

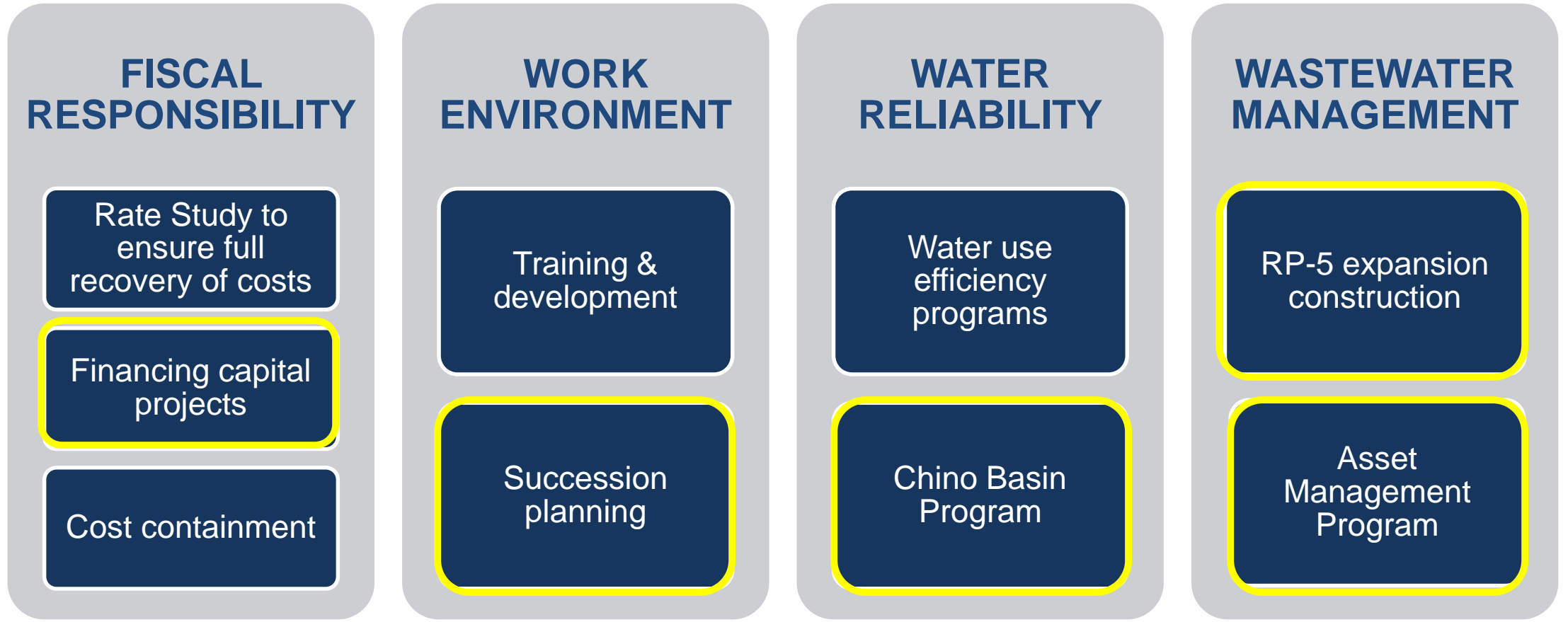
Budget Workshop

Proposed Biennial Budget for FYs 2019/20 and 2020/21



Proposed Biennial Budget FYs 2019/20 – 2020/21

Supports Board-Adopted Business Goals



Biennial Budget FY 2019/20 and 2020/21



Adoption of two “single-year” budgets and TYCIP

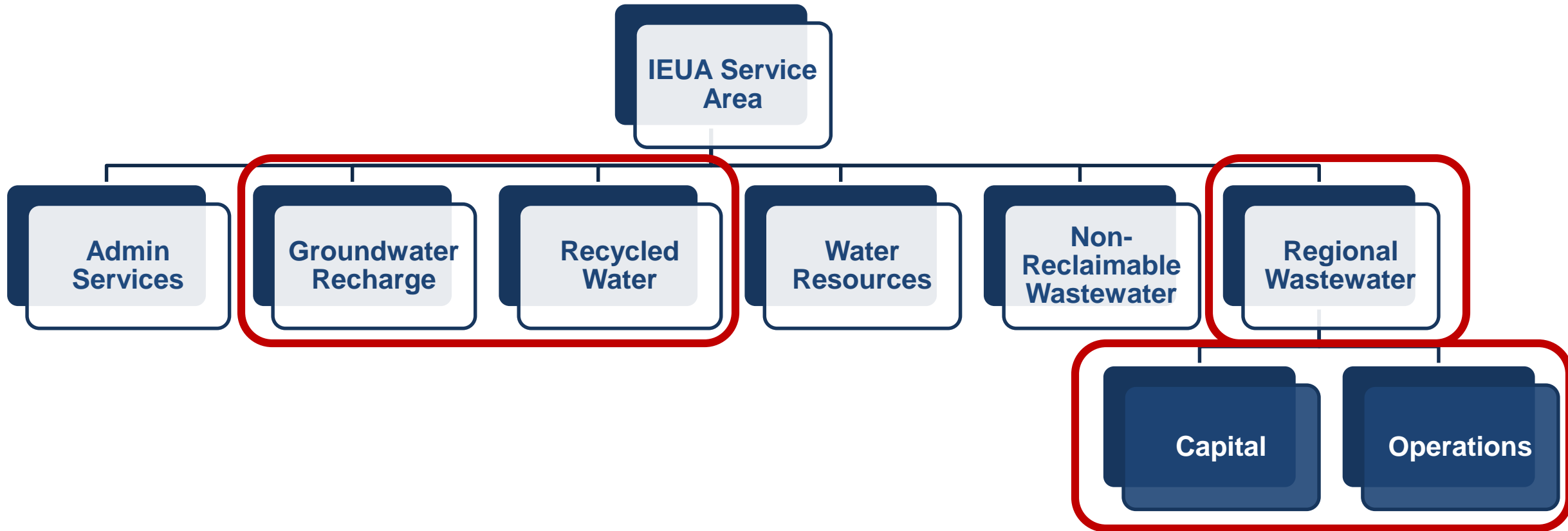


Appropriation limited to a single year



Mid-cycle review for the second budget year

IEUA Fund Structure



Key Drivers Funding Sources

- Stable and distinct revenue components
- FY 2019/20 last year of the multi-year rates adopted in 2015.
 - Rate Study Update for fiscal years beginning 2020/21.
- Conservative projection on new connections;
 - 4,000 new wastewater equivalent dwelling units (EDUs)
 - 4,000 new water meter equivalent units (MEUs)
- 3.5% average growth on property tax receipts

Current multiyear rates

Five year rates adopted June 2015 for Fiscal Years 2015/16 – 2019/20.

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
<i>Effective Date</i>	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
Wastewater Connection Fee/EDU	\$5,415	\$6,009	\$6,309	\$6,624	\$6,955
Monthly EDU Rate	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00
Recycled Water Direct Delivery/AF	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge/AF	\$410	\$470	\$530	\$540	\$550
Water Connection Fee /MEU	\$693	\$693	\$1,455	\$1,527	\$1,604
RTS TYRA 7YR Phase In	n/a	15%	30%	45%	60%
Meter Equivalent Unit	n/a	\$0.90	\$0.95	\$0.99	\$1.04

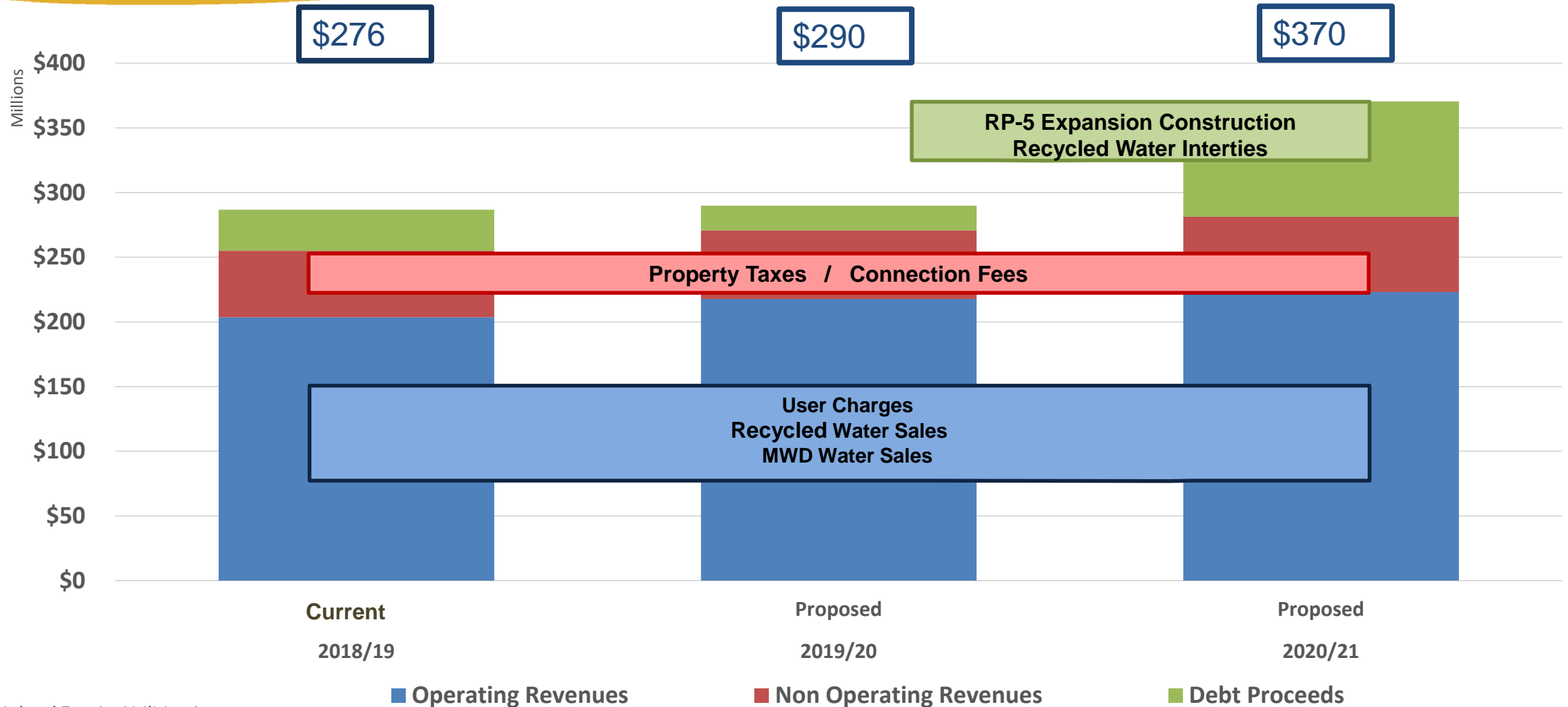
(AF) acre foot

(EDU) Equivalent Dwelling Unit

(RTS TYRA) – Readiness to Serve Ten Year Rolling Average

Total Funding Sources

(\$ Millions)

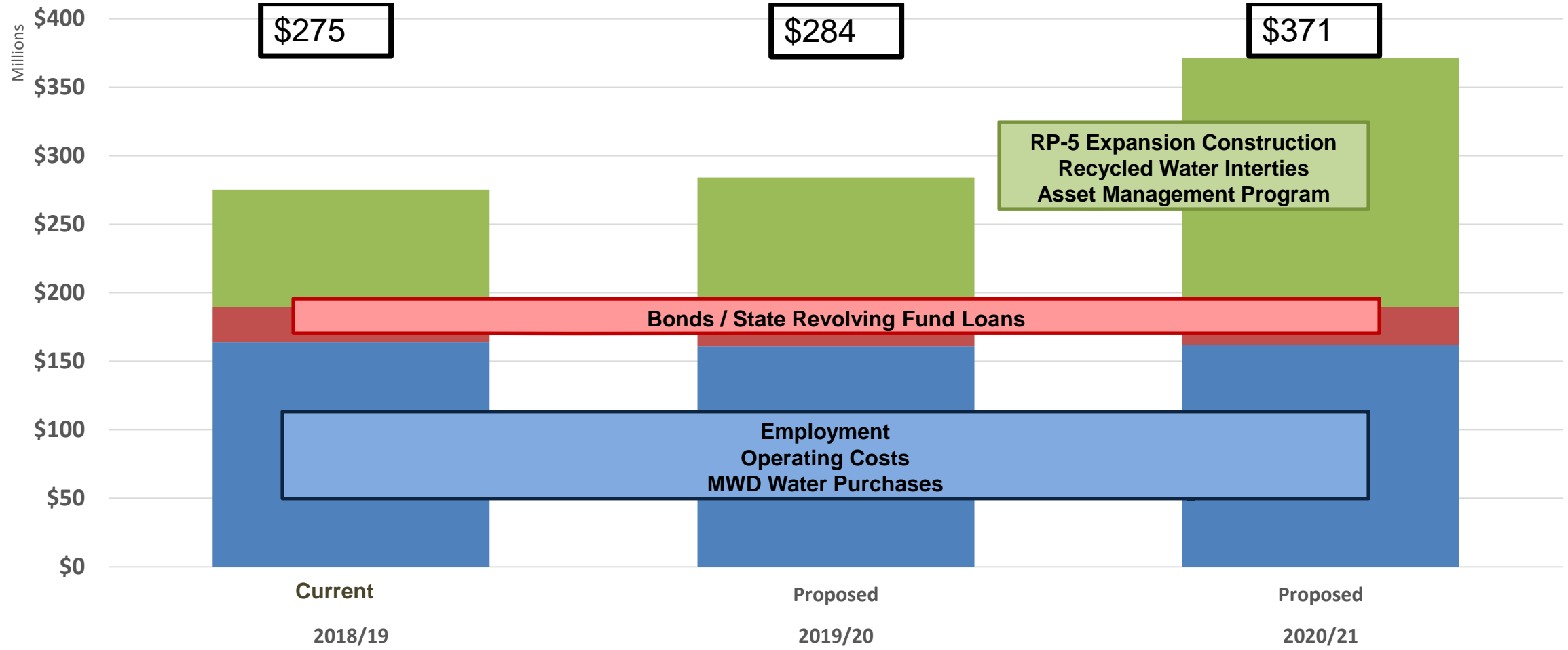


Key Drivers Uses of Funds

- No significant changes in total operating expenses
 - Increase in employment costs offset by lower O&M projects
- Significant higher capital expenditures
 - RP-5 Expansion construction
 - Pomona/JCSD Recycled Water Interties
 - Asset Management Program
 - Chino Basin Program (CBP)

Total Uses of Funds

(\$ Millions)



Employment Costs

(\$ Millions)

	FY 2018/19 Current	FY 2019/20 Proposed	% Change	FY 2020/21 Proposed	% Change
Total Employment Cost	\$55.0	\$59.3	7.8%	\$62.6	5.6%
% TOTAL BUDGET	20%	21%		18%	

Support to

**RP-5 Expansion Construction
Asset Management Program
Chino Basin Program**

Labor allocation by program

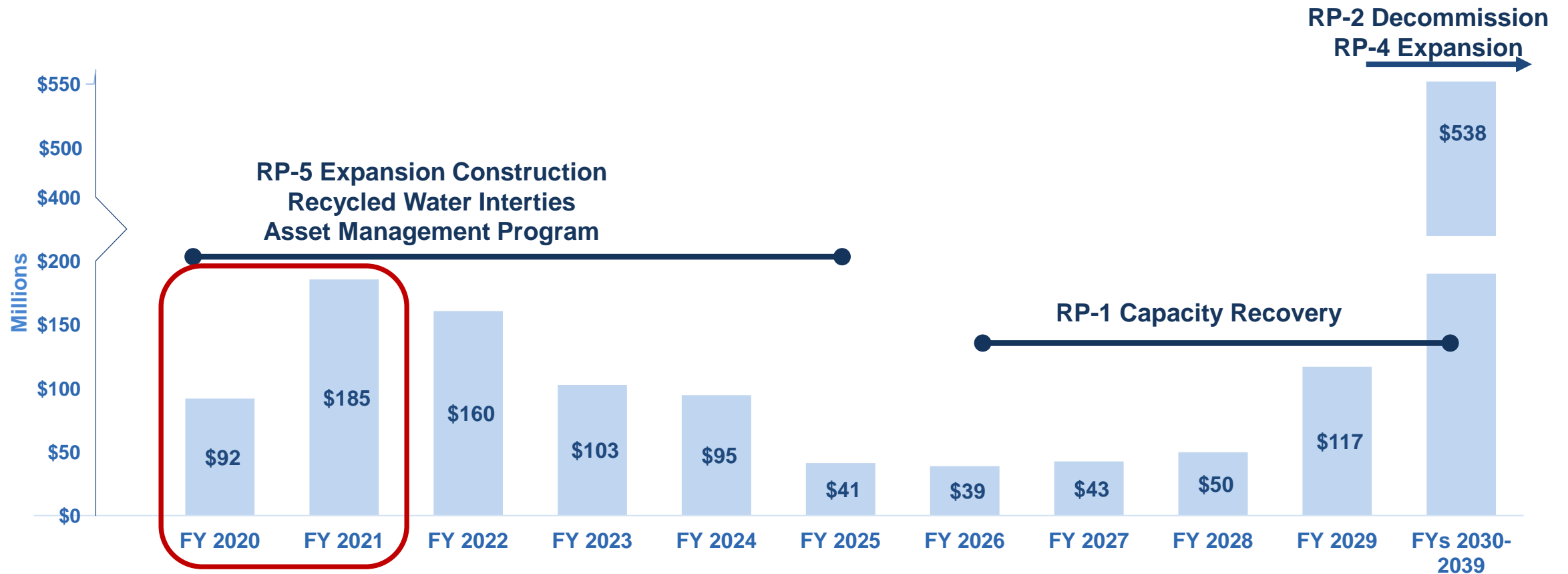
	FY 2018/19	FY 2019/20	FY 2020/21
	Current	Proposed	Proposed
Wastewater	81%	80%	80%
Water	16%	17%	17%
Administration	3%	3%	3%
Grand Total	100%	100%	100%

Succession Planning

- ~30%(77 FTEs) of proposed staffing eligible to retire in the next 5 years
 - 12 identified critical positions may retire within the next 2 years
- \$800,000 per year to support succession planning
 - Timely recruitment and transition of critical positions
 - Adequate overlap for knowledge transfer and training
 - Minimize impact to productivity

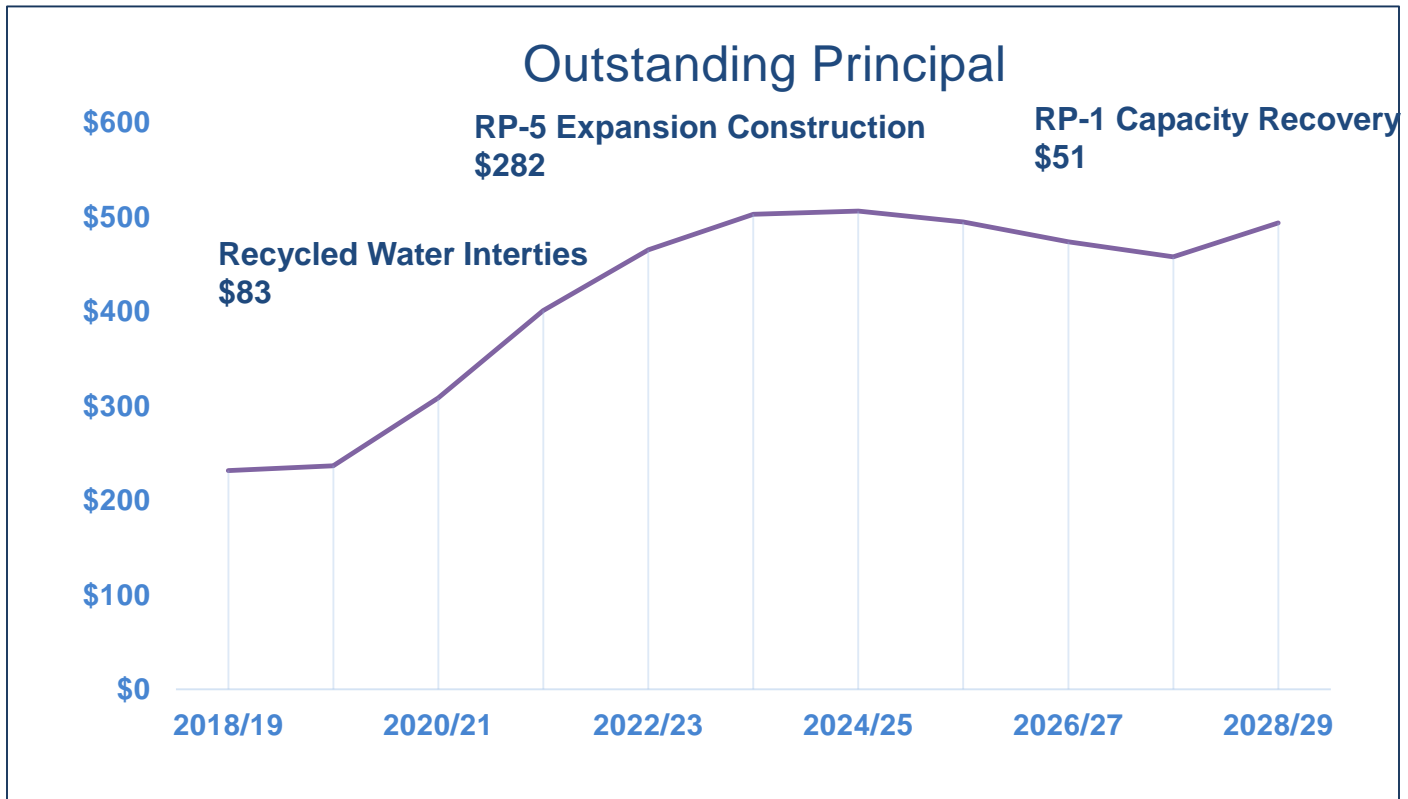
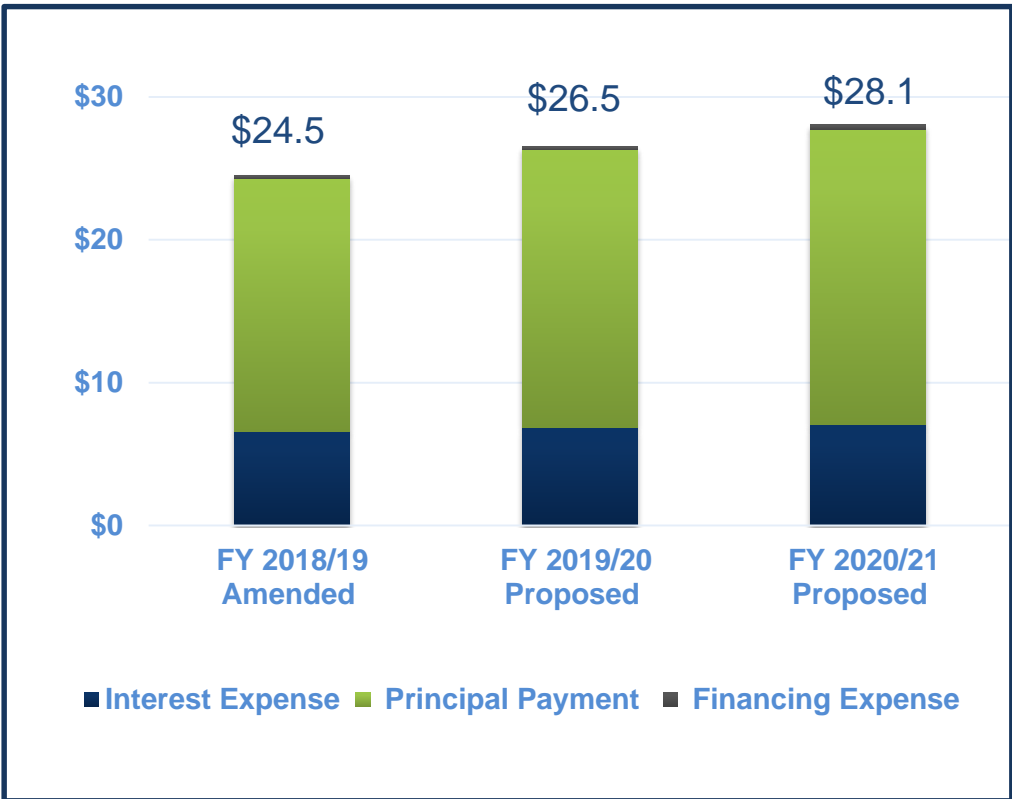
Proposed TYCIP \$924M

\$277 M planned over the next two years



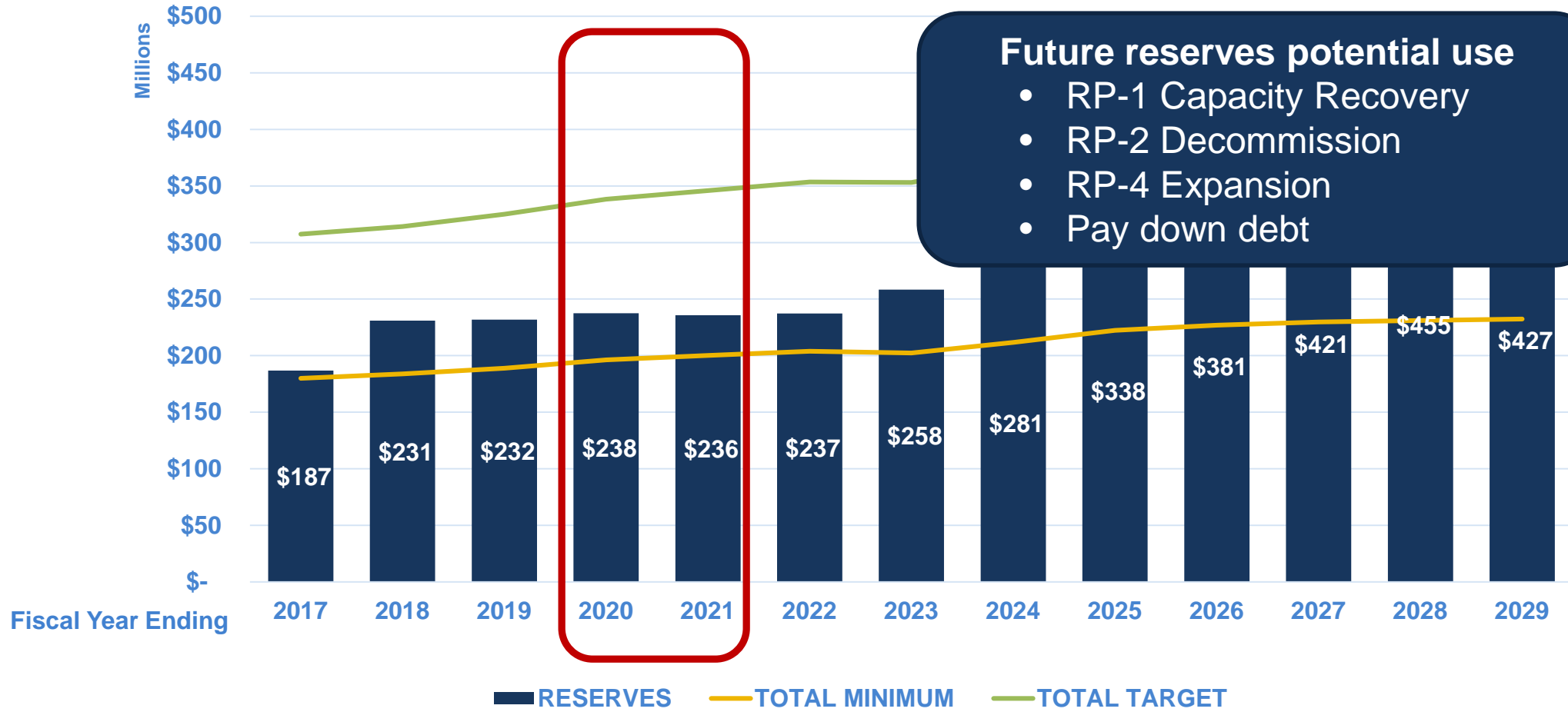
Debt Service and Outstanding Principal

(\$ Millions)



Total Reserves

(\$ Millions)



Key take-aways

Balanced Budget.

FY 2019/20 last year of multiyear rates. Rate study underway for FY 2020/21.

RP-5 Expansion construction phase begins evaluation of financing options.

Asset Management Program.

Chino Basin Program.

Review and Approval Timeline

Month	IEUA Committee	IEUA Board	Regional Technical Committee	Regional Policy Committee
March	03/13	03/20	03/28	
April	04/10	04/03 04/17	04/25	04/04
May	05/08	05/15	05/30	05/02
June	06/12	06/19		06/06