

NOTICE OF MEETING AND WORKSHOP OF THE IEUA BOARD

**OF THE
BOARD OF DIRECTORS
OF THE**



**WILL BE HELD ON
WEDNESDAY, APRIL 6, 2016
10:00 A.M.
AT THE OFFICE OF THE AGENCY
6075 KIMBALL AVENUE, BUILDING A,
CHINO, CA 91708**



AGENDA

**MEETING AND WORKSHOP
OF THE
BOARD OF DIRECTORS**

**WEDNESDAY, APRIL 6, 2016
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
6075 KIMBALL AVENUE, BUILDING A
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 are available on the table in the Board Room. Comments will be limited to five 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. ACTION ITEMS

**A. RESOLUTION NO. 2016-4-4, INTENT TO AMEND REGIONAL
SEWERAGE SERVICE CONTRACT**

It is recommended that the Board:

1. Adopt Resolution No. 2016-4-4, declaring its intent to amend Sections 15 and 16 of the Regional Sewerage Service Contract; and
2. Set a Public Hearing date of June 15, 2016, at 10:00 a.m. for adoption of the proposed contract amendments.

2. **WORKSHOP**

INLAND EMPIRE UTILITIES AGENCY'S GRANTS STRATEGIC PLAN WORKSHOP

Materials related to an item on this agenda submitted to the Agency, after distribution of the agenda packet, are available for public inspection at the Agency's office located at 6075 Kimball Avenue, Chino, California during normal business hours.

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

Proofed by: SR

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 31, 2016.


Stephanie Kules
for April Woodruff


**ACTION
ITEM**


1A

Date: April 6, 2016

To: The Honorable Board of Directors

From: P. Joseph Grindstaff
General Manager 

Submitted by: Chris Berch 
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee 
Manager of Planning and Environmental Resources

Subject: Resolution No. 2016-4-4 Intent to Amend the Regional Sewage Service Contract

RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution 2016-4-4, declaring its intent to amend Sections 15 and 16 of the Regional Sewage Service Contract; and
2. Set a Public Hearing date for June 15, 2016, at 10:00 a.m. for adoption of the proposed contract amendments.

BACKGROUND

The Inland Empire Utilities Agency (IEUA) and its contracting agencies have developed a successful regional Recycled Water Program for both direct use and groundwater recharge. In 2000, the region identified that recycled water use was a critical component in drought-proofing and maintaining its economic growth. With imported water rates increasing and long-term imported supply reliability in decline, the region committed to aggressively and proactively develop local water supplies to offset these impacts. This set the path for the development of a regional recycled water distribution system.

While the foundational commitment to beneficial reuse of recycled water has remained unchanged, some fundamental concepts have been questioned over the past few years, particularly since 2011. This resulted in the region working together to develop Recycled Water (RW) Policy Principles to address the changes since the inception of the program. At this time, several contracting agencies are struggling with the inherent conflict between use in excess of "base entitlement", as defined by the Regional Sewage Service Contract (Regional Contract), and the prioritization of direct use

Resolution of Intent to Amend Regional Contract

April 6, 2016

Page 2 of 3

over groundwater recharge. The struggle has led some contracting agencies to be concerned about their local benefit and perceived inequities.

In order to move forward together as a region, it was appropriate to reevaluate and affirm the regional RW Policy Principles prior to implementing any remaining significant system improvements to the Recycled Water Program and to clarify how these principles would govern the future benefits received by all IEUA contracting agencies.

Over the past several months, IEUA and the contracting agencies collectively provided input and guidance to finalize recommendations on the RW Policy Principles. The RW Policy Principles resulting from these discussions were unanimously approved during the January 28, 2016, and March 3, 2016, Regional Technical and Policy Committee meetings respectively. Additionally, the IEUA Board adopted the RW Policy Principles at its March 16, 2016, Board meeting.

Based on the adopted RW Policy Principles, staff has amended Sections 15 and 16 of the Regional Contract. The proposed amendments to the Regional Contract are summarized below:

- Amend language regarding Contracting Agency base entitlement and use above base entitlement.
- Add language defining method of providing replacement water for Contracting Agency use above entitlement.
- Add language defining temporary entitlement for the City of Chino until June 30, 2023.
- Add language defining surcharge rate for use exceeding temporary entitlement.
- Add language clarifying the Contracting Agencies acknowledge IEUA is currently meeting the Santa Ana River Judgement obligation with recycled water.
- Add language memorializing the 2013 IEUA/JCSD agreement which allows JCSD the right to purchase recycled water recharged in Management Zone 3 until 2025.
- Add language defining recycled water system operation priorities.
- Delete outdated language regarding entering into agreements for right of first purchase and exercise of base entitlement at various discharge points.

While IEUA and the contracting agencies have reviewed, discussed and agree with the Recycled Water Policy Principles that are the basis for the proposed amendments to Sections 15 and 16 of the Regional Contract, there is a general disagreement amongst the parties on the amendment process specified in section 30.B of the Regional Contract. The parties will continue to collaboratively work through the amendments to the Regional Contract, including section 30B, over the next several months. The parties acknowledge that regardless of the approval process used for this action, it will not set a precedent for future contract amendments.

The attached Resolution No. 2016-4-4, provides a notice of intent to amend Sections 15 and 16 of the Regional Contract. If the Board adopts Resolution No. 2016-4-4, notice will immediately be given to the contracting agencies and members of the Regional Policy Committee. The proposed contract amendments will be presented to the Regional Committees on May 26 and June 6, 2016,

Resolution of Intent to Amend Regional Contract

April 6, 2016

Page 3 of 3

respectively for action, with the public hearing being held on June 15, 2016, for Board adoption of the proposed amendment.

The proposed amendments to Sections 15 and 16 of the Regional Sewage Service Contract on Recycled Water is consistent with the *Agency's Business Goal* of increasing *Water Reliability* by meeting the region's need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.

PRIOR BOARD ACTION

On March 16, 2016, the Board adopted the Recycled Water Policy Principles and directed staff to develop Regional Contract amendments.

IMPACT ON BUDGET

There will be no direct impact on the IEUA budget as a result of the proposed Regional Contract amendment.

Attachments:

1. Resolution No. 2016-4-4
2. Regional Contract Sections 15, 16 amendments – draft

Resolution of Intent to Amend Regional Contract



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Sylvie Lee

IEUA Board of Directors Meeting
April 2016

Regional Contract (RC) Amendment

- Amend Sections 15 & 16 of RC based on the RW Policy Principles
- RW Policy Principles:
 - Regional Technical Committee unanimously approved: Jan 2016
 - Regional Policy Committee unanimously approved: Mar 2016
 - Board adopted: March 2016

Key Proposed Changes to RC

- Defines Contracting Agency base entitlement
- Defines method of providing replacement water for Contracting Agency use above entitlement
- Defines temporary entitlement for City of Chino until 2023
- Defines surcharge rate for use exceeding temporary entitlement

Key Proposed Changes to RC

- Contracting Agencies acknowledge IEUA is currently meeting the Santa Ana River Judgement obligation with recycled water
- Memorializes the 2013 IEUA/JCSD agreement which allows JCSD right to purchase recycled water recharged in MZ3 until 2025
- Defines recycled water system operation priorities
- Deletes outdated sections

Schedule

- **April-May 2016: Member Agencies**
 - Advise Council's/Board's of Regional Contract Amendment
- **May 26, 2016: Technical Committee**
 - Proposed Regional Contract Amendment for Action
- **June 6, 2015: Policy Committee**
 - Proposed Regional Contract Amendment for Action
- **June 15, 2016: IEUA Board**
 - Public Hearing to adopt Regional Contract Amendment



Recommendation

1. Adopt Resolution 2016-4-4 declaring the intent to amend Sections 15 and 16 of the Regional Sewage Service Contract
2. Set public hearing date for June 15, 2016 at 10 am for adoption of proposed contract amendments

The development of the Recycled Water Policy Principles is consistent with the Agency's **Business Goal of increasing Water Reliability** by meeting the region's need to develop reliable, drought-proof and diverse local water resources in order to **reduce dependence on imported water supplies.**

RESOLUTION NO. 2016-4-4

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO
COUNTY, CALIFORNIA, DECLARING THE INTENT TO
AMEND SECTIONS 15 AND 16 OF THE CHINO BASIN
REGIONAL SEWAGE SERVICE CONTRACT**

WHEREAS, Pursuant to Section 30.B of the Chino Basin Regional Sewer Service Contract (Regional Contract), the Board of Directors of the Inland Empire Utilities Agency must adopt a resolution declaring its intent to amend the Regional Contract; and

WHEREAS, the Inland Empire Utilities Agency and the Regional Contracting Agencies have reviewed, discussed and agree with the Recycled Water Policy Principles that are the basis for the proposed amendments to Sections 15 and 16 of the Regional Contract; and

WHEREAS, there is a disagreement between the Inland Empire Utilities Agency and several of the Regional Contracting Agencies on the interpretation of Section 30.B pertaining to amendments to the Regional Sewage Service Contract; specifically, whether the Inland Empire Utilities Agency is authorized to unilaterally initiate and approve amendments to the Regional Contract; and

WHEREAS, the Inland Empire Utilities Agency and the Regional Contracting Agencies agree that the proposed amendment does not serve as a plausible basis to pursue the dispute as to the proper interpretation of Section 30.B and therefore this amendment shall in no way set a precedent for future contract amendments and that any disputes regarding the interpretation of Section 30.B shall be reserved by the Parties;

NOW, THEREFORE, the Board of Directors of Inland Empire Utilities Agency* hereby **RESOLVES, DETERMINES, AND ORDERS** the following:

1. The Inland Empire Utilities Agency intends to amend the Regional Contract Sections 15 and 16 in accordance with the draft amendments attached hereto and hereby incorporated into this resolution.
2. A hearing on the question of adopting the amendments will be held at 10:00 a.m. on June 15, 2016, in the Inland Empire Utilities Agency Board room at 6075 Kimball Avenue, Building A, Chino, California.

Adopted this 6th day of April, 2016.

Terry Catlin
President of the Inland Empire Utilities Agency*
and the Board of Directors thereof

ATTEST:

Steven J. Elie
Secretary of the Inland Empire Utilities Agency*
and the Board of Directors thereof

*A Municipal Water District

Resolution 2016-4-4

April 6, 2016

Page 3 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2016-4-4 was adopted at a Regular
Board meeting on April 6, 2016 of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

(SEAL)

Steven J. Elie
Secretary of the Inland Empire Utilities Agency*
and the Board of Directors thereof

* A Municipal Water District

Section 15. CONTROL AND DISPOSITION OF SEWAGE-CONTRACTING AGENCIES RIGHT OF PURCHASE OF RECYCLED WATER

A. General

Subject to the provisions of this Section 15 and Section 16, IEUA shall have total ownership and control of all sewage delivered into the Regional Sewerage System for the purpose of transmission, treatment and disposal thereof; subject to the right of first purchase by any Contracting Agency, the use of all recycled water from the Regional Sewerage System shall be within the sole discretion of IEUA. If any Contracting Agency exercises its right of first purchase of recycled water, then such agency shall have the total ownership and control of all recycled water delivered to it and the use thereof shall be within the sole discretion of that agency.

B. Right of Purchase of Recycled Water

Each Contracting Agency, at its option, shall have the right of first purchase of recycled water as provided in Section 16 hereof.

Section 16. SALE, BENEFICIAL USE OR DISPOSAL OF RECYCLED WATER

A. Purchase of Recycled Water from IEUA

Each Contracting Agency shall have the right of first purchase from IEUA of recycled water in a total quantity not exceeding the base entitlement of the Contracting Agency.

B. Base Entitlement of Contracting Agencies

Contracting Agency base entitlement will be determined based on wastewater contribution to the recycled water supply. Recycled water supply shall mean wastewater less normal processing losses resulting from the treatment of sewage. Base entitlement may be used for Santa Ana River discharge obligations, direct use and/or regional recharge.

C. Contracting Agency Use Above Base Entitlement

1. The use of recycled water above a Contracting Agency's base entitlement, will require that Contracting Agency to provide replacement water, collected by IEUA, and passed on through the Chino Basin Watermaster to contracting agencies with surplus entitlement, with the exception of paragraph a below. Replacement water shall be provided in a quantity equivalent to the amount of use exceeding base entitlement.
 - a. Temporary Entitlement
 - i. Currently the City of Chino exceeds its base entitlement.
 - ii. Temporary entitlement shall be provided to the City of Chino for the time period of July 1, 2016 through June 30, 2023 and shall be based on the customers that were connected to the system in Fiscal Year 2014-15.
 - iii. The temporary entitlement for the City of Chino shall be 8,324 AFY based on the Fiscal Year 2014-15 usage.
 - iv. To the extent that annual usage for existing customers exceeds the temporary entitlement of 8,324 AFY, surcharges will apply for that year.
 - v. Commencing Fiscal Year 2016/17 any new customers shall have the surcharge rate apply, until such time the usage is less than base entitlement.
2. If use exceeds base entitlement, groundwater recharge allocations will be curtailed and redistributed to other Contracting Agencies with surplus entitlement through Chino Basin Watermaster.
3. The annual amount of replacement water for any Contracting Agency exceeding entitlement will be calculated by IEUA as a reconciliation on the annual usage and the base entitlement, within 90 days following the end of each fiscal year. IEUA shall send written notice to all Contracting Agencies setting forth the amount of replacement

water that the respective Contracting Agency is required to provide from sources, and in the manner set forth below.

4. Any Contracting Agency exceeding its base entitlement shall provide replacement water by one of the following means:
 - a. Stored water in the Chino Groundwater Basin,
 - b. Acquisition of another contracting agency's unused entitlement, or
 - c. Payment of surcharge rate to IEUA per the rate resolution in effect.
5. Contracting Agencies exceeding entitlement that have alternative means of providing replacement water shall provide documentation of the source and amount of replacement water to IEUA within 90 days following reconciliation of the usage.
 - a. If Contracting Agency exceeding entitlement pursues transfer of stored groundwater through Chino Basin Watermaster, IEUA shall verify the replacement water and calculate the quantities of replacement water for Contracting Agencies with surplus entitlement.
 - b. If Contracting Agency exceeding entitlement acquires entitlement from another agency, the Contracting Agency exceeding entitlement shall provide such written documentation confirming the transaction to IEUA.
6. If Contracting Agency exceeding entitlement has not provided the required documentation for replacement water within 90 days of notification from IEUA, IEUA shall bill Contracting Agency the surcharge rate for replacement water.
7. If IEUA purchases replacement water, the purchase will occur within 12 months following the surcharge payment by the Contracting Agency, beginning with the lowest cost water. The Contracting Agency obligated to purchase replacement water shall pay

the established groundwater recharge allocation rate, or the then established rate by IEUA for the replacement water. IEUA will calculate the quantities of credit of replacement water for affected Contracting Agencies.

8. If IEUA is requested, in writing, by a Contracting Agency for credit towards the replacement water in lieu of the replacement water, IEUA shall credit the Contracting Agency within 90 days of such notice from the Contracting Agency.

D. Delivery Points

Unless otherwise agreed by IEUA, the delivery point or points of any Contracting Agency exercising its rights of first purchase of recycled water shall be approved by IEUA and shall be the discharge point or points of each Regional Treatment Plant or from the IEUA Regional Recycled Water System. The IEUA Regional Recycled Water System shall mean the system commencing from the recycled water pump stations at the Regional Treatment Plant, including the distribution pipelines and ancillary facilities to the discharge point.

E. Recycled Water System Operation

1. The regional recycled water system will be operated based on the following priorities for recycled water deliveries:
 - a. Minimal operational discharges (instrumentation, environmental obligations such as regulatory requirements or habitat flow, etc.)
 - b. Contracting Agency deliveries
 - c. Regional groundwater recharge
2. IEUA and the Contracting Agencies shall meet peak recycled water direct demands through coordinated demand management of recycled water deliveries. To ensure that overall regional demands are reliably met, IEUA shall coordinate with the Contracting

Agencies to install pressure sustaining equipment, in conjunction with the users with demands greater than 200 AFY. IEUA shall install and maintain the pressure sustaining valves for existing customers.

F. Delivery Facilities and Costs of Delivery of Recycled water

Delivery facilities shall consist of any facilities for the delivery of recycled water from the point of discharge of any Regional Treatment Plant to the point of use of the effluent. IEUA or any Contracting Agency may, at its own expense, acquire, construct, or make a contribution toward the financing of capital costs and maintenance and operation of any delivery facilities. IEUA, or any Contracting Agency or Agencies or any combination thereof, may provide for delivery facilities by contract entered into between or among themselves or with any other person or public or private entity.

G. Price for Purchase of Recycled water

Any Contracting Agency exercising the right of first purchase of recycled water shall be entitled to take delivery thereof at no cost, except for the costs of delivery, if any, of IEUA.

H. Use of Purchased Recycled water

Any Contracting Agency exercising its right of first purchase of recycled water may make any lawful use thereof, including beneficial use, sale, or other disposal and shall be entitled to retain all revenues received by it as a result thereof.

I. Contract for Joint Exercise or Transfer of Rights of First Purchase

Subject to the rights of IEUA hereunder, any or all of the Contracting Agencies may be contract provided for the joint exercise of any of their respective rights of first purchase of recycled water or for the sale, exchange or transfer of such rights. Certified copies of all such contracts shall be filed with IEUA by the parties thereto.

J. Disposition by IEUA of Unclaimed Recycled Water

To the extent that any of the Contracting Agencies fail to exercise their respective rights of first purchase of recycled water, IEUA may make any lawful use of such effluent, including beneficial use, sale or other disposition inside or outside the Chino Basin; provided, that:

1. IEUA shall not, for a consideration, sell or otherwise dispose of any recycled water for beneficial use inside the Chino Basin without review and approval by a majority of the Contracting Agencies; and
2. If IEUA, for consideration, sells or otherwise disposes of any recycled water for beneficial use inside or outside the Chino Basin, any portion of the consideration in excess of IEUA's net audited costs of reclamation and delivery shall be credited to the recycled water fund.
3. The Contracting Agencies acknowledge that IEUA is currently meeting the Santa Ana River Judgment obligation with recycled water.
4. The Contracting Agencies acknowledge that Jurupa Community Services District (JCSD) shall have the right to purchase up to 20% of the recycled water recharged in Chino Groundwater Basin Management Zone No. 3 (MZ-3). Regardless of the volume of recycled water recharged in MZ-3, the volume available to JCSD to purchase shall not exceed 950 acre-feet per year, reduced proportionally based on new groundwater recharge (imported or stormwater) recorded by Chino Basin Watermaster for the prior fiscal year, but not less than 750 acre-feet per year, as described in the 2013 Agreement between IEUA and JCSD which expires on September 7, 2025.

K. Measurement of Recycled Water

IEUA shall install, maintain, and operate measuring devices and equipment for the

measurement of deliveries of recycled water to the Contracting Agencies at a location or locations mutually agreed upon by IEUA and the Contracting Agencies. The measuring devices and equipment shall be examined, tested and serviced regularly to insure their accuracy. At any time, IEUA or any Contracting Agency may inspect any measuring devices and equipment and all records and measurements taken therefrom.

L. Notice of Proposed Delivery

Prior to the commencement of each fiscal year, notice of the delivery of recycled water shall be given as follows:

1. Request by IEUA

Between the first day of January and the first day of March of each year, IEUA shall request each Contracting Agency to provide IEUA with a schedule of new connections for the next five fiscal years with an estimated demand per customer.

2. Response by Contracting Agencies

Within 30 days of the date of each such request by IEUA, each Contracting Agency shall provide IEUA with the schedule requested pursuant to subpart 1 above; provided that if a Contracting Agency does not intend to exercise its right of first purchase, it need not respond in any manner to IEUA.

WORKSHOP

2

Grant Strategic Plan



Jason Gu
Grants Officer

Grant Management Cycle

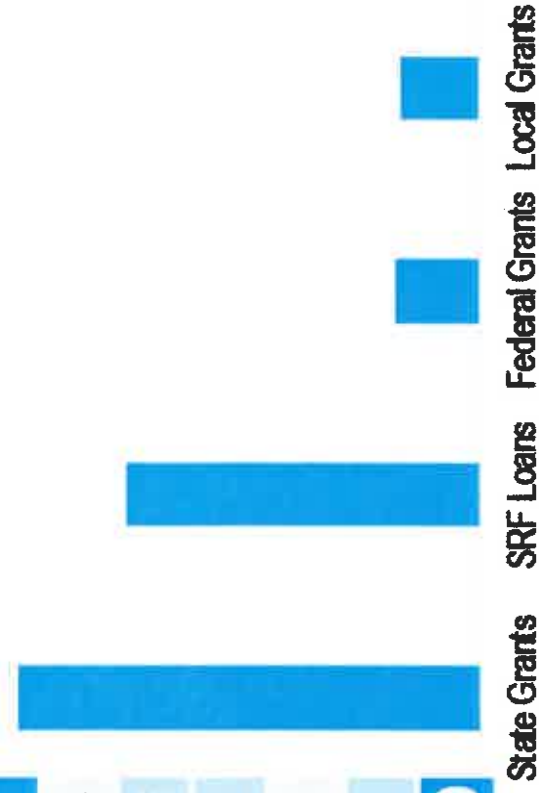
- * Pre- Award Activities
 - * Identify Grant Opportunities
 - * Develop Proposal Concepts
 - * Grant Application Teams
- * Post-Award Activities
 - * Negotiate Grant Contracts
 - * Manage Grant Awards
 - * Grants Audit & Closeout



Overview IEUA Grant Activities (Year 2000-2015)

* Grants & SRF Loans Secured - \$420 Million

Government/Type	\$ Million
State/Grant	\$ 196
Federal/SRF	\$ 125
State/SRF	\$ 26
Federal/Grant	\$ 37
Local/Grant	\$ 36
Total	\$ 420



Funding Award Used By Agency

Agency (Funding Type)	\$ Million
IEUA (SRF)	\$ 151
IEUA (Grant)	\$ 107
CDA (Grant)	\$ 104
CBWM (Grant)	\$ 30
Member Agency (Grant)	\$ 28
Total	\$ 420

Grants \$269 Million Detail

Agency	Funding Agency Name	Grant Amount
SWRCB	State Water Resources Control Board	\$ 153,935,562
USBR	U.S. Bureau of Reclamation	\$ 35,632,329
MWD	Metropolitan Water District	\$ 33,296,889
DWR	Department of Water Resources	\$ 27,239,494
CEC	California Energy Commission	\$ 8,098,700
USDA/NRCS	Natural Resources Conservation Service	\$ 4,900,000
DOE	Department of Energy	\$ 2,326,000
FEMA	Federal Emergency Management Agency	\$ 1,429,546
SCE	Southern California Edison	\$ 672,687
WRF	WaterReuse Foundation	\$ 477,912
DPR	Department of Park and Recreation	\$ 246,400
CPUC	California Public Utilities Commission	\$ 75,000
CIWMB	California Integrated Waste Management Board	\$ 75,000
WURD	Western United Resource Development, Inc.	\$ 45,101
DFP	Department of Forestry and Fire Protection	\$ 41,450
SCG	Southern California Gas	\$ 38,000
CSDA	California Special Districts Association	\$ 9,210
Grand Total		\$ 268,539,280

SRF Loans \$151 Million Detail

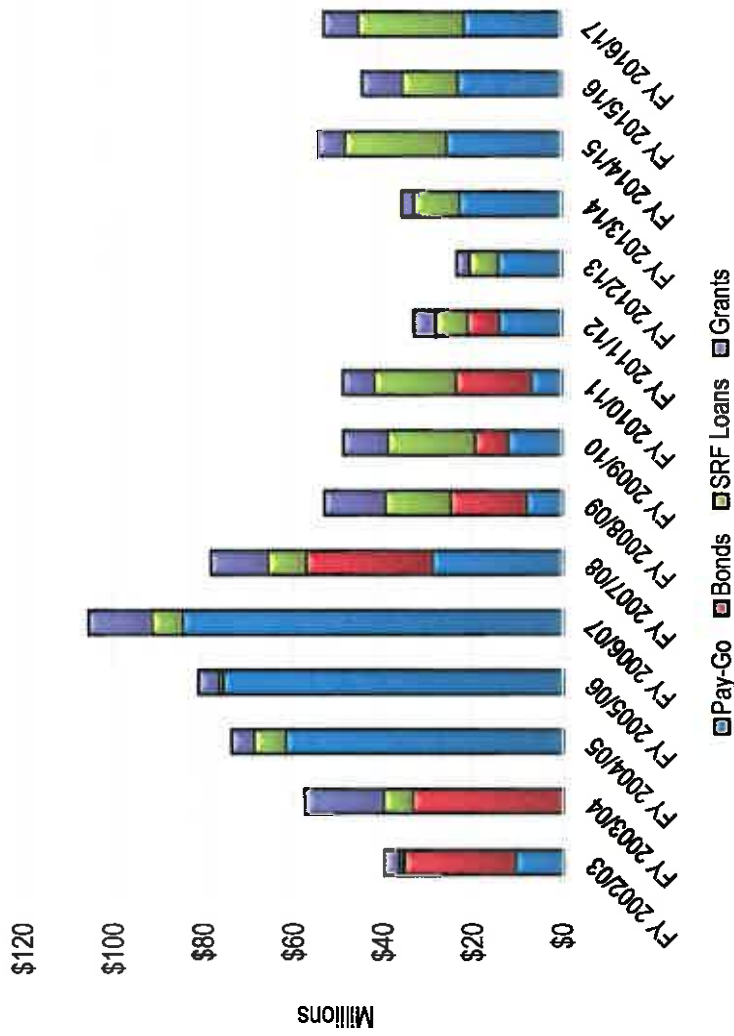
No.	Year	Project	Interest	Term	Amount
1	2003	Etiwanda Avenue Recycled Water Pipeline	2.50%	20-Year	\$ 630,689
2	2003	Wineville Avenue Recycled Water Pipeline	2.50%	20-Year	\$ 659,929
3	2003	RP-1/RP-4 Pump Stations	0.00%	20-Year	\$ 5,211,496
4	2004	North Etiwanda Avenue Pipeline Extension	2.40%	20-Year	\$ 1,862,960
5	2004	Philadelphia Street Pipeline	2.60%	20-Year	\$ 1,370,504
6	2005	RP-4 West Recycled Water Pipeline	2.40%	20-Year	\$ 5,406,715
7	2007	RP-1 S. Pump Station, San Antonio A.B.	2.20%	20-Year	\$ 14,752,200
8	2008	RP-4 Reservoir Project	0.00%	20-Year	\$ 3,415,942
9	2008	RP-4 Pump Station	0.00%	20-Year	\$ 6,207,461
10	2008	RP-4 Pipeline Project	0.00%	20-Year	\$ 1,238,794
11	2009	1299E Recycled Water Pipeline	0.11%	20-Year	\$ 3,493,463
12	2009	1630 Pump Station and 1299E Reservoir	0.14%	20-Year	\$ 5,789,720
13	2009	1630E Recycled Water Pipeline	0.21%	20-Year	\$ 5,658,238
14	2009	Church Street Lateral Project	0.07%	20-Year	\$ 1,688,745
15	2009	Victoria Basin Monitoring Wells	1.00%	20-Year	\$ 1,285,987
16	2009	RP-1 Dewatering Facility Expansion	0.46%	20-Year	\$ 27,434,811
17	2011	Southern Area Recycled Water	2.60%	20-Year	\$ 26,608,638
18	2014	New Laboratory SRF Loan	2.10%	30-Year	\$ 16,049,663
19	2014	Central/Wineville Area Recycled Water	1.00%	30-Year	\$ 22,300,000
Grand Total					\$ 151,065,955

\$70M Interest Saving, 20-year SRF Loan (\$151M)

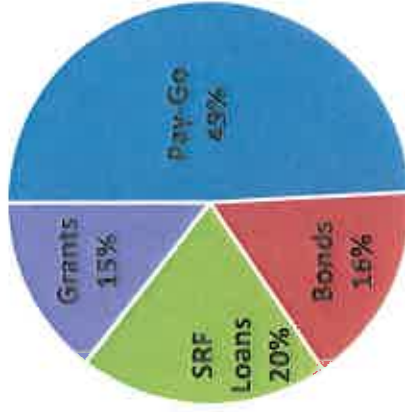
\$151 million Bond @ 5%				\$151 million SRF Loan @ 1.32%				
Principal	Interest PMT	Principal PMT	Total PMT	Year	Principal	Interest PMT	Principal PMT	Total PMT
\$151,066	\$7,553	\$4,569	\$12,122	1	\$151,066	\$1,994	\$6,650	\$8,644
\$146,497	\$7,325	\$4,797	\$12,122	2	\$144,416	\$1,906	\$6,737	\$8,644
\$141,700	\$7,085	\$5,037	\$12,122	3	\$137,679	\$1,817	\$6,826	\$8,644
\$136,663	\$6,833	\$5,289	\$12,122	4	\$130,853	\$1,727	\$6,916	\$8,644
\$131,375	\$6,569	\$5,553	\$12,122	5	\$123,937	\$1,636	\$7,008	\$8,644
\$125,821	\$6,291	\$5,831	\$12,122	6	\$116,929	\$1,543	\$7,100	\$8,644
\$119,991	\$6,000	\$6,122	\$12,122	7	\$109,829	\$1,450	\$7,194	\$8,644
\$113,868	\$5,693	\$6,429	\$12,122	8	\$102,635	\$1,355	\$7,289	\$8,644
\$107,440	\$5,372	\$6,750	\$12,122	9	\$95,346	\$1,259	\$7,385	\$8,644
\$100,690	\$5,034	\$7,087	\$12,122	10	\$87,961	\$1,161	\$7,483	\$8,644
\$93,602	\$4,680	\$7,442	\$12,122	11	\$80,478	\$1,062	\$7,581	\$8,644
\$86,160	\$4,308	\$7,814	\$12,122	12	\$72,897	\$962	\$7,681	\$8,644
\$78,347	\$3,917	\$8,205	\$12,122	13	\$65,216	\$861	\$7,783	\$8,644
\$70,142	\$3,507	\$8,615	\$12,122	14	\$57,433	\$758	\$7,885	\$8,644
\$61,527	\$3,076	\$9,046	\$12,122	15	\$49,548	\$654	\$7,990	\$8,644
\$52,482	\$2,624	\$9,498	\$12,122	16	\$41,558	\$549	\$8,095	\$8,644
\$42,984	\$2,149	\$9,973	\$12,122	17	\$33,463	\$442	\$8,202	\$8,644
\$33,011	\$1,651	\$10,471	\$12,122	18	\$25,261	\$333	\$8,310	\$8,644
\$22,540	\$1,127	\$10,995	\$12,122	19	\$16,951	\$224	\$8,420	\$8,644
\$11,545	\$577	\$11,545	\$12,122	20	\$8,531	\$113	\$8,531	\$8,644
	\$91,373	\$151,066	\$242,439			\$21,806	\$151,066	\$172,872
Interest Cost Saving in 20-years = \$69,566						\$69,566	PV	\$53,517
Interest Cost Saving Present Value @ 1.32% = \$53,517						\$91,373	PV	\$26,219

Capital Program Funding Sources Years 2007-2017

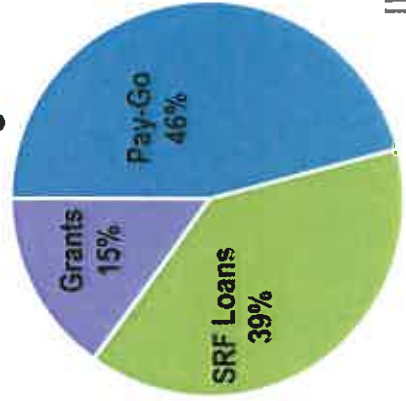
FY 2002-2017 TYCIP Funding Sources



15-Year Average



3-Year Average



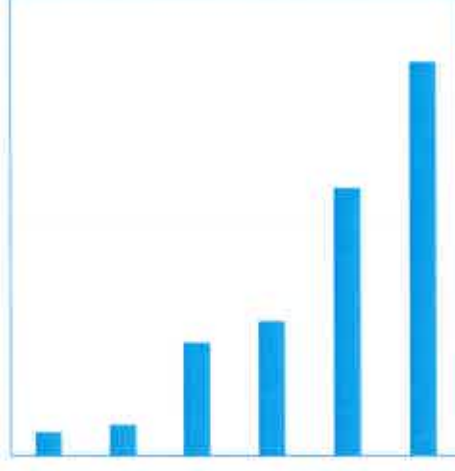
State Propositions for Water Projects

Year	Proposition	Description	\$ Amount (Million)
2000	Proposition 13	The Safe Drinking, Clean Water, Watershed Protection, Flood Protection Act of 2000	\$ 1,970
2002	Proposition 50	The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002	\$ 3,440
2006	Proposition 84	The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006	\$ 5,388
2014	Proposition 1	The Water Quality, Supply, and Infrastructure Improvement Act of 2014	\$ 7,545

IEUA & Regional Funding

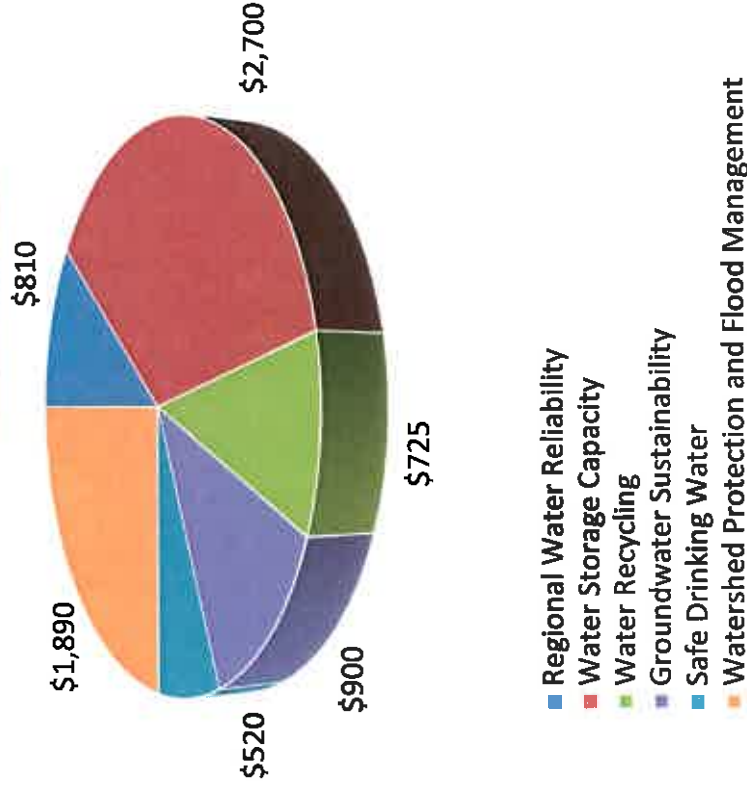
Key Areas

Key Programs	\$ Million
Renewable Energy	\$10
Conservation	\$14
Wastewater Treatment	\$49
Groundwater Sustainability	\$59
Safe Drinking Water	\$117
Recycled Water	\$171
Total	\$420

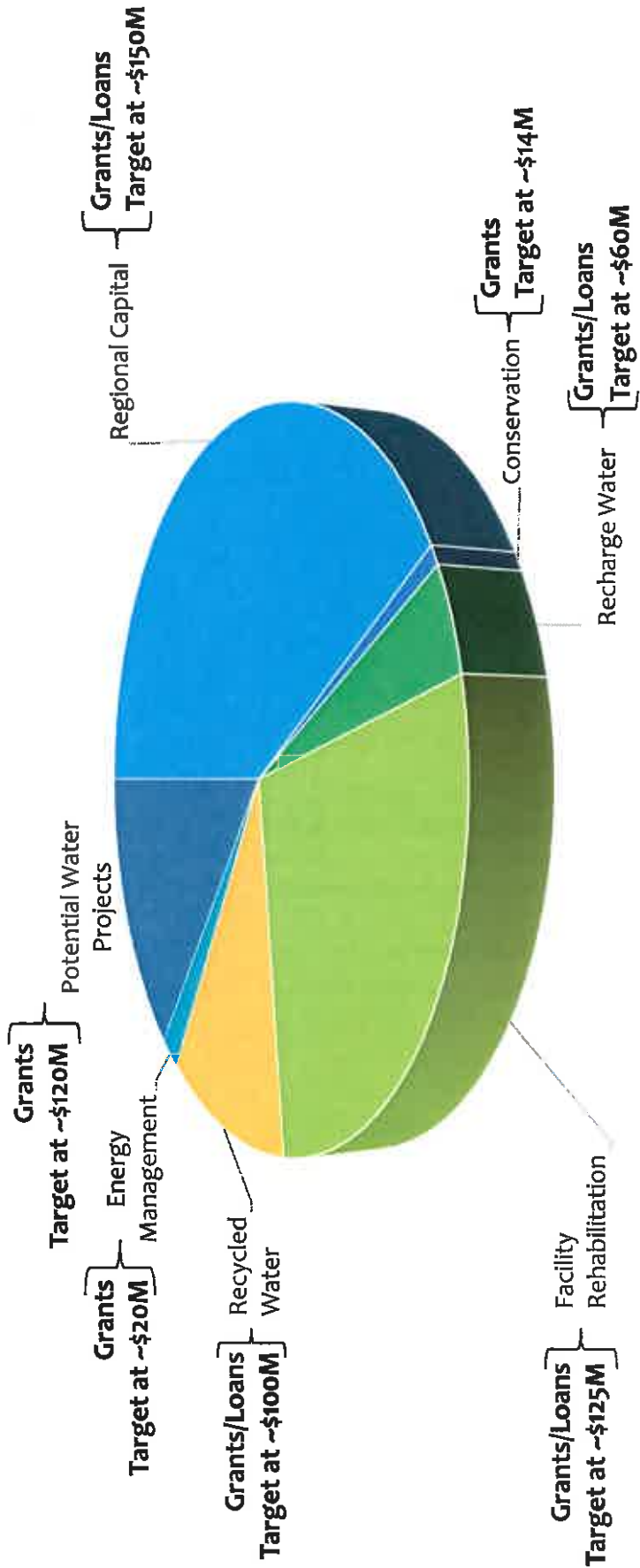


State Prop 1 Funding Areas

Proposition 1	\$ Amount (Million)
Regional Water Reliability	\$810
Water Storage Capacity	\$2,700
Water Recycling	\$725
Groundwater Sustainability	\$900
Safe Drinking Water	\$520
Watershed Protection and Flood Management	\$1,890
Total	\$7,545



Strategic Grant Planning (Planning the Next 10 Years)



Recycled Water Funding Accomplishments

- * \$250M in Capital Invested to Date
- * \$162M, or 64% Funded by Grants and SRF Loan
- * 80 Miles of Pipeline, 4 Pump Stations and 5 Reservoirs



Recycled Water Near Term Funding Strategy

* In Progress

Application Submitted	Grant	SRF Loan	Project Cost
2015 Drought Relief IEUA-Ontario Recycled Water Distribution System Optimization Project	\$ 15,000,000	\$ 38,871,500	\$ 53,871,500
Joint IEUA - JCSD Regional Water Recycling Project	\$ 15,000,000	\$ 37,460,000	\$ 52,460,000
Pomona-MVWD-IEUA Recycled Water Inter tie Project	\$ 15,000,000	\$ 36,896,000	\$ 51,896,000
Total	\$ 45,000,000	\$ 113,227,500	\$ 158,227,500

* Future Funding Opportunities & Projects

- * SWRCB Prop 1 Grants and CWSRF Loan
- * USBR Title XVI Recycled Water Funding for CVWD

Groundwater Recharge Funding Accomplishments

- * \$116M in Grant Related Capital Projects Invested to Date
- * \$58M, or 50% Funded by Prop 13, and Prop 50 Grants
 - * CBFIP GW Recharge Basin Improvements (\$19M)
 - * Dry Year Yield Grant from MWD (\$27.5M)
 - * DWR Chino Basin Groundwater Conjunctive Use (\$10M)



Groundwater Recharge (RMPU)

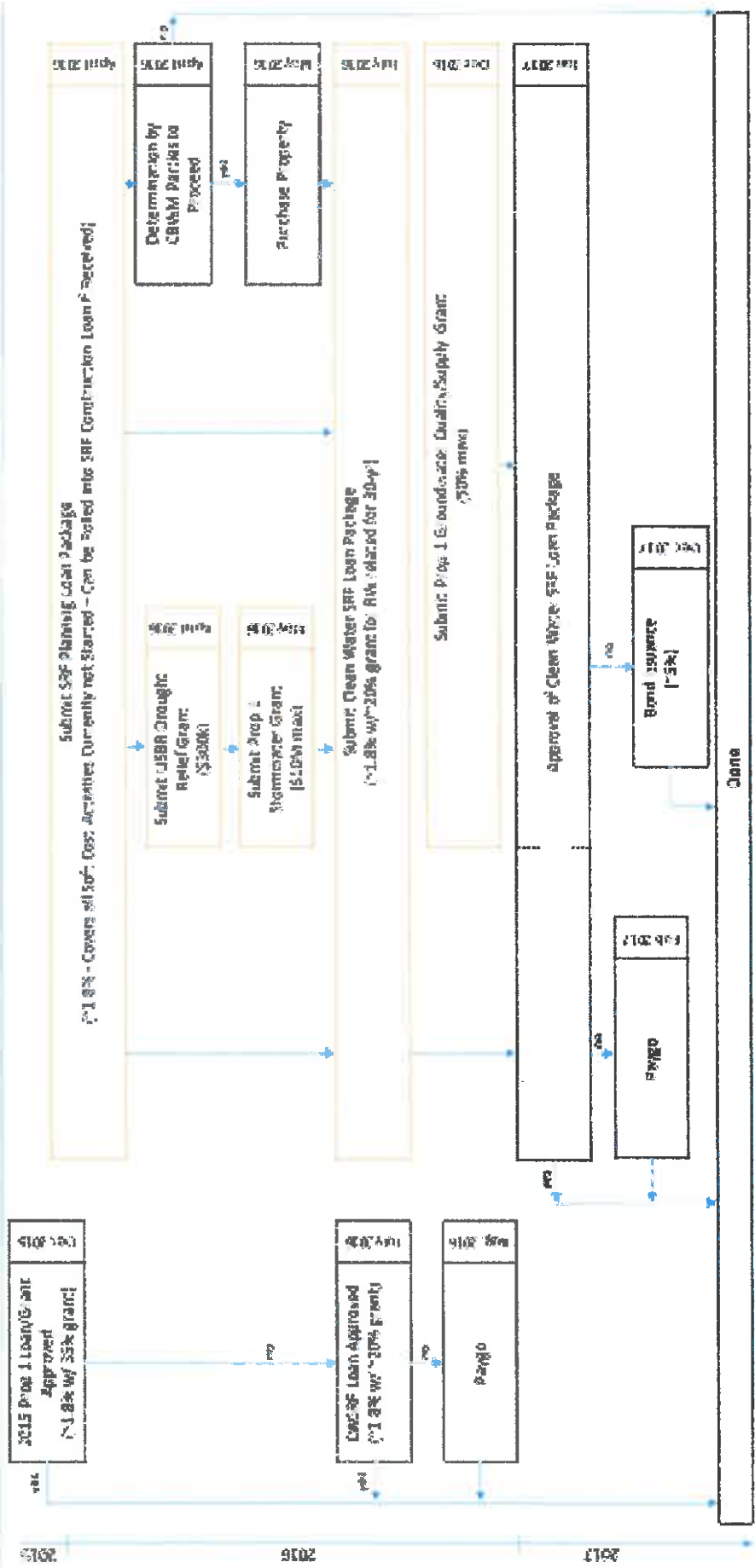
Near Term Funding Strategy

Project	RW (AFY)	SW (AFY)	Agency	Funding Program	Grant	SRF Loan	Total
CSI Storm Water Basin		81	SWRCB	CWSRF Loan		\$ 440,000	\$ 440,000
Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvement	2,903	3,166	SWRCB	Prop 1 Storm Water	\$ 5,000,000		
			USBR	CWSRF Loan		\$ 16,010,000	\$ 16,010,000
			USBR	Drought Resilient	\$ 300,000		
East Declez Basin		913	SWRCB	Prop 1 Storm Water	\$ 5,000,000		
				CWSRF Loan		\$ 18,470,000	\$ 23,470,000
Declez Basin		241	SWRCB	Prop 1 Ground Water	\$ 2,035,000		
				CWSRF Loan		\$ 2,035,000	\$ 4,070,000
Victoria Basin		120		CWSRF Loan		\$ 150,000	\$ 150,000
San Sevaine Basin Improvement Project	4,100	642	SWRCB	Prop 1 Water Recycling	\$ 1,868,300		
				Prop 84 Safe Drinking	\$ 750,000		
				CWSRF Loan		\$ 3,469,700	\$ 6,463,000
Lower Day Basin		789	USBR	WaterUse Efficiency	\$ 375,000		
			USBR	WaterUse Efficiency	\$ 375,000		
			SWRCB	Prop 84 Safe Drinking	\$ 750,000		
				CWSRF Loan		\$ 1,355,000	\$ 2,480,000
Turner Basin		66	SWRCB	CWSRF Loan		\$ 890,000	\$ 890,000
Ely Basin		221	SWRCB	CWSRF Loan		\$ 3,200,000	\$ 3,200,000
Montclair Basin		248	SWRCB	CWSRF Loan		\$ 1,440,000	\$ 1,440,000
Sub Total	7,125	6,367			\$ 16,453,300	\$ 47,459,700	\$ 63,913,000

GWR Program (RMPU) Financing Plan Flow Chart

2013 RMPU Financing Plan

Project	San Jose	Lower Bay	Remaining RMPU Projects	Est. Descr
Start Construction	July 2016	January 2017	March 2018	March 2018
Est. Cost	\$6.5M	\$2.5M	\$10.3M	\$3.3M
Est. AFY - SW/WW	643/4,100	200/0	1,000/1,200	913



Drinking Water Program

Funding Accomplishments

- * **\$300M in Capital Invested to Date**
- * **\$117M, or 39%, Managed by IEUA**
 - * Prop 13 \$39 million CDA I Construction
 - * Prop 50 \$52 million CDA II Construction
 - * Prop 84 \$10 million CDA II Construction
 - * Federal Title XVI \$14 million CDA II Construction



Drinking Water

Near Term Funding Strategy

* In Progress

Application Submitted	Grant	Project Cost
USBR Title XVI Grant for CDA II Phase 3 Expansion	\$ 12,000,000	\$ 48,000,000
Prop 1 Groundwater Quality TCE Plume Cleanup	\$ 11,000,000	\$ 25,000,000
Total	\$ 23,000,000	\$ 73,000,000

* Future Grant Funding Opportunities & Projects

- * SWRCB Prop 1 DWSRF Loan Program
- * SWRCB Prop 1 Groundwater Quality Grant
- * CDA II Expansion Project
- * CWWD Biological Water Treatment Project
- * TCE Plume Cleanup



Water Conservation Funding Accomplishments

- * \$19 Million invested by IEUA for the Water Use Efficiency Demand Reduction Program (10 years)
- * \$13.6 Million, or 72%, funded by Federal and State Grants including \$4 Million funding contributed by MWD



Water Conservation Near Term Funding Strategy

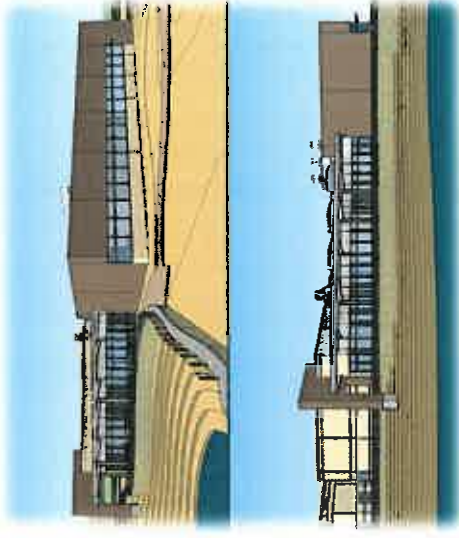
Future Applications	Grant application	Total Project
USBR Drought Contingency Planning-IRP Chapter 2	\$ 200,000	400,000
USBR Drought Resiliency Implementation Grant	\$ 300,000	600,000
Total	\$ 500,000	1,000,000

- * USBR WaterSMART Water Use Efficiency Grant
- * DWR Prop 1 Regional Water Reliability Grant
- * MWD Conservation Grant Program
- * USBR Agricultural Water Use Efficiency Grant

Wastewater Treatment Facility

Funding Accomplishments

- * \$27M ARRA 0% ARRA SRF loan - RP-1 Dewatering Facility
- * \$17.1M SRF Loan & Grant – Water Quality Laboratory



Wastewater Treatment

Funding Strategy

Applications	Grant	SRF Loan	Project Cost
Small Community Wastewater Grant	\$500,000		\$500,000
RP-1/RP-5 Preliminary Design Report	\$0	\$3,000,000	\$3,000,000
RP-5 Solids Treatment Design/Construction	\$8,000,000	\$128,000,000	\$136,000,000
RP-5 Liquids Treatment Design/Construction	\$8,000,000	\$117,000,000	\$125,000,000
RP-1 Liquids & Solids Treatment Design/Construction	\$8,000,000	\$104,000,000	\$112,000,000
Total	\$24,500,000	\$352,000,000	\$376,500,000

*** SWRCB Prop 1 Grant & Clean Water SRF loan Program**

Energy & Renewable Energy Funding Accomplishments

- * \$10M in Energy/Renewable Energy Grant
- * \$2.7 Renewable Energy Efficiency Program
- * \$4.9M Food Waste Digesters



Energy & Renewable Energy Funding Strategy

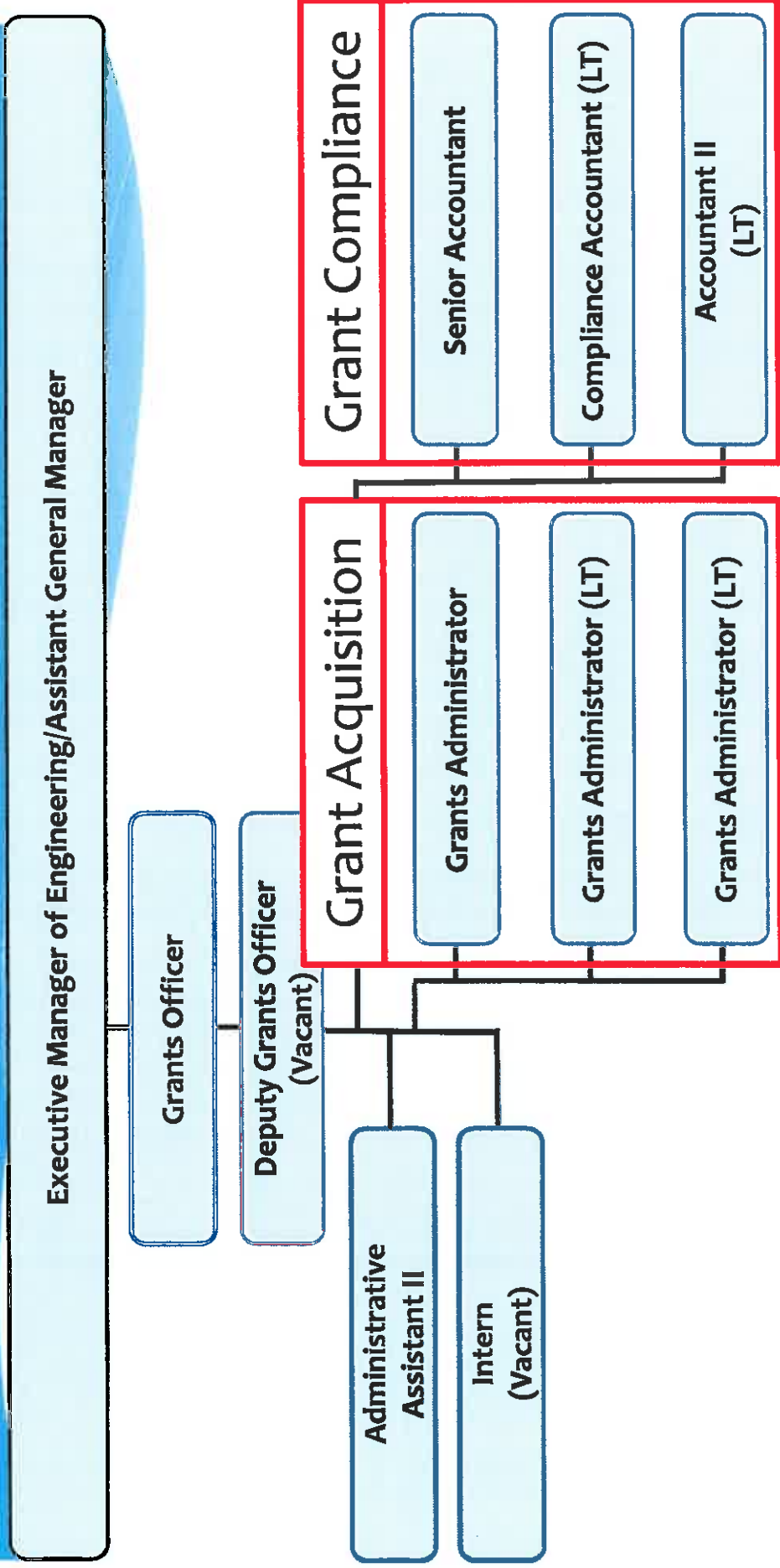
- * DOE – Micro-Turbines \$3 Million
- * EPA - Lighting and HVAC upgrades \$0.5 Million
- * CEC – Energy Storage \$1.5 Million
- * EPA – Mitigating Greenhouse Gas Impact
- * Organic Food Waste Diversion to Wastewater Treatment Plants – Funding Programs TBD

Post-Grant Award Activities

- * **Post-Grant Award Activities**
 - * Negotiate Grant Agreements
 - * Manage Grants Compliance & Oversight
 - * Grant Audit and Close out
- * **Nature of Grant Life Cycle**
 - * Routine Deadlines & Compliance
 - * Dealing with “Strings” attached to Grants
 - * Cumulative, Asynchronous, & Non-repetitive



Grants Department Organizational Chart



Grants Compliance

- * **Grants Compliance & Internal Control**
 - * Federal Grant Single Audit Requirement
 - * Buy American Act & Buy American Iron & Steel
 - * Labor Compliance & Davis-Bacon Act
 - * Disadvantaged Business Enterprise (DBE)
 - * Streamline CEQA processes in grant application
 - * Construction Bid Process, Schedule and Grant Synchronization
- * **Federal Uniform Grant Guidance**
 - * Close communication with Contract and Procurement Department
 - * Improve Grant Reporting and Fully Utilize Grant Funding
 - * Grant Reimbursement & Match Share Use Oversight

Grants Department

Administration Priorities

- * Grant Strategic Plan & Updates
- * Develop Grant Policies
- * Enhance Centralized Grant Management
- * SAP Grant Management Module
- * Grant Management Database
- * Enhance Grant Seeking Collaborative Efforts
- * Staff Development & Succession Plan

Feedback & Next Steps

* **Reaffirm Agency Goals**

- * IEUA will continue to pursue funding for regional partners
- * SRF funding shall be primary funding mechanism for debt
- * IEUA planning/environmental documents developed to strategically set course for future grant funding priorities

* **Pursue Immediate Funding Needs**

- * RMPU Plan Applications - \$63M
- * Water Recycling Applications - \$158M
- * TCE Plume Cleanup Applications - \$12M
- * RP-1/RP-5 Facilities Upgrades - \$250M
- * Coordination with SAWPA - \$60M