AGENDA
REGULAR WORKSHOP OF THE
BOARD OF DIRECTORS

WEDNESDAY, JANUARY 6, 2021
10:00 A.M.

INLAND EMPIRE UTILITIES AGENCY*
VIEW THE MEETING LIVE ONLINE AT IEUA.ORG
TELEPHONE ACCESS: (415) 856-9169 / Conf Code: 932 945 127#

PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER N-25-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 12, 2020, AND EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020 AND IN AN EFFORT TO PROTECT PUBLIC HEALTH AND PREVENT THE SPREAD OF COVID-19, THERE WILL NO PUBLIC LOCATION FOR ATTENDING IN PERSON.

The public may participate and provide public comment during the meeting by dialing into the number provided above. Alternatively, you may email your public comments to the Board Secretary/Office Manager Denise Garzaro at dgarzaro@ieua.org no later than 24 hours prior to the scheduled meeting time. Your comments will then be read into the record during the meeting.

CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS 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 email the Board Secretary no later than 24 hours prior to the scheduled meeting time or address the Board during the public comments section of the meeting. 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. BIENNIAL BUDGET FYs 2021/22 – 2022/23 OVERVIEW
2. GENERAL MANAGER’S COMMENTS

3. BOARD OF DIRECTORS’ REQUESTED FUTURE AGENDA ITEMS

4. DIRECTORS’ COMMENTS

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, Denise Garzaro, Board Secretary/Office Manager 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. on the Agency’s website at www.ieua.org and at the Agency’s main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, December 31, 2020.

Denise Garzaro, CMC
Biennial Budget FYs 2021/22-2022/23 Overview

Javier Chagoyen-Lazaro
Manager of Finance & Accounting
January 2021
Agenda

- Key Drivers and Principles
- Budget Programs
- Budget Timeline
- Communication tool
- Policy guidelines and priorities
- Financial resources
- Action plan
Budget Supports

PLANNING
- Integrates strategic initiatives to the work plan for the fiscal year
- Identifies revenue and funding sources by program
- Serves as a spending plan for management on how and when funds will be spent

CONTROL
- Establishes the authorization to spend and allocation of resources
- Monitors expenditures and performance throughout the fiscal year
Budget Attributes

Control – Fiscal Control Ordinance 90
- Basic principles of fiscal and budgetary control
- Sets conditions for budget amendments

Management – Reporting and Performance Monitoring
- Monitors funding sources and expenditures
- Periodic reporting of financial and performance outcomes

Alignment - Agency Policy
- Mission, Vision & Values
- IEUA Business Goals and strategic initiatives
Balanced Budget

REVENUES

EXPENDITURES
Biennial Budget

• Transitioned to a biennial (two-year) budget in Fiscal Year 2015/16:
  • Adoption of two ”one-year” budgets
  • Appropriation (authorization to spend) limited to a single year
  • Mid-cycle review to identify significant adjustments needed for the second-year budget
• Subject to Annual Appropriation Limit, California Constitution, Article XIIIIB and California Government Code, Section 7910
Composting (IERCF)
Producing 240,000 cubic yards of compost annually
Recycles 100% of Agency biosolids

Wastewater Treatment
Average of 49.2 MGD treated each year in four Regional Recycling Plants

Water Supply
Total water consumption FY 2019/20
192,100 AF
Imported water 49,035 AF

Renewable Energy Portfolio
Solar 5.0 MW
Wind 1.0MW
Battery Storage 4.1 MW

Recycled Water Supply & Distribution
Total deliveries FY 2019/20
30,495 AF
93 miles of recycled water pipelines

Groundwater Recharge
19 Recharge sites
Annual recharge 40,000-50,000 AF
Coordination with Chino Basin Watermaster
Chino Basin Water Conservation District
San Bernardino Flood Control District
Agency Funds

Agency Programs

- Admin Services
- Groundwater Recharge
- Recycled Water
- Water Resources
- Non-Reclaimable Wastewater
- Regional Wastewater

Joint Powers Authority

- CDA
- Inland Empire Regional Composting Authority

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT
## Adopted Rates

<table>
<thead>
<tr>
<th>Fund</th>
<th>Wastewater Operation</th>
<th>Wastewater Capital</th>
<th>Recycled Water</th>
<th>Water Resources</th>
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<tbody>
<tr>
<td></td>
<td>Monthly Sewer (EDU)</td>
<td>Wastewater Connection Fee (EDU)</td>
<td>Recycled Water Direct Use (AF)</td>
<td>One Water Connection Fee (MEU)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Recycled Water Recharge (AF)</td>
<td>Meter Equivalent Units (MEU)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RTS Recovery</td>
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<tr>
<td>As of July 1</td>
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<tr>
<td>FY 2020/21</td>
<td>$20.00</td>
<td>$6,955</td>
<td>$490</td>
<td>$1,684</td>
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<td></td>
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<td>$550</td>
<td>$1.04</td>
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<td>75%</td>
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<td>FY 2021/22</td>
<td>$21.22</td>
<td>$7,379</td>
<td>$520</td>
<td>$1,787</td>
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<td>$580</td>
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<td>90%</td>
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<td>FY 2022/23</td>
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<td>To be determined after additional evaluation to ensure long-term program sustainability</td>
<td>$1,841</td>
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<td>$1.10</td>
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<td>100%</td>
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<td>FY 2023/24</td>
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<td>To be determined after additional evaluation to ensure long-term program sustainability</td>
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<td>FY 2024/25</td>
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<td>$1,953</td>
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<td>100%</td>
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Not shown are the pass-through rates for the Non-Reclaimable Wastewater (NRW) program.
Total Revenues and Funding Sources
FY 2020/21 Adopted Budget

$382 MILLION

- 27% User Charges
- 14% Property Tax
- 12% MWD Water Sales
- 9% Regional System Connection Fees
- 5% All Other
- 6% Transfers In
- 2% Reserves
- 25% Loans and Grants
- 9% Inland Empire Utilities Agency A MUNICIPAL WATER DISTRICT

Major Revenues

27% User Charges
- Monthly Equivalent Dwelling Unit (EDU)
- Non-Reclaimable Wastewater (NRW)
- Meter Equivalent Unit (MEU)

25% Loans
- Capital funding for the regional wastewater program

14% Property Tax
- One percent of general assessed property value within the Agency’s service area
Total Expenses and Other Uses of Funds
FY 2020/21 Adopted Budget

$382 MILLION

- Administrative and Operating Expenses 43%
- Capital Projects 44%
- Transfers Out 6%
- Debt Service 7%

Major Expenses

43% Admin. and Operating Expenses
- Labor Costs
- Office Administration
- Professional Fees
- Utilities
- Non-Capital Projects

44% Capital Projects
- RP-5 Expansion
- RP-4 Process Improvements
- Recharge Master Plan Update
Total Expenses by Program Funds
FY 2020/21 Adopted Budget

- Administrative Services Program: 2%
- Non-Reclaimable Wastewater Program: 4%
- Regional Wastewater Capital Improvement Program: 35%
- Water Resources Program: 15%
- Regional Wastewater Operations & Maintenance Program: 31%
- Recrecharge Water Program: 5%
- Recycled Water Program: 8%
Budget Timeline

Planning and Preparation

November - December
- IEUA Business Goals
- Strategic Initiatives
- Priority Objectives

January - February
- Budget Training
- Budget Preparation
  - Staffing
  - Ten Year Capital Improvement Plan
- Operations & Maintenance

Board Review and Approval

March - April
- Budget Review
- IEUA Board/Committees
- Regional Committees

April - June
- Board Approval
- Operations & Maintenance
- Ten Year Capital Improvement Plan
- Rates and Fees
Financial Reports Can Be Found at https://www.ieua.org
Budget Continuous Process

Strategic Planning

Mission, Vision, Values, Goals

Business Plans, Budget Message

Budget Preparation

Performance Plans

Evaluating, Amending & Reporting
The Agency’s biennial budget is consistent with the IEUA Business Goals of: *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices.*