



**FINANCE, LEGAL, AND ADMINISTRATION  
COMMITTEE MEETING  
OF THE BOARD OF DIRECTORS  
INLAND EMPIRE UTILITIES AGENCY\*  
AGENCY HEADQUARTERS, CHINO, CALIFORNIA**

**WEDNESDAY, MAY 11, 2016  
11:00 A.M.**

***Or immediately following the  
Engineering, Operations, and Biosolids Management  
Committee Meeting***

**CALL TO ORDER**

**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 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. CONSENT ITEMS**

**A. MINUTES**

The Committee will be asked to approve the Finance, Legal, and Administration Committee meeting minutes of April 13, 2016.

**B. REPORT ON GENERAL DISBURSEMENTS**

It is recommended that the Committee/Board approve the total disbursements for the month of March 2016, in the amount of \$10,251,783.01.

**2. ACTION ITEMS**

**A. ADOPTION OF RESOLUTION NO. 2016-5-1, APPROVING THE UPDATE OF THE AGENCY'S INVESTMENT POLICY**

It is recommended that the Committee/Board adopt Resolution No. 2016-5-1, approving the update of the Agency's Investment Policy for Fiscal Year 2016/17.

**B. RESERVE POLICY**

It is recommended that the Committee/Board adopt the updated Reserve Policy governing all Agency funds.

**C. DEBT MANAGEMENT POLICY**

It is recommended that the Committee/Board adopt the proposed Debt Management Policy governing all Agency's debt.

**D. RECHARGE MASTER PLAN UPDATE PROJECT RESOLUTIONS AND AGREEMENTS**

It is recommended that the Committee/Board:

1. Adopt Resolution No. 2016-5-2, authorizing IEUA's General Manager to execute the Groundwater Grant Program application with the SWRCB for the Chino Basin Improvements and Groundwater Cleanup Project through the Chino Basin Regional Financing Authority (CBRFA);
2. Adopt Resolution No. 2016-5-3, authorizing IEUA's General Manager to execute the Stormwater Grant Program application with the SWRCB for the RMPU Project referred to as the Wineville, Jurupa, and RP-3 Basin Improvements and Groundwater Cleanup Project through the CBRFA;
3. Adopt Resolution No. 2016-5-4, authorizing IEUA's General Manager to execute the Clean Water State Revolving Fund (CWSRF) loan application with the SWRCB for the planning and design of the RMPU Project through the CBRFA;
4. Adopt Resolution No. 2016-5-5, dedicating certain revenues for the repayment of the SRF loan for the Planning and Design of the RMPU Project;
5. Authorize IEUA's General Manager to approve the Master Cost Sharing Agreement between CBWM and IEUA; and
6. Authorize IEUA's General Manager to approve the Master Recharge Facilities Financing Agreement between CBRFA, IEUA, and CBWM.

**E. WATER QUALITY LABORATORY CONSTRUCTION CONTRACT AWARD**

It is recommended that the Committee/Board:

1. Approve the construction contract award for the Water Quality Laboratory, Project No. EN15008, to Kemp Bros. Construction, Inc., in the amount of \$17,460,000;
2. Approve a total project budget amendment in the amount of \$3,745,000, which will increase the total project budget from \$20,900,000 to \$24,645,000;
3. Authorize the Agency to request an increase to the current SRF Loan Agreement in the amount of \$7,545,000; and
4. Authorize the General Manager to execute the construction contract, budget amendment, and required loan documents.

**F. AMENDMENT TO ENERGY SERVICE PROVIDER AGREEMENTS**

It is recommended that the Committee/Board:

1. Approve the electricity amendment with Shell Energy North America (SENA) US, L.P. through December 31, 2016, to purchase 1.5 megawatts (MW) of electricity per hour at a variable rate;
2. Approve the natural gas amendment with SENA US, L.P. through May 31, 2017, to purchase 200 MMBtu per day of natural gas at a variable rate; and
3. Authorize the General Manager to finalize and execute the amended agreements, and negotiate further amendments for up to three additional years.

**G. CONTRACT AMENDMENT FOR DEMAND RESPONSE SERVICES**

It is recommended that the Committee/Board:

1. Approve the amendment to the Master Service Contract No. 4600000900 with EnerNOC, Inc. for provision of demand response services, including sub-metering data management; and
2. Authorize the General Manager to finalize and execute the contract amendment.

**H. FISCAL YEAR 2016/17 TEN-YEAR CAPITAL IMPROVEMENT PLAN**

It is recommended that the Committee/Board approve the proposed Fiscal Year (FY) 2016/17 through 2025/26 Ten-Year Capital Improvement Plan (TYCIP).

**3. INFORMATIONAL ITEMS**

**A. ORDINANCE NO. 102, ESTABLISHING FISCAL CONTROL (WRITTEN)**

**B. FY 2016/17 ADOPTED BUDGET FOR INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (WRITTEN)**

**C. WATER ORDINANCE NO. 104 (WRITTEN)**

**D. FY 2016/17 PROPOSED AMENDED BUDGET (WRITTEN/POWERPOINT)**

**RECEIVE AND FILE INFORMATION ITEM**

**E. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN)**

**4. GENERAL MANAGER'S COMMENTS**

**5. COMMITTEE MEMBER COMMENTS**

**6. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

**7. 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

Proofed by: 

**DECLARATION OF POSTING**

I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of the agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Ave., Building A, Chino, CA on Thursday, May 5, 2016.

  
April Woodruff



**CONSENT  
ITEM**

**1A**

## **MINUTES**

### **FINANCE, LEGAL, AND ADMINISTRATION COMMITTEE MEETING INLAND EMPIRE UTILITIES AGENCY\* AGENCY HEADQUARTERS, CHINO, CA**

**WEDNESDAY, APRIL 13, 2016  
11:00 A.M.**

#### **COMMITTEE MEMBERS PRESENT**

Steven J. Elie  
Terry Catlin (Alternate)

#### **COMMITTEE MEMBERS ABSENT**

Gene Koopman, Chair

#### **STAFF PRESENT**

P Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/Assistant General Manager  
Ernest Yeboah, Executive Manager of Operations/ Assistant General Manager  
Martha Davis, Executive Manager of Policy Development  
Jerry Burke, Deputy Manager of Engineering  
Tina Cheng, Budget Officer  
Andy Campbell, Deputy Manager of Planning and Environmental Resources  
Pietro Cambiaso, Supervisor  
Javier Chagoyen-Lazaro, Manager of Finance and Accounting  
Jason Gu, Grants Officer  
Warren Green, Manager of Contracts and Facilities Services  
Elizabeth Hurst, Water Resource Planner  
Linda Johnson, Administrative Coordinator  
Sylvie Lee, Manager of Planning and Environmental Resources  
Bill Leever, Groundwater Recharge Coordinator  
Jason Marseilles, Senior Engineer  
David Mendez, Deputy Manager of Construction Management  
Jeff Noelte, Manager of Technical Services  
Kanes Pantayatiwong, Manager of Business Information Services  
Jason Pivovaroff, Senior Engineer  
Matt Poeske, Project Manager  
Craig Proctor, Pretreatment and Source Control Supervisor  
Lauramae Recupero, Supervisor  
John Scherck, Acting Deputy Manager of Engineering  
Shaun Stone, Manager of Engineering  
Kenneth Tam, Senior Associate Engineer  
Stephanie Riley, Executive Assistant

#### **OTHERS PRESENT**

None.

The meeting was called to order at 11:01 a.m. There were no public comments received or additions to the agenda.

### **CONSENT CALENDAR ITEMS**

The Committee:

- ◆ Approved the Finance, Legal, and Administration Committee meeting minutes of March 9, 2016.
- ◆ Recommended that the Board approve the total disbursements for the month of February 2016, in the amount of \$10,070,905.37;

as a Consent Calendar Item on the April 20, 2016 Board meeting agenda.

### **ACTION ITEMS**

The Committee:

- ◆ Recommended that the Board:
  1. Approve the Retainer Agreement for bond counsel and related legal services with Stradling Yocca Carlson & Rauth (SYCR), subject to the fees, terms and conditions set forth in Exhibit A;
  2. Approve services previously approved and rendered for a not-to-exceed amount of \$30,000 related to the 2008B Variable Rate Demand Bond Letter of Credit substitution, and completion of financing agreements for regional projects to be financed through the Chino Basin Regional Financing Authority; and
  3. Authorize the General Manager or designee to execute the Agreement;

as a Consent Calendar Item on the April 20, 2016 Board meeting agenda.

- ◆ Recommended that the Board:
  1. Approve Contract No. 4600002085, to American Microlmaging, Inc. (AMI) for the Enterprise Content Management System, Project No. IS15003, associated licensing agreement and the option for conversion of back file documents, for a not-to-exceed amount of \$670,920; and
  2. Authorize the General Manager to execute the contract;

as a Consent Calendar Item on the April 20, 2016 Board meeting agenda.

- ◆ Recommended that the Board:
  1. Ratify the contract amendment No. 4600001970-001 with West Valley Mosquito and Vector Control District (WVMCD) establishing a contract through June 30, 2016, for midge fly treatment services at Turner, San Sevaine, Victoria, and Ely Basins for a not-to-exceed amount of \$120,000; and
  2. Authorize the General Manager to execute the contract amendment;

as a Consent Calendar Item on the April 20, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Amend the reimbursement agreement with the Chino Basin Watermaster for the Prado Habitat Sustainability Program to increase the total program cost from \$600,000 to \$934,500; and
2. Authorize the General Manager to execute the reimbursement agreement amendment;

as a Consent Calendar Item on the April 20, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Approve the sale of one Brine Line capacity unit to Eastside Water Treatment Plant; and
2. Authorize the General Manager to execute the Brine Line Capacity Right Agreement;

as a Consent Calendar Item on the April 20, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Approve the professional service contract award for the Feasibility Study for Sewer Service in the IEUA Service Area, Project No. PL16015 to RMC Water and Environment for the not-to-exceed amount of \$286,813; and
2. Authorize the General Manager to execute the contract;

as an Action Item on the April 20, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Approve the construction contract for the Headquarters' Permit Office, Project No. EN16068, to Mike Bubalo Construction Corporation, for \$150,000; and
2. Authorize the General Manager to execute the contract;

as a Consent Calendar Item on the April 20, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Authorize the General Manager to purchase the East Declaz property for the sum of \$3.0 million on behalf of Chino Basin Watermaster (Watermaster); contingent upon the approval by the Watermaster Board of Directors;
2. Authorize the General Manager to spend up to \$100,000 on behalf of Watermaster for necessary fees related to the purchase of the property; and
3. Approve a \$3.1 million budget amendment for Project No. EN18007 in FY 2015/16 through an inter-fund loan from the Regional Wastewater Capital Improvement (RC) fund to the Recharge Water (RW) fund;

as an Action Item on the April 20, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Approve the construction contract for the Groundwater Recharge and Recycled Water Supervisory and Data Acquisition (SCADA) System Upgrades, Project No. EN14047, to Trimax Systems, Inc. for \$250,989; and
2. Authorize the General Manager to execute the contract;

as a Consent Calendar Item on the April 20, 2016 Board meeting agenda.

◆ Recommended that the Board:

1. Adopt Resolution Nos. 2016-4-1, 2016-4-2, and 2016-4-3, authorizing the Agency to enter into financial assistance agreements with the U.S. Department of Interior – Bureau of Reclamation (USBR) for three grant applications submitted in April 2016: 1) Drought Contingency Planning Grant; 2) Drought Resiliency Implementation Grant; and 3) Agricultural Water Conservation Grant; and
2. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto;

as a Consent Calendar Item on the April 20, 2016 Board meeting agenda.

**INFORMATION ITEMS**

The following information items were presented, or received and filed by the Committee:

- ◆ FY 2016/17 Ten Year Capital Improvement Plan Update
- ◆ Treasurer's Report of Financial Affairs

**GENERAL MANAGER'S COMMENTS**

General Manager P. Joseph Grindstaff stated that staff is working on the water rates for adoption in June.

**COMMITTEE MEMBER COMMENTS**

There were no additional Committee Member comments.

**COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**

There were no Committee Member requests for future agenda items.

With no further business, Director Elie adjourned the meeting at 11:45 a.m.

Respectfully submitted,

Stephanie Riley  
Recording Secretary

\*A Municipal Water District  
**APPROVED: MAY 11, 2016**

**CONSENT  
ITEM**

**1B**



Date: May 18, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (5/11/16)

From: *for* P. Joseph Grindstaff *OK*  
General Manager

Submitted by: *OK* Christina Valencia  
Chief Financial Officer/Assistant General Manager

*JLH #882* Javier Chagoyen-Lazaro  
Manager of Finance and Accounting

Subject: Report on General Disbursements

**RECOMMENDATION**

It is recommended that the Board of Directors approve the total disbursements for the month of March 2016, in the amount of \$10,251,783.01.

**BACKGROUND**

March disbursement activity includes vendor payments (check numbers 212911-213460) of \$4,670,464.11 and workers compensation payments (check numbers 04462-04478) of \$19,046.25. The total amount of ACH and wire transfer payments is \$5,351,280.22, which includes payroll taxes in the amount of \$689,020.49. The total employee pay was \$1,518,915.26. The total pay for the Board of Directors was \$4,552.63.

Payment Type		Transactions	Total Amount
Check	Vendors	549	4,670,464.11
	Workers-Comp	17	19,046.25
	Payroll-Directors'	3	3,020.24
	Payroll-Others	79	207,972.19
<b>Subtotal Check</b>		<b>648</b>	<b>\$4,900,502.79</b>
<b>ACH</b>		<b>166</b>	<b>\$1,480,231.00</b>
Wire Transfer	Payroll-Net Pay	2	1,310,943.07
	Payroll-Directors'	1	1,532.39
	Others	18	2,558,573.76
<b>Subtotal Wires</b>		<b>21</b>	<b>\$3,871,049.22</b>
<b>TOTAL</b>		<b>835</b>	<b>\$10,251,783.01</b>

Payments to vendors this month above \$500,000 include:

<b>Vendor</b>	<b>Amount</b>	<b>Description</b>
LACSD	1,230,029.88	15/16-3 QTR Wastewater Treatment Surchg
MWD	1,095,284.52	January 2016 Water Purchase
PERS	764,431.25	P/R 5 & 6 Contributions; 3/16 Health Ins
IRS	576,356.46	P/R 5 & 6 Taxes
SWRCB	545,414.72	SRF Repayment #7 C064900-110,120,130

The report on general disbursements is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for general disbursements associated with operating requirements.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The cash held by the Agency's various funds, including the Administrative Services (GG) Fund, is reduced as a result of paying the Agency's authorized expenditures.



# INLAND EMPIRE UTILITIES AGENCY

**PAYROLL FOR MARCH 4, 2016**

**PRESENTED AT BOARD MEETING ON MAY 18, 2016**

GROSS PAYROLL COSTS			\$1,185,307.27
DEDUCTIONS			(\$520,168.06)
NET PAYROLL			<u>\$665,139.21</u>
<b>NET PAYROLL BREAKDOWN</b>	<b>CHECKS</b>	<b>EFT</b>	<b>TOTAL</b>
CHECKS USED	-		
TRANSACTION PROCESSED	0	336	336
AMOUNT	\$0.00	\$665,139.21	<u>\$665,139.21</u>

# INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR MARCH 18, 2016

PRESENTED AT BOARD MEETING ON MAY 18, 2016

GROSS PAYROLL COSTS			\$1,438,861.13
DEDUCTIONS			(\$585,085.08)
NET PAYROLL			<u>\$853,776.05</u>
<b>NET PAYROLL BREAKDOWN</b>	<b>CHECKS</b>	<b>EFT</b>	<b>TOTAL</b>
CHECKS USED	105656 - 105734		
TRANSACTION PROCESSED	79	336	415
AMOUNT	\$207,972.19	\$645,803.86	<u>\$853,776.05</u>

# INLAND EMPIRE UTILITIES AGENCY

## RATIFICATION OF BOARD OF DIRECTORS

PAYROLL FOR MARCH 11, 2016  
PRESENTED AT BOARD MEETING ON MAY 18, 2016

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
MICHAEL CAMACHO	\$3,853.39	\$1,371.88
TERRY L. CATLIN	\$2,965.25	\$871.85
STEVEN J. BLIE	\$3,415.25	\$776.51
JASMIN HALL	\$2,497.04	\$1,532.39
GENE T. KOOPMAN	\$1,302.99	\$0.00
<b>TOTALS</b>	<b>\$14,033.92</b>	<b>\$4,552.63</b>

TOTAL EFTS PROCESSED	1
BEGINNING CHECK NO.	105653
ENDING CHECK NO.	105655
TOTAL CHECKS PROCESSED	3

**IEUA DIRECTOR PAYSHEET**

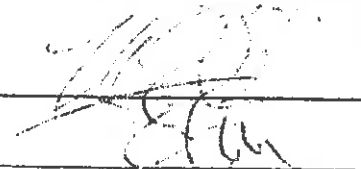
MICHAEL CAMACHO  
 EMPLOYEE NO. 1140  
 ACCOUNT NO. 10200 110100 100000 501010

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-03-16	IEUA Board Workshop	Yes	\$225.00
02-04-16	Southern Coalition/Inland Caucus meeting	Yes	\$225.00
02-10-16	Public, Legislative Affairs, & Water Resources Committee Meeting	Yes	\$225.00
02-10-16	Engineering & Operations Committee	Yes (same day)	\$-0-
02-17-16	IEUA Board Meeting	Yes	\$225.00
02-29-16	IRP Review w/JGrindstaff, CBerch, ACampbell, JPivovaroff, & MDavis	Yes (Staff)	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83, including MWD meetings)			\$900.00
Total No. of Meetings Attended			6
Total No. of Meetings Paid			4

DIRECTOR  
SIGNATURE

Approved by:

  
 \_\_\_\_\_  
 Terry Catlin, President, Board of Directors



**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON MWD BOARD**

**MICHAEL CAMACHO**  
**EMPLOYEE NO. 1140**  
**ACCOUNT NO. 10200 110100 100000 501010**

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-02-16	OP & T Committee Telecon update	Yes	\$225.00
02-05-16	MWD State Water Project Tour	Yes	\$225.00
02-06-16	MWD State Water Project Tour	Yes	\$225.00
02-08-16	MWD Standing Committee Meetings	Yes	\$225.00
02-09-16	MWD Standing Committee and Board Meetings	Yes	\$225.00
02-23-16	MWD other Committee Meetings	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			<b>\$1,350.00</b>
Total No. of Meetings Attended			6
Total No. of Meetings Paid			6

**DIRECTOR  
SIGNATURE**

  
 \_\_\_\_\_  
  
 \_\_\_\_\_  
 Terry Catlin  
 President, Board of Directors

Approved by:

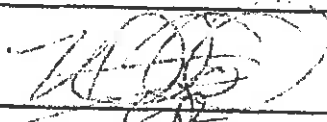
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON REGIONAL POLICY COMMITTEE (ALTERNATE)**

**MICHAEL CAMACHO**  
**EMPLOYEE NO. 1140**  
**ACCOUNT NO. 10200 110100 100000 501010**

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-04-16	Regional Policy Committee Mtg.	Cancelled	\$-0-
<b>TOTAL REIMBURSEMENT</b>			<b>\$-0-</b>
Up to 10 days of service per month per Ordinance No. 73, Section 1 (d) (i.e., \$125.00 – difference between Regional Policy Committee (\$100.00 and Agency meetings \$225.00) including Agency meetings			
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

**DIRECTOR  
SIGNATURE**

  
\_\_\_\_\_

**Approved by:**

  
\_\_\_\_\_

**Terry Catlin**  
**President, Board of Directors**

**IEUA DIRECTOR PAYSHEET**


TERRY CATLIN  
 EMPLOYEE NO. 615  
 ACCOUNT NO. 10200 110100 100000 501010

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-03-16	IEUA Board Workshop	Yes	\$225.00
02-05-16	MWD State Water Tour	Yes	\$225.00
02-06-16	MWD State Water Tour	Yes	\$225.00
02-09-16	Upland RDA Oversight	Yes (Decline Pymt)	\$-0-
02-10-16	Engineering & Operations Committee	Yes	\$225.00
02-10-16	Finance, Legal & Administration Committee (Alternate)	Yes (same day)	\$-0-
02-17-16	Board Meeting	No	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			\$900.00
Total No. of Meetings Attended			6
Total No. of Meetings Paid			4

**DIRECTOR  
 SIGNATURE**

**Approved by:**



\_\_\_\_\_  
 Steven J. Elie  
 Secretary/Treasurer, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON SAWPA COMMISSION**

TERRY CATLIN  
EMPLOYEE NO. 615  
ACCOUNT NO. 10200 110100 100000 501010

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-02-16	SAWPA Commission Workshop	No	\$-0-
02-16-16	SAWPA Commission Meeting	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) including Agency meetings* (SAWPA \$197.82 (eff. 2/16/16))			\$225.00
Total No. of SAWPA Meetings Attended			1
Total No. of SAWPA Meetings Paid			1

DIRECTOR  
SIGNATURE \_\_\_\_\_

Approved by \_\_\_\_\_  
Steven J. Elie  
Secretary/Treasurer, Board of Directors

\*SAWPA will pay \$197.82 (eff. 2/16/16) per meeting directly to the Agency.



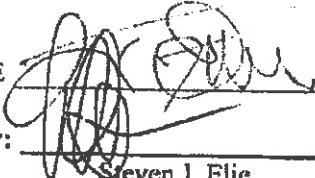
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON WATERMASTER BOARD (ALTERNATE)**

TERRY CATLIN  
 EMPLOYEE NO. 615  
 ACCOUNT NO. 10200 110100 100000 501010

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-18-16	CBWM Advisory Cmte. Meeting	No	\$-0-
02-25-15	CBWM Board Meeting	Yes (decline pymt)	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$-0-
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$100.00 – difference between Watermaster \$125.00 and District meetings \$225.00), including District meetings			
Total No. of Watermaster Meetings Attended			1
Total No. of Watermaster Meetings Paid			0

DIRECTOR  
SIGNATURE



Approved by:

Steven J. Elie  
 Secretary/Treasurer, Board of Directors

\*Decline IEUA payment portion.

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON CHINO DESALTER AUTHORITY**

TERRY CATLIN  
EMPLOYEE NO. 615  
ACCOUNT NO. 10200 110100 100000 501010

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-04-16	CDA Board Meeting	No	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$-0-
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$75.00 – difference between CDA (\$150.00 And Agency meetings \$225.00) including Agency meetings			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			\$-0-

DIRECTOR SIGNATURE 

Approved by: 

Steven J. Elie  
Secretary/Treasurer, Board of Directors

\*Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency.

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON REGIONAL POLICY COMMITTEE**

TERRY CATLIN  
EMPLOYEE NO. 615  
ACCOUNT NO. 10200 110100 100000 501010

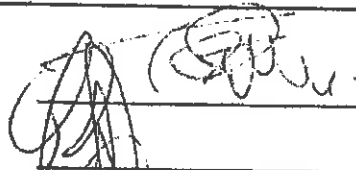
**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-04-16	Regional Policy Committee Mtg.	Cancelled	\$-0-

<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 73, Section 1 (d) (i.e., \$125.00 – difference between Regional Policy Committee (\$100.00 and Agency meetings \$225.00) including Agency meetings	\$-0-
Total No. of Meetings Attended	0
Total No. of Meetings Paid	0

**DIRECTOR  
SIGNATURE**

**Approved by:**

  
 \_\_\_\_\_  
 Steven N. Elje  
 Secretary/Treasurer, Board of Directors

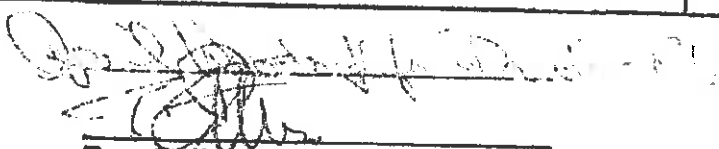
**IEUA DIRECTOR PAYSHEET**

STEVEN J. ELIE  
 EMPLOYEE NO. 1175  
 ACCOUNT NO. 10200 110100 100000 501010

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-01-06	IERCA Board Meeting	Yes	\$225.00
02-03-16	IEUA Board Workshop	Yes	\$225.00
02-04-16	Meeting to discuss CBWM matters w/outside members and staff	Yes	\$225.00
02-04-16	Southern Coalition/Inland Caucus meeting	Yes (same day)	\$-0-
02-10-16	Public, Legislative Affairs and Water Resources Committee	Yes	\$225.00
02-10-16	Finance, Legal & Administration Committee	Yes (same day)	\$-0-
02-17-16	IEUA Board Meeting	Yes	\$225.00
02-18-16	Three Valleys MWD Leadership Breakfast	Yes	\$225.00
02-23-16	Meeting w/J. Rohrer (expert) regarding Plume issue (multiple emails re: settlement)	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			\$1,575.00
Total No. of Meetings Attended			9
Total No. of Meetings Paid			7

DIRECTOR  
SIGNATURE



Approved By:

Terry Catlin  
 President, Board of Directors



**IEUA DIRECTOR PAYSHEET**

**JASMIN A. HALL**  
**EMPLOYEE NO. 1256**  
**ACCOUNT NO. 10200 110100 100000 501010**

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-01-16	IERCA Board Meeting	Yes	\$225.00
02-03-16	IEUA Board Workshop	Yes	\$225.00
02-10-16	Public, Legislative Affairs, & Water Resources Committee meeting (Alternate)	Yes	\$225.00
02-10-16	Engineering, Operations & Biosolids Management Committee	Yes (same day)	\$-0-
02-10-16	Finance, Legal, & Administration Committee	Yes (same day)	\$-0-
02-17-16	Meeting w/J. Grindstaff	Yes (staff)	\$-0-
02-17-16	IEUA Board Meeting	Yes	\$225.00
02-17-16	Meeting w/Congresswoman Norma Torres to discuss Fontana issues	Yes (same day)	\$-0-
02-18-16	Three Valleys MWD Leadership Breakfast	Yes	\$225.00
02-22-16	CASA Washington DC Conference	Yes	\$225.00
02-23-16	CASA Washington DC Conference	Yes	\$225.00
02-24-16	CASA Washington DC Conference	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			\$1,800.00
Total No. of Meetings Attended			12
Total No. of Meetings Paid			8

**DIRECTOR SIGNATURE**

*Jasmin A. Hall*  
*Terry Catlin*

Approved by:

Terry Catlin, President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON CHINO DESALTER AUTHORITY (ALTERNATE)**

JASMIN A. HALL  
EMPLOYEE NO. 1256  
ACCOUNT NO. 10200 110100 100000 501010

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-04-16	CDA Board Meeting	Yes	\$75.00
<b>TOTAL REIMBURSEMENT</b>			<b>\$75.00</b>
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., <b>\$75.00</b> – difference between CDA (\$150.00 And Agency meetings \$225.00 excludes alternate) including Agency meetings			
Total No. of CDA Meetings Attended			1
Total No. of CDA Meetings Paid			1

DIRECTOR  
SIGNATURE

*Jasmin A. Hall*

Approved by:

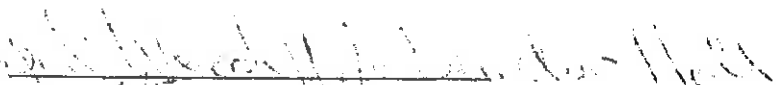
Terry Catlin  
President, Board of Directors


**DIRECTOR PAYSHEET FOR IEUA  
ON SAWPA COMMISSION (ALTERNATE)**

JASMIN A. HALL  
EMPLOYEE NO. 1256  
ACCOUNT NO. 10200 110100 100000 501010

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-02-16	SAWPA Special Commission Meeting	Yes	\$27.18
02-16-16	SAWPA Commission Meeting	Yes (10 Mtg. Max.)	\$-0-
<b>TOTAL REIMBURSEMENT</b>			<b>\$27.18</b>
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., <b>\$27.18</b> – difference between SAWPA (\$197.82 (eff. 2/16/16) and Agency meetings \$225.00 including Agency meetings			
Total No. of SAWPA Meetings Attended			2
Total No. of SAWPA Meetings Paid			1

DIRECTOR SIGNATURE: 

Approved by:   
Terry Catlin  
President, Board of Directors



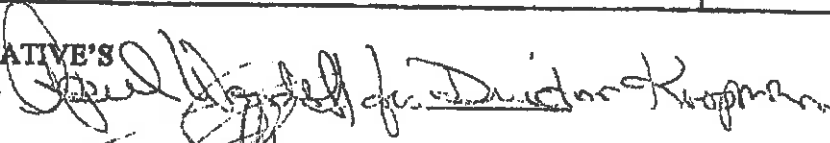
**IEUA DIRECTOR PAYSHEET**

**GENE KOOPMAN**  
**EMPLOYEE NO. 642**  
**ACCOUNT NO. 10200 110100 100000 501010**

**FEBRUARY 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
02-01-16	IERCA Board Meeting	No	\$-0-
02-03-16	IEUA Board Workshop	No	\$-0-
02-10-16	Finance, Legal, & Administration Committee	No	\$-0-
02-17-16	IEUA Board Meeting	No	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			\$-0-
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

**REPRESENTATIVE'S SIGNATURE**



**Approved by:**

\_\_\_\_\_  
 Terry Catlin  
 President, Board of Directors

CITIZENS BUSINESS BANK  
CBB  
122234149  
CHECK  
231167641

ONTARIO CA 917610000

Check number from to	Payment	Pmt date	Crcy	Amount paid (FC)	Recipient/void reason code	Inca./void
212911	2200073157	03/03/2016	USD	42,993.00	ATR MANAGEMENT INDUSTRIES INC RANCHO CUCAMONGA CA	03/15/2016
212912	2200073087	03/03/2016	USD	400.87	ALRGAS WEST INC PASADENA CA	03/07/2016
212913	2200073135	03/03/2016	USD	459.97	ALTA FOODCRAFT COFFEE ORANGE CA	03/09/2016
212914	2200073150	03/03/2016	USD	60,873.86	ARCADIS US INC CHICAGO IL	03/07/2016
212915	2200073133	03/03/2016	USD	247.25	BIOTRAGE LLC PHILADELPHIA PA	03/09/2016
212916	2200073070	03/03/2016	USD	1,954.34	BRITHINEE ELECTRIC COLTON CA	03/08/2016
212917	2200073128	03/03/2016	USD	3,650.00	BUILDING BLOCK ENTERTAINMENT WOODLAND HILLS CA	03/08/2016
212918	2200073188	03/03/2016	USD	2,087.05	BUTLER, MICHAEL CHINO HILLS CA	03/08/2016
212919	2200073097	03/03/2016	USD	328.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	03/11/2016
212920	2200073144	03/03/2016	USD	6,253.60	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	03/07/2016
212921	2200073185	03/03/2016	USD	245.59	CAMACHO, MICHAEL CHINO HILLS CA	03/11/2016
212922	2200073177	03/03/2016	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	03/08/2016
212923	2200073119	03/03/2016	USD	141.00	CASC ENGINEERING AND CONSULTING COLTON CA	03/11/2016
212924	2200073180	03/03/2016	USD	72.00	CHENG, TINA CHINO, HILLS CA	03/04/2016
212925	2200073096	03/03/2016	USD	230.00	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	03/08/2016
212926	2200073101	03/03/2016	USD	168.00	CHINO CREEK TOSTMASTER CLUB CHINO, HILLS CA	03/08/2016
212927	2200073116	03/03/2016	USD	798.00	CHINO MFG & REPAIR INC CHINO CA	03/07/2016
212928	2200073176	03/03/2016	USD	388.75	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	03/09/2016
212929	2200073161	03/03/2016	USD	3,341.17	CITY OF CHINO CHINO CA	03/07/2016
212930	2200073073	03/03/2016	USD	43.59	CITY RENTALS INC ONTARIO CA	03/09/2016
212931	2200073142	03/03/2016	USD	41,909.02	CONSERV CONSTRUCTION INC MURRIETA CA	03/09/2016
212932	2200073136	03/03/2016	USD	650.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	03/07/2016
212933	2200073156	03/03/2016	USD	6,000.00	DESIGN FOR SCIENCE LLC CARLSBAD CA	03/07/2016
212934	2200073181	03/03/2016	USD	350.00	ECHAVARRIA, CAROLYN CHINO, HILLS CA	03/09/2016
212935	2200073186	03/03/2016	USD	54.54	ELIE, STEVE CHINO HILLS CA	03/15/2016
212936	2200073075	03/03/2016	USD	120.00	FEDERAL EXPRESS CORP PASADENA CA	03/07/2016
212937	2200073076	03/03/2016	USD	963.79	FISHER SCIENTIFIC LOS ANGELES CA	03/08/2016
212938	2200073104	03/03/2016	USD	2,111.91	FLORENCE FILTER CORP COMPTON CA	03/14/2016
212939	2200073094	03/03/2016	USD	336.20	FLM INC HUNTINGTON CA	03/09/2016
212940	2200073164	03/03/2016	USD	554.37	FONTANA WATER COMPANY FONTANA CA	03/09/2016
212941	2200073175	03/03/2016	USD	450.00	FRANCHISE TAX BOARD SACRAMENTO CA	03/18/2016
212942	2200073182	03/03/2016	USD	412.56	FRESQUEZ, ADRIAN CHINO HILLS CA	03/14/2016
212943	2200073159	03/03/2016	USD	2,950.00	GENERAL ELECTRIC INTERNATIONAL ATLANTA GA	03/07/2016
212944	2200073191	03/03/2016	USD	300.00	GERVACIO, ALFRED RANCHO CUCAMONGA CA	03/09/2016
212945	2200073140	03/03/2016	USD	9,426.50	GHD PASADENA CA	03/09/2016
212946	2200073139	03/03/2016	USD	1,348.50	GHD-INC IRVINE CA	03/15/2016
212947	2200073122	03/03/2016	USD	4,118.00	GOLDEN STATE LABOR COMPLIANCE PALMDALE CA	03/17/2016
212948	2200073192	03/03/2016	USD	300.00	GONICK, AVA ONTARIO CA	03/10/2016
212949	2200073092	03/03/2016	USD	5,966.91	GRAINGER PALATINE IL	03/08/2016
212950	2200073121	03/03/2016	USD	425.63	HACH COMPANY CHICAGO IL	03/07/2016
212951	2200073189	03/03/2016	USD	131.49	HALL, JASMIN CHINO HILLS CA	03/07/2016
212952	2200073077	03/03/2016	USD	946.79	HARRINGTON INDUSTRIAL PLASTICS CHINO CA	03/08/2016
212953	2200073100	03/03/2016	USD	637.20	HAYTHORNE LIFT SYSTEMS LOS ANGELES CA	03/08/2016
212954	2200073093	03/03/2016	USD	242.55	HOFFMAN SOUTHWEST CORP RANCHO CUCAMONGA CA	03/08/2016

CITIZENS BUSINESS BANK  
CBB  
122234149  
CHECK  
231167641

ONTARIO CA 917610000

Check	Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/Void reason code	Enca./void
212955	2200073078	03/03/2016	USD	130.50	HOME DEPOT CREDIT SERVICES DES MOINES IA	03/11/2016	
212956	2200073193	03/03/2016	USD	300.00	HUGO, GERARDO FONTANA CA	03/10/2016	
212957	2200073146	03/03/2016	USD	45,400.00	HUMPHREY CONSTRUCTORS DIAMOND BAR CA	03/09/2016	
212958	2200073157	03/03/2016	USD	186.00	IEGA EMPLOYEES' ASSOCIATION CHINO HILLS CA	03/10/2016	
212959	2200073170	03/03/2016	USD	66.00	INLAND EMPIRE UNITED WAY RAMCHO CUCMONGA CA	03/10/2016	
212960	2200073131	03/03/2016	USD	1,150.00	JB'S POOLS & PONDS INC UPLAND CA	03/08/2016	
212961	2200073099	03/03/2016	USD	9,411.12	KONICA MINOLTA BUSINESS SOLUTIONS ADENA CA	03/08/2016	
212962	2200073148	03/03/2016	USD	2,125.00	LAW OFFICE OF MICHAEL R WEBERZAKABASAS CA	03/17/2016	
212963	2200073174	03/03/2016	USD	13,441.83	LIFE INSURANCE COMPANY OF PHILADELPHIA PA	03/10/2016	
212964	2200073112	03/03/2016	USD	349.60	LOCKMASTERS USA INC PANAMA CITY FL	03/09/2016	
212965	2200073110	03/03/2016	USD	305.43	LORNAW EDUCATION SERVICES EAU CLAIRE WI	03/08/2016	
212966	2200073178	03/03/2016	USD	288.00	MARIA PRESQUEZ LAS VEGAS NV	03/08/2016	
212967	2200073102	03/03/2016	USD	1,343.93	MCMASTER-CARR SUPPLY CO CHICAGO IL	03/09/2016	
212968	2200073105	03/03/2016	USD	1,035.64	MIDPOINT BEARING ONTARIO CA	03/07/2016	
212969	2200073095	03/03/2016	USD	2,485.48	MISCO WATER FOOTHILL RANCH CA	03/10/2016	
212970	2200073088	03/03/2016	USD	454.66	MISSION REPROGRAPHICS RIVERSIDE CA	03/09/2016	
212971	2200073149	03/03/2016	USD	4,060.00	MEO TECHNOLOGIES INC THOUSAND OAKS CA	03/15/2016	
212972	2200073118	03/03/2016	USD	405.00	NATIONAL BUSINESS INVESTIGATION MURRIETA CA	03/09/2016	
212973	2200073074	03/03/2016	USD	2,317.92	OFFICE DEPOT LOS ANGELES CA	03/07/2016	
212974	2200073160	03/03/2016	USD	4,012.98	PACIFIC COURTIERS INC FULLERTON CA	03/08/2016	
212975	2200073114	03/03/2016	USD	2,755.80	PALM AUTO DETAIL INC COLTON CA	03/14/2016	
212976	2200073183	03/03/2016	USD	242.47	PANTHER PROTECTION, KANES CHINO HILLS CA	03/09/2016	
212977	2200073117	03/03/2016	USD	1,146.70	PANTHER PROTECTION ORANGE CA	03/09/2016	
212978	2200073080	03/03/2016	USD	421.20	PATTON SALES CORP ONTARIO CA	03/09/2016	
212979	2200073089	03/03/2016	USD	1,216.11	PETE'S ROAD SERVICE FULLERTON CA	03/09/2016	
212980	2200073090	03/03/2016	USD	265.53	PETTY CASH EXPENDITURES CHINO CA	03/22/2016	
212981	2200073187	03/03/2016	USD	37.26	PIVOVAROFF, JASON CHINO HILLS CA	03/10/2016	
212983	2200073143	03/03/2016	USD	733.64	PMC ENGINEERING LLC DANBURY CT	03/08/2016	
212984	2200073194	03/03/2016	USD	300.00	PONCE, GEOFFREY CHINO CA	03/10/2016	
212985	2200073151	03/03/2016	USD	76.46	PREMIUM PROMOTIONALS UPLAND CA	03/09/2016	
212986	2200073138	03/03/2016	USD	138.76	PRINTSOUTH CHICAGO IL	03/09/2016	
212987	2200073081	03/03/2016	USD	2,829.48	RAMONA TIRE & SERVICE CENTERS HERMET CA	03/07/2016	
212988	2200073082	03/03/2016	USD	290.50	RAYNE WATER CONDITIONING COVINA CA	03/11/2016	
212989	2200073071	03/03/2016	USD	105.84	REM LOCK & KEY ONTARIO CA	03/11/2016	
212990	2200073107	03/03/2016	USD	225.00	RED WING SHOE STORE CORONA CA	03/11/2016	
212991	2200073108	03/03/2016	USD	340.18	RED WING SHOE STORE FONTANA CA	03/11/2016	
212992	2200073106	03/03/2016	USD	413.08	RED WING SHOE STORE UPLAND CA	03/11/2016	
212993	2200073109	03/03/2016	USD	225.00	RED WING SHOES SAN BERNARDINO CA	03/15/2016	
212994	2200073179	03/03/2016	USD	14.15	REED, RANDALL J CHINO HILLS CA	03/14/2016	
212995	2200073184	03/03/2016	USD	487.08	ROBISON, JOHN CHINO HILLS CA	03/08/2016	
212996	2200073134	03/03/2016	USD	6,190.00	ROGERS ANDERSON MALODY & SCOTTISAN BERNARDINO CA	03/08/2016	
212997	2200073115	03/03/2016	USD	18,567.87	ROSEMOUNT INC CHICAGO IL	03/07/2016	
212998	2200073083	03/03/2016	USD	4,943.46	ROYAL WHOLESALE ELECTRIC ORANGE CA	03/09/2016	
212998	2200073126	03/03/2016	USD	393.33	RSD LAKE FOREST CA	03/08/2016	

CITIZENS BUSINESS BANK  
ONTARIO CA 917610000

CBB  
122234149  
CHECK  
231167641

Check number from to	Payment	Print date	Crcy	Amount paid (P&C)	Recipient/Void reason code	Enca./void
212999	2200073113	03/03/2016	USD	1,210.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	03/16/2016
213000	2200073166	03/03/2016	USD	276.72	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	03/11/2016
213001	2200073152	03/03/2016	USD	4,195.80	SIEMENS DEMAG DELAVAL ATLANTA GA	03/18/2016
213002	2200073137	03/03/2016	USD	540.00	SINNOTT, PUEBLA, CAMPAGNE & CULOS ANGELES CA	03/23/2016
213003	2200073163	03/03/2016	USD	285.29	SO CALIF EDISON ROSEMEAD CA	03/08/2016
213004	2200073190	03/03/2016	USD	400.19	SORLTER, PETER CHINO HILLS CA	03/34/2016
213005	2200073103	03/03/2016	USD	4,146.30	STATE WATER RESOURCES CNTRL BRACRAMENTO CA	03/10/2016
213006	2200073129	03/03/2016	USD	990.00	SUN WIRELESS SAN DIEGO CA	03/09/2016
213007	2200073091	03/03/2016	USD	137.94	SUNSHINE FILTERS OF PINELLAS ILARGO FL	03/09/2016
213008	2200073131	03/03/2016	USD	3,648.24	TELEPHONE INSTRUMENTS INC DALLAS TX	03/11/2016
213009	2200073125	03/03/2016	USD	106,490.00	THE MUSTIN COMPANY CLVELAND OH	03/08/2016
213010	2200073155	03/03/2016	USD	20.00	THE SHREDDERS LOS ANGELES CA	03/11/2016
213011	2200073158	03/03/2016	USD	311.50	THE WILSON BOHANNAN PADLOCK COMARION OH	03/08/2016
213012	2200073145	03/03/2016	USD	2,557.91	THERMO ELECTRON NORTH AMERICA ATLANTA GA	03/07/2016
213013	2200073120	03/03/2016	USD	626.40	U S EQUIPMENT CO SANTA FE SPRINGS CA	03/08/2016
213014	2200073132	03/03/2016	USD	12,675.88	UNIVERSAL PROTECTION SERVICE PASADENA CA	03/08/2016
213015	2200073172	03/03/2016	USD	246.51	US DEPARTMENT OF EDUCATION ATLANTA GA	03/08/2016
213016	2200073147	03/03/2016	USD	1,285.25	V3IT CONSULTING INC NAPERVILLE IL	03/09/2016
213017	2200073124	03/03/2016	USD	3,498.02	VALLEY COURTIERS INC CALABASAS CA	03/08/2016
213018	2200073127	03/03/2016	USD	39,181.11	VAUGHAN'S INDUSTRIAL REPAIR COPARAMOUNT CA	03/09/2016
213019	2200073162	03/03/2016	USD	628.86	VERIZON CALIFORNIA DALLAS TX	03/10/2016
213020	2200073165	03/03/2016	USD	204.99	VERIZON COMMUNICATIONS DALLAS TX	03/09/2016
213021	2200073085	03/03/2016	USD	808.41	VWR INTERNATIONAL LLC PITTSBURGH PA	03/09/2016
213022	2200073086	03/03/2016	USD		VOIDED BY DEPRINCE -- PRINTED INCORRECTLY.	03/07/2016
213023	2200073098	03/03/2016	USD	72.00	WESTERN ANALYTICAL LABORATORIECHINO CA	03/09/2016
213024	2200073123	03/03/2016	USD	14,258.47	XYLEM DEWATERING SOLUTIONS INCRANTANEA GA	03/07/2016
213025	2200073130	03/03/2016	USD	297.00	YRC PASADENA CA	03/09/2016
213026	2200073201	03/03/2016	USD	239.14	AMERICAN HERITAGE LIFE INSRANDALLAS TX	03/07/2016
213027	2200073200	03/03/2016	USD	1,361.15	BURTEC WASTE INDUSTRIES INC FONTANA CA	03/17/2016
213028	2200073205	03/03/2016	USD	36.44	CONSECO LIFE INSURANCE COMPANYATLANTA GA	03/10/2016
213029	2200073208	03/03/2016	USD	2,118.83	FIDELITY SECURITY LIFE INSURANCINCINNATI OH	03/10/2016
213030	2200073207	03/03/2016	USD	329.80	LEGALSHIELD ADA OK	03/16/2016
213031	2200073206	03/03/2016	USD	144.40	LINCOLN LIFE-TERM LIFE CHICAGO IL	03/11/2016
213032	2200073204	03/03/2016	USD	141.96	PERS LONG TERM CARE PROGRAM PASADENA CA	03/10/2016
213033	2200073203	03/03/2016	USD	14,625.90	PREFERRED BENEFIT INSURANCE PLEASANTON CA	03/14/2016
213034	2200073199	03/03/2016	USD	7,724.86	SO CALIF GAS MONTEREY PARK CA	03/16/2016
213035	2200073198	03/03/2016	USD	680.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	03/07/2016
213036	2200073195	03/03/2016	USD	267.00	UNDERGROUND SERVICE ALERT/SC CORONA CA	03/08/2016
213037	2200073197	03/03/2016	USD	2,700.70	VERIZON WIRELESS DALLAS TX	03/10/2016
213038	2200073196	03/03/2016	USD	307.60	WASTE MANAGEMENT OF LOS ANGELES CA	03/10/2016
213039	2200073202	03/03/2016	USD	2,766.88	WESTERN DENTAL PLAN ORANGE CA	03/08/2016
213040	2200073215	03/07/2016	USD	348.83	MORENO, MANUEL CHINO HILLS CA	03/15/2016
213041	2200073217	03/08/2016	USD	620.88	OFFICE DEPOT LOS ANGELES CA	03/21/2016
213042	2200073239	03/08/2016	USD	7,470.00	PCTRONICS INC RIVERSIDE CA	03/11/2016

CITIZENS BUSINESS BANK				ONTARIO CA 917610000			
Bank	CBB						
Bank Key	122234149						
Acct number	CHECK						
231167641							
Check							
Check number	from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
213043		2200073218	03/08/2016	USD	5,160.58	ROYAL WHOLESALE ELECTRIC ORANGE CA	03/11/2016
213044		2200073234	03/08/2016	USD	4,950.56	RSD LAKE FOREST CA	03/11/2016
213045		2200073226	03/08/2016	USD	18.00	SCURA SCHOOLS OF AMERICA MONTCLAIR CA	03/11/2016
213046		2200073219	03/08/2016	USD	426.67	SMART & FINAL LOS ANGELES CA	03/11/2016
213047		2200073220	03/08/2016	USD	1,118.00	SOUTHWEST ALARM SERVICE UPLAND CA	03/11/2016
213048		2200073233	03/08/2016	USD	31,806.50	STANTEC CONSULTING INC CHICAGO IL	03/14/2016
213049		2200073227	03/08/2016	USD	700.63	TELEDYNE INSTRUMENTS INC DALLAS TX	03/15/2016
213050		2200073224	03/08/2016	USD	1,777.10	YELL STEEL LONG BEACH CA	03/15/2016
213051		2200073230	03/08/2016	USD	11,854.22	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	03/15/2016
213052		2200073237	03/08/2016	USD	351.47	TRANE U S INC CHICAGO IL	03/14/2016
213054		2200073225	03/08/2016	USD	1,601.78	TRANSCAT INC BALTIMORE MD	03/14/2016
213055		2200073228	03/08/2016	USD	125.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	03/14/2016
213056		2200073238	03/08/2016	USD	350.00	TRIPLE SMITH AND ASSOCIATES, IRVINE CA	03/14/2016
213057		2200073236	03/08/2016	USD	19,414.43	U S BANK ST LOUIS MO	03/22/2016
213058		2200073231	03/08/2016	USD	198.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	03/15/2016
213059		2200073240	03/08/2016	USD	1,106.66	ULTRA SCIENTIFIC NORTH KINGSTOWN RI	03/10/2016
213060		2200073221	03/08/2016	USD	667.58	USA SAFETY SOLUTIONS INC MADISON WI	03/14/2016
213061		2200073221	03/08/2016	USD	1,871.40	VWR INTERNATIONAL LLC PITTSBURGH PA	03/14/2016
213062		2200073235	03/08/2016	USD	118.81	WAUKESHA-PEARCE INDUSTRIES INC DALLAS TX	03/16/2016
213063		2200073222	03/08/2016	USD	2,574.87	WEST VALLEY MOSQUITO AND ONTARIO CA	03/11/2016
213064		2200073232	03/08/2016	USD	422.18	WESTERN WATER WORKS SUPPLY CO CHINO HILLS CA	03/23/2016
213065		2200073360	03/10/2016	USD	300.00	ABUJDEH, NAJEEB UPLAND CA	03/23/2016
213066		2200073273	03/10/2016	USD	17,399.63	ACCURATE AIR ENGINEERING INC CERRITOS CA	03/16/2016
213067		2200073287	03/10/2016	USD	490.00	ACCURATE MEASUREMENT SYSTEMS IDANA POINT CA	04/07/2016
213068		2200073313	03/10/2016	USD	4,800.00	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA	03/16/2016
213069		2200073331	03/10/2016	USD	54,686.93	AIR MANAGEMENT INDUSTRIES INC RANCHO CUCAMONGA CA	03/15/2016
213070		2200073266	03/10/2016	USD	645.45	AIRGAS WEST INC PASADENA CA	03/21/2016
213071		2200073252	03/10/2016	USD	214.60	ALLIED ELECTRONICS INC FORT WORTH TX	03/23/2016
213072		2200073316	03/10/2016	USD	200.00	ALTA FOODCRAFT COFFEE ORANGE CA	03/15/2016
213073		2200073289	03/10/2016	USD	3,240.00	AMERICAN ACADEMY OF ENVIRONMENTAL POLIS MD	04/01/2016
213074		2200073271	03/10/2016	USD	25.92	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	03/15/2016
213075		2200073348	03/10/2016	USD	1,663.96	ARCHER, WILLIAM CHINO HILLS CA	03/22/2016
213076		2200073318	03/10/2016	USD	36,186.49	ASAP INDUSTRIAL SUPPLY FONTANA CA	03/15/2016
213077		2200073332	03/10/2016	USD	496.02	BLACK DOG ANALYTICAL LLC MARSEILLES IL	03/21/2016
213078		2200073286	03/10/2016	USD	212.76	BOOT BARN INC IRVINE CA	03/15/2016
213079		2200073358	03/10/2016	USD	100.00	BOUGHAN, ARIN CHINO HILLS CA	03/22/2016
213080		2200073301	03/10/2016	USD	5,909.62	BOWMAN, JIM W ONTARIO CA	03/17/2016
213081		2200073342	03/10/2016	USD	950.00	BURRTEC WASTE INDUSTRIES INC FONTANA CA	03/15/2016
213082		2200073295	03/10/2016	USD	6,000.00	CALIFORNIA HAZARDOUS SERVICES SANTA ANA CA	03/15/2016
213083		2200073307	03/10/2016	USD	12,688.96	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	03/16/2016
213084		2200073324	03/10/2016	USD	132.64	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	03/14/2016
213085		2200073274	03/10/2016	USD	6,128.77	CALYPTIC SAFETY CORONA CA	03/15/2016
213086		2200073253	03/10/2016	USD		CALITROL INC LOS ANGELES CA	03/14/2016

CITIZENS BUSINESS BANK  
ONTARIO CA 917610000

CITIZENS BUSINESS BANK  
231167641

Bank CBB  
Bank Key 122234149  
Acct number CHECK

Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Bank./void
213087	2200073350	03/10/2016	USD	60.00	CAMBIASO, PIETRO CHINO HILLS CA	03/14/2016
213088	2200073355	03/10/2016	USD	54.00	CARTER, JOSEPH CHINO HILLS CA	03/15/2016
213089	2200073283	03/10/2016	USD	7,231.50	CDM GOVERNMENT INC CHICAGO IL	03/21/2016
213090	2200073354	03/10/2016	USD	20.00	CHAGOVEN-LAZARO, JAVIER CHINO CA	04/04/2016
213091	2200073303	03/10/2016	USD	3,764.80	CINTAS CORPORATION LOCH150 PHOENIX AZ	03/17/2016
213092	2200073255	03/10/2016	USD	49.41	CITY RENTALS INC. ONTARIO CA	03/17/2016
213094	2200073314	03/10/2016	USD	3,250.00	CIVIC PUBLICATIONS INC LA VERNE CA	03/21/2016
213095	2200073334	03/10/2016	USD	300.00	CMA-VAL-SERVICE TRAINING SCHOO COSTA MESA CA	03/15/2016
213096	2200073256	03/10/2016	USD	113,395.80	CONSERVE LANDCARE INC THOUSAND PALMS CA	03/16/2016
213097	2200073337	03/10/2016	USD	1,230,029.88	COUNTY SANITATION DISTRICTS OF WHITTIER CA	03/16/2016
213098	2200073257	03/10/2016	USD	55.20	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA	03/15/2016
213099	2200073317	03/10/2016	USD	603.36	DATALOK COMPANY, THE LOS ANGELES CA	03/16/2016
213100	2200073326	03/10/2016	USD	627.12	DAVID WHEELER'S PEST CONTROL, NORCO CA	03/16/2016
213101	2200073288	03/10/2016	USD	400.00	DEBBY FIGONT ALTADENA CA	03/17/2016
213102	2200073299	03/10/2016	USD	9,943.20	DUDEK & ASSOCIATES INC EMCINITAS CA	03/24/2016
213103	2200073298	03/10/2016	USD	100.00	EATON, PAUL MONTCLAIR CA	03/24/2016
213104	2200073315	03/10/2016	USD	100.00	ELROD, EARL CHINO CA	04/11/2016
213105	2200073321	03/10/2016	USD	16,560.00	ENRNOG, INC. PASADENA CA	03/15/2016
213106	2200073259	03/10/2016	USD	1,500.00	EPI-USE AMERICA INC ATLANTA GA	03/21/2016
213107	2200073341	03/10/2016	USD	860.43	FISHER SCIENTIFIC LOS ANGELES CA	03/15/2016
213108	2200073268	03/10/2016	USD	2,155.44	FOUNDATION HA ENERGY GENERATION SAN FRANCISCO CA	03/15/2016
213109	2200073270	03/10/2016	USD	240.00	GERALD R WALKER LAGUNA NIGUEL CA	03/17/2016
213110	2200073305	03/10/2016	USD	7,099.06	GRAINGER PALATINE IL	03/15/2016
213111	2200073260	03/10/2016	USD	30,413.09	GRISWOLD INDUSTRIES COSTA MESA CA	03/15/2016
213112	2200073330	03/10/2016	USD	7,567.46	HARRINGTON INDUSTRIAL PLASTICS CHINO CA	03/15/2016
213113	2200073261	03/10/2016	USD	484.50	HEIDER INSPECTION GROUP ONTARIO CA	03/17/2016
213114	2200073356	03/10/2016	USD	2,032.88	HOME DEPOT CREDIT SERVICES DES MOINES IA	03/18/2016
213115	2200073344	03/10/2016	USD	313.39	HUNTER, BONNIE CHINO HILLS CA	03/15/2016
213116	2200073280	03/10/2016	USD	12.00	IEUA EMPLOYEES' ASSOCIATION CHINO HILLS CA	03/15/2016
213117	2200073335	03/10/2016	USD	42.18	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	03/16/2016
213118	2200073302	03/10/2016	USD	9,019.92	INSTRUMENTS DIRECT INC KENNESAW GA	03/15/2016
213119	2200073296	03/10/2016	USD	2,872.13	INTEGRATED DESIGN SERVICES INC IRVINE CA	03/21/2016
213120	2200073272	03/10/2016	USD	126.00	JURUPA UNIFIED SCHOOL DISTRICT NURUPA VALLEY CA	03/15/2016
213121	2200073345	03/10/2016	USD	2,705.40	KONICA MINOLTA PASADENA CA	03/15/2016
213122	2200073308	03/10/2016	USD	66.48	KOPP, LINDA CHINO HILLS CA	03/21/2016
213123	2200073333	03/10/2016	USD	6,000.00	LAMAR ADVERTISING LOMA LINDA CA	03/15/2016
213124	2200073353	03/10/2016	USD	1,190.00	LANDSCAPE WEST MANAGEMENT SERV CHINO CA	03/15/2016
213125	2200073346	03/10/2016	USD	99.00	LAU, ALAN CHINO HILLS CA	03/25/2016
213126	2200073343	03/10/2016	USD	340.00	LEE, RANDY CHINO HILLS CA	04/05/2016
213127	2200073325	03/10/2016	USD	932.53	LEVEL 3 COMMUNICATIONS LLC DENVER CO	03/15/2016
213128	2200073312	03/10/2016	USD	90.00	LITTLE SISTER'S TRUCK WASH, INBONSALL CA	03/16/2016
213129	2200073276	03/10/2016	USD	2,855.14	MARS ENVIRONMENTAL INC ANAHEIM CA	03/21/2016
213130	2200073277	03/10/2016	USD	794.62	MCMASTER-CARR SUPPLY CO CHICAGO IL	03/15/2016
				1,796.74	MIDPOINT BEARING ONTARIO CA	03/15/2016

Bank CBB CITIZENS BUSINESS BANK ONTARIO CA 917610000  
Bank Key 122234149  
Acct number CHECK 231167641

Check	Check number from to	Payment	Post date	Crcy	Amount paid (FC)	Recipient/void reason code	Recd./void
	213131	2200073267	03/10/2016	USD	1,260.77	MISSION REEROGRAHICS RIVERSIDE CA	03/15/2016
	213132	2200073357	03/10/2016	USD	27.11	NANGIA, SAPNA CHINO HILLS CA	03/16/2016
	213133	2200073352	03/10/2016	USD	350.00	NOELTE, JEFF CHINO HILLS CA	03/17/2016
	213134	2200073275	03/10/2016	USD	100.00	NRD, LLC GRAND ISLAND NY	04/06/2016
	213135	2200073258	03/10/2016	USD	1,088.70	OFFICE DEPOT LOS ANGELES CA	03/14/2016
	213136	2200073336	03/10/2016	USD	1,304.93	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	03/15/2016
	213137	2200073290	03/10/2016	USD	658.20	PANTHER PROTECTION ORANGE CA	
	213138	2200073285	03/10/2016	USD	2,432.75	PARKSON CORP ORLANDO-FL	
	213139	2200073262	03/10/2016	USD	12.01	PATTON SALES CORP ONTARIO CA	03/15/2016
	213140	2200073269	03/10/2016	USD	161.81	PEITY CASH EXPENDITURES CHINO CA	03/15/2016
	213141	2200073293	03/10/2016	USD	1,284.42	PONTON INDUSTRIES INC YORBA LINDA CA	03/22/2016
	213142	2200073328	03/10/2016	USD	458.00	PRO FLOW DYNAMICS LLC CORONA CA	03/21/2016
	213143	2200073347	03/10/2016	USD	13.50	QUIROZ, OSCAR CHINO HILLS CA	03/16/2016
	213144	2200073263	03/10/2016	USD	592.09	RAMONA TIRE & SERVICE CENTERS HEMET CA	03/17/2016
	213145	2200073254	03/10/2016	USD	81.54	REM LOCK & KEY ONTARIO CA	03/18/2016
	213146	2200073319	03/10/2016	USD	7,702.24	RED TRUST # 80-5800 LAKESIDE CA	03/15/2016
	213147	2200073278	03/10/2016	USD	155.51	RED WING SHOE STORE CORONA CA	03/16/2016
	213148	2200073279	03/10/2016	USD	170.09	RED WING SHOE STORE FONTANA CA	03/17/2016
	213149	2200073304	03/10/2016	USD	100.00	ROGERS, PETER J CHINO HILLS CA	03/16/2016
	213150	2200073264	03/10/2016	USD	15,444.52	ROYAL WHOLESALE ELECTRIC ORANGE CA	03/16/2016
	213151	2200073309	03/10/2016	USD	179.78	RUTAN & TUCKER LLP COSTA MESA CA	03/15/2016
	213152	2200073329	03/10/2016	USD	100.00	SANDOVAL, JESUS L FONTANA CA	03/29/2016
	213153	2200073339	03/10/2016	USD	48,886.48	SO CALIF EDISON ROSEMEAD CA	03/15/2016
	213154	2200073351	03/10/2016	USD	8.00	SOLIS, RACHAEL CHINO HILLS CA	03/29/2016
	213155	2200073300	03/10/2016	USD	7,551.00	STANTEC CONSULTING INC CHICAGO IL	03/15/2016
	213156	2200073323	03/10/2016	USD	100.00	STONE, DEBRA KAYE UPLAND CA	03/15/2016
	213157	2200073359	03/10/2016	USD	85.44	STONE, SHAUN CHINO	03/21/2016
	213158	2200073306	03/10/2016	USD	13,990.00	SUNGARD AVAILABILITY SERVICES CHICAGO IL	03/15/2016
	213159	2200073294	03/10/2016	USD	3,082.54	SUPPORT PRODUCT SERVICES INC MURRIETA CA	03/17/2016
	213160	2200073281	03/10/2016	USD	3,912.30	TELEDYNE INSTRUMENTS INC DALLAS TX	03/21/2016
	213161	2200073310	03/10/2016	USD	5,530.10	THOMAS HARDER & CO INC ANAHEIM CA	03/22/2016
	213162	2200073327	03/10/2016	USD	3,135.00	TRIPPEI, SMITH AND ASSOCIATES, IRVINE CA	03/16/2016
	213163	2200073291	03/10/2016	USD	2,400.00	U S BANK NA MINNEAPOLIS MN	03/16/2016
	213164	2200073282	03/10/2016	USD	48.93	U S HOSE INC ONTARIO CA	03/16/2016
	213165	2200073297	03/10/2016	USD	2,561.08	URIMAGE BLOOMINGTON CA	03/16/2016
	213166	2200073311	03/10/2016	USD	8,178.70	US BANK-VOYAGER FLEET-SYSTEMS KANSAS CITY MO	03/16/2016
	213167	2200073322	03/10/2016	USD	9,195.70	UTILITQUEST LLC ATLANTA GA	03/15/2016
	213168	2200073338	03/10/2016	USD	2,099.36	VERIZON CALIFORNIA DALLAS TX	03/17/2016
	213169	2200073340	03/10/2016	USD	195.86	VERIZON COMMUNICATIONS DALLAS TX	03/17/2016
	213170	2200073284	03/10/2016	USD	252.87	VERIZON WIRELESS DALLAS TX	03/17/2016
	213171	2200073292	03/10/2016	USD	7,441.93	VIRAMONTES EXPRESS CORONA CA	03/16/2016
	213172	2200073265	03/10/2016	USD	3,321.64	WAXTE SANITARY SUPPLY LOS ANGELES CA	03/18/2016
	213173	2200073149	03/10/2016	USD	350.00	ZUGHBI, JAMAL A CHINO HILLS CA	03/14/2016
	213174	2200073404	03/17/2016	USD	516.15	ACCURATE AIR ENGINEERING INC CERRITOS CA	03/23/2016

CITIZENS BUSINESS BANK  
ONTARIO CA 917610000

CBSB  
122234149  
CHECK  
231167641

Check number from to	payment	print date	Crcy	Amount paid (FC)	Recipient/void reason code	enca./void
213175	2200073406	03/17/2016	USD	368.21	ACCUSTANDARD INC NEW HAVEN CT	03/25/2016
213176	2200073405	03/17/2016	USD	582.99	AGILENT TECHNOLOGIES INC LOS ANGELES CA	03/21/2016
213177	2200073394	03/17/2016	USD	793.10	AIRGAS WEST INC PASADENA CA	03/28/2016
213178	2200073424	03/17/2016	USD	4,385.59	ALBERT A. WEBB ASSOCIATES RIVERSIDE CA	03/28/2016
213179	2200073446	03/17/2016	USD	5,490.00	ALS ENVIRONMENTAL DALLAS TX	03/28/2016
213180	2200073402	03/17/2016	USD	119.81	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	03/28/2016
213181	2200073428	03/17/2016	USD	1,560.90	AMERICAN PRINTING & PROMOTION SEASTVALE CA	03/22/2016
213182	2200073442	03/17/2016	USD	1,999.00	AMERICAN WATER COLLEGE LANCASTER CA	03/28/2016
213183	2200073481	03/17/2016	USD	124.28	ARABEULA, BLANCA CHINO HILLS CA	03/29/2016
213184	2200073435	03/17/2016	USD	855.93	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/05/2016
213185	2200073415	03/17/2016	USD	110.00	ASSOC OF GOVERNMENT ACCOUNTANT WASHINGTON DC	03/23/2016
213186	2200073421	03/17/2016	USD	2,312.05	AUMA ACURATORS INC PITTSBURGH PA	03/25/2016
213187	2200073438	03/17/2016	USD	915.19	AUTOZONE INC ATLANTA GA	03/23/2016
213188	2200073485	03/17/2016	USD	124.20	BECKER, NIKI CHINO HILLS CA	03/22/2016
213189	2200073440	03/17/2016	USD	6,129.68	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	03/22/2016
213190	2200073470	03/17/2016	USD	147.63	CARL H TAYLOR III CRYSTAL REVER FL	03/22/2016
213191	2200073407	03/17/2016	USD	4,883.92	CAROLLO ENGINEERS SACRAMENTO CA	03/23/2016
213192	2200073475	03/17/2016	USD	200.00	CARRUTHERS, ANDREA CHINO HILLS CA	03/22/2016
213193	2200073426	03/17/2016	USD	143.92	CINTAS CORPORATION ONTARIO CA	03/23/2016
213194	2200073468	03/17/2016	USD	388.75	CITY EMPLOYERS ASSOCIATES LONG BEACH CA	03/23/2016
213195	2200073447	03/17/2016	USD	2,517.09	CITY OF CHINO CHINO CA	03/21/2016
213196	2200073387	03/17/2016	USD	45.21	CITY RENTALS INC ONTARIO CA	03/23/2016
213197	2200073462	03/17/2016	USD	572.55	COLONIAL LIFE & ACCIDENT INSURANCE COLUMBIA SC	03/22/2016
213198	2200073466	03/17/2016	USD	36.44	CONSECO LIFE INSURANCE COMPANY ATLANTA GA	03/28/2016
213199	2200073430	03/17/2016	USD	967.00	CPS HUMAN RESOURCE SERVICES SAN FRANCISCO CA	03/22/2016
213200	2200073422	03/17/2016	USD	3,226.46	CS-AMSCO HUNTINGTON BEACH CA	03/23/2016
213201	2200073401	03/17/2016	USD	9,049.71	DELL MARKETING L P PASADENA CA	03/23/2016
213202	2200073420	03/17/2016	USD	10,314.91	DESERT PUMPS AND PARTS INC BELLA VISTA AR	03/22/2016
213203	2200073437	03/17/2016	USD	115.60	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	03/22/2016
213204	2200073482	03/17/2016	USD	30.96	ELIAR, STEVE CHINO HILLS CA	04/05/2016
213205	2200073419	03/17/2016	USD	15,748.75	ENVIRONMENTAL ENGINEERING SANTA ANA CA	03/29/2016
213206	2200073436	03/17/2016	USD	10,240.00	EUROFINS EATON ANALYTICAL, INC GRAPEVINE TX	03/22/2016
213207	2200073411	03/17/2016	USD	170.89	EXPRESS PIPE & SUPPLY INC ANAHEIM CA	03/29/2016
213208	2200073469	03/17/2016	USD	2,117.07	FIDELITY SECURITY LIFE INSURANCE CINCINNATI OH	03/23/2016
213209	2200073388	03/17/2016	USD	497.29	FISHER SCIENTIFIC LOS ANGELES CA	03/21/2016
213210	2200073400	03/17/2016	USD	3,238.10	FLUID COMPONENTS INTERNATIONAL SAN MARCOS CA	03/23/2016
213211	2200073396	03/17/2016	USD	2,362.30	FLUID METERING INC ATLANTA GA	03/22/2016
213212	2200073398	03/17/2016	USD	196.05	FLW INC HUNTINGTON CA	03/24/2016
213213	2200073467	03/17/2016	USD	1,095.23	FRANCHISE TAX BOARD SACRAMENTO CA	03/29/2016
213214	2200073389	03/17/2016	USD	3,639.58	G F ELECTRIC MOTOR SALT LAKE CITY UT	03/23/2016
213215	2200073397	03/17/2016	USD	6,778.99	GRALINGER PALATINE IL	03/23/2016
213216	2200073487	03/17/2016	USD	1,708.34	HALL, JASMIN CHINO HILLS CA	03/21/2016
213217	2200073390	03/17/2016	USD	4,735.89	HARRINGTON INDUSTRIAL PLASTICS CHINO CA	03/18/2016
213218	2200073444	03/17/2016	USD	1,492.50	HEIDER INSPECTION GROUP SAN RAMON CA	03/23/2016



Bank CBB CIBZENS BUSINESS BANK ONTARIO CA 917610000  
Bank Key 122234149  
Acct number CHECK 231167641

Check	Check number from: to	Payment	Prmt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
213219	2200073484	03/17/2016	USD	16.00	HODGES, BRANDEN CHINO HILLS CA	03/23/2016	
213220	2200073392	03/17/2016	USD	885.12	HOME DEPOT CREDIT SERVICES DES MOINES IA	03/24/2016	
213221	2200073399	03/17/2016	USD	2,143.53	HUB CONSTRUCTION SPECIALTIES ISAN BERNARDINO CA	03/22/2016	
213222	2200073441	03/17/2016	USD	4,233.63	HUMPHREY CONSTRUCTORS DIAMOND BAR CA		
213223	2200073455	03/17/2016	USD	183.00	IEUA EMPLOYEES' ASSOCIATION CHINO HILLS CA	03/22/2016	
213224	2200073410	03/17/2016	USD	46.98	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	03/23/2016	
213225	2200073458	03/17/2016	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	03/22/2016	
213226	2200073425	03/17/2016	USD	52,530.00	INTEGRATED DESIGN SERVICES INCIRVINE CA	03/22/2016	
213227	2200073433	03/17/2016	USD	5,000.00	KITCHELL CEM SACRAMENTO CA	03/22/2016	
213228	2200073403	03/17/2016	USD	208.71	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	03/24/2016	
213229	2200073479	03/17/2016	USD	315.50	LENING, SCOTT CHINO HILLS CA	03/23/2016	
213230	2200073477	03/17/2016	USD	119.40	MALKANI, SURESH CHINO HILLS CA	03/25/2016	
213231	2200073471	03/17/2016	USD	288.00	MARIA FRESQUEZ LAS VEGAS NV	03/23/2016	
213232	2200073483	03/17/2016	USD	8.00	MCCORKELL, GREGORY CHINO HILLS CA	03/23/2016	
213233	2200073408	03/17/2016	USD	4,455.01	MCMASTER-CARR SUPPLY CO CHICAGO IL	03/22/2016	
213234	2200073443	03/17/2016	USD	1,109.60	MEDORA CORPORATION DICKINSON ND	03/22/2016	
213235	2200073431	03/17/2016	USD	39,416.45	MEYERS NAVE OAKLAND CA	03/22/2016	
213236	2200073439	03/17/2016	USD	1,232.00	MICROGE TEMPE AZ	03/21/2016	
213237	2200073409	03/17/2016	USD	481.32	MIDPOINT BEARING ONTARIO CA	03/23/2016	
213238	2200073434	03/17/2016	USD	691.20	MULTY INDUSTRIES PRECISION MAONTARIO CA	03/21/2016	
213239	2200073448	03/17/2016	USD	3,962.61	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	03/23/2016	
213240	2200073465	03/17/2016	USD	70.98	PERS LONG TERM CARE PROGRAM PASADENA CA	03/21/2016	
213241	2200073395	03/17/2016	USD	10,844.80	PETE'S ROAD SERVICE FULLERTON CA	03/24/2016	
213242	2200073450	03/17/2016	USD	14,536.70	PREFERRED BENEFIT INSURANCE PLEASANTON CA	03/23/2016	
213243	2200073412	03/17/2016	USD	200.00	REGIONAL WATER QUALITY CONTROL RIVERSIDE CA	03/23/2016	
213244	2200073472	03/17/2016	USD	60.48	ROSALES, TIMOTEO CHINO HILLS CA	03/31/2016	
213245	2200073480	03/17/2016	USD	55.84	SCHERCK, JOHN CHINO HILLS CA	03/29/2016	
213246	2200073445	03/17/2016	USD	807.99	SEAL ANALYTICAL INC MEQUON WI	03/30/2016	
213247	2200073454	03/17/2016	USD	276.72	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	03/23/2016	
213248	2200073486	03/17/2016	USD	39.80	SMITH, JEANNETTE CHINO HILLS CA	03/25/2016	
213249	2200073450	03/17/2016	USD	60,681.91	SO CALIF EDISON ROSEMEAD CA	03/22/2016	
213250	2200073451	03/17/2016	USD	11,864.68	SO CALIF GAS MONTEREY PARK CA	03/22/2016	
213251	2200073474	03/17/2016	USD	8.00	SOLIS, RACHAEL CHINO HILLS CA	03/30/2016	
213252	2200073429	03/17/2016	USD	7,337.70	SUN WIRELESS SAN DIEGO CA	03/29/2016	
213253	2200073423	03/17/2016	USD	170,797.15	SWRCB ACCOUNTING OFFICE SACRAMENTO CA	03/23/2016	
213254	2200073478	03/17/2016	USD	8.00	TAM, KEN CHINO HILLS CA	03/24/2016	
213255	2200073413	03/17/2016	USD	185.86	U S HOSE INC ONTARIO CA	03/23/2016	
213256	2200073475	03/17/2016	USD	8.00	VASQUEZ, RUBEN CHINO HILLS CA	03/23/2016	
213257	2200073453	03/17/2016	USD	439.91	VERIZON BUSINESS DALLAS TX	03/23/2016	
213258	2200073449	03/17/2016	USD	2,591.50	VERIZON CALIFORNIA DALLAS TX	03/23/2016	
213259	2200073452	03/17/2016	USD	727.72	VERIZON COMMUNICATIONS DALLAS TX	03/23/2016	
213260	2200073416	03/17/2016	USD	19,811.65	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	03/22/2016	
213261	2200073459	03/17/2016	USD	2,726.35	WESTERN DENTAL PLAN ORANGE CA	03/25/2016	
213262	2200073473	03/17/2016	USD	104.00	WOODRUFF, APRIL CHINO HILLS CA	04/05/2016	

Bank CBB CITIZENS BUSINESS BANK  
Bank Key 122234149  
Acct number CHECK 231167641  
ONTARIO CA 917610000

Check	Check number from to	Payment	Pmnt date	Crcy	Amount paid (P&C)	Recipient/void reason code	Enca./void
	213263	2200073540	03/24/2016	USD	40.83	ACCURATE AIR ENGINEERING INC CERRITOS CA	03/29/2016
	213264	2200073523	03/24/2016	USD	4,881.80	AIRGAS WEST INC PASADENA CA	04/08/2016
	213265	2200073594	03/24/2016	USD	53,902.71	ALLISON MECHANICAL, INC. REDLANDS CA	03/29/2016
	213266	2200073602	03/24/2016	USD	2,100.00	AUS ENVIRONMENTAL DALLAS TX	03/30/2016
	213267	2200073581	03/24/2016	USD	245.72	ALTA FOODCRAFT COFFEE ORANGE CA	03/29/2016
	213268	2200073599	03/24/2016	USD	7,212.31	ALTA PACIFIC BANK TEMECULA CA	03/29/2016
	213269	2200073535	03/24/2016	USD	548.26	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	03/29/2016
	213270	2200073571	03/24/2016	USD	704.80	AMP MECHANICAL INC COSTA MESA CA	03/29/2016
	213271	2200073530	03/24/2016	USD	1,659.48	APPLONE EMPLOYMENT SERVICES GLENDALE CA	03/29/2016
	213272	2200073539	03/24/2016	USD	260.00	ARMA RIVERSIDE CA	03/29/2016
	213273	2200073583	03/24/2016	USD	1,161.23	ASAP INDUSTRIAL SUPPLY FONTANA CA	03/29/2016
	213274	2200073538	03/24/2016	USD	603.36	BEN WEADOWS CO JAMESVILLE WI	03/30/2016
	213275	2200073514	03/24/2016	USD	2,766.93	BRITHINEE ELECTRIC COLTON CA	03/29/2016
	213276	2200073598	03/24/2016	USD	12,203.78	BUSINESS CARD WILMINGTON DE	03/29/2016
	213277	2200073534	03/24/2016	USD	164.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	04/01/2016
	213278	2200073591	03/24/2016	USD	6,197.58	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	03/28/2016
	213279	2200073544	03/24/2016	USD	128.46	CALOLYMPIC SAFETY CORONA CA	03/29/2016
	213280	2200073515	03/24/2016	USD	946.40	CALTRON INC LOS ANGELES CA	03/28/2016
	213281	2200073613	03/24/2016	USD	20.00	CATALAN, MARIA CHINO HILLS CA	03/30/2016
	213282	2200073532	03/24/2016	USD	26,378.75	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	03/29/2016
	213283	2200073543	03/24/2016	USD	42.00	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA	03/29/2016
	213284	2200073553	03/24/2016	USD	150.00	CHINO MFG & REPAIR INC CHINO CA	03/29/2016
	213285	2200073568	03/24/2016	USD	2,471.36	CINTAS CORPORATION LOC#150 PHOENIX AZ	03/31/2016
	213286	2200073590	03/24/2016	USD	331.13	COMMUNICATIONS USA INC ESCONIDO CA	03/29/2016
	213287	2200073603	03/24/2016	USD	15,640.80	CONSERVE LANDCARE INC THOUSAND PALMS CA	03/29/2016
	213288	2200073580	03/24/2016	USD	670.00	CORPRO COMPANIES INC DALLAS TX	03/29/2016
	213289	2200073572	03/24/2016	USD	1,285.21	CRB SECURITY SOLUTIONS WESTMINSTER CA	04/01/2016
	213290	2200073569	03/24/2016	USD	375.00	DAVE'S PLUMBING CHINO HILLS CA	03/30/2016
	213291	2200073582	03/24/2016	USD	691.64	DAVID WHEELER'S PEST CONTROL, NORCO CA	03/30/2016
	213292	2200073600	03/24/2016	USD	2,703.00	DAVIS BARBER PRODUCTIONS INC FULLERTON CA	04/04/2016
	213293	2200073555	03/24/2016	USD	6,770.00	DUDEK & ASSOCIATES INC ENCINITAS CA	03/30/2016
	213294	2200073587	03/24/2016	USD	699.17	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	03/30/2016
	213295	2200073586	03/24/2016	USD	8,290.00	EUROFINS EATON ANALYTICAL, INGRAPEVINE TX	03/29/2016
	213296	2200073596	03/24/2016	USD	39,967.57	FERRERA COASTAL CONSTRUCTION BRANDBURG NJ	03/29/2016
	213297	2200073518	03/24/2016	USD	788.95	FISHER SCIENTIFIC LOS ANGELES CA	03/28/2016
	213298	2200073548	03/24/2016	USD	436.11	FLORENCE FILTER CORP COMPTON CA	04/04/2016
	213299	2200073577	03/24/2016	USD	811.64	GEARY PACIFIC SUPPLY ORANGE CA	03/29/2016
	213300	2200073536	03/24/2016	USD	137,033.95	GENESIS CONSTRUCTION HEMET CA	03/29/2016
	213301	2200073526	03/24/2016	USD	28.04	GRAINGER PALATINE IL	04/08/2016
	213302	2200073519	03/24/2016	USD	7,293.81	HARRINGTON INDUSTRIAL PLASTICS CHINO CA	03/29/2016
	213303	2200073612	03/24/2016	USD	17.00	HAWES, STEPHANIE CHINO HILLS CA	04/01/2016
	213304	2200073520	03/24/2016	USD	340.04	HOME DEPOT CREDIT SERVICES DES MOINES IA	03/30/2016
	213305	2200073552	03/24/2016	USD	1,058.10	HORIZON TECHNOLOGY SALEM NH	03/29/2016
	213306	2200073550	03/24/2016	USD	128.36	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	03/23/2016

Bank CBB CITIZENS BUSINESS BANK  
Bank Key 122234149  
Acct number CHBK 231167641

ONTARIO CA 917610000

Check	Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
213307	2200073559	03/24/2016	USD	6,500.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	03/30/2016	
213308	2200073554	03/24/2016	USD	2,052.00	INTERNATIONAL BUSINESS MACHINES/ITTSBURGH PA	03/29/2016	
213309	2200073525	03/24/2016	USD	238.45	INTERSTATE BATTERY SYSTEM ALTA LOMA CA	04/08/2016	
213310	2200073541	03/24/2016	USD	2,022.64	J F SHEA CONSTRUCTION INC WALNUT CA	03/29/2016	
213311	2200073521	03/24/2016	USD	64,760.55	J R PFLANC CONSTRUCTION CO. INCESCONDIDO CA	03/29/2016	
213312	2200073611	03/24/2016	USD	20.00	JOHNSON, LINDA CHINO HILLS CA	04/06/2016	
213313	2200073537	03/24/2016	USD	2,502.03	KONICA MINOLTA BUSINESS SOLUTIONS/PASADENA CA	03/30/2016	
213314	2200073578	03/24/2016	USD	777.63	MAILFINANCE INC CHICAGO IL	03/30/2016	
213315	2200073615	03/24/2016	USD	164.00	MCCORKELL, GREGORY CHINO HILLS CA	03/29/2016	
213316	2200073573	03/24/2016	USD	517.50	MEYERS WAVE OAKLAND CA	03/29/2016	
213317	2200073588	03/24/2016	USD	3,918.76	MICROAGE TEMPE AZ	03/29/2016	
213318	2200073549	03/24/2016	USD	430.38	MIDPOINT BEARING ONTARIO CA	03/28/2016	
213319	2200073564	03/24/2016	USD	995.10	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	03/29/2016	
213320	2200073570	03/24/2016	USD	725.01	NESTLE WATERS NORTH AMERICA LOUISVILLE KY	04/04/2016	
213321	2200073562	03/24/2016	USD	150.00	NOBEL SYSTEMS INC SAN BERNARDINO CA	03/29/2016	
213322	2200073614	03/24/2016	USD	91.00	NOH, BRIAN CHINO HILLS CA	03/29/2016	
213323	2200073547	03/24/2016	USD		voided by KMCCHRIS - Check not needed	03/29/2016	
213324	2200073517	03/24/2016	USD	1,412.58	OFFICE DEPOT CINCINNATI OH	03/30/2016	
213325	2200073516	03/24/2016	USD	5,879.35	OFFICE DEPOT LOS ANGELES CA	03/28/2016	
213326	2200073531	03/24/2016	USD	129.00	ONTARIO FIRE EXTINGUISHER CO ONTARIO CA	04/05/2016	
213327	2200073606	03/24/2016	USD	48.54	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	03/28/2016	
213328	2200073529	03/24/2016	USD	1,136.41	PARKER SUPPLY CO MONTEBELLO CA	03/30/2016	
213329	2200073534	03/24/2016	USD	1,802.89	PETE'S ROAD SERVICE FULLERTON CA	03/29/2016	
213330	2200073557	03/24/2016	USD	335.50	PUMBERS DEPOT INC HAMTHORNE CA	04/01/2016	
213331	2200073567	03/24/2016	USD	2,128.26	POLLARDWATER.COM BOSTON MA	03/29/2016	
213332	2200073533	03/24/2016	USD	11,948.04	POLYDYNE INC ATLANTA GA	03/29/2016	
213333	2200073595	03/24/2016	USD	734.51	PREMIUM PROMOTIONALS UPLAND CA	04/01/2016	
213334	2200073604	03/24/2016	USD	13,394.00	PRIORITY BUILDING SERVICES LLC/BREA CA	03/30/2016	
213335	2200073609	03/24/2016	USD	60.48	ROSALES, TIMOTEO CHINO HILLS CA	03/29/2016	
213336	2200073592	03/24/2016	USD	2,173.50	ROUX ASSOCIATES INC ISLANDIA NY	03/29/2016	
213337	2200073522	03/24/2016	USD	1,068.05	ROYAL WHOLESALE ELECTRIC ORANGE CA	03/29/2016	
213338	2200073565	03/24/2016	USD	96.50	RSD LAKE FOREST CA	03/29/2016	
213339	2200073574	03/24/2016	USD	676.92	SAFE-ENTRY TECHNICAL INC RANCHO CUCAMONGA CA	03/29/2016	
213340	2200073610	03/24/2016	USD	9.72	SCALERA, TYRONE CHINO HILLS CA	04/04/2016	
213341	2200073575	03/24/2016	USD	50.00	SCPWA-HR LOS ANGELES CA	04/01/2016	
213342	2200073584	03/24/2016	USD	12,653.98	SINNOTT, PUEBLA, CAMPAGNE & CULOS ANGELES CA	04/01/2016	
213343	2200073561	03/24/2016	USD	570.24	SKALAR INC BUFORD GA	04/01/2016	
213344	2200073608	03/24/2016	USD	223,549.41	SO CALIF EDISON ROSEMEAD CA	03/31/2016	
213345	2200073528	03/24/2016	USD	2,281.98	SOUTH COAST AOWD DIAMOND BAR CA	03/28/2016	
213346	2200073563	03/24/2016	USD	32,047.13	STANTEC CONSULTING INC CHICAGO IL	03/30/2016	
213347	2200073560	03/24/2016	USD	374,617.57	SWRC ACCOUNTING OFFICE SACRAMENTO CA	03/30/2016	
213348	2200073597	03/24/2016	USD	114,186.61	TECHNICAL SYSTEMS INC LYNNWOOD WA	03/30/2016	
213349	2200073589	03/24/2016	USD	16,801.85	THE BRICKMAN GROUP LTD LLC CHICAGO IL	03/29/2016	
213350	2200073601	03/24/2016	USD	20.00	THE SHREDDERS LOS ANGELES CA	04/05/2016	

Bank CBB CITIZENS BUSINESS BANK ONTARIO CA 917610000  
Bank Key 122234149  
Acct number CHECK 231167641

Check number	from to	Payment	Prmt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
213351		2200073576	03/24/2016	USD	9,187.15	THOMAS HARDER & CO INC ANAHEIM CA	04/05/2016
213352		2200073551	03/24/2016	USD	1,941.66	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	03/29/2016
213353		2200073527	03/24/2016	USD	1,359.63	TOOLS R US MONTCLAIR CA	03/29/2016
213354		2200073545	03/24/2016	USD	125.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	04/01/2016
213355		2200073593	03/24/2016	USD	350.00	TRIPLEI SMITH AND ASSOCIATES ITUSTIN CA	04/08/2016
213356		2200073546	03/24/2016	USD	781.92	ULTRA SCIENTIFIC NORTH KINGSTOWN RI	03/30/2016
213357		2200073579	03/24/2016	USD	12,326.76	UNIVERSAL PROTECTION SERVICE PASADENA CA	03/30/2016
213358		2200073542	03/24/2016	USD	155.00	UPLAND CHAMBER OF COMMERCE UPLAND CA	04/01/2016
213359		2200073558	03/24/2016	USD	589.68	URIMAGE BLOOMINGTON CA	04/04/2016
213360		2200073607	03/24/2016	USD	897.43	VERIZON CALIFORNIA DALLAS TX	03/30/2016
213361		2200073556	03/24/2016	USD	15,359.75	VIRAMONTES EXPRESS CORONA CA	04/06/2016
213362		2200073566	03/24/2016	USD	8,035.29	WALKESHA-PEARCE INDUSTRIES INC DALLAS TX	03/30/2016
213363		2200073585	03/24/2016	USD	3,340.43	WEATHERITE CORPORATION WALNUT CA	03/29/2016
213364		2200073605	03/24/2016	USD	650.00	WESTERN REGION IPMA-HR PUEBLO CO	03/29/2016
213365		2200073640	03/24/2016	USD	659.89	PWC ENGINEERING LLC DANBURY CT	04/04/2016
213366		2200073635	03/24/2016	USD	1,376.53	PONTON INDUSTRIES INC YORBA LINDA CA	03/29/2016
213367		2200073629	03/24/2016	USD	3,691.09	ROYAL WHOLESALE ELECTRIC ORANGE CA	03/30/2016
213368		2200073644	03/24/2016	USD	715.57	SEAWOCK SCIENTIFIC SPECIALTY BELLWOOD IL	04/04/2016
213369		2200073642	03/24/2016	USD	50,108.76	SIEMENS DEMAG DELAVAL ATLANTA GA	04/01/2016
213370		2200073630	03/24/2016	USD	127.65	SMART & FINAL LOS ANGELES CA	03/29/2016
213371		2200073631	03/24/2016	USD	462.68	SPARKLING INSTRUMENTS LLC PHOENIX AZ	03/28/2016
213372		2200073636	03/24/2016	USD	103,740.66	SPANTAC CONSULTING INC CHICAGO IL	03/28/2016
213373		2200073638	03/24/2016	USD	4,100.00	SUNGARD AVAILABILITY SERVICES CHICAGO IL	03/28/2016
213374		2200073641	03/24/2016	USD	1,386.27	THERMO ELECTRON NORTH AMERICA ATLANTA GA	03/29/2016
213375		2200073633	03/24/2016	USD	55,804.26	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	03/29/2016
213376		2200073634	03/24/2016	USD	120.00	U.S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	03/28/2016
213377		2200073632	03/24/2016	USD	4,994.10	U S HOSE INC ONTARIO CA	03/30/2016
213378		2200073643	03/24/2016	USD	340.00	WATER AND WASTEWATER JOBS FREEVILLE NY	04/05/2016
213379		2200073760	03/29/2016	USD	172.23	BREIG, ANNA VICTORVILLE CA	04/06/2016
213380		2200073763	03/29/2016	USD	469.46	HOBBS, DIANA APELE VALLEY CA	04/05/2016
213381		2200073761	03/29/2016	USD	469.46	HORNE, WILLIAM YUCCA VALLEY CA	04/06/2016
213382		2200073762	03/29/2016	USD	716.06	MELLER, ELMER L-BLUE JAY CA	04/06/2016
213383		2200073815	03/31/2016	USD	490.00	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA	04/08/2016
213384		2200073784	03/31/2016	USD	985.38	AIRGAS WEST INC PASADENA CA	04/06/2016
213385		2200073816	03/31/2016	USD	942.69	ALTA FOODCRAFT COFFEE ORANGE CA	04/06/2016
213386		2200073833	03/31/2016	USD	239.14	AMERICAN HERITAGE LIFE INSURANCE DALLAS TX	04/06/2016
213387		2200073810	03/31/2016	USD	254.32	AMERICAN PRINTING & PROMOTION SEASTVALE CA	04/05/2016
213388		2200073812	03/31/2016	USD	6,530.00	AMP MECHANICAL INC COSTA MESA CA	04/06/2016
213389		2200073818	03/31/2016	USD	2,969.73	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/06/2016
213390		2200073820	03/31/2016	USD	1,463.21	AUTOZONE INC ATLANTA GA	04/06/2016
213391		2200073806	03/31/2016	USD	2,250.00	CAL POLY POMONA FOUNDATION POMONA CA	04/06/2016
213392		2200073823	03/31/2016	USD	9,607.48	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	04/05/2016
213393		2200073772	03/31/2016	USD	4,159.26	CALITROL INC LOS ANGELES CA	04/04/2016
213394		2200073851	03/31/2016	USD	181.66	CAMACHO, MICHAEL CHINO HILLS CA	04/05/2016

CITIZENS BUSINESS BANK  
CBB  
122234149  
CHECK  
231167641

ONTARIO CA 917610000

Check	Check number from to	Payment	Pmat date	Crcy	Amount paid (FC)	Recipient/void reason code	Esca./void
	213395	2200073846	03/31/2016	USD	96.42	CARL H TAYLOR III CRYSTAL RIVER FL	04/06/2016
	213396	2200073788	03/31/2016	USD	10,193.39	CHINO BASIN WATER CONSERVATION/MONTCLAIR CA	04/08/2016
	213397	2200073808	03/31/2016	USD	1,982.73	CINTAS CORPORATION LOC#150 PHOENIX AZ	04/07/2016
	213398	2200073845	03/31/2016	USD	415.00	CITY EMPLOYERS ASSOCIATES LONG BEACH CA	04/07/2016
	213399	2200073829	03/31/2016	USD	2,334.14	CITY OF CHINO CHINO CA	04/08/2016
	213400	2200073822	03/31/2016	USD	6,801.16	COMMUNICATIONS USA INC. ESCONDIDO CA	04/05/2016
	213401	2200073830	03/31/2016	USD	445.76	CUCAMONGA VALLEY WATER DISTRICTS LOS ANGELES CA	04/05/2016
	213402	2200073811	03/31/2016	USD	250.00	DAVE'S PLUMBING CHINO HILLS CA	04/08/2016
	213403	2200073817	03/31/2016	USD	100.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	04/08/2016
	213404	2200073854	03/31/2016	USD	423.55	DIXON, CRAIG FONTANA CA	04/08/2016
	213405	2200073852	03/31/2016	USD	56.70	ELIE, STEVE CHINO HILLS CA	04/11/2016
	213406	2200073819	03/31/2016	USD	1,500.00	EPI-USE AMERICA INC ATLANTA GA	04/11/2016
	213407	2200073796	03/31/2016	USD	165.03	EXPRESS PIPE & SUPPLY INC ANAHEIM CA	04/07/2016
	213408	2200073825	03/31/2016	USD	7,115.15	FERRERA COASTAL CONSTRUCTION BRANCBURG NJ	04/07/2016
	213409	2200073775	03/31/2016	USD	73.39	FISHER SCIENTIFIC LOS ANGELES CA	04/04/2016
	213410	2200073842	03/31/2016	USD	625.70	FRANCHISE TAX BOARD SACRAMENTO CA	04/04/2016
	213411	2200073802	03/31/2016	USD	578.00	GOLDEN STATE LABOR COMPLIANCE PALMDALE CA	04/11/2016
	213412	2200073786	03/31/2016	USD	3,361.78	GRAINGER PALATINE IL	04/11/2016
	213413	2200073801	03/31/2016	USD	1,479.57	HACH COMPANY CHICAGO IL	04/04/2016
	213414	2200073853	03/31/2016	USD	125.12	HALL, JASMIN CHINO HILLS CA	04/06/2016
	213415	2200073824	03/31/2016	USD	125.00	HAPPY DAYS ENTERTAINMENT GARDENA CA	04/08/2016
	213416	2200073776	03/31/2016	USD	453.47	HOME DEPOT CREDIT SERVICES DES MOINES IA	04/07/2016
	213417	2200073848	03/31/2016	USD	40.56	HOOVER, PAULA CHINO HILLS CA	04/04/2016
	213418	2200073835	03/31/2016	USD	193.00	IEUA EMPLOYERS' ASSOCIATION CHINO HILLS CA	04/04/2016
	213419	2200073838	03/31/2016	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	04/06/2016
	213420	2200073803	03/31/2016	USD	6,781.68	INNOVATIVE FEDERAL STRATEGIES WASHINGTON-DC	04/06/2016
	213421	2200073813	03/31/2016	USD	1,150.00	JB'S POOLS & PONDS INC UPLAND CA	04/05/2016
	213422	2200073791	03/31/2016	USD	291.61	KONICA MINOLTA PASADENA CA	04/05/2016
	213423	2200073790	03/31/2016	USD	12.51	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	04/04/2016
	213424	2200073844	03/31/2016	USD	329.80	LEGASHIELD ADA OK	04/06/2016
	213425	2200073843	03/31/2016	USD	160.70	LINCOLN LIFE-TERM LIFE CHICAGO IL	04/07/2016
	213426	2200073826	03/31/2016	USD	1,918.89	MANAGED MOBILE INC FLACENTIA CA	04/11/2016
	213427	2200073847	03/31/2016	USD	152.00	MARIA FRESQUEZ LAS VEGAS NV	04/05/2016
	213428	2200073814	03/31/2016	USD	590.00	MARS ENVIRONMENTAL INC YORBA LINDA CA	04/06/2016
	213429	2200073789	03/31/2016	USD	1,300.00	MBC APPLIED ENVIRONMENTAL SCIECOSTA MESA CA	04/06/2016
	213430	2200073821	03/31/2016	USD	2,415.46	MICROMETER INC CHICAGO IL	04/04/2016
	213431	2200073795	03/31/2016	USD	1,479.12	MICROMETER PHOENIX AZ	04/06/2016
	213432	2200073787	03/31/2016	USD	678.09	MIDPOINT HEARING-ONTARIO CA	04/04/2016
	213433	2200073787	03/31/2016	USD	1,534.46	MISCO WATER FOOHILL RANCH CA	04/08/2016
	213434	2200073855	03/31/2016	USD	300.00	MONTALVO, RUDY RANCHO CUCAMONGA CA	04/11/2016
	213435	2200073845	03/31/2016	USD	34.97	MORGAN-PERALES, LISA CHINO HILLS CA	04/11/2016
	213436	2200073827	03/31/2016	USD	22,920.00	NACWA POTOMAC FALLS VA	04/06/2016
	213437	2200073800	03/31/2016	USD	5,000.00	NATIONAL WATER RESEARCH INSTITUTE/FOUNTAIN VALLEY CA	04/06/2016
	213438	2200073794	03/31/2016	USD	50.00	NRD, LLC GRAND ISLAND NY	04/06/2016

CITIZENS BUSINESS BANK  
 CBB  
 122234149  
 CHECK  
 231167641  
 ONTARIO CA 917610000

Check	Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
	213439	2200073774	03/31/2016	USD	921.78	OFFICE DEPOT LOS ANGELES CA	04/04/2016
	213440	2200073856	03/31/2016	USD	300.00	PREZ, CARLOS CHINO HILLS CA	04/08/2016
	213441	2200073841	03/31/2016	USD	70.98	PERS LONG TERM CARE PROGRAM PASADENA CA	04/07/2016
	213442	2200073785	03/31/2016	USD	539.08	PETY CASH EXPENDITURES CHINO CA	04/04/2016
	213443	2200073857	03/31/2016	USD	300.00	QIU, ROWENA RANCHO CUCAMONGA CA	04/11/2016
	213444	2200073777	03/31/2016	USD	5,183.08	RAMONA TIRE & SERVICE CENTERS HEMET CA	04/06/2016
	213445	2200073778	03/31/2016	USD	221.00	RAYNE WATER CONDITIONING COVINA CA	04/04/2016
	213446	2200073779	03/31/2016	USD	8,339.01	ROYAL WHOLESALB ELECTRIC ORANGE CA	04/05/2016
	213447	2200073805	03/31/2016	USD	2,922.59	RSD LAKE FOREST CA	04/05/2016
	213448	2200073834	03/31/2016	USD	852.95	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	04/06/2016
	213449	2200073804	03/31/2016	USD	9,350.00	SKALAR INC BUFORD GA	04/06/2016
	213450	2200073780	03/31/2016	USD	204.61	SMART & FINAL LOS ANGELES CA	04/05/2016
	213451	2200073831	03/31/2016	USD	530.30	SO CALIF EDISON ROSEMEAD CA	04/11/2016
	213452	2200073832	03/31/2016	USD	247.80	SO CALIF GAS MONTEREY PARK CA	04/11/2016
	213453	2200073781	03/31/2016	USD	1,243.19	SOUTHWEST ALARM SERVICE UPLAND CA	04/06/2016
	213454	2200073828	03/31/2016	USD	6,651.00	TOLLE NURSERY UPLAND CA	04/07/2016
	213455	2200073793	03/31/2016	USD	125.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	04/11/2016
	213456	2200073798	03/31/2016	USD	2,216.00	U-S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	04/04/2016
	213457	2200073782	03/31/2016	USD	237.00	UNDERGROUND SERVICE ALERT/SC CORONA CA	04/05/2016
	213458	2200073850	03/31/2016	USD	90.00	VELARDE, MARIO CHINO HILLS CA	04/11/2016
	213459	2200073797	03/31/2016	USD	8,632.96	VERIZON WIRELESS DALLAS TX	04/07/2016
	213460	2200073792	03/31/2016	USD	562.76	WASTE MANAGEMENT OF LOS ANGELES CA	04/05/2016
	* Payment method Check				4,670,464.11		

Check Register

Inland Empire Util. Agency  
 Chino, CA  
 Company code 1000

CITIZENS BUSINESS BANK  
 CBB  
 122234149  
 WCOMP 231159290  
 ONTARIO CA 917610000

Checks created manually									
Check number	from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Shca./void		
04462		2200073213	03/02/2016	USD	139.57	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/03/2016		
04463		2200073490	03/03/2016	USD	4,488.75	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/09/2016		
04464		2200073376	03/09/2016	USD	658.30	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/15/2016		
04465		2200073377	03/09/2016	USD	1,043.62	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/15/2016		
04466		2200073378	03/09/2016	USD	5,913.88	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/14/2016		
04467		2200073379	03/09/2016	USD	2,401.40	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/15/2016		
04468		2200073380	03/09/2016	USD	1,300.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/17/2016		
04469		2200073381	03/09/2016	USD	128.40	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/11/2016		
04470		2200073501	03/16/2016	USD	240.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/17/2016		
04471		2200073502	03/16/2016	USD	12.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/21/2016		
04472		2200073503	03/16/2016	USD	345.60	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/22/2016		
04473		2200073504	03/16/2016	USD	172.54	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/21/2016		
04474		2200073505	03/16/2016	USD	88.07	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/21/2016		
04475		2200073506	03/16/2016	USD	150.84	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/21/2016		
04476		2200073507	03/16/2016	USD	206.90	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/21/2016		
04477		2200073508	03/16/2016	USD	48.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/21/2016		
04478		2200073649	03/23/2016	USD	1,708.38	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	03/28/2016		
* Payment method Checks created manually				USD	19,046.25				

Check	Payee / Description		Amount
Wire	BANK OF AMERICA NT&SA P/R 5 3/6/15 EFT Direct Deposit	030416	665,139.21
	BANK OF AMERICA NT&SA	\$	665,139.21
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 5 3/4 Taxes	HR 0042100	48,234.95
	P/R 5 3/4 Taxes	HR 0042100	9,582.67
	EMPLOYMENT DEVELOPMENT DEPARTM\$		57,817.62
Wire	INTERNAL REVENUE SERVICE P/R 5 3/4 Taxes	HR 0042100	293,260.84
	INTERNAL REVENUE SERVICE	\$	293,260.84
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 6 3/17 Taxes	HR 0042300	45,225.05
	P/R 6 3/17 Taxes	HR 0042300	9,265.59
	EMPLOYMENT DEVELOPMENT DEPARTM\$		54,490.64
Wire	INTERNAL REVENUE SERVICE P/R 6 3/17 Taxes	HR 0042300	280,908.75
	INTERNAL REVENUE SERVICE	\$	280,908.75
Wire	BANK OF AMERICA NT&SA P/R 6 3/18/16 EFT Direct Deposit	031816	645,803.86
	BANK OF AMERICA NT&SA	\$	645,803.86
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R DIR 003 3/11 Taxes	HR 0042200	355.77
	EMPLOYMENT DEVELOPMENT DEPARTM\$		355.77
Wire	INTERNAL REVENUE SERVICE P/R DIR 003 3/11 Taxes	HR 0042200	2,186.87
	INTERNAL REVENUE SERVICE	\$	2,186.87
Wire	BANK OF AMERICA NT&SA P/R 3 DIR 3/11/16 EFT Direct Deposit	031116 DIR	1,532.39
	BANK OF AMERICA NT&SA	\$	1,532.39
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 5 3/4 Deferred Comp Ded	HR 0042100	13,670.74
	PUBLIC EMPLOYEE'S RETIREMENT S\$		13,670.74
Wire	STATE DISBURSEMENT UNIT P/R 5 3/4	HR 0042100	1,135.25
	STATE DISBURSEMENT UNIT	\$	1,135.25
Wire	PUBLIC EMPLOYEES' RETIREMENT S		



Check	Payee / Description	Amount
	3/16 Health Ins-Retirees, Board, Employees 1964 3/16	234,780.54
	PUBLIC EMPLOYEES' RETIREMENT S\$	234,780.54
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 6 3/17 Deferred Comp Ded	14,147.51
	HR 0042300	14,147.51
	PUBLIC EMPLOYEE'S RETIREMENT S\$	14,147.51
Wire	STATE DISBURSEMENT UNIT P/R 6 3/17	1,135.25
	HR 0042300	1,135.25
	STATE DISBURSEMENT UNIT \$	1,135.25
Wire	STATE BOARD OF EQUALIZATION 2/16 Sales Tax Deposit	7,567.00
	23784561 2/16	7,567.00
	STATE BOARD OF EQUALIZATION \$	7,567.00
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 6 3/17 PERS	245,792.89
	HR 0042300	245,792.89
	PUBLIC EMPLOYEES RETIREMENT SY\$	245,792.89
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 5 3/4 PERS Adj P/R 5 3/4 PERS	42.30-
	030416	42.30-
	HR 0042100	256,081.87
	PUBLIC EMPLOYEES RETIREMENT SY\$	256,039.57
Wire	METROPOLITAN WATER DISTRICT January 2016 Water Purchase	1,095,284.52
	8586	1,095,284.52
	METROPOLITAN WATER DISTRICT \$	1,095,284.52

Grand Total Payment Amount: \$ 3,871,049.22

Check	Payee / Description		Amount
ACH	ICMA RETIREMENT TRUST 457 P/R 5 3/4 Deferred Comp Ded	HR 0042100	13,921.58
	ICMA RETIREMENT TRUST 457	\$	13,921.58
ACH	LINCOLN NATIONAL LIFE INS CO P/R 5 3/4 Deferred Comp Ded	HR 0042100	25,173.94
	LINCOLN NATIONAL LIFE INS CO	\$	25,173.94
ACH	ICMA RETIREMENT TRUST 401 P/R 5 3/4 Exec Deferred Comp	HR 0042100	10,468.54
	ICMA RETIREMENT TRUST 401	\$	10,468.54
ACH	AQUA BEN CORPORATION RP1-16,100 Lbs Polymer 750A DAFT-4,600 Lbs Polymer 748E	34173 34172	21,401.15 4,992.84
	AQUA BEN CORPORATION	\$	26,393.99
ACH	CIHIGOYENETCHE GROSSBERG & CLO 1/16 IEUA vs Martin 1/16 IEUA vs RP1 Ontario Airport Plume 1/16 PS vs IEUA	50587 50588 50589	2,075.00 400.00 125.00
	CIHIGOYENETCHE GROSSBERG & CLO\$		2,600.00
ACH	NAPA GENUINE PARTS COMPANY RCA-Grease, Silicone Spray Alternator, Parts Tray, Tester, Anti-Seize, 15 Quarts 5W30 Motor Oil Core Deposit Refund	720170 740632 181946 740702	83.04 369.53 130.54 54.00
	NAPA GENUINE PARTS COMPANY	\$	529.11
ACH	SANTA ANA WATERSHED January 2016 Service	8787	112,950.07
	SANTA ANA WATERSHED	\$	112,950.07
ACH	TRICO CORPORATION Oil Analysis Oil Analysis Oil Analysis Oil Analysis	P35683 P35678 P35559 P35554	35.00 938.00 105.00 370.00
	TRICO CORPORATION	\$	1,448.00
ACH	/N SOFTWARE INC One Year SSIS Maintenance, Support	13228	829.00
	/N SOFTWARE INC	\$	829.00
ACH	WEST COAST ADVISORS 1/16 Prof Svcs	10283	9,800.00
	WEST COAST ADVISORS	\$	9,800.00

Check	Payee / Description		Amount
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 5 3/4 Employee Ded	HR 0042100	420.00
	IEUA SUPERVISORS UNION ASSOCIAS		420.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 5 3/4 Employee Ded	HR 0042100	1,069.10
	IEUA GENERAL EMPLOYEES ASSOCIAS		1,069.10
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 5 3/4 Employee Ded	HR 0042100	430.00
	IEUA PROFESSIONAL EMPLOYEES ASS		430.00
ACH	DISCOVERY BENEFITS INC P/R 1 & 2 Admin Fees P/R 5 3/4 Cafeteria Plan	0000619574-IN HR 0042100	171.00 2,957.58
	DISCOVERY BENEFITS INC	\$	3,128.58
ACH	CIHIGOYENETCHE GROSSBERG & CLO 1/16 General Legal 1/16 Watermaster	50586 50590	28,832.00 11,894.00
	CIHIGOYENETCHE GROSSBERG & CLOS		40,726.00
ACH	HASCO OIL COMPANY, INC. RP5-Mobil SHC 630	0199210-IN	3,730.52
	HASCO OIL COMPANY, INC.	\$	3,730.52
ACH	LASER LINE HQA-Svc HP 4250,Solonaoid Pick Up Feed,R 28553		204.88
	LASER LINE	\$	204.88
ACH	SANTA ANA WATERSHED 15/16 Basin Monitoring Task Force Alloca 9220		13,924.00
	SANTA ANA WATERSHED	\$	13,924.00
ACH	UNIVAR USA INC CCWRP-13,014 Lbs Sodium Bisulfite RP5-12,839 Lbs Sodium Bisulfite PradoLS-12,999 Lbs Sodium Bisulfite RP1-12,324 Lbs Sodium Bisulfite CCWRP-12,952 Lbs Sodium Bisulfite RP5-12,654 Lbs Sodium Bisulfite RP1-13,138 Lbs Sodium Bisulfite RP5-12,308 Lbs Sodium Bisulfite RP1-12,906 Lbs Sodium Bisulfite RP5-13,241 Lbs Sodium Bisulfite RP1-12,423 Lbs Sodium Bisulfite RP1-12,433 Lbs Sodium Bisulfite RP5-12,502 Lbs Sodium Bisulfite CCWRP-12,507 Lbs Sodium Bisulfite RP1-12,374 Lbs Sodium Bisulfite	LA200745 LA207880 LA207327 LA206511 LA206001 LA206002 LA204339 LA203948 LA201939 LA201445 LA201084 LA200721 LA200712 LA200709 LA200724	2,816.66 2,778.76 2,813.31 2,667.30 2,803.29 2,738.64 2,843.41 2,663.95 2,793.24 2,865.70 2,688.82 2,690.96 2,705.87 2,706.93 2,678.16

Check	Payee / Description	Amount
	UNIVAR USA INC	\$ 41,255.00
ACH	HDR ENGINEERING INC RP1-5/31-10/30 Prof Svcs-Rpr 42" Pmry I 00261873-B	8,901.00
	HDR ENGINEERING INC	\$ 8,901.00
ACH	WESTERN MUNICIPAL WATER DISTRI WR15001-1/1/16-1/31/16 1,314 Sprinkler N IEUA-999	5,193.80
	WESTERN MUNICIPAL WATER DISTRI\$	5,193.80
ACH	GK & ASSOCIATES INC 46-1141-1/16 Prof Svcs 16-002 46-1141-1/16 Prof Svcs 16-006R 46-1141-1/16 Prof Svcs 16-003	22,375.00 24,640.00 13,230.00
	GK & ASSOCIATES INC	\$ 60,245.00
ACH	SHELL ENERGY NORTH AMERICA LP 1/16 Gas Commodity-Non Core 2747100 RP2/RP5-1/1-1/31 16400 El Prado Rd 10/1- 2044 1/16 1/16 Gas Commodity-Non Core 2743634 1/16 Gas Cmmnty-Core, 11/15 Adj 1100002880301 RP1-1/1-1/31 2450 Phila St 10/1-10/31 Ad 2042 1/16 CCWRP/TP/RWP-1/1-1/31 14950 Tlphn 10/1-1 2046 1/16	835.33- 138.07- 15,446.97 1,168.27 73,835.04 21,058.35
	SHELL ENERGY NORTH AMERICA LP \$	110,535.23
ACH	SOLAR STAR CALIFORNIA V LLC 12/15 Solar Energy IEUA0086	39,249.14
	SOLAR STAR CALIFORNIA V LLC \$	39,249.14
ACH	OLIN CORP RP4-2,000 Gals Sodium Hypochlorite 2123830 TP1-4,896 Gals Sodium Hypochlorite 2120588 CCWRP-3,006 Gals Sodium Hypochlorite 2120587 TP1-4,944 Gals Sodium Hypochlorite 2120000 RP5-4,962 Gals Sodium Hypochlorite 2119502 TP1-4,902 Gals Sodium Hypochlorite 2118940 CCWRP-3,000 Gals Sodium Hypochlorite 2115677 TP1-4,906 Gals Sodium Hypochlorite 2115678 CCWRP-3,004 Gals Sodium Hypochlorite 2118939 RP4-2,496 Gals Sodium Hypochlorite 2118244 TP1-4,910 Gals Sodium Hypochlorite 2118243 RP4-3,998 Gals Sodium Hypochlorite 2116775 CCWRP-3,014 Gals Sodium Hypochlorite 2117330 TP1-4,946 Gals Sodium Hypochlorite 2117331 TP1-4,958 Gals Sodium Hypochlorite 2117642 TP1-4,952 Gals Sodium Hypochlorite 2117759 TP1-4,942 Gals Sodium Hypochlorite 2123718 TP1-4,938 Gals Sodium Hypochlorite 2123431 RP5-4,892 Gals Sodium Hypochlorite 2122497 TP1-4,922 Gals Sodium Hypochlorite 2124289 RP4-2,406 Gals Sodium Hypochlorite 2120589 TP1-4,832 Gals Sodium Hypochlorite 2120831 CCWRP-2,946 Gals Sodium Hypochlorite 2124856	1,096.00 2,683.01 1,647.29 2,709.31 2,719.18 2,686.30 1,644.00 2,688.49 1,646.19 1,367.81 2,690.68 2,190.90 1,651.67 2,710.41 2,716.98 2,713.70 2,708.22 2,706.02 2,680.82 2,697.26 1,318.49 2,647.94 1,614.41

Check	Payee / Description	Amount
	TP1-4,948 Gals Sodium Hypochlorite 2124857	2,711.50
	RP5-4,930 Gals Sodium Hypochlorite 2125359	2,701.64
	TP1-4,948 Gals Sodium Hypochlorite 2126046	2,711.50
	TP1-4,906 Gals Sodium Hypochlorite 2121404	2,688.49
	TP1-4,906 Gals Sodium Hypochlorite 2126047	2,688.49
	CCWRP-2,992 Gals Sodium Hypochlorite 2126604	1,639.62
	TP1-4,896 Gals Sodium Hypochlorite 2126877	2,683.01
	RP4-2,510 Gals Sodium Hypochlorite 2122498	1,375.48
	TP1-4,984 Gals Sodium Hypochlorite 2122499	2,731.23
	CCWRP-2,978 Gals Sodium Hypochlorite 2122089	1,631.94
	CCWRP-3,002 Gals Sodium Hypochlorite 2123430	1,645.10
	TP1-4,986 Gals Sodium Hypochlorite 2122938	2,732.33
	TP1-4,968 Gals Sodium Hypochlorite 2127482	2,722.46
	TP1-4,898 Gals Sodium Hypochlorite 2122090	2,684.10
	OLIN CORP \$	85,281.97
ACH	ICMA RETIREMENT TRUST 457 P/R 6 3/17 Deferred Comp Ded HR 0042300	13,878.67
	ICMA RETIREMENT TRUST 457 \$	13,878.67
ACH	LINCOLN NATIONAL LIFE INS CO P/R 6 3/17 Deferred Comp Ded HR 0042300	24,863.88
	LINCOLN NATIONAL LIFE INS CO \$	24,863.88
ACH	ICMA RETIREMENT TRUST 401 P/R 6 3/17 Exec Deferred Comp HR 0042300	10,020.73
	ICMA RETIREMENT TRUST 401 \$	10,020.73
ACH	HASCO OIL COMPANY, INC. RP5-Mobil SHC 6326 & 629 0199276-IN	6,353.82
	HASCO OIL COMPANY, INC. \$	6,353.82
ACH	NAPA GENUINE PARTS COMPANY Fuel Filter, Oil Filter 183129	37.70
	NAPA GENUINE PARTS COMPANY \$	37.70
ACH	AGRICULTURAL RESOURCES 4/16 Wtr Quality Consult 4/16 WTR QLTY	6,000.00
	AGRICULTURAL RESOURCES \$	6,000.00
ACH	INVENSYS SYSTEMS INC 2/14/16-5/13/16 IA/DCS Tech Support Svc 93346693	31,657.75
	INVENSYS SYSTEMS INC \$	31,657.75
ACH	INLAND EMPIRE REGIONAL 2/16 Biosolids 90017728	299,279.34
	INLAND EMPIRE REGIONAL \$	299,279.34
ACH	GK & ASSOCIATES INC 46-1141-1/16 Prof Svcs 16-004	10,560.00

Check	Payee / Description		Amount
	GK & ASSOCIATES INC	\$	10,560.00
ACH	ADVANCED ENVIRONMENTAL COMPLIA RP2-Biofilter Compliance Testing	6968	2,650.00
	ADVANCED ENVIRONMENTAL COMPLIA\$		2,650.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 6 3/17 Employee Ded	HR 0042300	420.00
	IEUA SUPERVISORS UNION ASSOCIA\$		420.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 6 3/17 Employee Ded	HR 0042300	1,069.10
	IEUA GENERAL EMPLOYEES ASSOCIA\$		1,069.10
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 6 3/17 Employee Ded	HR 0042300	430.00
	IEUA PROFESSIONAL EMPLOYEES AS\$		430.00
ACH	DISCOVERY BENEFITS INC P/R 6 3/17 Cafeteria Plan	HR 0042300	2,957.58
	DISCOVERY BENEFITS INC \$		2,957.58
ACH	DISCOVERY BENEFITS INC P/R 3 & 4 Admin Fees	0000628232-IN	166.25
	DISCOVERY BENEFITS INC \$		166.25
ACH	Inland Empire Reg. Composting 1/16 O&M Expenses	SAP0116-IEUAO	248.66
	Inland Empire Reg. Composting \$		248.66
ACH	AQUA BEN CORPORATION RP1-18,400 Lbs Polymer 750A	34192	24,458.46
	RP1-16,100 Lbs Polymer 750A	34221	21,401.15
	DAFT-2,300 Lbs Polymer 748E	34220	2,496.42
	DAFT-2,300 Lbs Polymer 748E	34191	2,496.42
	AQUA BEN CORPORATION \$		50,852.45
ACH	AQUA BEN CORPORATION RP1-16,100 Lbs Polymer 750A	34249	21,401.15
	DAFT-2,300 Lbs Polymer 748E	34248	2,496.42
	RP2-18,400 Lbs Polymer 748E	34260	19,971.36
	AQUA BEN CORPORATION \$		43,868.93
ACH	UNIVAR USA INC PradoLS-12,906 Lbs Sodium Bisulfite	LA210496	2,793.25
	RP1-12,937 Lbs Sodium Bisulfite	LA210938	2,799.93
	UNIVAR USA INC \$		5,593.18

Check	Payee / Description		Amount
ACH	CHINO BASIN DESALTER AUTHORITY CDA-Wellfield Development-Wells 1,2,3-In 240		3,899.55
	CHINO BASIN DESALTER AUTHORITY\$		3,899.55
ACH	INVENSYS SYSTEMS INC Inv-PH/ORP Sensors	93357739	1,636.25
	INVENSYS SYSTEMS INC	\$	1,636.25
ACH	PEST OPTIONS INC January 2016 Weed Abatement Services	254359	2,920.48
	July 2015 Weed Abatement Services	246954	2,920.48
	PEST OPTIONS INC	\$	5,840.96
ACH	OLIN CORP TP1-4,914 Gals Sodium Hypochlorite	2127983	2,692.87
	CCWRP-3,006 Gals Sodium Hypochlorite	2127982	1,647.29
	RP4-2,512 Gals Sodium Hypochlorite	2126605	1,376.58
	RP5-4,906 Gals Sodium Hypochlorite	2116238	2,688.49
	RP4-2,496 Gals Sodium Hypochlorite	2109512	1,367.81
	TP1-4,918 Gals Sodium Hypochlorite	2129103	2,695.06
	RP5-4,946 Gals Sodium Hypochlorite	2128591	2,710.41
	RP4-2,416 Gals Sodium Hypochlorite	2127984	1,323.97
	RP5-4,952 Gals Sodium Hypochlorite	2129104	2,713.70
	CCWRP-3,098 Gals Sodium Hypochlorite	2129644	1,697.70
	TP1-4,918 Gals Sodium Hypochlorite	2129645	2,695.06
	RP4-1,990 Gals Sodium Hypochlorite	2129646	1,090.52
	TP1-4,948 Gals Sodium Hypochlorite	2129909	2,711.50
	TP1-4,902 Gals Sodium Hypochlorite	2130443	2,686.30
	OLIN CORP	\$	30,097.26
ACH	GK & ASSOCIATES INC 46-1141-1/16 Prof Svcs	16-001	20,000.00
	46-1141-1/16 Prof Svcs	16-005	14,400.00
	GK & ASSOCIATES INC	\$	34,400.00
ACH	TRICO CORPORATION Oil Analysis	P36218	385.00
	Oil Analysis	P36114	518.00
	Oil Analysis	P36102	74.00
	Oil Analysis	P35992	35.00
	Oil Analysis	P35972	296.00
	Oil Analysis	P35970	346.00
	TRICO CORPORATION	\$	1,654.00
ACH	WEST COAST ADVISORS 2/16 Prof Svcs	10309	9,800.00
	WEST COAST ADVISORS	\$	9,800.00
ACH	RP1 FUEL CELL LLC RP1FuelCell-1/29-2/26 2450 Phila	IEUA-16-02	66,263.74
	RP1 FUEL CELL LLC	\$	66,263.74

Check	Payee / Description		Amount
ACH	PEST OPTIONS INC		
	CCWRP 2/12 Spray Out Turf	256240	695.00
	CCWRP 2/27 Spray Out Turf	255712	595.00
	PEST OPTIONS INC	\$	1,290.00
ACH	TRICO CORPORATION		
	Sample Bottles	114990	2,146.22
	TRICO CORPORATION	\$	2,146.22
ACH	ESTRADA, JIMMIE J		
	Reim Monthly Health Prem	HEALTH PREM	469.46
	ESTRADA, JIMMIE J	\$	469.46
ACH	LICHTI, ALICE		
	Reim Monthly Health Prem	HEALTH PREM	172.23
	LICHTI, ALICE	\$	172.23
ACH	MORASSE, EDNA		
	Reim Monthly Health Prem	HEALTH PREM	172.23
	MORASSE, EDNA	\$	172.23
ACH	NOWAK, THEO T		
	Reim Monthly Health Prem	HEALTH PREM	469.46
	NOWAK, THEO T	\$	469.46
ACH	SONNENBURG, ILSE		
	Reim Monthly Health Prem	HEALTH PREM	172.23
	SONNENBURG, ILSE	\$	172.23
ACH	DYKSTRA, BETTY		
	Reim Monthly Health Prem	HEALTH PREM	172.23
	DYKSTRA, BETTY	\$	172.23
ACH	TORRES, ROBERT G		
	Reim Monthly Health Prem	HEALTH PREM	469.46
	TORRES, ROBERT G	\$	469.46
ACH	MUELLER, CAROLYN		
	Reim Monthly Health Prem	HEALTH PREM	172.23
	MUELLER, CAROLYN	\$	172.23
ACH	GRIFFIN, GEORGE		
	Reim Monthly Health Prem	HEALTH PREM	172.23
	GRIFFIN, GEORGE	\$	172.23
ACH	CANADA, ANGELA		
	Reim Monthly Health Prem	HEALTH PREM	172.23



Check	Payee / Description	Amount
	CANADA, ANGELA	\$ 172.23
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem	HEALTH PREM 172.23
	CUPERSMITH, LEIZAR	\$ 172.23
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem	HEALTH PREM 297.23
	DELGADO-ORAMAS JR, JOSE	\$ 297.23
ACH	GRANGER, BRANDON Reim Monthly Health Prem	HEALTH PREM 148.62
	GRANGER, BRANDON	\$ 148.62
ACH	GADDY, CHARLES L Reim Monthly Health Prem	HEALTH PREM 148.62
	GADDY, CHARLES L	\$ 148.62
ACH	BAKER, CHRIS Reim Monthly Health Prem	HEALTH PREM 23.62
	BAKER, CHRIS	\$ 23.62
ACH	WEBB, DANNY C Reim Monthly Health Prem	HEALTH PREM 125.00
	WEBB, DANNY C	\$ 125.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem	HEALTH PREM 148.62
	HUMPHREYS, DEBORAH E	\$ 148.62
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem	HEALTH PREM 148.62
	MOUAT, FREDERICK W	\$ 148.62
ACH	MORGAN, GARTH W Reim Monthly Health Prem	HEALTH PREM 125.00
	MORGAN, GARTH W	\$ 125.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem	HEALTH PREM 23.62
	ALLINGHAM, JACK	\$ 23.62
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM 451.14
	MAZUR, JOHN	\$ 451.14
ACH	RUDDER, LARRY	

Check	Payee / Description	Amount
	Reim Monthly Health Prem      HEALTH PREM	23.62
	RUDDER, LARRY      \$	23.62
ACH	INTERLICCHIA, RANDY Reim Monthly Health Prem      HEALTH PREM	125.00
	INTERLICCHIA, RANDY      \$	125.00
ACH	HAMILTON, MARIA Reim Monthly Health Prem      HEALTH PREM	125.00
	HAMILTON, MARIA      \$	125.00
ACH	PICENO, TONY Reim Monthly Health Prem      HEALTH PREM	172.23
	PICENO, TONY      \$	172.23
ACH	RAMOS, CAROL Reim Monthly Health Prem      HEALTH PREM	23.62
	RAMOS, CAROL      \$	23.62
ACH	FISHER, JAY Reim Monthly Health Prem      HEALTH PREM	125.00
	FISHER, JAY      \$	125.00
ACH	KING, PATRICK Reim Monthly Health Prem      HEALTH PREM	23.62
	KING, PATRICK      \$	23.62
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem      HEALTH PREM	23.62
	HOWARD, ROBERT JAMES      \$	23.62
ACH	DIETZ, JUDY Reim Monthly Health Prem      HEALTH PREM	125.00
	DIETZ, JUDY      \$	125.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem      HEALTH PREM	148.62
	DAVIS, GEORGE      \$	148.62
ACH	MONZAVI, TAGHI Reim Monthly Health Prem      HEALTH PREM	23.62
	MONZAVI, TAGHI      \$	23.62
ACH	PETERSEN, KENNETH Reim Monthly Health Prem      HEALTH PREM	172.23
	PETERSEN, KENNETH      \$	172.23

Check	Payee / Description	Amount
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 172.23
	TRAUTERMAN, HELEN	\$ 172.23
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 1,087.66
	TIEGS, KATHLEEN	\$ 1,087.66
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 777.28
	DIGGS, GEORGE	\$ 777.28
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 832.49
	HAYES, KENNETH	\$ 832.49
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 148.62
	HUNTON, STEVE	\$ 148.62
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 148.62
	RODRIGUEZ, LOUIS	\$ 148.62
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 418.83
	CLIFTON, NEIL	\$ 418.83
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 125.00
	DELGADO, FRANCOIS	\$ 125.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 543.83
	WELLMAN, JOHN THOMAS	\$ 543.83
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 23.62
	SPEARS, SUSAN	\$ 23.62
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 172.23
	TROXEL, WYATT	\$ 172.23
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 451.14
	CORLEY, WILLIAM	\$ 451.14

Check	Payee / Description	Amount
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 340.15
	CALLAHAN, CHARLES	\$ 340.15
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 172.23
	LESNIAKOWSKI, NORBERT	\$ 172.23
ACH	VER STEEG, ALLEN J. Reim Monthly Health Prem	HEALTH PREM 465.15
	VER STEEG, ALLEN J	\$ 465.15
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 420.53
	HACKNEY, GARY	\$ 420.53
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 23.62
	CAREL, LARRY	\$ 23.62
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 326.14
	TOL, HAROLD	\$ 326.14
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 480.05
	BANKSTON, GARY	\$ 480.05
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 125.00
	ATWATER, RICHARD	\$ 125.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 451.14
	FIESTA, PATRICIA	\$ 451.14
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 902.28
	DIGGS, JANET	\$ 902.28
ACH	CARAZA, TERESA Reim Monthly Health Prem	HEALTH PREM 146.92
	CARAZA, TERESA	\$ 146.92
ACH	ANDERSON, JOHN Reim Monthly Health Prem	HEALTH PREM 469.46

Check	Payee / Description	Amount
	ANDERSON, JOHN	\$ 469.46
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	HEALTH PREM 706.98
	SANTA CRUZ, JACQUELYN	\$ 706.98
ACH	HECK, ROSELYN Reim Monthly Health Prem	HEALTH PREM 23.62
	HECK, ROSELYN	\$ 23.62
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM 297.23
	SOPICKI, LEO	\$ 297.23
ACH	HERNANDEZ, BENJAMIN Reim Monthly Health Prem	HEALTH PREM 418.83
	HERNANDEZ, BENJAMIN	\$ 418.83
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 125.00
	GOSE, ROSEMARY	\$ 125.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM 125.00
	KEHL, BARRETT	\$ 125.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM 125.00
	RITCHIE, JANN	\$ 125.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM 418.83
	LONG, ROCKWELL DEE	\$ 418.83
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM 125.00
	FATTAHI, MIR	\$ 125.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM 297.23
	VERGARA, FLORENTINO	\$ 297.23
ACH	WARMAN, RALPH Reim Monthly Health Prem	HEALTH PREM 172.23
	WARMAN, RALPH	\$ 172.23
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM 172.23

Check	Payee / Description	Amount
	ROGERS, SHIRLEY	\$ 172.23
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM 271.92
	WALL, DAVID	\$ 271.92
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 148.62
	CHUNG, MICHAEL	\$ 148.62
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 172.23
	ADAMS, PAMELA	\$ 172.23
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 962.66
	BLASINGAME, MARY	\$ 962.66
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 23.62
	ANDERSON, KENNETH	\$ 23.62
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 23.62
	MOE, JAMES	\$ 23.62
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 706.98
	POLACEK, KEVIN	\$ 706.98
ACH	ELROD, SONDRAL Reim Monthly Health Prem	HEALTH PREM 271.92
	ELROD, SONDRAL	\$ 271.92
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 177.53
	FRAZIER, JACK	\$ 177.53
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 125.00
	HOAK, JAMES	\$ 125.00
ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM 146.92
	DEZHAM, PARIVASH	\$ 146.92
ACH	FOLEY III, DANIEL J.	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	HEALTH PREM 146.92
	FOLEY III, DANIEL J.	\$ 146.92
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 125.00
	CLEVELAND, JAMES	\$ 125.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 845.41
	LANGNER, CAMERON	\$ 845.41
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 146.92
	HAMILTON, LEANNE	\$ 146.92
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 125.00
	HOOSHMAND, RAY	\$ 125.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 125.00
	SCHLAPKOHL, JACK	\$ 125.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 177.53
	POOLE, PHILLIP	\$ 177.53
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 148.62
	ADAMS, BARBARA	\$ 148.62
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 458.68
	RUESCH, GENECE	\$ 458.68
ACH	DECOITE, JOANN Reim Monthly Health Prem	HEALTH PREM 125.00
	DECOITE, JOANN	\$ 125.00
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 543.83
	AMBROSE, JEFFREY	\$ 543.83
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 271.92
	MERRILL, DIANE	\$ 271.92

Check	Payee / Description	Amount
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 613.76
	HOUSER, ROD	\$ 613.76
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 146.92
	RUSSO, VICKI	\$ 146.92
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 418.83
	HUSS, KERRY	\$ 418.83
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 581.98
	BINGHAM, GREGG	\$ 581.98
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 125.00
	CHARLES, DAVID	\$ 125.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 125.00
	YEBOAH, ERNEST	\$ 125.00
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 735.17
	VARBEL, VAN	\$ 735.17
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 416.27
	VANDERPOOL, LARRY	\$ 416.27
ACH	ICMA RETIREMENT TRUST 457 P/R 7 4/1/16 Deferred Comp Ded	HR 0043200 13,878.67
	ICMA RETIREMENT TRUST 457	\$ 13,878.67
ACH	LINCOLN NATIONAL LIFE INS CO P/R 7 4/1/16 Deferred Comp Ded	HR 0043200 24,510.88
	LINCOLN NATIONAL LIFE INS CO	\$ 24,510.88
ACH	ICMA RETIREMENT TRUST 401 P/R 7 4/1/16 Exec Deferred Comp	HR 0043200 10,040.33
	ICMA RETIREMENT TRUST 401	\$ 10,040.33
ACH	AQUA BEN CORPORATION DAFT-2,300 Lbs Polymer 748E	34267 2,496.42
	RP1-23,000 Lbs Polymer 750A	34268 30,573.07



Check	Payee / Description		Amount
	AQUA BEN CORPORATION	\$	33,069.49
ACH	CIHIGOYENETCHE GROSSBERG & CLO		
	Personnel Matter, IEUA Employee	50696	1,000.00
	2/16 RCA Legal	50692	625.00
	2/16 IEUA vs Martin	50693	275.00
	2/16 IEUA vs RP1 Ontario Airport Plume	50695	750.00
	2/16 Watermaster	50698	3,144.00
	2/16 IEUA vs PM	50694	100.00
	2/16 General Legal	50691	22,578.50
	CIHIGOYENETCHE GROSSBERG & CLO\$		28,472.50
ACH	UNIVAR USA INC		
	RP5-12,689 Lbs Sodium Bisulfite	LA199442	2,746.31
	RP5-13,066 Lbs Sodium Bisulfite	LA214204	2,827.81
	PradoLS-13,100 Lbs Sodium Bisulfite	LA213879	2,835.16
	UNIVAR USA INC	\$	8,409.28
ACH	PEST OPTIONS INC		
	10/20 Ely Basin Tamarisk Control	251308	749.00
	January 2016 GWR Weed Abatement Services	254554	5,916.00
	February 2016 Weed Abatement Services	255511	2,920.48
	PEST OPTIONS INC	\$	9,585.48
ACH	OLIN CORP		
	RP4-2,508 Gals Sodium Hypochlorite	2135474	1,374.38
	TP1-4,990 Gals Sodium Hypochlorite	2132573	2,734.52
	CCWRP-3,010 Gals Sodium Hypochlorite	2132572	1,649.48
	TP1-4,996 Gals Sodium Hypochlorite	2132036	2,737.81
	TP1-4,884 Gals Sodium Hypochlorite	2132796	2,676.43
	RP4-2,006 Gals Sodium Hypochlorite	2132797	1,099.29
	TP1-4,994 Gals Sodium Hypochlorite	2133349	2,736.71
	CCWRP-3,012 Gals Sodium Hypochlorite	2131035	1,650.58
	CCWRP-3,010 Gals Sodium Hypochlorite	2133971	1,649.48
	RP4-2,492 Gals Sodium Hypochlorite	2133973	1,365.62
	RP5-4,942 Gals Sodium Hypochlorite	2134515	2,708.22
	TP1-4,996 Gals Sodium Hypochlorite	2132035	2,737.81
	RP5-4,942 Gals Sodium Hypochlorite	2131565	2,708.22
	CCWRP-3,014 Gals Sodium Hypochlorite	2135473	1,651.67
	RP4-2,988 Gals Sodium Hypochlorite	2131037	1,637.42
	TP1-4,946 Gals Sodium Hypochlorite	2131036	2,710.41
	OLIN CORP	\$	33,828.05
ACH	IEUA SUPERVISORS UNION ASSOCIA		
	P/R 7 4/1/16 Employee Ded	HR 0043200	420.00
	IEUA SUPERVISORS UNION ASSOCIA\$		420.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA		
	P/R 7 4/1/16 Employee Ded	HR 0043200	1,081.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$		1,081.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS		
	P/R 7 4/1/16 Employee Ded	HR 0043200	430.00

Check	Payee / Description	Amount
	IEUA PROFESSIONAL EMPLOYEES ASS	430.00
ACH	DISCOVERY BENEFITS INC P/R 7 4/1/16 Cafeteria Plan      HR      0043200	2,957.58
	DISCOVERY BENEFITS INC	2,957.58

Grand Total Payment Amount: \$      1,480,231.00

**ACTION  
ITEM**

**2A**



---

Date: May 18, 2016

To: Honorable Board of Directors

Through: Finance, Legal and Administration Committee (06/08/16)

From: *for* P. Joseph Grindstaff *Chief*  
General Manager

Submitted by: *CV* Christina Valencia  
Chief Financial Officer/Assistant General Manager

*JL #882* Javier Chagoyen-Lazaro  
Manager of Finance and Accounting

Subject: Adoption of Resolution No. 2016-5-1, Approving the  
Update of the Agency's Investment Policy

---

### **RECOMMENDATION**

It is recommended that the Board of Directors adopt Resolution No. 2016-5-1, approving the update of the Agency's Investment Policy for Fiscal Year 2016/17.

### **BACKGROUND**

The Investment Policy (Policy) establishes procedures and guidelines by which surplus funds can be managed in a prudent and fiscally-sound manner. The Policy encompasses those funds over which the Agency exercises fiscal control, stipulates allowable and unallowable investment alternatives, and establishes parameters for selecting broker/dealers and financial institutions with which the Agency may do business. The Policy also prioritizes the Agency's public funds management objectives of; safety, liquidity, and yield. The review focused on four key policy elements; compliance, comprehensiveness, balance, and clarity. A summary of the policy elements objectives can be found in attachment A.

The proposed Policy mandates a review and approval by the Board on an annual basis, or whenever there are recommended changes, whichever occurs first. A change from a biennial (FY 2015/16 Policy) to an annual review and approval aligns with the California Government Code (CGC) Section 53600, the delegation of the responsibility for the investment program to the Chief Financial Officer/Assistant General Manager (CFO/AGM) or the General Manger (GM) for a one year period. The Board last approved the FY 2015/16 Policy on June 17, 2015.

As the Agency's financial advisor, PFM Asset Management LLC (PFM) reviewed the current Policy and provided their recommendation based on their expertise as an investment advisor to public agencies and their understanding of the best investment practices of public agencies nationwide.

Overall, PFM found the Policy to be comprehensive, well written and in compliance with the California Government Code (CGC) Section 53600. PFM pointed out that effective as of 2016 changes to sections 53601.8 and 53635.8 of the government code regarding placement service deposits are as follows:

- The sunset date of these code sections is extended from 1/1/2017 to 1/1/2021.
- Elimination of the combined 30% limit for placement service CDs and negotiable CDs; going forward they each have a 30% limit.
- Elimination of the 10% per issuer limit for non-CD-placement service deposits.

These changes have been incorporated in Section 8, Authorized and Suitable Investments, subsections G and F of Exhibit A.

Effective in 2015 California Government Code section (53601(q)) permits investments in U.S. Instrumentalities sometimes referred to as Supranationals. The Agency chose to not include this type of permitted investment in the FY 2015/16 Policies pending further evaluation. The Agency recommends adding U.S. Instrumentalities to list of permitted investments in the FY 2016/17 Policy. The additional investment category, added to section 8, Authorized and Suitable Investment, subsection C, will allow the Agency to purchase high quality, AA rated or better by a Nationally Rated Statistical Rating Organization (NRSRO), United States obligations issued by or unconditionally guaranteed by one of three Supranational banks: International Bank for Reconstruction and Development (IBRD), World Bank International Finance Corp (IFC), or the Inter-American Development Bank (IADB). Government code permits a maximum of 30% investment in this category, the Agency will maximize investments in this category at 10%.

Section 5, Delegation of Authority was amended to include authorization of securing the services of an external investment advisor to assist in portfolio management if such services are deemed necessary in the future.

With interest rates anticipated to remain low over the next year, staff will continue to seek opportunities to lock in higher rates for longer terms contingent upon the cash flow, in addition to adhering to the key investment objectives of safety and liquidity.

Attached for your consideration is a copy of the current Investment Policy (Exhibit A). Additionally, a listing of authorized broker/dealers is also provided in as part of Exhibit A under Attachment D.

Adopt Resolution No. 2016-5-1 to Approve the IEUA Investment Policy

May 18, 2016

Page 3

**PRIOR BOARD ACTION**

On June 17, 2015, the Board of Directors adopted Resolution No. 2015-6-3, approving the Agency's Investment Policy for Fiscal Years 2015/16 and 2016/17.

**IMPACT ON BUDGET**

None.

**Attachments:**

Attachment A – Policy Objectives and Elements

Attachment B – Redlined Changes to the Investment Policy

Exhibit A – Investment Policy

Resolution No. 2016-5-1



*Inland Empire Utilities Agency*

A MUNICIPAL WATER DISTRICT

# FINANCIAL POLICIES

**May 2016**

**Board Meeting**

# FINANCIAL POLICIES

- Investment Policy
- Reserve Policy
- Debt Policy

*These changes in the ordinance are consistent with the Agency's Business Goals under Fiscal Responsibility of safeguarding the Agency's fiscal health, while providing an open and transparent communication to educate the Member Agencies of the fiscal policies of the Agency.*





# Investment Policy

## Key Changes

- **Section 5: Delegation of Authority**
  - Changed from biennial to annual review in accordance with CGC §53600, et seq.
- **Section 8: Authorized and Suitable Investments**
  - Elimination of the combined 30% limit for placement service deposits (PSD) and negotiable certificates of deposit (NCD). A 30% limit for each investment set by CGC Section 53601.8.
  - Added U.S. Instrumentalities (Supranational) as permitted investment with a maximum limit of 10%.
- **Allows for the use of investment advisor services to manage the Agency's investment portfolio.**

# Reserve Policy

## Key Changes

- **Restricted Reserves**
  - Operating Contingency
    - Established under the Water Resources fund to support conservation and operating costs.
  - Water Connection
    - Added to account for water connection fees collected by the Agency.

# Reserve Policy

## Key Changes

- **Designated Reserves**
  - Sinking Fund: Regional Wastewater Program
    - Early repayment of the 2008A Revenue Bonds,
    - Relocation, rehabilitation and decommissioning of regional facilities.
  - **Water Resources Capital**
    - Changed from the Supplemental Water Reserve to support investment in infrastructure, water storage, and supplemental water supplies.

# Reserve Policy

## Key Changes

- **Designated Reserves**
- Capital Construction and R&R
  - Maximum target level options provided to more appropriately support requirements by program fund. Each year, target levels will set at the greater of;
    1. Three times the average of the program funds' TYCIP costs, or
    2. Three times the average of the program funds' TYCIP paid for on a "pay-go" basis, net of debt proceeds.
  - Minimum target level set at the ten year average of R&R costs.

# Debt Policy

The purpose of the Debt Policy is to:

- Establish parameters for the use of debt and ensure there is an identified and reliable source of repayment.
- Provide guidance to the decision-makers for selection of the most prudent, equitable and cost effective method of financing.
- Ensure compliance to legal requirements in the issuance of debt, spending of debt proceeds, and arbitrage and continuing disclosure requirements.
- Support IEUA Business Goal of Fiscal Responsibility to sustain a high quality credit rating.

# Debt Policy

## Debt Management

- No new debt will be issued without Board approval.
- Assess short term and long term financing needs and impact on current and future budgets for debt service and operations, and debt capacity.
- Ensure debt coverage ratio meets Board objectives.
- Monitor refinancing or early repayment opportunities to reduce debt service costs.
- Maintain good, ongoing communications with bond rating agencies.

## Attachment A- Policy Objectives and Elements

- *Safety:* Preservation of capital in the overall portfolio is the foremost objective.
- *Liquidity:* Investment portfolio will remain sufficiently liquid to enable the Agency to meet all anticipated operating requirements.
- *Yield:* Return on investments is of secondary importance; however, the investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and cash flow requirements.
- *Compliance:* At a minimum, an investment policy must comply with the requirements of the California Government Code (CGC) (§ 53600 *et seq.*). The Board may impose additional requirements based on its investment objectives and preferences.
- *Comprehensiveness:* An investment policy should be comprehensive to ensure that the key aspects of the investment program are properly addressed.
- *Balance:* An investment policy should provide a balance between investment restrictions, which help protect the Agency's assets, and investment flexibility, which permits staff to adapt to changing market conditions and investment needs.
- *Clarity:* An investment policy should express the Board's investment objectives with sufficient clarity, so that staff, brokers/dealers and other interested participants clearly understand the investment policy's intent.

## **Attachment B – SUMMARY OF POLICY CHANGE**

The proposed changes to the FY 2016/17 Policy are summarized below:

### **SECTION 5.0 DELEGATION OF AUTHORITY:**

The GM and/or CFO/AGM may engage the services of one or more external investment advisor to assist in the management of the Agency's investment portfolio in a manner consistent with this policy and the Agency's investment objectives. Such external advisors may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such investment advisors must be registered under the Investment Advisers Act of 1940.

### **SECTION 8.0 AUTHORIZED AND SUITABLE INVESTMENTS:**

#### ***8.C – U.S. Instrumentalities (Supranationals)***

U.S. Instrumentalities (Supranationals). United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Purchases are limited to securities that have a long-term debt rating of at least "AA", or its equivalent, by a Nationally Recognized Statistical Rating Organization (NRSRO). A maximum of ten percent of the portfolio may be invested in United States Instrumentalities.

#### ***8.G – Negotiable Certificates of Deposit***

Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. A minimum Industry Standard Definition (IDC) rating of 165 (Excellent) is required. All purchases shall not exceed the FDIC Insured Limit. The current FDIC Negotiable CD insured limit is \$250,000 (principal and interest). ~~In combination with Placement Service CDs, a maximum of 30 percent of the portfolio may be invested in this category.~~ A maximum of 30 percent of the portfolio may be invested in Negotiable Certificates of Deposit. The maximum investment maturity will be restricted to five years.

#### ***8.F – Placement Service Deposits***

Placement Service Deposits (PSD). Funds may be placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States (CGC § 53601.8). The full amount of the principal and



the interest that may be accrued during the maximum term of each PSD shall at all times be insured by federal deposit insurance. ~~In combination with Negotiable CDs;~~ The maximum portfolio exposure to Placement Service Deposits is limited to 30 percent. The maximum investment maturity will be restricted to five years.

## SECTION 12.0 TRADING OF SECURITIES:

~~The Secretary/Treasurer, or~~ The CFO/AGM or the GM may obtain competitive bids from at least two brokers or financial institutions on all purchases ~~of investment instruments primarily using "GFOA Yield Advantage" software when available based on investment analysis recommended by staff in reference to the investment policy guidelines.~~ Competitive bids can be also obtained by other communication channels when necessary.

Exhibit A



# FY 2016/17

# INVESTMENT POLICY

6075 Kimball Avenue  
Chino, CA 91708  
Phone: (909) 993-1600

Website: [www.ieua.org](http://www.ieua.org)

# INLAND EMPIRE UTILITIES AGENCY

## FY 2016/17 INVESTMENT POLICY

### TABLE OF CONTENTS

---

SECTION		PAGE NO.
1.0	Policy.....	1
2.0	Scope .....	1
3.0	Prudence.....	2
4.0	Objectives.....	2
5.0	Delegation of Authority.....	3
6.0	Ethics and Conflicts of Interest.....	3
7.0	Authorized Financial Institutions and Dealers...	3
8.0	Authorized and Suitable Investments.....	4
9.0	Authorized Investments for Bond Funds.....	8
10.0	Safekeeping and Custody.....	8
11.0	Diversification.....	9
12.0	Trading of Securities.....	9
13.0	Maximum Maturities.....	9
14.0	Portfolio Duration Limitation.....	9
15.0	Monitoring Credit Ratings.....	10
16.0	Reporting.....	10
17.0	Internal Controls.....	10
18.0	Performance Standards.....	11
19.0	Policy Review.....	11
20.0	State Law.....	11
21.0	Investment Policy Adoption.....	11

# INLAND EMPIRE UTILITIES AGENCY

## FY 2016/17 INVESTMENT POLICY

### TABLE OF CONTENTS

---

SECTION	PAGE NO.
Appendix 1 - Glossary of Cash Management Terms .....	12
Attachment A - Certification of Understanding.....	17
Attachment B - Brokers/Dealers Questionnaire .....	18
Attachment C - Bank Questionnaire & Certification ... ..	20
Attachment D - List of Authorized Brokers.....	22

## INLAND EMPIRE UTILITIES AGENCY INVESTMENT POLICY

### 1.0 POLICY

WHEREAS; The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) § 53600.6 and 53630.1 (CGC §53600.6 and §53630.1);

WHEREAS; the legislative body of a local agency may invest surplus monies, not required for the immediate necessities of the local agency, in accordance with the provisions of CGC §5922 and CGC §53601 et seq.; and

WHEREAS; the Chief Financial Officer/Assistant General Manager (CFO/AGM) or the General Manager (GM) of the Inland Empire Utilities Agency (IEUA) shall annually, or whenever there are recommended changes, whichever occurs first, prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting (CGC §53646[a]).

NOW, THEREFORE, BE IT RESOLVED that the policy of IEUA is to invest funds in a manner which will provide: (i) the maximum security; (ii) the funds necessary to meet the daily cash flow demands of the IEUA; and (iii) the highest investment return while conforming to all statutes governing the investment of IEUA funds within the constraints of this Investment Policy.

### 2.0 SCOPE

This Investment Policy applies to all surplus monies of IEUA, as defined below.

*Surplus Monies* are defined, for the purpose of this Investment Policy, as all funds of the IEUA except:

- Monies held in Deferred Compensation Accounts
- Monies held in Capital Capacity Reimbursement Accounts

#### *Pooling of funds*

Except for cash in certain restricted and special funds, IEUA will consolidate cash and reserve balances from all funds to maximize investments earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### 3.0 PRUDENCE

The standard of prudence to be used by designated investment signatories shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of IEUA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Designated investment signatories, acting in accordance with written procedures, this investment policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### 4.0 OBJECTIVES

As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds; the primary objectives, in priority order, of the investment activities shall be:

- A. *Safety*: Safety of principal is the foremost objective of the investment program. Investments made by IEUA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent any potential loss on any individual security or depository from exceeding the income generated from the remainder of the portfolio.
- B. *Liquidity*: The investment portfolio will remain sufficiently liquid to enable IEUA to meet all operating requirements which might be reasonably anticipated.
- C. *Return on Investments (Yield)*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low- risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
  - 1. A security with declining credit may be sold to minimize loss of principal.
  - 2. A security swap would improve quality, yield, or target duration in the portfolio.
  - 3. Liquidity needs of the portfolio that requires the security to be sold.

## 5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from CGC §53600, et seq. Management's responsibility for the investment program is hereby delegated for a one-year period by the legislative body, to the Chief Financial Officer/Assistant General Manager (CFO/AGM) or the General Manager (GM) who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked by the Board of Directors. The CFO/AGM or the GM shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons/positions responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this investment policy and the procedures established by the CFO/AGM or the GM and Administration. The CFO/AGM or GM shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

The GM and/or CFO/AGM may engage the services of one or more external investment advisor to assist in the management of the Agency's investment portfolio in a manner consistent with this policy and the Agency's investment objectives. Such external advisors may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such investment advisors must be registered under the Investment Advisers Act of 1940.

## 6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the placement of investments shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## 7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The CFO/AGM or the GM shall maintain a list of approved and authorized financial institutions and brokers/dealers, selected on the basis of credit-worthiness, financial strength, experience, and capitalization.

In selecting the *financial institutions* for the deposit or investment of IEUA funds, the CFO/AGM or the GM's consideration shall include the depository's latest equity/asset ratio data and continue to monitor the financial institutions' credit characteristics and financial history throughout the period during which IEUA funds are deposited or invested.

The minimum qualifications for Agency approved depository/financial institutions include: (i) that they must be at least three (3) years old; have total assets in excess of ten (\$10) billion dollars; a core capital/asset ratio of 5 percent or better; or (ii) have total assets in excess of five hundred million dollars (\$500,000,000); and a core capital/asset ratio of 6 percent or better.

For the services of *banks, savings banks, and savings and loan associations*, depository agreements shall be prepared by the CFO/AGM or the GM and authorized representatives of the respective financial institutions for consideration and execution by the Board of Directors.

For *broker/dealer* services utilized to invest in government securities and other investments, the CFO/AGM or the GM is designated to select only brokers/dealers who are licensed and in good standing with the California Department of Securities (CDS), the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or other applicable self-regulatory organizations. A periodic review of authorized brokers/dealers is essential to serve the IEUA's investment needs.

In order to improve quality services, expertise, and credit worthiness, the CFO/AGM or the GM may, on a selective basis, revise the approved list of brokers/dealers to update qualified brokers/dealers under the requirements of this Investment Policy.

The CFO/AGM or the GM shall maintain a list of approved brokers/dealers and submit the list to the Board of Directors as part of the periodic Investment Policy review process, or more frequently as requested by the Board.

Financial institutions/depositories, brokers/dealers and external investment managers, who do investment-related business with IEUA shall sign a Certificate of Understanding (see Attachment "A"). The Certification of Understanding states that the entity:

- A. Has read and is familiar with the IEUA's Investment Policy as well as applicable Federal and State law;
- B. Agrees to notify IEUA in writing of any potential conflicts of interest;
- C. Meets the requirements as outlined in this Policy;
- D. Agrees to make every reasonable effort to protect the assets of IEUA from loss.

Annually, banks, savings bank, savings and loans associations, and authorized brokers/dealers will be requested to update information about their financial institutions. The required information will be supplied by responses to the attached questionnaires (see Attachment "B" for broker/dealers and Attachment "C" for banks and savings and loans), and provide IEUA with copies of published financial statements.

## **8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

IEUA's investments are governed by Government Code. Within the investments permitted by the Government Code, IEUA seeks to further restrict eligible investments to the investments listed below. In the event an apparent discrepancy is found between this Investment policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the date an investment is purchased. Credit ratings, as shown, specify the minimum credit rating category required at the point of purchase without regard to specific modifiers, such as +/- or 1, 2, 3.



- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- C. U.S. Instrumentalities (Supranational). United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Purchases are limited to securities that have a long-term debt rating of at least "AA", or its equivalent, by a Nationally Recognized Statistical Rating Organization (NRSRO). A maximum of ten percent of the portfolio may be invested in United States Instrumentalities.
- D. State Municipal Securities – Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency, or authority of any of the 50 states. Securities eligible for investment under this paragraph shall be rated at least "A" by a Nationally Recognized Statistical Rating Organization (NRSRO). Short-term municipal securities eligible for investment shall be rated at or above the following credit agencies investment grade ratings; Sp-1 by Standard & Poor's, F-1 by Fitch, and MIG-1 by Moody's. These ratings for short term municipal securities signify the issuer's strong capacity to pay principal and interest. Not more than 10 percent of IEUA's funds shall be invested in state and local municipal securities.
- E. California Local Agency Municipal Securities – Bonds, notes, warrants or other evidence of indebtedness of a local agency or municipality located within the State of California, including debt securities issued by the IEUA. Securities eligible for investment under this paragraph shall be rated at least "A" by a NRSRO.
- F. Bank deposits, including demand deposit accounts, savings account, and market rate accounts, time deposits, and certificates of deposit in financial institutions located in California. Bank deposits are required to be collateralized as specified under Government Code § 53630 et. seq. Agreements allowing for the waiver of the collateral requirement for that amount of deposit covered by the Federal Deposit Insurance Corporation may be implemented provided the remainder of the deposit is secured by collateral as required by the Government Code.

- G. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. A minimum Industry Standard Definition (IDC) rating of 165 (Excellent) is required. All purchases shall not exceed the FDIC Insured Limit. The current FDIC Negotiable CD insured limit is \$250,000 (principal and interest). A maximum of 30 percent of the portfolio may be invested in this category Negotiable Certificates of Deposit. The maximum investment maturity will be restricted to five years.
- H. Placement Service Deposits (PSD). Funds may be placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States (CGC § 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each PSD shall at all times be insured by federal deposit insurance. The maximum portfolio exposure to Placement Service Deposits is limited to 30 percent. The maximum investment maturity will be restricted to five years.
- I. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
- (1) The entity meets the following criteria:
    - (a) Is organized and operating in the United States as a general corporation;
    - (b) Has total assets in excess of five hundred million dollars (\$500,000,000);
    - (c) Has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
  - (2) The entity meets the following criteria:
    - (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company;
    - (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond;
    - (c) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.

- J.** Local Agency Investment Fund (LAIF) investment pool is a voluntary program created by statute as an investment alternative for California's local governments and special districts and is under the administration of the State Governor of California. All securities purchased by LAIF are under the authority of Government Code § 16429 and 16480.4. As part of the Pooled Money Investment Account (PMIA), LAIF has oversight by the Pooled Money Investment Board (PMIB), and an in-house Investment Committee. LAIF also has oversight by the Local Agency Investment Advisory Board and is audited by the Bureau of State Audits on an annual basis.

Investment in California LAIF cannot exceed the maximum deposit per agency limit as set by the Local Agency Investment Fund.

- K.** Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code § 6509.7. To be eligible for purchase, the pool must meet the requirements of CGC § 53601(p). Total purchases shall not exceed \$20 million per account of surplus funds.

Whenever the IEUA has any funds invested in a LGIP, the CFO/AGM or the GM shall maintain on file a copy of the pools' current information statement to be reviewed on a periodic basis.

- L.** Money Market Funds - Investing solely in U.S. treasury securities and U.S. Government Agency securities, and repurchase agreements relating to the above obligations. To be eligible, these Money Market Funds must have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment advisor with not less than five years' experience and registered or exempt from registration with the SEC, with assets under management in excess of five hundred million dollars (\$500,000,000). No more than 20 percent of the portfolio may be invested in Money Market Funds and with no more than 10 percent invested in any one money market mutual fund.

- M.** Repurchase Agreements - IEUA may invest in repurchase agreements with banks and dealers with which IEUA has entered into a master repurchase agreement which specifies terms and conditions of repurchase agreements.

- 1) Transactions shall be limited to the primary dealers and banking institutions rated "A" or better by a NRSRO, or with a financially stable banking institution which the Agency has substantial banking relationship. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the CFO/AGM or GM and will not be allowed to fall below 102 percent of the value of the repurchase agreement plus the value of collateral in excess of the value of the repurchase agreement.

In order to conform with the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States.

- 2) Not more than 40 percent of the portfolio may be invested in repurchase agreements and a security interest satisfactory to IEUA shall always be maintained in the securities subject to a repurchase agreement.

**N. Medium Term Notes (MTN):** MTNs defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases in this category shall not exceed 10 percent of the portfolio and must be rated "A" or better by a NRSRO.

**Ineligible Investments:** Investments not described herein, including but not limited to, reverse repurchase agreements and common stocks are prohibited from use in this portfolio. This Investment Policy further specifically disallows investments in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

## 9.0 AUTHORIZED INVESTMENTS FOR BOND FUNDS

Bond funds shall be invested in the securities permitted pursuant to Board approved bond documents. If the bond documents are silent as to the permitted investments, bond funds will be invested in the securities permitted by this policy. Notwithstanding the other provisions of this Investment Policy, the dollar portfolio, percentage, and term limitations listed elsewhere in the Investment Policy do not apply to bond funds. In addition to the securities listed in Section 8.0 above, bond funds may be invested in a structured investment product if approved by the CFO/AGM or GM.

## 10.0 SAFEKEEPING AND CUSTODY

As required by CGC §53601 all security transactions entered into by IEUA shall be conducted on Deliver versus Payment basis. Delivery versus Payment or DVP basis means all securities purchased or acquired shall be delivered to IEUA by book entry, physical delivery, or third party custodial agreement. Investments in the state pool, local government investment pools, or money market funds are undeliverable, and therefore, not subject to the delivery or third party safe keeping requirements.

The Board of Directors recognize that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to minimize these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, as a way to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. Further, financial institutions which hold funds, deposited as investments, shall be subject to an investment limitation.

The Board of Directors acknowledges that from time to time certain situations may arise during which strict adherence to an inflexible investment policy may be overly restrictive. On a case by case basis, the Board of Directors may consider any pertinent information of such situations and may, by minute action, modify or waive, within the constraints of CGC

§53601 et seq., any of the provisions and/or restrictions of this Investment Policy.

The CFO/AGM or the GM shall periodically establish diversification guidelines, within the context of this policy, and strategies to control any risks of default, market price changes, and illiquidity.

## **12.0 TRADING OF SECURITIES**

A trade is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. The purchase and sale transaction and the sale transaction must each be recorded separately and any losses or gains on the sale must be recorded.

The CFO/AGM or the GM may obtain competitive bids from at least two brokers or financial institutions on all purchases based on investment analysis recommended by staff in reference to the investment policy guidelines. Competitive bids can be also obtained by other communication channels when necessary.

## **13.0 MAXIMUM MATURITIES**

Where no maturity limit is stated for an investment under Section 8.0, no investment shall be made in any security that at the time of the investment, has a term remaining to maturity in excess of five years unless the Board of Directors has granted express authority to make that investment either specifically or as part of a previous investment program no less than three (3) months prior to the investment. Any investment currently held at the time the investment policy is adopted which does not meet the new policy guidelines will be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation such funds shall be reinvested only as provided in the most current policy.

## **14.0 PORTFOLIO DURATION LIMITATION**

The weighted average duration of the entire portfolio shall not exceed three (3) years.



## 15.0 MONITORING CREDIT RATINGS

The CFO/AGM or the GM shall monitor the ratings of all investments in their portfolios on a continuous basis and report all credit downgrades of portfolio securities to the Board of Directors in writing within 24 hours of knowledge of the event. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this policy, the CFO/AGM or the GM shall also make a written recommendation to the Board as to whether this security should be held or sold prior to maturity.

## 16.0 REPORTING

The CFO/AGM or the GM shall submit to each member of the Board of Directors a monthly investment report. This report will include the elements of the quarterly report as recommended by CGC §53646, to include:

- a. Type of investment
- b. Name of institution
- c. Date of maturity
- d. Amount of deposit or cost of the security and the par value
- e. Current market value of all securities
- f. Rate of interest/earnings (yield)
- g. A monthly list of transactions

CGC §53646(b)(2),(3) recommends that the investment report must include a statement that (i) all investment actions executed since the last investment report have been made in full compliance with the Investment Policy or a Board of Directors' minute action (wavier) and, that (ii) IEUA will meet its expenditure obligations for the next six months. The CFO/AGM or the GM shall maintain a complete and timely record of all investment transactions in support of the above statement.

## 17.0 INTERNAL CONTROLS

The CFO/AGM or the GM is responsible for establishing and maintaining a control structure designed to ensure that the assets of the IEUA are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation and benefits require estimates and judgments by management.

An annual independent review, or as needed to address recommended changes, by an external auditor to assure compliance with policies and procedures will be performed as part of the IEUA's annual audit.

## **18.0 PERFORMANCE STANDARDS**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. In order to determine whether market yields are being achieved, the CFO/AGM or the GM shall identify comparable benchmarks to the portfolio investment duration, (e.g. 90-day US Treasury Bill, 6-month US Treasury Bill, average LAIF yield rate). This comparative analysis is included in investment report presented to the Board of Directors on a monthly basis.

## **19.0 POLICY REVIEW**

This investment policy shall be reviewed regularly to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return and its relevance to current law and financial and economic trends. The Board shall be responsible for maintaining guidance over this investment policy to ensure that IEUA can adapt readily to changing market conditions, and approve any modification to the investment policy prior to implementation.

## **20.0 STATE LAW**

The legislated authority of the IEUA's investments is covered in Section 53601, 53607, 53635, 53638, 53646, 53652, and 53653 of the Government Code. It is the policy of the IEUA to comply with the State laws governing its investments.

**21.0 INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the Board of Directors of IEUA\*. Moreover, the Policy shall be reviewed whenever there are recommended changes or annually, whichever occurs first, and modifications must be approved by the Board of Directors.

**ADOPTED AND APPROVED:**

**Name:** Terry Catlin  
**Title:** President, Board of Director  
**Date:** May 18, 2016

*\* A Municipal Water District*



## APPENDIX 1: GLOSSARY OF CASH MANAGEMENT TERMS

### **ASK PRICE:**

The price at which securities are offered for sale; also known as offering price.

### **BASIS POINT:**

One hundredth of one percent (i.e. 0.01 percent).

### **BOND PROCEEDS:**

The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

### **BOOK VALUE:**

The value at which a debt security is shown on the holder's balance sheet. Book value is often acquisition cost plus/minus amortization and accretion, which may differ significantly from the security's current value in the market.

### **BROKER:**

A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

### **CALLABLE BOND:**

A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

### **CALTRUST:**

A Joint Powers Agency Authority created by local public agencies to provide a convenient method for local public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents.

### **CERTIFICATE OF DEPOSIT (CD):**

A time deposit with a specific maturity evidenced by a certificate.

### **CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):**

A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

### **COLLATERAL:**

Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

### **COMMERCIAL PAPER:**

A short-term, unsecured, promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

### **CREDIT RISK:**

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

### **CUSTODIAN:**

A bank or other financial institution that keeps custody of stock certificates and other assets.

### **DEALER:**

A dealer, as opposed to a broker, acts as a principal in all transaction, buying and selling for his own risk and account or inventory.

### **DELIVERY OF SECURITIES:**

There are two methods of delivery of securities; *Delivery versus Payment* and *Delivery versus Receipt*. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

**DIVERSIFICATION:**

Dividing investment funds among a variety of securities offering independent returns.

**DURATION:**

A measure of the timing of the cash flows to be received from a given-fixed income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**FACE VALUE:**

The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

**FAIR VALUE:**

The amount at which a security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):**

A federal agency that insures bank deposits.

**FEDERAL FARM CREDIT BANK (FFCB):**

Government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks and the Banks for Cooperatives. Its securities do not carry direct U.S. Government guarantees.

**FEDERAL FUNDS RATE:**

The rate of interest at which Federal funds are traded. This rate is considered to be the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL HOME LOAN BANKS (FHLB):**

The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Bank vis-à-vis member

commercial banks. Although the banks operate under federal charter with government supervision, the securities are not guaranteed by the U.S. Government.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC or Freddie Mac):**

Established in 1970 to help maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. Government guarantees.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae):**

FNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a Federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA securities do not carry direct U.S. Government guarantees.

**FEDERAL RESERVE SYSTEM:**

The central bank of the U.S. which consists of seven member Board of Governors, 12 regional banks, and about 5,700 commercial banks that are members.

**FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):**

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees nearly 4,750 brokerage firms, about 167,000 branch offices and approximately 634,000 registered securities representatives.

**INTEREST ONLY STRIPS:**

The interest portion of a Treasury note or bond that has been stripped of its principal component through the commercial book-entry system.

**INTEREST RATE RISK:**

The risk of gain or loss in market values of securities due to changes in interest-rate levels.

For example, rising interest rates will cause the market value of portfolio securities to decline.

**INVERSE FLOATER:**

Fixed income instrument whose coupon or interest rate is periodically reset according to a short term rate index such as LIBOR, or prime rate. Unlike the traditional floating rate instrument, however, the inverse floater's rate is set equal to a fixed rate minus the short-term rate index.

**INVESTMENT POLICY:**

A clear and concise statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**INVESTMENT PORTFOLIO:**

A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

**LIQUIDITY:**

An asset that can be converted easily and rapidly into cash with minimum risk on principal.

**LOCAL AGENCY INVESTMENT FUND (LAIF):**

An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

**MARKET TO MARKET:**

Current market price of a security.

**MARKET RISK:**

Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

**MARKET VALUE:**

The price at which a security is currently being sold in the market. See FAIR VALUE.

**MASTER REPURCHASE AGREEMENT:**

A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:**

The date that the principal or stated value of a debt instrument becomes due and payable.

**MEDIUM-TERM NOTES (MTNs):**

Corporate notes, having any or all of the features of corporate bonds and ranging in maturity from nine months out to thirty years. The difference between corporate bonds and MTNs is that corporate bonds are underwritten.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):**

A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

**NEGOTIABLE CERTIFICATES OF DEPOSIT:**

Time deposits issued by Federal Deposit Insurance Corporation (FDIC) insured banks and are underwritten by the Financial Industry Regulatory Authority (FINRA) registered Broker/Dealers. Also known as "DTC Eligible CDs" or "Brokered Deposits", this type of deposit is offered to investors by issuing institutions looking to raise liquidity and funding through the wholesale and institutional markets.

**OPEN MARKET OPERATIONS:**

Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee, (FOMC), in

order to influence the volume of money and credit in the economy. Purchases inject reserves into the banking system and stimulate growth of money and credit. Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PAR VALUE:**

The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in increments of \$1,000 per bond.

**PORTFOLIO:**

The collection of securities held by an individual or institution.

**PRIMARY DEALER:**

A group of government securities dealers who submit daily reports of market activity and Positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

**PRINCIPAL:**

The face or par value of a debt instrument or the amount of capital invested in a given security.

**PRUDENT PERSON RULE:**

An investment standard: The way a prudent person of discretion and intelligence would be expected to manage the investment program in seeking a reasonable income and preservation of capital.

**RANGE BONDS:**

Bonds that accrue interest during a particular Interest Period at a fixed or variable rate if a specified index is within a specified range during a designated period of time or at a particular point in time. A Range Bond may not bear interest if the specified index is outside the specified range.

**RATE OF RETURN:**

- 1) The yield which can be attained on a security based on its purchase price or its current market price.
- 2) Income earned on an investment,

expressed as a percentage of the cost of the investment.

**REPURCHASE AGREEMENT (RP OR REPO):**

A holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the Agency) with an agreement to repurchase them at a fixed date. The security "buyer" (e.g. the Agency) in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the "buyer" for this.

Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):**

A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the Agency) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller (e.g. the Agency) money for the period of the agreement with terms of the agreement structured to compensate buyer.

**SAFEKEEPING:**

A service banks offer to clients for a fee, where physical securities are held in the bank's vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank's name for the benefit of the client. As agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or, if called, on the call date.

**SECURITIES:**

Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

**SECURITIES AND EXCHANGE COMMISSION (SEC):**

Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SECONDARY MARKET:**

A market for the repurchase and resale of outstanding issues following the initial distribution.

**SPREAD:**

The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

**SUPRANATIONALS:**

International organizations whereby member states transcend national boundaries or interests to share in the decision making process and vote on issues pertaining to the wider grouping.

**SWAP:**

An agreement between two parties (known as counterparties) where one stream of future interest payments is exchanged for another based on a specified principal amount.

**TREASURY BILLS:**

A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, Six months, or one year.

**TREASURY BONDS:**

Long-term U. S. Treasury securities.

**TREASURY NOTES:**

Intermediate-term coupon-bearing U.S. Treasury securities having initial maturities from one year to ten years.

**UNDERWRITER:**

A dealer that purchased a new issue of municipal securities for resale.

**U.S. TREASURY OBLIGATIONS:**

Debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

**WEIGHTED AVERAGE MATURITY (WAM):**

The average maturity of all the securities that comprise a portfolio, typically expressed in days of years.

**YIELD:**

The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security.

**YIELD CURVE:**

Yield calculations of various maturities of instruments of the same quality at a given time to observe spread differences.

**ZERO-INTEREST BOND**

A bond on which interest is not payable until maturity (or early redemption), but compounds periodically to accumulate to a state maturity amount. Zero-interest bonds are typically issued at a discount and repaid at par upon maturity.



CERTIFICATION OF UNDERSTANDING

I hereby certify that I have personally read Inland Empire Utilities Agency's (IEUA) Investment Policy and the California Government Code pertaining to the investments of the IEUA.

I will disclose to the IEUA any potential risks or conflicts with the Investment Policy that might arise out of business transactions between my firm and the IEUA.

I will undertake reasonable efforts to prevent imprudent transactions involving funds of the IEUA and will endeavor to keep familiar with the IEUA's investment objectives and constraints, as they exist from time to time.

I will only offer investments for the IEUA's consideration that are in conformity to the IEUA's Investment Policy.

I attest to the accuracy of the responses to the IEUA's questionnaire.

NOTE: Completion of the attached questionnaire is only part of Inland Empire Utilities Agency's certification process and DOES NOT guarantee that the our financial institution will be guaranteed any portion of the investment business with Inland Empire Utilities Agency.

FIRM NAME \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE \_\_\_\_\_

**INLAND EMPIRE UTILITIES AGENCY  
OFFICE OF THE CHIEF FINANCIAL OFFICER/AGM OR GENERAL MANAGER  
BROKERS/DEALERS QUESTIONNAIRE AND CERTIFICATION**

*Please fill out form and return to Inland Empire Utilities Agency*

1. Name of Firm \_\_\_\_\_

2. Address \_\_\_\_\_

*(Local)*

*(National Headquarters)*

3. Telephone No. \_\_\_\_\_

4. Primary Representatives:  
Name \_\_\_\_\_

Manager/Partner-In-Charge:  
Name \_\_\_\_\_

Telephone \_\_\_\_\_

Telephone \_\_\_\_\_

Years in institutional sales \_\_\_\_\_

Years in institutional sales \_\_\_\_\_

Years with firm \_\_\_\_\_

Years with firm \_\_\_\_\_

5. Are you a Primary Dealer in U.S. Government Securities?     Yes     No

6. Are you a Regional Dealer in U.S. Government Securities?     Yes     No

7. Are you a Broker instead of a Dealer?  
i.e., You **DO NOT** own positions of Securities?     Yes     No

8. What is the net capitalization of your firm? \_\_\_\_\_

9. What is the date of your fiscal year-end? \_\_\_\_\_

10. Is your firm owned by a holding company? If so, what is its name and net capitalization?  
\_\_\_\_\_  
\_\_\_\_\_

11. Please provide your wiring and delivery instructions. \_\_\_\_\_  
\_\_\_\_\_

12. Which of the following instruments are offered regularly by your local desk?

- Bills     \_\_\_\_\_     \_\_\_\_\_     \_\_\_\_\_

\_\_\_\_\_

13. Which of the above does your firm specialize in marketing? \_\_\_\_\_  
\_\_\_\_\_

14. Please identify your most directly comparable Local Agency Clients in our geographical area:

Entity	Contact Person	Telephone	Client Since
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

15. What reports, transactions, confirmations and paper trail would we receive?  
\_\_\_\_\_

16. Please include samples of research reports or market information that your firm regularly provides to local agency clients.

17. What precautions are taken by your Firm to protect the interest of the public when dealing with government agencies as investors? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

18. Have you or your Firm been censored or punished by a regulatory State or Federal agency for improper or fraudulent activities, related to the sale of securities?  Yes  No

19. If yes, explain. \_\_\_\_\_

20. Attach certified documentation of your capital adequacy and financial solvency. In addition, an audited financial statement must be provided within 120 days of your fiscal year-end. (Copy of a Published Financial Statement)

21. Attach proof of Financial Industry Regulatory Authority (FINRA) certification.

22. Attach proof of California Department of Securities Registration.

23. Attach proof of Securities and Exchange Commission registration.

24. Attach proof of adequate insurance coverage.

25. Are you listed under GFOA Yield Advantage?  Yes  No





13. What is the education level of the primary contact(s)? \_\_\_\_\_
14. How many years of related experience does the primary contact(s) have?  
\_\_\_\_\_
15. What other banking services would you be interested in providing Inland Empire Utilities Agency? \_\_\_\_\_
16. What transaction documents and reports would we receive? \_\_\_\_\_
17. What information would you provide to our Chief Financial Officer/AGM or General Manager? \_\_\_\_\_
18. Describe the precautions taken by your Bank/Savings and Loan to protect the interest of the public when dealing with government agencies as depositors of investors.  
\_\_\_\_\_  
\_\_\_\_\_
19. Please provide your Contract of Deposit of Monies pre-signed and sealed by your institution, as well as any signature cards that you may require.
20. Please provide your wiring instructions. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
21. Please provide your Bank/Savings and Loan most current audited financial statements. (Copy of Published Financial Statement).
22. Please attach biographical information for your representative.

**INLAND EMPIRE UTILITIES AGENCY  
OFFICE OF THE CHIEF FINANCIAL OFFICER/AGM OR GENERAL MANAGER**

**Authorized Brokers/Dealers**

The following brokers/dealers are authorized to provide investment services to the IEUA, in accordance with the IEUA's Investment Policy:

1. BOSC, Inc.
2. Higgins Capital Management
3. Ladenburg Thalmann & Co., Inc.
4. Multi-Bank Securities, Inc.
5. Oppenheimer & Co. Inc.
6. UBS Financial Services Inc.
7. Wedbush Morgan Securities, Inc.

**RESOLUTION NO. 2016-5-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND  
EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO  
COUNTY, CALIFORNIA, APPROVING THE BIENNIAL  
UPDATE OF THE AGENCY'S\* INVESTMENT POLICY**

**WHEREAS**, a "Statement of Investment Policy" is rendered to the Board of Directors on a biennial basis or whenever there are recommended changes, whichever occurs first; and

**WHEREAS**, the Secretary/Treasurer, the Chief Financial Officer/Assistant General Manager or the General Manager of the Inland Empire Utilities Agency (Agency), in accordance with Government Code Section 53646.(a)(2), shall biennially prepare and submit a Statement of Investment Policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting; and

**WHEREAS**, the existing policy has been reviewed and revised in order to provide for operational flexibility without sacrificing internal controls or increasing financial risk to the Agency.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors that:

Section 1. The revisions, if any, to the Inland Empire Utilities Agency\* Investment Policy dated May 18, 2016 are to be adopted for Fiscal Year 2016/17.

Section 2. This resolution shall take effect from and after its date of adoption.

Section 3. Upon adoption of this resolution, Resolution No. 2015-6-3 is hereby rescinded in its entirety.

**ADOPTED** this 18<sup>th</sup> day of May, 2016.

---

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

ATTEST:

---

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

*\*a Municipal Water District*

STATE OF CALIFORNIA                    )  
  )SS  
COUNTY OF SAN BERNARDINO        )

I, Steve J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\*,  
DO HEREBY CERTIFY that the foregoing Resolution being No. 2016-5-1, was adopted at  
a regular Board Meeting on May 18, 2016, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Steven J. Elie  
Secretary/Treasurer

\* a Municipal Water District

**ACTION  
ITEM**

**2B**

Date: May 18, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (05/11/2016)

From: *PJ* P. Joseph Grindstaff  
General Manager *John*

Submitted by: *CV* Christina Valencia  
Chief Financial Officer/Assistant General Manager

*JL*  
*#882* Javier Chagoyen-Lazaro  
Manager of Finance and Accounting

Subject: Reserve Policy

---

### **RECOMMENDATION**

It is recommended that the Board of Directors adopt the updated Reserve Policy governing all Agency funds (Attachment A).

### **BACKGROUND**

In May 2014 the Board of Directors adopted an updated Reserve Policy (Policy) governing all Agency funds. Establishment and sustainment of appropriate fund reserves is consistent with sound prudent fiscal practices, compliant with legal requirements, and essential to ensure the Agency can effectively address economic and environmental variability.

The Board recognizes the need to periodically refine reserve categories and recalibrate minimum and target levels to ensure they remain relevant and align with Agency policies and strategic goals. The intent of the update is to refine the Policy as certain planning documents or initiatives were completed, such as the Fiscal Year 2016/17 – 2025/25 ten year capital improvement plan (TYCIP), the asset management program (AMP), re-structuring of the imported water rates to more appropriately cover costs for the regional water resource program, and to support long term regional water sustainability initiatives, such as the Santa Ana River Conservation Conjunctive Use Program (SARCCUP).

Significant changes in the 2016 Reserve Policy as summarized in Exhibit A, include the addition of Water Connection Reserve. New water connection fees collected in the Agency's service area to support capital acquisition, construction and system improvements of the Agency's regional



water and recycled water systems will be recorded in the new Water Connection Reserve. The Supplemental Water reserve is changing to the Water Resources Capital reserve to support investment in capital infrastructure, water storage, and purchase of supplemental water supplies. The primary funding sources will be property taxes for the Water Resources Capital reserve. Establishment of this reserve will provide more transparency on the use of funding sources to support long term water quality, reliability and sustainability for the region.

A new sinking fund reserve is also being established to support planned rehabilitation, relocation and decommissioning of regional wastewater facilities. Included the Agency's FYs 2017-2026 TYCIP is the relocation of the Regional Plant No. 2 (RP-2) solids handling facility and the rehabilitation RP-1, the Agency's oldest wastewater treatment facility. The estimated project costs for these projects may exceed \$100 million each. Another sinking fund established in the Regional Wastewater program will support the early repayment of the 2008A Revenue Bonds which will be callable in November 2017.

Another key change is the calculation of the target levels for Capital Construction and R&R reserves. The TYCIP costs for each program fund serve as the basis for both the maximum and minimum levels. The minimum level is set at the ten year average of R&R costs. For the maximum level for each program fund will be set at the greater of; three times the average of TYCIP costs, or 3 times the average of TYCIP costs paid for on a "pay-go" basis, net of debt proceeds. Using the TYCIP average will help to "smooth" reserve levels and avoid fluctuations from year to year.

The updated Reserve Policy reflecting all of the proposed modifications to reserve categories and thresholds is provided under Attachment A. Upon Board approval, the FY 2016/17 Budget, to be amended on June 15, 2016, will be updated to reflect the updated Reserve Policy.

The Reserve Policy supports the Agency's Business Goals Fiscal Responsibility commitment to preserve the fund reserves that sustain the Agency's long term fiscal health, high quality credit rating and ensure its ability to effectively address economic variability.

### **PRIOR BOARD ACTION**

The Board adopted the updated Reserve Policy for all Agency funds on May 21, 2014.

### **IMPACT ON BUDGET**

None.

Exhibit A: Proposed Changes to Reserve Categories

Exhibit B: Proposed Levels by Reserve Category

Attachment A: Reserve Policy Updated May 2016

**Exhibit A: Proposed Changes to Reserve Categories**

Current Reserve Categories	Proposed Reserve Categories
<b>Restricted Reserves</b>	
Operating Contingency	No Changes
Debt Service	
Capital Construction Reimbursement Account (CCRA)	
<b>Water Connection</b>	
<b>Designated Reserves</b>	
Capital Construction	No changes
Replacement and Rehabilitation (R&R)	
Self-Insurance Program	
Supplemental Water Resources	Water Resources Capital
<b>Sinking Fund</b>	
<b>Undesignated (Unrestricted) Reserve</b>	
Employee Retirement Benefits	No Changes

**Exhibit B: Proposed Levels by Reserve Category**

Reserve	Min.	Target	IEUA (\$ Millions)		
			Min.	Target	Actual Jun '15
<b>Operating Contingency*</b>	4 Mo OPEX <sup>(1)</sup>	6 Mo OPEX	\$26.1	\$39.2	\$30.2
<b>Debt Service</b>	10 year average of debt service less bonds pay-down (e.g. 2008A) and inter-fund loan	Highest annual debt service in next 5 years	23.5	50.9	20.1
<b>Water Connection</b>	No set target defined		0	0	0
<b>Capital Construction<sup>(3)</sup> (including CCRA)</b>	10 year average of CAPEX <sup>(2)</sup>	Review annually and adjusted reserve with one of the following options based on the TYCIP update: a) 3 times 10 year average, or b) 3 times 10 year average pay-go (CIP less funding from bonds or state loan proceeds)	53.6	69.0 <sup>(4)</sup>	49.8
<b>Rehabilitation &amp; Replacement (R&amp;R)</b>	10 year average R&R	Review annually and adjusted reserve with one of the following options based on the TYCIP update: a) 3 times 10 year average, or b) 3 times 10 year average pay-go (R&R less funding from bonds or state loan proceeds)	11.0	25.2 <sup>(4)</sup>	26.5
<b>Self-Insurance Program</b>	Determined by Risk Mgmt.	\$6 Million	6.0	6.0	6.0
<b>Water Resources Capital</b>	\$10 Million	\$30 Million	10.0	30.0	0

Reserve Policy Update

May 18, 2016

Page 5

<b>Sinking Fund</b>	Determined based on designated projects as approved by the Agency's Board of Directors	0	0	0	
<b>Employee Retirement Benefit</b>	\$6 Million	Adjusted based on total Annual Required Contribution	6.0	8.0	9.7
<b>Total Reserves</b>		<b>\$136.2</b>	<b>\$228.3</b>	<b>\$142.3</b>	

- (1) OPEX – Operating Expenses
- (2) CAPEX – Capital Expenditures
- (3) Construction reserve includes the Capital Capacity Reimbursement Account (CCRA) balance
- (4) Applied option “b” 10 year average pay-go for calculating target reserve

**INLAND EMPIRE UTILITIES AGENCY  
RESERVE POLICY  
May 2016**

**ATTACHMENT A**

**Table of Contents**

Policy Statement .....	1
Purpose of Policy .....	2
Roles and Responsibilities .....	3
<b>RESERVED (RESTRICTED) FUND BALANCES .....</b>	<b>4</b>
Operating Contingency Reserve .....	4
Debt Service Reserves .....	4
Water Connection Reserves.....	5
<b>DESIGNATED FUND BALANCES .....</b>	<b>5</b>
Capital Construction Reserves.....	5
Replacement and Rehabilitation (R&R) Reserves.....	6
Self-Insurance Program Reserve.....	7
Water Resources Capital Reserve.....	8
Sinking Fund Reserve .....	8
<b>UNDESIGNATED FUND BALANCES .....</b>	<b>9</b>
Employee Retirement Benefit Reserve.....	9

**INLAND EMPIRE UTILITIES AGENCY**  
**RESERVE POLICY**  
**May 2016**

**ATTACHMENT A**

**Policy Statement**

The Inland Empire Utilities Agency (Agency or IEUA) has historically maintained fund reserves to ensure sufficient funding is available to meet its operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events. As a regional provider of essential public services and with an extensive investment in public infrastructure, operating facilities, other related assets; the Agency must establish and maintain a prudent level of reserves to meet its commitment to deliver reliable and high quality essential services to its customers. In addition, by maintaining prudent reserves the Agency has the necessary financial flexibility to effectively respond to economic, environmental and regulatory changes, protect its customers against reducing service levels or raising rates and fees because of temporary revenue shortfalls or unforeseen one-time expenditures, and support the Agency's Business Goals.

**Purpose of Policy**

The policy directives outlined in this document are intended to ensure fund reserves support the Agency's Business Goals adopted by the Board in October 2013, in particular its commitment to *"preserve fund reserves that sustain the Agency's long term fiscal health, high quality credit rating and ensure its ability to effectively address economic variability"*.

The Agency is committed to ensure its customers benefit from reliable, sustainable and high quality water supplies and cost-effective wastewater collection, treatment, and reuse services. Given the direct impact these essential services have to public health and the overall quality of life, very few options exist, if any, for service reduction levels in the event of revenue shortfalls or other funding deficiencies. In recognition of these realities, and consistent with best practices, the Agency has prudently established reserves to ensure delivery of these essential services.

The IEUA Board of Directors (Board) may designate specific reserves and set minimum and target balances to support the various funds (programs) that account for its water, wastewater treatment, recycled water and other activities. Establishing and maintaining adequate reserves for the various programs minimizes the risk of significant fluctuation in rates and charges due to changes, such as a shortfall in revenues or unanticipated expenses.

As an issuer of revenue bonds and recipient of low interest loans, the Agency is committed to its contractual obligation to pay debt service and other financial obligations as imposed by bond covenants and loan agreements. In addition, adequate reserves directly affect the Agency's credit rating and access to more favorable interest rate debt markets resulting in lower borrowing costs. Sustainment of high quality credit rating will ensure the Agency's ability to finance construction, expansion, and improvement of facilities and infrastructure to meet higher service demands from future growth. The Agency is committed to improving its long term credit to AAA and maintaining a debt coverage ratio that supports such rating. (Business Goal: Fiscal Responsibility).

**INLAND EMPIRE UTILITIES AGENCY  
RESERVE POLICY  
May 2016**

**ATTACHMENT A**

**Roles and Responsibilities**

The Reserve Policy shall be adopted by the Board of Directors and reviewed annually during the budget review process to ensure appropriate use of reserve funds and modification of targeted reserve balances for the various funds (programs). The Agency's Chief Financial Officer/Assistant General Manager (CFO/AGM) shall serve as the designated administrator of the Reserve Policy and shall be responsible for the day-to-day implementation and management.

**Types of Reserves**

Reserve balances shall be maintained in amounts sufficient to meet appropriate reserve targets, as established by the Board, in cash and/or cash equivalents, and permitted investments as prescribed in the Agency's Investment Policy. The Agency classifies reserves into three major categories as follows:

- **Restricted reserves** – Funds maintained based on externally-imposed restrictions from federal and state regulatory requirements, or legal restrictions imposed by third parties, (example, bondholders) through bond indentures or other contractual agreements (example: Regional Sewage Service Contract).
- **Designated reserves** – Board imposed restrictions on funds for Agency specific purposes such as mitigating risk from the Agency's self-insurance programs and financing replacement and rehabilitation (R&R) of Agency assets. These funds are not legally restricted. In the event of emergency, the Board has the discretion to reassign the spending from the reserve.
- **Unrestricted reserves** – The internal policy of the Agency requires maintenance of adequate undesignated (unrestricted) reserves to finance requirements such as investment in capital and operational efficiencies, payment of unfunded accrued liabilities for retirement benefits, and refunding of high interest debt obligations. Funds in these reserves are available for spending with no legal, regulatory, or Board imposed restrictions.

For each of the reserves, the Agency has identified a purpose, appropriate target levels, funding sources, conditions under which they are to be used and replenished, and review dates for determining continued need. Any reserves in excess of the cumulative target amounts will be considered undesignated funds which can be used for any lawful purpose at the discretion of the Board of Directors.

**INLAND EMPIRE UTILITIES AGENCY**  
**RESERVE POLICY**  
**May 2016**

**ATTACHMENT A**

**RESERVED (RESTRICTED) FUND BALANCES**

**Operating Contingency Reserve**

Purpose: The Agency is committed to providing wastewater collection, treatment, disposal, optimizing beneficial use of recycled water and biosolids, and regional conservation and water use programs. The Agency strives to provide and maintain a rate structure that is affordable, stable and fully covers the fund (program) cost of service. However, unforeseen shortfalls in revenues or increases or operating costs require that the Agency periodically adjust rates and charges to achieve full cost of service recovery. This reserve is intended to minimize rate fluctuations as a result of unfavorable economic conditions or other factors beyond the control of the Agency that may result in reduced revenues or increased costs.

The Agency shall maintain an operating contingency reserve equal to a minimum of four (4) months, as mandated by legal requirements, and a target of six (6) months of total operating expenses as identified in the adopted budget for the current fiscal year. This level of reserve will provide customers and outside parties assurance that the Agency can operate for at least four months despite a significant shortfall in revenues or unplanned increase in expenses. The target level minimizes the risk of significant rate fluctuations as a result of unforeseen events.

Usage Requirements: This reserve can only be drawn upon if the Agency's operating revenues are not sufficient to pay operating expenses. Draws from these reserves shall be replenished within twelve months after use.

Target Level: The target level for Operating Contingency Reserve levels shall be maintained at a minimum of four (4) months, as mandated by legal requirements, and a target of six (6) months of the fund (program) adopted operating expenses for the current fiscal year.

Funding Source: Operating Contingency Reserve will be funded from net system revenues, (total operating revenues less total operating expenses).

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's operations and maintenance (O&M) and capital budget.

**Debt Service Reserves**

Purpose: As required by bond covenants and loan agreements, debt service reserves are maintained to support payment of principal and interest on outstanding obligations.

Usage Requirements: Debt service reserves will only be used to pay debt service costs when pledged net revenues (as defined in the relevant debt instruments) are insufficient to meet the principal and interest payments.



**INLAND EMPIRE UTILITIES AGENCY  
RESERVE POLICY  
May 2016**

**ATTACHMENT A**

**Target Level:** The target is equal to the highest annual debt service cost in the ensuing five (5) years. The minimum target will be funded to meet reserve requirements.

**Funding Source:** Includes one or combination of system revenues, property tax receipts, and/or restricted debt service accounts established as part of the original debt issuance.

**Review Timeline:** Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

**Water Connection Reserves**

**Purpose:** Water Connection reserves are restricted accounts established by the Agency to hold new water connection fees collected in the Agency's service area, in accordance with the ordinance on Water Connection Fees, Class of Water Service and Regulating the Sale and Delivery of Water within the Inland Empire Utilities Agency Service Area Water Ordinance (Water Ordinance).

**Usage Requirements:** Pursuant to the Water Ordinance, funds in this reserve are restricted to support capital acquisition, construction, equipment and process improvement costs, and related financing for the Agency's water and recycled water systems. The Agency collects the water connection fees and finances capital projects, as needed in the Water Resources (WW) Fund and Recycled Water (WC) Fund, to support the planned Capital Improvement Plan (CIP).

**Target Balance:** No set target is defined. Water Connection reserve balance will depend on the level of new development and the Agency's funding requirements to support the planned CIP in the WW and WC funds.

**Funding Source:** New water connections fees collected by the Agency for connection to the Agency's recycled water and water systems.

**Review Timeline:** Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

**DESIGNATED FUND BALANCES**

**Capital Construction Reserves**

**Purpose:** Capital construction reserve funds are used to finance capital investments such as construction, improvement or expansion of facilities and infrastructure, as well as acquisition of major equipment and technology. The services provided by the Agency are critical to the health and welfare of the citizens within the Agency's service area. The Agency is committed to ensure that systems are managed and constructed so that 90% of capacity is never exceeded (Business Goal; Wastewater Management Capacity). The reserve will include the Capital Capacity

**INLAND EMPIRE UTILITIES AGENCY**  
**RESERVE POLICY**  
**May 2016**

**ATTACHMENT A**

Reimbursement Accounts (CCRA) which was established by each of the Agency's "contracting member agencies" to hold new EDU connections fees collected in their respective service area, in accordance with the Regional Sewage Service Contract (Regional Contract).

Usage Requirements: Accessed, as needed, to fund capital investments based on the Agency's TYCIP and other long term planning documents including but not limited to: the Asset Management Plan, Integrated Resources Plan, Recycled Water Plan, Wastewater Facilities Master Plan, and Energy Plan.

Pursuant to the Regional Contract, CCRA funds, included in this reserve, are restricted to support capital acquisition, construction, equipment and process improvement costs, and related financing for the Agency's regional wastewater system. The Agency draws, or "calls", CCRA funds from member agencies as needed to support capital expenditures in the Regional Wastewater Capital Improvement (RC) fund, if and when, capital construction reserves held by the Agency are not sufficient.

Target Balance: The maximum target level will be reviewed annually and each program fund can apply one of the following options to calculate the target reserve in reference to the program fund's CIP costs and funding support (e.g. bond or loan proceeds):

- a) Maximum target level is equal to ten year average of CIP times three (3) fiscal year,  
or
- b) Maximum target level is equal to ten year average of pay-go times three (3) fiscal years, as identified in the TYCIP. Pay-go for capital construction is CIP costs net of bond or loan proceeds.

The minimum target level is equal to ten year average of CIP costs.

Funding Source: Combination of system revenues generated from rates and user charges, property tax receipts, debt proceeds issued to finance specific capital investments, and new EDU connections fees collected by each contracting member agency for connection to the Agency's regional wastewater system.

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

### **Replacement and Rehabilitation (R&R) Reserves**

Purpose: Maintaining assets in an operating condition to meet the Agency's level of service commitment to provide reliable and high quality services requires timely and adequate investment in replacement and rehabilitation (R&R) of Agency assets. R&R is defined as an expense which will extend, as opposed to maintain, an asset's useful life. The basis for R&R requirements will be end of useful life and condition assessments conducted by Engineering,

**INLAND EMPIRE UTILITIES AGENCY**  
**RESERVE POLICY**  
**May 2016**

**ATTACHMENT A**

Maintenance and Operations and reported in Asset Management Report updated every 3 to 5 years. The Agency's ultimate goal is finance planned R&R requirements with user rates and charges. This goal is consistent with the Regional Sewage Service Contract which requires the volumetric EDU rate to fully support operating, administration and R&R costs for the regional wastewater program.

Usage Requirements: As needed to finance unplanned R&R requirements, including R&R requirements identified in the Agency's asset management report but scheduled in subsequent fiscal years.

Target Balance: The maximum target level will be reviewed annually and can apply one of the following options to calculate the target reserve in reference to the program fund's R&R costs and funding support (e.g. bond or loan proceeds):

- a) Maximum target level is equal to ten year average of R&R costs times three (3) fiscal year, or
- b) Maximum target level is equal to ten year average of R&R pay-go times three (3) fiscal years, as identified in the TYCIP. Pay-go is R&R costs net of bond or loan proceeds.

The minimum target will be the total ten year average R&R costs.

Funding Source: System revenues generated from rates and user charges, net of operating costs and debt service costs.

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

### **Self-Insurance Program Reserve**

Purpose: An exposure/liability reserve shall be maintained for costs not covered by the Agency's insurance policies, such as claim costs within the Agency's deductibles, self-insurance retentions, and/or costs associated with disasters, and other events that are not reimbursable from insurance. The reserve shall also provide funding to mitigate various catastrophic and other events that may or may not be covered by insurance. These events may include, but are not limited to; legal settlements, terrorist attacks, natural disasters, such as earthquakes, and severe weather storms.

Additionally, the Agency has elected to self-insure for potential workers' compensation claims. With a workforce of nearly 300, the Agency's exposure to work-related injuries increases.

Usage Requirements: Accessed as needed for non-recoverable expenses associated with claims against the Agency. In the event of a claim in excess of policy limitations and available operating funds, the reserve will be used to satisfy that claim. In the event of a workers'

**INLAND EMPIRE UTILITIES AGENCY  
RESERVE POLICY  
May 2016**

**ATTACHMENT A**

compensation claim(s) in excess of policy limitations and available operating funds, the reserve will be used to satisfy the claim and/or to pay legal expenses defending the claim

Target Level: The target level will be set at \$6 million, including \$1,000,000 maximum exposure per occurrence for workers compensation claim.

Funding Source: Property tax receipts allocated to the Administrative Services (GG) fund and inter-fund transfers from other funds, as needed.

Review Date: Fund balance to be analyzed by Risk Management every two years to determine an appropriate funding level.

**Water Resources Capital Reserve**

Purpose: This reserve will support investment in regional water resources projects and supplemental water purchases for purposes of increasing water use efficiency, water quality, water reliability and water sustainability in the Chino Basin (Business Goal: Water Reliability). Projects include but is not limited to; regional water storage, related infrastructure and investments.

Usage Requirements: Finance regional water resource management projects identified in the Agency's long term planning documents, such as; Integrated Resources Plan (IRP), Urban Water Management Plan (UWMP), and Water Use Efficiency Business Plan (WUEBP)

Target Level: A minimum target level of \$10 million and a target level of \$30 million.

Funding Source: Combination of water connection fees, property tax receipts, net proceeds from the sale of supplemental water, and inter-fund loans, as needed.

Review Timeline: Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's O&M and capital budget.

**Sinking Fund Reserve**

Purpose: Sinking fund reserves are the systematic accumulation of funds set aside for a specified time frame for the specific purpose of funding major capital projects that cannot be funded by rates/fees or issuance of new debt. These funds are restricted to support the anticipated costs related to the planned rehabilitation of Regional Plant No. 1, future decommissioning of Regional Plant No. 2, or prepayment of debt. Reserves can be used for the design, capital acquisition, construction, equipment and process improvement costs and debt defeasance.

Usage Requirements: This reserve can only be drawn upon for the designated purpose for which it was established, unless otherwise approved by the Board of Directors.

**INLAND EMPIRE UTILITIES AGENCY  
RESERVE POLICY  
May 2016**

**ATTACHMENT A**

**Target Level:** The maximum target balance in the Sinking Fund Reserves shall be determined based on the designated capital needs as approved by Agency's Board of Directors.

**Funding Source:** Sinking Fund Reserve will be funded by property tax receipts and if needed, rates and charges.

**Review Timeline:** Fund balances and target level will be reviewed by staff and the Board as part of the preparation and approval of the Agency's operations and maintenance (O&M) and capital budget.

**UNDESIGNATED FUND BALANCES**

**Employee Retirement Benefit Reserve**

**Purpose:** The Agency provides postemployment pension and medical benefits to eligible employees who retire from the Agency. For pension benefits, the Agency contributes to a defined benefit pension plan under the California Pension Employees' Retirement System (CalPERS). CalPERS is also the provider of retiree medical coverage benefits, which is referred to as other post-employment benefits (OPEB).

Like most public Agencies, the Agency is facing growing unfunded accrued liabilities (UALs) for postretirement benefits. A key objective of the Agency is to develop a funding strategy to fully fund UALs over an appropriate period of time in order to safeguard retiree benefits and the Agency's financial health.

**Usage Requirements:** To mitigate the impact of annual increase of the annual contribution amounts in excess of the budgeted amount

**Target Level:** This minimum target amount will be set at \$6 million and increased annually up to the target level. The target level will be adjusted based on the total Annual Required Contribution (ARC) amount budgeted in the subsequent fiscal year.

**Funding Source:** Combination of property tax receipts and indirect allocation of employment costs across all Agency funds (programs) from the Administrative Services (GG) fund.

**Review Timeline:** Reserves will be adjusted in conjunction with the annual actuarial valuation updates for pension and biennially for OPEB

**ACTION  
ITEM**

**2C**



---

Date: May 18, 2016

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (05/11/2016)

From: *Jo* P. Joseph Grindstaff *CK*  
General Manager

Submitted by: *CK* Christina Valencia  
Chief Financial Officer/Assistant General Manager

*JL #882* Javier Chagoyen-Lazaro  
Manager of Finance and Accounting

Subject: Debt Management Policy

---

### **RECOMMENDATION**

It is recommended that the Board of Directors adopt the proposed Debt Management Policy governing all Agency's debt (Attachment A).

### **BACKGROUND**

The Debt Management Policy demonstrates the Agency's effort to standardize the issuance and management of debt. The primary objective of the debt management policy is to establish conditions for the use of debt and to create procedures and policies that minimize the Agency's debt service and issuance costs, retain a high quality credit rating, and maintain full and complete financial disclosure and reporting.

The Debt Management Policy is an important tool in ensuring the use of Agency resources to meet its commitments of providing essential services to its stakeholders and to maintain sound financial management practices. This policy provides guidelines for the use of debt for financing Agency needs. The Debt Management Policy is a guideline for general use, and as such, allows for exceptions when necessary.

The Debt Management Policy sets forth comprehensive guidelines for the use of debt financing and prepayment or refunding of outstanding debt. It is the objective of the policy to (1) obtain debt financing only when necessary, (2) establish the process for identifying the timing and amount of debt or other financing to be as efficient as possible, (3) obtain the most favorable interest rate and other related costs, (4) when appropriate, that future financial flexibility be maintained.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

Exhibit A: Summary of the Debt Policy  
Attachment A: Debt Management Policy, May 2016



Exhibit A – Summary of Debt Policy

Debt Management Policy	
<b>Purpose of Policy</b>	
	• Establish parameters of issuing debts
	• Provide guidance to decision makers
	• Promote objectivity in the decision-making process
	• Adhere to legal requirements for the issuance of debt
<b>Debt Management</b>	
	• Assess long term and short term financing needs
	• Evaluate financing or refinancing vehicles
	• Establish and monitor debt coverage target
	• Comply with disclosure requirements

**INLAND EMPIRE UTILITIES AGENCY**  
**DEBT MANAGEMENT POLICY**  
**May 2016**

Table of Contents

Policy Statement.....	3
Purpose of Policy .....	3
Purpose and Use of Debt.....	4
Debt Management .....	5
Debt.....	6
Coverage Target.....	6
Debt Instrument Rating.....	6
Debt Structuring.....	6
Types of Debt.....	7
Credit Enhancement.....	7
Debt Service Reserve Fund/Surety Policy.....	7
Call Options/Redemption Provisions.....	7
Debt Issuance .....	8
Credit Ratings.....	8
Rating Agency Relationships.....	8
Bond Ratings.....	8
Method of Sale .....	9
Roles and Responsibility .....	9
Bond Counsel .....	10
Financial Advisors.....	10
Underwriters.....	10
Federal Arbitrage and Rebate Compliance .....	11
Continuing Disclosure.....	11
Compliance with Bond Covenants.....	12
Policy Review .....	12
Revenue Bonds.....	14
Short Term Debt.....	14

**INLAND EMPIRE UTILITIES AGENCY  
DEBT MANAGEMENT POLICY  
May 2016**

**Derivatives .....15**

**INLAND EMPIRE UTILITIES AGENCY**  
**DEBT MANAGEMENT POLICY**  
**May 2016**

**Policy Statement**

This policy documents the Inland Empire Utilities Agency (Agency) goals and guidelines for the use of debt instruments for financing Agency water and sewer infrastructure, projects, and other financing needs. The Agency recognizes the need to invest in ongoing capital replacement and rehabilitation of its facilities to ensure future viability of services.

The Agency will pay for infrastructure, projects, and other financing needs from a combination of current revenues, available reserves, and prudently issued debt. The Agency acknowledges that debt can provide an equitable means of financing projects for its customers and provide access to new capital needed for infrastructure and project needs. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is the most cost-effective means available; (iii) if it is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (v) if there are other important policy reasons therefor. The Agency will not issue debt without the approval of the Board of Directors (Board).

To enhance creditworthiness and prudent financial management, the Agency is committed to systematic capital planning, and long-term financial planning. Evidence of this commitment to long term capital planning is demonstrated through adoption and periodic adjustment of the Agency's Ten Year Capital Improvement Plan (TYCIP) identifying the benefits, costs and method of funding each capital improvement planned for the succeeding ten years. Capital projects included in the TYCIP are typically first identified in the Agency's long term planning documents, amongst them the Wastewater Facilities Master Plan, Asset Management Plan, Recycled Water Program Strategy, and Integrated Resources Plan.

**Purpose of Policy**

The purpose of this debt management policy is to:

- To establish parameters for issuing debt
- Provide guidance to decision makers:
  - With respect to options available to finance infrastructure, projects, and other financing needs,
  - So that the most prudent, equitable and cost effective method of financing can be chosen
- Promote objectivity in the decision-making process.

The Agency will adhere to the following legal requirements for the issuance of public debt:

- The state law which authorizes the issuance of the debt
- The federal and state law which govern the eligibility of the debt for tax-exempt status
- The federal and state law which govern the issuance of taxable debt

**INLAND EMPIRE UTILITIES AGENCY**  
**DEBT MANAGEMENT POLICY**  
**May 2016**

- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance
- Generally Accepted Accounting Principles (“GAAP”)

**Purpose and Use of Debt**

The Agency will utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term improvements and thus ensure that existing and future users pay their fair share. Long-term improvements include the acquisition of land, facilities, infrastructure, and supplies of water; and enhancements or expansions to existing water and sewer capacity and facilities. Debt can be issued to fund the planning, pre-design, design, land and/or easement acquisition, construction, and related fixtures, equipment and other costs as permitted by law. The Agency will not issue debt to cover operating needs, unless specifically approved by the Board.

The Agency may issue short term financing to finance certain essential equipment and vehicles. These assets range from service vehicles to laboratory equipment. The underlying asset must have a minimum useful life of one year or more. Short-term financings, including loans, on bill financing and capital lease purchase agreements, are executed to meet such needs.

The CFO/AGM will periodically evaluate the Agency’s existing debt and execute re-financings or prepayment (refunding) when economically beneficial. A refinancing may include the issuance of bonds to refund existing bonds or the issuance of bonds in order to refund other obligations, such as commercial paper or loans.

All debt issuance or refunding proposals made by the Agency involving a pledge or other extension of the Agency’s credit through the sale of securities, execution of loans or leases, or making of guarantees or otherwise involving directly or indirectly the lending or pledging of the Agency’s credit shall be reviewed by the CFO/AGM. The CFO/AGM shall be responsible for analyzing the debt financing proposal to determine if it is beneficial to the Agency and complies with the Agency’s long-term financial planning objectives.

The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized. Debt may only be issued under Board authorization and when the Agency has appropriated sufficient funds to pay the obligation of principal and interest. No debt shall be issued with a maturity date greater than the expected weighted average useful life of the facilities or improvements being financed. The final maturity of bond or State Revolving Fund (SRF) loan debt shall be limited to 30 years after the date of issuance.

**INLAND EMPIRE UTILITIES AGENCY**  
**DEBT MANAGEMENT POLICY**  
May 2016

**Debt Management**

There are no specific provisions within the California Government Code that limit the amount of debt that can be issued by the Agency. The Agency will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting, and rate setting process. Necessary appropriations for annual debt service requirements will be routinely included in the Agency's budget. The Agency will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible interest rates.

The Agency's Debt Management Policy, Reserve Policy and Investment Policy are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such, the following principles outline the Agency's approach to debt management:

- The Agency will issue debt only in the case where there is an identified source of repayment. Debt will be issued to the extent that (i) projected existing revenues are sufficient to pay for the proposed debt service together with existing debt service covered by such existing revenues, or (ii) additional revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.
- The Agency will not issue debt to cover operating needs, unless specifically approved by the Board.
- Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future users. Borrowings by the Agency should be of a duration that does not exceed the useful life of the improvement that it finances and where feasible, should be shorter than the projected economic life. The standard term of long-term borrowing is typically 20-30 years.
- The Agency currently issues securities on a fixed and variable interest rate basis. Fixed rate securities ensure budget certainty through the life of the securities and can be advantageous in a low interest rate environment. When appropriate, the Agency may choose to issue securities that pay a rate of interest that varies according to a predetermined formula or results from a periodic remarketing of the securities.

The proceeds of the bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of safety. The Agency's Investment Policy and the specific bond indentures govern objectives and criteria for investment of bond proceeds. The CFO/AGM will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions.

**INLAND EMPIRE UTILITIES AGENCY**  
**DEBT MANAGEMENT POLICY**  
**May 2016**

The CFO/AGM will monitor dedicated debt reserve fund balances and periodically review the advisability of prepayment or refunding of related debt. The financial advantages of a current refunding must outweigh the cost of reissuing new debt. A potential refunding will be assessed in combination with any new capital projects requiring financing, and the benefits of the refunding will be evaluated in relation to its costs and risks.

Debt can be refunded to achieve one or more of the following objectives:

- Reduce future interest costs; Restructure future debt service in response to evolving conditions regarding anticipated revenue sources; and
- Restructure the legal requirements, termed covenants of the original issue to reflect more closely the changing conditions of the Agency or the type of debt.

### **Debt Coverage Target**

The Agency will not engage in debt financing unless the proposed obligation, when combined with all existing debts, will result in acceptable debt ratios. In determining the affordability of proposed revenue bonds, the Agency will perform an analysis comparing projected annual net revenues (after payment of operating and maintenance (O&M expense) to estimated annual debt service and estimated debt coverage ratio (DCR) DCR is the amount of cash flow available to meet annual interest and principal payment on debt.

The Agency's bond covenants require a legal DCR of at least 120% for senior bonds and a coverage ratio of at least 125% for senior and subordinate debt combined. The Agency will require a rate increase to cover both O&M and debt service costs, and create debt service reserve funds to maintain the legally required DCR. The Agency's objective is to maintain a DCR above the legally required minimum that sustains a high quality credit rating.

### **Debt Instrument Rating**

The CFO/AGM with a financial advisor if appropriate, will assess whether a credit rating should be obtained for an issuance and make a recommendation to the Board. If it is determined that a credit rating is desirable, the probable rating of the proposed debt issuance is assessed before its issuance, and necessary steps are taken in structuring the debt issuance to ensure that the best possible rating is achieved.

### **Debt Structuring**

In structuring a debt issuance, the Agency will manage the amortization of debt, and to the extent possible, match its cash flow to the anticipated debt service payments. The Agency will seek to

**INLAND EMPIRE UTILITIES AGENCY  
DEBT MANAGEMENT POLICY  
May 2016**

structure debt with aggregate level principal and interest payments over the life of the borrowing. “Backloading” of debt service will be considered only when such structuring is beneficial to the Agency’s aggregate overall debt payment schedule.

**Types of Debt**

Revenue bonds, State Revolving Fund (SRF) loans, bank loans, notes, commercial paper, direct placements, capital leases, lease-purchase financing, and on bill financing. The weighted average useful life of the asset(s) or project shall exceed the payout schedule of any debt the Agency assumes. A definition on each type of debt is provided in Appendix A.

In addition to the aforementioned long and short term financing instruments, the Agency may also consider joint arrangements with other governmental agencies. Communication and coordination will be made with local governments regarding cost sharing in potential joint projects, including leveraging grants and funding sources.

The Agency is authorized to join with other special districts and/or municipal agencies to create a separate entity, a Joint Powers Authority (JPA), to issue debt on behalf of the Agency, the special district or municipality. The Agency will only be liable for its share of debt service, as specified in a contract executed in connection with the joint venture debt.

**Credit Enhancement**

Credit enhancement may be used to improve or establish a credit rating on an Agency debt obligation. Types of credit enhancement include Letters of Credit, bond insurance or surety policies. The CFO/AGM will recommend to the Board the use of credit enhancement if it reduces the overall cost of the proposed financing or if, in the opinion of the GM and/or CFO/AGM, the use of such credit enhancement furthers the Agency’s overall financial objectives.

**Debt Service Reserve Fund/Surety Policy**

Unless there are extraordinary circumstances, the Agency will size the debt issuance such that a debt service reserve fund is established at the time of issuance. On a case-by-case basis, assuming there is no economic or credit disadvantage, the Agency may issue bonds without a debt service reserve fund or a reserve that is sized at a lower level. Debt reserves will be maintained in accordance with the Agency’s Reserve Policy.

**Call Options/Redemption Provisions**

The CFO/AGM will evaluate and recommend to the Board the use of a call option, if any, and call protection period for each issuance. A call option, or optional redemption provision, gives the



**INLAND EMPIRE UTILITIES AGENCY  
DEBT MANAGEMENT POLICY  
May 2016**

Agency the right to prepay or retire debt prior to its stated maturity. This option may permit the Agency to achieve interest savings in the future through refunding of the bonds.

Debt Issuance

**Credit Ratings**

The Agency will seek to maintain the highest possible credit ratings that can be achieved for debt instruments without compromising the Agency's policy objectives. Ratings are a reflection of the general fiscal soundness of the Agency and the capabilities of its management. By maintaining the highest possible credit ratings, the Agency can issue its debt at a lower interest cost. To enhance creditworthiness, the Agency is committed to prudent financial management, systematic capital planning, and long-term financial planning.

The Agency recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Each proposal for additional debt will be analyzed for its impact upon the Agency's debt rating on outstanding debt.

**Rating Agency Relationships**

The Agency shall be responsible for maintaining Agency's relationships with the rating agencies; Standard & Poor's, Moody's Investors Service, and Fitch Investors Service, as appropriate. This effort shall include providing periodic updates, both formal and informal, on the Agency's general financial condition and coordinating meetings and presentations in conjunction with a new debt issuance when determined necessary. Written disclosure documents to the rating agencies shall be provided by the Finance and Accounting Department.

The retention of a rating agency relationship will be based on a determination of the potential for more favorable interest costs as compared to the direct and indirect cost of maintaining that relationship.

**Bond Ratings**

The CFO/AGM working with the Agency's financial advisor, shall be responsible for determining whether a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

**INLAND EMPIRE UTILITIES AGENCY  
DEBT MANAGEMENT POLICY  
May 2016**

**Method of Sale**

The Agency will select the method of sale, which best fits the type of bonds being sold, market conditions, and the desire to structure bond maturities to enhance the overall performance of the entire debt portfolio. Three general methods exist for the sale of municipal bonds:

- I. **Competitive sale.** Bonds will be marketed to a wide audience of investment banking (underwriting) firms. The underwriter is selected based on its best bid for its securities. The Agency will award the sale of the competitively sold bonds on a true interest cost (TIC) basis. Pursuant to this policy, the GM and/or CFO/AGM is hereby authorized to sign the bid form on behalf of the Agency fixing the interest rates on bonds sold on a competitive basis.
- II. **Negotiated sale.** The CFO/AGM selects the underwriter, or team of underwriters, of its securities in advance of the bond sale. The CFO/AGM works with the underwriter to bring the issue to market and negotiates all rates and terms of the sale. In advance of the sale, the GM and/or CFO/AGM will determine compensation for and liability of each underwriter employed and the designation rules and priority of orders under which the sale itself will be conducted. Pursuant to this policy, the GM and/or CFO/AGM is hereby authorized to sign the bond purchase agreement on behalf of the Agency fixing the interest rates on bonds sold on a negotiated basis.
- III. **Private placement.** The Agency may elect to issue debt on a private placement bases. Such method shall be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or of it is determined that access to the public market is unavailable and timing considerations require that a financing be completed.

**Roles and Responsibility**

The primary responsibility for developing debt financing recommendations rests with the CFO/AGM. In developing such recommendations, the CFO/AGM shall consider the need for debt financing and assess progress on the current capital improvement program or plan (CIP) and any other program/improvement deemed necessary by the Agency. The Board authorize and approve debt financing and/or debt service related recommendations and proposals.

All proposed debt financings shall be presented to the Board through the Finance, Legal, and Administrative Committee and approved by the Board. New bond issues will be issued through the Chino Basin Regional Financing Authority (CBRFA) pursuant to a corresponding Installment Purchase Agreement between the CBRFA and the Agency. The Installment Purchase Agreement provides for the Agency's pledge of designated revenues, the setting of rates and charges sufficient to meet the debt obligations and the payment of debt obligations.

**INLAND EMPIRE UTILITIES AGENCY**  
**DEBT MANAGEMENT POLICY**  
**May 2016**

Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of California Government Code (CGC) §54300 et seq.

**Bond Counsel**

The Agency will retain external bond counsel for all debt issues. As part of its responsibility to oversee and coordinate the marketing of all Agency indebtedness, the CFO/AGM shall make recommendations for approval by the Board on the retention of bond counsel.

Bond counsel will prepare the necessary authorizing resolutions, agreements and other documents necessary to execute the financing. All debt issued by the Agency will include a written opinion by bond counsel affirming that the Agency is authorized to issue the debt, stating that the Agency has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.

**Financial Advisors**

The Agency will select financial advisors who may either be independent financial advisors or firms who engage in municipal bond underwriting or brokerage services. While serving as the Agency's financial advisor, a firm may not also engage in the underwriting of the Agency bond issue for which that firm acts as financial advisor. A firm may also not switch roles (i.e., from financial advisor to underwriter) after a financial transaction has begun. Financial advisors shall be selected through a competitive process after a review of proposals by the CFO/AGM and/or other staff.

During the contract term of any party acting as financial advisor, neither the firm nor any individual employed by that firm will perform financial advisory, investment banking or similar services for any entity other than the Agency in transactions involving an Agency financial commitment without the specific direction of the Agency's CFO/AGM.

**Underwriters**

For negotiated sales, the Agency will generally select or pre-qualify underwriters through a competitive process. This process may include a request for proposal or qualifications to all firms considered appropriate for the underwriting of a particular issue or type of bonds. The CFO/AGM will determine the appropriate method to evaluate the underwriter submittals and then select or qualify firms on that basis. The Agency will not be bound by the terms and conditions of any underwriting agreement; oral or written, to which it was not a party.

**INLAND EMPIRE UTILITIES AGENCY  
DEBT MANAGEMENT POLICY  
May 2016**

**Federal Arbitrage and Rebate Compliance**

The Agency will fully comply with federal arbitrage and rebate regulations. Concurrent with this policy, the CFO/AGM will take all permitted steps to minimize any rebate liability through proactive management in the structuring and oversight of its individual debt issues. All of the Agency's tax-exempt issues, including lease purchase agreements, are subject to arbitrage compliance regulations.

The Department of Financial Planning shall be responsible for the following:

- I. Monitoring the expenditure of bond proceeds to ensure they are used only for the purpose and authority for which the bonds were issued and exercising best efforts to spend bond proceeds in such a manner that the Agency shall meet one of the spend-down exemptions from arbitrage rebate. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds will be expended within the three-year temporary period.
- II. Monitoring the investment of bond proceeds with awareness of rules pertaining to yield restrictions. Maintaining detailed investment records, including purchase prices, sale prices and comparable market prices for all securities.
- III. Contracting the services of outside arbitrage consultants to establish and maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of federal tax code.

To the extent any arbitrage rebate liability exists, the Agency will report such liability in its annual Comprehensive Annual Financial Report (CAFR).

**Continuing Disclosure**

The Agency will meet secondary disclosure requirements in a timely and comprehensive manner, as stipulated by the Securities Exchange Commission (SEC) Rule 15c2-12. The GM or CFO/AGM shall be responsible for providing ongoing disclosure information to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access (EMMA) system, the central depository designated by the SEC for ongoing disclosures by municipal issuers. The Agency will provide financial information and operating data no later than 270 days following the end of the Agency's fiscal year each year, and will provide notice of certain enumerated events with respect to the bonds, if material, as defined in the Agency's bond covenants.

The Agency will keep current with any changes in both the administrative aspects of its filing requirements and the national repositories responsible for ensuring issuer compliance with the continuing disclosure regulations. In the event a 'material event' occurs requiring immediate

**INLAND EMPIRE UTILITIES AGENCY**  
**DEBT MANAGEMENT POLICY**  
**May 2016**

disclosure, the Agency will ensure information flows to the appropriate disclosure notification parties.

**Compliance with Bond Covenants**

In addition to financial disclosure and arbitrage compliance, once the bonds are issued, the Agency is responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments
- Timely transfer of debt service payments to the trustee or paying agent
- Compliance with insurance requirements
- Compliance with rate covenants where applicable
- Compliance with all other bond covenants

On an annual basis, the Finance and Accounting Department will prepare all required debt related schedules and footnotes for inclusion in the Agency's CAFR. The CAFR shall describe in detail all funds and fund balances established as part of any direct debt financing of the Agency.

The CAFR may also contain a report detailing any material or rate covenants contained in any direct offering of the Agency and whether or not such covenants have been satisfied.

**Policy Review**

On an as needed basis, the CFO/AGM will be responsible for updating and revising this Policy which shall be reviewed by the Finance, Legal, and Administrative Committee and adopted by the Board.

INLAND EMPIRE UTILITIES AGENCY  
DEBT MANAGEMENT POLICY  
May 2016

APPENDIX "A"

Definitions of Types of Debt

*Bank Loans and Notes*

Use of short-term borrowing, such as bank loans and notes, will be undertaken only if available cash or reserves are insufficient to meet both project needs and current obligations.

*Capital Lease*

Capital lease debt may be considered to finance capital improvements, including vehicles and equipment with an expected useful life of less than ten years. A capital lease is a lease in which the lessor finances the lease and all other rights of ownership transfer to the Agency.

*Derivatives*

The Agency may choose to enter into contracts and financing agreements involving interest rate swaps, floating/fixed rate auction or reset securities, or other forms of debt bearing synthetically determined interest rates as authorized under the applicable statutes. The Agency will consider the use of derivative products on a case-by-case basis and consistent with state statute and financial prudence. Before entering into such contracts or agreements, the Agency will review the risks and benefits of such financing techniques and expected impacts on the Agency's long-term financial operations and credit ratings. The report, when completed, shall be presented to the Board of Directors through the Finance, Legal and Administration Committee for approval.

*Lease-Purchase Financing*

The use of lease-purchase agreements in the acquisition of vehicles, equipment and other capital assets shall be considered carefully relative to any other financing option. The lifetime cost of a lease typically will be higher than other financing options or pay-go purchases. Nevertheless, lease-purchase agreements may be used by the Agency as funding options for capital acquisitions if operational or cash-flow considerations preclude the use of other financing techniques.

**INLAND EMPIRE UTILITIES AGENCY**  
**DEBT MANAGEMENT POLICY**  
May 2016

*On Bill Financing*

The Agency may choose to enter into low or zero interest financing agreements with utility providers who offer On Bill Financing. This type of financing offers financing of business improvements little to no interest and no fees or costs to the Agency. Repayment amounts will be based on projected savings associated with the project and will be part of the monthly bill received from the issuer. Financing terms can range from three to ten years depending on the project to be financed.

*Revenue Bonds*

Revenue bonds issued by the Agency are long term obligations issued to fund a specific project or purpose. The Agency will generally issue revenue bonds on a fixed interest rate basis, wherein at the time of the bond sale all interest rates are known and do not change while those bonds are outstanding. Particular conditions may arise where the Agency would consider the use of variable interest rate bonds. Variable interest rate bonds have interest rates that reset on a periodic basis (e.g. daily, weekly, monthly, etc.). Revenue bonds are payable solely from Agency revenues in accordance with the agreed upon bond covenants.

*Short Term Debt*

Pending the issuance of bonds the Board may authorize the issue of short term debt. Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues, where anticipated revenues are defined as an assured revenue source with the anticipated amount based on conservative estimates. The CFO/AGM will determine and utilize the least costly method for short-term borrowing. Such debt shall be authorized by resolution of the Board.

These short term notes may be structured as:

- Bond Anticipation Notes (BANs) - BANs are short term obligations that will be repaid by proceeds of a subsequent long-term bond issue. The Agency may choose to issue Bond Anticipation Notes as a source of interim construction financing. Before issuing such notes, financing for such notes must be planned for and determined to be feasible by the GM and/or CFO/AGM.
- Commercial Paper (CP) - CP is a form of bond anticipation notes that has maturities up to 270 days although it may be rolled to a subsequent maturity date. Tax Exempt Commercial Paper shall not be issued for Agency capital programs unless it is of sufficient economic size, as determined by the GM and/or CFO/AGM.
- Tax and Revenue Anticipation Notes (TRANs) - TRANs are short term notes secured by a pledge of taxes and other revenues in the current fiscal year. TRANs, if issued, will

**INLAND EMPIRE UTILITIES AGENCY  
DEBT MANAGEMENT POLICY  
May 2016**

constitute direct obligations of the Agency backed by the full faith and credit of the Agency. All TRANs will be redeemed in the same fiscal year in which they are issued. The Agency may choose to issue Tax Revenue Anticipation Notes to fund internal working capital cash flow needs, if such notes are judged by the GM and/or CFO/AGM to be prudent and advantageous to the Agency.

*State Revolving Funds*

The State Revolving Fund (SRF) loan is a low or zero interest loan program for the construction of wastewater treatment and sewage collection systems, water recycling facilities, storm water projects, implementation of nonpoint source and storm drainage pollution control management programs, and for the development and implementation of estuary conservation and management programs. SRF debt service payments are factored into debt service coverage ratios as defined by applicable water and wastewater indentures.

SRF loans are generally structured such that the Agency is required to contribute a percentage of the total project cost and receives loan proceeds from the State for the balance. The SRF loan interest rate is calculated by taking half of the True Interest Cost (TIC) of the most recent State of California General Obligation Bonds sale. The term of the loans can be 20 or, if applicable, an extended financing term of 30 years. When compared to traditional bond financing, the Agency may realize substantial savings as a result of the 20 or 30-year amortization period of the SRF Loans.

SRF Loans may provide additional assistance in the form of principal forgiveness. Principal forgiveness must be specified at the execution of the loan agreement for the amount forgiven to be counted against the total loan required to be provided by the SRF.



**ACTION  
ITEM**

**2D**

Date: May 18, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (5/11/16)  
Finance, Legal, and Administration Committee (5/11/16)

From: *for* P. Joseph Grindstaff *PKG*  
General Manager

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

Jason Gu *JG*  
Grants Officer

Subject: Recharge Master Plan Update Project Resolutions and Agreements

---

### RECOMMENDATION

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2016-5-2, authorizing IEUA's General Manager to execute the Groundwater Grant Program application with the SWRCB for the Chino Basin Improvements and Groundwater Cleanup Project through the Chino Basin Regional Financing Authority (CBRFA);
2. Adopt Resolution No. 2016-5-3, authorizing IEUA's General Manager to execute the Stormwater Grant Program application with the SWRCB for the RMPU Project referred to as the Wineville, Jurupa, and RP-3 Basin Improvements and Groundwater Cleanup Project through the CBRFA;
3. Adopt Resolution No. 2016-5-4, authorizing IEUA's General Manager to execute the Clean Water State Revolving Fund (CWSRF) loan application with the SWRCB for the planning and design of the RMPU Project through the CBRFA;
4. Adopt Resolution No. 2016-5-5, dedicating certain revenues for the repayment of the SRF loan for the Planning and Design of the RMPU Project;
5. Authorize IEUA's General Manager to approve the Master Cost Sharing Agreement between CBWM and IEUA; and

6. Authorize IEUA's General Manager to approve the Master Recharge Facilities Financing Agreement between CBRFA, IEUA and CBWM.

**BACKGROUND**

**Proposition 1 Groundwater Grant Program**

The SWRCB Groundwater Grant Program offers \$900 million for grants and loans for projects that cleanup groundwater contaminations, prevent contaminations from spreading, accelerate the speed of groundwater contamination cleanup process, protect drinking water source or provide clean water to disadvantaged communities.

The Chino Basin Improvements and Groundwater Cleanup Project consists of groundwater recharge and groundwater cleanup benefits, and will address the legacy trichloroethylene (TCE) plume in the Chino Basin. It consists of new wells, de-carbonators, pipelines, pump stations and recharge basin improvements with a total estimated project cost of \$66 million. The application is seeking \$32 million in grant funding under the Groundwater Grant Program. The application will be submitted via the CBRFA. The table below shows the project cost and benefit allocations:

Chino Basin Improvements and Groundwater Cleanup Project Funding Plan										
Project	Benefits (AFY)			Cost Share (%)			Total Project Cost	Potential Funding		
	RW	SW	DW	CRWM	IEUA	CDA		Grants	SRF Loan	Planning Loan
CSI Storm Water Basin	-	81		100%	-	-	\$ 440,600	\$ 220,000	\$ 162,427	\$ 57,573
Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvements	2,905	3,166		91%	9%		\$ 21,310,000	\$10,000,000	\$ 8,521,628	\$ 2,788,372
Declez Basin	-	241		100%	-	-	\$ 4,070,000	\$ 2,035,000	\$ 1,502,448	\$ 532,552
Victoria Basin	120	43		50%	50%		\$ 150,000	\$ 75,000	\$ 55,373	\$ 19,627
San Severine Basin Improvement Project	4,100	642		50%	50%		\$ 6,480,000	\$ 3,230,000	\$ 2,384,721	\$ 845,279
Lower Day Basin		789		100%			\$ 2,480,000	\$ 1,240,000	\$ 915,497	\$ 324,503
Turner Basin	-	66		100%	-	-	\$ 890,000	\$ 445,000	\$ 328,545	\$ 116,455
Ely Basin	-	221		100%	-	-	\$ 3,200,000	\$ 1,600,000	\$ 1,181,286	\$ 418,714
Montclair Basin	-	248		100%	-	-	\$ 1,440,000	\$ 720,000	\$ 531,579	\$ 188,421
<b>Subtotal RMPU Project</b>	<b>7,125</b>	<b>5,497</b>					<b>\$ 40,440,000</b>	<b>\$19,565,000</b>	<b>\$15,583,504</b>	<b>\$ 5,291,496</b>
TCE Cleanup - Wells, Pipeline, Pump Station & De-Carbonators			8,520		40%	60%	\$ 25,230,705	\$12,615,353	\$12,615,353	
<b>Subtotal Cleanup Project</b>			<b>8,520</b>				<b>\$ 25,230,705</b>	<b>\$12,615,353</b>	<b>\$12,615,353</b>	
<b>Total</b>	<b>7,125</b>	<b>5,497</b>	<b>8,520</b>				<b>\$ 65,670,705</b>	<b>\$32,180,353</b>	<b>\$28,198,856</b>	<b>\$ 5,291,496</b>

**Proposition 1 Stormwater Grant Program**

The SWRCB Stormwater Grant Program offers \$160 million in grant funding in two rounds for projects that provide multiple benefits to a region by addressing water supply, water quality, flood management, environmental issues through storm water runoff capture and groundwater recharge.

The Wineville, Jurupa and RP-3 Basin Improvements Project provides both recycled water and stormwater recharge benefits. It consists of groundwater recharge improvements, pipelines, pump stations and new recharge basins with a total project cost of approximately \$21.3 million. The application is seeking \$10 million under the Stormwater Grant Program. The application will be submitted via the CBRFA. The table below shows the estimated project cost and benefit allocations:

Project	Benefits (AFY)			Cost Share (%)			Total Project Cost	Potential Funding		
	RW	SW	DW	CBWM	IEUA	CDA		Grants	SRF Loan	Planning Loan
Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvements	2,905	3,166		91%	9%		\$ 21,310,000	\$10,000,000	\$ 8,521,628	\$ 2,788,372

**Clean Water SRF loan Program**

In order to support the planning and design for the RMPU Projects, CBWM and IEUA will apply for a \$5.3M Clean Water State Revolving Fund (CWSRF) Loan from the SWRCB. This loan application will be submitted via the CBRFA. If future construction activities were to go forward and SRF funding was secured, these loans would be merged and not become due until after construction activities are complete.

**Master Recharge Facilities Financing Agreement between CBRFA, IEUA and CBWM**

The CBRFA, CBWM, and IEUA entered into a Recharge Facilities Financing Agreement in 2002 to pay for the bond debt issued for the Chino Basin Facilities Improvement Project. The purpose of this agreement is for the CBRFA to provide for the financing for ongoing recharge improvement projects as well as to provide a framework for the ownership and operation of such projects.

**Master Cost Sharing Agreement between CBWM and IEUA**

The CBWM and IEUA entered into the Master Cost Sharing Agreement in July 2014. The purpose of this agreement was to establish a framework for the joint management and allocation of cost for certain collaborative projects within the Chino Basin. This is an amendment to the 2014 Master cost Sharing Agreement Regarding the Management of the Collaborative Recharge Projects and aligns with the updated CBRFA Agreement.

**Financing Plan for the RMPU Projects**

As required by the 2013 RMPU, IEUA and CBWM committed to complete a Financing Plan for the funding of the RMPU projects. IEUA has worked with CBWM to develop a Financing Plan that identifies the preferred strategy to obtain grant funding and low interest loans for the funding of all RMPU projects. The draft Financing Plan has been attached for reference and will be processed through the CBWM Pools and Board in May 2016.

**PRIOR BOARD ACTION**

In 2014, the Board authorized the Agency to enter into a Master Cost Sharing Agreement Regarding the Management of the Collaborative Recharge Projects.

In 2002, the Board authorized the Agency to enter into a Recharge Facilities Financing Agreement to pay for the bond debt issued in 2002 with the CBRFA and CBWM.

### **IMPACT ON BUDGET**

The combined total project cost of \$65.6 million consists of \$40.4 million for the RMPU projects and \$25.2 million for the Groundwater Cleanup Project.

The Agency will seek grant funding through SWRCB Groundwater Grant Program for \$32.2 million, \$19.6 million for the RMPU projects and \$12.6 million for the Groundwater Cleanup Project.

The Agency will seek grant funding through SWRCB Stormwater Grant Program for \$10 million for the RMPU projects.

The Agency will seek loan funding through SWRCB SRF Loan Program for \$5.3 million for the planning and design of the RMPU projects.

Upon approval, the RMPU and Groundwater Cleanup Projects budgeted under the Recycled Water Fund (WC) and Recharge Water Fund (RW) will be revised to reflect the new project costs, grants and SRF loan amount.

#### Attachments:

- Resolution No. 2016-5-2
- Resolution No. 2016-5-3
- Resolution No. 2016-5-4
- Resolution No. 2016-5-5
- Master Recharge Facilities Financing Agreement between CBRFA, IEUA, and CBWM
- Master Cost Sharing Agreement Between CBWM and IEUA
- Financing Plan for RMPU Projects



# Grant and SRF Loan Applications & Regional Financing Authority Agreements (Chino Basin Recharge Master Plan Update Project)



## State Water Resources Control Board



**Inland Empire Utilities Agency**

**A MUNICIPAL WATER DISTRICT**

Jason H. Gu  
Grants Officer

# Grants & SRF loan Opportunities

## **SWRCB Prop 1 Stormwater Grant Program**

- \* \$80 million available statewide
- \* Water Supply, Water Quality, Flood Control, & Environmental
- \* 50% local match, \$10M maximum per project

## **SWRCB Prop 1 - Groundwater Quality Grant Program**

- \* \$900 million available statewide
- \* Cleanup or Prevent Spread of Groundwater Contaminations
- \* Help Accelerate the Cleanup Process
- \* 50% local match, no maximum per project

## **SWRCB CWSRF Loan Program for Planning & Design**

- \* 1.7%, 5 years, can be rolled in to a construction SRF loan for 30 years

# Stormwater Grant Program

## Wineville, Jurupa & RP-3 Basin Improvement Project

- \* Increase Water Supply
- \* Improve Water Quality
- \* Improve Groundwater Recharge Basins
- \* \$21M total cost, \$10M grant

## CWSRF Loan for Project Planning and Design



# Groundwater Quality Grant Program

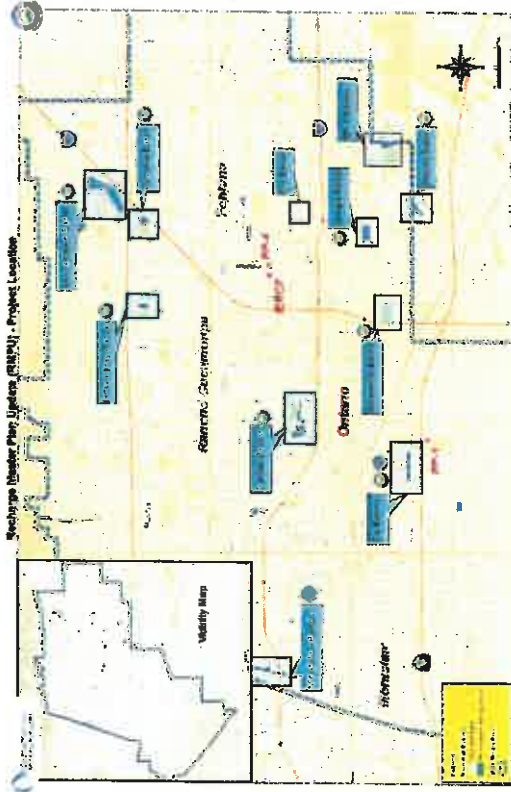
## Recharge Master Plan Update (RMPU) Projects and the TCE Plume Cleanup Project

- \* Improve the Groundwater Recharge Basins
- \* Clean-up the South Archibald TCE Plume
- \* Meet Drinking Water Standards
- \* \$66M Combined Project Cost, \$32M grant

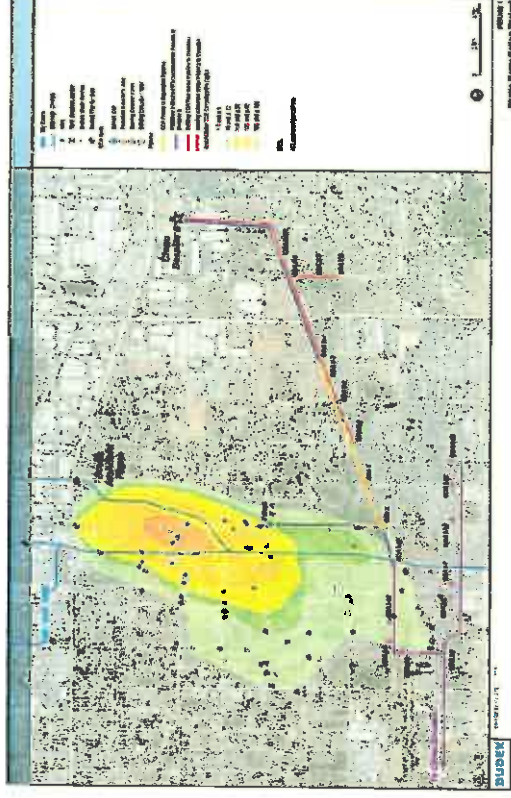
## CWSRF Loan for Project Planning and Design

# Recharge Master Plan update TCE Plume Cleanup Project

**RMPU Project  
\$40.5M Cost**



**TCE Plume Cleanup  
\$25.5M Cost**



**Total Project Cost \$66M  
(\$32M Grant, \$5.3M Loan)**

# RMPU Master Agreements

## Master Recharge Facilities Financing Agreement

- \* Originally Executed in 2002 by CBWM/IEUA/CBRFA
- \* Amended for RMPU Projects Grant/Loan Financing
- \* Agreement Scheduled for June 2016 by CBWM

## Master Cost Sharing Agreement

- \* Originally Executed in 2014 by CBWM and IEUA
- \* Amended to Reflect the Master Recharge Facilities Financing Agreement Requirements



# Funding Summary

Project	Benefits (AFY)			Cost Share (%)			Total Project Cost	Potential Funding		
	RW	SW	DW	CBWM	IEUA	CDA		Grants	SRF Loan	Planning Loan
CSI Storm Water Basin	-	81		100%	-	-	\$ 440,000	\$ 220,000	\$ 162,427	\$ 57,573
Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvements	2,905	3,166		91%	9%		\$ 21,310,000	\$ 10,000,000	\$ 8,521,628	\$ 2,788,372
Declez Basin	-	241		100%	-	-	\$ 4,070,000	\$ 2,035,000	\$ 1,502,448	\$ 532,552
Victoria Basin	120	43		50%	50%		\$ 150,000	\$ 75,000	\$ 55,373	\$ 19,627
San Sevaine Basin Improvement Project	4,100	642		50%	50%		\$ 6,460,000	\$ 3,230,000	\$ 2,384,721	\$ 845,279
Lower Day Basin		789		100%			\$ 2,480,000	\$ 1,240,000	\$ 915,497	\$ 324,503
Turner Basin	-	66		100%	-	-	\$ 890,000	\$ 445,000	\$ 328,545	\$ 116,455
Ely Basin	-	221		100%	-	-	\$ 3,200,000	\$ 1,600,000	\$ 1,181,286	\$ 418,714
Montclair Basin	-	248		100%	-	-	\$ 1,440,000	\$ 720,000	\$ 531,579	\$ 188,421
<b>Subtotal RMPU Project</b>	<b>7,125</b>	<b>5,497</b>					<b>\$ 40,440,000</b>	<b>\$ 19,565,000</b>	<b>\$ 15,583,504</b>	<b>\$ 5,291,496</b>
TCE Plume Cleanup - Wells, Pipeline, Pump Station & De-Carbonators			8,520		40%	60%	\$ 25,230,705	\$ 12,615,353	\$ 12,615,353	
<b>Subtotal TCE Cleanup</b>			<b>8,520</b>				<b>\$ 25,230,705</b>	<b>\$ 12,615,353</b>	<b>\$ 12,615,353</b>	
<b>Total</b>	<b>7,125</b>	<b>5,497</b>	<b>8,520</b>				<b>\$ 65,670,705</b>	<b>\$ 32,180,353</b>	<b>\$ 28,198,856</b>	<b>\$ 5,291,496</b>



# Recommendations

1. Adopt Resolution No. 2016-5-2 for the Groundwater Grant application
2. Adopt Resolution No. 2016-5-3 for the Stormwater Grant application
3. Adopt Resolution No. 2016-5-4 & 2016-5-5 for the SRF loan application
4. Approve the Master Recharge Facilities Financing Agreement; and
5. Approve the Master Cost Sharing Agreement.

*These actions support the Agency's mission of promoting sustainable use of groundwater and increasing the local water supply. It is also consistent with the Agency's mission of pursuing grants and low-interest financing.*

**RESOLUTION NO. 2016-5-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS INTENTION TO APPLY FOR A PROPOSITION 1 GROUNDWATER GRANT FOR THE CHINO BASIN IMPROVEMENTS AND GROUNDWATER CLEAN-UP PROJECT**

**BE IT RESOLVED**, by the Board of Directors of the Inland Empire Utilities Agency (IEUA) that the General Manager, or in his absence, his designees, is hereby authorized and directed to sign and file, on behalf of the Chino Basin Watermaster (Watermaster) and Chino Basin Regional Financing Authority (CBRFA) and, a Financial Assistance Application for a Proposition 1 Groundwater Grant from the State Water Resources Control Board for the implementation of the Chino Basin Improvements and Groundwater Clean-up Project;.

**BE IT RESOLVED**, that the Inland Empire Utilities Agency hereby agrees and further does authorize the General Manager, or in his absence, his designees, to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto;

**BE IT RESOLVED**, that the General Manager, or in his absence, his designees is authorized to represent the Watermaster/CBRFA in carrying out the Watermaster/CBRFA's responsibilities under the agreement, including certifying disbursement requests on behalf of the CBRFA and compliance with applicable state and federal laws;

**BE IT RESOLVED**, that the General Manager is authorized to sign the Master Agreement Between Watermaster and IEUA Regarding the Management of Collaborative Recharge Projects; and,

**BE IT FURTHER RESOLVED**, that the General Manager is authorized to sign the Master Recharge Facilities Financing Agreement between the CBRFA, Chino Basin Watermaster and IEUA.

**ADOPTED** this 18<sup>th</sup> day of May, 2016.

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

ATTEST:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\* and of the Board of Directors thereof

\* A Municipal Water District



**RESOLUTION NO. 2016-5-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS INTENTION TO APPLY FOR A PROPOSITION 1 STORMWATER GRANT FOR THE WINEVILLE BASIN, JURUPA BASIN, RP-3 BASIN IMPROVEMENTS AND PUMPING AND CONVEYANCE SYSTEM PROJECT**

**BE IT RESOLVED**, by the Board of Directors of the Inland Empire Utilities Agency (IEUA) that the General Manager, or in his absence, his designees, is hereby authorized and directed to sign and file, on behalf of the Chino Basin Watermaster (Watermaster) and Chino Basin Regional Financing Authority (CBRFA) and, a Financial Assistance Application for a Proposition 1 Stormwater Grant from the State Water Resources Control Board for the implementation of the Wineville Basin, Jurupa Basin, RP-3 Basin Improvements, and Pumping and Conveyance System Project;

**BE IT RESOLVED**, that the Inland Empire Utilities Agency hereby agrees and further does authorize the General Manager, or in his absence, his designees, to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto;

**BE IT RESOLVED**, that the General Manager, or in his absence, his designees is authorized to represent the Watermaster/CBRFA in carrying out the Watermaster/CBRFA's responsibilities under the agreement, including certifying disbursement requests on behalf of the CBRFA and compliance with applicable state and federal laws;

**BE IT RESOLVED**, that the General Manager is authorized to sign the Master Agreement Between Watermaster and IEUA Regarding the Management of Collaborative Recharge Projects; and,

**BE IT FURTHER RESOLVED**, that the General Manager is authorized to sign the Master Recharge Facilities Financing Agreement between the CBRFA, Watermaster and IEUA.

**ADOPTED** this 18<sup>th</sup> day of May, 2016.

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

ATTEST:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\* and of the Board of Directors thereof

\* A Municipal Water District



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 No. 2016-5-3 was adopted at a regular meeting  
on May 18, 2016 of said Agency\* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Steven J. Elie, Secretary/Treasurer

(SEAL)

\* A Municipal Water District

**RESOLUTION NO. 2016-5-4**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS INTENTION TO APPLY FOR CLEAN WATER STATE REVOLVING FINANCIAL ASSISTANCE FUNDS FOR THE PRELIMINARY DESIGN PLANNING FOR THE RECHARGE MASTER PLAN UPDATE (RMPU)**

**BE IT RESOLVED**, by the Board of Directors of the Inland Empire Utilities Agency\* (IEUA) that the General Manager, or in his absence, his designees, is hereby authorized and directed to sign and file, on behalf of IEUA, a Financial Assistance Application for a SRF loan agreement from the State Water Resources Control Board for the preliminary planning design for Recharge Master Plan Update (RMPU);

**BE IT RESOLVED**, that IEUA hereby agrees and further does authorize the General Manager, or in his absence, his designees, to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto;

**BE IT FURTHER RESOLVED**, that the General Manager, or in his absence, his designees, is authorized to represent IEUA in carrying out IEUA's responsibilities under the loan agreement, including certifying disbursement requests on behalf of IEUA and compliance with applicable state and federal laws.

**BE IT RESOLVED**, that the General Manager is authorized to sign the Master Agreement between Watermaster and IEUA Regarding the Management of Collaborative Recharge Projects.

**ADOPTED** this 18<sup>th</sup> day of May, 2016.

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

ATTEST:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency\* and of the Board of Directors thereof

\* A Municipal Water District



**RESOLUTION NO. 2016-5-5**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, DEDICATING CERTAIN REVENUES IN CONNECTION WITH PRELIMINARY DESIGN PLANNING FOR THE RECHARGE MASTER PLAN UPDATE (RMPU) AND ASSOCIATED STATE REVOLVING FUND (SRF) FINANCING FROM THE STATE WATER RESOURCES CONTROL BOARD (SWRCB)**

**WHEREAS**, The State Water Resources Control Board (SWRCB) offers funding to assist local agencies to provide funding for the planning, design, and construction of water recycling projects that offset or augment state fresh water supplies;

**WHEREAS**, The Board of Directors of the Inland Empire Utilities Agency\* (IEUA) has authorized the General Manager, or in his absence, his designees, to apply for and execute the Preliminary Design Planning for RMPU State Revolving Fund (SRF) loan with the SWRCB;

**WHEREAS**, IEUA has applied for a SRF loan from SWRCB for the Preliminary Planning Design for RMPU; and

**WHEREAS**, the SWRCB's SRF loan program requires each recipient to establish one or more dedicated sources of revenue for repayment of the SRF loan.

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Directors that the IEUA hereby dedicates and pledges net revenues from enterprise funds to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Design Planning for RMPU, CWSRF Project. The IEUA commits to collecting such revenues and maintaining such funds(s) throughout the term of such financing and until the IEUA has satisfied its repayment obligation thereunder, unless modification or change is approved in writing by the SWRCB. So long as the financing agreements are outstanding, the IEUA's pledge hereunder shall constitute a lien in favor of the SWRCB on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreements are outstanding, the IEUA commits to maintaining the funds and revenues at levels sufficient to meet its obligations under the financing agreements.

**ADOPTED** this 18<sup>th</sup> day of May, 2016.

---

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

ATTEST:

---

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



**MASTER RECHARGE FACILITIES FINANCING AGREEMENT**

Dated as of △April 1, △2016

By and △Among

CHINO BASIN REGIONAL FINANCING AUTHORITY,

**INLAND EMPIRE UTILITIES AGENCY**

and

CHINO BASIN WATERMASTER

**TABLE OF CONTENTS**

	<i>Page</i>
Section 1. Definitions.....	2
Section 2. Purpose; Financing and Construction. ....	<u>△4</u>
Section 3. Recharge Facilities. ....	<u>△4</u>
Section 4. No <u>IEUA or</u> Authority Responsibility for Recharge Water. ....	4
Section 5. Rates and Charges. ....	<u>△5</u>
Section 6. Annual Capital Budget and Billing Statement. ....	<u>△6</u>
Section 7. Obligation in the Event of Default. ....	6
Section 8. Covenants of Watermaster. ....	<u>△8</u>
Section 9. Covenants of <u>IEUA and</u> the Authority.....	<u>△9</u>
Section 10. Term. ....	<u>△9</u>
Section 11. Assignment.....	9
Section 12. Amendments. ....	<u>△10</u>
Section 13. Miscellaneous.....	<u>△11</u>
<b>EXHIBITS</b>	
Exhibit A Form of Opinion of Watermaster Counsel .....	A-1
Exhibit B Form of Opinion of Authority Special Counsel .....	B-1

MASTER RECHARGE FACILITIES FINANCING AGREEMENT

This Agreement, dated as of April 1, 2016, by and among the Chino Basin Regional Financing Authority (the "Authority"), a joint exercise of powers agency duly organized and existing pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code (the "Joint Powers Act"), commencing with Section 6500, Inland Empire Utilities Agency ("IEUA"), a municipal water district duly organized and existing pursuant to Division 20 of the Water Code and the Chino Basin Watermaster ("Watermaster"), created pursuant to the terms of the Judgment (as defined below).

WITNESSETH:

WHEREAS, the Authority and Watermaster △

△

△

△previously entered into a Recharge △

△

△

△

△△Facilities Financing Agreement, dated as of May 1, 2002 (the "2002 Agreement") to provide for the payment to the Authority by Watermaster of an operating fee that will be of sufficient amount to pay the remaining one-half of the debt service of the bonds issued by the Authority to fund the △local share of △certain recharge facilities improvements described in the △2002 Agreement and in the Peace Agreement referenced to below;

WHEREAS, the Watermaster and certain other entities in the Chino Basin have entered into the Peace Agreement Chino Basin, dated June 29, 2000 (the "Peace Agreement") attached to which as Exhibit B is the Optimum Basin Management Program Implementation Plan ("OBMP Implementation Plan");

WHEREAS, IEUA and Watermaster share responsibility for meeting certain monitoring and reporting requirements detailed in the Basin Plan amendment approved by the Santa Ana Regional Water Quality Control Board ("RWQCB") in 2004 (RS-2004-0001, RS-2012-0002);

WHEREAS, IEUA and Watermaster have made commitments to the RWQCB to obtain Maximum Benefit Groundwater Quality Objectives;

WHEREAS, IEUA and Watermaster are co-permittees for the Recycled Water Groundwater Recharge Program and share responsibility for meeting certain monitoring and reporting requirements of the RWQCB, Santa Ana Region Order No. RS-2007-0039 ("Order") and the Monitoring and Reporting Program (M&RP) No. RS-2007-0039;



WHEREAS, pursuant to the Peace II Agreement, and the Memorandum of Understanding Cooperative Efforts for Monitoring Programs, between IEUA and Watermaster Bright Line Approach, dated December 17, 2008 (the "Bright Line Agreement") IEUA and Watermaster are to jointly approve updates to the Recharge Master Plan to address how the Basin will be contemporaneously managed to secure and maintain hydraulic control and subsequently operated at a new equilibrium at the conclusion of the period of re-operation. The Recharge Master Plan, as updated, is to reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that following the full beneficial use of groundwater withdrawn in accordance with the Basin Re-Operation and authorized controlled overdraft, that sufficient replenishment capability exists to meet the reasonable projections of desalter replenishment obligations.

WHEREAS, IEUA and Watermaster regularly partner to jointly manage and fund projects in furtherance of these prior commitments and obligations, with such shared costs for such projects including expenditures for design of improvements, preparation of CEQA documents, applications for construction and operation permits, awarding of construction contracts, administrative costs, and construction management services;

WHEREAS, IEUA and Watermaster will separately enter into contracts for services on a project specific basis, as described in written proposals including the nature of the services to be performed, the fees and rates to be charged, the location, time schedule and any special conditions of performance and other information deemed necessary by the Parties ("Task Orders"); and

WHEREAS, IEUA and Watermaster have entered in the Master Cost Sharing Agreement, dated as of July 24, 2014 (the "Master Agreement").

WHEREAS, the Authority, IEUA and Watermaster desire to enter into this Master Recharge Facilities Financing Agreement to facilitate the financing of additional recharge projects from time-to-time;

NOW THEREFORE, the parties hereto do agree as follows:

Section 1. Definitions.

The following terms shall, for all purposes of this Agreement have the following meanings:

"Agreement" shall mean this Master Recharge Facilities Financing Agreement, dated as of April 1, 2016 by and among the Authority, IEUA and Watermaster as the same may be amended and supplemented from time-to-time in accordance with the terms hereof.

"Authority" shall have the meaning assigned thereto in the preamble hereto.

"Authority Debt" means bonds, notes, loans from the State of California or a department or agency thereof or other evidences of indebtedness issued by or on behalf of the Authority to finance or refinance a Project.

"Agency Fiscal Year" means the twelve month period commencing on July 1 of each calendar year and ending on the following June 30 or such other twelve month period which may be designated by the Agency as its fiscal year.

“**△Bright Line Agreement**” shall have the meaning assigned thereto in the preamble hereto.

**“Debt Resolution”** means the resolution or resolutions providing for the issuance of Authority **△Debt** and the terms thereof, and any indenture or trust agreement related thereto.

**“Debt Service”** means, as of the date of calculation and with respect to Authority **△Debt**, an amount equal to the sum of (i) interest payable during such **△Agency** Fiscal Year on Authority **△Debt**, except to the extent that such interest is to be paid from capitalized interest, (ii) that portion of principal of Authority **△Debt** payable during such **△Agency** Fiscal Year, (iii) amounts necessary to replenish any reserve fund created pursuant to a **△Debt** Resolution, and (iv) all letters of credit, remarketing and other financing costs payable on a periodic basis. Such interest, principal and financing costs for Authority **△Debt** shall be calculated on the assumption that no Authority **△Debt** outstanding at the date of calculation will cease to be outstanding except by reason of the payment of principal on the due date thereof;

provided further that, as to any such Authority **△Debt** bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall be one hundred ten percent (110%) of the greater of (a) the daily average interest rate on such Authority **△Debt** during the twelve (12) calendar months preceding the date of calculation (or the portion of the then current **△Agency** Fiscal Year that such Authority **△Debt** have borne interest) or (b) the most recent effective interest rate on such Authority **△Debt** prior to the date of calculation; and

provided further that, as to any such Authority **△Debt** or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Authority **△Debt** or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Authority **△Debt** for which such debt service reserve fund was established and in each preceding **△Agency** Fiscal Year until such amount is exhausted.

**“Fixed Project Costs”** means **△the capital costs of △all Projects**, including (i) Debt Service on **△Authority Debt** to fund **△Projects**, (ii) reserves for repair and replacement and improvement to **△Projects** and (iii) reserves for payment of Debt Service on **△such Authority Debt**.

**“IEUA” or “Agency”** shall **△mean the Inland Empire Utilities Agency, including any successor thereto.**

**“Independent Certified Public Accountant”** means any firm of certified public accountants appointed by Watermaster, **△the Authority or IEUA**, as the case may be, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

**“Joint Powers Agreement”** means the Joint Exercise of Powers Agreement creating the Chino Basin Regional Financing Authority, as such agreement may be amended or supplemented from time to time.

“Judgment” means: Judgment No. RCV 51010 (previously No. 164327) of the Superior Court of the State of California for the County of San Bernardino, dated January 27, 1978, in the action *Chino Basin Municipal Water District v. City of Chino, et al.*, and any subsequent amendments thereto.

“ $\Delta$ Master Agreement” shall have the meaning ascribed thereto in the preamble hereto.

“OBMP Assessment” shall have the meaning ascribed thereto in Section 1(cc) of the Peace Agreement.

“Peace Agreement” shall have the meaning ascribed thereto in the preamble hereto.

“Peace II Agreement” shall have the meaning ascribed thereto in the preamble hereto.

“Project” means $\Delta$  recharge facilities improvements  $\Delta$ which may be agreed to be undertaken by IEUA and Watermaster from time-to-time and set forth in an Annex attached to this Agreement and which have been approved under the Master  $\Delta$ Agreement. The  $\Delta$ parties acknowledge that portions of  $\Delta$ a Project may be revised from time-to-time without amendment to this Agreement.

“Trustee” means the entity or entities designated by the Authority pursuant to any  $\Delta$ Debt Resolution to administer any funds or accounts required by such  $\Delta$ Debt Resolution or otherwise.

“Watermaster” shall have the meaning assigned thereto in the preamble hereto.

## Section 2. Purpose: Financing and Construction.

The purpose of this Agreement is for the Authority to provide for the financing from time-to-time of the Fixed Project Costs of  $\Delta$ Projects and to provide a framework for the ownership and operation of Projects.

Unless otherwise expressly provided in an Annex attached hereto with respect to a specific Project, all Projects shall be owned by IEUA. All other aspects of such Projects, including the obtaining of all necessary authority and rights, consents and approvals, and the performance of all things necessary and convenient therefor, subject to compliance with all necessary federal and state laws, including but not limited to the California Environmental Quality Act (“CEQA”), and all other agreements relating thereto, shall be provided for by separate agreements, including but not limited to the Peace II Agreement and the Master Agreement (including any Task Order issued under the Master Agreement).

## Section 3. Recharge Facilities.

Pursuant to the terms of this Agreement,  $\Delta$ IEUA shall provide to Watermaster, and Watermaster shall utilize, the  $\Delta$ Projects for recharge purposes in accordance with the Judgment, Section 5.1 of the Peace Agreement, Section VIII of the Peace II Agreement and Program Element 2 of Exhibit B thereto. Subject to Watermaster’s payment obligations hereunder, the Authority agrees to use its best efforts to finance  $\Delta$ each Project pursuant to this Agreement. Unless otherwise expressly provided in an Annex attached hereto, or expressly provided in a Task Order under the Master Agreement, with respect to a specific Project, Watermaster shall be responsible for the operation of  $\Delta$ each Project, including the payment of  $\Delta$ operation and maintenance costs with respect

to the Project<sup>△</sup> consistent with the Bright Line Agreement and Section VIII of the Peace II Agreement. Neither IEUA or the Authority shall have <sup>△</sup>any responsibility to operate or maintain or pay any operation and maintenance costs with respect to <sup>△</sup>any Project. The obligation of IEUA to provide a Project to Watermaster shall be contingent on the Authority's ability to finance such Project as described above.

Section 4. No IEUA or Authority Responsibility for Recharge Water.

Neither IEUA or the Authority nor any of <sup>△</sup>their officers or agents shall be liable for the control, carriage, handling, use, disposal, or distribution of recharge water; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such recharge water and including attorneys fees and other costs of defense in connection therewith. Watermaster shall indemnify and hold harmless IEUA, the Authority and <sup>△</sup>their officers, agents, and employees from any such damages or claims of damages.

Section 5. Rates and Charges.

(a) Establishment of Rates and Charges. <sup>△</sup>IEUA, as agent for the Authority, shall fix charges to Watermaster under this Agreement equal to the amounts anticipated by IEUA to be needed by the Authority to pay <sup>△</sup>Watermaster's share of Fixed Project Costs for each Project as set forth in the respective Annex to this Agreement.

(b) Insufficiency of Funds. Watermaster acknowledges that the Fixed Project Costs will vary from time-to-time and within any <sup>△</sup>Agency Fiscal Year. If funds collected by the <sup>△</sup>Agency in any <sup>△</sup>Agency Fiscal Year are insufficient to pay Fixed Project Costs of <sup>△</sup>a Project in such <sup>△</sup>Agency Fiscal Year, the <sup>△</sup>Agency shall promptly notify Watermaster of such insufficiency and Watermaster shall pay to the Agency, as agent for the Authority, an amount equal to Watermaster's portion of such insufficiency. The obligation of Watermaster to pay <sup>△</sup>the Watermaster share of Fixed Project Costs of each Project shall commence upon execution <sup>△</sup>of the respective Annex to this Agreement and continue to exist and be honored by Watermaster whether or not <sup>△</sup>a Project is implemented (which provision may be characterized as an obligation to pay Watermaster's portion of the costs on a take-or-pay basis whether or not <sup>△</sup>a Project is completed or is operable).

(c) Source of Payments. The obligation of Watermaster to make payments under this Agreement is a general obligation of Watermaster. Watermaster shall make payments under this Agreement solely as an operation fee (as determined in accordance with generally accepted accounting principles). Watermaster shall make such payments on a parity with other operation and maintenance expenses of Watermaster and prior to any payments other than operation and maintenance expenses of Watermaster. Nothing herein shall be construed as prohibiting Watermaster from using any other funds and revenues for purposes of satisfying any provisions of this Agreement.

(d) Obligation Is Not Subject To Reduction. Watermaster shall make payments under this Agreement whether or not <sup>△</sup>a Project is completed, operable, operated or retired and notwithstanding the suspension, interruption, interference, reduction or curtailment of operation of <sup>△</sup>a Project in whole or in part for any reason whatsoever. Such payments are not subject to any reduction, whether offset or otherwise, and are not conditioned upon performance by IEUA or the Authority under this Agreement or any other agreement.

(e) Allocation of Costs and Expenses.

(i) Adjustments. As agent of the Authority, IEUA shall update the values and amounts of Fixed Project Costs for all Projects under this Agreement on an annual basis, in order that the charges to Watermaster may accurately reflect increases or decreases from Agency Fiscal Year to Agency Fiscal Year in Watermaster's share of Fixed Project Costs for each Project. In addition, each such determination shall include an adjustment to be paid or received by Watermaster for succeeding Agency Fiscal Years which shall account for the differences, if any, between projections of Fixed Project Costs used by the Agency in determining the amounts of said Fixed Project Costs for all preceding Agency Fiscal Years and actual Fixed Project Costs allocable to Watermaster during such Agency Fiscal Years.

(ii) Interest Earnings. Interest earnings on all amounts paid by Watermaster under this Agreement shall be credited to Watermaster through the budgeting process.

(f) Time and Method of Payment.

△

(i) Statement of Charges. IEUA, as agent for the Authority shall furnish Watermaster with a written statement of the estimated Fixed Project Costs for all Projects for the next succeeding Agency Fiscal Year on or prior to June 1 of each Agency Fiscal Year. Such written statements shall take into account applicable credits received by the Authority or IEUA, as agent for the Authority, and estimated investment earnings on moneys related to such Projects held by the Authority or IEUA as agent of the Authority.

(ii) Fixed Project Costs. Watermaster shall pay to IEUA, as agent for the Authority, on or before July 15 of each Agency Fiscal Year, an amount equal to Watermaster's share of the Fixed Project Costs as set forth in the statement of charges described in clause (i) above for each Project for such Agency Fiscal Year.

(iii) Contest of Accuracy of Charges. If Watermaster questions or disputes the correctness of any billing statement<sup>△</sup>, it shall pay the amount claimed when due and shall, within thirty (30) days of the completion and delivery of the later of IEUA's or the Authority's annual audit, request an explanation from IEUA and the Authority. If the bill is determined to be incorrect, IEUA, as agent for the Authority, will adjust the bill to Watermaster in the next Agency Fiscal Year, including an adjustment equal to the interest actually earned by the Authority on its general reserves during such period. If IEUA, as agent for the Authority, and Watermaster fail to agree on the correctness of a bill within thirty (30) days after Watermaster has requested an explanation, the parties shall promptly submit the dispute to arbitration under Section 1280 et seq. of the Code of Civil Procedure.

Section 6. Annual Capital Budget and Billing Statement.

IEUA will promptly prepare and approve a capital budget for the period from July 1, 2016 through June 30, 2017 after execution and delivery of this Agreement. Thereafter, IEUA will prepare a preliminary annual capital budget for each applicable Agency Fiscal Year for credits, costs and expenses relating to the Projects. IEUA shall submit a draft of such budget to

Watermaster on or prior to each April 1 for review and comment. △IEUA staff shall use its best efforts to resolve any questions or concerns of Watermaster during such review. The Board of Directors of △IEUA will adopt a final annual capital budget for the applicable △Agency Fiscal Year on or before June 1 of each △Agency Fiscal Year. △IEUA shall supply a copy of said final annual capital budget to Watermaster and the Authority on or before June 15 of each △Agency Fiscal Year. Any amendment to the final annual capital budget shall be submitted to Watermaster for review and comment at least 30 days prior to action thereon by the △Agency Board of Directors.

Section 7. Obligation in the Event of Default.

(a) Written Demand. Upon failure of Watermaster to (i) make any payment in full when due under this Agreement or (ii) to perform any other obligation hereunder, the Agency, as agent for the Authority, shall make written demand upon Watermaster. If a failure described in clause (i) above is not remedied within thirty (30) days from the date of such demand or, if Authority △Debt are outstanding, for such additional time as is reasonably required, in the sole discretion of the Trustee, to correct the same, such failure shall constitute a default at the expiration of such period. If a failure described in clause (ii) cannot be remedied within thirty (30) days from the date of such demand but Watermaster commences remedial action within such thirty (30) day period, then such failure shall not constitute a default hereunder. Notice of any such demand shall be provided to Watermaster by the Agency, as agent for the Authority. Upon failure of IEUA or the Authority to perform any obligation △thereof hereunder, Watermaster shall make written demand upon IEUA or the Authority, as the case may be, and if said failure is not remedied within thirty (30) days from the date of such demand or, if Authority △Debt are outstanding, for such additional time as is reasonably required, in the sole discretion of the Trustee, to correct the same, then such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to Watermaster.

In addition to any default resulting from breach by IEUA or the Authority or Watermaster of any agreement, condition, covenant or term hereof, if IEUA, the Authority or Watermaster shall file any petition or institute any proceedings under any act or acts, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such act or acts, either as a bankrupt or as an insolvent or as a debtor or in any similar capacity, wherein or whereby IEUA, the Authority or Watermaster asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of its △Debt or obligations, or offers to its creditors to effect a composition or extension of time to pay its △Debt, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its △Debt or for any other similar relief, or if IEUA, the Authority or Watermaster shall make a general or any assignment for the benefit of its creditors, then in each and every such case IEUA, the Authority or Watermaster, as the case may be, shall be deemed to be in default hereunder.

(b) Termination of Agreement; Continuing Obligations. Upon the failure of Watermaster to make any payment which failure constitutes a default under this Agreement and causes the Authority to be in default under any △Debt Resolution, IEUA and the Authority may (in addition to the remedy provided by subsection (a) of this Section) give notice of termination of the provisions of this Agreement insofar as the same entitle Watermaster to use △a Project which notice shall be effective within 30 days thereof unless such termination shall be enjoined, stayed or otherwise delayed by judicial action. Irrespective of such termination, Watermaster shall remain liable to the Authority to pay the full amount of costs allocated to Watermaster hereunder.

(c) Enforcement of Remedies. In addition to the remedies set forth in this Section, upon the occurrence of a default as described herein, the Authority, IEUA or Watermaster, as the case may be, shall be entitled to proceed to protect and enforce the rights vested in such party by this Agreement by such appropriate judicial proceeding as such party shall deem most effectual, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained herein or to enforce any other legal or equitable right vested in such party by this Agreement or by law. The provisions of this Agreement and the duties of each party hereof, their respective boards, officers or employees shall be enforceable by the other party hereto by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, with the losing party paying all costs and attorney fees.

(d) Trustee is Third Party Beneficiary. Any Trustee for Authority <sup>△</sup>Debt shall have the right, as a third party beneficiary, to initiate and maintain suit to enforce this Agreement to the extent provided in any <sup>△</sup>Debt Resolution.

#### Section 8. Covenants of Watermaster.

(a) Amount of OBMP Assessment. Watermaster will fix, prescribe and collect an OBMP Assessment for payments due under this Agreement equal to at least 1.25 times Watermaster's share of Fixed Project Costs for all Projects under this Agreement.

(b) Budgets. On or before the first day of each Watermaster Fiscal Year, Watermaster will adopt and file with IEUA and the Authority a budget approved by the governing body of Watermaster, including therein in the estimated payment obligations under this Agreement payable to IEUA or the Authority. Any budget may be amended at any time during any Watermaster Fiscal Year and such amended budget shall be filed by Watermaster with the IEUA and Authority.

#### (c) Accounting Records and Financial Statements.

(i) Watermaster will keep appropriate accounting records with respect to the OBMP Assessments, which records shall be available for inspection by IEUA and the Authority and the Trustee at reasonable hours and under reasonable conditions.

(ii) Watermaster will prepare and file with IEUA and the Authority annually within two hundred ten (210) days after the close of each Watermaster Fiscal Year (commencing with Watermaster Fiscal Year ending June 30, <sup>△</sup>2016) financial statements of Watermaster for the preceding Watermaster Fiscal Year prepared in accordance with generally accepted accounting principles, together with a report of an Independent Certified Public Accountant thereon. Watermaster will promptly furnish a copy of such report to IEUA and the Authority and to the Trustee.

(d) Protection of Security and Rights of IEUA and the Authority. Watermaster will preserve and protect the rights of IEUA and the Authority and the Trustee to the obligations of Watermaster hereunder and will warrant and defend such rights against all claims and demands of all persons.

(e) Payment of Taxes and Compliance with Governmental Regulations. Watermaster will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the OBMP Assessments when the same shall become due. Watermaster will

duly observe and conform with all valid regulations and requirements of any governmental authority relative to the OBMP Assessments, but Watermaster shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

(f) Further Assurances. Watermaster will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to effect the financing and refinancing of the △Projects and to allow IEUA and the Authority to comply with reporting obligations, to assure IEUA and the Authority of Watermaster's intention to perform hereunder and for the better assuring and confirming unto IEUA, the Authority and the Trustee of the rights and benefits provided to them herein.

(g) Maintenance of Tax-Exempt Status of Authority △Debt. Notwithstanding any other provision of this Agreement, Watermaster shall not take any action or omit to take any action, directly or indirectly, in any manner, which would result in any of the Authority △Debt being treated as an obligation not described in Section 103(a) of the Internal Revenue Code of 1986, as amended, by reason of classification of such Authority △Debt as a "private activity bond" within the meaning of Section 141 of said Code or for any other reason.

#### Section 9. Covenants of IEUA and the Authority.

##### (a) Accounting Records and Financial Statements.

(i) △IEUA, as agent of the Authority will keep appropriate accounting records in which complete and correct entries shall be made of all △transactions relating to △each Project, which records shall be available for inspection, copying and audit by Watermaster and its accountants, attorneys and agents at reasonable hours and under reasonable conditions.

(ii) The Authority will prepare annually within two hundred ten (210) days after the close of each △Agency Fiscal Year (commencing with the △Agency Fiscal Year ending June 30, △2016) financial statements of the Authority for the preceding △Agency Fiscal Year prepared in accordance with generally accepted accounting principles, together with a report of an Independent Certified Public Accountant thereof. The Authority will promptly furnish a copy of such report to IEUA, the Watermaster and to the Trustee.

(b) Compliance with Law. △IEUA and the Authority shall comply with all local, state and federal laws applicable to the △Projects.

(c) Use of Funds for △Projects. △IEUA and the Authority shall not allow the portion of the proceeds of Authority △Debt allocated to △a Project to be used for any purpose other than to pay for costs associated with financing or refinancing △such Project. Surplus proceeds of the portion of the Authority △Debt allocated to △a Project not needed to pay costs associated with △such Project shall be applied to redeem Authority △Debt unless otherwise agreed to in writing by IEUA and Watermaster.



Section 10. Term.

(a) No provision of this Agreement shall take effect until (i) this Agreement has been duly executed and delivered by Watermaster to IEUA and the Authority together with an opinion of △, counsel to Watermaster, in substantially the form attached hereto as Exhibit A △(ii) this Agreement has been duly executed and delivered by the Authority to IEUA and the Watermaster with an opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Special Counsel to the Authority, in substantially the form attached hereto as Exhibit B, and (iii) this Agreement has been duly executed and delivered by IEUA to the Watermaster and the Authority with an opinion of general counsel to IEUA in substantially the form attached hereto as Exhibit C.

(b) The term of this Agreement shall continue until the △final maturity of all Authority △Debt. The parties hereto agree to negotiate in good faith to amend this Agreement on or prior to such date to extend the term hereof and to include terms and conditions as are mutually agreeable to the parties.

Section 11. Assignment.

The Authority may pledge and assign to any Trustee for Authority △Debt, all or any portion of the payments received under this Agreement from Watermaster and the Authority's other rights and interests under this Agreement. Such pledge and assignment by the Authority shall be made effective for such time as the Authority shall determine and provide that the Trustee shall have the power to enforce this Agreement in the event of a default by the Authority under a △Debt Resolution. Watermaster may assign its rights or obligations under this Agreement only with the written consent of the Authority.

Section 12. Amendments.

Except as otherwise provided in this Agreement, on and after the date Authority △Debt are issued and so long as any Authority △Debt are outstanding in accordance with the applicable △Debt Resolution, Section 6, 8, 9, 11 and 12 and this Section of this Agreement shall not be amended, modified or otherwise changed or rescinded by agreement of the parties without the consent of each Trustee for Authority △Debt whose consent is required under the applicable △Debt Resolution. This Agreement may only be otherwise amended, modified, changed or rescinded in writing by each of the parties hereto.

The Authority agrees not to grant to the owners of Authority △Debt as individuals any rights relating to the amendment, modification or change of this Agreement.

Notwithstanding the foregoing, the sections of this Agreement set forth in the first paragraph of this Section may be amended without the consent of each Trustee for Authority △Debt for any of the following purposes:

(a) to add to the agreements, conditions, covenants and terms contained herein required to be observed or performed by the Authority, IEUA or Watermaster other agreements, conditions, covenants and terms hereafter to be observed or performed by the Authority, IEUA or Watermaster, or to surrender any right reserved herein to or conferred herein on the Authority, IEUA or Watermaster, and which in either case shall not adversely affect the interests of the owners of any Authority △Debt;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which IEUA, the Authority or Watermaster may deem desirable or necessary and not inconsistent herewith, and which shall not materially adversely affect the interests of the owners of any Authority Debt;

(c) to make any modifications or changes necessary or appropriate in the opinion of a firm of nationally recognized standing in the field of law relating to municipal bonds to preserve or protect the exclusion from gross income of interest on the Authority Debt for federal income tax purposes;

(d) to make any modifications or changes to this Agreement in order to enable the execution and delivery of Authority Debt on a parity with any Authority Debt previously issued and to make any modifications or changes necessary or appropriate in connection with the execution and delivery of Authority Debt;

(e) to make any other modification or change to the provisions of this Agreement which does not materially adversely affect the interests of the owners of any Authority Debt;

(f) to make changes to the definition of "Project."

**Section 13. Miscellaneous.**

(a) Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed a part of this Agreement.

(b) Partial Invalidity. If any one or more of the covenants or agreements provided in this Agreement to be performed should be determined to be invalid or contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

(c) Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

(d) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(e) Notices. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by Federal Express or another reputable commercial overnight courier that guarantees next day delivery and provides a receipt, or (d) by telefacsimile or telecopy, and such notices shall be addressed as follows:

If to Watermaster: Chino Basin Watermaster  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, California 91730  
Attention: Chief Executive Officer

With a copy to:           △ \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: △ \_\_\_\_\_

**If to IEUA:**           **Inland Empire Utilities Agency**  
**6075 Kimball Avenue**  
**Chino, California 91708**  
**Attention: Chief Executive Officer**

**With a copy to:**       **Jean Cihigovenetche**  
**Cihigovenetche, Grossberg & Clouse**  
**Palmbrook Corporate Center**  
**3602 Inland Empire Blvd., Suite C315**  
**Ontario, CA 91764**

If to Authority:       Chino Basin Regional Financing Authority  
c/o Inland Empire Utilities Agency  
△**6075 Kimball Avenue**△  
**Chino, California 91708**  
Attention: △**Executive Director**

With a copy to:       Stradling Yocca Carlson & Rauth  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92660  
Attention: Douglas **S. Brown**

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed delivered when actually delivered, if such delivery is in person, upon deposit with the U.S. Postal Service, if such delivery is by certified mail, upon deposit with the overnight courier service, if such delivery is by an overnight courier service, and upon transmission, if such delivery is by telefacsimile or telecopy.

**(f) Relationship To Other Agreements. In the event that the terms of this Agreement and any other agreement between the parties, including but not limited to the Master Agreement, conflict, the terms of this Agreement shall control.**

**(g) Merger of Prior Agreements.** This Agreement and the exhibits hereto constitute the entire agreement between the parties and supersede all prior agreements and understandings between the parties relating to the subject matter hereof. This Agreement is intended to implement, and should be interpreted consistent with, the Peace Agreement.

**(h) Time of the Essence.** Time is of the essence in the performance of this Agreement.

IN WITNESS WHEREOF Watermaster has executed this Agreement with the approval of its governing body, and each of IEUA and the Authority △have executed this Agreement in accordance with the authorization of △their Boards of Directors.

**CHINO BASIN REGIONAL FINANCING  
AUTHORITY**

By: \_\_\_\_\_  
President

**CHINO BASIN WATERMASTER**

By: \_\_\_\_\_  
Chief Executive Officer

**INLAND EMPIRE UTILITIES AGENCY**

By: \_\_\_\_\_  
President

EXHIBIT A

[This opinion shall be delivered upon execution of the Agreement]

△ \_\_\_\_\_, 2016

Chino Basin Regional Financing Authority  
c/o Inland Empire Utilities Agency

△

6075 Kimball Avenue△

△

Chino, California 91708

△

△

△Inland Empire Utilities Agency

6075 Kimball Avenue

Chino, California△91708

Ladies and Gentlemen:

We are acting as general counsel to the Chino Basin Watermaster (“Watermaster”) in connection with the execution and delivery of the Master Recharge Facilities Financing Agreement, dated as of △April 1, 2016 (the “Agreement”), △among the Chino Basin Regional Financing Authority (the “Authority”), Inland Empire Utilities Agency (the “Agency”) and Watermaster. As such counsel we have examined and are familiar with (i) documents relating to the existence, organization and operation of Watermaster provided to us by Watermaster, (ii) certifications by officers of Watermaster, (iii) all necessary documentation of Watermaster relating to the authorization, execution and delivery of the Agreement, and (iv) an executed counterpart of the Agreement. Terms used herein and not otherwise defined have the respective meanings set forth in the Agreement.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of Watermaster, we are of the opinion that:

1. Watermaster is a court-appointed entity, duly created, organized and existing under the laws of the State of California and duly qualified to undertake a water recharge program within its boundaries.

2. Watermaster has legal right, power and authority to enter into the Agreement and to carry out and consummate all transactions reasonably contemplated thereby, and Watermaster has complied with the provisions of applicable law relating to such transactions.

3. The Agreement has been duly authorized, executed and delivered by Watermaster, is in full force and effect as to Watermaster in accordance with its terms and, subject to the

△

△

qualifications set forth in the second to the last paragraph hereof, and assuming that the Authority and the Agency each has all requisite power and authority, and has taken all necessary action, to authorize, execute and deliver such Agreement, the Agreement constitutes the valid and binding obligation of Watermaster .

4. The obligations of Watermaster to make payments under the Agreement as a general obligation of Watermaster as provided in Section 5 of the Agreement is a valid, legal and binding obligation of Watermaster enforceable in accordance with its terms.

5. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by Watermaster of the Agreement.

6. The authorization, execution and delivery of the Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of Watermaster, any commitment, agreement or other instrument to which Watermaster is a party or by which it or its property is bound or affected, or any ruling, regulation, ordinance, judgment, order or decree to which Watermaster (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to Watermaster and its affairs.

7. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting Watermaster or any entity affiliated with Watermaster or any of its officers in their respective capacities as such, which questions the powers of Watermaster referred to in paragraph 2 above or the validity of the proceedings taken by Watermaster in connection with the authorization, execution or delivery of the Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Agreement, or which would adversely affect the validity or enforceability of the Agreement.

The opinion expressed in paragraphs 3 and 4 above are qualified to the extent that the enforceability of the Agreement may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

This opinion is rendered only with respect to the laws of the State of California and the United States of America and is addressed only to the Chino Basin Regional Financing Authority and the Inland Empire Utilities Agency. No other person is entitled to rely on this opinion, nor may you rely on it in connection with any transactions other than those described herein.

Very truly yours,

EXHIBIT B

[This opinion shall be delivered upon execution of the Agreement]

△  
\_\_\_\_\_, 2016

△  
△Inland Empire Utilities Agency  
△6075 Kimball Avenue△  
Chino, California 91708  
△

Chino Basin Watermaster  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, California 91730

Ladies and Gentlemen:

We are acting as special counsel to the Chino Basin Regional Financing Authority (the "Authority") in connection with the execution and delivery of the Master Recharge Facilities Financing Agreement, dated as of April 1, 2016 (the "Agreement"), among the Authority, Inland Empire Utilities Agency (the "Agency") and the Chino Basin Watermaster ("Watermaster"). As special counsel we have examined and are familiar with (i) documents relating to the existence, organization and operation of the Authority provided to us by the Authority, (ii) certifications by officers of the Authority, (iii) all necessary documentation of the Authority relating to the authorization, execution and delivery of the Agreement, and (iv) an executed counterpart of the Agreement. Terms used herein and not otherwise defined have the respective meanings set forth in the Agreement.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of the Authority, we are of the opinion that:

1. The Authority is a joint exercise of powers agency duly created, organized and existing under the laws of the State of California.
2. The Authority has legal right, power and authority to enter into the Agreement and to carry out and consummate all transactions reasonably contemplated thereby, and the Authority has complied with the provisions of applicable law relating to such transactions.
3. The Agreement has been duly authorized, executed and delivered by the Authority, is in full force and effect as to the Authority in accordance with its terms and, subject to the qualifications set forth in the second to the last paragraph hereof, and assuming that Watermaster and the Agency each has all requisite power and authority, and has taken all necessary action, to

authorize, execute and deliver such Agreement, the Agreement constitutes the valid and binding obligation of the Authority.

4. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Authority of the Agreement.

5. The authorization, execution and delivery of the Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Authority, any commitment, agreement or other instrument to which the Authority is a party or by which it or its property is bound or affected, or, to the best of our knowledge, any ruling, regulation, ordinance, judgment, order or decree to which the Authority (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Authority and its affairs.

6. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting the Authority or any of its officers in their respective capacities as such, which questions the powers of the Authority referred to in paragraph 2 above or the validity of the proceedings taken by the Authority in connection with the authorization, execution or delivery of the Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Agreement, or which, in any way, would adversely affect the validity or enforceability of the Agreement.

The opinion expressed in paragraph 3 above is qualified to the extent that the enforceability of the Agreement may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

This opinion is rendered only with respect to the laws of the State of California and the United States of America and is addressed only to the Agency and Watermaster. No other person is entitled to rely on this opinion, nor may you rely on it in connection with any transactions other than those described herein.

Respectfully submitted,



EXHIBIT C

[This opinion shall be delivered upon execution of the Agreement]

                    , 2016

Chino Basin Regional Financing Authority  
c/o Inland Empire Utilities Agency  
6075 Kimball Avenue  
Chino, California 91708

Chino Basin Watermaster  
8632 Archibald Avenue, Suite 109  
Rancho Cucamonga, California 91730

Ladies and Gentlemen:

We are acting as general counsel to the Inland Empire Utilities Agency (the "Agency") in connection with the execution and delivery of the Master Recharge Facilities Financing Agreement, dated as of April 1, 2016 (the "Agreement"), among the Agency, the Chino Basin Regional Financing Authority (the "Authority") and the Chino Basin Watermaster ("Watermaster"). As special counsel we have examined and are familiar with (i) documents relating to the existence, organization and operation of the Agency provided to us by the Agency, (ii) certifications by officers of the Agency, (iii) all necessary documentation of the Agency relating to the authorization, execution and delivery of the Agreement, and (iv) an executed counterpart of the Agreement. Terms used herein and not otherwise defined have the respective meanings set forth in the Agreement.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of the Agency, we are of the opinion that:

1. The Agency is a municipal water district duly created, organized and existing under the laws of the State of California.

2. The Agency has legal right, power and authority to enter into the Agreement and to carry out and consummate all transactions reasonably contemplated thereby, and the Agency has complied with the provisions of applicable law relating to such transactions.

3. The Agreement has been duly authorized, executed and delivered by the Agency, is in full force and effect as to the Agency in accordance with its terms and, subject to the qualifications set forth in the second to the last paragraph hereof, and assuming that the Authority and the Watermaster has all requisite power and authority, and has taken all necessary action, to authorize, execute and deliver such Agreement, the Agreement constitutes the valid and binding obligation of the Agency.

4. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Agency of the Agreement.

5. The authorization, execution and delivery of the Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Agency, any commitment, agreement or other instrument to which the Agency is a party or by which it or its property is bound or affected, or, to the best of our knowledge, any ruling, regulation, ordinance, judgment, order or decree to which the Agency (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Agency and its affairs.

6. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting the Agency or any of its officers in their respective capacities as such, which questions the powers of the Agency referred to in paragraph 2 above or the validity of the proceedings taken by the Agency in connection with the authorization, execution or delivery of the Agreement, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Agreement, or which, in any way, would adversely affect the validity or enforceability of the Agreement.

The opinion expressed in paragraph 3 above is qualified to the extent that the enforceability of the Agreement may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

This opinion is rendered only with respect to the laws of the State of California and the United States of America and is addressed only to the Authority and Watermaster. No other person is entitled to rely on this opinion, nor may you rely on it in connection with any transactions other than those described herein.

Respectfully submitted,

ANNEX A-1

[Attach Annexes from time-to-time listing recharge facility improvements in the form set forth below:]

ANNEX A-1

<u>RMPU Project</u>	<u>Benefits (AFY)</u>		<u>Cost Share (%)</u>		<u>Total Project Budget</u>	<u>Potential Funding</u>	
	<u>RW</u>	<u>SW</u>	<u>CBMW</u>	<u>IEUA</u>		<u>Grants</u>	<u>Loans</u>
<u>San Sevaine Basin Improvement Project</u>	<u>4,100</u>	<u>642</u>	<u>50%</u>	<u>50%</u>	<u>\$6,460,000</u>	<u>\$3,540,000</u>	<u>\$2,920,000</u>
<u>Lower Day Basin</u>		<u>789</u>	<u>100%</u>		<u>\$2,480,000</u>	<u>\$1,125,000</u>	<u>\$1,355,000</u>
<u>Total</u>	<u>4,100</u>	<u>1,431</u>	<u>=</u>	<u>=</u>	<u>\$8,940,000</u>	<u>\$1,128,540</u>	<u>\$4,275,000</u>

Insert other provisions varying or supplementing the terms of the Master Recharge Facilities Financing Agreement:

Approved by:

CHINO BASIN WATERMASTER

INLAND EMPIRE UTILITIES AGENCY

By: \_\_\_\_\_  
General Manager

By: \_\_\_\_\_  
Chief Executive Officer

**ANNEX A-2**

<b><u>RMPU Project</u></b>	<b><u>Benefits (AFY)</u></b>		<b><u>Cost Share (%)</u></b>		<b><u>Total Project Budget</u></b>	<b><u>Potential Funding</u></b>	
	<b><u>RW</u></b>	<b><u>SW</u></b>	<b><u>CBMW</u></b>	<b><u>IEUA</u></b>		<b><u>Grants</u></b>	<b><u>Loans</u></b>
<b><u>CSI Storm Water Basin</u></b>	<b><u>=</u></b>	<b><u>81</u></b>	<b><u>100%</u></b>	<b><u>=</u></b>	<b><u>\$440,000</u></b>	<b><u>\$-</u></b>	<b><u>\$440,000</u></b>
<b><u>Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvements</u></b>	<b><u>2,905</u></b>	<b><u>3,166</u></b>	<b><u>91%</u></b>	<b><u>9%</u></b>	<b><u>\$21,310,000</u></b>	<b><u>\$5,300,000</u></b>	<b><u>\$16,010,000</u></b>
<b><u>Decluz Basin</u></b>	<b><u>=</u></b>	<b><u>241</u></b>	<b><u>100%</u></b>	<b><u>=</u></b>	<b><u>\$4,070,000</u></b>	<b><u>\$2,035,000</u></b>	<b><u>\$2,035,000</u></b>
<b><u>Victoria Basin</u></b>	<b><u>120</u></b>	<b><u>43</u></b>	<b><u>50%</u></b>	<b><u>50%</u></b>	<b><u>\$150,000</u></b>	<b><u>\$-</u></b>	<b><u>\$150,000</u></b>
<b><u>Turner Basin</u></b>	<b><u>=</u></b>	<b><u>66</u></b>	<b><u>100%</u></b>	<b><u>=</u></b>	<b><u>\$890,000</u></b>	<b><u>\$-</u></b>	<b><u>\$890,000</u></b>
<b><u>Ely Basin</u></b>	<b><u>=</u></b>	<b><u>221</u></b>	<b><u>100%</u></b>	<b><u>=</u></b>	<b><u>\$3,200,000</u></b>	<b><u>\$-</u></b>	<b><u>\$3,200,000</u></b>
<b><u>Montclair Basin</u></b>	<b><u>=</u></b>	<b><u>248</u></b>	<b><u>100%</u></b>	<b><u>=</u></b>	<b><u>\$1,440,000</u></b>	<b><u>\$-</u></b>	<b><u>\$1,440,000</u></b>
<b><u>Total</u></b>	<b><u>3,025</u></b>	<b><u>4,066</u></b>	<b><u>=</u></b>	<b><u>=</u></b>	<b><u>\$31,500,000</u></b>	<b><u>\$7,335,000</u></b>	<b><u>\$24,165,000</u></b>

**Insert other provisions varying or supplementing the terms of the Master Recharge Facilities Financing Agreement:**

**Approved by:**

**CHINO BASIN WATERMASTER**

**INLAND EMPIRE UTILITIES AGENCY**

**By: \_\_\_\_\_**  
**General Manager**

**By: \_\_\_\_\_**  
**Chief Executive Officer**

Document comparison by Workshare Compare on Wednesday, April 27, 2016  
3:36:55 PM

<b>Input:</b>	
Document 1 ID	PowerDocs://DOCSOC/1753327/1
Description	DOCSOC-#1753327-v1- Master_Recharge_Facilities_Financing_Agreement_- 2016
Document 2 ID	PowerDocs://DOCSOC/1753327/5
Description	DOCSOC-#1753327-v5- Master_Recharge_Facilities_Financing_Agreement_- 2016
Rendering set	SYCR 2

<b>Legend:</b>	
<u>Insertion</u>	
<del>Deletion</del>	
Moved from	
Moved to	
Style change	
Format change	
<del>Moved-deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

<b>Statistics:</b>	
	Count
Insertions	460
Deletions	233
Moved from	0
Moved to	0
Style change	0
Format changed	0

**MASTER AGREEMENT BETWEEN CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY REGARDING THE MANAGEMENT OF COLLABORATIVE RECHARGE PROJECTS**

This Master Cost Sharing Agreement ("Agreement") is entered into as of ~~June~~ July 24, 2014, by and between the CHINO BASIN WATERMASTER ("Watermaster") and INLAND EMPIRE UTILITIES AGENCY ("IEUA") (each a "Party" and collectively, the "Parties") for the purposes of establishing a framework for the joint management and allocation of costs for certain collaborative projects within the Chino Basin.

**RECITALS**

A. Watermaster is an agent of the Court and serves as the Court's special master in order to administer and enforce the provisions of the Chino Basin Watermaster Judgment, San Bernardino County Superior Court Case No. RCV 51010 (formerly Case No. SCV 164327);

B. IEUA is a regional public agency whose mission is to supply imported and recycled water; collect, treat, and dispose of wastewater; and provide other utility-related services to the communities it serves. IEUA strives to provide these services in a regionally planned, managed, and cost-effective manner;

C. Both Parties are interested in the recharge of water to the Chino Basin and have entered into prior agreements as to the development of facilities for such recharge;

D. Both Parties share responsibility for meeting certain monitoring and reporting requirements detailed in the Basin Plan amendment approved by the Santa Ana Regional Water Quality Control Board (RWQCB) in 2004 (R8-2004-0001, RS-2012-0002);

E. Both Parties have made commitments to the RWQCB to obtain Maximum Benefit Groundwater Quality Objectives;

F. The Parties are co-permittees for the Recycled Water Groundwater Recharge Program and share responsibility for meeting certain monitoring and reporting requirements of the RWQCB, Santa Ana Region Order No. RS-2007-0039 ("Order") and the Monitoring and Reporting Program (M&RP) No. RS-2007-0039;

G. Pursuant to the Peace II Agreement, the Parties are to jointly approve updates to the Recharge Master Plan to address how the Basin will be contemporaneously managed to secure and maintain Hydraulic Control and subsequently operated at a new equilibrium at the

conclusion of the period of Re-Operation. The Recharge Master Plan, as updated, is to reflect an appropriate schedule for planning, design, and physical improvements as may be required to provide reasonable assurance that following the full beneficial use of groundwater withdrawn in accordance with the Basin Re-Operation and authorized controlled overdraft, that sufficient Replenishment capability exists to meet the reasonable projections of Desalter Replenishment obligations.

H. The Parties regularly partner to jointly manage and fund projects in furtherance of these prior commitments and obligations, with such shared costs for such projects including expenditures for design of improvements, preparation of CEQA documents, applications for construction and operation permits, awarding of construction contracts, administrative costs, ~~and construction management services, and financing related costs;~~

I. The Parties will separately enter into contracts for services on a project specific basis, as described in written proposals including the nature of the services to be performed, the fees and rates to be charged, the location, time schedule, ~~financing,~~ and any special conditions of performance and other information deemed necessary by the Parties ("Task Orders"); and

J. The Parties acknowledge that, due to their originations and structures, IEUA is better equipped to undertake certain project implementation activities, including oversight of the preparation of CEQA documents, ~~and leading project management efforts, and securing debt financing under the Recharge Facilities Financing Agreement to support project costs.~~

K. The Parties seek to develop a Master Agreement for joint management, ~~and cost sharing, and financing~~ for projects in the Basin, and as individual Task Orders are approved by the Parties, such projects will be incorporated as part of the Master Agreement as Individual tasks.

## ARTICLE 1

### PROJECT MANAGEMENT

1.1 **Approval of Task Orders.** Each Task Order shall be approved by IEUA and the Watermaster Board of Directors as an individual task in accordance with each Party's policies and procedures, with a specified "maximum allowable cost" amount for each Individual Task. The costs to be borne by each Party shall not exceed the "maximum allowable cost" amount specified in each Task Order. ~~The only exception being to approval of debt financing for all potential Projects under a single Task Order.~~

1.2 **Changes in Scope of Task Orders.** Should either party determine that a change in scope requiring a budget increase of any Task Order is necessary for a project, to be effective,

such a change in Task Order scope must be approved by each of the Parties pursuant to the procedures described in Section 1.1. Watermaster shall provide timely review and respond to any request for a change in project scope or any change in Task Order, to prevent unnecessary delays in the project(s) conducted pursuant to such Task Order.

1.3 **Amendment to Task Order Budgets.** If any project undertaken pursuant to a Task Order subject to this Agreement will exceed the budget allocated for such Task Order, Watermaster and IEUA shall amend the Task Order authorizing the project. Similarly, if grant funding is obtained for any project undertaken pursuant to a Task Order subject to this Agreement, Watermaster and IEUA shall amend the Task Order authorizing the project to reduce the Task Order budget accordingly. Watermaster shall reasonably and diligently process any necessary amendments of the Task Order authorizing the project to prevent unnecessary delays in projects.

1.4 **Contractor Selection.** IEUA shall retain a qualified contractor for any and all Task Orders. IEUA may, within its sole discretion, select contractors for each Task Order without the involvement and approval of the Watermaster Board.

1.5 **Monthly Progress Reports.** IEUA, pursuant to its policies and procedures, shall provide monthly progress reports to Watermaster's General Manager by the eighth calendar day of each month for each Task Order that is subject to this Master Agreement. Each monthly progress report shall include a summary of the current status of the Task Order, including reports on cost schedules and any potential for cost overruns, schedule status, and any changes or potential need for changes in the scope of the Task Order.

## ARTICLE 2

### COST SHARING

2.1 **Watermaster Approval.** Under no circumstances shall Watermaster be obliged to enter into any Task Order reimbursement or repayment obligation, absent approval of the Task Order by Watermaster's Board of Directors.

2.2 **Cost Sharing Allocation.** The Parties have previously agreed as to the cost sharing allocations among themselves for certain projects, including, but not limited to:

- a. Section 8.1(b) of the Peace II Agreement specifies that mutually approved capital improvements for recharge basins that do or can receive recycled water constructed pursuant to the Court-approved Recharge Master Plan, if any, will be financed through the use of third party grants and contributions if available, with



any unfunded balance being apportioned fifty (50) percent each to IEUA and Watermaster.

- b. The December 17, 2008 Memorandum of Understanding: Cooperating Efforts for Monitoring Programs between the Inland Empire Utilities Agency and the Chino Basin Watermaster, referred to as the "Bright Line Agreement," defines the cost sharing arrangement for certain monitoring programs between IEUA and Watermaster.
- c. The Parties acknowledge that there are projects which will be funded one hundred (100) percent by Watermaster and managed by IEUA for Watermaster's benefit; and, Watermaster will reimburse IEUA for its project management efforts of these projects.

From and after the Effective Date of this Master Agreement, the Parties agree that they shall apportion the costs of each Task Order for projects to be completed under each Task Order, in accordance with the applicable funding allocation, as described in each Task Order.

**2.3 Fiscal-Year Basis Funding.** While each Task Order may include a projected budget for the project included therein over the anticipated lifespan of the project, funding for Task Orders and change orders or amendments under this Master Agreement, and for projects not financed with new debt, will be made available on a fiscal-year basis. However, funding may be carried forward to complete projects that span fiscal years in order that payment may be made in a timely manner.

**2.3 Debt Financing.** The Parties may agree to secure new debt to finance projects approved under this Master Agreement. IEUA will seek the lowest cost financing, including but not limited to low interest State Revolving Funds (SRF) loans issued by the State Resources Control Board. A Task Order, listing all of the potential Projects to be financing with new debt, will be approved by the both Parties and included in an Annex to the Recharge Facilities Financing Agreement. The parties acknowledge that changes to the Projects and/or Project costs may occur from time-to-time. Whenever possible, IEUA will make every effort to modify debt financing accordingly.

Formatted: Body Text

Formatted: Font: Times New Roman

**2.4 No Partnership or Joint Venture.** Neither this Master Agreement, nor any Task Order or project hereunder, nor any other conduct engaged in by either Party pursuant to this Master Agreement or any Task Order hereunder shall create any partnership or joint venture between the Parties, or between each Party and any of the other Party's contractors.

**2.5 Project Litigation.** In the event that litigation arises in regard to any project that is the subject of a Task Order to this Agreement, which project cost is shared equally between the Parties, then said litigation costs will likewise be shared equally by the Parties. Where the

project is funded entirely through Watermaster, the cost of such litigation shall be borne entirely by Watermaster.

### ARTICLE 3

#### REIMBURSEMENT OF COSTS

**3.1 Reimbursement Schedule.** Reimbursement shall be made as follows: At the last day of each month, IEUA shall transmit to Watermaster's General Manager a single invoice, with supporting documentation, itemizing Watermaster's share of costs paid by IEUA, or debt financing, in the preceding monthly billing period that are applicable to each Task Order. Invoices for costs paid by IEUA shall be due and payable in full no later than 30 days from the date of receipt. Watermaster will exercise its best efforts to complete payment within 30 days, recognizing that Watermaster may be subject to requirement of reimbursement to IEUA for additional expenses, such as loss of interest earnings, incurred as a result of a delay in reimbursement. The loss of interest earnings will be calculated by IEUA based on the investment earning rate.

**3.2 Transmittal of Reimbursement Payments.** Remittance for all payments shall identify the applicable IEUA invoice number, and shall be made to the following:

IEUA  
Accounts Receivable  
P.O. Box 9020  
Chino Hills, CA 91709

3.3 Debt Financing Schedule: Reimbursement of Project costs financed with new debt will be subject to the Recharge Facilities Financing Agreement and Fixed Project Costs provisions.

**3.3 Disputed Invoices.** If Watermaster disputes any portion of an invoice, Watermaster shall furnish prompt notice of the basis for the dispute and shall pay the undisputed portion. The due date for payment of the disputed portion shall be extended 30 days to allow the Parties to resolve the disputed issue.

**3.4 Reimbursement Limitations.** Neither Party shall be obligated to reimburse the other for any administrative time or overhead expenses incurred by the other Party that is unrelated to the Task Orders issued under this Master Agreement, however each Party is obligated to reimburse the other for capital cost and administrative time and overhead expenses as part of each Party's responsibilities as stated within each Task Order. All legal and technical consultants, contractors, or other personnel retained by either Party for work eligible for

reimbursement under this Agreement shall be under contract to or employed by that individual retaining Party alone and shall look solely to that retaining Party for payment. Each individual Party assumes absolutely no liability or obligation to the other Party's consultants, contractors, or personnel retained outside this agreement and its respective task orders.

#### ARTICLE 4

##### TERM

4.1 **Effective Date.** The effective date of this Master Agreement is June \_\_\_\_, 2014 ("Effective Date").

4.2 **Termination.** This Master Agreement shall be mutually terminable at any time by majority vote of either Party's Board of Directors, within each Party's sole discretion. Termination shall not relieve the terminating party from its obligations accruing prior to termination, including the payment of monies due for work performed prior to the date of termination and project settlements costs thereof, shall be paid after receipt of an invoice as provided in Article 3, above.

#### ARTICLE 5

##### INDEMNITY

5.1 **IEUA.** IEUA shall indemnify Watermaster against and hold Watermaster harmless from any and all claims, suits, losses, damages, and liability for damages of every name, kind and description, including attorneys' fees and other costs of defense incurred, brought for, or on account of, injuries to or death of any person, including, but not limited to, workers, the public, or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with IEUA's activities pursuant to this Agreement, any Task Order thereunder, regardless of the existence or degree of fault or negligence on the part of the Parties, a third-party contractor, the subcontractor(s) and employee(s) of any of these, except for the active negligence or willful misconduct of employees or agents of the Parties, or as expressly prohibited by statute. The provisions of this Section 5.1 will survive termination of this Agreement.

5.2 **Watermaster.** Watermaster shall indemnify IEUA against and hold IEUA harmless from any and all claims, suits, losses, damages, and liability for damages of every name, kind and description, including attorneys' fees and other costs of defense incurred, brought for, or on account of, injuries to or death of any person, including, but not limited to, workers, the public,

or damage to property, or any economic or consequential losses, which are claimed to or in any way arise out of or are connected with Watermaster's activities pursuant to this Agreement, any Task Order thereunder, regardless of the existence or degree of fault or negligence on the part of the Parties, a third-party contractor, the subcontractor(s) and employee(s) of any of these, except for the active negligence or willful misconduct of employees or agents of the Parties, or as expressly prohibited by statute. The provisions of this Section 5.2 will survive termination of this Agreement.

## ARTICLE 6

### GENERAL PROVISIONS.

6.1 **Notices.** Any notice under this Agreement shall be deemed sufficient if given by one Party to the other in writing and: delivered in person; transmitted by electronic mail or facsimile (with acknowledgement of receipt provided by the receiving Party); or, by mailing the same by United States mail (postage prepaid, registered or certified, return receipt requested) or by Federal Express or other similar overnight delivery service, to the Party to whom the notice is directed at the address of such Party as follows:

If to Watermaster:

Chino Basin Watermaster  
Attn: General Manager  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

If to IEUA:

Inland Empire Utilities Agency  
Attn: Executive Manager of Engineering/Assistant General Manager  
PO Box 9020  
Chino Hills, CA 9170

Any communication given by mail shall be deemed delivered two (2) business days after such mailing date, and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Either Party may change its address by giving the other Party notice of its new address.

6.2 **Assignability.** The Parties may not assign all or any part of this Master Agreement or any Task Order without advance written consent of each Party's Board of Directors.

**6.3 Waiver.** No waiver by any Party of any of the provisions shall be effective unless explicitly stated in writing and executed by the Party so waiving. Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representations, warranties, covenants, or agreements contained in this Agreement, and in any documents delivered or to be delivered pursuant to this Agreement. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver.

**6.4 Headings.** The section headings contained in this Agreement are for convenience and reference only and shall not affect the meaning or interpretation of this Agreement.

**6.5 Severability.** If any term, provision, covenant or condition of this Agreement shall be or become illegal, null, void or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect, and shall not be affected, impaired or invalidated. The term, provision, covenant or condition that is so invalidated, voided or held to be unenforceable, shall be modified or changed by the Parties to the extent possible to carry out the intentions and directives set forth in this Agreement.

**6.6 Governing Law.** This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of California. This Agreement shall be specifically enforceable in the Court maintaining jurisdiction over the case Chino Basin Municipal Water District v. City of Chino, San Bernardino Superior Court Case No. RCV 51010.

**6.7 Parties in Interest.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action against any party to this Agreement.

**6.8 Attorney Fees.** In any dispute under this agreement between the Parties, each Party shall bear its own legal costs and expenses.

**6.9 Good Faith.** The Parties agree to exercise their best efforts and utmost good faith to effectuate all the terms and conditions of this Agreement and to execute such further instruments or documents as are necessary or appropriate to effectuate all of the terms and conditions of this Agreement.

**6.10 Construction.** The provisions of this Agreement should be liberally construed to effectuate its purposes. The language of all parts of this Agreement shall be construed simply according to its plain meaning and shall not be construed for or against either Party, as each Party has participated in the drafting of this document and had the opportunity to have their counsel review it. Whenever the context and construction so requires, all words used in the singular shall be deemed to be used in the plural, all masculine shall include the feminine and neuter, and vice versa.

**6.11 Entire Agreement.** This Agreement contains the entire understanding and agreement of the Parties, and supersedes all prior agreements and understandings, oral and written, between the Parties concerning the subject matter of this agreement. There have been no binding promises, representations, agreements, warranties or undertakings by any of the Parties, either oral or written, of any character or nature, except as stated in this Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the Parties to this Agreement and by no other means. Each Party waives its future right to claim, contest or assert that this Agreement was modified, canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppels.

**6.12 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement on the day and year and at the place first written above.

CHINO BASIN WATERMASTER

By \_\_\_\_\_  
PETER KAVOUNAS  
General Manager

INLAND EMPIRE UTILITIES AGENCY

By \_\_\_\_\_  
P. JOSEPH GRINDSTAFF  
General Manager

## Financing Plan for the 2013 Recharge Master Plan Update

As part of the 2013 Recharge Master Plan Update (RMPU), a financing plan is to be developed for the yield enhancement projects. The purpose of the financing plan is to define the IEUA/CBWM cost shares, identify funding sources and outline the allocation of cost and benefit among the Appropriators. The following sections are from the RMPU. Each section includes an outline of the proposed approach/methodologies used to develop the financing plan and will be finalized following input and consensus from the RMPU Steering Committee.

***Identify the IEUA and Watermaster cost share. Watermaster and the IEUA will determine each party's cost share based on the Peace II Agreement and on the benefit to the parties. This will be negotiated and memorialized in an agreement as identified in the Implementation Plan above.***

The cost share is consistent with the RMPU and the Peace II Agreement. Stormwater and imported water exclusive projects will be funded 100% by CBWM. Projects that do or can receive recycled water will be cost shared 50%/50% by CBWM and IEUA. Prior to moving forward with capital design or construction, IEUA and CBWM will enter into a specific Task Order.

***Once the scope of the Montclair Basins project is defined, the IEUA and Watermaster will request that the CBWCD consider contributing funding to recharge improvements at the Montclair Basins.***

Chino Basin Water Conservation District (CBWCD) has asked to wait until the preliminary design is completed before they commit to any funding contribution to the recharge improvement. CBWCD wanted to base their decision on a detailed design approach and an engineer's estimate instead of the current planning-level scope and cost. The preliminary design recommendation for Montclair Basin is scheduled to be complete in August 2016. At that time, CBWCD will provide a response to cost sharing of capital improvements at Montclair Basins.

***Identify grant-funding share. The IEUA, Watermaster, and the Appropriators will combine their efforts to secure grant funding and low-interest financing from the State Water Resources Control Board, the DWR, and others.***

Grant, loan and/or bond financing benefits and/or liabilities will be applied to all parties consistent with the IEUA/CBWM pro-rata methodology indicated in prior section.

Grant Opportunities: IEUA has identified several grant funding opportunities for the RMPU projects. Fundamental to formal grant submission and approval is the local commitment to proceed with projects as planned. Following commitment during the Chino Basin Facilities Improvement Project (CBFIP), IEUA/CBWM were successful in grant funding nearly 50% of the \$65M in capital projects constructed (\$36M in grants were received). In preparation for CBWM approval of the proposed RMPU projects, IEUA has initiated efforts to secure funding through the following grant programs:

1. Proposition 84 (State) – \$1,500,000 was received for the San Sevaine and Lower Day RMPU projects. These funds have already been approved and resulted in the acceleration of these projects within specific Task Order Nos. 2 & 8.

2. USBR (Federal) – \$750,000 was received for the San Sevaine and Lower Day RMPU projects. These funds have already been approved and resulted in the acceleration of these projects within specific Task Order Nos. 2 & 8.
3. Proposition 1 (State) – Water Recycling – An application was submitted in December 2015 for the San Sevaine Basin project. If awarded, it will provide approximately \$2.6 million in grants and \$4.9 million in SRF loans. Together with item 1 above, the San Sevaine Basin project will be fully funded by federal, state grants and low interest loans.
4. Proposition 1 (State) – Stormwater Grant (Round 1) – During round 1 of this program, \$80M will be made available to applicants. A pre-application was submitted in April 2016 for funding through this program. The final grant application is due in July 2016. The first round of this grant will provide up to a maximum of \$10M in grant funding per agency, with a minimum of a 50% local match. Special consideration is made for multi-benefit projects. This program requires that a Storm Water Resources Plan be completed by the applicant prior to submission – IEUA has been working with WEI (at the request of CBWM) to complete the Plan. The Plan is scheduled to be adopted by the SAWPA Board by May 2016. This program will be highly competitive with limited funding. Successful applicants will be notified in late 2016.
5. Proposition 1 (State) – Stormwater Grant (Round 2) – During round 2 of this program, \$80M will be made available to applicants. The final guidelines for the second round of this grant will be released in 2017. Special consideration is made for multi-benefit projects. This program will be even more highly competitive than the first round as more potential applicants may have completed their Storm Water Resources Plan by then. Successful applicants will be notified in late 2018.
6. Proposition 1 (State) – Groundwater Quality Grant – This program is designed to support the cleanup of human and natural contaminated groundwater. This program is scheduled to fund up to \$900M in projects in multiple rounds, with a minimum of a 50% local match. In addition, this program is tied to the Drinking Water SRF program to assist in funding remaining local match. Special consideration is made for groundwater contamination cleanup with multi-benefit projects. Pre-applications for this program are being accepted, with final applications being due in mid-2016 (within 1-month following the release of program guidelines). This program will be highly competitive and complete applications should be submitted as early as possible.

It is important to note that duplication of State grants is not permitted. In the event that we are successful getting two State grants, we will need to ensure that neither of the limits for State funding are exceeded; if this is the case, we will need to prioritize grant opportunities to accept.

**Low Interest Loan Opportunities:** The State Water Resource Control Board offers low interest loan opportunities for public agencies through the State Revolving Fund (SRF). There are several opportunities that IEUA/CBWM could pursue to provide low interest SRF funding for the RMPU projects. It is important to note that if SRF loan(s) are used to fund these projects, IEUA intends to use the Chino Basin Regional Financing Authority (CBRFA) to issue this debt. The CBRFA is governed by the IEUA Board of Directors, but enables IEUA to track and issue debt separately from IEUA capital project debt.

1. SRF Planning Loan – IEUA submitted a pre-application in March 2016 for a planning loan for the remaining RMPU design work. It is anticipated that approximately \$5,000,000 may be needed to fund all remaining “soft costs”. If successful in attaining this loan, all remaining soft costs will be funded through the loan and will not result in any special assessments or assessment adjustments. Repayment would not be triggered until after the completion of corresponding efforts (5-year repayment period) and can be rolled into SRF construction loan (if received). Interest rates for these loans are currently at 1.6%-1.8% (30-year).



2. **SRF Construction Loan** – It is anticipated that IEUA will submit several SRF loan packages for the RMPU projects. To maximize the potential of receiving some matching principle forgiveness (grant), loan packages should be sized at approximately \$25,000,000. Dependent upon the status of the RMPU project list approval, loan packages should start to be submitted to the State in mid-2016. Interest rates for these loans are currently at 1.6%-1.8% (30-year). SRF loans can be applied through either of the following state programs:
  - a. **Drinking Water SRF Program** – typical for drinking water projects (stormwater also qualifies) at standard low interest rate. Term for DWSRF is typically 20-year.
  - b. **Clean Water SRF Program** – typical for wastewater projects (wastewater treatment, recycled water and potentially groundwater recharge with stormwater may qualify for this program at standard low interest rate with the potential of principle forgiveness (IEUA has secured an average of 20% principle forgiveness [grant] for last several CWSRF loans). Term for CWSRF is typically 30-year.

To put the value of the SRF program in perspective, the following table shows the relative benefits of both the SRF loan and grant programs vs. funding through a bond (assumed at 5% consistent with the RMPU and to provide a projected conservative upper range to borrow costs). Assuming a total program cost of \$30M (value used as a maximum funding bookend example for CBWM funded portion), it is expected that the region would save over \$20M in financing costs over 30-years by just using the SRF program at current rates. Alternatively, it is expected that the region would save over \$36M in financing costs in 30-years based on estimated grant and SRF loan opportunities.

**Table 1 – Funding Alternative Payment Schedule (dollars in 1,000's)**

\$30M Bond					\$30M SRF Loan					\$12M Grant & \$18M SRF Loan				
Bond Fee	\$ 30,000	5.00%	30 years		Loan Grant	30,000	1.80%	30 years		Loan Grant	18,000	1.80%	30 years	
Project Cost	\$ 50,000				Project Cost	30,000				Project Cost	30,000			
Years	Principal Outstanding	Interest Payment	Principal Payment	Total Payment	Years	Principal Outstanding	Interest Payment	Principal Payment	Total Payment	Years	Principal Outstanding	Interest Payment	Principal Payment	Total Payment
1	\$ 30,500	\$ 1,525	\$ 459	\$ 1,984	1	\$ 30,000	\$ 540	\$ 769	\$ 1,303	1	\$ 18,000	\$ 324	\$ 458	\$ 782
2	\$ 30,041	\$ 1,502	\$ 482	\$ 1,984	2	\$ 29,237	\$ 528	\$ 777	\$ 1,303	2	\$ 17,542	\$ 318	\$ 488	\$ 782
3	\$ 29,559	\$ 1,478	\$ 508	\$ 1,984	3	\$ 28,460	\$ 512	\$ 791	\$ 1,303	3	\$ 17,076	\$ 307	\$ 474	\$ 782
4	\$ 29,059	\$ 1,453	\$ 531	\$ 1,984	4	\$ 27,870	\$ 498	\$ 805	\$ 1,303	4	\$ 16,602	\$ 299	\$ 483	\$ 782
5	\$ 28,521	\$ 1,428	\$ 558	\$ 1,984	5	\$ 27,365	\$ 484	\$ 819	\$ 1,303	5	\$ 16,119	\$ 290	\$ 492	\$ 782
6	\$ 27,963	\$ 1,398	\$ 586	\$ 1,984	6	\$ 26,045	\$ 469	\$ 834	\$ 1,303	6	\$ 15,627	\$ 281	\$ 500	\$ 782
7	\$ 27,377	\$ 1,369	\$ 615	\$ 1,984	7	\$ 25,211	\$ 454	\$ 849	\$ 1,303	7	\$ 15,127	\$ 272	\$ 509	\$ 782
8	\$ 26,762	\$ 1,338	\$ 646	\$ 1,984	8	\$ 24,362	\$ 439	\$ 864	\$ 1,303	8	\$ 14,617	\$ 263	\$ 519	\$ 782
9	\$ 26,116	\$ 1,306	\$ 678	\$ 1,984	9	\$ 23,498	\$ 423	\$ 880	\$ 1,303	9	\$ 14,099	\$ 254	\$ 528	\$ 782
10	\$ 25,438	\$ 1,272	\$ 712	\$ 1,984	10	\$ 22,618	\$ 407	\$ 896	\$ 1,303	10	\$ 13,571	\$ 244	\$ 537	\$ 782
11	\$ 24,726	\$ 1,236	\$ 748	\$ 1,984	11	\$ 21,722	\$ 391	\$ 912	\$ 1,303	11	\$ 13,033	\$ 235	\$ 547	\$ 782
12	\$ 23,978	\$ 1,199	\$ 785	\$ 1,984	12	\$ 20,810	\$ 375	\$ 928	\$ 1,303	12	\$ 12,486	\$ 225	\$ 557	\$ 782
13	\$ 23,183	\$ 1,160	\$ 824	\$ 1,984	13	\$ 19,882	\$ 358	\$ 945	\$ 1,303	13	\$ 11,929	\$ 215	\$ 567	\$ 782
14	\$ 22,369	\$ 1,118	\$ 866	\$ 1,984	14	\$ 18,937	\$ 341	\$ 962	\$ 1,303	14	\$ 11,362	\$ 205	\$ 577	\$ 782
15	\$ 21,503	\$ 1,075	\$ 909	\$ 1,984	15	\$ 17,975	\$ 324	\$ 979	\$ 1,303	15	\$ 10,785	\$ 194	\$ 588	\$ 782
16	\$ 20,594	\$ 1,030	\$ 954	\$ 1,984	16	\$ 16,995	\$ 306	\$ 997	\$ 1,303	16	\$ 10,197	\$ 184	\$ 598	\$ 782
17	\$ 19,640	\$ 982	\$ 1,002	\$ 1,984	17	\$ 15,988	\$ 288	\$ 1,015	\$ 1,303	17	\$ 9,599	\$ 173	\$ 609	\$ 782
18	\$ 18,637	\$ 932	\$ 1,052	\$ 1,984	18	\$ 14,983	\$ 270	\$ 1,033	\$ 1,303	18	\$ 8,990	\$ 162	\$ 620	\$ 782
19	\$ 17,585	\$ 879	\$ 1,105	\$ 1,984	19	\$ 13,950	\$ 251	\$ 1,052	\$ 1,303	19	\$ 8,370	\$ 151	\$ 631	\$ 782
20	\$ 16,480	\$ 824	\$ 1,160	\$ 1,984	20	\$ 12,888	\$ 232	\$ 1,071	\$ 1,303	20	\$ 7,739	\$ 139	\$ 642	\$ 782
21	\$ 15,320	\$ 768	\$ 1,218	\$ 1,984	21	\$ 11,827	\$ 213	\$ 1,090	\$ 1,303	21	\$ 7,096	\$ 128	\$ 654	\$ 782
22	\$ 14,102	\$ 705	\$ 1,279	\$ 1,984	22	\$ 10,737	\$ 193	\$ 1,110	\$ 1,303	22	\$ 6,442	\$ 116	\$ 666	\$ 782
23	\$ 12,823	\$ 641	\$ 1,343	\$ 1,984	23	\$ 9,627	\$ 173	\$ 1,130	\$ 1,303	23	\$ 5,776	\$ 104	\$ 678	\$ 782
24	\$ 11,481	\$ 574	\$ 1,410	\$ 1,984	24	\$ 8,498	\$ 153	\$ 1,150	\$ 1,303	24	\$ 5,099	\$ 92	\$ 690	\$ 782
25	\$ 10,071	\$ 504	\$ 1,481	\$ 1,984	25	\$ 7,348	\$ 132	\$ 1,171	\$ 1,303	25	\$ 4,409	\$ 79	\$ 702	\$ 782
26	\$ 8,590	\$ 429	\$ 1,555	\$ 1,984	26	\$ 6,177	\$ 111	\$ 1,192	\$ 1,303	26	\$ 3,708	\$ 67	\$ 715	\$ 782
27	\$ 7,035	\$ 352	\$ 1,632	\$ 1,984	27	\$ 4,985	\$ 90	\$ 1,213	\$ 1,303	27	\$ 2,991	\$ 54	\$ 728	\$ 782
28	\$ 5,403	\$ 270	\$ 1,714	\$ 1,984	28	\$ 3,772	\$ 68	\$ 1,235	\$ 1,303	28	\$ 2,263	\$ 41	\$ 741	\$ 782
29	\$ 3,689	\$ 184	\$ 1,800	\$ 1,984	29	\$ 2,537	\$ 46	\$ 1,257	\$ 1,303	29	\$ 1,522	\$ 27	\$ 754	\$ 782
30	\$ 1,880	\$ 94	\$ 1,880	\$ 1,984	30	\$ 1,280	\$ 23	\$ 1,280	\$ 1,303	30	\$ 788	\$ 14	\$ 788	\$ 782
<b>TOTAL</b>	\$ 29,022	\$ 30,500	\$ 89,822		<b>TOTAL</b>	\$ 9,089	\$ 30,000	\$ 38,988		<b>TOTAL</b>	\$ 5,463	\$ 18,000	\$ 23,463	
<b>Amount Saved Compared to Bond</b>				\$ -					\$ 20,434					
									\$ 20,434					
										\$ 36,089				

**Bond Financing:** As part of the original CBFIP, bonds were used to finance the non-grant covered costs. It is anticipated that fixed rate bonds or alternative borrowing would cost the parties approximately 5% interest. Bond financing may also sensitive to the amount of funding needed (i.e. bonds less than \$20M may not be of interest to the market) and how the borrowing is backstopped (i.e. financing agreements between parties).

The debt issued in 2002 to finance the CBFIP was issued as variable rate revenue bonds. These bonds were refinanced in 2008 (2008B Variable Revenue Demand Obligation). Interest rates are set weekly and are backed by a letter of credit (LOC) facility provider. The remaining outstanding principal balance is \$15M. As favorable as the interest rates have been recently (averaged 0.15% over last 6 years – not adjusted for LOC or additional management costs), there is inherent risk in a rising market or economic downturn. In the fall of 2008, the interest rates jumped to as high as 12% (maximum amount) when the bonds failed to be remarketed.

**Chino Basin Regional Financing Authority (CBRFA):** In 1993, IEUA developed the CBRFA as an entity that could be used to finance projects that have benefits outside of just IEUA. The Board of Directors for the CBRFA is the IEUA Board. The CBRFA can effectively be used to fund projects that benefit the entire Chino Basin, without impacting the debt of IEUA. In 2002, the CBRFA was used to finance the CBFIP. Variable rate bonds were secured to fund more than \$20M in CBFIP costs (non-grant portion). CBWM debt associated with this repayment is made on an annual basis in accordance with the Master Recharge Facilities Financing Agreement. It is intended that all debt and grants for the RMPU projects will be applied for through the CBRFA. Doing so

would require both IEUA and CBWM to pledge revenues to the CBRFA. A 2016 Financing Agreement is being developed for consideration by IEUA, CBWM and CBRFA for adoption.

**Proposed Approach:** The proposed approach will involve several actions, with built in redundancies. IEUA's plan will prioritize the funding of projects through SRF programs with maximization of grant funding. Actions from IEUA, CBWM and/or CBRFA Boards are required for each of these items. Action is tied to commitments to make future debt payments and/or commitment toward application project. Proposed actions will be completed as follows:

1. SRF Planning Loan – cover all remaining soft costs into loan such that parties will not fund these costs until construction is complete. The following action items are planned:
  - a. IEUA Action
    - i. File application (*April 20, 2016*)
    - ii. Approve the 2016 Financing Agreement (*May 18, 2016*)
    - iii. Adopt Resolutions (*May 18, 2016*)
  - b. CBWM Action
    - i. Approve the 2016 Financing Agreement (*May 19, 2016*)
    - ii. Adopt Resolutions (*May 19, 2016*)
  - c. CBRFA Action
    - i. Approve the 2016 Financing Agreements (*May 18, 2016*)
    - ii. Adopt Resolutions (*May 18, 2016*)
    - iii. File Resolutions to State Water Board (*May 2016*)
2. USBR Drought Resiliency Implementation Grant – submit application to fund up to \$300K for drought project implementation. This will be helpful to use for purpose of attaining State funds (i.e. Proposition 1). This would be applied to the 23a RMPU Project (i.e. Wineville to Jurupa to RP-3). This project has an anticipated project cost of approximately \$21M and has both stormwater and recycled water benefits (3,166 AFY and 2,905 AFY, respectively). The following action items are planned:
  - a. IEUA Action
    - i. File application (*April 11, 2016*)
    - ii. Adopt Resolution (*April 20, 2016*)
3. Proposition 1 Stormwater Grant Round 1 – submit application to fund up to 50% of the cost (up to maximum of \$10M) of multi-benefit stormwater related projects. It is proposed that IEUA will submit for the 23a RMPU Project. The following action items are planned:
  - a. IEUA Action
    - i. File pre-application (*April 15, 2016*)
    - ii. Adopt Resolutions (*May 18, 2016*)
    - iii. File application and associated Resolutions to State Water Board (*June 2016*)
  - b. CBWM Action
    - i. Adopt Resolutions (*May 19, 2016*)
4. CWSRF – submit application to fund all of RMPU projects, TCE Plume Cleanup project and remaining/planned CDA wells/infrastructure. This application will be used to fund all remaining projects and will include nearly all the requirements needed to file for the Proposition 1 GWQ Grant (see item no. 5 below). The following action items are planned:
  - a. IEUA Action
    - i. Adopt Resolutions (*July 20, 2016*)
  - b. CBWM Action
    - i. Adopt Resolutions (*July 21, 2016*)
  - c. CDA Action

- i. Adopt Resolutions (**July 2016**)
    - d. CBRFA Action
      - i. File application and associated Resolutions to State Water Board (**July 2016**)
  - 5. Proposition 1 Groundwater Quality Grant – submit application to fund all of RMPU projects, TCE Plume Cleanup project and remaining/planned CDA wells/infrastructure. It is anticipated that this request will be approximately \$75M in projects (depending on success of prior actions) and would be eligible for up to 50% grant funding through Proposition 1 and Drinking Water SRF for non-grant portion. The following action items are planned:
    - a. IEUA Action
      - i. Filed pre-application in November 2015 via CBRFA without RMPU projects
      - ii. Amend the pre-application to include RMPU and CDA projects (**April 2016**)
      - iii. Adopt Resolutions (**May 18, 2016**)
      - iv. Approval of Programmatic Environmental Impact Report (includes 2013 RMPU projects) (**November 16, 2016**)
    - b. CBWM Action
      - i. Adopt Resolutions (**May 19, 2016**)
    - c. CBRFA Action
      - i. File application and associated Resolutions to State Water Board (**by June 2016**)

In the event that grants and SRF are not successful, debt options would be developed for IEUA and CBWM consideration prior to proceeding with and debt issuance. It is expected that parties will know success of various applications by early/mid 2017. Since most RMPU construction is not scheduled to be started until early 2018, time will remain to pursue favorable debt service.

***Allocation of cost and benefit among the Appropriators. Watermaster assumes that capital cost and New Yield will be allocated to the Appropriator parties based on their share of Operating Safe Yield and future operation and maintenance expenses will be production based per Peace II Section 8.1. Any change in allocation method would first require a negotiation process among the Appropriative Pool parties.***

The existing allocation of capital costs on the basis of OSY are as shown in Table 2. The cost distribution (%OSY) may change if an Appropriative Pool New Yield and Cost Allocation Agreement is adopted.

**Table 2 – OSY by Party**

Party	Share of OSY	% Share of OSY
Arrowhead Mtn Spring Water Co	-	0.00%
Chino Hills, City Of	2,111.422	3.85%
Chino, City Of	4,033.857	7.36%
Cucamonga Valley Water District	3,619.454	6.60%
Desalter Authority	-	0.00%
Fontana Union Water Company	6,391.736	11.66%
Fontana Water Company	1.000	0.00%
Fontana, City Of	-	0.00%
Golden State Water Company	411.476	0.75%
Jurupa Community Services District	2,061.118	3.76%
Marygold Mutual Water Company	655.317	1.20%
Monte Vista Irrigation Company	676.759	1.23%
Monte Vista Water District	4,823.954	8.80%
Niagara Bottling, LLC	-	0.00%
Nicholson Trust	4.000	0.01%
Norco, City Of	201.545	0.37%
Ontario, City Of	11,373.816	20.74%
Pomona, City Of	11,215.852	20.45%
San Antonio Water Company	1,506.888	2.75%
San Bernardino County Shtg Prk	-	0.00%
Santa Ana River Water Company	1,301.374	2.37%
Upland, City Of	2,852.401	5.20%
West End Consolidated Water Company	947.714	1.73%
West Valley Water District	644.317	1.18%
<b>Totals</b>	<b>54,834.000</b>	<b>100.00%</b>

Based on the different alternatives outlined in Table 1, it is expected that financing would be applied to OSY as shown in Table 3.

**Table 3 – Debt Impact Based on OSY**

Financing Mechanism	Project Debt (Example from Table 1)	Annual Debt Payment (\$/Yr)	Annual Payment per %OSY (\$/%OSY)	Annual Payment per %OSY per \$1M Capital
Bond Financing	\$ 30,500,000	\$ 1,984,069	\$ 19,841	\$ 397
SRF only	\$ 30,000,000	\$ 1,302,943	\$ 13,029	\$ 261
SRF with Grant	\$ 18,000,000	\$ 781,766	\$ 7,818	\$ 156

**Finance the construction of recharge improvements. The IEUA, the TVMWD, the WMWD, and potentially certain Appropriator parties will use their revenue structure and other means (municipal bonds, pay-as-you-go, etc.) to construct the recommended yield enhancement projects.**

As indicated prior, IEUA's primary intent is to get funding through the SRF program through the use of the CBRFA. In the event that any of the CBWM parties elect to fund their portion of 2013 RMPU projects through PAYGO, they are able to do so. It should be noted that many of the grant opportunities are tied to the SRF funding program; therefore, if a party elects to not participate with financing that is tied to grant benefit, their portion of the grant benefit would be correspondingly forfeited. If SRF funding is unsuccessful, parties will be advised of options for bond financing to review prior to making a commitment for use of bond financing or PAYGO. Notice to CBWM/IEUA on desire to use PAYGO shall be made in writing prior to CBWM Board action of any proposed funding action (i.e. SRF resolution, bond filing, etc.).

***Apply pay-as-you-go for all the soft costs through completion of the final design. The soft costs were distributed between IEUA and Watermaster by the proportion of the total capital cost of the recommended projects to IEUA's portion of the cost shared projects (about six percent).***

As indicated prior, IEUA has submitted a planning SRF loan application. Although this will not fund past soft costs, if secured, it will fund all remaining RMPU soft costs (estimated to be approximately \$5M). If this planning loan is attained, debt will not be due until 1) after the completion of construction, or 2) after the completion of the design (if construction is not pursued). Please note that property acquisition is not an eligible cost for the planning SRF loan program. If IEUA is unsuccessful in attaining this loan, the remaining soft costs will be funded through CBWM as PAYGO consistent with costs to date.

***All costs associated with the development of implementing agreements, preliminary design, proof-of-concept, completion of the CEQA process, and final design are considered part of the project capital cost and will be paid for through the Watermaster assessment process pursuant to the Peace II Agreement unless a new Appropriative Pool New Yield and Cost Allocation agreement is reached. In the case that such an agreement is reached, an assessment reconciliation will be done consistent with the new agreement.***

Several of these costs will be eligible under the SRF planning loan if attained.

**ACTION  
ITEM**

**2E**



---

Date: May 18, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (05/11/16)  
Finance, Legal, and Administration Committee (05/11/16)

From: *for* P. Joseph Grindstaff *W*  
General Manager

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

Shaun J. Stone *SJS*  
Manager of Engineering

Subject: Water Quality Laboratory Construction Contract Award

---

### RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the construction contract award for the Water Quality Laboratory, Project No. EN15008, to Kemp Bros. Construction, Inc., in the amount of \$17,460,000;
2. Approve a total project budget amendment in the amount of \$3,745,000, which will increase the total project budget from \$20,900,000 to \$24,645,000;
3. Authorize the Agency to request an increase to the current SRF Loan Agreement in the amount of \$7,545,000; and
4. Authorize the General Manager to execute the construction contract, budget amendment, and required loan documents.

### BACKGROUND

In 2005, the Agency performed a preliminary evaluation of the existing laboratory facility located at Regional Water Recycling Plant No. 1 (RP-1) followed by a feasibility study conducted in 2006 for a new laboratory facility. The assessments were performed by independent consultants who concluded that the existing laboratory facility was nearing the end of its useful life and presented several challenges including inadequate ventilation, lack of building



Water Quality Laboratory Construction Contract Award

May 18, 2016

Page 2 of 4

insulation, numerous structural and storage space issues, in addition to being crowded with limited expandability. The existing laboratory facility cannot meet future needs with an anticipated 30 percent increase in the number of annual samples. The existing laboratory facility is composed of 6,200 square feet accommodated within two buildings. Based on the assessments and the future increase in required samples, the decision was made to construct a new laboratory behind the Agency Headquarters Building B.

The Water Quality Laboratory design began in 2010 by The Austin Company (Austin), consulting engineering firm; however, at 50 percent design level, the project was put on hold on October 26, 2010, as part of the Agency's cost containment plan. In 2014, the Agency decided to move forward with the project and reestablished Austin's contract early 2015. The revised project scope includes the addition of the central chiller plant expansion to supply necessary chilled water for the laboratory building air conditioning system.

In 2010, an addendum to the RP-5 Program Environmental Impact Report (PEIR) dated 1999 was developed for the Water Quality Laboratory and verified as still applicable to the project in 2015.

The Water Quality Laboratory project is grant funded via a State Revolving Fund (SRF) Loan at 2.1% rate and \$1,050,000 principal forgiveness. The SRF Loan Agreement will be updated to reflect the revised total project cost to correspond to the construction bid received.

The project team conducted two rounds of contractor prequalification to obtain a list of qualified general contractors who had the required experience to construct the Water Quality Laboratory and Central Chiller Plant expansion. The prequalification process was completed at the end of February 2016 concurrently with the completion of the final design package. The prequalification process yielded five qualified contractors who received an invitation to bid.

On March 1, 2016, a request for bids was advertised to the five prequalified contractors on PlanetBids for the construction of the Water Quality Laboratory. Four out of the five prequalified general contractors participated in the job walk. On April 5, 2016, the following bids were received:

<b>Bidder's Name</b>	<b>Price</b>
Kemp Bros. Construction, Inc.	\$17,460,000
AMG & Associates, Inc.	\$17,845,000
Tovey/Shultz Construction	\$18,044,438
<b>Engineer's Estimate</b>	<b>\$20,600,000</b>

Kemp Bros. Construction, Inc. is the lowest responsive and responsible bidder with a bid of \$17,460,000. During the prequalification process, IEUA staff and two consultants evaluated Kemp Bros. financial statements, verified references, reviewed past projects and other selection criteria, and validated their ability to perform the construction of the Water Quality Laboratory. Once the bids were received, IEUA staff evaluated Kemp Bros. bid for completeness with the

Water Quality Laboratory Construction Contract Award

May 18, 2016

Page 3 of 4

Bid Document requirements and confirmed that Kemp Bros. Construction, Inc. is the lowest responsive and responsible bidder.

The following is the projected project cost:

<b>Description</b>	<b>Estimated Cost</b>
Design	\$1,625,000
Third Party Services ( <i>technical experts, constructability review, commissioning, geotechnical consultant, survey, special inspection, etc.</i> )	\$250,000
Construction	\$17,460,000
Construction Management	\$2,600,000
Contingency (~10%)	\$1,760,000
Solar P/V System	\$300,000
Special Laboratory Equipment	\$650,000
<b>Total Project Cost</b>	<b>\$24,645,000</b>
<b>Current Total Project Budget</b>	<b>\$20,900,000</b>
<b>Requested Budget Amendment</b>	<b>\$3,745,000</b>

The following is the project schedule:

<b>Project Milestone</b>	<b>Date</b>
Construction Contract Award	May 2016
Construction Completion	August 2018

The Water Quality Laboratory, when constructed, will address all the issues presented above and provide numerous benefits to the Agency as well as stakeholders within the Service Area. Benefits include cost and energy savings, environmental compliance, adaptation to future complex analytical needs, enhanced performance and safety, public educational tours, solar power generation, etc.

The Water Quality Laboratory Project is consistent with the *Agency's Business Goal of Wastewater Management* that systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.

**PRIOR BOARD ACTION**

On November 18, 2015, the Board awarded the commissioning contract to Heery International, Inc.

On October 14, 2015, the Board awarded the consulting engineering services contract Amendment No. 1 to the Austin Company.

On May 20, 2015, the Board awarded the consulting engineering services contract to The Austin Company.

In 2014, the Board approved a 2.1%, 30 year SRF loan agreement (C-06-7885-110) for \$17,100,000 including 1,050,000 grant.

**IMPACT ON BUDGET**

If approved the budget amendment in the amount of \$3,745,000 will increase the total project from \$20,900,000 to \$24,645,000. The construction award in the amount of \$17,460,000 will be within the amended total project budget of \$24,645,000 in the Regional Wastewater O&M (10800) Fund.

PJG:CB:SS:jz

# Water Quality Laboratory Construction Contract Award

Project No. EN15008

May 2016



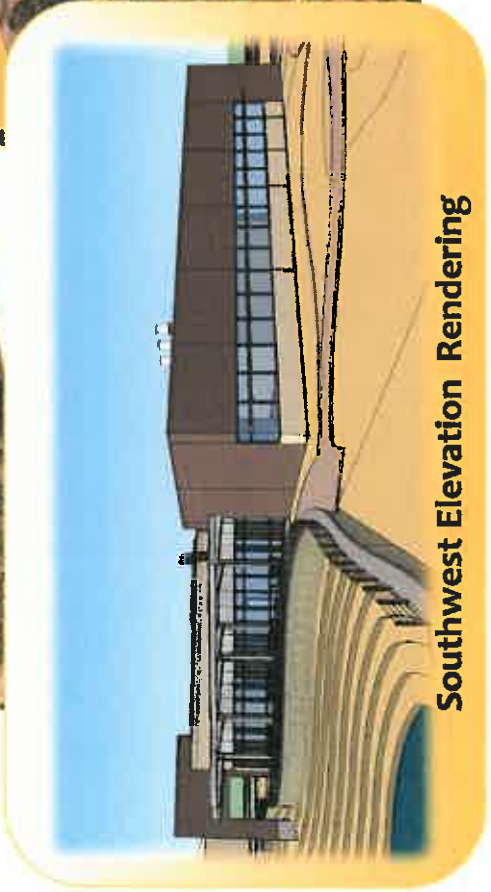
***Inland Empire Utilities Agency***  
A MUNICIPAL WATER DISTRICT

Shaun Stone, P.E.  
Manager of Engineering

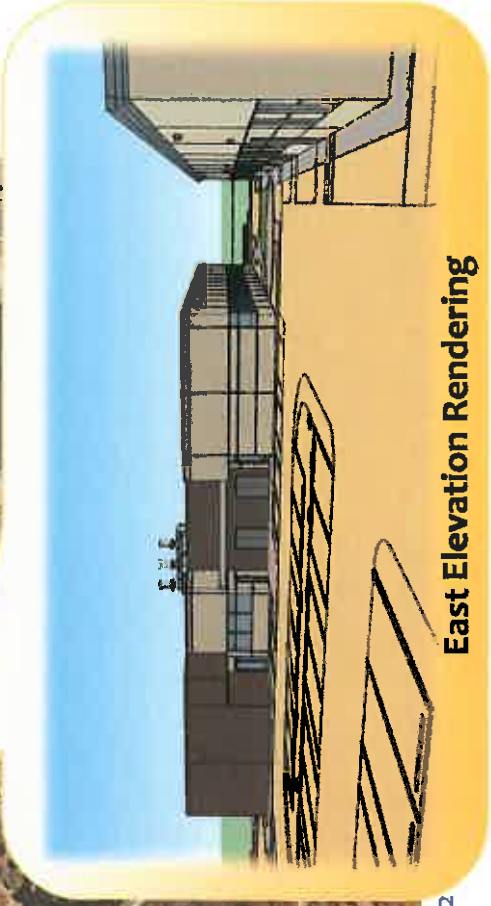
Jamal Zughbi, P.E.  
Project Manager



# Headquarters Aerial View (Lab Location)



Southwest Elevation Rendering



East Elevation Rendering

# Project Background

- Existing RP-1 Laboratory evaluation and feasibility study conducted in 2005 and 2006 respectively
- Current condition of Laboratory:
  - Old and crowded (6,200 sq.ft.) within two buildings
  - Limited expandability and adaptability for future analytical needs
  - Aging systems (HVAC, fume hoods, plumbing, electrical, etc.)
  - Numerous Structural and storage issues
  - Limits on annual number of samples analyzed
- Conclusion: Construct a new lab facility at RP-5 Headquarter Campus
- Design started in 2010, put on hold in October 2010, resumed in 2015
- Consultant: The Austin Company



Existing Lab

# Project Description/Highlights

- 16,000 sq. ft. building
- Enhanced safety and work flow layout
- Operational cost and energy savings
- Regional benefits, environmental compliance
- SRF Loan/Grant funded
- Solar power system (~65 kW)
- Silver/Gold LEED rated building
- Public educational tours
- Central Chiller Plant upgrades
  - New chiller, cooling tower, pumps, piping
- Five contractors prequalified in February 2016



Central Chiller Plant



South Elevation Rendering



# Bid Summary

- On March 1, 2016, a request for bids was advertised to the five prequalified contractors
- On April 5, 2016, the following bids were received:

Bidder's Name	Bid
Kemp Bros. Construction, Inc.	\$17,460,000
AMG & Associates, Inc.	\$17,845,000
Tovey/Shultz Construction	\$18,044,438
<b>Engineer's Estimate</b>	<b>\$20,600,000</b>



# Project Cost/Schedule

Description	Estimated Cost
Design	\$1,625,000
Third Party Services (Technical Experts, Constructability Review, Commissioning, Geotechnical Consultant, Survey, Special Inspection)	\$250,000
Construction	\$17,460,000
Construction Management	\$2,600,000
Contingency (~10%)	\$1,760,000
Solar PV System	\$300,000
Laboratory Equipment	\$650,000
<b>Total Project Cost</b>	<b>\$24,645,000</b>
<b>Current Total Project Budget</b>	<b>\$20,900,000</b>
<b>Requested Budget Amendment</b>	<b>\$3,745,000</b>

Project Milestone	Date
Construction Contract Award	May 18, 2016
Construction Completion	August 2018



# Agency Goal/Recommendation

Staff recommends that the Board of Directors:

1. Approve the construction contract award for the Water Quality Laboratory, Project No. EN15008, to Kemp Bros. Construction, Inc., for the not-to-exceed amount of \$17,460,000;
2. Approve a total project budget amendment in the amount of \$3,745,000;
3. Authorize the Agency to request an increase to the current SRF Loan Agreement in the amount of \$7,545,000; and
4. Authorize the General Manager to execute the construction contract, budget amendment, and required loan documents.

The Water Quality Laboratory Project is consistent with the **Agency's Business Goal of Wastewater Management** that systems will be master planned, managed and constructed to ensure that when expansion planning is triggered, designs/construction can be completed to meet regulatory/growth needs in an expeditious, environmentally responsible and cost effective manner.

## CONTRACT

### 1.0 CONTRACT

THIS CONTRACT, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between KEMP BROS. CONSTRUCTION, INC., hereinafter referred to as "Contractor," and The Inland Empire Utilities Agency, a Municipal Water District, located in San Bernardino County, California, hereinafter referred to as "Agency".

#### **WITNESSETH:**

That for and in consideration of the promises and agreements hereinafter made and exchanged, the Agency and the Contractor agree as follows:

1. Contractor agrees to perform and complete in a workmanlike manner, all work required under the bidding schedule of said Agency's specifications entitled SPECIFICATIONS FOR WATER QUALITY LABORATORY AND CENTRAL PLANT EXPANSION, PROJECT NO. EN15008, in accordance with the specifications and drawings, and to furnish at their own expense, all labor, materials, equipment, tools, and services necessary, except such materials, equipment, and services as may be stipulated in said specifications to be furnished by said Agency, and to do everything required by this Contract and the said specifications and drawings.
2. For furnishing all said labor, materials, equipment, tools, and services, furnishing and removing all plant, temporary structures, tools and equipment, and doing everything required by this Contract and said specifications and drawings; also for all loss and damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise during the prosecution of the work until its acceptance by said Agency, and for all risks of every description connected with the work; also for all expenses resulting from the suspension or discontinuance of work, except as in the said specifications are expressly stipulated to be borne by said Agency; and for completing the work in accordance with the requirements of said specifications and drawings, said Agency will pay and said Contractor shall receive, in full compensation therefore, the price(s) set forth in this Contract.
3. That the Agency will pay the Contractor progress payments and the final payment, in accordance with the provisions of the contract documents, with warrants drawn on the appropriate fund or funds as required, at the prices bid in the Bidding and Contract Requirements, Section C - Bid Forms and accepted by the Agency, and set forth in this below.

Total Lump Sum Bid Price \$17,460,000.<sup>00</sup> Seventeen Million Four Hundred Sixty Thousand Dollars and Zero Cents.

If this is not a lump sum bid and the contract price is dependent upon the quantities  
WATER QUALITY LABORATORY & May 2016  
CENTRAL PLANT EXPANSION  
PROJECT NO. EN15008 1

constructed, the Agency will pay and said Contractor shall receive, in full compensation for the work the prices named in the Bidding and Contract Requirements, Section C - Bid Forms.

4. The Agency hereby employs the Contractor to perform the work according to the terms of this Contract for the above-mentioned price(s), and agrees to pay the same at the time, in the manner, and upon the conditions stipulated in the said specifications; and the said parties for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.
5. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Contractors License Declaration, Specifications, Drawings, all General Conditions and all Special Conditions, and all addenda issued by the Agency with respect to the foregoing prior to the opening of bids, are hereby incorporated in and made part of this Contract, as if fully set forth.
6. The Contractor agrees to commence work under this Contract on or before the date to be specified in a written "Notice To Proceed" and to complete said work to the satisfaction of the Agency within eight hundred ten (810) calendar days after award of the Contract. All work shall be completed before final payment is made.
7. Time is of the essence on this Contract.
8. Contractor agrees that in case the work is not completed before or upon the expiration of the contract time, damage will be sustained by the Agency, and that it is and will be impracticable to determine the actual damage which the Agency will sustain in the event and by reason of such delay, and it is therefore agreed that the Contractor shall pay to the Agency the amount of five thousand (\$5,000.00) dollars for each day of delay, which shall be the period between the expiration of the contract time and the date of final acceptance by the Agency, as liquidated damages and not as a penalty. It is further agreed that the amount stipulated for liquidated damages per day of delay is a reasonable estimate of the damages that would be sustained by the Agency, and the Contractor agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the Contractor agrees that the Agency may deduct the amount thereof from any money due or that may become due to the Contractor by progress payments or otherwise under the Contract, or if said amount is not sufficient, recover the total amount.

In addition to the liquidated damages, which may be imposed if the Contractor fails to complete the work within the time agreed upon, the Agency may also deduct from any sums due or to become due the Contractor, liquidated damages in accordance with the Bidding and Contract Requirements, Section B - Instruction to Bidders, Part 5.0 "Liquidated Damages", for any violation of the General Conditions, Section D - Contractor's Responsibilities, Part 8, "Law and Regulations"; Bidding and Contract Requirements Contract Section D -Contract and Relevant Documents, Part 1.0, Paragraphs 9 through 11; General Conditions , Section D - Contractor's Responsibilities, Part 4.0, "Labor, Materials and Equipment"; General Conditions Section D - Contractor's

Responsibilities, Part 12.0, "Safety and Protection" or General Conditions Section H – Legal Responsibilities, Part 8.0, "Disturbance of the Peace".

9. That the Contractor will pay, and will require subcontractors to pay, employees on the work a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, contained in or referenced in the contract documents.
10. That, in accordance with Section 1775 of the California Labor Code, Contractor shall forfeit to the Agency, as a penalty, not more than Fifty (\$50.00) Dollars for each day, or portion thereof, for each worker paid, either by the Contractor or any subcontractor, less than the prevailing rates as determined by the Director of the California Department of Industrial Relations for the work.
11. That, except as provided in Section 1815 of the California Labor Code, in the performance of the work not more than eight (8) hours shall constitute a day's work, and not more than forty (40) hours shall constitute a week's work; that the Contractor shall not require more than eight (8) hours of labor in a day nor more than forty hours of labor in a week from any person employed by the Contractor or any subcontractor; that the Contractor shall conform to Division 2, Part 7, Chapter 1, Article 3 (Section 1810, et seq.) of the California Labor Code; and that the Contractor shall forfeit to the Agency, as a penalty, the sum of Twenty-Five (\$25.00) Dollars for each worker employed in the execution of the work by Contractor or any subcontractor for each day during which any worker is required or permitted to labor more than eight (8) hours in violation of said Article 3.
12. That the Contractor shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.
13. That the Contractor shall have furnished, prior to execution of the Contract, two bonds approved by the Agency, one in the amount of one hundred (100) percent of the contract price, to guarantee the faithful performance of the work, and one in the amount of one hundred (100) percent of the contract price to guarantee payment of all claims for labor and materials furnished.
14. The Contractor hereby agrees to protect, defend, indemnify and hold the Agency and its employees, agents, officers, directors, servants and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of the Agency and the Contractor) and damage to property, arising directly or indirectly out of the obligation herein undertaken or out of the operations conducted by the Contractor, its employees agents, representatives or subcontractors under or in connection with this Contract.

The Contractor further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the Contractor.

IN WITNESS WHEREOF, The Contractor and the General Manager of Inland Empire Utilities Agency\*, thereunto duly authorized, have caused the names of said parties to be affixed hereto, each in duplicate, the day and year first above written.

Inland Empire Utilities Agency,\*  
San Bernardino County, California.

By \_\_\_\_\_  
General Manager

Contractor  
KEMP BROS. CONSTRUCTION, INC.

By  \_\_\_\_\_  
Title CEO

Greg Solaas  
Co-Chief Executive Officer

\*Municipal Water District

**ACTION  
ITEM**

**2F**






---


Date: May 18, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (05/11/16)  
Finance, Legal & Administration Committee (05/11/16)

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: Amendment to Energy Service Provider Agreements

---

### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the electricity amendment with Shell Energy North America (SENA) US, L.P. through December 31, 2016 to purchase 1.5 megawatts (MW) of electricity per hour at a variable rate;
2. Approve the natural gas amendment with SENA US, L.P. through May 31, 2017 to purchase 200 MMBtu per day of natural gas at a variable rate; and
3. Authorize the General Manager to finalize and execute the amended agreements, and negotiate further amendments for up to three additional years.

### **BACKGROUND**

IEUA currently participates in a program known as Direct Access (DA) that allows the purchase of electricity from an Energy Service Provider (ESP) instead of the local utility, Southern California Edison (SCE). The Agency currently purchases electricity for the power needed at the Regional Water Recycling Plant No. 1 (RP-1), Regional Water Recycling Plant No. 2 (RP-2), and Carbon Canyon Water Recycling Facility (CCWRF) from SENA under a Master Energy Sales Agreement (MESA).



## Amendment to Energy Service Provider Agreements

May 18, 2016

Page 2 of 2

IEUA also receives natural gas commodity service from SENA at five service locations under a master Natural Gas Sales and Purchase Agreement. IEUA's agreement with SENA provides the natural gas necessary to supplement the biogas for the fuel cell and the internal combustion engine (non-core accounts), as well the boilers and other uses (core accounts).

Both current energy service agreements are set to expire on May 31, 2016. Purchases of electricity and natural gas through these Purchase Agreements have consistently reduced overall IEUA costs and are an integral part of the IEUA Energy Management Plan. Both current energy service agreements include variable rates. SENA's variable pricing for the nominated quantities of electricity is based on the California Independent System Operator (CAISO) Day Ahead Electricity Price Index (day ahead price) plus \$0.5/MWh commission. The contract also includes Resource Adequacy (RA) and Renewable Portfolio Standard (RPS) products, both of which are pass through costs. SENA's agreement quantities are for 24 hours per day, 7 days per week; any quantities over or under this amount were priced equal to the energy imbalance price during that hour. Natural gas variable pricing is based on the Natural Gas Intelligence (NGI) monthly index value plus \$0.05/MMBtu commission for non-core accounts, and \$0.10/MMBtu commission for core accounts.

The potential variability of the facilities loads and electricity import, partially due to the unpredictable performance of the fuel cell and the RP-2 engine operation, and the opportunity of negotiating a broader agreement with SENA and Advanced Microgrid Solutions for the energy storage operation, makes the amendment thru December 2016 for the purchase of the electricity a reasonable and safe option. IEUA staff will also continue to monitor the market with the option of converting a portion or all of the variable price to fixed price if beneficial to the Agency.

The energy purchase agreement is part of the Agency's *Energy Management* Business Goal to contain future energy costs, and provide for future rate stabilization.

### **PRIOR BOARD ACTION**

The Board approved the SENA US, L.P. agreements on April 15, 2015, March 19, 2014, April 17, 2013, February 16, 2011, and April 15, 2009.

### **IMPACT ON BUDGET**

The total appropriation for the Agency's DA service accounts is incorporated in the Fiscal Year 2015/16 Regional Operations and Maintenance (RO) Fund Utilities Budget of \$7,400,000, and in the Fiscal Year 2016/17 Regional Operations and Maintenance (RO) Fund Utilities Budget of \$7,700,000. Given the current state of the energy market, staff anticipates no adverse impact on the budget from this agreement.

Attachment A: Electricity confirmation

Attachment B: Natural gas confirmation core accounts

Attachment C: Natural gas confirmation non-core accounts

# Amendment to Energy Purchase Agreements



***Inland Empire Utilities Agency***  
**A MUNICIPAL WATER DISTRICT**

Pietro Cambiaso

IEUA Board of Directors Meeting  
May 2016

# Electricity Procurement

Facility	Energy Purchase Agreement	Rate Components		Commodity
		Transmission		
RP-1	Unbundled	SCE		Direct Access
RP-2 Liquids	Bundled	SCE		SCE
RP-2 Solids	Unbundled	SCE		Direct Access
RP-4/IERCF	Bundled	SCE		SCE
RP-5	Bundled	SCE		SCE
CCWRF	Unbundled	SCE		Direct Access
Pump Stations	Bundled	SCE		SCE

# Natural Gas Procurement

Facility	Account	Rate Components	
		Transmission	Commodity
RP-1	Non-Core (Fuel Cell)	SoCal Gas Co	Direct Access
RP-1	Core (Boilers, Lab)	SoCal Gas Co	Direct Access
RP-2	Core	SoCal Gas Co	Direct Access
RP-4	Core	SoCal Gas Co	Direct Access
RP-5	Core	SoCal Gas Co	Direct Access
CCWRF	Core	SoCal Gas Co	Direct Access



# Electricity Agreement

Shell Energy North America	Current	Proposed (June 1, 2016 – December 31, 2016)
Fixed	Option to convert variable to fixed	No Change
Variable	1.5 MWhr CAISO SP 15	No Change
Commission	\$0.50/MWh	No Change

# Natural Gas Agreement

Shell Energy North America	Current	Proposed (June 1, 2016 – May 31, 2017)
Fixed	Option to convert variable to fixed	No Change
Variable	200 MMBtu/day Monthly Index Value	No Change
Commission	+ \$0.05/MMBtu (non-core) + \$0.095/MMBtu (core)	No Change

# Recommendation

Staff recommends the Board amend the current agreements with Shell Energy North America (SENA) US, L.P. through December 31, 2016 to purchase electricity, and through May 31, 2017 to purchase natural gas at a variable rate.

This project meets the *Agency's Energy Management Business Goal* to contain future energy costs, and provide for future rate stabilization.



**Shell Energy North America (US), L.P.**

1000 MAIN ST LEVEL 12  
HOUSTON, TX 77002  
713-767-5500

April 25, 2016

Deal No:

INLAND EMPIRE UTILITIES AGENCY  
c/o PAT JACKSON, PO BOX 9020  
CHINO HILLS, CA, 91709  
Fax: 1(909) 993-1982

**CONFIRMATION AGREEMENT**

This confirmation agreement (this "Confirmation" or "Agreement") shall confirm the agreement reached on March 28, 2016, between Shell Energy North America (US), L.P. ("Shell Energy") and INLAND EMPIRE UTILITIES AGENCY ("CounterParty") (herein sometimes referred to as a "Party" and collectively as the "Parties") regarding the sale of electric capacity and/or electric energy under the terms and conditions set forth below.

BUYER:	INLAND EMPIRE UTILITIES AGENCY
SELLER:	Shell Energy North America (US), L.P.
PRODUCT/FIRMNESS:	FIRM, WITH LIQUIDATED DAMAGES
<hr/>	
TERM:	06/01/2016 Through 12/31/2016
QUANTITY:	1.50 Mws of energy per hour
PRICE:	[CALISO DAM-SP15-FIN HOURLY] +0.50/Mwhr Index
DELIVERY POINT(S):	SP 15 EZ Gen Hub
SCHEDULING:	Monday thru Saturday, Hours ending 0700 thru 2200 Excluding NERC Holidays
<hr/>	
TERM:	06/01/2016 Through 12/31/2016
QUANTITY:	1.50 Mws of energy per hour
PRICE:	[CALISO DAM-SP15-FIN HOURLY] +0.50/Mwhr Index
DELIVERY POINT(S):	SP 15 EZ Gen Hub
SCHEDULING:	Monday thru Saturday, Hours ending 0100 thru 0600; Monday thru Saturday, Hours ending 2300 thru 2400; NERC Holidays , Hours ending 0100 thru 2400; Sunday thru Sunday, Hours ending 0100 thru 2400
<hr/>	
OTHER PRODUCT:	100% of Counterparty's Facilities RPS requirements (equivalent to 25% of the Counterparty's total energy consumption for 2016 and equivalent to 27% of the Counterparty's total energy consumption for 2017)
TERM:	June 1, 2016 through December 31, 2016
CONTRACT PRICE:	Fixed price of \$14.50/MWH
<hr/>	
OTHER PRODUCT:	California Resource Adequacy
TERM:	June 1, 2016 through December 31, 2016
CONTRACT PRICE:	Fixed price of \$2.65/kW-month
<hr/>	

TIME ZONE: PPT

SUBJECT TO MASTER AGREEMENT DATED: 05/01/2009

Additional Provisions:

1. Seller and Buyer agree to notify each other as soon as practically possible of any interruption or curtailment affecting this Transaction. Buyer should notify Shell Energy at 1-800-267-2562.





**Shell Energy North America (US), L.P.**

1000 MAIN ST LEVEL 12

HOUSTON, TX 77002

713-767-5500

April 25, 2016

Deal No:

2. At any time during the term of this transaction, Buyer may request a quote from Seller for a fixed price of up to 1.5 MW of the Energy Quantity for the remainder of the Delivery Term. This request may be made by Buyer at any time during normal NYMEX trading hours (except that any request made by Buyer on the NYMEX closing day must be received by Buyer by 12:00 p.m. Eastern Time). If the parties mutually agree to a Fixed Price for a specified quantity of energy to be delivered at the Delivery Point for a particular Month, Seller shall forward to Buyer by facsimile a "Fixed Price Confirmation". The Parties' agreement shall be deemed conclusive upon Buyer's receipt of Seller's written Fixed Price Confirmation unless Buyer objects to any errors contained in the Fixed Price Confirmation immediately following its receipt. Once a Fixed Price has been established for a given period, the Fixed Price shall be irrevocable as to the affected quantities, such Fixed Price shall not be subject to change and the corresponding quantities must be nominated by Buyer and shall be deemed to be the first energy volumes purchased during the applicable Month. If Buyer and Seller are unable to agree on a Fixed Price for any given request by Buyer, the Contract Price provided above shall apply.

3. Parties' Obligations. For each Transaction Seller shall sell and cause to be scheduled, and Buyer shall buy and receive, the Contract Quantity of Energy at the Delivery Point, and Buyer shall pay Seller the Contract Price and all Related Charges. Seller shall be responsible for any costs or charges imposed on or associated with Energy or Energy delivery to the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with Energy or its receipt at and from the Delivery Point and all Related Charges.

4. RA, RPS and GHGI Products - Buyer's Obligation. The CPUC imposes certain requirements on Seller as result of Seller acting as a load-serving entity hereunder to buy RA, RPS and GHGI products and such other products as the CPUC may in the future require Seller to buy in its capacity as ESP, all consistent with CPUC decisions currently effective, as of the date of this MESA, as the same may be from time to time amended or superseded in the future) (collectively, "Related Products"). If during the Term of the MESA or any Transaction hereunder there are changes to the CPUC requirements for Related Products, as amended from time-to-time, the Parties agree that, except for Related Products Fixed Quantities Transactions as set forth in Section 6 below, to negotiate to restore the original intent of any affected Transaction(s) between the Parties. Buyer acknowledges such Related Products are not required to be described on a Confirmation relating to an Energy purchase, but are required to be purchased in connection with the Energy purchase. If Buyer buys a Related Products Fixed Quantity pursuant to Section 6 below, such purchase shall be documented in a Confirmation. Buyer shall obtain such Related Products from Seller at prices Seller established for the applicable regulatory compliance reporting period for the particular Related Product, which may occur after this MESA expires or after the term of a given Transaction hereunder expires, and Buyer shall pay Seller the Related Charges for such Related Products in accordance with Seller's monthly invoice, which may be an estimate as hereinafter set forth, subject to reconciliation.

5. Related Products Charges; Allocation/Reconciliation. Seller may procure a portfolio of Related Products related to the sale of Energy to a number of its direct access customers, including Buyer. If Buyer has not entered into a transaction for Related Products Fixed Quantity in connection with Section 6 below pursuant to this Confirmation and with respect to all required Related Products based on Buyer's estimated Energy consumption, Seller may initially allocate on a monthly basis or such other basis as Seller may elect, such Related Products and the associated estimated Related Charges to multiple direct access customers, including Buyer, on a pro rata basis, determined based on Buyer's historical consumption data available to Seller in relation to Seller's direct access customers' aggregate estimated Energy consumption for which Related Products are being or are to be purchased. When actual compliance procurement of Related Products is complete and actual charges for Related Products purchased and the actual energy consumption of Seller's direct access customers (including Buyer), for the applicable period are known, Seller will calculate Buyer's actual share of Related Charges and compare it to the estimated amounts billed and collected from Buyer. If Buyer has paid more for Related Products than it should have paid based on actual charges and consumption, Seller will credit the overpayment against Related Charges associated with the next year's obligation to buy Related Products, or if all obligations hereunder have been satisfied, refund the overpayment to Buyer. If Buyer has paid less for Related Products than it should have based on actual charges and consumption, Buyer will immediately pay Seller such underpayment on receipt of Seller's invoice.



**Shell Energy North America (US), L.P.**

1000 MAIN ST LEVEL 12  
HOUSTON, TX 77002  
713-767-5500

April 25, 2016

Deal No:

6. **Buying Fixed Quantity of Related Products at Fixed Price.** Buyer may ask Seller to provide pricing for a fixed quantity of some or all Related Products associated with a Transaction ("Related Products Fixed Quantity"), which fixed quantity may be all or less than all of Buyer's estimated Related Products obligations based on Buyer's historical consumption data for a fixed period not to exceed 24 months ("Related Products Fixed Charge Term"). Seller will consider such request and may quote Buyer a price for such Related Products Fixed Quantity. If Seller chooses to quote a fixed price it shall notify Buyer of the price, and Buyer shall have until close of business on the next Business Day to notify Seller that it accepts such price (such agreed price is a "Related Products Fixed Charge"), and the Parties shall execute a Confirmation setting forth the specific Related Products subject to the Related Products Fixed Charge, Related Products Fixed Charge Term, Related Products Fixed Quantity and Related Products Fixed Charge. If Buyer elects this option for a particular Related Product, Buyer shall not be subject to the pro-rated allocation of the price for those particular Related Products described in Section 5 above, to the extent of the Related Products Fixed Quantity subject to the Related Products Fixed Charge. The Related Products Fixed Charge shall be divided over the number of months in the Related Products Fixed Charge Term and included on Seller's monthly invoice to Buyer. If Buyer's actual Energy consumption exceeds estimated consumption and/or Buyer's actual obligations with respect to Related Products exceed the Fixed Price Related Products Quantity covered by the Confirmation, and/or if not all Related Products which Buyer is obligated to buy were included in the Related Products Fixed Quantity, then Seller shall invoice Buyer consistent with the terms of Section 5 above for the excess quantity of required Related Products and for Related Products not covered by the Related Products Fixed Charge. If the Related Products Fixed Quantity that Buyer has purchased exceeds Buyer's obligations to buy Related Products, then to the extent allowed by then current CPUC regulations, such excess portion of the Related Products Fixed Quantity may be carried forward to a subsequent Related Products Fixed Charge Term. If then current CPUC regulations do not allow such carry forward any excess portion of the Related Products Fixed Quantity shall expire at the end of the Related Products Fixed Charge Term, with no additional credit or compensation to Buyer from Seller.

7. No later than seven (7) Business Days prior to the upcoming Month of Delivery, Buyer shall notify Seller of its anticipated daily volume for the Month. In the event Buyer fails to notify Seller within that timeframe, Buyer's volumes for the upcoming Month shall be based on Buyer's historical usage for that Month, and such volumes shall be deemed to be the baseload Contract Quantity and not subject to change.

8. Seller is the sole supplier of Energy for Buyer's facilities supplied under this Confirmation.

This Confirmation sets forth the terms of the transaction into which the Parties have entered into and shall constitute the entire agreement between the Parties relating to the contemplated purchase and sale of electric energy and/or electric capacity. Please have this confirmation executed by an authorized representative or officer of your company and return via facsimile to (713)767-5414. If no facsimile objection to this Confirmation has been received by Shell Energy by facsimile transmission by 5:00 p.m., Houston, Texas time, five (5) business days after delivery of this Confirmation to the other Party by facsimile, then this Confirmation (i) shall be binding and enforceable against Counterparty and Shell Energy and (ii) shall be the final expression of all the terms hereof, regardless whether executed by the other Party.

INLAND EMPIRE UTILITIES AGENCY

Shell Energy North America (US), L.P.

By:

By:

Name :

Name : John W. Pillion

Title :

Title : Confirmations Team Lead

Date :

Date : 4/25/2016

Confirmation Date:  
Trader:  
Commodity: Natural Gas

Trade Date:  
Endur #:  
Contract #: 013-NG-BS-15276



**SHELL ENERGY NORTH AMERICA  
(US), L.P.**

## CONFIRMATION

### INLAND EMPIRE UTILITIES AGENCY

Attn: Pietro Cambiaso  
IEUA, PO BOX 9020  
CHINO HILLS, CA 91709

Fax: 1-909-993-1951  
Phone: 1909-993-1639

This Transaction Confirmation ("Confirmation") shall confirm and effectuate the agreement between **SHELL ENERGY NORTH AMERICA (US), L.P. ("Shell Energy")** and **INLAND EMPIRE UTILITIES AGENCY ("Counterparty")** regarding the purchase and sale of natural gas under the following terms. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Contract.

**Seller: SHELL ENERGY NORTH AMERICA (US), L.P. Buyer: INLAND EMPIRE UTILITIES AGENCY**

<u>Period of Delivery</u>	<u>Performance Obligation</u>	<u>Transporter / Delivery Point(s)</u>	<u>Contract Quantity MMBTU Per Month</u>	<u>Contract Price USD / MMBTU</u>
06/01/2016 – 05/31/2017	Firm	SOCAL RETAIL, SOCAL CITYGATE, INLAND EMPIRE UTLTY AGENCY CORE	600	Natural Gas Intelligence Social Gas CityGate +\$0.09500

### SPECIAL CONDITIONS:

- The Contract Quantities specified above are baseload quantities for firm delivery and receipt each and every Day of the Month and not subject to change; provided, any necessary adjustments to the baseload Contract Quantities based upon Buyer's under or over usage of the applicable baseload Contract Quantity shall be effectuated per the Monthly Balancing and Daily Balancing provisions below.
- Fixed Price.** At any time during the Delivery Period of this transaction, Buyer may request a quote from Seller for a monthly fixed price, a floating price with a fixed Basis Spread or a floating price with a fixed price floor, cap, ceiling or collar (each such transaction, whether at a fixed-price or at a floating price with a fixed Basis Spread or fixed-price floor, cap, ceiling or collar, is herein called a "Fixed Price") that is based on the New York Mercantile Exchange ("NYMEX") natural gas futures contract or otherwise as an alternative to a Contract Price that floats based on NYMEX, industry postings, reference publications, or other external market factors or Indices, for a specified quantity of Gas to be delivered at the Delivery Point for the relevant Delivery Period. This request may be made by Buyer at any time during normal NYMEX trading hours (except that any request made by Buyer on the NYMEX closing day must be received by Buyer by 12:00 p.m. Eastern Time). If the parties mutually agree to a Fixed Price for a specified quantity of Gas to be delivered at the Delivery Point for a particular Month, Seller shall forward to Buyer by facsimile a 'Fixed Price Confirmation'. The Parties' agreement shall be deemed conclusive upon Buyer's receipt of Seller's written Fixed Price Confirmation unless Buyer objects to any errors contained in the Fixed Price Confirmation immediately following its receipt. Once a Fixed Price has been established for a given period, the Fixed Price shall be irrevocable as to the affected quantities, such Fixed Price shall not be subject to change and the corresponding quantities must be nominated by Buyer and shall be deemed to be the first Gas purchased during the applicable Month. If Buyer and Seller are unable to agree on a Fixed Price for any given request by Buyer, the Contract Price provided above shall apply. If Buyer and Seller have agreed to a Basis Spread Fixed-Price in a Fixed Price Confirmation and Buyer does not agree upon a fixed NYMEX price to accompany the Basis Spread Fixed Price before the settlement of the prompt month, then the prompt Month price will default to the NYMEX last day settlement price plus the Basis Spread Fixed Price. As used herein, 'Basis Spread' means the location price differential, which may be either a positive or a negative amount, stated as the fixed amount above (positive) or below (negative) a floating price index or other reference point (for example, in the price term 'NYMEX - \$0.10', the Basis Spread is '-\$0.10'). For the avoidance of any doubt, this provision (d) shall be inapplicable and Inoperative in the event that the parties underlying Contract already contains any fixed price election language and such fixed price election language in the Contract shall control.
- SoCal Gas Unbundled Firm Access Rights:** The Delivery Point specified under this Confirmation is a SoCal Gas Citygate Receipt Point and subject to the terms and conditions of the Southern California Gas Company's Tariff.
- Monthly Balancing:**  
If at any time during the Delivery Period of this Confirmation, deliveries of Gas on Transporter's system are subject to a monthly balancing requirement, the following terms shall apply: Buyer shall provide, or authorize Seller to receive, all information reasonably necessary for Seller to monitor Buyer's actual consumption for each facility and authorize Seller as the sole and exclusive party to utilize Buyer's Transporter(s) imbalance trade mechanism(s) to balance Buyer's account(s) for under- or over-deliveries of Gas. As long as Buyer complies with this provision, Seller shall pay all monthly balancing penalties, cash outs, and other charges properly imposed upon Seller on behalf of Buyer by the applicable Transporter(s) which relate to Gas delivered under this Confirmation.
  - Buyer's incremental quantities in excess of the Contract Quantity specified above (Buyer's Excess Imbalance) shall be priced at the higher of the monthly average of Platt's Gas Daily "Common High" for the applicable month in which Buyer's Excess Imbalance occurred, or the month in which Seller receives the Transporter's statement identifying Buyer's Excess Imbalance.
  - Buyer's incremental quantities less than the Contract Quantity specified above (Buyer's Shortfall Imbalance) shall be priced at the lower of the monthly average of Platt's Gas Daily "Common Low" for the applicable month in which the Buyer's Shortfall Imbalance occurred, or the month in which Seller receives the Transporter's statement identifying Buyer's Shortfall Imbalance.

Confirmation Date:  
Trader:  
Commodity: Natural Gas

Trade Date:  
Endur #:  
Contract #: 013-NG-BS-15276

iii. For the avoidance of any doubt, the Contract Price paid for such Incremental or surplus quantities of Gas as specified under Special Condition 4.(i) or 4.(ii) immediately above is in addition to, and separate from, any Imbalance Charges assessed and owed hereunder.

#### **5. Daily Balancing:**

"Daily Balancing" means any period when Gas end-users and/or suppliers shipping and receiving Gas on Transporter's system are required by Transporter to balance supply and usage on a daily basis within a specified percentage tolerance band ("Transporter's Tolerance Band") or be subject to penalties, cash outs or charges for noncompliance. If at any time during the Delivery Period of this Confirmation, deliveries of Gas on Transporter's system are subject to a Daily Balancing requirement, the following terms and conditions shall apply:

a. **Determination of Daily Contract Quantity.** For each Day on which Daily Balancing applies, the Contract Quantity (specified above as a monthly quantity) for such Day will be determined and restated as either the Buyer's "Average Daily Usage Quantity" or Buyer's "Revised Daily Usage Quantity", (as defined below) as follows:

i. "Average Daily Usage Quantity" shall be determined by dividing the monthly Contract Quantity by the number of calendar days in the applicable month of Delivery, resulting in an equal quantity of Buyer's anticipated Gas usage each calendar day of the month; or

ii. "Revised Daily Usage Quantity" means that Buyer notifies Seller, in writing by 5:30 a.m. Pacific Prevailing Time on the Trading Day before the Day (or Days) of delivery, of Buyer's anticipated Gas usage on that particular Day(s) of delivery. If Buyer fails to provide Seller with a Revised Daily Usage Quantity, the Daily Contract Quantity will be deemed to be the Average Daily Usage Quantity (as defined above) for the applicable Day or Days of Delivery. For purposes of this Confirmation, "Trading Day" shall mean the calendar day set forth on the Intercontinental Exchange ("ICE") U.S. Next Day Trading Calendar-Physical Natural Gas for the applicable calendar year.

iii. Once determined as either the Average Daily Usage Quantity or the Revised Daily Usage Quantity, such Day's amount may also be referred to as the "Daily Contract Quantity".

b. **Contract Price for Revised Daily Usage Quantity (i.e. Buyer Provided Revised Quantities In Ratable Quantities for such Gas flow Day(s)).** For any Trading Day where the Revised Daily Usage Quantity is specified as a ratable quantity:

- i. Unless otherwise mutually agreed, the price for the Revised Daily Usage Quantity above the Average Daily Usage Quantity shall be equal to Platt's *Gas Daily*, "Daily Price Survey" "SoCal Citygate" "Common High" price for the applicable Trading Day.
- ii. Unless otherwise mutually agreed, the repurchase price for the deemed buy-back of the Revised Daily Usage Quantity below the Average Daily Usage Quantity shall be equal to Platt's *Gas Daily*, "Daily Price Survey" "SoCal Citygate" "Common Low" price for the applicable Trading Day.
- iii. For the avoidance of any doubt, the Contract Price paid for such incremental or surplus quantities of Gas under (i) or (ii) immediately above is in addition to, and separate from, any Imbalance Charges assessed hereunder due to Buyer's actual usage being outside of the Transporter's Tolerance Band when Daily Balancing is in effect.

c. **Contract Price for Revised Daily Usage Quantity in Non-Ratable Quantities.** If Buyer's Revised Daily Usage Quantity is specified as a non-ratable quantity for the Trading Day (i.e. during a weekend or holiday), the Contract Price for such Gas in excess or below the Average Daily Usage Quantity shall be mutually agreed between the parties. For the avoidance of any doubt, the Contract Price paid for such incremental or surplus quantities of Gas is in addition to, and separate from, any Imbalance Charges assessed hereunder due to Buyer's actual usage being outside of the Transporter's Tolerance Band when Daily Balancing is in effect.

d. **Daily Contract Quantity Imbalance Price.** For the avoidance of any doubt, at the end of each month during the Period of Delivery, the total sum of the actual quantities of Gas used each Day in excess or below the total sum of the Daily Contract Quantity shall be priced as either an incremental quantity or surplus quantity, in accordance with Section 4i-iii, above.

e. **Responsibility for Imbalance Charges During Daily Balancing Periods.** If Buyer's actual Gas usage on the Day of delivery is outside the Transporter's Tolerance Band in relation to the applicable Daily Contract Quantity, Buyer shall pay to Seller an Imbalance charge on the quantity of Gas that is outside the Transporter's Tolerance Band (the "Imbalance Charge"). The Imbalance Charge paid by Buyer shall be equal to the Transporter's applicable daily tolerance noncompliance charge. Buyer shall also be responsible for any other associated penalties, cash outs, or charges attributable to Buyer's actual Gas usage being outside of Transporter's Tolerance Band on any Day that Daily Balancing is in effect.

#### **Special Provisions:**

A component of the Fixed Price agreed to by the parties herein contains the actual or estimated Southern California Gas Company's Tariff - Receipt Point Access Right charges in effect for the applicable delivery month. If, after this transaction is entered into, there is any change in the amount of such Southern California Gas Company's Tariff - Receipt Point Access Right charges, the Fixed Price specified under this transaction shall be adjusted accordingly to reflect such changes in the Receipt Point Access Right charges.

Seller is the sole supplier of Gas for Buyer's facilities described in this confirmation: (INLAND EMPIRE UTLTY AGENCY CORE).

This Confirmation is being provided pursuant to and in accordance with the master natural gas purchase and/or sale contract dated 5/1/2009 between Shell Energy (the "Contract") and Counterparty and constitute part of and is subject to all of the provisions of the Contract. With respect to the above stated Deal Number identifying this specific transaction, this Confirmation shall supersede any prior Confirmations of this specific transaction.

Please evidence your acceptance of this Confirmation by signing below and returning a faxed copy to Shell Energy. If no facsimile objection to this

SHELL ENERGY NORTH AMERICA (US), L.P.

◆ 1000 MAIN ST LEVEL 12 , HOUSTON, TX 77002

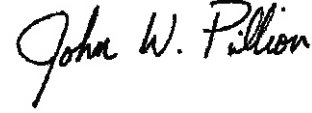
Confirmation Date:  
Trader:  
Commodity: Natural Gas

Trade Date:  
Endur #:  
Contract #: 013-NG-BS-15276

Confirmation is received by Shell Energy by 5:00 p.m., HOUSTON, Texas time, within two (2) Business Days after delivery of this Confirmation to Counterparty (unless otherwise specified in the Contract), then this Confirmation shall be the final expression of all the terms hereof and shall be binding and enforceable against Seller and Buyer regardless of whether executed by Counterparty.

**INLAND EMPIRE UTILITIES AGENCY**

**SHELL ENERGY NORTH AMERICA (US), L.P.**



Per: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Per: \_\_\_\_\_  
Name/Title: John W. Pillion - Confirmations Team Lead  
Date: 04/29/2016

**Please return the signed confirmation to Fax: 713-265-2171**

**Questions and comments should be directed to Shell Energy at Phone: 877-504-2491**

Confirmation Date:  
Trader:  
Commodity: Natural Gas

Trade Date:  
Endur #:  
Contract #: 013-NG-BS-15276



**SHELL ENERGY NORTH AMERICA  
(US), L.P.**

**CONFIRMATION**

**INLAND EMPIRE UTILITIES AGENCY**

Attn: Pietro Cambiaso  
IEUA, PO BOX 9020  
CHINO HILLS, CA 91709

Fax: 1-909-993-1951  
Phone: 1-909-993-1639

This Transaction Confirmation ("Confirmation") shall confirm and effectuate the agreement between SHELL ENERGY NORTH AMERICA (US), L.P. ("Shell Energy") and INLAND EMPIRE UTILITIES AGENCY ("Counterparty") regarding the purchase and sale of natural gas under the following terms. Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Contract.

**Seller: SHELL ENERGY NORTH AMERICA (US), L.P. Buyer: INLAND EMPIRE UTILITIES AGENCY**

<u>Period of Delivery</u>	<u>Performance Obligation</u>	<u>Transporter / Delivery Point(s)</u>	<u>Contract Quantity MMBTU Per Month</u>	<u>Contract Price USD / MMBTU</u>
06/01/2016 – 05/31/2017	Firm	SOCAL RETAIL, SOCAL CITYGATE, INLAND EMPIRE UTLTY AGENCY C138	5,400	Natural Gas Intelligence Social Gas CityGate +\$0.05000

**SPECIAL CONDITIONS:**

1. The Contract Quantities specified above are baseload quantities for firm delivery and receipt each and every Day of the Month and not subject to change; provided, any necessary adjustments to the baseload Contract Quantities based upon Buyer's under or over usage of the applicable baseload Contract Quantity shall be effectuated per the Monthly Balancing and Daily Balancing provisions below.
2. **Fixed Price.** At any time during the Delivery Period of this transaction, Buyer may request a quote from Seller for a monthly fixed price, a floating price with a fixed Basis Spread or a floating price with a fixed price floor, cap, ceiling or collar (each such transaction, whether at a fixed-price or at a floating price with a fixed Basis Spread or fixed-price floor, cap, ceiling or collar, is herein called a ('Fixed Price') that is based on the New York Mercantile Exchange ('NYMEX') natural gas futures contract or otherwise as an alternative to a Contract Price that floats based on NYMEX, industry postings, reference publications, or other external market factors or indices, for a specified quantity of Gas to be delivered at the Delivery Point for the relevant Delivery Period. This request may be made by Buyer at any time during normal NYMEX trading hours (except that any request made by Buyer on the NYMEX closing day must be received by Buyer by 12:00 p.m. Eastern Time). If the parties mutually agree to a Fixed Price for a specified quantity of Gas to be delivered at the Delivery Point for a particular Month, Seller shall forward to Buyer by facsimile a 'Fixed Price Confirmation'. The Parties' agreement shall be deemed conclusive upon Buyer's receipt of Seller's written Fixed Price Confirmation unless Buyer objects to any errors contained in the Fixed Price Confirmation immediately following its receipt. Once a Fixed Price has been established for a given period, the Fixed Price shall be irrevocable as to the affected quantities, such Fixed Price shall not be subject to change and the corresponding quantities must be nominated by Buyer and shall be deemed to be the first Gas purchased during the applicable Month. If Buyer and Seller are unable to agree on a Fixed Price for any given request by Buyer, the Contract Price provided above shall apply. If Buyer and Seller have agreed to a Basis Spread Fixed Price in a Fixed Price Confirmation and Buyer does not agree upon a fixed NYMEX price to accompany the Basis Spread Fixed Price before the settlement of the prompt month, then the prompt Month price will default to the NYMEX last day settlement price plus the Basis Spread Fixed Price. As used herein, 'Basis Spread' means the location price differential, which may be either a positive or a negative amount, stated as the fixed amount above (positive) or below (negative) a floating price index or other reference point (for example, in the price term 'NYMEX - \$0.10', the Basis Spread is '-\$0.10'). For the avoidance of any doubt, this provision (d) shall be inapplicable and inoperative in the event that the parties underlying Contract already contains any fixed price election language and such fixed price election language in the Contract shall control.
3. **SoCal Gas Unbundled Firm Access Rights:** The Delivery Point specified under this Confirmation is a SoCal Gas Citygate Receipt Point and subject to the terms and conditions of the Southern California Gas Company's Tariff.
4. **Monthly Balancing:**  
If at any time during the Delivery Period of this Confirmation, deliveries of Gas on Transporter's system are subject to a monthly balancing requirement, the following terms shall apply: Buyer shall provide, or authorize Seller to receive, all information reasonably necessary for Seller to monitor Buyer's actual consumption for each facility and authorize Seller as the sole and exclusive party to utilize Buyer's Transporter(s) imbalance trade mechanism(s) to balance Buyer's account(s) for under- or over-deliveries of Gas. As long as Buyer complies with this provision, Seller shall pay all monthly balancing penalties, cash outs, and other charges properly imposed upon Seller on behalf of Buyer by the applicable Transporter(s) which relate to Gas delivered under this Confirmation.
  - i. For Buyer's usage that is greater than the sum of the Contract Quantity and any incremental quantities purchased or sold during the month ("overburns"), such quantities shall be priced as mutually agreed by Buyer and Seller. In the absence of a mutually agreed upon price, such quantities of Gas shall be priced at the average of the applicable Month's Gas Daily, "Daily Price Survey," "SoCal Citygate," "Common High".
  - ii. For Buyer's usage that is less than the sum of the Contract Quantity and any incremental quantities purchased or sold during the month ("underburns"), such quantities shall be priced and disposed of at a price that is mutually agreed upon between Buyer and Seller. In the absence of a mutually agreed upon price, such quantities of Gas shall be priced at the average of the applicable Month's Gas Daily, "Daily Price Survey," "SoCal Citygate," "Common Low".



Confirmation Date:  
Trader:  
Commodity: Natural Gas

Trade Date:  
Endur #:  
Contract #: 013-NG-BS-15276

iii. For the avoidance of any doubt, the Contract Price paid for such incremental or surplus quantities of Gas as specified under Special Condition 4.(i) or 4.(ii) immediately above is in addition to, and separate from, any Imbalance Charges assessed and owed hereunder.

**5. Daily Balancing:**

"Daily Balancing" means any period when Gas end-users and/or suppliers shipping and receiving Gas on Transporter's system are required by Transporter to balance supply and usage on a daily basis within a specified percentage tolerance band ("Transporter's Tolerance Band") or be subject to penalties, cash outs or charges for noncompliance. If at any time during the Delivery Period of this Confirmation, deliveries of Gas on Transporter's system are subject to a Daily Balancing requirement, the following terms and conditions shall apply:

**a. Determination of Daily Contract Quantity.** For each Day on which Daily Balancing applies, the Contract Quantity (specified above as a monthly quantity) for such Day will be determined and restated as either the Buyer's "Average Daily Usage Quantity" or Buyer's "Revised Daily Usage Quantity", (as defined below) as follows:

i. "Average Daily Usage Quantity" shall be determined by dividing the monthly Contract Quantity by the number of calendar days in the applicable month of Delivery, resulting in an equal quantity of Buyer's anticipated Gas usage each calendar day of the month; or

ii. "Revised Daily Usage Quantity" means that Buyer notifies Seller, in writing by 5:30 a.m. Pacific Prevailing Time on the Trading Day before the Day (or Days) of delivery, of Buyer's anticipated Gas usage on that particular Day(s) of delivery. If Buyer fails to provide Seller with a Revised Daily Usage Quantity, the Daily Contract Quantity will be deemed to be the Average Daily Usage Quantity (as defined above) for the applicable Day or Days of Delivery. For purposes of this Confirmation, "Trading Day" shall mean the calendar day set forth on the Intercontinental Exchange ("ICE") U.S. Next Day Trading Calendar-Physical Natural Gas for the applicable calendar year.

iii. Once determined as either the Average Daily Usage Quantity or the Revised Daily Usage Quantity, such Day's amount may also be referred to as the "Daily Contract Quantity".

**b. Contract Price for Revised Daily Usage Quantity (i.e. Buyer Provided Revised Quantities in Ratable Quantities for such Gas flow Day(s)).** For any Trading Day where the Revised Daily Usage Quantity is specified as a ratable quantity:

i. Unless otherwise mutually agreed, the price for the Revised Daily Usage Quantity above the Average Daily Usage Quantity shall be equal to Platt's Gas Daily, "Daily Price Survey" "SoCal Citygate" "Common High" price for the applicable Trading Day.

ii. Unless otherwise mutually agreed, the repurchase price for the deemed buy-back of the Revised Daily Usage Quantity below the Average Daily Usage Quantity shall be equal to Platt's Gas Daily, "Daily Price Survey" "SoCal Citygate" "Common Low" price for the applicable Trading Day.

iii. For the avoidance of any doubt, the Contract Price paid for such incremental or surplus quantities of Gas under (i) or (ii) immediately above is in addition to, and separate from, any Imbalance Charges assessed hereunder due to Buyer's actual usage being outside of the Transporter's Tolerance Band when Daily Balancing is in effect.

**c. Contract Price for Revised Daily Usage Quantity in Non-Ratable Quantities.** If Buyer's Revised Daily Usage Quantity is specified as a non-ratable quantity for the Trading Day (i.e. during a weekend or holiday), the Contract Price for such Gas in excess or below the Average Daily Usage Quantity shall be mutually agreed between the parties. For the avoidance of any doubt, the Contract Price paid for such incremental or surplus quantities of Gas is in addition to, and separate from, any Imbalance Charges assessed hereunder due to Buyer's actual usage being outside of the Transporter's Tolerance Band when Daily Balancing is in effect.

**d. Daily Contract Quantity Imbalance Price.** For the avoidance of any doubt, at the end of each month during the Period of Delivery, the total sum of the actual quantities of Gas used each Day in excess or below the total sum of the Daily Contract Quantity shall be priced as either an incremental quantity or surplus quantity, in accordance with Section 4i-iii, above.

**e. Responsibility for Imbalance Charges During Daily Balancing Periods.** If Buyer's actual Gas usage on the Day of delivery is outside the Transporter's Tolerance Band in relation to the applicable Daily Contract Quantity, Buyer shall pay to Seller an imbalance charge on the quantity of Gas that is outside the Transporter's Tolerance Band (the "Imbalance Charge"). The Imbalance Charge paid by Buyer shall be equal to the Transporter's applicable daily tolerance noncompliance charge. Buyer shall also be responsible for any other associated penalties, cash outs, or charges attributable to Buyer's actual Gas usage being outside of Transporter's Tolerance Band on any Day that Daily Balancing is in effect.

**Special Provisions:**

A component of the Fixed Price agreed to by the parties herein contains the actual or estimated Southern California Gas Company's Tariff - Receipt Point Access Right charges in effect for the applicable delivery month. If, after this transaction is entered into, there is any change in the amount of such Southern California Gas Company's Tariff - Receipt Point Access Right charges, the Fixed Price specified under this transaction shall be adjusted accordingly to reflect such changes in the Receipt Point Access Right charges.

Seller is the sole supplier of Gas for Buyer's facilities described in this confirmation: (INLAND EMPIRE UTLTY AGENCY C138).

This Confirmation is being provided pursuant to and in accordance with the master natural gas purchase and/or sale contract dated 5/1/2009 between Shell Energy (the "Contract") and Counterparty and constitute part of and is subject to all of the provisions of the Contract. With respect to the above stated Deal Number identifying this specific transaction, this Confirmation shall supersede any prior Confirmations of this specific transaction.

Please evidence your acceptance of this Confirmation by signing below and returning a faxed copy to Shell Energy. If no facsimile objection to this

SHELL ENERGY NORTH AMERICA (US), L.P.

◆ 1000 MAIN ST LEVEL 12 , HOUSTON, TX 77002

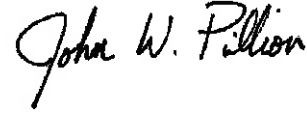
Confirmation Date:  
Trader:  
Commodity: Natural Gas

Trade Date:  
Endur #:  
Contract #: 013-NG-BS-15276

Confirmation is received by Shell Energy by 5:00 p.m., HOUSTON, Texas time, within two (2) Business Days after delivery of this Confirmation to Counterparty (unless otherwise specified in the Contract), then this Confirmation shall be the final expression of all the terms hereof and shall be binding and enforceable against Seiler and Buyer regardless of whether executed by Counterparty.

**INLAND EMPIRE UTILITIES AGENCY**

**SHELL ENERGY NORTH AMERICA (US), L.P.**



Per: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Per: \_\_\_\_\_  
Name/Title: John W. Pillion – Confirmations Team Lead  
Date: 04/29/2016

Please return the signed confirmation to Fax: 713-265-2171

Questions and comments should be directed to Shell Energy at Phone: 877-504-2491



**ACTION  
ITEM**

**2G**

---

Date: May 18, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (05/11/16)  
Finance, Legal & Administration Committee (05/11/16)

From: *f* P. Joseph Grindstaff *CGK*  
General Manager

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

Sylvie Lee *S*  
Manager of Planning and Environmental Resources

Subject: Contract Amendment for Demand Response Services

---

### RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the amendment to the Master Service Contract No. 4600000900 with EnerNOC, Inc. for provision of demand response services; including sub-metering data management;
2. Authorize the General Manager to finalize and execute the contract amendment.

### BACKGROUND

On June 1, 2011, the Agency entered into a contract with EnerNOC Inc. for demand response services; from June 1, 2011 through September 2015, the Agency realized cumulative savings of \$329,463. In 2013 EnerNOC implemented sub-metering for all high-power and critical equipment, and monitoring services through a web-based dashboard. The sub-metering project is a valuable tool in tracking and optimizing energy usage.

With the proposed contract amendment, the Agency will continue its participation in the Demand Response program with EnerNOC through May 2019; in addition, EnerNOC will continue to provide: technical support and maintenance of all meters and software, analyst service to help review and identify energy savings opportunities, energy profiling tools (custom report, charts, alerts) through the web-based dashboard, maintenance, upgrades, off-site data backup, and mobile access.

The demand response and sub-metering monitoring service agreement is part of the Agency's *Energy Management* Business Goal to optimize facility energy use and contain future energy costs.

**PRIOR BOARD ACTION**

On January 16, 2013 the Agency's Board of Directors approved the amendment to Contract No. 4600000900 with EnerNOC, Inc for the development of the Sub-Metering Project.

**IMPACT ON BUDGET**

The required monthly monitoring fee costs of \$30 per monitoring point, equivalent to \$68,000 per year are included in the Fiscal Year 2016/2017 Regional Operations and Maintenance (RO), Utilities Budget and will be funded from the expected demand response payments from EnerNOC of approximately \$70,000 per year.

Attachment: Amendment to Contract No. 4600000900 with EnerNOC, Inc.

# Contract Amendment for Demand Response Services



*Inland Empire Utilities Agency*  
**A MUNICIPAL WATER DISTRICT**

Pietro Cambiaso

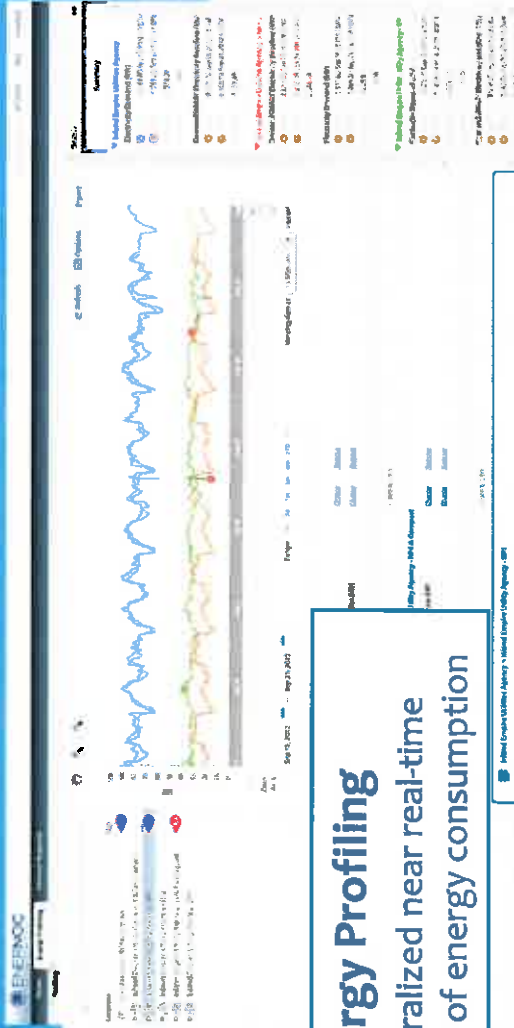
IEUA Board of Directors Meeting  
May 2016

# Demand Response

- Time-of-Use Base Interruptible Program (2008-2010)
- Demand Response Program EnerNOC (2011 to date)
  - 1,900 kW target (2011)
  - 1,230 kW target (current)
- \$70,000 - \$100,000 annual revenue

# Sub-Metering

**Remote Access**  
Mobile access via laptop, tablet, smart phone



**Energy Profiling**  
Centralized near real-time view of energy consumption

**Reports**  
Standard and custom reports on consumption, costs, trends, power factor, benchmarks

Bill To Meter Usage Comparison

Location	Meter Code	Billing Period	Start Date	End Date	Billed Use	Metered Use	Variance	Variance %
Bradford PA	BRADFORD-ELE1	708901	1/19/08	1/18/09	850,002.00	513,728.54	(336,273.46)	(39.56)
Bradford PA	BRADFORD-ELE1	200902	2/18/09	2/18/09	1,438,795.00	1,379,630.91	(59,164.09)	(4.12)
Bradford PA	BRADFORD-ELE1	201104	4/17/11	4/17/11	1,737,674.00	801,415.00	(936,259.00)	(53.65)
Total for BRADFORD-ELE1					42,004,000.00	41,500,281.49	(503,718.51)	(1.19)
Total for Bradford PA					42,004,000.00	41,500,281.49	(503,718.51)	(1.19)



# Recommendation

Staff recommends the Board amend the Master Service Contract No. 4600000900 with EnerNOC, Inc. for provision of demand response services including sub-metering data management.

This project meets the *Agency's Business Goal of Energy Management* in optimizing facility energy use, and containing future energy costs.



**MASTER SERVICES CONTRACT  
AMENDMENT NUMBER: 460000900-004  
FOR PROVISION OF DEMAND RESPONSE SERVICES**

THIS AMENDMENT FOUR is made and entered into this 1st day of May, 2016, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency"); and EnerNOC, Inc. with offices located in Boston, Massachusetts (hereinafter referred to as "Consultant"), in order to establish mutually acceptable terms and conditions which will hold for and govern all "Task Order" releases subsequently issued under this Master Services Contract, and shall revise the Contract as amended:

**REVISE SECTION 3., TERM, TO READ:**

TERM: The term of this Contract shall extend from the date of the contract execution and terminate on June 1, 2019, unless agreed to by both parties, reduced to writing, and formally incorporated as an amendment to this Contract.

**ALL OTHER PROVISIONS OF THIS CONTRACT REMAIN UNCHANGED.**

WITNESSETH, that the parties hereto have mutually covenanted and agreed as per the above amendment items, and in doing so have caused this document to become incorporated into the Contract documents.

INLAND EMPIRE UTILITIES AGENCY:

ENERNOC, INC.:

P. Joseph Grindstaff  
General Manager

(Date)

Michael Berdik  
Deputy General Counsel

(Date)

\_\_\_\_\_

DocuSigned by:  
*Michael Berdik*  
C2142C55B79442D...

April 28, 2016 | 11:21

\_\_\_\_\_



**ACTION  
ITEM**

**2H**

Date: May 18, 2016

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee  
- (05/11/16)  
Finance, Legal & Administration Committee (05/11/16)

From: *for* P. Joseph Grindstaff *aka*  
General Manager

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

Sylvie Lee *S*  
Manager of Planning and Environmental Resources

Subject: Fiscal Year 2016/2017 Ten-Year Capital Improvement Plan

---

### **RECOMMENDATION**

It is recommended that the Board of Directors approve the proposed Fiscal Year (FY) 2016/17-2025/26 Ten-Year Capital Improvement Plan (TYCIP).

### **BACKGROUND**

Each year, pursuant to the terms of the Regional Sewage Service Contract based on estimated growth provided by each contracting Agency, the Agency submits a ten-year forecast of capacity demands and capital projects or Ten-Year Capital Improvement Plan (TYCIP) to the Regional Technical and Policy Committees. The current TYCIP identifies projects for the FY 2016/17 through FY 2025/26 that are needed for the rehabilitation, replacement, or expansion of the facilities owned or operated by the Agency to meet the projected increase of more than 34,000 new units over that time period.

Two major themes in the FY 2016/17 TYCIP are the continuing need for maintenance, repair, and replacement of aging equipment and facilities and the need for expansion of the regional system to meet future growth. Maintaining the Agency's facilities and infrastructure is critical to ensure the long-term reliability, compliance and quality of services that the Agency is committed to provide.

As noted in the 2015 Wastewater Facilities Master Plan, increased strength of influent wastewater is a major driving force for improvements at Agency treatment plants over the next 20 years. As

a result, major projects within the 10-year window include: the relocation of the RP-2 Solids Treatment Facility above the Prado floodplain; RP-5 liquid treatment expansion to accommodate the growth in the southern service area; and RP-1 process improvements to address aging infrastructure and capacity constraints.

While the TYCIP is instrumental for the on-going rate and budget discussions, it is intended to be a planning level document. Only projects that can be accommodated by the adopted budget will be initiated.

This item was presented to the Regional Technical and Policy Committees in March and April, and as an informational item to the Board of Directors in April. There have not been any substantial changes to the projects listed in the TYCIP since these meetings.

The TYCIP covers many programs and projects that directly align with several Agency Business Goals, including *Water Reliability*, *Wastewater Management*, *Environmental Stewardship*, and *Fiscal Responsibility*.

### **PRIOR BOARD ACTION**

On March 18, 2015, the IEUA Board of Directors adopted the FY2015/16-2024/25 TYCIP.

### **IMPACT ON BUDGET**

There is no direct impact on the budget as a result of the adoption of FY2016/17-2025/26 TYCIP.

Attachment: The TYCIP can be viewed at the following link:  
<https://ieua.hostedftp.com/CY536XaoF8TqibOL8WyivMG4B>

# Fiscal Year 2016/2017 Ten Year Capital Improvement Plan



*Inland Empire Utilities Agency*  
**A MUNICIPAL WATER DISTRICT**

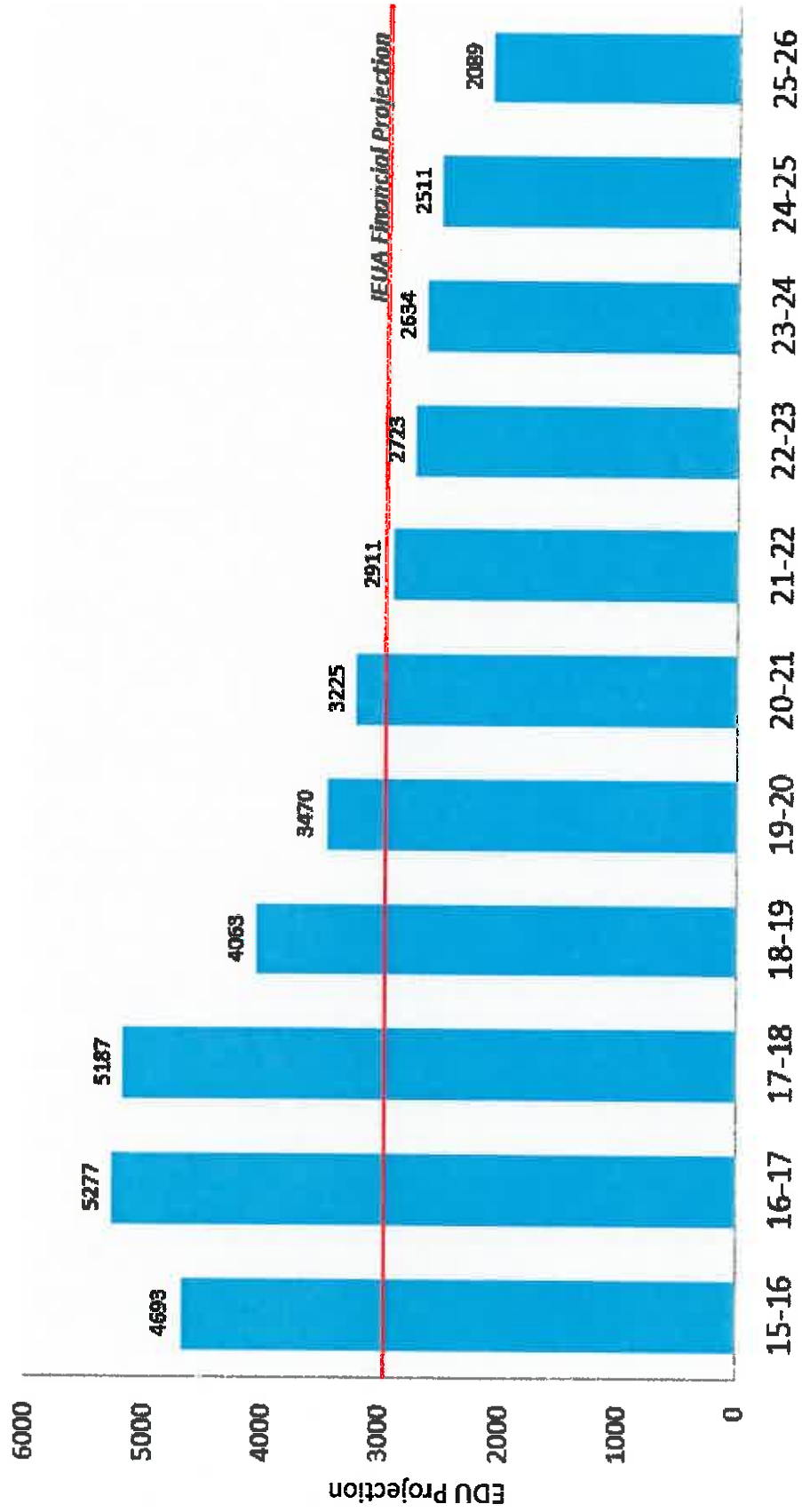
Elizabeth Hurst

IEUA Board of Directors Meeting  
May 2016

# Key Drivers of the FY16/17 TYCIP

- Member Agency growth projections
- 2015 Wastewater Facilities Master Plan Updated flow factors and concentrations
- Asset Management Plan
- 2015 Recycled Water Program Strategy Update
- 2015 Energy Management Plan
- 2016 Integrated Resources Plan
- 2016 Water Use Efficiency Business Plan

# 10-Year EDU Growth Forecast







# TYCIP Budget Estimate by Fund

Description	FY 16/17	FY17/18	FY18-26	TYCIP Total
<b>GG</b> Administrative Services Fund	\$ 4,648,012	\$ 1,680,200	\$ 6,738,600	\$ 13,066,812
<b>NC</b> Non-Reclaimable Wastewater Fund	\$ 1,250,000	\$ 610,000	\$ 9,280,000	\$ 11,140,000
<b>RC</b> Regional Capital Improvement Fund	\$ 22,104,400	\$ 24,329,000	\$ 338,965,000	\$ 385,398,400
<b>RO</b> Regional Operations and Maintenance	\$ 24,270,520	\$ 35,305,000	\$ 79,282,000	\$ 138,857,520
<b>RW</b> Recharge Water Fund	\$ 4,739,800	\$ 12,730,500	\$ 35,749,500	\$ 53,219,800
<b>WC</b> Recycled Water Fund	\$ 14,738,063	\$ 28,458,458	\$ 41,845,000	\$ 85,041,521
<b>WW</b> Water Resources Fund	\$ 6,344,195	\$ 4,550,000	\$ 35,020,000	\$ 45,914,195
<b>TOTAL</b>	<b>\$ 78,094,990</b>	<b>\$ 107,663,153</b>	<b>\$ 546,880,100</b>	<b>\$ 732,638,248</b>



# TYCIP Comparison to FY 15/16

	Description	Existing FY15/16 TYCIP	Proposed FY16/17 TYCIP
GG	Administrative Services Fund	\$ 9.5 M	\$ 13.1 M
NC	Non-Reclaimable Wastewater Fund	\$ 17.2 M	\$ 11.1 M
RC	Regional Capital Improvement Fund	\$ 348.9 M	\$ 385.4 M
RO	Regional Operations and Maintenance	\$ 131.0 M	\$ 138.4 M
RW	Recharge Water Fund	\$ 49.3 M	\$ 53.2 M
WC	Recycled Water Fund	\$ 75.2 M	\$ 85.0 M
WW	Water Resources Fund	\$ 60.9 M	\$ 45.9 M
	<b>TOTAL</b>	<b>\$ 692.0 M</b>	<b>\$ 732.6 M</b>



# Recommendation

Approve the proposed Fiscal Year (FY) 2016/17-2025/26 Ten-Year Capital Improvement Plan (TYCIP).

The TYCIP covers many programs and projects that directly align with several **Agency Business Goals**, including **Water Reliability, Wastewater Management, Environmental Stewardship, and Fiscal Responsibility**.