INLAND EMPIRE UTILITIES AGENCY

OPERATING AND CAPITAL PROGRAM BUDGET FY 2009/10

TEN YEAR CAPITAL IMPROVEMENT PLAN





Inland Empire Utilites Agency
A MUNICIPAL WATER DISTRICT

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INLAND EMPIRE UTILITIES AGENCY

OPERATING AND CAPITAL PROGRAM BUDGET FISCAL YEAR 2009/10, VOLUME II

TEN-YEAR CAPITAL IMPROVEMENT PLAN

Proposed for Adoption

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Inland Empire Utilities Agency

6075 Kimball Avenue

Chino, California 91708

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TEN-YEAR CAPITAL IMPROVEMENT PLAN

INTRODUCTION

With the review and recommendations of the Regional Technical and Policy Committees, each year the IEUA Board of Directors adopts a Ten-Year Capital Improvement Plan (TYCIP). Pursuant to the terms of the Regional Sewerage Service Contract, the TYCIP includes wastewater flow forecasts, a description of the capital improvement projects planned to meet those forecasts, a summary of the costs associated with the program, and a description of the financing package planned to implement the program. The TYCIP must be consistent with the Agency's approved budget and long-range financing plan.

This Ten-Year Plan covers Fiscal Year (FY) 2009/10 through FY 2018/19. It continues with implementation of the programs established in the 2002 Wastewater Facilities Master Plan and related planning documents described in Chapter 1. Significant differences from last year's (FY 2009-2018) TYCIP are:

- The current serious economic slowdown has resulted in a significantly reduced growth forecast and resulting impacts on wastewater flows and regional program revenues from connection fees and property taxes.
- Due to the reduced wastewater flow forecast, it has been possible to defer an additional $65 million of capital projects above the $129 million in projects that were already deferred since the FY 2008/09 budget was adopted in June 2008. This brings the total amount of deferred projects to $194 million.
- Because of the expected reduction in revenues, construction costs have been deferred wherever possible and, for new capital projects to go forward, they will have individual funding plans, taking advantage of government grants, State Revolving Fund monies, and federal stimulus funding as much as possible.
- Changing air quality regulations are having a significant impact on IEUA's renewable energy program, including mandatory programs for greenhouse gas emission reductions and stricter permitting requirements for biogas energy projects.
- Given the current statewide water supply crisis, there is increased urgency to implement recycled water and other local water supply programs that will help "drought-proof" water supplies to the region.

This year's TYCIP incorporates the Long-Range Plan of Finance, presented to the IEUA Board in December 2008, which proposed cost-effective strategies to maintain a sound financial position within the framework of current economic recession and aggressive cost containment. Additional cost-cutting measures have been developed with the goal of eliminating planned regional rate increases in FY 2010/11 and FY 2011/12.

INTEGRATED CAPITAL PROGRAM PLANNING

This ten-year plan is consistent with the long-term programs described in the 2002 Programmatic Environmental Impact Report (PEIR), which encompassed the Wastewater Facilities Master Plan (Board-adopted in August 2002), Recycled Water Feasibility Study (2002), and Organics Management Business Strategy (2002). The PEIR addresses these documents and the related planning activities, such as the Chino Basin Optimum Basin Management Plan, in an integrated fashion that deals with water supply, basin management, salinity management and environmental enhancement issues.

Since 2002, there have been dramatic changes in the region's energy picture, water supply picture, and economic picture. Thus, IEUA's original planning documents and implementation plans have been or are in the process of being expanded and updated to enhance successful programs that produce more water supply, energy, and cost-containment benefits. The original program master plans and related planning documents are summarized in Chapter 1. Several of the more recent and ongoing planning efforts undertaken as outgrowths of the program master plans are also described in Chapter 1, including:

- Maximum Benefit Basin Plan Amendment
- Three-Year Recycled Water Business Plan
- Dry-Year Yield Program Expansion EIR
- OBMP Update/Peace II Agreement Subsequent EIR
- Chino Basin Groundwater Recharge Master Plan Update
- Santa Ana Watershed Project Authority (SAWPA) One Water/One Watershed (OWOW) Program and Santa Ana River Watershed Regional Water Management Plan
- NRW Action Plan
- Regional Urban Water Management Plan
- November 2008 Energy Management Strategy

Furthermore, Chapter 8—Emerging Planning Issues—takes an even closer look at four areas:

- Energy Sustainability/Climate Change Initiatives
- IEUA Energy Management Strategy
- Greenhouse Gas Monitoring and Reporting
- New and Innovative Technologies

Water Supply Picture—2009 Drought

In 2008, there has been a profound shift in California water supply planning in response to three consecutive years of drought and regulatory restrictions on pumping imported water from the Bay-Delta. The current water crisis has led to Governor Schwarzenegger's declaration of a water emergency and a call for a 20 % reduction in water use, statewide. The Metropolitan Water District of Southern California (MWD) has adopted a Water Supply Allocation Plan with a Level 2 Shortage (10 % imported water reduction); and IEUA, in collaboration with its member agencies, adopted a Drought Plan on April 15, 2009. This TYCIP recognizes the need to continue to integrate the Agency's planning activities into Chino Basin's overall water supply management strategy. The Agency is continuing to work with local stakeholders to enhance and expand existing programs that improve local water supply availability and reliability, including:

- Recycled Water
- Enhanced Groundwater Recharge
- Desalters
- Dry Year Yield/Conjunctive Management Programs
- Water Efficiency Programs

The Agency works closely with MWD, Chino Basin Watermaster, the retail agencies, and other local stakeholders to implement regional conservation initiatives, coordinate water resource planning efforts, and support water supply programs such as stormwater capture and management, groundwater basin management, conservation, public education, water efficient landscaping, low impact development and water efficiency rebates.

Energy Picture

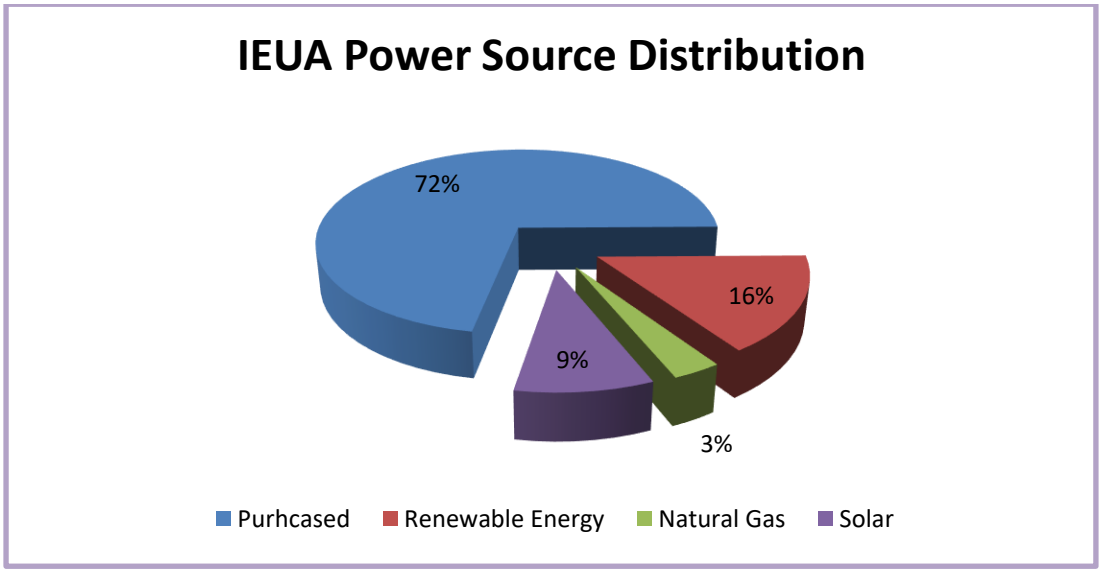
Given the current rising cost of energy and heightened concern about greenhouse gas emissions, global climate change, and State-imposed requirements for reducing carbon emissions, the Agency has been conducting a more aggressive analysis of opportunities to reduce energy demand and generate renewable power. The Agency will be greatly affected by the implementation of California Assembly Bill (AB) 32, which requires implementation of programs starting in 2012 to achieve a 20 % reduction in greenhouse gas emissions by the year 2020. Meeting the requirements of this legislation is one of the biggest challenges facing wastewater agencies. IEUA is participating in the development of monitoring requirements and other components of this legislation as they are taking shape.

Initial state agency recommendations for actions to implement AB 32 include development of solar energy and use of water recycling, two programs that IEUA has already been implementing. IEUA was the Case Study agency and partner in a prominent statewide study of energy consumption and carbon generation in the water/wastewater industry which demonstrated that water recycling saves energy compared to importing water. IEUA completed a Solar Power Project this year which will account for up

to about 9 % of its energy needs from renewable, non-polluting energy sources. Due to the success of the Solar Power Project, IEUA is in the early planning stages of a further expansion of its solar capacity.

Optimizing energy efficiency and self-generation of energy using biogas and solar results in significant avoided electrical costs. IEUA's current energy "pie" is illustrated below. The Agency self-generates almost 30 % of the power it needs in internal combustion engines using a combination of natural gas and biogas. IEUA's goal is to go "gridless" by the year 2020 and produce all electricity "in-house." Another goal is to maximize the amount of power that is self-generated from renewable sources. To accomplish these goals, IEUA has developed an Energy Management Strategy which includes optimizing energy consumption at Agency facilities; increasing the production and use of digester gas; increasing self-generation capacity utilization; pursuing new technologies; and utilizing effective energy procurement strategies. The energy action plan will also address the South Coast Air Quality Management District Rule 1110.2, which limits natural gas usage to 10 % of total gas usage and reduces the Agency's ability to produce its own electricity with renewable energy sources.

Figure ES-1: IEUA Power Sources



Economic Picture

The current economic slowdown and volatility in the financial markets have resulted in a drastic slowdown of new development in the Agency's service area, along with a significant increase in foreclosures and decline in property values. The high number of foreclosures in the San Bernardino/Riverside metro area was reported as the second highest in the nation during the second quarter of 2008, which translates to a significant decrease in anticipated future growth. IEUA is projecting a reduction in property tax revenues and new connection fees. The focus of the Agency's capital program has shifted from planning major new facilities to repair, replacement and maintenance of existing facilities. Because of the expected reduction in revenues, non-critical capital projects have

been deferred. Projects may be added by budget amendment after adoption of this plan only if they have specific funding sources, such as grants, State Revolving Fund loans, or federal stimulus funding.

In this TYCIP, the Agency has deferred $65 million in capital projects that were based on the assumption that population growth would continue unabated. Over the last two years, the Agency has deferred $194 million in non-critical projects. The only exception is the Recycled Water Program 3-Year Business Plan, which is targeted for completion in FY 2011/12 and accounts for 52 % of the total proposed capital expenditures. In addition, the Agency will continue with the Cost Containment Strategy implemented in FY2008/09 and expects to achieve an estimated $9 million in operating cost reductions.

TEN-YEAR FLOW FORECASTS

Fiscal Year 2006/2007 was the driest year on record in the state. Governor Schwarzenegger's call for a 20 % reduction in water usage by 2020 is leading to the development and implementation of increased conservation programs statewide. In addition, the drought and new pumping constraints in the Bay-Delta have reduced imported water deliveries from MWD to the region and resulted in enhanced regional conservation efforts. At the same time, the slowdown in housing construction is expected to delay increases in water demand and thus the need for additional water supplies. The current forecast is for wastewater generation to follow the trend of water consumption and remain at almost static levels for the next few years.

Based on actual daily monitoring data, IEUA's total service area raw wastewater flow has not increased significantly over the past two to three years, and even appears to have decreased slightly. The effectiveness of regional conservation efforts and the current economic slowdown is believed to be reflected in these trends. In FY 2007/2008, with the recorded increase of 3,785 EDUs in the IEUA service area, IEUA would have expected to see an increase of about 1.0 million gallons per day (MGD) in total raw sewage influent flow into the regional sewerage system. Instead, the average daily flow rates of raw sewage into the Regional Water Recycling Plants showed no measurable increase. Los Angeles County and Orange County sanitation agencies have also experienced a leveling off of wastewater flows over the past two years. This trend is expected to continue for the next few years as the price of water goes up and people conserve more.

Figure ES-1 shows the current flow balance for each facility and for the Agency as a whole, using the FY08/09 flow monitoring data through February 2009. A significant difference in the flow distribution compared to last year is that RP-4 is now treating most if not all of the flow that comes to the plant in the Etiwanda Trunk Sewer and is no longer bypassing flow to RP-1. So, the average flow at RP-4 has increased by 3 to 4 MGD and the flow at RP-1 has decreased correspondingly. This leaves significant unused capacity at RP-1. With a 44 MGD design capacity, RP-1 is now treating 33 to 34 MGD. The flow being treated at RP-4 will increase even further as the San Bernardino Lift Station comes on line before the end of FY 2008/09. The additional recycled water produced at RP-4 will be used to supply the recycled water users in the expanding northeast recycled water network.

Exhibits I through V at the back of this report show the ten-year flow projections for each individual facility and the Agency as a whole in graphical form. These projections are based on IEUA's revised estimate of EDU growth that reflects the current conditions and assumptions that were the basis of the Agency's long-range budget.

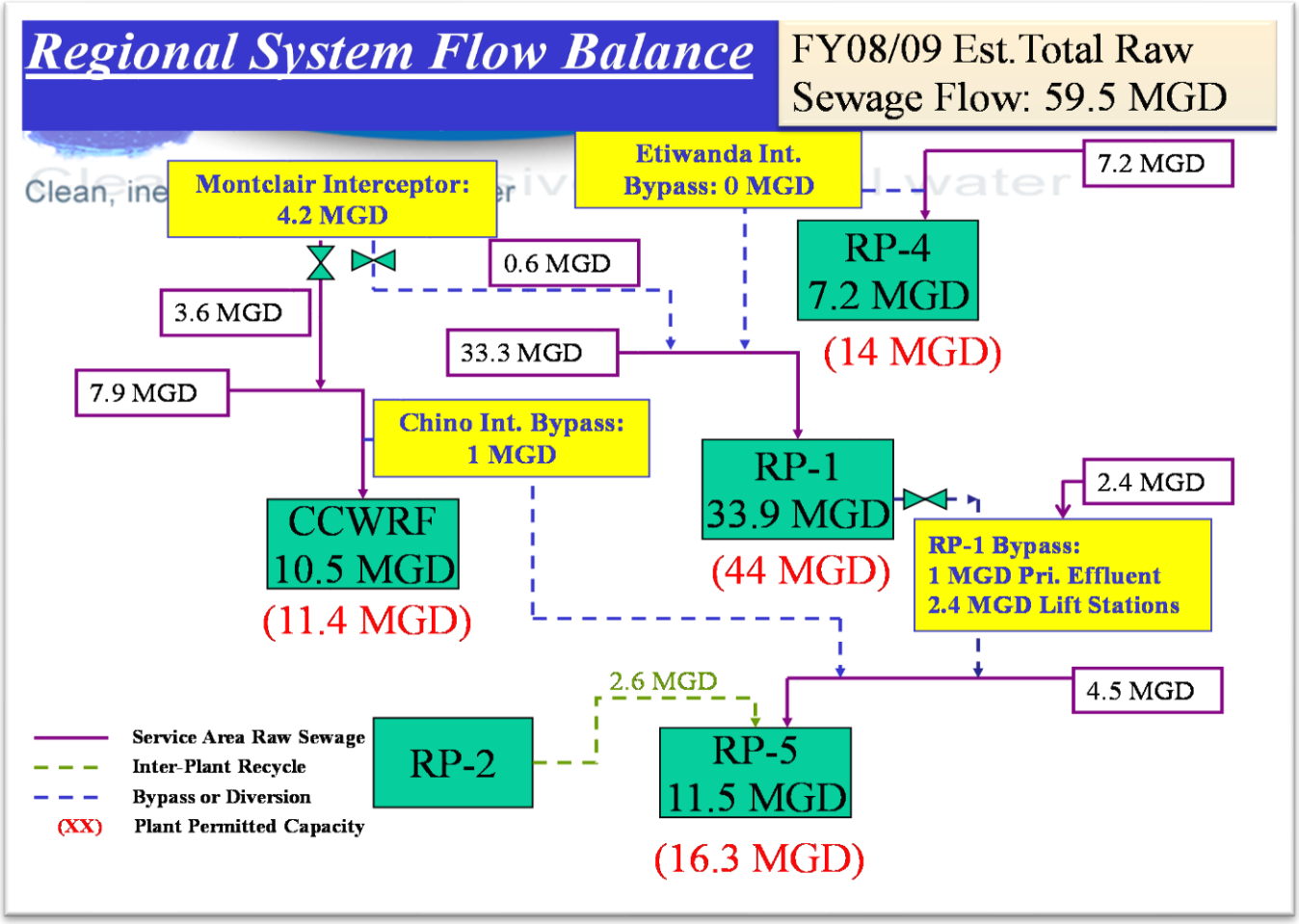


Figure ES-2: Regional System Flow Balance Schematic

Based on the current budgetary estimates of EDU growth, at the end of ten years, IEUA's total system flow is forecasted to be 65.6 MGD, including the recycle stream from RP-2, and the overall treatment plant capacity utilization is expected to be 77 %percent. Agency-wide capacity utilization will be balanced and optimized between facilities to achieve the lowest operational cost while satisfying recycled water demands and water quality requirements. This will be accomplished using the bypass and diversion capabilities discussed in Chapter 1. It is likely that capacity utilization at RP-4 and CCWRF will be higher than at the other water recycling facilities, with the operational goal being to supply recycled water to the users with the least amount of pumping energy.

TEN-YEAR CAPACITY IMPROVEMENT PLANS

Throughout most of the past ten years, the Agency has been in a phase of rapid construction and expansion, with two major wastewater facility expansion projects that increased wastewater treatment capacity by a net total of 17 MGD. The flow forecast for the next ten years indicates much slower growth and, as a result, the TYCIP includes only a few capacity improvement projects which are targeted to specific needs. The current TYCIP emphasis is on repair and replacement of existing structures, providing system redundancy where needed to guarantee performance and compliance, expansion of the recycled water system, and achieving energy sustainability. The TYCIP includes projects which will optimize the use of existing capacity and provide operational flexibility. These projects are discussed further in Chapter 3. The major capacity-related projects are:

- RP-1 Dewatering Facility Expansion – This project can be considered both a replacement and an expansion project. It will replace the old belt presses with more cost-efficient centrifuges and increase capacity at the same time.
- RP-5/RP-2 Capacity Improvements Project– This project involves the re-commissioning of Whispering Lake Lift Station which will alleviate 1-2 MGD of flow from RP-5. Additionally, once the CCWRF Tertiary Filter hydraulic testing is completed, the CCWRF will be re-rated to a higher capacity, which will also alleviate some flow from RP-5. The planning stages of this project involved an analysis of the capacity of each of the unit processes at RP-5, which resulted in a re-rating of the plant's overall capacity from 15 to 16.3 MGD, with the approval of the Regional Water Quality Control Board.

The ten-year flow forecast was used to develop several scenarios for utilizing the capacity at RP-5. In addition, the Agency's Modeling Team utilized the "Optimo" flow routing and optimization model to look at different flow bypassing and diversion scenarios. It was concluded that, through routing more flow to RP-4 and RP-1, there will be enough capacity in the Regional System to last through the next ten years without a major expansion at RP-5. This reduced the scope of work for the RP-5/RP-2 Capacity Improvements Project and substantially reduced the cost of the project. Instead of planning on significant plant process modifications to provide additional capacity, the project is now focused on a few specific areas, including resolving some hydraulic issues and making better use of some unused equipment to provide redundancy and flexibility.

OVERVIEW OF CAPITAL PROGRAMS

The Agency's budget and Ten-Year Capital Improvement Program are divided into several different program areas:

- Regional Program (RC, RO, and OM Funds)
- Recycled Water Program (WC Fund)
- Recharge Water Program (RW Fund)
- Non-reclaimable Waste System Program (NC Fund)
- Administrative Services (GG Fund)

These funds account for all of the costs and revenues associated with acquisition or construction of facilities and improvements. The operating funds are described in the Agency's adopted Budget (Volume 1).

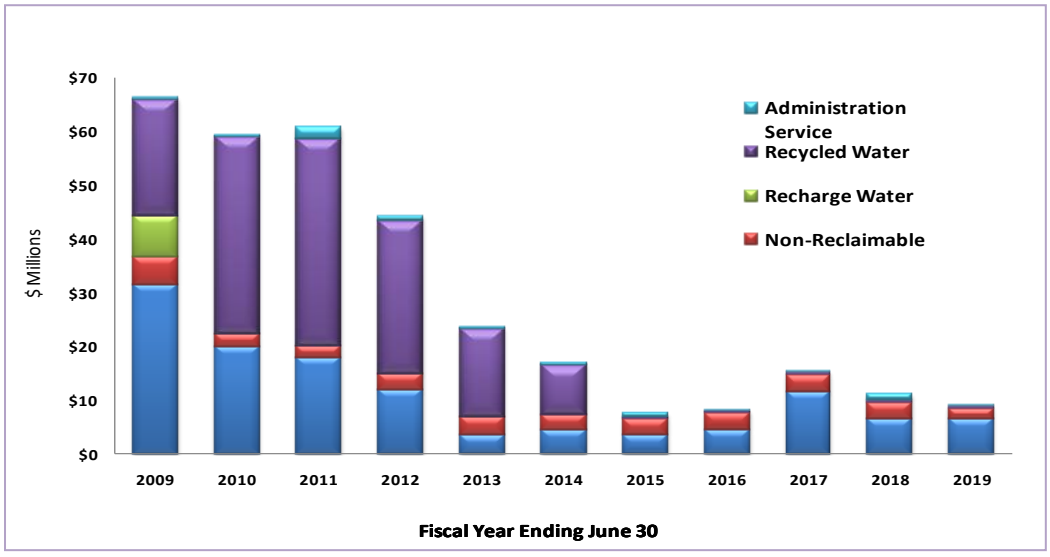
As shown in Table ES-1, the Wastewater and Recycled Water Programs consist of the greatest capital investment within the Agency and are scheduled to require approximately $219 million, or 90 % of total Agency capital costs through FY2019. For each program area, the complete list of projects with schedules and budgetary costs is shown in Appendix B.

TABLE ES-1
CAPITAL PROGRAM ALLOCATION

Capital Program	Amount ($ Millions)	Percentage
Wastewater	$90	35%
Recycled Water	131	51%
Non-Reclaimable (NRW)	28	11%
Administrative Services	7	3%
Total Program	**$256**	**100%**

The Agency's total capital program is estimated to be $256 million for FY 2009/10 – FY 2018/19. The proposed TYCIP is $193 million less than the current plan, adopted in June 2008 for a total of $450 million. The full allocation of capital costs by program is shown in Figure ES-3.

Figure ES-3: Projected Capital Expenditures by Program



The discussion below focuses on the following programs with the greatest capital needs:

- Wastewater Capital Replacement & Maintenance Program
- Recycled Water Program
- Non-Reclaimable Wastewater Program
- Other Agency Programs

The capital costs are discussed separately and each program is supported by a different revenue source, as discussed further in Chapter 7 – Financing.

Wastewater Capital Program

The Agency's Wastewater Capital Program is estimated to require new capital funding of $90 million though FY 2018/19, or 35 % %of the total projected capital expenditures. Some of the major Regional Wastewater capital projects are shown in Table ES-2 below.

TABLE ES-2

REGIONAL WASTEWATER CAPITAL PROJECTS

Major Capital Projects	$ Millions
RP-1 Dewatering Facility Expansion Project	$26.5
All Facilities Plant Equipment Replacement	$12.0
RP-2 Decommissioning	$ 8.0
RP-1 Asset Replacement	$7.6
Miscellaneous RC Construction Projects	$ 5.0
RP-1 Facilities Improvements	$3.0
RP-5 Maintenance Facility	$ 2.9
RP-1 Facilities Repairs/Replacement	$ 2.8
IERCF Capital Contributions	$2.5
RP-2/RP-5 Capacity Improvements	$2.2

Regional Plant No. 5 (RP-5) is IEUA's newest regional wastewater treatment and water recycling facility. Completed in March 2003, RP-5 is permitted to treat 16.3 MGD. Current capital projects for this facility involve the evaluation of the current capacity of the liquid phase and, additionally, the improvement of the performance of the solids phase. The plan to expand RP-5 from its existing 16.3 MGD capacity to 28 MGD was deferred for construction beyond the ten-year period based on current economic conditions and the significant slowdown in future development, expected to result in minor growth in the Agency's service area.

In January 2009, IEUA completed an expansion of Regional Plant No. 4 (RP-4) from 7 to 14 MGD. The next capacity expansion of RP-4, from 14 to 21 MGD, is not considered to be needed within the next ten years, based on the flow forecast. Other major projects in construction at the RP-4 site relate to the expansion of the Recycled Water Program and will help the Agency meet its goals of distributing more recycled water throughout the community.

There are no current or future plans to expand the flow capacity of Regional Plant No. 1 (RP-1), the oldest and largest plant in the Agency's system; nonetheless, a number of sizable capital projects are planned for this facility. These projects relate to system and equipment modifications and upgrades to maximize efficiency of odor control systems to assuage community concerns. A major expansion project is the RP1 Dewatering Facility Expansion Project which will be fast tracked as part of the federal stimulus funding. An application for stimulus SFR Loan funding was submitted to the State Water Resources Control Board (SWRCB) in March 2009. If approved, the stimulus funding will provide a 1% interest rate loan with a 20-year repayment period. The budget is $26.4 million and is slated for completion in FY 2011/12. Recently completed construction projects are the improvements to the chemical mixing and monitoring of recycled water flow at the Tertiary Facility and the enhancement of the Three-Phase Digestion process. Projects under construction involve the improvement of an over-flow structure at chlorination/dechlorination facility to meet the increased demand of recycled water and maintain discharge compliance. Currently under design are projects related to the expansion of the facility's dewatering capacities, and the installation of a gas cleaning system. These improvements help the Agency meet its long-term goals of cost containment and efficient production through use of new technologies and "state of the practice" equipment.

Replacement of aging facilities and major capital maintenance will demand an increasing share of the Agency's attention and resources. As a result, the Agency anticipates spending approximately 10 % of its capital outlay on rehabilitation and replacement. With projected expenses of $21 million over the next 10 years, the asset management replacement program is planned to address older facilities (i.e., RP-1). Estimates of those costs are derived from consultant condition assessments, staff operation assessment and historical life of service. It assumes also that all new infrastructures will require capital maintenance after the first five years of operational use.

Organics Management

The Chino Basin Organics Management Business Plan (May 2001) developed a strategy to manage the organics in the Chino Basin, including biosolids, dairy animal manure, and composting of local community green waste material. The IEUA Board of Directors certified the Programmatic EIR for the Business Plan in June 2002 and adopted the Business Plan together with the Wastewater Facilities Master Plan and Recycled Water Feasibility Study in August of 2002. The Business Plan, as an integral tool for implementing the Chino Basin Watermaster's Optimum Basin Management Plan (OBMP), included two key initiatives. The first was a comprehensive and reliable renewable energy program and the second was a sustainable biosolids recycling program.

As a major milestone for implementation of the Business Plan, construction of the Inland Empire Regional Composting Facility (IERCF) was completed in 2007. The IERCF is designed to process over 200,000 tons per year of recycled wood wastes and biosolids, producing over 200,000 cubic yards of high-quality compost each year. Since startup, the facility has ramped up to over 90% of its design capacity, receiving over 500 tons per day of biosolids and recycled waste products. Compost, which is created and marketed as SoilPro Premium Compost, is sold as a soil conditioner which helps improve water retention resulting in better plant growth and water savings.

Because of the IERCF, the Agency has a self-sufficient and environmentally beneficial method to handle the over 200 wet tons of biosolids produced every day at its four water recycling facilities. The Agency does not have to be dependent on methods such as such as land application, which is experiencing public opposition, or private contract hauling for long distances, which is affected by escalating fuel costs. Beginning in FY 2009/10 and going forward, the Organics Management fund will be combined with the Wastewater Operations and Maintenance fund, as part of the Regional Wastewater program.

Recycled Water Capital Program

In response to potential reduction in imported water supplies, the Recycled Water 3-Year Business Plan was adopted by the Agency Board of Directors in December 2007. The intention of the Business Plan is to accelerate the expansion of the recycled water distribution system in the most cost effective and rapid manner possible and to increase the amount of recycled water available within the Agency's service area. The recycled water system consists of pipelines, reservoirs, and pump stations that provide recycled water throughout the majority of the IEUA service area. Also included are construction projects for laterals to connect to the Agency's distribution system.

The Recycled Water 3-Year Business Plan focuses on projects that have been grouped into priorities and categorized into four project areas: Northeast, Northwest, Central and Southern Project Area. These were prioritized based on the amount of recycled water that each area could serve and the proximity of each to one of the existing recycled water plants. The ultimate goal of Business Plan is to provide 20 % of Agency's water requirement by 2025 by extending the use of recycled in place of more costly imported water for industrial, irrigation, landscaping, and replenishment of groundwater basins. Projects will average approximately $35 million per year for the next three fiscal years, with the Business Plan totaling approximately $131 million for the ten fiscal years 2009-2019. The basic financing assumption is that the 3-Year Business Plan will be funded through federal and state grants and low-interest State Revolving Fund loans issued by the State Water Resources Control Board (SWRCB). The availability of this funding source is a critical assumption. If state and federal funding is delayed, then the Business Plan capital projects will be deferred.

In March 2009, the SWRCB approved Loan Package #4 in the amount of $38 million for Phases IV and V in the Northeast Facilities section, along with a grant award of $4.2 million. This was the first loan issued by the SWRCB under the Clean Water Act federal stimulus funding program and eligible for 0% interest payable in 20 years. In addition to the SRF Loans and grants, $14 million in USBR Title XVI grant proceeds is anticipated to be received in FY 2009/10 against the total grant award of $20 million. The first release

of $1 million was received in FY 2007/08, and the second release of $5 million was received in May 2009.

Non-Reclaimable Wastewater (NRW) Capital Program

The long range capital improvement projects for the existing NRWS are directed toward increasing the economic value and improving and retaining the integrity of the NRWS. IEUA will spend over $28 million on repairs and replacement of the NRWS pipeline and the pump station as part of the IEUA asset management program. These capital projects will improve the liability of the NRWS and will allow the Agency to comply with the recently adopted requirements of the state mandated Wastewater Discharge Requirements of Sanitary Sewer Management Plan (SSMP).

Recharge Water Capital Program

The Recharge Basins are currently not expected to require significant capital requirements beyond the completion of refurbishment at selected basins. This is subject to change based upon discussions and collaboration with the Agency's partner, Chino Basin Watermaster (CBWM). Within this TYCIP the Groundwater Recharge Basins are assumed to be sufficient to provide adequate storm water recapture and recycled water storage for the foreseeable future. Other modifications, capital maintenance, and replacements will likely be required. The determination of what is needed and when to implement any capital changes will be the subject of a future review and collaborative effort of the Agency and the CBWM. The financial impact of any significant capital requirements for either the Inland Empire Regional Composting Facility (IERCF) or the groundwater recharge basins will be addressed in revisions and updates to this Plan.

Administrative Services Program

The capital purchases in the Administrative Services Program are primarily for furniture, vehicles, office equipment (defined by Agency's policy as greater than $5,000), computers and software (greater than $1,000) and other administrative purchases commonly used for general Agency purpose. These capital expenses are supported by the Wastewater Program (90%), and the NRW and Recycled Water Programs. The total ten-year capital project costs for this program are projected at approximately $7 million, which includes system upgrades, computer equipment replacement, network infrastructure replacement, software purchases, and capital improvements to the Agency's headquarters.

CHAPTER 1 I E U A	TYCIP

TEN-YEAR CAPITAL IMPROVEMENT PLAN

1.0 INTRODUCTION

1.1 Background

The Inland Empire Utilities Agency (IEUA) is a wholesale distributor of water and recycled water and provides regional wastewater treatment services for a 242-square-mile area of western San Bernardino County. IEUA provides industrial and municipal wastewater collection through regional wastewater interceptors and two non-reclaimable waste pipeline systems, and produces recycled water at four regional treatment plants. IEUA also produces energy from natural gas and biogas at its regional facilities and produces biosolids compost at its state-of-the-art composting facility. IEUA provides these utility services to seven Contracting Agencies:

1. City of Chino
2. City of Chino Hills
3. Cucamonga Valley Water District (CVWD)
4. City of Fontana
5. City of Montclair
6. City of Ontario
7. City of Upland

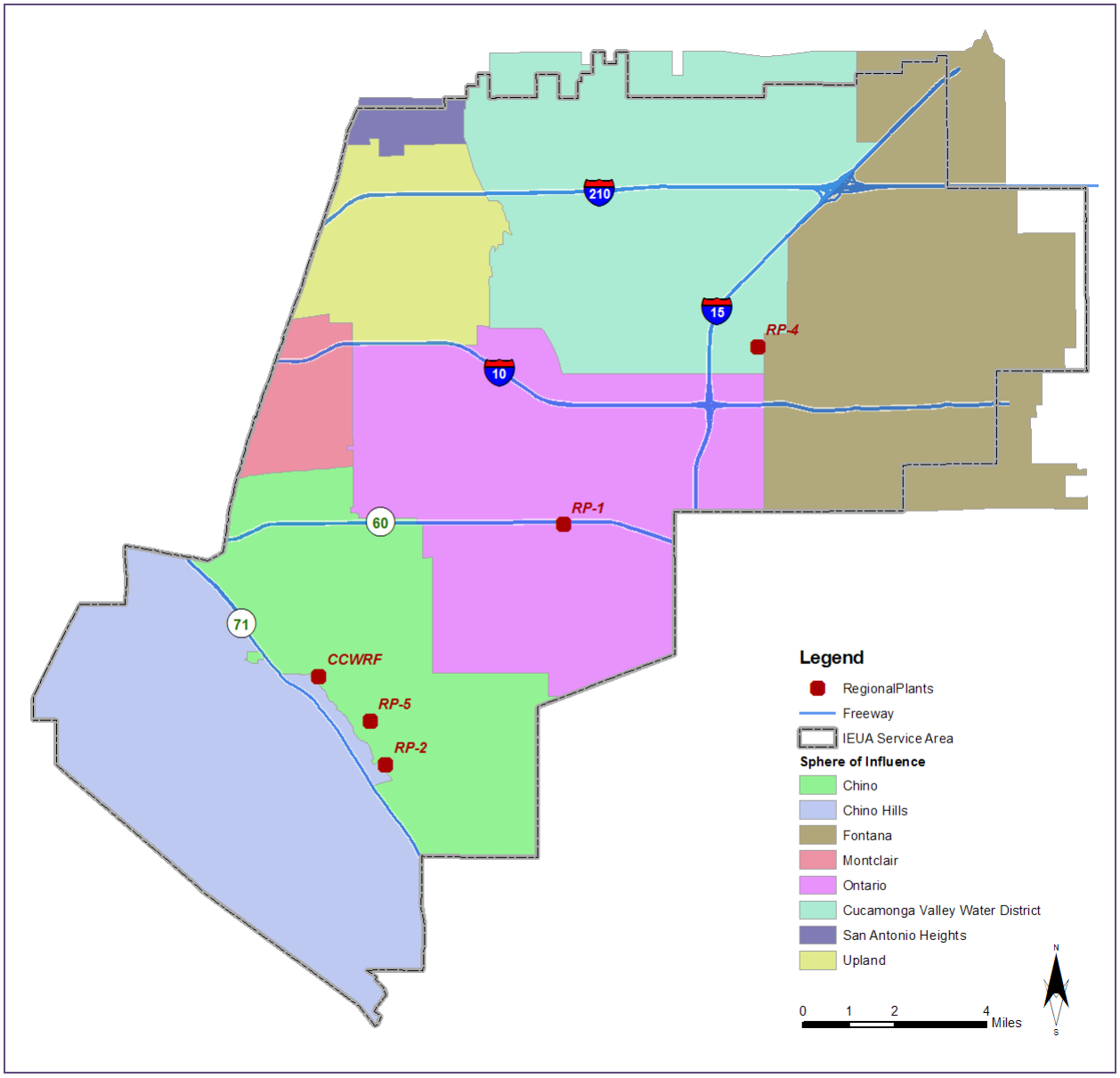
Figure 1-1 depicts the IEUA service area, each Contracting Agency's sphere of influence, and IEUA's regional water recycling facilities.

> "The mission of the Agency is to supply imported and recycled water; collect, treat, and dispose of wastewater; and provide other utility-related services to the agencies it serves. The Agency strives to provide these services in a regionally planned, managed, and cost-effective manner which protects the public health and environment, and maintains a high level of public awareness."

1.2 IEUA's Mission

IEUA, its Board and staff, strive to ensure that reliable, cost-effective water utility services, which protect and enhance the environment while fostering economic development, are available when needed. In coordination with its Contracting Agencies, IEUA has developed this Ten-Year Capital Improvement Program (TYCIP) to determine the capital spending requirements needed to meet future wastewater service needs, and coordinate and set priorities for future water supply, recycling, organics management, and energy management projects.

Figure 1-1: Contracting Agencies



The residents of the Chino Basin area voted to form IEUA (originally incorporated as the Chino Basin Municipal Water District) in June 1950. The Agency is governed by a five-member Board of Directors (Board), elected to represent individual areas or Divisions. IEUA became a member of the Metropolitan Water District of Southern California (MWD) in 1950 and the Santa Ana Watershed Project Authority (SAWPA) in 1972. IEUA is a member of the MWD, SAWPA and Chino Basin Watermaster Board of Directors.

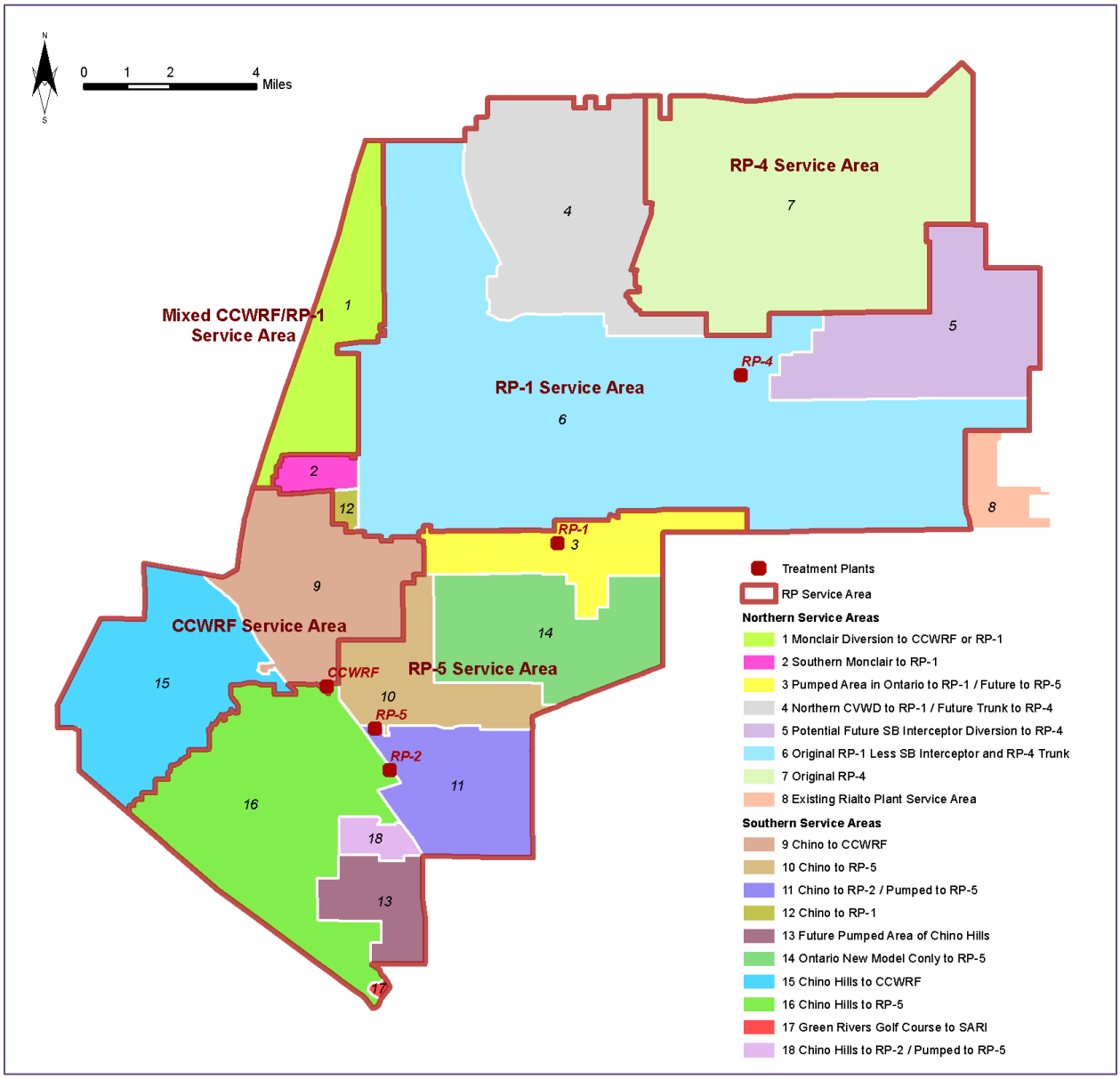
IEUA closely coordinates its water resources management program in the Chino Groundwater Basin with the Chino Basin Watermaster, the San Bernardino County Flood Control District, the Chino Basin Water Conservation District, and local water and wastewater retail agencies.

1.3 IEUA Regional Facilities

Regional Water Recycling Plants

Figure 1-2 illustrates the service area boundaries for IEUA's four water recycling plants. The four Regional facilities are: Regional Plant No. 1 (RP-1), Regional Plant No. 4 (RP-4), Regional Plant No. 5 (RP-5), and Carbon Canyon Wastewater Reclamation Facility (CCWRF). The biosolids produced at RP-4 and RP-1 are thickened, digested, and dewatered at solids handling facilities located at RP-1. Similarly, the CCWRF and RP-5 biosolids are treated at Regional Plant No. 2 (RP-2). The stabilized and dewatered solids are transported to the Inland Empire Regional Composting Facility for processing into soil amendment.

Figure 1-2: Regional Plant Service Area Boundaries



RP-5 began treating and discharging wastewater in March 2004. At that time, the RP-2 wastewater influent was diverted to RP-5 for treatment. Since portions of RP-2 are located in the 100-year flood plain, liquid wastewater processing at RP-2 was discontinued and the plant is being used only for processing solids from RP-5 and CCWRF. Biosolids processing at RP-2 will continue until the plant reaches the end of its useful life or until the RP-2 land can no longer be leased from the U.S. Army Corps of Engineers. Some land at RP-5 has been reserved for future solids processing facilities.

Regional Interceptor System

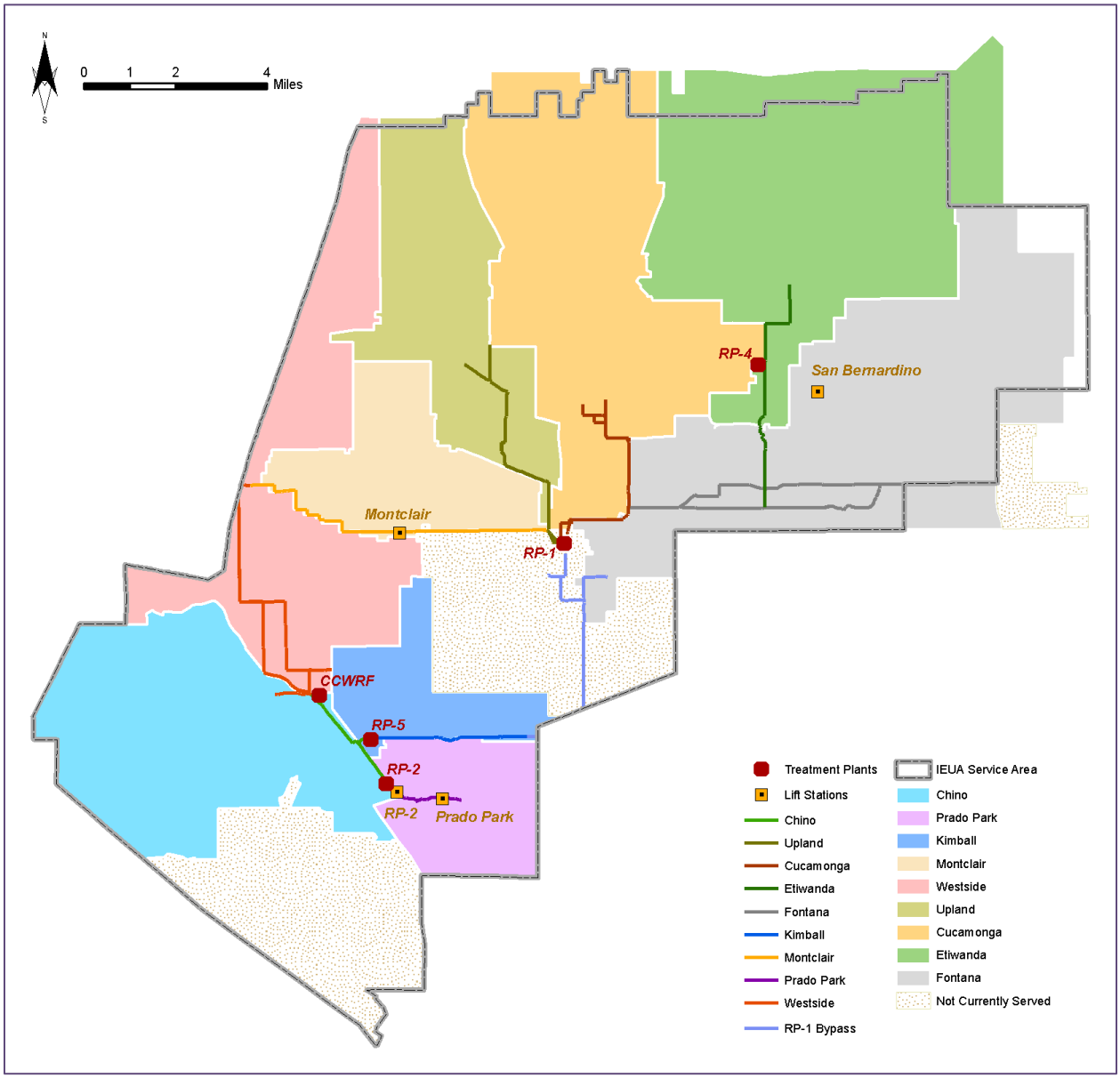
IEUA has a network of regional interceptor sewers that can be used to bypass flow from one treatment plant to another to balance and optimize the use of treatment capacity. Currently, the regional interceptors can bypass flow from RP-4 to RP-1 and from CCWRF to RP-5. In addition, primary effluent can be bypassed from the RP-1 equalization basins to RP-5. Figure 1-4 illustrates the existing regional trunk wastewater system and tributary areas. The main routes for bypassing/diverting flow are:

- Operators can bypass up to 6 million gallons per day (MGD) from RP-4 to RP-1 through the Etiwanda Interceptor.
- Operators can bypass flow from CCWRF to RP-5 through the Chino Interceptor-- typically 1 to 2 MGD.
- A portion of the flow from the Cities of Upland and Montclair (about 4 MGD) can be diverted either to CCWRF, through the Westside Interceptor, or to RP-1, via the Montclair Lift Station and Montclair Interceptor. Typically, most of the flow is routed to CCWRF to avoid pumping costs.
- Primary effluent and sludge can be diverted from the RP-1 equalization basins into the Eastside Interceptor and then it flows by gravity to RP-5. Up to 9 MGD could potentially be bypassed; however, operational experience has shown that 1 to 2 MGD is currently the optimum in terms of wastewater treatment plant performance.

As shown on Figure 1-3, IEUA has four wastewater lift stations:

- The Montclair Lift Station pumps wastewater from portions of Montclair, Upland, and Chino to RP-1.
- The Prado Park Lift Station pumps wastewater from the Prado Regional Park in the City of Chino to RP-5.
- The RP-2 Lift Station, which pumps flow from the southeastern portions of the cities of Chino and Chino Hills to RP-5.
- The San Bernardino Avenue Pump Station, which will pump a portion of the flow from the City of Fontana to RP-4 when it is completed in FY 2008/09.

Figure 1-3: Existing Regional Trunk Wastewater System & Tributary Areas



1.4 Program Master Planning and Integrated Water Resources Management

IEUA's Wastewater Facilities Master Plan (WFMP) was adopted in August 2002 with the approval of the Regional Technical and Policy Committees. The WFMP, together with the Recycled Water Feasibility Study (2002) and the Organics Management Strategy Business Plan (2002), formed a "Program Master Plan" and were the subject of a Programmatic Environmental Impact Report (PEIR) certified on June 28, 2002. The PEIR integrated all of the Agency's related planning activities into one comprehensive

document in order to address the environmental concerns of the overall effects of the projects contemplated by the Agency. This TYCIP is consistent with the IEUA's approved WFMP and PEIR.

The 2002 WFMP and PEIR encompassed the agency's plans for wastewater collection and treatment, water recycling, organics management and energy management in an integrated planning framework. The WFMP and PEIR also considered and were consistent with the related planning activities and reports dealing with water supply, basin management, salinity management and environmental enhancement. This comprehensive planning process is illustrated in Figure 1-4 and the various planning documents are described below.

Since 2002, the need to integrate all of the Agency's master planning activities into Chino Basin's overall water supply management strategy has become even more apparent. In 2008, there has been a profound shift in California Water Supply Planning in response to two consecutive years of drought and regulatory restrictions on pumping imported water from the Bay-Delta. In addition, rising energy costs, economic recession, climate change, greenhouse gas emission reduction legislation, and drought allocation plans have led to decreased imported water reliability and a call from the Governor to reduce per capita water demand by 20 to 30%. This has led the local water supply stakeholders to enhance programs to meet future water needs through increased local water development, including:

- Recycled Water
- Enhanced Groundwater Recharge
- Desalters
- Dry Year Yield/Conjunctive Management
- Water Efficiency Programs

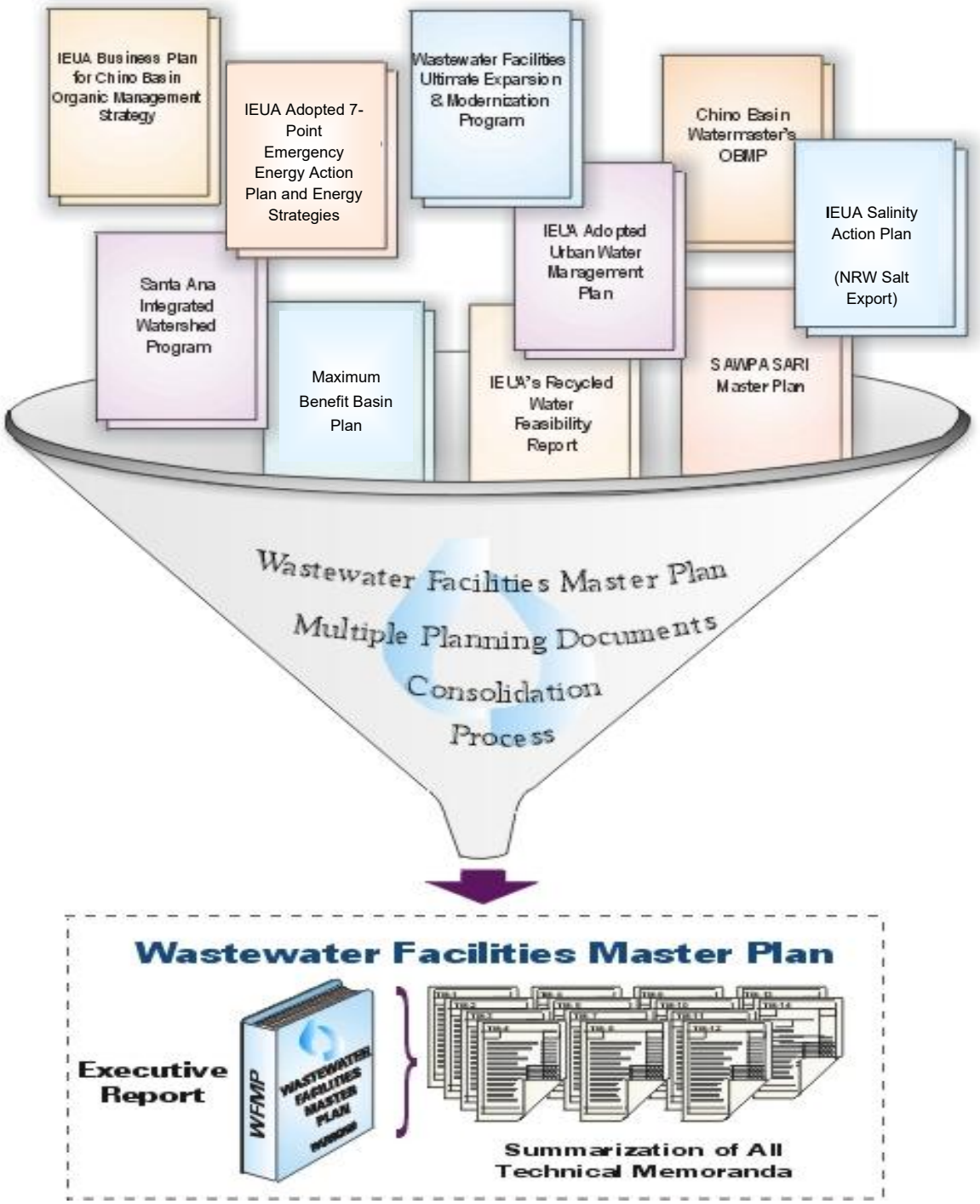
Thus, IEUA's original planning documents have been expanded and updated to enhance successful programs and derive more water supply and energy benefits. A brief description of each of the original documents and the more recent outgrowths of these planning efforts is given below.

Wastewater Facilities Master Plan

Some of the objectives of the 2002 WFMP were to: (1) identify facilities that need to be replaced or expanded in the near- and long-term to meet projected growth and wastewater flow needs; (2) develop a cost-effective, phased implementation plan; (3) determine space and location needs for additional or expanded treatment facilities; (4) develop strategies for flow diversion between service areas to optimize existing treatment capacity utilization; and (5) maximize water recycling, energy efficiency, and organics recycling.

Figure 1-4:

2002 Facilities Master Plan—Consolidation of Relevant IEUA Planning Documents



The WFMP included plans for expansion of wastewater facilities to meet the needs of growth within the service area through 2050. Specifically, it included improvements and expansion of wastewater facilities at RP-4; construction of a new 15-MGD wastewater facility at RP-5; conversion of RP-2 to a solids handling facility only (elimination of wastewater treatment at RP-4); and numerous upgrades and odor control facilities at RP-1 and Carbon Canyon RWRF. These plans have all been implemented. In addition, a new, state-of-the art composting facility was put into service near RP-4 that handles biosolids and green waste; a demonstration renewable energy facility was constructed at RP-5; a new, LEED-Platinum administration building and wetlands educational park were constructed near RP-5; the recycled water system was expanded to include additional recycled water pump stations, pipelines, and reservoirs in the northeast and central areas; and organics management facilities were constructed for handling biosolids, manure, and food waste in the southern area.

IEUA Recycled Water Feasibility Study

IEUA prepared a Recycled Water Feasibility Study, adopted by the Board of Directors in August 2002, which delineated the Agency's recycled water program through the year 2020. In 2004, IEUA initiated development of the Regional Recycled Water Program Implementation Plan, which updated information from the 2002 study. In 2005, the IEUA Recycled Water Program Implementation Plan identified additional future recycled water demand, primarily in the developing areas of the cities of Chino and Ontario. IEUA recognizes that water recycling is a critical component of an effective water resources management strategy; over the years, recycled water will become a larger portion of the overall water resources supply mix for the Chino Basin. Water recycling will help "drought proof" the Basin, help achieve the objectives of the OBMP, and provide a lower cost water supply to all the residents within IEUA's service area.

The 2002 Feasibility Study recommended and the 2005 Recycled Water Program Implementation Plan confirmed that interconnection of all four of the IEUA's regional treatment plants in a looped distribution system would maximize beneficial use of recycled water, increase system reliability and flexibility, and provide other operational and cost reducing benefits. The looped system will also allow more customers to be served and provide the flexibility to release surplus recycled water to spreading basins throughout the Basin for recharge.

IEUA's adopted Recycled Water Feasibility Study (August 2002), indicated that by the year 2020 the projected use of recycled water would exceed 70,000 acre-feet per year (AFY), with over 1,700 customers projected to be connected to the regional recycled water distribution system. Subsequent implementation of the 2005 Recycled Water Program Implementation Plan and the 2005 IEUA Urban Water Management Plan showed that a total of over 93,000 AFY of recycled water could be delivered to over 1,900 potential customers. IEUA will recharge up to 33,800 AFY of recycled water (blended with storm water and imported water to meet the overproduction replenishment needs) into the Chino Groundwater Basin and facilitate direct deliveries of over 69,000 AFY of recycled water to local customers. IEUA's goal is to use as much recycled water for local beneficial uses as is economically practical and replenish the Chino Groundwater Basin. In June 2007, IEUA received a new permit for recycled water recharge adding several more basins that can be utilized for recharge with recycled

water. These added basins will increase both the volume and distribution of recycled water availability in the Chino Basin.

Recycled Water 3-Year Business Plan

In FY 2007/08, in response to potential water supply shortages and reductions in MWD imported water supplies, IEUA accelerated implementation of the recycled water program deliveries by committing to a 3-Year Business Plan. The 3-Year Business Plan (initially adopted in December 2007) is intended to be a "short-term" action-oriented document that will be updated annually to adjust the goals, timelines and projects that will expand the use of recycled water. The 3-Year Business Plan, as updated in 2008, has a goal of increasing the total recycled water connected demand to 50,000 AFY by FY 2011/2012. The program is to be funded by a combination of state and federal grants, State Revolving Fund Financing (SRF) and MWD rebates. In addition, the recycled water supply is not impacted by drought and will mitigate the impacts of regional or statewide water supply limitations.

Chino Basin Organics Management Strategy Business Plan

The Chino Basin Organics Management Business Plan developed a strategy to manage the organics in the Chino Basin, including biosolids, dairy animal manure, and composting of local community green waste material. The Business Plan was published in May 2001, along with a Project Report containing ten Technical Memoranda, which provided the background and basis for the recommendations in the Business Plan. The IEUA Board of Directors certified the Programmatic EIR for the Business Plan in June 2002 and adopted the Business Plan together with the Wastewater Facilities Master Plan and Recycled Water Feasibility Study in August 2002. The Business Plan presented specific short-term and long-term recommendations as well as outlining of the steps and considerations that must be addressed in implementing projects consistent with the IEUA's goals and mission.

The Business Plan, as an integral tool for implementing the Chino Basin Watermaster's Optimum Basin Management Plan (OBMP) includes two key initiatives. The first is a comprehensive renewable energy reliability program and the second initiative is a local organics recycling program. Implementation of those initiatives advances one of the paramount goals of the Business Plan: protection of the Chino Groundwater Basin from infiltration of salts and nitrogen compounds, in agricultural wastes. As a result, IEUA can avoid the need for costly removal of those contaminants from ground water.

As a major milestone for implementation of the Business Plan, construction of the Inland Empire Regional Composting Facility (IERCF) was completed in 2007. The IERCF provides the Agency with self-sufficiency as far as biosolids disposition, rather than being subject to the uncertainties of other options. Some options, such as land application of biosolids, are undependable because of changes in public attitudes and the need to haul longer and longer distances. Many options are increasingly expensive because of increasing contract costs, high energy costs, air pollution regulations, and lack of nearby facilities or markets.

The IERCF is designed to process over 200,000 tons per year of recycled wood wastes and biosolids producing over 200,000 cubic yards of high-quality compost each year. Since startup, the facility has

ramped up to over 90% of its design capacity, receiving over 500 tons per day of biosolids and recycled waste products. Compost, which is created and marketed as SoilPro Premium Compost, has been sold as a soil conditioner which helps improve water retention resulting in better plant growth and water savings. In order to receive recycled products year-round, a compost storage facility has been constructed to allow the facility to store compost during the winter season when compost demand is low.

Chino Basin Watermaster's Optimum Basin Management Plan (OBMP)

The OBMP for the Chino Basin was prepared by the Court-appointed Watermaster to address groundwater quality problems and identify groundwater management opportunities to be pursued for the benefit of the basin resources. The OBMP consisted of recommended studies, programs and facilities to further the objective of developing cost-effective, reliable, potable water supplies for the long-term while enhancing and protecting the yield and quality of the Basin groundwater aquifers and downstream uses. The OBMP provided a framework for developing a cooperative groundwater management program among agencies which use, manage or regulate water resources in the Basin. To facilitate implementation of the OBMP, an agreement (referred to as the "Peace Agreement") was signed by Watermaster, IEUA, Orange County Water District, and various other stakeholders on June 29, 2000. The OBMP Program EIR was certified on July 12, 2000, with IEUA acting as the lead agency.

The purpose of the OBMP was to develop a water quality and quantity based management plan for the Chino Groundwater Basin. The OBMP was intended to allow continued reliance on groundwater for beneficial uses within the basin - while minimizing demand for imported water - and encourage the beneficial use of the large available storage space in the aquifer system. This Ten-Year Program is consistent with Watermaster's OBMP.

The OBMP addressed the need to develop additional water sources within the Chino Basin to meet future demands through water quality treatment, groundwater recharge, groundwater desalination, and water recycling programs. It has resulted in the design and construction of a looped pipeline recycled water system, along with storage reservoirs, and pump stations, that connects the IEUA recycled water production facilities with local recycled water customers as well as groundwater recharge basins. Construction and improvement of 18 groundwater recharge basins have also been completed, allowing for conservation of storm water, recycled water, and imported water in the underground Chino Basin. The OBMP Phase I Desalter program was also implemented which provided 12 MGD of new groundwater desalination capacity. In addition, the 100,000 acre-ft per year (AFY) MWD Dry Year Yield (DYY) Program, approved in June 2003, funded six new groundwater treatment facilities that allow optimal use of the Chino Basin groundwater resource in accordance with the goals of the OBMP.

Dry Year Yield Program Expansion

In June 2007, MWD agreed to fund $1.5 million, for technical and environmental studies, to expand the DYY Program in the Chino Basin. It was used to characterize the DYY program objectives and Chino Basin capabilities, conduct conceptual designs for potential facilities development, prepare CEQA documentation, and produce a project development report (PDR). The DYY Program Expansion Project

Development Report (PDR) was published in December 2008 and a Mitigated Negative Declaration for the DYY Expansion Project was adopted by the IEUA Board on December 17, 2008. The purpose of the PDR was to determine the facilities needed to store up to 174,000 AFY and to recover up to 40,000 AFY of stored groundwater for dry-year use, in-lieu of imported water from MWD.

OBMP Update

The OBMP PEIR is now nine years old and determining consistency of specific projects with the PEIR in accordance with Section 15162 and 15163 of the State CEQA Guidelines has become more difficult to achieve. Thus, IEUA, the Chino Basin Watermaster and stakeholders have made a decision to update the OBMP PEIR data base and to prepare a new environmental document. In addition, the original Peace Agreement has been updated to redefine the future programs and actions required to implement the OBMP, based on the past nine years of experience and accomplishments in implementing the OBMP. The "Peace II Agreement" was approved by the Court on December 21, 2007. IEUA is currently serving as the lead agency under CEQA for a focused Subsequent PEIR for the OBMP update, called the "Peace II EIR." It is expected to be completed by the end of FY 2008/09.

The Peace II Agreement provides, among other things, for "re-operation" and attainment of "hydraulic control" in the groundwater basin. Hydraulic control is defined as the reduction of groundwater discharge from the Chino North Management Zone to the Santa Ana River to *de minimis* quantities. Hydraulic control ensures that the water management activities in the Chino North Management Zone will not impair the beneficial uses of the Santa Ana River downstream of Prado Dam. Re-operation means the gradual increase in controlled overdraft of the Chino Groundwater Basin from 200,000 acre-ft to 600,000 acre-ft. Both of these objectives would be achieved through expansion of the desalter program such that the groundwater pumping for the desalters will reach 40,000 acre-ft/yr and that the pumping will occur in amounts and at locations that contribute to the achievement of hydraulic control and the strategic reduction in groundwater storage (re-operation).

Expansion of the desalter program would be accomplished with the installation and operation of a new well field to convey additional water to the desalters and a 10,000 acre-ft/yr expansion of Desalter II. The new product water developed at Desalter II would be conveyed to the Jurupa Community Services District ("JCSD"), the City of Ontario, and/or Western Municipal Water District ("WMWD") through existing and new pipelines. The facilities required to convey this water include pipelines, pump stations, and reservoirs. The precise locations of these facilities are unknown at this time.

Groundwater Recharge Master Plan

The Groundwater Recharge Program is a comprehensive plan to increase artificial groundwater recharge within the Chino Basin using stormwater, recycled water, and imported water. As a component of the Chino Basin Watermaster's OBMP, the recharge program is described in the Recharge Master Plan, Phase II Report (August, 2001). In January of 2002, the IEUA Board of Directors approved the Recharge Master Plan Implementation Memorandum of Agreement, between Chino Basin Watermaster, Chino Basin Water Conservation District, San Bernardino County Flood Control District (SBCFCD), and IEUA. Members of these four agencies formed a Groundwater Recharge Coordinating Committee to

implement the initial $40-million program entitled the Chino Basin Facilities Improvement Project (CBFIP). The CBFIP is described further in Chapter 5 of this document.

Recharge Master Plan Update

Currently, the Chino Basin Watermaster is updating the Groundwater Recharge Master Plan in response to changes in demand, recharge capacity, safe yield, and other factors. The Watermaster is required, consistent with the Peace II agreement and court deadline, to prepare an update of the Master Plan Update for the Chino Basin by July 2010. The proposed Groundwater Recharge Master Plan will include an assessment of safe yield changes and a revised safe yield projection as well as identify opportunities for enhanced storm water, recycled water and supplemental recharge (including low impact development, new recharge projects and integrated storm water and supplement water facilities). The water supply plans for the agencies within the Chino Basin will be developed concurrent with IEUA's Regional Urban Water Supply Plan (which must also be completed in 2010) so that the data is consistent between the two regional plans.

Over the 2008 summer, IEUA staff completed and submitted, to the Chino Basin Watermaster two technical memos that provided updated information on the existing assumptions for water supply and demand data and groundwater recharge options.

Following these technical memos, IEUA gathered updated water supply and demand projections from the agencies within the Chino Basin. These updated projections have already been used for the Chino Basin Conjunctive Use Program (Dry Year Yield Expansion) groundwater basin modeling and will be used for the Groundwater Recharge Master Plan modeling. These updated water supply and demand projections will also be used in the development of IEUA's 2010 Urban Water Management Plan. This provides consistency between the all three regional plans.

IEUA staff will continue to work closely with Chino Basin Watermaster and the other stakeholders to prepare the Chino Basin Groundwater Recharge Master Plan, for the court deadline of July 2010.

Santa Ana Integrated Watershed Program

Since its formation in 1967, Santa Ana Watershed Project Authority (SAWPA) has been a water resource planning agency for the Santa Ana River Watershed region. In 2002, SAWPA acted as a coordinator for the stakeholders of the region to produce the Santa Ana Integrated Watershed Program (SAIWP). It consisted of seven major elements:

- Water storage to drought-proof the watershed by storing up to 1.3 million acre-ft (MAF) of new water underground throughout the Santa Ana River Basin
- Water quality improvement to mitigate negative impacts from past agricultural, industrial and residential point and non-point source pollutants
- Implementation of water recycling as a means of reducing the area's overall need for imported water
- Development of flood protection along the main stem of the Santa Ana River

- Enhancement of wetlands environment and habitat to restore the Pacific Flyway
- Recreation and conservation to bring additional recreational opportunities and increase public awareness of the Santa Ana River's environmental needs and purposes
- Use of the Santa Ana Regional Interceptor (SARI) brine disposal pipeline to carry saline wastes to the ocean in order to protect the long-term beneficial uses of the groundwater basins

SAWPA has pursued those elements simultaneously based on the availability of state grant funding and the aggregated needs of SAWPA member agencies, including the IEUA, water districts, cities, counties, and several environmental groups. The success of this planning effort provided $235 million of Proposition 13 grand funding for the watershed. In 2005, SAWPA updated the SAIWP to include the urban water management plans of the member agencies and provide an updated summary of the many planning processes underway and priority projects of the stakeholders of the watershed. As a result of this effort, SAWPA received a $25 million integrated planning grant (Proposition 50) from the Department of Water Resources and provided a $4.9 million to grant to IEUA for recycled water projects during FY 2008/09.

SAWPA OWOW Initiative

Currently, SAWPA is updating its watershed management program through its "One Water-One Watershed" initiative. In 2006, the voters of the State of California passed Proposition 84, which allocated $1 billion to integrated watershed regions. The OWOW plan will provide the basis for seeking Proposition 84 grant funds from DWR and will help to address the significant water supply crisis which has arisen throughout the state. The first phase of OWOW is an overall summary of water resources with identification of current conditions, management strategies, problem identification, and opportunities for collaboration and integration. The second phase will include identification of specific priority projects. The first Phase will be completed and the second phase will be underway by the end of FY 2008/09. The goal of OWOW is a sustainable watershed that is drought-proofed, salt-balanced, and supports economic and environmental vitality.

Maximum Benefit Basin Plan Amendment

The Regional Water Quality Control Board, Santa Ana Region, (Regional Board) adopted amendments to the Water Quality Control Plan for the Santa Ana River Basin (Basin Plan) on January 22, 2004 incorporating a "maximum benefit" proposal recommended by IEUA and Chino Basin Watermaster. The Maximum Benefit Basin Plan establishes new groundwater Total Dissolved Solids (TDS) and Total Inorganic Nitrogen (TIN) water quality objectives and waste load allocations that allow the use of recycled water for groundwater recharge while providing reasonable protection of the groundwater quality in the region.

The Maximum Benefit Basin Plan was an outgrowth of the "TIN/TDS Task Force" in which IEUA participated since FY 1995/96. The Task Force included the Regional Board and 22 water supply and wastewater agencies throughout the region. Coordinated by SAWPA, the Task Force completed multimillion dollar studies to review groundwater TDS and nitrogen objectives, groundwater subbasin

boundaries, the TIN and TDS wasteload allocations and other components of the Regional Board's nitrogen and TDS management plans. The purpose of this study was to develop more scientifically defensible water quality objectives and avoid any unnecessary constraints on water recycling opportunities.

Reuse of recycled water for groundwater recharge is a critical component of the OBMP and water supply plans for the region. As part of the Maximum Benefit Basin Plan, IEUA and Chino Basin Watermaster have committed to a specific set of projects and requirements in order to demonstrate that the water quality of the groundwater basin is protected and that the plan provides the maximum benefit to the users of the groundwater basin. These commitments include:

- Surface water and groundwater monitoring programs
- Chino Desalters (consistent with OBMP requirements of 40 MGD by 2020)
- Recharge facilities/conjunctive use program
- Recycled water quality management (through industrial waste source control and optimum utilization of the IEUA's non-reclaimable waste (NRW) system), and
- Hydraulic control to protect the Santa Ana River quality (consistent with the Orange County Water District and IEUA Memorandum of Understanding)

If IEUA and Chino Basin Watermaster achieve timely and appropriate implementation of these commitments, then the Basin Plan's "maximum benefit" water quality objectives will be applied instead of more restrictive historical "anti-degradation" objectives. This will result in significant savings to the Agency for outside water imports and wastewater treatment costs.

IEUA Adopted Seven-Point Emergency Energy Action Plan

In response to the uncertainty in energy pricing and supply experienced in the winter of 2000, IEUA developed a Seven-Point Emergency Energy Action Plan. Some of the goals of this plan were to:

- Maximize the efficiency and self-sufficiency of existing office and plant operations
- Generate new local sources of energy and minimize external energy/fuel costs
- Maximize operational flexibility of plants to "roll off" the electric grid and natural gas sources, particularly during peak usage periods
- Promote regional energy and water conservation programs

Through this plan, IEUA has made major strides in building self-sufficiency and local control over long-term energy supplies and assisting the region and California in meeting their energy needs. Completion of the RP-5 Renewable Energy Efficiency Project this year has essentially doubled the Agency's ability to cogenerate electricity using digester biogas.

IEUA's energy sustainability program is evolving in response to both the record high energy prices and the new legislation (AB 32) governing greenhouse gas emissions. IEUA completed a Solar Power Project this year which will account for up to about 9% of its energy needs from renewable, non-polluting

energy sources. IEUA's goal is to go "gridless" by the year 2020 and produce all electricity "in-house." Another goal is to maximize the amount of power that is self-generated from renewable sources. To accomplish these goals, IEUA has developed an Energy Management Strategy (presented to Board 11/12/08). The Energy Management Strategy includes optimizing energy consumption at Agency facilities; increasing the production and use of digester gas; increasing self-generation capacity utilization; pursuing new technologies; and utilizing effective energy procurement strategies. The energy action plan will also deal with South Coast Air Quality Management District rule 1110.2, which limits natural gas usage to 10% of total gas usage and threatens to reduce the Agency's ability to produce its own electricity.

Salinity Management Action Plan—Regionalization of NRW System to Maximize Salt Export

The IEUA and its contracting agencies are implementing a regional recycled water distribution system to serve recycled water for non-potable reuse and groundwater recharge. Salinity is a critical element of recycled water quality for recharge and many other uses. Reduced salinity will enhance the marketability of recycled water and help IEUA meet the goals of the OBMP and the Maximum Benefit Basin Plan objectives. Reduced wastewater salinity will also help IEUA to comply with effluent limitations for TDS in its wastewater discharge permits. IEUA developed a Salinity Management Action Plan in 2002. Some of the strategies that were identified included:

- Maximizing the use of the IEUA's non-reclaimable waste (NRW) system by connecting more industries
- Reducing the use of water softeners in the area to decrease saline flows into the regional water recycling plants
- Reducing the salt contributions from IEUA treatment plant operations by optimizing the use of chemicals at the facilities

As an outgrowth of the Salinity Management Plan, IEUA also developed an NRW Action Plan with extensive coordination and discussion with IEUA's Regional Technical and Policy Committees, the Chino Basin Watermaster, and the Regional Board. IEUA also expects to achieve substantial avoided costs and valuable benefits for the region as a result of implementation of the current NRW Action Plan.

The NRW Action Plan adheres to the IEUA Board's policy of phased implementation of budgets and rates in order to provide economic incentives for the export of brine wastes through the NRW system. The Agency's FY 2009/10 Budget and this Ten-Year CIP incorporate specific budget options that were developed in coordination with the IEUA's Regional Technical and Policy Committees. A detailed list and summary of progress on individual NRWS action plan elements is summarized in Chapter 6 of this report.

IEUA 2005 Urban Water Management Plan

In 2005, IEUA updated the 2000 Urban Water Management Plan (UWMP) in accordance with State of California Law. It provides an overview of current and projected water supplies and demands over the next twenty years, a description of the water conservation wand water management activities that are

planned and addresses the topics of reliability, water quality and opportunities to maximize local water sources, including conservation, groundwater and recycled water, and to minimize the need for additional imported water supplies within IEUA's service area. IEUA will be updating this plan for the 2010 required UWMP.

1.5 Environmental Documentation

To comply with the California Environmental Quality Act (CEQA), IEUA certified a Programmatic Environmental Impact Report (PEIR) on June 28, 2002. It included IEUA's Wastewater Facilities Master Plan, Organics Management Business Plan and the Regional Recycled Water Program. IEUA also served as the lead Agency under CEQA for preparation of the Program EIR for the Chino Basin Watermaster's OBMP, certified on July 12, 2000.

Supplements to the Programmatic EIRs are prepared, when necessary, as specific project elements are better defined during each project design. For example, for the Inland Empire Regional Composting Facility, IEUA prepared a CEQA Initial Study and Finding of Consistency with the Facilities Master Plan PEIR. Similarly, for several of the recycled water projects, IEUA prepared Addenda to the Facilities Master Plan PEIR as well as NEPA documents to comply with federal funding requirements. The Agency is currently serving as the lead agency for coordination and preparation of a focused Subsequent EIR for the updated OBMP or "Peace II Agreement" and expects to have it completed by the end of FY 2008/09. Furthermore, in December 2008, the Agency certified a Mitigated Negative Declaration for the Dry Year Yield Expansion Project.

The Inland Empire Utilities Agency (IEUA) is currently serving as the Lead Agency under the CEQA and will coordinate the preparation of a focused Subsequent Environmental Impact Report (SEIR) that will evaluate the potential significant environmental impacts that may result from implementing the Peace II Agreement, including Re-Operation and hydraulic control, within its service area. The SEIR would also serve to update the Optimum Basin Management Program programmatic environmental impact report (OBMP PEIR) that was certified by IEUA in 2000. The SEIR is scheduled to be completed by the end of FY 2008/09.

2.0 WASTEWATER FLOW PROJECTIONS

Exhibits I through V (at the end of this report) show total wastewater flow projections for the next ten years from IEUA's service area and individually for the RP-1, RP-4, CCWRF and RP-5 service areas. The flow projections are compared to current and future planned plant capacities. On these exhibits, the "baseline" flow is defined as raw sewage flow from the service area that is tributary to a treatment plant, without reflecting any of the current or planned diversions, bypasses, or recycle streams. In contrast, the "adjusted" flow does include bypasses, diversions and recycle streams and it is the actual flow that was received at a treatment plant. Exhibits I through V also point out any planned capital projects or expected operational changes that will significantly affect capacity utilization.

2.1 System-wide Flow Balance

During FY2007/08, there were extensive efforts by the Operations Division, Planning & Water Resources Division, and Engineering & Construction Management Division to monitor wastewater flows at the regional plants and within the collection system. At each treatment plant, detailed accounts of flows and recycle streams entering and leaving the facilities were logged. Flow meters were recalibrated and influent and effluent readings compared to ensure quality data. Flow balances were performed for each facility and for the Agency as a whole, to ensure that service area flow quantities and recycle flow quantities could be distinguished. The information was used to prepare an Agency-wide System Flow Balance. This helped to clarify the Agency's options for optimizing flow distribution between facilities. It also verified the current baseline for future flow projections. Several diversion scenarios between the Regional Plants (RPs) were analyzed and stress tests at some of the Regional Plants were conducted to determine the bottlenecks within the plant. For example, the stress testing at RP-5 helped to determine the optimum amount of bypass flow from RP-1 that could be treated at RP-5.

Figure 2-1 shows the Agency-wide flow balance for FY08/09. This is prior to the San Bernardino Avenue Lift Station coming on-line near the end of FY 2008/09. The San Bernardino Avenue Lift Station will reduce the amount of flow treated at RP-1 and correspondingly increase the amount treated at RP-4. Figure 2-2 shows the Agency-wide flow balance expected in FY 2009/10, with San Bernardino Avenue

Lift Station in service. The use of the lift station will allow more flow to be treated at RP-4 and to be supplied directly to recycled water users in the Northeast recycled water network. It is expected to reduce recycled water pumping costs for the Agency, compared to having to pump recycled water from RP-1 over a longer distance, using more pressure, to supply the Northeast area.

Until the San Bernardino Avenue Lift Station comes on-line, the amount of flow that will be pumped to RP-4 is an estimate. It is expected that 5 MGD will be tributary to the lift station and will be pumped to RP-4 in the summer, while less will be pumped in the winter when the recycled demand is lower. As an annual average, it is assumed that about 3 MGD may be pumped to RP-4. Various operational scenarios, depending on the season and the recycled water demand, are being evaluated using the agency's system optimization and recycled water system models.

Figure 2-1: FY 2008/09 Regional System Flow Balance Schematic

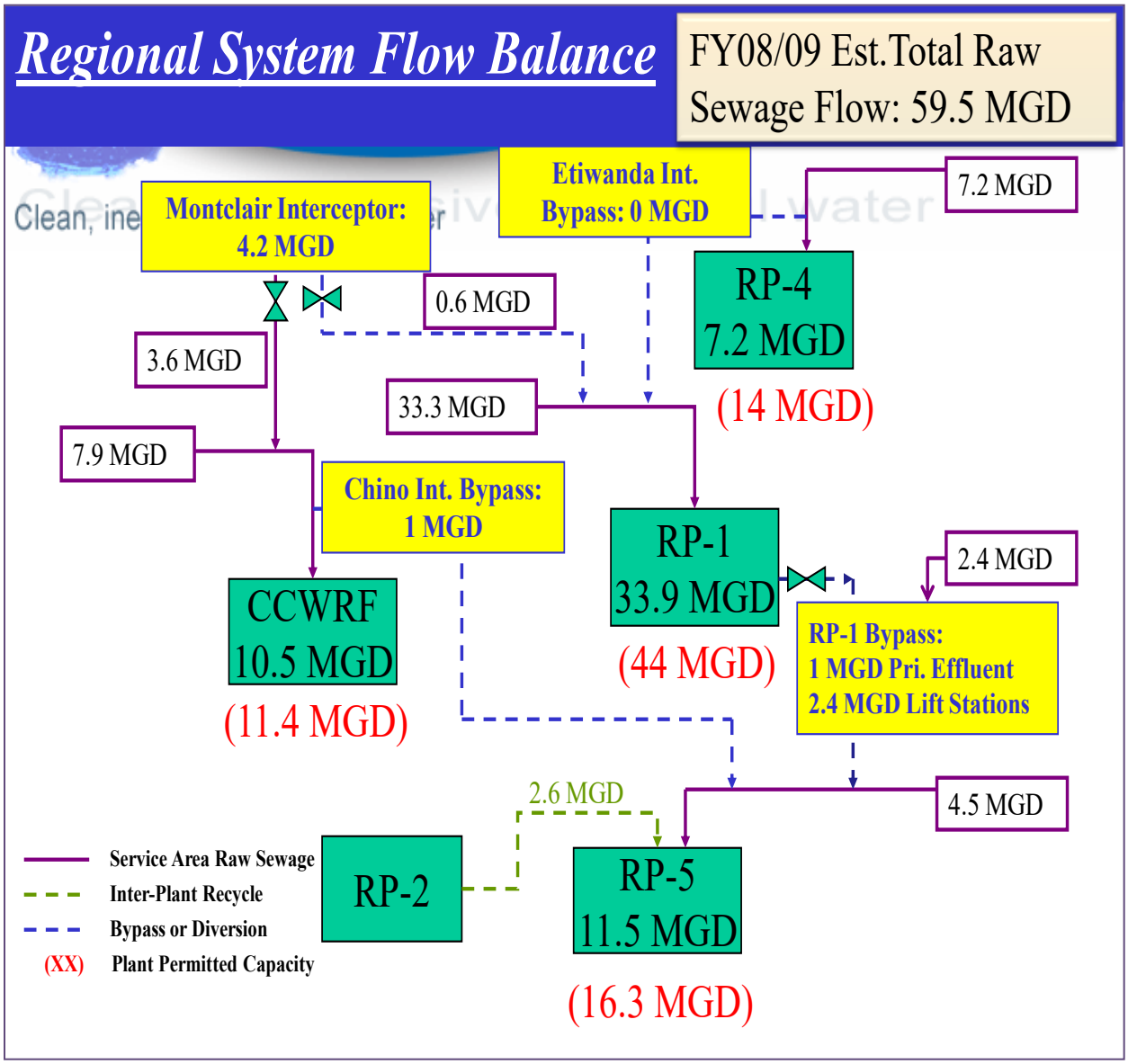
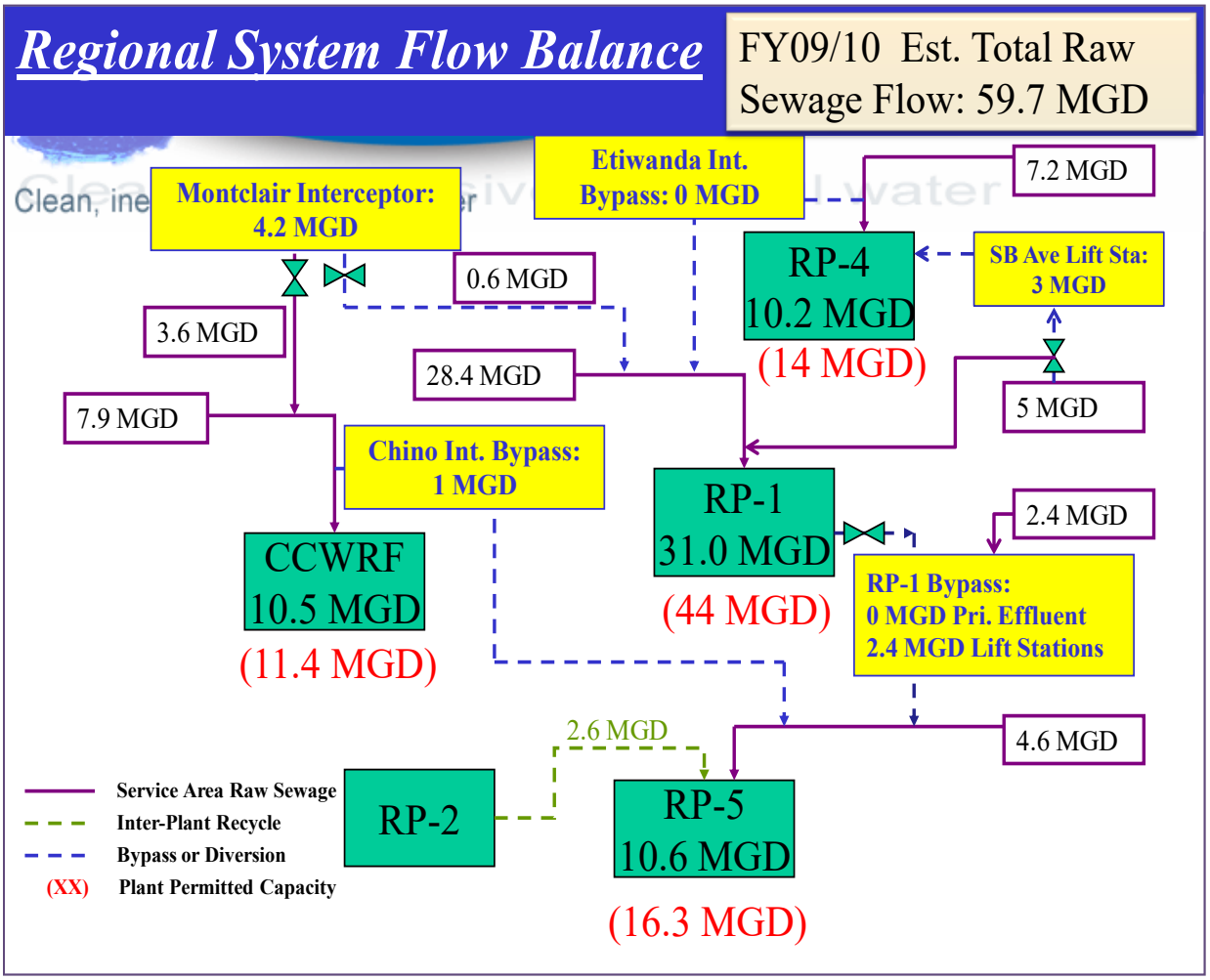


Figure 2-2: FY 2009/10 Regional System Flow Balance Schematic



2.2 Wastewater Flow Trends

FY 2006/07 was the driest year on record in the state. The Governor's call for a 20% reduction in water use by 2020 is leading to the development and implementation of increased conservation programs statewide. In addition, reduced MWD imported water supplies will limit supplies from MWD to the region and result in enhanced regional conservation efforts. At the same time, the slowdown in housing construction is expected to delay increases in water demand and thus the need for additional water supplies. The current forecast is for wastewater generation to follow the trend of water consumption and remain at almost static levels for the next few years.

IEUA's total service area raw wastewater flow has not increased significantly in the past two to three years, and even appears to have decreased slightly. The effectiveness of regional conservation efforts and the economic slowdown is reflected in these trends. In FY 2007/08, with the increase of 3,785 EDUs in the IEUA service area, we would have expected to see about a 1.0 MGD increase in total raw sewage

influent flow into the system. Instead, actual measured influent flow rates of raw sewage into the Regional Water Recycling Plants decreased by 0.5 MGD, from an average of 59.8 MGD in FY 2006/07 to 59.3 MGD in FY 2007/08. Los Angeles County and Orange County sanitation agencies have also experienced a leveling off of wastewater flows recently. It appears that, with continued strong conservation efforts and the expected higher cost of water, there may not be any measurable increase in average daily flow to the Regional System for the next two or three years.

2.3 Flow Factors

The data obtained from IEUA's influent wastewater flow monitoring efforts were combined with the data from annual collection system monitoring performed by the Contracting Agencies to verify sewage flow rates from each service area. The current overall average for the whole Agency is roughly 230 gallons per day per equivalent dwelling unit (gpd/EDU) based on plant influent flow monitoring and recorded EDUs for the entire IEUA service area. Newly constructed and re-modeled homes are assumed to generate less wastewater on average due to the installation of water- efficient appliances. It is expected that the flow per EDU will continue to decline, given the rising price of water, decreases in water supply availability and greater need for water conservation.

The backbone of the regional system has been designed using the raw sewage flow rate specified in the Regional Sewerage Service Contract—Exhibit J. IEUA still plans its regional sewer system around Exhibit J. However, in different portions of the service area, both higher and lower flow rates have been reported. A recent study of wastewater generated from a small cluster of 45 new homes in the Edenglen development of the New Model Colony, in the City of Ontario, reported 288 gpd/EDU. On the other hand, recent monitoring at The Preserve development in the City of Chino supported a wastewater generation factor of 200 gpd/EDU for new development.

Given all of the data and observed flow trends that have been discussed, IEUA concludes that a flow factor of 200 gpd/EDU is reasonable for making future flow forecasts for existing treatment facilities. The application of this factor is believed appropriate for predicting the incremental impacts to existing facilities over the next ten years, but not necessarily for designing entirely new facilities. New facilities, such as sewers, pump stations, and new treatment plants, are designed to last 20 years or more and they form the backbone of the regional system. For designing completely new facilities, there is not yet enough data to support a factor other than the current one in Exhibit J.

2.4 Anticipated Service Area Growth

A survey of the Contracting Agencies is conducted in September of each year to determine the rate of projected growth for the next ten years, in terms of Equivalent Dwelling Units (EDUs). The results of the 2008 survey are included in Appendix A and summarized in Table 2-1.

TABLE 2-1

TEN-YEAR GROWTH FORECAST BY CONTRACTING AGENCIES (SEPTEMBER 2008)

Fiscal Year	City of Chino (EDUs)	City of Chino Hills (EDUs)	CVWD (EDUs)	City of Fontana (EDUs)	City of Montclair (EDUs)	City of Ontario (EDUs)	City of Upland (EDUs)	Total (EDUs)
08/09	139	334	615	800	92	1,000	370	3,350
09/10	195	789	622	800	225	950	540	4,142
10/11	60	494	627	845	205	1,250	547	3,953
11/12	56	284	1,267	960	205	3,050	416	6,123
12/13	54	519	1,293	1,200	65	3,300	324	6,774
13/14	63	182	1,319	1,405	65	3,700	340	7,093
14/15	61	124	1345	1,570	65	3,700	430	7,314
15/16	54	86	1373	1,447	65	3,700	330	7,074
16/17	55	92	1400	1,325	65	4,100	383	7,439
17/18	54	76	1427	1,215	65	4,100	155	7,111
Totals	**791**	**2,980**	**11,288**	**11,567**	**1,117**	**28,850**	**3,835**	**60,428**

Table 2-1 shows that almost half of the growth in the IEUA service area was projected to occur within the City of Ontario (primarily from the development of the New Model Colony). Building activity was projected to be approximately 75% residential and 25% commercial/industrial, by EDUs. In round numbers, the Contracting Agencies projected 3000 to 4000 EDU's over the next three fiscal years (FY 2008/09 – FY 2010/11), and around 6000 to 7000 EDUs per year for the rest of the ten years. Those forecasts were made before the effects of the current economic and housing recession were fully felt. The information currently available from Building Activity Reports indicates the actual number of new EDUs in FY 2008/09 will be substantially less than 3,000, with only 819 EDUs reported as of the end of January 2009.

The growth forecast for IEUA's FY 2009/10 annual budget is more conservative, assuming slower growth and fewer new EDUs per year, consistent with the slowdown in the economy. The ten-year budget and capital spending plan assumes an average of 1,000 new EDUs per year in FY 2009/10 and FY 2010/11, increasing by 200 EDUs per year for each of the following 8 years. It assumes that the housing slump will continue through the rest of calendar year 2009 and probably until early 2011.

2.5 Ten-Year Wastewater Flow Forecast

For purposes of forecasting future wastewater flows and determining capacity needs, this Ten-Year Plan uses a revised estimate of EDU growth that reflects the current conditions and assumptions that were

the basis of the Agency's long-range budget. The ten-year budget and capital spending plan assumes an average of 1,000 new EDUs per year in FY 2009/10 and FY 2010/11, increasing by 200 EDUs per year for each of the following 8 years. It assumes that the housing slump will continue through the rest of calendar year 2009 and probably until early 2011 followed by a gradual recovery.

Exhibits I through VIII at the back of this report show the flow projections for each individual facility and the Agency as a whole in graphical form. These projections are based on the Agency's budgetary estimates of EDU growth. Figure 2-3 below shows a comparison of projected wastewater flows using the original Contracting Agency estimates and the revised budgetary estimates. Using the Contracting Agency estimates, the total wastewater flows would increase by about 12 MGD over the 10 years. Using the adopted budget estimates, the total flows will increase by about 3.5 MGD (17,200 EDUs at 200 gpd).

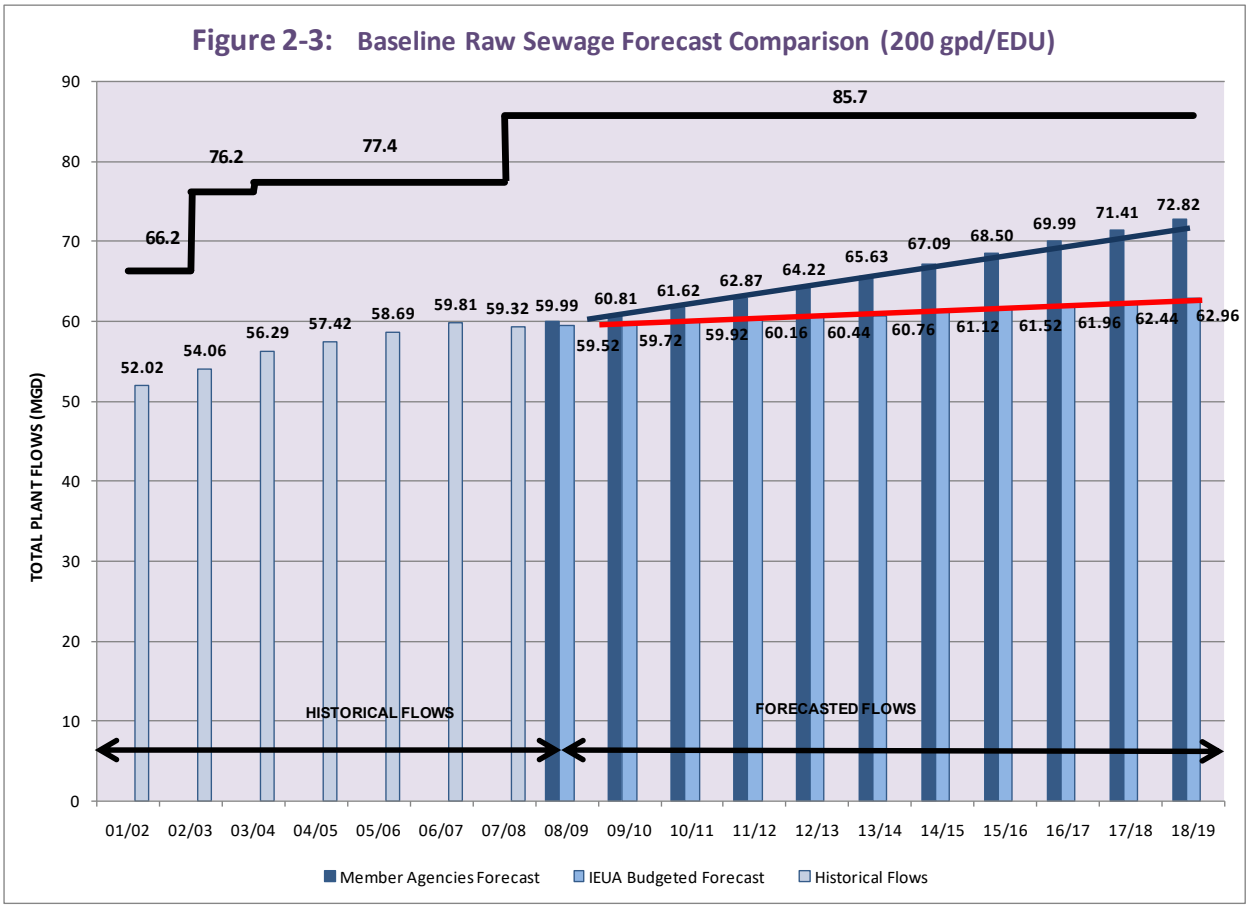
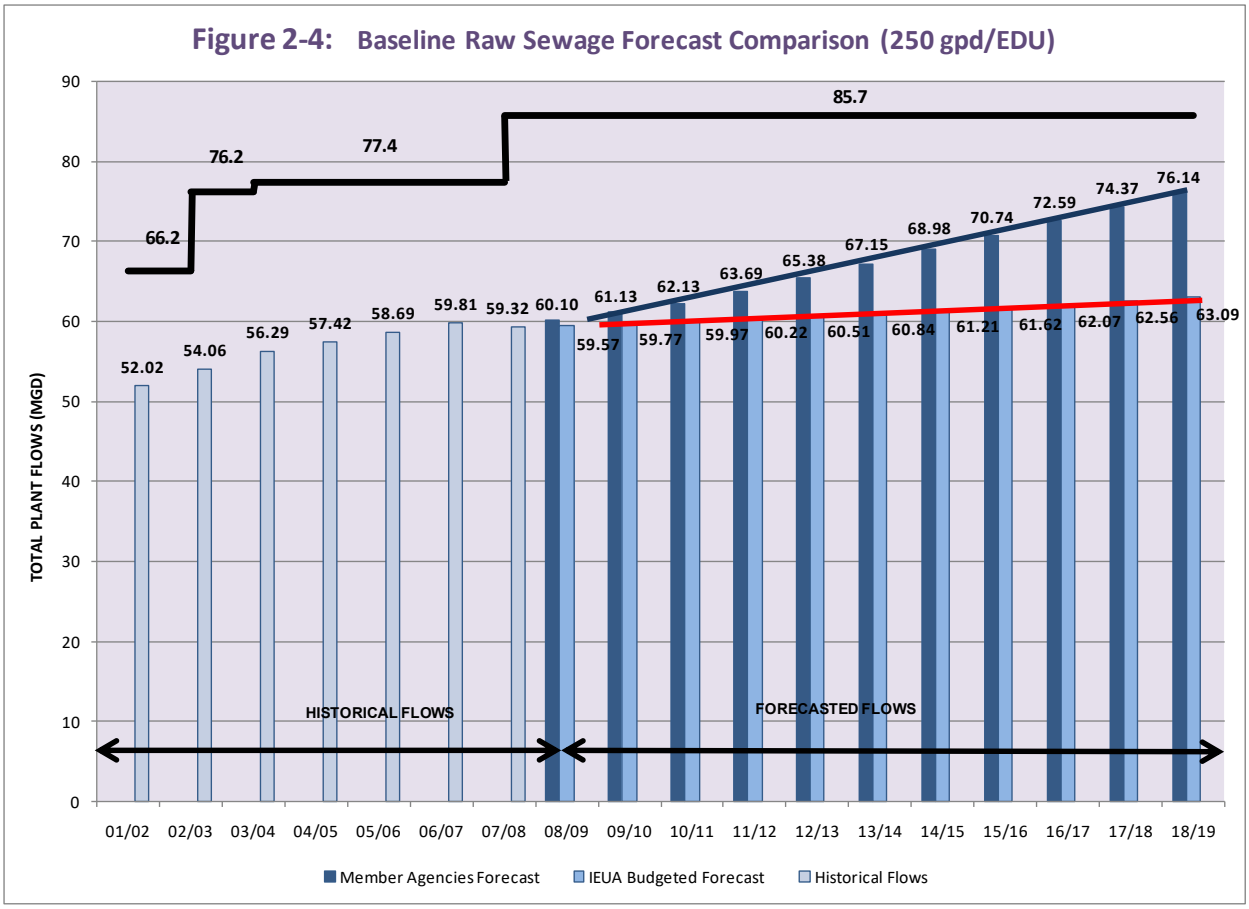


Figure 2-4 provides the same comparison using a flow factor of 250 gpd/EDU. The upper horizontal solid line is the combined capacity of the Agency's water recycling facilities. Regardless of which flow factor and which growth forecast is used, the treatment capacity is adequate for the projected flows.



2.6 Capacity Utilization Forecast

Table 2-2 presents the Ten-Year Capacity Demand Forecast by wastewater treatment plant. The current service areas of each Regional Plant were used to allocate projected sewage flows to each plant. For each service area, Table 2-2 compares the anticipated average regional plant influent flows now (FY 2008/09) and in FY 2017/18. It shows the baseline raw sewage flows from the service areas as well as the "adjusted" flows. The adjusted flows are the expected actual treated flows including bypasses, diversions, and between-plant recycle streams. They do not include in-plant recycle streams. Currently, the total baseline raw sewage flow is 59.5 MGD and the adjusted total influent flow is 62.1 MGD. The difference (2.6 MGD) is due to recycling solids-handling sidestreams between RP-2 and RP-5.

TABLE 2-2

REGIONAL SYSTEM FLOW AND CAPACITY UTILIZATION SUMMARY (MGD)

	FY2008/09 Projected				FY2018/2019 Forecast			
Water Recycling Facility	Raw Service Area Flow	Plant Treated Flow	Plant Rated Capacity	Percent Capacity Utilization	Raw Service Area Flow	Plant Treated Flow	Plant Rated Capacity	Percent Capacity Utilization
RP-1	33.9	32.9	44.0	77%	34.4	31.4	44.0	71%
RP-4	7.2	7.2	14.0	51%	8.1	11.1	14.0	79%
CCWRF	11.5	10.5	11.4	92%	11.9	10.9	11.4	96%
RP-5	6.9	11.5	16.3*	71%	8.6	12.2	16.3	75%
IEUA Total	**59.5**	**62.1**	**85.7**	**72%**	**63.0**	**65.6**	**85.7**	**77%**

***Note: RP-5's current discharge permit establishes the plant's rated capacity, including recycle flows, at 16.3 MGD.**

Table 2-2 Assumptions:

FY 2008/09:

- Bypassing includes 1 MGD from RP-1 to RP-5
- Former Ontario Lift Station flow (2.5 MGD) is considered part of RP-5 raw service area flow
- Bypassing 1 MGD from Carbon Canyon WRF to RP-5
- CCWRF raw service area flow includes 3.6 MGD from the Montclair Interceptor (another 0.6 MGD from Montclair Interceptor normally goes to RP-1)
- 2.6 MGD of solids handling sidestream flow is recycled from RP-2 to be treated at RP-5

FY 2017/18:

- System-wide flow increases 3.5 MGD based on 17,200 new EDUs (50% at RP-5, 25% at RP-4, 15% at RP-1, and 10% at CCWRF) and flow factor of 200 gpd/EDU for new construction
- Bypassing includes 0 MGD from RP-1 to RP-5 (Eastern Trunk Sewer/RP-1 Bypass)
- Bypassing 1 MGD from Carbon Canyon WRF to RP-5 (Chino Interceptor)
- Diverting 2.6 MGD from Carbon Canyon WRF to RP-1 (Montclair Diversion/Pump Station)
- Pumping 5 MGD from RP-1 to RP-4 (San Bernardino Ave Lift Station)

As shown in Table 2-2, the forecasted total system flow for FY 2017/18 is 65.6 MGD, including the recycle stream from RP-2 to RP-5. The overall treatment plant capacity utilization is expected to increase to 77 % at the end of ten years. Agency-wide capacity utilization will be balanced and optimized between facilities to achieve the lowest operational cost while satisfying recycled water demands and water quality requirements. This will be accomplished using the bypass and diversion capabilities discussed in Chapter 1.

As reflected in Table 2-2, it is likely that capacity utilization at RP-4 and CCWRF will be higher than at the other water recycling facilities, with the operational goal being to supply recycled water to the users with the least amount of pumping energy. For example, using the Montclair Diversion, approximately 3.6 MGD could be diverted from CCWRF to RP-1. Evaluations performed with the Agency's "Optimo" Flow Balancing and Optimization Model, as well as Unit Production Cost (UPC) tracking, have demonstrated that unit treatment costs at RP-1 ($/MG of water produced) are generally lower than at the other Regional Plants and that it is cost-effective to treat as much water there as possible. However, the lower treatment cost at RP-1 needs to be balanced against the higher energy cost for pumping wastewater from the Montclair Diversion to RP-1. Furthermore, the demand for recycled water in the pressure zones served by CCWRF is quite high in the summer, and the optimization modeling indicated that the demand will be high enough to use all of the recycled water that CCWRF can produce within three years. Therefore, it is likely that capacity utilization at CCWRF will be above 90 %%.

The Agency's flow modeling also indicated that diverting more flow to RP-1 using the Montclair Diversion and Pump Station would not increase the unused capacity at RP-5 significantly because the diurnal peak flows from CCWRF would still need to be bypassed to RP-5. CCWRF relies to some degree on the ability to bypass to RP-5 to guarantee Title 22 redundancy as well as for repair and maintenance shut-downs. Regular bypassing of an average of about 2 MGD was the norm until the CCWRF influent control structure improvements at the end of 2007. Since then, only the diurnal peak flows are bypassed, averaging about 1 MGD. Therefore, for the RP-5 flow forecast, it was assumed that 1 MGD of flow would still be bypassed from CCWRF to RP-5 on average, whether or not the Montclair Diversion flow goes to RP-1.

2.7 Ten-Year Capacity Improvement Plans

The Agency has just been through a phase of rapid construction and expansion including two wastewater facility expansion projects that increased wastewater treatment capacity by 23 MGD. The current flow forecast for the next ten years indicates relatively slower growth and relatively few capacity improvement projects targeted to specific needs. The TYCIP emphasis will be on repair and replacement of existing structures, providing system redundancy where needed to guarantee performance and compliance, expansion of the recycled water system, and achieving energy sustainability. In case growth in the service area during the next ten years exceeds the budgetary and capital planning estimates, and falls closer to the original Contracting Agency estimates, the TYCIP includes projects which will optimize

the use of existing capacity and provide operational flexibility. These projects are discussed in detail in Chapter 3. The major capacity-related projects are:

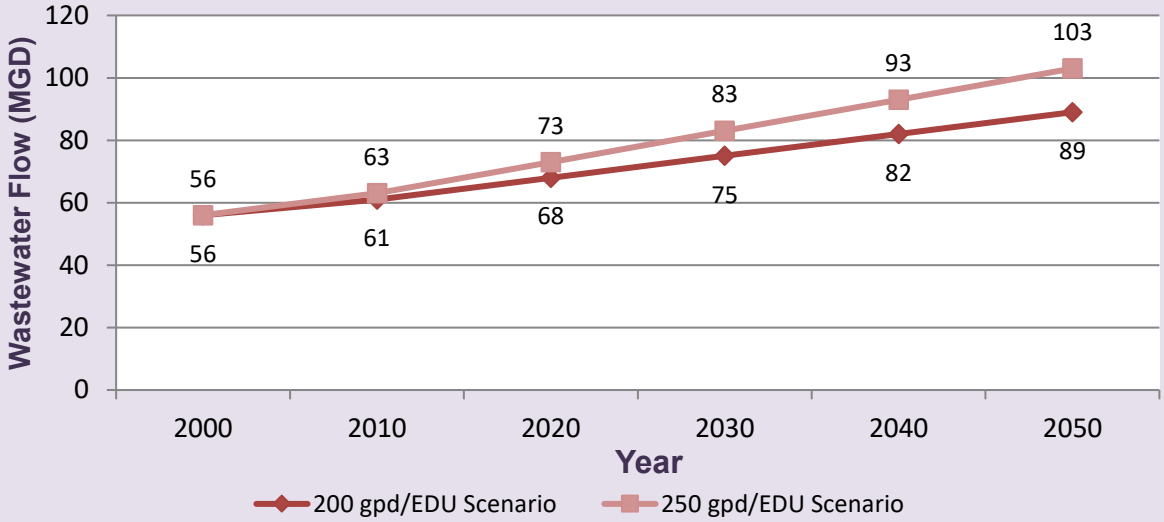
- RP-1 Dewatering Facility Expansion – This project can be considered both a replacement and an expansion project. It will replace the old belt presses with more cost-efficient centrifuges and increase capacity at the same time.
- RP-5/RP-2 Capacity Improvements – This project involves the re-commissioning of Whispering Lake Lift Station which will alleviate 1-2 MGD of flow from RP-5. Additionally once the CCWRF Tertiary Filter hydraulic testing is completed the CCWRF will be re-rated to a higher capacity, which will also alleviate some flow from RP-5. The planning stages of this project involved an analysis of the capacity of each of the unit processes at RP-5, which resulted in a re-rating of the plant's overall capacity from 15 to 16.3 MGD, with the approval of the Regional Water Quality Control Board.

The ten-year flow forecast was used to develop several scenarios for utilizing the capacity at RP-5. In addition, the Agency's Modeling Team used the "Optimo" flow routing and optimization model to look at different flow bypassing and diversion scenarios. It was concluded that, through routing more flow to RP-4 and RP-1, there will be enough capacity in the Regional System to last through the next ten years without a major expansion at RP-5. This reduced the scope of work for the RP-5/RP-2 Capacity Improvements Project and substantially reduced the cost of the project. Instead of planning on significant plant process modifications to provide additional capacity, the project is now focused on a few specific areas, including resolving some hydraulic issues and making better use of some unused equipment to provide redundancy and flexibility.

2.8 Fifty-Year Flow Projection

As indicated in Figure 2-5 ("Regional System 50-Year Flow Projections"), wastewater flows have been projected to reach somewhere between a low of 89 MGD to a high of 103 MGD by the year 2050. These projections were developed considering current, historical and future growth information. The "low" scenario reflects a wastewater flow increase of about 0.7 MGD per year and the "high" scenario reflects 1.0 MGD per year. The current trend falls between the two curves.

Figure 2-5:
Regional System 50-Year Projection



3.0 REGIONAL PROGRAM CAPITAL IMPROVEMENT PLAN SUMMARY

3.1 Overview

IEUA's Regional Program encompasses the activities associated with construction and replacement of the Agency's wastewater, energy cogeneration, and solids handling facilities. It includes the Regional Sewerage System consisting of the sewage collection trunk lines and pump stations, the wastewater treatment and disposal facilities, the recycled water production facilities, and also the facilities for generating energy from biogas as well as recycling or disposing of biosolids.

The capital improvements planned for the Regional Program are consistent with the recommendations in the Agency's Wastewater Facilities Master Plan (adopted in 2002). A basic requirement of the capital improvement program is to keep pace with the needs for wastewater treatment and solids handling capacity based on future growth projections provided by the Contracting Agencies. The adequacy of the capital improvement program is demonstrated by the projected flow and capacity comparisons for individual regional plants presented in Exhibits I through VIII at the end of this report. The forecasted flow curves are adjusted to take into account the Agency's ability to make planned diversions within the system to optimize the use of existing facilities.

IEUA's Regional Sewerage System has been in an expansion phase over the past 5 to 10 years which culminated with the construction of 7 MGD of new capacity at RP-4 and the completion of the Eastern Trunk Sewer connecting RP-1 and RP-5. These projects have helped to improve the availability and utilization of system capacity and to match recycled water supplies to demands. The completion of the San Bernardino Avenue Pump Station in FY 2008/09 will help to further optimize the use of existing system capacity and defer the need for treatment plant expansions.

In general, the focus of this year's Regional Program TYCIP is on projects to:

- Increase energy sustainability
- Improve the performance of existing facilities
- Provide optimization of existing facilities

Although there are no major expansions of wastewater treatment facilities planned in the next ten years, this year's TYCIP does include projects at CCWRF, RP-5, RP-2 and RP-1 to provide optimization of existing facilities.

Examples of projects which will improve the utilization of system capacity include:

- At RP-1, the Dewatering Facility Expansion Project can be considered both a replacement and an expansion project. It will replace the old belt presses with more cost-efficient centrifuges and increase capacity at the same time.
- The RP-5/RP-2 Capacity Improvements Project involves the re-commissioning of Whispering Lake Lift Station which will alleviate 2 MGD of flow from RP-5. Additionally once the CCWRF Tertiary Filter hydraulic testing is completed the CCWRF will be re-rated to a higher capacity, which will also alleviate some flow from RP-5. This project will also analyze options for using innovative treatment techniques to remove plant bottlenecks through limited, targeted expansion of certain unit processes at RP-5. It will also look at the needs for redundant solids treatment units, either at RP-2 or RP-5, to provide reliable biosolids treatment capacity for the future in the southern service area.

3.2 Major Capital Projects

This year's Regional Program Ten-Year Plan recommends $90 million in capital project expenditures for both new construction and replacement projects. The ten largest projects are as follows:

REGIONAL WASTEWATER CAPITAL PROJECTS

Major Capital Projects	$ Millions
RP1 Dewatering Facility Expansion Project	$26.5
All Facilities Plant Equipment Replacement	$12.0
RP2 Decommissioning	$ 8.0
RP1 Asset Replacement	$7.6
Miscellaneous RC Construction Projects	$ 5.0
Major Facilities Repairs/Replacement	$4.1
RP-5 Warehouse/Maintenance Facility	$ 2.9
RP-1 Facilities Upgrades	$ 3.0
RP-5 Maintenance Facility	$3.0
RP-2/RP-5 Capacity Improvements	$2.2

Multi-Facility Projects

Several of the major capital projects in the TYCIP will be taking place at more than one Regional facility. The major multi-facility projects are summarized in Table 3-1.

TABLE 3-1
MAJOR CAPITAL PROJECTS AT MULTIPLE FACILITIES

Project	Scheduled Completion	Ten-Year Cost ($ Millions)
All Facilities Plant Equipment Improvements	FY2008/09 – FY2018/19	$12.0
Misc. RC Construction Projects	FY2008/09 – FY2018/19	$5.0
Major Facilities Repairs/Replacement	FY2008/09 – FY2018/19	$4.1

Starting in FY 2009/10 and spread over 10 years, the Plant Equipment Improvements Project allocates $0.5 million to $2 million per year, the Misc. RC Construction Projects allocates $0.5 million per year and the Major Facilities Repairs/Replacement allocates $0.4 million per year, for repair or replacement of critical equipment when an emergency need arises at any of the Regional wastewater facilities. These projects address emergency needs that are not identifiable through the regular project development process, such as sudden equipment failure that threatens to result in regulatory noncompliance.

Multi-Facility Energy Projects

The total power usage by Agency's four regional water recycling facilities, two solids handling facilities, and the Regional Composting Facility is 13 megawatts. The power produced by cogeneration of electricity using the biogas produced by the anaerobic digesters offsets this load by 25%. The Agency completed the Solar Power Project in December 2008. With the peak capacity of 3.5 megawatts, solar power will further offset the Agency load by 9%; bringing the total to 34%. The Solar Power was a multi facility project with installations at RP1, RP5, CCWRF and the IERCF.

The use of solar has helped offset other, more polluting sources of energy, reduced green house carbon emissions, provided IEUA with a sustainable energy source and reduce Agency's cost for purchased electricity. The Solar Project was constructed using a Power Purchase Agreement (PPA). The PPA enabled the completion of the solar project without any upfront cost to the Agency.

The Agency is currently evaluating fuel cells as an alternative energy source. Fuel cells are considered as a highly beneficial energy source. The Agency desires that the fuel cells be purchased through a power purchase agreement similar to the solar power project.

TABLE 3-2

IEUA SOLAR INSTALLATIONS

Facility	Max Capacity [Megawatts]	Average Percentage of Plant Load	Area [Acres]	Interconnection with SCE date
RP-1	0.83	5%	4.0	December 30, 2008
RP-5	1.00	14%	7.0	November 28, 2008
CCWRF	0.63	16%	1.3	December 12, 2008
IERCF	1.00	7%	3.8	December 23, 2008
Total	**3.46**		**16.1**	

RP-1 Service Area

The major RP-1 capital projects are summarized in Table 3-3 below:

TABLE 3-3
RP-1 SERVICE AREA —MAJOR CAPITAL PROJECTS

Project	Scheduled Completion	Ten-Year Cost ($ Millions)
RP-1 Dewatering Facility Expansion	FY 2008/09—FY 2010/11	$26.5
RP-1 Asset Replacement	FY 2008/09—FY 2014/15	$7.6
RP-1 Facilities Improvements	FY 2008/09—FY 2011/12	$3.0
RP-1 Upgrades	FY 2010/11—FY 2011/12	$2.8
RP-1 Primary Sludge Thickening	FY 2011/12	$1.0

In general, the RP-1 projects in the TYCIP involve energy efficiency and modernization of facilities. The RP-1 projects which involve major expenditures in the next two fiscal years fall under the Asset Management Program. They include: Dewatering Facility Expansion; RP-1 Asset Replacement; and RP-1 Facilities Improvements. These projects all focus on modernizing facilities at RP-1 to ensure that performance standards and regulatory requirements are met. The Dewatering Facilities Expansion

Project will expand and upgrade the dewatering facility to meet the facility's current and future capacity needs for more than the next 20 years. The current dewatering equipment and the filter belt presses are at the end of their useful life. Under this project, the belt presses will be replaced with centrifuges. Comparative studies and analyses performed by Engineering and Operations staff concluded that centrifuges produces cake with less water content, which potentially reduces future hauling costs. The expansion of the facility will also increase the capacity of the dewatered cake storage system. This will allow for more operational flexibility when managing the hauling trucks. The single solids conveyance system will also be replaced and designed to accommodate a multiple conveyance system, which will eliminate future single point failure with conveyors.

The RP-1 Asset Replacement Project will also have a major impact on the aging infrastructure within the RP-1 facility. The project was initiated in July 2006 to implement several of the recommendations of the RP-1 Condition Assessment Study conducted by Metcalf and Eddy in 2005. The study evaluated all of the major equipment and provided a prioritized list of improvements that needs to be completed for the facility over a ten-year time period. Improvements included repairs, rehabilitation or studies to assess the condition of the equipment and devise a proper response as needed. The project was divided between three phases to address the items by priority level. The recommendations will be implemented over six years, starting in FY 2009/10, with most of the construction occurring in FY2010/11 and beyond.

The RP-1 Facilities Improvements Project was created to address important process-related issues at RP-1 which have been identified as having a significant adverse impact on plant operations, cost or performance. The project will be completed in FY 2008/09 through FY 2011/12. One of the systems this project will improve is the dechlorination station, which has been observed to surcharge at high flows. The dechlorination system will be upgraded to accommodate the increased flows from the RP-4 expansion.

The RP-1 Upgrades Project, scheduled for FY 2010/11 through FY 2011/12, addresses numerous capital items that will improve the maintenance of plant processes and equipment. For example, the list includes items such as improving the mechanisms for scum and foam removal from the aeration basins and secondary clarifiers to avoid foam-related upsets of plant performance. Other items include installing back-up air compressors and improving chemical storage facilities.

RP-2/RP-5 Service Area

The RP-2 and RP-5 capital projects are summarized in Table 3-5 below. Solids handling improvements at RP-2 are provided in this Ten-Year Plan to provide additional process redundancy and guarantee reliability. This Ten-Year Plan also includes a project for decommissioning the liquids treatment systems at RP-2 or converting them to another use. Some of the options available include converting the old wastewater treatment tanks into a dairy wash water treatment facility or a storm water treatment facility. Either of these options would help to protect the downstream surface and ground water quality in the Chino Basin and Santa Ana River Basin. If the facilities are simply decommissioned, the equipment will be salvaged, reused elsewhere, or stored as appropriate.

Eventually, when the solids handling capacity at RP-2 is exceeded or the RP-2 facilities reach the end of their useful life, the Agency intends to use the RP-5 SHF for biosolids. The RP-5/RP-2 Capacity Improvements Project, which is described below, will perform an evaluation as to feasibility and timing of transferring the processes for thickening, digestion and dewatering of biosolids to the RP-5 Solid Handling Facility.

TABLE 3-4

RP-2/RP-5 SERVICE AREA —MAJOR CAPITAL PROJECTS

Project	Scheduled Completion	Ten-Year Cost ($ Millions)
RP-2 Decommissioning	FY 2016/17	$8.0
RP-5 Warehouse/Maintenance Facility	FY 2017/18	$2.9
RP-5/RP-2 Capacity Improvements	FY 2015/16	$2.2
RP-2 Gravity Thickener	FY 2009/10	$1.4

The RP-5/ RP-2 Capacity Improvements Project involves the re-commissioning of Whispering Lake Lift Station which will alleviate 2 MGD of flow from RP-5. Additionally once the CCWRF Tertiary Filter hydraulic testing is completed the CCWRF will be re-rated to a higher capacity, which will also alleviate some flow from RP-5.

The current Warehouse located at the RP-1 site is approximately 9,000 square feet and has been in operation since the late 1970s. It houses spare equipment, parts, materials and supplies for all of the Agency's six major facilities and offsite facilities. The current warehouse facility is over its capacity and does not sufficiently meet the Agency's needs. The current Maintenance Facility, which has been in operation since the mid-1980s, is also located at RP-1 and is insufficient to meet all of the Agency's current needs. It is anticipated that the Agency will be requiring additional space for maintenance work in the near-future due to expansions at the RP-4 and Desalter I facilities, and also for the new RP-5, Regional Composting and Desalter II Facilities.

The RP-5 Warehouse/Maintenance Facility project will solve these problems and allow the Warehouse & Maintenance Facility at RP-1 to handle the Agency's Northern Service Area, while the Warehouse & Maintenance Facility at RP-5 would handle the Agency's Southern Service Area. This project will plan, design and construct a warehouse and maintenance complex at the Regional Water Recycling Plant No. 5 site. A building that will house new warehouse and maintenance areas, approximately 20,000 square feet each in size, will be provided by this project. An additional 5,000 square feet (total of 45,000 square feet) will provide showers, lockers, break areas and conference rooms for staff. The buildings will utilize tilt-up style construction to match the IEUA Headquarters Complex with all necessary office improvements and equipment for staff to operate in a cost-efficient manner (e.g., warehouse inventory equipment, computer infrastructure, etc.). The project will also include all necessary site improvements, including roadways, parking areas, utility infrastructure, landscaping, etc. This project will be completed in FY 2017/18.

3.3 Organics Management

IEUA's long-range plans for treating and utilizing biosolids as well as addressing the problems of dealing with manure and wood waste generated within its service area were addressed in the Chino Basin Organics Management Business Plan, dated May 31, 2001 and related Organics Management Strategy Technical Memoranda. The Business Plan was developed to be consistent with the IEUA's mission to protect public health, the groundwater basin, and the environment (e.g., reduces air pollution and improves water quality).

Included in the Business Plan was a local organics recycling program that includes the local communities as partners to divert organic solids from landfill disposal and to be consumers of recycled organic products generated from within the community. IEUA formed a Joint Powers Authority with the County Sanitation Districts of Los Angeles County (CSDLAC), called the Inland Empire Regional Composting Authority (IERCA), to implement the shared goal of development of a sustainable biosolids management project. In 2007, the two joint powers agencies completed the construction of a biosolids composting facility, called the Inland Empire Regional Composting Facility (IERCF). The IERCF is located in Rancho Cucamonga, adjacent to RP-4. This new composting facility replaced IEUA's Co-Composting Facility which was located in Chino and was closed in 2006.

The IERCF is designed to process and recycle over 200,000 tons per year of biosolids and wood waste from the local communities, producing over 200,000 cubic yards of high-quality compost each year for local landscaping and horticultural uses. The facility is currently operating at its design capacity, receiving over 500 tons per day of biosolids and recycled waste products—half from IEUA and half from CSDLAC. The composted product, which is marketed as SoilPro Premium Compost, has been sold as a soil conditioner which helps improve water retention resulting in better plant growth and water savings. In order to receive recycled products year-round, a compost storage facility has been constructed to allow the facility to store compost during the winter season when compost demand is low.

On the energy side of IERCF operations, the IERCA entered into a Power Purchase Agreement with Sunpower, Incorporated for the installation of 1 megawatt of solar panels placed onto the roof of the IERCF. The project was completed in December 2008 and is currently providing about half of the facility's required electrical power during operating hours.

Other ongoing capital projects completed include grading and drainage improvements (designed but not constructed), a Backup Power Generation Facility (in design), and emergency lighting. Future demands and operational issues will determine what the capital needs entail but currently no significant capital costs are budgeted. Any capital maintenance, enhancement, or replacement will be jointly analyzed and determined with the CSDLAC.

Beginning in the next fiscal year, FY2009/10, the Agency's share of capital contributions is being recorded as part of the Wastewater Regional Capital Program as opposed to a separate organics management fund. Annual capital contributions of $250,000 are budgeted in the current TYCIP for a total of $2.5 million over the ten-year period.

4.0 RECYCLED WATER CAPITAL IMPROVEMENT PLAN SUMMARY

The Recycled Water Program has been developed to be consistent with the recommendations of the IEUA Recycled Water System Feasibility Study completed in 2002, the 2005 Regional Recycled Water Program Implementation Plan and the 2007 3-Year Recycled Water Business Plan. Since the adoption of the 3-Year Recycled Water Business Plan in 2007, updates to the Business Plan have been made in 2008 to reflect the IEUA FY 2008/09 budget and the Ten Year Capital Improvement Plan. The Agency plans to construct a fully integrated regional distribution system that will deliver recycled water to major industrial and municipal users and to groundwater recharge basins.

4.1 Background

IEUA has been serving recycled water since the beginning of the Regional Contract in 1972. Initially recycled water was delivered to Whispering Lakes Golf Course and Westwind Park in Ontario and Prado Park and Golf Course. In the early 1990's IEUA planned and built the first phase of the Carbon Canyon Recycled Water Project, which now serves several customers in Chino and Chino Hills. IEUA also initiated planning of a regional recycled water delivery system. This planning effort culminated with the completion of the IEUA Regional Recycled Water Program Feasibility Study in January 2002. The Feasibility Study identified facilities to deliver, ultimately, over 70,000 acre-feet of recycled water per year (AFY) to customers and recharge sites throughout the service area.

In 2004, IEUA initiated development of the Regional Recycled Water Program Implementation Plan, which updated information from the 2002 report. The Implementation Plan identified additional future recycled water demand, primarily in the developing areas of Chino and Ontario, increasing the total ultimate deliveries to approximately 93,000 AFY. The plan identified a phased implementation over ten years with provision for additional expansion beyond the ten-year planning horizon. IEUA adopted the 3-Year Business Plan in December 2007 to accelerate the implementation of the 2005 Regional Recycled Water Implementation Plan.

The estimated cost of the facilities planned for the next ten years is $131 million with the majority of those expenditures occurring in the next three years. The program is to be funded by a combination of

state and federal grants, State Revolving Fund (SRF) loans and MWD rebates. The actual schedule of implementation will depend on the availability of grant funding and changing recycled water facility needs. The following are significant events leading up to the updated Business Plan that was completed in 2008:

- 1972 Regional Contract, IEUA begins delivery of recycled water
- 1993 Recycled Water Master Plan
- 1995 Carbon Canyon Recycled Water System Plan
- 1998 Carbon Canyon Recycled Water System Initial Deliveries
- 2001 Recycled Water Facilities Planning Study
- 2002 Regional Recycled Water Program Feasibility Study
- 2002 Program EIR
- 2003 SWRCB Grant ($5 million) and Loan ($15 million) Approved
- 2003 Initiate Construction of Phase I Facilities
- 2003 MWD LPP Rebate Agreement Amendment
- 2004 RWQCB Basin Plan Amendment
- 2004 DWR Grant ($9 Million)
- 2005 Regional Recycled Water Program Implementation Plan
- 2006 Initiate construction of Phase II Facilities
- 2006 SWRCB Grant ($4 Million) and SRF Funds ($14.7 Million for Phase II)
- 2007 Initiate construction of Phase III facilities
- 2007 SWRCB Grant ($4.9 Million) and SRF Funds ($11 Million for Phase III)
- 2007 Recycled Water Three-Year Business Plan (adopted December 2007)
- 2007 MWD Public Sector Rebate Program
- 2008 Chino Basin Water Conservation District ($4M) assistance for Retrofits of Parks and Schools
- 2008 USBR Federal Grant ($950,000 received of the $20M)
- 2008 MWD Local Resources Program Agreement
- 2008 DWR Grant ($1M) for Urban Drought Assistance for Retrofit Projects
- 2008 Updated Three-Year Business Plan

4.2 Regional Recycled Water Program

The 2002 Feasibility Study and 2005 Implementation Plan included an assessment of the potential recycled water customers within the IEUA service area. Staff worked with the regional agencies to identify over 1,000 potential customers. This information was used to plan the regional and local recycled water distribution pipelines. Pipeline locations were selected to provide recycled water to the largest customers or groups of customers resulting in cost effective facilities. Ultimately, this distribution system layout will serve over 1,200 of the largest customers and supply over 93,000 acre-feet per year (AFY), which includes 33,800 AFY for recharge.

Three-Year Business Plan Update

The 3-Year Business Plan (Business Plan) was developed in 2007 to accelerate the Regional Recycled Water Implementation Plan (2005) as a response to potential water supply shortages and reductions in MWD imported water supplies. Since the Business Plan's adoption in 2007, an update was completed to reflect the FY 2008/09 budget and the new connected recycled water demand goal of 50,000 AFY was changed from FY 2009/10 to FY 2011/12. The Agency's commitment and coordination with the member agencies within the Chino Basin to increase and ensure a reliable supply of recycled water to residents and customers has been continuous since the adoption of the Business Plan.

The implementation of the Business Plan has resulted in multiple benefits as summarized below. The program is self-funded through recycled water sales and the MWD local projects program. In addition, the recycled water supply is not impacted by drought and will mitigate the impacts of regional or statewide water supply limitations.

- New Water Supply – 37,000 AFY Increase in Connected Demand (50,000 AFY Total Connected)
- Capital Projects – an average expenditure of $35 million/year for the next three years (Business Plan total cost $137 million, with SRF and Grant funding for approximately $125 million, IEUA Bonds providing $5 million, and other sources providing the balance of funding of $7 million).
- Recycled Water Revenues – About $9 million/year (wholesale rate revenue plus MWD rebates)
- Annual expenditures for debt service (approximately $3 million per year) and operation and maintenance costs (approximately $4 million per year) will be funded through recycled water sales, MWD rebate revenues, and other existing IEUA revenue sources.

The Business Plan is intended to be a "short-term" action oriented document that will guide the IEUA recycled capital improvement program through the expansion of its recycled water distribution system. The Business Plan will be updated annually to adjust to the goals, timelines and projects that will expand the use of recycled water. Currently, this document focuses on the 2007-2012 fiscal years. The annual goals for connecting customers to recycled water are summarized in Table 4-1.

TABLE 4-1

ANNUAL GOALS FOR RECYCLED WATER CONNECTED DEMAND AND SALES

Year	Fiscal Year	Connected Demand AFY	Increase		Estimated Sales* AFY
			AFY	%	
Base Year	2006/07	13,000		----	----
1	2007/08	18,200		----	----
2	2008/09	31,000	18,000	138%	21,700
3	2009/10	36,000	23,000	177%	28,200
4	2010/11	45,000	32,000	246%	38,400
5	2011/12	50,000	37,000	285%	44,600

*Estimated sales lag connected demands due to demands for recharge and other factors.

Red Team

The Red Team is an interagency group composed mainly of IEUA staff and key people from member agencies. The purpose behind this arranged team is to open avenues of communication to aid with the construction of the recycled water infrastructure as well as potentially identify new recycled water projects. The Red Team assisted in the preparation of the Business Plan from August 2007 to December 2007, and has continuously met monthly through FY 2008/09 to discuss key issues, such as, recycled water rates and the status of recycled water projects.

Regional Recycled Water Priorities

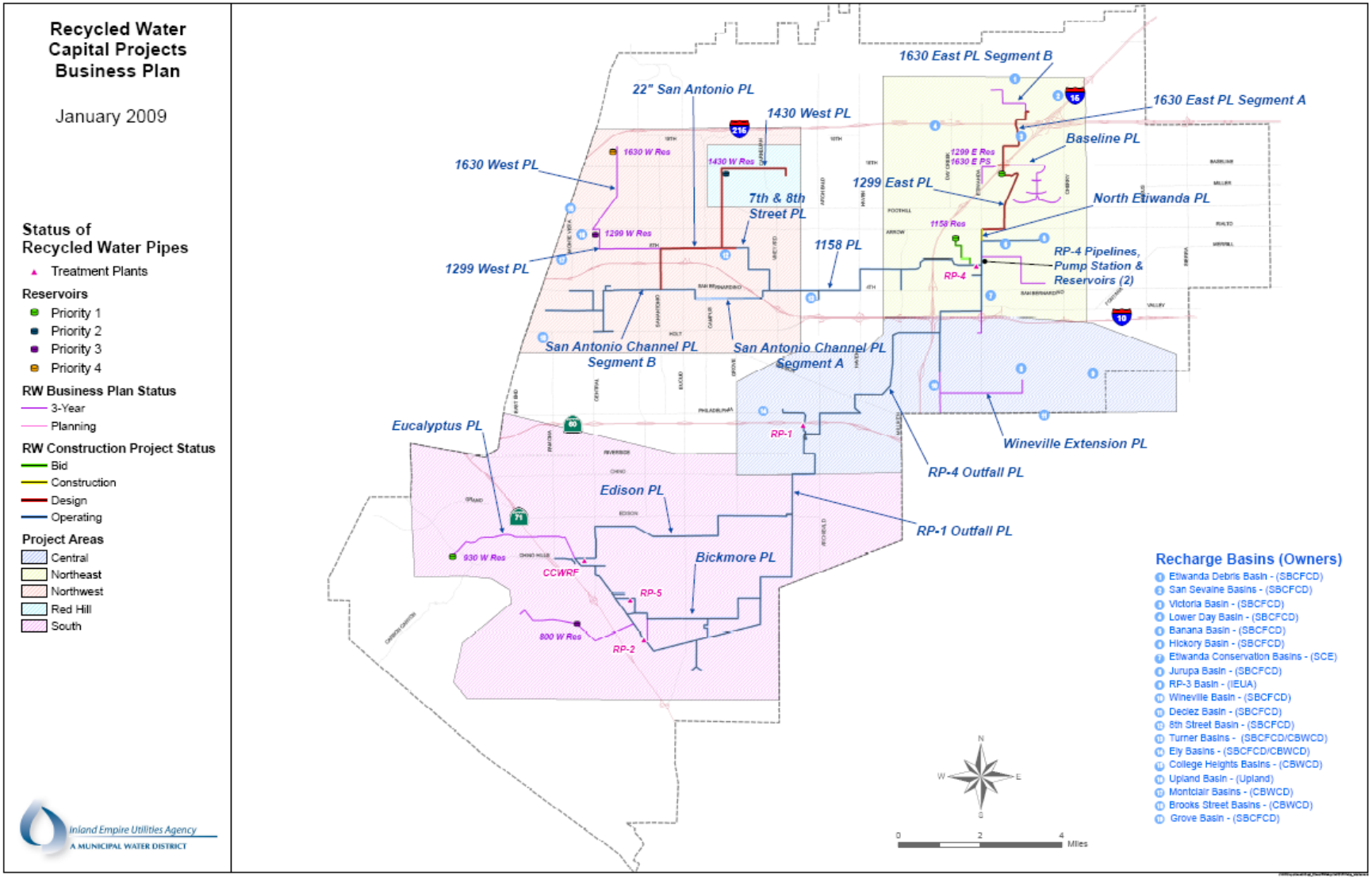
In September 2000, the IEUA Board and Regional Technical and Policy Committees adopted a recycled water policy which defines the roles and responsibilities of IEUA and the Regional Contracting Agencies for the construction and ownership of the regional and local facilities. Regional facilities are defined as pipelines, pump stations, and reservoirs which serve recycled water to a recharge site or to more than one Contracting Agency. Regional facilities will be constructed and owned by IEUA. Local facilities that deliver recycled water from the regional facilities to customers within a Contracting Agency's service area will be the responsibility of that respective agency to plan, build, operate and maintain such facilities. Local facilities will primarily be pipelines (local laterals) and may also include pump stations and reservoirs. With the implementation of the Business Plan, new policies have been created to include provisions for: regional funding of local storage facilities which reduce regional storage needs; provision for reimbursement of regional facilities constructed by others (local agency or developer); and financing of local facilities and customer on-site retrofits.

IEUA's regional recycled water system consists of a looped pipeline system which connects all four Regional Water Recycling Plants. The regional facilities have been described in over 50 separate projects of pipelines, pump stations and reservoirs. These projects have been grouped into priorities and categorized into four project areas: Northeast, Northwest, Central and the Southern Project Area. The phasing priority was determined based on the amount of recycled water that each phase could serve and the proximity of each phase to one of the plants or existing recycled water supply systems. Priorities I and II of the program will deliver recycled water to most of the recharge sites since the recharge sites represent significant recycled water users. The Regional Recycled Water Program Priorities are shown in Figure 4-1.

Local Recycled Water Facilities

As described above, local recycled water facilities are those which serve only one contracting agency. Each local agency is responsible for the planning, design, construction and operation of local laterals within its service area. IEUA staff is working closely with the agencies to coordinate their recycled water planning efforts. In order to assist the local agencies with the implementation of their recycled water systems, IEUA is providing technical assistance and, if requested, financing of the local agency's facilities. Funds for this financing are included in the TYCIP and will be funded via State Revolving Fund Loan proceeds. However, the amount of funding will depend on the Agency's needs. A similar financing approach was used for the construction of the Carbon Canyon Recycled Water Project in the 1990s.

Figure 4-1: IEUA Regional Recycled Water Capital Project Priorities



Regional Recycled Water Program Summary

Completed Activities/Projects:

Recycled Water Sales FY 2006/07	13,000 AFY
Recycled Water Sales FY 2007/08	13,493 AFY
Edison Avenue Pipeline	February 2007
DPH & RWQCB Recharge Permit(Phase I/Phase II)	June 2007
7th & 8th Street Pipeline	September 2007
Bickmore Pipeline	October 2007
San Antonio Channel Pipeline-Segment A	October 2007
TP-1 South Zone Pump Station	November 2007
San Antonio Channel Pipeline-Segment B	July 2008
North Etiwanda Avenue Pipeline	October 2008
MVWD Laterals	February 2009
RP-4 Reservoir, Pump Station and Pipeline	April 2009

Current/Near Term Projects Status as of June 2009:

Recycled Water Connected Demand	31,000 AFY (FY 2008/09)
Northeast Projects, Phase I	June 2010
Southern	June 2011
Northwest	June 2011
Central	April 2011

4.3 Current TYCIP

The Recycled Water Capital Improvement (WC) Fund tracks the revenues and expenses associated with the development of the Agency's Recycled Water Program. The total ten-year budget for Recycled Water Capital Improvement Program projects is approximately $131 million; $122 million is for the construction of the major new facilities included in the Business Plan, including pipelines, pump stations, and reservoirs; approximately $5 million is for the construction of local laterals and miscellaneous connections, retrofits, engineering reports, and cross-connection testing; and approximately $4.0 million for miscellaneous recycled water projects, such as the recycled water SCADA system master plan. The construction program is phased so that the most cost-effective projects can be brought on-line first. Major new projects in each of the project areas are summarized below in Table 4-2.

TABLE 4-2

RECYCLED WATER (WC) CAPITAL IMPROVEMENT PROGRAM-MAJOR PROJECTS

Project	Ten-Year Cost ($ Millions)
Northeast Area Projects	
1299 E Pipeline	$10.4
1299 E Reservoir	$3.0
1630 E. Pump Station	$9.5
1630 E Segment A Pipeline	$11.1
Baseline Regional Pipeline	$4.2
Monitoring Wells and Lysimeters	$1.4
Northwest Area Projects	
1630 W. Reservoir	$8.0
1630 W Pump Station	$8.0
1630 W. Pipeline, Phase 1	$14.6
1630 W. Pipeline, Phase 2	$4.1
1630 W. Pipeline, Phase 3	$19.2
Southern/Central Area Projects	
930 W Reservoir and Pipeline	$19.4
Wineville Extension Recycled Water Pipeline	$10.9
Miscellaneous Connections, Retrofits and Laterals	$9.0

Funding

In order to accomplish the goals of the 3-Year Business Plan, a financial plan has been developed that includes an evaluation of the cost of the Plan, the funding sources that pay the costs of the Plan, and estimates of annual revenues. Implementation of the Business plan has been programmed and scheduled with the use of state and federal grant funds and SRF low-interest loans to minimize use of Regional Capital Fund transfers. The following funding goals have been identified:

- Capital Budget Funding Sources – $137 million total Business Plan cost will be funded from four sources: State and Federal Grants ($36 million), State Revolving Fund loans ($89 million), 2008 IEUA Bond Funds ($5 million), and MWD/Chino Basin Water Conservation District Public Sector Rebates and Reimbursements for Private/Public Retrofits and Laterals ($7).

- Annual Revenues – based on 50,000 AFY in sales in FY2012/13, recycled water sales will generate $5.8 million annually. Fixed repayment of local lateral SRF/Bond repayments will be about $1 million per year. At 50,000 AFY the revenues from recycled water sales, MWD LRP program, and other IEUA revenue sources will be sufficient to meet debt service costs estimated at $5 million in FY 2012/13 and increasing to $8 million annually beginning in FY 2014/15.

Funding Status

STATE WATER RESOURCES CONTROL BOARD (SWRCB): To date IEUA has received funding contracts from the SWRCB for $5 million in grant funds (SWRCB caps grants at $5 million) and up to $15 million in SRF loans for Phase I. In March 2006 IEUA received funding approval from SWRCB for Phase II projects. IEUA has approval of $4 million in grant funds and up to $14 million in SRF loans for the Phase II projects. In October 2007, IEUA received funding approval from SWRCB for Phase III projects. IEUA has approval of $4.9 million in grant funds from SAWPA and up to $11 million in SRF loans for Phase III projects. The Financial Assistance application for projects in the Northeast Project Area (Phases IV and V), in the amount of $38 million, was the first appropriation approved by the SWRCB under the federal stimulus funding. It was approved by the SWRCB on March 17, 2009 along with a grant for $4.2 million.

UNITED STATES BUREAU OF RECLAMATION (USBR): IEUA is also working with congressional representatives to obtain federal grant funds through the U.S. Bureau of Reclamation. In 2005, IEUA received a federal appropriation of $950,000 for the recycled water program and an additional $5 million was appropriated in March 2009 and is expected to be received as early as April 2009. The balance of $14 million is expected to be received in FY2009/10.

DEPARTMENT OF WATER RESOURCES (DWR): In 2003, IEUA and Chino Basin Watermaster submitted an application to the Department of Water Resources for Proposition 50 grant funds for: conjunctive use, recharge improvements and recycled water facilities. A grant award of $15.5 million was received in 2005. From the $15.5 million that was received, $10.25 million was allocated for recycled water facilities. These funds have been used for the Edison Avenue Pipeline and the 7th and 8th Street Pipeline. The Edison Avenue Pipeline will interconnect RP-1 with the Carbon Canyon Recycled Water System and serve a significant agricultural demand in the near-term and landscape irrigation demand as

the area develops. The Agency also received a $1 million grant for Urban Drought Assistance, which will be utilized to complete retrofit projects to convert customers from potable water to recycled water.

Permitting

Several regulatory and environmental permits and approvals are required to implement the Regional Recycled Water Program and deliver recycled water. IEUA has made significant progress and has completed many of the regulatory requirements. The following are the regulatory requirements and the current status of each permit process:

- CEQA – IEUA certified a Programmatic EIR in June 2002 which included IEUA's Wastewater Master Plan, Organics Management Business Plan and the Regional Recycled Water Program. Supplements to the Programmatic EIR are prepared, when necessary, as specific project elements are better defined during each project design;

- Chino Basin Watermaster Article X approval for groundwater recharge is required under Watermaster's rules and regulations. IEUA obtained Watermaster's approval for the recharge of up to 33,000 AFY in 2002;

- Basin Plan Amendment – In order to recharge recycled water in the Chino Groundwater Basin, IEUA and Watermaster prepared a Maximum Benefit Concept Proposal to the Santa Ana Regional Water Quality Control Board for the basin plan amendment. The proposal was approved by the RWQCB and incorporated into the basin plan amendment in February 2004. The State Water Resources Control Board approved the basin plan amendment in September 2004. The incorporation of "Maximum Benefit" into a basin plan is unprecedented in the state;

- RWQCB Waste Discharge Requirements and NPDES permit for direct reuse – All of IEUA's Water Recycling Plants have existing permits from the RWQCB for recycled water deliveries for direct reuse customers, i.e. irrigation, industrial, recreational impoundments. On a quarterly basis, IEUA reports new customers connected to the recycled water system and recycled water use for each customer;

- DHS (currently named DPH) Title 22 Engineering Report – In order to assure that recycled water is not "cross-connected" to any potable water system, the California Department of Public Health requires an engineering report which identifies the potable and non-potable plumbing systems for each recycled water customer;

- DPH Title 22 Engineering Report for Groundwater Recharge - Prior to recharge of recycled water, an engineering report is required. The report is reviewed by DPH and a public hearing is required to solicit comments. IEUA prepared and submitted the Title 22 Engineering report for the seven recharge basins served by the Phase I facilities. A public hearing was held in December 2003 and several supportive letters and comments were provided; and

- RWQCB Permit for Recycled Water Recharge - The Santa Ana Regional Water Quality Control Board approved the permit for recycled water recharge in April 2005. The RWQCB permit for

recycled water recharge for the Phase II basins was issued in summer 2007. The DHS public hearing held in April 2006 received strong support and no opposition.

Summary of Permitting Status

CEQA	Certified 2002
CBWB Article X	Approved 2002
SARWQCB Basin Plan Amendment	Approved 2004
SARWQCB Discharge Permit	Issued for all plants
DHS customer retrofits	Approved for connected customers
DHS/RWQCB recharge approval	
• Ely Basin 2,300 AFY	Approved 1998
• Phase I Recharge 7,700 AFY	April 2005
• Phase II Recharge 17,300 AFY	June 2007

Customer Development

As described above, there are over 1,000 potential recycled water customers which can be served by the regional and local recycled water facilities. The IEUA Board of Directors adopted the Recycled Water 3-Year Business Plan in December 2007, which focuses on expanding IEUA's recycled water system. The recycled water system includes regional and local facilities to increase the use of recycled water to over 50,000 AFY, which includes 35,000 AFY of direct reuse and 15,000 AFY of recycled water recharge. IEUA is working with staff from the local agencies to focus on the list of six month targeted candidate customers. This list will be constantly updated as expansion projects to the recycled water system are built and customers are connected. Currently, there are many direct use customers identified in this list with a total demand of over 5,500 AFY. All public facilities, especially the schools and parks, are given higher priority at this time. IEUA submitted the first package of MWD's public facilities, whose locations require on-site retrofit, in early 2008. This will provide for the reimbursement of the actual on-site retrofit design and construction costs to all those public facilities. In addition, Chino Basin Water Conservation District (CBWCD) approved a $4 million dollar appropriation for the matching contribution to MWD's public sector funding. As a result of these incentive programs provided by MWD and CBWCD, IEUA and the local member agencies are accelerating the conversion process.

IEUA is also working with staff from the local agencies to connect additional farmers in the area. The recycled water usage by farms including CIM/Cal Poly, Chino Airport farming area and other smaller farms in the cities of Chino and Ontario provide the groundwater replenishment credit from Chino Basin Watermaster to these cities. The recent cooling trend of new real estate building activities has

increased the farming activities in this region. When those farms are converted to recycled water, the total usage could increase up to 3,500 AFY.

Due to this accelerated recycled water program, the number of Engineering Reports has increased resulting in the increased workload for the local Department of Public Health (DPH). IEUA staff is also working closely with the DPH and the local member agencies to streamline the process and to standardize the submittal package.

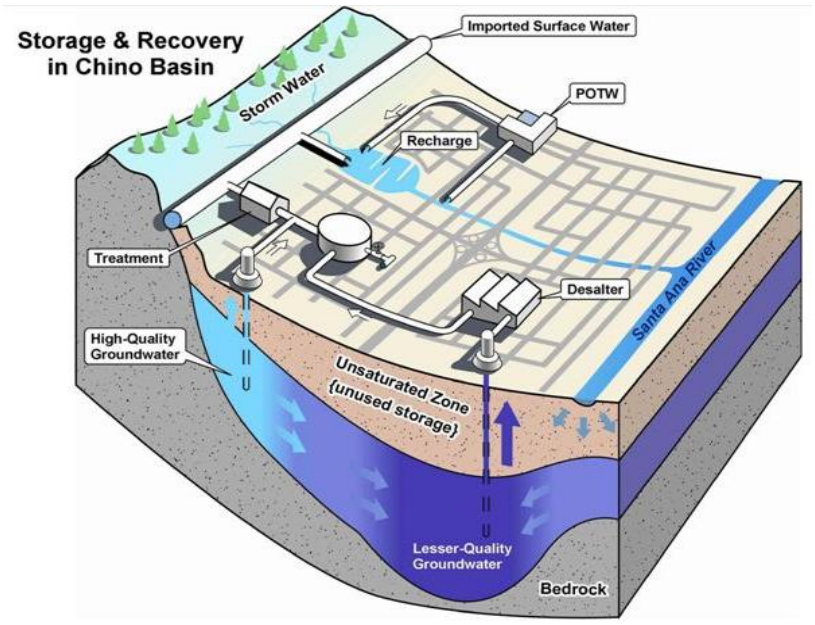
5.0 GROUNDWATER RECHARGE CAPITAL IMPROVEMENT PLAN SUMMARY

5.1 Background

The Chino Basin Watermaster and IEUA joint recharge program partnership is described in the Chino Basin Watermaster's Optimum Basin Management Program (OBMP) Recharge Master Plan, Phase II Report (August, 2001). It is a comprehensive plan to increase artificial groundwater recharge within Chino Basin using storm water, recycled water, and imported water. The recharge program is one of the centerpieces of the Chino Basin OBMP. Through the development of increased recharge capacity in the Basin, greater quantities of high quality water can be captured and stored during wet years and be made available during drought years and times of imported water supply shortages. Figure 5-1 illustrates in general how the recharge program fits into the overall plan for Chino Basin groundwater management as outlined in the Watermaster's OBMP and the Recharge Master Plan.

In January of 2002, the IEUA Board of Directors approved the Recharge Master Plan Implementation Memorandum of Agreement, between Chino Basin Watermaster, Chino Basin Water Conservation District, San Bernardino County Flood Control District (SBCFCD), and IEUA. Members of these four agencies formed a Groundwater Recharge Coordinating Committee to implement an initial $40-million program, entitled the Chino Basin Facilities Improvement Project (CBFIP), that resulted in construction projects to develop

Figure5-1:



the program's recharge facilities from existing flood control basins. IEUA serves as the lead agency for implementation (design, construction, operation, and maintenance) of this cooperative program.

Implementation of the Recharge Master Plan included enhancements to existing flood control and recharge basins through the CBFIP (Phase I and Phase II). The recharge capacity is made up of:

- 33,000 AFY of storm water
- 57,000 AFY of imported water
- 20,000 AFY of recycled water from the IEUA's Regional Water Recycling Plants.

The CBFIP will maximize recharge capacity, protect and increase the yield of the Chino Basin, increase the amount of recycled water that can be recharged, and improve groundwater quality. Construction and improvements have been made to 18 recharge sites with a total potential recharge capacity of approximately 110,000 AFY.

In the summer of 2005, Phase I CBFIP improvements were completed and recharge operations commenced in the upgraded facilities. Figure 5-2 is a map of the current CBFIP recharge sites. Operational experience in the ensuing 3 years identified lower infiltration rates, system limitations, and recharge capacity than envisioned during the original recharge master plan. Additional recharge capacity and operational flexibility were the goals of the Phase II CBFIP.

In April 2006, IEUA and Watermaster approved the $10.5 million Phase II CBFIP improvements made possible by a Department of Water Resources grant and matching funding from IEUA and Chino Basin Watermaster. The Phase II improvements will be complete and operational in early 2009, and will enhance the storm water capture, imported water delivery, and operational flexibility of the existing recharge facilities.

IEUA is also working with the State Department of Public Health and the Regional Water Quality Control Board Santa Ana Region to evaluated recharge permit changes that will allow increases in the amount of recycled water that may be recharged. Specifically, it will increase the amount of recycled water recharge during dry years used against blended credits from storm water and imported water recharge during wet years.

The original Recharge Master Plan requires update, and will be revised by July 2010 as part of CBWM's Peace II agreement. When completed, the updated plan will incorporate enhancements to recharge basins and updated regulatory permit requirements. Until that time, Table 5-1 describes the potential recharge capacities of the recharge sites upon completion, assuming optimum operation and maintenance.

Figure 5-2: Chino Basin Recharge Sites Locations

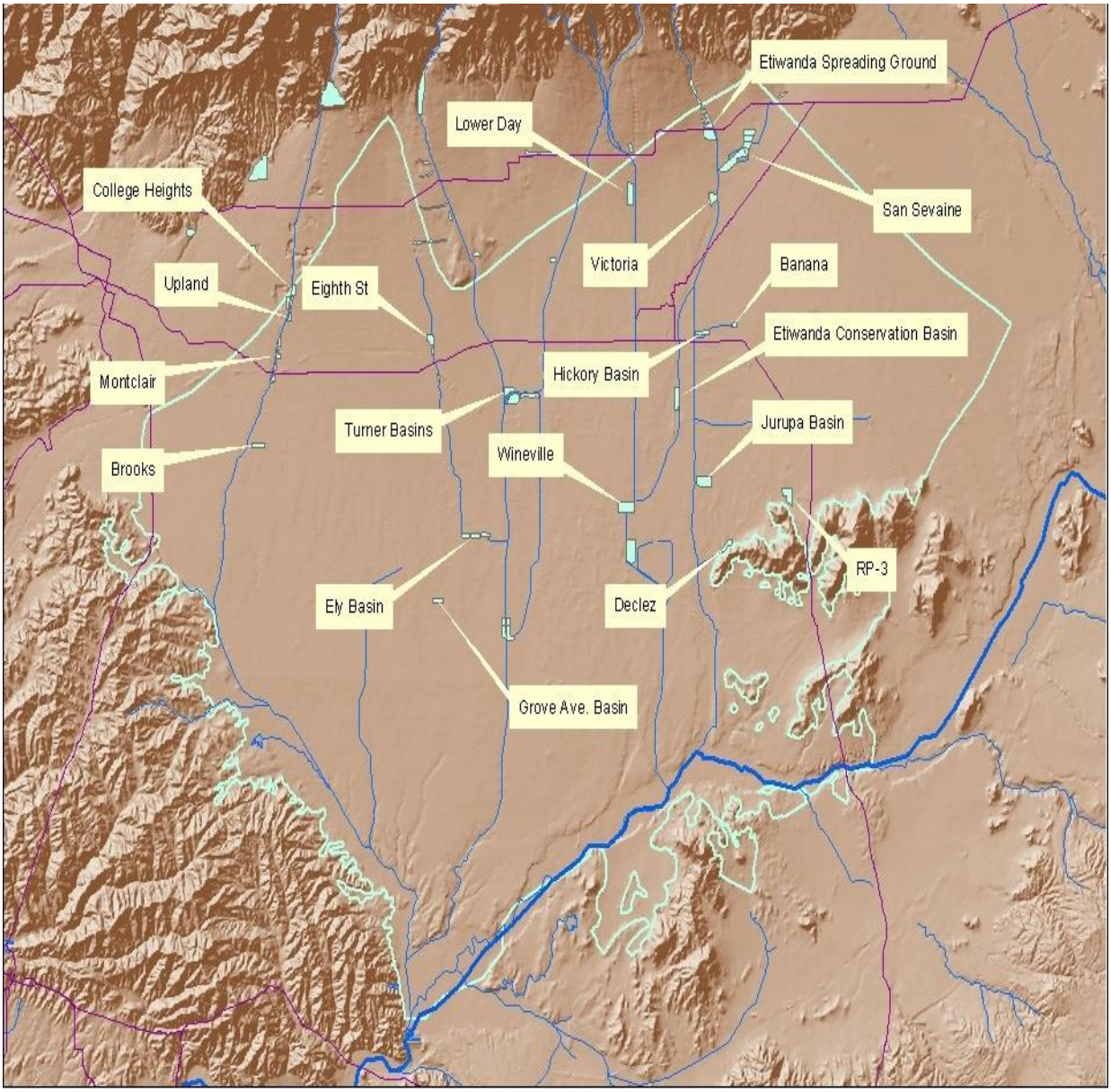


Table 5-1
CHINO BASIN POTENTIAL SOURCE WATER RECHARGE CAPABILITIES

Basin Name	Potential Basin Recharge Capacity Acre Feet Per Year (AFY)			
	Storm Water	Imported Water	Recycled Water	Total
7th & 8th Street Basins	870	1,160	870	2,900
Banana Basin	870	1,160	870	2,900
Brooks Street Basins	870	1,160	870	2,900
College Heights Basins	2,600	6,070	0	8,670
Declez Basins	1,040	1,390	1,040	3,470
Ely Basins	870	1,160	870	2,900
Etiwanda Cons. Ponds [1]	0	0	0	0
Etiwanda Debris Basin	1,210	1,620	1,210	4,040
Hickory Basin	870	1,160	870	2,900
Jurupa Basin [2]	0	0	0	0
Lower Day Basin	1,560	2,080	1,560	5,200
Montclair Basins	6,940	16,190	0	23,130
RP-3 Basins	1,210	1,620	1,210	4,040
San Sevaine Basins	8,670	11,560	8,670	28,900
Turner Basins	1,040	1,390	1,040	3,470
Upland Basin	3,470	8,090	0	11,560
Victoria Basin	1,040	1,390	1,040	3,470
Total	**33,130**	**57,200**	**20,120**	**110,450**

1. Etiwanda Conservation Ponds are located on Southern California Edison's right-of-way, and have yet to be developed due to lack of agreement on lease terms.

2. Jurupa Basin, through geotechnical testing (URS, 2003), is believed to have minimal infiltration benefits. As such, Jurupa Basin is used as a holding basin for water sources pumped to the RP3 Basins or further routing to Declez Basin.

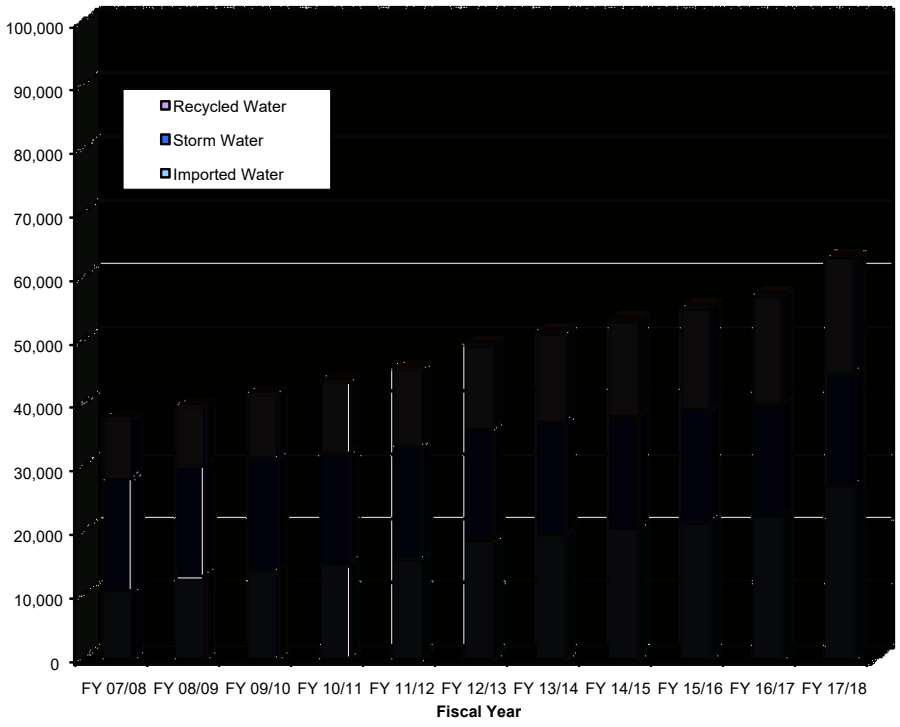
5.2 Recycled Water Use for Recharge

Reuse of recycled water for groundwater recharge is a critical component of the OBMP and water supply plans for the region. It will increase the reliability of water supplies during dry years and save $6 million to $9 million per year in imported water costs. The recharge of high-quality recycled water and high-quality imported and storm water sources will allow Chino Basin groundwater quality objectives to be met. Improvements in groundwater quality through recharge will ultimately lower the cost of the Chino Basin Desalter groundwater treatment process.

In April 2005, IEUA and CBWM obtained their Phase I Recycled Water Groundwater Recharge Permit which included six recharge sites and a 20-percent by basin recycled water recharge limit. In June 2007, IEUA and CBWM obtained their Phase II Recycled Water Groundwater Recharge permit, which added seven more recharge sites and included changes allowing as much as 50 % by basin recycled water recharge as driven by water quality performance. However, operational experiences since 2005 indicate a more likely average of 30-percent recycled water recharge.

The schedule for increasing the amount of recycled, storm, and imported water recharged into the Chino Groundwater Basin is illustrated in Figure 5-3.

Figure 5-3:
Imported, Storm, and Recycled Water Recharge Schedule



ASSUMPTIONS:

Total Recharge is the CBWM Replenishment Obligation projections presented to the GRCC on March 27, 2007.

Recycled Water is a projection based on historical diluent recharge at basins available for recycled water recharge from the 2008 Three-Year Recycled Water Plan, then increased 1,000 AF per year until reaching 33% (based on a 5-year running average) of the CBWM replenishment obligation (Total Recharge).

Storm Water is a projection of the long-term average sums of 12,000 AFY of new storm water capture and 5,600 AFY of pre-basin improvement capture.

Imported Water is the Total Recharge (CBWM estimated Replenishment Obligation) minus the sum of storm water and recycled water recharge.

5.3 Current Capital Projects

Currently, the main project in the Recharge Water (RW) Capital Improvement Program is the Recharge Basin Enhancement Project. The total budget for this project is $10.5 million and the FY2008/09 budget is $7.5 million. Funding in the amount of $5.28 million was obtained from the state's Department of Water Resources (DWR) for half of the total project cost. The other half will be evenly split between IEUA and the Chino Basin Watermaster. This project is composed of several sub-projects needed to improve the Groundwater Recharge Program, including:

- **Lysimeters and Monitoring Wells:** Lysimeters and monitoring wells for Hickory, Turner, 8th Street, Brook, RP3 and Declez basins for monitoring recycled water quality improvements due to soil-aquifer treatment. Groundwater monitoring wells have been constructed to track the movement of recycled water down gradient from Brooks and 8th Street basins. This sub-project is complete;
- **New/Modified MWD Turnouts:** A new MWD turnout on the Rialto Pipeline (CB-20) will be constructed to deliver imported water to basins on West Cucamonga Channel. In addition, modifications to turnouts CB14T will expand delivery capacity;
- **SCADA System Improvements:** Improvements to the SCADA system will include adding control features at basins not currently instrumented and improving control features at other basins based on needs identified following initial operations;
- **Basin Berm Hardening:** Hardening of internal berms will allow storm water to be captured more reliably in basins by the avoidance of berm washouts during larger storm events; and
- **Montclair Dual Inlet Evaluation:** A dual inlet to Montclair Basins 2 and 3 was designed for a future construction project which would allow extended delivery of water to basins during maintenance activities in Montclair Basin 1 or 2. This sub-project is complete.

5.4 Future Ten-Year Plan

As shown in Table 5-2, the Recharge Basin Enhancement Projects will be largely completed in FY2008/09. With the exception of carryover of some funds into FY2009/10 to complete construction, there are no new capital project costs projected in the current TYCIP for the Groundwater Recharge Capital Fund.

TABLE 5-2

RECHARGE WATER CAPITAL IMPROVEMENT PLAN-- MAJOR PROJECTS

Project	Scheduled Completion	Ten-Year Cost ($ Millions)
Recharge Basin Enhancement Projects (**$10.5 million total budget)	Fiscal Year 2008/09 with some carryover to FY2009/10	$ 0**

The future capital improvements to the recharge program (Phase III CBFIP) will be evaluated following completion of the update to the Chino Basin Recharge Master Plan, targeted for June 2010. In the interim, IEUA staff will evaluate the effectiveness of the constructed Phase II basin improvement projects towards increasing basin recharge capacity. In the time between completion of the Phase II improvements and the updated Master Plan, IEUA groundwater recharge staff will compile a prioritized list of basin improvement projects for evaluation in the Recharge Master Plan update. The O&M costs for the recharge facilities will be shared by the Chino Basin Watermaster, the Chino Basin Water Conservation District, the San Bernardino County Flood Control District, and IEUA. Approximately $800,000 is budgeted for O&M costs for FY2009/10.

6.0 NON-RECLAIMABLE WASTEWATER SYSTEM CAPITAL IMPROVEMENT PLAN SUMMARY

At the request of IEUA Board of Directors, Staff developed an Asset Management Program (AMP) to identify and inventory IEUA's major assets, their condition, and plan for capital improvement projects. This chapter discusses ongoing and future projects for the Non-Reclaimable Wastewater System (NRWS) in accordance with this AMP. IEUA's 2002 Salinity Management Action Plan, which calls for maximizing the use of the NRWS and developing a program to reduce the salt impacts from water softeners to IEUA water recycling facilities, is reflected in these capital projects

In 2003, IEUA entered into an agreement with Metropolitan Water District (MWD), Chino Basin Watermaster, and Three Valleys Municipal Water District to provide up to 100,000 acre-feet of groundwater storage in the MWD Storage Account in the Chino Basin as part of the Dry-Year Yield Program (DYY). This program provides for the extraction of up to 33,000 acre-feet per year (AFY). As of July 2008, the Operating Parties under this Agreement are: City of Chino, City of Chino Hills, Cucamonga Valley Water District, City of Ontario, City of Upland, Monte Vista Water District, and Jurupa Community Services District. As a result of this program, the Cities of Chino, Upland, and Chino Hills have constructed three Ion Exchange plants. The City of Ontario and Monte Vista Water District are completing construction of two more Ion Exchange plants. These plants are designed to treat well water for the removal of nitrate and salinity. The brine produced from the process is discharged to the NRWS.

MWD is interested in expanding its current DYY from 100,000 AFY of ground water storage to 150,000 AFY. Using similar criteria developed for the current program, this expansion would increase Metropolitan's DYY from 33,000 AFY to 50,000 AFY. Metropolitan has authorized IEUA and its consultants to develop a Program Report that evaluates whether the expansion is possible and, if so, what facilities and costs are required to reduce imported deliveries during dry years by as much as 50,000 AFY.

6.1 Background

The IEUA owns and operates the NRWS that provides for export of high-salinity and industrial wastewater generated within IEUA service areas to the Pacific Ocean. The wastewater discharged to the NRWS consists mainly of industrial and groundwater treatment brines. IEUA also discharges belt press filtrate resulted from dewatering of the biosolids generated within the IEUA's water recycling treatment facilities and some domestic waste from non-sewered areas. The NRWS is physically separated from the Regional Domestic Wastewater System and provides a means for segregating poor quality, saline wastewater and exporting it out of the IEUA service area. This improves the quality of the recycled water for local use and helps ensuring that IEUA can comply with the final effluent total dissolved solids (TDS) and total nitrogen limits listed in the National Pollutant Discharge Elimination System (NPDES) permits.

For FY 2007/08, the NRWS exports approximately 47,468 tons of salt to the ocean, as summarized below:

TABLE 6-1

TONS OF SALT REMOVED

FY 2007/2008	Million Gallons/Year	mg/L	Tons/Year
North NRW System	1,511	2,729	**17,196**
South NRW System	107	4,074	**1,818**
Desalter 1, (14 MGD)	795	6,172	**20,462**
Desalter 2, (10 MGD)	461	4,156	**7,992**
Total	**2,874**	**3,961 (Flow-Weighted Average)**	**47,468**

The NRWS collection system is comprised of a north and a south system. The north system, which serves approximately 45 industries, conveys wastewater to adjacent interceptor sewer lines owned and operated by the County Sanitation Districts of Los Angeles County (CSDLAC). From there, it is conveyed to CSDLAC's treatment facility in Carson, where it is treated and discharged to the ocean. The south system, which serves approximately 15 industries, conveys wastewater to the Santa Ana Regional Interceptor (SARI) pipeline, owned by the Santa Ana Watershed Project Authority (SAWPA), and from there it is carried to the Orange County Sanitation Districts (OCSD) facility in Fountain Valley for treatment and ocean discharge.

Export of saline and industrial wastewater from the local area in this manner protects the quality of the IEUA's recycled water and is a key element of the Chino Basin Watermaster's Optimum Basin Management Plan (OBMP). Diverting saline wastewater to the NRWS instead of collecting it in the

regional wastewater system has reduced the TDS levels in the recycled water by approximately 430 mg/l. It is estimated that diverting most of the existing industrial users with TDS concentrations above 550 mg/l to the NRWS could lower the TDS level of the recycled water by another 8 to 11 mg/l. In addition, reducing salts from residential water softeners could further reduce the TDS level. Most important, brine from the groundwater desalter facilities should also be diverted to the NRWS in order to avoid raising the TDS level of the recycled water.

6.2 NRWS and Salinity Management Action Plan

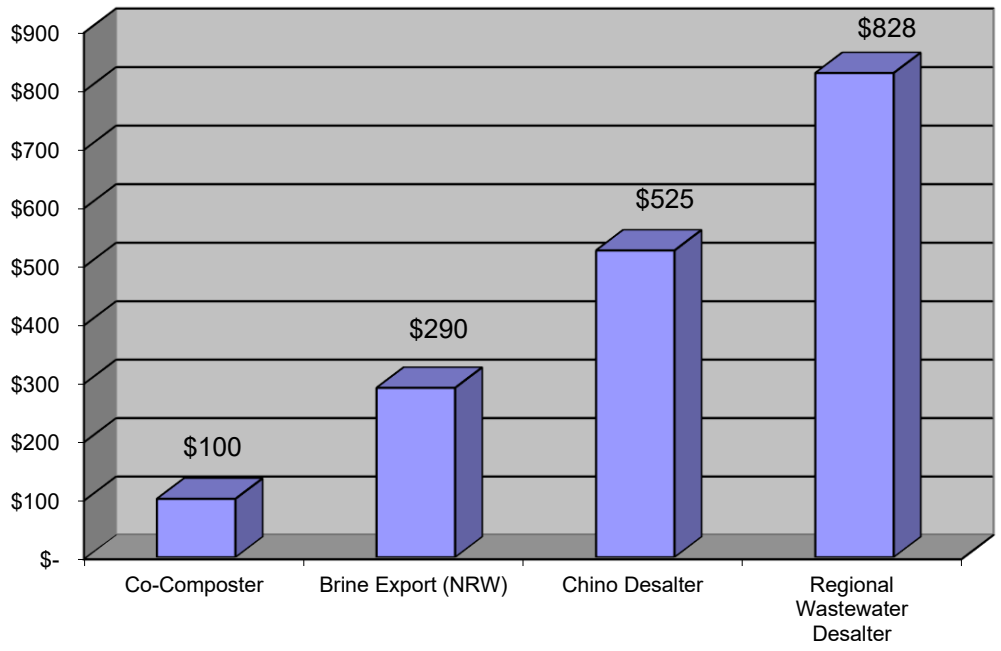
IEUA developed a Salinity Management Action Plan in 2002 in cooperation with the Regional Technical and Policy Committees. Some of the strategies that were identified to reduce the salinity of recycled water supplies included:

- Maximizing the use of the NRWS
- Developing a program to reduce the salt impacts of water softeners
- Reducing salinity contributions from IEUA water recycling facilities

A study by Parsons Engineering Science (2000) evaluated the long-term issues and future funding needs for operating and maintaining the NRW system in the most cost-effective manner. Parsons suggested that the most cost-effective strategies for maximizing the use of the NRW system were: (1) diverting more high-salinity wastewater flow from the Regional system to the NRW system, thereby reducing the need for expansion of the Regional system; and (2) melding the NRW user rates and charges with the Regional system, "Regionalization". The study confirmed that utilization of the NRW system minimizes IEUA's treatment costs for salt, as illustrated in Figure 6-1.

In 2003, IEUA in partnership with the Regional Technical and Policy Committees, the Chino Basin Watermaster and the Santa Ana Regional Water Quality Control Board, developed a strategies to reduce TDS at the IEUA regional water recycling plants and to encourage salt export through optimum utilization of the NRWS consistent with the OBMP. This is also consistent with the Maximum Benefit Basin Plan, adopted in 2004 by the Santa Ana Regional Water Quality Control Board, which establishes new groundwater TDS and nitrogen water quality objectives. The Plan allows the use of recycled water for groundwater recharge while providing reasonable protection for the groundwater quality in the region. Key commitments in the plan included construction of Chino Desalters, recycled water quality management through industrial waste control, optimum use of the NRWS, reducing the use of water softeners to decrease saline flows into the regional water recycling plants, ion-exchange plants, and groundwater monitoring programs.

Figure 6-1:
Relative Costs of Salt Removal From Chino Basin
(Dollars per Ton of Salt Removed)



Implementation of the current Salinity Action Plan is expected to achieve substantial avoided costs and valuable benefits for the region. The Plan consists of the following:

- Water Softener Removal Rebate Program — IEUA developed a "pilot" Automatic Water Softener Removal Rebate Program that was launched in September 2008. This project addresses the impacts of automatic water softeners on IEUA's recycled water. The goal of this project is to achieve significant reductions in salinity contributed to the wastewater systems from automatic water softeners, and water savings, by offering a financial incentive "rebate" for the voluntary removal of residential water softeners within the IEUA service area. Automatic water softeners dump large amounts of salts into wastewater treatment systems impacting recycled water quality. It is estimated that by removing all self-regenerating water softeners recycled water TDS will be reduced by about 15 to 25 mg/L. This program is consistent with the OBMP and Peace Agreement and provides an opportunity to educate the public on why salinity is such an important water quality issue. This project also places emphasis on the growing importance of recycled water as one of the core water supplies for the IEUA's service area.

- Implementation of the Maximum Benefit Basin Plan—Ensure compliance with the Maximum Benefit requirements and with the Memorandum of Understanding with the Orange County Water District and Regional Board. Critical near-term action items undertaken include: (1) developing monitoring work plan with Watermaster; (2) evaluating regional wastewater

pretreatment ordinance technical TDS increment; and (3) preparing annual reports on salt balance (Watermaster responsibility);

- Buyback Agreement with CSDLAC—IEUA relinquished 3 MGD of owned capacity in the NRW to LACSD in April 2004, which has lowered annual payments to CSDLAC by approximately 23% or approximately $350,000 annually. The savings will be passed on to NRW customers through more favorable rates and charges. Also encourages the use of the NRW system by new and existing industries to discharge their saline effluent and increase the salt export;

- MWD Dry Year Yield Conjunctive Use Ion Exchange Projects—Construct lateral connections to the NRW system (IEUA implementation responsibility) in conjunction with the Cities of Upland, Monte Vista Water District, Chino, Chino Hills, and Ontario for several proposed ion exchange projects. The projects have and will continue to improve groundwater basin water quality and yield, especially during dry years;

- NRW "Pass Through" Rates- IEUA staff developed a pass through rates and budget impact analysis for existing industrial customers. This action will encourage export of salts from the Chino Basin by connecting more industries to discharge their brine wastes to the NRW System. "Pass Through" rates provide economic incentives for existing regional industries with effluent TDS concentrations above 500 mg/L to divert their discharge to the NRWS and to use recycled water. This is a key component of the Chino Basin OBMP strategy;

- Chino Desalter "SARI" Capacity Alternatives—In April 2004, IEUA made an agreement with Chino Desalter Authority (CDA) to sell IEUA owned SARI capacity to the CDA to discharge the brine waste from the Chino I Desalter Expansion and the future Chino II Desalter to SARI. As a result of this program more than 28,000 tons of salts were transported outside Chino Basin ground water in Fiscal Year 2007-08.

- Leasing of Temporary SARI Capacity to Lewis Operating Company-IEUA entered into an agreement with Lewis Operating Company (LOC) to lease a portion of the SARI capacity for their Chino Preserve Expansion. IEUA has made this lease available to LOC until City of Chino has completed the design and construction of the Pine Ave. interceptor sewer. In lieu of building the Pine Avenue sewer, the City of Chino is considering building a new sewer lift station on the existing Prado lift station site. Once these permanent sewer facilities are completed, the California Institute for Women (CIW) will divert their discharge from SARI to the new Interceptor, which will flow to RP-5 (Status: In Progress);

6.3 Economic Benefits of the NRWS and Salinity Management Action Plan

IEUA expects to achieve substantial avoided costs as well as benefits for the service area by implementation of the NRWS Action Plan. The IEUA will avoid the cost of treating non-reclaimable

industrial wastewater at IEUA's water recycling plants, which would require additional secondary and tertiary treatment capacity to handle the flow plus desalination facilities to remove TDS. A resulting economic benefit to IEUA is the ability to use 35,000 acre-feet per year of recycled water for groundwater recharge instead of more expensive imported water. IEUA expects to avoid an estimated $430 million in future costs over the next ten years as a result of the full implementation of the NRW Action Plan. These avoided costs are summarized in Table 6-2.

TABLE 6-2

COSTS AVOIDED BY THE NRW ACTION PLAN

Action Avoided	Estimated Future Costs Avoided ($ Millions)
Construction & Operation of Desalination Facilities at Regional Plants	$250
Construction of Secondary and Tertiary Treatment Facilities at Regional Plants for 15 MGD (at a rate of $8 per gallon per day including solids handling)	$120
Purchase Imported Water for Recharge to Replace 35,000 AFY Recycled Water	$6 per year
Total Net Economic Benefits Over Ten Years	**$430**

There will also be additional revenues from the sale of unused capacity, either: (1) as part of the CSDLAC buyback agreement; (2) for the Chino Desalters; (3) for local ion exchange groundwater treatment projects; or (4) for local development in non-sewered areas. These cost savings are expected to offset the cost of "regionalizing" the NRWS.

6.4 Current Ten-Year Plan

The Ten-Year Plan cost for the NRWS is $28 million. Several actions are being taken to increase the economic value of the NRWS and to improve or retain the integrity of the NRWS. The major CIP projects for the NRWS are described below and listed in Table 6-3.

IEUA is obligated to make annual payments to CSDLAC to cover its proportional share of the capital repair, relocation, reconstruction and rehabilitation (4R) costs into CSDLAC sewer system. The relinquishment of 3 MGD of unused NRWS capacity to CSDLAC reduced the ten-year budget to $6.0 million for 4R capital replacement costs, a saving of $3.3 million.

As a part of the Ten-Year CIP, one of the goals of IEUA is to identify and assess the condition, rehabilitation and replacement costs for the NRWS. IEUA retained the services of PBS&J and performed an exhaustive condition assessment of the NRWS pipelines and infrastructure including manholes using Closed Circuit Tele Vision (CCTV) and Global Positioning System (GPS) technology.

TABLE 6-3
NRW SYSTEM CAPITAL IMPROVEMENT PROGRAM—MAJOR PROJECTS

Project	Scheduled Completion	Ten-Year Cost ($ Millions)
NRW System Refurbishment	Fiscal Year thru 2018/19	**$9.8**
CSDLAC Capital Replacement Costs	Fiscal Year thru 2018/19	**$16.0**
NWRS Connections and Emergency Pipeline Repairs	Fiscal Year thru 2018/19	**$2.1**
Other Projects	Fiscal Year 2018/19	**$.4**
Total Capital Improvement Projects Over Ten Years		**$28.4**

This assessment indicated the following: 48 miles of pipeline and 571 manholes of the NRWS were inspected. Overall, the pipelines that were inspected are in good condition, with 21% of the segments requiring no action. Nevertheless, the system is in need of cleaning, as over half of the inspected segments have debris accumulation or deposits in the pipeline and about 9 % of the system could not be inspected due to the excessive debris. Structural defects were found in 17% of the system that will require point repair and replacement over two years, and rehabilitation of pipelines over the following eight years by Cast in Place Pipe lining techniques. About 5,100 feet of SARI pipeline, 15,000 feet of North, Central and South Trunks of the Northern NRW system, and 4,500 feet of laterals require rehabilitation. Manholes were in relatively good condition, with 61% requiring no action, 17% needing maintenance, 13% needing repair/rehabilitation and 9% needing re-inspection as they could not be located or were buried. A planning level condition assessment of the Philadelphia Avenue Pump Station found that it is aging and in need of improvements and upgrades. It was also recommended that the Philadelphia Pump Station (PPS) needed new pumps, instrumentation, controls and improvements to the ferric chloride system.

IEUA staff had completed cleaning of approximately five (5) miles of north NRWS. IEUA staff will continue cleaning, CCTV, and condition assessment of the northern NRWS as an ongoing program to meet the recently adopted requirements of the State mandated Wastewater Discharge Requirement's of Sanitary Sewer Management Program (SSMP).

7.0 FINANCING

7.1 Introduction

Until the recent downturn in the economy, the Agency's service area was part of one of the fastest growing metropolitan areas in the nation. In most national surveys, the Agency's service area ranked consistently in the top ten growth regions over the past several years. Prior to the current economic recession, the area's moderate growth was expected to continue through 2030 until reaching full build out in approximately 25 years. The Agency's Long Range Plan of Finance (LRPF) adopted in 2007 was based on the assumption of continued growth and included expansion projects in the amount of $1.2 billion for its Wastewater infrastructure as part of the 30 year capital program.

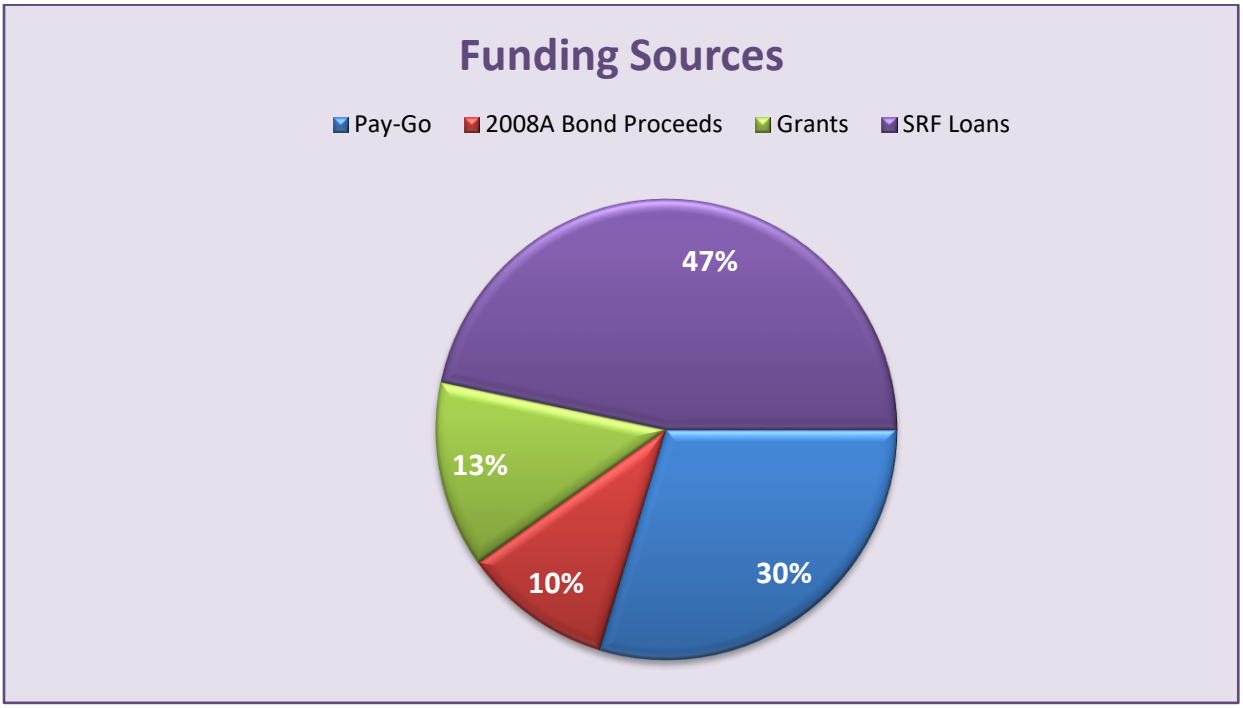
The economic recession resulted in a drastic slowdown of new development in the Agency's service area, along with a significant increase in foreclosures and decline in property values. The high number of foreclosures in the San Bernardino/Riverside metro area was reported by RealtyTrac as the second highest in the nation during the second quarter of 2008, all of which translates to a significant decrease in anticipated future growth. The focus of the Agency's capital program shifted from expansion to refurbishment, replacement and maintenance of existing facilities and the Board deferring approximately $150 million of non-critical capital projects included in the FY2007/08 – FY2016/17 Ten Year Capital Improvement Plan (TYCIP), slated to begin between fiscal years 2007 – 2010. Deferrals were primarily expansion and improvement capital projects for the Wastewater system that were based on the assumption population growth would continue through 2025. The only exception is the Recycled Water Program 3-Year Business Plan, which is targeted for completion in FY 2012 and accounts for over 52% of the total proposed capital expenditures, or $131 million.

In general, the Agency's capital financing is derived from four (4) primary sources (Figure 7-1):

1. Pay-go cash which for purposes of the model is defined as net system revenues[1]
2. Remaining unexpended 2008A Grant Proceeds
3. State revolving fund fixed low interest loans (SRF)
4. Federal and State Grant revenues

[1] Primarily user charges, connection fees and property taxes not needed for debt service.

Figure 7-1: Funding Sources



7.2 Agency Capital Funding Sources

Presented below is a brief description of the Agency's primary revenue sources for capital expenditures.

Connection Fees

For all new development within the IEUA service area, the Agency levies a fee to connect to the IEUA regional sewer system. These fees, commonly called "connection fees," are collected by each of the Agency's contracting cities or agencies and held in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or "called," by the Agency. Capital calls, or connection fee payments, of CCRA funds are based on identified and projected capital needs. Connection fees are restricted to capital acquisition, construction, maintenance, and equipment and process modifications.

The Agency's policy objective and contractual obligation (based on the Regional Sewage Contract) is to have connection fees support only capital improvements associated with new development. For example, connection fees support new treatment capacity for the Wastewater Program, but are not to be used to support ongoing operations or capital replacement of existing facilities. The Agency's current connection fee rate is $4,766 per new connection effective July 1, 2009.

The drastic slowdown in new development in the Agency's service area is expected to continue for several years resulting in a significant decline in the projected number of new connections (see Table 7-1).

TABLE 7-1

AGENCY'S PROJECTED NEW CONNECTIONS

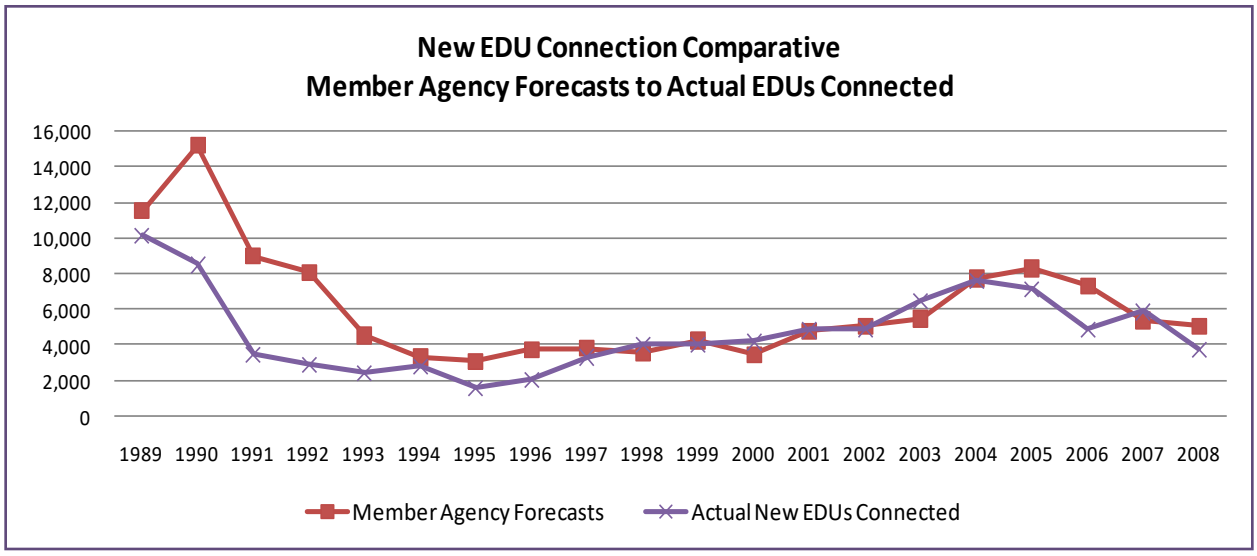
($ Millions)

		Member Agencies		Agency		Difference	
FY	Rate	EDUs	Amount	EDUs	Amount	EDUs	Amount
2009 B	$4,673	3,350	$16	3,000	$14	-350	($2)
2009P	$4,673	3,350	$16	1,100	$5	-2,250	($11)
2010	$4,766	4,142	$20	1,000	$5	-3,142	($15)
2011	$4,766	3,953	$19	1,000	$5	-2,953	($14)
2012	$4,766	6,123	$29	1,200	$6	-4,923	($23)
2013	$4,861	6,774	$33	1,400	$7	-5,374	($26)
2014	$4,958	7,093	$35	1,600	$8	-5,493	($27)
2015	$5,107	7,314	$37	1,800	$9	-5,514	($28)
2016	$5,260	7,074	$37	2,000	$11	-5,074	($27)
2017	$5,418	7,439	$40	2,200	$12	-5,239	($28)
2018	$5,581	7,111	$40	2,400	$13	-4,711	($26)
2019	$5,748	7,111	$41	2,600	$15	-4,511	($26)
FY 2010 - 2019		**64,134**	**$331**	**17,200**	**$90**	**-49,534**	**($253)**

B=Budget, P= Projected
Member Agency projections submitted in September 2008 through FY 2018.

Although projections from member agencies are considerably more optimistic, historical data supports the Agency's conservative growth forecast (see Figure 7-2).

Figure 7-2: Connection Forecasts



Connection fee revenues are estimated to increase from $5 million projected in 2010 to $15 million in 2019, a total of $90 million over the 10-year period. This forecast assumes 6,200 new residential units

connect to the system between fiscal years 2010 and 2014. Annual connections are then assumed to slightly increase by 200 units per fiscal year from 1,800 in 2015 to 2,600 in 2019. This forecast reflects a gradual recovery in residential development over the next 10 years for the region as economic conditions are anticipated to improve. The revenue forecast assumes no increase to the connection fee rate for FY2010/11 and FY2011/12, and then slight increases, between 1.0% and 3% annually, through 2019 to support capital improvement costs. This results in a connection fee rate increase from the current fee of $4,766 per new connection to $5,748 in 2019.

A review of the EDU measurement is currently underway with member agencies to evaluate the table and formulae set forth in the Regional Sewage Service Contract (the Regional Contract) Exhibit "J" for determining EDU units and the amount of Capital Capacity Reimbursement Payment. Any modifications to the EDU measurement will apply to new connections after approval of the revised Exhibit "J" by the Regional Policy Committee and Agency Board.

Capital Improvement Fees

The revenues for the Non-Reclaimable Wastewater (NRW) Program to support capital replacement costs consist of a monthly Capacity Improvement Fee of $90 per capacity unit owned. These fees also support debt service costs related to the NRW system capital improvement financed with 2008A Revenue Bonds. The FY2009/10 budget includes a rate increase from $85 to $90 per capacity unit effective July 1, 2009.

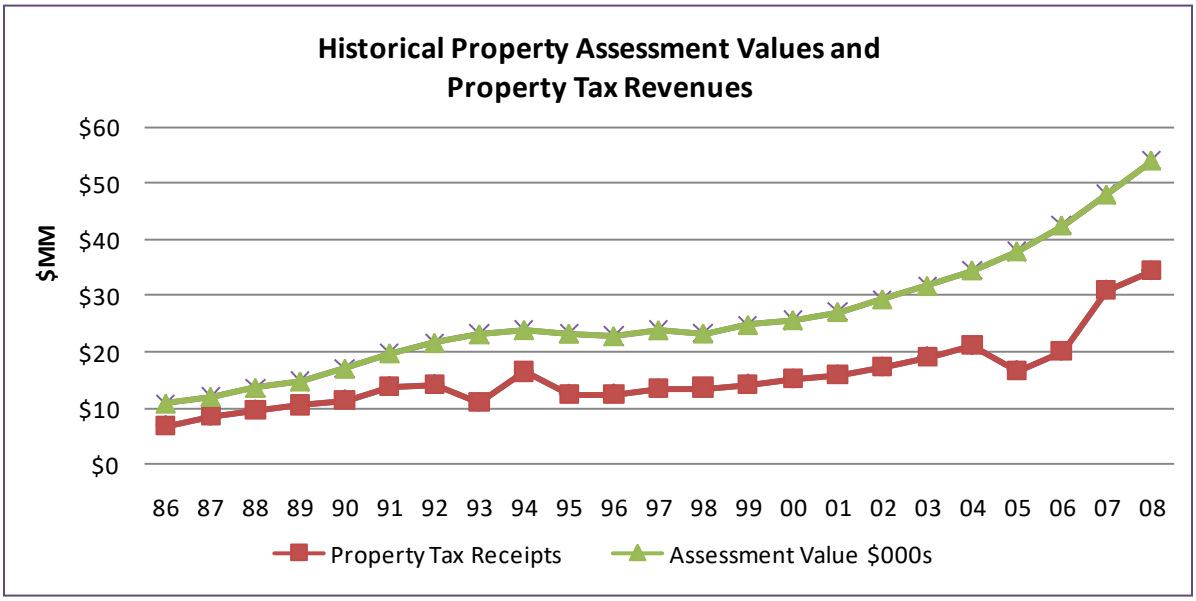
Property Taxes

The Agency receives an allocated share of the San Bernardino County-wide secured property tax levy pursuant to the California Revenue and Taxation Code. Payments from the County are regulated by the "Teeter Plan" which allows taxing agencies to collect 100 % of assessed taxes each year in lieu of receiving only those taxes actually collected by the County during the current year, and receiving penalties and interest when delinquent taxes are collected in future years.

Property taxes have historically been allocated against annual debt service payments, the acquisition of the Wastewater Program and common Agency assets, and to subsidize operational costs in the Regional Sewage Program. The rapid growth and increase in property values in the Agency's service area over the last few years significantly increased property tax revenues (see Figure 7-3).

In the past several years, property tax revenues have increased substantially, from $15 million in FY 1999/2000 to $34 million in FY2007/08. The increase was a result of a strong housing market and rising property assessment values in the Agency's service area. According to Inland Southern California's business newspaper, the population in the Agency's service area has increased by 15%, approximately 495,000 people, since 2000. Property value assessments (excluding Redevelopment Agency's incremental value) confirm the growth trend in the region increasing by 217%, or $29 million between fiscal years FY1998/99 and FY2007/08.

Figure 7-3: Historical Property Assessments and Revenues



1) Property tax shift by State of California for the Education Revenue Augmentation Fund (ERAF) in FY 1993
2) Prop 1A, property tax shift in FY 2005 & 2006 ($7M per fiscal year)

This trend is not expected to continue as the San Bernardino County Tax Assessor is projecting a 6% drop in property assessment values in FY2009/10 due to the high number of foreclosures in the area as a result of the economic recession. In the second quarter of 2008, Realty/Trac reported foreclosures in the San Bernardino/Riverside metro area to be second highest in the nation, (a ratio of 1:32). Median home prices also dropped from $365,000 in 2007 to $240,000 in 2008. Despite these conditions, property tax receipts to date are 3% higher than the prior year. The estimated total property tax income for FY2009/10 includes an anticipated drop of 3% from projected actual of $35 million, with an additional 1% decline forecasted for FY2010/11.

Property taxes are projected to generate $35 million in F2009/10, or approximately 34% of the Agency's total operating revenues. While property taxes are an important source of revenue, they are also the most uncertain for the future. A key assumption in the FY 2009/2010 budget is that the State Legislature will not shift property taxes from local governments to partially fund deficits in the State Budget. If the State Legislature's approves a property tax shift it is unclear what the approach will be, whether it will borrow the money as authorized by Proposition 1A, or take the money as it did before when they shifted a total of $14 million from the Agency in FY2004/05 and FY2005/06, $7 million each year. In the event of a property tax shift, a combination of rate increases and capital cost reductions will be required to balance the Agency's budget.

Ultimately, the goal of the Agency, as stated in the LRPF adopted in 2007, is to have programs that are self supported by user charges and fees and minimize the reliance on property taxes to support operating costs.

Historically the Agency's policy has been to use property taxes to support construction and debt service costs. Prior to FY2009/10, property taxes were allocated to three Agency funds:

- 65% - Regional Capital Improvement (RC) Fund to support the acquisition, construction and improvement of wastewater facilities.
- 27% - Regional Operations & Maintenance (RO) Fund to support capital replacement of wastewater facilities and operating costs.
- 8% - Administrative Services (GG) Fund to support acquisition of Agency wide assets such as fleet vehicles, computers and hardware.

Effective July 1, 2009, the allocation of property taxes will change to include the Recycled Water Program (WC Fund) to support debt service costs related to the construction of the Regional Recycled Water Distribution system. The Regional Operations & Maintenance (RO) Fund allocation of 27% will be temporarily reduced to 20% beginning FY 2009/2010 through FY2012/13, with the 7% allocated to the WC Fund until sales of recycled water are expected to reach targeted levels of 50,000 AFY. The reallocation of property taxes from RO to WC is consistent with the Agency's policy to have property taxes support capital construction and debt service costs.

Grant Revenues

As a Special District, IEUA is eligible for various Federal, State and Local grant programs such as the California Water Recycling Grant Program, California State Integrated Regional Water Management Grant Program, Southern California Metropolitan Water Distinct (MWD) Groundwater Conjunctive Use Grant Program and the Federal Reclamation Wastewater and Groundwater Study and Facility Act (Title XVI) Program. IEUA has been active in participating in these programs. As such, grant revenue has become another important source of funds for the Agency.

Grant revenue projections are based on total expected costs for eligible capital projects. Of the total $33 million projected grant revenues for the 10 year term, over 90% or $31 million will fund a portion of the Recycled Water Distribution System design and construction costs. In conjunction with the State Revolving Fund (SRF) loan Program sponsored by the State Water Resources Control Board (SWRCB), the Agency is expecting $31 million Water Recycling grant funding from 2010 through 2019. In 2008, the Agency was also awarded a $20 million federal Cooperative Agreement from the U.S. Bureau of Reclamation (USBR). The first installment of $950,000 was received in 2008, a second installment in the amount of $5 million was received in May 2009, and the remaining $14 million is projected to be fully received by 2010. Current escalation of the federal stimulus package by Congress helped release funding as early as 2010.

Groundwater Recharge Program and Water Resources Programs also benefit from grant funding. The final installment from the California Department of Water Resources (DWR) grant for $4 million is anticipated to be received in the current fiscal year (2009) with the completion of the Chino Basin Recharge Facilities Improvement Phase II Projects. An additional grant for $1 million from DWR under the Urban Drought Assistance Program is also projected to support retrofitting potable water users to use recycled water in 2009 and 2010.

The Water Resources and Planning Department has been working with member agencies on a Groundwater Conjunctive Use Grant Program, known as Dry Year Yield (DYY) Program, administered by MWD. IEUA will receive the remaining $3.9 million grant reimbursement in FY2008/09 as the construction completes. Up to $15 million in grant funding may be awarded by MWD to IEUA for the Phase II Dry Year Yield projects if both MWD and the participating agencies approve expansion of the project. It is very likely that this grant will be passed through to IEUA's member agencies in the same manner as Phase I. As such, it will be recorded as grant revenue if awarded, and offset by pass through costs reported by member agencies with no fiscal impact to the Agency's reserves.

Federal and State Stimulus Funding

The American Recovery and Reinvestment Act (ARRA), known as the "stimulus package" was passed by the congress in February 2009. The Agency has identified the following projects which are eligible for economic stimulus funding (Table 7-2):

TABLE 7-2

ECONOMIC STIMULUS FUNDED PROJECTS

Federal / State Agency	Project Description	Funding Amount ($ Millions)
US Bureau of Reclamation	Recycled Water Distribution System	$19
US Environmental Protection Agency/SWRCB Clean Water Act	Recycled Water Distribution System	$80
	RP1 Dewatering Facility	$27

The California Clean Water State Revolving Fund (CWSFR), overseen by the State Water Resources Control Board (SWRCB), will receive approximately $280 million to fund "construction ready" water and wastewater infrastructure. The Agency submitted applications for various projects which are qualified as "construction ready" and are eligible for economic stimulus funding. The State Water Resources Control Board, in its March 17, 2009 Board meeting, approved a funding commitment letter approving $34 million CWSRF funding and $4.1 million Water Recycling Funding Program grant for IEUA's Northeast Recycled Water project. This was the first ARRA funding approved by SWRCB.

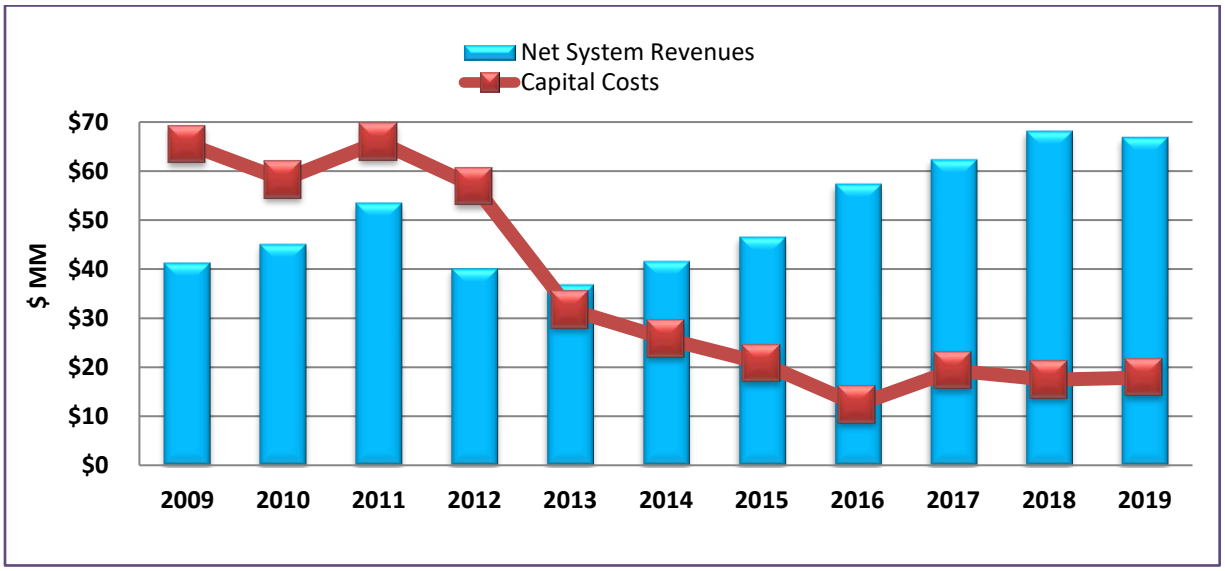
The U.S. Department of Interior Bureau of Reclamation (USBR) received $126 million of ARRA funding for the Title XVI Recycled Water Program. IEUA has submitted an application to request the remaining $14 million of the $20 million federal cooperation agreement to be funded by the ARRA funding. As mentioned above, this funding is expected to be approved and released as early as FY 2010.

7.3 Financing Strategy

This section discusses the Agency's approach to meeting capital needs while managing its policy goals to minimize borrowing costs and maintain target fund balances. To achieve its goal, the Agency seeks to pay for capital projects first with system revenues whenever possible and pursue various forms of debt financing when net revenues are insufficient or inefficient. Aside from the SRF loans financing for the Recycled Water Program and the RP1 Dewatering Facility Expansion project in the Regional Program, the current TYCIP does not require the issuance of long term bonds during the 10 year period. Deferral of non-essential capital projects, which reduced the total ten year capital program to $256 million, spreads out the costs of improvements to allow for a pay-go financing approach while preserving adequate fund balances. Approximately 10% of capital costs in fiscal years 2009 through 2011 are funded by unexpended proceeds from the 2008A Bond issue.

Approximately 80%, or $205 million, of the total $256 million TYCIP are scheduled between fiscal years 2010 and 2014. Capital expenditures outpace net system revenues in the first 3 years of the 10-year term by approximately $40 million (Figure 7-4). The shortfall is funded by unexpended 2008A Bond proceeds of approximately $25 million and SRF Loan proceeds. For the next 7 years of the 10-year term, net system revenues are expected to exceed capital costs by $240 million. Grant revenues projected at $33 million for the ten year term will help offset capital costs and reduce the borrowing requirements.

Figure 7-4: Capital Costs vs. Net System Revenues



The Agency applies a tiered financing strategy to ensure the lowest cost of borrowing while maximizing flexibility. This tiered strategy includes system revenues, fund balance draws and SRF loans. Therefore applying the lowest cost funds first and the most expensive funding sources last.

Projections indicate that in order to fund aggregate capital expenses of $257 million over 10 years, the Agency will require borrowing of approximately $121 million in SRF loans. This result reflects the Agency's goal to fund capital expenses on a pay-as-you go basis, or utilize the lowest cost of financing, and minimize the use of debt proceeds.

A summary table of the Agency's projected borrowing is presented below (Table 7-3).

TABLE 7-3

BORROWING REQUIREMENTS

Fiscal Year	Bonds	Commercial Paper	SRF Loans ($ Millions)	Aggregate Borrowing
2010	-	-	$36	$36
2011	-	-	39	39
2012	-	-	26	26
2013	-	-	13	13
2014	-	-	6	6
2015	-	-	1	1
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
Total	**$0**	**$0**	**$121**	**$121**

Based on the proposed capital expenditures, no future long term bond issues are anticipated. If the Agency is successful in securing federal and state economic stimulus grants in addition to the $19 million USBR grant and $4.2 million from SWRCB, or stimulus SRF loan financing for projects in addition to the Recycled Water Phase IV and IV Northeast section and RP1 Dewatering Facilities Expansion projects, the amount and the nature of the funding will impact the overall financing strategy.

It is important to note that the capital expenditure estimates beyond 2015 carry some uncertainty and that new, unforeseen capital costs may arise in the out-years that have not been contemplated in this current TYCIP program.

7.4 AB-1600 Nexus Test

Each year, IEUA assists its Contracting Agencies to demonstrate compliance with AB1600 (the "Mitigation Fee Act"), which requires that CCRP must be reasonably related to the service provided. As it relates to Capital Capacity Reimbursement Payments, this is accomplished by summarizing the projected needs for the collected funds and the duration that the funds will be held. Table 8-3 summarizes IEUA's

projected need for Capital Capacity Reimbursement Payment revenues for the Regional Wastewater Capital Improvement (RC) fund.

As indicated in Table 7-4, in the column labeled, "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.

TABLE 7-4

PROJECTED STATUS OF REIMBURSEMENT PAYMENT RECEIPTS (in $1000s)

Fiscal Year	*Annual Contracting Agency Receipts (Reimbursement Fees)*	*IEUA Expenditure of Funds (Capital Calls)*	*Balance of Funds Collected*	*Balance of Funds Collected for 5 or More Years*
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	14,213	24,519	10,968	0
1998-99	13,718	14,637	10,049	0
1999-00	11,094	3,190	17,953	0
2000-01	17,216	22,400	12,769	0
2001-02	20,135	48,010	0	0
2002-03	23,999	0	23,999	0
2003-04	29,726	0	53,725	0
2004-05	26,868	51,200	29,393	0
2005-06	20,800	58,270	8,077	0
2006-07	22,615	20,100	10,592	0
2007-08	16,626	14,676	12,542	0
2008-09	5,140	11,000	6,682	0
2009-10	4,766	5,000	6,448	0
2010-11	4,766	7,000	4,214	0
2011-12	5,719	5,000	4,933	0
2012-13	6,805	5,000	6,738	0
2013-14	7,933	6,000	8,671	0
2014-15	9,193	8,000	9,864	0
2015-16	10,520	4,500	15,884	0
2016-17	11,920	7,500	20,304	0
2017-18	13,394	10,000	23,698	0
2018-19	14,945	14,000	24,643	0

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. Funds in the CCRP balance are expected to expend for projects throughout the ten year period, and to provide adequate coverage for

cash flow shortages arising from pending state loans. Due to the uncertainty of the current economic outlook, the slower growth forecast for the Agency's service area, and the potential property tax shift resulted from the State budget deficit, the Agency's FY 2009/10 TYCIP projected $193 million of capital projects less than the FY2008/18 TYCIP, which accounts for the build up in the CCRP balance starting FY2015/2016. The TYCIP program will be revisited each year and the CCRP fund will be utilized to meet the growth and needs of the Agency's service area. Therefore, the CCRP balance is projected to meet the statutory requirements of AB-1600.

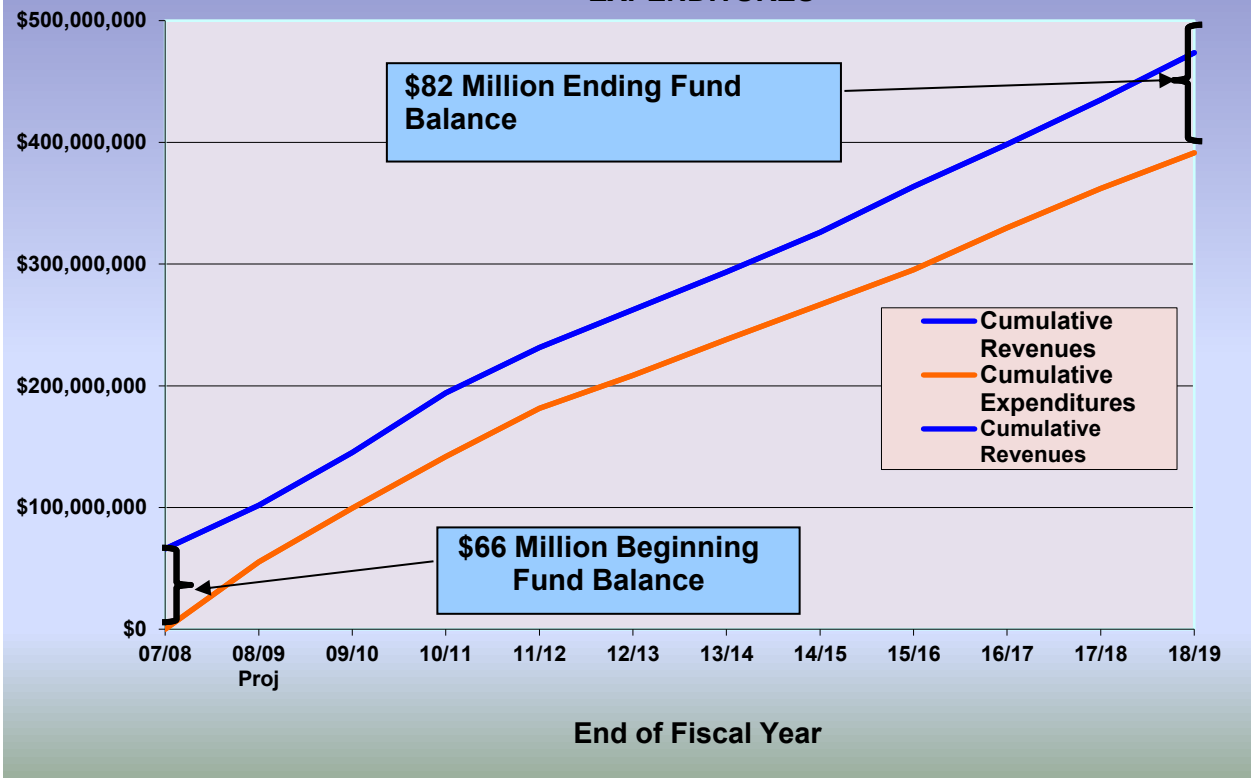
7.5 Conclusions

The recommended financing for the Regional Program to fund the Ten-Year Capital Improvement Plan will include low interest State loans of approximately $32 million. Figure 7-5 shows how gross revenues and costs vary throughout the ten years, affecting the combined working capital and Member Agency reserves. Starting with a projected fund balance of $66 million at the beginning of FY2008/09 with initial costs set to zero, cumulative funding sources are projected to exceed costs during the next ten years, leaving an ending combined fund balance of $82 million, which includes 24% for debt service reserves as mandated by bond covenants, or approximately $19 million.

It is important to note that the capital expenditure estimates beyond 2015 carry some uncertainty and that new, unforeseen capital costs may arise in the out-years that have not been contemplated in this current TYCIP program. The average projection beyond FY2011/12 for the Regional Capital program is under $4 million per fiscal year. This conservative capital program is based on a key assumption of no significant growth in system flows; therefore no need to expand the existing facilities during the ten year period (FY2009/10 – FY2018/19). The possibility of losing property taxes is another key reason for maintaining capital cost forecasts at such a conservative level. Property taxes are the primary funding source for the debt service costs which average approximately $19 million per fiscal year. A loss of property tax revenue combined with the minimal connection fee revenue over the next 10 years will require additional cuts to the proposed capital program as well as rate increases. No Regional rate increases are proposed for the following two fiscal years (FY2010/11 and FY2011/12) and only minimal inflationary increases are proposed thereafter.

Capital Capacity Reimbursement Payments are projected to provide $90 million for the capital improvement program over the next ten years. SRF loans are expected to provide approximately $121 million, ($89 million for Recycled Water projects and $32 million for Regional projects). The other main revenue sources are approximately: $339 million in property tax revenues; $86 million from NRW System user charges and capacity fees; $21 million from interest on reserves balance; and $13 million in payments from the sale of NRW and Regional capacity units to the CDA in FY2010/11. Any significant changes in these key funding assumptions, such as a property tax shift by the State, may result in rate adjustments combined with additional cost reductions and may significantly impact projected ending fund balances.

FIGURE 7-5
WASTEWATER COLLECTION, TREATMENT, AND DISPOSAL PROGRAM CUMULATIVE REVENUES/FINANCING SOURCES AND EXPENDITURES



8.0 EMERGING PLANNING ISSUES

8.1 Introduction

This ten-year plan is consistent with the long-term programs described in the 2002 Programmatic Environmental Impact Report (PEIR), the Wastewater Facilities Master Plan (Board-adopted in August 2002), Recycled Water Feasibility Study (2002), Organics Management Business Strategy (2002) and related planning documents described in Chapter 1. These documents recognized the interrelationship of IEUA's recycled water, renewable energy generation, organics management, salinity management, and groundwater recharge programs, and also the interrelationship of the facilities that serve these programs.

Since 2002, there have been dramatic changes in the region's energy picture, water supply picture, and economic picture. As described in Chapter 1, several of the original program master plans and implementation plans have been or are in the process of being expanded and updated to enhance successful programs that produce more water supply, energy, and cost-containment benefits. Recent efforts described in Chapter 1 include:

- Maximum Benefit Basin Plan Amendment
- Three-Year Recycled Water Business Plan
- Dry-Year Yield Program Expansion EIR
- OBMP Update/Peace II Agreement Subsequent EIR
- Chino Basin Groundwater Recharge Master Plan Update
- Santa Ana Watershed Project Authority (SAWPA) One Water/One Watershed (OWOW) Program and Santa Ana River Watershed Regional Water Management Plan
- NRW Action Plan
- Regional Urban Water Management Plan
- IEUA Energy Management Strategy

In this Chapter, additional information is provided on IEUA's future planning activities, with particular emphasis on four emerging areas:

- Energy Sustainability/Climate Change Initiatives
- IEUA Energy Management Strategy
- Greenhouse Gas Monitoring and Reporting
- New and Innovative Technology Evaluation

8.2 Economic Picture

The current economic slowdown and volatility in the financial markets have resulted in a drastic slowdown of new development in the Agency's service area, along with a significant increase in foreclosures and decline in property values. The high number of foreclosures in the San Bernardino/Riverside metro area was reported as the second highest in the nation during the second quarter of 2008, which translates to a significant decrease in anticipated future growth. As a result, IEUA is projecting a reduction in property tax revenues, new connection fees, and sewer user fees, which limits the available budget for capital and O&M projects. At this time, however, the wastewater flow forecasts indicate that there will not be a need for any major capital expansions in the next ten years. Wastewater flows in the service area have not been increasing during the past two years. The lack of any measurable increase in average sewage influent flows at the treatment plants reflects the slower economy and slower growth and also indicates that water conservation measures are having an

In this TYCIP, the Agency has deferred capital projects that were based on the assumption that population growth would continue unabated. Projects were deferred if they were not necessary to prevent regulatory permit violations or to protect health and safety. The only exception is the Recycled Water Program 3-Year Business Plan, which is targeted for completion in FY2011/12 and accounts for over 41% of the total proposed capital expenditures. To reduce operating costs, the Agency will continue with the Cost Containment Strategy implemented in FY2008/09. The Agency plans to realize a significant savings from avoided electrical costs by optimizing energy efficiency and self-generation of energy using biogas and solar energy.

8.3 Water Supply Picture

In 2008, there has been a profound shift in California water supply planning in response to three consecutive years of drought and regulatory restrictions on pumping imported water from the Bay-Delta. The current water crisis has led to Governor Schwarzenegger's declaration of a water emergency and a call for a 20% reduction in water use, state-wide. The Metropolitan Water District of Southern California (MWD) has prepared a Water Supply Allocation Plan; and IEUA, in collaboration with its member agencies, has developed a Drought Plan that will be implemented in July, 2009, if a formal imported water shortage allocation is made by MWD. This TYCIP recognizes the need to continue to

integrate the Agency's planning activities into Chino Basin's overall water supply management strategy. The Agency is continuing to work with local stakeholders to enhance and expand existing programs that improve local water supply availability and reliability, including:

- Recycled Water
- Enhanced Groundwater Recharge
- Desalters
- Dry Year Yield/Conjunctive Management Programs
- Water Efficiency Programs

8.3 Major Water Efficiency and Water Resources Initiatives

The Agency works closely with MWD, Chino Basin Watermaster, the retail agencies, and other local stakeholders to implement regional conservation initiatives, coordinate water resource planning efforts, and support water supply programs such as stormwater capture and management, groundwater basin management, conservation, public education, water efficient landscaping, low impact development and water efficiency rebates. Two of the most recently-completed major planning initiatives were:

- Prepared and secured IEUA Board adoption of Peace II Agreement Subsequent Environmental Impact Report (SEIR) in compliance with the requirements of CEQA and Watermaster obligations to the Court and State Water Resources Control Board, Santa Ana Region.
- Completed Chino Basin DYY Program Expansion Project Development Report and Project CEQA requirements. The report describes the facilities, groundwater modeling information and CEQA documentation necessary to substantially expand the groundwater storage and annual "put" and "take" capacity of this program to 150,000 acre-feet.

Major water conservation and water resources initiatives for FY2009/10 and beyond include:

- ***Water Softener Rebate Program*** –Continue to implement and work for the success of the water softener rebate program. The program was kicked off in 2008 as a means to protect local groundwater resources by controlling the build-up of salt in the recycled water supply.
- ***IEUA Drought Plan and Extraordinary Water Conservation Measures –*** Implement the Drought Plan that is consistent with MWD Water Supply Allocation Plan and has a regionally coordinated conservation message campaign to reduce area water demands.
- ***2010 Urban Water Management Plan*** – Prepare all elements for the 2010 Regional UWMP. Develop a Water Use Efficiency Plan that is consistent with state and local conservation requirements and can be included as a conservation element in the 2010 Regional UWMP. Assist Public Information Program with implementation of Inland Empire Landscape Alliance, Garden in Every School and Chino Basin Green.

- ***MWD Dry Year Yield Programs*** – Implement Phase I of the MWD Dry Year Yield Program as well as administer and complete negotiations for Phase II of the MWD Dry Year Yield Program, to increase groundwater storage to 150,000 acre-feet.
- ***Water Resource Planning*** – Participate in regional water resource planning initiatives, including the Groundwater Recharge Master Plan led by Chino Basin Watermaster, "One Water, One Watershed" led by the Santa Ana Watershed Project Authority to update the Regional Integrated Water Management Plan and the MWD Integrated Resources Plan.
- ***Water Efficiency Rebate Programs*** – Evaluate current programs current funding levels and offer an expanded array of rebates to increase water savings, public awareness and participation.
- ***Phase III Landscape Audit Program*** – Work with Chino Basin Water Conservation District to complete the DWR-funded Phase III landscape audit program.
- ***Greater Prado Clean-up Program*** – Administer and implement the SWRCB-funded Greater Prado Cleanup Program in coordination with cities and regional agencies and assist with the implementation of other projects identified as priorities under the Chino Creek Integrated Plan.

8.4 Energy Picture

The California Energy Commission reported that water-related energy use consumes 19% of the state's electricity, 32% of its natural gas, and 88 million gallons of diesel fuel every year, emitting an average of 44 million tons of carbon dioxide annually to provide and treat water and wastewater in California. The California State Legislature passed Assembly Bill (AB) 32 in September 2006 to address the concern about global climate change due to emissions of CO_2 and other greenhouse gases (GHG). California established the first regulatory program in the U.S. that mandated GHG reductions by public and private entities. IEUA is monitoring the emerging climate change issues, policies and regulations and pursuing grant or rebate funding through state agencies to support the implementation of renewable energy projects and other actions that will reduce the Agency's greenhouse gas emissions consistent with the requirements of AB 32.

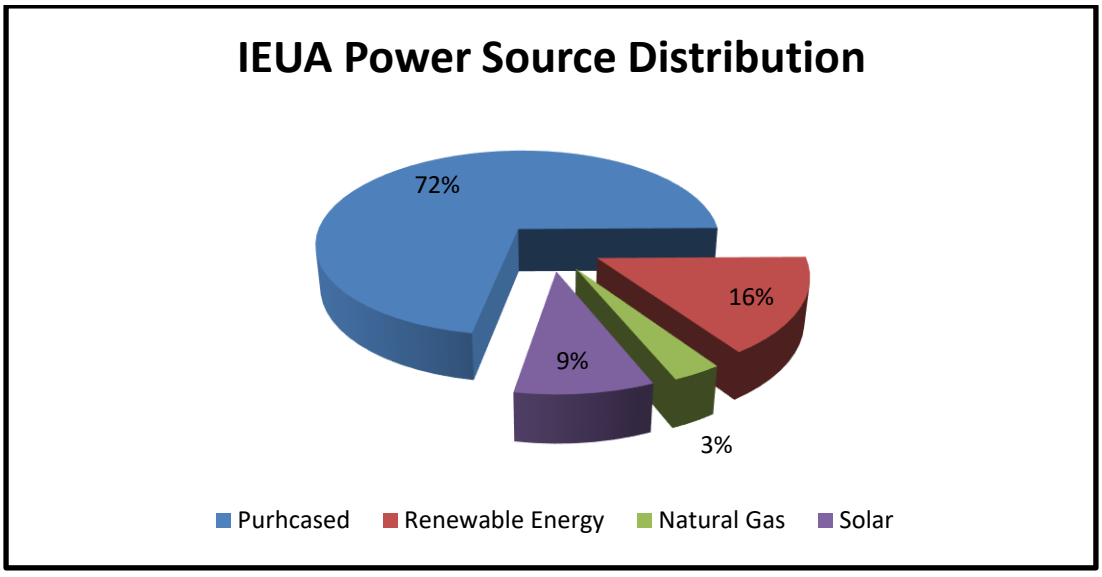
Given the current rising cost of energy and heightened concern about greenhouse gas emissions, global climate change, and State-imposed requirements for reducing carbon emissions, the Agency has been conducting a more aggressive analysis of opportunities to reduce energy demand and generate renewable power. The Agency will be greatly affected by the implementation of AB 32, which requires implementation of programs starting in 2012 to achieve a 20% reduction in greenhouse gas emissions in the year 2020. Meeting the requirements of this legislation is one of the biggest challenges facing wastewater agencies. IEUA is participating in the development of monitoring requirements and other components of this legislation as they are taking shape.

8.5 Sustainable Energy and Carbon Reduction Program

Initial state agency recommendations for actions to implement AB 32 include development of solar energy and use of water recycling, two programs that IEUA has already been implementing. IEUA was the Case Study agency and partner in a prominent statewide study of energy consumption and carbon generation in the water/wastewater industry which demonstrated that water recycling saves energy compared to importing water. IEUA completed a Solar Power Project this year which will account for up to about 9% of its energy needs from renewable, non-polluting energy sources. The Solar Power Project was a multi-facility project with installations at RP1, RP5, CCWRF and the IERCF, for a total peak capacity of 3.5 megawatts. Due to the success of the Solar Power Project, IEUA is in the early planning stages of a further expansion of its solar capacity.

The demand for power to run the Agency's facilities is expected to increase by about 5 megawatts (MG) in the next five years. It is critical for the Agency to have a sustainable energy program. In 2008, the Agency performed a Gap Analysis of its energy production capacity versus energy needs. Currently, IEUA uses 11 megawatts (MW) of electric power for its core services—wastewater treatment, recycled water distribution, and composting. IEUA's current energy "pie" is illustrated below (Figure 8-1). The Agency self-generates almost 40% of the power needed in internal combustion engines using a combination of natural gas (40%) and biogas (60%). IEUA's goal is to go "gridless" by the year 2020 and produce all electricity "in-house." Another goal is to maximize the amount of power that is self-generated from renewable sources. To accomplish these goals, IEUA has developed an Energy Management Strategy which includes optimizing energy consumption at Agency facilities; increasing the production and use of digester gas; increasing self-generation capacity utilization; pursuing new technologies; and utilizing effective energy procurement strategies. The energy action plan will also address the South Coast Air Quality Management District rule 1110.2, which limits natural gas usage to 10% of total gas usage and threatens to reduce the Agency's ability to produce its own electricity.

Figure 8-1: IEUA Power Sources



8.6 IEUA Energy Management Strategy

Regulatory and permitting issues are creating a major challenge and threatening to restrict the Agency's ability to use natural gas. A new South Coast Air Quality Management District regulation, Rule 1110.2, is reducing the allowable amount of natural gas mixed with digester gas from 40% to only 10%. Due to the impurities in the biogas, that is not currently possible for the Agency to achieve. The proven solutions involve expensive technologies to either clean the exhaust gas after combustion or clean the digester gas before combustion. This TYCIP includes $5 million for biogas scrubbers to partially address this problem, while other new solutions are being researched. IEUA's energy action plan will address the SCAQMD Rule 1110.2.

IEUA's Energy Management Strategy includes increasing and diversifying its renewable energy sources by: 1) installing more solar panels at more locations; 2) developing wind power and fuel cells; and 3) producing more biogas from food waste and waste fat/oil/grease (FOG). In addition, the Agency is looking at new technologies and new applications, such as algae-to-fuel conversion, hydro-generation and fuel cells. IEUA has also not overlooked the opportunities to make changes in its vehicle fleet to maximize the use of renewable energy. The number of gasoline-powered vehicles has been reduced from 110 (130 originally budgeted) to 82 and has purchased several hybrid, electric-powered and solar-powered vehicles, so that 39% of the fleet is now alternatively fueled.

In order to increase the amount of self-generation of electricity, effort is being directed at increasing engine availability and performance. One way is to improve engine availability by cleaning the digester gas of impurities, such as siloxane, which foul the mechanical equipment and cause engine down-time. The TYCIP includes $5 million for biogas scrubbers, which will be installed in FY09/10. Gas utilization will also be enhanced by providing storage, allowing the gas availability to be balanced with plant energy loads.

A major component of the Energy Management Strategy is increasing the utilization of biogas and natural gas. Effort is being directed at increasing engine availability and performance. While the Agency has about 10 MW of self-generating capacity, it is currently using about 7 MW. The energy strategy has several components to address this. One is to improve engine availability by cleaning the digester gas of impurities, such as siloxane, which foul the mechanical equipment and cause engine down-time. The TYCIP includes $5 million for biogas scrubbers, which will be installed in FY09/10. Gas utilization will also be enhanced by providing storage, allowing the gas availability to be balanced with plant energy loads.

Finally, an extremely important part of the Energy Management Strategy is optimizing and reducing energy consumption at Agency facilities. Although the Agency has been making process improvements to reduce electrical costs for many years, IEUA continuously pursues new opportunities to reduce energy usage through operational modifications and new technologies. A few of the elements of the energy usage optimization strategy are:

- Sub-metering to capture individual load profiles;
- Energy curtailment plan to participate in special tariffs for interruptible service;

- Continue to optimize the energy procurement process, including emphasizing direct access and bundled service;
- Participation in net metering and energy export, where applicable;
- Manage the operation of the recycled water system to reduce the energy required for pumping, especially during the peak energy cost time of day;
- Maximize water pumping efficiencies by decreasing pressure losses (head);
- Maximize oxygen transfer in aeration processes by increased membrane cleaning;
- Reduce compressed air pressure at RP-1;
- Shift discretionary loads (e.g., at RP-1);
- Utilize wastewater storage lagoons effectively;
- Implement Optimo Model for energy use analysis;
- Continue to make changes in fleet operation to alternative fuels.

8.7 Greenhouse Gas Monitoring and Reporting

Publicly-owned treatment works (POTWs) are not currently required to monitor, inventory, or report GHG emissions; however, that is expected to change due to passage of AB 32, the California Global Warming Solutions Act. Regulations will be developed to reduce statewide GHG emissions to 2000 levels by 2010 and 1990 levels by 2020. The California Air Resources Board (ARB) has been delegated responsibility to monitor and regulate sources of GHGs; and has in turn delegated the task of identifying major GHG emissions from POTWs to the State Water Resources Board. Table 8-1 below summarizes the actions the state agencies are expected to take to implement statewide GHG emissions reduction targets. The ARB is developing the list of facilities that will be among the first required to report GHG emissions, and it will likely include some POTWs.

TABLE 8-1
SUMMARY OF ARB ACTION ITEMS

June 30, 2007	List of early action GHG emission reduction measures published.
January 1, 2008	GHG monitoring and reporting regulations adopted.
January 1, 2009	Approve plan for achieving the maximum technologically feasible and cost-effective reductions in GHG emissions by 2020.
January 1, 2010	Adopt regulations to implement early action GHG reductions measures.
January 1, 2011	Adopt GHG emission limits and reduction measures to become operative on January 1, 2012. Establish a system of market-based declining annual aggregate emission limits for GHGs applicable from January 1, 2012 to December 31, 2020.
January 1, 2020	GHG emission limits and reduction measures adopted by ARB on January 1, 2011, to become operative. Market-based system adopted by ARB to achieve 1990 GHG levels by 2020 to become operative.
December 31, 2020	Achieve statewide GHG emissions levels equivalent to 1990 levels.
December 31, 2050	Achieve statewide GHG emissions levels equivalent to 80% below 1990 levels.

IEUA and other POTWs are working together to proactively develop appropriate monitoring methods and encourage the state to adopt the methods. Quantifying emission reductions is also important to eventually receive and market carbon credits. AB 32 requires ARB to ensure entities that have voluntarily reduced their GHG emissions receive appropriate credit for early voluntary reductions. IEUA is seeking to translate its voluntary emissions reductions into creditable reductions consistent with AB 32 implementation strategy. Some of the potential early GHG reduction actions at IEUA include:

- Energy efficiency projects
- Improve pump efficiencies
- Renewable energy projects (e.g., solar, wind, in-conduit hydropower)
- Engine retrofits
- Biogas and alternative fuel utilization
- Water recycling/reuse to reduce water import.

IEUA is pursuing future opportunities to receive credit for voluntary reductions, such as:

- Credit for reduction in electricity use
- Credit for production of carbon-neutral fuel (e.g., digester gas)
- Credit for use of carbon neutral fuel (e.g., digester gas, biodiesel, solar, etc.).

8.8 Emerging Technologies Evaluation

As discussed above, key Agency planning goals will be to reduce operating costs at IEUA water recycling plants through cost-effective capital improvements and to ensure environmental compliance. Identifying and implementing actions to improve process performance and expand existing capacity to process wastewater is a constant emphasis of Agency management programs. The Agency is committed to the use of new and innovative technologies as appropriate to expand, repair and replace existing facilities. In addition, as discussed above, the Agency is evaluating several newer technologies or new applications to optimize energy efficiency and avoid high electrical costs. One example is fuel cells fed with digester gas or a mixture of digester gas and natural gas. This and several other examples of technologies being tested or evaluated are discussed below.

Ceramic Membrane Demonstration Plant at RP-5

In FY2007/08, IEUA hosted a pilot study at RP-5 in which secondary effluent was filtered through a ceramic membrane. This was the first time that a ceramic membrane, typically used in potable water treatment, was used on secondary effluent. The pilot study showed that a ceramic membrane could effectively filter secondary effluent at higher flux rates with less membrane fouling than polymeric membranes. A key aspect of the pilot study was to evaluate the ceramic membrane's potential for reducing TOC, the limiting constituent in groundwater recharge, in the final effluent. Appreciable Total Organic Carbon (TOC) reduction could only be achieved by adding a significant amount of chemical ahead of the membrane. Following the pilot study, the ceramic membrane manufacturer proposed

conducting a demonstration scale (approximately 1 MGD) study of ceramic membranes at RP-5. This study would provide performance and cost data associated with using ceramic membranes as tertiary filters. Preliminary evaluations are underway to determine if such a study would be in the best interest of IEUA.

Membrane Bioreactor (MBR) Pilot Study at RP-5

In 2008, a pilot study of two MBR systems was conducted at RP-5. Based on the results of the study, the two membrane systems received Title 22 approval from the California Department of Public Health. Additional pilot studies involving different MBR systems are scheduled to be conducted in 2009. Some MBR systems have been in operation for several years, but new systems are being introduced as more manufacturers enter the market. The MBR technology has been shown to produce very high quality recycled water, but at relatively high O&M costs. Improvements in the technology and competition in the MBR market are bringing these costs down. As recycled water use increases, the MBR technology may become an important treatment alternative for IEUA.

Advanced Photocatalytic Oxidation

IEUA is in the early stages of evaluating the potential of photocatalytic oxidation for reducing TOC in recycled water, which is important for groundwater recharge. In PCO, a metal oxide suspension (e.g., titanium dioxide) generates very strong oxidants in the presence of water and UV light. Oxidants like hydroxyl radical, ozone, and hydrogen peroxide are capable of breaking organic molecules apart. The metal oxide acts as a catalyst (i.e., it is not consumed), and can be recovered through filtration and reused. This technology is amenable to remote installations like groundwater recharge sites because it requires little operator attention.

Advanced Oxidation in Foul Air Treatment

Testing of advanced oxidation technologies for foul air treatment is being pursued. The technology is based on producing hydroxyl radicals by combining ozone and water in a patented nozzle. Hydroxyl radicals are very powerful oxidants capable of oxidizing hydrogen sulfide, ammonia, and organic compounds. This technology has the potential to benefit IEUA by replacing current oxidants (e.g., sodium hypochlorite) used in foul air treatment that produce a high TDS waste stream, and by degrading organic compounds that are not being removed by existing systems. The most likely application of this technology would be at CCWRF and IERCF.

Struvite Control by Non-Chemical Technology

The formation of struvite, a crystalline solid comprised of ammonia, magnesium, and phosphate, has been problematic in process piping associated with the dewatering of digested sludge. Chemicals have been used to inhibit struvite formation, with limited success and at significant cost. A test is being proposed to assess the performance of a non-chemical technology to inhibit and remove struvite deposits. This technology is based on molecular oscillations that disrupt the ability of struvite molecules to bond to one another. IEUA staff is not familiar with the fundamentals of molecular oscillations.

However, two wastewater agencies have been interviewed that report successful results in controlling struvite with this technology. The proposed test would be conducted at RP-1 on the belt press filtrate piping.

Renewable Energy from Algae

Algae is comprised mostly of lipids and oils that can be processed into biofuels. The nutrients in treated wastewater can make the farming of algae a viable renewable energy source that can be integrated into a wastewater system. In addition, wastewater treatment systems produce carbon dioxide (e.g., exhaust from cogeneration engines) which is needed for algae to grow. Algae farming is being evaluated for its potential to provide renewable energy while reducing carbon dioxide emissions and reducing the amount of nutrients being discharged into the environment.

Digester-Gas Fed Fuel Cells

A fuel cell is an electrochemical device that combines hydrogen fuel and oxygen from the air to produce electricity, and useable heat and water. Fuel cells produce direct current electricity without the conventional combustion reaction. Fuel cell systems can harness methane, a byproduct of anaerobic digestion and use the gas to generate electricity instead of natural gas, making it a renewable energy source. In many places where digester gas production volume is inconsistent, some fuel cell systems are designed to operate with automatic blending with natural gas.

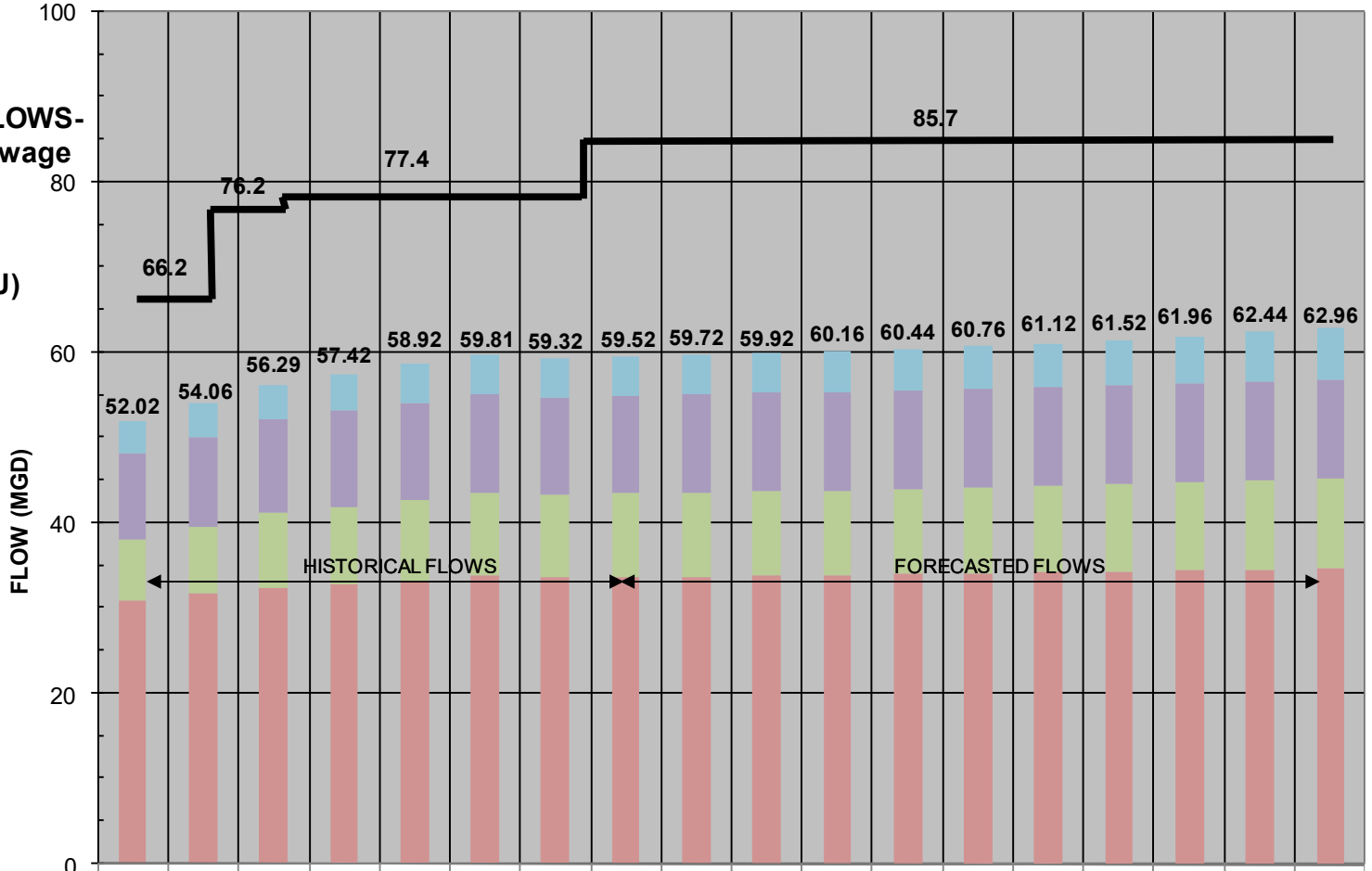
Typical fossil fuel internal combustion engines operate between 30% to 35% electrical power generation efficiency. Some commercially available fuel cell systems are up to 47% efficient in the generation of electrical power and up to 80% efficient overall when beneficial heat recovery is considered along with electricity generation. With low emissions of pollutants such as nitrogen oxides (NOx) and sulfur oxides (SOx), as well as dramatically less emissions of green house gases such as carbon dioxide (CO2), The California Public Utilities Commission and Air Resources Control Board are encouraging the installation of fuel cells.

Exhibits I E U A	TYCIP

TEN-YEAR CAPITAL IMPROVEMENT PLAN

Exhibit I
TOTAL PLANT FLOWS-
Baseline Raw Sewage Flows

(200 gpd/EDU)



	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
RP-5 Budgeted Growth	3.80	3.99	4.07	4.18	4.51	4.71	4.50	4.54	4.59	4.64	4.74	4.87	5.01	5.17	5.35	5.56	5.80	6.01
CCWRF Budgeted Growth	10.02	10.50	10.92	11.29	11.41	11.50	11.41	11.43	11.48	11.52	11.53	11.54	11.55	11.56	11.57	11.58	11.59	11.62
RP-4 Budgeted Growth	7.29	7.77	8.92	9.04	9.43	9.70	9.81	9.85	9.88	9.92	9.96	10.02	10.09	10.17	10.26	10.35	10.45	10.56
RP-1 Budgeted Growth	30.91	31.80	32.38	32.92	33.33	33.90	33.60	33.69	33.76	33.84	33.92	34.01	34.11	34.22	34.34	34.47	34.60	34.77

Exhibit II: RP-4 FLOW FORECAST

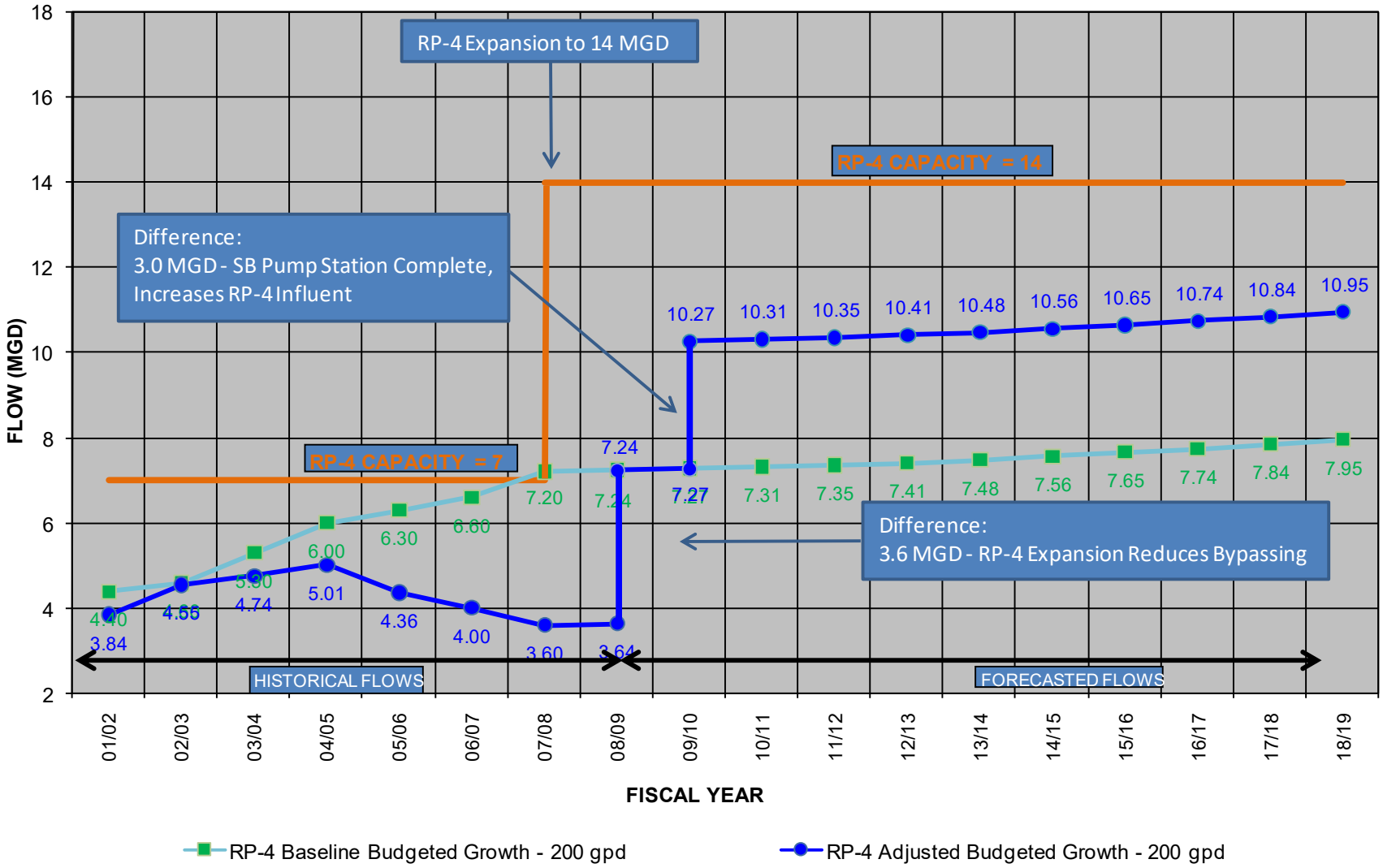


Exhibit III: RP-1 FLOW FORECAST

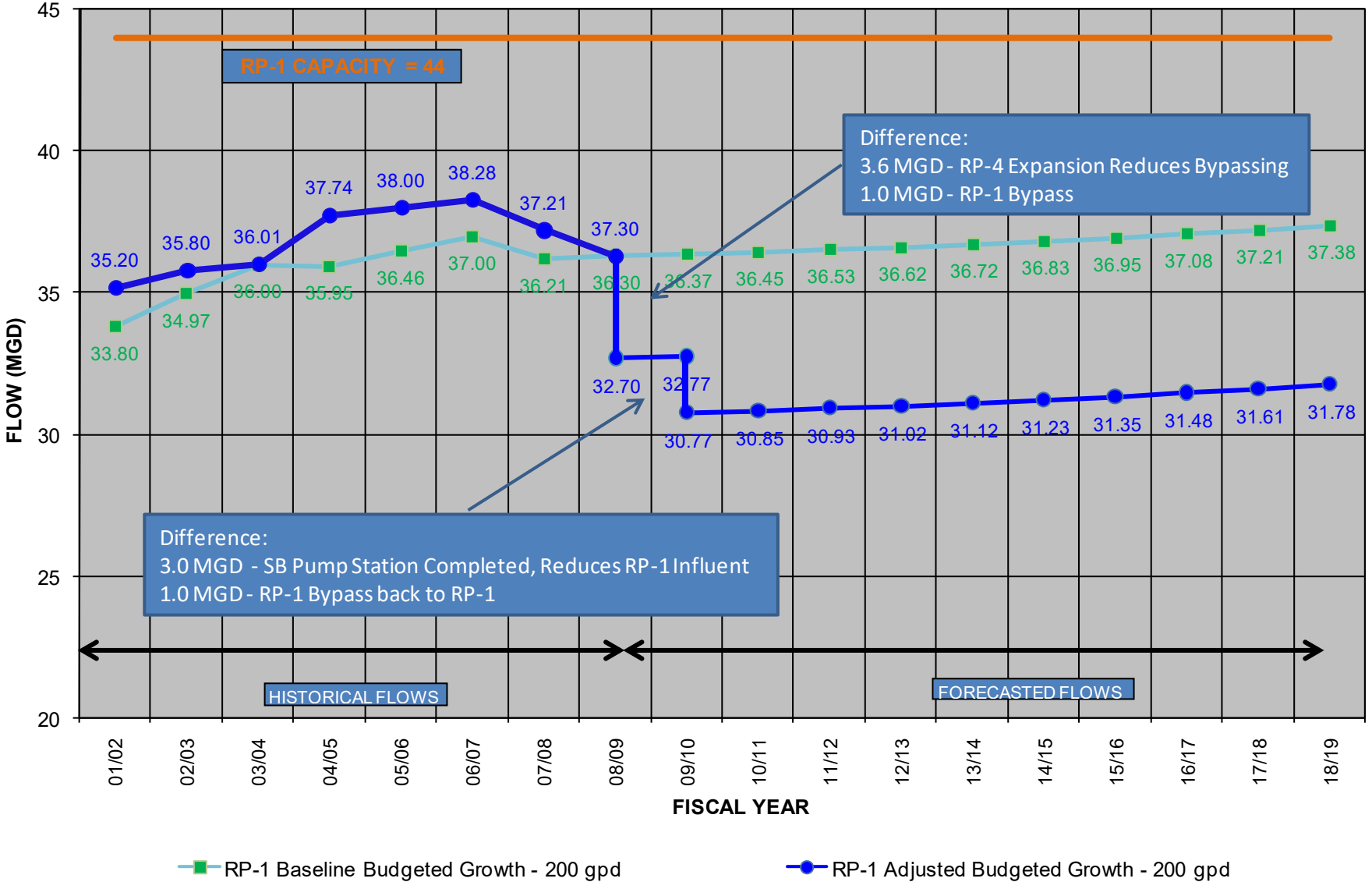


Exhibit IV: CCWRF FLOW FORECAST

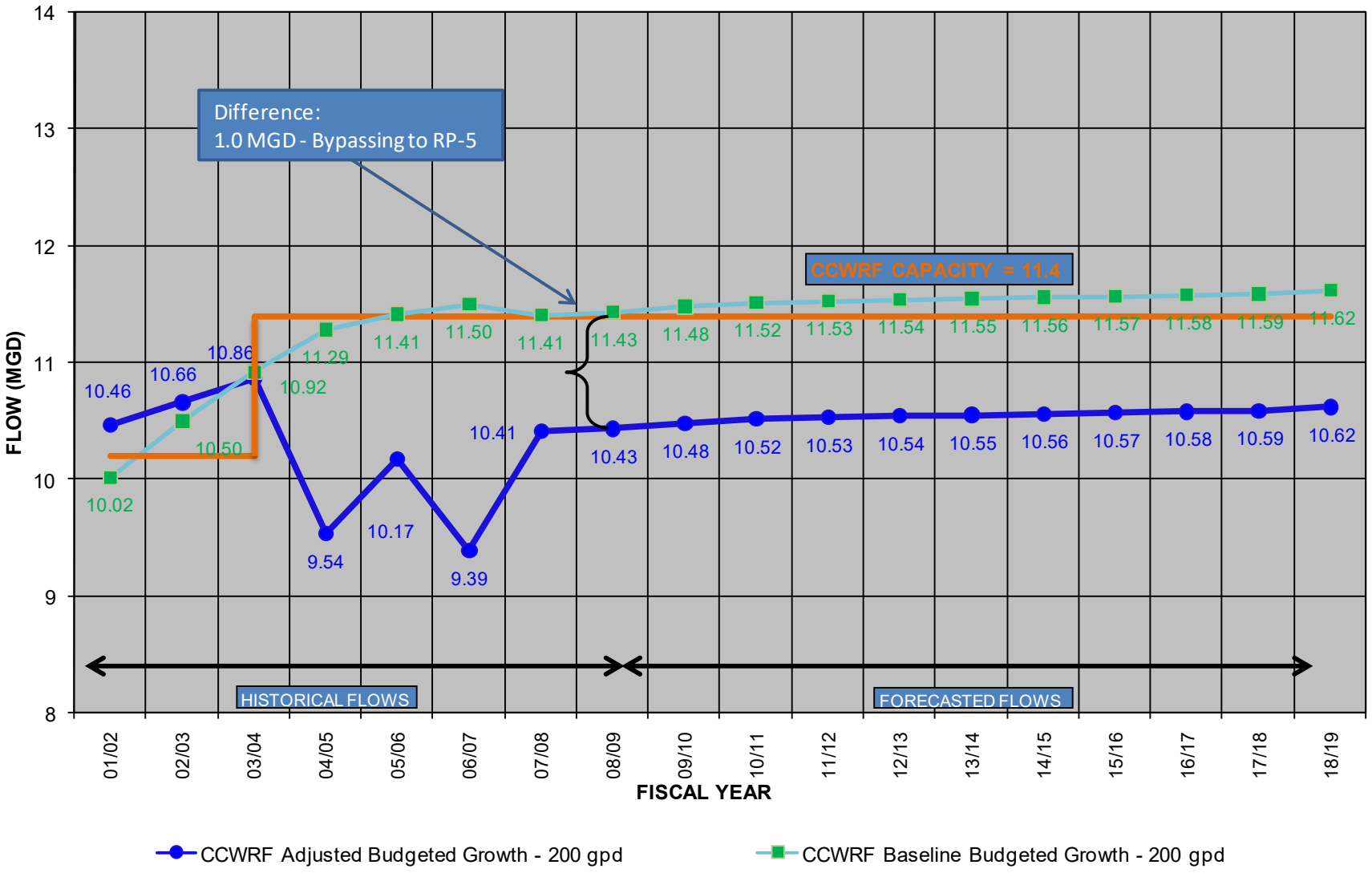


Exhibit V: RP-5 FLOW FORECAST

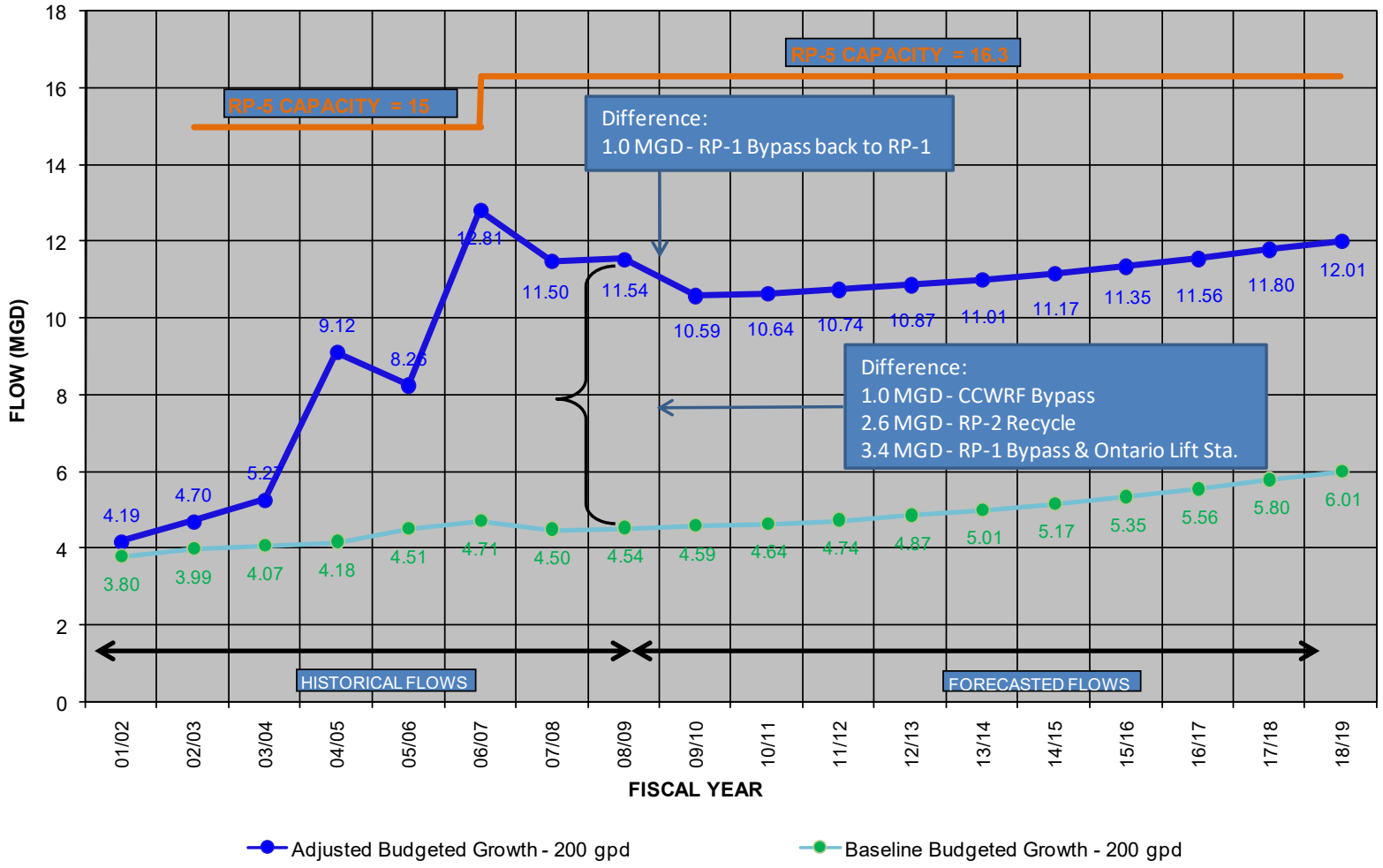


EXHIBIT VI

Inland Empire Utilities Agency

Fiscal Year 2009/2010 Budget

Sources & Uses of Funds

WASTEWATER PROGRAM – CAPITAL IMPROVEMENT (RC) FUND

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/18	2018/19	Total 10 Year
	PROJECTED ACTUAL	ADOPTED BUDGET	FORECAST									
REVENUE												
Connection Fees	$5,140,300	$4,766,460	$4,766,460	$5,719,200	$6,805,400	$7,932,800	$9,192,600	$10,520,000	$11,919,600	$13,394,400	$14,944,800	$89,961,720
Tax Revenue	23,042,034	22,386,933	22,128,308	22,093,216	22,278,705	21,356,353	21,569,916	21,785,615	22,003,471	22,223,506	22,445,741	220,271,764
Interest Revenue	1,564,087	753,210	691,968	574,365	560,477	598,870	708,088	641,510	699,688	740,373	1,301,042	7,269,591
Contract Work	50,000	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	475,000
Lease Revenue	45,000	45,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	45,000	810,000
TOTAL REVENUE	**$29,841,421**	**$27,976,603**	**$27,726,736**	**$28,526,781**	**$29,784,582**	**$30,028,023**	**$31,610,604**	**$33,087,125**	**$34,762,759**	**$36,498,279**	**$38,786,583**	**$318,788,075**
OTHER FUNDING SOURCES												
SRF Loan Proceeds	$2,093,443	$14,619,393	$11,045,059	$5,926,463	$757,588	$0	$0	$0	$0	$0	$0	$32,348,503
Proceeds From the Sale of Property			2,339,250	2,339,250								4,678,500
Proceeds From the Sale of Capacity	300,000		7,800,000									7,800,000
Grants	50,675	773,000										773,000
Loan from RO Fund/ WC Fund	3,000,000			500,000	500,000	1,000,000	1,000,000	4,400,930	0	0	0	7,400,930
Miscellaneous Revenue	510,000		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000
TOTAL OTHER FUNDING SOURCES	**$5,954,118**	**$15,392,393**	**$21,189,309**	**$8,770,713**	**$1,262,588**	**$1,005,000**	**$1,005,000**	**$4,405,930**	**$5,000**	**$5,000**	**$5,000**	**$53,045,933**
TOTAL REVENUES & OTHER FUNDING SOURCES	**$35,795,539**	**$43,368,996**	**$48,916,045**	**$37,297,494**	**$31,047,170**	**$31,033,023**	**$32,615,604**	**$37,493,055**	**$34,767,759**	**$36,503,279**	**$38,791,583**	**$371,834,008**
EXPENSES												
Administration	$4,516,597	$4,535,151	$4,927,767	$5,032,693	$5,140,862	$5,230,139	$5,349,202	$5,471,296	$5,596,613	$5,725,249	$5,853,541	$52,862,513
Contract Work/Special Projects	393,398	1,535,000	483,000	486,090	489,273	492,551	495,927	499,405	502,987	506,677	506,677	5,997,587
Monthly NRWS Capacity Fees/4R's	384,725	554,330	554,330	554,330	554,330	554,330	554,330	554,330	554,330	554,330	554,330	5,543,300
TOTAL EXPENSES	**$5,294,720**	**$6,624,481**	**$5,965,097**	**$6,073,113**	**$6,184,465**	**$6,277,020**	**$6,399,459**	**$6,525,031**	**$6,653,930**	**$6,786,256**	**$6,914,548**	**$64,403,400**
CAPITAL OUTLAY												
Investment in IERCF	$2,085,731	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$2,500,000
Work In Progress - RC	26,696,653	17,780,584	15,754,291	10,445,283	2,185,562	2,671,577	2,000,000	2,000,000	8,000,000	3,934,893	2,000,000	$66,772,190
TOTAL CAPITAL OUTLAY	**$28,782,384**	**$18,030,584**	**$16,004,291**	**$10,695,283**	**$2,435,562**	**$2,921,577**	**$2,250,000**	**$2,250,000**	**$8,250,000**	**$4,184,893**	**$2,250,000**	**$69,272,190**
DEBT SERVICE												
Principal Payments - Bonds/Loans	$4,886,360	$6,593,165	$5,727,735	$5,984,536	$6,321,293	$8,064,055	$8,408,492	$8,789,973	$9,157,080	$10,076,060	$10,406,930	$79,529,319
Loan to RO/WC Funds				4,000,000								4,000,000
Interest Expense	11,886,839	11,321,518	11,004,685	10,731,057	10,398,293	10,217,333	9,862,736	9,487,817	9,123,696	8,899,190	8,497,629	99,543,954
Financial Expense	375,761	260,238	229,229	224,599	221,183	214,111	198,886	192,684	186,222	179,604	172,622	2,079,378
TOTAL DEBT SERVICE	**$17,148,960**	**$18,174,921**	**$16,961,649**	**$20,940,192**	**$16,940,769**	**$18,495,499**	**$18,470,114**	**$18,470,474**	**$18,466,998**	**$19,154,854**	**$19,077,181**	**$185,152,651**
TRANFERS IN (OUT)												
Capital Contribution to GG	($328,574)	($194,322)	($2,070,438)	($734,882)	($383,052)	($555,472)	($697,211)	($223,680)	($223,680)	($1,085,780)	($93,200)	($6,261,717)
Capital Contributon to RW Fund	(2,450,000)	(13,800)										(13,800)
Debt Service, Recharge Water	(701,726)	(663,105)	(662,156)	(660,781)	(658,920)	(657,871)	(655,716)	(654,527)	(652,896)	(651,138)	(649,290)	(6,566,400)
Debt Service, Recycled Water	(490,000)	(490,000)	(490,000)	(490,000)	(490,000)	(490,000)	(490,000)	(490,000)	(490,000)	(490,000)	(490,000)	(4,900,000)
Obligation Payment	(32,007)	46,951	17,348	18,917	20,860	20,800	138,243	135,478	132,769	130,113	130,113	791,592
Operating Transfer - RW	(26,350)											
TOTAL TRANFERS IN (OUT)	**($4,028,657)**	**($1,314,276)**	**($3,205,246)**	**($1,866,746)**	**($1,511,112)**	**($1,682,543)**	**($1,704,684)**	**($1,232,729)**	**($1,233,807)**	**($2,096,805)**	**($1,102,377)**	**($16,950,325)**
FUND BALANCE												
Net Income (Loss)	($19,459,181)	($775,266)	$6,779,762	($2,277,840)	$3,975,262	$1,656,384	$3,791,347	$9,014,821	$163,024	$4,280,471	$9,447,477	$36,055,442
Beginning Fund Balance July 01	66,004,682	46,545,501	45,770,235	52,549,997	50,272,157	54,247,419	55,903,803	59,695,150	68,709,971	68,872,995	73,153,466	46,545,501
ENDING FUND BALANCE AT JUNE 30	**$46,545,501**	**$45,770,235**	**$52,549,997**	**$50,272,157**	**$54,247,419**	**$55,903,803**	**$59,695,150**	**$68,709,971**	**$68,872,995**	**$73,153,466**	**$82,600,943**	**$82,600,943**
RESERVE BALANCE SUMMARY												
Capital Assets and Construction	$38,307,365	$37,443,272	$43,995,029	$41,781,394	$44,172,156	$45,822,900	$49,697,987	$58,719,414	$57,942,235	$62,230,631	$63,235,718	
Capital Cash Flow Support			232,657	173,697	202,264	225,533	146,397	146,125	289,544	288,794	288,044	
Debt Service & Redemption	8,238,136	8,326,963	8,322,311	8,317,066	9,872,999	9,855,370	9,850,766	9,844,432	10,641,216	10,634,041	19,077,181	
ENDING RESERVE BALANCE AT JUNE 30	**$46,545,501**	**$45,770,235**	**$52,549,997**	**$50,272,157**	**$54,247,419**	**$55,903,803**	**$59,695,150**	**$68,709,971**	**$68,872,995**	**$73,153,466**	**$82,600,943**	

EXHIBIT VII

Inland Empire Utilities Agency

Fiscal Year 2009/2010 Budget

Sources & Uses of Funds

WASTEWATER PROGRAM – OPERATIONS & MAINTENANCE (RO) FUND

	2008/2009 PROJECTED ACTUAL	2009/2010 ADOPTED BUDGET	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	Total 10 Year
			FORECAST									
REVENUE												
Volumetric Revenue	$29,988,780	$33,846,598	$34,196,874	$34,612,116	$38,354,643	$42,221,086	$44,534,258	$46,907,313	$49,341,527	$52,093,482	$52,614,417	$428,722,314
Tax Revenue	9,571,306	6,888,287	6,808,710	6,797,913	6,854,986	8,871,100	8,959,811	9,049,409	9,139,903	9,231,303	9,323,616	81,925,038
Contract Work/Other Users Revenue	621,406	594,084	540,475	552,395	564,633	577,197	590,096	603,339	616,937	630,898	3,339,866	8,609,919
Bio Gas Sales	279,696											0
IERCA Reimbursement - Operations	2,232,639	2,299,618	2,322,614	2,345,840	2,392,757	2,440,612	2,489,425	2,539,213	2,589,997	2,641,797	2,747,469	24,809,343
Interest Revenue	580,100	441,300	317,800	227,400	266,900	332,330	458,600	609,670	917,300	1,086,000	1,345,650	6,002,950
TOTAL REVENUE	**$43,273,927**	**$44,069,887**	**$44,186,473**	**$44,535,664**	**$48,433,919**	**$54,442,325**	**$57,032,189**	**$59,708,944**	**$62,605,664**	**$65,683,480**	**$69,371,018**	**$550,069,564**
OTHER FUNDING SOURCES												
Debt Proceeds (Bonds & Commercial Papers)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interfund Loan	4,000,000			4,000,000								$4,000,000
Environment Benefit Credits	70,592	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	$700,000
Other Revenue	163,135	64,020	64,020	64,020	64,020	64,020	64,020	64,020	64,020	64,020	64,020	$640,200
TOTAL OTHER FUNDING SOURCES	**$4,233,727**	**$134,020**	**$134,020**	**$4,134,020**	**$134,020**	**$134,020**	**$134,020**	**$134,020**	**$134,020**	**$134,020**	**$134,020**	**$5,340,200**
TOTAL REVENUE & OTHER FUNDING SOURCES	**$47,507,654**	**$44,203,907**	**$44,320,493**	**$48,669,684**	**$48,567,939**	**$54,576,345**	**$57,166,209**	**$59,842,964**	**$62,739,684**	**$65,817,500**	**$69,505,038**	**$555,409,764**
EXPENSES												
Operations	$38,936,344	$37,862,999	$39,813,203	$40,779,643	$41,565,743	$42,296,708	$42,766,835	$42,798,834	$43,278,725	$44,529,611	$48,502,863	$424,195,164
IERCF Operations	5,191,163	5,940,150	5,727,718	5,813,630	6,001,081	6,062,504	7,236,669	6,303,648	6,483,513	6,556,339	6,515,299	$62,640,551
Contract Work	236,190	456,190	192,017	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	$697,727
Debt Service	213,856	1,273,856	1,258,856	1,803,856	1,781,356	1,258,856	1,243,856	4,629,786	213,856	213,856	213,856	$13,891,990
TOTAL EXPENSES	**$44,577,553**	**$45,533,195**	**$46,991,794**	**$48,403,319**	**$49,354,370**	**$49,624,258**	**$51,253,550**	**$53,738,458**	**$49,982,284**	**$51,305,996**	**$55,238,208**	**$501,425,432**
ASSETS												
Work in Progress	$2,740,961	$2,001,714	$1,877,173	$1,030,000	$1,039,000	$1,564,000	1,200,000	2,250,000	3,300,000	2,300,000	4,250,000	$20,811,887
TOTAL ASSETS	**$2,740,961**	**$2,001,714**	**$1,877,173**	**$1,030,000**	**$1,039,000**	**$1,564,000**	**$1,200,000**	**$2,250,000**	**$3,300,000**	**$2,300,000**	**$4,250,000**	**$20,811,887**
FUND BALANCE SUMMARY												
Net Income (Loss)	$189,140	($3,331,002)	($4,548,474)	($763,635)	($1,825,431)	$3,388,087	$4,712,659	$3,854,506	$9,457,400	$12,211,504	$10,016,830	$33,172,445
Beginning Balance July 01	30,897,431	31,086,571	27,755,569	23,207,095	22,443,460	20,618,029	24,006,116	28,718,775	32,573,281	42,030,681	54,242,185	31,086,571
ENDING FUND BALANCE AT JUNE 30	**$31,086,571**	**$27,755,569**	**$23,207,095**	**$22,443,460**	**$20,618,029**	**$24,006,116**	**$28,718,775**	**$32,573,281**	**$42,030,681**	**$54,242,185**	**$64,259,015**	**$64,259,016**
RESERVE BALANCE SUMMARY												
Operating Contingencies	$14,787,899	$14,753,113	$15,244,313	$15,533,154	$15,857,671	$16,121,801	$16,669,898	$16,369,557	$16,589,476	$17,030,713	18,341,451	
Capital Replacement	16,084,816	12,698,600	7,658,926	6,628,950	4,501,502	7,640,459	11,820,021	15,989,868	25,227,349	36,997,616	45,703,708	
Debt Reserves	213,856	303,856	303,856	281,356	258,856	243,856	228,856	213,856	213,856	213,856	213,856	
ENDING RESERVE BALANCE AT JUNE 30	**$31,086,571**	**$27,755,569**	**$23,207,095**	**$22,443,460**	**$20,618,029**	**$24,006,116**	**$28,718,775**	**$32,573,281**	**$42,030,681**	**$54,242,185**	**$64,259,015**	

EXHIBIT VIII

Inland Empire Utilities Agency

Fiscal Year 2009/2010 Budget

Sources & Uses of Funds

RECYCLED WATER (WC) FUND

	2008/2009 PROJECTED ACTUAL	2009/2010 ADOPTED BUDGET	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	Total 10 Year
			FORECAST									
REVENUE												
Recycled Water Sales	$1,155,198	$1,807,500	$3,029,571	$4,327,752	$6,128,979	$7,101,650	$8,368,800	$9,674,700	$10,920,200	$11,608,000	$11,961,600	$74,928,752
MWD LPP/LRP Program	1,771,462	3,664,750	6,828,875	7,077,700	7,189,295	5,278,700	3,262,000	2,079,000	2,079,000	2,079,000	2,079,000	41,617,320
Property Tax Receipts	0	2,410,900	2,383,049	2,379,269	2,399,245							9,572,463
Contract Work	0	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Interest Revenue	161,627	53,605	71,533	57,766	94,532	156,928	200,853	227,962	248,834	288,300	311,741	1,712,054
TOTAL REVENUE	**$3,088,287**	**$7,986,755**	**$12,363,028**	**$13,892,487**	**$15,862,050**	**$12,587,278**	**$11,881,653**	**$12,031,662**	**$13,298,034**	**$14,025,300**	**$14,402,341**	**$128,330,588**
OTHER FUNDING SOURCES												
SRF Loan Proceeds	$8,745,103	$21,296,531	$27,912,570	$19,919,599	$11,911,234	$6,533,649	$1,536,000	$0	$0	$0	$0	$89,109,583
Grants	8,036,968	16,730,000	6,997,200	3,665,600	2,247,200	1,280,000						30,920,000
MWD/CBWCD Public Retrofit/Lateral Reimb.	556,111	2,034,377	1,309,937	976,617	783,285	328,042	184,990	115,298	82,286	82,286	82,286	5,979,405
TOTAL OTHER FUNDING SOURCES	**$17,338,182**	**$40,060,908**	**$36,219,708**	**$24,561,816**	**$14,941,719**	**$8,141,691**	**$1,720,990**	**$115,298**	**$82,286**	**$82,286**	**$82,286**	**$126,008,988**
EXPENSES												
Operations	$1,980,363	$2,223,953	$2,691,210	$2,837,845	$2,945,066	$3,032,494	$3,088,603	$3,180,522	$3,276,644	$3,369,715	$3,447,656	$30,093,709
Administration	609,544	989,295	1,027,497	1,053,801	1,091,826	1,120,887	1,150,499	1,158,890	1,188,147	1,213,992	1,173,135	11,167,967
Ground Water Recharge Operations	920,578	1,000,192	1,014,460	1,039,098	1,066,655	1,094,501	1,123,153	1,152,087	1,181,608	1,211,583	1,242,022	11,125,359
Contract Work/Special Projects	326,733	179,000	251,000	129,000	54,000	80,000	54,000	54,000	82,000	54,000	54,000	991,000
TOTAL EXPENSES	**$3,837,218**	**$4,392,440**	**$4,984,168**	**$5,059,745**	**$5,157,548**	**$5,327,882**	**$5,416,254**	**$5,545,498**	**$5,728,398**	**$5,849,290**	**$5,916,813**	**$53,378,035**
CAPITAL OUTLAY												
Work In Progress	$21,773,684	$36,556,543	$38,474,968	$28,554,018	$16,428,037	$9,050,000	$450,000	$450,000	$450,000	$450,000	$450,000	$131,313,566
TOTAL CAPITAL OUTLAY	**$21,773,684**	**$36,556,543**	**$38,474,968**	**$28,554,018**	**$16,428,037**	**$9,050,000**	**$450,000**	**$450,000**	**$450,000**	**$450,000**	**$450,000**	**$131,313,566**
DEBT SERVICE												
Due to Other Funds	$5,000,000	$2,000,000	$2,000,000	$2,000,000	$1,000,000	$0	$0	$0	$0	$0	$0	$7,000,000
Principal - SRF Loan	1,181,547	1,752,089	1,780,354	3,473,820	3,676,338	4,724,692	6,355,719	6,387,479	6,419,988	6,453,265	6,487,326	47,511,071
Interest Expense	1,103,063	1,081,699	1,053,434	1,024,502	1,038,114	1,262,312	1,631,284	1,599,524	1,567,015	1,533,739	1,499,677	13,291,301
Financial Expense	718	718	718	718	718	718	718	718	718	718	718	7,180
TOTAL DEBT SERVICE	**$7,285,328**	**$4,834,506**	**$4,834,506**	**$6,499,040**	**$5,715,170**	**$5,987,722**	**$7,987,722**	**$7,987,722**	**$7,987,722**	**$7,987,722**	**$7,987,722**	**$67,809,552**
TRANSFERS IN (OUT)												
Transfer - Groundwater Support -WW	$300,000	$300,000	$300,000	$300,000	$500,000	$500,000	$500,000	$500,000	$500,000	$500,000	$500,000	$4,400,000
Capital Equipment Transfer to GG	(11,987)	(7,089)	(75,531)	(26,809)	(13,974)	(20,264)	(25,435)	(8,160)	(8,160)	(39,610)	(3,400)	(228,432)
Debt Service Support - RC to WC	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000	4,900,000
Transfer- Operations Support WC to RW	(117,000)											0
TOTAL TRANSFERS IN (OUT)	**$661,013**	**$782,911**	**$714,469**	**$763,191**	**$976,026**	**$969,736**	**$964,565**	**$981,840**	**$981,840**	**$950,390**	**$986,600**	**$9,071,568**
FUND BALANCE SUMMARY												
NET INCOME (LOSS)	($11,808,748)	$3,047,085	$1,003,563	($895,309)	$4,479,040	$1,333,101	$713,232	($854,420)	$196,040	$770,964	$1,116,692	$10,909,989
Beginning Balance July 01	13,990,687	2,181,939	5,229,024	6,232,587	5,337,278	9,816,318	11,149,420	11,862,651	11,008,232	11,204,272	11,975,236	2,181,939
ENDING BALANCE AT JUNE 30	**$2,181,939**	**$5,229,024**	**$6,232,587**	**$5,337,278**	**$9,816,318**	**$11,149,420**	**$11,862,651**	**$11,008,232**	**$11,204,272**	**$11,975,236**	**$13,091,928**	**$13,091,928**
RESERVE BALANCE SUMMARY												
Capital Construction & Replacement	$0	$0	$0	$0	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	
Rate Stabilzation Reserve	435,576	1,663,695	2,593,446	1,618,768	5,000,307	6,256,397	6,882,400	5,927,338	6,148,729	6,792,320	7,909,012	
Debt Service Reserve	600,554	2,319,288	2,374,206	2,429,123	2,484,041	2,538,959	2,593,877	2,648,795	2,703,713	2,703,713	2,703,713	
Operating Contingency	1,145,810	1,246,042	1,264,936	1,289,387	1,331,971	1,354,064	1,386,374	1,432,099	1,351,830	1,479,203	1,479,203	
ENDING BALANCE AT JUNE 30	**2,181,939**	**5,229,024**	**6,232,587**	**5,337,278**	**9,816,318**	**11,149,420**	**11,862,651**	**11,008,232**	**11,204,272**	**11,975,236**	**13,091,928**	

EXHIBIT IX

Inland Empire Utilities Agency

Fiscal Year 2009/2010 Budget

Sources & Uses of Funds

GROUND WATER RECHARGE (RW) FUND

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	Total 10 Year
	PROJECTED ACTUAL	ADOPTED BUDGET	FORECAST									
REVENUE												
Contract Cost Reimbursement WM												
Debt Service (WM)	$664,082	$663,105	$662,156	$660,781	$658,920	$657,871	$655,715	$654,527	$652,896	$651,138	$649,290	$6,566,398
Facilities Operations	773,669	779,900	778,000	785,000	803,000	1,489,000	844,000	865,000	887,000	909,000	932,000	9,071,900
Other Reimbursable expenses	75,600											
Capital Contribution	1,125,000											
Total Contract Cost Reimbursement	**2,638,351**	**1,443,005**	**1,440,156**	**1,445,781**	**1,461,920**	**2,146,871**	**1,499,715**	**1,519,527**	**1,539,896**	**1,560,138**	**1,581,290**	**15,638,297**
Transfer from IEUA												
Debt Service	$701,726	$663,105	$662,156	$660,781	$658,920	$657,871	655,715	654,527	652,896	651,138	649,290	$6,566,398
Operation Support	143,350											
Capital Support	2,450,000	13,800										13,800
Total Transfer from IEUA	**3,295,076**	**676,905**	**662,156**	**660,781**	**658,920**	**657,871**	**655,715**	**654,527**	**652,896**	**651,138**	**649,290**	**6,580,198**
OTHER FUNDING SOURCES												
Grants	$4,146,578	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Revenue		18,000	17,000	14,000	18,000	22,000	27,000	32,000	38,000	44,000	51,000	299,000
Other	10,000											
TOTAL OTHER FUNDING SOURCES	**$4,156,578**	**$18,000**	**$17,000**	**$14,000**	**$18,000**	**$22,000**	**$2,182,430**	**$2,206,054**	**$2,230,791**	**$2,255,276**	**$2,281,580**	**$22,218,495**
TOTAL REVENUE & OTHER FUNDING SOURCES	**$10,090,005**	**$2,137,910**	**$2,119,312**	**$2,120,561**	**$2,138,839**	**$2,826,742**	**$4,337,860**	**$4,380,108**	**$4,423,582**	**$4,466,552**	**$4,512,160**	**$44,436,990**
EXPENSES												
DEBT SERVICE												
Financial Expenses	$101,525	$98,704	$96,358	$93,618	$90,834	$87,871	$84,791	$81,596	$78,267	$74,858	$71,261	$858,158
Principal 2008B Bonds	481,356	500,000	520,339	528,814	562,712	584,746	606,780	632,203	647,458	683,051	710,170	5,976,273
Interest 2008B Bonds	745,283	727,506	707,615	699,129	664,293	643,125	619,859	595,255	580,066	544,367	517,149	6,298,364
TOTAL DEBT SERVICE	**$1,328,164**	**$1,326,210**	**$1,324,312**	**$1,321,561**	**$1,317,839**	**$1,315,742**	**$1,311,430**	**$1,309,054**	**$1,305,791**	**$1,302,276**	**$1,298,580**	**$13,132,795**
CAPITAL OUTLAY												
Basin improvements	$7,368,303	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equipment	136,348											
TOTAL CAPITAL OUTLAY	**$7,504,651**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
REIMBURSABLE EXPENSE												
Facilities Operations Expense												
SBCFCD-O&M	$12,000	$10,000	$10,000	$10,100	$10,403	$10,715	$11,036	$11,367	$11,708	$12,059	$12,421	$109,809
CBWCD-O&M		4,000	4,000	4,040	4,161	4,286	4,415	4,547	4,683	4,823	4,968	43,923
	$12,000	$14,000	$14,000	$14,140	$14,564	$15,001	$15,451	$15,914	$16,391	$16,882	$17,389	$153,732
IEUA Operations Expense												
General Basin Maintenance	$249,700	$286,000	$286,000	$288,860	$297,526	$306,452	315,645	325,115	334,869	344,915	355,262	$3,140,644
Specialty O&M	57,000	22,000	22,000	22,220	22,887	23,573	24,280	25,009	25,760	26,533	27,329	241,591
GWR General Admin	370,969	355,900	354,411	356,945	361,660	1,034,657	375,664	382,914	390,309	397,853	405,511	4,415,824
Utilities	84,000	102,000	102,000	103,020	106,111	109,293	112,571	115,948	119,427	123,010	126,701	1,120,081
Total IEUA Operations Expense	**$761,669**	**$765,900**	**$764,411**	**$771,045**	**$788,184**	**$1,473,975**	**$828,160**	**$848,986**	**$870,365**	**$892,311**	**$914,803**	**$8,918,140**
TOTAL FACILITIES OPERATIONS EXPENSE	**$773,669**	**$779,900**	**$778,411**	**$785,185**	**$802,748**	**$1,488,976**	**$843,611**	**$864,900**	**$886,756**	**$909,193**	**$932,192**	**$9,071,872**
OTHER REIMBURSABLE EXPENSE												
Special Basin Projects	75,600											
TOTAL OTHER REIMBURSABLE EXPENSE	**$75,600**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL REIMBURSABLE EXPENSE	**$849,269**	**$779,900**	**$778,411**	**$785,185**	**$802,748**	**$1,488,976**	**$843,611**	**$864,900**	**$886,756**	**$909,193**	**$932,192**	**$9,071,872**
NON REIMBURSABLE EXPENSE												
Non Reimbursable Administration	143,350											
Capital/Special Projects		13,800										13,800
NON REIMBURSABLE EXPENSE TOTAL	**$143,350**	**$13,800**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$13,800**
TOTAL EXPENSES	**$9,825,434**	**$2,119,910**	**$2,102,723**	**$2,106,746**	**$2,120,587**	**$2,804,718**	**$2,155,041**	**$2,173,954**	**$2,192,547**	**$2,211,469**	**$2,230,772**	**$22,218,467**
FUND BALANCE SUMMARY												
Net income (Loss)	$264,571	$18,000	$16,589	$13,815	$18,252	$22,024	27,389	32,100	38,244	43,807	50,808	$281,027
Beginning Fund Balance	414,974	679,545	697,545	714,133	727,949	746,201	768,225	795,614	827,714	865,958	909,765	679,545
ENDING BALANCE AT JUNE 30	**$679,545**	**$697,545**	**$714,133**	**$727,949**	**$746,201**	**$768,225**	**$795,614**	**$827,714**	**$865,958**	**$909,765**	**$960,572**	**$960,572**
RESERVE BALANCE SUMMARY												
Operating Contingency	$663,105	$660,781	$660,781	$658,920	$657,871	$655,715	$654,527	$652,896	$651,138	$649,290	$655,901	
Capital construction	16,440	36,764	53,353	69,029	88,330	112,510	141,087	174,819	214,820	260,475	304,671	
ENDING RESERVE BALANCE AT JUNE 30	**$679,545**	**$697,545**	**$714,133**	**$727,949**	**$746,201**	**$768,225**	**$795,614**	**$827,714**	**$865,958**	**$909,765**	**$960,572**	

EXHIBIT X

Inland Empire Utilities Agency

Fiscal Year 2008/2009 Budget

Sources & Uses of Funds

NON-RECLAIMABLE WASTEWATER SYSTEM (NC) FUND

	2008/2009 PROJECTED ACTUAL	2009/2010 ADOPTED BUDGET	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	Total 10 Year
			FORECAST									
REVENUE												
Volumetric Revenue	$3,087,771	$3,180,237	$3,180,237	$3,180,237	$3,180,237	$3,180,237	$3,180,237	$3,180,237	$3,180,237	$3,180,237	$3,180,237	$31,802,370
Excess user Fees	1,026,547	1,078,696	1,078,696	1,078,696	1,078,696	1,078,696	1,078,696	1,078,696	1,078,696	1,078,696	1,078,696	10,786,960
Capacity Fees	1,579,146	1,623,654	1,623,683	1,623,683	1,623,683	1,723,683	1,723,683	1,773,683	1,773,683	1,773,683	1,773,683	17,036,801
Capital Improvement Program (CIP)	431,314	568,540	568,540	568,540	600,126	600,126	631,711	631,711	631,711	631,711	631,711	6,064,427
Sale of Capacity	450,000		5,025,000									5,025,000
Administrative Service Charges	1,496,354	1,712,409	1,712,409	1,712,409	1,980,615	1,980,615	2,212,843	2,212,843	2,284,798	2,284,798	2,284,798	20,378,537
Special/Reimbursable Contract Services	36,989	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	80,000
Interest Revenue	323,250	220,250	229,500	214,750	249,000	267,250	286,500	299,750	308,000	311,000	292,000	2,678,000
Other Revenue	117,105	97,000	97,000	97,000	97,000	97,000	97,000	72,750	72,000	72,000	72,000	870,750
TOTAL REVENUE	$8,548,477	$8,488,786	$13,523,065	$8,483,315	$8,817,357	$8,935,607	$9,218,670	$9,257,670	$9,337,125	$9,340,125	$9,321,125	$94,722,845
OTHER FUNDING SOURCES												
Bond Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interfund Loan - WC	2,000,000	3,000,000	3,000,000	3,000,000	2,000,000							11,000,000
TOTAL OTHER FUNDING SOURCES	$2,000,000	$3,000,000	$3,000,000	$3,000,000	$2,000,000	$0	$0	$0	$0	$0	$0	$11,000,000
TOTAL REVENUE & OTHER FUNDING SOURCE	$ 10,548,477	$ 11,488,786	$ 16,523,065	$ 11,483,315	$ 10,817,357	$ 8,935,607	$ 9,218,670	$ 9,257,670	$ 9,337,125	$ 9,340,125	$ 9,321,125	$ 105,722,845
EXPENSES												
Operations	$5,086,663	$6,653,694	$6,689,237	$6,762,688	$6,810,249	$6,844,630	$6,879,834	$6,915,623	$6,952,140	$6,989,279	$7,019,514	$68,516,888
Administration	344,155	29,926	108,847	109,363	109,891	110,522	111,205	111,888	112,611	113,356	114,125	1,031,734
Contract Work/Special Projects	154,312	255,500	133,000	133,000	108,000	8,000	8,000	8,000	8,000	8,000	8,000	677,500
TOTAL EXPENSES	$5,585,130	$6,939,120	$6,931,084	$7,005,051	$7,028,140	$6,963,153	$6,999,038	$7,035,510	$7,072,752	$7,110,635	$7,141,639	$70,226,122
CAPITAL OUTLAY												
Work-In-Progress	$3,638,936	$1,083,878	$832,707	$1,670,000	$1,835,000	$1,335,000	$1,335,000	$1,335,000	$1,335,000	$1,335,000	$220,000	$12,316,585
CSDLAC 4Rs	1,480,861	1,400,000	1,442,000	1,485,260	1,529,818	1,575,712	1,622,984	1,671,673	1,721,823	1,773,478	1,826,682	16,049,430
TOTAL CAPITAL OUTLAY	$5,119,797	$2,483,878	$2,274,707	$3,155,260	$3,364,818	$2,910,712	$2,957,984	$3,006,673	$3,056,823	$3,108,478	$2,046,682	$28,366,015
DEBT SERVICE												
Principal payments	$105,432	$111,758	$118,463	$125,570	$133,105	$141,091	$149,556	$158,530	$93,488	$0	$0	$1,031,561
Interest payments	434,568	428,242	421,536	414,429	406,894	398,908	390,443	381,469	371,958	361,875	361,875	3,937,629
Financial Expenses		362	362	362	362	362	362	362	362	362	362	3,620
Short Term Inter-Fund Loan	4,000,000											0
TOTAL DEBT SERVICE	$4,540,000	$540,362	$540,361	$540,361	$540,361	$540,361	$540,361	$540,361	$465,808	$362,237	$362,237	$4,972,810
TRANSFERS IN (OUT)												
Capital Equipment Transfers to GG	($14,384)	($15,317)	($60,231)	($13,209)	($13,974)	($14,314)	($8,435)	($8,160)	($8,160)	($8,160)	($3,400)	($153,360)
TOTAL TRANSFERS IN (OUT)	($14,384)	($15,317)	($60,231)	($13,209)	($13,974)	($14,314)	($8,435)	($8,160)	($8,160)	($8,160)	($3,400)	($153,360)
FUND BALANCE SUMMARY												
Net Income (Loss)	($4,710,833)	$1,510,109	$6,716,682	$769,434	($129,936)	($1,492,933)	($1,287,148)	($1,333,034)	($1,266,418)	($1,249,385)	($232,833)	$2,004,538
Beginning Balance July 01	14,298,028	9,587,195	11,097,304	17,813,986	18,583,420	18,453,484	16,960,551	15,673,403	14,340,368	13,073,951	11,824,566	9,587,195
ENDING BALANCE AT JUNE 30	$9,587,195	$11,097,304	$17,813,986	$18,583,420	$18,453,484	$16,960,551	$15,673,403	$14,340,368	$13,073,951	$11,824,566	$11,591,733	$11,591,733
RESERVE BALANCE SUMMARY												
Operating Contingency	$626,726	$836,760	$874,731	$899,370	$915,382	$927,035	$938,979	$951,117	$963,511	$976,119	$986,433	
CSDLAC Prepayment	1,480,861	1,400,000	1,442,000	1,485,260	1,529,818	1,575,712	1,622,984	1,671,673	1,721,823	1,773,478	1,826,682	
Capital Expansion	6,939,247	8,320,183	14,956,894	15,658,429	15,467,923	13,917,443	12,571,079	11,251,770	10,026,380	8,614,344	8,317,993	
Debt Reserves	540,361	540,361	540,361	540,361	540,361	540,361	540,361	465,808	362,237	460,625	460,625	
ENDING RESERVE BALANCE AT JUNE 30	$9,587,195	$11,097,304	$17,813,986	$18,583,420	$18,453,484	$16,960,551	$15,673,403	$14,340,368	$13,073,951	$11,824,566	$11,591,733	

EXHIBIT XI

Inland Empire Utilities Agency

Fiscal Year 2009/2010 Budget

Sources & Uses of Funds

ADMINISTRATIVE SERVICES (GG) FUND

	2008/09	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	Total 10 Year
	PROJECTED ACTUAL	ADOPTED BUDGET	FORECAST									
REVENUE												
Tax Revenue	$2,835,943	$2,755,315	$2,723,484	$2,719,165	$2,741,994	$2,628,474	$2,654,759	$2,681,306	$2,708,120	$2,735,201	$2,762,553	$27,110,371
Cost Reimbursement from CDA	1,047,955	1,079,394	1,111,776	1,145,129	1,179,483	1,214,867	1,251,313	1,288,853	1,327,518	1,367,344	1,408,364	12,374,042
Interest Revenue	298,500	170,000	140,000	120,000	140,340	150,400	170,400	190,600	190,100	168,700	150,670	1,591,210
Grants & Rebates	153,000	242,230										242,230
Cost Reimbursement	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
Proceeds from Sale of Assets/Miscellanous	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000
Other Revenue/Loan repayment from Other Funds	4,262	4,389	4,389	4,433	4,522	4,612	4,704	4,798	4,894	4,992	5,092	46,826
TOTAL REVENUE	**$4,346,659**	**$4,258,328**	**$3,986,649**	**$3,995,727**	**$4,073,339**	**$4,005,354**	**$4,088,177**	**$4,172,558**	**$4,237,632**	**$4,283,237**	**$4,333,679**	**$41,434,679**
TOTAL REVENUE & OTHER FUNDING SOURCES	**$4,346,659**	**$4,258,328**	**$3,986,649**	**$3,995,727**	**$4,073,339**	**$4,005,354**	**$4,088,177**	**$4,172,558**	**$4,237,632**	**$4,283,237**	**$4,333,679**	**$41,434,680**
EXPENSES												
Administration	$3,658,817	$3,389,763	$4,305,150	$4,452,837	$4,426,259	$4,348,608	$4,356,826	$4,235,386	$4,235,812	$4,119,088	$4,129,986	$41,999,713
Contract Work/Special Projects	383,166	244,230	18,670	19,230	19,807	20,401	21,014	21,644	22,293	22,544	14,243	424,076
TOTAL EXPENSES	**$4,041,983**	**$3,633,993**	**$4,323,820**	**$4,472,067**	**$4,446,066**	**$4,369,009**	**$4,377,840**	**$4,257,030**	**$4,258,105**	**$4,141,632**	**$4,144,229**	**$42,423,789**
CAPITAL OUTLAY												
Work In Progress	$423,049	$450,500	$2,221,500	$788,500	$411,000	$596,000	$748,081	$240,000	$240,000	$1,165,000	$100,000	$6,960,581
TOTAL CAPITAL OUTLAY	**$423,049**	**$450,500**	**$2,221,500**	**$788,500**	**$411,000**	**$596,000**	**$748,081**	**$240,000**	**$240,000**	**$1,165,000**	**$100,000**	**$6,960,581**
TRANSFERS IN (OUT)												
Transfers - Capital Contribution	$354,944	$216,728	$2,206,200	$774,900	$411,000	$590,050	$731,081	$240,000	$240,000	$1,133,550	$100,000	$6,877,281
TOTAL TRANSFERS IN (OUT)	**$354,944**	**$216,728**	**$2,206,200**	**$774,900**	**$411,000**	**$590,050**	**$731,081**	**$240,000**	**$240,000**	**$1,133,550**	**$100,000**	**$6,877,281**
FUND BALANCE												
Net Income (Loss)	$236,572	$390,563	($352,471)	($489,940)	($372,727)	($369,605)	($306,663)	($84,472)	($20,473)	$110,155	$189,450	($1,306,183)
Beginning Fund Balance Balance July 1	10,693,470	10,930,042	11,320,605	10,968,134	10,478,194	10,105,467	9,735,862	9,429,199	9,344,727	9,324,254	9,434,409	10,930,042
ENDING BALANCE AT JUNE 30	**$10,930,042**	**$11,320,605**	**$10,968,134**	**$10,478,194**	**$10,105,467**	**$9,735,862**	**$9,429,199**	**$9,344,727**	**$9,324,254**	**$9,434,409**	**$9,623,859**	**$9,623,859**
RESERVE BALANCE SUMMARY												
Operating/Capital Contingencies	$1,010,496	$908,498	$1,080,955	$1,118,017	$1,111,517	$1,092,252	$1,094,460	$1,064,258	$1,064,526	$1,035,408	$1,036,057	
Insurance & Other	7,660,884	7,571,361	7,046,433	6,406,686	5,932,459	5,478,958	5,071,864	4,924,406	4,671,445	4,580,855	4,506,633	
Retirement Reserves	2,258,662	2,840,746	2,840,746	2,953,491	3,061,491	3,164,652	3,262,875	3,356,063	3,588,283	3,818,146	4,081,168	
ENDING RESERVE BALANCE AT JUNE 30	**$10,930,042**	**$11,320,605**	**$10,968,134**	**$10,478,194**	**$10,105,467**	**$9,735,862**	**$9,429,199**	**$9,344,727**	**$9,324,254**	**$9,434,409**	**$9,623,859**	

TEN-YEAR CAPITAL IMPROVEMENT PLAN

APPENDIX A--Incremental EDU Growth Data

INCREMENTAL EDU GROWTH BY AGENCY/FACILITY (EDUs / YR)

AGENCY	YEAR	RP-1	RP-4	RP-1/RP-4	CCWRF	RP-1/5	RP-2/RP-5	RP-5	INCREMENTAL GROWTH
	6/30/02 Baseline	**12,683**	**15,745**	**19,262**					**N/A**
	6/30/03 Baseline	**13,411**	**16,640**	**20,534**					**N/A**
	6/30/04 Baseline	**14,682**	**17,922**	**22,316**					**N/A**
	6/30/05 Baseline	**14,811**	**18,101**	**22,509**					**N/A**
	6/30/06 Baseline	**15,211**	**18,551**	**23,033**					**N/A**
CVWD	**6/30/07 Baseline**	**16,081**	**19,251**	**23,524**					**N/A**
	6/30/08 Baseline	**16,198**	**19,442**	**23,586**					**N/A**
	08/09	166	203	246					615
Flows shown in	09/10	168	205	249					622
"RP-1/RP-4" column are	10/11	169	207	251					627
currently received by RP-1, but may in	11/12	342	418	507					1,267
future bypass to RP-4, as the	12/13	349	427	517					1,293
RP-4 Trunk Sewer is constructed.	13/14	356	435	528					1,319
	14/15	363	444	538					1,345
	15/16	370	453	550					1,373
	16/17	378	462	560					1,400
	17/18	385	471	571					1,427
	TEN-YR TOTALS	***3,046***	***3,725***	***4,517***	***0***	***0***	***0***	***0***	***11,288***
	6/30/02 Baseline	**9,768**	**8,918**	**23,783**					**N/A**
	6/30/03 Baseline	**10,535**	**10,082**	**23,863**					**N/A**
	6/30/04 Baseline	**12,306**	**13,725**	**21,298**					**N/A**
	6/30/05 Baseline	**12,590**	**14,043**	**21,791**					**N/A**
	6/30/06 Baseline	**12,685**	**15,293**	**21,854**					**N/A**
	6/30/07 Baseline	**13,060**	**15,729**	**22,129**					**N/A**
FONTANA	**6/30/08 Baseline**	**13,115**	**16,154**	**22,282**					**N/A**
	08/09	116	428	256					800
	09/10	100	475	225					800
Flows from the "RP-1/RP-4"	10/11	85	570	190					845
service areas currently go to	11/12	75	680	205					960
RP-1, but may in future go to	12/13	80	900	220					1,200
RP-4 when San Bernardino Ave.	13/14	85	1,080	240					1,405
Interceptor and Pump Station is	14/15	80	1,260	230					1,570
constructed.	15/16	87	1,160	200					1,447
	16/17	75	1,070	180					1,325
	17/18	70	980	165					1,215
	TEN-YR TOTALS	***853***	***8,603***	***2,111***	***0***	***0***	***0***	***0***	***11,567***

INCREMENTAL EDU GROWTH BY AGENCY/FACILITY Continued)

AGENCY	YEAR	RP-1	RP-4	RP-1/RP-4	CCWRF	RP-1/5	RP-2/RP-5	RP-5	INCREMENTAL GROWTH
	6/30/02 Baseline	**732**			**10,703**				**N/A**
	6/30/03 Baseline	**728**			**10,649**				**N/A**
	6/30/04 Baseline	**720**			**10,536**				**N/A**
	6/30/05 Baseline	**731**			**10,511**				**N/A**
	6/30/06 Baseline	**921**			**10,546**				**N/A**
	6/30/07 Baseline	**923**			**10,654**				**N/A**
MONTCLAIR	**6/30/08 Baseline**	**949**			**10,716**				**N/A**
	08/09	17			75				92
	09/10	25			200				225
Items shown in "CCWRF" column	10/11	15			190				205
flow directly to CCWRF unless	11/12	15			190				205
diverted to RP-1. This	12/13	10			55				65
breakdown assumes no	13/14	10			55				65
diversions.	14/15	10			55				65
	15/16	10			55				65
	16/17	10			55				65
	17/18	10			55				65
	TEN-YR TOTAL	***132***	***0***	***0***	***985***	***0***	***0***	***0***	***1,117***
	6/30/02 Baseline	**57,660**						**0**	**N/A**
	6/30/03 Baseline	**58,415**						**0**	**N/A**
	6/30/04 Baseline	**45,437**				**12,978**		**0**	**N/A**
	6/30/05 Baseline	**46,037**				**13,182**		**0**	**N/A**
	6/30/06 Baseline	**46,237**				**13,344**		**0**	**N/A**
	6/30/07 Baseline	**46,587**				**13,344**		**173**	**N/A**
ONTARIO	**6/30/08 Baseline**	**47,304**				**13,344**		**388**	**N/A**
	08/09	600						400	1,000
The flows going to RP-5 increases as:	09/10	550						400	950
1) The RP-1/RP-5 Bypass Sewer comes on line	10/11	550						700	1,250
2) New Model Colony is built,	11/12	750						2,300	3,050
3) Portions of Ag Preserve become	12/13	700						2,600	3,300
sewered, and	13/14	700						3,000	3,700
4) Flow is diverted from RP-1 Lift	14/15	700						3,000	3,700
Station by gravity flow to RP-5.	15/16	700						3,000	3,700
	16/17	700						3,400	4,100
	17/18	700						3,400	4,100
	TEN-YR TOTAL	***6,650***	***0***	***0***	***0***	***13,344***	***0***	***22,200***	***28,850***

INCREMENTAL EDU GROWTH BY AGENCY/FACILITY (Continued)

AGENCY	YEAR	RP-1	RP-4	RP-1/RP-4	CCWRF	RP-1/5	RP-2/RP-5	RP-5	INCREMENTAL GROWTH
	6/30/02 Baseline	**19,487**			**6,018**				**N/A**
	6/30/03 Baseline	**19,683**			**6,030**				**N/A**
	6/30/04 Baseline	**19,898**			**6,042**				**N/A**
	6/30/05 Baseline	**20,298**			**6,439**				**N/A**
	6/30/06 Baseline	**20,430**			**6,571**				**N/A**
	6/30/07 Baseline	**20,489**			**6,602**				**N/A**
UPLAND	**6/30/08 Baseline**	**21,049**			**6,659**				**N/A**
	08/09	160			210				370
Items shown in the CCWRF	09/10	127			413				540
column could be diverted to	10/11	216			331				547
RP-1. This breakdown assumes	11/12	260			156				416
no diversions.	12/13	199			125				324
	13/14	310			30				340
	14/15	300			130				430
	15/16	200			130				330
	16/17	300			83				383
	17/18	100			55				155
	TEN-YR TOTAL	***2,172***	***0***	***0***	***1,663***	***0***	***0***	***0***	***3,835***
	6/30/02 Baseline	**622**			**14,096**		**0**	**2,304**	**N/A**
	6/30/03 Baseline	**622**			**11,415**		**0**	**2,167**	**N/A**
	6/30/04 Baseline	**622**			**11,370**		**19**	**2,189**	**N/A**
	6/30/05 Baseline	**622**			**12,459**		**1,111**	**2,315**	**N/A**
	6/30/06 Baseline	**622**			**12,734**		**1,689**	**2,411**	**N/A**
	6/30/07 Baseline	**622**			**12,922**		**1,708**	**3,711**	**N/A**
CHINO	**6/30/08 Baseline**	**622**			**13,025**		**1,713**	**4,111**	**N/A**
	08/09	10			20		35	74	139
1) Flow from "RP-2/5" service area	09/10	0			120		18	57	195
is lifted to RP-5 by a pump station	10/11	1			5		18	36	60
located at RP-2 or by The Preserve Lift	11/12	0			0		0	56	56
Stations. Flow from "RP-5"	12/13	0			0		0	54	54
2) Flow from "RP-5" servive area	13/14	0			0		0	63	63
flows directly to RP-5	14/15	2			5		0	54	61
	15/16	0			0		0	54	54
	16/17	1			0		0	54	55
	17/18	0			0			54	54
	TEN-YR TOTAL	***14***	***0***	***0***	***150***	***0***	***71***	***556***	***791***

INCREMENTAL EDU GROWTH BY AGENCY/FACILITY (Continued)

AGENCY	YEAR	RP-1	RP-4	RP-1/RP-4	CCWRF	RP-1/5	RP-2/RP-5	RP-5	INCREMENTAL GROWTH
	6/30/02 Baseline				**10,942**		**1,622**	**10,408**	**N/A**
	6/30/03 Baseline				**11,024**		**1,622**	**10,867**	**N/A**
	6/30/04 Baseline				**11,183**		**1,622**	**11,312**	**N/A**
	6/30/05 Baseline				**11,275**		**1,622**	**11,494**	**N/A**
	6/30/06 Baseline				**11,384**		**1,622**	**11,684**	**N/A**
	6/30/07 Baseline				**11,424**		**1,622**	**12,174**	**N/A**
CHINO HILLS	**6/30/08 Baseline**				**11,606**		**1,622**	**12,574**	**N/A**
	08/09				100		0	234	334
1) Flow from "RP-2/RP-5" service	09/10				244		0	545	789
area is lifted to RP-5 by	10/11				188		0	306	494
a pump station located	11/12				24		0	260	284
at RP-2. Flow from	12/13				115		0	404	519
2) Flow from "RP-5 service area flows	13/14				68		0	114	182
directly to RP-5.	14/15				12		0	112	124
	15/16				12		0	74	86
	16/17				18		0	74	92
	17/18				2		0	74	76
	TEN-YR TOTAL	***0***	***0***	***0***	***783***	***0***	***0***	***2,197***	***2,980***

	YEAR	RP-1	RP-4	RP-1/RP-4	CCWRF	RP-1/5	RP-2/RP-5	RP-5	SUM
	6/30/02 Baseline	**100,952**	**24,663**	**43,045**	**41,759**	**0**	**1,622**	**12,712**	**-**
	6/30/03 Baseline	**103,394**	**26,722**	**44,397**	**39,118**	**0**	**1,622**	**13,034**	**-**
	6/30/04 Baseline	**93,665**	**31,647**	**43,614**	**39,131**	**12,978**	**1,641**	**13,501**	**-**
	6/30/05 Baseline	**95,089**	**32,144**	**44,300**	**40,684**	**13,182**	**2,733**	**13,809**	**-**
	6/30/06 Baseline	**96,106**	**33,844**	**44,887**	**41,235**	**13,344**	**3,311**	**14,095**	
	6/30/07 Baseline	**97,762**	**34,980**	**45,653**	**41,602**	**13,344**	**3,330**	**16,058**	
	6/30/08 Baseline	**99,237**	**35,596**	**45,868**	**42,006**	**13,344**	**3,335**	**17,073**	
	08/09	1,069	631	502	405	0	35	708	**3,350**
	09/10	970	680	474	977	0	18	1,002	**4,121**
	10/11	1,036	777	441	714	0	18	1,042	**4,028**
	11/12	1,442	1,098	712	370	0	0	2,616	**6,238**
TOTAL INCREMENTAL EDUs FOR ALL AGENCIES	12/13	1,338	1,327	737	295	0	0	3,058	**6,755**
	13/14	1,461	1,515	768	153	0	0	3,177	**7,074**
	14/15	1,455	1,704	768	202	0	0	3,166	**7,295**
	15/16	1,367	1,613	750	197	0	0	3,128	**7,055**
	16/17	1,464	1,532	740	156	0	0	3,528	**7,420**
	17/18	1,265	1,451	736	112	0	0	3,528	**7,092**
TOTAL	***TEN-YR TOTAL***	**12,867**	**12,328**	**6,628**	**3,581**	**0**	**71**	**24,953**	**60,428**

CUMULATIVE EDU GROWTH BY FACILITY									
	YEAR	RP-1	RP-4	RP-1/RP-4	CCWRF	RP-1/RP-5	RP-2/RP-5	RP-5	TOTAL
CUMULATIVE EDUs FOR ALL AGENCIES	07/08	100,306	36,227	46,370	42,411	13,344	3,370	17,781	259,809
	08/09	101,276	36,907	46,844	43,388	13,344	3,388	18,783	263,930
	09/10	102,312	37,684	47,285	44,102	13,344	3,406	19,825	267,958
	10/11	103,754	38,782	47,997	44,472	13,344	3,406	22,441	274,196
	11/12	105,092	40,109	48,734	44,767	13,344	3,406	25,499	280,951
	12/13	106,553	41,624	49,502	44,920	13,344	3,406	28,676	288,025
	13/14	108,008	43,328	50,270	45,122	13,344	3,406	31,842	295,320
	14/15	109,375	44,941	51,020	45,319	13,344	3,406	34,970	302,375
	15/16	110,839	46,473	51,760	45,475	13,344	3,406	38,498	309,795
	16/17	112,104	47,924	52,496	45,587	13,344	3,406	42,026	316,887
	17/18	124,971	60,252	59,124	49,168	13,344	3,477	66,979	377,315

APPENDIX B

PROPOSED CAPITAL PROJECTS SUMMARY

IEUA Ten-Year Capital Improvement Plan Projects

Administrative Services (GG) Program

Fund	Type	Project #	Description	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	Total FY 09/10-18/19
GG	CC	CP08005	HQ Security System Upgrades	$75,000	-	-	-	-	-	-	-	-	-	$75,000
GG	CC	CP09003	Headquarters Campus Fencing	20,000	50,000	50,000	160,000	150,000	-	-	-	-	-	430,000
GG	CC	EN09019	HQ-A IS Server Room modifications and A/C upgrades	170,000	-	-	-	-	-	-	-	-	-	170,000
GG	EQ	IS09004	Replace Telephone System hardware and upgrade software	-	-	42,500	-	-	-	-	-	-	-	42,500
GG	EQ	IS09005	Network Infrastructure (Network Equipment Replacement)	-	41,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	281,000
GG	EQ	IS09009	SAP xMII System Implementation (IS08023)	-	450,000	-	-	-	-	-	-	-	-	450,000
GG	EQ	IS10002	Future Information Technology Initiatives*	-	-	-	-	-	140,000	140,000	140,000	140,000	-	560,000
GG	EQ	IS10004	Microsoft Duet for SAP integration	-	-	75,000	-	-	-	-	-	-	-	75,000
GG	EQ	IS13001	SAP / AWSM SAP Version Upgrade (ver 6 supported until 2013)	-	-	-	-	-	500,000	-	-	750,000	-	1,250,000
GG	EQ	IS13002	SAP System Hardware Replacement	-	-	-	-	175,000	-	-	-	175,000	-	350,000
GG	EQ	IS10016	Replacement PCs/Laptops	16,500	80,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	656,500
GG	EQ	IS10017	Replace Network Access Switches	-	11,000	11,000	11,000	11,000	-	-	-	-	-	44,000
GG	EQ	IS10018	Replace Select PCs with Desktop Streaming (DS) PCs	-	20,000	20,000	20,000	20,000	-	-	-	-	-	80,000
GG	EQ	IS10019	Replace HQ Network Router	-	16,000	-	-	-	-	-	-	-	-	16,000
GG	EQ	IS10020	Replace Server Room UPS	-	-	25,000	-	-	-	-	-	-	-	25,000
GG	EQ	IS10021	Replace Records Management Scanner	-	13,500	-	-	-	-	-	-	-	-	13,500
GG	EQ	EN10002	Const Mgmt Tracking Project Sys Enhancement	39,000	-	-	-	-	-	-	-	-	-	39,000
GG	EQ	IS10022	Storage Attached Network (SAN) for Desktop Streaming	-	40,000	-	-	-	-	-	-	-	-	40,000
GG	EQ	IS10023	Connect Board Room AV Equipment to Server Room UPS	-	15,000	-	-	-	-	-	-	-	-	15,000
GG	EQ	IS10024	High End Color Laser Printers for HQ (2) and RP1 (1)	-	33,000	-	-	-	-	-	-	-	-	33,000
GG	EQ	IS10025	SAP Public Sector Budget Prep Application & Implementation	-	-	200,000	-	-	-	-	-	-	-	200,000
GG	EQ	IS10026	Redundant Internet Connection (CCWRF) Firewall & IDS	-	27,000	-	-	-	-	-	-	-	-	27,000
GG	EQ	IS10027	Future Information Technology Initiatives	-	50,000	140,000	120,000	140,000	-	-	-	-	-	450,000
GG	EQ	IS10028	Document Management System Upgrade (OnBase)	-	15,000	-	-	-	-	-	-	-	-	15,000
GG	EQ	IS10029	Document Mgmt System - workflow / SAP integration	-	-	125,000	-	-	-	-	-	-	-	125,000
GG	EQ	EM06005	RP1/RP4 Furniture	-	-	-	-	-	8,081	-	-	-	-	8,081
GG	RP	CP09001	IEUA HQ Maintenance Pick up	10,000	30,000	-	-	-	-	-	-	-	-	40,000
GG	RP	CP09002	CCTV Equipment Replacement	10,000	20,000	-	-	-	-	-	-	-	-	30,000
GG	RP	CP09004	Replacement Copiers	35,000	35,000	-	-	-	-	-	-	-	-	70,000
GG	RP	FA05002	ERP/CMMS Procurement	75,000	1,275,000	-	-	-	-	-	-	-	-	1,350,000
			Grand Total	**$450,500**	**$2,221,500**	**$788,500**	**$411,000**	**$596,000**	**$748,081**	**$240,000**	**$240,000**	**$1,165,000**	**$100,000**	**$6,960,581**

IEUA Ten-Year Capital Improvement Plan Projects

Non-Reclaimable Wastewater System (NC) Program

Fund	Type	Project #	Description	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	Total FY 09/10-18/19
NC	CC	EN07117	RP2-SARI Dump Site Relocation	112,434	-	-	-	-	-	-	-	-	-	112,434
NC	RP	EC08009	CSDLAC Capital Rplc	1,400,000	1,442,000	1,485,260	1,529,818	1,575,712	1,622,984	1,671,673	1,721,823	1,773,478	1,826,682	16,049,431
NC	RP	EN03750	NRWS Connections & Emergency Pipeline Repairs	300,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,100,000
NC	RP	EN07002	Reliant Energy 21" Valve	28,600	-	-	-	-	-	-	-	-	-	28,600
NC	RP	EN07011	NRW System Upgrades	600,000	612,707	1,450,000	1,615,000	1,115,000	1,115,000	1,115,000	1,115,000	1,115,000	-	9,852,707
NC	RP	GM10003	CEO/GM NRWS Cap Repl	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
NC	EQ	EC10007	New ECOP Application	22,844										22,844
			Grand Total	**2,483,878**	**2,274,707**	**3,155,260**	**3,364,818**	**2,910,712**	**2,957,984**	**3,006,673**	**3,056,823**	**3,108,478**	**2,046,682**	**28,366,016**

IEUA Ten-Year Capital Improvement Plan Projects

Wastewater Program – Capital Improvement (RC) Program

Fund	Type	Project #	Description	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	Total FY 09/10-18/19
RC	CC		IERCA 50% Capital Contribution	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$2,500,000
RC	CC	EN02014	Prado Dechlor Seismic Retrofit	-	-	-	-	561,577	-	-	-	-	-	561,577
RC	CC	EN03023	San Bernardino Ave Pump Stn	524,131	-	-	-	-	-	-	-	-	-	524,131
RC	CC	EN04018	Engineering-As-Builting	-	86,700	70,550	-	-	-	-	-	-	-	157,250
RC	CC	EN04030	CCWRP Aeration System Mod.	193	-	-	-	-	-	-	-	-	-	193
RC	CC	EN05011	TP1 Sodium Hypochlorite Stn Ex	-	-	-	276,618	-	-	-	-	-	-	276,618
RC	CC	EN05014	RP1 Pri.Sludge Thickening	-	-	1,000,000	-	-	-	-	-	-	-	1,000,000
RC	CC	EN05020	RP2 Waste Storage Pump Station	-	-	-	400,000	460,000	-	-	-	-	-	860,000
RC	CC	EN05027	RP2 System Modifications	50,350	-	-	-	-	-	-	-	-	-	50,350
RC	CC	EN05035	Upland Intrcptr Rlf Swr Ph II	100,000	-	-	-	-	-	-	-	-	-	100,000
RC	CC	EN05050	RP2 Digester Gas Sys Mods	700,000	-	-	-	-	-	-	-	-	-	700,000
RC	CC	EN05052	RP5 Maint Facility	-	-	-	-	-	-	-	-	2,938,895	-	2,938,895
RC	CC	EN05054	Misc RC Construction Projects	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
RC	CC	EN05056	RP-5/RP-2 Capacity Improvements	500,000	1,700,000	-	-	-	-	-	-	-	-	2,200,000
RC	CC	EN05060	RP5 Hot Water Loop Feas Study	-	51,000	59,500	-	-	-	-	-	-	-	110,500
RC	CC	EN05067	RP2 Decommissioning	-	-	-	-	-	-	1,000,000	7,000,000	-	-	8,000,000
RC	CC	EN06014	RP2 Dewtr Cake Storage System	310,000	-	-	-	-	-	-	-	-	-	310,000
RC	CC	EN06015	RP1 Dewatering Facility Expnsn	10,159,717	11,111,997	5,153,661	-	-	-	-	-	-	-	26,425,375
RC	CC	EN06020	RP5 System Fac Upgrade & Imprv	1,700,000	-	-	-	-	-	-	-	-	-	1,700,000
RC	CC	EN07006	RP1 Facilities Improvements	746,988	-	-	-	-	1,251,000	500,000	-	-	500,000	2,997,988
RC	CC	EN07008	RP2 Gravity Thickener	1,357,450	-	-	-	-	-	-	-	-	-	1,357,450
RC	CC	EN08004	RP-1 Upgrades	-	187,000	2,654,412	-	-	-	-	-	-	-	2,841,412
RC	CC	EN08009	New Operations Laboratory	100,000	-	-	-	-	-	-	-	-	-	100,000
RC	CC	EN11003	RP-1 Storm Water Contain Improvement Phase II	-	200,000	-	-	-	-	-	-	-	-	200,000
RC	CC	EN11004	RP-2 Screening Project	-	58,694	332,560	-	-	-	-	-	-	-	391,254
RC	CC	EN15001	CCWRF Secondary Clarifier Algae Control	-	-	-	-	-	249,000	-	-	-	-	249,000
RC	CC	PL03006	RP1 Odor Control - Phase I	250,000	-	-	-	-	-	-	-	-	-	250,000
RC	EQ	EM05012	RP4 Wireless LAN Bridge	50,000	-	-	-	-	-	-	-	-	-	50,000
RC	EQ	EM05013	RP1 Install Wireless	-	-	150,000	-	-	-	-	-	-	-	150,000
RC	EQ	IS10009	Wireless communications for Montclair and Philadelphia LS	-	60,000	-	-	-	-	-	-	-	-	60,000
RC	EQ	IS10010	RP-1, RP-2 & CCWRF Upgrade to Version 8.	200,000	-	-	-	-	-	-	-	-	-	200,000
RC	EQ	fen08025	Future DCS Initiatives	-	-	-	50,000	150,000	-	-	-	-	-	200,000
RC	EQ	IS12001	Upgrade DCS Foxboro I/A to Infusion (Wonderware)	-	-	-	100,000	100,000	-	-	-	-	-	200,000
RC	EQ	IS12002	Upgrade DCS AIM Historian to InSQL	-	-		100,000	-	-	-	-	-	-	100,000
RC	RP	EN03009	Etiwanda Interceptor Manholes	-	379,900	-	-	-	-	-	-	-	-	379,900
RC	RP	EN04013	Manhole Sealing Proj Phase II	-	200,000	-	-	-	-	-	-	-	-	200,000
RC	RP	EN06011	Collection Systm Emerg Upgrade	376,755	-	-	-	-	-	-	-	-	-	376,755
RC	RP	EN07004	Facilities Luminare Replacement	-	-	255,000	255,000	900,000	-	-	-	-	-	1,410,000
RC	RP	EN07007	Reg Fac Chem & Control Automat	-	-	88,931	503,944	-	-	-	-	-	-	592,875
RC	RP	EN08002	RP-1,RP-2,CarbCny O&M Manuals	10,000	-	-	-	-	-	-	500,000	495,998	-	1,005,998
RC	RP	EN11005	CCWRF Aeration System Replacement	-	1,000,000	-	-	-	-	-	-	-	-	1,000,000
RC	RP	EN12002	Capital Upgrades to RP-1, RP-2, CCWRF, RP4, & RP5	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000
RC	RP	PA06012	RP1 Primary Clarifiers	-	39,000	-	-	-	-	-	-	-	-	39,000
RC	EQ	PA08021	Enterprise Historian	-	180,000	180,669	-	-	-	-	-	-	-	360,669
RC	EQ	LB10012	Dionex ICS3000	70,000	-	-	-	-	-	-	-	-	-	70,000
RC	CC	EN09023	RP5 & SHF Renewable Energy Facilities, Independent Review RFP	75,000	-	-	-	-	-	-	-	-	-	75,000
			Grand Total	**$18,030,584**	**$16,004,291**	**$10,695,283**	**$2,435,562**	**$2,921,577**	**$2,250,000**	**$2,250,000**	**$8,250,000**	**$4,184,893**	**$2,250,000**	**$69,272,190**

IEUA Ten-Year Capital Improvement Plan Projects
Wastewater Program – Regional Operations (RO) Program

Fund	Type	Project #	Description	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	Total FY 09/10-18/19
RO	CC	EN09022	HQA SCADA Service Room Modifications and Air	$75,000	-	-	-	-	-	-	-	-	-	$75,000
RO	CC	EN09021	RP-4 Headworks: Screen Retrofit	235,000	-	-	-	-	-	-	-	-	-	235,000
RO	CC	EN08023	RP-1 Asset Replacement	500,000	814,173	500,000	500,000	500,000	700,000	250,000	1,300,000	300,000	2,250,000	7,614,173
RO	CC	EN08024	RP-1 Digester No. 3 Roof Repair	662,714	-	-	-	-	-	-	-	-	-	662,714
RO	EQ	IS09020	Replace RP-1 and RP-4 DCS WAN Routers		26,000	-	-	-	-	-	-	-	-	26,000
RO	EQ	IS09021	DCS PC Workstation Replacement 10	15,000	-	15,000	-	16,000	-	-	-	-	-	46,000
RO	EQ	IS09022	DCS Notebook Replacement 6	7,000	-	7,000	-	8,000	-	-	-	-	-	22,000
RO	EQ	IS09023	DCS Server Replacement 3	-	30,000	-	30,000	30,000	-	-	-	-	-	90,000
RO	EQ	IS09024	DCS Network Equipment Replaacement	7,000	7,000	8,000	9,000	10,000	-	-	-	-	-	41,000
RO	RP	EN08013	Plant Equipment Improvements	500,000	1,000,000	500,000	500,000	1,000,000	500,000	2,000,000	2,000,000	2,000,000	2,000,000	12,000,000
			Grand Total	**$2,001,714**	**$1,877,173**	**$1,030,000**	**$1,039,000**	**$1,564,000**	**$1,200,000**	**$2,250,000**	**$3,300,000**	**$2,300,000**	**$4,250,000**	**$20,811,887**

IEUA Ten-Year Capital Improvement Plan Projects
Recycled Water (WC) Program

Fund	Type	Project #	Description	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	Total FY 09/10-18/19
WC	CC	WR09012	RW SCADA System Masterplan	$175,000	-	-	-	-	-	-	-	-	-	$175,000
WC	CC	EN05057	RP5/RP2 Recyc Water Pipelines	569,522	-	-	-	-	-	-	-	-	-	569,522
WC	CC	EN06025	Wineville Ext Recy Wtr Pipln	500,000	500,000	3,789,018	6,078,037	-	-	-	-	-	-	10,867,055
WC	CC	EN07010	930 W.Reservoir & Pipeline	1,000,000	9,215,500	9,215,500	-	-	-	-	-	-	-	19,431,000
WC	CC	EN08018	1270 W Reservoir and Pipeline	500,000	5,250,000	2,250,000	-	-	-	-	-	-	-	8,000,000
WC	CC	EN09003	1430 W Reservoir and 1630 W Pump Station	500,000	2,548,000	1,092,000	-	-	-	-	-	-	-	4,140,000
WC	CC	EN09009	1630 W Reservoir and Pipeline	50,000	150,000	500,000	9,900,000	8,600,000	-	-	-	-	-	19,200,000
WC	CC	EN09012	Victoria & San Sevaine - Wells & Lysimeter Installation	1,385,000	-	-	-	-	-	-	-	-	-	1,385,000
WC	CC	WR04441	RP-4 1158 & 1270 PZ Pmp Stns	20,000	-	-	-	-	-	-	-	-	-	20,000
WC	CC	WR04444	RP1 South RW Pump Station	2,500	-	-	-	-	-	-	-	-	-	2,500
WC	CC	WR04446	San Antonio Channel Pipelin-B	20,000	-	-	-	-	-	-	-	-	-	20,000
WC	CC	WR04447	RP4 Area 1158 Pipeline	20,000	-	-	-	-	-	-	-	-	-	20,000
WC	CC	WR04448	RP4 Area 1158 Reservoir	20,000	-	-	-	-	-	-	-	-	-	20,000
WC	CC	WR08020	Misc Connections & Retrofits	2,000,000	1,000,000	500,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	3,850,000
WC	CC	WR08023	Euclid RW Lateral	200,000	8,640,000	5,760,000	-	-	-	-	-	-	-	14,600,000
WC	CC	WR08027	1299 E Pipeline	9,447,774	1,000,000	-	-	-	-	-	-	-	-	10,447,774
WC	CC	WR08028	1299 E Reservoir	860,944	100,000	-	-	-	-	-	-	-	-	960,944
WC	CC	WR08029	1630 E Pump Station	8,446,032	1,103,968	-	-	-	-	-	-	-	-	9,550,000
WC	CC	WR08030	Baseline Regional Pipeline	100,000	2,027,500	2,027,500	-	-	-	-	-	-	-	4,155,000
WC	CC	WR08031	1630 E Pipeline Segment A	10,142,997	1,000,000	-	-	-	-	-	-	-	-	11,142,997
WC	CC	WR08032	1430 W Pipeline	100,000	5,530,000	2,370,000	-	-	-	-	-	-	-	8,000,000
WC	RP	EN05055	Misc WC Construction Projects	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,000,000
WC	RP	EN08014	CIM Recycled Water Connection	71,774	-	-	-	-	-	-	-	-	-	71,774
WC	RP	EN08015	Bickmore Cathodic Protection	15,000	-	-	-	-	-	-	-	-	-	15,000
WC	RP	EN08016	RP-4 Outfall Pipeline Repair	10,000	10,000	650,000	-	-	-	-	-	-	-	670,000
			Grand Total	**$36,556,543**	**$38,474,968**	**$28,554,018**	**$16,428,037**	**$9,050,000**	**$450,000**	**$450,000**	**$450,000**	**$450,000**	**$450,000**	**$131,313,566**

END OF DOCUMENT



Inland Empire Utilites Agency
A MUNICIPAL WATER DISTRICT

AGENCY INFORMATION
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91710
Phone: 909-993-1600
Fax: 909-357-3870
www.ieua.org

MAILING ADDRESS
Post Office Box 9020
Chino Hills, CA 91709