IEUA Business Goals
Purpose: It is critical that IEUA Business Goals align with the Agency’s Mission, Vision & Values which are defined by the needs of our Stakeholders and the value provided to the Public. The Business Goal Development process includes a review of existing Agency-wide policy goals and their refinement based on current and future needs. It is also critical in setting the framework for the development of the IEUA Strategic Plan that will shape and guide the Agency’s fundamental decisions and actions over the next several years.

Background: Over the last several years, the Agency-wide policy goals, which have guided the Agency’s decisions and actions in executing its mission and attaining its vision, have been categorized into nine major thematic areas: Conservation & Water Quality, Technological Innovation, Rate Stabilization and Cost Effectiveness, Operational and Maintenance Efficiency, Strategic Planning and Capital Implementation, Waste Management and Resource Utilization, Interagency Relationships and Community Partnerships, Fiscal Accountability and Regulatory Compliance, and Staff Training, Development and Well Being.

These Agency-wide policy goals guide the development of the capital improvement program, operational budget, and organizational goals and objectives each budget cycle. As a way to further define the Agency’s levels of service (LOS), several workshops were held with the IEUA Board of Directors in 2011. However, the LOS developed as part of these workshops were primarily focused on the Agency’s operational functions. In early 2013 staff recommended the LOS be expanded into more broad based IEUA Business Goals to also include the following topics: water reliability, fiscal accountability and employee wellbeing. It was also determined that the development of the IEUA Business Goals should include input from Stakeholders including: IEUA Board of Directors, IEUA staff, Technical Committee members and Policy Committee members.
BUSINESS GOALS FUNCTION: For any organization to remain relevant and effective, its ability to adapt and prepare for change is essential. As illustrated below, the IEUA Business Goals must be continually evaluated as part of the planning process to ensure that they meet the current and future needs of the Region.

Agency Mission & Values

Business Goals (LOS)

Strategic Plan

Planning Elements

1. Fiscal Responsibility
2. Workplace Environment
3. Business Practices
4. Water Reliability
5. Wastewater Management
6. Environmental Stewardship

Facility Master Plan
IWR Master Plan
Sewer System Mng. Plan
Ten-Year Capital Plan
Financial Plan
Policies & Procedures
Goals & Objectives
**BUSINESS GOALS STRUCTURE:** The IEUA Business Goals were categorized into six main areas: *Fiscal Responsibility, Workplace Environment, Business Practices, Water Reliability, Wastewater Management and Environmental Stewardship.* Within each Business Goal (i.e. Water Reliability), several Objectives were established to support the Business Goal (i.e. beneficial use of recycled water, etc.). For each Objective, a Commitment was developed to define the level of service that IEUA will provide (i.e. develop recycled water infrastructure to reuse 50,000 AFY). The structure of the Business Goals is shown in the following figure:
**DOCUMENT STRUCTURE:** Included within this narrative is one page for each Business Goal – which outlines the Business Goal intent, each Objective and the corresponding recommended Commitment. Background on each Objective/Commitment is included within the Appendix.

**SCHEDULE:** The development, review and approval of Business Goals entails a sequence as indicated in the schedule below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30</td>
<td>IEUA Staff Workshop I</td>
</tr>
<tr>
<td>5/16</td>
<td>IEUA Staff Workshop II</td>
</tr>
<tr>
<td>6/5</td>
<td>IEUA Board Workshop I</td>
</tr>
<tr>
<td>7/23</td>
<td>Water Managers'/Technical Committee Workshop</td>
</tr>
<tr>
<td>8/7</td>
<td>IEUA Board Workshop II</td>
</tr>
<tr>
<td>8/15</td>
<td>Water Managers'/Technical Committee Workshop II</td>
</tr>
<tr>
<td>9/23</td>
<td>Joint IEUA Board/Policy Member Workshop</td>
</tr>
<tr>
<td>10/16</td>
<td>IEUA Board Approval</td>
</tr>
</tbody>
</table>

Following the completion of this process, the adopted Business Goals will be used as the basis for the development of several planning documents, including the Strategic Plan, Integrated Water Resources Plan, Facilities Master Plan Update and the Asset Management Plan.
**DEFINITIONS:** The following list is provided to define key terms utilized in the Business Goals Narrative.

**Board of Directors** – Five elected officials providing the governance of Inland Empire Utilities Agency and representing the following Divisions:

- Division 1: Terry Catlin
- Division 2: Gene Koopman
- Division 3: Steve Elie
- Division 4: Vacant
- Division 5: Michael Camacho

**Chino Groundwater Basin** – 5,000,000 AF of groundwater storage encompassing approximately 235 square miles of the upper Santa Ana River Watershed within San Bernardino, Riverside and Los Angeles Counties. A substantial portion of the Chino Groundwater Basin overlaps with the IEUA Service Area.

**IEUA Service Area** – 242 square miles located in the southwest corner of San Bernardino County incorporating: the City of Chino, the City of Chino Hills, the City of Fontana, the City of Montclair, the City of Ontario, the City of Upland and unincorporated areas of San Bernardino County.

**Imported Water** – A supplemental water source to local water supplies generally purchased through the State Water Project.

**Member Agencies** – Cities, agencies and districts that contract with IEUA for regional wastewater services and Imported Water deliveries (* denotes member agencies who also are signatories to the Regional Sewage Contract):

- City of Chino*
- City of Chino Hills*
- Cucamonga Valley Water District*
- City of Fontana*
- Fontana Water Company
- City of Montclair*
- Monte Vista Water District
- City of Ontario*
- San Antonio Water Company
- City of Upland*
**Policy Committee** – A committee comprised of policy members from Regional Sewage Contract member agencies and IEUA.

**Public** – The approximately 850,000 residents within the IEUA Service Area who receive the benefits of the services provided by the Member Agencies and IEUA.

**Region** – The geographical location where IEUA maintains a sphere of influence which is broader than the IEUA Service Area.

**Regional Water Agencies** – Agencies and districts having water interests within the Region but are not Member Agencies. These include but are not limited to:

- Chino Basin Watermaster
- Jurupa Community Services District
- Los Angeles County Sanitation District
- Metropolitan Water District
- Orange County Sanitation District
- Orange County Water District
- San Bernardino Flood Control and Water Conservation District
- Santa Ana Watershed Project Authority
- Western Municipal Water District

**Stakeholders** – A general term to define all interested parties including: Board of Directors, Policy Committee, Technical Committee, Member Agencies and Regional Water Agencies.

**Supplemental Water** – An additional water supply originating from outside the IEUA Service Area that may offset the demand for Imported Water – may include outside groundwater, recycled water, etc.

**Technical Committee** – A committee comprised of public works/water managers from the Member Agencies and IEUA.
A. Business Goal: Fiscal Responsibility

IEUA will safeguard the Agency’s fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.

1. Funding & Appropriation [Agency Management, Financial Planning, Accounting & Fiscal Management]
   
   **Objective:** IEUA will appropriately fund operational, maintenance and capital investment costs.

   **Commitment:** IEUA will adopt service rates and fees that fully support the costs of service and provide a reliable and steady flow of operating revenue to support all operational expenses, capital replacement and debt service costs. In addition, IEUA will ensure that service rates and fees support the Agency’s goal to sustain high quality Commitment Levels.

   **Reference Material:** Appendix A.1


   **Objective:** IEUA will accurately forecast future operational, repair & replacement, capital improvement and debt service costs as needed for the creation of multiyear budgets and rate resolutions that create fiscal stabilization for IEUA and the Member Agencies.

   **Commitment:** IEUA will provide multiyear forecasts for operational, repair & replacement, capital investment and debt service costs to support the adoption of multiyear budgets and rates enhancing dependability and stability.

   **Reference Material:** Appendix A.2

3. Reserves [Financial Planning, Accounting & Fiscal Management]

   **Objective:** IEUA will preserve fund reserves that sustain the Agency’s long term fiscal health, high quality credit rating and ensure its ability to effectively address economic variability.

   **Commitment:** IEUA will adopt financial policies to establish and preserve fund reserves above legally or contractually mandated levels to maintain Commitment Levels. In addition, IEUA will support short and long term funding requirements and sustain the Agency’s long term fiscal health and high quality credit rating to reduce future borrowing costs.

   **Reference Material:** Appendix A.3


   **Objective:** IEUA will sustain a high quality credit rating and debt service coverage ratio to safeguard the Agency’s fiscal health and reduce future borrowing costs.

   **Commitment:** IEUA will reinstate the Agency’s credit rating to AAA by FY 17/18 to reduce borrowing costs anticipated for the expansion and improvement of existing facilities to meet future growth in the Agency’s service area.

   **Reference Material:** Appendix A.4
B. Business Goal: Workplace Environment

IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency’s Mission, Vision and Values.

1. Mission, Vision & Values [All Agency Staff & Board]
   **Objective**: IEUA will uphold Business Goals, Objectives and Commitment Levels that support and advance the Agency’s Mission, Vision and Values.

   **Commitment**: IEUA will maintain the highest standard of ethical conduct from all Agency staff by promoting values of prudent leadership, integrity, collaboration, open communication, respect, accountability, high quality, passion and efficiency to support the Agency’s Mission, Vision and Values.

   **Reference Material**: Appendix B.1

2. Employer of Choice [Human Resources, & Agency Management]
   **Objective**: IEUA will be an Employer of Choice.

   **Commitment**: IEUA will provide a work environment that will attract and retain highly skilled, motivated, professional and committed employees.

   **Reference Material**: Appendix B.2

3. Training [Agency Management & Human Resources]
   **Objective**: IEUA will provide employees with state-of-the-art skills and knowledge to meet current and anticipated Agency needs.

   **Commitment**: IEUA will facilitate and provide opportunities for staff to further their personal/professional development in support of maintaining a highly skilled workforce.

   **Reference Material**: Appendix B.3

4. Staff Safety [Safety, Human Resources, & Agency Management]
   **Objective**: IEUA will promote and ensure a safe and healthy work environment to protect employees and Stakeholders.

   **Commitment**: IEUA will have no more than 1 day of lost time due to work related illness or injury per 1,000 days worked.

   **Reference Material**: Appendix B.4
C. Business Goal: Business Practices

IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.

1. Efficiency & Effectiveness [All Departments]
   
   **Objective:** IEUA will promote standards of efficiency and effectiveness in all Agency business practices and processes.

   **Commitment:** IEUA will integrate Lean techniques to evaluate its current business practices and processes and identify ways to improve the quality, cost and value of the services the Agency provides to the Member Agencies and the Public.

   **Reference Material:** Appendix C.1

2. Customer Service [All Departments]

   **Objective:** IEUA will provide excellent customer service that is cost effective, efficient, innovative and reliable.

   **Commitment:** IEUA will respond to and meet the Member Agencies expectation for enhanced value added services. IEUA will solicit Stakeholder feedback on performance and goal alignment on an annual basis.

   **Reference Material:** Appendix C.2

3. Regional Leadership and Community Relations [Agency Management, Planning, & Engineering]

   **Objective:** IEUA will cultivate a positive and transparent relationship with its Stakeholders to enhance quality of life, preserve our heritage and protect the environment.

   **Commitment:** IEUA will partner with its Stakeholders on common issues to create and implement integrated and innovative solutions, minimize duplication of efforts and support education and outreach to the Public. Furthermore, IEUA will incorporate Member Agencies and Regional Water Agencies into various IEUA related projects and programs to ensure that a transparent and broader regional representation is achieved.

   **Reference Material:** Appendix C.3


   **Objective:** IEUA will effectively advocate, campaign and guide the development of policies and legislation that benefit the Region IEUA serves.

   **Commitment:** IEUA will promote a collaborative approach for the development of positions on policies, legislation and regulations that impact Agency policy objectives.

   **Reference Material:** Appendix C.4
D. Business Goal: Water Reliability

IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.

1. Water Use Efficiency & Education [Planning, Engineering, & Public Information]
   **Objective:** IEUA will promote education and water use efficiency to enhance water supplies within the Region and exceed State goals for reductions in per capita water use within the IEUA Service Area.
   
   **Commitment:** IEUA will promote to reduce water use in the IEUA Service Area to less than 200 gallons per capita per day (gpcd) by 2018.

   **Reference Material:** Appendix D.1

2. New Water Supplies [Planning & Engineering]
   **Objective:** IEUA will support the Member Agencies and Regional Water Agencies with the development of reliable, drought-proof and diverse local water resources and Supplemental Water supplies in order to reduce dependence on Imported Water supplies.
   
   **Commitment:** IEUA will promote reducing demand for Imported Water during dry and normal years and storing Imported Water into the Chino Groundwater Basin during wet years. In addition, IEUA will support maximizing the beneficial use of existing water infrastructure, while meeting future increased demands through investment in local water resources, Supplemental Water supplies and conservation efforts.

   **Reference Material:** Appendix D.2

   **Objective:** IEUA will support maximizing beneficial reuse of recycled water to enhance reliability and reduce dependence on Imported Water.
   
   **Commitment:** IEUA will complete the development of recycled water infrastructure and will support the Member Agencies in achieving reuse of 50,000 AFY by 2025.

   **Reference Material:** Appendix D.3

   **Objective:** IEUA will maximize all sources of groundwater recharge.
   
   **Commitment:** IEUA will support the recharge of all available stormwater and maximize the recharge of recycled water within the Chino Groundwater Basin. Furthermore, IEUA will pursue the purchase and storage of cost-effective Supplemental Water supplies.

   **Reference Material:** Appendix D.4
E. Business Goal: Wastewater Management

*IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.*


**Objective:** IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.

**Commitment:** IEUA will ensure that systems are managed and constructed so that 90% of capacity is never exceeded.

**Reference Material:** Appendix E.1

2. On-Time Construction [Engineering, & Construction Management]

**Objective:** IEUA will ensure capital projects are designed and implemented in a timely and economically responsible manner.

**Commitment:** IEUA will design and construct facilities through efficient project management to ensure that 80% of projects are completed on schedule and 90% of projects are on budget.

**Reference Material:** Appendix E.2


**Objective:** IEUA will manage all Agency produced biosolids in a compliant, fiscally prudent and environmentally sustainable manner.

**Commitment:** IEUA will ensure that 95% of the Inland Regional Compost Facility’s capacity is utilized, all biosolids produced by IEUA are treated at IERCF, Agency solids generation is minimized through efficient dewatering operations and all compost is marketed for beneficial use.

**Reference Material:** Appendix E.3


**Objective:** IEUA will optimize facility energy use and effectively manage renewable resources to achieve peak power independence, contain future energy costs, achieve statewide renewable energy, distributed generation and greenhouse gas reduction goals, and provide for future rate stabilization.

**Commitment:** IEUA will achieve peak power independence by 2020 through the implementation of renewable projects, energy management agreements and operational efficiencies.

**Reference Material:** Appendix E.4
F. Business Goal: Environmental Stewardship

*IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.*

1. **Regulatory Compliance [Compliance, Operations, & Maintenance]**
   
   **Objective**: IEUA will comply with all federal, state and local laws at each Agency facility.
   
   **Commitment**: IEUA will have no more than 2 notices of violation annually from the State Water Resources Control Board, Air Quality Management District, or Non-Reclaimable Waste System for all Agency owned and operated facilities.
   
   **Reference Material**: Appendix F.1

2. **Good Neighbor Policy [Compliance, Operations, & Maintenance]**
   
   **Objective**: IEUA will control odors at all Agency facilities for the purpose of improving the environment and being a good neighbor to the local community.
   
   **Commitment**: IEUA will perform a quarterly odor monitoring assessment to develop actual and acceptable baseline odor thresholds. Acceptable baseline thresholds will be used to measure treatment plant performance and drive necessary capital improvements.
   
   **Reference Material**: Appendix F.2

3. **Response & Complaint Mitigation [Compliance, Operations, & Maintenance]**
   
   **Objective**: IEUA will investigate and appropriately respond in a timely manner to any environmental issue or complaint received at any Agency Facility.
   
   **Commitment**: IEUA will immediately respond to any event that threatens public health and safety and will respond within 5 working days to any non-emergency complaint or suggestion.
   
   **Reference Material**: Appendix F.3

4. **Environmental Responsibility [Agency Management, Planning, & Engineering]**
   
   **Objective**: IEUA will strive to implement actions that enhance or promote environmental sustainability and the preservation of the region’s heritage.
   
   **Commitment**: IEUA will consider and assess environmental sustainability, public use and heritage preservation options for all of its programs and projects.
   
   **Reference Material**: Appendix F.4
A. Fiscal Responsibility
   A.1 – Funding & Appropriation
   A.2 – Budget Planning
   A.3 – Reserves
   A.4 – Creditworthiness

B. Workplace Environment
   B.1 – Mission, Vision & Values
   B.2 – Employer of Choice
   B.3 – Training
   B.4 – Staff Safety

C. Business Practices
   C.1 – Efficiency & Effectiveness
   C.2 – Customer Service
   C.3 – Regional Leadership & Community Relations
   C.4 – Policy Leadership

D. Water Reliability
   D.1 – Water Use Efficiency & Education
   D.2 – New Water Supplies
   D.3 – Recycled Water
   D.4 – Groundwater Recharge

E. Wastewater Management
   E.1 – Capacity
   E.2 – On-Time Construction
   E.3 – Biosolids Management
   E.4 – Energy Management

F. Environmental Stewardship
   F.1 – Regulatory Compliance
   F.2 – Good Neighbor Policy
   F.3 – Response & Complaint Mitigation
   F.4 – Environmental Responsibility
Appendix A.1

Fiscal Responsibility – Funding & Appropriation

Business Goal: IEUA will safeguard the Agency’s fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.

Objective: IEUA will appropriately fund operational, maintenance and capital investment costs.

Commitment: IEUA will adopt service rates and fees that fully support the costs of service and provide a reliable and steady flow of operating revenue to support all operational expenses, capital replacement and debt service costs. In addition, IEUA will ensure that service rates and fees support the Agency’s goal to sustain high quality Commitment Levels.

Commitment Level Background

- Historically, the Agency’s operating revenues (net of property tax supplement) have been lower than operating expenses (i.e., services provided by the Agency do not generate revenues needed to pay for total cost of operations), resulting in an operating structural deficit. The operating structural deficit has been supported by a combination of property tax receipts and fund reserves.
- The allocation of property tax receipts and fund reserves to support operating activities reduced the amount of property taxes available to support capital investment, and over time, diminished the Agency’s fund reserve balances.
- Given the uncertainty of property taxes, it is essential for the Agency to reduce its reliance on this funding source to support recurring expenditures (O&M and debt service costs) over time.
- In 2013, IEUA will release the first Asset Management Plan, which will provide management strategies and funding requirements to repair and replace aging equipment at each of the treatment facilities based on condition assessments. Funding of R&R is essential to ensuring facilities are maintained to support the Agency’s Commitment Levels.
- IEUA is committed to ultimately having rates that fully support recurring costs, including O&M, R&R, and debt service costs. Achieving this goal will allow the Agency to fully allocate property tax receipts to support capital investment, including future expansion of existing facilities, and reduce future borrowing costs.
- Fiscal Year 2013/14 is the second year of a three-year rate resolution adopted by the Agency’s Board of Directors in February 2012 for the Regional Wastewater and Recycled Water programs. The multi-year rate increases begin to address the net operating structural deficit resulting from rates not fully recovering program costs.
Appendix A.2

Fiscal Responsibility – Budget Planning

Business Goal: IEUA will safeguard the Agency’s fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.

Objective: IEUA will accurately forecast future operational, repair & replacement, capital improvement and debt service costs as needed for the creation of multiyear budgets and rate resolutions that create fiscal stabilization for IEUA and the Member Agencies.

Commitment: IEUA will provide multiyear forecasts for operational, repair & replacement, capital investment and debt service costs to support the adoption of multiyear budgets and rates enhancing dependability and stability.

Commitment Level Background

- In addition to the annual adoption of the Operating Budget and TYCIP, the Agency also prepares a Long Range Plan of Finance (LRPF).
- The LRPF aligns the Agency’s financial capacity with long-term service objectives. The LRPF uses forecasts to provide insight into the Agency’s future financial capacity so that Agency strategies can achieve long term sustainability of financial and service objectives. It provides the most cost-effective funding strategy to support the operations and capital requirements in line with established policies and goals.
- Based upon the LRPF and other financial documents, the Agency is committed to adopting multiyear budgets and rates to facilitate the integration of the financial and strategic planning.
- Adoption of multiyear budgets and rates will provide a more strategic approach to resource allocation, as well as streamline the Agency’s rate increase process and provide long term stability.
Appendix A.3

Fiscal Responsibility – Reserves

Business Goal: IEUA will safeguard the Agency’s fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.

Objective: IEUA will preserve fund reserves that sustain the Agency’s long term fiscal health, high quality credit rating and ensure its ability to effectively address economic variability.

Commitment: IEUA will adopt financial policies to establish and preserve fund reserves above legally or contractually mandated levels to maintain Commitment Levels. In addition, IEUA will support short and long term funding requirements and sustain the Agency’s long term fiscal health and high quality credit rating to reduce future borrowing costs.

Commitment Level Background

- Fund balance is a measure of the net worth (total assets minus total liabilities) of an organization and is a strong indicator of its financial health. In addition to consolidated fund balance at the Agency-wide level, IEUA also maintains fund balances at the individual program level.
- The fund balance reserves are designated for specific purposes, and include four month operating contingency and debt service as prescribed by the current bond covenants, capital construction, improvement and replacement, rate stabilization, self-insured workers’ compensation and liability insurance, retiree medical benefits, and other short term and long term requirements.
- The figure below compares the Agency’s actual and projected total fund balance to the “targeted” amount from FYs 2009/10 through 2016/17. Targeted fund balance as defined in the Agency’s 2012 LRPF is the sum of 50 percent of operating revenues, and total fund balance reserves designated to support debt service costs.

- An update of the Agency’s financial policies adopted in 2005 is planned in 2013 as part of the implementation of a long range financial model. A key objective will be to align reserves and thresholds to meet the Agency’s short term and long term needs and develop a funding strategy.
Appendix A.4

Fiscal Responsibility – Creditworthiness

**Business Goal:** IEUA will safeguard the Agency’s fiscal health through organizational efficiency, adoption of balanced multiyear budgets and rates that meet full cost-of-service targets, maintain a high quality credit rating and preserve established fund balance reserves to effectively address short term and long term economic variability. Furthermore, IEUA will provide open and transparent communication to educate the Member Agencies on the fiscal policies of the Agency.

**Objective:** IEUA will sustain a high quality credit rating and debt service coverage ratio to safeguard the Agency’s fiscal health and reduce future borrowing costs.

**Commitment:** IEUA will reinstate the Agency’s credit rating to AAA by FY 17/18 to reduce borrowing costs anticipated for the expansion and improvement of existing facilities to meet future growth in the Agency’s service area.

**Commitment Level Background**

- As part of the 2012 multi-year rate increase, IEUA established minimum debt coverage ratio targets for the upcoming fiscal years. The following table shows the DCR targets, the actual DCR’s and forecasted DCR’s (F):

<table>
<thead>
<tr>
<th>DCR</th>
<th>FY 11/12</th>
<th>FY 12/13</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Projected</td>
<td>Forecasts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>1.43x</td>
<td>1.50x</td>
<td>1.70x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual/Forecast</td>
<td>1.69x</td>
<td>1.92x</td>
<td>1.75x</td>
<td>2.01x</td>
<td>2.18x</td>
</tr>
</tbody>
</table>

- The FY 2011/12 Comprehensive Annual Financial Report (CAFR) reported an Agency DCR of 1.69x and the following credit ratings: AA- (S&P), Aa2 (Moody’s), and AA- (Fitch).
- The adopted FY 2014-2023 Ten Year Capital Improvement (TYCIP) includes expansion of the Agency’s southern service area facilities in FY 2018/19 where most of the future population growth is anticipated. This expansion is projected to be financed with new debt. Improvement of the Agency’s long term credit rating to AAA and DCR to 2.70x (DCR is the ratio of net revenue available to meet debt service costs). In the current market, the differential cost of borrowing between AA and AAA is about 20 basis points. On a $40 million bond issue, this equates to a borrowing-cost-savings of over $2.4 million over a 30 year term.
- Lower borrowing costs equate to lower fees.
Appendix B.1

Workplace Environment – Mission, Vision & Values

**Business Goal:** IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency’s Mission, Vision and Values.

**Objective:** IEUA will uphold Business Goals, Objectives and Commitment Levels that support and advance the Agency’s Mission, Vision and Values.

**Commitment:** IEUA will maintain the highest standard of ethical conduct from all Agency staff by promoting values of prudent leadership, integrity, collaboration, open communication, respect, accountability, high quality, passion and efficiency to support the Agency’s Mission and Vision.

**Commitment Level Background**

---

**Mission Statement:** The mission of the Agency is to supply imported and recycled water; collect, treat, and dispose of wastewater; and provide other utility-related (renewable electrical energy, compost) services to the communities it serves. The Agency strives to provide these services in a regionally planned, managed, and cost-effective manner.

**Vision:** The Inland Empire Utilities Agency will strive to enhance the quality of life in the Inland Empire by providing optimum water resources management for the area’s customers while promoting conservation and environmental protection.

**Values:** The success of the Agency depends on teamwork, mutual trust and respect, and commitment to the highest standards of quality, responsibility, accountability, and dedication.

- Management will ensure that principles, policies and practices support the Business Goals, Mission, Vision and Values of the Agency.
Appendix B.2

Workplace Environment – Employer of Choice

Business Goal: IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency’s Mission, Vision and Values.

Objective: IEUA will be an Employer of Choice.

Commitment: IEUA will provide a work environment that will attract and retain highly skilled, motivated, professional and committed employees.

Commitment Level Background

- IEUA will recruit, retain, and promote a diverse and qualified workforce committed to the Agency’s Mission, Vision and Values. This will be achieved by utilizing modern recruitment practices that provide flexible and responsive recruiting solutions to assist with filling positions in a timely and effective manner.
- IEUA will encourage and maintain a highly motivated and trained staff by designing, implementing, and supporting a learning environment which encourages growth and development of Agency staff.
- IEUA will strive to align project/work tasks with the skills of its employees to create a rewarding and successful work environment.
- IEUA will create a culture that recognizes a dedicated staff and attracts qualified individuals through the use of creative communication methods and continued education of available employee benefits to increase knowledge of these programs and services. In addition, IEUA will update the Agency’s various award recognition programs to reflect the Agency’s cost containment strategies.
- IEUA will reduce stress from work-life imbalance by promoting partnerships, cross training, shared responsibilities, and a culture of teamwork to allow any and all employees recuperative time away from work activities.
- IEUA will inspire trust and confidence in Management by: clearly defining the Agency’s Mission/Vision/Values, by creating Business Goals that support the Mission/Vision/Values, outlining a Strategic Plan to achieve those goals, communicating how the Agency is accomplishing these goals, and effectively linking these goals to each employee objectives and performance.
Appendix B.3

Workplace Environment – Training

**Business Goal:** IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency’s Mission, Vision and Values.

**Objective:** IEUA will provide employees with state-of-the-art skills and knowledge to meet current and anticipated Agency needs.

**Commitment:** IEUA will facilitate and provide opportunities for staff to further their personal/professional development in support of maintaining a highly skilled workforce.

**Commitment Level Background**

- All Agency employees have access to online training:
  - Leadership, Team Building, and Mentoring Skills Training
  - Microsoft Office Training
  - OSHA Required Safety Trainings

  Employees are provided with login information, which allows the employee to perform trainings at the most optimum time to fit their daily schedule.

- Selected Agency employees have the ability to attend onsite classroom trainings. The following onsite classroom trainings are going to be provided for Fiscal Year 2013/2014: “7 Habits of Highly Effective People”, (4) specialized onsite workshops, (12) 4-hour Microsoft Office trainings and policies and procedures training.

- Three types of offsite training are going to be provided for Fiscal Year 2013/2014:
  - Southern California Local Government Supervisory Program – This is a 3 day training course to provide skills for new supervisors.
  - Southern California Local Government Leadership Academy – This is a 7 day training program for Managers provided by current or retired City Managers.
  - Liebert Cassidy Whitmore Training – Legal Counsel provides workshops to Managers, Supervisors, and aspiring Supervisors on relational issues.

- IEUA also provides tuition reimbursement up to $2,500 per year for employee educational expenses that increase their job knowledge and skills. Additionally, certification and degree incentives are awarded to employees who earn Associates, Bachelor’s and Master’s Degree, and specific program certification.

- Each Agency Department has training budgets to perform trainings on specialized skill sets for their employees.
Appendix B.4

Workplace Environment – Staff Safety

Business Goal: *IEUA is committed to provide a positive workplace environment by recruiting, retaining and developing a highly skilled team dedicated to the Agency’s Mission, Vision and Values.*

Objective: *IEUA will promote and ensure a safe and healthy work environment to protect employees and Stakeholders.*

Commitment: *IEUA will have no more than 1 day of lost time due to work related illness or injury per 1,000 days worked.*

Commitment Level Background

- IEUA will sustain a clean, safe, and healthy working environment for all Agency employees at all facilities. This will be achieved by:
  - Administering and monitoring required safety and regulatory trainings;
  - Conducting annual intra-department safety audits; and
  - Conducting annual emergency response drills, such as HAZWOPER training, fire drills, and earthquake drills

- IEUA has maintained an outstanding employee workplace injury record. For Fiscal Year 2012/2013 the Agency had no lost time due to work related illness or injury. Most employee workplace injury events that occur at IEUA are typically due to cuts, scrapes, and bruises. Rarely does a workplace injury incident result in lost time.

- Occupational Safety and Health Administration (OSHA) categorizes work related illnesses or injuries by: recordable cases (a case that resulted in medical treatment beyond 1st aid, loss of consciousness, or a significant injury diagnosed by a physician), transfers or restrictions (a case that resulted in an employee not being able to perform their job duties; however, their job duties were modified to meet the requirement of the illness or injury), lost time (a case that resulted in an employee not being able to work for one day after the date of injury), and death. For 2010 through 2012, IEUA had the following work injury statistics:

  **By Case**

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Recordable Cases</th>
<th>Transfers or Restrictions</th>
<th>Lost Time</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>9</td>
<td>6</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>2011</td>
<td>12</td>
<td>6</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>13</td>
<td>12</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

  **By Days**

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Transfers or Restrictions</th>
<th>Lost Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>81</td>
<td>180</td>
</tr>
<tr>
<td>2011</td>
<td>235</td>
<td>56</td>
</tr>
<tr>
<td>2012</td>
<td>390</td>
<td>0</td>
</tr>
</tbody>
</table>
Appendix C.1

Business Practices – Efficiency & Effectiveness

Business Goal: IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.

Objective: IEUA will promote standards of efficiency and effectiveness in all Agency business practices and processes.

Commitment: IEUA will integrate Lean techniques to evaluate current business practices and processes and identify ways to improve the quality, cost and value of the services the Agency provides to the Member Agencies and the Public.

Commitment Level Background

- IEUA is committed to providing its Stakeholders with high quality service in a cost effective, regionally planned manner. Continued assessment and improvement of our business processes and practices is essential to ensure optimization of efficiency and effectiveness.
- Lean was originally developed to reduce waste in manufacturing and evolved from Total Quality Management (TQM); the manufacturing practices of the Toyota Motor Corporation. However, rather than focusing on mass production, Lean focus on the elimination of waste while providing the same, or enhanced, value to the customer.
- Application of Lean techniques will help define key performance indicators (KPIs) to more effectively measure, monitor, and realign processes to meet the Agency’s business goals and objectives.
- In April 2013, the second phase of the Agency’s Enterprise Resource Planning (ERP) business system, first implemented in 2007, went live to streamline the recording, tracking and reporting of employee and payroll data. This enhancement helps support the Agency’s efficiency and effectiveness initiative by eliminating redundant systems, enhancing data integrity, and supporting more transparent and timely reporting.
- The Agency’s ERP system and integrated format also helps support the transition from a reactive to a condition based monitoring (CBM) maintenance philosophy strategy; a key initiative of the Agency. Under CBM, the 45 percent of resources currently allocated to reactive maintenance (unplanned or emergency repairs) will shift to support a predictive strategy denoted by improved planning and scheduling and more effective diagnosis of equipment functionality.
- The same integrated approach is being applied to the Agency’s existing Supervisory Control & Data Acquisition (SCADA) System network which is currently comprised of a wide variety of equipment and applications located throughout the various facilities. Significant effort went into documenting the current state and analyzing the Agency’s SCADA systems resulting in the 2012 Board adoption of the Recycled Water, Groundwater Recharge and Facilities SCADA Master Plans.
Appendix C.2

Business Practices – Customer Service

Business Goal: IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.

Objective: IEUA will provide excellent customer service that is cost effective, efficient, innovative and reliable.

Commitment: IEUA will respond to and meet the Member Agencies expectation for enhanced value added services. IEUA will solicit Stakeholder feedback on performance and goal alignment on an annual basis.

Commitment Level Background

- IEUA is committed to providing excellent customer service by:
  - Providing the primary services of the Agency – water management, wastewater management, biosolids management, and other resources management disciplines.
  - Ensuring that these services are offered in an effective, sustainable and cost efficient method.
  - Providing clear and direct responses to customer suggestions, inquiries, and complaints.
  - Maintaining open sources of communication to ensure stakeholder’s interests are discussed and opportunities are pursued.
- IEUA will optimize customer service by ensuring alignment and management of core procurement business functions, roles and responsibilities.
- Media relations will continue to be cultivated and press releases will remain a major effort along with the Agency internal and external newsletter and updates.
- Social networking and website maintenance will remain a top priority for Agency outreach and communication initiatives.
- IEUA will collaborate with all Stakeholders to ensure open communication and discussion of issues and policies that affect the IEUA Service Area, (i.e. topics such as imported water rates and deliveries, development and availability of local water supplies.)
Appendix C.3

Business Practices – Regional Leadership & Community Relations

**Business Goal:** IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.

**Objective:** IEUA will cultivate a positive and transparent relationship with its Stakeholders to enhance quality of life, preserve our heritage and protect the environment.

**Commitment:** IEUA will partner with its Stakeholders on common issues to create and implement integrated and innovative solutions, minimize duplication of efforts and support education and outreach to the Public. Furthermore, IEUA will incorporate Member Agencies and Regional Water Agencies into various IEUA related projects and programs to ensure that a transparent and broader regional representation is achieved.

**Commitment Level Background**

- IEUA will promote and sustain effective communication between the Agency and its Stakeholders through use of various methods, including frequent meetings/workshops, newsletters and electronic media.
- Incorporating the Agency’s branding initiatives, staff will create a recognizable standard to educate the public about water recycling, water conservation and capital infrastructure/replacement investments.
- IEUA is committed to taking actions that consider the cost, quality and value of service for communities we serve.
- The Agency strives to foster open, positive and collaborative relationships with all Stakeholders to meet the water needs of the Region now and in the future.

![Image of water recycling and conservation]

- Sewage Contracting Agencies
- Water Retail Agencies
- MWD
- SAWPA
- Watermaster
Appendix C.4

Business Practices – Policy Leadership

Business Goal: IEUA is committed to applying ethical, fiscally responsible and environmentally sustainable principles to all aspects of business and organizational conduct.

Objective: IEUA will effectively advocate, campaign and guide the development of policies and legislation that directly benefit the Region IEUA serves.

Commitment: IEUA will promote a collaborative approach for the development of positions on policies, legislation and regulations that impact Agency policy objectives.

Commitment Level Background

- IEUA will provide leadership on legislative solutions and regulatory standards for water reliability, water quality, energy management, wastewater collection, treatment and reuse, organics management, and stormwater and watershed management.
- IEUA will continue to effectively seek State and Federal grant funding for Agency and regional projects that achieve IEUA’s policy objectives; (e.g. the Recharge Master Plan, Renewable Energy, the Optimum Basin Management Plan, and the Recycled Water Program).
- IEUA will actively research, monitor, review, and adopt positions on federal and state legislation that benefit the IEUA’s and the Member Agencies policy objectives. This information will be shared and discussed with all Stakeholders.
- IEUA will support the development of public affairs, public awareness, community education and outreach, media relations and legislative programs on issues that address the policy objectives of IEUA. Open communication and collaboration among the Agency and its Stakeholders is of prime importance.
- IEUA will work with Member Agencies to formulate methods and approaches for addressing community and agency concerns and ensure that concerns, needs, and requests are responded to in a timely manner.
- IEUA will actively review and provide recommendations on procedures and processes to improve the efficiency, cost effectiveness, customer responsiveness, quality and environmental sustainability of Agency programs and projects.
- IEUA will coordinate intergovernmental activities with Stakeholders, industry associations, and regulatory agencies and will appear before local and state bodies on public affairs and other matters.
- IEUA will comply with the Brown Act requirements, and other laws pertaining to special districts.
- IEUA will navigate and implement the regulatory changes as a result of pension reform.
Appendix D.1

Water Reliability – Water Use Efficiency & Education

**Business Goal:** IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.

**Objective:** IEUA will promote education and water use efficiency to enhance water supplies within the Region and exceed State goals for reductions in per capita water use within the IEUA Service Area.

**Commitment:** IEUA will promote to reduce water use in the IEUA Service Area to less than 200 gallons per capita per day (gpcd) by 2018.

**Commitment Level Background**

- The Water Conservation Act of 2009 (SBX 7-7) requires urban retail water suppliers to continue demand management measures to reduce water use, as measured by gpcd, by 10% by December 31, 2015 and by 20% by December 31, 2020 to maintain eligibility to receive state water management grants and loans.
- The baseline water use for the region from 1999 - 2008 was calculated to be 251 gpcd.
- The reduced water use targets can be achieved through: water use efficiency (WUE) active programs, WUE passive policy initiatives, and recycled water use. The current goal of the Urban Water Management Plan and the Water Use Efficiency Business Plan is to achieve the 20 x 2020 per capita water use reduction in the following manner:

<table>
<thead>
<tr>
<th></th>
<th>2015 Reduction</th>
<th>2020 Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Reduction from WUE Activities</td>
<td>5 gpcd</td>
<td>13 gpcd</td>
</tr>
<tr>
<td>Projected Reduction from Recycled Water Use</td>
<td>38 gpcd</td>
<td>45 gpcd</td>
</tr>
<tr>
<td>TOTAL Projected Reduction</td>
<td>43 gpcd</td>
<td>58 gpcd</td>
</tr>
<tr>
<td>10 Year Baseline Target</td>
<td>226 gpcd</td>
<td>201 gpcd</td>
</tr>
<tr>
<td>Projected Achievement</td>
<td>208 gpcd</td>
<td>193 gpcd</td>
</tr>
</tbody>
</table>

- Additional per capita water use reductions can be achieved within the IEUA Service Area. IEUA’s policy goal is to strive to achieve the 20 by 2020 reduction through conservation measures alone. IEUA will collaborate with all Member Agencies to review and update the Water Use Efficiency Business Plan to achieve this goal and will support the reduction of water use below 200 gpcd by 2018.
- IEUA will continue to expand regional water efficiency educational, outreach and rebate programs.
Appendix D.2

Water Reliability – New Water Supplies

Business Goal: IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.

Objective: IEUA will support the Member Agencies and Regional Water Agencies with the development of reliable, drought-proof and diverse local water resources and Supplemental Water supplies in order to reduce dependence on Imported Water supplies.

Commitment: IEUA will promote reducing demand for Imported Water during dry and normal years and storing Imported Water into the Chino Groundwater Basin during wet years. In addition, IEUA will support maximizing the beneficial use of existing water infrastructure, while meeting future increased demands through investment in local water resources, Supplemental Water supplies and conservation efforts.

Commitment Level Background

- As part of the 2010 Urban Water Management Plan (UWMP), IEUA has set a goal to maximize use of local water supplies and minimize the need for Imported Water, especially during dry years and other emergency shortages from Metropolitan Water District (MWD).
- Unless additional water reductions are achieved or new local water supplies are developed, current projections show that regionally an additional 10,000 AFY of costly Imported Water will be required by year 2025.
- It is understood that future Imported Water reliability will be lower and costs will be higher. Over the next ten years, it is estimated that the IEUA/Member Agencies will purchase $600 million in Imported Water. A 10,000 AFY water supply shift from Imported Water would reduce MWD purchases by approximately $100 million over the same ten year period.
- IEUA is in the process of preparing an Integrated Resources Plan (IRP), which will provide an achievable long-term strategy to meet current and future water needs. The IRP will evaluate existing water supplies and demands, forecast future water supplies and demands, and evaluate additional water efficiency and alternative sources of new water supply that will reduce future reliance on Imported Water.
Appendix D.3

Water Reliability – Recycled Water

**Business Goal:** IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.

**Objective:** IEUA will support maximizing beneficial reuse of recycled water to enhance reliability and reduce dependence on Imported Water.

**Commitment:** IEUA will complete the development of recycled water infrastructure and will support the Member Agencies in achieving reuse of 50,000 AFY by 2025.

**Commitment Level Background**

- IEUA has a current wastewater flow of approximately 60,000 AFY. Based upon wastewater forecasts and potential future interconnections, IEUA is targeting a reliable recycled water supply of 50,000 AFY for direct use and groundwater recharge by 2025.
- As outlined in the Recycled Water Business Plan, IEUA is in the process of expanding recycled water infrastructure to meet the 50,000 AFY delivery target. IEUA will release the Recycled Water Plan Update in 2014.
- In addition, the IRP will have specific focus on the development of additional direct recycled water connections and a specific emphasis on recycled water interties and enhanced groundwater recharge capabilities.
- Estimated Fiscal Year 2012/2013 recycled water delivery for direct use and groundwater recharge is 31,500 AFY. Increasing recycled water deliveries to 50,000 AFY is key to meeting the other three Objectives/Commitment Levels (Water Use Efficiency & Education, New Water Supplies, and Groundwater Recharge) for the Water Reliability Business Goal.
Appendix D.4

Water Reliability – Groundwater Recharge

Business Goal: IEUA is committed to the development and implementation of an integrated water resource management plan that promotes cost-effective, reliable, efficient and sustainable water use along with economic growth within the IEUA Service Area.

Objective: IEUA will maximize all sources of groundwater recharge.

Commitment: IEUA will support the recharge of all available stormwater and maximize the recharge of recycled water within the Chino Groundwater Basin. Furthermore, IEUA will pursue the option to purchase and store cost-effective surplus Imported Water supplies.

Commitment Level Background

- Groundwater currently comprises about 60% of the water supply needed to meet urban water demand for the region.
- The Chino Groundwater Basin contains approximately 5 million AF of water storage with an additional 1 million AF in unused storage capacity. The current safe-yield of the Basin is 145,000 AFY and declining. Historically, discounted Imported Water has been available and utilized to recharge the Basin when pumping has exceeded the safe-yield. The MWD discounted replenishment water was discontinued in 2012, changing the economic impacts of over-production of groundwater.
- The Chino Basin Groundwater Recharge Program developed new sources of replenishment water: local stormwater and recycled water.
- IEUA has been shifting the need to buy Imported Water to meet replenishment needs, to the cost-effective use of stormwater and recycled water.
- IEUA will continue to partner with CBWM to maximize the recharge of all available stormwater and recycled water and will only recharge imported water proactively when economically viable or as necessary to meet replenishment requirements.
Appendix E.1

Wastewater Management – Capacity

Business Goal: IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.

Objective: IEUA will maintain capacity within systems and facilities to meet essential service demands and to protect public health and environment.

Commitment: IEUA will ensure that systems are managed and constructed so that 90% of capacity is never exceeded.

Commitment Level Background

- Economic development of the region is dependent upon well planned public works infrastructure in place prior to land development. Wastewater collection and treatment are critical components of this infrastructure.
- IEUA has and will continue to utilize operational flexibilities provided through flow diversion and bypass systems to maximize beneficial use and capacity of the integrated collection system, wastewater treatment system, recycled water system, and organics management system.
- For Fiscal Year 2012/2013, all four IEUA Wastewater Recycling Facilities have a Percent Capacity Utilization between 60% - 70%. The Ten-Year Percent Capacity Utilization projection shows slight increases for RP-1, RP-4, and CCWRF; however, RP-5 has a substantial increase to 95%:

<table>
<thead>
<tr>
<th>Regional Water Recycling Plant</th>
<th>FY 2012/13 Actual*</th>
<th>FY 2022/23 Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Treated Influent Flow</td>
<td>Plant Rated Capacity</td>
</tr>
<tr>
<td>RP-1</td>
<td>27.7</td>
<td>44.0</td>
</tr>
<tr>
<td>RP-4</td>
<td>9.8</td>
<td>14.0</td>
</tr>
<tr>
<td>CCWRF</td>
<td>7.4</td>
<td>11.4</td>
</tr>
<tr>
<td>RP-5</td>
<td>10.5</td>
<td>16.3**</td>
</tr>
<tr>
<td>IEUA Total</td>
<td>55.3</td>
<td>85.7</td>
</tr>
</tbody>
</table>

- For Fiscal year 2013/2014, IEUA will be updating the Facilities Master Plan, which will considered future growth patterns, alternatives for expansion of the Wastewater Recycling Facilities, and impacts to the Recycled Water and Organics Management systems.
- IEUA will ensure that all planning, design, construction, and start-up activities for treatment system expansions are scheduled and completed before the 90% Percent Capacity Utilization is reached.
Appendix E.2

Wastewater Management – On-Time Construction

Business Goal: IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible, and cost effective manner.

Objective: IEUA will ensure capital projects are designed and implemented in a timely and economically responsible manner.

Commitment: IEUA will design and construct facilities through efficient project management to ensure that 80% of projects are completed on schedule and 90% of projects are on budget.

Commitment Level Background

- IEUA is committed to ensuring that projects are completed: on-time to obtain the beneficial use of required equipment as required by Operations, Maintenance, and Compliance, and on budget to contain costs and accurately project Agency future expenditures.
- Constructability reviews, which will include technical input from Construction, Operations, Maintenance, and DCS staff, will be included as a standard design element with the goal of reducing the number of change orders experienced during construction.
- Construction Management staff have received schedule training to allow for detailed reviews of contractor construction schedules. Staff will effectively analyze contractor schedules to highlight deficiencies in critical paths that may result in extended project schedules.
- At the completion of a project pre-design report (PDR), budgets will be created with well-defined scopes of work that include all project costs: design/construction consultants, construction contract award, and all Agency labor costs (Engineering, Construction Management, Operations, Maintenance, DCS, Finance, and Accounting).
- A project will be deemed on budget if all design, construction, and start-up activities are completed and expenditures on the project are between 90-100% of the project budget.
- Schedules for duration of design and construction/start-up will be created at the time the project budget is created (completion of the PDR).
- The Engineering schedule metric will be based upon the project design kickoff meeting and the Award of Construction Contract. The Engineering activities will be deemed on schedule if the duration between the Award of Construction Contract and design kickoff meeting is +/- 10% of the initial estimate.
- The Construction Management schedule metric will start at the preconstruction meeting and conclude with the Operations acceptance of the project. The Construction activities will be deemed on schedule if the duration between the project acceptance and preconstruction meeting is +/- 10% of the initial estimate.
Appendix E.3

Wastewater Management – Biosolids Management

Business Goal: IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible, and cost effective manner.

Objective: IEUA will manage all Agency produced biosolids in a compliant, fiscally prudent and environmentally sustainable manner.

Commitment: IEUA will ensure that 95% of the Inland Regional Compost Facility’s capacity is utilized, all biosolids produced by IEUA are treated at IERCF, Agency solids generation is minimized through efficient dewatering operations, and all compost is marketed for beneficial use.

Commitment Level Background

- In 2001, the Chino Basin Organics Management Business Plan set a goal for the region to divert organic solids from landfills and to consume locally generated recycled organic material. Under a Joint Powers Agreement, IEUA in partnership with Los Angeles County Sanitation District constructed the Inland Empire Regional Composting Facility (IERCF) to meet this goal.

- IERCF has an operating capacity of approximately 400 wet tons per day for wastewater biosolids. IEUA’s owned portion of this operating capacity is equivalent to 50% or approximately 200 wet tons per day of biosolids material. IEUA currently generates approximately 190 wet tons per day of biosolids.

- IEUA’s goal is to send all biosolids generated at its wastewater facilities to IERCF; however, IERCF requires one shutdown day per month to perform preventative maintenance on operating equipment. On maintenance days, IEUA will utilize the use of storage at RP-1 and RP-2, while maintaining contracts with third party composting facilities as a contingency.

- IEUA supports reducing solids generation at its wastewater facilities. Currently, start-up activities for the new RP-1 Centrifuge Dewatering Building are commencing and full operation should be achieved by the end of 2013. The new centrifuges will increase the biosolids total solids percentage from the current 16% up to 24%. This will decrease the IEUA biosolids generation by approximately 50 wet tons per day, resulting in excess IEUA capacity at IERCF.

- All biosolids and wood amendment sent to IERCF are processed and treated to produce a Class A exceptional quality compost. IERCF compost, which is created and marketed as SoilPro Premium Compost, is beneficially used by contracting agencies and sold as a soil conditioner that improves water retention, resulting in better plant growth and reduces water requirements.
Appendix E.4

Wastewater Management – Energy Management

**Business Goal:** IEUA systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible, and cost effective manner.

**Objective:** IEUA will optimize facility energy use and effectively manage renewable resources to achieve peak power independence, contain future energy costs, achieve statewide renewable energy, distributed generation and greenhouse gas reduction goals, and provide for future rate stabilization.

**Commitment:** IEUA will achieve peak power independence by 2020 through the implementation of renewable projects, energy management agreements and operational efficiencies.

**Commitment Level Background**

- IEUA facilities currently use approximately 75,000 MWh of electricity annually at an annual cost of approximately $9,000,000. This is 26% of the non-labor Operations and Maintenance budget and the highest, non-labor cost of the Agency.
- The region’s population is forecasted to increase by 50% by 2030, which will further increase demand and cost for electricity. Electricity prices are volatile; however, historically, the average annual increase has been between 4% - 6%.
- IEUA has created a preliminary Energy Management Plan to reach energy independence from the grid during peak energy use/pricing period (noon – 6:00 PM) by 2020 through increased energy efficiency, increased on-site energy generation, a diversified energy portfolio and energy demand response.
- Through Power Purchase Agreements (PPA’s), IEUA has expanded its renewable energy portfolio to include 3.5 MW of solar, 1.0 MW of wind, and 2.8 MW of biogas fuel cell production.
- IEUA will develop an updated energy management plan that will focus on integrating energy efficiency, demand response, and renewable energy generation programs to contain future energy costs and contribute to achieving statewide renewable energy and greenhouse gas reduction goals.
Environmental Stewardship – Regulatory Compliance

**Business Goal:** IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.

**Objective:** IEUA will comply with all federal, state and local laws at each Agency facility.

**Commitment:** IEUA will have no more than 2 notices of violation annually from the State Water Resources Control Board, Air Quality Management District, or Non-Reclaimable Waste System for all Agency owned and operated facilities.

---

**Commitment Level Background**

- IEUA has set Key Performance Indicators (KPI) at each Agency facility to monitor compliance with all regulations stipulated in the NPDES, AQMD, and NRWS permits.
- When compliance KPI’s are exceeded, incident reports are created to outline the facts and causes of any noncompliant event. The incident reports are reviewed and corrective action is taken to prevent future KPI noncompliance.
- It is up to the discretion of AQMD to issue NOV’s; however, in general a NOV is issued for: operation of equipment without a valid permit to operate, excessive exceedance of a permit stipulated emissions requirement, or operations resulting in a nuisance to the public.
- For Calendar Year 2012, IEUA had the following AQMD notices of violation:

<table>
<thead>
<tr>
<th>Date</th>
<th>Incident</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/5/12</td>
<td>Ammonia Tank Level Exceedance (greater than permitted capacity)</td>
<td>NOV issued (item resolved)</td>
</tr>
<tr>
<td>9/5/12</td>
<td>Unpermitted Pilot Unit Installation</td>
<td>NOV issued (item appealed)</td>
</tr>
</tbody>
</table>

- SWRCB defines violations as “serious” and “non-serious” and each type of violation may be subject to a minimum liability penalty (MMP). In addition, sewage spills, including large recycled water spills, are subject to administrative civil liability penalties (ACL). Any MMP or ACL would be considered a notice of violation. For Calendar Year 2012, IEUA had the following SWRCB incidents; however, no incidents were deemed serious:

<table>
<thead>
<tr>
<th>Date</th>
<th>Incident</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/10/12</td>
<td>Turner Basin RW Release</td>
<td></td>
</tr>
<tr>
<td>4/3/12</td>
<td>SB Lift Station Sewer Overflow</td>
<td>Spill was contained and cleaned before reaching surface water</td>
</tr>
<tr>
<td>4/12/12</td>
<td>CalPoly Pomona RW Release</td>
<td></td>
</tr>
<tr>
<td>5/8/12</td>
<td>Philadelphia NRW Sewer Overflow</td>
<td>Spill was contained and cleaned before reaching surface water</td>
</tr>
<tr>
<td>12/19/12</td>
<td>CCWRF 7-d Median Coliform</td>
<td>Investigation identified issue as sample contamination.</td>
</tr>
</tbody>
</table>
Appendix F.2

Environmental Stewardship – Good Neighbor Policy

Business Goal: IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.

Objective: IEUA will control odors at all Agency facilities for the purpose of improving the environment and being a good neighbor to the local community.

Commitment: IEUA will perform a quarterly odor monitoring assessment to develop actual and acceptable baseline odor thresholds. Acceptable baseline thresholds will be used to measure treatment plant performance and drive necessary capital improvements.

Commitment Level Background

- IEUA facilities and processes have the potential to produce odors.
- Each facility is operated under AQMD permits that include odor control requirements.
- AQMD has a rule that prohibits odor impacts to the community.
- Substantial funding has been made into odor control technologies at Agency Facilities.
- IEUA routinely performs odor circuits around each facility to measure for hydrogen sulfide. Hydrogen sulfide has an odor described as smelling similar to rotten eggs and is generally used as a surrogate for wastewater odor presence.
- IEUA will review extending similar odor circuits to all Agency Facilities and will review expanding measurements to include ammonia (pungent smell) and mercaptans (rotten cabbage smell).
- In addition, IEUA will perform a quarterly odor profile analysis at each of the treatment facilities. An odor profile analysis is completed by inviting participants from Member Agencies and IEUA staff to survey facility odors and grade them by intensity (week to strong) and characteristic (rotten eggs, fishy, rotten cabbage, etc.). See following diagram for example sample locations.

- Based upon the odor circuits and odor profile analysis, odor baselines will be created and thresholds will be set for each facility. An odor control plan will be created to determine any capital expenditures required to meet the established thresholds. Based upon the required capital expenditures, the odor thresholds may be adjusted to provide the most efficient odor control strategy.
Appendix F.3

Environmental Stewardship – Response & Complaint Mitigation

Business Goal: IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.

Objective: IEUA will investigate and appropriately respond in a timely manner to any environmental issue or complaint received at any Agency Facility.

Commitment: IEUA will immediately respond to any event that threatens public health and safety and will respond within 5 working days to any nonemergency complaint or suggestion.

Commitment Level Background

- Generally, all Agency facilities have Operations & Maintenance staff onsite 10 hours per day, 7 days a week to respond to any compliance or public health & safety events. During hours when facilities are unmanned, Operations & Maintenance staff are on-call and receive alarm notifications for any compliance or public health and safety event.
- For Calendar Year 2012, IEUA had 17 onsite compliance related incidents, 2 emergency response events due to recycled water releases, and 2 response events to sanitary sewer overflows. Each event was responded to immediately.
- For Calendar Year 2012, IEUA received 4 odor complaints from members of the Public. Each complaint was thoroughly investigated by Agency staff and incident reports were created. Most complaints cannot be substantiated; however, the Agency has modified operations in an attempt to reduce the potential of creating odors.
Appendix F.4

Environmental Stewardship – Environmental Responsibility

**Business Goal:** IEUA is committed to the responsible use and protection of the environment through conservation and sustainable practices.

**Objective:** IEUA will strive to implement actions that enhance or promote environmental sustainability and the preservation of region’s heritage.

**Commitment:** IEUA will consider and assess environmental sustainability, public use and heritage preservation options for all of its programs and projects.

---

**Commitment Level Background**

- IEUA constructed a new headquarters building and committed to design standards that ensured prudent use of natural resources and proactive conservation measures. This project has enabled the Agency to achieve recognition and leadership in support of building a sustainable environment. This recognition was presented to the Agency through the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED™) program earning the “Platinum” level rating by meeting specific requirements. IEUA will take actions to sustain the Platinum LEED status of its facilities.

- In 2007, IEUA opened the Chino Creek Wetlands and Educational Park, one portion of the overall efforts being taken in the watershed under the Chino Creek Integrated Plan (CCIP). The general function of the CCIP is to focus planning attention on the lower Chino Creek area of the Prado Basin in a process of preserving and restoring the Prado Basin, maximizing value to the community, improving water-quality and flood control, and providing habitat restoration, recreation, water conservation and public education. The park is open to the public during daytime hours and consists of: 22,000 various drought tolerant plants, 1.7 miles of nature trails, 22 acres of habitat, and 6 ponds.

- The 1630 West Recycled Water Pump Station was constructed at Vineyard Park in Ontario. As part of the project, new park bathroom facilities were constructed and improvements of the parking lot, electrical, and irrigation systems were completed providing benefit to the local residents.

- IEUA will expand its environmental and education programs including: annual Earth Day activities, Garden in Every School and Inland Empire Garden Friendly. IEUA will collaborate with all Stakeholders (including Cal State San Bernardino Water Resource Institute and Home Depot) on the Inland Empire Garden Friendly program to promote sustainable environmental principles and incorporate the history and tradition of the Region.

- IEUA completed construction of the wetlands mitigation area in Basin 2 of the RP-3 Recharge Facility in July 2004. Basins 1, 3 and 4 are used actively for groundwater recharge, while most of Basin 2 is occupied by the mitigation wetlands. The vegetation was planted and the irrigation system installed in May 2005.