AGENDA

WORKSHOP/MEETING
OF THE
BOARD OF DIRECTORS

WEDNESDAY, APRIL 3, 2019
10:00 A.M.

INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
BOARD ROOM
6075 KIMBALL AVENUE
CHINO, CALIFORNIA 91708

CALL TO ORDER
OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS
WORKSHOP/MEETING

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a “Request to Speak” form which is available on the table in the Board Room. **Comments will be limited to three minutes per speaker.** Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.
1. WORKSHOP
   
   A. SEWER SYSTEM MANAGEMENT PLAN (SSMP) (POWERPOINT)
   
   B. PROPOSED BIENNIAL BUDGET FOR FYS 2019/20 AND 2020/21 (POWERPOINT)

2. CLOSED SESSION
   
   A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2)
      CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
      One Case

3. ADJOURN

   *A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Declaration of Posting

I, April Woodruff, Board Secretary 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. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, March 28, 2019.

April Woodruff
Sewer System Management Plan (SSMP)

Inland Empire Utilities Agency
A Municipal Water District

Ken Monfore
April 2019
What our Sewer Collection Team Does

Sewer Collection Video
Why We Do It

Before

After
Spill Profile

Manhole Lid

Clog (sediment, roots, grease, etc.)

Sewer Pipe

Sewage Flow
Sewer Pipe: ~ 160 miles
Manholes: ~ 2,500
Owners of wastewater collections systems, with more than **one mile** of pipeline to have a **Sewer System Management Plan (SSMP)**.

**Goal:**
To reduce the number of sanitary sewer overflows (SSOs) and their impact should they occur.
SSMP - 11 elements involving many of IEUA departments

Pre-Treatment/Source Control: Sample Collection

Business Information Services: Pipe/Manhole Mapping

Engineering: Pipeline Repair

External Affairs: Public Information & Outreach
Wastewater Discharge Requirements (WDR)

- Internal audit every **2 years**
- Revise plan *(Board approval)* every **5 years**
2019 Audit & Revision Teams

Audit Team:
Reviewed 2014 SSMP & Evaluated Effectiveness

Revision Team:
Created 2019 SSMP

Not Pictured:
- Julio Im
- Paul Causey

Dan Dyer
Teresa Velarde
Ken Monfore

Madisen Marble
Pietro Cambiaso
Jerry Burke
Dan Dyer
Ken Monfore
Andrea Carruthers

Inland Empire Utilities Agency
A Municipal Water District
Audit & Plan Revision Process

- **Sep 2018**
  - Audit Commenced

- **Nov**
  - Audit Completed
  - Sent to Consultant

- **Jan 2019**
  - Received Feedback
  - Commenced Revision

- **Mar**
  - Manager Final Approval
  - Board Workshop

- **Apr 17**
  - Board Presentation

- **Mar**
  - Tech Committee Presentation

- **Apr**
  - Policy Committee Presentation
Results – IEUA Sewer System Overflows (SSO)

**Historical SSO Averages**

- **HIST AVG**: 1.31
- **10 YR AVG**: 1.10
- **5 YR AVG**: 0.80
- **2 YR AVG**: 0.50
Comparison with State & Region (Last 5 years)

Region 8: Santa Ana River Basin

![Map of Santa Ana River Basin]

**Spill Rate Index (spills/100 miles/yr)**

<table>
<thead>
<tr>
<th>CAT 1: Surface Waters</th>
<th>CAT 2: &gt; 1,000 gal</th>
<th>CAT 3: &lt; 1,000 gal</th>
</tr>
</thead>
<tbody>
<tr>
<td>IEUA</td>
<td>State Municipal (public) Average</td>
<td>Regional Municipal Average</td>
</tr>
<tr>
<td>3.18</td>
<td>0.35</td>
<td>0.12</td>
</tr>
<tr>
<td>0.67</td>
<td>1.05</td>
<td>1.01</td>
</tr>
<tr>
<td>4.99</td>
<td></td>
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</tr>
</tbody>
</table>

Inland Empire Utilities Agency
A Municipal Water District
# Evaluated Effectiveness

<table>
<thead>
<tr>
<th>Effectiveness Evaluation</th>
<th>Ranking</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Element Rankings</td>
<td>C</td>
<td>2.3</td>
</tr>
<tr>
<td>2. 2014 SSMP Goals</td>
<td>B</td>
<td>3.0</td>
</tr>
<tr>
<td>3. California State Goals</td>
<td>B</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td>B</td>
<td><strong>2.9/4.0</strong></td>
</tr>
</tbody>
</table>

**Scoring**

<table>
<thead>
<tr>
<th>Scoring</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6 - 4.0</td>
<td>A: Well Above Average</td>
</tr>
<tr>
<td>2.6 - 3.5</td>
<td>B: Above Average</td>
</tr>
<tr>
<td>1.6 - 2.5</td>
<td>C: Average</td>
</tr>
<tr>
<td>0.6 - 1.5</td>
<td>D: Below Average</td>
</tr>
<tr>
<td>0.0 - 0.5</td>
<td>F: Not In Compliance</td>
</tr>
</tbody>
</table>
## Remaining Corrective Actions

<table>
<thead>
<tr>
<th>IEUA Corrective Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add Storm Drain Maps</td>
</tr>
<tr>
<td>Create Water Quality Monitoring Plan</td>
</tr>
<tr>
<td>Redesign Agency Website</td>
</tr>
<tr>
<td>Update Mutual Aid Agreement</td>
</tr>
<tr>
<td>Collection Strategic Asset Management Plan</td>
</tr>
</tbody>
</table>
Keys to Success

Collaboration

Procedures / Standards

Training
IEUA SSMP
Sewer System Management Plan

Inland Empire Utilities Agency
A Municipal Water District

April 17, 2019
Inland Empire Utilities Agency
9975 Kimball Avenue
Chino, California 91710

✓ Mar 28: Technical Committee
• Apr 3: Board Workshop
• Apr 4: Policy Committee
• Apr 17: Board Presentation
Questions?
## Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIWQS:</td>
<td>California Integrated Water Quality System Project</td>
</tr>
<tr>
<td>FOG:</td>
<td>Fats, Oils, &amp; Grease</td>
</tr>
<tr>
<td>MMPM:</td>
<td>Monitoring, Measurement, and Program Modifications</td>
</tr>
<tr>
<td>O&amp;M:</td>
<td>Operations &amp; Maintenance</td>
</tr>
<tr>
<td>OERP:</td>
<td>Overflow Emergency Response Plan</td>
</tr>
<tr>
<td>SECAP:</td>
<td>System Evaluation and Capacity Assurance Plan</td>
</tr>
<tr>
<td>SSMP:</td>
<td>Sewer System Management Plan</td>
</tr>
<tr>
<td>SSO:</td>
<td>Sanitary Sewer Overflow</td>
</tr>
<tr>
<td>WDR:</td>
<td>Waste Discharge Requirements</td>
</tr>
<tr>
<td>WQMP:</td>
<td>Water Quality Monitoring Plan</td>
</tr>
</tbody>
</table>
Budget Workshop
Proposed Biennial Budget for FYs 2019/20 and 2020/21

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Finance and Accounting
April 3, 2019
Proposed Biennial Budget FYs 2019/20 – 2020/21
Supports Board-Adopted Business Goals

FISCAL RESPONSIBILITY
- Rate Study to ensure full recovery of costs
- Financing capital projects
- Cost containment

WORK ENVIRONMENT
- Training & development
- Succession planning

WATER RELIABILITY
- Water use efficiency programs
- Chino Basin Program

WASTEWATER MANAGEMENT
- RP-5 expansion construction
- Asset Management Program
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

IEUA Service Area

Admin Services

Groundwater Recharge

Recycled Water

Water Resources

Non-Reclaimable Wastewater

Regional Wastewater

Capital

Operations
Key Drivers Funding Sources

- Stable and distinct revenue components
  - 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


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

(AF) acre foot  
(EDU) Equivalent Dwelling Unit  
(RTS TYRA) – Readiness to Serve Ten Year Rolling Average
Total Funding Sources
($ Millions)

- Current 2018/19: $276
- Proposed 2019/20: $290
- Proposed 2020/21: $370

- Operating Revenues
- Non Operating Revenues
- Debt Proceeds

- Property Taxes / Connection Fees
- User Charges
  - Recycled Water Sales
  - MWD Water Sales
- RP-5 Expansion Construction
- Recycled Water Interties
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)
## Employment Costs
($ Millions)

<table>
<thead>
<tr>
<th></th>
<th>FY 2018/19 Current</th>
<th>FY 2019/20 Proposed</th>
<th>% Change</th>
<th>FY 2020/21 Proposed</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment Cost</td>
<td>$55.0</td>
<td>$59.3</td>
<td>7.8%</td>
<td>$62.6</td>
<td>5.6%</td>
</tr>
<tr>
<td>% TOTAL BUDGET</td>
<td>20%</td>
<td>21%</td>
<td></td>
<td>18%</td>
<td></td>
</tr>
</tbody>
</table>

### Support to

RP-5 Expansion Construction Asset Management Program
Chino Basin Program
<table>
<thead>
<tr>
<th></th>
<th>FY 2018/19 Current</th>
<th>FY 2019/20 Proposed</th>
<th>FY 2020/21 Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater</td>
<td>81%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Water</td>
<td>16%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Administration</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
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

RP-5 Expansion Construction
Recycled Water Interties
Asset Management Program

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT
Debt Service and Outstanding Principal
($ Millions)

![Bar Graph]

- FY 2018/19 Amended: $24.5
- FY 2019/20 Proposed: $26.5
- FY 2020/21 Proposed: $28.1

- Interest Expense
- Principal Payment
- Financing Expense

![Line Graph]

Outstanding Principal
- RP-5 Expansion Construction
- RP-1 Capacity Recovery
- Recycled Water Interties

Year:
- 2018/19
- 2020/21
- 2022/23
- 2024/25
- 2026/27
- 2028/29

Inland Empire Utilities Agency
A Municipal Water District
Total Reserves
($ Millions)

Future reserves potential use
- RP-1 Capacity Recovery
- RP-2 Decommission
- RP-4 Expansion
- Pay down debt

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A MUNICIPAL WATER DISTRICT
Key take-aways

- Balanced Budget.
- RP-5 Expansion construction phase begins evaluation of financing options.
- Asset Management Program.
- Chino Basin Program.
### Review and Approval Timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>IEUA Committee</th>
<th>IEUA Board</th>
<th>Regional Technical Committee</th>
<th>Regional Policy Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>03/13</td>
<td>03/20</td>
<td>03/28</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>04/10</td>
<td>04/17</td>
<td>04/25</td>
<td>04/04</td>
</tr>
<tr>
<td>May</td>
<td>05/08</td>
<td>05/15</td>
<td>05/30</td>
<td>05/02</td>
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<tr>
<td>June</td>
<td>06/12</td>
<td>06/19</td>
<td></td>
<td>06/06</td>
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