



## **AGENDA**

### **COMMISSION MEETING OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY AND MEETING OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS**

**WEDNESDAY, MAY 18, 2016  
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY\*  
AGENCY HEADQUARTERS  
6075 KIMBALL AVENUE, BUILDING A  
CHINO, CALIFORNIA 91708**

#### **CALL TO ORDER** **OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY MEETING**

#### **FLAG SALUTE**

#### **PUBLIC COMMENT**

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

#### **ADDITIONS TO THE AGENDA**

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

#### **1. ACTION ITEMS**

##### **A. MINUTES**

It is recommended that the Board approve:

1. February 3, 2016 Minutes of the Special Commission Meeting of the Chino Basin Regional Financing Authority; and
2. February 17, 2016, Minutes of the Commission Meeting of the Chino Basin Regional Financing Authority.

**B. RESOLUTION APPROVING JCSD-IEUA CEQA**

It is recommended that the Commission:

1. Adopt Resolution No. 2016-6, approving and adopting Addendum No. 2 to the Mitigated Negative Declaration for the Jurupa Community Services District (JCSD) Recycled Water Expansion and approving the revised project, as a CEQA-Responsible Agency; and
2. Authorize IEUA's General Manager to file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

**C. RESOLUTIONS FOR RMPU APPLICATIONS**

It is recommended that the Commission:

1. Adopt Resolution No. 2016-2, 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. 2016-3, 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. 2016-4, 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, dedicating certain revenues for the repayment of the SRF loan for the Planning and Design of the RMPU Project; and
5. Authorize IEUA's General Manager to approve the Master Recharge Facilities Financing Agreement between CBRFA, IEUA, and CBWM, and allow the General Manager to make non-substantive changes prior to execution.

**2. ADJOURN**

\*A Municipal Water District

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

**FLAG SALUTE**

**PUBLIC COMMENT**

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**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. NEW HIRE INTRODUCTIONS**

- Mr. Josh Biesiada, Construction Project Manager, hired on 2/16/16 (Jerry Burke)
- Mr. Christopher Stull, Compost Worker, hired on 3/15/16 (Jeff King)
- Mr. Richard Selio, Mechanic I, hired on 4/25/16 (Jaime Melton)
- Mr. Edward Makowski, Collection System Operator, hired on 4/25/16 (Francis Concemino)
- Ms. Mia Beltran, Contracts Administration II, hired on 5/2/16 (Kathleen Baxter)

**2. PUBLIC HEARING AND ADOPTION OF ORDINANCE NO. 102, ESTABLISHING FISCAL CONTROL**

It is recommended that the Board:

1. Hold a Public Hearing to receive public comments prior to the adoption of Ordinance No. 102, establishing fiscal control; and
2. After closing the Public Hearing, by roll call vote, adopt Ordinance No. 102.

**3. CONSENT CALENDAR**

**NOTICE:** All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

**A. MINUTES**

The Board will be asked to approve the minutes from the April 6, Board Workshop.

**B. REPORT ON GENERAL DISBURSEMENTS**

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

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

It is recommended that the 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 First Amendment to 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.

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

It is recommended that the 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 finalize and execute the contract amendment.

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

It is recommended that the 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 up to three additional years.

**F. ADOPTION OF RESOLUTION NO. 2016-5-1, APPROVING THE UPDATE OF THE AGENCY'S INVESTMENT POLICY FOR THE FISCAL YEAR 2016/17**

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

**G. RESERVE POLICY**

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

**4. ACTION ITEMS**

**(Action Item E will continue following Closed Session)**

**A. APPROVAL OF SAN BERNARDINO COUNTY SUCCESSOR AGENCY COMPENSATION AGREEMENTS**

It is recommended that the Board:

1. Approve the Compensation Agreement between the San Bernardino County Successor Agency to the former Redevelopment Agency (Successor Agency), IEUA, and other affected taxing entities for the transfer to the County of San Bernardino (County) of the property commonly known as the "Speedway Property" for future development;
2. Approve the Compensation Agreement between the Successor Agency, IEUA, and other affected taxing entities for the transfer to the County of the property commonly known as the "Rosemary and Iris Property" for future development;
3. Approve the Compensation Agreement between the Successor Agency, IEUA, and other affected taxing entities for the transfer to the County of the property commonly known as the "Fire Station Property" to be retained for government use as it was designated for a fire station and public safety office; and

4. Authorize the General Manager to execute the Compensation Agreements.

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

It is recommended that the 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.

**C. DEBT MANAGEMENT POLICY**

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

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

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

**5. INFORMATION ITEMS**

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

**B. SANTA ANA RIVER WATERMASTER OVERVIEW (WRITTEN)**

**C. MWD UPDATE AND DROUGHT UPDATE (ORAL)**

**RECEIVE AND FILE INFORMATION ITEMS**

**D. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/POWERPOINT)**

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

**F. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)**

**G. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)**

- H. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)
- I. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)
- J. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)
- K. FEDERAL LEGISLATIVE TRACKING MATRIX (WRITTEN)
- L. STATE LEGISLATIVE TRACKING MATRIX (WRITTEN)
- M. 2015 REGIONAL URBAN WATER MANAGEMENT PLAN (WRITTEN/POWERPOINT)
- N. WATER ORDINANCE NO. 104 (WRITTEN/POWERPOINT)
- O. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)

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

6. AGENCY REPRESENTATIVES' REPORTS

- A. SAWPA REPORT (WRITTEN)
- B. MWD REPORT (WRITTEN)
- C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)
- D. CHINO BASIN WATERMASTER REPORT (CANCELLED)

7. GENERAL MANAGER'S REPORT (WRITTEN)

8. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

9. DIRECTORS' COMMENTS

A. CONFERENCE REPORTS

This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

10. **CLOSED SESSION**

A. **PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) –  
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

1. Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010
2. Martin vs. IEUA, Case No. CIVRS 1000767
3. Mwembu vs. IEUA, Case No. CIVDS 1415762

L. **PURSUANT TO GOVERNMENT CODE SECTION 54956.8 –  
CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

1. Supplemental Water Transfer/Purchase  
Negotiating Party: General Manager P. Joseph Grindstaff  
Under Negotiation: Price and Terms of Purchase

M. **PURSUANT TO GOVERNMENT CODE SECTION 54956.9  
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

1. Two (2) Cases

N. **PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL  
MATTERS**

1. General Counsel

4. **ACTION ITEM** - continued

E. **RETAINER AGREEMENT FOR LEGAL SERVICES**

It is recommended that the Board approve a Retainer Agreement for Legal Services with JC Law Firm.

11. **ADJOURN**

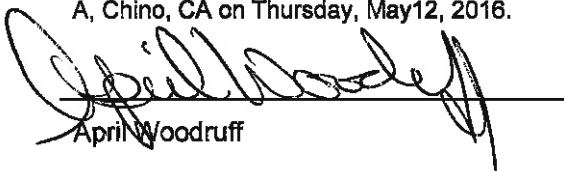
\*A Municipal Water District

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 of the Inland Empire Utilities Agency\*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, May12, 2016.

  
April Woodruff



**ACTION ITEM  
1A**

**MINUTES  
OF THE  
SPECIAL COMMISSION MEETING OF  
THE CHINO BASIN REGIONAL FINANCING AUTHORITY  
FEBRUARY 03, 2016**

**COMMISSIONERS PRESENT:**

Michael Camacho  
Terry Catlin, President  
Steven J. Elie, Secretary  
Jasmin Hall

**COMMISSIONERS ABSENT:**

Gene Koopman, Vice President

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/Assistant General Manager  
Christina Valencia, Chief Financial Officer/Assistant General Manager  
Ernest Yeboah, Executive Manager of Operation/Assistant General Manager  
Kathryn Besser, Manager of External Affairs  
Jerry Burke, Deputy Manager of Engineering  
Warren Green, Manager of Contracts and Facility Services  
Randy Lee, Manager of Operations  
Jeff Noelte, Manager of Technical Services  
Shaun Stone, Manager of Engineering  
Teresa Velarde, Manager of Internal Audit  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Jean Cihigoyenette, Cihigoyenette, Grossberg, & Clouse

A commission meeting of the Chino Basin Regional Financing Authority was held at the office of the Inland Empire Utilities Agency, \*A Municipal Water District, 6075 Kimball Avenue Chino, California on the above date.

President Catlin called the meeting to order at 10:02 a.m., and he led the pledge of allegiance. A quorum was present.

President Catlin stated that members of the public may address the Commission. There were no persons desiring to do so.

President Catlin asked if there were any additions/deletions to the agenda. There were no additions/deletions to the agenda.

**ACTION ITEM**

**1. MINUTES**

Upon motion by Commissioner Camacho, seconded by Commissioner Elie, and unanimously carried:

**M2016-2-1**

**MOVED**, to approve the minutes of the December 16, 2015, Chino Basin Regional Financing Authority Commission Meeting.

With no further business, President Catlin adjourned the meeting at 10:03 a.m.

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Steven J. Elie, CBRFA Secretary

**APPROVED: MAY 18, 2016**

**MINUTES  
OF THE  
SPECIAL  
COMMISSION MEETING OF  
THE CHINO BASIN REGIONAL FINANCING AUTHORITY  
FEBRUARY 17, 2016**

**DIRECTORS PRESENT:**

Michael Camacho  
Steven J. Elie, Secretary  
Jasmin A. Hall

**DIRECTORS ABSENT:**

Terry Catlin, President  
Gene Koopman, Vice President

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/Assistant General Manager  
Christina Valencia, Chief Financial Officer/Assistant General Manager  
Blanca Arambula, Deputy Manager of Human Resources  
Tom Ash, Senior Environmental Resources Planner  
Jerry Burke, Deputy Manager of Engineering  
Adham Almasri, Senior Engineer  
Pietro Cambiaso, Environmental Compliance and Energy Supervisor  
Andy Campbell, Deputy Manager of Planning and Environmental Resources  
Andrea Carruthers, Senior External Affairs Specialist  
Lucia Diaz, Facilities Program Supervisor  
Connie Gibson, Executive Assistant  
Warren Green, Manager of Contracts and Facility Services  
Jason Gu, Grants Officer  
Randy Lee, Manager of Operations  
Sylvie Lee, Manager of Planning and Environmental Resources  
Dave Mendez, Acting Deputy Manager of Engineering  
Lisa Morgan-Perales, Senior Water Resources Analyst  
Liza Munoz, Senior Engineer  
Jeff Noelte, Manager of Technical Services  
Jason Pivovarovoff, Senior Engineer  
Craig Proctor, Pretreatment & Source Control Supervisor  
John Scherck, Acting Deputy Manager of Construction Management  
Peter Soelter, Senior Internal Auditor  
Al VanBreukelen, Deputy Manager of Maintenance  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Jean Cihigoyenette, Cihigoyenette, Grossberg, & Clouse  
Vivian Castro, Chino Basin Water Conservation District  
Kara-Lee Darnell, Tripepi Smith & Associates  
Tom Dodson, Tom Dodson & Associates  
Justin Scott-Coe, Monte Vista Water District  
Pranesh Venugopal, The Energy Network  
Jamie Fern, TEL  
Matt Schroeder, TGG  
Ryan Shaw, City of Ontario  
Carl Wallace, Wallace & Associates

A commission meeting of the Chino Basin Regional Financing Authority was held at the office of the Inland Empire Utilities Agency, \*A Municipal Water District, 6075 Kimball Avenue Chino, California on the above date.

Commissioner Camacho called the meeting to order at 10:00 a.m., and he led the pledge of allegiance. A quorum was present.

Commissioner Camacho stated that members of the public may address the Commission.

Ms. Vivian Castro, Deputy Executive Director for the Chino Basin Water Conservation District stated that she wanted to inform the Board of two events that the Chino Basin Water Conservation District will be hosting. She stated on March 7, there is a "Water Capture and Retention in the Age of Zika" lunch and learn event. The second event on March 16, is being hosted for EVOQUA Water Technologies and it is an educational event on "Groundwater Treatment of Nitrate". She stated that she is looking forward to working with the Agency on water conservation issues. The Board thanked Ms. Castro for the information.

Commissioner Camacho asked if there were any additions/deletions to the agenda. There were no additions/deletions to the agenda.

### **ACTION ITEM**

#### **1. ADOPTION OF RESOLUTION NO. 2016-1, RECYCLED WATER SERVICE EXPANSION PROGRAM AS CEQA-RESPONSIBLE PARTY**

Grants Officer Jason Gu stated that he is recommending that the Board of Commissioners adopt a resolution approving the CEQA reports for the joining IEUA-JCSD Recycled Water (RW) Intertie Project; and authorizing the General Manager to execute the Notice of Determination and Mitigated Negative Declaration for the CEQA. He explained that the IEUA-JCSD RW Intertie Project will construct 15 miles of RW pipelines and two pump stations with a design capacity of 6,000 AFY RW for an estimated cost of \$52 million. Mr. Gu stated that the project will deliver RW from the Western Riverside County Regional Wastewater Authority's treatment plant, to IEUA's service area, up the 930 zone in the City of Ontario. He reported in November 2015, that Chino Basin Regional Financing Authority Board Commissioner adopted a resolution authorizing staff to submit a grant/loan application to the SWRCB; and on December, 2015, an application was submitted seeking a \$15 million grant and a \$37 million loan. Mr. Gu said that during the CEQA review process by the State, the State requested that the CBRFA provide an additional Resolution for the CEQA that was originally adopted by the JCSD Board in July 2015, to establish the tie between the CEQA report and the applicant. Agency staff discussed this request with IEUA's environmental consultant, Mr. Tom Dodson, and he suggested that since JCSD was the lead agency for the initial CEQA resolution, the CBRFA should adopt this Resolution as the responsible Authority to satisfy this additional requirement for the grant application.

Upon motion by Commissioner Elie, seconded by Commissioner Hall, and unanimously carried:

**M2016-2-1**

**MOVED, to:**

1. Adopt Resolution No. 2016-1, approving and adopting the Initial Study, Mitigated Negative Declaration, and Addendum to these documents and the Mitigation Monitoring and Reporting Program as a CEQA-Responsible Agency; and

**RESOLUTION NO. 2016-1**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AND ADOPTING THE MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE RECYCLED WATER SERVICE EXPANSION PROJECT (JURUPA COMMUNITY SERVICES DISTRICT PROJECT NO. c133656) AND APPROVING THE PROJECT** *(for full text, see Resolution Book)*

2. Authorize IEUA's General Manager, or his designee, to file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

With no further business, Commissioner Camacho adjourned the meeting at 10:07 a.m.

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Steven J. Elie, CBRFA Secretary

**APPROVED: MAY 18, 2016**

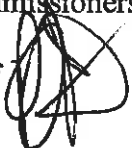
**ACTION ITEM  
1B**


# **CHINO BASIN REGIONAL FINANCING AUTHORITY**


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Date: May 18, 2016

To: The Honorable Commissioners

From: P. Joseph Grindstaff   
General Manager

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

Jason Gu   
Grants Officer

Subject: Resolution Approving IEUA-JCSD CEQA

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## **RECOMMENDATION**

It is recommended that the Board of Commissioners:

1. Adopt Resolution No. 2016-6, approving and adopting Addendum No. 2 to the Mitigated Negative Declaration for the Jurupa Community Services District (JCSD) Recycled Water Expansion and approving the revised project, as a CEQA-Responsible Agency; and
2. Authorize IEUA's General Manager to file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

## **BACKGROUND**

In April 2015, the State Water Resources Control Board (SWRCB) announced the Proposition 1 (Prop 1) grant funding opportunity for Water Recycling projects, which will provide 35% in Prop 1 grant funds up to a maximum of \$15,000,000 for each project in addition to a 1% interest, 30-year SRF loan.

In December 2015, IEUA filed the Joint IEUA-JCSD Regional Recycling Program grant and SRF loan application on behalf of the Chino Basin Regional Financing Authority (CBRFA). This project will deliver 3,000 acre-feet per year (AFY) of recycled water for groundwater recharge and direct reuse of recycled water throughout the region. This project has a total cost of approximately \$52 million.

JCSD was the lead agency for the planning, design, and environmental evaluation of this project. In September 2015, JCSD's Board of Directors adopted an Addendum to the Final Initial Study, Mitigated Negative Declaration (MND) and a Mitigation Monitoring and Reporting Program (MMRP). During the CEQA review process, the SWRCB staff required that the CBRFA adopt and approve the Final Initial Study, MND, MMRP and Addendum No. 1. CBRFA approved these



CEQA documents as a CEQA-responsible agency via adoption of Resolution No. 2016-1 on February 17, 2016.

Subsequent to the adoption of Resolution No. 2016-1, it was determined that the recycled water pipeline in Pine Avenue, which would provide a second point of connection between JCSD's recycled water system and IEUA's existing facilities was not included in as part of the project in the Final Initial Study or Addendum No. 1. After consultation with the SWRCB, it was determined that an addendum to the Final Initial Study/MND would be the appropriate CEQA document; thus Addendum No. 2 was prepared. As required by the State Board for financing purposes, Addendum No. 2 was transmitted to the State Clearinghouse for a 15-day review period from April 20, 2016 to May 4, 2016.

This project demonstrates the integrated regional approach of recycled water supply optimization. It is consistent with the Agency's Business Goal of increasing Water Supply Reliability by meeting the region's need to develop reliable, drought-proof and diverse local water resources in order to reduce dependence on imported water supplies.

#### **PRIOR BOARD ACTION**

On February 17, 2016, the CBRFA commissioners adopted Resolution No. 2016-1, approving and adopting the Initial Study, Mitigated Negative Declaration, and Addendum No. 1 for the JCSD Recycled Water Expansion and authorizing IEUA's General Manager to file the NOD with the San Bernardino County Clerk of the Board.

On November 18, 2015, the CBRFA commissioners adopted Resolution Nos. 2015-1, 2, and 3, authorizing the General Manager to execute a financial assistance agreement with the State Water Resources Control Board, for the design and construction of the Joint IEUA-JCSD Regional Water Recycling Program.

#### **IMPACT ON BUDGET**

None.

#### **Attachments:**

Resolution No. 2016-6

Addendum No. 2

Notice of Determination

Final Initial Study/Mitigated Negative Declaration and Addendum No. 1:

[https://www.dropbox.com/sh/r86r587khfg974u/AADt46\\_RF6zWVxxBO-Udy\\_29a?dl=0](https://www.dropbox.com/sh/r86r587khfg974u/AADt46_RF6zWVxxBO-Udy_29a?dl=0)

## **RESOLUTION NO. 2016-6**

### **RESOLUTION OF THE BOARD OF COMMISSIONERS OF CHINO BASIN REGIONAL FINANCING AUTHORITY (CBRFA), SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AND ADOPTING ADDENDUM NO. 2 TO THE MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE RECYCLED WATER SERVICE EXPANSION (JURUPA COMMUNITY SERVICES DISTRICT PROJECT NO. C133656) AND APPROVING THE REVISED PROJECT**

**WHEREAS**, the Jurupa Community Services District (the “District”) approved and adopted Resolution No. 2611 on September 28, 2015, approving and adopting the Mitigated Negative Declaration (the “2015 MND”) and Mitigation Monitoring and Reporting Program for the expansion of a recycled water system to serve irrigation needs in the western portion of the District’s service area and/or for conveyance to Inland Empire Utilities Agency’s (IEUA) recycled water facilities; and

**WHEREAS**, the types of facilities included in the Recycled Water Service Expansion are the distribution and storage facilities necessary for the District to convey recycled water to IEUA’s facilities and/or to serve landscape irrigation needs within the western portion of the District’s service area, specifically, recycled water pipelines, recycled water reservoirs and pump station, and facilities at the Western Riverside County Regional Wastewater Authority (WRCRWA) Treatment Plant including a clear well, equipping a booster station, and connecting these facilities via a pipeline (the “Project”); and

**WHEREAS**, Addendum No. 1 to the 2015 MND was prepared to analyze changing the location of the proposed recycled pump station, reservoir, and accessory pipelines in the city of Ontario, to locate the pump station in the American Heroes Park was approved by JCSD on October 30, 2015; and

**WHEREAS**, the Project currently under consideration is extension of the proposed recycled water pipeline in Schaefer Road approximately 2,477 feet west in Pine Avenue past Hellman Avenue into the city of Ontario (herein after “Revised Project”); and

**WHEREAS**, the District’s staff has determined that construction of the proposed pipeline segment in Pine Avenue does not constitute substantial changes to the original Project, preparation of an Addendum is consistent with the California Environmental Quality Act, Public Resources Code Section 15164(b) (CEQA); and

**WHEREAS**, the District submitted the proposed Addendum No. 2 to the State Clearinghouse beginning on April 20, 2016, and concluding on May 4, 2016, a period of not less than 15 days as required by the State Water Resources Control Board to establish eligibility for financial assistance; and

**WHEREAS**, the Revised Project as analyzed in Addendum No. 2 has been presented to the Board, attached hereto as Exhibit "A" and made a part thereof, and the Board has carefully reviewed these documents and all of the information contained in the record for the Project; and

**WHEREAS**, Addendum No. 2 was prepared pursuant to CEQA, the State CEQA Guidelines, and the District's Local CEQA Guidelines; and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF COMMISSIONERS OF THE CHINO BASIN REGIONAL FINANCING AUTHORITY AS FOLLOWS:**

**Section 1.** The above recitals are incorporated herein by reference.

**Section 2. Environmental Findings.** The Board of Commissioners, in light of the whole record before it including, but not limited to, the District's Local CEQA Guidelines, the proposed Addendum No. 2 and documents incorporated therein by reference, any comments received and responses provided, and other substantial evidence (within the meaning of Public Resources Code Sections 21080(e) and 21082.2) within the record and/or provided at the public meeting, hereby finds and determines as follows:

**Review Period:** That the District is not required by CEQA to circulate Addendum No. 2 for public review; however, to be eligible for funding assistance by the State Water Resources Control Board, Addendum No. 2 was transmitted to the State Clearinghouse for a 15-day review and comment period.

**Compliance with Law:** That Addendum No. 2 was prepared, processed, and noticed in accordance with CEQA (Public Resources Code Section 21000 *et seq.*), the CEQA Guidelines (14 California Code of Regulations Section 15000 *et seq.*), and the District's Local CEQA Guidelines.

**Independent Judgment:** That Addendum No. 2 reflects the independent judgment and analysis of the District.

**Mitigation Monitoring Program:** That the mitigation measures identified in the Mitigation Monitoring and Reporting Program adopted by the District on September 28, 2015, and clarified in Addendum No. 1 approved on October 30, 2015, designed to ensure compliance during Project implementation, are sufficient to mitigate for any potentially significant impacts identified and are fully enforceable through permit conditions, agreements, or other measures as required by Public Resources Code Section 21081.6.

**No Significant Effect:** That there are no new significant impacts as a result of the proposed revisions to the Project, and that mitigation measures imposed as conditions of approval on the original Project avoid or mitigate any potential significant effects on the environment identified in the Initial Study to a point below the threshold of significance. Furthermore, after taking into consideration the mitigation measures imposed, the District finds that there is no substantial evidence, in light of the whole record, from which it could be fairly argued that the Revised Project

may have a significant effect on the environment. Therefore, the District finds that the Revised Project will not have a significant effect on the environment.

**Section 3. Adoption of Addendum No. 2 to the 2015 MND.** The Board of Commissioners, acting as a CEQA-Responsible Agency, hereby approves and adopts Addendum No. 2 prepared for the Recycled Water Service Expansion and approves the Revised Project.

**Section 4. Notice of Determination.** The Board of Commissioners directs Agency staff to prepare, execute, and file a Notice of Determination with the Riverside County Clerk, the San Bernardino County Clerk, and the State of California within five (5) working days of the passage and adoption of this Resolution.

**Section 5. Custodian of Records.** The documents and materials that constitute the record of proceedings on which these findings are based are located at 6075 Kimball Avenue, Chino, California, 91708. The custodian of these records is the CBRFA's Board Secretary.

**Section 6. Effective Date.** This resolution shall take effect immediately upon its adoption.

**ADOPTED** this 18th day of May, 2016.

\_\_\_\_\_  
Terry Catlin, President of the Chino Basin  
Regional Financing Authority and the  
Board of Commissioners thereof

ATTEST:

\_\_\_\_\_  
Steven J. Elie, Secretary of the Chino Basin  
Regional Financing Authority and the  
Board of Commissioners thereof



## **EXHIBIT “A”**

### **ADDENDUM NO. 2 TO THE FINAL INITIAL STUDY/MITIGATED NEGATIVE DECLARATION**

**Due to their size, the Final Initial Study/Mitigated Negative Declaration (CEQA AND CEQA-PLUS) documents are provided in the following online location, [https://www.dropbox.com/sh/r86r587khfg974u/AADt46\\_RF6zWVxxBO-Udy\\_29a?dl=0](https://www.dropbox.com/sh/r86r587khfg974u/AADt46_RF6zWVxxBO-Udy_29a?dl=0), and includes the following:**

#### **ADDENDUM NO. 1**

**APPENDIX A – Biological Resources Survey Reports**

**APPENDIX B – Historical/Archaeological Resources Survey Reports**

**APPENDIX C – Air Quality and Greenhouse Gas Impact Analysis**

**RESPONSES TO COMMENTS REGARDING THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION**

**MITIGATION MONITORING AND REPORTING PROGRAM**

**A hard copy of the above-mentioned documents will also be available at the meeting for public review.**

## **ADDENDUM NO. 2 to the MITIGATED NEGATIVE DECLARATION for JURUPA COMMUNITY SERVICES DISTRICT RECYCLED WATER EXPANSION (DISTRICT PROJECT NO. C133656)**

### **INTRODUCTION**

This document has been prepared pursuant to the California Environmental Quality Act (CEQA, California Public Resources Code Sections 21000 *et seq.*), the State CEQA Guidelines (California Code of Regulations Sections 15000 *et seq.*), the Jurupa Community Services District's (JCSD) *Local Guidelines for Implementing the California Environmental Quality Act (2015 Revision)*, and is consistent with the CEQA-Plus requirements of the State Water Resources Control Board (SWRCB) State Revolving Fund (SRF) Program for Environmental Review and Federal Coordination. JCSD will serve as the lead agency for CEQA purposes. Western Municipal Water District (WMWD) and the Inland Empire Utilities Agency (IEUA) are responsible agencies.

Section 15164(b) of the State CEQA Guidelines states:

*An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.*

The purpose of Addendum No. 2 is to demonstrate that only minor changes have been made to the Project and that any potentially significant impacts can be mitigated through implementation of mitigation measures identified in the original MND, with minor clarifications.

### **PROJECT INFORMATION**

The Initial Study/Mitigated Negative Declaration (CEQA and CEQA-Plus) for the Jurupa Community Services District Recycled Water Service Expansion (SCH No. 2015071073) was circulated for a 30-day public review period from July 29, 2015 to August 27, 2015, pursuant to State CEQA Guidelines Section 15073 (hereinafter the "2015 MND" or "2015 IS/MND"). The 2015 MND and a Mitigation Monitoring and Reporting Program (MMRP) were approved by the JCSD Board of Directors on September 28, 2015. The Project evaluated in the 2015 MND was the construction and operation of potential distribution and storage facilities to convey recycled water that has been treated to Title 22 standards to IEUA's facilities and serve landscape irrigation needs within the western portion of JCSD's service area. (Refer to **Figure 1 – Original Project**).

The recycled water will be sourced from JCSD's, WMWD's, the City of Norco's, and/or Home Gardens Sanitary District's allocation of treated effluent from the WRCCRWA Treatment Plant (operated by WMWD) in Eastvale and/or the IEUA recycled water system in San Bernardino County.

*Addendum No. 1*

Subsequent to the adoption of the 2015 MND, minor changes to the Original Project were proposed. These changes consisted of eliminating the recycled water pump station and water reservoir in the City of Ontario<sup>1</sup> and the recycled water pipelines in Carpenter Street between Edison Avenue and Schaefer Avenue and in Schaefer Avenue between Carpenter Street and Baker Avenue (refer to Figure 1). Instead of the recycled water pump station and reservoir proposed in the City of Ontario, a pump station was proposed in the American Heroes Park (see **Figure 2 – Revised Project – Addendum No. 1**). This new location would eliminate the loss of Prime Farmland<sup>2</sup> and would not require construction of a reservoir or construction of the water pipelines along Carpenter Street, from Eucalyptus Avenue to Schaefer Avenue or in Schaefer Avenue between Carpenter Street and Baker Avenue. Addendum No. 1 to the 2015 MND was adopted by JCSD on September 28, 2015 and the Notice of Determination (NOD) was filed with the Riverside County Clerk on October 1, 2015 and the State Clearinghouse on November 11, 2015. Because a financial assistance application was submitted to the State Water Resources Control Board, Addendum No. 1 was transmitted to the State Clearinghouse for a fifteen day review period from November 13, 2013–November 30, 2015.

*Description and Setting of the Revised Project for Addendum No. 2*

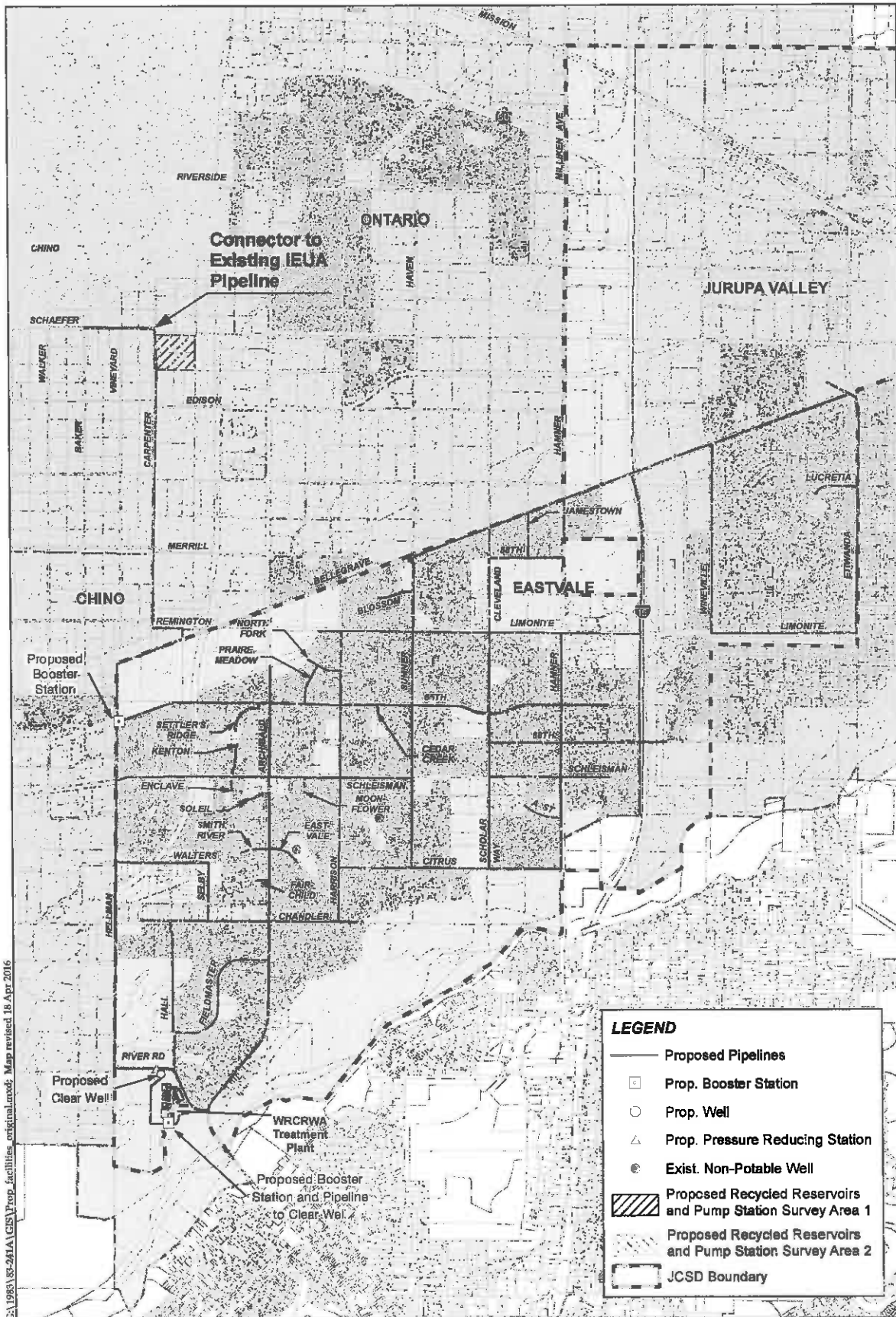
The Project for analysis in Addendum No. 2 (herein after "Revised Project") includes the extension of the recycled water proposed in Schleisman Road approximately 2,477 feet west in Pine Avenue past Hellman Avenue into the City of Ontario as shown in **Figure 3 – Revised Project – Addendum No. 2**. Schleisman Road turns into Pine Avenue at the City boundary. The pipeline extension is proposed to provide a second connection to existing IEUA infrastructure. No other revisions to the Original Project are proposed.

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<sup>1</sup> Two potential sites for the recycled water pump station and water reservoir were proposed by the Original Project. These sites are referred to as Survey Area 1 and Survey Area 2 in the 2015 IS/MND and on **Figure 1 – Original Project**.

<sup>2</sup> Survey Area 1 and Survey Area 2 have Prime Farmland as shown on maps prepared by the Farmland Mapping and Monitoring Program.





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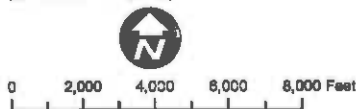
Sources: Riverside Co. GIS, 2016,  
San Bernardino Co. GIS, 2016.

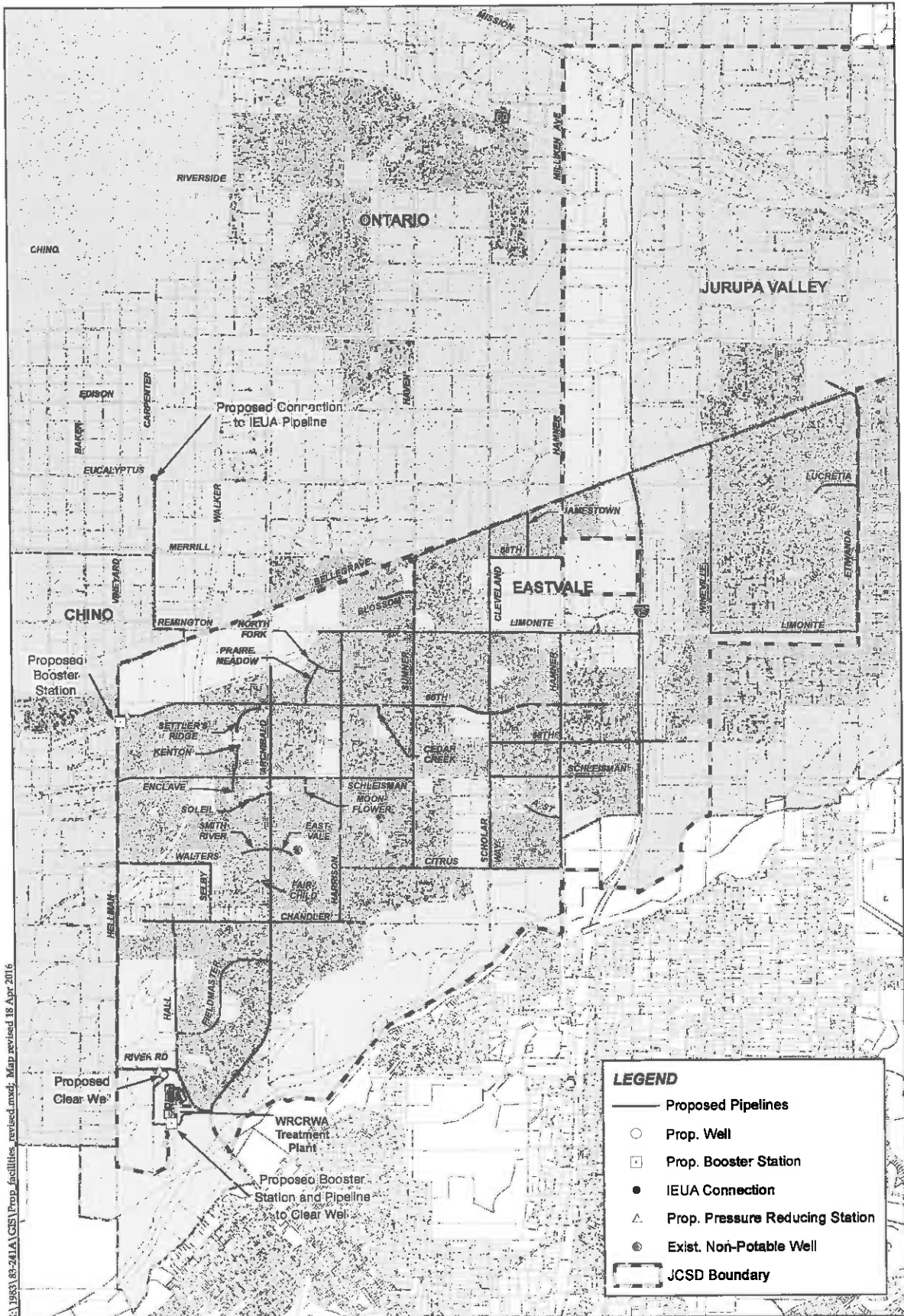
**LEGEND**

- Proposed Pipelines
- ◻ Prop. Booster Station
- Prop. Well
- △ Prop. Pressure Reducing Station
- Exist. Non-Potable Well
- ▨ Proposed Recycled Reservoirs and Pump Station Survey Area 1
- ▩ Proposed Recycled Reservoirs and Pump Station Survey Area 2
- - - JCSD Boundary

**Figure 1 - Original Project**

JCSD Recycled Water Service Expansion



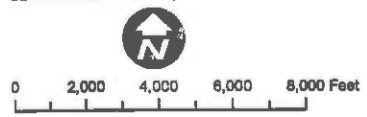


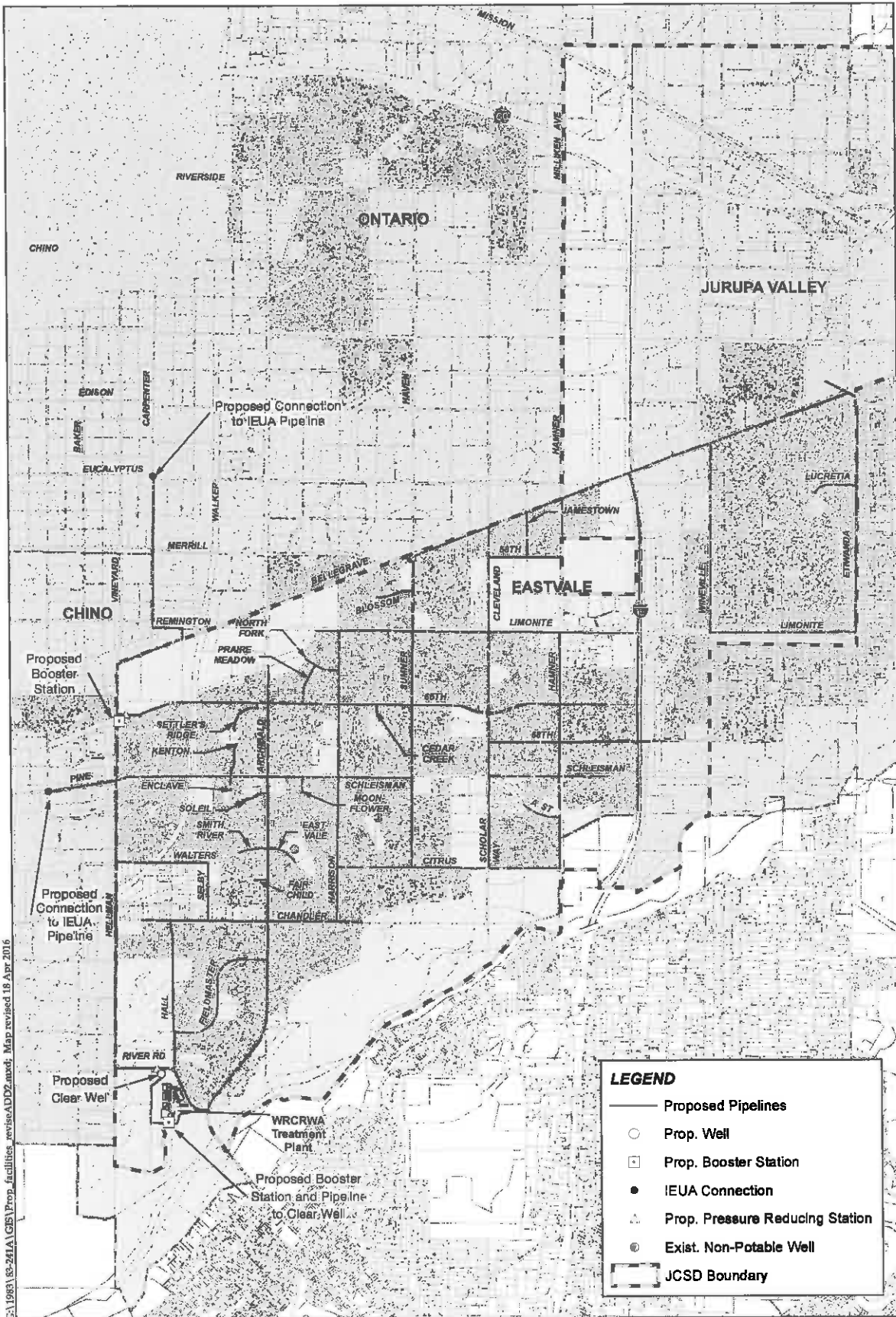
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Source: Riverside Co. GIS, 2016,  
San Bernardino Co. GIS, 2016.

**Figure 2 - Addendum No. 1 - Revised Project**

JCSD Recycled Water Service Expansion



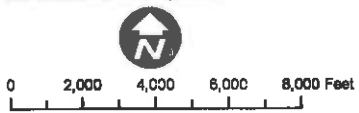


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Sources: Riverside Co. GIS, 2016,  
San Bernardino Co. GIS, 2016.

**Figure 3 - Addendum No. 2 - Revised Project**

JCSD Recycled Water Service Expansion



The portion of Pine Avenue along which the Revised Project is proposed to be constructed will be constructed is a four lane divided road. The northern shoulder is unpaved and heavily compacted without vegetation. This portion of Chino is within The Preserve Specific Plan. The Preserve encompasses approximately 5,435 acres within the City of Chino. The property north of the Revised Project alignment is currently being graded for construction of single family residential units and an operating dairy to the north. The property south of the Revised Project alignment consists of residential development to the south.

Based on the analysis in this Addendum, it has been determined that, the mitigation measures identified in the 2015 MND will mitigate any potentially significant impacts associated with the Revised Project to a less than significant level and no revisions are required. Minor revisions made to the original mitigation measures as a result of Addendum No. 1 are shown in strikethrough (~~strikethrough~~) and underline (underline) text. None of the revisions to the mitigation measures from Addendum No. 1 changed the intent or outcome; they merely clarified changes in location of the facilities.

A summary of Project specific, potentially significant impacts, in addition to impacts that may become potentially significant as a result of the Revised Project, are as discussed in the following paragraphs.

### **Aesthetics**

*2015 IS/MND Conclusion: Less than Significant Impact.*

*Revised Project: No New Impact*

The construction and operation of a recycled water pipeline in Pine Avenue would not result in new impacts or increase the severity of impacts identified in the 2015 IS/MND, and therefore would not change the 2015 IS/MND conclusion that short-term construction related impacts are less than significant, because once construction is complete, the facility will be below ground and the surface returned to its original condition. As an underground pipeline, the Revised Project will not affect the views of any scenic vista, damage scenic resources, alter the visual character of the area, or create a new source of light or glare.

### **Agriculture and Forestry Resources**

*2015 IS/MND Conclusion: Less than Significant Impact.*

*Revised Project: No New Impact*

According to the City of Chino General Plan Draft EIR, there is no Prime Farmland, Farmland of Statewide Importance, Unique Farmland, or Farmland of Local Importance (Farmland for CEQA purposes) adjacent to the alignment of the Revised Project. Zoning

in proximity of the Revised Project site is residential and there are no active Williamson Act contracted lands in the vicinity. The area surrounding the Revised Project site is in the process of development per The Preserve Specific Plan. For these reasons implementation of the Revised Project will not result in any direct or indirect impacts to agriculture or forestry resources.

### **Air Quality**

*2015 IS/MND Conclusion: Less than Significant Impact.*

*Revised Project: No New Impact*

The Revised Project would not result in any air quality impacts more severe than those described in the 2015 MND. Construction activities will be required to comply with all applicable County and South Coast Air Quality Management District (SCAQMD) regulations. Long-term emissions due to operation of this pipeline are negligible, and would be limited to periodic maintenance of the Pine Avenue pipeline segment. The Revised Project area is in the process of development in accordance with The Preserve Specific Plan and development of the Revised Project will not result in any changes to the existing land use patterns. Construction and operation of the Pine Avenue pipeline will not result in new direct or indirect impacts to air quality.

### **Biological Resources**

*2015 IS/MND Conclusion: Less than Significant Impact with Mitigation Incorporated.*

*Revised Project: No New Impact*

Implementation of the Revised Project would not result in any effects to biological resources more severe than those described in the 2015 IS/MND and therefore would not change the 2015 IS/MND conclusion that impacts would be less than significant with mitigation incorporated. The proposed pipeline extension is located within the existing Pine Avenue or its graded and compacted road shoulder which has already been cleared when Pine Avenue was constructed. Mitigation measures identified in the 2015 MND as modified by Addendum No. 1 will mitigate any potentially significant impacts associated with the Revised Project to a less than significant level.

**MM BIO 1:** To avoid potential impacts to burrowing owl, a pre-construction survey (or surveys) shall be conducted no less than 14 days prior to initiating ground disturbance activities in the following locations:

- Along the Southern California Edison easement west of Archibald Avenue up to the boundary of the American Heroes Park;
- Along the access road in Crossroads Riverview Park southeast of the Treatment Plant;

- Agricultural fields along Hellman Avenue, Scholar Way, and Schleisman Road;
- The route from Hellman Avenue, continuing northeast along Bellegrave Avenue, north through private property to Remington Street, continuing west in Remington Street, up to Carpenter Avenue, north in Carpenter Street, connecting with Schaefer to Eucalyptus Avenue;
- ~~Along Schaefer Avenue (if the recycled water reservoirs and pump station are constructed at Survey Area 2);~~
- The proposed clear well site and pipeline connecting the booster station and clear well; and
- ~~The portion of Survey Area 1 or Survey Area 2 chosen for the proposed recycled water reservoir and pump station.~~

If burrowing owls, or signs of burrowing owls, are observed, protocol level surveys and/or mitigation measures shall be implemented as prescribed in the California Department of Fish and Wildlife's *Staff Report on Burrowing Owl Mitigation* (March 2012). These mitigation measures may include, but are not limited to, avoidance of the nesting season and passive or active relocation. Passive relocation involves excluding the burrowing owl from burrows by means of a one-way trap door. Active relocation involves capture and physical relocation of the owl.

**MM BIO 2:** If construction activities at ~~either Survey Area 1 or Survey Area 2~~ the pump station location in American Heroes Park involving heavy equipment or vegetation removal are to occur between February 1 and August 31, a preconstruction field survey shall be conducted by a qualified biologist to determine if active nests of species protected by the Migratory Bird Treaty Act or Fish and Game Code are present in the construction zone or within a buffer of 500 feet. Pre-construction nesting/breeding surveys shall be conducted within 10 days prior to the construction activity. If no active nests are found during the survey, construction activities may proceed. If nesting birds are observed on-site, an avoidance area shall be established to ensure that construction activities will not cause a nest to fail. A minimum buffer area surrounding the nest shall be avoided by all construction activities until the nestlings have fledged the nest. The buffer zones distance shall be 300 feet for non-raptor nests, 500 feet for raptor nests, 100 feet for common songbird nests, or as determined by the biological monitor in consultation with the California Department of Fish and Wildlife. A biological monitor shall be required to monitor the progress of the nesting birds. Construction activities may encroach within the buffer area at the discretion of the biological monitor in consultation with the California Department of Fish and Wildlife. Once the nestlings have fledged the nest, construction activities may proceed within the buffer area with no further restrictions with regard to nesting birds.

**Cultural Resources**

*2015 IS/MND Conclusion: Less than Significant Impact with Mitigation Incorporated.*

*Revised Project: No New Impact*

The Revised Project would not result in any effects to cultural resources more severe than those described in the adopted MND. CRM Tech conducted a cultural resources assessment in June 2015 during the preparation of the MND. No prehistoric or historic resources were recorded within or directly adjacent to the proposed Pine Avenue pipeline alignment; however, six historic resources and one prehistoric resource were documented in the Revised Project vicinity. **Table 1** provides descriptions of the recorded historic and prehistoric resources in the vicinity of the Revised Project.

**Table 1 – Cultural Records Search Results**

Site Number	Resource Description
<i>Historic Resources</i>	
36-020641	This is a one-story single-family residence that was likely built soon after 1927.
36-020642	This is a one-story residence of mid-20 <sup>th</sup> century origin; historic maps indicate that this house was one of five structures making up a dairy operation on the property by the late 1930s.
36-020643	This small building may have been originally a residence, but has long been abandoned. Historic maps indicate that this house was present as one of five structures making up a dairy operation on the property by the late 1930s.
36-020644	This one-story home could have been among five structures on the property by the late 1930s, but may have been constructed as late as the 1950s.
36-020645	This dairy barn was most likely built in the 1950s.
33-013375	The main residence at this site was constructed in 1915. The property also contains two additional historic structures used for dairy production.

Site Number	Resource Description
<b>Prehistoric Resources</b>	
36-005274	Mortars, pestles, and projectile points were discovered at this site during well excavation.

The majority of the resources identified were historic single-family residences and other structures associated with historic dairy farms and operations. Sites 36-020641 through 36-020645 are located to the west of the Revised Project pipeline alignment and would not be impacted by construction or operation of this pipeline segment. Site 33-013375 is located southeast of the Pine Avenue pipeline segment and would also not be impacted by construction or operation of the Pine Avenue pipeline segment. None of these historic resources were eligible for listing in the National Register of Historic Places, the California Register of Historical Resources, or for local designation. One prehistoric resource was documented in the Revised Project vicinity, and consisted of mortars, pestles, and projectile points.

The historic dairy farm buildings and residences are located approximately 0.10 miles west of the western-most terminus of the Pine Avenue pipeline segment and the prehistoric mortar is located across Hellman Avenue at the eastern terminus of the Pine Avenue pipeline segment. Construction activities will be limited to the roadway directly adjacent to Pine Avenue and will not impact these resources. There will be no long-term impacts to these resources due to the underground nature of the pipeline being installed.

The pipeline extension is within the existing Pine Avenue, surrounded by vacant land and a dairy to the north and a residential development to the south. However, Revised Project-related impacts will be limited to the roadway or its shoulder. Due to the disturbed nature of the Revised Project area and lack of documented cultural resources within the proposed pipeline alignment, no known resources will be disturbed and it is unlikely that new resources will be discovered. The mitigation measures described below from the approved MMRP, with minor modifications from Addendum No. 1, will reduce potential impacts to cultural resources to less than significant.

**MM CR 1:** Should any archaeological resource(s) be accidentally discovered during construction, construction activities shall be moved to other parts of the construction site and a qualified archaeologist shall be contacted to determine the significance of the resource(s). If the find is determined to be a unique archaeological resource, as defined



in Section 15064.5 of the State *CEQA Guidelines*, avoidance or other appropriate measure shall be implemented.

**MM CR 2:** A qualified professional archaeologist shall be retained to monitor initial ground-disturbing activities related to construction of the ~~recycled water reservoirs and pump station at either Survey Area 1 or Survey Area 2.~~ The archaeologist shall contact the Gabrieliño Band of Mission Indians, Gabrieliño/Tongva San Gabriel Band of Mission Indians, Gabrieliño Tongva Nation, and Pauma Band of Luiseño Indians and invite them to provide a culturally-affiliated Native American monitor to be present during initial ground-disturbing activities. If any archaeological deposits are encountered, all ground-disturbing work shall be halted at the location of the discovery until a qualified archaeologist determines the significance of the resource(s). If the archaeologist determines a find to be a unique archaeological resource, as defined in Section 15064.5 of the State *CEQA Guidelines*, avoidance or other appropriate measures shall be implemented.

**MM CR 3:** Should any paleontological resource(s) be accidentally discovered during construction, construction activities shall be moved to other parts of the construction site and a qualified paleontologist shall be contacted to determine the significance of the resource(s). If the find is determined to be a unique paleontological resource, as defined in Section 15064.5 of the State *CEQA Guidelines*, then a mitigation program shall be developed in accordance with the provisions of *CEQA* as well as the guidelines of the Society of Vertebrate Paleontology (1995), and shall include, but not be limited to, the following:

- The excavation of areas identified as likely to contain paleontological resources shall be monitored by a qualified paleontological monitor. Monitoring should be restricted to undisturbed subsurface areas of older alluvium, which may be present below the surface. The monitor shall be prepared to quickly salvage fossils as they are unearthed to avoid construction delays, but must have the power to temporarily halt or divert grading equipment to allow for removal of abundant or large specimens. The monitor shall also remove samples of sediments that are likely to contain the remains of small fossil invertebrates and vertebrates.
- Collected samples of sediments shall be washed to recover small invertebrate and vertebrate fossils. Recovered specimens shall be prepared so that they can be identified and permanently preserved.
- Specimens shall be identified and curated at a repository with permanent retrievable storage to allow further research in the future.
- A report of findings, including an itemized inventory of recovered specimens, shall be prepared upon completion of the procedures outlined above. The report

shall include a discussion of the significance of all recovered specimens. The report and inventory, when submitted to the appropriate lead agency, shall signify completion of the program to mitigate impacts to paleontological resources.

## **Geology and Soils**

*2015 IS/MND Conclusion: Less than Significant Impact with Mitigation Incorporated.*

*Revised Project: No New Impact*

The Revised Project would not result in any effects to geology and soils more severe than those described in the adopted MND. The new proposed pipeline extends along Pine Avenue and is surrounded by existing residential development (to the south), vacant land under construction (to the north), and a dairy (to the north). The mitigation measures described below and in the original MMRP shall also apply to the Revised Project and have already been determined to reduce potential impacts to a less than significant level.

**MM GEO 1:** Prior to the construction of any Project facility that does not require preparation of a facility-specific Storm Water Pollution Prevention Plan, an erosion and sedimentation control plan shall be prepared that identifies erosion and sedimentation control best management practices. The erosion and sediment control plan may be prepared by the Construction Contractor or designee; however, it must be approved by the Jurupa Community Services District prior to the start of construction. The erosion control plan shall be retained at the construction site and available for inspection upon request.

## **Greenhouse Gas Emissions**

*2015 IS/MND Conclusion: Less than Significant Impact.*

*Revised Project: No New Impact*

The Revised Project would not result in any greenhouse gas emissions more severe than those described in the adopted MND. Greenhouse gas analysis conducted for the 2015 IS/MND found that short-term construction emissions and long-term operational emissions will both be under SCAQMD established thresholds.

Therefore, construction-related emissions will be less than significant due to the limited scope of the Pine Avenue segment and compliance with all applicable SCAQMD and County regulations. Long term emissions associated with operation of the Pine Avenue pipeline segment will be limited to periodic maintenance activities and will be negligible.

## Hazards and Hazardous Materials

*2015 IS/MND Conclusion: Less than Significant Impact with Mitigation Incorporated.*

### *Revised Project: No New Impact*

The new proposed pipeline alignment is located within the existing Pine Avenue or its compacted shoulder, and would not result in any traffic hazards not already described in the original MND. The mitigation measures described in the MMRP, and listed below, for this Project are will reduce potential impacts to a less than significant level.

**MM TRANS 1:** Prior to the initiation of construction activities where a public roadway will be affected by a lane or segment closure or modification of a travel lane, a Traffic Control Plan shall be prepared to the satisfaction of the agency with jurisdiction over the affected roadway. The Traffic Control Plan shall be prepared per the California Manual on Uniform Traffic Control Devices for Streets and Highways and designed to maintain safe traffic flow on local streets, permit adequate access by emergency vehicles and to private property fronting the affected alignment, traffic control procedures, alternate routes in the event road closure is required, adequate sign postings, detours, and permitted hours of construction. Where a Traffic Control Plan is being prepared along a roadway utilized for bus transit, as part of the Traffic Control Plan, Jurupa Community Services District shall coordinate with that transit agency to ensure that bus service will not be interrupted.

## Hydrology and Water Quality

*2015 IS/MND Conclusion: Less than Significant Impact with Mitigation Incorporated.*

### *Revised Project: No New Impact*

The Revised Project would not result in any effects to hydrology and water quality not already described in the adopted MND. Because the proposed Pine Avenue pipeline is less than one mile long, the Revised Project will not require coverage under the National Pollutant Discharge Elimination System (NPDES); however, it will likely be constructed as part of the pipeline proposed in Schliesman Avenue coverage would be obtained. Further, if a Storm Water Pollution Prevention Plan is not required, implementation of mitigation measure **MM GEO 1** listed in the adopted MMRP and described below will reduce potential impacts to a less than significant level.

**MM GEO 1:** Prior to the construction of any Project facility that does not require preparation of a facility-specific Storm Water Pollution Prevention Plan, an erosion and sedimentation control plan shall be prepared that identifies erosion and sedimentation control best management practices. The erosion and sediment control plan may be prepared by the Construction Contractor or designee; however, it must be approved by the Jurupa Community Services District prior to the start of construction. The erosion

control plan shall be retained at the construction site and available for inspection upon request.

### **Land Use and Planning**

*2015 IS/MND Conclusion: Less than Significant Impact.*

*Revised Project: No New Impact*

The construction and operation of a recycled water pipeline in Pine Avenue would not result in new impacts or increase the severity of impacts identified in the 2015 IS/MND, and therefore would not change the 2015 IS/MND conclusion that land use and planning impacts would be less than significant. The recycled water facilities identified in the Original and Revised Projects are being constructed to serve existing irrigation needs in the JCSD service area and will not result in any land use changes. The area surrounding the Pine Avenue pipeline segment is being developed according to The Preserve Specific Plan.

### **Mineral Resources**

*2015 IS/MND Conclusion: Less than Significant Impact.*

*Revised Project: No New Impact*

The construction and operation of a recycled water pipeline in Pine Avenue would not result in new impacts or increase the severity of impacts identified in the 2015 IS/MND, and therefore would not change the 2015 IS/MND conclusion that impacts to mineral resources would be to less than significant. The proposed pipeline in Pine Avenue is located within Mineral Resource Zone 3 (MRZ-3), as designated by the State Mining and Geology Board. This means that mineral deposits are likely to exist in this area; however, the significance of any potential deposits is undetermined. Given the proposed pipeline's alignment in the existing Pine Avenue and residential uses in close proximity, surface mining or mineral recovery operations could not likely take place at this location.

### **Noise**

*2015 IS/MND Conclusion: Less than Significant with Mitigation Incorporated.*

*Revised Project: No New Impact*

The only noise resulting from the Revised Project will be construction noise. As with the Original Project, construction of the pipeline in Pine Avenue will involve equipment that could exceed noise levels of 65 A-weighted decibels in the short term and the existing residents south of Pine Avenue are considered sensitive receptors.

Construction of the Revised Pipeline is exempt from the provisions of the noise standards in Chino's Municipal Code if construction activity occurs between 7:00 a.m.

and 8:00 p.m. Monday through Saturday and no construction takes place on Sunday or federal holidays (CMC Section 15.44.030). In order to ensure compliance with Chino's Municipal Code, the 2015 IS/MND included mitigation measure **MM NOISE 1**, which limits construction hours within the City of Chino. Once construction is complete, the underground pipeline will not be a noise producer. Because the Revised Project will implement the mitigation measures described in the 2015 IS/MND, as modified in Addendum No. 1, potential noise impacts will be reduced to a less than significant level.

**MM NOISE 1:** All construction activities within the City of Chino shall be limited to occur between the hours of 7:00 a.m. and 8:00 p.m. Monday through Saturday with no construction allowed on Sundays or federal holiday.

~~**MM NOISE 2:** Construction activities associated with the proposed recycled water reservoirs and pump station within the City of Ontario shall be limited to occur between the hours of 7:00 a.m. and 6:00 p.m. Monday through Friday, and 9:00 a.m. and 6:00 p.m. on Saturday and Sunday.~~

**MM NOISE 3:** To minimize noise impacts resulting from poorly tuned or improperly modified vehicles and construction equipment, all vehicles and construction equipment shall maintain equipment engines and mufflers in good condition and in proper tune per manufacturers' specifications to the satisfaction of the Jurupa Community Services District. Equipment maintenance records and equipment design specification data sheets shall be kept and maintained by the contractor and available for review by the Jurupa Community Services District upon request.

**MM NOISE 4:** To minimize noise from idling engines, all vehicles and construction equipment shall be prohibited from idling in excess of three (3) minutes when not in use.

### **Population/Housing**

*2015 IS/MND Conclusion: No Impact.*

*Revised Project: No New Impact*

Implementation of the Revised Project would not result in new impacts or increase the severity of impacts identified in the 2015 IS/MND, and therefore would not change the 2015 IS/MND conclusion that there would be no impacts to population/housing. The construction and operation of a recycled water pipeline in Pine Avenue will provide a second connection between JCSD's proposed recycled water facilities (the Original Project) and IEUA's existing network. Because the Original Project will serve existing irrigation needed, it will not influence any land use changes and is not considered growth inducing either directly or indirectly.

## **Public Services**

*2015 IS/MND Conclusion: No Impact.*

*Revised Project: No New Impact*

Implementation of the Revised Project would not result in new impacts or increase the severity of impacts identified in the 2015 IS/MND, and therefore would not change the 2015 IS/MND conclusion that there would be no impacts to public services. As discussed under Population/Housing, providing a second connection between JCSD's proposed recycled water facilities and IEUA's existing network will not directly or indirectly generate new development or persons to the Project area, and will not necessitate the construction of new governmental facilities or increase the demand for fire protection, police protection, schools, or other public facilities.

## **Recreation**

*2015 IS/MND Conclusion: No Impact.*

*Revised Project: No New Impact*

The Revised Project will serve existing irrigation needs within JCSD's service area and will not influence any land use changes. The area surrounding the Pine Avenue segment is being developed according to The Preserve Specific Plan; however, the 2015 MND found that construction of the pipeline alone is not considered growth inducing and no new impacts have been identified.

## **Transportation/Traffic**

*2015 IS/MND Conclusion: Less than Significant with Mitigation Incorporated.*

*Revised Project: No New Impact*

The construction and operation of a recycled water pipeline in Pine Avenue would not result in new impacts or increase the severity of impacts identified in the 2015 IS/MND, and therefore would not change the 2015 IS/MND conclusion that transportation/traffic impacts would be reduced to less than significant with mitigation. The proposed pipeline will be constructed within Pine Avenue or its compacted shoulder, thus construction may require temporary closure of a travel lane. No other impacts to transportation or traffic will occur, and the mitigation listed below and in the MMRP will reduce potential impacts to traffic to a less than significant level.

**MM TRANS 1:** Prior to the initiation of construction activities where a public roadway will be affected by a lane or segment closure or modification of a travel lane, a Traffic Control Plan shall be prepared to the satisfaction of the agency with jurisdiction over the affected roadway. The Traffic Control Plan shall be prepared per the California Manual on Uniform Traffic Control Devices for Streets and Highways and designed to maintain

safe traffic flow on local streets, permit adequate access by emergency vehicles and to private property fronting the affected alignment, traffic control procedures, alternate routes in the event road closure is required, adequate sign postings, detours, and permitted hours of construction. Where a Traffic Control Plan is being prepared along a roadway utilized for bus transit, as part of the Traffic Control Plan, Jurupa Community Services District shall coordinate with that transit agency to ensure that bus service will not be interrupted.

### **Utilities and Service Systems**

*2015 IS/MND Conclusion: Less than Significant Impact.*

*Revised Project: No New Impact*

Implementation of the Revised Project would not result in new impacts or increase the severity of impacts identified in the 2015 IS/MND. The Revised Project is a recycled water pipeline, which will not generate wastewater or require the construction of new water or wastewater treatment facilities, storm drain facilities, or result in the need for new potable water supplies. By providing a second connection between JCSD's recycled water expansion project and existing IEUA facilities, the Revised Project would reduce the demand for potable water within the JCSD and/or IEUA service areas by providing a means to convey recycled water from the WRCRWA Treatment Plant to the IEUA network, where it may serve existing customers. As with the Original Project, construction of the Revised Project will generate small quantities of solid waste debris from the removal of roadway surfaces. Construction of the Revised Project will not result in more construction waste than the Original Project due to the elimination of certain pipelines as evaluated in Addendum No. 1.

### **Mandatory Findings of Significance**

*2015 IS/MND Conclusion: Less than Significant with Mitigation Incorporated.*

*Revised Project: No New Impact*

As discussed in the preceding analysis, impacts resulting from the Revised Project will not be with regard to any of the environmental issues evaluated. Thus, the Project will not degrade the quality of the environment. Additionally, with incorporation of mitigation measures **MM BIO 1** and **MM BIO 2**, the Revised Project will not substantially reduce the habitat of any wildlife or fish species or cause them to drop below self-sustaining levels. No plant or animal communities will be eliminated by the construction and operation of the recycled water pipeline in Pine Avenue.

In the unlikely event that any materials of archaeological or paleontological significance are found during construction the Revised Project, implementation of mitigation measures **MM CR 1** through **MM CR 3** will reduce impacts to less than significant.

Therefore, the Project Facilities are not expected to eliminate important examples of major periods of California history or prehistory.

With regard to cumulative impacts, the Revised Project is consistent with local and regional plans, including the AQMP, and the Revised Project's air quality emissions do not exceed the SCAQMD-established thresholds of significance. The Revised Project is consistent with and adheres to all other land use plans and policies. The Revised Project is not considered as growth-inducing as defined by State *CEQA Guidelines* Section 15126.2(d).

With adherence to existing codes, ordinance, regulations, standards and guidelines, combined with the mitigation measures identified in the 2015 MND as clarified by Addendum No. 1, the Revised Project does not present the potential for a substantial direct or indirect adverse effect to human beings.

## CONCLUSION

With implementation of the mitigation measures identified in the 2015 MND as clarifies in Addendum No. 1, the proposed Revised Project will not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; therefore a subsequent, or supplemental MND is not required.

## FINDINGS

State *CEQA Guidelines* Section 15164(b) states:

*An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.*

The following table presents a summary of each condition in Section 15162 and how the Revised Project is consistent with such condition.

### Section 15162 Conditions and Findings

Section 15162 Condition	Revised Project Modification Consistency
(1) <i>Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new, significant environmental effects or a substantial increase in the severity of</i>	The Revised Project proposes extension of a pipeline segment into the City of Chino for 2,477 feet to provide a second connection of the proposed recycled water service to existing IEUA facilities (see <b>Figure 3</b> ). Although the Original Project did not consider construction of this



Section 15162 Condition	Revised Project Modification Consistency
<i>previously identified significant effects</i>	segment, the preceding analysis shows that this constitutes a minor revision that does not involve new significant environmental effects or any increase in the severity of previous environmental effects.
(2) <i>Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or</i>	There are no changes in the circumstances under which the Revised Project will be undertaken. As shown in the preceding analysis, implementation of the Revised Project will not result in new significant environmental effects or any increase in the severity of previously environmental effects.
(3) <i>New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted, shows any of the following:</i>	There is no new information of substantial importance.
(A) <i>The project will have one or more significant effects not discussed in the previous EIR or negative declaration;</i>	As shown in the preceding analysis, no new impacts will occur as a result of the Revised Project.
(B) <i>Significant effects previously examined will be substantially more severe than shown in the previous EIR</i>	There were no significant environmental effects identified in the 2015 MND. Further, as shown in the preceding analysis, no new impacts will occur as a result of implementation of the Revised Project.

Section 15162 Condition	Revised Project Modification Consistency
<p>(C) <i>Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or</i></p>	<p>All potentially significant impacts identified in the 2015 MND were determined to be less than significant with incorporation of mitigation measures. The Revised Project incorporates feasible mitigation to reduce potential impacts to less than significant. The Revised Project will not result in any new impacts that were not evaluated in the 2015 MND.</p>
<p>(D) <i>Mitigation measures or alternatives that are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.</i></p>	<p>All potentially significant impacts identified in the 2015 MND were determined to be less than significant with incorporation of mitigation measures. Minor revisions to some of the mitigation measures adopted in the 2015 MND and Addendum No. 1 are proposed for clarity. No new mitigation measures are needed for the Revised Project.</p>

JCSD has reviewed the Project Modification in light of the requirements defined under the State *CEQA Guidelines* and determined that none of the above conditions requiring preparation of a subsequent or supplemental MND apply.

## NOTICE OF DETERMINATION

To:  Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento, CA 95814

County Clerk  
County of Riverside  
2720 Gateway Drive  
Riverside, CA 92507

and

San Bernardino County  
Clerk of the Board of Supervisors  
385 N. Arrowhead Avenue, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415

From: Chino Basin Regional Financing Authority (CBRFA)  
6075 Kimball Avenue  
Chino, CA 91708

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Addendum No. 2 to the Mitigated Negative Declaration for Jurupa Community Services District  
Recycled Water Expansion (District Project No. C133656)

**Project Title**

<u>SCH #2015071073</u>	<u>Liza Munoz, P.E.</u>	<u>(909) 993-1522</u>
State Clearinghouse Number	Lead Agency Contact Person	Area Code/Telephone/Extension

**Project Location/Description:**

Schleisman Road, past Hellman Avenue in Pine Avenue; City of Chino, County of San Bernardino and City of Eastvale, County of Riverside, California. The facilities for analysis in Addendum No. 2 includes the extension of the recycled water pipeline proposed in Schleisman Road approximately 2,477 feet west in Pine Avenue past Hellman Avenue in the City of Chino. Schleisman Road turns into Pine Avenue at the City boundary. The pipeline extension is proposed to provide a second connection to existing IEUA infrastructure. No other revisions to the Original Project are proposed.

This is to advise that the Chino Basin Regional Financing Authority has approved the above described  
 Lead Agency     Responsible Agency

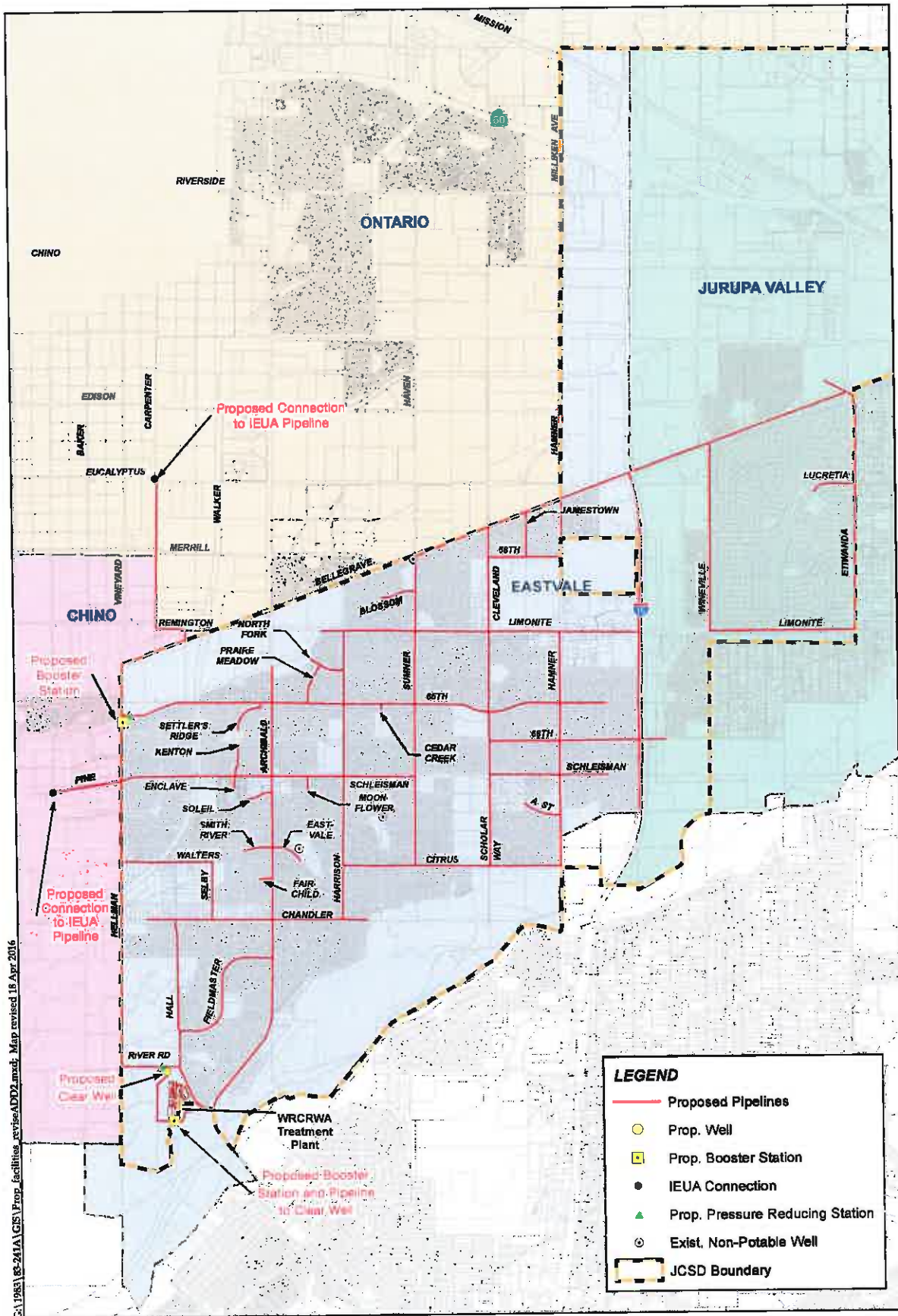
project on \_\_\_\_\_ and has made the following determination regarding the project:  
(Date)

1. The project [ will  will not] have a significant effect on the environment.
2.  An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.  
 An Addendum to the Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [ were  were not] made a condition of the approval of the project and a Mitigation Monitoring and Reporting Plan was adopted by the Lead Agency.
4. A Statement of Overriding Considerations [ was  was not] adopted for this project.
5. Findings [ were  were not] made pursuant to the provisions of CEQA.

This is to certify that the Mitigated Negative Declaration/Initial Study and record of project approval is available to the general public at:

CBRFA (IEUA) located at 6075 Kimball Avenue, Chino, CA 91708

<u>P. Joseph Grindstaff</u>	<u>General Manager</u>	<u></u>
	Title	Date



C:\19831\_02-241A\GIS\Prop\_facilities\_revise\ADD2.mxd; Map revised 16 Apr 2016

Sources: Riverside Co. GIS, 2016,  
San Bernardino Co. GIS, 2016.

**Figure 1 - Addendum No. 2 - Revised Project**

**LEGEND**

- Proposed Pipelines
- Prop. Well
- Prop. Booster Station
- IEUA Connection
- ▲ Prop. Pressure Reducing Station
- Exist. Non-Potable Well
- JCSD Boundary




**ACTION ITEM  
1C**


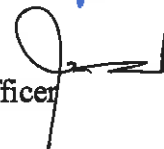
## **CHINO BASIN REGIONAL FINANCING AUTHORITY**

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Date: May 18, 2016

To: The Honorable Commissioners

From: P. Joseph Grindstaff  
General Manager 

Submitted by: Chris Berch  
Executive Manager of Engineering/Assistant General Manager   
Jason Gu  
Grants Officer 

Subject: Recharge Master Plan Update Project Resolutions and Agreements

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### **RECOMMENDATION**

It is recommended that the Board of Commissioners:

1. Adopt Resolution No. 2016-2, 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. 2016-3, 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. 2016-4, 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, 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 Recharge Facilities Financing Agreement between CBRFA, IEUA and CBWM, and allow the General Manager to make non-substantive changes prior to execution.

**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	CBMW	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>\$19,585,000</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>\$28,198,857</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

## Recharge Master Plan Update Project Resolutions and Agreements

May 18, 2016

Page 3 of 4

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 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.

### 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 2002, the IEUA 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 CBRFA 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.



## Recharge Master Plan Update Project Resolutions and Agreements

May 18, 2016

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

The CBRFA 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. 2016-2
- Resolution No. 2016-3
- Resolution No. 2016-4
- Resolution No. 2016-5
- Master Recharge Facility Financing Agreement between CBRFA, IEUA, and CBWM
- 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



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

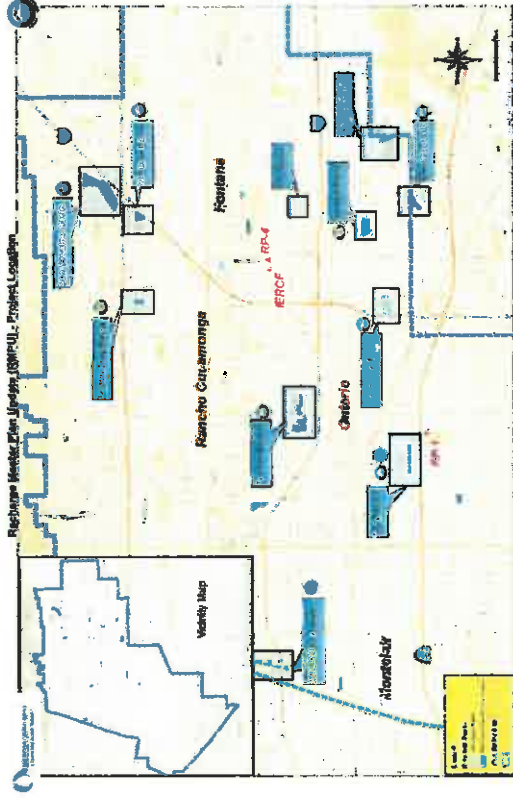
## Recharge Master Plan Update (RMPU) Projects and the TCE Plume Cleanup Project

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

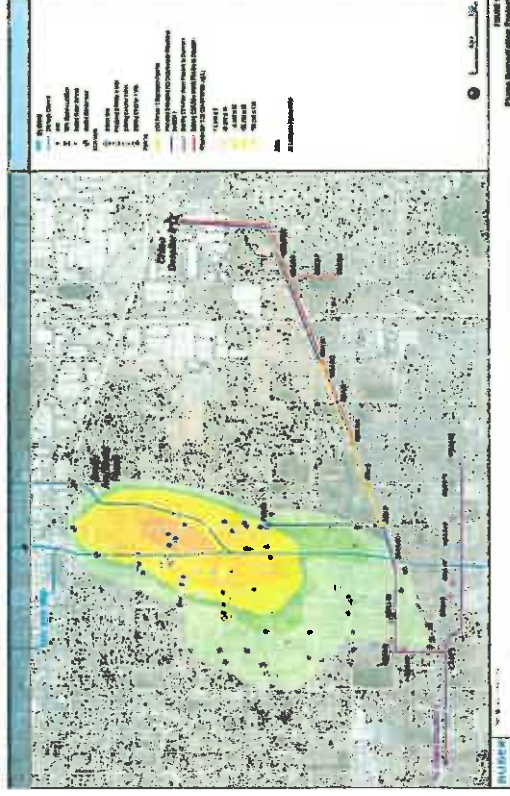
## CWSRF Loan for Project Planning and Design

# 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	GDA		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
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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
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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. 2016-2**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
THE CHINO BASIN REGIONAL FINANCING  
AUTHORITY, 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 Commissioners of the Chino Basin Regional Financing Authority (CBRFA) that the Inland Empire Utilities Agency (IEUA) General Manager, or in his absence, his designees, is hereby authorized and directed to sign and file, on behalf of the CBRFA, 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 Projects

**BE IT RESOLVED**, that the CBRFA hereby agrees and further does authorize IEUA's 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 IEUA's 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 IEUA's 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 IEUA's 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 Chino Basin  
Regional Financing Authority and the Board  
of Commissioners thereof

ATTEST:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer of the  
Chino Basin Regional Financing Authority  
and the Board of Commissioners thereof

STATE OF CALIFORNIA                    )  
  ) SS  
COUNTY OF SAN BERNARDINO        )

I, Steven J. Elie, Secretary/Treasurer of the Chino Basin Regional Financial Authority, DO  
HEREBY CERTIFY that the foregoing Resolution No. 2016-2 was adopted at a regular meeting  
on May 18, 2016 of said Authority by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer

(SEAL)

**RESOLUTION NO. 2016-3**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
THE CHINO BASIN REGIONAL FINANCING  
AUTHORITY, 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 Commissioners of the Chino Basin Regional Financing Authority (CBRFA) that the Inland Empire Utilities Agency (IEUA) 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 CBRFA hereby agrees and further does authorize IEUA's 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 IEUA's 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 IEUA's 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 IEUA's 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 Chino Basin  
Regional Financing Authority and the Board  
of Commissioners thereof

ATTEST:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer of the  
Chino Basin Regional Financing Authority  
and the Board of Commissioners thereof



**RESOLUTION NO. 2016-4**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
THE CHINO BASIN REGIONAL FINANCING  
AUTHORITY, 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 Commissioners of the Chino Basin Regional Financing Authority (CBRFA) that Inland Empire Utilities Agency (IEUA) 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 the CBRFA hereby agrees and further does authorize IEUA's 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 IEUA's General Manager, or in his absence, his designees, is authorized to represent CBRFA in carrying out CBRFA's responsibilities under the loan agreement, including certifying disbursement requests on behalf of CBRFA and compliance with applicable state and federal laws.

**BE IT RESOLVED**, that IEUA's 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 Chino Basin  
Regional Financing Authority and the Board  
of Commissioners thereof

ATTEST:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer of the  
Chino Basin Regional Financing Authority  
and the Board of Commissioners thereof

STATE OF CALIFORNIA                    )  
  ) SS  
COUNTY OF SAN BERNARDINO        )

I, Steven J. Elie, Secretary/Treasurer of the Chino Basin Regional Financial Authority, DO  
HEREBY CERTIFY that the foregoing Resolution No. 2016-4 was adopted at a regular meeting  
on May 18, 2016 of said Authority by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Steven J. Elie, Secretary/Treasurer

(SEAL)

**RESOLUTION NO. 2016-5**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
THE CHINO BASIN REGIONAL FINANCING  
AUTHORITY, 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 Commissioners of the Chino Basin Regional Financing Authority (CBRFA) has authorized the Inland Empire Utilities Agency (IEUA) General Manager, or in his absence, his designees, to apply for and execute the Preliminary Design Planning for Recharge Master Plan Update (RMPU) State Revolving Fund (SRF) loan with the SWRCB;

**WHEREAS**, CBRFA 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 Commissioners that the CBRFA 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 #8223-110. The CBRFA commits to collecting such revenues and maintaining such funds(s) throughout the term of such financing and until the CBRFA 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 CBRFA 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 CBRFA 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 Chino Basin  
Regional Financing Authority and Board of  
Commissioners thereof

ATTEST:

\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer of the  
Chino Basin Regional Financing Authority  
and Board of Commissioners thereof





**MASTER RECHARGE FACILITIES FINANCING AGREEMENT**

**Dated as of June 1, 2016**

**By and Among**

**CHINO BASIN REGIONAL FINANCING AUTHORITY,**

**INLAND EMPIRE UTILITIES AGENCY**

**and**

**CHINO BASIN WATERMASTER**

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## MASTER RECHARGE FACILITIES FINANCING AGREEMENT

This Agreement, dated as of June 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, Watermaster has been ordered to implement 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 Court's order approving 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 develop and 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, sufficient replenishment capability exists to meet the reasonable projections of desalter replenishment obligations.

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 June 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.

“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 recharge facilities improvements 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 are the subject of cost sharing under the Master Agreement. The parties acknowledge that portions of 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 Debt Resolution to administer any funds or accounts required by such 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 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, IEUA shall provide to Watermaster, and Watermaster shall utilize, the Projects for recharge purposes in accordance with the Judgement, Section 5.1 of the Peace Agreement and Program Element 2 of Exhibit B thereto, and Section VIII of the Peace II Agreement. Subject to Watermaster's payment obligations hereunder, the Authority agrees to use its best efforts to finance each Project pursuant to this Agreement. 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. 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 each Project, including the payment of operation and maintenance costs with respect to the Project consistent with the Bright Line Agreement and Section VIII of the Peace II Agreement. The Authority shall have no responsibility to operate or maintain or pay any operation and maintenance costs with respect to any Project. Nothing contained in this Agreement shall create any additional obligations of IEUA to operate or maintain or pay any operation and maintenance costs with respect to any Projects.

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

Neither the Authority nor any of its 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 and IEUA shall indemnify and hold harmless the Authority and its officers, agents, and employees from any such damages or claims of damages.

**Section 5. Rates and Charges.**

(a) **Establishment of Rates and Charges.** 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 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 Agency Fiscal Year. If funds collected by the Agency in any Agency Fiscal Year are insufficient to pay Fixed Project Costs of a Project in such Agency Fiscal Year, the 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 the Watermaster share of Fixed Project Costs of

each Project shall commence upon execution of the respective Annex to this Agreement and continue to exist and be honored by Watermaster whether or not 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 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 a Project is completed, operable, operated or retired and notwithstanding the suspension, interruption, interference, reduction or curtailment of operation of 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 a 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, 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 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 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, 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 Brownstein Hyatt Farber Schreck, 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  
9641 San Bernardino Road  
Rancho Cucamonga, California 91730  
Attention: General Manager

With a copy to: Brownstein Hyatt Farber Schreck  
1020 State Street  
Santa Barbara, CA 93101

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

With a copy to: Jean Cihigoyenette  
Cihigoyenette, 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: \_\_\_\_\_  
General Manager

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**

<b>RMPU Project</b>	<b>Benefits (AFY)</b>		<b>Cost Share (%)</b>		<b>Total Project Budget</b>	<b>Potential Funding</b>	
	<b>RW</b>	<b>SW</b>	<b>CBMW</b>	<b>IEUA</b>		<b>Grants</b>	<b>Loans</b>
San Sevaine Basin Improvement Project	4,100	642	50%	50%	\$6,460,000	\$3,540,000	\$2,920,000
Lower Day Basin		789	100%		\$2,480,000	\$1,125,000	\$1,355,000
<b>Total</b>	<b>4,100</b>	<b>1,431</b>			<b>\$8,940,000</b>	<b>\$1,128,540</b>	<b>\$4,275,000</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: \_\_\_\_\_  
General Manager

**ANNEX A-2**

<b>RMPU Project</b>	<b>Benefits (AFY)</b>		<b>Cost Share (%)</b>		<b>Total Project Budget</b>	<b>Potential Funding</b>	
	<b>RW</b>	<b>SW</b>	<b>CBMW</b>	<b>IEUA</b>		<b>Grants</b>	<b>Loans</b>
CSI Storm Water Basin		81	100%	-	\$440,000	\$ -	\$440,000
Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvements	2,905	3,166	91%	9%	\$21,310,000	\$5,300,000	\$16,010,000
Declez Basin		241	100%	-	\$4,070,000	\$2,035,000	\$2,035,000
Victoria Basin	120	43	50%	50%	\$150,000	\$-	\$150,000
Turner Basin		66	100%	-	\$890,000	\$-	\$890,000
Ely Basin		221	100%	-	\$3,200,000	\$-	\$3,200,000
Montclair Basin		248	100%	-	\$1,440,000	\$-	\$1,440,000
<b>Total</b>	<b>3,025</b>	<b>4,066</b>	<b>-</b>	<b>-</b>	<b>\$31,500,000</b>	<b>\$7,335,000</b>	<b>\$24,165,000</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: \_\_\_\_\_  
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	
	\$ 500					0					12,000			
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	\$ 763	\$ 1,303	1	\$ 18,000	\$ 324	\$ 458	\$ 782
2	\$ 30,041	\$ 1,502	\$ 482	\$ 1,984	2	\$ 29,237	\$ 526	\$ 777	\$ 1,303	2	\$ 17,542	\$ 316	\$ 466	\$ 782
3	\$ 29,559	\$ 1,478	\$ 506	\$ 1,984	3	\$ 28,460	\$ 512	\$ 791	\$ 1,303	3	\$ 17,076	\$ 307	\$ 474	\$ 782
4	\$ 29,053	\$ 1,453	\$ 531	\$ 1,984	4	\$ 27,670	\$ 498	\$ 805	\$ 1,303	4	\$ 16,602	\$ 299	\$ 483	\$ 782
5	\$ 28,521	\$ 1,426	\$ 558	\$ 1,984	5	\$ 26,865	\$ 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	\$ 1,238	\$ 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	\$ 23,193	\$ 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	\$ 15,998	\$ 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	\$ 12,898	\$ 232	\$ 1,071	\$ 1,303	20	\$ 7,739	\$ 139	\$ 642	\$ 782
21	\$ 15,320	\$ 766	\$ 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	\$ 3,706	\$ 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	\$ 1,890	\$ 94	\$ 1,890	\$ 1,984	30	\$ 1,280	\$ 23	\$ 1,280	\$ 1,303	30	\$ 768	\$ 14	\$ 768	\$ 782
<b>TOTAL</b>		\$ 29,022	\$ 30,500	\$ 59,522	<b>TOTAL</b>		\$ 9,088	\$ 30,000	\$ 39,088	<b>TOTAL</b>		\$ 5,453	\$ 18,000	\$ 23,453
<b>Amount Saved Compared to Bond</b>			\$ -						\$ 20,434					\$ 36,069

**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.





# **PUBLIC HEARING**


# **2**

Date: May 18, 2016

To: The Honorable Board of Directors

From: P. Joseph Grindstaff  
General Manager 

Submitted by:  Christina Valencia  
#649 Chief Financial Officer/Assistant General Manager

 Javier Chagoyen-Lazaro  
#882 Manager of Finance and Accounting

Subject: Public Hearing and Adoption of Ordinance No. 102, Establishing Fiscal Control

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Hold a Public Hearing to receive public comments prior to the adoption of Ordinance No. 102, establishing fiscal control; and
2. After closing the Public Hearing, by roll call vote, adopt Ordinance No. 102.

### **BACKGROUND**

The current Fiscal Control Ordinance No. 90 (Attachment A) was last updated in June 2012. The Ordinance provides for a system of financial administration, accounting, fiscal, and budgetary control, which conforms to general-accepted accounting principles and practices (GAAP).

Fiscal Ordinance No. 102 (Attachment C) has been updated to reflect the necessary changes as the Agency transitions from a single year budget to a biennial budget, as well as providing updates and clarification to the budget amendment and budget approval process. Minor housekeeping items, such as updates to the definition section, were also addressed. The Fiscal Ordinance No. 102 incorporated comments and recommendations from various departments, in particular the Internal Audit department. Their review and recommendations ensure consistency throughout the ordinance.

Significant updates to better define the guidelines for fiscal control are summarized below:

### **Section 104: Fund Structure**

- Remove the Administrative Service Fund, as Administrative Service Fund is an enterprise fund, which is essentially the Agency's current fund structure.

### **Section 106: Basis of Accounting**

- Add "conformity with Generally Accepted Accounting Principles (GAAP)," to address the requirement for the basis of accounting.

### **Section 107: Adoption of the Budget**

- Combine current ordinance's Section 4: Adoption of Budget and Section 6: Final Adoption of the Budget in one section.
- Add the requirement on the adoption of the Agency's budget; to be accompanied by the approval of a budget resolution. This action has been implemented but was not clearly indicated in the current ordinance.

### **Section 109: Budget Amendments**

- Revise the section heading from Budget Modification (Section 7, current ordinance) to Budget Amendments.
- Provide more clearly defined budget amendment guidelines on- emergency procurement, proposed changes in the second year of the biennial budget, and carry forward current fiscal year's encumbrances to the following fiscal year.

### **Section 201: Approval and Responsibilities**

- Revise the section heading of Approval and Expenditure of Funds (Section 8, current ordinance) to Approval and Responsibilities.
- Include all employees' responsibilities to comply with the provisions of the Ordinance and department managers' responsibilities in monitoring department budget.

This updated ordinance is further supported by Budget Amendment Policy in regards to the review and approval process and procedures of budget amendments and budget transfers, as well as the key elements of budget control.

The fiscal control established by this Ordinance is consistent with the Agency's Business Goal, 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.

**PRIOR BOARD ACTION**

On June 20, 2012, following a public hearing, the Board adopted Ordinance No. 90, establishing fiscal control.

**IMPACT ON BUDGET**

If approved, Ordinance No. 102 will continue to demonstrate the Agency's fiscal control and responsibility for its sources and uses of funds.

Attachments:

Attachment A, Fiscal Control Ordinance No. 90 (June 2012)

Attachment B, Fiscal Control Ordinance No. 102 with key changes

Attachment C, Fiscal Control Ordinance No. 102



*Inland Empire Utilities Agency*


A MUNICIPAL WATER DISTRICT

# FISCAL CONTROL ORDINANCE UPDATE


**May 2016**  
**Board Meeting**

# **FISCAL CONTROL ORDINANCE**

**An Ordinance of the Board of Directors to provide for a system of financial administration, accounting, fiscal, and budgetary control, which conforms to general –accepted accounting principles and practices (GAAP) and recommended best practices according to the Government Finance Officers Association (GFOA)**



## **WHY UPDATE?**

- Last updated in June 2012.
  - Incorporate biennial budget update process.
  - Better define guidelines for fiscal control.
  - Clarifications & process efficiencies.
  - Alignment with other Agency ordinances and policies
- 

# KEY CHANGES

- Expand and update definition section:
  - Account categories, Adopted budget, Amended budget,
- Clarified budget amendment guidelines on:
  - **Biennial Budget:** Budget amendment for the second year of the biennial budget, and fiscal year end encumbrances carry forward
  - **Exceptions:**
    - Emergency procurement,
    - General Manager Contingency Account
- Responsibilities:
  - All employees: prudent use of public funds.
  - Department Managers: monitoring and reporting.
  - CFO/AGM: administration, control and reporting.



# OVERSIGHT

## **Internal:**


- Financial reports presented to the Board of Directors throughout the fiscal year
- Adherence to Financial Policies;
  - Budget Amendment Policy
  - Debt Management Policy
  - Investment Management Policy
  - Reserve Policy

## **External:**

- Annual independent audit
- Financial reports available on Agency website

# Questions?

*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.*



**ORDINANCE NO. 90**

**AN ORDINANCE OF THE INLAND EMPIRE UTILITIES AGENCY\*,  
SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING  
FISCAL CONTROL**

BE IT ORDAINED by the Board of Directors of the Inland Empire Utilities Agency\* as follows:

**SECTION 1. PURPOSE**

The purpose of this Ordinance, to be known as the "Fiscal Control Ordinance of the Inland Empire Utilities Agency\*", is to provide for a system of financial administration, accounting, fiscal, and budgetary control, which conforms to generally accepted accounting principles and practices.

**SECTION 2. DEFINITIONS**

- A. Appropriation – Shall mean an authorization made by the Board, which permits designated Agency employees to incur obligations against, and to make expenses of, Agency resources. Appropriations for expenses and certain capital acquisitions shall be granted for a period of one fiscal year, or less. Capital acquisition projects meeting the multi-year criteria, as defined by fiscal current Agency policy, shall be granted for a period that expires upon the project's completion.
- B. Board – Shall mean the Board of Directors of the Inland Empire Utilities Agency.
- C. Budget- Shall mean the approval plan of financial operations embodying an estimate of proposed expenses for a given fiscal year and the proposed means of financing them.
- D. Agency – Shall mean the Inland Empire Utilities Agency.
- E. GM – Shall mean the General Manager of the Inland Empire Utilities Agency.
- F. AGM – Shall mean the Assistant General Manager of the Inland Empire Utilities Agency.
- G. CFO – Shall mean the Chief Financial Officer of the Inland Empire Utilities Agency.
- H. Designated Agency Employee – Shall mean those employees of the Agency so empowered under the provisions of Ordinance 74 and Agency Policy No. A-32.
- I. Account Category – Shall mean a grouping of various accounts.

**SECTION 3. FISCAL YEAR**

The fiscal year shall begin on July 1 of each year and end on June 30 of the succeeding year.

#### **SECTION 4. ADOPTION OF THE BUDGET**

The annual budget will be adopted by the Board prior to the first day of the fiscal year. However, if for good and sufficient reasons, the budget cannot be adopted by the first day of the fiscal year, the budget shall be adopted not later than 45 days subsequent to the beginning of the fiscal year. If the budget is not adopted prior to the beginning of the fiscal year, a resolution authorizing the continuation of necessary and essential expenses to operate the Agency shall be adopted prior to the beginning of the fiscal year. The proposed budget shall be prepared by the CFO and transmitted to members of the Board for its review a minimum of 10 days before the required date of adoption. The budget, as adopted, shall be a balanced budget with anticipated revenues (including appropriated unencumbered fund balances and reserves) equal to appropriate expenses. All funds within the budget shall also be balanced.

#### **SECTION 5. BUDGET, A PUBLIC RECORD**

At the time the proposed budget is transmitted to the Board by the GM, a copy of the proposed budget shall be made available for public inspection during regular business hours at the Agency's administrative office.

#### **SECTION 6. FINAL ADOPTION OF THE BUDGET**

The adoption of the budget shall be accomplished by the approval of a budget resolution, which specifies the anticipated revenues and appropriated expenses, by reference to the attached budget, for each fund covered by the budget. Amendments to the budget shall be approved by a majority of the Board.

#### **SECTION 7. BUDGET MODIFICATION**

An increase in the appropriation in any fund budget major account category, whether accomplished through a transfer of or increase to appropriations among funds or departments, that exceeds the appropriated amount as defined in Section 8, shall require the approval of the Board. The only exception is the General Manager's (GM) Contingency Account(s) established in a specific Agency fund(s) and included in the adopted budget to support unplanned costs that may arise during the fiscal year. Solely in the case of the GM Contingency Account(s), the GM, or his designate, is authorized to transfer budget to other fund(s) and between major account categories as needed. A report on the amount expended from the GM Contingency account is to be provided to the Board at least every three months. Replenishment of the GM Contingency Account(s) during the fiscal year will require Board approval.

The transfer of appropriations for a single account category within a single fund's budget shall only require the approval of the GM, AGM or CFO. After a fund's cumulative appropriated amount (sum of major account categories) for the fiscal year is reached, all such transfers shall require the approval of the Board, (with the exception of the GM Contingency Account as aforementioned). A report of all individual transfers shall be prepared and presented to the Board at least every three months. However, any transfer of appropriations

so as to increase the total wages appropriation, for whatever purpose, shall require the approval of the Board

#### **SECTION 8. APPROVAL AND EXPENDITURE OF FUNDS**

The CFO, acting under the direction of GM, or AGM, shall have charge of the administration of the financial affairs of the Agency and to that end shall supervise and be responsible for the disbursement of all monies that have control over all expenses to insure that the appropriation amount approved by Board of Directors as part of the annual budget adoption in any fund budget major account category (defined as Operating or Capital) is not exceeded. The CFO shall exercise financial budgetary control over each department, division and fund of the Agency and shall cause separate accounts to be kept for the items of appropriation contained in the budget. Unless the CFO shall certify that there is a sufficient unencumbered balance available, no appropriation shall be encumbered and no expenditure shall be made.

#### **SECTION 9. UNENCUMBERED FUND BALANCE**

All appropriations which are not obligated, encumbered, or expended at the end of the fiscal year, shall lapse except for multi-year capital appropriations, and shall become part of the unrestricted fund balance after adjustment for required fund reservations and sinking fund reserves. The final unrestricted fund balance at the end of a fiscal year may be appropriated in the following fiscal year.

#### **SECTION 10. FUND STRUCTURE**

The following funds may be established and shall be used as necessary to provide for the proper accounting of all financial activities of the Agency:

- (a) The Administrative Service Fund - to account for the general operations of the Agency and all financial transactions not properly accounted for in another fund. This fund will also account for the financing of special activities and services performed by a designated Agency organization unit for other Agency organization units.
- (b) Enterprise Funds - to account for the financing of services to the general public where all or most of the costs involved are paid in the form of charges by users of such services.
- (c) Special Assessment Funds - to account for special assessments levied to finance public improvements or services deemed to benefit the properties against, which the assessments are levied.

#### **SECTION 11. SELF-BALANCING ACCOUNTS**

A complete self-balancing group of accounts shall be established and maintained for each fund used. This group of accounts shall include all general ledger accounts and subsidiary

records necessary to reflect compliance with legal provisions, and to set forth the financial position and the results of financial operations of the fund.

#### **SECTION 12. BASIS OF ACCOUNTING**

To the extent possible, the accrual basis of accounting shall be used so that expenses are recorded at the time liabilities are incurred and revenues are recorded when earned. All receipts and disbursements shall be posted promptly and, at least, on a monthly basis. To the extent possible, all interfund transfers shall be cleared by the end of the fiscal year.

#### **SECTION 13. FINANCIAL REPORTING**

Financial reports showing the current conditions of all accounts shall be prepared and presented to the Board at least every three months. A comprehensive annual financial report, covering all funds and financial operations, shall be prepared and published not later than six months after the close of the fiscal year.

#### **SECTION 14. ANNUAL INDEPENDENT AUDIT**

All the funds, accounts, and financial transactions of the Agency shall be subjected to an annual audit by an independent certified public accountant selected by the Agency's Audit Committee and approved by the Board. The audit shall be conducted in accordance with Generally Accepted Auditing Standards (GAAS) promulgated by the American Institute of Certified Public Accountants (AICPA).

#### **SECTION 15. IMPLEMENTATION RESPONSIBILITY**

The responsibility for the proper execution of the provisions of this Fiscal Control Ordinance shall be with the CFO under the direction of the GM or AGM, except where the responsibility is explicitly given to the Board.

#### **SECTION 16. SEVERABILITY**

In the event any section, subsection, sentence, clause, or phrase of this Ordinance shall be declared or adjusted invalid or unconstitutional, such adjudication shall in no manner affect the other sections, subsections, sentences, clauses, or phrases of this Ordinance, which shall remain in full force and effect, as if the section, subsection, sentence, clause or phrase so declared or adjudged invalid or unconstitutional were not originally part hereof.

#### **SECTION 17. REPEAL OF PRIOR ORDINANCES**

Ordinance No. 77 is hereby repealed in its entirety.

#### **SECTION 18. EFFECTIVE DATE**

This Ordinance shall become effective upon its passage

ADOPTED THIS 20<sup>th</sup> day of June 2012.



Michael Camacho, Vice President of the Inland  
Empire Utilities Agency\* and the Board of  
Directors thereof

ATTEST:



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

\* A MUNICIPAL WATER DISTRICT

STATE OF CALIFORNIA )  
COUNTY OF ) SS  
SAN BERNARDINO )

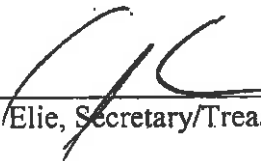
I, Steven J. Elie, Secretary of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY  
that the foregoing Ordinance being No. 90, was adopted at a regular Board Meeting on June  
20, 2012, of said Agency by the following vote:

AYES: Santiago, Elie, Camacho, Koopman

NOES: None

ABSTAIN: None

ABSENT: Catlin

  
\_\_\_\_\_  
Steven J. Elie, Secretary/Treasurer

(SEAL)

\* A MUNICIPAL WATER DISTRICT



**ORDINANCE NO. 102**

**AN ORDINANCE OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING FISCAL CONTROL**

**BE IT ORDAINED** by the Board of Directors of the Inland Empire Utilities Agency\* as follows:

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**PART I - DESIGNATIONS****SECTION 101 - PURPOSE**

The Fiscal Control Ordinance of the Inland Empire Utilities Agency sets forth the requirements for fiscal control that provide a framework for ensuring accountability in the Agency's budgetary and financial operations. These requirements provide for a system of financial administration, accounting, fiscal, and budgetary control on the same basis as the audited financial statements which conform to recommended best practices for budgeting according to the Government Finance Officers Association of the United States of America.

**SECTION 102 - DEFINITIONS**

- A. Account Categories – Shall mean Operating and Non-Operating account groups as defined in the Agency's budget to report sources and uses of funds and to execute budget control. [Modified to include Operating and Non-Operating]

PROPOSED

- B. Adopted Budget - Shall mean the plan of financial operations adopted by the Board of Directors embodying an estimate of proposed revenues and funding sources, operating expenses, capital expenditures, debt service costs, and other uses of funds for a given fiscal year (annual budget), or for two consecutive fiscal years (biennial budget), and the proposed means of financing them. [Changed from "Budget"]
- C. Agency – Shall mean the Inland Empire Utilities Agency.
- D. Amended Budget - Shall mean the Adopted Budget inclusive of approved budget amendments and budget transfers. [Added to distinguish from "Adopted Budget"]
- E. Appropriation/Appropriated Expense – Shall mean an expense which has been authorized by the Board of Directors for a specific fund or project which permits designated Agency employees, as defined in the Agency's Procurement Ordinance, to incur obligations against, and to incur expenses for a specified purpose. Appropriations approved by the Board of Directors in the Adopted or Amended Budget are limited to the fiscal year they are approved for unless otherwise specified. All unexpended appropriations shall lapse at the end of the fiscal year, unless approved by the Board to be carried forward to the following fiscal year. The Agency's annual appropriation is subject to the State's Article XIII Gann Appropriation Limit. [Modified to reference the Agency's Procurement Ordinance]
- ~~E. —~~
- ~~F. Appropriated Funding — Shall mean funding which has been authorized by the Board of Directors as part of the Adopted Budget, or as budget amendment thereto. The Agency's annual appropriation is subject to the State's Article XIII Gann Appropriation Limit.~~
- ~~G. Board of Directors — Shall mean the Board of Directors (Board) of the Inland Empire Utilities Agency, which sometimes is referred to as the Board within this document.~~
- F. Board of Directors - Shall mean the Board of Directors (Board) of the Inland Empire Utilities Agency, which sometimes is referred to as the Board within this document.
- H.G. Budget Amendment – Shall mean a change to the Adopted Budget of a fund in a fiscal year, including the reallocation of budget either between funds, or account categories within the same fund, as defined in Budget Transfer & Amendment Policy. Budget amendments are subject to Board approval or ratification by a majority of the Board. [New]
- H. Budget Control – Shall mean a system of management control in which actual costs, revenues, and resources are compared to the Agency's Adopted or Amended Budget to ensure consistency with the Board approved appropriations, and identify if changes are needed, as defined in Agency's Budget Transfer & Amendment Policy. [New]

PROPOSED

~~I.~~ ~~Budget Transfer~~ – Shall mean the reallocation of appropriations or resources within the same fund and the same account category in a given fiscal year, as defined in the Budget Transfer & Amendment Policy. [New]

~~I.~~

~~—~~ ~~Capital Expenditures~~ – Shall mean costs associated with acquisition, construction, replacement and rehabilitation (R&R), and improvement of fixed and real assets. Based on the scope and duration of a capital project, the total project budget can be established for one or multiple years. [New]

~~J.~~

K. CFO/AGM – Shall mean the Chief Financial Officer/Assistant General Manager of the Inland Empire Utilities Agency. [Combined with “AGM”]

L. CIP – Shall mean the Agency’s capital improvement plan provided in the Adopted Budget document, Capital section. [New]

M. Debt Service – Shall mean the payment of current year portion of principal and interest costs incurred on long-term debt issued by the Agency. [New]

~~N.~~ ~~Designated Agency Employee/Designee~~ – Shall mean employees of the Agency empowered under the provision of the Fiscal Control Ordinance and Procurement Ordinance to incur obligation against and to make expenses of appropriated resources.

~~N.~~

~~—~~ ~~Emergency Procurement~~ – Shall mean any procurement required for the prevention against imminent danger, or to mitigate the loss or impairment of: life, health, or safety of the public, Agency employees, suppliers, contractors; public or private property; compliance with critical permit and regulatory requirements; or any other condition which cannot reasonably be foreseen and would have a significant effect on the public’s health/safety or that could have a significant adverse financial impact on the Agency. [New]

~~O.~~

~~O.P.~~ ~~Enterprise Fund~~ – Shall mean a fund which is used to account for operations that are financed and operated in a manner similar to a private business enterprise. Enterprise funds account for operations, capital and debt service costs which are substantially financed by revenue derived from user charges and fees. [New]

~~P.Q.~~ ~~Fund~~ – Shall mean Agency’s enterprise funds as established for a specific program to account for operations, capital, debt service costs, and funding sources. [New]

**PROPOSED**

- ~~Q.R.~~ GM – Shall mean the General Manager of the Inland Empire Utilities Agency.
- ~~R.S.~~ General Manager (GM) Contingency Account – Shall mean an account budgeted with contingency funds which the GM or his designee can transfer to any funds to meet unplanned requirements for any account or project under the Operating account category. Replenishment of the GM Contingency Account appropriation is considered a budget amendment and requires ~~Board approval~~ Approval by a the majority of the Board. Use of the GM contingency funds and requests for replenishment to the account will be submitted as part of the budget variance reporting process, or if necessary, at the next regularly scheduled meeting of the Board of Directors. [New]
- ~~S.T.~~ Inter-Fund Activities – Shall mean (1) inter-fund transfers between Agency’s funds to support operating and/or capital requirements; and (2) inter-fund loans between Agency funds to support shortfall in debt service, operating and/or capital requirements. Inter-fund loans require the establishment of a promissory note between borrower and lender, providing payment terms and repayment timeline. The use of an inter-fund loan or inter-fund transfer is determined on a case by case basis. Both inter-fund activities are considered budget amendments and require ~~Board approval~~ Approval by thea majority of the Board. [New]
- ~~T.U.~~ Lapsed Appropriations – Shall mean all appropriations which are not obligated, encumbered, or expended and which lapse at the end of the fiscal year. [New]
- ~~U.V.~~ Non-Operating Accounts – Shall mean classification of accounts utilized by the Agency which are not directly related to day-to-day operational activities. The Non-Operating expense classification includes capital, debt service and other non-operating expenditures. The Non-Operating revenue classification includes tax receipts, capital contributions, interest income, grant and debt proceeds, and other non-operating miscellaneous receipts. [New]
- ~~V.W.~~ Operating Accounts – Shall mean classification of accounts utilized by the Agency to track revenues and expenses associated with day-to-day activities. The operating expense classification includes among others, chemicals and utilities. The operating revenue classification includes among others, service charges and recycled water sales and miscellaneous operating income. [New]
- ~~W.X.~~ Special Assessment Fund – Shall mean fund that is used to account for special assessments levied to finance public improvements or services deemed to benefit the properties, against which the assessments are levied. [New]
- ~~X.Y.~~ State’s Article XIII Gann Appropriation Limit – Shall mean Article XIII B of the California Constitution which was added by the November 1979 passage of the Gann Initiative. This legislation mandates the Agency compute, and establish by resolution, an annual appropriation limit that places a ceiling on the total amount of tax revenues that can be appropriated annually. [New]

**PROPOSED**

**Y.Z.** Total Project Budget – Shall mean the total amount planned to complete project tasks. The total project budget for an operations and maintenance (O&M) project, or special project, should be limited to one fiscal year. The total project budget for a capital project may extend over multiple fiscal years. **[New]**

**SECTION 103 - FISCAL YEAR**

The fiscal year shall begin on July 1 of each year and ends on June 30 of the succeeding year.

**SECTION 104 - FUND STRUCTURE**

The following fund types may be established and shall be used as necessary to provide for the proper accounting of all financial activities of the Agency; enterprise and special assessment. All Agency funds are enterprise funds, and include both capital and operating activities.

**SECTION 105 - SELF-BALANCING ACCOUNTS**

A complete self-balancing group of accounts shall be established and maintained for each fund used. This group of accounts shall include all general ledger accounts and subsidiary records necessary to reflect compliance with legal provisions, and to set forth the financial position and the results of financial operations of the fund.

**SECTION 106 - BASIS OF ACCOUNTING**

The accrual basis of accounting shall be used so that expenses are recorded at the time liabilities are incurred and revenues are recorded when earned in conformity with Generally Accepted Accounting Principles (GAAP). All receipts and disbursements shall be posted promptly and, at a minimum, on a monthly basis.

**SECTION 107 - ADOPTION OF THE BUDGET**

The Agency's budget will be adopted by the Board prior to the first day of the fiscal year. The proposed budget shall be submitted by the CFO/AGM and transmitted to members of the Board for review at a minimum of 10 days before the required date of adoption. However, if for a valid and sufficient reason, the budget cannot be adopted by the first day of the fiscal year, the budget shall be adopted no later than 45 days subsequent to the beginning of the fiscal year. If the budget is not adopted prior to the beginning of the fiscal year, a resolution authorizing the continuation of necessary and essential expenses to operate the Agency shall be adopted prior to the beginning of the fiscal year.

The budget, as adopted, shall be a balanced budget with anticipated sources of funds including appropriated unencumbered fund balances and reserves equal to appropriated uses of funds. Each fund within the budget shall also be balanced.

**PROPOSED**

The adoption of the budget shall be accomplished by the approval of a budget resolution. The resolution must be entered into the minutes of the Board meeting at which it was adopted.

**SECTION 108 - BUDGET, A PUBLIC RECORD**

At the time the proposed budget is submitted by the CFO/AGM and delivered to members of the Board for its review, a summary of the proposed budget shall be made available for public inspection during regular business hours at the Agency's administrative office and website for a minimum of 10 days before the required date of adoption. At a minimum the summary of the proposed budget should include the Sources and Uses of Funds by Funds reports, program rates and fees, and a listing of capital and O&M projects.

When the proposed budget has been approved by the Board, the adopted budget document shall be made available for public inspection, during regular business hours at the Agency's administrative office; as well as, on the Agency's website (www.ieua.org).

**SECTION 109 - BUDGET AMENDMENTS**

Budget amendments must be approved by a majority of the Board prior to obligating funds in excess of the budgeted appropriations to ensure they pose no financial risk to the Agency' overall financial health. The only exceptions to prior Board approval are; emergency procurements, ~~as defined in the Agency's Procurement Ordinance, which can be approved by the GM or his designee, as well and~~ as the use of the GM Contingency Account(s) to support unplanned expenditures.

- Emergency procurements can be approved by the GM or designee and shall be submitted for ratification by the Board at the next regularly scheduled meeting, as defined in the Agency's Procurement Ordinance.
- Solely in the case of the GM Contingency Account(s), the GM or designee is authorized to transfer GM Contingency budget to other funds and account categories as needed to support unplanned expenditures, as defined in the Agency's Budget Transfer & Amendment Policy. Replenishment of the GM Contingency Account are considered budget amendments and are subject to approval by the majority of the Board approval.

Changes to the second year of the Adopted Biennial Budget are considered budget amendments. These budget amendments shall be made through the mid-year budget review process which takes place ~~in~~ on the second half of the first year of the biennial budget cycle.

Encumbered, obligated or unexpended funds at the end of the fiscal year carried forward to the following fiscal year, as defined in the Agency's Fiscal Year End Carry Forward of Encumbrances and Related Budget, are considered budget amendments and require ~~Board~~ approval by the majority of the Board.

**PART II – RESPONSIBILITIES****SECTION 201 - APPROVAL AND RESPONSIBILITIES**

All Agency employees shall comply with the provisions of this Ordinance to ensure the responsible and prudent use of public funds, and to maintain the preservation of the public trust.

The CFO/AGM, under the direction of GM, is authorized as follows:

- Administration, control, oversight, and reporting of the financial affairs of the Agency;
- Oversight of disbursement of all monies; ~~and~~
- Exercise budgetary control over expenditures to ensure that [annual appropriations and total project budget as approved by the Board](#) are not exceeded; ~~and~~
- No appropriation will be encumbered and no expenditure shall be made prior to confirming sufficient unencumbered fund balance is available.

The GM and the CFO/AGM are authorized to approve reallocation of appropriations between departments within the same fund and account category, as defined in the Budget Transfer & Amendment Policy.

Department managers are responsible for monitoring their budgets and determining if a budget amendment or budget transfer is necessary.

**SECTION 202 - UNENCUMBERED FUND BALANCE**

All appropriations which are not obligated, encumbered, or expended at the end of the fiscal year shall lapse and shall become part of the unrestricted fund balance after adjustment for required fund reservations. The final unrestricted fund balance at the end of a fiscal year may be appropriated in the following fiscal year.

**SECTION 203 - FINANCIAL POLICY AND REPORTING**

Financial Policies to support the Agency's business goals of fiscal responsibility at the direction of the GM and CFO/AGM shall be presented to the Board upon revision or update, based on regulatory changes or staff recommendations and updated in accordance with California code.

Financial reports shall be prepared and presented to the Board during the fiscal year, amongst them:

- [Monthly report on the Agency's cash and investments activities and status.](#)
- [Monthly report on detailed disbursements.](#)
- [Quarterly report on current conditions of all major accounts compared to the Adopted or Amended Budget, including budget transfers and budget amendments implemented during the report period.](#)



**PROPOSED**

- A Comprehensive Annual Financial Report shall be prepared and published no later than six months after the conclusion of each fiscal year.
- Single Audit, as required.

All financial reports shall be posted on the Agency's website.

**SECTION 204 - ANNUAL INDEPENDENT AUDIT**

All funds, accounts, and financial transactions of the Agency, including a single audit for grants related activities if required, shall be subjected to an annual audit by an independent certified public accountant selected by the Agency's Audit Committee and approved by the Board. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts.

**SECTION 205 - IMPLEMENTATION RESPONSIBILITY**

The responsibility for the proper execution of the provisions of this Fiscal Control Ordinance shall be with the CFO/AGM under the direction of the GM, except where responsibility is explicitly given to the Board.

**SECTION 206 - SEVERABILITY**

In the event any section, subsection, sentence, clause, or phrase of this Ordinance shall be declared or adjusted invalid or unconstitutional, such adjudication shall in no manner affect the other sections, subsections, sentences, clauses, or phrases of this Ordinance, which shall remain in full force and effect, as if the section, subsection, sentence, clause or phrase so declared or adjudged invalid or unconstitutional were not originally part hereof.

**SECTION 207 - REPEAL OF PRIOR ORDINANCES**

Upon adoption of Ordinance No. 102, Ordinance No. 90 is hereby repealed in its entirety.

**SECTION 208 - EFFECTIVE DATE AND EXECUTION**

This Ordinance shall take effect immediately upon adoption by the Board, and execution of said Ordinance by the President and Secretary/Treasurer thereof.

ADOPTED, this 18th day of May, 2016.

---

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

ATTEST:

---

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

\* A MUNICIPAL WATER DISTRICT

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ ) SS  
SAN BERNARDINO )

I, Steven J. Elie, Secretary of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY that the foregoing Ordinance being No. ~~XXX~~102, 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

(SEAL)

\* A MUNICIPAL WATER DISTRICT

ORDINANCE NO. 102

AN ORDINANCE OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING FISCAL CONTROL

BE IT ORDAINED by the Board of Directors of the Inland Empire Utilities Agency\* as follows:

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## **PART I - DESIGNATIONS**

### **SECTION 101 - PURPOSE**

The Fiscal Control Ordinance of the Inland Empire Utilities Agency sets forth the requirements for fiscal control that provide a framework for ensuring accountability in the Agency's budgetary and financial operations. These requirements provide for a system of financial administration, accounting, fiscal, and budgetary control on the same basis as the audited financial statements which conform to recommended best practices for budgeting according to the Government Finance Officers Association of the United States of America and Canada.

### **SECTION 102 - DEFINITIONS**

- A. Account Categories – Shall mean Operating and Non-Operating account groups as defined in the Agency's budget to report sources and uses of funds and to execute budget control.
- B. Adopted Budget - Shall mean the plan of financial operations adopted by the Board of Directors embodying an estimate of proposed revenues and funding sources, operating expenses, capital expenditures, debt service costs, and other uses of funds for a given fiscal year (annual budget), or for two consecutive fiscal years (biennial budget).
- C. Agency – Shall mean the Inland Empire Utilities Agency.
- D. Amended Budget - Shall mean the Adopted Budget inclusive of approved budget amendments and budget transfers.
- E. Appropriation/Appropriated Expense – Shall mean an expense which has been authorized by the Board of Directors for a specific fund or project which permits designated Agency employees, as defined in the Agency's Procurement Ordinance, to incur obligations against, and to incur expenses for a specified purpose. Appropriations approved by the Board of Directors in the Adopted or Amended Budget are limited to the fiscal year they are approved for unless otherwise specified. All unexpended appropriations shall lapse at the end of the fiscal year, unless approved by the Board to be carried forward to the following fiscal year. The Agency's annual appropriation is subject to the State's Article XIII B Gann Appropriation Limit.
- F. Board of Directors - Shall mean the Board of Directors (Board) of the Inland Empire Utilities Agency, which sometimes is referred to as the Board within this document.
- G. Budget Amendment – Shall mean a change to the adopted budget of a fund in a fiscal year, including the reallocation of expenditures or resources between funds, or between account categories within the same fund, or an increase to total project budget within the

**PROPOSED**

same fund as reported in the Agency's Capital Improvement Plan (CIP). Budget amendments are subject to Board approval or ratification.

- H. **Budget Control** – Shall mean a system of management control in which actual costs, revenues, and resources are compared to the Agency's Adopted or Amended Budget to ensure consistency with the Board approved appropriations, and identify if changes are needed, as defined in Agency's Budget Amendment Policy.
- I. **Budget Transfer** – Shall mean the reallocation of appropriations or resources within the same fund and the same account category in a given fiscal year, as defined in the Budget Amendment Policy.
- J. **Capital Expenditures** – Shall mean costs associated with acquisition, construction, replacement and rehabilitation (R&R), and improvement of fixed and real assets. Based on the scope and duration of a capital project, the total project budget can be established for one or multiple years.
- K. **CFO/AGM** – Shall mean the Chief Financial Officer/Assistant General Manager of the Inland Empire Utilities Agency.
- L. **Capital Improvement Plan (CIP)** – Shall mean the Agency's capital improvement plan provided in the Adopted Budget document, Capital section.
- M. **Debt Service** – Shall mean the current year portion of principal and interest costs incurred on long-term debt issued by the Agency.
- N. **Designated Agency Employee/Designee** – Shall mean those employees of the Agency empowered under the provisions of the Fiscal Control Ordinance and Procurement Ordinance to incur obligations against and to make expenses of appropriated resources.
- O. **Emergency Procurement** – Shall mean any procurement required for prevention/protection against imminent danger, or to mitigate the loss or impairment of: life, health, or safety of the public, Agency employees, suppliers, contractors; public or private property; compliance with critical permit and regulatory requirements; or any other condition which cannot reasonably be foreseen and would have a significant effect on the public's health/safety or that could have a significant adverse financial impact on the Agency.
- P. **Enterprise Fund** – Shall mean a fund which is used to account for operations that are financed and operated in a manner similar to a private business enterprise. Enterprise funds account for operations, capital and debt service costs which are substantially financed by revenue derived from user charges and fees.
- Q. **Fund** – Shall mean Agency's enterprise funds as established for a specific program to account for operations, capital, debt service costs, and funding sources.
- R. **GM** – Shall mean the General Manager of the Inland Empire Utilities Agency.

**PROPOSED**

- S. **General Manager (GM) Contingency Account** – Shall mean an account budgeted with contingency funds which the GM or his designee can transfer to any funds to meet unplanned requirements for any account or project under the Operating account category. Replenishment of the GM Contingency Account appropriation is considered a budget amendment and requires approval by a majority of the Board. Use of the GM contingency funds and requests for replenishment to the account will be submitted as part of the budget variance reporting process, or if necessary, at the next regularly scheduled meeting of the Board of Directors.
- T. **Lapsed Appropriations** – Shall mean all appropriations which are not obligated, encumbered, or expended and which lapse at the end of the fiscal year.
- U. **Non-Operating Accounts** – Shall mean classification of accounts utilized by the Agency which are not directly related to day-to-day operational activities. The Non-Operating expense classification includes capital, debt service and other non-operating expenditures. The Non-Operating revenue classification includes connection fees, tax receipts, capital contributions, interest income, grant and debt proceeds, and other non-operating miscellaneous receipts.
- V. **Operating Accounts** – Shall mean classification of accounts utilized by the Agency to track day-to-day operational revenue and expense. The operating expense classification includes among others; chemicals and utilities. The operating revenue classification includes among others; user charges, recycled water sales, and imported water sales.
- W. **Special Assessment Fund** – Shall mean fund that is used to account for special assessments levied to finance public improvements or services deemed to benefit the properties, against which the assessments are levied.
- X. **State's Article XIII Gann Appropriation Limit** – Shall mean Article XIII B of the California Constitution which was added by the November 1979 passage of the Gann Initiative. This legislation mandates the Agency compute, and establish by resolution, an annual appropriation limit that places a ceiling on the total amount of tax revenues that can be appropriated annually.
- Y. **Total Project Budget** – Shall mean the total amount planned to fully fund a project through completion to meet its specific purpose and scope. The total project budget for an operations and maintenance project should be limited to one fiscal year. The total project budget for capital projects can extend over multiple fiscal years.

**SECTION 103 - FISCAL YEAR**

The fiscal year shall begin on July 1 of each year and ends on June 30 of the succeeding year.

**SECTION 104 - FUND STRUCTURE**

The following fund types may be established and shall be used as necessary to provide for the proper accounting of all financial activities of the Agency: Enterprise and special assessment. All Agency funds are enterprise funds, and include both capital and operating activities.

**SECTION 105 - SELF-BALANCING ACCOUNTS**

A complete self-balancing group of accounts shall be established and maintained for each fund used. This group of accounts shall include all general ledger accounts and subsidiary records necessary to reflect compliance with legal provisions, and to set forth the financial position and the results of financial operations of the fund. General ledger accounts record how much is spent and for what and ensure management is accountable for controlling expenditures as appropriated by the Board.

**SECTION 106 - BASIS OF ACCOUNTING**

The accrual basis of accounting shall be used so that expenses are recorded at the time liabilities are incurred and revenues are recorded when earned in conformity with Generally Accepted Accounting Principles (GAAP). All receipts and disbursements shall be posted promptly and, at a minimum, on a monthly basis.

**SECTION 107 - ADOPTION OF THE BUDGET**

The Agency's budget will be adopted by the Board prior to the first day of the fiscal year. The proposed budget shall be submitted by the CFO/AGM and transmitted to members of the Board for review at a minimum of 10 days before the required date of adoption. However, if for a valid and sufficient reason, the budget cannot be adopted by the first day of the fiscal year, the budget shall be adopted no later than 45 days subsequent to the beginning of the fiscal year. If the budget is not adopted prior to the beginning of the fiscal year, a resolution authorizing the continuation of necessary and essential expenses to operate the Agency shall be adopted prior to the beginning of the fiscal year.

The budget, as adopted, shall be a balanced budget with anticipated sources of funds including appropriated unencumbered fund balances and reserves equal to appropriated uses of funds. Each fund within the budget shall also be balanced.

The adoption of the budget shall be accomplished by the approval of a budget resolution. The resolution must be entered into the minutes of the Board meeting at which it was adopted.



**SECTION 108 - BUDGET, A PUBLIC RECORD**

At the time the proposed budget is submitted by the CFO/AGM and delivered to members of the Board for its review, a summary of the proposed budget shall be made available for public inspection during regular business hours at the Agency's administrative office and website for a minimum of 10 days before the required date of adoption. At a minimum the summary of the proposed budget should include the Sources and Uses of Funds by Funds reports, program rates and fees, and a listing of all projects.

When the proposed budget has been approved by the Board, the adopted budget document shall be made available for public inspection, during regular business hours at the Agency's administrative office; as well as, on the Agency's website ([www.ieua.org](http://www.ieua.org)).

**SECTION 109 - BUDGET AMENDMENTS**

Budget amendments must be approved by a majority of the Board prior to obligating funds in excess of the budgeted appropriations to ensure they pose no financial risk to the Agency's overall financial health. The only exceptions to prior Board approval are; emergency procurements and the use of the GM Contingency Account(s) to support unplanned expenditures.

- Emergency procurements can be approved by the GM or designee and submitted for ratification by the Board at the next regularly scheduled meeting, as defined in the Agency's Procurement Ordinance.
- Solely in the case of the GM Contingency Account(s), the GM or designee is authorized to reallocate the GM Contingency budget to other funds and account categories as needed to support unplanned expenditures, as defined in the Agency's Budget Amendment Policy. Replenishment of the GM Contingency Account are considered budget amendments and are subject to approval by the majority of the Board.

Changes to the second year of the Adopted Biennial Budget are considered budget amendments. These budget amendments shall be made through the mid-year budget review process which takes place in the second half of the first year of the biennial budget cycle.

Encumbered, obligated or unexpended funds at the end of the fiscal year carried forward to the following fiscal year, as defined in the Agency's Fiscal Year End Carry Forward of Encumbrances and Related Budget, are considered budget amendments and require approval by the majority of the Board.

## **PART II – RESPONSIBILITIES**

### **SECTION 201 - APPROVAL AND RESPONSIBILITIES**

All Agency employees shall comply with the provisions of this Ordinance to ensure the responsible and prudent use of public funds, and to maintain the preservation of the public trust.

The CFO/AGM, under the direction of GM, is authorized as follows:

- Administration, control, oversight, and reporting of the financial affairs of the Agency;
- Oversight of disbursement of all monies;
- Exercise of budgetary control over expenditures to ensure that annual appropriations and total project budget as approved by the Board are not exceeded; and
- Confirmation that appropriation will be encumbered and no expenditure shall be made unless sufficient unencumbered fund balance is available.

The GM and the CFO/AGM are authorized to approve reallocation of appropriations between departments within the same fund and account category, as defined in the Budget Amendment Policy.

Department managers are responsible for monitoring their budgets and determining if a budget amendment or budget transfer is necessary.

### **SECTION 202- UNENCUMBERED FUND BALANCE**

All appropriations which are not obligated, encumbered, or expended at the end of the fiscal year shall lapse and shall become part of the unrestricted fund balance after adjustment for required fund reservations. The final unrestricted fund balance at the end of a fiscal year may be appropriated in the following fiscal year.

### **SECTION 203 - FINANCIAL POLICY AND REPORTING**

Financial Policies to support the Agency's business goals of fiscal responsibility at the direction of the GM and CFO/AGM shall be presented to the Board upon revision or update, based on regulatory changes or staff recommendations and updated in accordance with California code.

Financial reports shall be prepared and presented to the Board during the fiscal year, amongst them:

- Monthly report on the Agency's cash and investments activities and status.
- Monthly report on detailed disbursements.
- Quarterly report on current conditions of all major accounts compared to the Adopted or Amended Budget, including budget transfers and budget amendments implemented during the report period.

**PROPOSED**

- A Comprehensive Annual Financial Report shall be prepared and published no later than six months after the conclusion of each fiscal year.
- Single Audit, as required.

All financial reports shall be posted on the Agency's website.

**SECTION 204 - ANNUAL INDEPENDENT AUDIT**

All funds, accounts, and financial transactions of the Agency, including a single audit for grants related activities if required, shall be subjected to an annual audit by an independent certified public accountant.

**SECTION 205 - IMPLEMENTATION RESPONSIBILITY**

The responsibility for the proper execution of the provisions of this Fiscal Control Ordinance shall be with the CFO/AGM under the direction of the GM, except where responsibility is explicitly given to the Board.

**SECTION 206 - SEVERABILITY**

In the event any section, subsection, sentence, clause, or phrase of this Ordinance shall be declared or adjusted invalid or unconstitutional, such adjudication shall in no manner affect the other sections, subsections, sentences, clauses, or phrases of this Ordinance, which shall remain in full force and effect, as if the section, subsection, sentence, clause or phrase so declared or adjudged invalid or unconstitutional were not originally part hereof.

**SECTION 207 - REPEAL OF PRIOR ORDINANCES**

Upon adoption of Ordinance No. 102, Ordinance No. 90 is hereby repealed in its entirety.

**SECTION 208 - EFFECTIVE DATE AND EXECUTION**

This Ordinance shall take effect immediately upon adoption by the Board, and execution of said Ordinance by the President and Secretary/Treasurer thereof.

**ADOPTED**, this 18th day of May, 2016.

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

ATTEST:

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

\* A MUNICIPAL WATER DISTRICT

STATE OF CALIFORNIA )  
COUNTY OF ) SS  
SAN BERNARDINO )

I, Steven J. Elie, Secretary of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY that the foregoing Ordinance being No. 102, 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

(SEAL)

\* A MUNICIPAL WATER DISTRICT

**CONSENT  
CALENDAR  
ITEM**

**3A**



**MINUTES OF THE  
WORKSHOP  
OF  
THE BOARD OF DIRECTORS  
OF  
THE INLAND EMPIRE UTILITIES AGENCY\*  
WEDNESDAY, APRIL 6, 2016  
10:00 A.M.**

**DIRECTORS PRESENT:**

Michael Camacho, Vice President  
Terry Catlin, President  
Steven J. Elie, Secretary/Treasurer  
Jasmin A. Hall

**DIRECTOR ABSENT:**

Gene Koopman

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/Assistant General Manager  
Christina Valencia, Chief Financial Officer/Assistant General Manager  
Ernest Yeboah, Executive Manager of Engineering/Assistant General Manager  
Kathy Besser, Manager of External Affairs  
Jerry Burke, Deputy Manager of Engineering  
Andy Campbell, Deputy Manager of Planning & Environmental Resources  
Laura Cashion, Grants Administrator  
Javier Chagoyen-Lazaro, Manager of Finance and Accounting  
Jason Gu, Grants Officer  
David Liang, Grants  
Randy Lee, Manager of Operations  
Sylvie Lee, Manager of Planning and Environmental Resources  
Craig Proctor, Pretreatment and Source Control Supervisor  
Cheyanne Reseck-Francis, Administrative Assistant II  
Joyce Rucker, Senior Accountant  
Shaun Stone, Manager of Engineering  
Teresa Velarde, Manager of Internal Audit  
Stephanie Riley, Executive Assistant

**OTHERS PRESENT:**

Jean Cihigoyenetché, Cihigoyenetché, Grossberg, and Clouse  
Steve Nix, City of Chino Hills

A meeting of the Board of Directors of the Inland Empire Utilities Agency\* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. A., Chino, California on the above date.

President Catlin called the meeting to order at 10:04 a.m., and he led the pledge of allegiance to the flag. A quorum was present.

President Catlin stated that members of the public may address the Board.

Public Comments requested by Mr. Steve Nix, City of Chino Hills

Mr. Nix requested that the Board consider possible revision to the language of recently adopted IEUA Ordinance No. 103. The Ordinance was adopted in July of 2015. Mr. Nix stated that the Ordinance is for the one water connection fee requiring a fee payment of any new domestic and/or recycled water meter installed after January 1, 2016. The City of Chino Hills has been proactive in encouraging customers to convert landscaping to recycled water whenever practical; however, recently a situation arose where the literal wording creates an injustice in this process. The City has several commercial industries that has the potential to use recycled water, as well as churches and other organizations. It was found very common in the City that landscaping was set up as a separate designated meter; however, most of the churches in the city have a single meter that fed both domestic and landscaping service. Mr. Nix stated that recently in a particular case, the City encouraged a church to switch their landscaping to recycled water; however, they had the single service meter. In this case when the paperwork was filed, the church was required to pay the one water connection fee for the new meter connection; however, a facility next door transferred their landscape to recycled water and because they had a separate landscape meter already, they were not required to pay the one water connection fee. Mr. Nix, stated that the city feels that it is a slight inequity and the city would like to continue to encourage those that can convert to recycled water. However, the City believes that this practice is cost prohibitive. Mr. Nix stated that the City is requesting either a editing of the language of the Ordinance or whether there could be a different interpretation of how it can be applied. He stated that until such time, the City will not pursue any further recycled water conversions, which they feel is a detriment to the entire area. The City requests IEUA's consideration in this matter. President Catlin thanked Mr. Nix for his comments and stated that staff would look into the matter.

President Catlin asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

**1. ACTION ITEMS**

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

Manager of Planning and Environmental Resources Sylvie Lee gave a PowerPoint presentation on the Resolution of Intent to Amend Regional Contract. With the increased use of recycled water, conversations began about four years ago regarding inequities of use amongst the member agencies. She stated that the conversations led to the unanimous adoption of the Recycled Water Policy Principles. Ms. Lee stated that the intent is to amend sections 15 and 16 of the Regional Contract based upon the Recycled Water Policy Principles. The key proposed changes include defining the contracting Agencies base entitlements and a method of providing replacement water for contracting agencies using above entitlement. Ms. Lee added that the proposed changes include defining temporary entitlement for the City of Chino until the year 2023, and define a surcharge rate for use exceeding temporary entitlement. Ms. Lee also went over some of the key changes in the proposed amendment.

She stated that staff has been working with the member agencies to finalize the language of the amendment. A draft was presented, a final amendment is expected in the coming weeks, allowing the member agencies time to take the amendment to their respective councils/boards as needed and provide a recommendation at the May Technical Committee and May Policy Committee. Ms. Lee gave an overview of the regional contract



amendment schedule, stating that the public hearing would be held on June 15, 2016. Ms. Lee stated that staff's recommendation is to adopt Resolution No. 2016-4-4, declaring the intent to amend sections 15 and 16 of the Regional Contract and set a public hearing for June 15, 2016. Mr. Berch stated that a draft was presented today due to the 60 day needed to hold a public hearing per the contract; and the changes anticipated are considered to be wordsmithing.

Director Hall stated that the City of Fontana had concerns with the interpretation of wording in the resolution related to the process of contract amendment. General Manager Joseph Grindstaff and General Counsel Jean Cihigoyenatche provided clarification. Mr. Cihigoyenatche stated that in this case, all of the member agencies agreed to the substance of the change. However, during the course of discussion the question was raised by the member agencies as to whether or not if there was not unanimous support of the amendment, would IEUA have approved the changes. Mr. Cihigoyenatche stated that member agencies were worried they could be setting a precedent by agreeing to this amendment, and as a result proposed the wording in the resolution due to the different interpretations of section 30.B of the Regional Contract.

Director Elie stated that without the leverage of section 30.B, the City of Chino would not have agreed and there would not have been unanimous agreement of this amendment. Director Elie referred to the March 25, 2016 letter regarding the Chino Basin Regional Sewerage Service Contract signed by the Contracting Agencies' City Managers (noting that Cucamonga did not sign the letter), as being very, very, very disturbing. He stated that the letter was counter-productive, and had nothing to do with what we are doing here, which is trying to solve the problems that were raised by some of those very cities that signed the March 25 letter.

Upon motion by Director Camacho, seconded by Director Elie, and unanimously carried:

**M2016-4-1**

**MOVED, to:**

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

**1. INLAND EMPIRE UTILITIES AGENCY'S GRANTS STRATEGIC PLAN WORKSHOP**

Executive Manager of Engineering/Assistant General Manager Chris Berch and Grants Officer Jason Gu jointly gave a PowerPoint presentation on the grants strategic plan. Mr. Berch stated that the Board's input received today would be integrated in the grant plan that will be created over the next few months. Mr. Berch provided an overview of the grant's management cycle and the activities over the last 15 years. Mr. Gu provided a detailed overview of the funding awarded to the Agency through grants and SRF loans over the last 15 years, totaling approximately \$420 million. He continued to breakdown the total by funding type and funding sources. Mr. Gu stated that the Agency had received funding and is continuing to pursue funding from the state from Proposition 1. Mr. Berch reviewed the Grant planning for the next ten years, emphasizing the grants and loans to be pursued for regional capital and facility rehabilitation. Mr. Berch highlighted the funding strategies for four categories including recycled water, groundwater recharge, drinking water, and wastewater treatment. Mr. Berch stated that the post-grant award activities are just as important and the

pre-award activities. The activities include, negotiating grant agreements, compliance and oversight, auditing and closing out the grants. In closing, Mr. Berch reviewed the structure of the Grants Department and the next steps in the future of the department.

With no further business, President Catlin adjourned the meeting at 11:05 a.m.

---

Steven J. Elie, Secretary/Treasurer

**APPROVED: MAY 18, 2016**

**CONSENT  
CALENDAR  
ITEM**

**3B**

Date: May 18, 2016

To: The Honorable Board of Directors

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

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: 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. ELIE	\$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



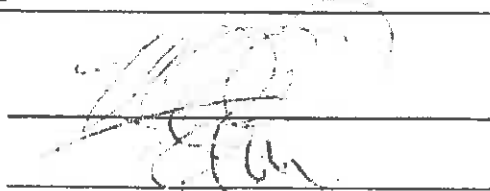
**IEUA DIRECTOR PAYSHEET**

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, JPivovarovff, & 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**

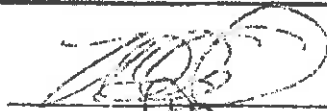
MICHAEL CAMACHO  
EMPLOYEE NO. 1140  
ACCOUNT NO. 10200 110100 100000 501010

**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

Approved by:

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

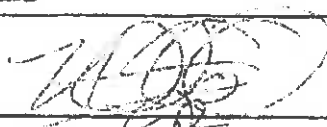
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON REGIONAL POLICY COMMITTEE (ALTERNATE)**

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


**FEBRUARY 2016**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
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>			\$225.00
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))			
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.

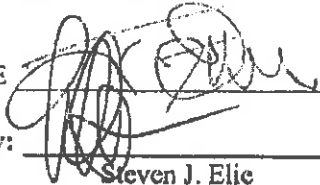
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON WATERMASTER BOARD (ALTERNATE)**

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>			<b>\$-0-</b>
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. Elic  
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

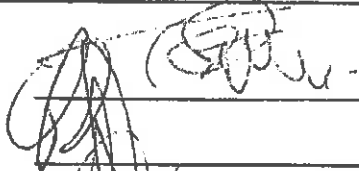
**FEBRUARY 2016**

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 A. Elie  
 Secretary/Treasurer, Board of Directors



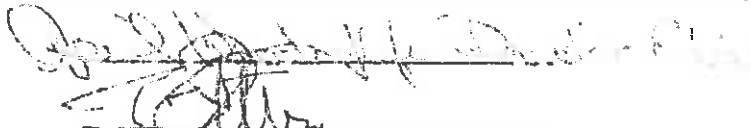
**IEUA DIRECTOR PAYSHEET**

**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
<b>Total No. of Meetings Attended</b>			9
<b>Total No. of Meetings Paid</b>			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**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
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)			<b>\$1,800.00</b>
Total No. of Meetings Attended			12
Total No. of Meetings Paid			8

**DIRECTOR SIGNATURE**

*Jasmin A. Hall*  
 Director Hall

**Approved by:**

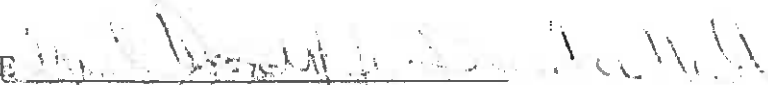
*Terry Catlin*  
 Terry Catlin, President, Board of Directors


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

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

**FEBRUARY 2016**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
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 

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>			\$27.18
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

*Jasmin A. Hall*

Approved by:

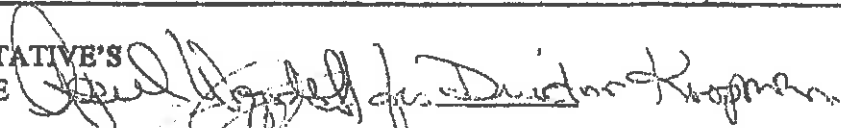
*Terry Catlin*  
Terry Catlin  
President, Board of Directors

**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

Bank CBB CITIZENS BUSINESS BANK ONTARIO CA 917510000  
Bank Key 122234149  
Acct number CHECK 231167641

Check number from to	Payment	Emnt date	Crcy	Amount paid (FC)	Recipient/void reason code	enca./void
212911	2200073157	03/03/2016	USD	42,993.00	AIR MANAGEMENT INDUSTRIES INC RANCHO CUCAMONGA CA	03/15/2016
212912	2200073087	03/03/2016	USD	400.87	AIRGAS WEST INC PASADENA CA	03/07/2016
212913	2200073135	03/03/2016	USD	459.97	ALFA 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	BIOTAGE LLC PHILADELPHIA PA	03/09/2016
212916	2200073070	03/03/2016	USD	1,954.24	BRITHLEE 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	169.00	CHINO CREEK TOASTMASTER CLUB CHINO HILLS CA	03/08/2016
212927	2200073116	03/03/2016	USD	798.00	CHINO MPG & REPAIR INC CHINO CA	03/08/2016
212928	2200073176	03/03/2016	USD	388.75	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	03/07/2016
212929	2200073161	03/03/2016	USD	3,341.17	CITY OF CHINO CHINO CA	03/09/2016
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 MORRIETA CA	03/10/2016
212932	2200073136	03/03/2016	USD	650.00	DAVID WHEELER'S-PEST CONTROL, NORCO CA	03/09/2016
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	ELITE, STEVE CHINO HILLS CA	03/15/2016
212936	2200073075	03/03/2016	USD	120.00	FEDERAL EXPRESS CORP PASADENA CA	03/08/2016
212937	2200073076	03/03/2016	USD	963.79	FISHER SCIENTIFIC LOS ANGELES CA	03/07/2016
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	FLW 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	GERVACTO, 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	HAWTHORNE 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

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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	2200073167	03/03/2016	USD	186.00	IEUA EMPLOYEES' ASSOCIATION CHINO HILLS CA	03/09/2016	
212959	2200073170	03/03/2016	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA 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 PASADENA CA	03/08/2016	
212962	2200073148	03/03/2016	USD	2,125.00	LAW OFFICE OF MICHAEL R NEBENZKALASAS 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	306.43	LORIAN EDUCATION SERVICES EAU CLAIRE WI	03/08/2016	
212966	2200073178	03/03/2016	USD	288.00	MARIA FRESQUEZ LAS VEGAS NV	03/08/2016	
212967	2200073102	03/03/2016	USD	1,343.93	MCMASHER-CARR SUPPLY CO CHICAGO IL	03/09/2016	
212968	2200073105	03/03/2016	USD	1,036.64	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	MSO 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 COURIERS 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	PANTAWING, 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	
212982	2200073143	03/03/2016	USD	733.64	PMC ENGINEERING LLC DANBURY CT	03/08/2016	
212983	2200073194	03/03/2016	USD	300.00	PONCE, GEOFFREY CHINO CA	03/10/2016	
212984	2200073151	03/03/2016	USD	76.46	PREMIUM PROMOTIONALS UPLAND CA	03/10/2016	
212985	2200073138	03/03/2016	USD	138.76	PRINTSOUTH CHICAGO IL	03/09/2016	
212986	2200073081	03/03/2016	USD	2,829.48	RAMONA TIRE & SERVICE CENTERS HEMET CA	03/09/2016	
212987	2200073082	03/03/2016	USD	290.50	RAYNE WATER CONDITIONING COVINA CA	03/07/2016	
212988	2200073071	03/03/2016	USD	105.84	REM LOCK & KEY ONTARIO CA	03/11/2016	
212989	2200073107	03/03/2016	USD	225.00	RED WING SHOE STORE CORONA CA	03/11/2016	
212990	2200073108	03/03/2016	USD	340.18	RED WING SHOE STORE FONTANA CA	03/11/2016	
212991	2200073106	03/03/2016	USD	413.08	RED WING SHOE STORE UPLAND CA	03/11/2016	
212992	2200073109	03/03/2016	USD	225.00	RED WING SHOES SAN BERNARDINO CA	03/15/2016	
212993	2200073179	03/03/2016	USD	14.15	REED, RANDALL J CHINO HILLS CA	03/14/2016	
212994	2200073184	03/03/2016	USD	487.08	ROBISON, JOHN CHINO HILLS CA	03/08/2016	
212995	2200073134	03/03/2016	USD	6,190.00	ROGERS ANDERSON MALOY & SCOTT SAN BERNARDINO CA	03/08/2016	
212996	2200073115	03/03/2016	USD	18,667.87	ROSMOUNT INC CHICAGO IL	03/07/2016	
212997	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	



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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, FUEHLA, 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	400.15	SOBELTER, PETER CHINO HILLS CA	03/14/2016
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 ILLARGO FL	03/09/2016
213008		2200073111	03/03/2016	USD	3,648.24	TELEDYNE INSTRUMENTS INC DALLAS TX	03/11/2016
213009		2200073125	03/03/2016	USD	106,490.00	THE AUSTIN COMPANY CLEVELAND 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	03/09/2016
213016		2200073147	03/03/2016	USD	1,285.25	V3TT CONSULTING INC NAPEVILLE IL	03/08/2016
213017		2200073124	03/03/2016	USD	3,498.02	VALLEY COURIERS INC CALABASAS CA	03/09/2016
213018		2200073127	03/03/2016	USD	39,181.11	VAUGHAN'S INDUSTRIAL REPAIR COPARMOUNT CA	03/08/2016
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 DSPRINGE -- 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 INCATLANTA GA	03/09/2016
213025		2200073130	03/03/2016	USD	297.00	YRC PASADENA CA	03/07/2016
213026		2200073201	03/03/2016	USD	239.14	AMERICAN HERITAGE LIFE INSURANDALLAS TX	03/17/2016
213027		2200073200	03/03/2016	USD	1,361.15	BURRTEC WASTE INDUSTRIES INC FONTANA CA	03/10/2016
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	03/09/2016
213030		2200073207	03/03/2016	USD	329.80	LEGALSHIELD ADA OK	03/11/2016
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	7,724.85	SO CALIF GAS MONTREY 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	03/08/2016
213039		2200073202	03/03/2016	USD	2,766.88	WESTERN DENTAL PLAN ORANGE CA	03/10/2016
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

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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 FORBET CA	03/11/2016
213045		2200073226	03/08/2016	USD	18.00	SCUBA 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	TELL STEEL LONG BEACH CA	03/14/2016
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 V S INC CHICAGO IL	03/14/2016
213053		2200073225	03/08/2016	USD	1,601.78	TRANSCAT INC BALTIMORE MD	03/14/2016
213054		2200073228	03/08/2016	USD	125.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	03/14/2016
213055		2200073238	03/08/2016	USD	350.00	TRIPLEI SMITH AND ASSOCIATES, IRVINE CA	03/22/2016
213056		2200073236	03/08/2016	USD	19,414.43	U S BANK ST LOUIS MO	03/15/2016
213057		2200073231	03/08/2016	USD	198.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	03/10/2016
213058		2200073229	03/08/2016	USD	1,106.66	ULTRA SCIENTIFIC-NORTH KINGSTOWN RI	03/14/2016
213059		2200073240	03/08/2016	USD	667.58	USA SAFETY SOLUTIONS INC MADISON WI	03/16/2016
213060		2200073221	03/08/2016	USD	1,871.40	VWR INTERNATIONAL LLC PITTSBURGH PA	03/14/2016
213061		2200073235	03/08/2016	USD	118.81	WAUKESHA-PEARCE INDUSTRIES INC DALLAS TX	03/14/2016
213062		2200073222	03/08/2016	USD	2,862.26	WAXIE SANITARY SUPPLY LOS ANGELES CA	03/16/2016
213063		2200073223	03/08/2016	USD	5,049.79	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	03/11/2016
213065		2200073360	03/10/2016	USD	300.00	ABUJDEH, NAJEEB UPLAND CA	03/23/2016
213066		2200073273	03/10/2016	USD	2,574.87	ACCURATE AIR ENGINEERING INC CERRITOS CA	03/16/2016
213067		2200073287	03/10/2016	USD	17,398.63	ACCURATE MEASUREMENT SYSTEMS IDANA POINT CA	04/07/2016
213068		2200073313	03/10/2016	USD	490.00	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA	03/16/2016
213069		2200073331	03/10/2016	USD	4,800.00	AIR MANAGEMENT INDUSTRIES INC RANCHO CUCAMONGA CA	03/15/2016
213070		2200073266	03/10/2016	USD	54,686.93	AIRGAS WEST INC PASADENA CA	03/21/2016
213071		2200073252	03/10/2016	USD	645.45	ALLIED ELECTRONICS INC FORT WORTH TX	03/23/2016
213072		2200073316	03/10/2016	USD	214.60	ALTA FOODCRAFT COFFEE ORANGE CA	03/15/2016
213073		2200073289	03/10/2016	USD	200.00	AMERICAN ACADEMY OF ENVIRONMENTAL POLIS MD	04/01/2016
213074		2200073271	03/10/2016	USD	3,240.00	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	03/15/2016
213075		2200073348	03/10/2016	USD	25.92	ARCHER, WILLIAM CHINO HILLS CA	03/22/2016
213076		2200073318	03/10/2016	USD	1,663.96	ASAP INDUSTRIAL SUPPLY FONTANA CA	03/15/2016
213077		2200073332	03/10/2016	USD	36,186.49	BLACK DOG ANALYTICAL LLC MARSEILLES IL	03/21/2016
213078		2200073286	03/10/2016	USD	496.02	BOOT BARN INC IRVINE CA	03/21/2016
213079		2200073358	03/10/2016	USD	212.76	BOUGHAN, ARIN CHINO HILLS CA	03/15/2016
213080		2200073301	03/10/2016	USD	100.00	BOWMAN, JIM W ONTARIO CA	03/22/2016
213081		2200073342	03/10/2016	USD	5,909.62	BURRTEC WASTE INDUSTRIES INC FONTANA CA	03/17/2016
213082		2200073295	03/10/2016	USD	950.00	CALIFORNIA HAZARDOUS SERVICES SANTA ANA CA	03/15/2016
213083		2200073307	03/10/2016	USD	6,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	03/16/2016
213084		2200073324	03/10/2016	USD	12,688.96	CALIFORNIA WATER TECHNOLOGIES-PASADENA CA	03/14/2016
213085		2200073274	03/10/2016	USD	132.64	CALOINFPIC SAFETY CORONA CA	03/15/2016
213086		2200073253	03/10/2016	USD	6,128.77	CAITROL INC LOS ANGELES CA	03/14/2016

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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	CDW 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 LOC#150 PHOENIX AZ	03/17/2016
213092	2200073255	03/10/2016	USD	49.41	CITY RENTALS INC ONTARIO CA	03/17/2016
213093	2200073320	03/10/2016	USD	3,250.00	CIVIC PUBLICATIONS INC LA VERNE CA	03/21/2016
213094	2200073314	03/10/2016	USD	300.00	CLA-VAL SERVICE TRAINING SCHOOCOSTA MESA CA	03/15/2016
213095	2200073334	03/10/2016	USD	113,395.80	CONSERVE LANDCARE INC THOUSAND PALMS CA	03/16/2016
213096	2200073256	03/10/2016	USD	1,230,029.88	COUNTY SANITATION-DISTRICTS OFWHITTIER CA	03/16/2016
213097	2200073337	03/10/2016	USD	55.20	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	03/15/2016
213098	2200073257	03/10/2016	USD	603.36	DATALOK COMPANY, THE LOS ANGELES CA	03/16/2016
213099	2200073317	03/10/2016	USD	627.12	DAVID WHEELER'S PEST CONTROL, NORCO CA	03/16/2016
213100	2200073326	03/10/2016	USD	400.00	DEBBY FIGONI ALTADENA CA	03/17/2016
213101	2200073288	03/10/2016	USD	9,943.20	DUDEK & ASSOCIATES INC ENCINITAS CA	03/24/2016
213102	2200073299	03/10/2016	USD	100.00	BATON, PAUL MONICLAIR CA	04/11/2016
213103	2200073298	03/10/2016	USD	100.00	ELROD, EARL CHINO CA	03/15/2016
213104	2200073315	03/10/2016	USD	16,560.00	EMERNOC, INC. PASADENA CA	03/15/2016
213105	2200073321	03/10/2016	USD	1,500.00	EPI-USE AMERICA INC ATLANTA GA	03/21/2016
213106	2200073259	03/10/2016	USD	860.43	FISHER SCIENTIFIC LOS ANGELES CA	03/14/2016
213107	2200073341	03/10/2016	USD	2,155.44	FOUNDATION HA ENERGY GENERATIONSAN FRANCISCO CA	03/15/2016
213108	2200073268	03/10/2016	USD	240.00	GERALD R WALKER LAGUNA NIGUEL CA	03/15/2016
213109	2200073270	03/10/2016	USD	7,099.06	GRAINGER PALATINE IL	03/15/2016
213110	2200073305	03/10/2016	USD	10,413.09	GRISWOLD INDUSTRIES COSTA MESA CA	03/15/2016
213111	2200073260	03/10/2016	USD	7,667.46	HARRINGTON INDUSTRIAL PLASTICCHINO CA	03/15/2016
213112	2200073330	03/10/2016	USD	484.50	HEIDER INSPECTION GROUP ONTARIO CA	03/17/2016
213113	2200073261	03/10/2016	USD	2,032.88	HOME DEPOT CREDIT SERVICES DES MOINES IA	03/18/2016
213114	2200073356	03/10/2016	USD	313.39	HUNTER, BONNIE CHINO HILLS CA	03/15/2016
213115	2200073344	03/10/2016	USD	12.00	IEUA EMPLOYEES' ASSOCIATION CHINO HILLS CA	03/15/2016
213116	2200073280	03/10/2016	USD	42.18	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	03/16/2016
213117	2200073335	03/10/2016	USD	9,019.92	INSTRUMENTS DIRECT INC KENNESAW GA	03/15/2016
213118	2200073302	03/10/2016	USD	2,872.13	INTEGRATED DESIGN SERVICES INCIRVINE CA	03/21/2016
213119	2200073296	03/10/2016	USD	126.00	JURUPA UNIFIED SCHOOL DISTRICTTURUPA VALLEY CA	03/15/2016
213120	2200073272	03/10/2016	USD	2,705.40	KONICA MINOLTA PASADENA CA	03/15/2016
213121	2200073345	03/10/2016	USD	66.48	KOPP, LINDA CHINO HILLS CA	03/21/2016
213122	2200073308	03/10/2016	USD	6,000.00	LANAR ADVERTISING LOMA LINDA CA	03/15/2016
213123	2200073333	03/10/2016	USD	1,190.00	LANDSCAPE WEST MANAGEMENT SERVCHINO CA	03/15/2016
213124	2200073353	03/10/2016	USD	99.00	LAU, ALAN CHINO HILLS CA	03/25/2016
213125	2200073346	03/10/2016	USD	340.00	LEE, RANDY CHINO HILLS CA	04/05/2016
213126	2200073343	03/10/2016	USD	932.53	LEVEL 3 COMMUNICATIONS LLC DENVER CO	03/15/2016
213127	2200073325	03/10/2016	USD	90.00	LITTLE SISTER'S TRUCK WASH, INBONSALL CA	03/16/2016
213128	2200073312	03/10/2016	USD	2,855.14	MARS ENVIRONMENTAL INC ANAHEIM CA	03/21/2016
213129	2200073276	03/10/2016	USD	794.62	MCMASTER-CARR SUPPLY CO CHICAGO IL	03/15/2016
213130	2200073277	03/10/2016	USD	1,796.74	MIDPOINT BEARING ONTARIO CA	03/15/2016

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	213131	2200073267	03/10/2016	USD	1,260.77	MISSION REPROGRAPHICS RIVERSIDE CA	03/15/2016
	213132	2200073357	03/10/2016	USD	27.11	MANGIA, SAPNA CHINO HILLS CA	03/16/2016
	213133	2200073352	03/10/2016	USD	350.00	MOELTE, JEFF CHINO HILLS CA	03/17/2016
	213134	2200073275	03/10/2016	USD	100.00	WRD, 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	1,304.09	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	03/15/2016
	213137	2200073290	03/10/2016	USD	658.20	PANTHER PROTECTION ORANGE CA	03/15/2016
	213138	2200073285	03/10/2016	USD	2,432.75	PARKSON CORP ORLANDO FL	03/15/2016
	213139	2200073262	03/10/2016	USD	12.01	PATTON SALES CORP ONTARIO CA	03/15/2016
	213140	2200073269	03/10/2016	USD	181.81	PETTY CASH EXPENDITURES CHINO CA	03/22/2016
	213141	2200073293	03/10/2016	USD	1,284.42	PONTON INDUSTRIES INC YORBA LINDA CA	03/21/2016
	213142	2200073328	03/10/2016	USD	458.00	PRO FLOW DYNAMICS LLC CORONA CA	03/16/2016
	213143	2200073347	03/10/2016	USD	13.50	QUIROZ, OSCAR CHINO HILLS CA	03/17/2016
	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	RBW LOCK & KEY ONTARIO CA	03/18/2016
	213146	2200073319	03/10/2016	USD	7,702.24	RDO 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	RYTAN & 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, SHAWN 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	TRIPEPT SMITH AND ASSOCIATES, IRVINE CA	03/23/2016
	213163	2200073291	03/10/2016	USD	2,400.00	U S BANK WA 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	URIMAKE 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	UTILIQUEST 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	WAXIE SANITARY SUPPLY LOS ANGELES CA	03/16/2016
	213173	2200073349	03/10/2016	USD	350.00	ZUGHEI, JAWAL A CHINO HILLS CA	03/14/2016
	213174	2200073404	03/17/2016	USD	516.15	ACCURATE AIR ENGINEERING INC CERRITOS CA	03/23/2016

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	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	03/22/2016
	213181	2200073428	03/17/2016	USD	1,560.90	AMERICAN PRINTING & PROMOTIONSEASTVALE CA	03/28/2016
	213182	2200073442	03/17/2016	USD	1,999.00	AMERICAN WATER COLLEGE LANCASTER CA	03/29/2016
	213183	2200073481	03/17/2016	USD	124.28	ARMBULA, BLANCA CHINO HILLS CA	04/05/2016
	213184	2200073435	03/17/2016	USD	855.93	ASAP INDUSTRIAL SUPPLY FONTANA CA	03/23/2016
	213185	2200073415	03/17/2016	USD	110.00	ASSOC OF GOVERNMENT ACCOUNTANTWASHINGTON DC	03/25/2016
	213186	2200073421	03/17/2016	USD	2,312.05	AUMA ACUATORS INC PITTSBURGH PA	03/23/2016
	213187	2200073438	03/17/2016	USD	915.19	AUTOZONE INC ATLANTA GA	03/22/2016
	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 RIVER FL	03/23/2016
	213191	2200073407	03/17/2016	USD	4,883.92	CAROLLO ENGINEERS SACRAMENTO CA	03/22/2016
	213192	2200073476	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 EMPLOYEES 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 INSURCOLUMBIA SC	03/22/2016
	213198	2200073466	03/17/2016	USD	36.44	CONSECO LIFE INSURANCE COMPANYFLANTA GA	03/24/2016
	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	DELLI MARKETING L P PASADENA CA	03/21/2016
	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	ELIE, 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, INCGRAPEVINE 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 INSURANCINCINNATI 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 INTERNATIONALSAN MARCOS CA	03/22/2016
	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	GRAINGER PALATINE IL	03/21/2016
	213216	2200073487	03/17/2016	USD	1,708.34	HALL, JASMIN CHINO HILLS CA	03/19/2016
	213217	2200073390	03/17/2016	USD	4,735.89	HARRINGTON INDUSTRIAL PLASTICSCHINO CA	03/22/2016
	213218	2200073444	03/17/2016	USD	1,492.50	HEIDER INSPECTION GROUP SAN RAMON CA	03/23/2016

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Check	Check number from to	Payment	Pmnt 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 CUCAWONGA 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	03/23/2016
	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	MICROAGE TEMPE AZ	03/22/2016
	213237	2200073409	03/17/2016	USD	481.32	MIDPOINT BEARING ONTARIO CA	03/21/2016
	213238	2200073434	03/17/2016	USD	691.20	MULTY INDUSTRIES PRECISION MACONTARIO CA	03/23/2016
	213239	2200073448	03/17/2016	USD	3,962.61	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	03/21/2016
	213240	2200073465	03/17/2016	USD	70.98	PERS LONG TERM CARE PROGRAM PASADENA CA	03/24/2016
	213241	2200073395	03/17/2016	USD	10,844.80	PETE'S ROAD SERVICE FULLERTON CA	03/23/2016
	213242	2200073460	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	03/31/2016
	213244	2200073472	03/17/2016	USD	60.48	ROSALES, TIMOTEO CHINO HILLS CA	03/29/2016
	213245	2200073480	03/17/2016	USD	55.84	SCHERCK, JOHN CHINO HILLS CA	03/30/2016
	213246	2200073445	03/17/2016	USD	807.99	SEAL ANALYTICAL INC MEQUON WI	03/23/2016
	213247	2200073454	03/17/2016	USD	276.72	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	03/25/2016
	213248	2200073486	03/17/2016	USD	39.80	SMITH, JEANNETTE CHINO HILLS CA	03/22/2016
	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	03/30/2016
	213251	2200073474	03/17/2016	USD	8.00	SOLIS, RACHAEL CHINO HILLS CA	03/29/2016
	213252	2200073429	03/17/2016	USD	7,337.70	SUN WIRELESS SAN DIEGO CA	03/23/2016
	213253	2200073423	03/17/2016	USD	170,797.15	SWRCE 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	03/22/2016
	213260	2200073416	03/17/2016	USD	19,811.65	W A PASTIC 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

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	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	ALS 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	APPHONE 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 MEADOWS CO JAMESVILLE WI	03/30/2016
	213275		2200073514	03/24/2016	USD	2,766.93	BRITHINEE ELECTRIC COULTON 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		2200073531	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	03/30/2016
	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. ESCONDIDO 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	1,670.00	CORRPO 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		2200073567	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	7,253.81	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	03/29/2016

Check Register

Inland Empire Util. Agency  
 Chino, CA  
 Company code 1000

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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/PLITTSBURGH EA	03/29/2016	
213309	2200073525		03/24/2016	USD	238.46	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 FILANC 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	2,602.03	KONICA MINOLTA BUSINESS SOLUTIPASADENA CA	03/30/2016	
213314	2200073578		03/24/2016	USD	777.62	MAILFINANCE INC CHICAGO IL	03/31/2016	
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	03/29/2016	
213321	2200073562		03/24/2016	USD	150.00	NOBEL SYSTEMS INC SAN BERNARDINO CA	04/04/2016	
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	2200073696		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	2200073524		03/24/2016	USD	1,802.89	PETE'S ROAD SERVICE FULLERTON CA	03/29/2016	
213330	2200073557		03/24/2016	USD	335.50	PLUMBERS DEPOT INC HAWTHORNE CA	04/03/2016	
213331	2200073567		03/24/2016	USD	2,128.26	POLIARDWATER.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 LECHEA 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 WHOLESAL 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	SCPMA-HR LOS ANGELES CA	04/01/2016	
213342	2200073584		03/24/2016	USD	12,653.98	SINNOTT, FUEBLA, CAMPAGNE & CULOS ANGELES CA	04/01/2016	
213343	2200073608		03/24/2016	USD	570.24	SKALAR INC BUFORD GA	03/31/2016	
213344	2200073561		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 AOMD 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	SWRCE 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	





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213395		2200073846	03/31/2016	USD	98.42	CARL H TAYLOR III CRYSTAL RIVER FL	04/06/2016
213396		2200073788	03/31/2016	USD	10,193.73	CHINO BASIN WATER CONSERVATION MONTCLAIR CA	04/06/2016
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 EMPLOYEES 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 ANGELES CA	04/05/2016
213402		2200073811	03/31/2016	USD	250.00	DAVE'S PLUMBING CHINO HILLS CA	04/05/2016
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	04/09/2016
213405		2200073852	03/31/2016	USD	56.70	ELIE, STEVE CHINO HILLS CA	04/09/2016
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	04/11/2016
213408		2200073825	03/31/2016	USD	7,115.15	FERRERA COASTAL CONSTRUCTION BRANCHBURG 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 PALMATE IN 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	183.00	IEUA EMPLOYEES' ASSOCIATION CHINO HILLS CA	04/06/2016
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	04/04/2016
213423		2200073790	03/31/2016	USD	12.51	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	04/06/2016
213424		2200073844	03/31/2016	USD	329.80	LEGALSHIELD ADA OK	04/07/2016
213425		2200073843	03/31/2016	USD	160.70	LINCOLN LIFE-TERM LIFE CHICAGO IL	04/11/2016
213426		2200073826	03/31/2016	USD	1,918.89	MANAGED MOBILE INC PLACENTIA CA	04/05/2016
213427		2200073847	03/31/2016	USD	192.00	MARIA FRESQUEZ LAS VEGAS NV	04/06/2016
213428		2200073814	03/31/2016	USD	590.00	MARS ENVIRONMENTAL INC YORBA LINDA CA	04/11/2016
213429		2200073789	03/31/2016	USD	1,300.00	MBC APPLIED ENVIRONMENTAL SCIECOSTA MESA CA	04/06/2016
213430		2200073799	03/31/2016	USD	2,415.46	MCCROMETER INC CHICAGO IL	04/06/2016
213431		2200073821	03/31/2016	USD	1,479.12	MICROAGE PHOENIX AZ	04/06/2016
213432		2200073795	03/31/2016	USD	678.09	MIDPOINT BEARING 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		2200073849	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	04/11/2016
213437		2200073800	03/31/2016	USD	5,000.00	NATIONAL WATER RESEARCH INSTITUTFOUNTAIN VALLEY CA	04/06/2016
213438		2200073794	03/31/2016	USD	50.00	NRD, LLC GRAND ISLAND NY	04/06/2016

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	213439	2200073774	03/31/2016	USD	921.78	OFFICE DEPOT LOS ANGELES CA	04/04/2016
	213440	2200073856	03/31/2016	USD	300.00	PEREZ, 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	PETTY 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 WHOLESAL 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 COORONA 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	04/11/2016
	213460	2200073792	03/31/2016	USD	562.76	WASTE MANAGEMENT OF LOS ANGELES CA	04/05/2016
					4,570,464.11		
* Payment method Check				USD			

Bank CBB CITIZENS BUSINESS BANK ONTARIO CA 917610000  
 Bank Key 122234149  
 Acct number WCOMP 231159290

Checks created manually

Check number	from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./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					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	HR 0042300 14,147.51
	PUBLIC EMPLOYEE'S RETIREMENT S\$	14,147.51
Wire	STATE DISBURSEMENT UNIT P/R 6 3/17	HR 0042300 1,135.25
	STATE DISBURSEMENT UNIT	\$ 1,135.25
Wire	STATE BOARD OF EQUALIZATION 2/16 Sales Tax Deposit	23784561 2/16 7,567.00
	STATE BOARD OF EQUALIZATION	\$ 7,567.00
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 6 3/17 PERS	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	030416 42.30- HR 0042100 256,081.87
	PUBLIC EMPLOYEES RETIREMENT SY\$	256,039.57
Wire	METROPOLITAN WATER DISTRICT January 2016 Water Purchase	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 ASSOCIA\$		420.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 5 3/4 Employee Ded	HR 0042100	1,069.10
	IEUA GENERAL EMPLOYEES ASSOCIA\$		1,069.10
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 5 3/4 Employee Ded	HR 0042100	430.00
	IEUA PROFESSIONAL EMPLOYEES AS\$		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 & CLO\$		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" Prmry 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 22,375.00 46-1141-1/16 Prof Svcs 16-006R 24,640.00 46-1141-1/16 Prof Svcs 16-003 13,230.00	
	GK & ASSOCIATES INC	\$ 60,245.00
ACH	SHELL ENERGY NORTH AMERICA LP 1/16 Gas Commodity-Non Core 2747100 835.33- RP2/RP5-1/1-1/31 16400 El Prado Rd 10/1- 2044 1/16 138.07- 1/16 Gas Commodity-Non Core 2743634 15,446.97 1/16 Gas Cmmnty-Core, 11/15 Adj 1100002880301 1,168.27 RP1-1/1-1/31 2450 Phila St 10/1-10/31 Ad 2042 1/16 73,835.04 CCWRP/TP/RWP-1/1-1/31 14950 Tlphn 10/1-1 2046 1/16 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 1,096.00 TP1-4,896 Gals Sodium Hypochlorite 2120588 2,683.01 CCWRP-3,006 Gals Sodium Hypochlorite 2120587 1,647.29 TP1-4,944 Gals Sodium Hypochlorite 2120000 2,709.31 RP5-4,962 Gals Sodium Hypochlorite 2119502 2,719.18 TP1-4,902 Gals Sodium Hypochlorite 2118940 2,686.30 CCWRP-3,000 Gals Sodium Hypochlorite 2115677 1,644.00 TP1-4,906 Gals Sodium Hypochlorite 2115678 2,688.49 CCWRP-3,004 Gals Sodium Hypochlorite 2118939 1,646.19 RP4-2,496 Gals Sodium Hypochlorite 2118244 1,367.81 TP1-4,910 Gals Sodium Hypochlorite 2118243 2,690.68 RP4-3,998 Gals Sodium Hypochlorite 2116775 2,190.90 CCWRP-3,014 Gals Sodium Hypochlorite 2117330 1,651.67 TP1-4,946 Gals Sodium Hypochlorite 2117331 2,710.41 TP1-4,958 Gals Sodium Hypochlorite 2117642 2,716.98 TP1-4,952 Gals Sodium Hypochlorite 2117759 2,713.70 TP1-4,942 Gals Sodium Hypochlorite 2123718 2,708.22 TP1-4,938 Gals Sodium Hypochlorite 2123431 2,706.02 RP5-4,892 Gals Sodium Hypochlorite 2122497 2,680.82 TP1-4,922 Gals Sodium Hypochlorite 2124289 2,697.26 RP4-2,406 Gals Sodium Hypochlorite 2120589 1,318.49 TP1-4,832 Gals Sodium Hypochlorite 2120831 2,647.94 CCWRP-2,946 Gals Sodium Hypochlorite 2124856 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
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	146.92
	HEALTH PREM	146.92
	FOLEY III, DANIEL J.	\$ 146.92
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	125.00
	HEALTH PREM	125.00
	CLEVELAND, JAMES	\$ 125.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	845.41
	HEALTH PREM	845.41
	LANGNER, CAMERON	\$ 845.41
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	146.92
	HEALTH PREM	146.92
	HAMILTON, LEANNE	\$ 146.92
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	125.00
	HEALTH PREM	125.00
	HOOSHMAND, RAY	\$ 125.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	125.00
	HEALTH PREM	125.00
	SCHLAPKOHL, JACK	\$ 125.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	177.53
	HEALTH PREM	177.53
	POOLE, PHILLIP	\$ 177.53
ACH	ADAMS, BARBARA Reim Monthly Health Prem	148.62
	HEALTH PREM	148.62
	ADAMS, BARBARA	\$ 148.62
ACH	RUESCH, GENECE Reim Monthly Health Prem	458.68
	HEALTH PREM	458.68
	RUESCH, GENECE	\$ 458.68
ACH	DECOITE, JOANN Reim Monthly Health Prem	125.00
	HEALTH PREM	125.00
	DECOITE, JOANN	\$ 125.00
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	543.83
	HEALTH PREM	543.83
	AMBROSE, JEFFREY	\$ 543.83
ACH	MERRILL, DIANE Reim Monthly Health Prem	271.92
	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

**CONSENT  
CALENDAR  
ITEM**

**3C**







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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: P. Joseph Grindstaff   
General Manager

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

 Jason Gu   
Grants Officer

Subject: Recharge Master Plan Update Project Resolutions and Agreements

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### **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 First Amendment to 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	CBRFA	IEUA	CLA		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
Decluz 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>\$ 19,585,000</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>6,497</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 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



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

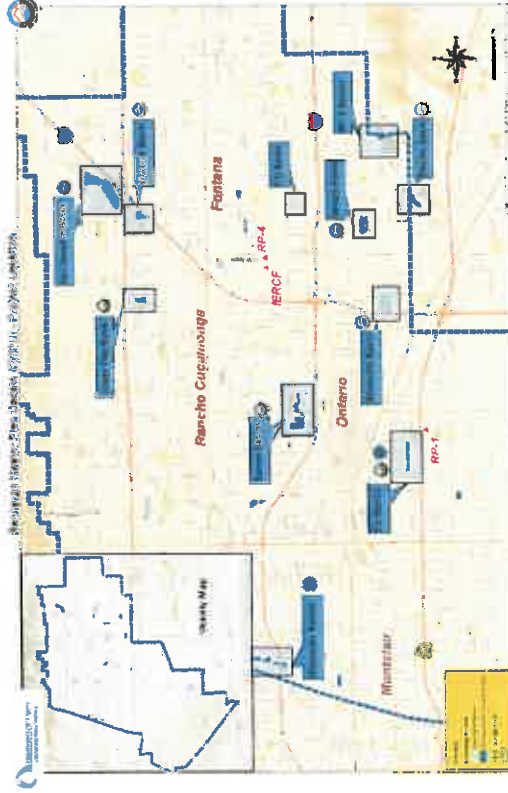
- \* Improve the Groundwater Recharge Basins
- \* Clean-up the South Archibald TCE Plume
- \* Meet Drinking Water Standards
- \* \$66M Combined Project Cost, \$32M grant

## CWSRF Loan for Project Planning and Design

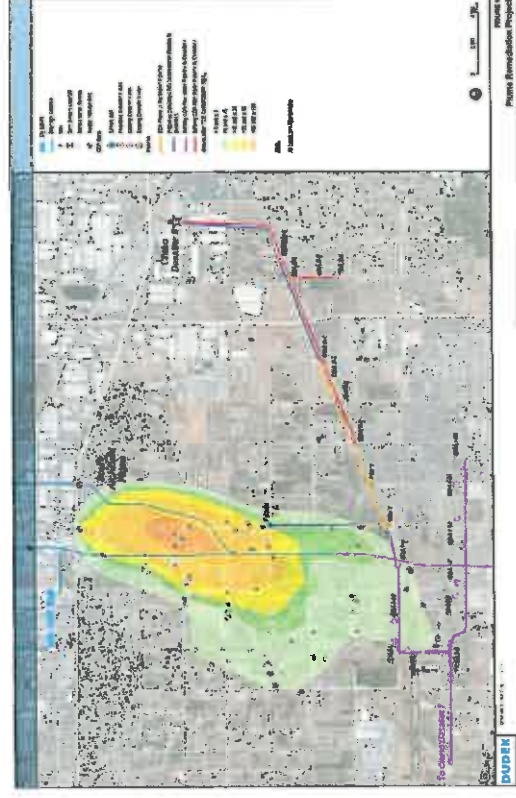


# Recharge Master Plan update TCE Plume Cleanup Project

**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. Elic, 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 Recharge Master Plan Update (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 #8223-110. 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:

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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 June 1, 2016**

**By and Among**

**CHINO BASIN REGIONAL FINANCING AUTHORITY,**

**INLAND EMPIRE UTILITIES AGENCY**

**and**

**CHINO BASIN WATERMASTER**

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## MASTER RECHARGE FACILITIES FINANCING AGREEMENT

This Agreement, dated as of June 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, Watermaster has been ordered to implement 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 Court's order approving 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 develop and 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, sufficient replenishment capability exists to meet the reasonable projections of desalter replenishment obligations.

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 June 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.

“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 recharge facilities improvements 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 are the subject of cost sharing under the Master Agreement. The parties acknowledge that portions of 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 Debt Resolution to administer any funds or accounts required by such 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 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, IEUA shall provide to Watermaster, and Watermaster shall utilize, the Projects for recharge purposes in accordance with the Judgement, Section 5.1 of the Peace Agreement and Program Element 2 of Exhibit B thereto, and Section VIII of the Peace II Agreement. Subject to Watermaster's payment obligations hereunder, the Authority agrees to use its best efforts to finance each Project pursuant to this Agreement. 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. 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 each Project, including the payment of operation and maintenance costs with respect to the Project consistent with the Bright Line Agreement and Section VIII of the Peace II Agreement. The Authority shall have no responsibility to operate or maintain or pay any operation and maintenance costs with respect to any Project. Nothing contained in this Agreement shall create any additional obligations of IEUA to operate or maintain or pay any operation and maintenance costs with respect to any Projects.

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

Neither the Authority nor any of its 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 and IEUA shall indemnify and hold harmless the Authority and its officers, agents, and employees from any such damages or claims of damages.

Section 5. Rates and Charges.

(a) Establishment of Rates and Charges. 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 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 Agency Fiscal Year. If funds collected by the Agency in any Agency Fiscal Year are insufficient to pay Fixed Project Costs of a Project in such Agency Fiscal Year, the 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 the Watermaster share of Fixed Project Costs of

each Project shall commence upon execution of the respective Annex to this Agreement and continue to exist and be honored by Watermaster whether or not 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 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 a Project is completed, operable, operated or retired and notwithstanding the suspension, interruption, interference, reduction or curtailment of operation of 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 a 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, 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 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 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, 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 Brownstein Hyatt Farber Schreck, 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  
9641 San Bernardino Road  
Rancho Cucamonga, California 91730  
Attention: General Manager

With a copy to: Brownstein Hyatt Farber Schreck  
1020 State Street  
Santa Barbara, CA 93101

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

With a copy to: Jean Cihigoyenetche  
Cihigoyenetche, 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: \_\_\_\_\_  
General Manager

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**

<b>RMPU Project</b>	<b>Benefits (AFY)</b>		<b>Cost Share (%)</b>		<b>Total Project Budget</b>	<b>Potential Funding</b>	
	<b>RW</b>	<b>SW</b>	<b>CBMW</b>	<b>IEUA</b>		<b>Grants</b>	<b>Loans</b>
San Sevaine Basin Improvement Project	4,100	642	50%	50%	\$6,460,000	\$3,540,000	\$2,920,000
Lower Day Basin		789	100%		\$2,480,000	\$1,125,000	\$1,355,000
<b>Total</b>	<b>4,100</b>	<b>1,431</b>	<b>-</b>	<b>-</b>	<b>\$8,940,000</b>	<b>\$1,128,540</b>	<b>\$4,275,000</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: \_\_\_\_\_  
General Manager

**ANNEX A-2**

<b>RMPU Project</b>	<b>Benefits (AFY)</b>		<b>Cost Share (%)</b>		<b>Total Project Budget</b>	<b>Potential Funding</b>	
	<b>RW</b>	<b>SW</b>	<b>CBMW</b>	<b>IEUA</b>		<b>Grants</b>	<b>Loans</b>
CSI Storm Water Basin	-	81	100%	-	\$440,000	\$ -	\$440,000
Wineville PS to Jurupa, Jurupa PS to RP3 Basin and RP3 Improvements	2,905	3,166	91%	9%	\$21,310,000	\$5,300,000	\$16,010,000
Declez Basin	-	241	100%	-	\$4,070,000	\$2,035,000	\$2,035,000
Victoria Basin	120	43	50%	50%	\$150,000	\$-	\$150,000
Turner Basin	-	66	100%	-	\$890,000	\$-	\$890,000
Ely Basin	-	221	100%	-	\$3,200,000	\$-	\$3,200,000
Montclair Basin	-	248	100%	-	\$1,440,000	\$-	\$1,440,000
<b>Total</b>	<b>3,025</b>	<b>4,066</b>	<b>-</b>	<b>-</b>	<b>\$31,500,000</b>	<b>\$7,335,000</b>	<b>\$24,165,000</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: \_\_\_\_\_  
General Manager

**FIRST AMENDMENT**  
**to**  
**MASTER AGREEMENT REGARDING THE**  
**MANAGEMENT OF COLLABORATIVE RECHARGE PROJECTS**  
**between**  
**INLAND EMPIRE UTILITIES AGENCY**  
**and**  
**CHINO BASIN WATERMASTER**

This First Amendment to Master Agreement Regarding the Management of Collaborative Recharge Projects between Inland Empire Utilities Agency and Chino Basin Watermaster is made and entered into as of this \_\_\_\_ day of May, 2016 by and between the Inland Empire Utilities Agency (IEUA) and the Chino Basin Watermaster (Watermaster) (each a “Party” and collectively, the “Parties”).

**RECITALS**

A. The Master Agreement Regarding the Management of Collaborative Recharge Projects between Inland Empire Utilities Agency and Chino Basin Watermaster (the “Master Agreement”) was entered into by IEUA and Watermaster, effective July 24, 2014.

B. IEUA and Watermaster, along with Chino Basin Regional Financing Authority, are entering into a Master Recharge Facilities Financing Agreement (“Master Financing Agreement”) to facilitate the financing of recharge projects, including recharge projects that are managed pursuant to the Master Agreement;

C. IEUA and Watermaster wish to amend the Master Agreement to reflect that some of the recharge projects managed pursuant to the Master Agreement will be financed pursuant to the Master Financing Agreement.

**NOW THEREFORE IT IS AGREED TO AMEND THE MASTER AGREEMENT AS FOLLOWS:**

1. Recital H to the Master Agreement shall be amended to read:

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, construction management services, and financing related costs;

2. Recital I to the Master Agreement shall be amended to read:

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");

3. Recital J to the Master Agreement shall be amended to read:

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, leading project management efforts, and securing debt financing under the Recharge Facilities Financing Agreement to support project costs;

4. Recital K to the Master Agreement shall be amended to read:

The Parties seek to develop a Master Agreement for joint management, 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.

5. Article 2.4 of the Master Agreement shall be amended to read:

**2.4 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 Fund (SRF) loans issued by the State Water Resources Control Board. 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.

6. The original Article 2.4 of the Master Agreement titled "No Partnership or Joint Venture" shall be renumbered as Article 2.5.

7. The original Article 2.5 of the Master Agreement titled "Project Litigation" shall be renumbered as Article 2.6.

8. Article 3.1 of the Master Agreement shall be amended to read:

**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.

9. Article 3.3 of the Master Agreement shall be amended to read:

**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.

10. The original Article 3.3 of the Master Agreement titled "Disputed Invoices" shall be renumbered as Article 3.4.

11. The original Article 3.4 of the Master Agreement titled "Reimbursement Limitations" shall be renumbered as Article 3.5.

**ALL OTHER PROVISIONS SHALL REMAIN UNCHANGED.**

IN WITNESS WHEREOF, the parties hereby have caused this Amendment to be entered into as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

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Joseph Grindstaff  
General Manager

CHINO BASIN WATERMASTER:

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Peter Kavounas  
General Manager

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## 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	\$ 1,884	1	\$ 30,000	\$ 540	\$ 783	\$ 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	\$ 316	\$ 466	\$ 782
3	\$ 29,559	\$ 1,478	\$ 506	\$ 1,984	3	\$ 28,460	\$ 512	\$ 791	\$ 1,303	3	\$ 17,076	\$ 307	\$ 474	\$ 782
4	\$ 29,053	\$ 1,453	\$ 531	\$ 1,984	4	\$ 27,670	\$ 498	\$ 805	\$ 1,303	4	\$ 16,602	\$ 299	\$ 483	\$ 782
5	\$ 28,521	\$ 1,426	\$ 558	\$ 1,984	5	\$ 26,865	\$ 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	\$ 24,728	\$ 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	\$ 23,193	\$ 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	\$ 15,998	\$ 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	\$ 12,898	\$ 232	\$ 1,071	\$ 1,303	20	\$ 7,739	\$ 139	\$ 642	\$ 782
21	\$ 15,320	\$ 766	\$ 1,218	\$ 1,984	21	\$ 11,827	\$ 213	\$ 1,090	\$ 1,303	21	\$ 7,096	\$ 128	\$ 654	\$ 782
22	\$ 14,112	\$ 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	\$ 3,706	\$ 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	\$ 1,890	\$ 94	\$ 1,890	\$ 1,984	30	\$ 1,280	\$ 23	\$ 1,280	\$ 1,303	30	\$ 768	\$ 14	\$ 768	\$ 782
<b>TOTAL</b>		\$ 29,022	\$ 30,500	\$ 59,522	<b>TOTAL</b>		\$ 9,088	\$ 30,000	\$ 39,088	<b>TOTAL</b>		\$ 5,453	\$ 18,000	\$ 23,453
<b>Amount Saved Compared to Bond</b>				\$ -					\$ 20,434					\$ 36,069

**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.

**CONSENT  
CALENDAR  
ITEM**

**3D**



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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 *Wa*  
General Manager

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

Sylvie Lee *SL*  
Manager of Planning and Environmental Resources

Subject: Contract Amendment for Demand Response Services

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### 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**

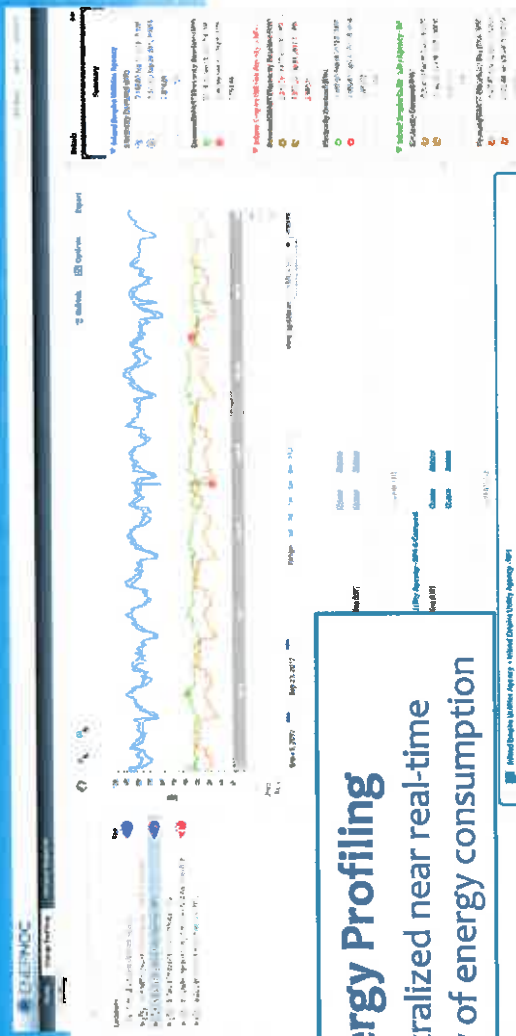
Pietro Cambiaso

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



**Energy Profiling**  
Centralized near real-time view of energy consumption

**Remote Access**  
Mobile access via laptop, tablet, smart phone



**Reports**  
Standard and custom reports on consumption, costs, trends, power factor, benchmarks

Number	Name	Category	Location	Meter Code	Billing Period	Start Date	End Date	Billed Use	Multired Use	Variance	Variance %
88603	Account Summary	Bill Management	Bradford PA	88603-HEI	7/15/08	7/15/08	950,007.00	950,727.54	(720.54)	(0.08%)	
88604	Bill Details (All Arizona Chilled)	Bill Management	Bradford PA	88604-HEI	7/15/08	7/15/08	1,436,705.10	1,379,530.37	(57,174.73)	(4.00%)	
88605	Bill To Meter Usage Comparison	Bill Management	Bradford PA	88605-HEI	7/15/08	7/15/08	1,737,854.00	401,415.00	(1,336,439.00)	(77.00%)	
88606	Building Report	Bill Management	Bradford PA	88606-HEI	7/15/08	7/15/08	42,004,808.00	41,503,361.49	(501,446.51)	(1.19%)	
88607	Buildings Ranked by Annualized Cost Per Area	Bill Management	Bradford PA	88607-HEI	7/15/08	7/15/08	42,004,808.00	41,503,361.49	(501,446.51)	(1.19%)	
88608	Executive Cost Profile Fiscal Year	Bill Management	Bradford PA	88608-HEI	7/15/08	7/15/08	42,004,808.00	41,503,361.49	(501,446.51)	(1.19%)	
88609	Executive Summary by Commodity	Bill Management	Bradford PA	88609-HEI	7/15/08	7/15/08	42,004,808.00	41,503,361.49	(501,446.51)	(1.19%)	
88610	Summary	Bill Management	Bradford PA	88610-HEI	7/15/08	7/15/08	42,004,808.00	41,503,361.49	(501,446.51)	(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)

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DocuSigned by:  
*Michael Berdik*  
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April 28, 2016 | 11:21

**CONSENT  
CALENDAR  
ITEM**

**3E**

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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 *Wa*  
General Manager

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

Sylvie Lee *SL*  
Manager of Planning and Environmental Resources

Subject: Amendment to Energy Service Provider Agreements

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### **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 Cambiasso

IEUA Board of Directors Meeting  
May 2016

# Electricity Procurement

Facility	Energy Purchase Agreement	Rate Components	
		Transmission	Commodity
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
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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
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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
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OTHER PRODUCT:	California Resource Adequacy
TERM:	June 1, 2016 through December 31, 2016
CONTRACT PRICE:	Fixed price of \$2.65/kW-month
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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 :** \_\_\_\_\_  
\_\_\_\_\_  
**Title :** \_\_\_\_\_  
\_\_\_\_\_  
**Date :** \_\_\_\_\_

\_\_\_\_\_  
**Name :** John W. Pillion  
\_\_\_\_\_  
**Title :** Confirmations Team Lead  
\_\_\_\_\_  
**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 UTILITY 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

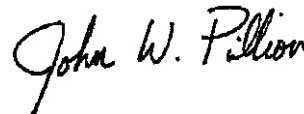
Confirmation Date:  
Trader:  
Commodity: Natural Gas

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 UTILITY AGENCY C138	5,400	Natural Gas Intelligence Social Gas CityGate +\$0.05000

#### 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.
  - 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".
  - 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

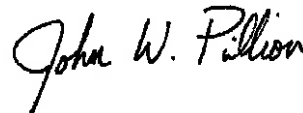
Confirmation Date:  
Trader:  
Commodity: Natural Gas

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 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**



**CONSENT  
CALENDAR  
ITEM**

**3F**

Date: May 18, 2016

To: Honorable Board of Directors

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

From: *for* P. Joseph Grindstaff *CGM*  
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

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### **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 Manager (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**

### 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.



# 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

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# INLAND EMPIRE UTILITIES AGENCY

## FY 2016/17 INVESTMENT POLICY

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## 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 \_\_\_\_\_



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.

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

ATTEST:

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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:

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Steven J. Elie  
Secretary/Treasurer

\* a *Municipal Water District*