NOTICE OF MEETING

OF THE

REGIONAL SEWERAGE PROGRAM
TECHNICAL COMMITTEE

OF THE

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

WILL BE HELD ON

THURSDAY, April 28, 2016
3:30 P.M.

BOARD ROOM
AT THE OFFICE OF THE AGENCY
6075 KIMBALL AVENUE, BUILDING A
CHINO, CA 91710
Regional Sewerage Program Technical Committee Meeting

AGENDA
Thursday, April 28, 2016
3:30 p.m.

Location
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

Call to Order and Roll Call

1. Action Items
   A. Approval of the March 31, 2016 Meeting Minutes
   B. Ten-Year Capital Improvement Plan
   C. Water Quality Laboratory Construction Award
   D. Regional Connection Requests

2. Informational Items
   A. Regional Contract Amendment
   B. Property Tax Overview
   C. Response to Regional Contract Audit

3. Receive and File
   A. Pretreatment Committee Minutes
   B. Draft Regional Policy Committee Agenda
   C. Building Activity Update
   D. Recycled Water Distribution Operations Summary
   E. RP-1/RP-5 Expansion PDR Update

4. Other Business
   A. IEUA General Manager's Update
   B. Committee Member Requested Agenda Items for Next Meeting
   C. Committee Member Comments
   D. Next Meeting — May 26, 2016

5. Adjournment

DECLARATION OF POSTING
I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency’s main office, 6075 Kimball Avenue, Building A, Chino, CA on Monday, April 25, 2016.

Laura Mantilla
Regional Sewerage Program
Technical Committee Meeting
MINUTES OF MARCH 31, 2016 MEETING

CALL TO ORDER
A regular meeting of the IEUA/Regional Sewerage Program – Technical Committee was held on Thursday, March 31, 2016, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, Chino, California. Committee Chairman Shaw called the meeting to order at 3:35 p.m.

ATTENDANCE

Committee Members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryan Shaw</td>
<td>City of Ontario</td>
</tr>
<tr>
<td>Jesus Plasencia</td>
<td>City of Chino</td>
</tr>
<tr>
<td>Chuck Hayes</td>
<td>City of Fontana</td>
</tr>
<tr>
<td>Mike Hudson</td>
<td>City of Montclair</td>
</tr>
<tr>
<td>Rosemary Hoerning</td>
<td>City of Upland</td>
</tr>
<tr>
<td>Braden Yu (alternate)</td>
<td>Cucamonga Valley Water District</td>
</tr>
<tr>
<td>Steve Nix</td>
<td>City of Chino Hills</td>
</tr>
</tbody>
</table>

Absent Committee Members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Bolser</td>
<td>Cucamonga Valley Water District</td>
</tr>
</tbody>
</table>

Others Present:

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chris Berch</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Christina Valencia</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Ernest Yeboah</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Sylvie Lee</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Shaun Stone</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Kathy Besser</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Craig Proctor</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Elizabeth Hurst</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Javier Chagoyen-Lazaro</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Randy Lee</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Jeff Noelle</td>
<td>Inland Empire Utilities Agency</td>
</tr>
</tbody>
</table>
1. **APPROVAL OF THE MINUTES**  
   A. **Minutes of February 25, 2016 Meeting**
   
   **Motion:** By Rosemary Hoerning/City of Upland and seconded by Chuck Hays/City of Fontana to approve the minutes of the February 25, 2016 Technical Committee meeting. Motion carried.

2. **INFORMATIONAL ITEMS**  
   A. **Regional Sewage Service Contract Amendment - Recycled Water**
   
   Sylvie Lee/Manager of Planning & Environmental Resources reported that the Special Technical Committee met earlier today to review the comments that were included in the Technical Committee package section 15 & 16 of the Regional Contract. IEUA and Member Agencies still need to go over the rest of the comments and plan to finalize at the next meeting, which is tentatively scheduled for April 6 at 1:30 p.m. The notice of intent of resolution to adopt the regional contract amendments will be going to the IEUA Board on April 6. It will come back to the Committees as an action item in May for the Technical Committee meeting and June for Policy Committee meeting. It will culminate with a public hearing at the June IEUA Board meeting for adoption of the regional contract amendment. Rosemary Hoerning/City of Upland asked if the notice of intent to the IEUA Board would be presented as a work in progress. Ms. Lee said it would be included as a draft and the Board will be made aware that the language for Sections 15 and 16 is being negotiated.

   B. **Regional Capital Program Update**
   
   Shaun Stone/Manager of Engineering gave an overview on the upcoming projects. He briefed the Committee on project scopes, budgets and schedules for the following projects:
   
   - Water Quality Laboratory - estimated cost $26,500,000 and will be completed in August 2018.
   - RP1- Aeration Rehabilitation and Upgrades - estimated cost $9,270,000 and will be completed in December 2017.
   - The RP-1 Headworks, Primary and Secondary - estimated cost $5,200,000 and will be completed in November 2017.
   - RP-1 & RP-5 Expansion – total budget is $375,000,000. RP-5 will be completed in October 2022 and RP-1 will be completed in September 2029.

   C. **Fiscal Year 2016/17 Budget Update**
   
   Javier Chagoyen-Lazaro/Manager of Accounting stated that the preliminary Fiscal Year 2016/2017 Budget was presented to the IEUA Board in March 2016. He stated that some of the information has been updated since then such as, the Ten-Year Capital Improvement Plan. He stated that IEUA will maintain staffing at 290 full-time employees and will be reducing the vacancy factor to help implement for succession planning.
Mr. Chagoyen-Lazaro reviewed the Regional Wastewater O&M (RO) - Sources of Funds, Uses of funds and Fund balance for FY 2016/17. He stated that for 2016/17, one of the components that is different is IEUA is incorporating a $3.2 million inter-fund loan to the water fund to support additional water purchases related to the agreement with Cucamonga Valley Water District. Mr. Hays requested that IEUA bring back to the committee a report on property taxes to see how much IEUA was receiving before the formation of District C and information on how property tax has evolved and how it has been used. Ms. Valencia will email the 2014 report on this topic to the Committee Members.

Mr. Chagoyen-Lazaro reviewed the Regional Wastewater Fund - Capital program. He explained that the difference in projected actuals for 2015/16 are under budget primarily due to lower capital expenditures. Connections fees are as projected and align with the budget. Property taxes are projected to be slightly higher than anticipated. Mr. Chagoyen-Lazaro explained that as a result, reserves for next fiscal year are higher than anticipated. The prior forecast assumed the new water rates would be in place through 2019. A key objective for the regional wastewater rate was to achieve cost of service by 2020. Once reached at the end of five years, property tax allocated to the RO Fund will be designated to build reserves for the future RP-1 expansion and the decommissioning of RP-2. Mr. Chagoyen-Lazaro stated that once the TYCIP and water rates are finalized, the projected actuals will be updated. Ms. Valencia added that the number for new wastewater connection fees will also be reduced to align with the revised number received from member agencies.

D. Ten-Year Capital Improvement Plan

Elizabeth Hurst/IEUA reviewed the Ten-Year Capital Improvement Plan. She explained that the numbers are still being finalized. The drivers for the CIP are still the member agency growth projections and the major planning documents, which are coming to a completion now. The major components driving the CIP are wastewater facilities, the Master Plan Update, Recycled Water Program Strategy, the Energy Management Plan, the Integrated Water Resources Plan and Water Use Efficiency Business Plan. She reviewed the 10-year EDU Growth forecast. The forecast is much lower than the previous year in the years 5-10, but still within the range in the first 5 years. It will be re-evaluated as we move forward with the rates.

She stated that wastewater flow projections are still well within the hydraulic capacity of the system. Ms. Hurst reviewed the budget estimates by fund and stated that the major projects account for $350 million. She indicated there were no new major initiatives. She will be finalizing the document within the next week or so and it will be posted on the IEUA Website. The TYCIP will be going to the Technical Committee on April 28 and Policy Committee and Board in May for recommendation for approval.

3. RECEIVE AND FILE

A. Draft Regional Policy Committee Agenda
   The draft Regional Policy Committee Agenda was received and filed by the Committee.

B. Building Activity Update
   The Building Activity Report was received and filed by the Committee.
C. Recycled Water Distribution Summary
   The Recycled Water Distribution Summary for February 2016 was received and filed by the Committee.

D. Fiscal Year 2015/16 2nd Quarter Budget Variance
   The Fiscal Year 2015/16 2nd Quarter Budget Variance was received and filed by the Committee.

4. OTHER BUSINESS
   A. IEUA General Manager’s Update

      • Chris Berch sent email on SB970 and received comments back from most of the contracting agencies. He asked the agencies to submit the letters of support to him or Kathy Besser by Monday to get to Senator Leyva’s office before the hearing on Wednesday, May 4.

   B. Committee Member Requested Agenda Items for Next Meeting
      Mr. Hays would like to see supporting document for Improvement District C formation and effects of Proposition 13 and any other related documents on property tax issues. Ms. Valencia stated she would send the Committee Members the information.

   C. Committee Member Comments
      Braden Yu/Cucamonga Valley Water District commented on the letter sent by Teresa Velarde regarding EDU uncollected fees. He stated that he would like to see it moved in a progressive way, moving forward rather than backwards.

      Mr. Shaw talked to a couple of member agencies, and suggested that we work together to come up with a different strategy on how to approach the school districts and industries and would like to come back to the Committee with a proposed strategy. Mr. Berch stated IEUA would be interested in discussing the proposed strategy for their consideration.

D. Next Meeting – April 28, 2016

5. ADJOURNMENT – Meeting adjourned at 4:30 p.m.
Date: April 28, 2016/May 5, 2016
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: Fiscal Year 2016 through 2026 Ten-Year Capital Improvement Plan

RECOMMENDATION

It is requested that the Regional Committees provide their recommendation to the IEUA Board of Directors on the proposed Fiscal Year (FY) 2016/17-2025/26 Ten-Year Capital Improvement Plan (TYCIP).

BACKGROUND

Each year, pursuant to the terms of the Regional Sewage Service Contract based on estimated growth provided by each contracting Agency, the Agency submits a ten-year forecast of capacity demands and capital projects or Ten-Year Capital Improvement Plan (TYCIP) to the Regional Technical and Policy Committees. The current TYCIP identifies projects for the FY 2016/17 through FY 2025/26 that are needed for the rehabilitation, replacement, or expansion of the facilities owned or operated by the Agency to meet the projected increase of more than 34,000 new units over that time period.

Two major themes in the FY 2016/17 TYCIP are the continuing need for maintenance, repair, and replacement of aging equipment and facilities and the need for expansion of the regional system to meet future growth. Maintaining the Agency's facilities and infrastructure is critical to ensure the long-term reliability, compliance and quality of services that the Agency is committed to provide.

As noted in the 2015 Wastewater Facilities Master Plan, increased strength of influent wastewater is a major driving force for improvements at Agency treatment plants over the next 20 years. As a result, major projects within the 10-year window include: the relocation of the RP-2 Solids Treatment Facility above the Prado floodplain; RP-5 liquid treatment expansion to accommodate the growth in the southern service area; and RP-1 process improvements to address aging infrastructure and capacity constraints.

While the TYCIP is instrumental for the on-going rate and budget discussions, it is intended to be a planning level document. Only projects that can be accommodated by the adopted budget will be initiated.
This item was presented to the Regional Technical and Policy Committees in March and April, and as an informational item to the Board of Directors in April. There have not been any substantial changes to the projects listed in the TYCIP since these meetings.

The TYCIP covers many programs and projects that directly align with several Agency Business Goals, including Water Reliability, Wastewater Management, Environmental Stewardship, and Fiscal Responsibility.

Attachment: The TYCIP was posted on the Agency website on April 7, 2016 under the member agency portal. It can be viewed at the following link: https://www.ieua.org/regional-technical-committee/
Key Drivers of the FY16/17 TYCIP

- Member Agency growth projections
- 2015 Wastewater Facilities Master Plan Updated flow factors and concentrations
- Asset Management Plan
- 2015 Recycled Water Program Strategy Update
- 2015 Energy Management Plan
- 2016 Integrated Resources Plan
- 2016 Water Use Efficiency Business Plan
10-Year EDU Growth Forecast

Inland Empire Utilities Agency
A Municipal Water District

IEUA Regional Committee
April 2016
FY16/17-FY25/26 Member Agency Wastewater Flow Projections

1 Flows estimated at 200 GPD/EDU
<table>
<thead>
<tr>
<th>Description</th>
<th>FY 16/17</th>
<th>FY17/18</th>
<th>FY18-26</th>
<th>TYCIP Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>GG Administrative Services Fund</td>
<td>$4,648,012</td>
<td>$1,680,200</td>
<td>$6,738,600</td>
<td>$13,066,812</td>
</tr>
<tr>
<td>NC Non-Reclaimable Wastewater Fund</td>
<td>$1,250,000</td>
<td>$610,000</td>
<td>$9,280,000</td>
<td>$11,140,000</td>
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<tr>
<td>RC Regional Capital Improvement Fund</td>
<td>$22,104,400</td>
<td>$24,329,000</td>
<td>$338,965,000</td>
<td>$385,398,400</td>
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<tr>
<td>RO Regional Operations and Maintenance</td>
<td>$24,270,520</td>
<td>$35,305,000</td>
<td>$79,282,000</td>
<td>$138,857,520</td>
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<tr>
<td>RW Recharge Water Fund</td>
<td>$4,739,800</td>
<td>$12,730,500</td>
<td>$35,749,500</td>
<td>$53,219,800</td>
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<tr>
<td>WC Recycled Water Fund</td>
<td>$14,738,063</td>
<td>$28,458,458</td>
<td>$41,845,000</td>
<td>$85,041,521</td>
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<tr>
<td>WW Water Resources Fund</td>
<td>$6,344,195</td>
<td>$4,550,000</td>
<td>$35,020,000</td>
<td>$45,914,195</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$78,094,990</strong></td>
<td><strong>$107,663,158</strong></td>
<td><strong>$546,880,100</strong></td>
<td><strong>$732,638,248</strong></td>
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## TYCIP Comparison to FY 15/16

<table>
<thead>
<tr>
<th>Description</th>
<th>Existing FY15/16 TYCIP</th>
<th>Proposed FY16/17 TYCIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>GG Administrative Services Fund</td>
<td>$ 9.5 M</td>
<td>$ 13.1 M</td>
</tr>
<tr>
<td>NC Non-Reclaimable Wastewater Fund</td>
<td>$ 17.2 M</td>
<td>$ 11.1 M</td>
</tr>
<tr>
<td>RC Regional Capital Improvement Fund</td>
<td>$ 348.9 M</td>
<td>$ 385.4 M</td>
</tr>
<tr>
<td>RO Regional Operations and Maintenance</td>
<td>$ 131.0 M</td>
<td>$ 138.4 M</td>
</tr>
<tr>
<td>RW Recharge Water Fund</td>
<td>$ 49.3 M</td>
<td>$ 53.2 M</td>
</tr>
<tr>
<td>WC Recycled Water Fund</td>
<td>$ 75.2 M</td>
<td>$ 85.0 M</td>
</tr>
<tr>
<td>WW Water Resources Fund</td>
<td>$ 60.9 M</td>
<td>$ 45.9 M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 692.0 M</strong></td>
<td><strong>$ 732.6 M</strong></td>
</tr>
</tbody>
</table>
Recommendation

It is requested that the Regional Committees provide their recommendation to the IEUA Board of Directors on the proposed Fiscal Year (FY) 2016/17-2025/26 Ten-Year Capital Improvement Plan (TYCIP).

The TYCIP covers many programs and projects that directly align with several Agency Business Goals, including Water Reliability, Wastewater Management, Environmental Stewardship, and Fiscal Responsibility.
Date: April 28, 2016/May 5, 2016
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: Construction Contract Award for the Water Quality Laboratory, Project No. EN15008

RECOMMENDATION

It is recommended that the Regional Committees authorize the Agency to award the construction contract for the Water Quality Laboratory Project No. EN15008, to the lowest responsive and responsible bidder, Kemp Bros. Construction, Inc.

BACKGROUND

In 2005, the Agency performed a preliminary evaluation of the existing laboratory facility located at Regional Water Recycling Plant No. 1 (RP-1) followed by a feasibility study conducted in 2006 for a new laboratory facility. The assessments were performed by independent consultants who concluded that the existing laboratory facility was nearing the end of its useful life and presented several challenges including inadequate ventilation, lack of building insulation, numerous structural and storage space issues, in addition to being crowded with limited expandability. The existing laboratory facility cannot meet future needs with an anticipated 30 percent increase in the number of annual samples. The existing laboratory facility is composed of 6,200 square feet accommodated within two buildings. Based on the assessments and the future increase in required samples, the decision was made to construct a new laboratory behind the Agency Headquarters Building B.

The Water Quality Laboratory design started in 2010 by The Austin Company (Austin), consulting engineering firm; however, at 50 percent design level, the project was put on hold on October 26, 2010 as part of the Agency’s cost containment plan. In 2014, the Agency decided to move forward with the project and reestablished Austin’s contract early 2015. The revised project scope includes the addition of the central chiller plant expansion to supply necessary chilled water for the laboratory building air conditioning system.

In 2010, an addendum to the RP-5 Program Environmental Impact Report (PEIR) dated 1999 was developed for the Water Quality Laboratory and was verified as still applicable to the project in 2015.
The Water Quality Laboratory project is grant funded via a State Revolving Fund (SRF) Loan at 2.1% rate and $1,050,000 principal forgiveness. The SRF Loan Agreement will be updated to reflect the revised total project cost as driven by the bid prices received.

The project team conducted two rounds of contractor prequalification to obtain a list of qualified general contractors who had the required experience to construct the Water Quality Laboratory and Central Chiller Plant expansion. The prequalification process was completed at the end of February 2016 concurrently with the completion of the final design package. The prequalification process yielded five qualified contractors who received an invitation to bid.

On March 1, 2016, a request for bids was advertised to the five prequalified contractors on PlanetBids for the construction of the Water Quality Laboratory. Four out of the five prequalified general contractors participated in the job walk. On April 5, 2016, the following bids were received:

<table>
<thead>
<tr>
<th>Bidder’s Name</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kemp Bros. Construction, Inc.</td>
<td>$17,460,000</td>
</tr>
<tr>
<td>AMG &amp; Associates, Inc.</td>
<td>$17,845,000</td>
</tr>
<tr>
<td>Tovey/Shultz Construction, Inc.</td>
<td>$18,044,438</td>
</tr>
<tr>
<td>Engineer’s Estimate</td>
<td>$20,600,000</td>
</tr>
</tbody>
</table>

Kemp Bros. Construction, Inc. is the lowest responsive and responsible bidder with a bid of $17,460,000.

The total projected costs are as follows:

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>$1,625,000</td>
</tr>
<tr>
<td>Third Party Services <em>(technical experts, constructability review, commissioning, geotechnical consultant, survey, special inspection, etc.)</em></td>
<td>$250,000</td>
</tr>
<tr>
<td>Construction Bid</td>
<td>$17,460,000</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>$1,760,000</td>
</tr>
<tr>
<td>Construction Mgmt.</td>
<td>$2,600,000</td>
</tr>
<tr>
<td>Solar P/V System</td>
<td>$300,000</td>
</tr>
<tr>
<td>Special Laboratory Equipment</td>
<td>$650,000</td>
</tr>
<tr>
<td>Total Project Estimated Cost</td>
<td>$24,645,000</td>
</tr>
</tbody>
</table>
The Water Quality Laboratory, when constructed, will address all the issues presented above and provide numerous benefits to the Agency as well as stakeholders within the Service Area. Benefits include cost and energy savings, environmental compliance, adaptation to future complex analytical needs, enhanced performance and safety, public educational tours, solar power generation, etc.

The Project Schedule is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Contract Award</td>
<td>May 2016</td>
</tr>
<tr>
<td>Construction Completion</td>
<td>August 2018</td>
</tr>
</tbody>
</table>

The Water Quality Laboratory project is consistent with the Agency's *Wastewater Management Capacity Business Goal* to maintain capacity within facilities to meet essential service demands and to protect public health and environment.
Water Quality Laboratory
(Proj ect Location)
Project Background

- Existing RP-1 laboratory evaluation and feasibility study conducted in 2005 and 2006 respectively
- Current condition of Laboratory:
  - Old and crowded (6,200 sq.ft.) within two buildings
  - Limited expandability and adaptability for future analytical needs
  - Aging systems (HVAC, fume hoods, plumbing, electrical, etc.)
  - Numerous Structural and storage issues
  - Limits on annual number of samples analyzed
- Conclusion: Construct a new lab facility at RP-5 Headquarters Campus
- Design started in 2010, put on hold in October 2010, resumed in 2015
- Consultant: The Austin Company

Existing Lab
Project Description/Highlights

- 16,000 sq. ft. building
- Enhanced safety and work flow layout
- Operational cost and energy savings
- Regional benefits, environmental compliance
- SRF Loan/Grant funded
- Solar power system (~65 kW)
- Silver/Gold LEED rated building
- Public educational tours
- Central Chiller Plant upgrades
  - New chiller, cooling tower, pumps, piping
- Five contractors prequalified in February 2016
On March 1, 2016, a request for bids was advertised to the five prequalified contractors.

On April 5, 2016, the following bids were received:

<table>
<thead>
<tr>
<th>Bidder’s Name</th>
<th>Bid</th>
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</thead>
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<td>$18,044,438</td>
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<tr>
<td>Engineer’s Estimate</td>
<td>$20,600,000</td>
</tr>
</tbody>
</table>
# Project Cost/Schedule

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>$1,625,000</td>
</tr>
<tr>
<td>Third Party Services (Technical Experts, Constructability</td>
<td></td>
</tr>
<tr>
<td>Review, Commissioning, Geotechnical Consultant, Survey,</td>
<td></td>
</tr>
<tr>
<td>Special Inspection</td>
<td>$250,000</td>
</tr>
<tr>
<td>Construction Bid</td>
<td>$17,460,000</td>
</tr>
<tr>
<td>Construction Contingency</td>
<td>$1,760,000</td>
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<td>Construction Management</td>
<td>$2,600,000</td>
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<td>Solar P/V System</td>
<td>$300,000</td>
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<td>Laboratory Equipment</td>
<td>$650,000</td>
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<tr>
<td>Total Project Estimated Cost</td>
<td>$24,645,000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Date</th>
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<tbody>
<tr>
<td>Construction Contract Award</td>
<td>May 18, 2016</td>
</tr>
<tr>
<td>Project Completion</td>
<td>August 2018</td>
</tr>
</tbody>
</table>
Recommendation

It is recommended that the Regional Committees authorize the Agency to award the construction contract for the Water Quality Laboratory, Project No. EN15008, to the lowest responsive and responsible bidder, Kemp Bros. Construction, Inc.

Project is part of the Agency's Wastewater Management Capacity Business Goal to maintain capacity within facilities to meet essential service demands and to protect public health and environment.
Date: April 28, 2016

To: Regional Technical Committee

From: Inland Empire Utilities Agency

Subject: Request by the City of Ontario for Two Regional Connection Points to the Etiwanda Interceptor (Ontario Regional Sewer Connections #O-97 and #O-98, Project No. CW16003.03)

RECOMMENDATION

It is recommended that the Regional Technical Committee approve the request by the City of Ontario for two new connection points to the Regional System (Ontario Regional Sewer Connections #O-97 and #O-98, Project No. CW16003.03).

BACKGROUND

On March 25, 2016, IEUA received a request from the City of Ontario (Attachment “A”) for the approval of two connections to the Etiwanda Interceptor. The purpose of the connections is to discharge flows from the easterly side of two industrial units, 33,168 square feet and 76,097 square feet. The connections are required due to a lack of a City of Ontario sewer located in close proximity. The connection will be made to the existing 27-inch sewer pipeline, which is located in an easement south of the 10 Freeway, west of Etiwanda Avenue, and north of the Union Pacific Railroad (Attachment “B”). When the site improvements are designed, the option of streamlining the two connections into one regional connection will be evaluated.

SUMMARY OF FLOW RATE

Building 1 Peak Flow Rate: 0.0075 MGD or 0.012 cfs
Building 2 Peak Flow Rate: 0.016 MGD or 0.025 cfs

The 27-inch Etiwanda Interceptor is designed to deliver a maximum flow rate of 12.7 MGD to the Regional Water Recycling Plant No. 1. The proposed additional flow rate of 0.0235 MGD is within the capacity of this sewer.
March 25, 2016

Ms. Liza Munoz, Senior Office Engineer
Inland Empire Utility Agency
6075 Kimball Avenue
Chino, CA 91708

Subject: Ontario request for two new sewer lateral connections to an existing 24-inch pipeline located west of Loop Road and south of the 10 Freeway.

Dear Ms. Munoz:

The City of Ontario is hereby requesting two new point of connections to the 24-inch IEUA pipeline located west of Loop Road and south of the 10 Freeway.

The proposed two points of connection will have a tributary area of approximately 5.71 acres, totaling 2 industrial units (Building 1 – 33,168 sf, Building 2 – 76,097 sf) (see attached exhibit). The proposed connections are required due to there not being another City sewer system the developer can connect to.

Below please find the generated flows in million gallons per day that was prepared by the Ontario Municipal Utilities Company which has the following rates:

Average Dry Weather Flow: BLDG. 1- 0.0023 MGD, BLDG. 2- 0.0053 MGD

Peak Dry Weather Flow: BLDG. 1- 0.0075 MGD, BLDG. 2- 0.016 MGD

We appreciate your consideration of the request. If you have any questions or need additional information, please contact me at (909)295-2108.

Sincerely,

Miguel Sotoloy
Assistant Engineer

Cc: Sheldon Yu, Ontario Municipal Utilities Company
   Dennis Mejia, Ontario Municipal Utilities Company
   Khoi Do, Engineering Department
Date: April 28/May 5, 2016
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: Regional Sewage Service Contract Amendment for Recycled Water

RECOMMENDATION

This is an informational item for the Regional Committees regarding the Regional Sewage Service Contract Amendment for Recycled Water.

BACKGROUND

The Inland Empire Utilities Agency (IEUA) and its contracting agencies have developed a successful regional Recycled Water Program for both direct use and groundwater recharge. In 2000, the region identified that recycled water use was a critical component in drought-proofing and maintaining its economic growth. With imported water rates increasing and long-term imported supply reliability in decline, the region committed to aggressively and proactively develop local water supplies to offset these impacts. This set the path for the development of a regional recycled water distribution system.

While the foundational commitment to beneficial reuse of recycled water has remained unchanged, some fundamental concepts have been questioned over the past few years, particularly since 2011. This resulted in the region working together to develop Recycled Water (RW) Policy Principles to address the changes since the inception of the program. At this time, several contracting agencies are struggling with the inherent conflict between use in excess of “base entitlement”, as defined by the Regional Sewage Service Contract (Regional Contract), and the prioritization of direct use over groundwater recharge. The struggle has led some contracting agencies to be concerned about their local benefit and perceived inequities.

In order to move forward together as a region, it was appropriate to reevaluate and affirm the regional RW Policy Principles prior to implementing any remaining significant system improvements to the Recycled Water Program and to clarify how these principles would govern the future benefits received by all IEUA contracting agencies.

Over the past several months, IEUA and the contracting agencies collectively provided input and guidance to finalize recommendations on the RW Policy Principles. The RW Policy Principles resulting from these discussions were unanimously approved during the January 28, 2016 and March 3, 2016 Regional Technical and Policy Committee meetings respectively. Additionally, the IEUA Board adopted the RW Policy Principles and Resolution No. 2016-4-4 declaring its intent to amend sections 15 and 16 of the Regional Contract at the March 16, 2016 and April 6, 2016 Board of Directors meetings respectively.
Based on the adopted RW Policy Principles and the special Technical Committee workshops that were held over the past several months, IEUA has amended Sections 15 and 16 of the Regional Contract. The proposed amendments to the Regional Contract are summarized below:

- Amend language regarding Contracting Agency base entitlement and use above base entitlement.
- Add language defining method of providing replacement water for Contracting Agency use above entitlement.
- Add language defining temporary entitlement for the City of Chino until June 30, 2023.
- Add language defining surcharge rate for use exceeding temporary entitlement.
- Add language clarifying the Contracting Agencies acknowledge IEUA is currently meeting the Santa Ana River Judgement obligation with recycled water.
- Add language memorializing the 2013 IEUA/JCSD agreement which allows JCSD the right to purchase recycled water recharged in Management Zone 3 until 2025.
- Add language defining recycled water system operation priorities.
- Delete outdated language regarding entering into agreements for right of first purchase and exercise of base entitlement at various discharge points.

While IEUA and the contracting agencies have reviewed, discussed and agree with the Recycled Water Policy Principles that are the basis for the proposed amendments to Sections 15 and 16 of the Regional Contract, there is a general disagreement amongst the parties on the amendment process specified in section 30.B of the Regional Contract. The parties will continue to collaboratively work through the amendments to the Regional Contract, including section 30B, over the next several months. The parties acknowledge that regardless of the approval process used for this action, it will not set a precedent for future contract amendments.

The schedule for adoption of the Regional Contract sections 15 and 16 amendments is as follows:

- Member Agencies Advise Council/Board of Contract Amendment May 2016
- Tech. Committee Recommendation for Amendment Approval May 26, 2016
- Policy Committee Recommendation for Amendment Approval June 2, 2016
- IEUA Board Public Hearing and Adoption of Amendment June 15, 2016

Attachments: 1. Regional Contract Amendment Sections 15 and 16
Section 15. CONTROL AND DISPOSITION OF SEWAGE-CONTRACTING

AGENCIES RIGHT OF PURCHASE OF RECYCLED WATER

A. General

Subject to the provisions of this Section 15 and Section 16, IEUA shall have total
ownership and control of all sewage delivered into the Regional Sewerage System for the purpose
of transmission, treatment and disposal thereof; subject to the right of first purchase by any
Contracting Agency, the use of all recycled water from the Regional Sewerage System shall be
within the sole discretion of IEUA. If any Contracting Agency exercises its right of first purchase
of recycled water, then such agency shall have the total ownership and control of all recycled water
delivered to it and the use thereof shall be within the sole discretion of that agency.

B. Right of Purchase of Recycled Water

Each Contracting Agency, at its option, shall have the right of first purchase of recycled
water as provided in Section 16 hereof.

Section 16. SALE, BENEFICIAL USE OR DISPOSAL OF RECYCLED WATER

A. Purchase of Recycled Water from IEUA

Each Contracting Agency shall have the right of first purchase from IEUA of recycled
water as herein after provided, To the extent that any of the Contracting Agencies fail to exercise
their respective rights of first purchase of recycled water as ground water recharge, the un-
exercised amounts will be made available to the remainder of the Contracting Agencies based on
the entitlements described herein.

B. Base Entitlement of Contracting Agencies

Contracting Agency base entitlement shall be determined based on wastewater contribution
less normal processing losses resulting from the treatment of sewage.

Revision Date: April 13, 2015
C. Contracting Agency Use Above Base Entitlement

1. The use of recycled water above a Contracting Agency's base entitlement, will require that Contracting Agency to provide replacement water, collected by IEUA, and passed on through the Chino Basin Watermaster, to contracting agencies with surplus entitlement, with the exception of paragraph "a" below. Replacement water shall be provided in a quantity equivalent to the amount of use exceeding base entitlement.

   a. Temporary Entitlement

      i. Currently the City of Chino exceeds its base entitlement.

      ii. Temporary entitlement shall be provided to the City of Chino for the time period of July 1, 2016 through June 30, 2023 and shall be based on the customers that were connected to the system in Fiscal Year 2014-15.

      iii. The temporary entitlement for the City of Chino shall be 8,324 AFY based on the Fiscal Year 2014-15 usage.

      iv. To the extent that annual usage for existing customers exceeds the temporary entitlement of 8,324 AFY, surcharges will apply for that year.

      v. Commencing Fiscal Year 2016/17 any new customers shall have the surcharge rate apply, until such time the usage is less than base entitlement.

2. To the extent use exceeds base entitlement, groundwater recharge allocations will be curtailed and redistributed to other Contracting Agencies with surplus entitlement through Chino Basin Watermaster, and this redistribution shall be accounted for as part of the other Contracting Agencies' purchases of their entitlements.

3. The annual amount of replacement water for any Contracting Agency exceeding entitlement will be calculated by IEUA as a reconciliation on the annual usage and the
base entitlement, within 90 days following the end of each fiscal year. IEUA shall send
written notice to all Contracting Agencies setting forth the amount of replacement
water that the respective Contracting Agency is required to provide from sources, and
in the manner set forth below.

4. Any Contracting Agency exceeding its base entitlement shall provide replacement
water by one of the following means, selected at its discretion:
   a. Water Transfer,
   b. Acquisition of another contracting agency’s unused entitlement, or
   c. Payment of surcharge rate to IEUA per the rate resolution in effect.

5. Contracting Agencies exceeding entitlement that have alternative means of providing
replacement water shall provide documentation of the source and amount of
replacement water to IEUA within 90 days following reconciliation of the usage.
   a. If Contracting Agency exceeding entitlement pursues transfer of replacement
      water, IEUA shall verify the replacement water and calculate the quantities of
      replacement water for Contracting Agencies with surplus entitlement.
   b. If Contracting Agency exceeding entitlement acquires entitlement from another
      agency, the Contracting Agency exceeding entitlement shall provide such
      written documentation confirming the transaction to IEUA.

6. If Contracting Agency exceeding entitlement has not provided the required
documentation for replacement water within 90 days of notification from IEUA, IEUA
shall bill that Contracting Agency the surcharge rate for replacement water. Surcharge
rate shall be defined as the difference between the cost of acquisition of the lowest cost
water available and the recycled water groundwater recharge rate.
7. If IEUA purchases replacement water, the purchase will occur within 12 months following the surcharge payment by the Contracting Agency exceeding entitlement, beginning with the lowest cost water. The Contracting Agencies with surplus entitlement are obligated to purchase replacement water at the established recycled water groundwater recharge rate, or the then established rate by IEUA for the replacement water. IEUA will calculate the quantities of credit of replacement water for affected Contracting Agencies.

8. If IEUA is requested, in writing, by a Contracting Agency with surplus entitlement for credit towards the replacement water in lieu of the replacement water, IEUA shall credit the Contracting Agency within 90 days of such notice from the Contracting Agency. The monetary credit will be applied to the next recycled water invoice for water purchases.

D. Delivery Points

Unless otherwise agreed by IEUA, the delivery point or points of any Contracting Agency exercising its rights of first purchase of recycled water shall be approved by IEUA and shall be the discharge point or points of each Regional Treatment Plant or from the IEUA Regional Recycled Water System. The IEUA Regional Recycled Water System shall mean the system commencing from the recycled water pump stations at the Regional Treatment Plant, including the distribution pipelines and ancillary facilities to the discharge point.

E. Recycled Water System Operation

1. The regional recycled water system will be operated based on the following priorities for recycled water deliveries:

   a. Minimal operational discharges such as instrumentation and
regulatory requirements.

b. Contracting Agency deliveries
c. Regional groundwater recharge

2. IEUA and the Contracting Agencies shall meet peak recycled water direct demands through coordinated demand management of recycled water deliveries.

F. Delivery Facilities and Costs of Delivery of Recycled water

Delivery facilities shall consist of any facilities for the delivery of recycled water from the point of discharge of any Regional Treatment Plant to the point of use of the effluent. IEUA or any Contracting Agency may, at its own expense, acquire, construct, or make a contribution toward the financing of capital costs and maintenance and operation of any delivery facilities. IEUA, or any Contracting Agency or Agencies or any combination thereof, may provide for delivery facilities by contract entered into between or among themselves or with any other person or public or private entity.

G. Price for Purchase of Recycled water

Any Contracting Agency exercising the right of first purchase of recycled water shall be entitled to take delivery at the established recycled water cost per the recycled water rate resolution.

H. Use of Purchased Recycled water

Any Contracting Agency exercising its right of first purchase of recycled water may make any lawful use thereof, including beneficial use, sale, or other disposal and shall be entitled to retain all revenues received by it as a result thereof.

I. Contract for Joint Exercise or Transfer of Rights of First Purchase

Subject to the rights of IEUA hereunder, any or all of the Contracting Agencies may enter into a contract providing for the joint exercise of any of their respective rights of first purchase.
of recycled water or for the sale, exchange or transfer of such rights. Certified copies of all such contracts shall be filed with IEUA by the parties thereto.

J. Disposition by IEUA of Unclaimed Recycled Water

To the extent that any of the Contracting Agencies fail to exercise their respective rights of first purchase of recycled water, IEUA may make any lawful use of such effluent, including beneficial use, sale or other disposition inside or outside the Chino Basin; provided, that:

1. IEUA shall not, for a consideration, sell or otherwise dispose of any recycled water for beneficial use inside the Chino Basin without review and approval by a majority of the Contracting Agencies; and

2. If IEUA, for consideration, sells or otherwise disposes of any recycled water for beneficial use inside or outside the Chino Basin, any portion of the consideration in excess of IEUA's net audited costs of reclamation and delivery shall be credited to the recycled water fund.

3. The Contracting Agencies acknowledge that IEUA is currently meeting the Santa Ana River Judgment obligation with recycled water.

4. The Contracting Agencies acknowledge that Jurupa Community Services District (JCSD) shall have the right to purchase up to 20% of the recycled water recharged in Chino Groundwater Basin Management Zone No. 3 (MZ-3). Regardless of the volume of recycled water recharged in MZ-3, the volume available to JCSD to purchase shall not exceed 950 acre-feet per year, reduced proportionally based on new groundwater recharge (imported or stormwater) recorded by Chino Basin Watermaster for the prior fiscal year, but not less than 750 acre-feet per year, as described in the 2013 Agreement between IEUA and JCSD which expires on September 7, 2025. The volume purchased by JCSD shall be debited,
proportionally, against all Contracting Agencies’ respective entitlements.

K. **Measurement of Recycled Water**

IEUA shall install, maintain, and operate measuring devices and equipment for the measurement of deliveries of recycled water to the Contracting Agencies at a location or locations mutually agreed upon by IEUA and the Contracting Agencies on the regional system. The measuring devices and equipment on the recycled water system shall be examined, tested and serviced regularly to insure their accuracy by IEUA and the Contracting Agencies on their respective systems. At any time, IEUA or any Contracting Agency may inspect any measuring devices and equipment and all records and measurements taken therefrom.

L. **Notice of Proposed Delivery**

Prior to the commencement of each fiscal year, notice of the delivery of recycled water shall be given as follows:

1. **Request by IEUA**

   Between the first day of January and the first day of March of each year, IEUA shall request each Contracting Agency to provide IEUA with a schedule of projected new connections for the next five fiscal years and a corresponding demand per connection.

2. **Response by Contracting Agencies**

   Within 30 days of the date of each such request by IEUA, each Contracting Agency shall provide IEUA with the schedule requested pursuant to subpart 1 above; provided that if a Contracting Agency does not intend to exercise its right of first purchase, it need not respond in any manner to IEUA.

M. **Future Recycled Water Supplies**
Future external supplies may be added to the recycled water system by IEUA or a Contracting Agency or a combination of both. Rights to those additional water supplies will be established at the time those supplies are added to the system.
Date: April 28, 2016/May 5, 2016
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: Property Tax Use Overview

RECOMMENDATION

This is an information item for the Regional Committees to receive and file in response to the Regional Technical Committee’s inquiry made on March 24, 2016 regarding the Agency’s authority on the use of property taxes.

BACKGROUND

The attached staff report, provided to the Regional Committees in March 2014, provides a brief history on the Agency’s use property taxes prior to and after the passage of Proposition 13 (Prop 13) in 1978.
Date: May 29, 2014/June 5, 2014  
To:  
Regional Committees  
From:  
Inland Empire Utilities Agency  
Subject: Property Tax Use Overview and Proposed Re-Allocation  

RECOMMENDATION

This is an information item for the Regional Committees to receive and file and is intended to address a request from the Regional Technical Committee made on April 24, 2014 for clarification on the Agency's authority on the use of property taxes, and the proposed re-allocation of property taxes amongst the Agency's various programs in future years.

BACKGROUND

Agency's Authority on the Use of Property Taxes

The Inland Empire Utilities Agency (Agency), named the Chino Basin Municipal Water District until July 1998, was formed in 1950 as a municipal water district. The service functions and taxing powers and general district purpose are directed by the Municipal Water District Act of 1911. The Agency levied a tax on taxable property within its service area to support the level of service.

In 1970 the Agency adopted the General Plan for Water and Wastewater Systems (the Plan). The Plan was intended to improve water management in the Chino Basin as mandated by the Orange County Water District vs. City of Chino (Superior Court Case #117628). The Plan called for the Agency to own, control and operate a regional wastewater system which would then allow the integration of municipal sewage effluent to the various sources of water supply to satisfy the annual obligation of delivering 17,000 acre feet of water to the Santa Ana River.

This led to the execution of the Regional Sewage Service Contract (the Regional Contract) in August 1972, wherein the Agency purchased the community sewage facilities and infrastructure owned and operated by cities of Upland, Ontario, Chino, Montclair and Fontana and the Cucamonga County Water District (name later changed to Cucamonga Valley Water District). The Agency assumed regional responsibility in January 1973. To finance the acquisition of the existing and future improvement and expansion of the regional wastewater system, the Agency formed an Improvement District “C” (IDC) to levy a tax on taxable property within its service area. As there were no “Connection Fees” for the Regional Wastewater Capital Improvement (RC) fund, IDC taxes supported the regional system acquisition, expansion and improvement costs. The IDC was in addition to the general taxes already levied by the Agency.

The passage of Proposition 13 in 1978 capped the amount of property taxes to 1% of assessed values. As a result the Agency was no longer permitted to levy a property tax, including an IDC tax. Instead,
the Agency began receiving certain tax money levied by the County and allocated to the Agency in lieu of general and IDC taxes previously levied by the Agency. As the Regional Contract was never amended to incorporate the changes brought on by Prop 13, the Agency continued to designate property taxes received from the County for the IDC tax area to the RC fund. The remaining property tax receipts were split between the General Administration (GG) fund and the Tertiary Capital (TU) fund which later evolved into the Tertiary Operations & Maintenance (TO) fund. Both the GG and the TU funds had very small operating revenues, so property taxes were necessary to support operations and administration costs.

Technically, the TO fund is not part of the Regional Contract. It was included in the Regional program in later years as the result of the 1992-93 state legislation which diverted a portion of the Agency’s tax revenue to Education Revenue Augmentation Fund (ERAF). Following another ERAF shift in fiscal years (FY’s) 2004/05 and 2005/06, (a total of $14 million in Agency property taxes were diverted) the TO fund was combined with the RO fund, resulting in the RO fund receiving the property tax allocation of 27%. Since FY 2006/07, the allocation of property taxes has been 8% to GG fund, 27% to RO fund and 65% (IDC taxes) to RC fund.

With the exception of the “IDC” taxes which are allocated to the RC fund in alignment with the Regional Contract, the IEUA Board has the authority to augment the allocation of all other property taxes collected by the Agency amongst its various programs. The Board has exercised this authority on several occasions:

- In FYs 2001/02 – 2007/08, approximately $75,000 per year was transferred from the GG fund to the Water Resources (WW) fund to support the water conservation program.
- In FY 2009/10, 8%, or approximately $2.8 million, was re-allocated to the Recycled Water (WC) fund from the RO fund to support debt service costs.
- In FY 2011/12, the re-allocation to the WC fund was reduced to 5%, or approximately $1.7 million.
- Proposed for FY 2014/15 is a transfer of 3%, or approximately $1.2 million, from the GG fund to the WW fund to support implementation and administration of drought related projects.

No change in the property taxes allocation percentage to the Regional program is proposed for FY 2014/15.

Proposed Re-Allocation of Property Taxes

Although the Agency, in partnership with its member agencies, have made significant strides in enhancing local water supplies, the severity of the current drought serves as a reminder of how much our region still relies on imported water supplies. Further development of local water supplies, such as maximizing groundwater recharge, improving water quality, and securing alternative water supplies is essential for the region. Additionally, continual promotion of water use efficiency and conservation throughout the region is essential in achieving and sustaining the 20 x 2020 mandate.

Examples of some of the capital investments proposed to be funded with property taxes include:
Property Tax Use Overview and Proposed Re-Allocation
May 29, 2014/June 5, 2014
Page 3

- Safeguarding land sites to expand groundwater recharge throughout the Chino Basin
- Constructing new recharge basins and ASR well sites
- Implementing groundwater treatment/cleanup to improve water quality
- Securing supplemental/alternative water supplies to reduce dependence on SWP
- Implementing regional drought program to enhance water-use efficiency and conservation
- Maximize regional water supplies by;
  - Expanding current recycled water system to optimize beneficial reuse
  - Constructing interconnections to intertie with IEUA's recycled water system
  - Building a package brine treatment system to recover NRWS flows
  - Increasing Chino Desalter recovery by approximately 10%
  - Optimizing storm water capture from Creeks

Other significant capital investments are the relocation of the Regional Plant 2 (RP-2) biosolids processing facilities to RP-5 and the expansion of the Southern System to meet higher demands from anticipated future growth.

Conclusion

The rapid growth of the Inland Empire since the 1970's has significantly increased property values throughout the Agency's service area. Over the years, rising property values have resulted in higher property tax receipts for the Agency; from an annual average of $9 million in the late 1980's to $36 million in 2008, prior to the onset of the economic recession. In FY 2014/15 total property taxes are projected to be $40 million, approximately 26% of the Agency's total funding sources.

A key assumption in the Agency's long term planning is the continual receipt of property taxes. However, future shifts by the State during periods of fiscal distress are still a potential risk. Given this uncertainty, the Board is committed to reducing reliance on property taxes to support operating costs and other recurring costs which are more appropriately supported by service charges and user fees. A key objective for the Agency is to have full cost of service rates for all programs, (Business Goal Fiscal Responsibility). Achieving this objective will allow the investment of property taxes for capital initiatives/projects that support continual economic development in the region and safeguard the quality of life of the residents served through the Agency's water and sewer member agencies, (Business Goal Water Reliability).

The Agency is in the process of completing a series of long term planning documents, including the Facilities Wastewater Master Plan, Integrated Resources Plan, Conservation Plan Update, Energy Master Plan and the Recycled Water Program Strategy. Projects defined through this process, and once fully vetted by the member agencies, will be integrated in the Agency's Ten Year Capital Improvement Plan and Operating Budget beginning in FY 2015/16. A key funding source for the approved projects is property taxes.

No change in the percentage allocation to the Regional Wastewater program is proposed for FY 2014/15. Discussions on the re-allocation of property taxes to support critical capital investments over the next several years, including amending the Regional Contract to provide for more flexibility in the use of property taxes, will be initiated in the fall 2014. Allocating property taxes to finance the approved projects will help defray future rate increases and new debt issuances, as well as allow the region to
leverage funding opportunities currently available from federal, state and local agencies.
RECEIVE AND FILE

3A
Minutes

Members Present

Braden Yu.................................................. CVWD
Ruben Valdez.............................................. City of Chino
Andy Zummo................................................ City of Chino Hills
Nancy Dacumos......................................... City of Fontana
Michael Birmelin......................................... City of Ontario
Robert Herbster.......................................... City of Upland
Craig Proctor.............................................. IEUA

Absent

Nicole deMoet............................................. City of Montclair

Others Present

Praseetha Krishnan........................................ CVWD
Ken Tam..................................................... IEUA

1. Introductions

Introductions of those present were given.

2. Informational Items & Updates

a. Tech Meeting Report

At the last Regional Technical Committee Meeting on March 31, the Regional Contract Amendment Chapters 15 & 16 draft was provided to the Committee. It was noted that special committee workshops will be scheduled as needed to accommodate finalizing the draft amendment language before the scheduled adoption by the IEUA Board. The Resolution of Notice of Intent to Amend the Regional Contract will presented to the IEUA Board on April 6, 2016.
An update on the Regional Capital Programs including a presentation on the RP-5 expansion was provided to the committee as well as an update on the FY 2016/17 Budget and TYCIP.

b. Treatment Plants

RP-1/RP-4:
- RP-1/RP-4 met all the NPDES requirements during the months of January and February 2016.

RP-5:
- RP-5 met all the NPDES requirements during the months of January and February 2016.

CCWRF:
- CCWRF met all the NPDES requirements during the months of January and February 2016.

Agency-wide:
- The Agency-Wide 12-month running average TDS for the months of January and February was 515 mg/L and 510 mg/L respectively, which did not exceed the 550 mg/L Agency-wide 12-month running average limit.
- The Agency-wide 12-month running average incremental increase between secondary effluent and water supply TDS for the months of January and February was 208 mg/L and 206 mg/L respectively, which did not exceed the 250 mg/L Agency-wide 12-month running average limit.

Collections System:
- No SSOs occurred during the months of January or February 2016.

Recycled Water:
- No unauthorized discharges of more than 50,000 gallons of disinfected tertiary recycled water into the waters of the state occurred during the months of January or February 2016.
- No agricultural runoff events were reported to IEUA by member agencies during the months of January or February 2016.
c. Pretreatment Programs

American Beef Packers (ABP), in the City of Chino, was issued a Notice of Non-Compliance for exceeding their permitted discharge limit for TDS, fixed in November 2015. Results of ABP investigation found the violation was due to a malfunctioning dissolved air floatation (DAF) pump. Upon discovery the pump was repaired. Resampling indicated compliance. No further enforcement action was necessary.

Cliffstar California, LLC, in the City of Fontana, was issued a Notice of Violation for exceeding their permitted discharge limit for TDS, fixed in February and March 2016. Cliffstar believes the February violation was the result of a broken sodium hydroxide line that discharged caustic into the wastewater. Upon discovery the line was immediately repaired. Results of industries investigation into the cause of the March violation is still pending.

Jewlland-Freya Health Sciences, LLC, in the City of Montclair, was placed on an Enforcement Compliance Schedule Agreement (ECSA) in October 2015 for continuing to exceed its permitted daily discharge limit for TDS, fixed. In March 2016, the industry presented a proposal to install pretreatment equipment. The industry is currently working with its consultant, IEUA and the City to install the additional pretreatment equipment. It is expected the equipment will be operational by June 2016.

Scott Brothers Dairy (SBD), in the City of Chino, was issued a Notice of Non-Compliance (NNC) in February for exceeding its permitted discharge limit for TDS during the month of January 2016. In March 2016, SBD was issued a second NNC for failing to respond to the February 2016 NNC. Industry responded to the NNC stating results of their investigation were inconclusive and that their delayed response was the result of waiting for additional laboratory data. The City met with SBD to explain the importance of responding to all NNC in a timely manner. Resampling conducted by the City indicated compliance. No further enforcement action was necessary.

3. Discussion Items

a. Dioxin Evaluation

As previously reported, the revised IEUA NPDES Permit was approved by the RWQCB on October 30, 2015. The new permit contained limits for Dioxin which includes not only the commonly known form 2,3,7,8-TCDD (Dioxin), but also the other congeners. During the last several months of monitoring since the new permit was in effect, IEUA has exceeded the dioxin limit (daily and monthly avg.).

As part of the investigation, IEUA monitored source water samples in the southern service area and found some levels of dioxin above the NPDES permit
limit. IEUA reached out to the Regional Board to discuss alternative methods of evaluating the compliance with the dioxin discharge limit and proposed to base compliance on the evaluation of the congeners based on either the reporting limit of the lab or minimum level of the EPA test method instead of solely the concentration of dioxin reported. The Regional Board is reviewing IEUA’s request. Additional sampling will be conducted on all of the main trunk lines going to RP-5 in April to gather additional information. The outcome of the dioxin compliance will ultimately lead back to the completion of the local limits and whether further dioxin source investigation is needed.

b. Dental Amalgam Rule

IEUA provided an update to the committee on the proposed Dental Amalgam Rule. Based on information provided by EPA representatives at the California Water Environment Association (CWEA) P3S Conference held in March, it is believed the Rule may be finalized and published in the Federal Register by as early as June of this year. Discussion ensued regarding the most practical approach to managing this new requirement. IEUA recommended waiting until the Rule is finalized after which the committee can work collaboratively as a group to identify all dental offices in the IEUA service area. As this would be a pretreatment program requirement IEUA would take the lead on implementing the new Rule.

c. CWEA Certification

IEUA provided an update to the committee on the current status of the CWEA Environmental Compliance Inspector Exam Certification review. The CWEA revalidation workgroup has completed its review of the Grade I and II exams and will be working on the review of the Grade III and IV exams over the next several months. CWEA has indicated they would like to have the process completed by July 2016. Members who have signed up for testing can postpone taking their exams until the review process has been completed.

4. Other Items

Sewer Connection Fee Evaluation – IEUA informed the committee that the RFP for the review of the sewer connection fee process (Exhibit J) was issued and will close on April 21, 2016. IEUA extended the offer to committee members if they would like to participate in the consultant selection process.

The next Pretreatment Committee will be in June 2016.

The meeting adjourned at 2:30 p.m.
Regional Sewerage Program Policy Committee Meeting

AGENDA
Thursday, May 5, 2016
4:30 p.m.

**Location**
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91710

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**Call to Order and Roll Call**

**Pledge of Allegiance**

**Public Comment**

1. **Technical Committee Report – Ryan Shaw**

2. **Action Item**
   A. Approval of the April 7, 2016 Meeting Minutes
   B. Ten-Year Capital Improvement Plan Update
   C. Water Quality Laboratory Construction Award
   D. Regional Connection Requests

3. **Informational Items**
   A. Regional Contract Amendment

4. **Receive and File**
   A. Property Tax Overview
   B. Pretreatment Committee Minutes
   C. Building Activity Update
   D. Recycled Water Distribution – Operations Summary

5. **Other Business**
   A. IEUA General Manager’s Update
   B. Committee Member Requested Agenda Items for Next Meeting
   C. Committee Member Comments
   D. Next Meeting – June 2, 2016

6. **Adjournment**
DECLARATION OF POSTING

I, Laura Mantilla, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Monday, May 2, 2016.

______________________________
Laura Mantilla
RECEIVE AND FILE

3C
Building Activity Report - YTD Fiscal Year 2015/16

Legend
- Service Area
- Unincorporated

EDU (YTD)
- Residential
  - 0 < 1.0
  - 1.0 - 10.0
  - > 10.0

- Commercial
  - 0 < 1.0
  - 1.0 - 10.0
  - > 10.0

- Industrial
  - 0 < 1.0
  - 1.0 - 10.0
  - > 10.0

HALF MILE GRID: TOTAL EDU's (YTD)

TOTAL EDU BY CONNECTION TYPE (YTD)

<table>
<thead>
<tr>
<th>Contracting Agency</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Total (EDU)</th>
<th>Projected Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chino Hsls</td>
<td>332</td>
<td>36</td>
<td>0</td>
<td>428</td>
<td>842</td>
</tr>
<tr>
<td>Chino</td>
<td>416</td>
<td>83</td>
<td>0</td>
<td>500</td>
<td>681</td>
</tr>
<tr>
<td>CVWD</td>
<td>345</td>
<td>73</td>
<td>698</td>
<td>1385</td>
<td>364</td>
</tr>
<tr>
<td>Fontana</td>
<td>454</td>
<td>53</td>
<td>15</td>
<td>526</td>
<td>445</td>
</tr>
<tr>
<td>Montclair</td>
<td>37</td>
<td>12</td>
<td>49</td>
<td>90</td>
<td>154</td>
</tr>
<tr>
<td>Ontario</td>
<td>209</td>
<td>79</td>
<td>84</td>
<td>372</td>
<td>5020</td>
</tr>
<tr>
<td>Upland</td>
<td>337</td>
<td>33</td>
<td>0</td>
<td>370</td>
<td>363</td>
</tr>
<tr>
<td>Total</td>
<td>2030</td>
<td>489</td>
<td>747</td>
<td>3246</td>
<td>5849</td>
</tr>
</tbody>
</table>
RECEIVE AND FILE
3D
Date: April 28, 2016

To: Regional Technical Committee

From: Inland Empire Utilities Agency

Subject: RP-1/RP-5 Expansion Preliminary Design Report (PDR) Update

RECOMMENDATION

This is an informational item.

BACKGROUND

Beginning in June 2013, the Inland Empire Utilities Agency (Agency) started a planning initiative to update the Agency’s Wastewater Facilities Master Plan (WFMP). As part of the WFMP, the Agency planned existing facility improvements to accommodate for population growth and optimization of the wastewater collection and wastewater treatment systems, as well as the recycled water system. The WFMP incorporated the wastewater flow projections developed by the Integrated Water Resources Plan (IRP) and operational knowledge of the existing treatment systems to develop a comprehensive facilities and operations plan. According to the WFMP, influent wastewater flows are projected to increase as a result of population growth in the service area. By the year 2060, influent flows at RP-1 are projected to increase as much as 20 percent and more than double at RP-5. Table 1 provides the current facility treatment capacities, forecasted 2035 and 2060 influent flows, and the year the existing facility treatment capacity is anticipated to be exceeded:

<table>
<thead>
<tr>
<th>Facility</th>
<th>Existing Capacity</th>
<th>2035 Flow</th>
<th>2060 Flow</th>
<th>Capacity Exceeded</th>
</tr>
</thead>
<tbody>
<tr>
<td>RP-1</td>
<td>32 MGD*</td>
<td>33.1 MGD</td>
<td>36.3 MGD</td>
<td>2030</td>
</tr>
<tr>
<td>RP-5</td>
<td>15.0 MGD</td>
<td>20.2 MGD</td>
<td>27.2 MGD</td>
<td>2025</td>
</tr>
</tbody>
</table>

* Estimated capacity as identified in WFMP

In addition, the United States Army Corps of Engineers (USACE) has begun a project to raise the Prado Dam Spillway, which will result in an increased high water service level behind the dam placing the RP-2 Solids Treatment Facility in a floodplain. Therefore, RP-2 must be decommissioned and a new Solids Treatment Facility must be constructed at RP-5 with sufficient capacity to treat existing and future service area flows.
The RP1/RP-5 Expansion PDR project will develop a consolidated PDR for the RP-1 Liquids & Solids Treatment System Expansion, RP-5 Liquids Treatment System Expansion, and RP-5 Solids Treatment Facility to size of the required treatment capacity expansions at each of the facilities, determine the schedule for design and construction, and estimate the project costs (design, construction, internal labor, & contingency). The Agency issued a Request for Proposal (RFP) for Engineering Preliminary Design Services on November 3, 2015. On January 20, 2016, the Board of Directors awarded the Contract for Engineering Preliminary Design Services to Parsons Water & Infrastructure Inc. for the not-to-exceed amount of $2,431,598 with a project schedule of one year.

On January 21, 2016, the Agency issued the notice-to-proceed and the Parsons/Agency project team initiated work on the predesign. The project plan for the PDR includes four major technical staff workshops scheduled for: April, July, September, and December of 2016 the three latter workshops being tentative dates based upon the progress of the project. Therefore, the Agency project team proposes to schedule four Board Workshops aligning with the staff workshops and an additional workshop focused on organics waste management to discuss the major decisions and recommendations forming the basis of the PDR with the Board of Directors. Table 2 provides the proposed schedule for the Board Workshops and the topics to be discussed:

<table>
<thead>
<tr>
<th>Workshop</th>
<th>Date</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>May 2016</td>
<td>RP-1, CCWRF, RP-4, &amp; RP-5 Facility Capacities and Expansion Sizing Requirements</td>
</tr>
<tr>
<td>2</td>
<td>July 2016</td>
<td>Organics Waste Management</td>
</tr>
<tr>
<td>3</td>
<td>August 2016</td>
<td>Major Treatment System Alternatives and Equipment Pre-selection</td>
</tr>
<tr>
<td>4</td>
<td>October 2016</td>
<td>Side Stream Processes and Decommissioning Plan for RP-2</td>
</tr>
<tr>
<td>5</td>
<td>January 2017</td>
<td>RP-1 &amp; RP-5 Expansion PDR Final Recommendations</td>
</tr>
</tbody>
</table>
Proposed Board Workshop Schedule

- **Board Contract Award**
  - January 20, 2016

- **Workshop 1**
  - May 2016
  - Facility Capacities

- **Workshop 2**
  - July 2016
  - Organics Waste Management

- **Workshop 3**
  - August 2016
  - Major Treatment System Alternatives

- **Workshop 4**
  - October 2016
  - Side Stream Processes

- **Workshop 5**
  - January 2017
  - Expansion Sizing Requirements

- **Final PDR**
  - January 20, 2017
  - Beneficial Use of Digester Gas

- **Decommissioning Plan for RP-2**

- **RP-1 Expansion Final Recommendations**

- **RP-5 Expansion Final Recommendations**

Riverside Water Quality Control Plant
MBR System – Online March 2016