

Request for information for water rates



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

February 24, 2016

Program Cost Summary

(\$Millions)

Rate Description	FY 2014/15 Actual	FY 2015/16 Projected Actual	FY	FY	FY	FY	FY
			2016/17	2017/18	2018/19	2019/20	2020/21
			Forecast				
Tier I Water Purchase	\$34.15	\$29.46	\$30.59	\$32.12	\$33.72	\$35.41	\$37.18
RTS Obligation	3.71	3.55	\$3.66	\$3.77	\$3.88	\$4.00	\$4.11
Conservation Projects*	1.5	2.54	1.12	1.12	1.12	1.12	1.12
Drought Resilience Projects	-	-	0.77	0.77	0.77	0.77	0.77
Planning Projects	-	0.7	0.5	-	-	-	0.5
Program Charges**	1.26	2.1	2.36	2.47	2.49	2.61	2.63
Debt Service	-	0.03	0.03	0.57	0.56	0.55	0.54
Total Net Cost	\$40.62	\$38.38	\$39.03	\$40.82	\$42.54	\$44.46	\$46.85
Year over year changes		-6%	2%	5%	4%	5%	5%

*Net of reimbursements and grants

**Includes employment expenses, professional fees and services, office and administrative expense, and general expense allocation

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Need to explain FY 2015/16 Amended \$4.54M Conservation Projects

Christina Valencia, 1/21/2016

Program Cost Summary

(\$Millions)

Program cost	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY18/19	FY19/20	FY20/21
	Actual	Projected	Forecast				
Tier I Water Purchases	\$ 34.15	\$ 29.46	\$ 31.86	\$ 34.17	\$ 36.04	\$ 38.25	\$ 40.71
RTS Obligation	3.71	3.55	3.18	3.34	3.51	3.68	3.87
Conservation Projects*	1.5	2.54	1.12	1.12	1.12	1.12	1.12
Drought Resilience Projects	0	0	0.77	0.77	0.77	0.77	0.77
Planning Projects	0	0.7	0.5				0.5
Program Charges **	1.26	2.1	2.36	2.47	2.48	2.61	2.63
Debt service	0	0.03	0.03	0.57	0.56	0.55	0.54
Total net cost	\$ 40.62	\$ 38.38	\$ 39.82	\$ 42.44	\$ 44.48	\$ 46.98	\$ 50.14
YoY changes		-6%	4%	7%	5%	6%	7%

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Rates

Proposed rates for 7 years new rate structure implementation

Proposed rates	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
MEU (\$/MEU)	1.00	1.10	1.20	1.30	1.40	1.50	1.60
RTS (TYRA) (\$/AF)	7.84	16.26	25.46	36.41	49.99	64.11	74.14

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Draft Conservation Projects

FY 2016/14

Outputs

BMPs	Annual Coverage Requirements	Programs	Program Budget	IEUA Expense	Reimbursement Revenue
1: Utility Operations	Wholesale assistance, <10% loss, >70% volumetric sales, others	CUWCC Dues	\$35,875	\$35,875	
		BMP Support Grant	\$16,000	\$16,000	
		IEUA Member Agency Local Programs	\$100,000	\$100,000	
		Subtotal	\$151,875	\$151,875	\$0
2: Education	Public Information, School Education Programs	National Theatre for Children	\$60,000	\$60,000	
		Add'l Educ. Activities-Other Performances	\$16,000	\$16,000	
		Garden In Every School	\$45,000	\$45,000	
		WUE Model Workshops & Update	\$4,500	\$4,500	
		Program Marketing Materials	\$15,000	\$15,000	
		Water Fair	\$10,000	\$10,000	
		Regional Poster Contest (\$1,050)			
		WEWAC	\$3,000	\$3,000	
Subtotal	\$153,500	\$153,500	\$0		
3: Residential	Leak assistance, landscape surveys to 1.5% residential customers; 1.4% HECW market penetration; 75% ULFT/HET saturation	MWD SoCal Water Smart Prog. - Residential Rebates	\$100,000	\$100,000	
4: CII	1% reduction	MWD SoCal Water Smart Prog. - Commercial Rebates	\$100,000	\$100,000	
5: Landscape		Res. Leak Detection & Pressure Reg.	\$400,000	\$200,000	\$200,000
		CBWCD LEAP & Monitoring	\$40,000	\$30,000	\$10,000
		Nozzle Voucher Prog - CII Only (50,000)	\$250,000	\$100,000	\$150,000
		Res. Retrofit Program (1/4 acre or larger)	\$200,000	\$0	\$200,000
		Res. Retrofit Program (500 to 11,000 sq.ft.)	\$300,000	\$100,000	\$200,000
		Landscape Training Classes	\$15,000	\$15,000	\$0
Subtotal	\$1,405,000	\$645,000	\$760,000		
6: Other Related WUE Activities	Tom Ash	Technology Based Software - CIMIS ET Station (\$7K)	\$157,000	\$157,000	
		Budget Based Rate Implementation	\$350,000	\$350,000	
		Agriculture Conservation	\$75,000	\$75,000	
Subtotal	\$582,000	\$582,000	\$0		
Total Conservation Budget Funding			\$2,292,375	\$1,532,375	\$760,000
Total Conservation Budget			\$2,292,375		

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Draft Drought Projects Presented in March 2015



Inland Empire Utilities Agency
IEUA Connection Fee
Capital Improvement Projects - Water Fund

CAPITAL IMPROVEMENT PROJECTS

Requesting Agency	Proj. #	Fund	Project Title	Total Budget	Growth
IEUA	TBD	WW	UWMP	\$ 1,000,000	18%
IEUA		WW	Chino Basin Groundwater Supply Wells and Raw Water Pipeline (Plume)	\$ 12,000,000	18%
IEUA	TBD	WW	Conservation Programming	\$ 32,000,000	18%
IEUA	TBD	WW	WW Planning Documents	\$ 1,000,000	18%
MVWD	TBD-Drought	WW	Wells 4/27 Ion Exchange Treatment Project	\$ 225,000	18%
Chino	TBD-Drought	WW	Well 14 wellhead Treatment	\$ 300,000	18%
Chino	TBD-Drought	WW	Well 12 wellhead Treatment	\$ 200,000	18%
Chino	TBD-Drought	WW	Wells 4 and 6 wellhead Treatment	\$ 250,000	18%
Ontario	TBD-Drought	WW	Wellhead Treatment	\$ 1,200,000	18%
CVWD	TBD-Drought	WW	Reservoir 2A Wellhead Treatment	\$ 750,000	18%
FWC	TBD-Drought	WW	Plant F21 Water Treatment Facility	\$ 425,000	18%
FWC	TBD-Drought	WW	Plant F26 Water Treatment Facility	\$ 450,000	18%
FWC	TBD-Drought	WW	Plant F22 Water Treatment Facility	\$ 425,000	18%
FWC	TBD-Drought	WW	Plant F10 Water Treatment Facility	\$ 212,500	18%
FWC	TBD-Drought	WW	Plant F59 Water Treatment Facility	\$ 125,000	18%
Chino Hills	TBD-Drought	WW	Arsenic Removal Well Head Treatment at Well 19	\$ -	18%
	TBD-Drought	WW	Ontario Plume Cleanup	\$ -	18%
MVWD	TBD-Drought	WW	Recycled Water Phase II Retail Distribution System Expansion & On-Site Retrofits	\$ 82,662	18%
MVWD	TBD-Drought	WW	Recycled Water Central-North Retail Distribution System Expansion & On-Site Retrofits	\$ 224,883	18%
Ontario	TBD-Drought	WW	Recycled water retrofits	\$ 20,200	18%
Ontario	TBD-Drought	WW	Recycled Water Distribution System	\$ 285,000	18%
Fontana	TBD-Drought	WW	Wineville Extension	\$ 25,000	18%
FWC	TBD-Drought	WW	1158 Zone Master Engineering Report	\$ 24,937	18%
CVWD	TBD-Drought	WW	Recycled Water Conversions	\$ 623,950	18%
	TBD-Drought	WW	WRCRWA Plant Recycled Water Project	\$ -	18%
Upland	TBD-Drought	WW	Recycled Water Projects*#1	\$ 125,000	18%
Chino Hills	TBD-Drought	WW	Recycled Water Projects*#2	\$ 140,000	18%
SAWCO	TBD-Drought	WW	Chino Basin Recharge Project	\$ 14,000	18%
SAWCO	TBD-Drought	WW	Cucamonga Crosswall repair and desilting project	\$ 3,000	18%
SAWCO	TBD-Drought	WW	Cucamonga Basin 6 Desilting - 19th Street & Campus Avenue, Upland	\$ 7,500	18%
FWC	TBD-Drought	WW	Plant F62 Storage and Recovery Facility	\$ 60,000	18%
MVWD	TBD-Drought	WW	Well 31 - Benson Feeder Pipeline Project	\$ 90,000	18%
CVWD	TBD-Drought	WW	New Chino Basin Well 48	\$ 175,000	18%
CVWD	TBD-Drought	WW	New Chino Basin Well 49	\$ 175,000	18%
CVWD	TBD-Drought	WW	New Cucamonga Basin Well	\$ 175,000	18%
MVWD	TBD-Drought	WW	Ontario-Chino-Monte Vista Water District Three-Way Interconnection	\$ 37,500	18%
Ontario	TBD-Drought	WW	Emergency Water System Interconnections	\$ 75,000	18%
	TBD-Drought	WW	Inland Valley Pipeline Supplemental Water Project	\$ -	18%
SAWCO	TBD-Drought	WW	WFA Pipeline Connection. 17th & Benson Avenue, Upland	\$ 8,500	18%
MVWD	TBD-Drought	WW	Zonal Water Loss Analysis	\$ 5,000	18%
MVWD	TBD-Drought	WW	Advanced Meter Infrastructure (AMI) Retrofit Project	\$ 650,000	18%
MVWD	TBD-Drought	WW	Budget-Based Tiered Rate Structure Improvement Project	\$ 31,750	18%
MVWD	TBD-Drought	WW	WaterSmart Software Program	\$ 1,500	18%
SAWCO	TBD-Drought	WW	Well 18 conversion to recycled water injection well	\$ -	18%
CVWD	TBD-Drought	WW	Fixed Network	\$ 100,000	18%

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Labor

Inland Empire Utilities Agency
Water Resources Program Labor Allocation Costs
27-Mar-15

	FY 13/14				Proposed FY 15/16			
	Hours	FTEs	Direct Labor Costs	Labor & Burden	Hours	FTEs	Direct Labor Costs	Labor & Burden
Direct labor								
Agency Management	2,799	1.35	\$ 86,492	\$ 171,254	2,592	1.25	150,595	263,541
Engineering, Planning	2,858	1.37	\$ 145,466	\$ 288,022	10,344	4.97	485,668	849,918
Finance & Administration	954	0.46	\$ 38,317	\$ 75,867	3,448	1.66	149,527	261,673
Operations			\$ -		80	0.04	2,858	5,002
TOTAL Direct labor	6,610	3.18	\$ 270,274	\$ 535,143	16,464	7.92	\$ 788,648	\$ 1,380,134
3% of general allocation	3,440	1.65		\$ 278,493	4,549	2.19		\$ 381,348
TOTAL LABOR COST	10,050	4.83		813,636	21,013	10.10		1,761,482

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Reserves

CONSERVATION AND DROUGHT RESERVES

In Thousands	2011/12	2012/13	2013/14	2014/15	2015/16
	Actual	Actual	Actual	Actual	Projected
Funding Sources					
AF Surcharge Support to Conservation Programs	\$305.9	\$236.2	\$271.3	\$294.5	\$250.0
Water Meter Support Conservation Program	91.2	88.7	91.7	887.4	898.8
Reimbursements	926.0	590.4	346.8	702.6	2,573.6
Interest Revenue (Water Conservation Reserves)	12.3	7.4	7.3	11.7	0.6
Conservation Support Transfer In - RO Fund	-	-	-	-	-
Tax Revenue Transfer In - GG Fund	-	-	-	-	-
ONE Water Connection Fee (Transfer from WC Fund)	-	-	-	-	-
Inter-fund Transfer from GG Fund	-	-	-	3,000.0	2,000.0
Total Funding Sources	\$1,335.3	\$922.7	\$717.2	\$4,896.3	\$5,723.1
Uses of Funds					
Conservation Projects	\$1,763.2	\$1,142.6	\$841.2	\$2,080.6	\$6,999.5
Net Surplus/(Deficit) in Water Conservation Funding	(\$427.9)	(\$219.9)	(\$124.0)	\$2,815.7	(\$1,276.4)
RESERVE BALANCE SUMMARY					
Conservation Reserves	\$1,110.7	\$890.8	\$766.7	\$3,582.4	\$2,306.0
Other Reserves	\$1,034.1	\$900.4	\$148.8	\$2,323.9	\$131.0
TOTAL WATER RESOURCES ENDING RESERVE BALANCE AT JUNE 30	\$2,144.7	\$1,791.2	\$915.5	\$5,906.3	\$2,437.0

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Next steps

- ***March: Decision on rates***
- ***June: Rate adoption***