



Inland Empire Utilities Agency

A MUNICIPAL WATER DISTRICT

FY 2016/17 Budget Amendments



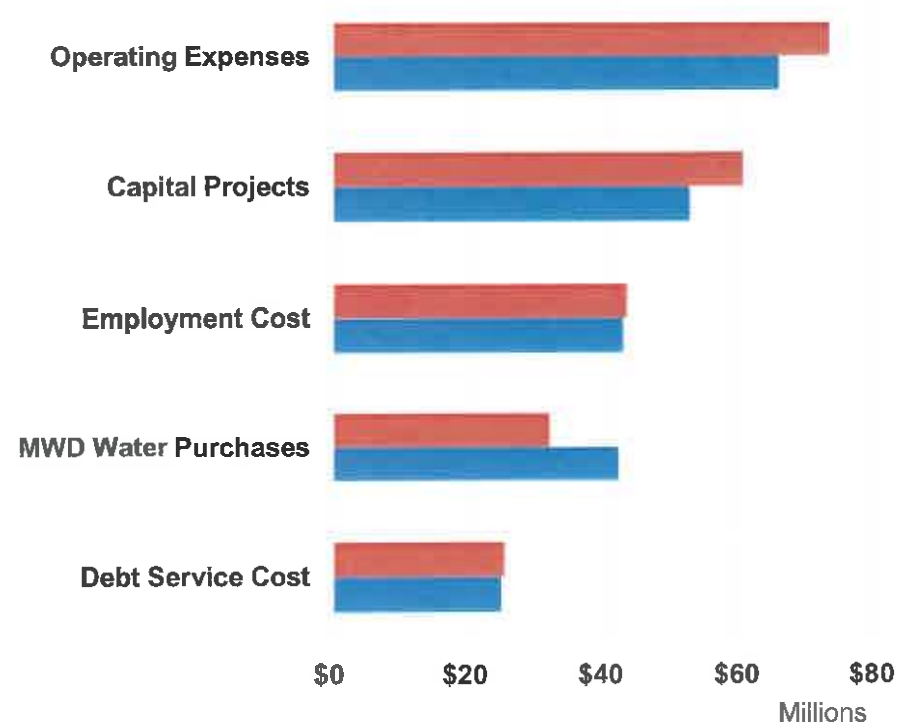
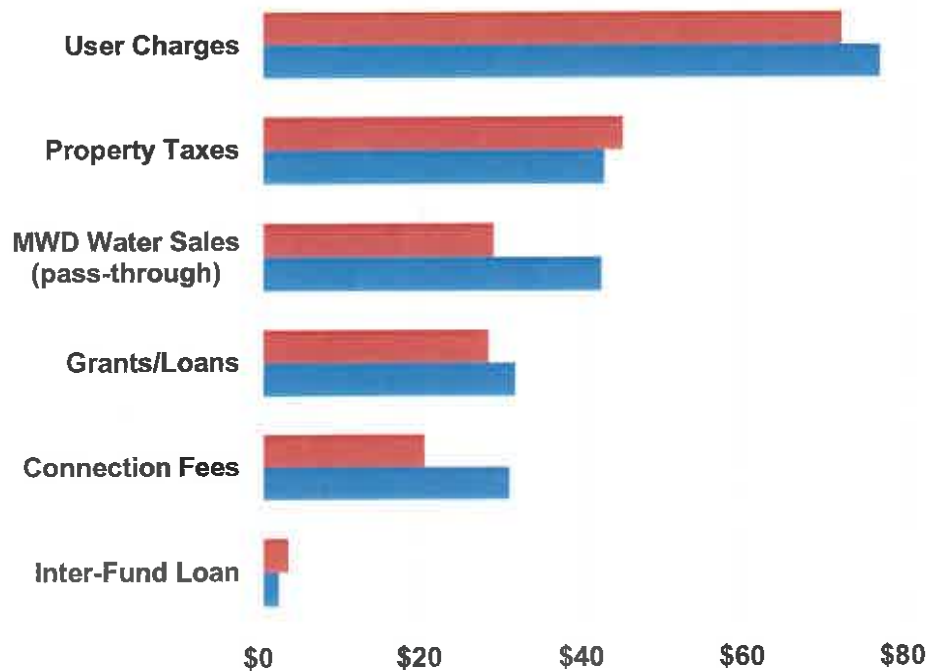
**June 2016
Board Meeting**

Proposed Amendments to FY 2016/17 Budget



❖ **\$28.9M reduction in total revenues and other funding sources**

❖ **\$6.3M increase in total expenses and other uses of funds**

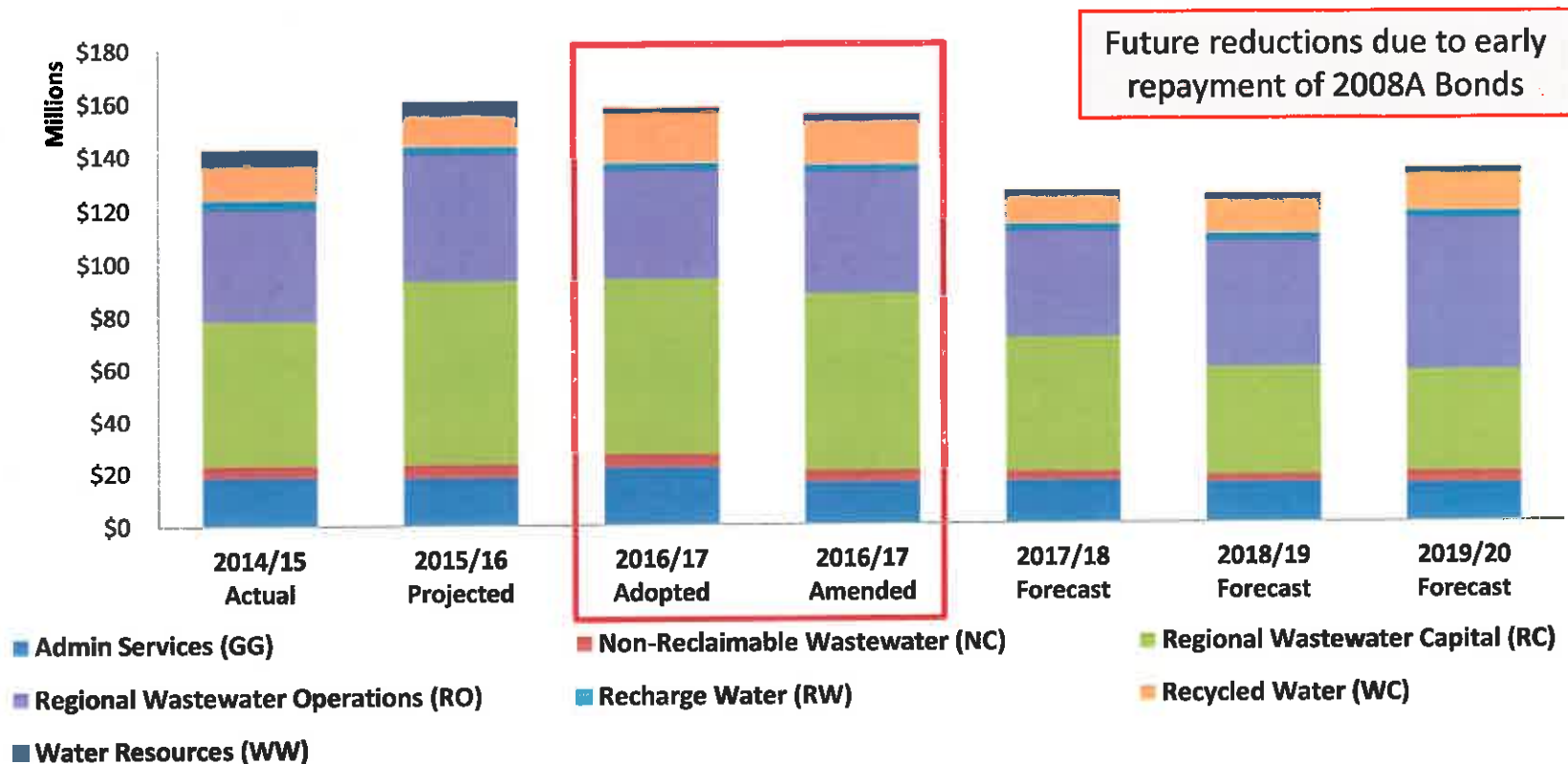


■ Amended ■ Adopted

Total Fund Balance - Amended (All Funds)



- ❖ \$2.5 million decrease in FY 2016/17 to \$155 million
- ❖ 2008A Bonds callable in November 2017



Non-Reclaimable Wastewater (NC) Fund Proposed “Pass-Through” Rates



North System ¹			
	FY 2015/16 Adopted	FY 2016/17 Proposed	% Change
Flow/mg	\$948.00	\$915.00	(4%)
COD/klb	\$210.00	\$180.00	(15%)
TSS/klb	\$433.00	\$436.00	1%
Peak/mg	\$360.00	\$348.00	(4%)
CU Purchase	\$5,150	\$4,172	(19%)
CU Lease	\$257.50	\$208.60	(19%)

South System ²			
	FY 2015/16 Adopted	FY 2016/17 Proposed	% Change
Capacity/cu	\$351.17	\$368.76	5%
Flow/mg	\$817.00	\$858.00	5%
BOD/klb	\$301.00	\$307.00	2%
TSS/klb	\$420.00	\$429.00	3%

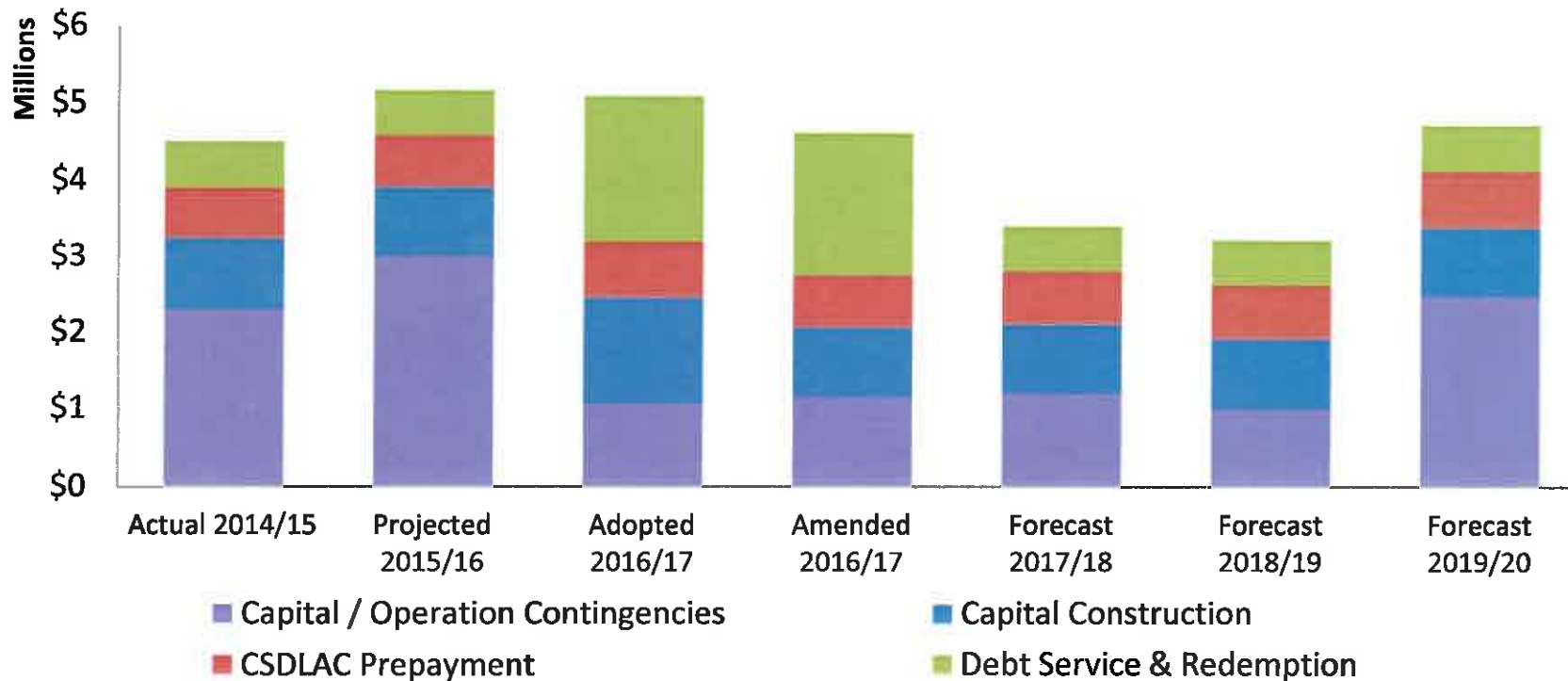
Notes 1: Cost recovery through capacity charges, \$26.54 per capacity units for FY 2016/17

2: Cost recovery through a 50% surcharge on volumetric/capacity/strength charges for non-recycled water users

NC Fund Sources & Uses of Funds and Fund Balance



❖ Deferral of inter-fund loan repayment from Recycled Water fund from 2016/17 to 2019/20



Water Resources (WW) Fund Proposed Water Rates



- ❖ Use property taxes to support RTS fees shortfall during the 7 year implementation, and regional water resources initiatives not supported with proposed water rates.
- ❖ Forgive the \$4.3M loan due to GG fund
- ❖ Effective date of October 1, 2016 to accommodate water agencies Proposition 218

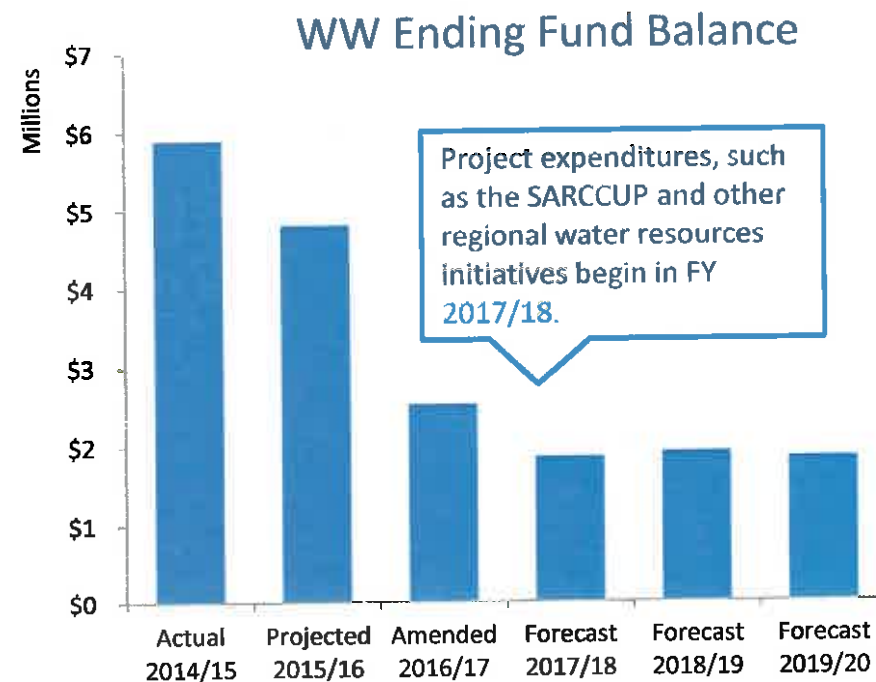
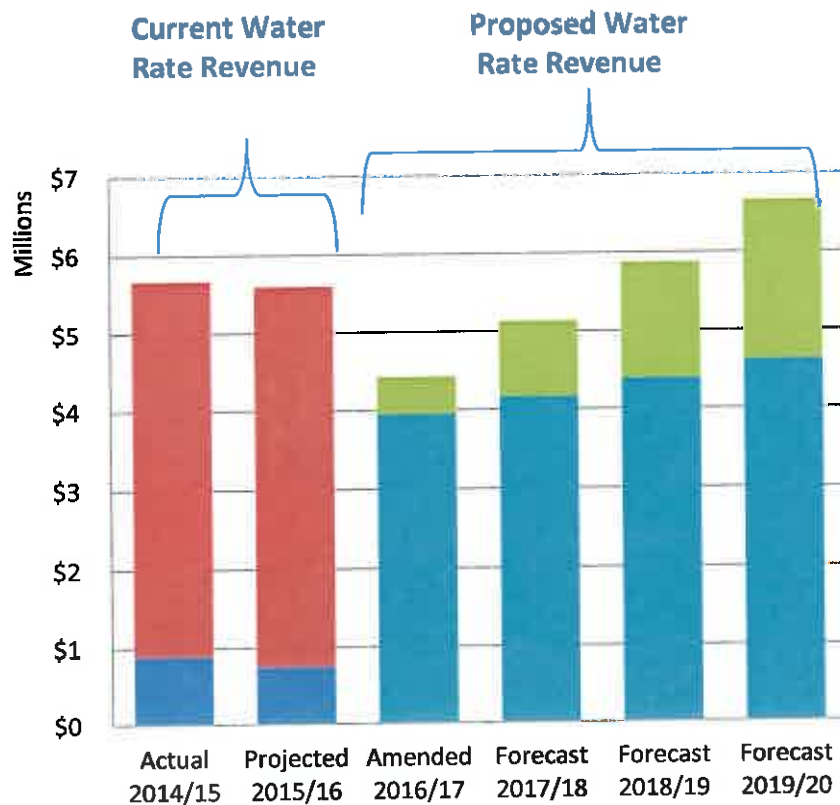
	FY 2015/16 Current	FY 2016/17 Amended	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
AF Surcharge	\$15.0	*\$15.00	n/a	n/a	n/a	n/a	n/a	n/a
RTS Ten Year Rolling Average	n/a	15% ~\$7.82	30% ~\$16.02	45%	60%	75%	90%	100%
Water Meter Rate/Account	\$2.105	*\$2.105	n/a	n/a	n/a	n/a	n/a	n/a
MEU	n/a	\$0.90	\$0.95	\$0.99	\$1.04	Adjustments based on CPI		

**Only effective through September 30, 2016.*

Reduced Revenues & Fund Balance (WW Fund) from Proposed Water Rates



- ❖ Total revenue cut by \$2 million over the next fiscal years



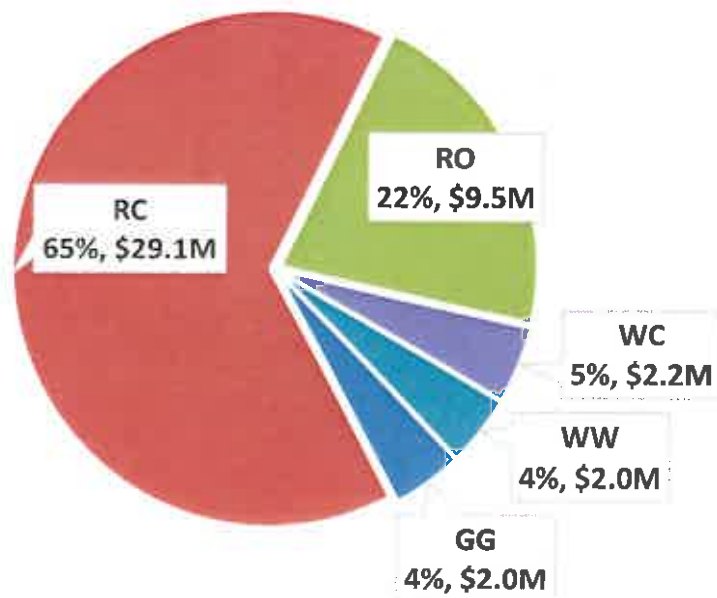
- RTS Recovery
- Water Meter Equivalent Unit (MEU)
- Operating Contingency
- Water Meter Revenue
- AF Surcharge

Continue Investment of Property Taxes

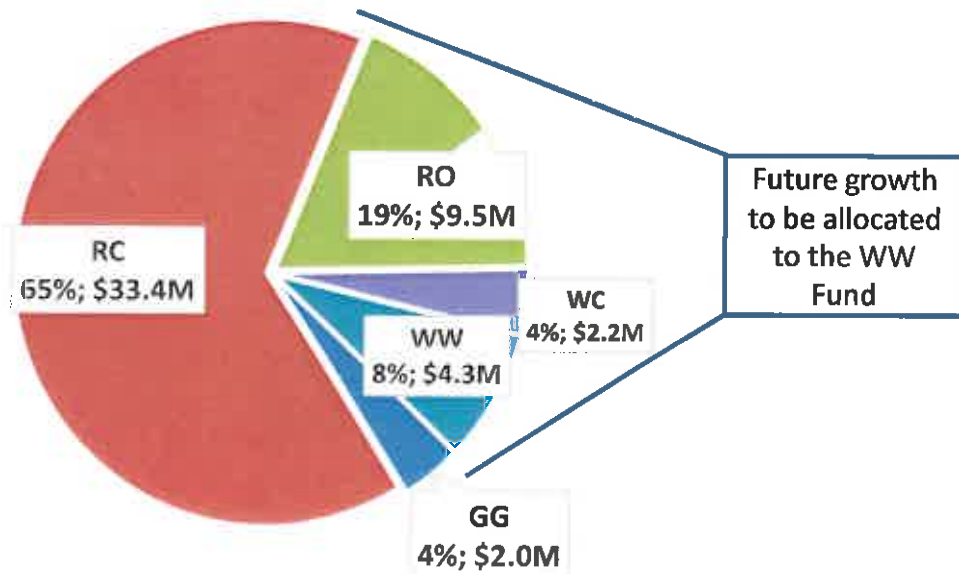


- ❖ No change in the 65% allocated to the RC fund.
- ❖ Future growth for the 35% will be assigned to the WW:
 - ✓ Support regional projects not supported by the proposed rates.

FY 2016/17 Property Tax Allocation
\$44.7 Million



FY 2022/23 Property Tax Allocation
\$51.4 Million



Recommendations



- ❖ Approve the amendments to the FY 2016/17 adopted budget for all Agency's funds;
- ❖ Approve the NC fund Rate Resolution Nos. 2016-6-1 to 2016-6-3;
- ❖ Approve the RO fund Rate Resolution No. 2016-6-4
- ❖ Approve the WW fund Rate Resolution Nos. 2016-6-7 and 2016-6-15;
- ❖ Approve Rate Resolution No. 2016-6-5 for Laboratory Fees, 2016-6-6 for Equipment Rental, and 2016-6-9 for the Fontana Extra-Territorial Charge;
- ❖ Approve an inter-fund loan from the RO fund to the WW fund for a not-to-exceed amount of \$3.2 million in FY 2016/17 to support purchase of supplemental water supplies;
- ❖ Approve the forgiveness of the inter-fund loan from the GG fund to the WW fund in the amount of \$4.3 million in FY 2015/16; and
- ❖ Approve the allocation of property tax receipts in excess of \$13.7 million from the Regional RO, WC, and GG funds to the WW fund beginning in FY 2016/17, and maintain allocation of 65% of property tax receipts to the RC fund.