5 mgd of pipeline capacity at $3.75/gallon/day, with 5% down, and 20 years to repay the remaining principal at no interest .
The cost of treatment capacity, at an assumed strength cost, is based on the purchase of 0.1 mgd increments of capacity every other year, at an adjusted FY 1999/2000 cost of $4.50/gallon.

(e) The RP-2 Liquids Side Demolition costs have been allocated just prior to 2010, when the IEUA lease with US Corps of Engineers expires and the revised lease provisions might require site mitigation.

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-4
CCWRF SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
CARBON CANYON WRF														
REFURBISHMENT PROJECTS														
CCWRF Refurbish Asphalt Pavement	EN98003	0%	$20	$41										$41
CCWRF Repl. CL2 Cnt.Tnk Gate	EN98006	0%	27	66										66
CCWRF Repl. AB Eff. Gates	EN99007	0%	165	33	152	65								250
CCWRF Cl2 Bldg. Piping Improvements	EN01002	0%	14	14	3									17
CCWRF Replace Bar screen Enclosure	OB01001	0%	38	38										38
CCWRF Thermal Flow Meter Roters	PA02010	0%			22									22
CCWRF Repl. Cl2 Residuals Analysis	PA02011	0%			13									13
CCWRF Influent Structure Repair	EN02015	0%			123									123
CCWRF Aeration Drain Valves	EN03001	0%				127	102							229
CCWRF Coatings Maintenance	EN06001	0%							120					120
CCWRF Repl. Workstation Monitoring	PA06006	0%							11					11
Subtotal Refurbishment			$264	$192	$313	$192	$102	$0	$131	$0	$0	$0	$0	$930
NEW REGULATION PROJECTS														
Subtotal New Regulations			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EFFICIENCY PROJECTS														
CCWRF Aeration Modification Design	EN01001	0%	$23	$0				$161	$1,264					$1,425
CCWRF Install 580 kW Generator	EN01033	0%			500									500
CCWRFPower Mngmt. Syst.	PB04011	0%					33							33
Subtotal Efficiency			$23	$0	$500	$0	$33	$161	$1,264	$0	$0	$0	$0	$1,958
OTHER CCWRF PROJECTS														
CCWRF Emergency Scrubber Mods.	PB20002	0%		$15	$44									$59
CCWRF Allen Bradley Network	IS02004	0%			35									35
CCWRF Air Conditioner	PA02016	0%			4									4
CCWRFRemote Workstation	IS02019	0%			17									17
CCWRF Install Wireless Workstation	IS03009	0%				30								30
CCWRF Misc Small Capital Projects		0%				42	44	46	48	127	132	137	142	718
CCWRF Grit Slurry Pump Volute Rep.	PA02007	0%			5									5
Subtotal Others			$0	$15	$105	$72	$44	$46	$48	$127	$132	$137	$142	$868
TOTAL CCWRF			$287	$207	$918	$264	$179	$207	$1,443	$127	$132	$137	$142	$3,756
TOTAL CCWRF REGULATIONS			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

(a) New regulations are shown in italics

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-5
REGIONAL PROJECTS
NON-EXPANSION PROGRAM (a)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	FISCAL YEAR 2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REGIONAL PROJECTS														
Facility Energy Audits (Non-Std Resid. Prog)	FN99002	0%	$7	$42										$42
Regional Interceptor Capacity Monitoring	EN02004	50%			10	21								31
Possible CMOM Implimintation		100%			300	100								400
Manhole Sealing Project	EN02016	100%			37									37
Remote Site Telemetry	EA03001	0%				23								23
ISCO Samplers	EC03001	100%				6								6
Misc. Coating Maint.	EN04001	0%					29							29
Filtration Turbidity Monitoring		100%								214				214
Inflow Control		0%								69	1,217			1,286
Misc Small Capital Projects		0%				47	49	51	53	55	57	59	61	432
PH Portable Recorder	EC02001	100%			6									6
	IW01001		5	1										1
	IW01002		5	5										5
	GS99003		10	9	5									14
	GS01003		9	9										9
	EN02001				30	30								60
	PL02003				11									11
	PL02004				8									8
	GS02012				4									4
	PA05006	0%						17						17
SUBTOTAL REGIONAL PROJECTS			**$36**	**$66**	**$411**	**$227**	**$78**	**$68**	**$53**	**$338**	**$1,274**	**$59**	**$61**	**$2,635**
SUBTOTAL REGIONAL REGULATIONS			**$0**	**$0**	**$348**	**$117**	**$0**	**$0**	**$0**	**$214**	**$0**	**$0**	**$0**	**$679**
TOTAL NON-EXPANSION PROJECTS			**$16,923**	**$11,680**	**$20,223**	**$15,399**	**$7,354**	**$3,254**	**$4,247**	**$3,774**	**$7,385**	**$2,549**	**$7,905**	**$83,770**
TOTAL NON-EXPANSION REGULATIONS			**$1,645**	**$655**	**$2,515**	**$374**	**$174**	**$0**	**$243**	**$1,862**	**$3,598**	**$0**	**$0**	**$9,420**

(a) New regulations are shown in italics

Overall, major changes between last year's, and this year's program, focus on treatment plant reliability and safety. With the current energy crisis making reliable energy less likely in the near future, it is important that IEUA be able to treat and process wastewater in the event of electrical blackouts. In addition, with expected increases in electrical costs, it is important that gas production from the Agencies digesters– which is utilized to power co-generation facilities – and Natural gas facilities be improved to reduce the need to purchase more expensive electricity from outside suppliers. As such, net increases in the following categories have been proposed:

• Energy Efficiency/Reliability	$3.2-million
• RP-1 Digester Work	4.1-million
• RP-2 Digester Work	1.7-million
Subtotal	**$9.0-million**

Secondary benefits of the digester work that is being pursued as part of the three-phased digestion project, includes the potential for greater digester capacity and the production of a higher quality sludge (Class A).

Additional work being pursued in this year's TYCIP includes additional odor control and conversion from the chlorine gas to hypochloride disinfection at RP-1. With the continued development adjacent to RP-1, good neighbor issues such as odor control and chemical safety have become increasingly important. As such, money has been allocated for continuing odor control improvements at RP-1. In addition, the conversion from chlorine gas - for final disinfection - to the milder hypochloride (bleach) is being proposed. The proposed net increase for these two projects is:

• RP-1 Additional Odor Control	$2.3-million
• TP-1 Chlorine Replacement	1.7-million
Subtotal	**$4.0-million**

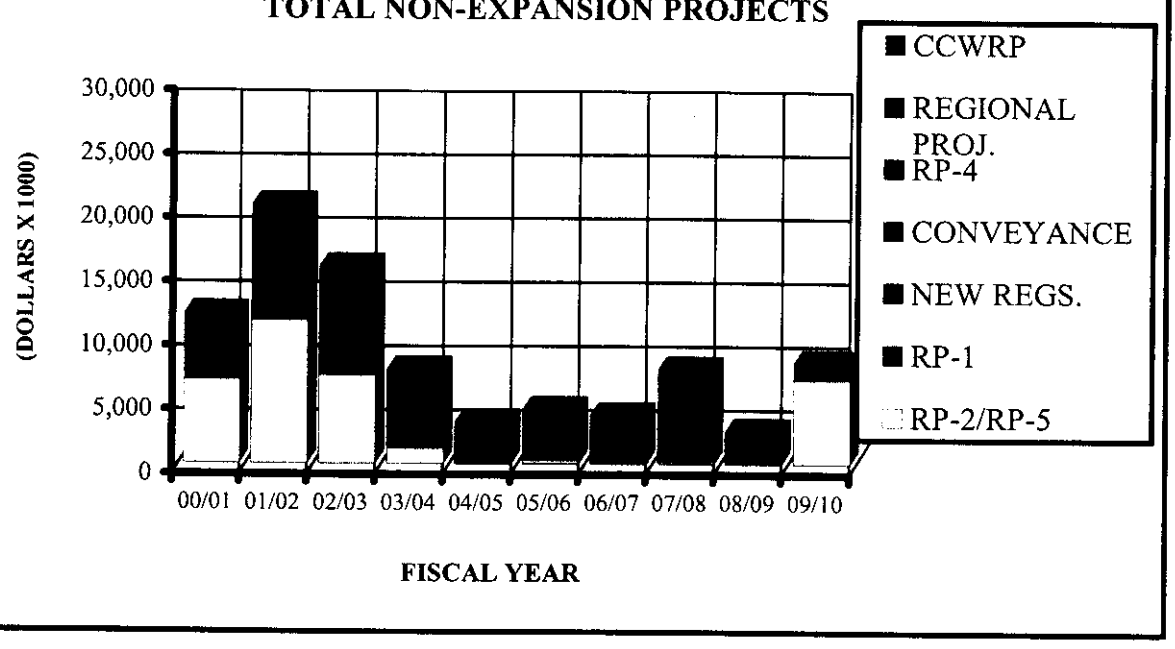
Finally, work related to the Cease and Desist (C&D) Order at RP-2, to relocate or flood-protect this facility, is ongoing. The "non-expansion" cost for relocating the liquids side of this facility to RP-5 includes 5 mgd of replacement capacity and the construction of the Chino Interceptor Diversion (Kimball Interceptor Project) to direct Chino Interceptor flows into this plant. Also, the "non-expansion" portion of a new Maintenance Building is also included under this cost item. Total changes in net costs include:

• RP-5/Chino Inter. Progress	<$4.8-million>
• RP-5 Maintenance Building	0.7-million
Subtotal	**<$4.1-million>**

In summary, the "non-expansion" program is anticipated to cost approximately $84-million over the next ten-years. Net costs related to RP-2/RP-5 are projected to have the highest service area costs ($33-million) due, in large part, to the cost of replacing the RP-2 facility at RP-5. Cost

associated with the RP-1 Service Area, are anticipated to follow RP-2RP-5, with ($21-million). Third in expenditures are net costs associated with the RP-4 Service Area ($11-million). The CCWRF Service Area has the least amount of net costs ($4-million). Net Regional costs are budgeted at $2-million. Overall "non-expansion" conveyance costs (Chino Interceptor and SARI purchase) are anticipated to cost an additional $4-million. Finally, new Regulations are estimated to be roughly $9-million of the previously noted costs. The annual "non-expansion" expenditures, noted previously, are summarized in Figure 2-3.

FIGURE NO. 2-3
TOTAL NON-EXPANSION PROJECTS



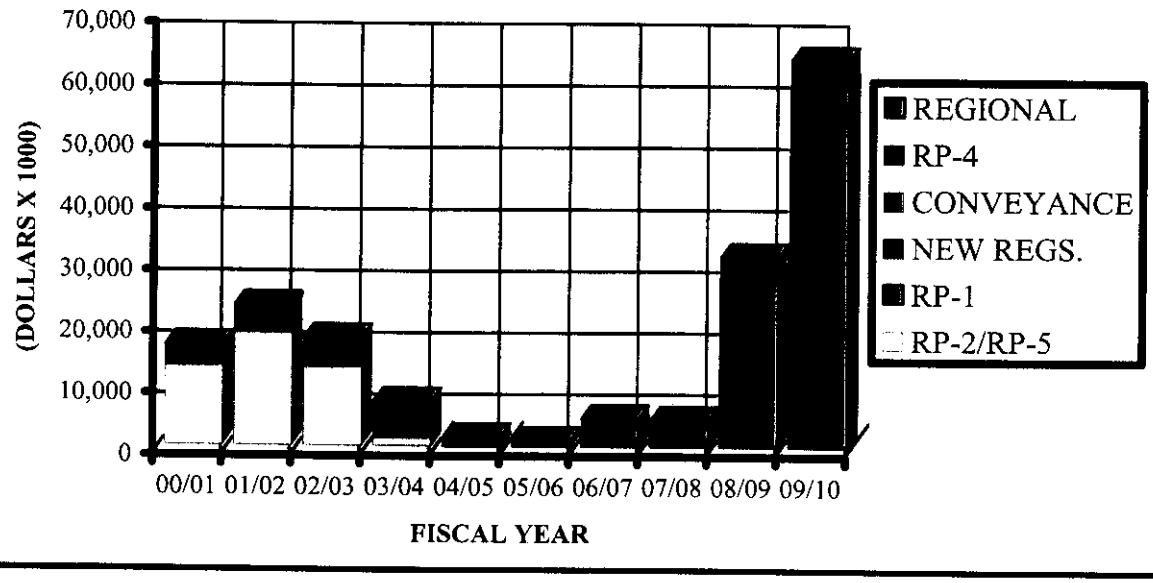
Expansion Program

System-wide, domestic wastewater flow is projected to reach 69.5 mgd by FY 2009/10 (Figures 2 – 1 and 2-2), or 8.0 mgd less than what was projected in last years Ten-Year CIP. Even so, treatment capacity expansions will be required to accommodate flows beyond the current treatment capacity of 66.2 mgd. An overall, system-wide 10.0 mgd expansion to 76.2 mgd is under construction at RP-5 and will be needed to treat flows estimated by FY 2003/2004. The projects required for these expansions are tabulated in Table No. 2-6 and are estimated to cost $168-million over the next ten-years. Due to the decrease in projected flows, a 14.0 mgd expansion at RP-1 - to 58.0 mgd - will be delayed by a year, but will still need to be completed by FY 2010/2011 to meet expected Northern Service Area flows. The proposed RP-1 expansion costs, shown in the plan, represents about 59 percent ($99-million) of the proposed "expansion" program. Expansion costs associated with the Southern Service Area at RP-5 ($47-million – RP-5 for the 10 mgd expansion and associated Maintenance and Operations Building improvements) represent another 28 percent of the "expansion" program. Also included are numerous related conveyance facility improvements. The

$99-million, RP-5 first phase cost (Table No. 2-6) shown, is for the 10 mgd "expansion" portion of the project only. The "non-expansion" (5 mgd replacement) portion of the RP-5 treatment plant is shown in Table No. 2-3. In addition to the costs shown for RP-5 and RP-1 expansions, $18-million is shown for Interceptor conveyance construction, and improvements to the IEUA's collection system. Some $3-million is also included for work related to RP-4 and RP-3/RP-4 land acquisition. In addition, $1 million is included for a Northern Service Area Master Plan and Program EIR - for assessing different options for routing and treating flows in the Northern Service Area.

As mentioned previously, the Regional Program will construct 14 mgd of treatment capacity at RP-1 by FY 2010/2011. RP-1 cost not shown in Table No. 2-6 would require an additional $29-million in FY 2010/2011. Overall, total program costs are dominated by the construction of RP-5, from FY2000/2001 through FY 2003/2004, and RP-1, from FY 2006/2007 through FY 20092010. Estimated annual expenditures for "expansion" projects are shown in Figure No. 2-4.

FIGURE NO. 2-4
TOTAL EXPANSION PROJECTS



Due to a reduced flow forecast, overall "expansion" project costs are expected to be $31-million less than in last year's TYCIP. This reduction in cost is due to: the continued progress on RP-5; and the delay, or elimination, of other treatment plant expansions which reduce costs by $27-million; the continued progress and/or elimination of pipeline conveyance facilities at a reduction of $7-million; and the addition of a RP-5 Maintenance and Operation Building and reimbursable Regional Construction and small Capital Projects expenses, at a net increase of $3-million. Of note, is the allocation of additional resources for a Kimball Interceptor extension from Kimball and Baker Avenue, to the general vicinity of Remington Avenue.

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-6
EXPANSION PROGRAM (a)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REGIONAL PROJECTS														
RP-4 Phase I at 7 mgd	EN96043	6.02%	**$200**	$0										$0
SARI Purchase/Pipeline Capacity (99/00)	IW20005	100%	**293**	293	293	293	293	293	293	293	293	293	293	2,930
Future SARI Capacity/Pipeline Purchase (99/00) (b)		0%				973		1,053		1,139		1,232		4,397
San Bern. Ave. Inter.& Land (c)	EN99002	0%	**234**	20	55	348	1,607	31						2,061
RP-3/RP-4 Land Acquisition	EN99005	6.02%	**140**	0	25	33	3,400							3,458
Archibald Relief Sewer	EN99009	0%	**1,786**	1,829										1,829
Cucamonga Interceptor Mods	EN20049	0%	**116**	77	112									189
RP-5 15 mgd (10.0 mgd exp) (d)	EN95028	3.57%	**16,667**	13,368	18,307	11,633	1,333							44,641
RP-5 Maint. & Oper. Bldg. Furn./ Equip.	EN02008	0%			21	910								931
RP-5 Maint. & Oper. Multi Use Bldg.	EN02010	0%			666	666								1,332
Kimball Interceptor (e)	EN97004	0%	**1,158**	398	1,570	2,192	505							4,665
	PL02012	0%												
Upland Inter. Relief, Phase II	EN20033	0%	**91**	37	1,128	365								1,530
Northern Service Area MP & Program EIR	PL01001	0%	**98**	243	586	86								915
RP-1 Expansion To 58 mgd (14 mgd Mod.)	PL05001	6.02%						26	456	2,984	3,837	29,185	62,270	98,758
Regional Construction & Reimb. Const.	CW0(1,2,3,4,5,6)300	0%	**20**	1	20	20	20	20	20	24	25	26	27	203
Misc Small Capital Projects						47	49	51	53	55	57	59	61	432
SUBTOTAL REGIONAL PROJECTS			**$20,803**	**$16,266**	**$22,783**	**$17,566**	**$7,207**	**$1,474**	**$822**	**$4,495**	**$4,212**	**$30,795**	**$62,651**	**$168,271**
TOTAL EXPANSION PROJECTS			**$20,803**	**$16,266**	**$22,783**	**$17,566**	**$7,207**	**$1,474**	**$822**	**$4,495**	**$4,212**	**$30,795**	**$62,651**	**$168,271**
TOTAL REGULATION FOR EXPANSION			**$908**	**$770**	**$948**	**$710**	**$545**	**$295**	**$320**	**$473**	**$524**	**$2,050**	**$4,042**	**$10,677**

(a) New regulations are shown in italics

(b) The Cost of new Capacity is based on the purchase of 1.0 mgd of pipeline capacity at $3.75 gpd. The cost of treatment capacity is at an assumed cost of $4.50/gallon (FY99/00), which will be purchased in 0.2 mgd increments every other year.

(c) The IEUA is currently conducting an alignment study for this facility. Cost are based on an alignment from San Sevain Channel (San Bernardino Ave.) to Etiwanda Ave. then to the Fontana Interceptor Relief. The actual cost/alignment will not be known until the alignment study has been completed. Scheduled project completion is for FY 2003/2004.

(d) The RP-2 Force Main & Pump Station, and RP-5 treatment plant, "non-expansion" (5 mgd) portion of the total cost is shown in Table No. 2-3.

(e) The Kimball Interceptor is the expansion portion of the Kimball & Chino Interceptor Diversion Project outlined in Table No. 2-3 and includes the proposed segment to Remington St.

Over this past year, with the completion of the City of Ontario's Sewer Master Plan, it became evident that an additional reach of the Kimball Interceptor could qualify as a Regional Facility. After review with the Regional Technical Committee, it was determined that this facility would qualify as a Regional Facility. As such, additional money has been provided in the program for the expansion of this Interceptor ($2-million).

After completion of the "expansion" program, in FY 2009/10, overall system treatment capacity will reach 76.2 mgd as shown in Figure No. 2-5. An additional 14 mgd of capacity will come into service just outside of the window. When this is compared to the projected flow of 69.5 mgd, overall regional domestic wastewater treatment plant capacity will reach a 91 percent utilization. This compares with a FY 2009/10 projected flow of 77.5 mgd and a treatment capacity of 90.2 mgd, projected in last years plan. Overall, system-wide flow is also projected to increase from 55 mgd to roughly 70 mgd - 26 percent - over this same period.

Summary of Capital Improvement Program

Reviewed in this section, is the ability of the capital improvements, described previously, to keep pace with projected growth.

Since the Northern Service Area has the ability to by-pass domestic wastewater flows from RP-4 to RP-1 and also to the Southern Service Area and/or the NRW System, and the Southern Service Area has the ability to divert flows from CCWRF to RP-5/ RP-2 and to SARI, it is possible to more fully optimize existing and proposed facilities. By illustrating the anticipated diversion of specific volumes of wastewater from the Northern Service Area to the Southern Service Area, on the flow forecast, and superimposing the additional capacity of the "non-expansion" projects (that restore or maintain capacity), and "expansion" projects (that create new capacity), the adequacy of the capital improvement program can be shown. Capacity-related capital improvements for the RP-1 and RP-4 (Northern) service area are shown on the adjusted projected flow curve (Figure No. 2-6). Adjustments to the projected flow curve take into account the ability to make diversions within the system. Historically, diversions from the Northern Service Area to the Southern Service Area began in 1994, after completion of the Montclair Intertie to the Westside Interceptor Relief.

Northern Service Area Capital Improvement Program

Because of expected growth within the Northern Service Area, bypassing and expansion of existing wastewater facilities will be required to continue to treat expected domestic wastewater flows. In February 1998, RP-4 began discharging fully treated tertiary effluent. This expansion project initially created approximately 3.3 mgd of capacity at RP-1 (Figure No. 2-7). However, by FY 2005/2006, it is anticipated that this facility will need to begin bypassing flows, above it's 7 mgd design (Figure No. 2-6), to RP-1 for treatment. Flow reductions at RP-1 are expected to occur by FY 2005/2006, when currently pumped flows, south of the treatment plant, begin to be diverted by

Inland Empire
UTILITIES AGENCY

FIGURE NO. 2-5
REGIONAL SYSTEM
FLOW AND CAPACITY UTILIZATION
SUMMARY

Treatment Plant	Projected (a) FY 2000/2001 mgd Flow	mgd Capacity	Percent Utilization	FY 2009/2010 mgd Flow	mgd Capacity	Percent Utilization	Percent Flow Change
Northern Service Area							
RP-1	37.20	44.00	84.55	42.50	44.00	96.59	14.25
RP-4 (b)	4.40	7.00	62.86	7.00	7.00	100.00	59.09
Subtotal	41.60	51.00	81.57	49.50	51.00	97.06	18.99
Southern Service Area							
CCWRF	9.30	10.20	91.18	10.20	10.20	100.00	9.68
RP-2/RP-5 (c)	4.30	5.00	86.00	9.80	15.00	65.33	127.91
Subtotal	13.60	15.20	89.47	20.00	25.20	79.37	47.06
Total	55.20	66.20	83.38	69.50	76.20	91.21	25.91

(a) Projected FY 2000/2001 flows have been calculated based on mid-year actuals and recorded system EDU's. Projected FY 2009/2010 flows are based on contracting members forecasted flow.

(b) Assumes a bypass of 1.9 mgd, in FY 2009/2010, to RP-1.

(c) The capacity of RP-2 in FY 2000/01 is 5.00 mgd. RP-2 will be replaced by RP-5 by FY 2009/2010, with a projected capacity of 15 mgd.

USE ENGINEER'S SCALE 1" = 30' ; AND DIVIDE BY 2

AUTOCAD\TOMTEMP\PLANNING\00FIGURE2-6.dwg

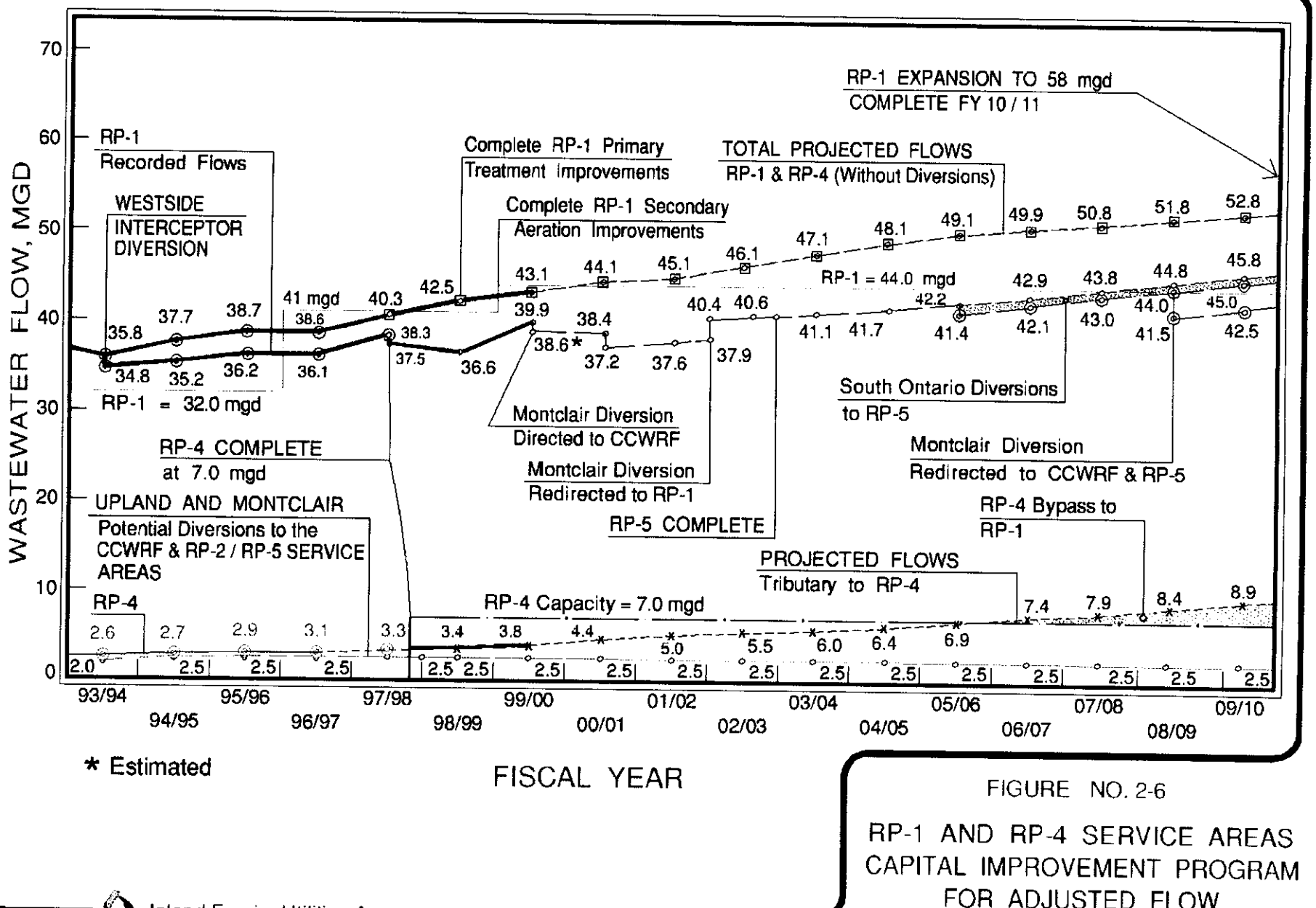
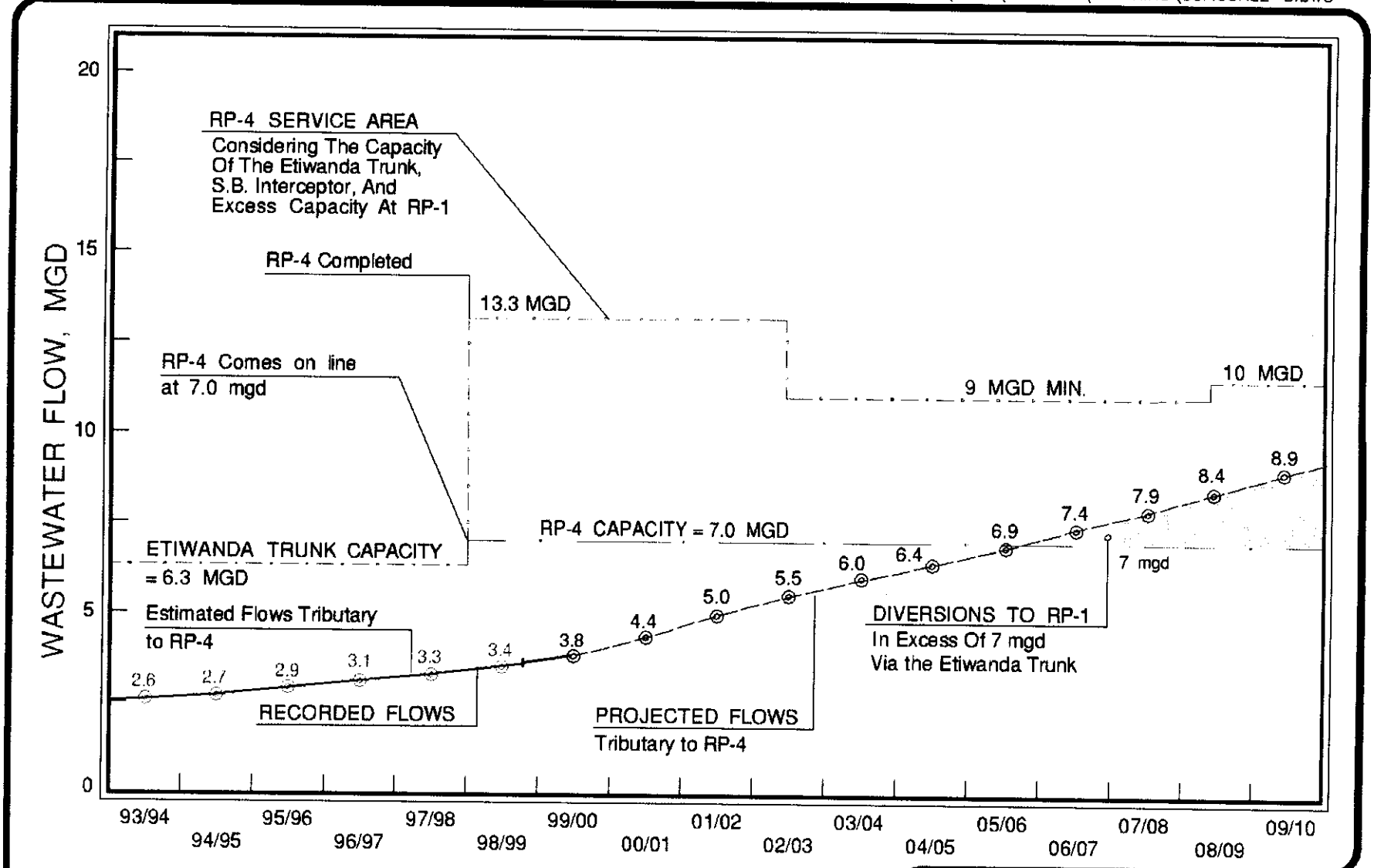


FIGURE NO. 2-6

RP-1 AND RP-4 SERVICE AREAS
CAPITAL IMPROVEMENT PROGRAM
FOR ADJUSTED FLOW

USE ENGINEER'S SCALE 1"=4'

\TEMP\TOMTEMP\PLANNING\00FIGURE2-8.DWG



Inland Empire Utilities Agency

FIGURE NO. 2-7

REGIONAL PLANT NO. 4 SERVICE AREA CAPITAL IMPROVEMENT PROGRAM COMPARED TO ADJUSTED FLOW

gravity to RP-5 (approximately 0.8 mgd initially). By FY 2008/2009, flow will also need to be diverted to the Southern Service Area through the Montclair Diversion or the NRW System. Even with these expected diversions, by FY 2010/2011, system capacity will be exhausted, in the Northern Service Area, requiring a 14 mgd expansion at RP-1 to be completed to meet continued system demand.

The 6.3 mgd average daily flow capacity of the Etiwanda Interceptor should be more than sufficient to allow any bypass from RP-4 in the near term. However, with the construction of the San Bernardino Interceptor to the Etiwanda Trunk, it may become necessary to parallel this line - downstream of San Bernardino Avenue.

As part of the Fontana Settlement Agreement, the City of Fontana will divert wastewater that originates north of San Bernardino Avenue away from the Fontana Interceptor and toward the intersection of San Bernardino Avenue and the San Sevaine Wash. An Interceptor will then need to be constructed from the San Sevaine Wash to the Etiwanda Trunk, where flows can then be conveyed to, and treated at, RP-1. The City of Fontana gave notice of their intent to divert in 1999. This would obligate IEUA to have a facility in place to treat/convey these flows by not later than FY 2003/04. The Cities' request is being studied as part of the Northern Service Area Master Plan and Program EIR. This review includes an alignment study and cost evaluation that will be brought back to the Regional Committees for a decision in the later part of 2001.

As shown on the long range forecast in Figure 2-8, the next Northern Service Area expansion is the RP-1 expansion to 58 mgd, which will need to be completed by FY 2010/11. Alternatively, depending on growth patterns, an expansion at RP-4 could become justified sooner than FY 2022/2021. This would have the advantage of providing reclaimed water higher up in the service area, and reduce the need to pump treated effluent from RP-1. A thorough assessment of treatment options will be made as part of the Northern Service Area Master Plan to determine the cost and benefit of different expansion options. It is also thought that efficiency projects currently scheduled for RP-4 could have the secondary benefit of adding additional capacity to this facility. This could result in delaying the needed expansion of RP-1.

As indicated (Figure No. 2-8), the Northern Service Area flow may reach 101 mgd, by FY 2050/51. This would require expansion of RP-1 to at least 86 mgd and RP-4 to 21 mgd for a total of 107 mgd. Current master planned capacity at RP-1 (96 mgd) and RP-4 (28 mgd) will be able to treat some 124 mgd. However, the State Department of Finance forecasts suggest that higher flow rates may occur if growth remains localized during this time frame. Accordingly, land use and site capacities are being reviewed as part of the Northern Service Area Master Plan.

Southern Service Area Capital Improvement Program

Planned capital improvements in the Southern Service Area are compared to the flow forecast in Figure No. 2-9, where the flows tributary to the individual treatment plants are shown. The top graph represents flows tributary to the CCWRF, and the bottom graph represents flows tributary

USE ENGINEER'S SCALE 1"=30'

\temp\autocad\tomtemp\planning\00FIGURE2-8

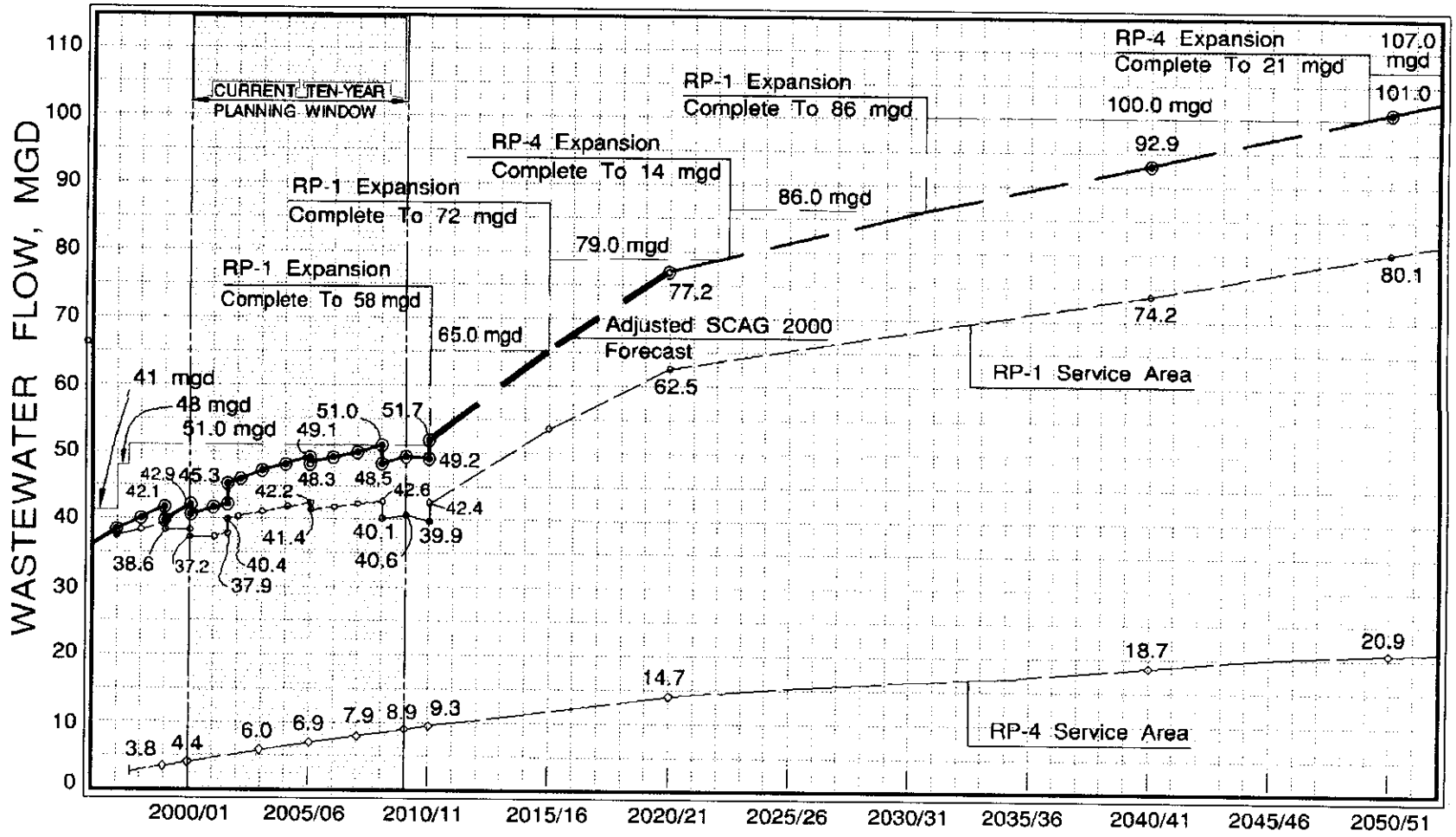


FIGURE NO. 2-8

RP-1 AND RP-4 SERVICE AREA CAPITAL IMPROVEMENT PROGRAM COMPARED TO PROJECTED FLOW BY SERVICE AREA

FIFTY YEAR OUTLOOK

USE ENGINEER'S SCALE 1"=4' ; AND MULTIPLY BY 2

\dwg\PLANNING\00FIGURE2-9

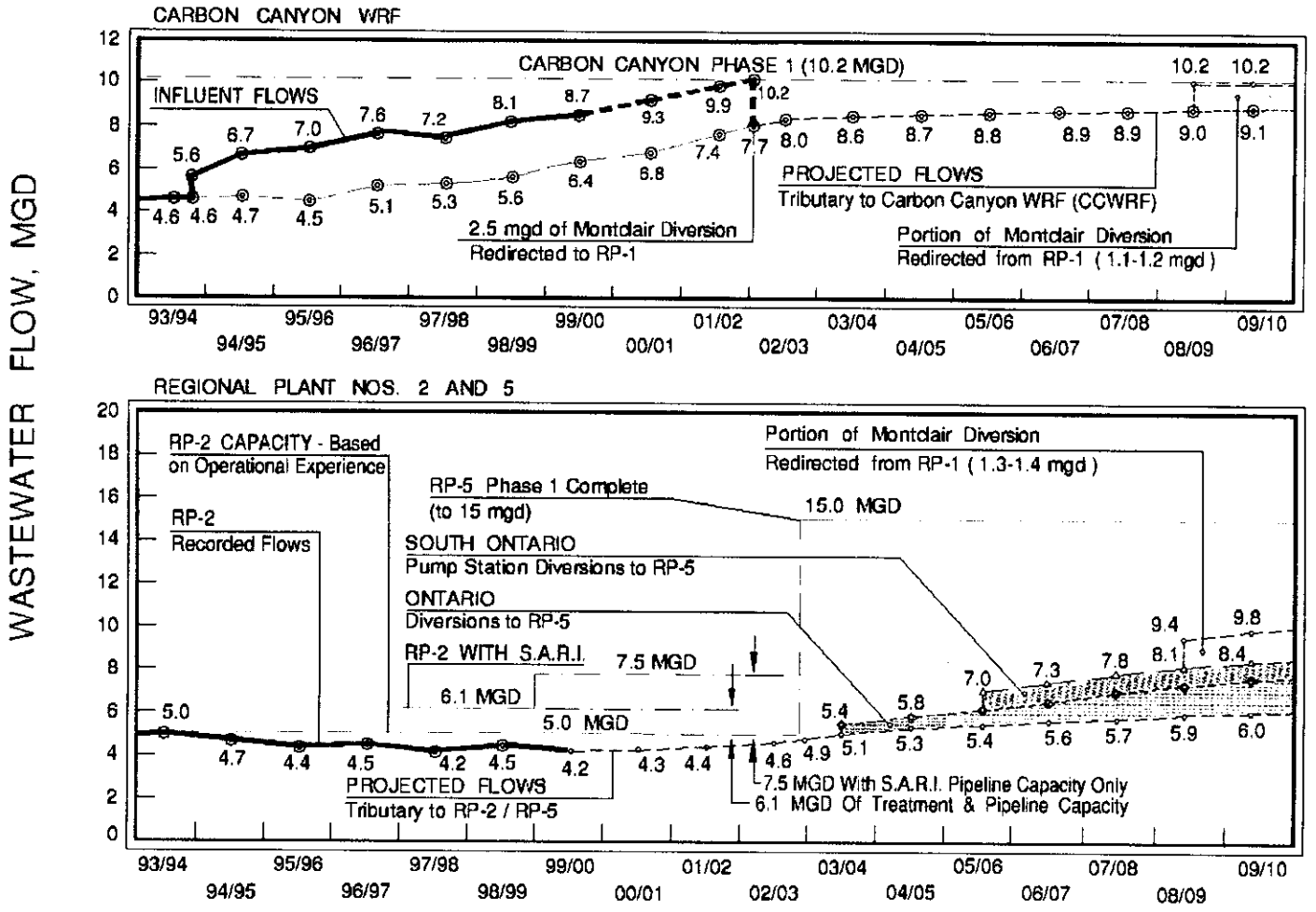


FIGURE NO. 2-9

CCWRF AND RP-2 / RP-5 SERVICE AREA CAPITAL IMPROVEMENT PROGRAM FOR ADJUSTED FLOW

to either RP-2 or the proposed RP-5. The most significant improvement in the Southern Service Area is the construction of RP-5. At an initial capacity of 15 mgd, this plant is scheduled to be operational by early 2003.

It should also be noted, that the Regional Program currently owns 1.6 mgd of SARI capacity. After deducting system users such as the California Institute for Women (CIW), Green River Golf Course, and the Co-Composting Facility, approximately 1.1 mgd of capacity remains unused. The Regional Program also owns an additional 1.4 mgd of pipeline capacity in this system. This could provide a total of 3.0 mgd of capacity (1.6 mgd plus 1.4 mgd), if an additional 1.4 mgd of treatment capacity is purchased. The net result would be to provide 2.5 mgd (3.0 mgd less 0.5 mgd of current users) of available capacity, which could be utilized by the Regional Program.

If flows exceed the available capacity of RP-2, prior to completion of RP-5, they can be diverted to SARI. In conjunction with SARI (1.1. mgd), CCWRF (10.2 mgd), and RP-2 (5.0 mgd), some 16.3 mgd of treatment capacity will be available to process projected flows of 13 mgd, when RP-5 comes into service. After completion of RP-5, RP-2 liquid side processes will be retired, leaving a net Southern Service Area treatment capacity of 25.2 mgd (without including SARI). Flows are projected to reach 20.0 mgd (FY 2009/2010) during this same period.

Overall, the long-range growth forecast shown on Figure No. 2-10 indicates flows could reach 54 mgd by FY 2050/2051. This would require expansion of CCWRF to 20.4 mgd and RP-5 to 37.5 mgd for a total of 57.9 mgd of treatment capacity. Current master planned capacity at CCWRF (20.4 mgd) and RP-5 (48.0 mgd) will be able to treat some 68.4 mgd. Therefore, long-term site capacities would appear to be adequate to meet expected flows.

In summary, IEUA proposes to construct needed facilities to meet the projected flow forecast; however, excess capacity is kept at a minimum, as illustrated in Figure No. 2-11.

CAPITAL IMPROVEMENT PROGRAM FINANCING

Capital improvement projects summarized previously will require approximately $252-million during the next ten year period ($84-million for "non-expansion" and $168-million for "expansion"). Additionally, a net transfer of some $33-million will be required for Water Resources projects and $1-million will be required for the historic use of the NRW System (4R Charges) for a total projected project cost of $286-million. Financing for the program will be provided from revenues derived from ad-valorem taxes, connection fees, and grants. Two separate financing programs, one for "non-expansion" and one for "expansion" projects, are employed. To the extent possible, tax proceeds are reserved for the cost of upgrading the system, which includes normal maintenance and repair, and additional regulations. This portion of the program is referred to as the "non-expansion" program.

In general, the "expansion" program is funded exclusively through connection fees. Currently, the program has a connection fee of $3,530 per EDU, which can be adjusted, from time to time, as needed, by the actual rate of inflation. The "non-expansion" program derives its revenues

USE ENGINEER'S SCALE 1"=30' ; AND DIVIDE BY 2

\DWG\PLANING1\PLNG_GD\1998-09\00FIGURE2-10

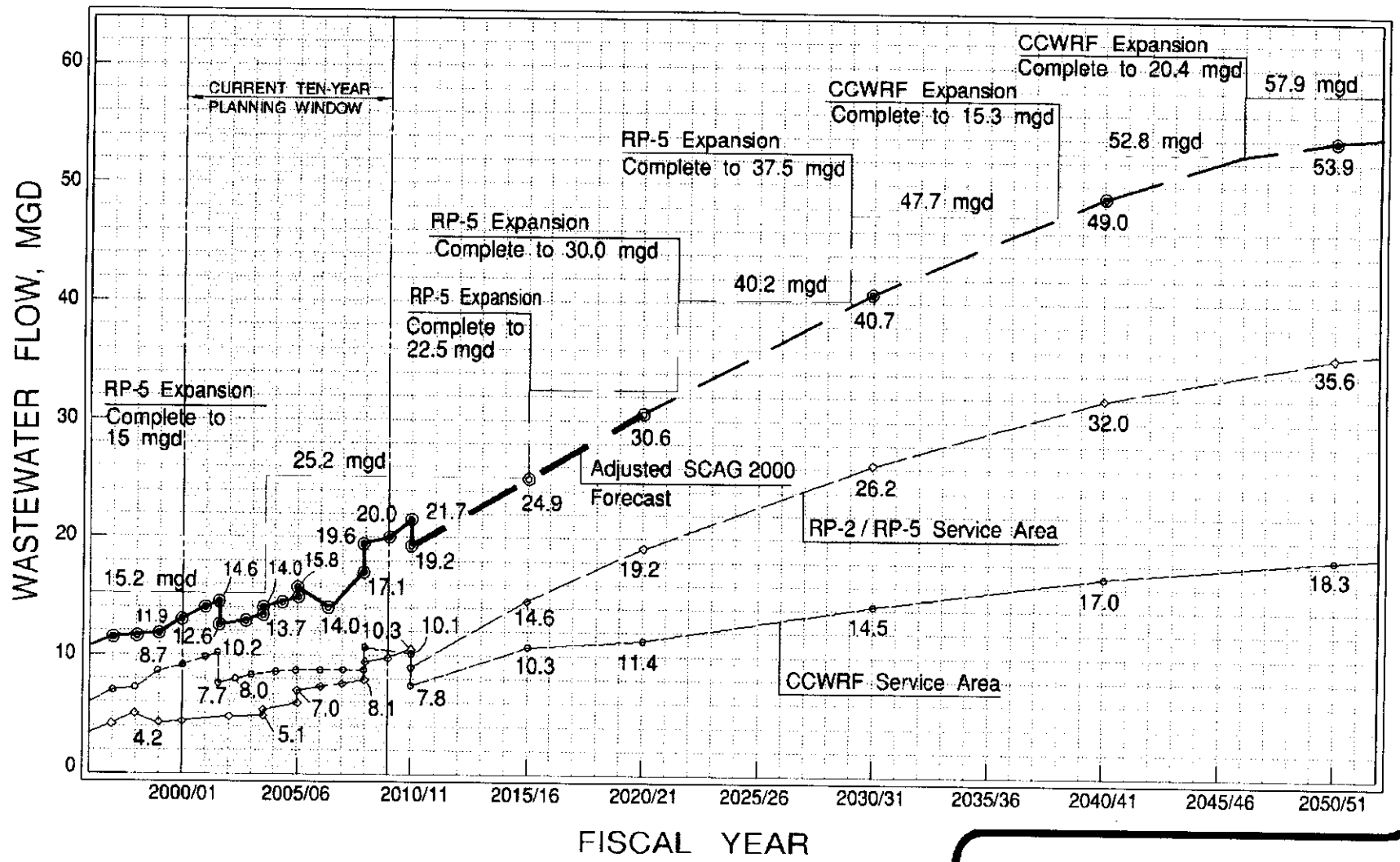


FIGURE NO. 2-10

CCWRF AND RP-2 / RP-5 SERVICE AREA CAPITA IMPROVEMENT PROGRAM COMPARED TO PROJECTED FLOW BY SERVICE AREA

FIFTY YEAR OUTLOOK

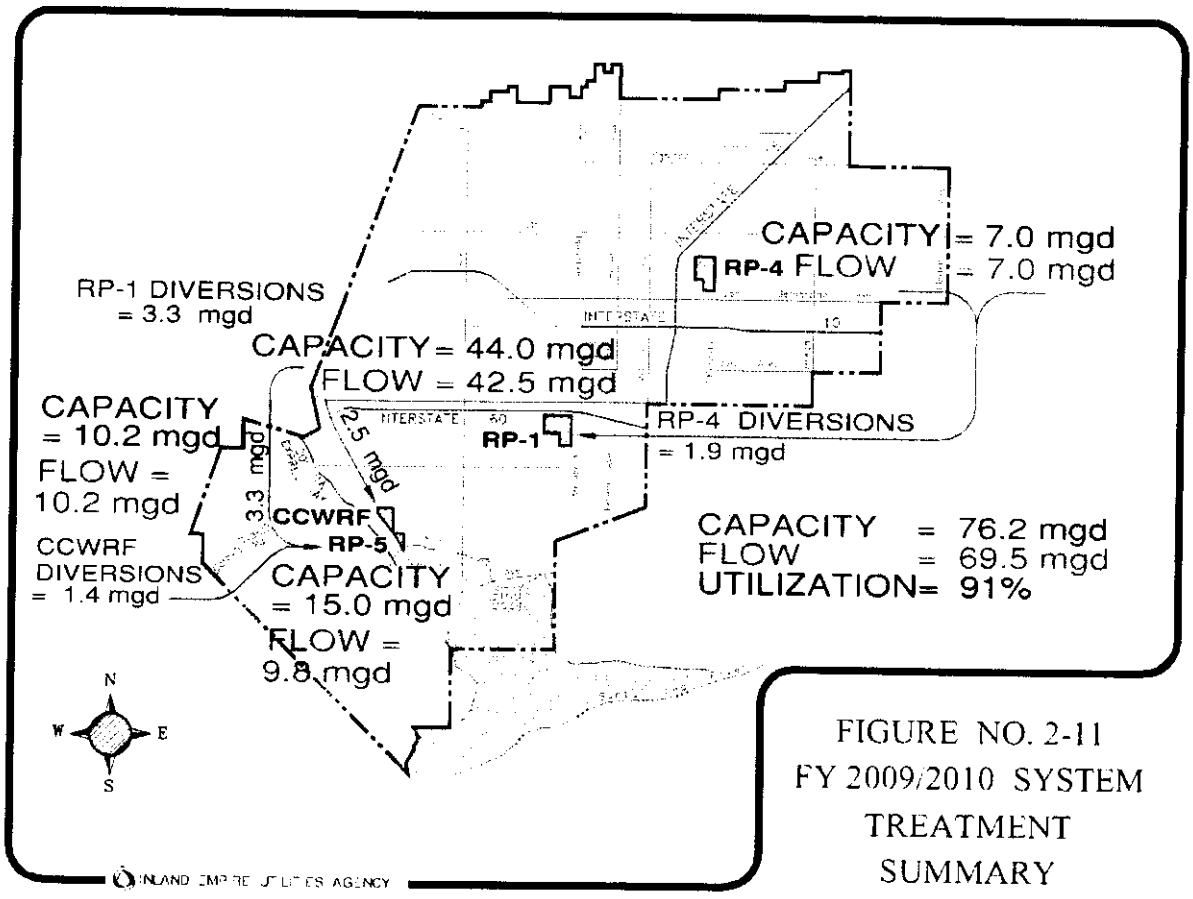


FIGURE NO. 2-11
FY 2009/2010 SYSTEM
TREATMENT
SUMMARY

through ad-valorem taxes and outside borrowing. To date, "the "non-expansion" program has issued approximately $117-million in revenue bonds to subsidize other Regional Program revenue streams, which include transfers to the "expansion" program for construction of RP-5 (mgd).

"Non-Expansion" Program Financing

Table No. 2-7 summarizes the annual revenues and expenditures associated with projects that do not expand the capacity of the system. Projects in this category address such issues as capacity restoration and maintenance/refurbishment of worn out facilities. Additional post-1989 regulation costs associated with "expansion" projects, are also funded through "non-expansion" revenues. The principal source of funding for this category of projects is ad-valorem taxes. It should be noted, that in FY 1995/96, the Regional Advisory Committees approved a water reclamation loan of $6.4-million to finance the construction of the Carbon Canyon Reclaimed Water Distribution System, out of funds provided from "non-expansion" revenues. This loan has been repaid from operating revenues associated with the sale of reclaimed water; however, with the move towards Rationalization of the Water Resources Program, repayment of the remaining loan will be made from the "non-expansion" program at an estimated cost of approximately $6-million. A second $5-million loan has also been approved by the Regional Policy Committee (FY 1997/1998), for the

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-7
REVENUE/COST SUMMARY
FOR NON-EXPANSION PROJECTS
($ X 1000)

REVENUE/COST ITEMS		FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REVENUES													
Surcharge & Tax Revenue	TABLE NO. A-15	**$11,701**	$10,028	$10,329	$10,638	$11,602	$12,369	$13,171	$14,016	$14,902	$15,838	$16,834	$129,727
Transfer From Expansion Fund	TABLE NO. 2-8	**8,000**	7,400	19,000	13,500	4,100	300	300	0	1,500	0	4,100	50,200
Interest (6%) On Avg. of IEUA Balance		**924**	1,321	891	801	725	698	703	718	720	741	777	8,095
Capital Repl. Reimb. From RO & TO		**663**	751	270	468	487	506	526	547	569	592	616	5,332
NRW System Loan Repayment		**0**	0	0	0	0	0	0	0	0	0	0	0
Non-Residential STD Performance Program (Grant)			300	225	225								750
Water Reclamation Repayment (a)		**619**	0	0	0	0	0	0	0	0	0	0	0
Obligation Payment		**353**	353										353
Regs Bond & Surcharge Revenue:													0
Bond Proceeds:													0
TOTAL REVENUES:		**$22,260**	**$20,153**	**$30,715**	**$25,632**	**$16,914**	**$13,873**	**$14,700**	**$15,281**	**$17,691**	**$17,171**	**$22,327**	**$194,457**
COSTS													
Upgrade & Regs Projects	TABLE NO. 2-5	**$16,923**	$11,680	$20,223	$15,399	$7,354	$3,254	$4,247	$3,774	$7,385	$2,549	$7,905	$83,770
Expansion Regs Transfer	TABLE NO. 2-6	**908**	770	948	710	545	295	320	473	524	2,050	4,042	10,677
Expansion Transfer	TABLE NO. 2-8	**0**	0	0	0	0	0	0	300	0	1,100	0	1,400
Bond Issuance Cost		**0**	0	0	0	0	0	0	0	0	0	0	0
NRWS User Charges - Reg. Prog. Users (99/00)	TABLE NO. 3-1	**165**	165	165	165	165	165	165	165	165	165	165	1,650
GG Reimbursement		**1,340**	1,340	1,223	1,100	562	552	543	565	587	611	635	7,718
NRW System Loan		**0**	0	0	0	0	0	0	0	0	0	0	0
Operating Transfer-Water Rec. Admin.		**420**	420	420	309								1,149
Bond Covenants Set Aside (c)		**9,200**	9,200										9,200
1994 Bond Repayment		**6,412**	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	64,140
1999 Bond Repayment		**2,332**	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	23,320
New Loan Bond Repayment (6.0%, 30 years) (b)		**0**	0	0	0	0	0	0	0	0	0	0	0
Capital Administration(50%)		**547**	547	563	586	609	633	658	684	711	739	769	6,499
Special Projects (50%)		**38**	0	34	35	36	37	38	40	42	44	46	352
TOTAL UPGRADE COSTS:		**$38,285**	**$32,868**	**$32,322**	**$27,050**	**$18,017**	**$13,682**	**$14,717**	**$14,747**	**$18,160**	**$16,004**	**$22,308**	**$209,875**
NET REVENUES/(COSTS):		**($16,025)**	**($12,715)**	**($1,607)**	**($1,418)**	**($1,103)**	**$191**	**($17)**	**$534**	**($469)**	**$1,167**	**$19**	**($15,418)**
IEUA BALANCES (d):													
Beginning Capital Reserves, July 1		**$16,294**	**$19,175**	**$6,460**	**$4,853**	**$3,435**	**$2,332**	**$2,523**	**$2,506**	**$3,040**	**$2,571**	**$3,738**	**$19,175**
Ending Capital Reserves, June 30		**$269**	**$6,460**	**$4,853**	**$3,435**	**$2,332**	**$2,523**	**$2,506**	**$3,040**	**$2,571**	**$3,738**	**$3,757**	**$3,757**

(a) With the Reginolization of the Water Resources Program it has been assumed that repayments from the Water Resources Program will end in FY 2000/01.
(b) It has been assumed, that as a condition of any new Bond Debt, the Regional Sewerage Service Contract would be modified to allow debt to beyond 2022 by FY 2002/03.
(c) As a condition of current Bond Debt Covenants, a minimum of $9.2 million must be maintained in reserves.
(d) Balance requirements are two months costs (next years') - less "expansion" transfer - plus $1-million be maintained.

NRW System NC fund. However, due to projected large NRW System operational transfers into the Program, the need for this loan has been delayed.



Early Confined Space Entry

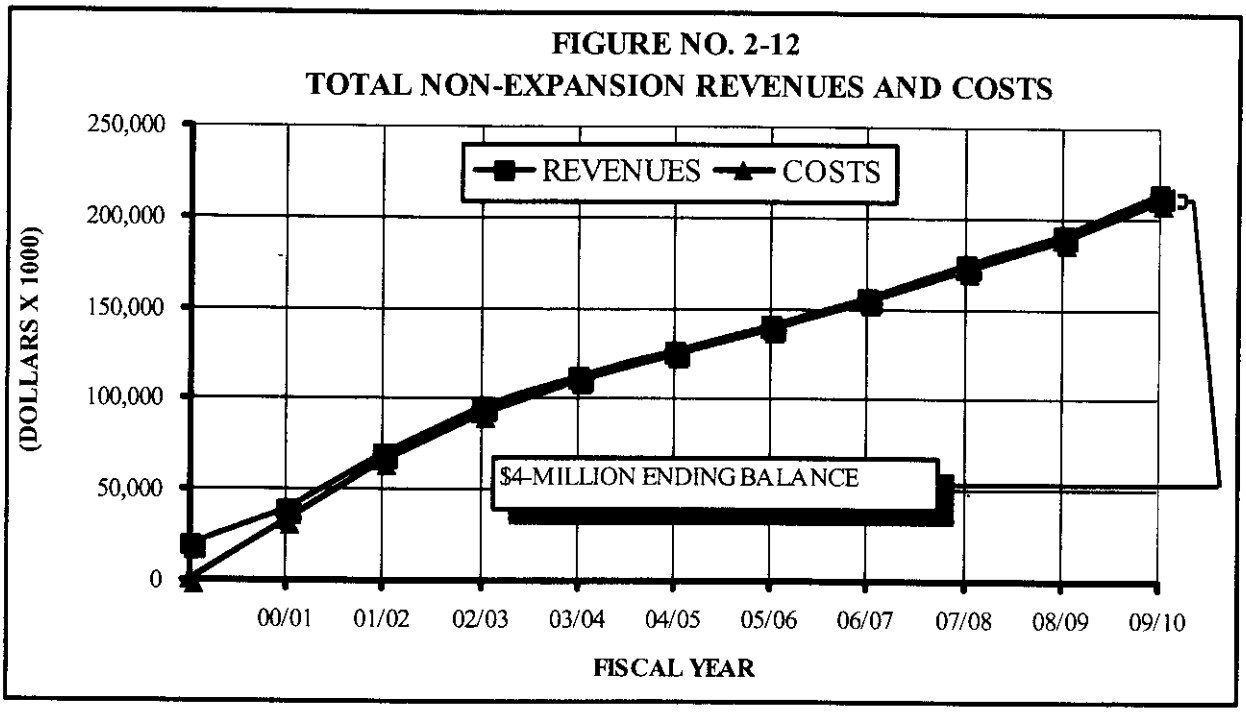
There are several major changes in the "non-expansion" program this year that are worth noting. Changes in the program have resulted in a reduction from last year's Plan of some $70-million. Non-transferable reductions in revenues account for some $55-million of total program changes. Most notable, is a reduction for a non-recurring $29-million loan that was borrowed last year to facilitate the construction of RP-5. Other changes to revenues include: A switch to a more conservative five year averaging method for determining Tax Receipts for a reduction of $18-million; An expected reduction in capital reimbursements from the Regional and Tertiary Operation (RO and TO) Funds of $2-million; and, as noted above, a reduction in Water Recourse repayments to the Regional Program of $6-million, for the loan for the construction of the Carbon Canyon Reclamation System. Net (non-transferable) costs, by contrast, are expected to increase by $15-million.

As noted previously, upgrade projects are anticipated to increase by $8-million. In addition, the Bond Covenant set-aside requirement of $9-million, has been moved from the program balance, and is now treated as a deduction in the first year of the program, for a program addition of $9-million. Other changes in costs include: a reduction in Bond Obligation Payment and GG Reimbursements of $4-million; A net increase in expected transfers for Water Resources Administration of $1-million; and a modest increase in Capital Administration, Miscellaneous/Special projects and 1994 & 1999 Bond Repayment costs of $1-million.

Figure No. 2-12 illustrates the projected cumulative "non-expansion" revenues and costs detailed in Table No. 2-7. Beginning in FY 2000/2001, with a reserve balance of $19-million - which reflects the remainder of the $29-million in borrowing completed in FY 2001/2002 for the construction of RP-5 – the difference between revenues and costs generally shrink to two months costs, by FY 2001/2002. Since a condition of the 1994 and 1999 Bond covenants requires that reserves ($9-million) be set-aside to assure Bond repayment, past Plans have reflected the Bond set-aside and minimum program administration costs in the balance. However, beginning with this Plan, the reserve balance has been treated as a cost in the first year of the program. As a result, the ending program balance reflects the removal of $9-million from the balance. Also, the historic minimum program Call/Borrowing administrative trigger, of maintaining not less than $1-million in the program balance at any given time, has been modified to reflect two months of costs. This change more accurately reflects the actual program balance of at least two months cost remaining at the

begging/end of the year. As a result, the ending program balance, or the difference between revenues and costs, reflects just two months costs, or $4-million.

FIGURE NO. 2-12
TOTAL NON-EXPANSION REVENUES AND COSTS



Expansion Program Financing

Table No. 2-8 summarizes anticipated annual revenues and costs associated with projects that expand the Regional System's capacity. The source of revenues for "expansion" projects is primarily reimbursement payments or connection fees. Changes, worth noting, from last years capital improvement program (CIP) includes a $5-million grant for RP-5 land acquisition and reductions in expected "expansion" projects of $31-million – due to continued progress on RP-5 and a reduction in forecasted future system-wide improvements, caused by a reduced growth forecast.

This year's growth forecast, of 51,000 EDU's, is 25,000 EDU's less than last year's forecast of 76,000 EDU's. This results in total reimbursement revenues being reduced by some $78-million. As a result, this TYCIPs' ending balance of $22-million is much less than the previous year's balance of $90-million. Reductions, delays, transfers and continued progress on "expansion" projects are responsible for the remaining difference in this year's ending balance.

Changes in this year's non-transferable program costs include increases of net revenues of $11-million. Major revenue changes include: a modest increase in expected calls for funds of $4-million; a slight increase in interest revenues of $2-million; and a $5-million grant for land acquisition at RP-5.

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-8
REVENUE/COST SUMMARY
FOR EXPANSION PROJECTS
($ X 1000)

GROWTH & REVENUE ITEMS		FISCAL YEAR										
				FIVE YEAR BUDGET								
		2000/2001		01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
		Years Budget	Projected Actual										
REVENUES													
Reimbursement Payment (CCRA calls)	TABLE NO. 2-6	$27,300	$18,000	$46,000	$32,000	$17,000	$16,000	$13,000	$4,000	$6,500	$32,000	$49,000	$233,500
Excess WC Revenues Returned	TABLE NO. 5-2	0	0	0	0	0	0	0	800	4,000	2,000	6,200	13,000
Taxes Transferred For Regs.		908	770	948	710	545	295	320	473	524	2,050	4,042	10,677
RP-5 Grant			5,000										5,000
Interest(6%) on Avg. of IEUA Balance		535	779	446	226	200	194	146	119	252	553	473	3,388
Contract Work & Costruction Reimb.	TABLE NO. 2-6	1,070	1	20	20	20	20	20	24	25	26	27	203
Non-Expansion Transfer	TABLE NO. 2-7	0	0	0	0	0	0	0	300	0	1,100	0	1,400
Borrowing:													0
SRF													0
Bonds													0
Others (10.0%)													0
Lease Revenues		2	2	72	12								86
TOTAL REVENUES:		$29,815	$24,552	$47,486	$32,968	$17,765	$16,509	$13,486	$5,716	$11,301	$37,729	$59,742	$267,254
COSTS													
Expansion Projects W/Regs	TABLE NO. 2-6	$20,803	$16,266	$22,783	$17,566	$7,207	$1,474	$822	$4,495	$4,212	$30,795	$62,651	$168,271
Expansion Transfers To Other Programs:													
-CCP Bond & Oper. Transfer		815	815	3,075	0	0	0	20	326	373	388	403	5,400
-CCP Organics Cntr. Study	TABLE NO. 4-1	6,872	900	0	0	0	0	0	0	0	0	0	900
-Water Resources RC Projects (a)	TABLE NO. 5-2	4,286	3,500	8,000	2,500	5,300	14,600	12,500	0	0	0	0	46,400
-Transfer For NRW Syst. For 4R RC Proj. (a)	TABLE NO. 3-1	96	146	87	73	85	91	133	92	96	100	104	1,007
Transfer to Non-Expansion	TABLE NO. 2-7	8,000	7,400	19,000	13,500	4,100	300	300	0	1,500	0	4,100	50,200
Bond Issuance Cost (1.2%)		0	0	0	0	0	0	0	0	0	0	0	0
Debt Service For Bonds:													
SRF,3%,30 yr.		0	0	0	0	0	0	0	0	0	0	0	0
Bonds,6%, 30 yr.		0	0	0	0	0	0	0	0	0	0	0	0
Others,0%,10		0	0	0	0	0	0	0	0	0	0	0	0
Capital Administration (50%)		548	548	563	586	609	633	658	684	711	739	769	6,500
Special Projects (50%)		38	0	34	35	36	37	38	40	42	44	46	352
TOTAL EXPANSION COSTS:		$41,458	$29,575	$53,542	$34,260	$17,337	$17,135	$14,471	$5,637	$6,934	$32,066	$68,073	$279,030
NET REVENUES/(COSTS)		($11,643)	($5,023)	($6,056)	($1,292)	$428	($626)	($985)	$79	$4,367	$5,663	($8,331)	($11,776)
MEMBER AGENCIES BALANCES:													
Beginning of Year		$48,040	$49,662	$44,751	$17,940	$6,263	$9,529	$13,648	$20,973	$37,751	$52,873	$44,148	$49,662
Reimbursement Fee Revenues	TABLE NO. A-15	15,780	13,089	19,189	20,323	20,266	20,119	20,325	20,778	21,622	23,275	23,803	202,789
IEUA Call For Funds & Refunds		(27,300)	(18,000)	(46,000)	(32,000)	(17,000)	(16,000)	(13,000)	(4,000)	(6,500)	(32,000)	(49,000)	(233,500)
End of Year		$36,520	$44,751	$17,940	$6,263	$9,529	$13,648	$20,973	$37,751	$52,873	$44,148	$18,951	$18,951
IEUA BALANCE (b):													
Beginning Capital Reserves, July 1		$13,163	$15,490	$10,467	$4,411	$3,119	$3,547	$2,921	$1,936	$2,015	$6,382	$12,045	$15,490
Ending Capital Reserves, June 30		$1,520	$10,467	$4,411	$3,119	$3,547	$2,921	$1,936	$2,015	$6,382	$12,045	$3,714	$3,714

(a) Assumes payments by RC for Regionalized projects.

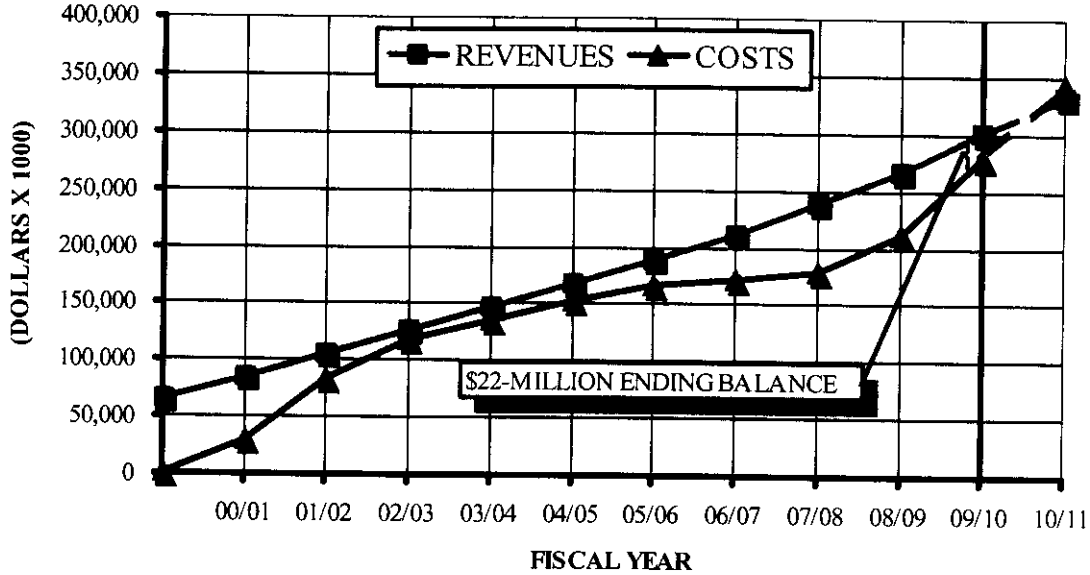
(b) Balance requirements are that two months costs (next years') , less "non-expansion" transfer, but not less than $1-million.

Changes in costs include net reductions of $39-million. As noted previously, the largest change in costs is a reduction in "expansion" projects of $31-million. A net increase in Water Resource costs of $5-million is offset by the return of excess Water Capital revenues of $13-million for a net reduction of $8-million. A net reduction in transfers to the Co-Composting Project of $2-million is the result of decreases in expected future projects in preparation of the possible relocation of this site and the possible pay-off of the loan for the original construction of the project. Transfers for historic NRW System Regional Program User costs, Capital Administration and Special Projects, and are responsible for a minor increase of $2-million.

Overall, the net result of revenues less costs, is a $50-million reduction from last year's plan.

Figure No. 2-13 illustrates the cumulative forecast of "expansion" revenues and costs detailed in Table No. 2-8. Beginning with a Member Agency ($50-million) and IEUA ($15-million) balance of $65-million (start of FY2000/2001), and net program cost set to zero, revenues and costs increase over the course of the plan. By the end of the program (FY2009/2010), total cumulative revenues reach approximately $301-million. By contrast, total cumulative costs reach $279-million during this same time-period, resulting in an ending balance of $22-million.

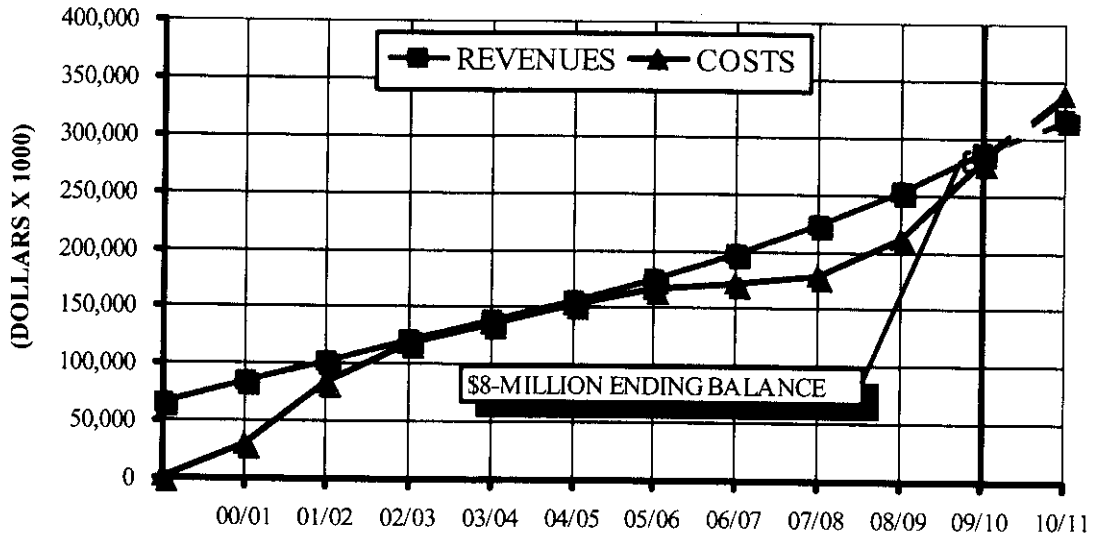
FIGURE NO. 2-13
TOTAL EXPANSION REVENUES & COSTS AT FULL EDU'S



Modest, yearly inflationary increases have been assumed for the reimbursement payment. Even so, by FY 2010/2011, borrowing of $13-million may be required to complete construction of the expansion at RP-1. However, if yearly increases to the reimbursement payment keep pace with the rate of inflation built into the project costs (4 percent), or projects are brought in bellow their budgeted amounts, sufficient monies are expected to be available to complete work at RP-1 without additional borrowing.

To test the "expansion" programs susceptibility, to a lower level of growth, the yearly forecast of 5,300 EDU's was reduced to 4,500 EDU's over the period of the FYB (Fiscal Period 2001/2002 through 2005/2006). As illustrated in Figure No. 2-14, beginning with a starting balance of $65-million, cost increase to almost match revenues, which are growing at a reduced rate (Fiscal Period 2002/2003 through 2004/2005). Even so, the difference between revenues and costs never drop below $3-million, before increasing again. The reduced EDU program balance ends with $8-million; however, as indicated in FY 2010/2011, borrowing of $21-million could be required to complete the expansion at RP-1.

FIGURE NO. 2-14
TOTAL EXPANSION REVENUES & COSTS AT REDUCED EDU'S



Overall, the "expansion" program has been designed to take into account EDU growth that does not match the growth forecast. If EDU growth should drop bellow the reduced, Fiscal Period 2001/2002 through 2005/2006, EDU yearly average of 4,500 EDU's, money earmarked for Water Resource projects could/would be delayed until sufficient revenues became available through increased growth, grants, or other financial increases/offsets. Likewise, if revenues are greater than forecasted, additional projects could be pursued, related to Water Resources or other Agency Programs.

Reimbursement Payment Increase. The current reimbursement payment was increased to $3,530 per EDU (benchmarked to September, 1999) for FY 2000/2001. This reimbursement payment can be escalated annually for inflation. Between September 1999, and September 2000, inflation has averaged 3.6 percent, as reflected by the Engineering News Record Construction Index for the Los Angeles Region ($ENRCCI_{LA}$). Given the need for funds, demonstrated by the Full and Reduced EDU models, of the "expansion" program, it is recommended that the FY 2001/2002 rate be

increased to $3,660 per EDU, as of July 1, 2001. The Plan has also assumed that the future rate of increase (Fiscal Period 2002/2003 through 2005/2006) will be the same as the average of the past four years, or 1.95 percent, to be conservative. Thereafter, the rate of increase has been set to match the construction inflation rate of the model at 4 percent, as articulated in past CIP plans.

AB-1600 Nexus Test

Each year, IEUA assists its "Member Agencies" with compliance of AB1600, as it relates to fees collected by the Agencies for the Regional Capital Improvement Program. This is accomplished by summarizing the projected need for the collected funds, and the duration that these funds will be held. The expected status of the Regional Program's reimbursement payment receipts (Table No. 2-8) summarizes IEUA's projected need for reimbursement payment revenues, assuming that project costs increase at a rate of 4 percent a year. Reimbursement payment revenues collected after January 1, 1989 have been relied upon to finance the proposed capital expansion program. If funds collected after January 1, 1989, are segregated and used to meet Regional Program needs first, post-1989 funds will be expended within the required five years.



Unknown Men and Woman at RP-2.

As indicated under "Balance of Funds Collected For 5 or More Years", post-1989 reimbursement payment receipts do not stay on deposit for more than five years, during the ten-year program. Therefore, since all funds are utilized within five years, the statutory requirements of AB-1600 are satisfied.

Inland Empire
UTILITIES AGENCY

TABLE NO. 2-9
PROJECTED STATUS OF REIMBURSEMENT
PAYMENT RECEIPTS
($ X 1000)

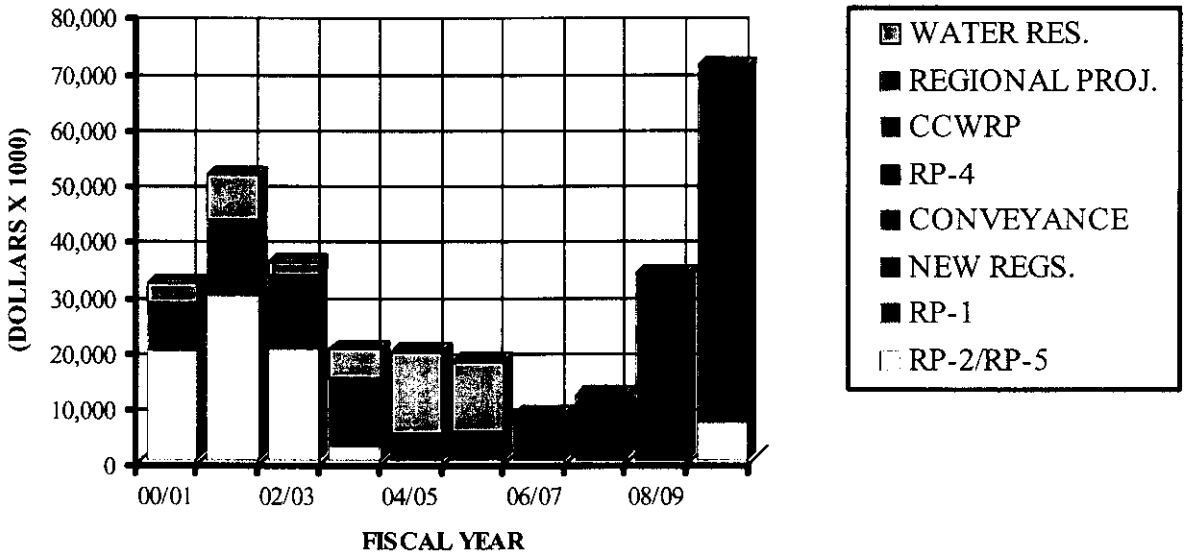
FISCAL YEAR	ANNUAL CONTRACTING AGENCY RECEIPTS	IEUA EXPENDITURE OF FUNDS COLLECTED AT 4% INFLATION (a)	BALANCE OF FUNDS COLLECTED	BALANCE OF FUNDS COLLECTED FOR 5 OR MORE YEARS
1989-90	11,331	33,257	0	0
1990-91	4,844	13,560	0	0
1991-92	6,074	9,750	0	0
1992-93	4,337	0	4,337	0
1993-94	3,770	0	8,107	0
1994-95	4,906	0	13,013	0
1995-96	6,801	4,600	15,214	0
1996-97	11,185	5,125	21,274	0
1997-98	13,551	24,519	10,306	0
1998-99	13,718	14,637	9,387	0
1999-00	14,390	3,200	20,577	0
2000-01	13,089	18,000	15,666	0
2001-02	19,189	46,000	0	0
2002-03	20,323	32,000	0	0
2003-04	20,266	17,000	3,266	0
2004-05	20,119	16,000	7,385	0
2005-06	20,325	13,000	14,710	0
2006-07	20,778	4,000	31,488	0
2007-08	21,622	6,500	46,610	0
2008-09	23,275	32,000	37,885	0
2009-10	18,951	49,000	7,836	0

CONCLUSION

The identified financing for the Regional Program is adequate to fund the capital improvement program previously outlined, with some future inflation adjusted increases in the Reimbursement Payment. No additional borrowing is indicated at this time. However, it is recommended that, the reimbursement payment be increased to $3,660 per EDU, for FY 2001/2002, to reduce the risk of needing to borrow money in the future. Finally, throughout the ten-year analysis period, capacity is sufficient to meet the growth forecast without constructing/maintaining significant excess system capacity.

Overall, "non-expansion" and "expansion" projects are estimated to cost $286-million over the course of the Ten-Year Plan, as illustrated in Figure No. 2-15. Project cost are generally dominated by the construction of RP-5 (Fiscal Period 2000/2001 through 2003/2004) and the start of the RP-1 expansion (Fiscal Period 2004/2005 through 2009/2010). Also shown (FY20009/2010), is the possible need for the RP-2 liquid side demolition. Overall transfers for Water Resource projects are dependent on sufficient revenues being available to fund required Regional Sewerage projects. As indicated, approximately $46-million could be transferred to Water Resources between Fiscal Period 00/01 and 05/06. Not shown, however are expected reciprocal payments, starting in FY 2006/2007, that would return $13-million to the Regional Capital Fund.

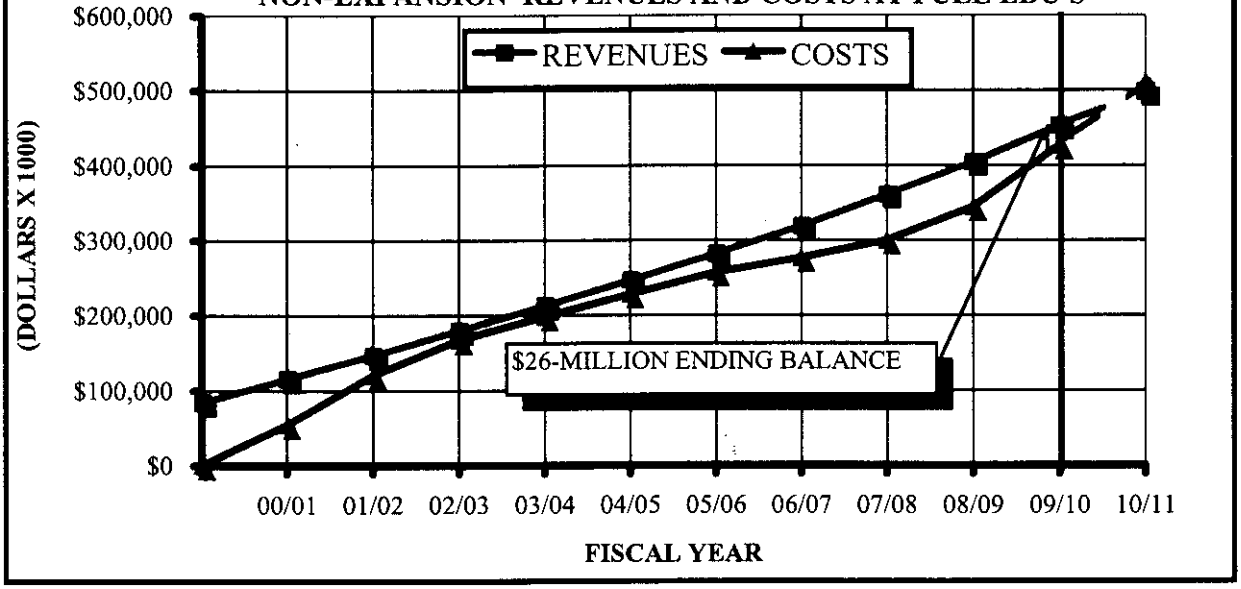
FIGURE NO. 2-15
TOTAL COMBINED EXPANSION & NON-EXPANSION PROJECTS



Combined "non-expansion" and "expansion" program revenues and costs are illustrated on Figure No. 2-16. Starting with a combined Member Agency and IEUA revenue balance of $84-million, and costs of zero, revenues are greater than costs over the entire program, leaving an ending balance of $26-million. However, if reimbursement revenue does not keep pace with the rate of inflation

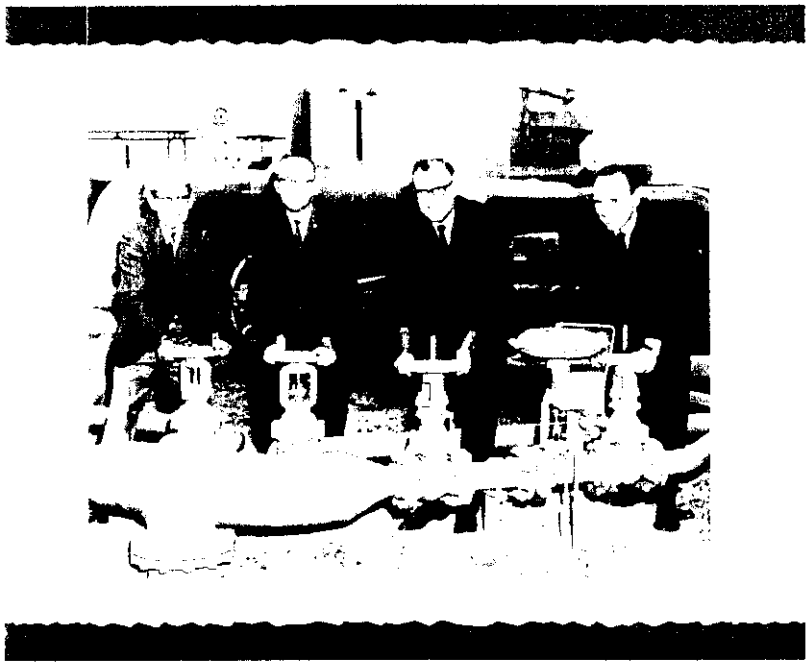
(note that the inflation adjustment in the "Model", from Fiscal Period 2001/2002 and 2005/2006, assumes an average increase of 1.95 percent were as project cost in the "Model" have been inflated by 4 percent), borrowing could be required just beyond the TYCIP window.

FIGURE NO. 2-16
TOTAL EXPANSION AND
NON-EXPANSION REVENUES AND COSTS AT FULL EDU'S





One of District's First Vehicles.



Industrial Waste Disposal Line

Non-Reclaimable Wastewater System

CHAPTER

3

IEUA

NON-RECLAIMABLE WASTEWATER SYSTEM

The Non-Reclaimable Wastewater (NRW) System provides wastewater disposal for industries that produce wastewater too high in saline characteristics for local discharge. Wastewaters accepted into the NRW System are generally not candidates for reclamation or treatment through the Regional Sewage Program. Accordingly, the NRW System supplements the Regional Sewage System by allowing high saline producing industries to locate within IEUA's boundaries.

The NRW System is shown on Figure No. 3-1. The northern portion of the NRW System, located north of the 60 Freeway, discharges to the County Sanitation Districts of Los Angeles County (CSDLAC) and is treated at their treatment plant in the City of Carson. The southern portion of the NRW System is located in the City of Chino and the adjacent Agricultural Preserve, and flows to the Orange County Sanitation District (OCSD) via the Santa Ana River Interceptor (SARI). Flow from SARI is treated at the OCSD Treatment Plant in Huntington Beach. Both CSDLAC and OCSD discharge to the ocean, which is not adversely impacted by the NRW System's increased salinity. Currently, Ordinance 62 governs the operation of the NRW System.

The expected NRW System revenues and costs for the next ten years are summarized in Table No. 3-1. Anticipated future projects include the continuing installment purchase of an additional 1 mgd of capacity in the SARI system (completed in FY 1997/1998), the upgrade of the northern NRW System pipelines and miscellaneous capital project work which may, or may not, be required based on system usage patterns. Projects currently in progress and/or expected to be completed in FY 2000/2001 are the Grove Avenue Grade separation, refurbishment of manholes, a chemical injection facility, and the installation of pressure manholes.

Predicting when or where NRW System industries will locate within the Agency is difficult. As such, capital system improvement projects will be pursued on an as needed basis. Monies from the NRW System Operations and Maintenance Fund (NO) and/or Regional Capital Improvement (RC) Fund may be needed for these improvements.

The Non-Reclaimable Wastewater System Capital Improvement (NC) Fund receives revenue primarily from two major sources. The first is the monthly capacity charge to the holders of capacity rights in the NRW System. A capacity right allows an NRW system client to discharge 21,600 gallons per day into the NRW System. Secondly, the sale of capacity rights to new (and existing) industrial clients provides additional funding for the NC Fund. Other sources of revenue

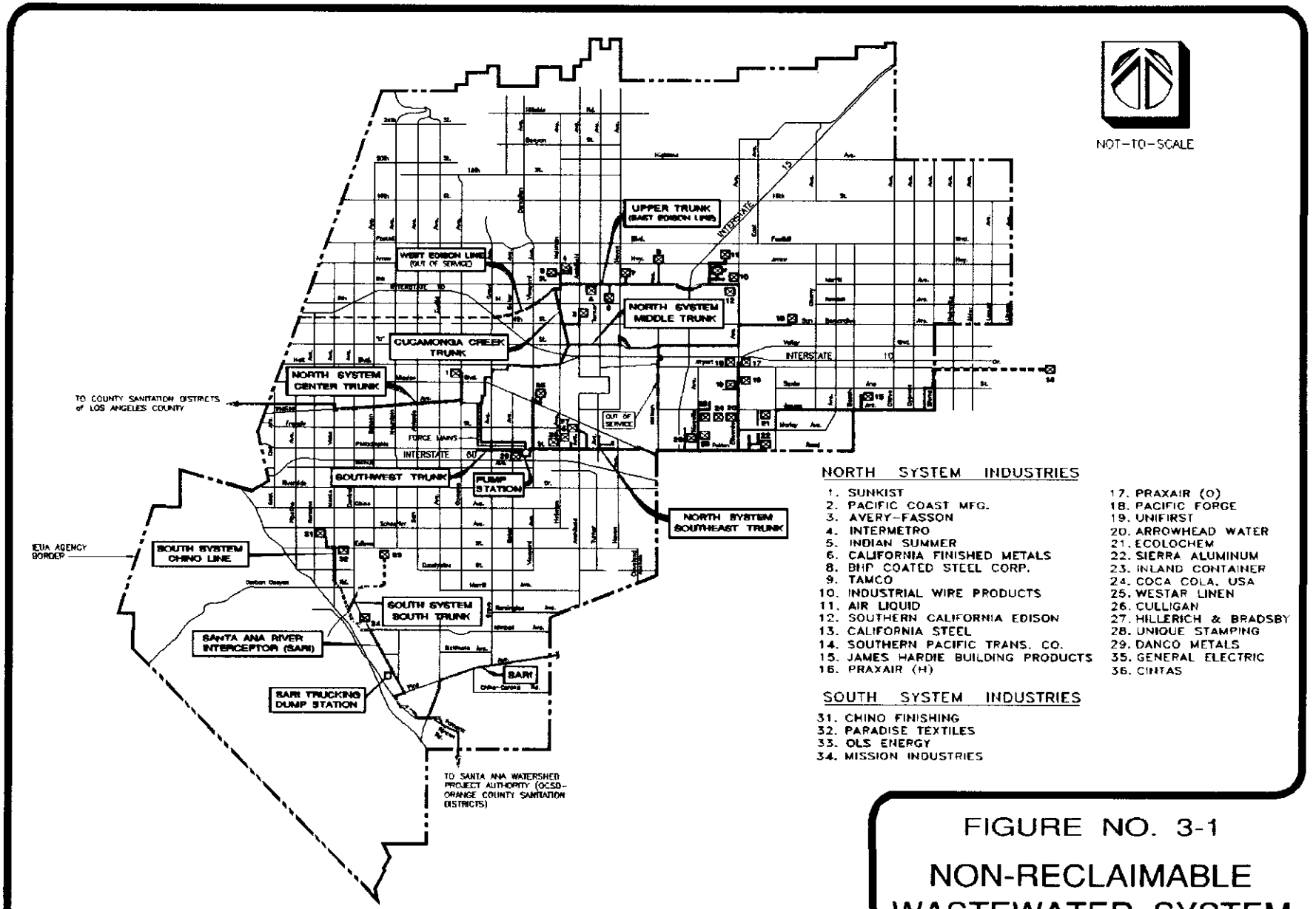


FIGURE NO. 3-1

NON-RECLAIMABLE WASTEWATER SYSTEM AND DISCHARGERS

Inland Empire
UTILITIES AGENCY

TABLE NO. 3-1
REVENUE/COST SUMMARY
FOR THE NON-RECLAIMABLE WASTEWATER CAPITAL IMPROVEMENT
($ X 1000)

REVENUE/COST ITEMS		FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
NRWS CAPITAL IMPROVEMENT FUND													
REVENUES													
User Charges - NRWS Users (a)		**$1,089**	$1,089	$1,092	$1,095	$1,097	$1,087	$1,087	$1,087	$1,087	$1,087	$1,087	$10,895
NO Transfers, To (Net) (b)		**1,166**	1,166	842	5,000	1,957	1,580	1,314	1,177	1,351	3,621	1,351	19,359
Interest Earned On Capital Reserves, 6%		**124**	297	246	291	343	313	232	163	173	177	128	2,363
User Charges - RC Users	TABLE NO. 2-7	**165**	165	165	165	165	165	165	165	165	165	165	1,650
Capacity Fees - NRWS Users (c)		**0**	0	97	101	105	109	113	118	123	128	133	1,027
Expansion 4 R's Replacement Tran.from RC		**96**	146	87	73	85	91	133	92	96	100	104	1,007
Contract Reimb. Work & Other Misc. Revenues		**49**	49	61	63	66	68	71	74	77	80	83	692
RC Loan (Table No. 5)(d)								0					0
TOTAL REVENUES:		**$2,689**	**$2,912**	**$2,590**	**$6,788**	**$3,818**	**$3,413**	**$3,115**	**$2,876**	**$3,072**	**$5,358**	**$3,051**	**$36,993**
COSTS													
NRW Capital Administration		**$153**	$138	$142	$148	$154	$160	$167	$173	$180	$187	$195	$1,644
Work-in-Progress:													
-NRW Grove Ave Grade Sep.	EN92007	**445**	8	92	303	50							453
-NRW Refurbish Manholes (4R Charge)	EN98009	**121**	132	22									154
-NRW Chemical Injection Facility	EN98010	**266**	6										6
-NRW Edison Line Pressure Manhole	EN99011	**63**	50										50
-NRW 1.0 MGD SARI Purch. (97/98)(e)	IW99002	**178**	178	178	178	178	178	178	178	178	178	178	1,780
-NRW Contract Agency Selg Monitoring	EC02002			11									11
-NRW Industry Facilities Layouts	EC02003			2									2
-NRW Manhole Repairs	EN05006						30	800					830
-Philadelphia P.S. Landcape Improv.	GS02011			6									6
-Philadelphia P.S. Impellers	PA02026			9									9
-Philadelphia P.S. Pump #3	PA02028			30									30
Other Projects:													
-Northern NRWS Pipeline Upgrades		**0**	0						10	250	250	500	1,010
-Misc. Small Capital Projects		**0**	0		150	150	150	150	325	499	2,769	499	4,692
-Contract Work	CW(2,3,4,5,6)700	**40**	40	73	76	79	82	85	89	92	96	100	812
CSDLAC 4R Charges:													
-Historic 4R Charges (f)	EC0(2,3,4,5,6)009	**1,163**	1,066	1,105									2,171
-Future 4R Charges	IW01009	**1,262**	1,924	1,147	964	1,122	1,195	1,751	1,215	1,264	1,314	1,367	13,262
Transfer/Loan Repayment:													
GG Rimbursement		**149**	149	125	122	62	61	60	62	65	67	70	844
NO Operation Support Transfer, From (Net)		**0**	0	0	1,500	1,172	1,056	883	0	0	885	1,394	6,890
GG Loan Repayment (96/97)		**280**	284	275	1,250	1,200	1,150	1,100	1,050				6,309
RC Loan Repayment (Table No. 5)(A/P,6%,10yr(00/01))		**0**	0										0
TOTAL COSTS:		**$4,120**	**$3,975**	**$3,217**	**$4,691**	**$4,167**	**$4,062**	**$5,174**	**$3,102**	**$2,527**	**$5,747**	**$4,303**	**$40,965**
NET REVENUES/(COSTS):		**($1,431)**	**($1,063)**	**($627)**	**$2,097**	**($349)**	**($649)**	**($2,059)**	**($226)**	**$545**	**($389)**	**($1,252)**	**($3,972)**
NRWS PROGRAM BALANCE (f)(g):													
Beginning Capital Reserves, July 1		**$6,068**	**$5,484**	**$4,421**	**$3,794**	**$5,891**	**$5,542**	**$4,893**	**$2,834**	**$2,608**	**$3,152**	**$2,763**	**$5,484**
Ending Capital Reserves, June 30		**$4,637**	**$4,421**	**$3,794**	**$5,891**	**$5,542**	**$4,893**	**$2,834**	**$2,608**	**$3,152**	**$2,763**	**$1,512**	**$1,512**

(a) Includes new users.
(b) NO transfer also assumes additional transfer of funds equivalent to the minimum NC balance reserves.
(c) Based on one new user with one capacity unit per year with any increase in the capacity unit cost based on the percentage increase in the User Charge.
(d) Loans from the RC fund have been assumed to be for a period of 10 years, at an interest rate of 6%.
(e) The cost of capacity in FY 97/98 was based on the purchase of 1.0 mgd of pipeline capacity at $3.75/gallon/day, with 5% down, and 20 years to repay the remaining principal at no interest.
(f) The balance requirements necessitate that the minimum balance not be less than the Historic 4R Payments. Currently these reserve requirements are met through the use of the NO Funds Reserve Balance.
(g) Balance requirements of NC/NO Fund are that two months Costs (next year) be maintained.

include interest earned on working capital reserve balances, payments for performance on certain contracts, and permit application fees.

On September 15, 1999, the Board approved a contract with Parsons Engineering to evaluate the long-term issue of funding the needs of the NRW system. The study made several recommendations to maintain the economic health of the program : (1) The NRW System should be Regionalized; (2) The Regional System should bear the cost of maintenance for the NRW System; and (3) Industrial consumers should be encouraged to use recycled water. .



Preparing for confined space entry.

To begin implementing these recommendations, the Board, on June 7, 2000 approved a 10 percent rate reduction in both capacity and volumetric fees for the NRW system. Discussions and studies were also started to assess and minimize any EDU rate impacts upon users, of a combined NRW and Regional System's rate structure. Finally, the IEUA has continued working toward increasing the use of recycled water, by industrial and other users, to offset the cost of the NRW System.

There are many benefits to incorporating the NRW System into the Regional Wastewater System. One is to protect the water quality of the Chino Basin. The IEUA can work towards reducing the salinity at its regional treatment plants by removing salts from the Basin through the use of the NRW line. This relieves the Regional Program from needing to desalt effluent from its treatment plants to meet its discharge permits. If the two systems rate structures are combined, the associated consumer rates can then become more competitive with other regional sewerage agencies.

Reduced rates will then help promote increased use of the NRW System. This increased use should enhance revenues. With the increased revenues, monies will be available for better operation and maintenance of the NRW System. Reasonable rates for the NRW line will foster new industries as well as help maintain/increase the economic development within the Agencies service area.

Beginning in Fiscal Year 1998/99, additional revenue was received from the Regional Capital Improvement Fund (RC Fund) for ownership of 66 capacity units (1.4 mgd) in the NRW System for use by the Regional Program. These funds represent the value and benefit that the NRW System has historically provided the Regional Program. These benefits, such as the use of the NRW System as contingent treatment capacity (derived from the disposal of domestic wastewater), and construction cost avoidance (i.e. deferral of the costs for additional facilities

and equipment to remove excess salt from the Regional Program effluent), were determined from an evaluation of the Repair, Relocation, Reconstruction, and Replacement (4R) cost allocation associated with the CSDLAC settlement. As a result, the RC Fund will contribute to the NC Fund for the ongoing capital replacement and repair cost billed by the CSDLAC. This obligation will be based on the percentage of treatment capacity owned by the RC Fund.

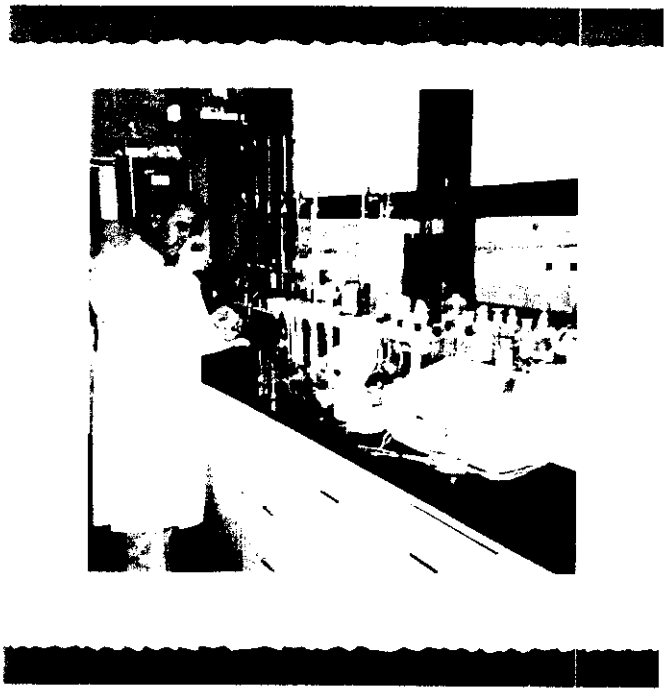
The NC Fund receives all revenues associated with the activities supporting the construction of capital projects required to support the growth of industries in the IEUA service area. As the need for additional non-reclaimable wastewater facilities (pipelines, interceptor capacity, and treatment capacity) are identified, funds are budgeted for design, construction, construction management, and administration. Similarly, funds necessary to meet the 4R charges due CSDLAC are determined and budgeted. The CSDLAC 4R charges are supported by an inter-fund transfer from the NRW System Operations and Maintenance Fund (NO Fund).

In 1996/97 a long-standing disagreement with the CSDLAC, regarding the IEUA's participation in CSDLAC's "4R" costs, was resolved and the settlement depleted nearly of all of the NC Fund reserves. To maintain solvency in the Fund, two loans were approved by the Board of Directors. The first, a $5-million loan from the Internal Service (GG) Fund to the NC Fund was made at the end of Fiscal Year 1996/97. The second loan, an additional $5-million from the RC Fund, was approved by the Regional Policy Committee in FY 1997/98. This loan is currently available on an "as needed" basis.



CBMWD Employee, George Rasmussin, prepares diver for confined space entry.

Future connections to the NRW system could require system upgrades. This might necessitate an increase in the amount of total RC transfers to the NC program. However, continued work by IEUA and it's customers on a long-term solution to the financing of the system is expected to result in a resolution to the long-term viability of the program in the next couple of years.



Early Lab Photo

Co-Composting Project

The current Co-Composting Facility serves two purposes. It provides a reliable method for reusing wastewater biosolids produced by IEUA's Regional treatment plants. It also provides a cost-effective means for exporting dairy manure, which is high in nitrates and other salts, out of the Chino Basin Watershed. A plan of the current open windrow site is shown in Figure No. 4-1.

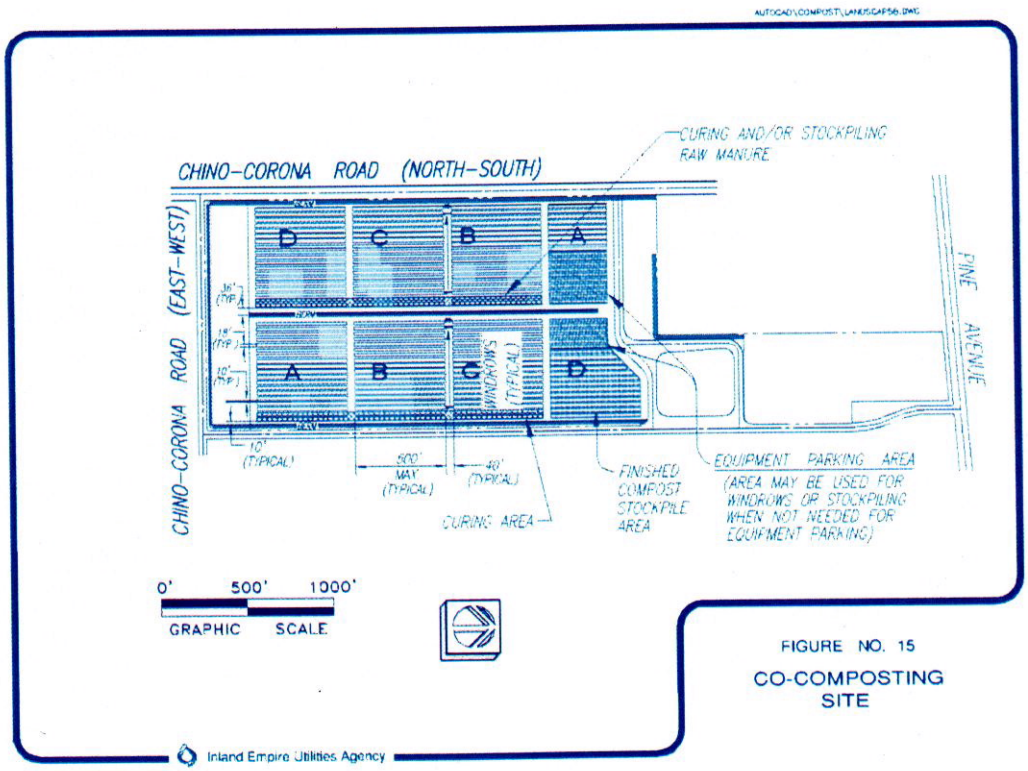


Figure No. 4-1. Plan view of current Co-Composting Facility.

The use of the Co-Composting Project by the Regional Program currently saves between $500,000 and $600,000 per year. These savings are associated with the disposal of biosolids produced at IEUA's treatment plants. Proper disposal of biosolids, in a safe and cost effective manner is, and has been, a costly problem for the wastewater industry. Alternative disposal methods include contracting with a vendor for Class A disposal/reuse or disposal through Class B permitted land applications. Currently, the Co-Composting Facility is designed and permitted to receive and process up to 150 wet tons daily of domestic waste biosolids. The facility is also permitted to process 1,100 tons per day of cow manure collected from the Agricultural Preserve.

At this time, the Dairy Industry in the Chino Basin Agricultural Preserve produces approximately 1-million tons of manure a year (the Co-Composting Facility treats between 100,000 and 200,000 tons per year). Each ton of manure has approximately 154 pounds of salt in it, which if not removed, can impact the local groundwater supplies. By co-composting and shipping the manure out of the Basin, impacts related to salt build-up in the groundwater are cost effectively reduced. Since inception, the $12 million Co-Composting Project has removed between 8,000 and 15,000 tons per year of salt from the Basin. The cost of removing salt at this facility is less costly than physical processing methods such as the $50 million Desalter Project. Figure No. 4-2 illustrates the relative costs per ton of removing salt from the Chino Basin by four different disposal methods.

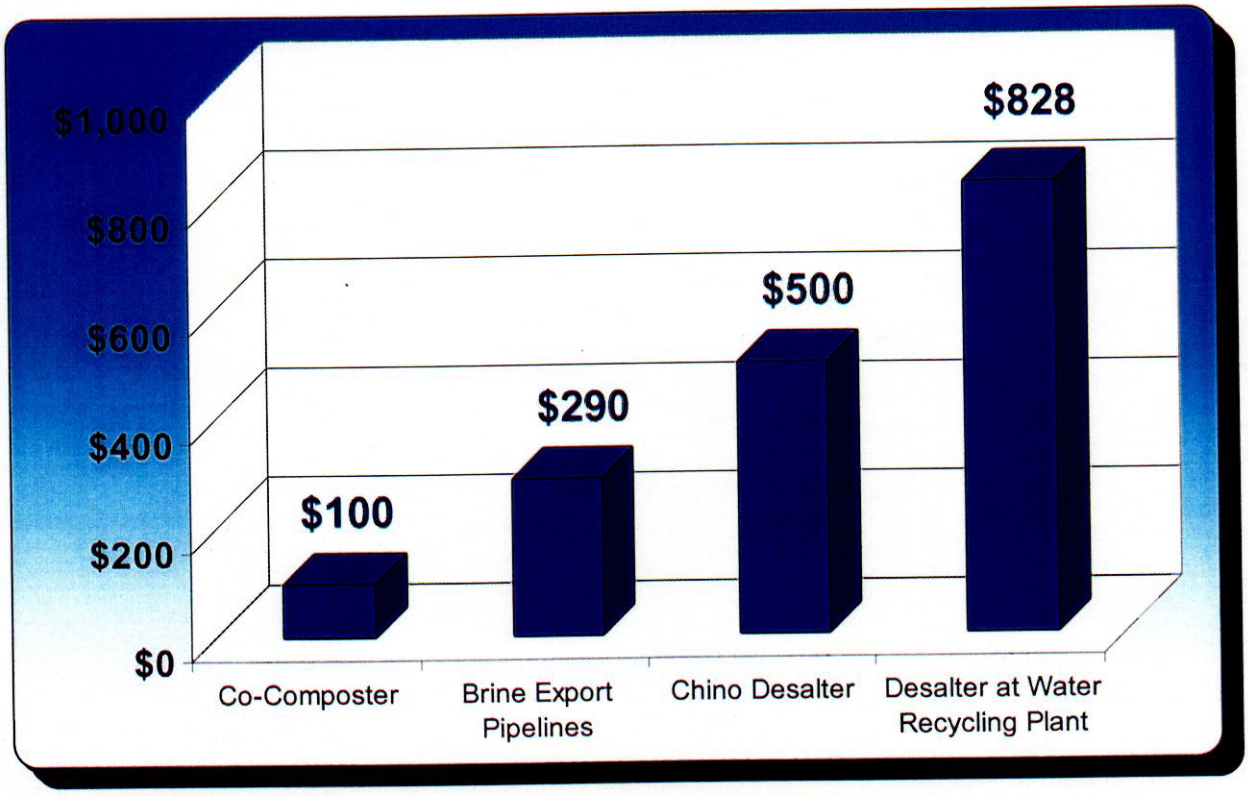


Figure No. 4-2. Relative cost per ton of salt removal from the Chino Basin.

The Co-Composting Capital Improvement Fund (CC) records the transactions for the acquisition, construction, and expansion of IEUA's Co-Composting Facility. (See Table 4-1.) Additionally, principal payments, interest expense, and related administrative costs associated with the debt service required for the Series 1990 Statewide Communities Development Authority Bonds are recorded. Along with the $5 million in proceeds from the sale of California Statewide Community Development Bonds, the Regional Capital Improvement Fund (RC Fund) has provided the funding for the construction of capital projects in the CC Fund. An additional source of revenue is the interest earned on working capital reserve balances.

Since June 1995, the Co-Composting Facility has been processing wastewater biosolids and dairy manure for bulk deliveries to agricultural areas in the San Joaquin and Coachella Valleys. Permit revisions are currently underway to allow for an increase from 150 wet tons of daily domestic waste biosolids, delivered from IEUA's wastewater treatment plants, to a monthly daily average of 175 wet tons. In addition, the marketability of the final product can be enhanced with the addition of bulking agents and a bagging operation. An enclosed bagging and screening facility will be permitted, if necessary, and 400 tons per day of bulking material will be permitted on an as-needed basis. A transfer from the Salt and Water Management (SM) Program – shown under revenues –is included to cover the permit revision costs.

Projects in progress for the 2000/2001 budget year include installing trees in several areas to screen dust created by wind, an 8-inch meter and vault at the reclaimed water connection, and a laser unit to measure the stockpile elevation for calculating the stockpile volume. Future projects include paving of areas for parking to prevent dust formation, odor control of biosolids, and the installation of a gate and a fence.

Also shown, is the possible retirement of the1990 CCP IDB Bond by FY2002/2003. The current loan on this site is a short-term renewable note that needs to be rolled over by FY2001/2002. At the writing of this report, it was not known whether this loan would be renewed. As such, the greatest impact to this, and the Regional Program (transfers), would occur if this loan were to be paid off, within the FYB.

Finally, expected future projects at the site have been eliminated, since the last year's Plan, pending the outcome of a study on the possible relocation of this facility.

Currently, the possibility of replacing and/or relocating the existing Co-Composting Facility is being explored. This new facility would be completely enclosed. An artistic rendering of what it may look like is shown as Figure 4-3. If the decision is made to build a new facility, it will be completed before the existing facility is closed so that there is no interruption in service. Sixteen sites have been evaluated and rated based on predetermined criteria. The evaluation resulted in five sites with substantially higher ranking than the others, which will be studied further. One site is in Fontana, one is in Colton, and three are in Chino near RP-5. Figure Nos. 4-4 through 4-6 show the locations of these five sites. It is believed that more than one site may be needed. Final site selection(s) will be made in the future. State and federal grants and the sale of the existing site, will be used to help offset the cost of any new site(s).

Inland Empire
UTILITIES AGENCY

TABLE NO. 4-1
REVENUE/COST SUMMARY
FOR THE CO-COMPOSTING PROJECT
($ X 1000)

REVENUE/COST ITEMS		FISCAL YEAR										
		2000/2001		FIVE YEAR BUDGET								TOTAL
		Years Budget	Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	
CO-COMPOSTING PROJECT												
REVENUES												
RC Tran. Biosolids Disp. & Debt Serv./Retir.	TABLE NO. 2-8	815	815	3,075				20	326	373	388	403	5,400
RC Transfer Organics Cntr. Study	TABLE NO. 2-8	6,872	900										900
Interest Earned On Capital Reserves (6%)		23	37	41	33	28	22	10	3	4	4	4	186
Land Use Compatibility Reimbursement		50					50						50
Operating Transfer From SM (a)		20	20	9									29
TOTAL REVENUES:		$7,780	$1,772	$3,125	$33	$28	$72	$30	$329	$377	$392	$407	$6,565
COSTS													
Administration:													
Capital Administration		$52	$96	$58	$61	$63	$65	$68	$71	$74	$77	$80	$712
Proffesional Fees and Services		5	5										5
Work-In-Progress:													
-Phase I/II Permit Revision (SM)	EN97027	20	20	9									29
-Install Trees Along "E"-Berm	EN20037	85	10	60	20								90
-Co-Composting Organics Cntr. Relo. & Land	PL20055	7,189	900										900
	PL01006												
-Biosolids Odor Control at RP-1 & RP-2	PL02010			37	3								40
-CCP Misc Small Capital Projects					25	25	150	200	250	300	312	324	1,586
	PB01002	11	11										11
	PL01003	3	2	1									3
-CCP Facility Parking	PL01004	9	0	9									9
	PL01007		4	1									5
-CCP Dairy Sewering Study	PL02001			30	30								60
-CCP Exit Fence	PL02006			2									2
-CCP Entry Fence/Gate	PL02008			4									4
Loan/Bond Repayment:													
-1990 CCP IDB Bond Repayment (c)		419	419	3,075									3,494
TOTAL COSTS:		$7,792	$1,467	$3,286	$139	$88	$215	$268	$321	$374	$389	$404	$6,950
NET REVENUES/(COSTS):		($12)	$305	($161)	($106)	($60)	($143)	($238)	$8	$3	$3	$3	($385)
CO-COMPOSTING PROGRAM BALANCE (d):													
Beginning Capital Reserves, July 1		$453	$457	$762	$601	$495	$435	$292	$54	$62	$65	$68	$457
Ending Capital Reserves, June 30		$441	$762	$601	$495	$435	$292	$54	$62	$65	$68	$71	$71

(a) The Salt and Water Supply Management Fund (SM) was established in FY 1998/99 to collect costs of the Agencies participation in studies related to IEUA's efforts in the areas of salt management and water supply. The transfer of revenues into this program represents the cost allocation represented by the SM capital projects outlined in this section.

(b) It has been assumed, that as a condition of any Bond Debt, debt would not be allowed beyond 2022, until the Regional Sewage Contract is revised after FY01/02.

(c) Short term renewable loan on the Co-Composting Project is not expected to be renewed in FY 01/01; rather, it is anticipated that project would be paid off in full.

(d) Balance requirements of CC Fund are assumed to be two months costs (next year).

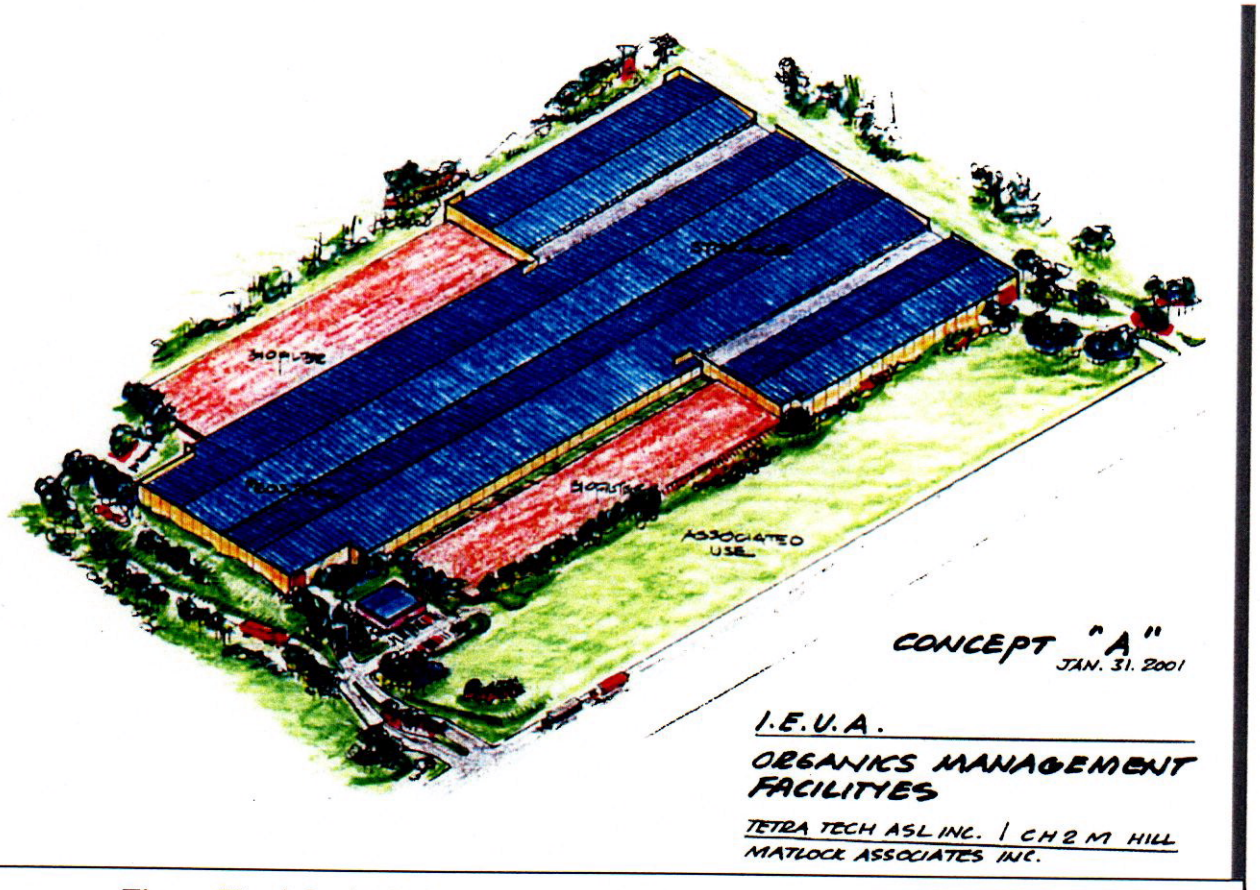


Figure No. 4-3. Artistic rendering of the Organics Management Facility.

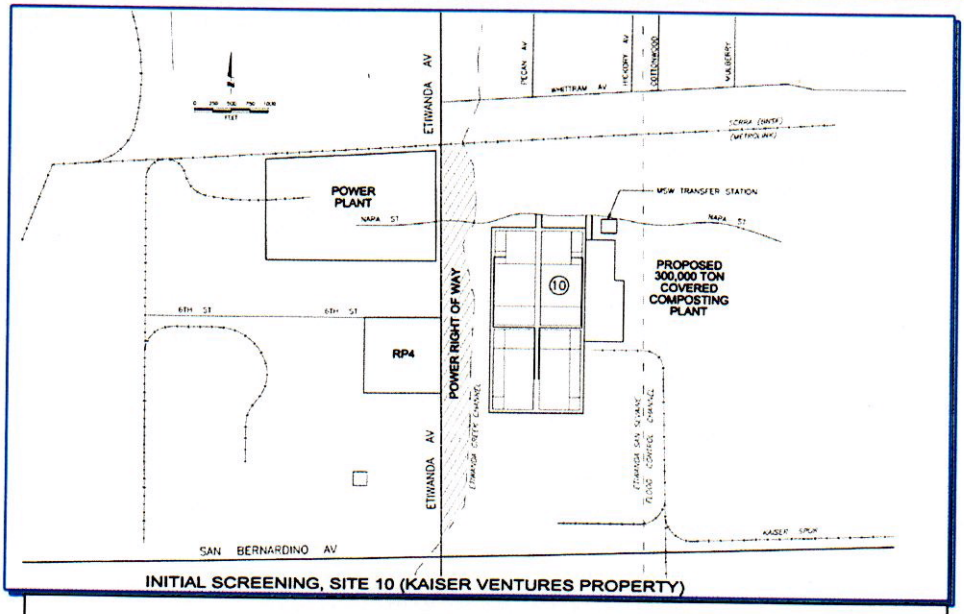


Figure No. 4-4. Location of Fontana site.

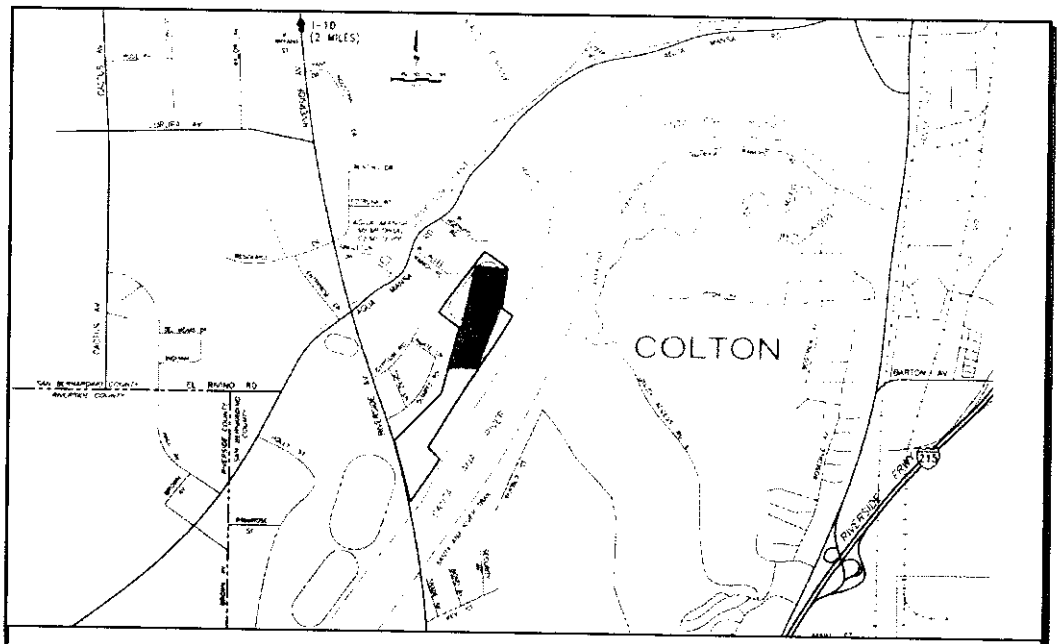


Figure No. 4-5. Location of Colton site

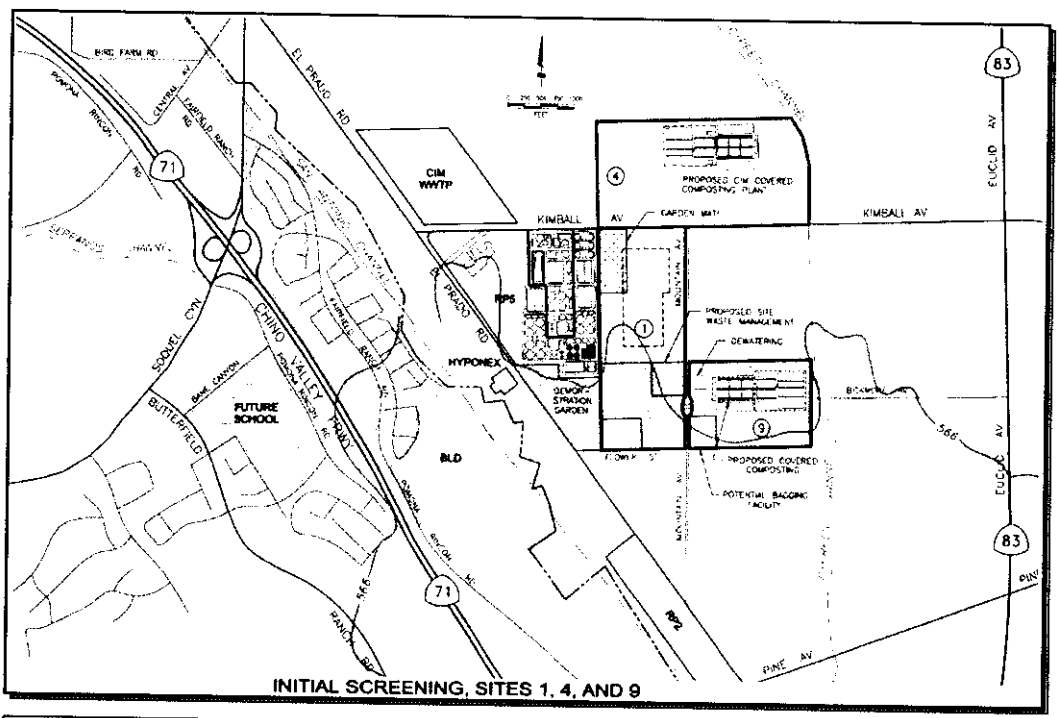
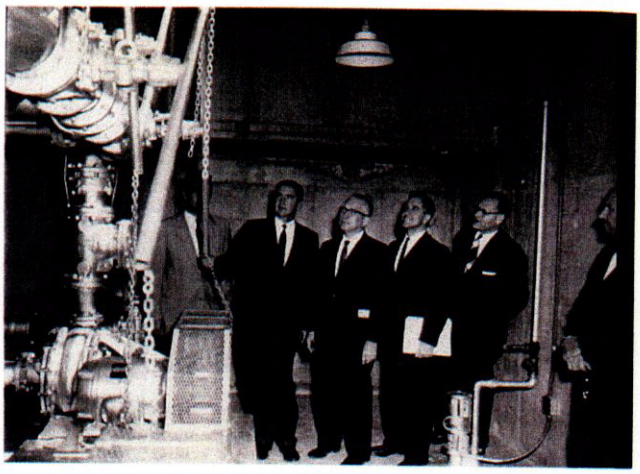


Figure No. 4-6. Location of three Chino sites.



A Group of Unknown Men

Water Resources Program

WATER RESOURCES PROGRAM

INTRODUCTION

IEUA's water resources activities provide the Agency's service area with a cost-effective supplemental supply of both recycled and imported water. As the Water Resources Program is expanded, the region will receive multiple benefits from a diversified source of storm, recycled, and imported water. The effective use of these water resources will ultimately reduce the demand for more costly imported water, improve the reliability and yield of local supplies, and ensure a "drought proof" combination of supply options for the service area.

IEUA plans to significantly expand its recycled water distribution system so recycled water can be delivered to all of the retail agencies throughout its service area. The proposed recycled water program is designed to maximize reuse of this resource in compliance with the existing Santa Ana River Basin Water Quality Control Plan (Basin Plan), the Chino Basin Optimum Basin Management Plan (OBMP), and the IEUA Urban Water Management Plan. By 2010 (Year 2000 update), more than 60,000 acre-feet per year (AFY) of recycled water is anticipated to be available. This supply is expected to increase to 70,000 AFY by 2020. Table No. 5-1 shows the anticipated market segments for recycled water within the IEUA service area.

Groundwater Recharge	*28,000 AFY*
Industrial	*12,500 AFY*
Landscape	*29,400 AFY*
Agricultural	*100 AFY*
Total Projected Utilization	70,000 *AFY*

Table No. 5-1. Regional Recycled Water Program through 2020.

The goal of IEUA is to fully utilize the available supply of recycled water for local uses. When blended with storm water and/or imported water, during wet years, recycled water can cost-effectively be recharged to increase the safe yield of the Chino Basin. In addition, increased use of recycled water for industrial processes and irrigation needs can reduce the need for imported water by more than 50,000 AFY, over the next twenty years.

The proposed phasing of the recycled water resource component of the program includes the sequenced construction of several pipeline, pump stations and storage reservoirs projects. The timing and phasing of these anticipated projects would be reviewed and approved by the Regional Advisory Committees. These facilities will comprise the "backbone" distribution network, known as the Regional Recycled Water Distribution System. Completion of this distribution system will result in the inter-connection of all of IEUA's water reclamation (recycling) plants. The Regional Recycled Water Distribution System will provide the ability to deliver recycled water (through retail agencies) to major industrial, municipal, and irrigation customers throughout the IEUA service area. Additionally, more than 40 groundwater recharge basins are targeted to start receiving recycled water. The IEUA staff has prepared the IEUA Recycled Water System Feasibility Study to support applications for grant funds.

Supplemental funding sources are being sought for the projects proposed in this TYCIP. These include the 2000 State Water Bond (Proposition 13), Federal funding (Title 16, Bureau of Reclamation) and the Local Projects Program of the Metropolitan Water District of Southern California. Currently, applications for $19 million in Proposition 13 grant funds have been submitted through the Santa Ana Watershed Project Authority (SAWPA), and applications for an additional $40 million have been submitted to the SWRCB, for the construction of projects within the Regional Recycled Water Distribution System and retail utility laterals to customers.

CAPITAL IMPROVEMENT PROGRAM

Water resource projects that are currently budgeted, under construction, or planned to be operational during the next ten-year period, are shown in Table 5-2. These projects, when completed, will comprise a fully integrated regional distribution system that will provide the ability to deliver recycled water to major industrial and municipal users as well as provide for groundwater recharge within IEUA's Service Area.

Currently, IEUA produces approximately 55-million gallons per day (gpd) for almost 62,000 acre-feet per year of the highest quality, tertiary treated, recycled water. During FY 1999/2000, recycled water use totaled nearly 5,800 acre-feet. Of this amount, 5,300 acre-feet, as indicated in Table 5-3, was used by 37 customers for landscape irrigation and dust control at construction sites. An additional 500 acre-feet was used for a demonstration recharge project at Ely Basin (No. 3 near RP-1). This project is a cooperative effort of IEUA, the Chino Basin Watermaster, and the Chino Basin Water Conservation District.

Over the next ten years, IEUA will expand the existing RP1/RP4 and Carbon Canyon Recycled Water Distribution Systems to interconnect all of IEUA's water reclamation plants. In the near-

Inland Empire
UTILITIES AGENCY

TABLE NO. 5-2
REVENUE/COST SUMMARY
FOR WATER RESOURCES PROJECTS
"REVENUE SUMMARY"
($ X 1000)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
WATER RESOURCES CAPITAL FUND														
REVENUES														
-MWD, Local Projects Program Subsidies (a)			$0	$0	$1,000	$2,000	$3,000	$4,000	$4,750	$5,100	$5,300	$5,600	$6,000	$36,750
-Santa Ana Watershed Project Authority/SWRCB Grants (b)			0	370	2,541	1,879	2,359	4,754	4,506	1,930	438	600	80	19,457
-Department of the Interior, Bureau of Reclamation (b)			0	0		1,525	1,127	1,887	3,803	3,605	1,544	350	480	14,321
-Interest Earned On Capital Reserves (6%)			1	67	119	70	33	31	74	89	61	83	81	708
-Reimbursement Revenue from Contracting Agencies (10 yrs @ 6%)			0	0			135	270	405	575	745	915	1,085	4,130
-Oper. Transfer From RC-Water Rec. Admin	TABLE NO. 2-7		420	420	420	309	0	0	0	0	0	0	0	1,149
-Oper. Transfer From WO			986	986										986
-Rcycld Water Reimb Const Cost			15	15	15	15	15	15	15	16	17	18	19	160
-MWD Prop 13 Funding			0	0	138									138
-Operating Transfer From SM (c)			491	31										31
TOTAL REVENUES:			1,913	1,889	4,233	5,798	6,669	10,957	13,553	11,315	8,105	7,566	7,745	77,830
COSTS														
Recycled Water Project Costs														
-Operations / Administrative Expenses	WR0(1,2,3,4,5,6)012		$290	$420	$420	$309	$321	$334	$348	$361	$376	$391	$407	$3,687
-Rcycld Water Reimb Const Cost	CW0(2,3,4,5,6)500		15	15	15	15	15	15	15	16	17	18	19	160
-Loan Rpmnt	TABLE NO. 2-7		619	0										0
-Excess Balance Tran. to RC	TABLE NO. 2-8									800	4,000	2,000	6,200	13,000
Regional Recycled Water Dist. Projects														
-CCWRF-Rcycld Water Tie-In	OB20003	RC	23	13										13
-Recycld Water Pipeline Reloc.-Chino Pkwy.	EN01028	RC	0	50	239									289
-RP-1/RP-4 Recycled Water PS (I)	EN01024	RC	2,800	500	5,500	286								6,286
-Fourth Street Regional Pipeline (I)	EN01020	RC	0	0	2,000	2,000								4,000
-Wineville Avenue Regional Pipeline (I)	EN01023	RC	0	0	1,154	1,153								2,307
-West Edison Regional Pipeline(II)	EN01020	RC	0	0		50	900	650						1,600
-North Etiwanda Regional Pipeline (II)	WR02002		0	0		200	2,000	691						2,891
-Whittram Avenue Regional Pipeline (II)	WR02003		0			50	1,414							1,464
-Etiwanda Ave. Reservoir & P.S. (IV)	WR04001		0					2,361	2,019					4,380
Regional Recycled Water Projects														
-CCWRF Water Dist. System	WR99001	SM	424	1										1
-RP-3 Basin	EN01018	RC	69	141	26	378	377							922
-RP-4 Outfall Groundwater Recharge (I)	WR99003	SM	67	30	302									332
-RP-1 Basin (IV)	EN20019	RC	162	30										30
-Conjunctive Use (Basin Improvements)										1,000	2,000	3,000	400	6,400
	Subtotal Costs		$4,469	$1,200	$9,656	$4,441	$5,027	$4,051	$2,382	$2,177	$6,393	$5,409	$7,026	$47,762

(a) MWD's local project program subsidies equal $154/AF from the Carbon Canyon Phase I & II Projects to a maximum of 13,500 AFY. A second local project program is anticipated for the recycled water served from RP-4.

(b) Assumes 20% matching funding for previous years phased (I, II, III and IV) construction.

(c) The Salt and Water Supply Management Fund (SM) was established in FY 1998/99 to collect the costs of the Agency's participation in studies and capital projects related to IEUA's efforts in the areas of salt management and water supply. The transfer of funding from the SM Fund into this program represents a cost allocation reflecting the benefits to salt management of the capital projects in the TYCIP.

(d) Project costs have been amended from the prior Fiscal Year due to an increase in the scope of work.

(e) Balance requirements are that two months reserves (Costs) plus $1-million be maintained.

Inland Empire
UTILITIES AGENCY

TABLE NO. 5-2 (Continued)
REVENUE/COST SUMMARY
FOR WATER RESOURCES PROJECTS
"REVENUE SUMMARY"
($ X 1000)

REVENUE/COST ITEMS			FISCAL YEAR										TOTAL
					FIVE YEAR BUDGET								
			2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	
COSTS Cont.														
Regional Water Supply, Reliability and Infrastructure														
-Interim Groundwater Recharge-Ely	WR98001		$404	$200										$200
-RW Program-Admin./Plan./Fund. & Permit.	WR02012		0	60		125	125							310
-RW Program - Marketing and Tech. Assist.	WR02013		0	60	50	100	150	150	150	156	162	169	175	1,322
-Reclyd Water Remote Press. Switch	PA01028		0		19									19
-Reactivate MWD Connections (4)			0				50	245	255					550
-RP-4 - Recharge Basin			0				500							500
-De-Salter Energy Reliability			0	750	1,750									2,500
-Tanker Service Ports (I)	EN01007		89	8	172									180
-Pine Ave. Intertie Pipeline (I)	EN01025	RC	500	88	600	378								1,066
-Reclyd Water Sys. for Etiwanda Pwr Plnt (I)	EN01027	RC	32	200	186					500				886
-Etiwanda Ext. Reg. Reclyd Water Pipe. (II)	WR06002		0		250	3,000	371							3,621
-Grove Avenue (II)			0			100	1,400							1,500
-RP-1 Chlorine Contact Basin Exp. (III)	EN01010	RC	500	622				2,469	3,292					6,383
-RP-4 Trunk Sewer (III)	EN01021	RC	200			200	900	5,299	5,299					11,698
-South Etiwanda/Jurupa (III)			0			100	1,900	1,900						3,900
-Arrow Route (III)			0				150	3,500	350					4,000
-Benson Ave. Reclyd Water Pipeline (III)			0				300	4,000	700					5,000
-4th St. Reclyd Water Res. (2 MG) & PS (IV)			0				100	1,730	1,370					3,200
-Walnut/Riverside Reclyd Water Pipe. (IV)	WR06003		0					350	4,000	2,650				7,000
-210 Regional Recycled Water Pipeline (IV)			0					822	5,500	5,500	189			12,011
Recycled Water Supply, Reliability and Infrastructure														
-Contracting Agencies' Lateral/Retrofit Financing Costs			0			1,000	1,000	1,000	1,250	1,250	1,250	1,250	1,250	9,250
Misc. Small Capital Projects			0			45	47	49	51	53	55	57	59	416
Subtotal Costs			**$1,725**	$1,988	$3,027	$5,048	$6,993	$21,514	$22,217	$10,109	$1,656	$1,476	$1,484	$75,512
TOTAL RECYCLED WATER PROJECT COST:			**$6,194**	**$3,188**	**$12,683**	**$9,489**	**$12,020**	**$25,565**	**$24,599**	**$12,286**	**$8,049**	**$6,885**	**$8,510**	**$123,275**
NET REVENUES/(COSTS):			($4,281)	($1,299)	($8,450)	($3,691)	($5,351)	($14,608)	($11,046)	($971)	$56	$681	($765)	($45,445)
RC Transfers			**$4,286**	**$3,500**	**$8,000**	**$2,500**	**$5,300**	**$14,600**	**$12,500**					**$46,400**
IEUA BALANCES (e):														
Beginning Reserves, July 1			**$18**	**$10**	**$2,211**	**$1,761**	**$570**	**$519**	**$510**	**$1,965**	**$993**	**$1,049**	**$1,730**	**$10**
Beginning Reserves, June 30			**$23**	**$2,211**	**$1,761**	**$570**	**$519**	**$510**	**$1,965**	**$993**	**$1,049**	**$1,730**	**$965**	**$965**

TABLE NO. 2-8

(a) MWD's local project program subsidies equal $154/AF from the Carbon Canyon Phase I & II Projects to a maximum of 13,500 AFY. A second local project program is anticipated for the recycled water served from RP-4.
(b) Assumes 20% matching funding for previous years phased (I, II, III and IV) construction.
(c) The Salt and Water Supply Management Fund (SM) was established in FY 1998/99 to collect the costs of the Agency's participation in studies and capital projects related to IEUA's efforts in the areas of salt management and water supply. The transfer of funding from the SM Fund into this program represents a cost allocation reflecting the benefits to salt management of the capital projects in the TYCIP.
(d) Project costs have been amended from the prior Fiscal Year due to an increase in the scope of work.
(e) Balance requirements are that two months costs (next years'), less reimbursements to the RC Program, but not less than $0.5-million.

Term – over the next five years - the primary focus of the IEUA capital program will be to construct the "backbone" delivery system for deliveries to industrial and landscape customers.

1982-1983	20,790	1,550	4,290			
1983-1984	20,950	1,080	3,950			
1984-1985	25,160	1,267	4,280			
1985-1986	28,240	1,222	2,660			
1986-1987	27,160	1,306	5,000			
1987-1988	31,290	2,110	5,500			
1988-1989	35,510	2,038	6,180			
1989-1990	34,760	1,961	5,730			
1990-1991	36,840	1,792	6,100			
1991-1992	40,360	1,909	5,780		1,550	
1992-1993	41,510	1,205	5,640		4,720	
1993-1994	37,310	1,978	5,430		7,010	
1994-1995	39,680	3,794	5,360		8,690	
1995-1996	39,590	2,292	4,810		9,060	
1996-1997	39,940	2,075	4,790		9,750	
1997-1998	44,940	1,260	4,969		9,264	
1998-1999	43,354	2,444	5,345		9,534	100
1999-2000	47,269	3,089	4,737		9,310	2,211

Unit of Measure: Acre-Feet

Table 5-3. Recycled Water Available vs. Recycled Water Usage.

The Pine Avenue Inter-Tie Project will provide a 3,000-foot pipeline that will hook up the RP1/RP4 pipeline with CCWRF, completing the lower half of a looped distribution system. The construction of additional regional pipelines and local laterals will facilitate delivery of water to new industrial, municipal, and landscape users. In addition, the possibility exists to acquire the Ramona Feeder pipeline and thus, allow CCWRF flows to be pumped north. The Ramona Feeder pipeline could be inter-connected with the Fourth Avenue/West Edison pipeline; completing the northern portion of a looped distribution system.

The second focus of IEUA's program is to support the development of facilities to enhance groundwater recharge within the Chino Basin. The goal is to replenish the Chino Basin with a blend of storm, imported, and recycled water at all available recharge basins that are cost-effective. The groundwater recharge projects are being coordinated with the Chino Basin Watermaster, the Chino Basin Water Conservation District, and the San Bernardino County Flood Control District.

IEUA's goal is to achieve the maximum reuse of all available recycled water. As recycled water use increases, the amount of revenue from recycled water sales should begin to approach $3.5 million per year. This revenue is proposed for use in lowering future sewer (EDU) rates. With full implementation of the Regional Recycled Water System, recycled water sales could potentially lower sewer rates by 20 to 30 percent. Additionally, retail utilities could save an additional 15 to 30 percent in the cost of purchasing imported water.

Figure 5-1, adopted with the OBMP as the operating hydrologic model for managing the groundwater resources of the Chino Basin, shows the potential long-term storage capacity within each of the management zones, that could be realized by implementing the projects proposed in this TYCIP.

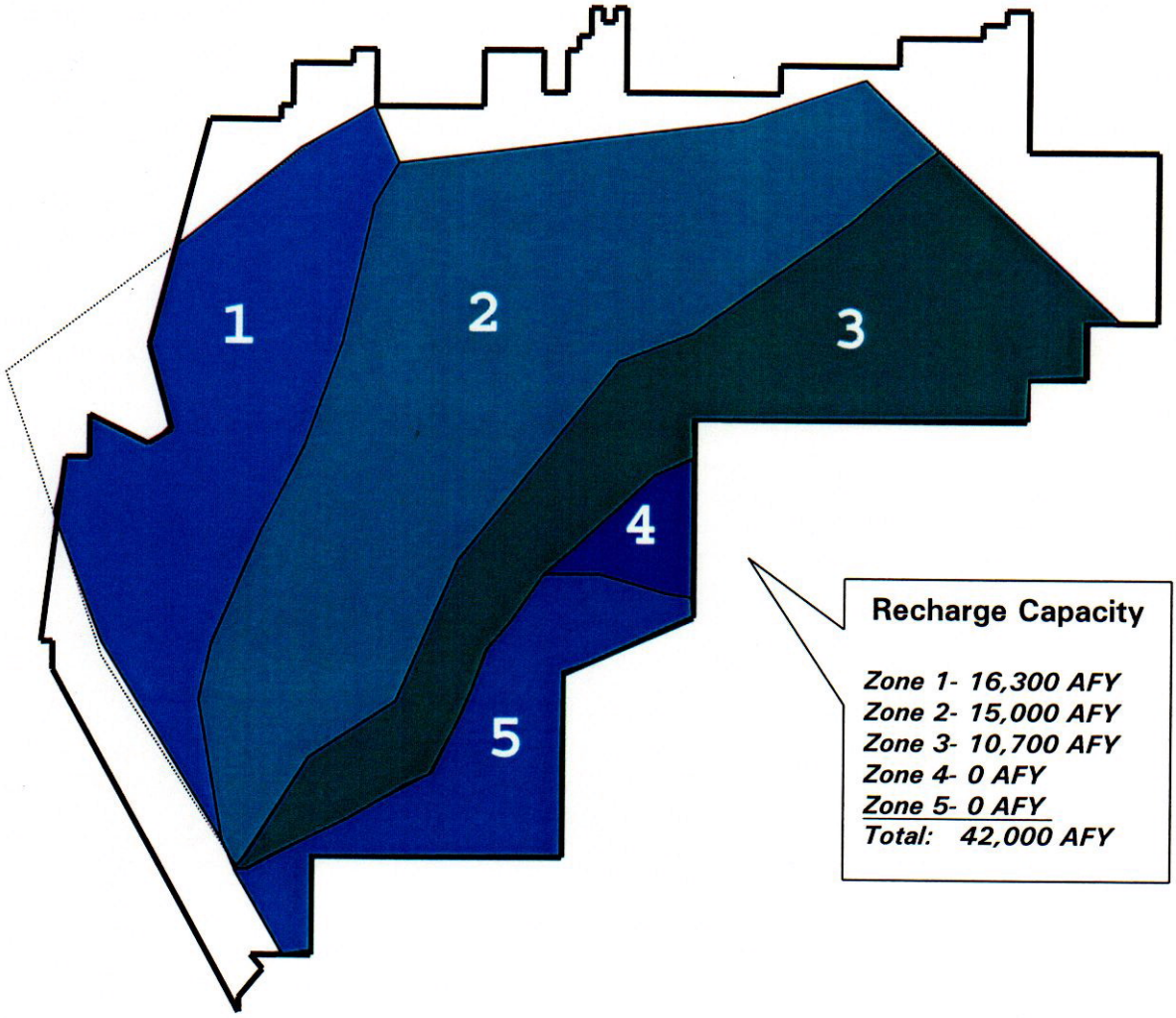


Figure 5-1. OBMP – Groundwater Management Zone.

Table 5-4 summarizes the potential usage of recycled water for groundwater recharge. The total allowed to-date, is 500 AF that was recharged during the first year of the RP-1/Ely Basin pilot project. The capacity of each basin is related to the actual acreage and the location and the porosity of the soils through which the water must pass.

Ely Basin	Zone 2	Chino II	500		500
				Subtotal	500
Near-term Projects					
RP-1 Basin	Zone 2	Chino II	175	325	500
Etiwanda Conservation Basins	Zone 3	Chino II	1,400	2,600	4,000
Ely Basin	Zone 2	Chino II	700	1,300	2,000
Montclair Basins	Zone 1	Chino I	1,785	3,315	5,100
7 & 8 St. Basins	Zone 1	Chino I	1,750	3,250	5,000
Upland Basin	Zone 1	Chino I	315	585	900
Brooks Basin	Zone 1	Chino II	455	845	1,300
Hickory Basins	Zone 2	Chino I	420	780	1,200
Turner Basins 1 thru 9	Zone 2	Chino II	1,750	3,250	5,000
College Heights Basin	Zone 1	Chino I	1,400	2,600	4,000
Wineville Basin	Zone 3	Chino II	1,575	2,925	4,500
Banana Basin	Zone 3	Chino I	175	325	500
Victoria Basin	Zone 2	Chino II	770	1,430	2,200
RP-3 Basins	Zone 3	Chino II	595	1,105	1,700
Jurupa Basin	Zone 2	Chino II	1,260	2,340	3,600
				Subtotal	41,500
				Total	42,000

Table 5-4. Potential Near Term Groundwater Recharge Projects.

CONCLUSION

The Regional Capital Improvement Fund (RC Fund) will, consistent with the Regional Policy Committee and the Agency's Board of Directors' direction, provide a significant portion of the required funding for the IEUA's Recycled Water Distribution System at over $47-million over the five-year plan. However, some $13-million will be returned to the Regional Program between Fiscal Period 2006/2007 and 2009/2010 for a net Regional Program cost of $34-million. Total net capital funding needs are estimated at $110-million (less $13-million returned to Regional Capital) over the next ten years. Approximately $20 million will be needed for the design and construction of the initial "looped" conveyance network for the Regional Recycled

Water Distribution System. Preliminary activities for the improvements to groundwater recharge basins are included at $1.6 million. In addition, the projects, pipelines, and reservoirs needed to expand the system - as well as provide operational reliability - are estimated to cost approximately $8.2 million.

IEUA is also seeking supplemental sources of funding to help finance the capital program. These funds include SAWPA (Proposition 13 State Water Bond), the State Water Resources Control Board (Proposition 13 State Water Bond), the Metropolitan Water District of Southern California (Proposition 13 State Water Bond and Local Projects Program), and federal appropriations (Bureau of Reclamation, Title 16 funds). If more supplemental funds are secured, or revenues are higher than required by the Regional Program, the timing of the design and construction of specific projects within the TYCIP will be moved forward. As currently indicated, some $71-million in outside revenues are estimated to be utilized in this Water Resource Program.

Finally, an additional $5-million in revenues is anticipated to be generated through interest, transfers and other miscellaneous transfers.

In fiscal year 2000/2001, the following RC Fund activities will be initiated:

1) Complete and adopt the Recycled Water Facilities Planning "Master Plan" Study which will provide a detailed capital improvement schedule;

2) Design and construct the "back-bone" Regional Recycled Water Distribution System, related pumping stations, chlorination facilities, and appurtenances;

3) Design and construct lateral pipelines extending from the back-bone system to provide recycled water to the industrial process customers, landscape irrigation accounts, and groundwater recharge basins, with retail utilities that have firm commitments to utilize recycled water;

4) Support the design and refurbishment of groundwater basins in cooperation with the Chino Basin Watermaster, Chino Basin Water Conservation District, and the San Bernardino County Flood Control District.

Overall, the program outlined in this section is meant as a blueprint of activities required to construct a recycled water system. However, as mentioned under the Regional Sewage Program, if revenues are insufficient to fund the Regional Capital Program, revenue transfers would be reduced, or eliminated, until sufficient monies became available. As such, projects in this program would be prioritized and constructed based on the availability of revenues, grants and other transfers, necessary to complete the outlined project.

G:\PP\TYCIP\MAPE-2000DRAFTFINAL



Three of First Four District Employees

Appendices

APPENDIX A

Cash Flow Analyses For Full EDU Scenario

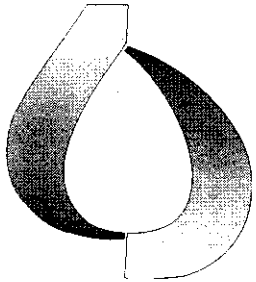
CONNECTION FEE SET AT: $3,530 FOR FY 00/01 THEN $3,660 FOR FY 01/02. THIS RATE IS INCREASED BY 1.95% FOR INFLATION THROUGH FY 05/06, THEN 4% THEREAFTER.

USE TAXES FOR CURRENT AND FUTURE REGS

ASSUMPTIONS:

Inflation Rate of 4.00 percent, and
Interest Rate of 6.00 percent,
to remain constant through the 10 year period.
Construction of the Kimball/Chino Div. And Kimball to Remington Interceptor to be completed in FY 2003/2004.
Construction of Regional Plant No. 5, to 15 mgd, is anticipated to be completed in FY 2003/04 (February 2003).
Construction of the San Bernardino Interceptor is tentatively scheduled for completion by FY 2003/04.
Construction of the expansion of RP-1, to 58 MGD, to be completed in FY 2010/11.

INLAND EMPIRE UTILITIES AGENCY
CONNECTION FEE STUDY
DOMESTIC WASTE CAPITAL FINANCE REPORT
FISCAL PERIOD 2000/2001 - 2009/10
AT FULL EDU's



Prepared
by
IEUA Staff

As of March 1, 2000

In this analysis, a 3.60% escalation of the Reimbursement Payment has been calculated for FY 2001/2002. A 1.95% escalation of the Reimbursement Payment has been assumed until FY 06/07, when a 4% increase is assumed thereafter. In practice, the Reimbursement Payment would be adjusted by the ENGINEERING NEWS RECORD CONSTRUCTION cost index for the Los Angeles area (ENRLA).

Inland Empire
UTILITIES AGENCY

TABLE NO.A-0
REVENUE/COST SUMMARY
FOR EXPANSION AND NON-EXPANSION PROGRAMS
($ X 1000)

REVENUE/COST ITEMS		FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL	FP 1999/2000 - 2008/09 TYCIP TOTAL	CHANGE DOLLAR	CHANGE PERCENT
REVENUES																
Reimbursement Payment (CCRA Calls)	TABLE NO. 2-8	**$27,300**	$18,000	$46,000	$32,000	$17,000	$16,000	$13,000	$4,000	$6,500	$32,000	$49,000	$233,500	$230,000	$3,500	1.5%
Surcharge & Tax Revenue	TABLE NO. 2-7	**11,701**	10,028	10,329	10,638	11,602	12,369	13,171	14,016	14,902	15,838	16,834	129,727	147,874	(18,147)	-12.3%
Excess WC Revenues Returned	TABLE NO. 2-8	**0**	0	0	0	0	0	0	800	4,000	2,000	6,200	13,000	0	13,000	100.0%
Bond Proceeds:	TABLE NO. 2-7	**0**	0	0	0	0	0	0	0	0	0	0	0	29,119	(29,119)	-100.0%
Interest (6%) On Avg. of IEUA Balance	TABLES NO. 2-7/8	**1,459**	2,100	1,337	1,027	925	892	849	837	972	1,294	1,250	11,483	8,475	3,008	35.5%
Capital Repl. Reimb. From RO & TO	TABLE NO. 2-7	**663**	751	270	468	487	506	526	547	569	592	616	5,332	7,703	(2,371)	-30.8%
RP-5 Grant	TABLE NO. 2-8	**0**	5,000	0	0	0	0	0	0	0	0	0	5,000	0	5,000	100.0%
Non-Res. STD Performance Program	TABLE NO. 2-7	**0**	300	225	225	0	0	0	0	0	0	0	750	750	0	0.0%
Water Reclamation Repayment	TABLE NO. 2-7	**619**	0	0	0	0	0	0	0	0	0	0	0	5,675	(5,675)	-100.0%
Obligation Payment	TABLE NO. 2-7	**353**	353	0	0	0	0	0	0	0	0	0	353	0	353	100.0%
Contract Work & Costruction Reimb.	TABLE NO. 2-8	**1,070**	1	20	20	20	20	20	24	25	26	27	203	0	203	100.0%
Lease Revenues	TABLE NO. 2-8	**2**	2	72	12	0	0	0	0	0	0	0	86	0	86	100.0%
RO System Payment													0	413	(413)	-100.0%
Southridge Land Sale													0	1,000	(1,000)	-100.0%
TOTAL REVENUES:		**$43,167**	**$36,535**	**$58,253**	**$44,390**	**$30,034**	**$29,787**	**$27,566**	**$20,224**	**$26,968**	**$51,750**	**$73,927**	**$399,434**	**$431,009**	**($31,575)**	**-7.3%**
COSTS																
Project Costs																
-Expansion & Upgrade Projects	TABLES NO. 2-7/8	**$37,891**	$28,111	$43,171	$33,130	$14,726	$4,893	$5,234	$8,434	$11,762	$33,509	$70,721	$253,691	$275,320	(21,629.1)	-7.9%
Bond Issuance & Repayment (a)																
-1994 & 1996 Bond Repayment	TABLE NO. 2-7	**8,744**	8,746	8,746	8,746	8,746	8,746	8,746	8,746	8,746	8,746	8,746	87,460	87,028	432.0	0.5%
-Bond Covenants Set Aside (b)	TABLE NO. 2-7	**9,200**	9,200	0	0	0	0	0	0	0	0	0	9,200	0	9,200.0	100.0%
-New Loan Bond Repayment	TABLE NO. 2-7	**0**	0	0	0	0	0	0	0	0	0	0	0	0	0.0	100.0%
-Bond Issuance Cost	TABLE NO. 2-7	**0**	0	0	0	0	0	0	0	0	0	0	0	231	(231.0)	-100.0%
-Obligation Fund Payment														2,388	(2,388.0)	-100.0%
Transfers To Other Programs:																
-Water Resources RC Projects (net)	TABLE NO. 2-8	**4,286**	3,500	8,000	2,500	5,300	14,600	12,500	0	0	0	0	46,400	40,935	5,465.0	13.4%
-GG Reimbursement	TABLE NO. 2-7	**1,340**	1,340	1,223	1,100	562	552	543	565	587	611	635	7,718	9,262	(1,543.9)	-16.7%
-CCP Organics Cntr. Study	TABLE NO. 2-8	**6,872**	900	0	0	0	0	0	0	0	0	0	900	0	900.0	100.0%
-CCP Bond & Oper. Transfer	TABLE NO. 2-8	**815**	815	3,075	0	0	0	20	326	373	388	403	5,400	8,153	(2,753.0)	-33.8%
-Transfer For NRW Syst. For 4R RC Proj.	TABLE NO. 2-8	**96**	146	87	73	85	91	133	92	96	100	104	1,007	0	1,007.0	100.0%
-Water Rec. Admin.	TABLE NO. 2-7	**420**	420	420	309	0	0	0	0	0	0	0	1,149	150	999.0	666.0%
Misc.																
-Capital Administration	TABLES NO. 2-7/8	**1,095**	1,095	1,126	1,172	1,218	1,266	1,316	1,368	1,422	1,478	1,538	12,999	12,790	209.0	1.6%
-Special Projects	TABLES NO. 2-7/8	**76**	0	68	70	72	74	76	80	84	88	92	704	0	704.0	100.0%
TOTAL UPGRADE COSTS:		**$70,835**	**$54,273**	**$65,916**	**$47,100**	**$30,709**	**$30,222**	**$28,568**	**$19,611**	**$23,070**	**$44,920**	**$82,239**	**$426,628**	**$436,257**	**($9,629)**	**-2.2%**
NET REVENUES/(COSTS):		**($27,668)**	**($17,738)**	**($7,663)**	**($2,710)**	**($675)**	**($435)**	**($1,002)**	**$613**	**$3,898**	**$6,830**	**($8,312)**	**($27,194)**	**($5,248)**	**($21,946)**	**418.2%**
MEMBER AGENCIES BALANCES:																
Beginning of Year	TABLE NO. 2-8	$48,040	$49,662	$44,751	$17,940	$6,263	$9,529	$13,648	$20,973	$37,751	$52,873	$44,148	$49,662	37,650	$12,012	31.9%
Reimbursement Fee Revenues	TABLE NO. 2-8	15,780	13,089	19,189	20,323	20,266	20,119	20,325	20,778	21,622	23,275	23,803	202,789	280,596	(77,807)	-28%
IEUA Call For Funds & Refunds	TABLE NO. 2-8	(27,300)	(18,000)	(46,000)	(32,000)	(17,000)	(16,000)	(13,000)	(4,000)	(6,500)	(32,000)	(49,000)	(233,500)	(230,000)	(3,500)	2%
End of Year		$36,520	$44,751	$17,940	$6,263	$9,529	$13,648	$20,973	$37,751	$52,873	$44,148	$18,951	$18,951	$88,246	($69,295)	-78.5%
IEUA BALANCES (c):																
Beginning Capital Reserves, July 1	TABLES NO. 2-7/8	**$29,457**	**$34,665**	**$16,927**	**$9,264**	**$6,554**	**$5,879**	**$5,444**	**$4,442**	**$5,055**	**$8,953**	**$15,783**	**$34,665**	**$16,813**	**$17,852**	**106.2%**
Ending Capital Reserves, June 30		**$1,789**	**$16,927**	**$9,264**	**$6,554**	**$5,879**	**$5,444**	**$4,442**	**$5,055**	**$8,953**	**$15,783**	**$7,471**	**$7,471**	**$11,565**	**($4,094)**	**-35.4%**

(a) It has been assumed, that as a condition of any new Bond Debt, the Regional Sewerage Service Contract would need to be modified to allow debt to go beyond 2022.

(b) As a condition of current Bond Debt Covenants, a minimum of $9.2 million must be maintained in reserves. In addition, two months costs (next year) plus $2-million for Program minumum balances, must be maintained.

(c) Minumum reserve requirements are two months costs (next years'), but not less than $2-million for Program minumum balances($1-million "expansion" and $1-million for "non-expansion").

Inland Empire
UTILITIES AGENCY

TABLE NO.A-1 (Continued)
RP-1 SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR										TOTAL
			2000/2001		FIVE YEAR BUDGET								
			Years Budget	Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	
EFFICIENCY PROJECTS														
RP-1 Cogeneration Imp.	EN95012	0%	$315	$18	$44									$62
RP-1 Sec. Aeration Mod.	EN96050	50%	887	0										0
RP-1 Sec. Eff. to Lagoon #3	EN99014	0%	123	22										22
TP-1 Energy Recovery	EN20046	0%	24	0										0
RP-1 Power Mngmt Syst.	PA04011	0%					33							33
RP-1 IPS&RAS Energy		0%		300	35									335
Subtotal Efficiency			$1,349	$340	$79	$0	$33	$0	$0	$0	$0	$0	$0	$452
OTHER PROJECTS														
RP-1 Landscaping	EN98007	0%	$305	$700	$20									$720
RP-1 Philadelphia Entry Widening	EN99003	0%	405	62	273	257								592
	EN01015													
RP-1 A.B. Sprays	EN20017	0%	170	98	125									223
RP-3 Demolition	EN01026	0%	157	1	156									157
RP-1 Auto. Pannel Flexing System	EN02003	0%			100	277								377
RP-1 Digestor & Solids Processing Imp.	EA02005	0%			3									3
	PA02013				32									32
	EN01033						51	377	764					1,192
	EN02035				460	2,000	1,000							3,460
	EN01036			1,000	200									1,200
	EN06007								50	100	1,161	650		1,961
	EN03006					43								43
	PA03016					19								19
RP-1 Sludge Blanket Level Det.	EA02001	0%			42									42
RP-1 Rel. Pumps & Analyzers @ Prado	PA02005	0%			35									35
RP-1 pH Control System	EN02006	0%			246									246
RP-1Influent Control pH Monitoring	EC02010	0%			12									12
RP-1 CL_2 Analyzers	EA02006	0%			8									8
RP-1 H_2S Gas Analyzers	EA02010	0%			13									13
RP-1 Filter Effluent Gallery Access	EN02011	0%			20	188								208
RP-1 Washwater Pump Well Access	EN02013	0%			30	160								190
RP-1 Lagoon Cleaning Pump	PA02019	0%			6									6
RP-1 Induction Water Clamp	OA03001	0%				42								42
RP-1 Data Logger Calibration	PA03005	0%				11								11
CMOM & Conveyance System Work		50%												
-Upland Interceptor Evaluation	EN96039		11	0										0
-Montclair Int. TV Inspection	EN03007					13								13
-Archibald Trunk TV Inspection	EN03008					11								11
-Etiwanda Interceptor MH	EN03009					74	300							374
RP-1 Air Compressor Retrofit	PA03008	0%				24								24
RP-1 Aeration Basin Drain Pumps	EN03011	0%			20	279								299
RP-1 Closed Loop for Gas Compressor	PA03015	0%				31								31
RP-1 ABS PS Power Feed for TP-1	EA04001	0%					16							16
RP-1 Automated Chemical Reordering Sys.	PA04002	0%					39							39

(a) New regulations are shown in italics

Inland Empire
UTILITIES AGENCY

TABLE NO.A-1 (Continued)
RP-1 SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR										TOTAL
					FIVE YEAR BUDGET								
			2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	
OTHER PROJECTS Cont.														
RP-1 Install Wireless Remote Wrkstn.	IS03009	0%				$30								$30
RP-1 Blower Upgrades	EN06003	0%							623					623
RP-1 Misc Small Capital Projects		0%				50	100	150	200	770	801	833	866	3,770
	EA98002	0%	0	1										1
	EN01008	0%	24	0										0
	EN97003	0%	15	0										0
	EN97029	0%	21	0										0
	EA01002	0%	10	10										10
	PA01007	0%	17	17										17
	EA99001	0%	1	0										0
	PA01009	0%	39	76										76
RP-1 CL_2 Leak Alarms @ TP-1	EA02003	0%			5									5
RP-1 Replace Daft Lights	EA02007	0%			5									5
TP-1 Closed Circuit TV Camera/Vied.	GS02016	0%			9									9
RP-1 Keyless Door Hrdwr.	GS03002	0%				6								6
RP-1 Replace TP-1 Tank & Facilities	OA05002	0%						5						5
Subtotal Other			$1,175	$1,965	$1,820	$3,515	$1,506	$532	$1,637	$870	$1,962	$1,483	$866	$16,156
TOTAL RP-1			$6,204	$3,494	$4,418	$3,929	$2,123	$2,169	$2,250	$2,518	$5,560	$1,483	$866	$28,810
TOTAL RP-1 NEW REGULATIONS			$1,348	$416	$1,840	$49	$150	$0	$243	$1,648	$3,598	$0	$0	$7,944

(a) New regulations are shown in italics

Inland Empire
UTILITIES AGENCY

TABLE NO. A-2
RP-4 SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REGIONAL PLANT NO. 4														
REFURBISHMENT PROJECTS														
RP-4 Replace Sprinkler Syst.	PA02033	0%			$52									$52
RP-4 Refurbish IPS Pumps	PA04008	0%					27							27
RP-4 Pavement Maint.	EN05003	0%						70						70
RP-4 Refurb. Plant Process WP	PA06001	0%							6					6
RP-4 Coatings Maint.	EN06002	0%							60					60
Subtotal Refurbishment			$0	$0	$52	$0	$27	$70	$66	$0	$0	$0	$0	$215
EFFICIENCY PROJECTS														
RP-4 Lagoon Modification	EN20011	0%	$36	$68	$8									$76
RP-4 Filter Improvements	EA01001	0%	43	43										43
RP-4 Primary Clarifier	EN01003	0%	98	10	20	290	3,511							3,831
RP-4 Scum Removal System Improvements	EN01004	0%	48	40	30									70
RP-4 Relocate & Rebuild 580kW Gen.	EN01033	0%			500									500
RP-4 Aeration System Improvements	EN02029	0%			400	2,899								3,299
RP-4 Retrofit Ditch 1 & 2	PA02032	0%			31									31
RP-4 Power Mngmt. Sys.	PA04011	0%					32							32
Subtotal Efficiency			$225	$161	$989	$3,189	$3,543	$0	$0	$0	$0	$0	$0	$7,882
OTHER PROJECTS														
RP-4/TP-1 Declorination Modifications	EN99010	0%	$9	$0										$0
RP-4 H.W. Vactor Dump Station	EN20043	0%	128	42	275									317
RP-4 Misc. Improvements	EN20025	0%	92	207	3									210
	EN20026	0%												
	EN20041	0%												
RP-4 Cover & Post Aeration Tank	EN01011	0%	191	185	250									435
RP-4 Standby Climber Screen & Screening Pr	EN01012	0%	291	132	364									496
RP-4 Vactor Dump Station/Odor Control	EN01013	0%	148	27	361									388
RP-4 Disinfection Evaluation & Report	EN01014	0%	33	33										33
RP-4 Misc Small Capital Projects		0%				42	44	46	48	99	103	107	111	600
	GS01001		14	14										14
	EA01003		20	21										21
	EN20027		9	16										16
	EN20029		2	25										25
RP-4 Update HW Level Controls	PA03003					39								39
RP-4 Install Keyless Door Hardware	GS03002					6								6
Subtotal Other			$937	$702	$1,253	$87	$44	$46	$48	$99	$103	$107	$111	$2,600
TOTAL RP-4			$1,162	$863	$2,294	$3,276	$3,614	$116	$114	$99	$103	$107	$111	$10,697
TOTAL RP-4 NEW REGULATIONS			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

(a) New regulations are shown in italics

Inland Empire
UTILITIES AGENCY

TABLE NO. A-3
RP-2/5 SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR										TOTAL
					FIVE YEAR BUDGET								
			2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	
REGIONAL PLANT NO.2														
CAPACITY RESTOR. PROJ.														
Replace RP-2 at (5mgd Non-Exp.) (b)	EN95028	3.57%	$8,333	$6,700	$9,154	$5,816	$667							$22,337
Chino Interceptor Diversion (c)	EN97004	0%	750	159	517									676
RP-5 Maintenance Building (b)	EN02010	0%			333	333								666
Subtotal Capacity Restor.			$9,083	$6,859	$10,004	$6,149	$667	$0	$0	$0	$0	$0	$0	$23,679
REFURBISHMENT PROJECTS														
RP-2 Recycle Flow Pump	PB01001	0%	$27	$27										$27
RP-2 Well Pump Replacement	OB01002			14			32							46
RP-2 Recycled Flow PS Repaint	EN02005	0%			23									23
RP-2 Solid System Pump	PA02006	0%			11									11
RP-2 Repl. Cl_2 Residual Analyzers	PA02011	0%			14									14
RP-2 Digestor Cover Coating	EN02024	0%			89									89
RP-2 Refurb. Primary Clarifier	PA02025	0%			41									41
RP-2 Landscaping & Pavement Maint.	EN04002	0%					40	33						73
RP-2 Coatings Maint.	EN06004	0%							120					120
RP-2 Pavement Maint.	EN06005	0%							130					130
Subtotal Refurbishment			$27	$41	$178	$0	$72	$33	$250	$0	$0	$0	$0	$574
EFFICIENCY PROJECTS														
RP-2 Digestion System Improvements	EN01029	0%		$56	$734	$900								$1,690
RP-2 Micro Turbines					1,150	50								1,200
RP-2 Wakesha Engine Generator	PA04009	0%					151							151
RP-2 Power Mngmt Syst.	PA04011						32							32
Subtotal Efficiency			$0	$56	$1,884	$950	$183	$0	$0	$0	$0	$0	$0	$3,073
OTHER PROJECTS														
0.5 MGD SARI Purchase (97/98)(d)	IW98005	0%	$89	$89	$89	$557	$89	$583	$89	$607	$89	$633	$89	$2,914
RP-2 Liquids Side Demolition (e)		0%										76	6,580	6,656
RP-5 Truck Wash Facility		0%								35	175			210
RP-2 Potable Water Connection	EN04003	0%					227							227
RP-2 Engine Room Ventilation System	EN02030	0%					40	32						72
RP-2 Landscaping & Maint.	EN02031	0%			27									27
RP-2 Install Keyless Door Hardware	GS03002	0%				5								5
RP-2 Misc Small Capital Projects		0%				42	44	46	48	50	52	54	56	392
	PB20003		30	0										0
	EB01001		5	5										5
RP-2 PLC Network to DCS	PA04001						38							38
Subtotal Others			$124	$94	$116	$604	$438	$661	$137	$692	$316	$763	$6,725	$10,546
TOTAL RP-2			$9,234	$7,050	$12,182	$7,703	$1,360	$694	$387	$692	$316	$763	$6,725	$37,872
TOTAL RP-2 NEW REGULATIONS			$297	$239	$327	$208	$24	$0	$0	$0	$0	$0	$0	$797

(a) New regulations are shown in italics

(b) The RP-2 "expansion" (10 mgd) portion of the RP-5 project is shown on: TABLE NO. A-6

(c) The Chino Interceptor Diversion is the non-expansion portion of the Kimball Interceptor Diversion project outlined on: TABLE NO. A-6

(d) The cost of capacity is based on the purchase of 0.5 mgd of pipeline capacity at $3.75/gallon/day, with 5% down, and 20 years to repay the remaining principal at no interest . The cost of treatment capacity, at an assumed strength cost, is based on the purchase of 0.1 mgd increments of capacity every other year, at an adjusted FY 1999/2000 cost of $4.50/gallon.

(e) The RP-2 Liquids Side Demolition costs have been allocated just prior to 2010, when the IEUA lease with US Corps of Engineers expires and the revised lease provisions might require site mitigation.

Inland Empire
UTILITIES AGENCY

TABLE NO.A-4
CCWRF SERVICE AREA
NON-EXPANSION PROGRAM(a)

REVENUE/COST ITEMS			FISCAL YEAR										TOTAL
					FIVE YEAR BUDGET								
			2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	
CARBON CANYON WRF														
REFURBISHMENT PROJECTS														
CCWRF Refurbish Asphalt Pavement	EN98003	0%	$20	$41										$41
CCWRF Repl. CL2 Cnt.Tnk Gate	EN98006	0%	27	66										66
CCWRF Repl. AB Eff. Gates	EN99007	0%	165	33	152	65								250
CCWRF Cl2 Bldg. Piping Improvements	EN01002	0%	14	14	3									17
CCWRF Replace Bar screen Enclosure	OB01001	0%	38	38										38
CCWRF Thermal Flow Meter Roters	PA02010	0%			22									22
CCWRF Repl. Cl2 Residuals Analysis	PA02011	0%			13									13
CCWRF Influent Structure Repair	EN02015	0%			123									123
CCWRF Aeration Drain Valves	EN03001	0%				127	102							229
CCWRF Coatings Maintenance	EN06001	0%							120					120
CCWRF Repl. Workstation Monitoring	PA06006	0%							11					11
Subtotal Refurbishment			$264	$192	$313	$192	$102	$0	$131	$0	$0	$0	$0	$930
NEW REGULATION PROJECTS														
Subtotal New Regulations			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EFFICIENCY PROJECTS														
CCWRF Aeration Modification Design	EN01001	0%	$23	$0				$161	$1,264					$1,425
CCWRF Install 580 kW Generator	EN01033	0%			500									500
CCWRFPower Mngmt. Syst.	PB04011	0%					33							33
Subtotal Efficiency			$23	$0	$500	$0	$33	$161	$1,264	$0	$0	$0	$0	$1,958
OTHER CCWRF PROJECTS														
CCWRF Emergancy Scrubber Mods.	PB20002	0%		$15	$44									$59
CCWRF Allen Bradley Network	IS02004	0%			35									35
CCWRF Air Conditioner	PA02016	0%			4									4
CCWRFRemote Workstation	IS02019	0%			17									17
CCWRF Install Wireless Workstation	IS03009	0%				30								30
CCWRF Misc Small Capital Projects		0%				42	44	46	48	127	132	137	142	718
CCWRF Grit Slurry Pump Volute Rep.	PA02007	0%			5									5
Subtotal Others			$0	$15	$105	$72	$44	$46	$48	$127	$132	$137	$142	$868
TOTAL CCWRF			$287	$207	$918	$264	$179	$207	$1,443	$127	$132	$137	$142	$3,756
TOTAL CCWRF REGULATIONS			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

(a) New regulations are shown in italics

Inland Empire
UTILITIES AGENCY

TABLE NO. A-5
REGIONAL PROJECTS
NON-EXPANSION PROGRAM (a)

REVENUE/COST ITEMS			FISCAL YEAR										TOTAL
					FIVE YEAR BUDGET								
			2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	
REGIONAL PROJECTS														
Facility Energy Audits (Non-Std Resid. Prog)	FN99002	0%	$7	$42										$42
Regional Interceptor Capacity Monitoring	EN02004	50%			10	21								31
Possible CMOM Implimintation		100%			300	100								400
Manhole Sealing Project	EN02016	100%			37									37
Remote Site Telemetry	EA03001	0%				23								23
ISCO Samplers	EC03001	100%				6								6
Misc. Coating Maint.	EN04001	0%					29							29
Filtration Turbidity Monitoring		100%								214				214
Inflow Control		0%								69	1,217			1,286
Misc Small Capital Projects		0%				47	49	51	53	55	57	59	61	432
PH Portable Recorder	EC02001	100%			6									6
	IW01001		5	1										1
	IW01002		5	5										5
	GS99003		10	9	5									14
	GS01003		9	9										9
	EN02001				30	30								60
	PL02003				11									11
	PL02004				8									8
	GS02012				4									4
	PA05006	0%						17						17
SUBTOTAL REGIONAL PROJECTS			**$36**	**$66**	**$411**	**$227**	**$78**	**$68**	**$53**	**$338**	**$1,274**	**$59**	**$61**	**$2,635**
SUBTOTAL REGIONAL REGULATIONS			**$0**	**$0**	**$348**	**$117**	**$0**	**$0**	**$0**	**$214**	**$0**	**$0**	**$0**	**$679**
TOTAL NON-EXPANSION PROJECTS			**$16,923**	**$11,680**	**$20,223**	**$15,399**	**$7,354**	**$3,254**	**$4,247**	**$3,774**	**$7,385**	**$2,549**	**$7,905**	**$83,770**
TOTAL NON-EXPANSION REGULATIONS			**$1,645**	**$655**	**$2,515**	**$374**	**$174**	**$0**	**$243**	**$1,862**	**$3,598**	**$0**	**$0**	**$9,420**

(a) New regulations are shown in italics

Inland Empire
UTILITIES AGENCY

TABLE NO. A-6
EXPANSION PROGRAM (a)

REVENUE/COST ITEMS			FISCAL YEAR										TOTAL
					FIVE YEAR BUDGET								
			2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	
REGIONAL PROJECTS													
RP-4 Phase I at 7 mgd	EN96043	6.02%	**$200**	$0									$0
SARI Purchase/Pipeline Capacity (99/00)	IW20005	100%	**293**	293	293	293	293	293	293	293	293	293	293	2,930
Future SARI Capacity/Pipeline Purchase (99/00) (b)		0%				973		1,053		1,139		1,232		4,397
San Bern. Ave. Inter.& Land (c)	EN99002	0%	**234**	20	55	348	1,607	31						2,061
RP-3/RP-4 Land Acquisition	EN99005	6.02%	**140**	0	25	33	3,400							3,458
Archibald Relief Sewer	EN99009	0%	**1,786**	1,829										1,829
Cucamonga Interceptor Mods	EN20049	0%	**116**	77	112									189
RP-5 15 mgd (10.0 mgd exp) (d)	EN95028	3.57%	**16,667**	13,368	18,307	11,633	1,333							44,641
RP-5 Maint. & Oper. Bldg. Furn./ Equip.	EN02008	0%			21	910								931
RP-5 Maint. & Oper. Multi Use Bldg.	EN02010	0%			666	666								1,332
Kimball Interceptor (e)	EN97004	0%	**1,158**	398	1,570	2,192	505							4,665
	PL02012	0%												
Upland Inter. Relief, Phase II	EN20033	0%	**91**	37	1,128	365								1,530
Northern Service Area MP & Program EIR	PL01001	0%	**98**	243	586	86								915
RP-1 Expansion To 58 mgd (14 mgd Mod.)	PL05001	6.02%						26	456	2,984	3,837	29,185	62,270	98,758
Regional Construction & Reimb. Const.	CW0(1,2,3,4,5,6)300	0%	**20**	1	20	20	20	20	20	24	25	26	27	203
Misc Small Capital Projects						47	49	51	53	55	57	59	61	432
SUBTOTAL REGIONAL PROJECTS			**$20,803**	**$16,266**	**$22,783**	**$17,566**	**$7,207**	**$1,474**	**$822**	**$4,495**	**$4,212**	**$30,795**	**$62,651**	**$168,271**
TOTAL EXPANSION PROJECTS			**$20,803**	**$16,266**	**$22,783**	**$17,566**	**$7,207**	**$1,474**	**$822**	**$4,495**	**$4,212**	**$30,795**	**$62,651**	**$168,271**
TOTAL REGULATION FOR EXPANSION			**$908**	**$770**	**$948**	**$710**	**$545**	**$295**	**$320**	**$473**	**$524**	**$2,050**	**$4,042**	**$10,677**

(a) New regulations are shown in italics

(b) The Cost of new Capacity is based on the purchase of 1.0 mgd of pipeline capacity at $3.75 gpd. The cost of treatment capacity is at an assumed cost of $4.50/gallon (FY99/00), which will be purchased in 0.2 mgd increments every other year.

(c) The IEUA is currently conducting an alignment study for this facility. Cost are based on an alignment from San Sevain Channel (San Bernardino Ave.) to Etiwanda Ave. then to the Fontana Interceptor Relief. The actual cost/alignment will not be known until the alignment study has been completed. Scheduled project completion is for FY 2003/2004.

(d) The RP-2 Force Main & Pump Station, and RP-5 treatment plant, "non-expansion" (5 mgd) portion of the total cost is shown in: TABLE NO. A-3

(e) The Kimball Interceptor is the expansion portion of the Kimball & Chino Interceptor Diversion Project outlined in Table No. A-3 and includes the proposed segment to Remington St.

Inland Empire
UTILITIES AGENCY

TABLE NO. A-7
REVENUE/COST SUMMARY
FOR NON-EXPANSION PROJECTS
($ X 1000)

REVENUE/COST ITEMS		FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REVENUES													
Surcharge & Tax Revenue	TABLE NO. A-14	$11,701	$10,028	$10,329	$10,638	$11,602	$12,369	$13,171	$14,016	$14,902	$15,838	$16,834	$129,727
Transfer From Expansion Fund	TABLE NO. A-8	8,000	7,400	19,000	13,500	4,100	300	300	0	1,500	0	4,100	50,200
Interest (6%) On Avg. of IEUA Balance		924	1,321	891	801	725	698	703	718	720	741	777	8,095
Capital Repl. Reimb. From RO & TO		663	751	270	468	487	506	526	547	569	592	616	5,332
NRW System Loan Repayment		0	0	0	0	0	0	0	0	0	0	0	0
Non-Residential STD Performance Program (Grant)			300	225	225								750
Water Reclamation Repayment (a)		619	0	0	0	0	0	0	0	0	0	0	0
Obligation Payment		353	353										353
Regs Bond & Surcharge Revenue:													0
Bond Proceeds:													0
TOTAL REVENUES:		$22,260	$20,153	$30,715	$25,632	$16,914	$13,873	$14,700	$15,281	$17,691	$17,171	$22,327	$194,457
COSTS													
Upgrade & Regs Projects	TABLE NO. A-5	$16,923	$11,680	$20,223	$15,399	$7,354	$3,254	$4,247	$3,774	$7,385	$2,549	$7,905	$83,770
Expansion Regs Transfer	TABLE NO. A-6	908	770	948	710	545	295	320	473	524	2,050	4,042	10,677
Expansion Transfer	TABLE NO. A-8	0	0	0	0	0	0	0	300	0	1,100	0	1,400
Bond Issuance Cost		0	0	0	0	0	0	0	0	0	0	0	0
NRWS User Charges - Reg. Prog. Users (99/00)	TABLE NO. A-10	165	165	165	165	165	165	165	165	165	165	165	1,650
GG Reimbursement		1,340	1,340	1,223	1,100	562	552	543	565	587	611	635	7,718
NRW System Loan		0	0	0	0	0	0	0	0	0	0	0	0
Operating Transfer-Water Rec. Admin.		420	420	420	309								1,149
Bond Covenants Set Aside (c)		9,200	9,200										9,200
1994 Bond Repayment		6,412	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	64,140
1999 Bond Repayment		2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	23,320
New Loan Bond Repayment (6.0%, 30 years) (b)		0	0	0	0	0	0	0	0	0	0	0	0
Capital Administration(50%)		547	547	563	586	609	633	658	684	711	739	769	6,499
Special Projects (50%)		38	0	34	35	36	37	38	40	42	44	46	352
TOTAL UPGRADE COSTS:		$38,285	$32,868	$32,322	$27,050	$18,017	$13,682	$14,717	$14,747	$18,160	$16,004	$22,308	$209,875
NET REVENUES/(COSTS):		($16,025)	($12,715)	($1,607)	($1,418)	($1,103)	$191	($17)	$534	($469)	$1,167	$19	($15,418)
IEUA BALANCES (d):													
Beginning Capital Reserves, July 1		$16,294	$19,175	$6,460	$4,853	$3,435	$2,332	$2,523	$2,506	$3,040	$2,571	$3,738	$19,175
Ending Capital Reserves, June 30		$269	$6,460	$4,853	$3,435	$2,332	$2,523	$2,506	$3,040	$2,571	$3,738	$3,757	$3,757

(a) With the Reginolization of the Water Resources Program it has been assumed that repayments from the Water Resources Program will end in FY 2000/01.

(b) It has been assumed, that as a condition of any new Bond Debt, the Regional Sewerage Service Contract would be modified to allow debt to beyond 2022 by FY 2002/03.

(c) As a condition of current Bond Debt Covenants, a minimum of $9.2 million must be maintained in reserves.

(d) Balance requirements are two months costs (next years') - less "expansion" transfer - plus $1-million be maintained.

Inland Empire
UTILITIES AGENCY

TABLE NO. A-8
REVENUE/COST SUMMARY
FOR EXPANSION PROJECTS
($ X 1000)

GROWTH & REVENUE ITEMS		FISCAL YEAR										
				FIVE YEAR BUDGET								
		2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REVENUES												
Reimbursement Payment (CCRA calls)	TABLE NO. A-6	$27,300	$18,000	$46,000	$32,000	$17,000	$16,000	$13,000	$4,000	$6,500	$32,000	$49,000	$233,500
Excess WC Revenues Returned	TABLE NO. A-12	0	0	0	0	0	0	0	800	4,000	2,000	6,200	13,000
Taxes Transferred For Regs.		908	770	948	710	545	295	320	473	524	2,050	4,042	10,677
RP-5 Grant			5,000										5,000
Interest(6%) on Avg. of IEUA Balance		535	779	446	226	200	194	146	119	252	553	473	3,388
Contract Work & Costruction Reimb.	TABLE NO. A-6	1,070	1	20	20	20	20	20	24	25	26	27	203
Non-Expansion Transfer	TABLE NO. A-7	0	0	0	0	0	0	0	300	0	1,100	0	1,400
Borrowing:													0
SRF													0
Bonds													0
Others (10,0%)													0
Lease Revenues		2	2	72	12								86
TOTAL REVENUES:		$29,815	$24,552	$47,486	$32,968	$17,765	$16,509	$13,486	$5,716	$11,301	$37,729	$59,742	$267,254
COSTS													
Expansion Projects W/Regs	TABLE NO. A-6	$20,803	$16,266	$22,783	$17,566	$7,207	$1,474	$822	$4,495	$4,212	$30,795	$62,651	$168,271
Expansion Transfers To Other Programs:													
-CCP Bond & Oper. Transfer		815	815	3,075	0	0	0	20	326	373	388	403	5,400
-CCP Organics Cntr. Study	TABLE NO. A-11	6,872	900	0	0	0	0	0	0	0	0	0	900
-Water Resources RC Projects (a)	TABLE NO. A-12	4,286	3,500	8,000	2,500	5,300	14,600	12,500	0	0	0	0	46,400
-Transfer For NRW Syst. For 4R RC Proj. (a)	TABLE NO. A-10	96	146	87	73	85	91	133	92	96	100	104	1,007
Transfer to Non-Expansion	TABLE NO. A-7	8,000	7,400	19,000	13,500	4,100	300	300	0	1,500	0	4,100	50,200
Bond Issuance Cost (1.2%)		0	0	0	0	0	0	0	0	0	0	0	0
Debt Service For Bonds:													
SRF,3%,30 yr.		0	0	0	0	0	0	0	0	0	0	0	0
Bonds,6%, 30 yr.		0	0	0	0	0	0	0	0	0	0	0	0
Others,0%,10		0	0	0	0	0	0	0	0	0	0	0	0
Capital Administration (50%)		548	548	563	586	609	633	658	684	711	739	769	6,500
Special Projects (50%)		38	0	34	35	36	37	38	40	42	44	46	352
TOTAL EXPANSION COSTS:		$41,458	$29,575	$53,542	$34,260	$17,337	$17,135	$14,471	$5,637	$6,934	$32,066	$68,073	$279,030
NET REVENUES/(COSTS)		($11,643)	($5,023)	($6,056)	($1,292)	$428	($626)	($985)	$79	$4,367	$5,663	($8,331)	($11,776)
MEMBER AGENCIES BALANCES:													
Beginning of Year		$48,040	$49,662	$44,751	$17,940	$6,263	$9,529	$13,648	$20,973	$37,751	$52,873	$44,148	$49,662
Reimbursement Fee Revenues	TABLE NO. A-14	15,780	13,089	19,189	20,323	20,266	20,119	20,325	20,778	21,622	23,275	23,803	202,789
IEUA Call For Funds & Refunds		(27,300)	(18,000)	(46,000)	(32,000)	(17,000)	(16,000)	(13,000)	(4,000)	(6,500)	(32,000)	(49,000)	(233,500)
End of Year		$36,520	$44,751	$17,940	$6,263	$9,529	$13,648	$20,973	$37,751	$52,873	$44,148	$18,951	$18,951
IEUA BALANCE (b):													
Beginning Capital Reserves, July 1		$13,163	$15,490	$10,467	$4,411	$3,119	$3,547	$2,921	$1,936	$2,015	$6,382	$12,045	$15,490
Ending Capital Reserves, June 30		$1,520	$10,467	$4,411	$3,119	$3,547	$2,921	$1,936	$2,015	$6,382	$12,045	$3,714	$3,714

(a) Assumes payments by RC for Regionalized projects.

(b) Balance requirements are that two months costs (next years') , less "non-expansion" transfer, but not less than $1-million.

Inland Empire
UTILITIES AGENCY

TABLE NO. A-9
PROJECTED STATUS OF REIMBURSEMENT
PAYMENT RECEIPTS
($ X 1000)

FISCAL YEAR	ANNUAL CONTRACTING AGENCY RECEIPTS	IEUA EXPENDITURE OF FUNDS COLLECTED AT 4% INFLATION (a)	BALANCE OF FUNDS COLLECTED	BALANCE OF FUNDS COLLECTED FOR 5 OR MORE YEARS
1989-90	11,331	33,257	0	0
1990-91	4,844	13,560	0	0
1991-92	6,074	9,750	0	0
1992-93	4,337	0	4,337	0
1993-94	3,770	0	8,107	0
1994-95	4,906	0	13,013	0
1995-96	6,801	4,600	15,214	0
1996-97	11,185	5,125	21,274	0
1997-98	13,551	24,519	10,306	0
1998-99	13,718	14,637	9,387	0
1999-00	14,390	3,200	20,577	0
2000-01	13,089	18,000	15,666	0
2001-02	19,189	46,000	0	0
2002-03	20,323	32,000	0	0
2003-04	20,266	17,000	3,266	0
2004-05	20,119	16,000	7,385	0
2005-06	20,325	13,000	14,710	0
2006-07	20,778	4,000	31,488	0
2007-08	21,622	6,500	46,610	0
2008-09	23,275	32,000	37,885	0
2009-10	18,951	49,000	7,836	0

Inland Empire
UTILITIES AGENCY

TABLE NO. A-10
REVENUE/COST SUMMARY
FOR THE NON-RECLAIMABLE WASTEWATER CAPITAL IMPROVEMENT
($ X 1000)

REVENUE/COST ITEMS		FISCAL YEAR										
				FIVE YEAR BUDGET								
		2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
NRWS CAPITAL IMPROVEMENT FUND													
REVENUES													
User Charges - NRWS Users (a)		$1,089	$1,089	$1,092	$1,095	$1,097	$1,087	$1,087	$1,087	$1,087	$1,087	$1,087	$10,895
NO Transfers, To (Net) (b)		1,166	1,166	842	5,000	1,957	1,580	1,314	1,177	1,351	3,621	1,351	19,359
Interest Earned On Capital Reserves, 6%		124	297	246	291	343	313	232	163	173	177	128	2,363
User Charges - RC Users	TABLE NO. A-7	165	165	165	165	165	165	165	165	165	165	165	1,650
Capacity Fees - NRWS Users (c)		0	0	97	101	105	109	113	118	123	128	133	1,027
Expansion 4 R's Replacement Tran.from RC		96	146	87	73	85	91	133	92	96	100	104	1,007
Contract Reimb. Work & Other Misc. Revenues		49	49	61	63	66	68	71	74	77	80	83	692
RC Loan (Table No. 5)(d)								0					0
TOTAL REVENUES:		$2,689	$2,912	$2,590	$6,788	$3,818	$3,413	$3,115	$2,876	$3,072	$5,358	$3,051	$36,993
COSTS													
NRW Capital Administration		$153	$138	$142	$148	$154	$160	$167	$173	$180	$187	$195	$1,644
Work-In-Progress:													
-NRW Grove Ave Grade Sep.	EN92007	445	8	92	303	50							453
-NRW Refurbish Manholes (4R Charge)	EN98009	121	132	22									154
-NRW Chemical Injection Facility	EN98010	266	6										6
-NRW Edison Line Pressure Manhole	EN99011	63	50										50
-NRW 1.0 MGD SARI Purch. (97/98)(e)	IW99002	178	178	178	178	178	178	178	178	178	178	178	1,780
-NRW Contract Agency Selg Monitoring	EC02002			11									11
-NRW Industry Facilities Layouts	EC02003			2									2
-NRW Manhole Repairs	EN05006						30	800					830
-Philadelphia P.S. Landcape Improv.	GS02011			6									6
-Philadelphia P.S. Impellers	PA02026			9									9
-Philadelphia P.S. Pump #3	PA02028			30									30
Other Projects:													
-Northern NRWS Pipeline Upgrades		0	0						10	250	250	500	1,010
-Misc. Small Capital Projects		0	0		150	150	150	150	325	499	2,769	499	4,692
-Contract Work	CW(2,3,4,5,6)700	40	40	73	76	79	82	85	89	92	96	100	812
CSDLAC 4R Charges:													
-Historic 4R Charges (f)	EC0(2,3,4,5,6)009	1,163	1,066	1,105									2,171
-Future 4R Charges	IW01009	1,262	1,924	1,147	964	1,122	1,195	1,751	1,215	1,264	1,314	1,367	13,262
Transfer/Loan Repayment:													
GG Rimbursement		149	149	125	122	62	61	60	62	65	67	70	844
NO Operation Support Transfer, From (Net)		0	0	0	1,500	1,172	1,056	883	0	0	885	1,394	6,890
GG Loan Repayment (96/97)		280	284	275	1,250	1,200	1,150	1,100	1,050				6,309
RC Loan Repayment (Table No. 5)(A/P,6%,10yr(00/01))		0	0										0
TOTAL COSTS:		$4,120	$3,975	$3,217	$4,691	$4,167	$4,062	$5,174	$3,102	$2,527	$5,747	$4,303	$40,965
NET REVENUES/(COSTS):		($1,431)	($1,063)	($627)	$2,097	($349)	($649)	($2,059)	($226)	$545	($389)	($1,252)	($3,972)
NRWS PROGRAM BALANCE (f)(g):													
Beginning Capital Reserves, July 1		$6,068	$5,484	$4,421	$3,794	$5,891	$5,542	$4,893	$2,834	$2,608	$3,152	$2,763	$5,484
Ending Capital Reserves, June 30		$4,637	$4,421	$3,794	$5,891	$5,542	$4,893	$2,834	$2,608	$3,152	$2,763	$1,512	$1,512

(a) Includes new users.
(b) NO transfer also assumes additional transfer of funds equivalent to the minimum NC balance reserves.
(c) Based on one new user with one capacity unit per year with any increase in the capacity unit cost based on the percentage increase in the User Charge.
(d) Loans from the RC fund have been assumed to be for a period of 10 years, at an interest rate of 6%.
(e) The cost of capacity in FY 97/98 was based on the purchase of 1.0 mgd of pipeline capacity at $3.75/gallon/day, with 5% down, and 20 years to repay the remaining principal at no interest.
(f) The balance requirements necessitate that the minimum balance not be less than the Historic 4R Payments. Currently these reserve requirements are met through the use of the NO Funds Reserve Balance.
(g) Balance requirements of NC/NO Fund are that two months Costs (next year) be maintained.

Inland Empire
UTILITIES AGENCY

TABLE NO. A-11
REVENUE/COST SUMMARY
FOR THE CO-COMPOSTING PROJECT
($ X 1000)

REVENUE/COST ITEMS		FISCAL YEAR										
				FIVE YEAR BUDGET								
		2000/2001 Years Budget	2000/2001 Projected Actual	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
CO-COMPOSTING PROJECT													
REVENUES													
RC Tran. Biosolids Disp. & Debt Serv./Retir.	TABLE NO. A-8	815	815	3,075				20	326	373	388	403	5,400
RC Transfer Organics Cntr. Study	TABLE NO. A-8	6,872	900										900
Interest Earned On Capital Reserves (6%)		23	37	41	33	28	22	10	3	4	4	4	186
Land Use Compatibility Reimbursement		50					50						50
Operating Transfer From SM (a)		20	20	9									29
TOTAL REVENUES:		**$7,780**	**$1,772**	**$3,125**	**$33**	**$28**	**$72**	**$30**	**$329**	**$377**	**$392**	**$407**	**$6,565**
COSTS													
Administration:													
Capital Administration		$52	$96	$58	$61	$63	$65	$68	$71	$74	$77	$80	$712
Proffesional Fees and Services		5	5										5
Work-In-Progress:													
-Phase I/II Permit Revision (SM)	EN97027	20	20	9									29
-Install Trees Along "E"-Berm	EN20037	85	10	60	20								90
-Co-Composting Organics Cntr. Relo. & Land	PL20055	7,189	900										900
	PL01006			37	3								40
-Biosolids Odor Control at RP-1 & RP-2	PL02010				25	25	150	200	250	300	312	324	1,586
-CCP Misc Small Capital Projects													
	PB01002	11	11										11
	PL01003	3	2	1									3
-CCP Facility Parking	PL01004	9	0	9									9
	PL01007		4	1									5
-CCP Dairy Sewering Study	PL02001			30	30								60
-CCP Exit Fence	PL02006			2									2
-CCP Entry Fence/Gate	PL02008			4									4
Loan/Bond Repayment:													
-1990 CCP IDB Bond Repayment (c)		419	419	3,075									3,494
TOTAL COSTS:		**$7,792**	**$1,467**	**$3,286**	**$139**	**$88**	**$215**	**$268**	**$321**	**$374**	**$389**	**$404**	**$6,950**
NET REVENUES/(COSTS):		**($12)**	**$305**	**($161)**	**($106)**	**($60)**	**($143)**	**($238)**	**$8**	**$3**	**$3**	**$3**	**($385)**
CO-COMPOSTING PROGRAM BALANCE (d):													
Beginning Capital Reserves, July 1		**$453**	**$457**	**$762**	**$601**	**$495**	**$435**	**$292**	**$54**	**$62**	**$65**	**$68**	**$457**
Ending Capital Reserves, June 30		**$441**	**$762**	**$601**	**$495**	**$435**	**$292**	**$54**	**$62**	**$65**	**$68**	**$71**	**$71**

(a) The Salt and Water Supply Management Fund (SM) was established in FY 1998/99 to collect costs of the Agencies participation in studies related to IEUA's efforts in the areas of salt management and water supply. The transfer of revenues into this program represents the cost allocation represented by the SM capital projects outlined in this section.

(b) It has been assumed, that as a condition of any Bond Debt, debt would not be allowed beyond 2022, until the Regional Sewage Contract is revised after FY01/02.

(c) Short term renewable loan on the Co-Composting Project is not expected to be renewed in FY 01/01; rather, it is anticipated that project would be paid off in full.

(d) Balance requirements of CC Fund are assumed to be two months costs (next year).

Inland Empire
UTILITIES AGENCY

TABLE NO. A-12
REVENUE/COST SUMMARY
FOR WATER RESOURCES PROJECTS
"REVENUE SUMMARY"
($ X 1000)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
WATER RESOURCES CAPITAL FUND														
REVENUES														
-MWD, Local Projects Program Subsidies (a)			**$0**	$0	$1,000	$2,000	$3,000	$4,000	$4,750	$5,100	$5,300	$5,600	$6,000	$36,750
-Santa Ana Watershed Project Authority/SWRCB Grants (b)			**0**	370	2,541	1,879	2,359	4,754	4,506	1,930	438	600	80	19,457
-Department of the Interior, Bureau of Reclamation (b)			**0**	0		1,525	1,127	1,887	3,803	3,605	1,544	350	480	14,321
-Interest Earned On Capital Reserves (6%)			**1**	67	119	70	33	31	74	89	61	83	81	708
-Reimbursement Revenue from Contracting Agencies (10 yrs @ 6%)			**0**	0			135	270	405	575	745	915	1,085	4,130
-Oper. Transfer From RC-Water Rec. Admin TABLE NO. A-7			**420**	420	420	309	0	0	0	0	0	0	0	1,149
-Oper. Transfer From WO			**986**	986										986
-Recyld Water Reimb Const Cost			**15**	15	15	15	15	15	15	16	17	18	19	160
-MWD Prop 13 Funding			**0**	0	138									138
-Operating Transfer From SM (c)			**491**	31										31
TOTAL REVENUES:			**1,913**	**1,889**	**4,233**	**5,798**	**6,669**	**10,957**	**13,553**	**11,315**	**8,105**	**7,566**	**7,745**	**77,830**
COSTS														
Recycled Water Project Costs														
-Operations / Administrative Expenses	WR0(1,2,3,4,5,6)012		**$290**	$420	$420	$309	$321	$334	$348	$361	$376	$391	$407	$3,687
-Recyld Water Reimb Const Cost	CW0(2,3,4,5,6)500		**15**	15	15	15	15	15	15	16	17	18	19	160
-Loan Rpmnt	TABLE NO. A-7		**619**	0										0
-Excess Balance Tran. to RC	TABLE NO. A-8									800	4,000	2,000	6,200	13,000
Regional Recycled Water Dist. Projects														
-CCWRF-Recyld Water Tie-In	OB20003	RC	**23**	13										13
-Recyld Water Pipeline Reloc.-Chino Pkwy.	EN01028	RC	**0**	50	239									289
-RP-1/RP-4 Recycled Water PS (I)	EN01024	RC	**2,800**	500	5,500	286								6,286
-Fourth Street Regional Pipeline (I)	EN01020	RC	**0**	0	2,000	2,000								4,000
-Wineville Avenue Regional Pipeline (I)	EN01023	RC	**0**	0	1,154	1,153								2,307
-West Edison Regional Pipeline(II)	EN01020	RC	**0**	0		50	900	650						1,600
-North Etiwanda Regional Pipeline (II)	WR02002		**0**	0		200	2,000	691						2,891
-Whittram Avenue Regional Pipeline (II)	WR02003		**0**			50	1,414							1,464
-Etiwanda Ave. Reservoir & P.S. (IV)	WR04001		**0**					2,361	2,019					4,380
Regional Recycled Water Projects														
-CCWRF Water Dist. System	WR99001	SM	**424**	1										1
-RP-3 Basin	EN01018	RC	**69**	141	26	378	377							922
-RP-4 Outfall Groundwater Recharge (I)	WR99003	SM	**67**	30	302									332
-RP-1 Basin (IV)	EN20019	RC	**162**	30										30
-Conjunctive Use (Basin Improvements)										1,000	2,000	3,000	400	6,400
	Subtotal Costs		**$4,469**	$1,200	$9,656	$4,441	$5,027	$4,051	$2,382	$2,177	$6,393	$5,409	$7,026	$47,762

(a) MWD's local project program subsidies equal $154/AF from the Carbon Canyon Phase I & II Projects to a maximum of 13,500 AFY. A second local project program is anticipated for the recycled water served from RP-4.

(b) Assumes 20% matching funding for previous years phased (I, II, III and IV) construction.

(c) The Salt and Water Supply Management Fund (SM) was established in FY 1998/99 to collect the costs of the Agency's participation in studies and capital projects related to IEUA's efforts in the areas of salt management and water supply. The transfer of funding from the SM Fund into this program represents a cost allocation reflecting the benefits to salt management of the capital projects in the TYCIP.

(d) Project costs have been amended from the prior Fiscal Year due to an increase in the scope of work.

(e) Balance requirements are that two months reserves (Costs) plus $1-million be maintained.

Inland Empire
UTILITIES AGENCY

TABLE NO. A-12 (Continued)
REVENUE/COST SUMMARY
FOR WATER RESOURCES PROJECTS
"REVENUE SUMMARY"
($ X 1000)

REVENUE/COST ITEMS			FISCAL YEAR 2000/2001 Years Budget	FISCAL YEAR 2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
COSTS Cont.														
Regional Water Supply, Reliability and Infrastructure														
-Interim Groundwater Recharge-Ely	WR98001		$404	$200										$200
-RW Program-Admin./Plan./Fund. & Permit.	WR02012		0	60		125	125							310
-RW Program - Marketing and Tech. Assist.	WR02013		0	60	50	100	150	150	150	156	162	169	175	1,322
-Rcyld Water Remote Press. Switch	PA01028		0		19									19
-Reactivate MWD Connections (4)			0				50	245	255					550
-RP-4 - Recharge Basin			0				500							500
-De-Salter Energy Reliability			0	750	1,750									2,500
-Tanker Service Ports (I)	EN01007		89	8	172									180
-Pine Ave. Intertie Pipeline (I)	EN01025	RC	500	88	600	378								1,066
-Rcycld Water Sys. for Etiwanda Pwr Plnt (I)	EN01027	RC	32	200	186					500				886
-Etiwanda Ext. Reg. Rcycld Water Pipe. (II)	WR06002		0		250	3,000	371							3,621
-Grove Avenue (II)			0			100	1,400							1,500
-RP-1 Chlorine Contact Basin Exp. (III)	EN01010	RC	500	622				2,469	3,292					6,383
-RP-4 Trunk Sewer (III)	EN01021	RC	200			200	900	5,299	5,299					11,698
-South Etiwanda/Jurupa (III)			0			100	1,900	1,900						3,900
-Arrow Route (III)			0				150	3,500	350					4,000
-Benson Ave. Rcycld Water Pipeline (III)			0				300	4,000	700					5,000
-4th St. Rcycld Water Res. (2 MG) & PS (IV)			0				100	1,730	1,370					3,200
-Walnut/Riverside Rcycld Water Pipe. (IV)	WR06003		0					350	4,000	2,650				7,000
-210 Regional Recycled Water Pipeline (IV)			0					822	5,500	5,500	189			12,011
Recycled Water Supply, Reliability and Infrastructure														
-Contracting Agencies' Lateral/Retrofit Financing Costs			0			1,000	1,000	1,000	1,250	1,250	1,250	1,250	1,250	9,250
Misc. Small Capital Projects			0			45	47	49	51	53	55	57	59	416
Subtotal Costs			**$1,725**	$1,988	$3,027	$5,048	$6,993	$21,514	$22,217	$10,109	$1,656	$1,476	$1,484	$75,512
TOTAL RECYCLED WATER PROJECT COST:			**$6,194**	**$3,188**	**$12,683**	**$9,489**	**$12,020**	**$25,565**	**$24,599**	**$12,286**	**$8,049**	**$6,885**	**$8,510**	**$123,275**
NET REVENUES/(COSTS):			**($4,281)**	**($1,299)**	**($8,450)**	**($3,691)**	**($5,351)**	**($14,608)**	**($11,046)**	**($971)**	**$56**	**$681**	**($765)**	**($45,445)**
RC Transfers	**TABLE NO. A-8**		**$4,286**	**$3,500**	**$8,000**	**$2,500**	**$5,300**	**$14,600**	**$12,500**					**$46,400**
IEUA BALANCES (e):														
Beginning Reserves, July 1			**$18**	$10	**$2,211**	**$1,761**	**$570**	**$519**	**$510**	**$1,965**	**$993**	**$1,049**	**$1,730**	$10
Beginning Reserves, June 30			**$23**	**$2,211**	**$1,761**	**$570**	**$519**	**$510**	**$1,965**	**$993**	**$1,049**	**$1,730**	**$965**	**$965**

(a) MWD's local project program subsidies equal $154/AF from the Carbon Canyon Phase I & II Projects to a maximum of 13,500 AFY. A second local project program is anticipated for the recycled water served from RP-4.

(b) Assumes 20% matching funding for previous years phased (I, II, III and IV) construction.

(c) The Salt and Water Supply Management Fund (SM) was established in FY 1998/99 to collect the costs of the Agency's participation in studies and capital projects related to IEUA's efforts in the areas of salt management and water supply. The transfer of funding from the SM Fund into this program represents a cost allocation reflecting the benefits to salt management of the capital projects in the TYCIP.

(d) Project costs have been amended from the prior Fiscal Year due to an increase in the scope of work.

(e) Balance requirements are that two months costs (next years'), less reimbursements to the RC Program, but not less than $0.5-million.

Inland Empire
UTILITIES AGENCY

TABLE NO. A-13
TAX REVENUE COMPUTATIONS

TAX REVENUE ITEMS	2000/2001 Years Budget	2000/2001 Projected Actual	FISCAL YEAR FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
ASSESSED VALUES ($X1,000,000)												
IEUA ASSESSED VALUE,1999/2000 (a)	$36,148	$37,864										$37,864
PROJECTED ASSESSED VALUE												
Avg. per EDU = $ 155,111 (b)			598	880	950	967	979	1,009	1,031	1,073	1,155	8,642
AVG. INCREASES DUE TO:												
Growth & Inflation @ 4%												
Reassessments @ 5%			39,757	42,373	45,416	48,684	52,134	55,769	59,617	63,680	67,991	475,421
TOTAL EST. FUTURE ASSES. VALUE:	**$36,148**	**$37,864**	**$40,355**	**$43,253**	**$46,366**	**$49,651**	**$53,113**	**$56,778**	**$60,648**	**$64,753**	**$69,146**	**$521,927**
PROPERTY TAX REVENUES ($X1000)												
Improvement District "C" (Fut. Asses X 0.277)	**13,148**	11,787	10,328	11,426	12,843	13,753	14,712	15,728	16,799	17,937	19,153	144,466
Extra Territorial (ID"C" X 0.013)	**183**	187	188	190	167	179	191	204	218	233	249	2,006
GROSS TAX REVENUE	**$13,331**	$11,974	$10,516	$11,616	$13,010	$13,932	$14,903	$15,932	$17,017	$18,170	$19,402	$146,472
LESS TAX REVENUE DISTRIBUTION												
Redevelopment Agencies	**1,630**	**1,946**	187	978	1,408	1,563	1,732	1,916	2,115	2,332	2,568	16,745
Net State of California Less Obligation Pmnt. (ID"C" X 0.105)	**968**	**968**	982	1,011	1,042	1,073	1,105	1,138	1,173	1,208	1,244	10,944
NET PROPERTY TAX REV. TO IEUA	**$10,733**	**$9,060**	**$9,347**	**$9,627**	**$10,560**	**$11,296**	**$12,066**	**$12,878**	**$13,729**	**$14,630**	**$15,590**	**$118,783**
TAX RECOVERY SURCHARGE ($X1000)												
Net State Tax Surcharge	**$968**	**$968**	$982	$1,011	$1,042	$1,073	$1,105	$1,138	$1,173	$1,208	$1,244	$10,944
System EDU'S Billed	**2,615**	**2,615**	2,654	2,719	2,783	2,845	2,907	2,968	3,029	3,092	3,154	28,766

Note: Assessed values assume minimum future decreases.

(a) The FY 00/01 IEUA Assessed Value, is based on the County of San Bernardino's Final Agency Valuations for FY 1999/00.

(b) Based on 4-year average from FY 96/97 to FY 99/00.

Inland Empire
UTILITIES AGENCY

TABLE NO. A-14
AGENCY GROWTH PROJECTIONS
AND REVENUE SUMMARY

GROWTH & REVENUE ITEMS	FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
MEMBER AGENCIES GROWTH PROJECTIONS (a)												
CITY OF CHINO	300	159	300	319	370	392	382	400	363	413	413	3,510
CITY OF CHINO HILLS	548	536	568	535	472	438	420	362	292	268	306	4,197
CUCAMONGA CO. WATER DISTRICT	1,400	1,182	1,400	1,300	1,300	1,200	1,200	1,300	1,400	1,500	1,400	13,182
CITY OF FONTANA	1,348	1,258	1,265	1,268	1,240	1,233	1,259	1,206	1,206	1,252	1,252	12,439
CITY OF MONTCLAIR	90	9	50	50	50	25	25	25	25	25	25	309
CITY OF ONTARIO	765	417	1,210	1,665	1,620	1,625	1,635	1,640	1,650	1,655	1,655	14,772
CITY OF UPLAND	350	147	450	310	275	275	220	120	120	120	95	2,132
TOTAL EDU'S (a)	4,801	3,708	5,243	5,447	5,327	5,188	5,141	5,053	5,056	5,233	5,146	50,541
SYSTEM EDU'S BILLED ($X1000)												
REIMBURSEMENT REVENUES (Total EDU's X OBLIGATION)												
Actual Obligation, $ per EDU	$3,530	$3,530										
Proposed Obligation, $ per EDU (b)			$3,660	$3,731	$3,804	$3,878	$3,954	$4,112	$4,277	$4,448	$4,626	$4,002
TOTAL REIMB. REVENUE ($X1000)	**$16,948**	**$13,089**	**$19,189**	**$20,323**	**$20,266**	**$20,119**	**$20,325**	**$20,778**	**$21,622**	**$23,275**	**$23,803**	**$202,789**
SURCHARGE REV. BILLED MONTHLY												
Net Tax Recovery Surcharge TABLE NO. A-13	$968	$968	$982	$1,011	$1,042	$1,073	$1,105	$1,138	$1,173	$1,208	$1,244	$10,944
Regulation Surcharge												
TOTAL SURCHARGE REV.	$968	$968	$982	$1,011	$1,042	$1,073	$1,105	$1,138	$1,173	$1,208	$1,244	$10,944
NET PROPERTY TAX REV. TO IEUA	10,733	9,060	9,347	9,627	10,560	11,296	12,066	12,878	13,729	14,630	15,590	118,783
TOTAL COMBINED SURCH. & TAX REV.	**$11,701**	**$10,028**	**$10,329**	**$10,638**	**$11,602**	**$12,369**	**$13,171**	**$14,016**	**$14,902**	**$15,838**	**$16,834**	**$129,727**

(a) The "Projected Actual" is based on the average EDU growth, by city, interpolated from July 2000 - December 2000, doubled to project through June 2001 for FY 2000/2001. A FY 01/02 - 05/06 reduced EDU total of 4,500 has been assumed.

(b) An increase in the EDU Obligation Rate is proposed for FY01/02. This is due to the fact that the construction inflation rate noted in the ENRCCI$_{LA}$ index, from September of 1999 throgh September 2000 was 3.6% ((7069.22/6821.51-1) X 100). The future years projected increase, through FY 05/06, have been based on the average rate of inflation for the past four years of 1.95%. The increase for the remaining years - outside of the 5-year planning window - are based on a 4% increase. Actual future increases, although, will be based on the actual rate of inflation noted by ENR Cost Index.

Inland Empire
UTILITIES AGENCY

TABLE NO. A-15
FY 2000/2001 TOTAL OBLIGATED FUNDS (a)

MEMBER AGENCY	TOTAL FUNDS OBLIGATED 07/01/2000	FISCAL YEAR 2000/2001 ADDITIONS	FISCAL YEAR 2000/2001 CALLS	BALANCE OBLIGATED FUNDS 06/30/2001
CITY OF CHINO	$ 3,284,431	$ 560,564	$1,102,935	2,742,060
CITY OF CHINO HILLS	8,859,018	1,892,080	3,083,948	7,667,150
CUCAMONGA COUNTY WATER DISTRICT	12,653,860	4,172,460	4,826,623	11,999,697
CITY OF FONTANA	14,869,610	4,440,740	5,539,166	13,771,184
CITY OF MONTCLAIR	760,490	31,770	227,259	565,001
CITY OF ONTARIO	7,340,985	1,472,010	2,528,004	6,284,991
CITY OF UPLAND	1,893,724	518,910	692,063	1,720,571
TOTALS	$ 49,662,118	$ 13,088,534	$18,000,000	44,750,652

(a) Based on the Building Activity Reports submitted by IEUA's Contracting Agencies between 7/01/99 and 6/30/00.

APPENDIX B

Cash Flow Analyses For Reduced EDU Scenario

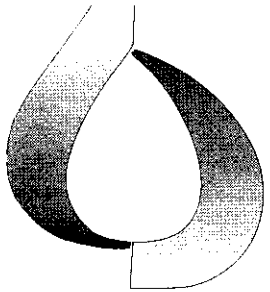
CONNECTION FEE SET AT: $3,530 FOR FY 00/01 THEN $3,660 FOR FY 01/02. THIS RATE IS INCREASED BY 1.95% FOR INFLATION THROUGH FY 05/06, THEN 4% THEREAFTER.

USE TAXES FOR CURRENT AND FUTURE REGS

ASSUMPTIONS:

Inflation Rate of 4.00 percent, and
Interest Rate of 6.00 percent,
to remain constant through the 10 year period.
Construction of the Kimball/Chino Div. And Kimball to Remington Interceptor to be completed in FY 2003/2004.
Construction of Regional Plant No. 5, to 15 mgd, is anticipated to be completed in FY 2003/04 (February 2003).
Construction of the San Bernardino Interceptor is tentatively scheduled for completion by FY 2003/04.
Construction of the expansion of RP-1, to 58 MGD, to be completed in FY 2010/11.

INLAND EMPIRE UTILITIES AGENCY
CONNECTION FEE STUDY
DOMESTIC WASTE CAPITAL FINANCE REPORT
FISCAL PERIOD 2000/2001 - 2009/10
AT REDUCED EDU's



Prepared
by
IEUA Staff

As of March 1, 2000

In this analysis, a 3.60% escalation of the Reimbursement Payment has been calculated for FY 2001/2002. A 1.95% escalation of the Reimbursement Payment has been assumed until FY 06/07, when a 4% increase is assumed thereafter. In practice, the Reimbursement Payment would be adjusted by the ENGINEERING NEWS RECORD CONSTRUCTION cost index for the Los Angeles area (ENRLA).

Inland Empire
UTILITIES AGENCY

TABLE NO. B-0
REVENUE/COST SUMMARY
FOR EXPANSION AND NON-EXPANSION PROGRAMS
($ X 1000)

REVENUE/COST ITEMS		FISCAL YEAR 2000/2001 Years Budget	FISCAL YEAR 2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL	FP 1999/2000 - 2008/09 TYCIP TOTAL	CHANGE DOLLAR	CHANGE PERCENT
REVENUES																
Reimbursement Payment (CCRA Calls)	TABLE NO. B-2	**$27,300**	$18,000	$46,000	$31,000	$17,000	$17,000	$13,000	$4,000	$6,500	$32,000	$49,000	$233,500	$230,000	$3,500	1.5%
Surcharge & Tax Revenue	TABLE NO. B-3	**11,701**	10,028	10,329	10,638	11,528	12,253	13,019	13,825	14,703	15,630	16,617	128,570	147,874	(19,304)	-13.1%
Excess WC Revenues Returned	TABLE NO. B-2	**0**	0	0	0	0	0	0	800	4,000	2,000	6,200	13,000	0	13,000	100.0%
Bond Proceeds	TABLE NO. B-3	**0**	0	0	0	0	0	0	0	0	0	0	0	29,119	(29,119)	-100.0%
Interest (6%) On Avg. of IEUA Balance	TABLES NO. 2-7/8	**1,459**	2,100	1,337	996	859	846	824	800	921	1,227	1,164	11,074	8,475	2,599	30.7%
Capital Repl. Reimb. From RO & TO	TABLE NO. B-3	**663**	751	270	468	487	506	526	547	569	592	616	5,332	7,703	(2,371)	-30.8%
RP-5 Grant	TABLE NO. B-2	**0**	5,000	0	0	0	0	0	0	0	0	0	5,000	0	5,000	100.0%
Non-Res. STD Performance Program	TABLE NO. B-3	**0**	300	225	225	0	0	0	0	0	0	0	750	750	0	0.0%
Water Reclamation Repayment	TABLE NO. B-3	**619**	0	0	0	0	0	0	0	0	0	0	0	5,675	(5,675)	-100.0%
Obligation Payment	TABLE NO. B-3	**353**	353	0	0	0	0	0	0	0	0	0	353	0	353	100.0%
Contract Work & Costruction Reimb.	TABLE NO. B-2	**1,070**	1	20	20	20	20	20	24	25	26	27	203	0	203	100.0%
Lease Revenues	TABLE NO. B-2	**2**	2	72	12	0	0	0	0	0	0	0	86	0	86	100.0%
RO System Payment													0	413	(413)	-100.0%
Southridge Land Sale													0	1,000	(1,000)	-100.0%
TOTAL REVENUES:		**$43,167**	**$36,535**	**$58,253**	**$43,359**	**$29,894**	**$30,625**	**$27,389**	**$19,996**	**$26,718**	**$51,475**	**$73,624**	**$397,868**	**$431,009**	**($33,141)**	**-7.7%**
COSTS																
Project Costs																
-Expansion & Upgrade Projects	TABLES NO. 2-7/8	**$37,891**	$28,111	$43,171	$33,130	$14,726	$4,893	$5,234	$8,434	$11,762	$33,509	$70,721	$253,691	$275,320	(21,629.1)	-7.9%
Bond Issuance &Repayment (a)																
-1994 & 1996 Bond Repayment	TABLE NO. B-3	**8,744**	8,746	8,746	8,746	8,746	8,746	8,746	8,746	8,746	8,746	8,746	87,460	87,028	432.0	0.5%
-Bond Covenants Set Aside (b)	TABLE NO. B-3	**9,200**	9,200	0	0	0	0	0	0	0	0	0	9,200	0	9,200.0	100.0%
-New Loan Bond Repayment	TABLE NO. B-3	**0**	0	0	0	0	0	0	0	0	0	0	0	0	0.0	100.0%
-Bond Issuance Cost	TABLE NO. B-3	**0**	0	0	0	0	0	0	0	0	0	0	0	231	(231.0)	-100.0%
-Obligation Fund Payment														2,388	(2,388.0)	-100.0%
Transfers To Other Programs:																
-Water Resources RC Projects (net)	TABLE NO. B-2	**4,286**	3,500	8,000	2,500	5,300	14,600	12,500	0	0	0	0	46,400	40,935	5,465.0	13.4%
-GG Reimbursement	TABLE NO. B-3	**1,340**	1,340	1,223	1,100	562	552	543	565	587	611	635	7,718	9,262	(1,543.9)	-16.7%
-CCP Organics Cntr. Study	TABLE NO. B-2	**6,872**	900	0	0	0	0	0	0	0	0	0	900	0	900.0	100.0%
-CCP Bond & Oper. Transfer	TABLE NO. B-2	**815**	815	3,075	0	0	0	20	326	373	388	403	5,400	8,153	(2,753.0)	-33.8%
-Transfer For NRW Syst. For 4R RC Proj.	TABLE NO. B-2	**96**	146	87	73	85	91	133	92	96	100	104	1,007	0	1,007.0	100.0%
-Water Rec. Admin.	TABLE NO. B-3	**420**	420	420	309	0	0	0	0	0	0	0	1,149	150	999.0	666.0%
Misc.																
-Capital Administration	TABLES NO. 2-7/8	**1,095**	1,095	1,126	1,172	1,218	1,266	1,316	1,368	1,422	1,478	1,538	12,999	12,790	209.0	1.6%
-Special Projects	TABLES NO. 2-7/8	**76**	0	68	70	72	74	76	80	84	88	92	704	0	704.0	100.0%
TOTAL UPGRADE COSTS:		**$70,835**	**$54,273**	**$65,916**	**$47,100**	**$30,709**	**$30,222**	**$28,568**	**$19,611**	**$23,070**	**$44,920**	**$82,239**	**$426,628**	**$436,257**	**($9,629)**	**-2.2%**
NET REVENUES/(COSTS):		**($27,668)**	**($17,738)**	**($7,663)**	**($3,741)**	**($815)**	**$403**	**($1,179)**	**$385**	**$3,648**	**$6,555**	**($8,615)**	**($28,760)**	**($5,248)**	**($23,512)**	**448.0%**
MEMBER AGENCIES BALANCES:																
Beginning of Year	TABLE NO. B-2	$48,040	$49,662	$44,751	$15,221	$1,012	$1,131	$1,583	$6,376	$23,154	$38,276	$29,551	$49,662	37,650	$12,012	31.9%
Reimbursement Fee Revenues	TABLE NO. B-2	15,780	13,089	16,470	16,791	17,119	17,452	17,793	20,778	21,622	23,275	23,803	188,192	280,596	(92,404)	-33%
IEUA Call For Funds & Refunds	TABLE NO. B-2	(27,300)	(18,000)	(46,000)	(31,000)	(17,000)	(17,000)	(13,000)	(4,000)	(6,500)	(32,000)	(49,000)	(233,500)	(230,000)	(3,500)	2%
End of Year		$36,520	$44,751	$15,221	$1,012	$1,131	$1,583	$6,376	$23,154	$38,276	$29,551	$4,354	$4,354	$88,246	($83,892)	-95.1%
IEUA BALANCES (c):																
Beginning Capital Reserves, July 1	TABLES NO. 2-7/8	**$29,457**	**$34,665**	**$16,927**	**$9,264**	**$5,523**	**$4,708**	**$5,111**	**$3,932**	**$4,317**	**$7,965**	**$14,520**	**$34,665**	**$16,813**	**$17,852**	**106.2%**
Ending Capital Reserves, June 30		**$1,789**	**$16,927**	**$9,264**	**$5,523**	**$4,708**	**$5,111**	**$3,932**	**$4,317**	**$7,965**	**$14,520**	**$5,905**	**$5,905**	**$11,565**	**($5,660)**	**-48.9%**

(a) It has been assumed, that as a condition of any new Bond Debt, the Regional Sewerage Service Contract would need to be modified to allow debt to go beyond 2022.

(b) As a condition of current Bond Debt Covenants, a minimum of $9.2 million must be maintained in reserves. In addition, two months costs (next year) plus $2-million for Program minumum balances, must be maintained.

(c) Minumum reserve requirements are two months costs (next years'), but not less than $2-million for Program minumum balances($1-million "expansion" and $1-million for "non-expansion").

Inland Empire
UTILITIES AGENCY

TABLE NO. B-1
REVENUE/COST SUMMARY
FOR NON-EXPANSION PROJECTS
($ X 1000)

REVENUE/COST ITEMS		FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REVENUES													
Surcharge & Tax Revenue	TABLE NO. B-5	$11,701	$10,028	$10,329	$10,638	$11,528	$12,253	$13,019	$13,825	$14,703	$15,630	$16,617	$128,570
Transfer From Expansion Fund	TABLE NO. B-2	8,000	7,400	19,000	13,500	4,100	300	300	0	1,500	0	4,100	50,200
Interest (6%) On Avg. of IEUA Balance		924	1,321	891	801	723	689	686	690	678	684	702	7,865
Capital Repl. Reimb. From RO & TO		663	751	270	468	487	506	526	547	569	592	616	5,332
NRW System Loan Repayment		0	0	0	0	0	0	0	0	0	0	0	0
Non-Residential STD Performance Program (Grant)			300	225	225								750
Water Reclamation Repayment (a)		619	0	0	0	0	0	0	0	0	0	0	0
Obligation Payment		353	353										353
Regs Bond & Surcharge Revenue:													0
Bond Proceeds:													0
TOTAL REVENUES:		**$22,260**	**$20,153**	**$30,715**	**$25,632**	**$16,838**	**$13,748**	**$14,531**	**$15,062**	**$17,450**	**$16,906**	**$22,035**	**$193,070**
COSTS													
Upgrade & Regs Projects	TABLE NO. 2-5	$16,923	$11,680	$20,223	$15,399	$7,354	$3,254	$4,247	$3,774	$7,385	$2,549	$7,905	$83,770
Expansion Regs Transfer	TABLE NO. 2-6	908	770	948	710	545	295	320	473	524	2,050	4,042	10,677
Expansion Transfer	TABLE NO. B-2	0	0	0	0	0	0	0	300	0	1,100	0	1,400
Bond Issuance Cost		0	0	0	0	0	0	0	0	0	0	0	0
NRWS User Charges - Reg. Prog. Users (99/00)	TABLE NO. 3-1	165	165	165	165	165	165	165	165	165	165	165	1,650
GG Reimbursement		1,340	1,340	1,223	1,100	562	552	543	565	587	611	635	7,718
NRW System Loan		0	0	0	0	0	0	0	0	0	0	0	0
Operating Transfer-Water Rec. Admin.		420	420	420	309								1,149
Bond Covenants Set Aside (c)		9,200	9,200										9,200
1994 Bond Repayment		6,412	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	64,140
1999 Bond Repayment		2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	23,320
New Loan Bond Repayment (6.0%, 30 years) (b)		0	0	0	0	0	0	0	0	0	0	0	0
Capital Administration(50%)		547	547	563	586	609	633	658	684	711	739	769	6,499
Special Projects (50%)		38	0	34	35	36	37	38	40	42	44	46	352
TOTAL UPGRADE COSTS:		**$38,285**	**$32,868**	**$32,322**	**$27,050**	**$18,017**	**$13,682**	**$14,717**	**$14,747**	**$18,160**	**$16,004**	**$22,308**	**$209,875**
NET REVENUES/(COSTS):		**($16,025)**	**($12,715)**	**($1,607)**	**($1,418)**	**($1,179)**	**$66**	**($186)**	**$315**	**($710)**	**$902**	**($273)**	**($16,805)**
IEUA BALANCES (d):													
Beginning Capital Reserves, July 1		**$16,294**	**$19,175**	**$6,460**	**$4,853**	**$3,435**	**$2,256**	**$2,322**	**$2,136**	**$2,451**	**$1,741**	**$2,643**	**$19,175**
Ending Capital Reserves, June 30		**$269**	**$6,460**	**$4,853**	**$3,435**	**$2,256**	**$2,322**	**$2,136**	**$2,451**	**$1,741**	**$2,643**	**$2,370**	**$2,370**

(a) With the Reginolization of the Water Resources Program it has been assumed that repayments from the Water Resources Program will end in FY 2000/01.

(b) It has been assumed, that as a condition of any new Bond Debt, the Regional Sewerage Service Contract would be modified to allow debt to beyond 2022 by FY 2002/03.

(c) As a condition of current Bond Debt Covenants, a minimum of $9.2 million must be maintained in reserves.

(d) Balance requirements are two months costs (next years') - less "expansion" transfer - plus $1-million be maintained.

Inland Empire
UTILITIES AGENCY

TABLE NO. B-2
REVENUE/COST SUMMARY
FOR EXPANSION PROJECTS
($ X 1000)

GROWTH & REVENUE ITEMS		FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
REVENUES													
Reimbursement Payment (CCRA calls)	TABLE NO. 2-6	$27,300	$18,000	$46,000	$31,000	$17,000	$17,000	$13,000	$4,000	$6,500	$32,000	$49,000	$233,500
Excess WC Revenues Returned	TABLE NO. 5-2	0	0	0	0	0	0	0	800	4,000	2,000	6,200	13,000
Taxes Transferred For Regs.		908	770	948	710	545	295	320	473	524	2,050	4,042	10,677
RP-5 Grant			5,000										5,000
Interest(6%) on Avg. of IEUA Balance		535	779	446	195	136	157	138	110	243	543	462	3,209
Contract Work & Costruction Reimb.	TABLE NO. 2-6	1,070	1	20	20	20	20	20	24	25	26	27	203
Non-Expansion Transfer	TABLE NO. B-3	0	0	0	0	0	0	0	300	0	1,100	0	1,400
Borrowing:													0
SRF													0
Bonds													0
Others (10,0%)													0
Lease Revenues		2	2	72	12								86
TOTAL REVENUES:		$29,815	$24,552	$47,486	$31,937	$17,701	$17,472	$13,478	$5,707	$11,292	$37,719	$59,731	$267,075
COSTS													
Expansion Projects W/Regs	TABLE NO. 2-6	$20,803	$16,266	$22,783	$17,566	$7,207	$1,474	$822	$4,495	$4,212	$30,795	$62,651	$168,271
Expansion Transfers To Other Programs:													
-CCP Bond & Oper. Transfer		815	815	3,075	0	0	0	20	326	373	388	403	5,400
-CCP Organics Cntr. Study	TABLE NO. 4-1	6,872	900	0	0	0	0	0	0	0	0	0	900
-Water Resources RC Projects (a)	TABLE NO. 5-2	4,286	3,500	8,000	2,500	5,300	14,600	12,500	0	0	0	0	46,400
-Transfer For NRW Syst. For 4R RC Proj. (a)	TABLE NO. 3-1	96	146	87	73	85	91	133	92	96	100	104	1,007
Transfer to Non-Expansion	TABLE NO. B-3	8,000	7,400	19,000	13,500	4,100	300	300	0	1,500	0	4,100	50,200
Bond Issuance Cost (1.2%)		0	0	0	0	0	0	0	0	0	0	0	0
Debt Service For Bonds:													
SRF,3%,30 yr.		0	0	0	0	0	0	0	0	0	0	0	0
Bonds,6%, 30 yr.		0	0	0	0	0	0	0	0	0	0	0	0
Others,0%,10		0	0	0	0	0	0	0	0	0	0	0	0
Capital Administration (50%)		548	548	563	586	609	633	658	684	711	739	769	6,500
Special Projects (50%)		38	0	34	35	36	37	38	40	42	44	46	352
TOTAL EXPANSION COSTS:		$41,458	$29,575	$53,542	$34,260	$17,337	$17,135	$14,471	$5,637	$6,934	$32,066	$68,073	$279,030
NET REVENUES/(COSTS)		($11,643)	($5,023)	($6,056)	($2,323)	$364	$337	($993)	$70	$4,358	$5,653	($8,342)	($11,955)
MEMBER AGENCIES BALANCES:													
Beginning of Year		$48,040	$49,662	$44,751	$15,221	$1,012	$1,131	$1,583	$6,376	$23,154	$38,276	$29,551	$49,662
Reimbursement Fee Revenues	TABLE NO. B-5	15,780	13,089	16,470	16,791	17,119	17,452	17,793	20,778	21,622	23,275	23,803	188,192
IEUA Call For Funds & Refunds		(27,300)	(18,000)	(46,000)	(31,000)	(17,000)	(17,000)	(13,000)	(4,000)	(6,500)	(32,000)	(49,000)	(233,500)
End of Year		$36,520	$44,751	$15,221	$1,012	$1,131	$1,583	$6,376	$23,154	$38,276	$29,551	$4,354	$4,354
IEUA BALANCE (b):													
Beginning Capital Reserves, July 1		$13,163	$15,490	$10,467	$4,411	$2,088	$2,452	$2,789	$1,796	$1,866	$6,224	$11,877	$15,490
Ending Capital Reserves, June 30		$1,520	$10,467	$4,411	$2,088	$2,452	$2,789	$1,796	$1,866	$6,224	$11,877	$3,535	$3,535

(a) Assumes payments by RC for Regionalized projects.

(b) Balance requirements are that two months costs (next years') , less "non-expansion" transfer, but not less than $1-million.

Inland Empire
UTILITIES AGENCY

TABLE NO. B-3
TAX REVENUE COMPUTATIONS

TAX REVENUE ITEMS	2000/2001 Years Budget	2000/2001 Projected Actual	FISCAL YEAR FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
ASSESSED VALUES ($X1,000,000)												
IEUA ASSESSED VALUE,1999/2000 (a)	$36,148	$37,864										$37,864
PROJECTED ASSESSED VALUE												
Avg. per EDU = $ 155,111 (b)			598	755	785	817	849	883	1,031	1,073	1,155	7,946
AVG. INCREASES DUE TO:												
Growth & Inflation @ 4%												
Reassessments @ 5%			39,757	42,373	45,284	48,372	51,648	55,122	58,805	62,828	67,096	471,285
TOTAL EST. FUTURE ASSES. VALUE:	**$36,148**	**$37,864**	**$40,355**	**$43,128**	**$46,069**	**$49,189**	**$52,497**	**$56,005**	**$59,836**	**$63,901**	**$68,251**	**$517,095**
PROPERTY TAX REVENUES ($X1000)												
Improvement District "C" (Fut. Asses X 0.277)	**13,148**	11,787	10,328	11,426	12,761	13,625	14,542	15,513	16,575	17,701	18,906	143,164
Extra Territorial (ID"C" X 0.013)	**183**	187	188	190	166	177	189	202	215	230	246	1,990
GROSS TAX REVENUE	**$13,331**	$11,974	$10,516	$11,616	$12,927	$13,802	$14,731	$15,715	$16,790	$17,931	$19,152	$145,154
LESS TAX REVENUE DISTRIBUTION												
Redevelopment Agencies	**1,630**	**1,946**	187	978	1,399	1,549	1,712	1,890	2,087	2,301	2,535	16,584
Net State of California Less Obligation Pmnt. (ID"C" X 0.105)	**968**	**968**	982	1,011	1,042	1,073	1,105	1,138	1,173	1,208	1,244	10,944
NET PROPERTY TAX REV. TO IEUA	**$10,733**	**$9,060**	**$9,347**	**$9,627**	**$10,486**	**$11,180**	**$11,914**	**$12,687**	**$13,530**	**$14,422**	**$15,373**	**$117,626**
TAX RECOVERY SURCHARGE ($X1000)												
Net State Tax Surcharge	**$968**	**$968**	$982	$1,011	$1,042	$1,073	$1,105	$1,138	$1,173	$1,208	$1,244	$10,944
System EDU'S Billed	**2,615**	**2,615**	2,654	2,708	2,762	2,816	2,870	2,931	2,992	3,055	3,117	28,520

Note: Assessed values assume minimum future decreases.

(a) The FY 00/01 IEUA Assessed Value, is based on the County of San Bernardino's Final Agency Valuations for FY 1999/00.

(b) Based on 4-year average from FY 96/97 to FY 99/00.

Inland Empire
UTILITIES AGENCY

TABLE NO. B-4
AGENCY GROWTH PROJECTIONS
AND REVENUE SUMMARY

GROWTH & REVENUE ITEMS	FISCAL YEAR 2000/2001 Years Budget	2000/2001 Projected Actual	FIVE YEAR BUDGET 01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	TOTAL
MEMBER AGENCIES GROWTH PROJECTIONS (a)												
CITY OF CHINO	300	159	500	319	370	392	382	400	363	413	413	3,510
CITY OF CHINO HILLS	548	536	569	535	472	438	420	362	292	268	306	4,197
CUCAMONGA CO. WATER DISTRICT	1,400	1,182	1,400	1,300	1,300	1,200	1,200	1,300	1,400	1,500	1,400	13,182
CITY OF FONTANA	1,348	1,258	1,265	1,268	1,240	1,233	1,259	1,206	1,206	1,252	1,252	12,439
CITY OF MONTCLAIR	90	9	50	50	50	25	25	25	25	25	25	309
CITY OF ONTARIO	765	417	1,210	1,665	1,620	1,625	1,635	1,640	1,650	1,655	1,655	14,772
CITY OF UPLAND	350	147	456	310	275	273	220	120	120	120	95	2,132
TOTAL EDU'S (a)	4,801	3,708	4,500	4,500	4,500	4,500	4,500	5,053	5,056	5,233	5,146	50,541
SYSTEM EDU'S BILLED ($X1000)												
REIMBURSEMENT REVENUES (Total EDU's X OBLIGATION)												
Actual Obligation, $ per EDU	$3,530	$3,530										
Proposed Obligation, $ per EDU (b)			$3,660	$3,731	$3,804	$3,878	$3,954	$4,112	$4,277	$4,448	$4,626	$4,002
TOTAL REIMB. REVENUE ($X1000)	**$16,948**	**$13,089**	**$16,470**	**$16,791**	**$17,119**	**$17,452**	**$17,793**	**$20,778**	**$21,622**	**$23,275**	**$23,803**	**$188,192**
SURCHARGE REV. BILLED MONTHLY												
Net Tax Recovery Surcharge TABLE NO. B-4	$968	$968	$982	$1,011	$1,042	$1,073	$1,105	$1,138	$1,173	$1,208	$1,244	$10,944
Regulation Surcharge												
TOTAL SURCHARGE REV.	$968	$968	$982	$1,011	$1,042	$1,073	$1,105	$1,138	$1,173	$1,208	$1,244	$10,944
NET PROPERTY TAX REV. TO IEUA	10,733	9,060	9,347	9,627	10,486	11,180	11,914	12,687	13,530	14,422	15,373	117,626
TOTAL COMBINED SURCH. & TAX REV.	**$11,701**	**$10,028**	**$10,329**	**$10,638**	**$11,528**	**$12,253**	**$13,019**	**$13,825**	**$14,703**	**$15,630**	**$16,617**	**$128,570**

(a) The "Projected Actual" is based on the average EDU growth, by city, interpolated from July 2000 - December 2000, doubled to project through June 2001 for FY 2000/2001. A FY 01/02 - 05/06 reduced EDU total of 4,500 has been assumed.

(b) An increase in the EDU Obligation Rate is proposed for FY01/02. This is due to the fact that the construction inflation rate noted in the ENRCCI $_{LA}$ index, from September of 1999 throgh September 2000 was 3.6% ((7069.22/6821.51-1) X 100). The future years projected increase, through FY 05/06, have been based on the average rate of inflation for the past four years of 1.95%. The increase for the remaining years - outside of the 5-year planning window - are based on a 4% increase. Actual future increases, although, will be based on the actual rate of inflation noted by ENR Cost Index.