Regional Sewerage Program Policy Committee Meeting

AGENDA
Thursday, May 3, 2018
4:00 p.m.

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

Call to Order
Pledge of Allegiance
Public Comment
Changes/Additions/Deletions to the Agenda

1. Technical Committee Report (Oral)

2. Action Item
   A. Approval of the April 5, 2018 Meeting Minutes
   B. FY 2018/19 Ten Year Capital Improvement Plan

3. Informational Items
   A. Regional Contract Update/Renewal (Oral)
   B. FY 2018/19 Regional Programs Budget Review
   C. Policy Committee Chair Rotation
   D. Legislative Update

4. Receive and File
   A. Building Activity Update
   B. Recycled Water Distribution – Operations Summary
   C. Engineering Quarterly Project Updates

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 7, 2018
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, April 30, 2018.

[Signature]
Laura Mantilla
ACTION ITEM

2A
Regional Sewerage Program
Policy Committee Meeting

MINUTES OF APRIL 5, 2018 MEETING

CALL TO ORDER
A meeting of the IEUA/Regional Sewerage Program – Policy Committee was held on Thursday, April 5, 2018, at the Inland Empire Utilities Agency located at 6075 Kimball Avenue, California. Chairman Michael Tahan, City of Fontana, called the meeting to order at 4:02 p.m.

ATTENDANCE

Committee Members:

<table>
<thead>
<tr>
<th>Name</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eunice Ulloa</td>
<td>City of Chino</td>
</tr>
<tr>
<td>Peter Rogers</td>
<td>City of Chino Hills</td>
</tr>
<tr>
<td>Kathy Tiegs</td>
<td>Cucamonga Valley Water District</td>
</tr>
<tr>
<td>Michael Tahan (alternate)</td>
<td>City of Fontana</td>
</tr>
<tr>
<td>Jim Bowman</td>
<td>City of Ontario</td>
</tr>
<tr>
<td>Trisha Martinez</td>
<td>City of Montclair</td>
</tr>
<tr>
<td>Debbie Stone</td>
<td>City of Upland</td>
</tr>
<tr>
<td>Kati Parker</td>
<td>Inland Empire Utilities Agency</td>
</tr>
</tbody>
</table>

Others Present:

<table>
<thead>
<tr>
<th>Name</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amanda Coker</td>
<td>City of Chino</td>
</tr>
<tr>
<td>Chuck Hays</td>
<td>City of Fontana</td>
</tr>
<tr>
<td>Katie Gienger</td>
<td>City of Ontario</td>
</tr>
<tr>
<td>Halla Razak</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Kathy Besser</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Christina Valencia</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Elizabeth Hurst</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Laura Mantilla</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Liza Munoz</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Craig Proctor</td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td>Shaun Stone</td>
<td>Inland Empire Utilities Agency</td>
</tr>
</tbody>
</table>
PLEDGE OF ALLEGIANCE
Committee Member Trisha Martinez led those present in the pledge of allegiance to the flag. A quorum was present.

PUBLIC COMMENTS
There were no public comments.

ADDITIONS/CHANGES TO THE AGENDA
There were none.

1. TECHNICAL COMMITTEE REPORT
Chuck Hays/City of Fontana reported that a Special Technical Committee Workshop and Meeting was held on March 29, 2018. Carollo Engineering gave a presentation on the Sewer Fee Evaluation (Exhibit J Study). The Technical Committee reviewed the three options on sewer connection fee study path forward and agreed to establish a working group and continue to retain Carollo for the data analysis with a six-month delay.

Mr. Hays stated that the Technical Committee approved the Technical Committee Meeting Minutes; City of Ontario Regional Connection Request; and the Napa Lateral Design Build Contract, which was approved unanimously after a lengthy discussion on the history and background of the project. The motion was made by the City of Ontario and seconded by the City of Chino Hills with a notation that the Technical Committee is approving the sale of recycled water to customers in the area if it is available after the priority customers entitlements have been met. An informational item was presented on the Ten-Year Capital Improvement Plan by Elizabeth Hurst.

2. ACTION ITEMS
A. APPROVAL OF THE MINUTES OF DECEMBER 7, 2017 AND FEBRUARY 1, 2018 REGIONAL POLICY COMMITTEE MEETING

Motion: By Jim Bowman/City of Ontario and seconded by Peter Rogers/City of Chino Hills to approve the minutes of the December 7, 2017 and February 1, 2018 Regional Policy Committee meetings.

Motion carried: Unanimously, with Michael Tahan/City of Fontana and Eunice Ulloa/City of Chino abstaining.

B. NAPA LATERAL DESIGN BUILD CONTRACT AWARD
Shaun Stone/IEUA stated that the cumulation agreements for this project were developed in 2015 with the City of Fontana, Fontana Water Company, California Steel Industries and Auto Speedway and explained the background on the project. Mr. Stone reviewed the project location and stated that IEUA applied for financial assistance through Proposition 1. IEUA received notification from SWRCB that the project was selected granting a principal forgiveness of $2.5 million and a low interest loan at 1.8 percent.
The project is to design and construct 10,000 linear feet of 12”, 16’ and 24” pipelines in Napa Street and San Bernardino Avenue. IEUA received bids in March 2018. Ferreira Construction Company was the lowest responsive bidder at $5.3 million, below the engineer’s estimate. IEUA met with Ferreira and evaluated their bid thoroughly and Ferreira was very comfortable with their bid, as they are knowledgeable and have performed similar projects. Mr. Stone reviewed the project cost and schedule and asked the Committee for recommendation to award the project construction in the amount of $5.3 million.

**Motion:** By Trisha Martinez/City of Montclair and seconded by Peter Rogers/City of Chino Hills to make recommendation to the IEUA Board of Directors to award the design build contract award to Ferreira Construction Company in the amount of $5,332,122.

**Motion carried:** Unanimously.

3. **INFORMATIONAL ITEMS**

A. **REGIONAL CONTRACT UPDATE/RENEWAL**

   Mr. Hays stated that Kearns & West requested the Member Agencies and IEUA to prioritize issues and provide responses to them by March 29. Kearns and West will present the information at the Technical Committee Workshop on April 11.

B. **TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP)**

   Elizabeth Hurst/IEUA gave an update on the FY 2018/19 Ten Year Capital Improvement Plan. Ms. Hurst stated that the key drivers for the TYCIP are the member agencies ten-year growth projections; inflows at wastewater treatment plants; and major planning documents. In the next ten years, IEUA anticipates approximately 56,000 new equivalent dwelling units (EDUs). Ms. Hurst reviewed the FY 2018/19 – 2027/28 wastewater flow projections and stated that flows will increase from 50 MGD in FY 2018/19 to 61 MGD in FY 2027/28 based on the projections.

   Ms. Hurst discussed the TYCIP planning window of the major treatment facility capacity/expansion project schedule and total cost. She stated that compared to last year’s program, there are no significant deviations in the capital improvement projects. Ms. Hurst then reviewed the TYCIP adoption schedule.

C. **LEGISLATIVE UPDATE**

   Kathy Besser/IEUA provided a legislative update on water bills and IEUA’s position on the following State bills: Proposition 68 (SB 5); SB 606; AB 1668; AB 1876; SB 2050, and SB 831. Ms. Besser also reported that the appropriations bill that was signed by the President two weeks ago, contained significant increase for water infrastructure programs. Ms. Besser then reported on the increase of funds for the State Revolving Fund, Title XVI, WINN Act, and Water Smart Grants.

   Kathy Tiegs thanked Ms. Besser for the update. She mentioned that there is a bill that would impact retail agencies and prevent them from turning off customers’ water should they not pay their bill. Ms. Besser stated that IEUA is watching that closely to see what happens with the amendments. Ms. Besser stated IEUA could reach out to all the member agencies to share information and feedback.
4. RECEIVE AND FILE
   A. BUILDING ACTIVITY UPDATE
      The Building Activity Update was received and filed by the Committee.
   
   B. RECYCLED WATER DISTRIBUTION – OPERATIONS SUMMARY
      The Recycled Water Distribution Operations Summary was received and filed by the Committee.
   
   C. REGIONAL CONTRACT FACILITATION SCOPING PHASE 2
      The Regional Contract Facilitation Scoping Phase 2 was received and filed by the Committee.

5. OTHER BUSINESS
   A. IEUA GENERAL MANAGER’S UPDATE
      • Halla Razak stated that the Committee is invited to attend the Technical Committee Workshop on April 11. Kearns & West will be discussing the scoping phase.

   B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING
      None.

   C. COMMITTEE MEMBER COMMENTS
      None.

   D. NEXT MEETING – MAY 3, 2018

6. ADJOURNMENT – Meeting was adjourned at 4:35 p.m.

Transcribed by:
Laura Mantilla, Executive Assistant
Date: April 26, 2018/May 3, 2018
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: Fiscal Year 2018/19-2027/28 Ten Year Capital Improvement Plan Adoption

RECOMMENDATION

It is requested that the Regional Committees recommend the IEUA Board of Directors adopt the Fiscal Year 2018/19-2027/28 Ten Year Capital Improvement Plan.

BACKGROUND

Each year the Inland Empire Utilities Agency submits a ten year forecast of capacity demands and capital projects called the Ten Year Capital Improvement Plan (TYCIP) to the Regional Technical and Policy Committees. The current TYCIP identifies projects for the fiscal years of 2018/19 through 2027/28 and includes new equivalent dwelling unit forecasts for wastewater connections, wastewater strength and flow forecasts, a description of planned capital projects, including any necessary facility expansions, major asset replacement and rehabilitation, and major capital equipment purchases.

Although the TYCIP is a planning level document, it is instrumental for budget discussions; total project budgets for the ten year period are consistent with the Fiscal Year 2017/18 Adopted Biennial Budget. Major projects in the TYCIP include: construction of wastewater solids handling facility and expansion of liquids treatment at Regional Water Recycling Facility No. 5; asset management projects at Carbon Canyon Wastewater Recycling Facility, Regional Water Recycling Facility No. 4, and throughout the regional sewer system; and groundwater basin improvements per the 2013 Recharge Master Plan Update. A summary of the ten year capital project costs by fund is summarized below.

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>Fiscal Year 2018/19-2027/28 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services</td>
<td>$13.5 M</td>
</tr>
<tr>
<td>Non-Reclaimable Wastewater Fund</td>
<td>$18.1 M</td>
</tr>
<tr>
<td>Regional Capital Wastewater Improvement Fund</td>
<td>$472.5 M</td>
</tr>
<tr>
<td>Regional Wastewater Operations and Maintenance Fund</td>
<td>$89.1 M</td>
</tr>
<tr>
<td>Recharge Water Fund</td>
<td>$27.3 M</td>
</tr>
<tr>
<td>Recycled Water Fund</td>
<td>$95.0 M</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$715.5 M</td>
</tr>
</tbody>
</table>
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*. 
Fiscal Year 18/19 Ten Year Capital Improvement Plan

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

May 2018
Key Drivers of the Fiscal Year 18/19 Ten Year Capital Improvement Plan

- Member Agency growth projections
- Current wastewater influent flows and concentrations
- Contributing Documents:
  - 2013 Recharge Master Plan Update
  - 2015 Wastewater Facilities Master Plan Update
  - 2015 Recycled Water Program Strategy Update
  - 2015 Energy Management Plan
  - 2016 Integrated Resources Plan
  - 2016 Water Use Efficiency Business Plan
New Equivalent Dwelling Unit (EDU) Forecast
(2017 Member Agency Forecast Data - Cumulative)
Fiscal Year 18/19-27/28 Wastewater Flow Projections

Regional Treatment Plan Influent Flows (MGD)

12/13  13/14  14/15  15/16  16/17  17/18  18/19  19/20  20/21  21/22  22/23  23/24  24/25  25/26  26/27  27/28

- Historic Flows
- IEUA Planning Projection
- Member Agency EDU Projection

4 MGD
### Major Treatment Facility Capacity/Expansion Project

#### Estimated Treatment Plant Expansion Schedule

<table>
<thead>
<tr>
<th>Description</th>
<th>15/20</th>
<th>20/25</th>
<th>25/30</th>
<th>30/35</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>RP-1 Liquids Capacity Recovery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$182 M</td>
</tr>
<tr>
<td>RP-1 Solids Treatment Expansion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$45 M</td>
</tr>
<tr>
<td>RP-2 Decommissioning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$30 M</td>
</tr>
<tr>
<td>RP-5 Liquid Treatment Expansion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$160 M</td>
</tr>
<tr>
<td>RP-5 Solids Treatment Facility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$165 M</td>
</tr>
</tbody>
</table>

Ten Year Capital Improvement Planning Window
Ten Year Capital Improvement Plan Budget Summary

- Fiscal Year 17/18 TYCIP: $717 Million
- Fiscal Year 18/19 TYCIP: $716 Million
- No major deviations in capital improvement projects
- Major Capital Projects in the TYCIP:
  - Construction of Regional Treatment Plant No. 5 Solids & Liquids Expansion
  - Regional Treatment Plant No. 1 Capacity Recovery/Expansion Design completion by 2028
  - Includes asset repair and replacement program for all systems
<table>
<thead>
<tr>
<th>Fund Description</th>
<th>FY 18/19 TYCIP Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services Fund</td>
<td>$13.5 M</td>
</tr>
<tr>
<td>Non-Reclaimable Wastewater Fund</td>
<td>$18.1 M</td>
</tr>
<tr>
<td>Regional Capital Wastewater Improvement Fund</td>
<td>$472.5 M</td>
</tr>
<tr>
<td>Regional Wastewater Operations and Maintenance</td>
<td>$89.1 M</td>
</tr>
<tr>
<td>Recharge Water Fund</td>
<td>$27.3 M</td>
</tr>
<tr>
<td>Recycled Water Fund</td>
<td>$95.0 M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$715.5 M</strong></td>
</tr>
</tbody>
</table>
Fiscal Year 18/19 Ten Year Capital Improvement Plan Adoption Schedule

✓ 3/29/18  Info Item to Tech Committee  
✓ 4/04/18  Info item to IEUA Committees  
✓ 4/05/18  Info Item to Policy Committee  
✓ 4/11/18  Info item to IEUA Board  
  • 4/26/18  Action item to Tech Committee  
  • 5/03/18  Action item to Policy Committee  
  • 5/09/18  Action item to IEUA Committees  
  • 5/16/18  Action item to IEUA Board
Recommendation

- It is requested that the Regional Committees recommend the IEUA Board of Directors adopt the Fiscal Year 2018/19 – 2027/28 Ten Year Capital Improvement Plan.

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 26, 2018/May 3, 2018

To: Regional Committee

From: Inland Empire Utilities Agency

Subject: FY 2018/19 Regional Programs Budget Review

RECOMMENDATION

This is an information item for the Regional Committees to review.

BACKGROUND

This item was presented to the IEUA Board of Directors at the meeting held on April 11, 2018.
Date: April 11, 2018
To: The Honorable Board of Directors
From: Halla Razak, General Manager
Committee: Finance & Administration

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: FY 2018/19 Proposed Budget Amendment for Regional Wastewater, Recycled Water, and Groundwater Recharge Programs

Executive Summary:

On June 21, 2017 the Board of Directors approved the Agency’s second Biennial Budget for fiscal years (FYs) 2017/18 and 2018/19, and Ten Year Capital Improvement Plan (TYCIP) for FYs 2018-2027. As part of the biennial budget cycle, a review of the second budget year is done at the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions.

The increase of $4.9 million in total Uses of Funds is primarily due to the inter-fund loan repayment from the Recycled Water to the Non-Reclaimable Wastewater (NRW) program to support the NRW Philadelphia Lift Station Force Main capital project. The increase to Sources of Funds of $26.1 million is a combination of higher state loan and grant proceeds to support capital projects in the Regional Wastewater and Recycled Water program, as well higher connection fees in alignment with the current pace of new development. Should the economy slowdown or take a downturn as some economists forecast, this will significantly reduce collection of future connections fees. No changes to the adopted multi-year rates are proposed for FY 2018/19.

Staff’s Recommendation:

Amend the FY 2018/19 Adopted Budget to increase total Sources and Funds by $26.1 million and total Uses of Funds by $4.9 million which includes the advanced repayment of the inter-fund loan from the Recycled Water to the Non-Reclaimable Wastewater program.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): Y Amount for Requested Approval: 
Account/Project Name:

Fiscal Impact (explain if not budgeted):

The proposed net increase of $21.2 million to the FY 2018/19 Adopted Budget will increase total Agency fund reserves

Full account coding (internal AP purposes only): - - - Project No.: - - -
Prior Board Action:

On June 21, 2017, the Board of Directors approved the Agency's biennial budget for FYs 2017/18 and 2018/19.

Environmental Determination:
Not Applicable

Business Goal:

The proposed amended to the FY 2018/19 Adopted Budget for the Agency’s programs is consistent with the IEUA Business Goals of Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship and Business Practices to optimize investment earnings.

Attachments:
Attachment B - Background
Attachment C - Powerpoint
Attachment D - Regional Program Sources and Uses of Funds Report
Fiscal Year 2018/2019 Proposed Budget Amendments

On June 21, 2017 the Board of Directors approved the Agency’s second Biennial Budget for fiscal (FYs) 2017/18 and 2018/19, and Ten-Year Capital Improvement Plan (TYCIP) for FYs 2018-2027. As part of the biennial budget cycle, a review of the second budget year is done at the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions. Summarized below are the proposed amendments recommended for FY 2018/19 total Sources and Uses of funds.

Table 1: FY 2018/19 Proposed Budget Amendments ($Millions)

<table>
<thead>
<tr>
<th>Source of Funds</th>
<th>Adopted</th>
<th>Proposed</th>
<th>Amendment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sources of funds</td>
<td>$248.5</td>
<td>$277.1</td>
<td>$28.6</td>
</tr>
<tr>
<td>Uses of funds</td>
<td>$(251.5)</td>
<td>$(254.8)</td>
<td>$(3.3)</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position</td>
<td>$(3.0)</td>
<td>$22.3</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL SOURCES OF FUNDS**

Total increase to Sources of Funds of $28.6 million is supported by an increase in connection fees, state loan proceeds, grants, inter-fund loan repayment, user charges and interest earnings. These increases are partially offset by a reduction in capital contributions. The distribution by program and major category is shown in Table 2:

Table 2: FY 2018/19 Proposed Amendment to Sources of Funds by Program ($Millions)

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Regional Wastewater</th>
<th>Recycled Water</th>
<th>Non-Reclaimable Wastewater</th>
<th>Groundwater Recharge</th>
<th>Water Resources &amp; Admin Services</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>User Charges</td>
<td>-</td>
<td>-</td>
<td>$1.2</td>
<td>-</td>
<td>$0.1</td>
<td>$1.3</td>
</tr>
<tr>
<td>Connection Fees</td>
<td>6.5</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8.5</td>
</tr>
<tr>
<td>State Loans</td>
<td>3.2</td>
<td>8.0</td>
<td>-</td>
<td>(1.7)</td>
<td>-</td>
<td>9.5</td>
</tr>
<tr>
<td>Grants</td>
<td>1.5</td>
<td>6.7</td>
<td>-</td>
<td>0.7</td>
<td>(2.3)</td>
<td>6.6</td>
</tr>
<tr>
<td>Capital Reimbursement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1.9)</td>
<td>-</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Inter-fund Loan</td>
<td>-</td>
<td>-</td>
<td>3.0</td>
<td>-</td>
<td>-</td>
<td>3.0</td>
</tr>
<tr>
<td>*Other Sources</td>
<td>0.6</td>
<td>0.4</td>
<td>0.2</td>
<td>0.1</td>
<td>0.3</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$118.8</strong></td>
<td><strong>$17.1</strong></td>
<td><strong>$4.4</strong></td>
<td><strong>($28.6)</strong></td>
<td><strong>($1.9)</strong></td>
<td><strong>$28.6</strong></td>
</tr>
</tbody>
</table>

*Other Sources includes adjustments in property taxes and interest earnings.
**User Charges:** Estimated increases in user charges from the County Sanitation District of Los Angeles. These charges are passed through to customers in the Non-Reclaimable Wastewater North system.

**Connection Fees:** Wastewater connections units increased by 1,000 equivalent dwelling units (EDUs) and water connections increased by 1,200-meter equivalent units (MEUs) to align with current pace of construction activity anticipated to continue in FY 2018/19.

**State Loans and Grants:** Increases are the result of Agency efforts in securing State Revolving Fund (SRF) loans to support capital projects for the Recycled Water and Regional Wastewater programs planned for FY 2018/19. Due to uncertainty in the availability of SRF loan funding, a key assumption in the adopted FY 2018/19 budget was pay-go funding of planned capital projects. The reduction in grants for the Groundwater Recharge and Water Resources programs is due to a change in the project execution timeline, such as the Recharge Master Plan Update (RMPU).

**Inter-fund Loan:** Advance the repayment of the inter-fund loan from the Recycled Water program to the Non-Reclaimable Wastewater program scheduled to begin in FY 2019/20. Acceleration of the first installment in the amount of $3 million will support the Non-Reclaimable Wastewater capital improvement of the force main at the Philadelphia lift station. Inter-fund loans currently outstanding in the Recycle Water program of $28.5 million include $15 million due to the Non-Reclaimable Wastewater program and $13.5 million due to the Regional Wastewater Capital Improvement fund. The final installment is currently scheduled for FY 2022/23.

**TOTAL USES OF FUNDS**

The increase of $3.3 million in total Uses of Funds is primarily due to an increase in capital project expenditures and advancement of the inter-fund loan repayment from the Recycled Water to the Non-Reclaimable Wastewater program. The table below provides a summary by program and major category.

**Table 3: FY 2018/19 Proposed Amendments to Uses of Funds by Program ($Millions)**

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>Regional Wastewater</th>
<th>Recycled Water</th>
<th>Non-Reclaimable Wastewater</th>
<th>Groundwater Recharge</th>
<th>Water Resources &amp; Admin Services</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations &amp; Administration</td>
<td>$1.7</td>
<td>($0.3)</td>
<td>$1.0</td>
<td>$0.0</td>
<td>($3.7)</td>
<td>($1.3)</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>0.3</td>
<td>1.0</td>
<td>2.1</td>
<td>(2.3)</td>
<td>0.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Debt Service</td>
<td>3.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.1</td>
</tr>
<tr>
<td>Inter Fund Transfers</td>
<td>1.0</td>
<td>2.0</td>
<td>(0.5)</td>
<td>(1.7)</td>
<td>(0.8)</td>
<td>(0.0)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3.0</strong></td>
<td><strong>$5.8</strong></td>
<td><strong>$2.6</strong></td>
<td><strong>(3.0)</strong></td>
<td><strong>(3.1)</strong></td>
<td><strong>$3.3</strong></td>
</tr>
</tbody>
</table>

**Operations & Administration:** Includes an increase in operating fees, mainly due to higher pass-through fees from County Sanitation District of Los Angeles, and non-capital project costs. These
are offset by a reduction in utilities, professional fees and services, materials and supplies, and other expenses.

**Capital Projects:** Increase is primarily due the acceleration of the force main for the Philadelphia lift station capital project in the Non-Reclaimable Wastewater program. The increase is offset by the adjustment of the RMPU project execution timeline, and other minor adjustments to the Ten-Year Capital Improvement Plan (TYCIP).

**Debt Service:** The increase is associated to the acceleration of inter-fund loan repayment to the Non-Reclaimable Wastewater from the Recycled Water program.

**Inter Fund Transfers:** Increases in the Regional Wastewater and Recycled Water programs are related to the adjustment in the transfer of respective connection fees due to changes in the Recharge Master Plan Update capital project execution timeline and related capital contributions.

**Adopted Multi-Year Rates**

In May 2015, the Board adopted multi-year rates for the wastewater connection fee, EDU monthly sewer rate, water connection fee, and recycled water rates. The multi-year rates support the Board’s commitment to set rates and fees that fully recover the cost of service. No change is proposed for the adopted multi-year rates for the Regional Wastewater and Recycled Water programs for FY 2018/19.

**Table 4: Adopted Fees and Rates**

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>FY 2017/18</th>
<th>FY 2018/19</th>
<th>FY 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater Connection Fee/Equivalent Dwelling Unit (EDU)</td>
<td>7/01/17</td>
<td>7/01/18</td>
<td>7/01/19</td>
</tr>
<tr>
<td></td>
<td>$6,309</td>
<td>$6,624</td>
<td>$6,955</td>
</tr>
<tr>
<td>EDU Monthly Sewer Rate</td>
<td>$18.39</td>
<td>$19.59</td>
<td>$20.00</td>
</tr>
<tr>
<td>Water Connection Fee /Meter Equivalent Unit (MEU)</td>
<td>$1,527</td>
<td>$1,604</td>
<td>$1,684</td>
</tr>
<tr>
<td>Recycled Water Direct Delivery/Acre Feet (AF)</td>
<td>$470</td>
<td>$480</td>
<td>$490</td>
</tr>
<tr>
<td>Recycled Water Groundwater Recharge/AF</td>
<td>$530</td>
<td>$540</td>
<td>$550</td>
</tr>
</tbody>
</table>

**Conclusion**

The proposed net increase of $25.3 million in total Sources of funds for FY 2018/19 Adopted Budget is primarily due to a higher projection in wastewater and water connection fees and SRF loans secured to support capital projects in the Recycled Water and Regional Wastewater programs, offset by the advanced repayment of the inter-fund loan from the Recycled Water to the Non-Reclaimable Wastewater program. No changes to the adopted multi-year rates are proposed for FY 2018/19.
The proposed amendment to the FY 2018/19 Adopted Budget for the Agency’s programs is consistent with the IEUA Business Goals of Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship and Business Practices.
FY 2018/19 Proposed Budget Amendments
Regional Wastewater, Recycled Water, and Groundwater Recharge

April 2018
REGIONAL PROGRAMS USES OF FUNDS
Regional Wastewater, Recycled Water, and Groundwater Recharge

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>FY 2018/19 Adopted</th>
<th>FY 2018/19 Proposed</th>
<th>Amendments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Uses of Funds</td>
<td>$184.5</td>
<td>$189.4</td>
<td>$4.9</td>
</tr>
</tbody>
</table>

- **Transfers**: $3
- **Debt Service**: $22 $25
- **Projects**: $75 $74
- **Operations & Admin.**: $88

*Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT*
# REGIONAL PROGRAMS SOURCES OF FUNDS
Regional Wastewater, Recycled Water, and Groundwater Recharge

<table>
<thead>
<tr>
<th>$ Millions</th>
<th>FY 2018/19 Adopted</th>
<th>FY 2018/19 Proposed</th>
<th>Amendments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sources of Funds</td>
<td>$182.7</td>
<td>208.8</td>
<td>$26.1</td>
</tr>
</tbody>
</table>

- **Other**: $10 (Adopted), $9 (Proposed)
- **SRF/Grants**: $23 (Adopted), $41 (Proposed)
- **Property tax**: $43 (Adopted), $45 (Proposed)
- **Connection fees**: $24 (Adopted), $33 (Proposed)
- **Recycled Water Sales**: $18 (Adopted), $18 (Proposed)
- **User Charges**: $65 (Adopted), $65 (Proposed)

---

*Inland Empire Utilities Agency*
*A Municipal Water District*
The proposed amendments to the FY 2018/19 Adopted Budget are consistent with the IEUA Business Goals of Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship and Business Practices.
INFORMATION
ITEM
3C
Date: April 26/May 3, 2018
To: Regional Committees
From: Inland Empire Utilities Agency
Subject: Rotation of Chair for Monthly Regional Committee Meetings

RECOMMENDATION

This is an informational item on the rotation of the host agency for the monthly Regional Committee meetings.

BACKGROUND

Traditionally, one of the Regional Sewer Service Contracting Agencies chairs the monthly committee meetings for a two-year term. The City of Fontana has chaired since July 2016, and the chair agency is due to rotate in July 2018. The following are the agencies that have hosted over the last ten years:

- Upland 2006-2008
- CVWD 2008-2010
- Chino Hills 2010-2012
- Chino 2012-2014
- Ontario 2014-2016
- Fontana 2016-2018

The next agency in the rotation is the City of Montclair. Therefore, the Regional Sewerage Committee meetings will be chaired by the City of Montclair, beginning with the July 2018 meetings.
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>1986-1988</td>
</tr>
<tr>
<td>Fontana</td>
<td>1988-1990</td>
</tr>
<tr>
<td>Montclair</td>
<td>1990-1992</td>
</tr>
<tr>
<td>Upland</td>
<td>1992-1994</td>
</tr>
<tr>
<td>CVWD</td>
<td>1994-1996</td>
</tr>
<tr>
<td>Chino Hills</td>
<td>1996-1998</td>
</tr>
<tr>
<td>Chino</td>
<td>1998-2000</td>
</tr>
<tr>
<td>Ontario</td>
<td>2000-2002</td>
</tr>
<tr>
<td>Fontana</td>
<td>2002-2004</td>
</tr>
<tr>
<td>Montclair</td>
<td>2004-2006</td>
</tr>
<tr>
<td>Upland</td>
<td>2006-2008</td>
</tr>
<tr>
<td>CVWD</td>
<td>2008-2010</td>
</tr>
<tr>
<td>Chino Hills</td>
<td>2010-2012</td>
</tr>
<tr>
<td>Chino</td>
<td>2012-2014</td>
</tr>
<tr>
<td>Ontario</td>
<td>2014-2016</td>
</tr>
<tr>
<td><strong>Fontana</strong></td>
<td><strong>2016-2018</strong></td>
</tr>
<tr>
<td><strong>Montclair</strong></td>
<td><strong>2018-2020</strong></td>
</tr>
<tr>
<td><strong>Upland</strong></td>
<td><strong>2020-2022</strong></td>
</tr>
<tr>
<td>CVWD</td>
<td>2022-2024</td>
</tr>
<tr>
<td>Chino Hills</td>
<td>2024-2026</td>
</tr>
<tr>
<td>Chino</td>
<td>2026-2028</td>
</tr>
<tr>
<td>Ontario</td>
<td>2028-2030</td>
</tr>
<tr>
<td>Fontana</td>
<td>2030-2032</td>
</tr>
<tr>
<td>Montclair</td>
<td>2032-2034</td>
</tr>
<tr>
<td>Upland</td>
<td>2034-2036</td>
</tr>
<tr>
<td>CVWD</td>
<td>2036-2038</td>
</tr>
<tr>
<td>Chino Hills</td>
<td>2038-2040</td>
</tr>
<tr>
<td>Chino</td>
<td>2040-2042</td>
</tr>
</tbody>
</table>

- Current Chair until July 2018
- Current Co-Alternate Chair until July 2018, will be next Chair
- Co-Alternate Chair if Montclair is not present, will be next Alternate Chair
### IEUA Bill Matrix

<table>
<thead>
<tr>
<th>Year</th>
<th>IEUA Action</th>
<th>Bill No.</th>
<th>Author</th>
<th>Bill Name</th>
<th>Final Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Support</td>
<td>Prop 68 (SB 5)</td>
<td>de León</td>
<td>Water Bond</td>
<td>Ballot in June '18</td>
<td>Joined Californians for Clean Water and Safe Parks Coalition - Prop 68 (2/18)</td>
</tr>
<tr>
<td>2018</td>
<td>Support</td>
<td>AB 1668</td>
<td>Friedman</td>
<td>Water Management Planning</td>
<td>-</td>
<td>Implementing the Gov. Exec. Order</td>
</tr>
<tr>
<td>2018</td>
<td>Oppose</td>
<td>AB 1876</td>
<td>Frazier</td>
<td>Sacramento-San Joaquin Delta; Delta Stewardship Council</td>
<td>-</td>
<td>MWD Coalition Letter</td>
</tr>
<tr>
<td>2018</td>
<td>Support</td>
<td>SB 2050</td>
<td>Caballero</td>
<td>Small System Water Authority Act of 2018</td>
<td>-</td>
<td>Eastern MWD Bill</td>
</tr>
<tr>
<td>2018</td>
<td>Watch</td>
<td>SB 623</td>
<td>Morning</td>
<td>Water quality; Safe and Affordable Drinking Water Fund</td>
<td>-</td>
<td>Public goods charge, also included in a budget trailer</td>
</tr>
<tr>
<td>2018</td>
<td>Watch</td>
<td>SB 831</td>
<td>Wiedkowski</td>
<td>Discontinuation of residential water service: urban and community water systems</td>
<td>-</td>
<td>Signatures still being verified for inclusion on the November ballot.</td>
</tr>
<tr>
<td>2018</td>
<td>Watch</td>
<td>SB 998</td>
<td>Dodd</td>
<td>Water Supply and Water Quality Act of 2018</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>Watch</td>
<td>AB 3037</td>
<td>Chui, Holden</td>
<td>Community Redevelopment Law of 2018</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>Watch</td>
<td>AB 1778</td>
<td>Holden</td>
<td>Transit-Oriented Redevelopment Law of 2018</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>Oppose</td>
<td>AB 2697</td>
<td>Gallagher</td>
<td>Idled Ag Land and Water Transfers</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>Watch</td>
<td>SB 831</td>
<td>Wiedkowski</td>
<td>Land use: accessory dwelling units</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>Concerns for partnering agencies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>
RECEIVE AND FILE

4B

<table>
<thead>
<tr>
<th>Basin</th>
<th>3/1-3/10</th>
<th>3/11-3/17</th>
<th>3/18-3/24</th>
<th>3/25-3/31</th>
<th>Month Actual</th>
<th>FY To Date Actual</th>
<th>Deliveries are draft until reported as final.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ely</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>942</td>
<td></td>
</tr>
<tr>
<td>Banana</td>
<td>41.9</td>
<td>0.0</td>
<td>0.0</td>
<td>47.0</td>
<td>88.9</td>
<td>1695</td>
<td></td>
</tr>
<tr>
<td>Hickory</td>
<td>16.5</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>16.5</td>
<td>1004</td>
<td></td>
</tr>
<tr>
<td>Turner 1 &amp; 2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>15.2</td>
<td>15.2</td>
<td>983</td>
<td></td>
</tr>
<tr>
<td>Turner 3 &amp; 4</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>38.9</td>
<td>38.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8th Street</td>
<td>8.7</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>8.7</td>
<td>1048</td>
<td></td>
</tr>
<tr>
<td>Brooks</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>12.7</td>
<td>12.7</td>
<td>1049</td>
<td></td>
</tr>
<tr>
<td>RP3</td>
<td>57.8</td>
<td>0.0</td>
<td>27.0</td>
<td>18.9</td>
<td>103.7</td>
<td>2218</td>
<td></td>
</tr>
<tr>
<td>Decoto</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Victoria</td>
<td>25.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>25.1</td>
<td>798</td>
<td></td>
</tr>
<tr>
<td>San Savino</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>150.0</td>
<td>0.0</td>
<td>27.0</td>
<td>152.6</td>
<td>309.6</td>
<td>9,656</td>
<td>9,656 AF, Previous FY To Date Actual</td>
</tr>
</tbody>
</table>

### Diagrams

1. **Bar Chart**
   - FY 2015/16
   - FY 2016/17
   - FY 2017/18
   - Months: July '17, August, September, October, November, December '17, January '18, February, March, April, May, June '18
   - R/W (Acre-feet/mo)

2. **Line Graph**
   - FY 2015/16
   - FY 2016/17
   - FY 2017/18
   - Days Into Fiscal Year: 0, 30, 61, 91, 122, 152, 213, 243, 274, 304, 335, 365
   - Total R/W Deliveries (acre-feet)
Engineering and Construction Management Project Updates

Jerry Burke, P.E.
April 2018
**Project Goal:** Provide process improvements to the tertiary treatment, storage lagoon, site grading, and drainage

**Current Phase:** Predesign

**Design Engineer:** GHD

**Contract Amount:** $249 K
- Amendments: $0/0.0%

**Total Project Budget:** $2.4 M

**Project Completion:** November 2020

**Percentage Complete:** 15%

**Current Activities:**
- Predesign
- Site investigations and assessments
EN15012 – Regional Water Recycling Plant No. 1 Primary Effluent Conveyance Improvements

- **Project Goal:** Rehabilitate concrete structure and piping
- **Current Phase:** Design
- **Design Engineer:** Stantec Consulting, Inc.
- **Contract Amount:** $461 K
  - Amendments: $41,718/9.4%
- **Total Project Budget:** $3 M
- **Project Completion:** April 2019
- **Percentage Complete:** 100% (design phase)
- **Current Activities:**
  - Advertise bids - April 2018
  - Award construction contract - July 2018

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT
EN18055 – Headquarters Roofing Replacement

- **Project Goal:** Replace existing roofs and skylights which are at the end of their service life
- **Current Phase:** Construction
- **Contractor:** Best Contracting
- **Contract Amount:** $1 M
- **Change Orders:** $0/0%
  - Agency Requested: $0/0%
  - Changed Conditions: $0/0%
- **Total Project Budget:** $1.3 M
- **Project Completion:** July 2018
- **Percentage Complete:** 60%
- **Current Activities:**
  - Removal/Replacement of roof/skylights on Building A
**Project Goal:** Convey City of Chino's southern sewer flows to the Kimball Interceptor

**Current Phase:** Construction

**Contractor:** Pacific Hydrotech

**Contract Amount:** $0 (funded by City of Chino)

**Change Orders:** $0
  - Agency Requested: $0/0%
  - Changed Conditions: $0/0%

**Total Project Budget:** $335 K (staff support $50 K)

**Project Completion:** July 2018

**Percentage Complete:** 70%

**Current Activities:**
  - The wet well is constructed and the platform framing is underway
  - The lower level mechanical piping is under construction
EN14019 – Regional Water Recycling Plant No. 1 Headworks Primary and Secondary Upgrades

- **Project Goal:** Rehabilitate headworks
- **Current Phase:** Construction
- **Contractor:** Myers & Sons
- **Contract Amount:** $5.7 M
- **Change Orders:** $0/0%
  - Agency Requested: $0/0%
  - Changed Conditions: $0/0%
- **Total Project Budget:** $9.7 M
- **Project Completion:** February 2019
- **Percentage Complete:** 5%
- **Current Activities:**
  - Potholing existing utilities
  - Submittals and procurement
EN15008 - Water Quality Laboratory

- **Project Goal:** Construct central lab to provide enhanced sampling and analytical support to all IEUA facilities
- **Current Phase:** Construction
- **Contractor:** Kemp Bros Construction, Inc.
- **Contract Amount:** $17.5 M
- **Change Orders:** $230,547/1.3%
  - Agency Requested: $0/0.0%
  - Changed Conditions: $230,547/1.3%
- **Total Project Budget:** $24.6 M
- **Project Completion:** August 2018
- **Percentage Complete:** 85%
- **Current Activities:**
  - Installation of fume hoods, casework, and cabinets
  - Installation of solar panels on roof
  - Start-up and testing of new central plant equipment