



AGENDA

MEETING OF THE BOARD OF DIRECTORS

**WEDNESDAY, JUNE 17, 2015
10:00 A.M.**

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

CALL TO ORDER OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS 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.

2. PUBLIC HEARING AND ADOPTION OF THE AGENCY'S BIENNIAL BUDGET FOR FISCAL YEAR (FYS) 2015/16 AND 2016/17

It is recommended that the Board:

1. Hold a public hearing to receive public comments on the proposed Agency's Biennial Budget for FYs 2015/16 and 2016/17;
2. After closing the public hearing, adopt Resolution No. 2015-6-1, approving the Agency's Biennial Budget for FYs 2015/16 and 2016/17, including the Agency-wide departmental goals and objectives; an inter-fund loan from the Administrative Services (GG) fund to the Water Resources (WW) fund

for a not-to-exceed amount of \$2 million in FY 2015/16, and Rate Resolution Nos. 2015-6-4 through 2015-6-7 for the Non-Reclaimable Wastewater System as outlined in the Agency's Biennial Budget;

3. Approve an annual allocation of property taxes from the GG fund to the WW fund in the amount of \$1.5 million beginning in FY 2014/15; and
4. Increase the \$5.5 million inter-fund loan from the Regional Wastewater Capital Improvement (RC) fund to the Recycled Water (WC) fund approved by the Board of Directors in FY 2013/14 for a not-to-exceed amount of \$10.5 million for FY 2014/15.

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 May 20, 2015 Board meeting.

B. TREASURER'S REPORT ON GENERAL DISBURSEMENTS

It is recommended that the Board approve the total disbursements for the month of April 2015, in the amount of \$15,881,432.46.

C. ADOPTION OF RESOLUTION NO. 2015-6-10, ESTABLISHING THE APPROPRIATION LIMITS FOR FISCAL YEAR 2015/16

It is recommended that the Board adopt Resolution No. 2015-6-10, establishing the Appropriation Limits for Fiscal Year (FY) 2015/16.

D. ADOPTION OF RESOLUTION NO. 2015-6-3, APPROVING THE BIENNIAL UPDATE OF THE AGENCY'S INVESTMENT POLICY

It is recommended that the Board adopt Resolution No. 2015-6-3, approving the biennial update of the Agency's Investment Policy for Fiscal Years (FYs) 2015/16 and 2016/17.

E. ADOPTION OF THE UPDATE RESERVE POLICY

It is recommended that the Board adopt the updated Reserve Policy as of June 2015 governing all Agency funds.

F. ENGINEERING CONTRACT AWARD FOR THE RECHARGE MASTER PLAN UPDATE BASIN YIELD ENHANCEMENT PROJECTS

It is recommended that the Board:

1. Approve the consulting engineering services contract award for the preliminary design efforts for the Recharge Master Plan Update Yield Enhancement Improvements, Project No. RW15003, to

Stantec Consulting Services, Inc. for the not-to-exceed amount of \$768,950; and

2. Authorize the General Manager to execute the contract.

G. AMENDMENTS TO EXTEND THE CONTRACTS FOR FEDERAL LEGISLATIVE SERVICES

It is recommended that the Board:

1. Amend Contract No. 4600001343 with Innovative Federal Strategies (IFS) to provide federal legislative services from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$6,500 per month, plus reasonable business expenses, with no change in the current rate;
2. Amend Contract No. 4600001344 with Agricultural Resources to provide federal legislative services from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$6,000 per month, plus reasonable business expenses, with no change in the current rate; and
3. Authorize the General Manager to finalize and execute the amendments.

H. AMENDMENT TO EXTEND THE CONTRACT WITH WEST COAST ADVISORS

It is recommended that the Board:

1. Amend Contract No. 4600001846 with West Coast Advisors to provide state legislative consulting services from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$9,800 per month, plus reasonable business expenses, with no change in the current rate; and
2. Authorize the General Manager to finalize and execute the amendment.

I. AMENDMENT TO EXTEND THE CONTRACT WITH CALIFORNIA STRATEGIES, LLC

It is recommended that the Board:

1. Amend Contract No. 4600000419 with California Strategies, LLC to provide strategic local government consulting services from July 1, 2015 through June 30, 2016, at a monthly retainer fee of \$6,000 per month, plus reasonable business expenses, with no change in the current rate; and
2. Authorize the General Manager to finalize and execute the amendment.

J. ADOPTION OF RESOLUTION NO. 2015-6-11, HONORING THE 65TH ANNIVERSARY OF THE INLAND EMPIRE UTILITIES AGENCY

It is recommended that the Board adopt Resolution No. 2015-6-11, honoring the 65th anniversary of the Inland Empire Utilities Agency.

K. ADOPTION OF RESOLUTION NO. 2015-6-18, COMMENDING THE 65TH ANNIVERSARY OF THE THREE VALLEYS MUNICIPAL WATER DISTRICT

It is recommended that the Board adopt Resolution No. 2015-6-18, commending the 65th anniversary of the Three Valleys Municipal Water District.

4. ACTION ITEMS

A. ADOPTION OF RESOLUTION NO. 2015-6-12, AMENDING THE EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALPERS FOR ALL CLASSIC EMPLOYEES

It is recommended that the Board adopt Resolution No. 2015-6-12, amending the Employer Paid Member Contributions (EPMC) to CalPERS for all classic employees.

B. ADOPTION OF RESOLUTION NOS. 2015-6-13 THROUGH 2015-6-17, APPROVING THE AMENDMENTS TO THE SALARY SCHEDULES/MATRIXES FOR UNREPRESENTED EMPLOYEES, EXECUTIVE MANAGEMENT EMPLOYEES, AND ALL UNITS

It is recommended that the Board adopt Resolution Nos. 2015-6-13 through 2015-6-17, amending the salary schedules/matrixes for Unrepresented Employees, Executive Management Employees, and all Units.

C. ADOPTION OF RESOLUTION NO. 2015-6-2, APPROVING THE SANTA ANA WATERSHED PROJECT AUTHORITY ADOPTED BUDGET FOR FY 2015/16 AND FY 2016/17

It is recommended that the Board:

1. Ratify the Santa Ana Watershed Project Authority (SAWPA) adopted budget for Fiscal Years (FYs) 2015/16 and 2016/17, as submitted; and
2. Adopt Resolution No. 2015-6-2, approving the SAWPA general and specific project budgets for FYs 2015/16 and 2016/17.

D. RECYCLED WATER PROGRAM STRATEGY

It is recommended that the Board concur with the finding of the recycled water program as outline in the Recycled Water Program Strategy.

5. INFORMATION ITEMS

A. REGIONAL CONTRACT AUDIT REVIEW – INTERIM AUDIT REPORT FOR THE CITY OF CHINO HILLS AND DRAFT INTERIM AUDIT REPORT FOR THE CITY OF ONTARIO (WRITTEN)

- B. ENGINEERING AND CONSTRUCTION MANAGEMENT MONTHLY UPDATE (POWERPOINT)
- C. EAST DECLEZ: INTENT TO PURCHASE PROPERTY (WRITTEN)
- D. MWD AND DROUGHT UPDATE (ORAL)

RECEIVE AND FILE INFORMATION ITEMS

- E. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/ POWERPOINT)
- F. FY 2014/15 THIRD QUARTER BUDGET VARIANCE, PERFORMANCE GOALS UPDATES, AND BUDGET TRANSFERS (WRITTEN)
- G. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)
- H. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)
- I. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)
- J. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)
- K. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)
- L. FEDERAL LEGISLATION TRACKER (WRITTEN)
- M. STATE LEGISLATION TRACKER (WRITTEN)
- N. FOLLOW UP ON OUTSTANDING RECOMMENDATIONS – PRETREATMENT & SOURCE CONTROL (WRITTEN)
- O. REPORT ON OUTSTANDING AUDIT RECOMMENDATIONS (WRITTEN)
- P. INTERNAL AUDIT DEPARTMENT STATUS REPORT FOR JUNE 2015 (WRITTEN)

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
(Meeting was cancelled for June 4th; next scheduled meeting July 2nd)
- D. CHINO BASIN WATERMASTER REPORT (WRITTEN)
- 7. GENERAL MANAGER'S REPORT (WRITTEN)
- 8. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS
- 9. DIRECTORS' COMMENTS
- 10. 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.

11. 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. Sheilds vs. IEUA, Case No. CIVRS 1301638
 - 4. Desaddi vs. IEUA, Case No. CIVRS 1304617
 - 5. Mwembu vs. IEUA, Case No. CIVDS 1415762
 - 6. Southern California Edison vs. IEUA, Case No. CIVRS 1308595
- B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR
 - 1. Property: Water and Pipeline Capacity/Cadiz
Negotiating Party: General Counsel Jean Cihigoyenetché
 - 2. Supplemental Water Transfer/Purchase
Negotiating Parties: General Manager P. Joseph Grindstaff
Under Negotiation: Price and Terms of Purchase
- C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9 – CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
 - 1. Two (2) Cases


D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS

1. Various Positions – Compensation Study
2. Various Positions

12. ADJOURN

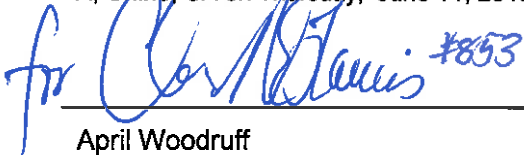
*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary/Office Manager (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, June 11, 2015.

 #853

April Woodruff

**ACTION
ITEM**

4A

Date: June 17, 2015

To: The Honorable Board of Directors

From: *So* P. Joseph Grindstaff
General Manager *Joe*

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

A Sharmeen Bhojani *Sh*
Manager of Human Resources

Subject: Adoption of Resolution No. 2015-6-12 amending the Employer Paid Member Contributions to CalPERS for all classic employees

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 2015-6-12, amending the Employer Paid Member Contributions (EPMC) to CalPERS for all classic employees.

BACKGROUND

Resolution No. 2015-6-12 amends the EPMC for all classic CalPERS employees. The pension contribution to CalPERS is made up of two segments. The first segment is an amount established by CalPERS as the actuarially required employer contribution. The other segment is the employee contribution, which is a fixed 8% of employee PERSable wages for employees enrolled in the CalPERS retirement plan with a benefit formula of 2.5%@55, and a fixed 7% of employee PERSable wages for employees enrolled in the CalPERS retirement plan with a benefit formula of 2%@55. Pursuant to California Government Code Section 20691, the employer may choose to “pick-up” these contributions for the employees, referred to as EPMC.

Once adopted by the Board of Directors, Resolution No. 2015-6-12 will further reduce the EPMC amount the Agency is currently paying. Effective July 1, 2017 classic employees hired on or before December 31, 2011 will be paying 100% of their 8% PERS employee contribution. Effective July 1, 2016 classic employees and new members hired on or before December 31, 2012 will be paying 100% of their 7% PERS employee contribution.

IEUA Retirement Tiers

Benefit Formula	Employee Contribution FY 2014/15	Employee Contribution FY 2015/16	Employee Contribution FY 2016/17	Employee Contribution FY 2017/18
Tier 1 – 2.5% at 55 with 1 year final compensation (based on highest average for a 1-year period) and employee contribution of 8%; applicable to employees hired before 1/1/12	4%	5.5%	7%	Full contribution of 8%
Tier 2 – 2% at 55 with 3 year final compensation (based on highest average for a 3-year period) and employee contribution of 7%; applicable to employees hired on or after 1/1/12	5%	6.5%	Full contribution of 7%	

PRIOR BOARD ACTION

On May 16, 2014, the Board of Directors adopted Resolution Nos. 2014-5-6, through 2014-5-12, reducing the EPMC for all classic employees to 4% for employees hired on or prior to December 31, 2011 and 2% for employees hired on or after January 1, 2012.

On September 4, 2013, the Board of Directors adopted Resolution No. 2013-9-6, reducing the EPMC for all classic employees to 5% for employees hired on or prior to December 31, 2011 and 3% for employees hired on or after January 1, 2012.

IMPACT ON BUDGET

None.

RESOLUTION NO. 2015-6-12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, PROVIDING FOR EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALPERS FOR ALL CLASSIC EMPLOYEES

WHEREAS, the governing body of the Inland Empire Utilities Agency has the authority to implement Government Code Section 20691; and

WHEREAS, the governing body of the Inland Empire Utilities Agency has a written policy or agreement which specifically provides for the normal member contributions to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Inland Empire Utilities Agency of a Resolution to commence said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the Inland Empire Utilities Agency has identified the following conditions for the purpose of its election to pay EPMC:

This benefit shall apply to classic employees of the General, Laboratory, Supervisors', Operators', Professional, Unrepresented and Executive Management groups.

This benefit shall consist of paying two and a half percent (2.5%) of the normal member contributions as EPMC for employees hired on or prior to December 31, 2011.

This benefit shall consist of paying one half percent (.5%) of the normal member contributions as EPMC for employees hired on or after January 1, 2012.

The effective date of this Resolution shall be July 1, 2015.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Inland Empire Utilities Agency* elects to pay EPMC, as set forth above.

ADOPTED the 17th day of June, 2015.

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

ATTEST:

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

*A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2015-6-12, was adopted at a
regular Board Meeting on June 17, 2015, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

*A Municipal Water District

**ACTION
ITEM**

4B

Date: June 17, 2015

To: The Honorable Board of Directors

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

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

for Sharmeen Bhojani *WJW*
Manager of Human Resources

Subject: Adoption of Resolution Nos. 2015-6-13 through 2015-6-17 approving the amendments to the Salary Schedules/Matrixes for Unrepresented Employees, Executive Management Employees, and all units.

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution Nos. 2015-6-13 through 2015-6-17 amending the salary schedules/matrixes for Unrepresented Employees, Executive Management Employees, and all units.

BACKGROUND

Maintenance of the Agency's salary schedules/matrixes falls under the responsibility of the Human Resources Department, including presenting a comprehensive salary resolution incorporating changes to the Board of Directors as changes occur in accordance with the California Code of Regulations (CCR) §570.5 [Requirement for a Publicly Available Pay Schedule]. The last update for the Unrepresented Employees, Executive Management Employees, and the Laboratory Unit was approved by the Board on February 18, 2015. The last update for the General Unit, the Professional Unit, the Supervisors' Unit and the Operators' Unit was approved by the Board on May 21, 2014.

The Agency entered into five year contracts with the five represented groups in FY 13/14. The five Memorandums of Understanding (MOUs) include a 3% Cost of Living Adjustment (COLA) effective July 1, 2015. Similarly, the Executive Management and the Unrepresented Personnel Manuals also include a 3% COLA. As a result of the agreed upon COLA increases, the existing Salary Schedules/Matrixes for seven groups need to be amended.

The California Public Employees' Retirement System (CalPERS) employers may only report payrates, for the purposes of calculating retirement benefits, that meet the definition of a Publicly Available Salary Schedule as defined by CCR 570.5. The code states in part:

“(a) For purposes of determining the amount of “compensation earnable” pursuant to Government Code Sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- (1) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws;
- (2) Identifies the position title for every employee position;
- (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- (6) Indicates an effective date and date of any revisions;
- (7) Is retained by the employer and available for public inspection for not less than five years; and
- (8) Does not reference another document in lieu of disclosing the payrate.

PRIOR BOARD ACTION

On February 18, 2015, the Board of Directors adopted Resolution No. 2015-2-3 to amend the 2013 - 2018 Memorandum of Understanding (MOU) for the Laboratory Unit with a new Salary Matrix and Classification Plan based on the results of a classification and compensation study.

On January 21, 2015, the Board of Directors adopted Resolution No. 2015-1-4 to amend the personnel manual, salary matrix and classification plan for all unrepresented employees including Executive Management.

On May 17, 2014, the Board of Directors adopted Resolution Nos. 2014-5-13 through 2014-5-19, amending the salary schedules/matrixes for Unrepresented Employees, Executive Management Employees, Laboratory Unit, General Unit, Professional Unit, Supervisors' Unit and Operators' Unit, respectively.

IMPACT ON BUDGET

The financial impact of the updated salary schedule/matrix resolution was discussed during the negotiation process; adequate funds are budgeted.

RESOLUTION NO. 2015-6-13

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE UNREPRESENTED, EXECUTIVE MANAGEMENT, AND LABORATORY UNIT SALARY SCHEDULE/MATRIX

WHEREAS, the Agency has compensation changes for the Unrepresented, Executive Management, and Laboratory Unit as a result of an agreed upon Cost of Living Adjustment (COLA), and

WHEREAS, the Agency now desires to update the salary and classification information to comply with the California Code of Regulations (CCR) §570.5, and

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby **RESOLVE, DETERMINE AND ORDER** as follows:

SECTION 1: The Unrepresented, Executive Management, and Laboratory Unit salary schedule/matrix is hereby adopted and set forth in Exhibit "1" of this resolution.

SECTION 2: The salary information contained in Exhibit "1" shall be effective as of July 1, 2015.

ADOPTED the 17th day of June, 2015.

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

ATTEST:

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

*A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2015-6-13, was adopted at a
regular Board Meeting on June 17, 2015, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

*A Municipal Water District

Salary Matrix
Effective November 1, 2014

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
Accounting Technician I	169	UN	Non-exempt
Accountant I	173	UN	Exempt
Accountant II	175	UN	Exempt
Administrative Assistant I (confidential)	171	UN	Non-exempt
Administrative Assistant II (confidential)	174	UN	Non-exempt
Assistant Engineer	179	UN	Exempt
Associate Engineer	182	UN	Exempt
Board Secretary/Office Manager	188	UN	Exempt
Biologist ¹	181	LB	Exempt
Budget Officer	186	UN	Exempt
CAD Designer	178	UN	Exempt
Chemist	181	LB	Exempt
Chief Financial Officer/Assistant General Manager	196	EX	Exempt
Compost Sales Representative	181	UN	Exempt
Construction Project Inspector	180	UN	Non-exempt
Deputy Manager of Construction Management	188	UN	Exempt
Deputy Manager of Engineering	189	UN	Exempt
Deputy Manager of Human Resources	188	UN	Exempt
Deputy Manager of Integrated Systems Services	188	UN	Exempt
Deputy Manager of Maintenance	188	UN	Exempt
Deputy Manager of Operations	188	UN	Exempt
Deputy Manager of Planning & Environmental Resources	189	UN	Exempt
Electrical & Instrumentation Technician III	181	UN	Exempt
Electrical & Instrumentation Technician III (Y-Rated) ²	201	UN	Exempt
Environmental Resources Planner II	182	UN	Exempt
Executive Assistant	178	UN	Exempt
Executive Manager of Engineering/Assistant General Manager	196	EX	Exempt
Executive Manager of Operations/Assistant General Manager	196	EX	Exempt
Executive Manager of Policy Development/Assistant General Manager	196	EX	Exempt
External Affairs Specialist I	171	UN	Exempt
External Affairs Specialist I (Y-Rated) ³	202	UN	Exempt
Facilities Specialist - Landscape	177	UN	Exempt
General Manager	203	EX	Exempt
GIS Specialist	178	UN	Exempt
Grants Officer	186	UN	Exempt
Human Resources Analyst I	177	UN	Exempt
Human Resources Analyst II	179	UN	Exempt
Human Resources Officer	183	UN	Exempt
Human Resources Technician	171	UN	Non-exempt
Internal Auditor	179	UN	Exempt
Laboratory Assistant	172	LB	Non-exempt
Laboratory Scientist I	177	LB	Non-exempt
Laboratory Scientist II	179	LB	Non-exempt

Salary Matrix
Effective November 1, 2014

EXHIBIT 1

CLASSIFICATION TITLE	Salary Range	Unit	FLSA
Manager of Business Information Services	190	UN	Exempt
Manager of Contracts & Facility Services	190	UN	Exempt
Manager of Engineering	192	UN	Exempt
Manager of External Affairs	190	UN	Exempt
Manager of Finance & Accounting	190	UN	Exempt
Manager of Human Resources	190	UN	Exempt
Manager of Internal Audit	190	UN	Exempt
Manager of Laboratories	190	UN	Exempt
Manager of Maintenance	192	UN	Exempt
Manager of Operations	192	UN	Exempt
Manager of Planning & Environmental Resources	192	UN	Exempt
Manager of Regional Compost Authority	190	UN	Exempt
Manager of Technical Services	190	UN	Exempt
Office Assistant	166	UN	Non-exempt
Operations Specialist	179	UN	Exempt
Recycled/Groundwater Recharge Operations & Maintenance Specialist	179	UN	Exempt
Risk Specialist	174	UN	Non-exempt
Safety Officer	183	UN	Exempt
Senior Associate Engineer	184	UN	Exempt
Senior Associate Engineer - PE	185	UN	Exempt
Senior Engineer	187	UN	Exempt
Senior Environmental Resources Planner	184	UN	Exempt
Senior External Affairs Specialist	180	UN	Exempt
Senior Internal Auditor	182	UN	Exempt
Senior Operations Specialist	184	UN	Exempt

Notes:

1. Incumbent in this position prior to 7/1/01 shall be non-exempt.
2. The Y-Rated salary for this position is reflective of the incumbent in the position effective 11/1/14 formerly classified as Maintenance Specialist.
3. The Y-Rated salary for this position is reflective of the incumbent in the position effective 11/1/14 formerly classified as CIP Coordinator.

Unrepresented, Executive and Laboratory Unit Salary Matrix
Effective July 1, 2015

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
165				
1	17.5821	1,406.57	3,047.56	36,571
2	18.0216	1,441.73	3,123.74	37,485
3	18.4721	1,477.77	3,201.83	38,422
4	18.9340	1,514.72	3,281.89	39,383
5	19.4073	1,552.58	3,363.93	40,367
6	19.8925	1,591.40	3,448.03	41,376
7	20.3898	1,631.18	3,534.23	42,411
8	20.8995	1,671.96	3,622.58	43,471
9	21.4220	1,713.76	3,713.15	44,558
166				
1	18.4600	1,476.80	3,199.73	38,397
2	18.9214	1,513.71	3,279.71	39,357
3	19.3945	1,551.56	3,361.71	40,341
4	19.8793	1,590.34	3,445.75	41,349
5	20.3763	1,630.10	3,531.89	42,383
6	20.8857	1,670.86	3,620.19	43,442
7	21.4078	1,712.63	3,710.69	44,528
8	21.9430	1,755.44	3,803.46	45,641
9	22.4916	1,799.33	3,898.54	46,783
167				
1	19.3825	1,550.60	3,359.64	40,316
2	19.8671	1,589.36	3,443.62	41,323
3	20.3637	1,629.10	3,529.71	42,357
4	20.8728	1,669.83	3,617.96	43,416
5	21.3946	1,711.57	3,708.41	44,501
6	21.9295	1,754.36	3,801.12	45,613
7	22.4778	1,798.22	3,896.15	46,754
8	23.0398	1,843.18	3,993.56	47,923
9	23.6157	1,889.26	4,093.39	49,121
168				
1	20.3498	1,627.99	3,527.30	42,328
2	20.8585	1,668.68	3,615.48	43,386
3	21.3800	1,710.40	3,705.87	44,470
4	21.9145	1,753.16	3,798.51	45,582
5	22.4623	1,796.99	3,893.47	46,722
6	23.0240	1,841.92	3,990.83	47,890
7	23.5996	1,887.97	4,090.59	49,087
8	24.1896	1,935.16	4,192.86	50,314
9	24.7943	1,983.54	4,297.67	51,572
169				
1	21.3659	1,709.27	3,703.42	44,441
2	21.9001	1,752.01	3,796.01	45,552
3	22.4475	1,795.80	3,890.90	46,691
4	23.0088	1,840.70	3,988.18	47,858

Unrepresented, Executive and Laboratory Unit Salary Matrix
Effective July 1, 2015

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
5	23.5839	1,886.71	4,087.88	49,055
6	24.1736	1,933.89	4,190.09	50,281
7	24.7779	1,982.23	4,294.83	51,538
8	25.3973	2,031.79	4,402.20	52,826
9	26.0322	2,082.58	4,512.25	54,147
170				
1	22.4348	1,794.79	3,888.71	46,664
2	22.9957	1,839.65	3,985.92	47,831
3	23.5705	1,885.64	4,085.56	49,027
4	24.1598	1,932.78	4,187.70	50,252
5	24.7638	1,981.10	4,292.39	51,509
6	25.3829	2,030.63	4,399.70	52,796
7	26.0175	2,081.40	4,509.70	54,116
8	26.6679	2,133.43	4,622.44	55,469
9	27.3347	2,186.77	4,738.01	56,856
171				
1	23.5565	1,884.52	4,083.13	48,998
2	24.1455	1,931.64	4,185.21	50,223
3	24.7490	1,979.92	4,289.83	51,478
4	25.3678	2,029.42	4,397.08	52,765
5	26.0020	2,080.16	4,507.02	54,084
6	26.6521	2,132.17	4,619.69	55,436
7	27.3184	2,185.47	4,735.19	56,822
8	28.0013	2,240.10	4,853.55	58,243
9	28.7014	2,296.11	4,974.90	59,699
172				
<u>1</u>	24.7351	1,978.81	4,287.42	51,449
2	25.3536	2,028.28	4,394.62	52,735
3	25.9874	2,078.99	4,504.49	54,054
4	26.6370	2,130.96	4,617.09	55,405
5	27.3030	2,184.24	4,732.53	56,790
6	27.9856	2,238.85	4,850.84	58,210
7	28.6852	2,294.82	4,972.10	59,665
8	29.4024	2,352.19	5,096.41	61,157
9	30.1374	2,410.99	5,223.81	62,686
173				
1	25.9707	2,077.66	4,501.59	54,019
2	26.6199	2,129.60	4,614.12	55,369
3	27.2855	2,182.84	4,729.49	56,754
4	27.9676	2,237.41	4,847.72	58,173
5	28.6668	2,293.34	4,968.90	59,627
6	29.3834	2,350.67	5,093.13	61,118
7	30.1180	2,409.44	5,220.46	62,645
8	30.8711	2,469.68	5,350.98	64,212
9	31.6428	2,531.43	5,484.76	65,817

Unrepresented, Executive and Laboratory Unit Salary Matrix
Effective July 1, 2015

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
174				
1	27.2672	2,181.38	4,726.31	56,716
2	27.9488	2,235.91	4,844.47	58,134
3	28.6476	2,291.81	4,965.58	59,587
4	29.3639	2,349.11	5,089.74	61,077
5	30.0979	2,407.84	5,216.98	62,604
6	30.8504	2,468.03	5,347.39	64,169
7	31.6216	2,529.73	5,481.08	65,773
8	32.4121	2,592.97	5,618.10	67,417
9	33.2224	2,657.80	5,758.56	69,103
175				
1	28.6287	2,290.30	4,962.32	59,548
2	29.3445	2,347.56	5,086.38	61,037
3	30.0781	2,406.24	5,213.53	62,562
4	30.8301	2,466.41	5,343.88	64,127
5	31.6008	2,528.06	5,477.47	65,730
6	32.3908	2,591.27	5,614.41	67,373
7	33.2006	2,656.05	5,754.77	69,057
8	34.0306	2,722.45	5,898.63	70,784
9	34.8814	2,790.51	6,046.10	72,553
176				
1	30.0594	2,404.75	5,210.30	62,524
2	30.8109	2,464.87	5,340.56	64,087
3	31.5811	2,526.49	5,474.06	65,689
4	32.3706	2,589.65	5,610.91	67,331
5	33.1799	2,654.39	5,751.18	69,014
6	34.0095	2,720.76	5,894.97	70,740
7	34.8596	2,788.77	6,042.34	72,508
8	35.7311	2,858.49	6,193.39	74,321
9	36.6244	2,929.95	6,348.23	76,179
177				
1	31.5631	2,525.05	5,470.94	65,651
2	32.3522	2,588.18	5,607.71	67,293
3	33.1611	2,652.88	5,747.92	68,975
4	33.9901	2,719.21	5,891.62	70,699
5	34.8399	2,787.19	6,038.91	72,467
6	35.7108	2,856.87	6,189.88	74,279
7	36.6036	2,928.29	6,344.63	76,136
8	37.5187	3,001.49	6,503.24	78,039
9	38.4566	3,076.53	6,665.81	79,990
178				
1	33.1400	2,651.20	5,744.27	68,931
2	33.9686	2,717.49	5,887.89	70,655
3	34.8178	2,785.42	6,035.09	72,421
4	35.6883	2,855.06	6,185.97	74,232

Unrepresented, Executive and Laboratory Unit Salary Matrix
Effective July 1, 2015

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
5	36.5805	2,926.44	6,340.61	76,087
6	37.4950	2,999.60	6,499.13	77,990
7	38.4324	3,074.59	6,661.61	79,939
8	39.3932	3,151.45	6,828.15	81,938
9	40.3780	3,230.24	6,998.85	83,986
179				
1	34.7983	2,783.87	6,031.71	72,381
2	35.6683	2,853.46	6,182.50	74,190
3	36.5600	2,924.80	6,337.06	76,045
4	37.4740	2,997.92	6,495.49	77,946
5	38.4109	3,072.87	6,657.88	79,895
6	39.3711	3,149.69	6,824.33	81,892
7	40.3554	3,228.43	6,994.94	83,939
8	41.3643	3,309.14	7,169.81	86,038
9	42.3984	3,391.87	7,349.06	88,189
180				
1	36.5378	2,923.02	6,333.22	75,999
2	37.4513	2,996.11	6,491.56	77,899
3	38.3876	3,071.01	6,653.85	79,846
4	39.3472	3,147.78	6,820.19	81,842
5	40.3309	3,226.47	6,990.69	83,888
6	41.3392	3,307.13	7,165.45	85,985
7	42.3727	3,389.81	7,344.59	88,135
8	43.4320	3,474.56	7,528.22	90,339
9	44.5178	3,561.43	7,716.42	92,597
181				
1	38.3627	3,069.01	6,649.53	79,794
2	39.3218	3,145.74	6,815.78	81,789
3	40.3048	3,224.39	6,986.17	83,834
4	41.3124	3,304.99	7,160.81	85,930
5	42.3453	3,387.62	7,339.84	88,078
6	43.4039	3,472.31	7,523.34	90,280
7	44.4890	3,559.12	7,711.43	92,537
8	45.6012	3,648.10	7,904.21	94,850
9	46.7412	3,739.30	8,101.81	97,222
182				
1	40.2810	3,222.48	6,982.05	83,785
2	41.2881	3,303.05	7,156.60	85,879
3	42.3202	3,385.62	7,335.51	88,026
4	43.3782	3,470.26	7,518.90	90,227
5	44.4627	3,557.02	7,706.87	92,482
6	45.5743	3,645.94	7,899.55	94,795
7	46.7136	3,737.09	8,097.02	97,164
8	47.8815	3,830.52	8,299.46	99,594
9	49.0785	3,926.28	8,506.93	102,083

Unrepresented, Executive and Laboratory Unit Salary Matrix
Effective July 1, 2015

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
183				
1	42.2968	3,383.75	7,331.45	87,977
2	43.3543	3,468.35	7,514.75	90,177
3	44.4382	3,555.06	7,702.62	92,431
4	45.5492	3,643.93	7,895.19	94,742
5	46.6878	3,735.03	8,092.56	97,111
6	47.8550	3,828.40	8,294.87	99,538
7	49.0515	3,924.12	8,502.26	102,027
8	50.2777	4,022.22	8,714.80	104,578
9	51.5347	4,122.78	8,932.68	107,192
184				
1	44.4103	3,552.82	7,697.79	92,373
2	45.5205	3,641.64	7,890.23	94,683
3	46.6586	3,732.69	8,087.49	97,050
4	47.8251	3,826.01	8,289.68	99,476
5	49.0207	3,921.65	8,496.92	101,963
6	50.2462	4,019.69	8,709.34	104,512
7	51.5024	4,120.19	8,927.08	107,125
8	52.7899	4,223.19	9,150.24	109,803
9	54.1097	4,328.78	9,379.02	112,548
185				
1	46.6294	3,730.36	8,082.44	96,989
2	47.7952	3,823.62	8,284.50	99,414
3	48.9900	3,919.20	8,491.60	101,899
4	50.2148	4,017.18	8,703.89	104,447
5	51.4701	4,117.61	8,921.49	107,058
6	52.7569	4,220.55	9,144.53	109,734
7	54.0758	4,326.07	9,373.14	112,478
8	55.4277	4,434.22	9,607.47	115,290
9	56.8135	4,545.08	9,847.67	118,172
186				
1	48.9623	3,916.98	8,486.80	101,842
2	50.1863	4,014.91	8,698.97	104,388
3	51.4410	4,115.28	8,916.44	106,997
4	52.7270	4,218.16	9,139.35	109,672
5	54.0452	4,323.62	9,367.84	112,414
6	55.3964	4,431.71	9,602.04	115,224
7	56.7812	4,542.50	9,842.08	118,105
8	58.2008	4,656.06	10,088.13	121,058
9	59.6558	4,772.47	10,340.35	124,084
187				
1	51.4091	4,112.72	8,910.90	106,931
2	52.6942	4,215.53	9,133.66	109,604
3	54.0116	4,320.92	9,362.00	112,344
4	55.3619	4,428.95	9,596.06	115,153

Unrepresented, Executive and Laboratory Unit Salary Matrix
Effective July 1, 2015

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
5	56.7459	4,539.67	9,835.95	118,031
6	58.1646	4,653.17	10,081.87	120,982
7	59.6187	4,769.49	10,333.90	124,007
8	61.1092	4,888.73	10,592.26	127,107
9	62.6369	5,010.95	10,857.06	130,285
188				
1	53.9777	4,318.21	9,356.13	112,274
2	55.3271	4,426.17	9,590.03	115,080
3	56.7103	4,536.82	9,829.78	117,957
4	58.1279	4,650.24	10,075.51	120,906
5	59.5812	4,766.49	10,327.40	123,929
6	61.0708	4,885.66	10,585.60	127,027
7	62.5975	5,007.80	10,850.24	130,203
8	64.1624	5,132.99	11,121.48	133,458
9	65.7665	5,261.32	11,399.53	136,794
189				
1	56.6763	4,534.10	9,823.89	117,887
2	58.0932	4,647.46	10,069.49	120,834
3	59.5455	4,763.64	10,321.23	123,855
4	61.0342	4,882.74	10,579.26	126,951
5	62.5600	5,004.80	10,843.74	130,125
6	64.1240	5,129.92	11,114.82	133,378
7	65.7271	5,258.17	11,392.69	136,712
8	67.3703	5,389.63	11,677.53	140,130
9	69.0546	5,524.37	11,969.46	143,634
190				
1	59.5091	4,760.73	10,314.91	123,779
2	60.9968	4,879.74	10,572.78	126,873
3	62.5217	5,001.74	10,837.10	130,045
4	64.0847	5,126.78	11,108.02	133,296
5	65.6869	5,254.95	11,385.73	136,629
6	67.3290	5,386.32	11,670.37	140,044
7	69.0123	5,520.98	11,962.13	143,546
8	70.7376	5,659.01	12,261.19	147,134
9	72.5060	5,800.48	12,567.71	150,813
191				
1	62.4841	4,998.73	10,830.58	129,967
2	64.0462	5,123.70	11,101.35	133,216
3	65.6474	5,251.79	11,378.88	136,547
4	67.2886	5,383.08	11,663.35	139,960
5	68.9708	5,517.66	11,954.93	143,459
6	70.6951	5,655.61	12,253.81	147,046
7	72.4625	5,797.00	12,560.16	150,722
8	74.2740	5,941.92	12,874.16	154,490
9	76.1309	6,090.47	13,196.02	158,352

Unrepresented, Executive and Laboratory Unit Salary Matrix
Effective July 1, 2015

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
192				
1	65.6096	5,248.76	11,372.32	136,468
2	67.2498	5,379.99	11,656.64	139,880
3	68.9311	5,514.49	11,948.06	143,377
4	70.6543	5,652.34	12,246.74	146,961
5	72.4207	5,793.66	12,552.93	150,635
6	74.2312	5,938.49	12,866.74	154,401
7	76.0870	6,086.96	13,188.42	158,261
8	77.9891	6,239.13	13,518.12	162,217
9	79.9389	6,395.11	13,856.08	166,273
193				
1	68.8895	5,511.16	11,940.84	143,290
2	70.6117	5,648.93	12,239.35	146,872
3	72.3770	5,790.16	12,545.34	150,544
4	74.1864	5,934.91	12,858.97	154,308
5	76.0411	6,083.29	13,180.46	158,165
6	77.9421	6,235.36	13,509.96	162,119
7	79.8906	6,391.25	13,847.71	166,172
8	81.8879	6,551.03	14,193.90	170,327
9	83.9351	6,714.81	14,548.75	174,585
194				
1	72.3360	5,786.88	12,538.24	150,459
2	74.1443	5,931.55	12,851.69	154,220
3	75.9979	6,079.83	13,172.97	158,076
4	77.8979	6,231.83	13,502.30	162,028
5	79.8454	6,387.63	13,839.87	166,078
6	81.8415	6,547.32	14,185.87	170,230
7	83.8875	6,711.00	14,540.50	174,486
8	85.9847	6,878.78	14,904.02	178,848
9	88.1343	7,050.75	15,276.62	183,319
195				
1	75.9531	6,076.25	13,165.21	157,983
2	77.8519	6,228.15	13,494.33	161,932
3	79.7983	6,383.87	13,831.71	165,981
4	81.7932	6,543.46	14,177.49	170,130
5	83.8381	6,707.05	14,531.93	174,383
6	85.9340	6,874.72	14,895.23	178,743
7	88.0824	7,046.59	15,267.62	183,211
8	90.2844	7,222.76	15,649.30	187,792
9	92.5416	7,403.33	16,040.54	192,486
196				
1	79.7492	6,379.94	13,823.19	165,878
2	81.7430	6,539.44	14,168.78	170,025
3	83.7865	6,702.92	14,522.99	174,276
4	85.8812	6,870.50	14,886.07	178,633

Unrepresented, Executive and Laboratory Unit Salary Matrix
Effective July 1, 2015

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
5	88.0281	7,042.25	15,258.21	183,099
6	90.2289	7,218.31	15,639.68	187,676
7	92.4846	7,398.77	16,030.67	192,368
8	94.7967	7,583.73	16,431.42	197,177
9	97.1666	7,773.33	16,842.21	202,107
197	0.0000	0.00	0.00	0
1	83.7362	6,698.90	14,514.28	174,171
2	85.8296	6,866.37	14,877.13	178,526
3	87.9754	7,038.03	15,249.07	182,989
4	90.1747	7,213.98	15,630.29	187,563
5	92.4291	7,394.33	16,021.05	192,253
6	94.7399	7,579.19	16,421.59	197,059
7	97.1084	7,768.67	16,832.12	201,985
8	99.5361	7,962.89	17,252.93	207,035
9	102.0245	8,161.96	17,684.24	212,211
198				
1	87.9224	7,033.80	15,239.89	182,879
2	90.1205	7,209.64	15,620.88	187,451
3	92.3735	7,389.88	16,011.40	192,137
4	94.6829	7,574.63	16,411.69	196,940
5	97.0499	7,763.99	16,821.98	201,864
6	99.4762	7,958.09	17,242.54	206,910
7	101.9631	8,157.05	17,673.60	212,083
8	104.5121	8,360.97	18,115.44	217,385
9	107.1249	8,570.00	18,568.32	222,820
199				
1	94.5188	7,561.50	16,383.25	196,599
2	96.8817	7,750.54	16,792.83	201,514
3	99.3037	7,944.30	17,212.65	206,552
4	101.7864	8,142.91	17,642.97	211,716
5	104.3311	8,346.49	18,084.05	217,009
6	106.9393	8,555.15	18,536.15	222,434
7	109.6128	8,769.02	18,999.55	227,995
8	112.3531	8,988.25	19,474.54	233,694
9	115.1619	9,212.95	19,961.40	239,537
200				
1	101.6068	8,128.55	17,611.85	211,342
2	104.1470	8,331.76	18,052.15	216,626
3	106.7507	8,540.06	18,503.46	222,042
4	109.4195	8,753.56	18,966.04	227,593
5	112.1549	8,972.40	19,440.19	233,282
6	114.9588	9,196.71	19,926.19	239,114
7	117.8328	9,426.63	20,424.36	245,092
8	120.7786	9,662.29	20,934.96	251,220
9	123.7981	9,903.85	21,458.33	257,500

Unrepresented, Executive and Laboratory Unit Salary Matrix
Effective July 1, 2015

EXHIBIT 1

Range/Step	Hourly	Bi-Weekly	Monthly	Annually
201				
1	52.2450	4,179.60	9,055.80	108,670
202				
1	42.9806	3,438.45	7,449.97	89,400
203				
1	135.1628	10,813.02	23,428.22	281,139

RESOLUTION NO. 2015-6-14

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE GENERAL UNIT SALARY SCHEDULE/MATRIX

WHEREAS, the Agency has compensation changes for the General Unit as a result of an agreed upon Cost of Living Adjustment (COLA), and

WHEREAS, the Agency now desires to update the salary and classification information to comply with the California Code of Regulations (CCR) §570.5, and

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby **RESOLVE, DETERMINE AND ORDER** as follows:

SECTION 1: The General Unit salary schedule/matrix is hereby adopted and set forth in Exhibit "1" of this resolution.

SECTION 2: The salary information contained in Exhibit "1" shall be effective as of July 1, 2015.

ADOPTED the 17th day of June, 2015.

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

ATTEST:

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

*A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2015-6-14, was adopted at a
regular Board Meeting on June 17, 2015, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

*A Municipal Water District

**GENERAL UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

CLASSIFICATION TITLE	SALARY RANGE
Accounting Technician	GU 086
Administrative Secretary	GU 088
Collection System Operator	GU 089
Compost Operator	GU 090
Compost Worker	GU 085
Control Systems Administrator	GU 099
Control Systems Analyst	GU 097
Electrical Technician I	GU 090
Electrical Technician II	GU 094
Engineering Technician	GU 089
HVAC Technician	GU 094
Industrial Engine Technician	GU 093
Instrument Technician I	GU 089
Instrument Technician II	GU 095
Inventory Control Technician	GU 087
Machinist	GU 091
Maintenance Planner Coordinator	GU 098
Mechanic I	GU 089
Mechanic II	GU 091
Office Assistant	GU 081
PC/Network Administrator	GU 098
Plant Maintenance Technician I	GU 085
Plant Maintenance Technician II	GU 088
Pretreatment and Source Control Inspector I	GU 089
Pretreatment and Source Control Inspector II	GU 092
Receptionist	GU 078
Records Management Clerk	GU 082
Records Management Coordinator	GU 090
Records Management Technician	GU 086
Senior Accounting Technician	GU 088
Senior Collection System Operator	GU 094
Senior Compost Operator	GU 093
Senior Elect/Inst Technician	GU 099
Senior Industrial Engine Technician	GU 098
Senior Maintenance Technician	GU 096
Senior Mechanic	GU 093
Senior Pretreatment and Source Control Inspector	GU 094
Technology Specialist I	GU 094
Technology Specialist II	GU 096
Warehouse and Inventory Technician	GU 087

**GENERAL UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
GU075	1	12.4512	996.09	2,158.20	25,898
	2	12.7625	1,021.00	2,212.17	26,546
	3	13.0816	1,046.53	2,267.48	27,210
	4	13.4086	1,072.69	2,324.16	27,890
	5	13.7438	1,099.50	2,382.26	28,587
	6	14.0874	1,126.99	2,441.82	29,302
	7	14.4397	1,155.17	2,502.88	30,035
	8	14.8007	1,184.06	2,565.45	30,785
	9	15.1708	1,213.66	2,629.60	31,555
GU076	1	13.0732	1,045.85	2,266.02	27,192
	2	13.3999	1,071.99	2,322.65	27,872
	3	13.7349	1,098.80	2,380.72	28,569
	4	14.0783	1,126.27	2,440.25	29,283
	5	14.4304	1,154.43	2,501.27	30,015
	6	14.7911	1,183.29	2,563.79	30,766
	7	15.1609	1,212.87	2,627.89	31,535
	8	15.5398	1,243.19	2,693.57	32,323
	9	15.9284	1,274.27	2,760.93	33,131
GU077	1	13.7263	1,098.10	2,379.22	28,551
	2	14.0694	1,125.55	2,438.69	29,264
	3	14.4211	1,153.69	2,499.66	29,996
	4	14.7816	1,182.53	2,562.15	30,746
	5	15.1512	1,212.10	2,626.21	31,514
	6	15.5300	1,242.40	2,691.87	32,302
	7	15.9182	1,273.46	2,759.16	33,110
	8	16.3162	1,305.30	2,828.15	33,938
	9	16.7241	1,337.93	2,898.85	34,786
GU078	1	14.4138	1,153.11	2,498.40	29,981
	2	14.7742	1,181.94	2,560.86	30,730
	3	15.1436	1,211.49	2,624.89	31,499
	4	15.5222	1,241.78	2,690.52	32,286
	5	15.9102	1,272.82	2,757.77	33,093
	6	16.3080	1,304.64	2,826.72	33,921
	7	16.7157	1,337.25	2,897.38	34,769
	8	17.1336	1,370.69	2,969.83	35,638
	9	17.5618	1,404.94	3,044.05	36,529

**GENERAL UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
GU079	1	15.1342	1,210.74	2,623.26	31,479
	2	15.5126	1,241.01	2,688.85	32,266
	3	15.9005	1,272.04	2,756.09	33,073
	4	16.2980	1,303.84	2,824.99	33,900
	5	16.7054	1,336.43	2,895.60	34,747
	6	17.1230	1,369.84	2,967.99	35,616
	7	17.5512	1,404.10	3,042.21	36,506
	8	17.9900	1,439.20	3,118.26	37,419
	9	18.4398	1,475.18	3,196.23	38,355
GU080	1	15.8904	1,271.23	2,754.34	33,052
	2	16.2877	1,303.02	2,823.20	33,878
	3	16.6950	1,335.60	2,893.79	34,726
	4	17.1121	1,368.97	2,966.10	35,593
	5	17.5401	1,403.21	3,040.28	36,483
	6	17.9784	1,438.28	3,116.26	37,395
	7	18.4279	1,474.23	3,194.18	38,330
	8	18.8887	1,511.09	3,274.03	39,288
	9	19.3608	1,548.86	3,355.87	40,270
GU081	1	16.6851	1,334.81	2,892.08	34,705
	2	17.1022	1,368.18	2,964.39	35,573
	3	17.5298	1,402.38	3,038.49	36,462
	4	17.9679	1,437.44	3,114.44	37,373
	5	18.4171	1,473.37	3,192.30	38,308
	6	18.8776	1,510.21	3,272.12	39,265
	7	19.3495	1,547.96	3,353.91	40,247
	8	19.8332	1,586.65	3,437.75	41,253
	9	20.3291	1,626.33	3,523.71	42,285
GU082	1	17.5191	1,401.53	3,036.64	36,440
	2	17.9570	1,436.56	3,112.55	37,351
	3	18.4059	1,472.47	3,190.35	38,284
	4	18.8661	1,509.29	3,270.12	39,241
	5	19.3378	1,547.03	3,351.89	40,223
	6	19.8212	1,585.70	3,435.68	41,228
	7	20.3169	1,625.35	3,521.59	42,259
	8	20.8247	1,665.98	3,609.62	43,315
	9	21.3454	1,707.63	3,699.87	44,398

**GENERAL UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
GU083					
	1	18.3956	1,471.65	3,188.57	38,263
	2	18.8555	1,508.44	3,268.28	39,219
	3	19.3269	1,546.15	3,350.00	40,200
	4	19.8101	1,584.81	3,433.75	41,205
	5	20.3055	1,624.44	3,519.62	42,235
	6	20.8130	1,665.04	3,607.59	43,291
	7	21.3335	1,706.68	3,697.80	44,374
	8	21.8668	1,749.34	3,790.24	45,483
	9	22.4134	1,793.07	3,884.99	46,620
GU084					
	1	19.3143	1,545.14	3,347.80	40,174
	2	19.7970	1,583.76	3,431.48	41,178
	3	20.2919	1,623.35	3,517.27	42,207
	4	20.7993	1,663.94	3,605.21	43,263
	5	21.3192	1,705.54	3,695.34	44,344
	6	21.8523	1,748.18	3,787.73	45,453
	7	22.3987	1,791.90	3,882.44	46,589
	8	22.9586	1,836.69	3,979.49	47,754
	9	23.5326	1,882.61	4,078.99	48,948
GU085					
	1	20.2815	1,622.52	3,515.46	42,186
	2	20.7885	1,663.08	3,603.34	43,240
	3	21.3082	1,704.66	3,693.43	44,321
	4	21.8408	1,747.27	3,785.75	45,429
	5	22.3869	1,790.96	3,880.40	46,565
	6	22.9465	1,835.72	3,977.40	47,729
	7	23.5202	1,881.61	4,076.83	48,922
	8	24.1082	1,928.65	4,178.75	50,145
	9	24.7109	1,976.87	4,283.23	51,399
GU086					
	1	21.2943	1,703.55	3,691.02	44,292
	2	21.8267	1,746.14	3,783.30	45,400
	3	22.3723	1,789.79	3,877.87	46,534
	4	22.9316	1,834.53	3,974.81	47,698
	5	23.5050	1,880.40	4,074.20	48,890
	6	24.0925	1,927.40	4,176.04	50,112
	7	24.6948	1,975.58	4,280.43	51,365
	8	25.3121	2,024.97	4,387.44	52,649
	9	25.9450	2,075.60	4,497.13	53,966

**GENERAL UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
GU087	1	22.3593	1,788.75	3,875.62	46,507
	2	22.9182	1,833.46	3,972.49	47,670
	3	23.4912	1,879.30	4,071.81	48,862
	4	24.0785	1,926.28	4,173.61	50,083
	5	24.6803	1,974.43	4,277.93	51,335
	6	25.2973	2,023.79	4,384.87	52,618
	7	25.9298	2,074.39	4,494.51	53,934
	8	26.5781	2,126.25	4,606.87	55,282
	9	27.2426	2,179.41	4,722.05	56,665
GU088	1	23.4773	1,878.18	4,069.40	48,833
	2	24.0641	1,925.13	4,171.11	50,053
	3	24.6656	1,973.25	4,275.37	51,304
	4	25.2823	2,022.58	4,382.26	52,587
	5	25.9143	2,073.14	4,491.81	53,902
	6	26.5623	2,124.98	4,604.12	55,249
	7	27.2261	2,178.09	4,719.19	56,630
	8	27.9067	2,232.54	4,837.16	58,046
	9	28.6045	2,288.36	4,958.12	59,497
GU089	1	24.6510	1,972.08	4,272.84	51,274
	2	25.2673	2,021.39	4,379.67	52,556
	3	25.8990	2,071.92	4,489.17	53,870
	4	26.5466	2,123.73	4,601.41	55,217
	5	27.2101	2,176.81	4,716.42	56,597
	6	27.8904	2,231.24	4,834.34	58,012
	7	28.5877	2,287.01	4,955.19	59,462
	8	29.3023	2,344.18	5,079.06	60,949
	9	30.0348	2,402.78	5,206.03	62,472
GU090	1	25.8841	2,070.73	4,486.58	53,839
	2	26.5313	2,122.50	4,598.75	55,185
	3	27.1946	2,175.57	4,713.73	56,565
	4	27.8744	2,229.95	4,831.56	57,979
	5	28.5713	2,285.70	4,952.35	59,428
	6	29.2856	2,342.85	5,076.17	60,914
	7	30.0178	2,401.42	5,203.09	62,437
	8	30.7682	2,461.45	5,333.15	63,998
	9	31.5375	2,523.00	5,466.49	65,598

**GENERAL UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
GU091					
	1	27.1770	2,174.16	4,710.67	56,528
	2	27.8565	2,228.52	4,828.45	57,941
	3	28.5528	2,284.23	4,949.16	59,390
	4	29.2665	2,341.32	5,072.86	60,874
	5	29.9983	2,399.87	5,199.71	62,397
	6	30.7483	2,459.86	5,329.70	63,956
	7	31.5171	2,521.37	5,462.96	65,556
	8	32.3049	2,584.39	5,599.52	67,194
	9	33.1125	2,649.00	5,739.51	68,874
GU092					
	1	28.5369	2,282.95	4,946.39	59,357
	2	29.2504	2,340.03	5,070.06	60,841
	3	29.9817	2,398.53	5,196.82	62,362
	4	30.7311	2,458.49	5,326.72	63,921
	5	31.4994	2,519.95	5,459.89	65,519
	6	32.2868	2,582.94	5,596.38	67,157
	7	33.0940	2,647.52	5,736.29	68,836
	8	33.9214	2,713.71	5,879.71	70,557
	9	34.7694	2,781.55	6,026.70	72,320
GU093					
	1	29.9631	2,397.05	5,193.61	62,323
	2	30.7120	2,456.96	5,323.42	63,881
	3	31.4799	2,518.39	5,456.51	65,478
	4	32.2669	2,581.35	5,592.93	67,115
	5	33.0736	2,645.89	5,732.76	68,793
	6	33.9004	2,712.03	5,876.07	70,513
	7	34.7480	2,779.84	6,022.98	72,276
	8	35.6167	2,849.33	6,173.56	74,083
	9	36.5070	2,920.56	6,327.88	75,935
GU094					
	1	31.4615	2,516.92	5,453.32	65,440
	2	32.2479	2,579.83	5,589.63	67,076
	3	33.0541	2,644.33	5,729.38	68,753
	4	33.8805	2,710.44	5,872.62	70,471
	5	34.7276	2,778.21	6,019.45	72,233
	6	35.5958	2,847.66	6,169.93	74,039
	7	36.4857	2,918.86	6,324.19	75,890
	8	37.3979	2,991.83	6,482.30	77,788
	9	38.3328	3,066.62	6,644.35	79,732

**GENERAL UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
GU095					
	1	33.0346	2,642.77	5,725.99	68,712
	2	33.8603	2,708.83	5,869.12	70,429
	3	34.7068	2,776.54	6,015.84	72,190
	4	35.5746	2,845.96	6,166.26	73,995
	5	36.4639	2,917.11	6,320.40	75,845
	6	37.3753	2,990.02	6,478.39	77,741
	7	38.3097	3,064.78	6,640.35	79,684
	8	39.2675	3,141.40	6,806.37	81,676
	9	40.2491	3,219.93	6,976.51	83,718
GU096					
	1	34.6861	2,774.89	6,012.25	72,147
	2	35.5532	2,844.26	6,162.56	73,951
	3	36.4420	2,915.36	6,316.62	75,799
	4	37.3531	2,988.24	6,474.53	77,694
	5	38.2869	3,062.95	6,636.39	79,637
	6	39.2441	3,139.53	6,802.32	81,628
	7	40.2252	3,218.02	6,972.37	83,668
	8	41.2309	3,298.47	7,146.69	85,760
	9	42.2617	3,380.94	7,325.37	87,904
GU097					
	1	36.4202	2,913.61	6,312.83	75,754
	2	37.3307	2,986.46	6,470.66	77,648
	3	38.2641	3,061.13	6,632.44	79,589
	4	39.2205	3,137.64	6,798.23	81,579
	5	40.2011	3,216.09	6,968.19	83,618
	6	41.2062	3,296.49	7,142.40	85,709
	7	42.2363	3,378.90	7,320.96	87,851
	8	43.2921	3,463.37	7,503.97	90,048
	9	44.3745	3,549.96	7,691.57	92,299
GU098					
	1	38.2414	3,059.31	6,628.51	79,542
	2	39.1975	3,135.80	6,794.23	81,531
	3	40.1774	3,214.19	6,964.09	83,569
	4	41.1820	3,294.56	7,138.21	85,659
	5	42.2114	3,376.91	7,316.64	87,800
	6	43.2668	3,461.34	7,499.58	89,995
	7	44.3484	3,547.87	7,687.06	92,245
	8	45.4571	3,636.57	7,879.23	94,551
	9	46.5934	3,727.47	8,076.19	96,914

**GENERAL UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
GU099					
	1	40.1299	3,210.39	6,955.86	83,470
	2	41.1333	3,290.66	7,129.76	85,557
	3	42.1615	3,372.92	7,307.99	87,696
	4	43.2155	3,457.24	7,490.69	89,888
	5	44.2959	3,543.67	7,677.95	92,135
	6	45.4032	3,632.26	7,869.89	94,439
	7	46.5384	3,723.07	8,066.65	96,800
	8	47.7018	3,816.14	8,268.31	99,220
	9	48.8942	3,911.54	8,475.00	101,700
GU100					
	1	42.1364	3,370.91	7,303.64	87,644
	2	43.1899	3,455.19	7,486.24	89,835
	3	44.2695	3,541.56	7,673.38	92,081
	4	45.3763	3,630.11	7,865.23	94,383
	5	46.5108	3,720.86	8,061.87	96,742
	6	47.6736	3,813.88	8,263.42	99,161
	7	48.8655	3,909.24	8,470.01	101,640
	8	50.0870	4,006.96	8,681.75	104,181
	9	51.3392	4,107.14	8,898.80	106,786

RESOLUTION NO. 2015-6-15

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE PROFESSIONAL UNIT SALARY SCHEDULE/MATRIX

WHEREAS, the Agency has compensation changes for the Professional Unit as a result of an agreed upon Cost of Living Adjustment (COLA), and

WHEREAS, the Agency now desires to update the salary and classification information to comply with the California Code of Regulations (CCR) §570.5, and

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER as follows:

SECTION 1: The Professional Unit salary schedule/matrix is hereby adopted and set forth in Exhibit "1" of this resolution.

SECTION 2: The salary information contained in Exhibit "1" shall be effective as of July 1, 2015.

ADOPTED the 17th day of June, 2015.

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

ATTEST:

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

*A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2015-6-15, was adopted at a
regular Board Meeting on June 17, 2015, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

*A Municipal Water District

**PROFESSIONAL UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

CLASSIFICATION TITLE

SALARY RANGES

Administrative Assistant (non-confidential)	PR 091
Applications Systems Analyst II	PR 097
Business Systems Analyst II	PR 097
Compliance Accountant	PR 091
Construction Management Analyst	PR 093
Contracts/Programs Administrator	PR 095
Financial Analyst	PR 096
Grants Administrator	PR 096
Information Systems Analyst	PR 098
Management Analyst - Primavera	PR 099
Network Administrator	PR 099
Organics Recycling Coordinator	PR 097
Procurement Specialist I	PR 091
Procurement Specialist II	PR 092
Revenue Accountant II	PR 091
Safety Analyst	PR 094
Senior Accountant	PR 094
Senior Engineer	PR 102
Senior Financial Analyst	PR 097
Senior Financial Management Analyst	PR 100
Senior Site Administrator	PR 100
Systems Administrator	PR 097
Technical Buyer	PR 094
Water Resources Analyst II	PR 097

PROFESSIONAL EMPLOYEES' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
PR080	1	15.8530	1,268.24	2,747.86	32,974
	2	16.2494	1,299.95	2,816.56	33,799
	3	16.6556	1,332.45	2,886.97	34,644
	4	17.0719	1,365.76	2,959.14	35,510
	5	17.4987	1,399.89	3,033.10	36,397
	6	17.9362	1,434.90	3,108.94	37,307
	7	18.3846	1,470.77	3,186.66	38,240
	8	18.8443	1,507.54	3,266.34	39,196
	9	19.3153	1,545.22	3,347.98	40,176
PR081	1	16.6456	1,331.65	2,885.24	34,623
	2	17.0618	1,364.95	2,957.39	35,489
	3	17.4884	1,399.07	3,031.32	36,376
	4	17.9256	1,434.05	3,107.10	37,285
	5	18.3737	1,469.89	3,184.77	38,217
	6	18.8331	1,506.65	3,264.41	39,173
	7	19.3038	1,544.31	3,346.00	40,152
	8	19.7865	1,582.92	3,429.66	41,156
	9	20.2813	1,622.51	3,515.43	42,185
PR082	1	17.4778	1,398.22	3,029.48	36,354
	2	17.9147	1,433.17	3,105.21	37,263
	3	18.3626	1,469.01	3,182.86	38,194
	4	18.8217	1,505.74	3,262.43	39,149
	5	19.2923	1,543.38	3,344.00	40,128
	6	19.7746	1,581.96	3,427.59	41,131
	7	20.2689	1,621.51	3,513.27	42,159
	8	20.7757	1,662.06	3,601.12	43,213
	9	21.2950	1,703.60	3,691.14	44,294
PR083	1	18.3521	1,468.17	3,181.04	38,172
	2	18.8109	1,504.87	3,260.55	39,127
	3	19.2811	1,542.49	3,342.05	40,105
	4	19.7630	1,581.04	3,425.59	41,107
	5	20.2573	1,620.59	3,511.27	42,135
	6	20.7637	1,661.09	3,599.04	43,188
	7	21.2827	1,702.61	3,689.00	44,268
	8	21.8148	1,745.18	3,781.23	45,375
	9	22.3601	1,788.81	3,875.74	46,509

PROFESSIONAL EMPLOYEES' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
PR084	1	19.2686	1,541.49	3,339.89	40,079
	2	19.7504	1,580.03	3,423.39	41,081
	3	20.2440	1,619.52	3,508.97	42,108
	4	20.7502	1,660.01	3,596.70	43,160
	5	21.2691	1,701.53	3,686.64	44,240
	6	21.8008	1,744.06	3,778.80	45,346
	7	22.3457	1,787.66	3,873.26	46,479
	8	22.9045	1,832.36	3,970.12	47,641
	9	23.4772	1,878.18	4,069.38	48,833
PR085	1	20.2337	1,618.70	3,507.18	42,086
	2	20.7396	1,659.17	3,594.86	43,138
	3	21.2580	1,700.64	3,684.71	44,217
	4	21.7893	1,743.15	3,776.82	45,322
	5	22.3341	1,786.73	3,871.25	46,455
	6	22.8926	1,831.41	3,968.05	47,617
	7	23.4647	1,877.18	4,067.22	48,807
	8	24.0514	1,924.11	4,168.91	50,027
	9	24.6527	1,972.22	4,273.14	51,278
PR086	1	21.2444	1,699.55	3,682.36	44,188
	2	21.7754	1,742.03	3,774.41	45,293
	3	22.3199	1,785.59	3,868.78	46,425
	4	22.8778	1,830.23	3,965.49	47,586
	5	23.4498	1,875.98	4,064.63	48,776
	6	24.0361	1,922.89	4,166.25	49,995
	7	24.6369	1,970.95	4,270.39	51,245
	8	25.2528	2,020.23	4,377.16	52,526
	9	25.8840	2,070.72	4,486.56	53,839
PR087	1	22.3067	1,784.54	3,866.50	46,398
	2	22.8645	1,829.16	3,963.17	47,558
	3	23.4360	1,874.88	4,062.24	48,747
	4	24.0219	1,921.75	4,163.79	49,965
	5	24.6226	1,969.80	4,267.91	51,215
	6	25.2381	2,019.05	4,374.60	52,495
	7	25.8690	2,069.52	4,483.95	53,807
	8	26.5157	2,121.26	4,596.06	55,153
	9	27.1787	2,174.30	4,710.98	56,532

PROFESSIONAL EMPLOYEES' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
PR088	1	23.4218	1,873.74	4,059.78	48,717
	2	24.0072	1,920.58	4,161.25	49,935
	3	24.6073	1,968.59	4,265.27	51,183
	4	25.2225	2,017.80	4,371.91	52,463
	5	25.8531	2,068.25	4,481.20	53,774
	6	26.4995	2,119.96	4,593.25	55,119
	7	27.1619	2,172.95	4,708.07	56,497
	8	27.8410	2,227.28	4,825.77	57,909
	9	28.5371	2,282.97	4,946.43	59,357
PR089	1	24.5930	1,967.44	4,262.79	51,153
	2	25.2077	2,016.62	4,369.34	52,432
	3	25.8381	2,067.05	4,478.60	53,743
	4	26.4840	2,118.72	4,590.56	55,087
	5	27.1461	2,171.68	4,705.32	56,464
	6	27.8247	2,225.98	4,822.95	57,875
	7	28.5205	2,281.64	4,943.55	59,323
	8	29.2335	2,338.68	5,067.13	60,806
	9	29.9642	2,397.14	5,193.80	62,326
PR090	1	25.8233	2,065.87	4,476.04	53,713
	2	26.4689	2,117.52	4,587.95	55,055
	3	27.1306	2,170.45	4,702.64	56,432
	4	27.8089	2,224.71	4,820.20	57,842
	5	28.5041	2,280.33	4,940.71	59,289
	6	29.2167	2,337.33	5,064.22	60,771
	7	29.9470	2,395.76	5,190.82	62,290
	8	30.6958	2,455.66	5,320.60	63,847
	9	31.4632	2,517.06	5,453.62	65,443
PR091	1	27.1130	2,169.04	4,699.59	56,395
	2	27.7908	2,223.27	4,817.08	57,805
	3	28.4857	2,278.85	4,937.52	59,250
	4	29.1978	2,335.83	5,060.96	60,731
	5	29.9277	2,394.21	5,187.46	62,250
	6	30.6759	2,454.07	5,317.15	63,806
	7	31.4429	2,515.43	5,450.10	65,401
	8	32.2289	2,578.31	5,586.34	67,036
	9	33.0347	2,642.77	5,726.01	68,712

PROFESSIONAL EMPLOYEES' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
PR092	1	28.4697	2,277.58	4,934.75	59,217
	2	29.1814	2,334.52	5,058.12	60,697
	3	29.9110	2,392.88	5,184.57	62,215
	4	30.6589	2,452.71	5,314.21	63,770
	5	31.4253	2,514.02	5,447.05	65,365
	6	32.2110	2,576.88	5,583.24	66,999
	7	33.0162	2,641.30	5,722.81	68,674
	8	33.8418	2,707.34	5,865.91	70,391
	9	34.6877	2,775.02	6,012.54	72,150
PR093	1	29.8925	2,391.40	5,181.36	62,176
	2	30.6398	2,451.19	5,310.90	63,731
	3	31.4059	2,512.47	5,443.70	65,324
	4	32.1910	2,575.28	5,579.77	66,957
	5	32.9957	2,639.66	5,719.26	68,631
	6	33.8206	2,705.65	5,862.23	70,347
	7	34.6661	2,773.29	6,008.79	72,105
	8	35.5326	2,842.61	6,158.99	73,908
	9	36.4211	2,913.69	6,312.99	75,756
PR094	1	31.3874	2,510.99	5,440.48	65,286
	2	32.1721	2,573.76	5,576.49	66,918
	3	32.9764	2,638.11	5,715.91	68,591
	4	33.8007	2,704.05	5,858.79	70,305
	5	34.6458	2,771.66	6,005.27	72,063
	6	35.5119	2,840.95	6,155.40	73,865
	7	36.3997	2,911.97	6,309.28	75,711
	8	37.3097	2,984.78	6,467.01	77,604
	9	38.2425	3,059.40	6,628.69	79,544
PR095	1	32.9567	2,636.54	5,712.50	68,550
	2	33.7806	2,702.45	5,855.30	70,264
	3	34.6251	2,770.01	6,001.68	72,020
	4	35.4908	2,839.27	6,151.74	73,821
	5	36.3782	2,910.25	6,305.55	75,667
	6	37.2875	2,983.00	6,463.17	77,558
	7	38.2199	3,057.59	6,624.78	79,497
	8	39.1753	3,134.03	6,790.39	81,485
	9	40.1547	3,212.37	6,960.14	83,522

PROFESSIONAL EMPLOYEES' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
PR096	1	34.6045	2,768.36	5,998.11	71,977
	2	35.4696	2,837.57	6,148.06	73,777
	3	36.3562	2,908.50	6,301.74	75,621
	4	37.2652	2,981.22	6,459.30	77,512
	5	38.1968	3,055.75	6,620.78	79,449
	6	39.1517	3,132.14	6,786.30	81,436
	7	40.1304	3,210.44	6,955.94	83,471
	8	41.1337	3,290.69	7,129.84	85,558
	9	42.1620	3,372.96	7,308.08	87,697
PR097	1	36.3344	2,906.75	6,297.96	75,576
	2	37.2427	2,979.42	6,455.41	77,465
	3	38.1739	3,053.91	6,616.80	79,402
	4	39.1283	3,130.26	6,782.23	81,387
	5	40.1064	3,208.52	6,951.78	83,421
	6	41.1091	3,288.72	7,125.57	85,507
	7	42.1368	3,370.94	7,303.71	87,645
	8	43.1902	3,455.21	7,486.30	89,836
	9	44.2700	3,541.60	7,673.47	92,082
PR098	1	38.1515	3,052.12	6,612.93	79,355
	2	39.1053	3,128.42	6,778.25	81,339
	3	40.0831	3,206.65	6,947.73	83,373
	4	41.0851	3,286.80	7,121.41	85,457
	5	42.1122	3,368.97	7,299.44	87,593
	6	43.1650	3,453.20	7,481.94	89,783
	7	44.2442	3,539.53	7,668.99	92,028
	8	45.3502	3,628.01	7,860.70	94,328
	9	46.4840	3,718.72	8,057.23	96,687
PR099	1	40.0355	3,202.84	6,939.48	83,274
	2	41.0363	3,282.91	7,112.96	85,356
	3	42.0623	3,364.99	7,290.80	87,490
	4	43.1138	3,449.11	7,473.07	89,677
	5	44.1917	3,535.34	7,659.90	91,919
	6	45.2965	3,623.72	7,851.40	94,217
	7	46.4289	3,714.31	8,047.68	96,572
	8	47.5897	3,807.18	8,248.88	98,987
	9	48.7795	3,902.36	8,455.11	101,461

PROFESSIONAL EMPLOYEES' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
PR100					
	1	42.0631	3,365.05	7,290.94	87,491
	2	43.1147	3,449.17	7,473.21	89,679
	3	44.1926	3,535.40	7,660.04	91,921
	4	45.2974	3,623.80	7,851.56	94,219
	5	46.4298	3,714.39	8,047.84	96,574
	6	47.5905	3,807.24	8,249.03	98,988
	7	48.7804	3,902.43	8,455.27	101,463
	8	49.9998	3,999.98	8,666.63	104,000
	9	51.2499	4,099.99	8,883.32	106,600
PR101					
	1	44.1664	3,533.31	7,655.51	91,866
	2	45.2705	3,621.64	7,846.88	94,163
	3	46.4021	3,712.17	8,043.03	96,516
	4	47.5623	3,804.98	8,244.13	98,930
	5	48.7514	3,900.12	8,450.25	101,403
	6	49.9701	3,997.61	8,661.49	103,938
	7	51.2194	4,097.55	8,878.03	106,536
	8	52.4998	4,199.99	9,099.97	109,200
	9	53.8124	4,304.99	9,327.47	111,930
PR102					
	1	46.3745	3,709.96	8,038.25	96,459
	2	47.5341	3,802.73	8,239.24	98,871
	3	48.7223	3,897.78	8,445.20	101,342
	4	49.9404	3,995.23	8,656.33	103,876
	5	51.1889	4,095.12	8,872.75	106,473
	6	52.4687	4,197.50	9,094.58	109,135
	7	53.7803	4,302.43	9,321.92	111,863
	8	55.1249	4,409.99	9,554.98	114,660
	9	56.5030	4,520.24	9,793.86	117,526
PR103					
	1	48.6934	3,895.47	8,440.18	101,282
	2	49.9107	3,992.86	8,651.19	103,814
	3	51.1585	4,092.68	8,867.47	106,410
	4	52.4374	4,194.99	9,089.15	109,070
	5	53.7484	4,299.87	9,316.39	111,797
	6	55.0920	4,407.36	9,549.28	114,591
	7	56.4694	4,517.56	9,788.04	117,456
	8	57.8811	4,630.48	10,032.72	120,393
	9	59.3282	4,746.26	10,283.56	123,403

PROFESSIONAL EMPLOYEES' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
PR104	1	51.1281	4,090.25	8,862.20	106,346
	2	52.4063	4,192.50	9,083.76	109,005
	3	53.7164	4,297.31	9,310.83	111,730
	4	55.0593	4,404.74	9,543.61	114,523
	5	56.4358	4,514.86	9,782.20	117,386
	6	57.8468	4,627.74	10,026.77	120,321
	7	59.2928	4,743.42	10,277.41	123,329
	8	60.7752	4,862.01	10,534.36	126,412
	9	62.2945	4,983.56	10,797.71	129,573
PR105	1	53.6844	4,294.75	9,305.30	111,664
	2	55.0266	4,402.13	9,537.95	114,455
	3	56.4023	4,512.18	9,776.40	117,317
	4	57.8123	4,624.98	10,020.79	120,249
	5	59.2577	4,740.61	10,271.33	123,256
	6	60.7391	4,859.13	10,528.11	126,337
	7	62.2576	4,980.61	10,791.32	129,496
	8	63.8141	5,105.12	11,061.10	132,733
	9	65.4095	5,232.76	11,337.65	136,052
PR106	1	56.3687	4,509.50	9,770.58	117,247
	2	57.7779	4,622.23	10,014.83	120,178
	3	59.2223	4,737.79	10,265.20	123,182
	4	60.7029	4,856.24	10,521.84	126,262
	5	62.2207	4,977.65	10,784.91	129,419
	6	63.7762	5,102.09	11,054.53	132,654
	7	65.3707	5,229.66	11,330.92	135,971
	8	67.0050	5,360.40	11,614.20	139,370
	9	68.6802	5,494.42	11,904.57	142,855
PR107	1	59.1871	4,734.97	10,259.10	123,109
	2	60.6668	4,853.34	10,515.58	126,187
	3	62.1835	4,974.68	10,778.47	129,342
	4	63.7382	5,099.05	11,047.95	132,575
	5	65.3316	5,226.52	11,324.14	135,890
	6	66.9650	5,357.20	11,607.27	139,287
	7	68.6391	5,491.13	11,897.44	142,769
	8	70.3551	5,628.41	12,194.88	146,339
	9	72.1140	5,769.12	12,499.76	149,997

PROFESSIONAL EMPLOYEES' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015

Exhibit 1

<u>Range</u>	<u>Step</u>	<u>Hourly</u>	<u>Bi-weekly</u>	<u>Monthly</u>	<u>Annual</u>
PR108					
	1	62.1466	4,971.73	10,772.08	129,265
	2	63.7002	5,096.02	11,041.38	132,497
	3	65.2928	5,223.43	11,317.42	135,809
	4	66.9253	5,354.02	11,600.38	139,205
	5	68.5984	5,487.87	11,890.39	142,685
	6	70.3135	5,625.08	12,187.67	146,252
	7	72.0714	5,765.71	12,492.37	149,908
	8	73.8731	5,909.85	12,804.68	153,656
	9	75.7199	6,057.59	13,124.79	157,497

RESOLUTION NO. 2015-6-16

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE SUPERVISORS' UNIT SALARY SCHEDULE/MATRIX

WHEREAS, the Agency has compensation changes for the Supervisors' Unit as a result of an agreed upon Cost of Living Adjustment (COLA), and

WHEREAS, the Agency now desires to update the salary and classification information to comply with the California Code of Regulations (CCR) §570.5, and

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby **RESOLVE, DETERMINE AND ORDER** as follows:

SECTION 1: The Supervisors' Unit salary schedule/matrix is hereby adopted and set forth in Exhibit "1" of this resolution.

SECTION 2: The salary information contained in Exhibit "1" shall be effective as of July 1, 2015.

ADOPTED the 17th day of June, 2015.

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

ATTEST:

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

*A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2015-6-16, was adopted at a
regular Board Meeting on June 17, 2015, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

*A Municipal Water District

**SUPERVISORS' UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

CLASSIFICATION TITLE

SALARY RANGES

Accounting Supervisor	SU 099
Administrative Coordinator	SU 098
Business Systems Supervisor	SU 100
Compost Facility Superintendent	SU 101
Construction Project Manager	SU 100
Construction Project Manager - PE	SU 103
Groundwater Recharge Coordinator	SU 103
Inventory Resources Coordinator	SU 102
Maintenance Supervisor	SU 101
Materials Management Supervisor	SU 099
Operations Supervisor*	SU 100
Pretreatment & Source Control Supervisor	SU 100
Process Automation & Controls Supervisor	SU 101
Senior Chemist	SU 100
Senior Water Resources Analyst	SU 098
Supervising Contract & Programs Administrator	SU 099
Supervising Management Analyst	SU 099
Supervising Warehouse Systems & Inventory	SU 099
Supervisor of Engineering Administration	SU 100

* Non-Exempt Classification

**SUPERVISORS UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
SU088	1	23.4230	1,873.84	4,059.99	48,720
	2	24.0086	1,920.69	4,161.49	49,938
	3	24.6089	1,968.71	4,265.54	51,186
	4	25.2240	2,017.92	4,372.16	52,466
	5	25.8545	2,068.36	4,481.45	53,777
	6	26.5009	2,120.07	4,593.48	55,122
	7	27.1636	2,173.09	4,708.35	56,500
	8	27.8425	2,227.40	4,826.04	57,912
	9	28.5385	2,283.08	4,946.68	59,360
SU089	1	24.5943	1,967.55	4,263.02	51,156
	2	25.2093	2,016.74	4,369.60	52,435
	3	25.8394	2,067.15	4,478.83	53,746
	4	26.4853	2,118.83	4,590.79	55,089
	5	27.1475	2,171.80	4,705.57	56,467
	6	27.8262	2,226.09	4,823.20	57,878
	7	28.5218	2,281.75	4,943.78	59,325
	8	29.2349	2,338.79	5,067.38	60,809
	9	29.9659	2,397.27	5,194.09	62,329
SU090	1	25.8246	2,065.97	4,476.26	53,715
	2	26.4703	2,117.62	4,588.18	55,058
	3	27.1320	2,170.56	4,702.87	56,434
	4	27.8103	2,224.82	4,820.45	57,845
	5	28.5057	2,280.45	4,940.98	59,292
	6	29.2182	2,337.46	5,064.49	60,774
	7	29.9486	2,395.89	5,191.09	62,293
	8	30.6973	2,455.78	5,320.86	63,850
	9	31.4646	2,517.17	5,453.87	65,446
SU091	1	27.1143	2,169.15	4,699.82	56,398
	2	27.7923	2,223.38	4,817.33	57,808
	3	28.4871	2,278.97	4,937.77	59,253
	4	29.1993	2,335.94	5,061.21	60,734
	5	29.9292	2,394.34	5,187.73	62,253
	6	30.6774	2,454.19	5,317.42	63,809
	7	31.4443	2,515.54	5,450.34	65,404
	8	32.2305	2,578.44	5,586.61	67,039
	9	33.0362	2,642.90	5,726.28	68,715

**SUPERVISORS UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
SU092	1	28.4713	2,277.70	4,935.02	59,220
	2	29.1831	2,334.65	5,058.40	60,701
	3	29.9126	2,393.01	5,184.86	62,218
	4	30.6605	2,452.84	5,314.49	63,774
	5	31.4269	2,514.16	5,447.34	65,368
	6	32.2126	2,577.01	5,583.52	67,002
	7	33.0180	2,641.44	5,723.12	68,677
	8	33.8434	2,707.47	5,866.19	70,394
	9	34.6896	2,775.17	6,012.86	72,154
SU093	1	29.8941	2,391.53	5,181.64	62,180
	2	30.6415	2,451.32	5,311.19	63,734
	3	31.4074	2,512.59	5,443.95	65,327
	4	32.1925	2,575.40	5,580.04	66,960
	5	32.9974	2,639.79	5,719.55	68,635
	6	33.8224	2,705.79	5,862.55	70,351
	7	34.6678	2,773.43	6,009.09	72,109
	8	35.5345	2,842.76	6,159.31	73,912
	9	36.4229	2,913.83	6,313.30	75,760
SU094	1	31.3890	2,511.12	5,440.77	65,289
	2	32.1739	2,573.91	5,576.81	66,922
	3	32.9782	2,638.26	5,716.23	68,595
	4	33.8026	2,704.21	5,859.12	70,309
	5	34.6477	2,771.81	6,005.59	72,067
	6	35.5139	2,841.11	6,155.74	73,869
	7	36.4017	2,912.14	6,309.64	75,716
	8	37.3118	2,984.94	6,467.37	77,608
	9	38.2445	3,059.56	6,629.05	79,549
SU095	1	32.9588	2,636.70	5,712.85	68,554
	2	33.7828	2,702.62	5,855.68	70,268
	3	34.6273	2,770.18	6,002.06	72,025
	4	35.4929	2,839.43	6,152.10	73,825
	5	36.3802	2,910.42	6,305.90	75,671
	6	37.2898	2,983.18	6,463.57	77,563
	7	38.2220	3,057.76	6,625.14	79,502
	8	39.1776	3,134.21	6,790.78	81,489
	9	40.1570	3,212.56	6,960.55	83,527

**SUPERVISORS UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
SU096	1	34.6061	2,768.49	5,998.40	71,981
	2	35.4713	2,837.71	6,148.37	73,780
	3	36.3582	2,908.65	6,302.08	75,625
	4	37.2670	2,981.36	6,459.62	77,515
	5	38.1988	3,055.90	6,621.12	79,453
	6	39.1538	3,132.30	6,786.66	81,440
	7	40.1327	3,210.62	6,956.34	83,476
	8	41.1360	3,290.88	7,130.25	85,563
	9	42.1645	3,373.16	7,308.51	87,702
SU097	1	36.3362	2,906.90	6,298.28	75,579
	2	37.2448	2,979.58	6,455.77	77,469
	3	38.1759	3,054.07	6,617.16	79,406
	4	39.1302	3,130.42	6,782.57	81,391
	5	40.1086	3,208.69	6,952.16	83,426
	6	41.1113	3,288.91	7,125.96	85,512
	7	42.1392	3,371.13	7,304.12	87,649
	8	43.1927	3,455.42	7,486.74	89,841
	9	44.2725	3,541.80	7,673.90	92,087
SU098	1	38.1538	3,052.30	6,613.32	79,360
	2	39.1077	3,128.61	6,778.66	81,344
	3	40.0852	3,206.82	6,948.11	83,377
	4	41.0874	3,286.99	7,121.82	85,462
	5	42.1146	3,369.17	7,299.87	87,598
	6	43.1676	3,453.41	7,482.39	89,789
	7	44.2468	3,539.75	7,669.45	92,033
	8	45.3530	3,628.24	7,861.18	94,334
	9	46.4869	3,718.95	8,057.73	96,693
SU099	1	40.0376	3,203.01	6,939.86	83,278
	2	41.0386	3,283.09	7,113.36	85,360
	3	42.0646	3,365.17	7,291.19	87,494
	4	43.1162	3,449.30	7,473.48	89,682
	5	44.1941	3,535.53	7,660.31	91,924
	6	45.2989	3,623.91	7,851.81	94,222
	7	46.4314	3,714.51	8,048.10	96,577
	8	47.5921	3,807.37	8,249.29	98,992
	9	48.7818	3,902.55	8,455.52	101,466

**SUPERVISORS UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
SU100	1	42.0631	3,365.05	7,290.94	87,491
	2	43.1147	3,449.17	7,473.21	89,679
	3	44.1926	3,535.40	7,660.04	91,921
	4	45.2974	3,623.80	7,851.56	94,219
	5	46.4298	3,714.39	8,047.84	96,574
	6	47.5906	3,807.25	8,249.04	98,989
	7	48.7804	3,902.43	8,455.27	101,463
	8	49.9998	3,999.98	8,666.63	104,000
	9	51.2499	4,099.99	8,883.32	106,600
SU101	1	44.1664	3,533.31	7,655.51	91,866
	2	45.2705	3,621.64	7,846.88	94,163
	3	46.4021	3,712.17	8,043.03	96,516
	4	47.5623	3,804.98	8,244.13	98,930
	5	48.7514	3,900.12	8,450.25	101,403
	6	49.9701	3,997.61	8,661.49	103,938
	7	51.2194	4,097.55	8,878.03	106,536
	8	52.4998	4,199.99	9,099.97	109,200
	9	53.8124	4,304.99	9,327.47	111,930
SU102	1	46.3745	3,709.96	8,038.25	96,459
	2	47.5341	3,802.73	8,239.24	98,871
	3	48.7223	3,897.78	8,445.20	101,342
	4	49.9404	3,995.23	8,656.33	103,876
	5	51.1889	4,095.12	8,872.75	106,473
	6	52.4687	4,197.50	9,094.58	109,135
	7	53.7803	4,302.43	9,321.92	111,863
	8	55.1249	4,409.99	9,554.98	114,660
	9	56.5030	4,520.24	9,793.86	117,526
SU103	1	48.6934	3,895.47	8,440.18	101,282
	2	49.9107	3,992.86	8,651.19	103,814
	3	51.1585	4,092.68	8,867.47	106,410
	4	52.4374	4,194.99	9,089.15	109,070
	5	53.7484	4,299.87	9,316.39	111,797
	6	55.0920	4,407.36	9,549.28	114,591
	7	56.4693	4,517.55	9,788.02	117,456
	8	57.8811	4,630.48	10,032.72	120,393
	9	59.3282	4,746.26	10,283.56	123,403

**SUPERVISORS UNIT
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

<u>Range</u>	<u>Step</u>	<u>Hourly</u>	<u>Bi-weekly</u>	<u>Monthly</u>	<u>Annual</u>
SU104					
	1	51.1281	4,090.25	8,862.20	106,346
	2	52.4063	4,192.50	9,083.76	109,005
	3	53.7164	4,297.31	9,310.83	111,730
	4	55.0594	4,404.75	9,543.62	114,523
	5	56.4358	4,514.86	9,782.20	117,386
	6	57.8467	4,627.73	10,026.75	120,321
	7	59.2928	4,743.42	10,277.41	123,329
	8	60.7750	4,862.00	10,534.34	126,412
	9	62.2946	4,983.57	10,797.73	129,573

RESOLUTION NO. 2015-6-17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE AMENDMENT OF THE OPERATORS' ASSOCIATION SALARY SCHEDULE/MATRIX

WHEREAS, the Agency has compensation changes for the Operators' Association as a result of an agreed upon Cost of Living Adjustment (COLA), and

WHEREAS, the Agency now desires to update the salary and classification information to comply with the California Code of Regulations (CCR) §570.5, and

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby **RESOLVE, DETERMINE AND ORDER** as follows:

SECTION 1: The Operators' Association salary schedule/matrix is hereby adopted and set forth in Exhibit "1" of this resolution.

SECTION 2: The salary information contained in Exhibit "1" shall be effective as of July 1, 2015.

ADOPTED the 17th day of June, 2015.

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

ATTEST:

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

*A Municipal Water District

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2015-6-17, was adopted at a
regular Board Meeting on June 17, 2015, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

*A Municipal Water District

**OPERATORS' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

CLASSIFICATION TITLE	SALARY RANGE
Operator in Training	OP 088
Operator I	OP 091
Operator II	OP 092
Operator III	OP 094
Operator IV	OP 095
Operator V	OP 095
Operator III - Dual Certification	OP 095
Operator IV - Dual Certification	OP 096
Operator V - Dual Certification	OP 096
Senior Operator III	OP 097
Senior Operator IV	OP 097
Senior Operator V	OP 097
Senior Operator III - Dual Certification	OP 098
Senior Operator IV - Dual Certification	OP 098
Senior Operator V - Dual Certification	OP 098

**OPERATORS' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
OP082	1	17.4778	1,398.22	3,029.48	36,354
	2	17.9147	1,433.17	3,105.21	37,263
	3	18.3626	1,469.01	3,182.86	38,194
	4	18.8217	1,505.74	3,262.43	39,149
	5	19.2923	1,543.38	3,344.00	40,128
	6	19.7746	1,581.96	3,427.59	41,131
	7	20.2689	1,621.51	3,513.27	42,159
	8	20.7757	1,662.06	3,601.12	43,213
	9	21.2950	1,703.60	3,691.14	44,294
OP083	1	18.3521	1,468.17	3,181.04	38,172
	2	18.8109	1,504.87	3,260.55	39,127
	3	19.2811	1,542.49	3,342.05	40,105
	4	19.7630	1,581.04	3,425.59	41,107
	5	20.2573	1,620.59	3,511.27	42,135
	6	20.7637	1,661.09	3,599.04	43,188
	7	21.2827	1,702.61	3,689.00	44,268
	8	21.8148	1,745.18	3,781.23	45,375
	9	22.3601	1,788.81	3,875.74	46,509
OP084	1	19.2686	1,541.49	3,339.89	40,079
	2	19.7504	1,580.03	3,423.39	41,081
	3	20.2440	1,619.52	3,508.97	42,108
	4	20.7502	1,660.01	3,596.70	43,160
	5	21.2691	1,701.53	3,686.64	44,240
	6	21.8008	1,744.06	3,778.80	45,346
	7	22.3457	1,787.66	3,873.26	46,479
	8	22.9045	1,832.36	3,970.12	47,641
	9	23.4772	1,878.18	4,069.38	48,833
OP085	1	20.2337	1,618.70	3,507.18	42,086
	2	20.7396	1,659.17	3,594.86	43,138
	3	21.2580	1,700.64	3,684.71	44,217
	4	21.7893	1,743.15	3,776.82	45,322
	5	22.3341	1,786.73	3,871.25	46,455
	6	22.8926	1,831.41	3,968.05	47,617
	7	23.4647	1,877.18	4,067.22	48,807
	8	24.0514	1,924.11	4,168.91	50,027
	9	24.6527	1,972.22	4,273.14	51,278

**OPERATORS' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
OP086	1	21.2444	1,699.55	3,682.36	44,188
	2	21.7754	1,742.03	3,774.41	45,293
	3	22.3199	1,785.59	3,868.78	46,425
	4	22.8778	1,830.23	3,965.49	47,586
	5	23.4498	1,875.98	4,064.63	48,776
	6	24.0361	1,922.89	4,166.25	49,995
	7	24.6369	1,970.95	4,270.39	51,245
	8	25.2528	2,020.23	4,377.16	52,526
	9	25.8840	2,070.72	4,486.56	53,839
OP087	1	22.3067	1,784.54	3,866.50	46,398
	2	22.8645	1,829.16	3,963.17	47,558
	3	23.4360	1,874.88	4,062.24	48,747
	4	24.0219	1,921.75	4,163.79	49,965
	5	24.6226	1,969.80	4,267.91	51,215
	6	25.2381	2,019.05	4,374.60	52,495
	7	25.8690	2,069.52	4,483.95	53,807
	8	26.5157	2,121.26	4,596.06	55,153
	9	27.1787	2,174.30	4,710.98	56,532
OP088	1	23.4218	1,873.74	4,059.78	48,717
	2	24.0072	1,920.58	4,161.25	49,935
	3	24.6073	1,968.59	4,265.27	51,183
	4	25.2225	2,017.80	4,371.91	52,463
	5	25.8531	2,068.25	4,481.20	53,774
	6	26.4995	2,119.96	4,593.25	55,119
	7	27.1619	2,172.95	4,708.07	56,497
	8	27.8410	2,227.28	4,825.77	57,909
	9	28.5371	2,282.97	4,946.43	59,357
OP089	1	24.5930	1,967.44	4,262.79	51,153
	2	25.2077	2,016.62	4,369.34	52,432
	3	25.8381	2,067.05	4,478.60	53,743
	4	26.4840	2,118.72	4,590.56	55,087
	5	27.1461	2,171.68	4,705.32	56,464
	6	27.8247	2,225.98	4,822.95	57,875
	7	28.5205	2,281.64	4,943.55	59,323
	8	29.2335	2,338.68	5,067.13	60,806
	9	29.9642	2,397.14	5,193.80	62,326

**OPERATORS' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
OP090					
	1	25.8233	2,065.87	4,476.04	53,713
	2	26.4689	2,117.52	4,587.95	55,055
	3	27.1306	2,170.45	4,702.64	56,432
	4	27.8089	2,224.71	4,820.20	57,842
	5	28.5041	2,280.33	4,940.71	59,289
	6	29.2167	2,337.33	5,064.22	60,771
	7	29.9470	2,395.76	5,190.82	62,290
	8	30.6958	2,455.66	5,320.60	63,847
	9	31.4632	2,517.06	5,453.62	65,443
OP091					
	1	27.1130	2,169.04	4,699.59	56,395
	2	27.7908	2,223.27	4,817.08	57,805
	3	28.4857	2,278.85	4,937.52	59,250
	4	29.1978	2,335.83	5,060.96	60,731
	5	29.9277	2,394.21	5,187.46	62,250
	6	30.6759	2,454.07	5,317.15	63,806
	7	31.4429	2,515.43	5,450.10	65,401
	8	32.2289	2,578.31	5,586.34	67,036
	9	33.0347	2,642.77	5,726.01	68,712
OP092					
	1	28.4697	2,277.58	4,934.75	59,217
	2	29.1814	2,334.52	5,058.12	60,697
	3	29.9110	2,392.88	5,184.57	62,215
	4	30.6589	2,452.71	5,314.21	63,770
	5	31.4253	2,514.02	5,447.05	65,365
	6	32.2110	2,576.88	5,583.24	66,999
	7	33.0162	2,641.30	5,722.81	68,674
	8	33.8418	2,707.34	5,865.91	70,391
	9	34.6877	2,775.02	6,012.54	72,150
OP093					
	1	29.8925	2,391.40	5,181.36	62,176
	2	30.6398	2,451.19	5,310.90	63,731
	3	31.4059	2,512.47	5,443.70	65,324
	4	32.1910	2,575.28	5,579.77	66,957
	5	32.9957	2,639.66	5,719.26	68,631
	6	33.8206	2,705.65	5,862.23	70,347
	7	34.6661	2,773.29	6,008.79	72,105
	8	35.5326	2,842.61	6,158.99	73,908
	9	36.4211	2,913.69	6,312.99	75,756

**OPERATORS' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
OP094	1	31.3874	2,510.99	5,440.48	65,286
	2	32.1721	2,573.76	5,576.49	66,918
	3	32.9764	2,638.11	5,715.91	68,591
	4	33.8007	2,704.05	5,858.79	70,305
	5	34.6458	2,771.66	6,005.27	72,063
	6	35.5119	2,840.95	6,155.40	73,865
	7	36.3997	2,911.97	6,309.28	75,711
	8	37.3097	2,984.78	6,467.01	77,604
	9	38.2425	3,059.40	6,628.69	79,544
OP095	1	32.9567	2,636.54	5,712.50	68,550
	2	33.7806	2,702.45	5,855.30	70,264
	3	34.6251	2,770.01	6,001.68	72,020
	4	35.4908	2,839.27	6,151.74	73,821
	5	36.3782	2,910.25	6,305.55	75,667
	6	37.2875	2,983.00	6,463.17	77,558
	7	38.2199	3,057.59	6,624.78	79,497
	8	39.1753	3,134.03	6,790.39	81,485
	9	40.1547	3,212.37	6,960.14	83,522
OP096	1	34.6045	2,768.36	5,998.11	71,977
	2	35.4696	2,837.57	6,148.06	73,777
	3	36.3562	2,908.50	6,301.74	75,621
	4	37.2652	2,981.22	6,459.30	77,512
	5	38.1968	3,055.75	6,620.78	79,449
	6	39.1517	3,132.14	6,786.30	81,436
	7	40.1304	3,210.44	6,955.94	83,471
	8	41.1337	3,290.69	7,129.84	85,558
	9	42.1620	3,372.96	7,308.08	87,697
OP097	1	36.3344	2,906.75	6,297.96	75,576
	2	37.2427	2,979.42	6,455.41	77,465
	3	38.1739	3,053.91	6,616.80	79,402
	4	39.1283	3,130.26	6,782.23	81,387
	5	40.1064	3,208.52	6,951.78	83,421
	6	41.1091	3,288.72	7,125.57	85,507
	7	42.1368	3,370.94	7,303.71	87,645
	8	43.1902	3,455.21	7,486.30	89,836
	9	44.2700	3,541.60	7,673.47	92,082

**OPERATORS' ASSOCIATION
SALARY MATRIX
Effective July 1, 2015**

Exhibit 1

Range	Step	Hourly	Bi-weekly	Monthly	Annual
OP098	1	38.1515	3,052.12	6,612.93	79,355
	2	39.1053	3,128.42	6,778.25	81,339
	3	40.0831	3,206.65	6,947.73	83,373
	4	41.0851	3,286.80	7,121.41	85,457
	5	42.1122	3,368.97	7,299.44	87,593
	6	43.1650	3,453.20	7,481.94	89,783
	7	44.2442	3,539.53	7,668.99	92,028
	8	45.3502	3,628.01	7,860.70	94,328
	9	46.4840	3,718.72	8,057.23	96,687
OP099	1	40.0355	3,202.84	6,939.48	83,274
	2	41.0363	3,282.91	7,112.96	85,356
	3	42.0623	3,364.99	7,290.80	87,490
	4	43.1138	3,449.11	7,473.07	89,677
	5	44.1917	3,535.34	7,659.90	91,919
	6	45.2965	3,623.72	7,851.40	94,217
	7	46.4289	3,714.31	8,047.68	96,572
	8	47.5897	3,807.18	8,248.88	98,987
	9	48.7795	3,902.36	8,455.11	101,461
OP100	1	42.0374	3,362.99	7,286.48	87,438
	2	43.0882	3,447.06	7,468.62	89,623
	3	44.1654	3,533.23	7,655.33	91,864
	4	45.2695	3,621.56	7,846.72	94,161
	5	46.4012	3,712.10	8,042.87	96,514
	6	47.5613	3,804.90	8,243.96	98,927
	7	48.7504	3,900.03	8,450.07	101,401
	8	49.9691	3,997.53	8,661.31	103,936
	9	51.2183	4,097.46	8,877.84	106,534

**ACTION
ITEM**

4C

Date: June 17, 2015

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (06/10/15)

From: *h* P. Joseph Grindstaff *h*
General Manager

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

JLL
#882 Javier Chagoyen-Lazaro
Manager of Finance and Accounting

Subject: Adoption of Resolution No. 2015-6-2, Approving the Santa Ana Watershed Project Authority Adopted Budget for FY 2015/16 and FY 2016/17

RECOMMENDATION

It is recommended that the Board of Directors:

1. Ratify the Santa Ana Watershed Project Authority (SAWPA) adopted budget for Fiscal Years (FYs) 2015/16 and 2016/17, as submitted; and
2. Adopt Resolution No. 2015-6-2, approving the SAWPA general and specific project budgets for FYs 2015/16 and 2016/17.

BACKGROUND

The FYs 2015/16 and 2016/17 budget was presented to the SAWPA member agencies' chief financial officers on March 28, 2015 and at the SAWPA Commission budget workshop on April 21, 2015.

On May 19, 2015, the SAWPA Commission adopted a biennial budget for FYs 2015/16 and 2016/17.

The total proposed budget for member contributions to support planning projects and administrative support for FY 2015/16 decreased slightly from FY 2014/15 amended budget, \$1,695,450 to \$1,347,795 for all members; a decrease of \$69,531 per member.

Annual contributions are equally shared by the five member agencies: IEUA, Eastern Municipal Water District, Orange County Water District, San Bernardino Valley Municipal Water District, and Western Municipal Water District.

Table 1 provides a summary of the adopted member agency's share of contributions for the two year budgets (FYs 2015/16 and FY 2016/17) compared to the amended budget for FY 2014/15 by project:

Table 1
Member Agency Contribution Budget

PROJECT PLANNING	Adopted	Adopted Two-Year Budget	
	FY 2014/15	FY 2015/16	FY 2016/17
General Planning	\$71,500	\$68,000	\$70,000
USBR Partnership Studies	4,000	4,000	4,000
Watershed Management Plan (OWOW)	61,000	60,000	60,000
SA Fish Conservation TF	2,000	2,000	2,000
Storm Water Quality Standards TF	10,000	10,000	10,000
LESJWA Management	2,000	2,000	2,000
Subtotal	\$150,500	\$146,000	\$148,000
ADMINISTRATION			
State/Federal Lobbying	52,590	46,559	49,861
General Fund Costs	136,000	77,000	90,000
Subtotal	\$188,590	\$123,559	\$139,861
Member Agency Contribution	\$339,090	\$269,559	\$287,861

PRIOR BOARD ACTION

On June 18, 2014, the IEUA Board of Directors adopted Resolution No. 2014-6-2, approving the amended FY 2014/15 general and specific project budgets for SAWPA's adopted two year budgets (FYs 2013/14 and FY 2014/15).

The adopted budgets were ratified by the IEUA Board on June 19, 2013.

Adoption of Resolution No. 2015-6-2, Approving the SAWPA
Adopted Budget for FY 2015/16 and FY 2016/17
June 17, 2015
Page 3 of 3

IMPACT ON BUDGET

The Agency's share of SAWPA's FY 2015/16 and FY 2016/17 member contribution Adopted Budget of \$269,559 and \$\$287,861, respectively, are included in the Agency's proposed biennial budget of the Administrative Services (GG), Recycled Water (WC), and Water Resources (WW) program funds.

Attachments:

Attachment A – Member Agency Contribution Budget
Attachment B – Resolution No. 2015-6-2

Attachment A
Member Agency Contribution Budget



MEMBER CONTRIBUTION
Summary Schedule

		<i>Adopted</i>	<i>Proposed</i>	<i>Proposed</i>
		<u>FYE 2015</u>	<u>FYE 2016</u>	<u>FYE 2017</u>
Member Agency Contributions				
<u>Exempt from G&A Costs</u>				
	<u>Funds</u>			
SAWPA General Funds	100-00	\$ 680,000	\$ 385,000	\$ 450,000
State Lobbying	100-03	\$ 235,768	\$ 212,203	\$ 225,005
Federal Lobbying	100-04	\$ 27,182	\$ 20,592	\$ 26,302
		\$ 942,950	\$ 617,795	\$ 699,306
<u>Planning Projects</u>				
General Planning	370-01	\$ 357,500	\$ 340,000	\$ 350,000
USBR Partnership Studies	370-02	\$ 20,000	\$ 20,000	\$ 20,000
Watershed Management (OWOW)	373	\$ 305,000	\$ 300,000	\$ 300,000
SA River Fish Conservation	381	\$ 10,000	\$ 10,000	\$ 10,000
Storm Water Quality Task Force	386	\$ 50,000	\$ 50,000	\$ 50,000
LESJWA Management	477	\$ 10,000	\$ 10,000	\$ 10,000
		\$ 752,500	\$ 730,000	\$ 740,000
Total Member Agency Contributions		\$ 1,695,450	\$ 1,347,795	\$ 1,439,306
Per Member Agency		\$ 339,090	\$ 269,559	\$ 287,861

RESOLUTION NO. 2015-6-2

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA WATERSHED PROJECT AUTHORITY FOR FISCAL YEAR 2015/16 AND FISCAL YEAR 2016/17

WHEREAS, the Inland Empire Utilities Agency* is a member agency of the Santa Ana Watershed Project Authority;

WHEREAS, the Joint Exercise of Powers Agreement (JPA), which created SAWPA, required approval by the member agency of all general and specific project budgets of SAWPA to the extent that such budgets may impose any liability on the member agency; and.

WHEREAS, Paragraphs 9 and 27 of the JPA required the Agency's approval of such budgets be evidenced by a certified copy of a Resolution of Approval filed with SAWPA.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Inland Empire Utilities Agency hereby approves SAWPA's Fiscal Year 2015/16 and Fiscal Year 2016/17 Budget, directs the Board Secretary/Office Manager to send a certified copy of this Resolution to SAWPA, and authorizes payment to SAWPA of the member agency contribution for \$269,559 (FY 2015/16) and \$287,861 (FY 2016/17).

ADOPTED this 17th day of June, 2015.

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

ATTEST:

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

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2015-6-2 was adopted at a regular meeting on June 17, 2015, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District


**ACTION
ITEM**


4D


Date: June 17, 2015

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee
(06/10/15)

From:  P. Joseph Grindstaff
General Manager

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

Sylvie Lee 
Manager of Planning and Environmental Resources

Subject: Recycled Water Program Strategy

RECOMMENDATION

It is recommended that the Board of Directors concur with the findings of the recycled water program as outlined in the Recycled Water Program Strategy.

BACKGROUND

The purpose of the Recycled Water Program Strategy (RWPS) is to update the 2005 Recycled Water Implementation Plan and the 2007 Recycled Water Three Year Business Plan. The primary objective of the RWPS is to update supply and demand forecasts and prioritize projects to maximize the beneficial use of recycled water throughout the year. This is necessary as changes in the region's water resource priorities occur and increased water efficient landscape measures are adopted.

The planning period of the RWPS is through 2035, with a focus on the first ten years. As part of the RWPS, hydraulic modeling was performed for a variety of demand conditions, including changes in direct use and groundwater recharge. The modeling scenarios objectives can be summarized as:

- Achieve maximum beneficial reuse of the recycled water: maximize groundwater recharge to utilize supply when available (off-peak months).
- Identify the capability to increase groundwater recharge if additional supplies are available and/or if direct use demand patterns change.

The proposed RWPS projects address improvements necessary to achieve the goal of maximizing beneficial use of recycled water throughout the year. The recommended RWPS projects focus on either increasing the ability for groundwater recharge, or relieving capacity constraints to meet the

demand forecast. A comprehensive list of projects identified from the RWPS is provided as Attachments A and B. The RWPS prioritized projects by placing them into different implementation phases:

- The first and second phases of projects are included in the Agency’s Capital Improvement Plan (CIP) through 2035, and are included in the Ten Year Capital Improvement Plant (TYCIP).
- The third and fourth phases of projects identified from the RWPS will be reevaluated as changes in demand occur, or if more recycled water supply is identified. This could either be from reduced direct use demands caused by changes in landscape irrigation or if an external RW supply is provided into the region.

As RWPS updates are performed, the proposed projects included in the Agency’s TYCIP will be revised accordingly to reflect the approved RWPS. The RWPS projects were prioritized previously based on commitments received from the Region, such as the 2005 Implementation Plan, 2007 Three Year Business Plan, 2013 Recharge Master Plan Update (RMPU) and previously adopted Agency Ten Year CIP’s (TYCIP). At this time, new projects and concepts since previous commitments include initial feasibility studies for evaluating an external RW intertie with Western Riverside County Regional Wastewater Authority and conducting a RW Injection pilot study.

Table 1 identifies the maximum beneficial use that can be achieved with the projects included in the Agency’s CIP through 2035. A cost summary of the Agency’s CIP through 2035 for the RW Program is presented in Table 2 below. Attachments C and D provide a map identifying the locations of the recommended RWPS projects, with emphasis on the purpose, such as GWR capacity improvements, or improvements to meet direct use demands.

Table 1: RWPS summary of RW Supply and Demands in Acre-Feet per Year

	2015	2020	2025	2030	2035
RW Supply^(1,2)	60,200	64,300	69,700	75,100	79,800
Direct Use⁽³⁾	24,655	28,730	30,640	33,650	35,825
Groundwater Recharge⁽⁴⁾	9,700- 16,300	10,200- 16,200	12,600- 19,200	13,800- 20,700	14,400- 22,600
RW Injection⁽⁵⁾	-	-	-	5,000	5,000
Total Beneficial Reuse	34,355- 40,955	38,930 – 44,930	43,240 – 49,840	47,450 – 59,350	50,225 – 63,425

Notes:

- (1) Regional supply per Wastewater Facilities Master Plan TM 4 - Table 4-4, includes 3% loss due to treatment waste streams.
- (2) Minimum discharge required by SAR Obligation is 16,850 AFY.
- (3) Represents approximately 90% of Member Agency direct use forecast. Planning assumption for increased water efficient landscapes.
- (4) Range of annual deliveries to GWR based upon available reuse supply and basin availability. Estimated at 6-10 months.
- (5) Initial planning estimate, to be evaluated at a later time.

Table 2: Cost summary of Agency's Recycled Water Program CIP through 2035

	Project Source	2015 to 2025 (TYCIP)	2025 to 2035
Direct Use Improvements	RWPS	\$6,000,000	\$35,800,000
Groundwater Recharge ^(1,2)	RWPS/RMPU	\$8,615,000 ⁽²⁾	\$47,800,000
Existing Projects ⁽³⁾	TYCIP	\$13,825,000	\$0
Repair and Replacement (R&R) ⁽⁴⁾	AMP ⁽⁴⁾	\$8,905,000	\$15,625,000
Operational Needs ⁽⁵⁾	TYCIP	\$16,275,000	\$775,000
Total CIP Cost		\$53,800,000	\$100,000,000

Notes:

- (1) Includes distribution improvements, IEUA/CBWM cost share projects (Victoria, San Sevaine and RP-3 basin improvement projects).
- (2) IEUA/CBWM cost share projects only include the portion of the project cost funded by IEUA; therefore, includes \$181k for soft costs
- (3) Includes projects from the 2005 RW Implementation Plan, 2007 Three Year Business Plan & FY 14/15 TYCIP carried forward.
- (4) Agency's Asset Management Plan.
- (5) Including: upgrades needed for reliability, planning, permitting and feasibility studies.

The RWPS will be reevaluated at a minimum once every five years. Additional studies are expected to be performed in the coming years to identify and present changes needed to accommodate the potential shift in recycled water use. A Programmatic Environmental Impact Report (PEIR) will be prepared for the ultimate conditions provided in the RWPS, along with the remainder of the Agency's planning documents such as the Wastewater Facilities Master Plan and the Integrated Resources Plan. When the PEIR is adopted for the Agency's planning documents, staff will bring this RWPS forward for the Board to consider formal adoption.

Development of the Recycled Water Program Strategy is consistent with the IEUA business goal of *Water Reliability*, namely development of new water supplies, recycled water and groundwater recharge.

PRIOR BOARD ACTION

On September 18, 2013, the Board of Directors awarded a Professional Engineering Services Master Contract for the Recycled Water Program Strategy to Stantec Consulting Inc.

IMPACT ON BUDGET

None.

Attachments:

- Attachment A: RWPS Project List
- Attachment B: CIP Forecast through 2035
- Attachment C: RWPS Project Map (2015 – 2025)
- Attachment D: RWPS Project Map (2025 – 2035)
- Recycled Water Program Strategy document can be found at:
<https://ieua.hostedftp.com/CxHCmCTTSxx5OwosZpImxf1sq>

ATTACHMENT A - RWPS PROJECT LIST

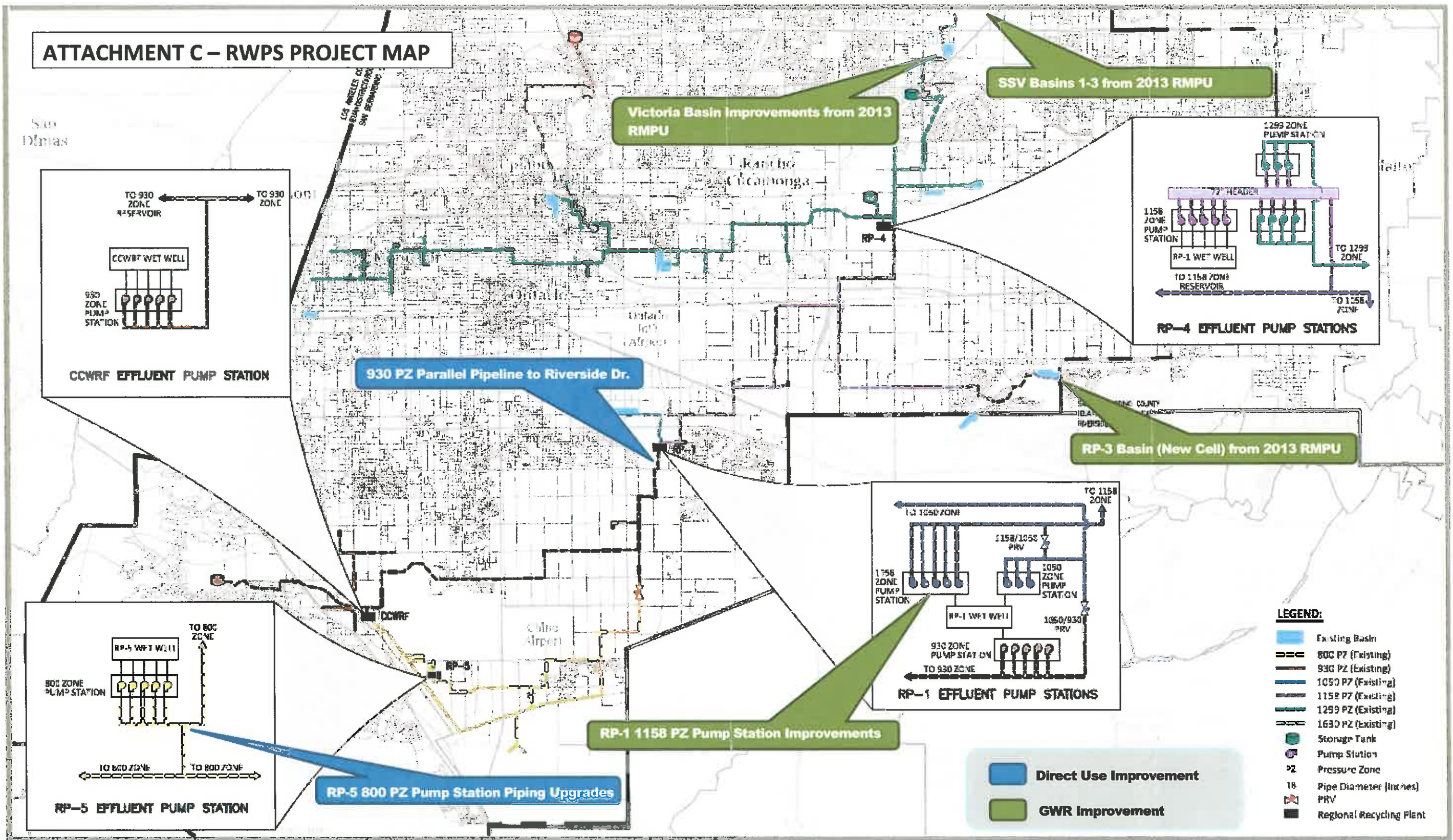
Recycled Water Program - Capital Improvement Plan

Implementation Phase	Demand Trigger	Deficiency	Proposed Improvement	Total Estimated Project Cost	Cumulative CIP Costs	GWR Program Improvement	Direct Use Improvement	
	Existing Conditions	None	None - Existing	\$ -	\$ -	\$ -	\$ -	
		Initial Phase of Improvements - Total Cost						
1	Velocity Deficiency for Direct Use	Increase flow from RP-5 RW Pump Station	Discharge header modifications	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	
1	GWR to SV Basin 1-3	2013 Recharge Master Plan Update - Basin modifications	Basin improvements and pipeline extension	\$ 3,000,000	\$ 4,000,000	\$ 3,000,000	\$ 1,000,000	
1	Increase GWR to Victoria Basin	2013 Recharge Master Plan Update - Basin modifications	Victoria basin modifications	\$ 65,000	\$ 4,065,000	\$ 65,000	\$ -	
1	GWR to RP-3 New Cell	2013 Recharge Master Plan Update - Basin modifications	RP-3 New Cell	\$ 1,650,000	\$ 5,715,000	\$ 1,650,000	\$ -	
1	930 PZ Max Summer Direct Use	Existing 30-inch pipeline undersized from RP-1 to Riverside Dr.	42-inch 930 PZ Parallel Pipeline	\$ 5,000,000	\$ 10,715,000	\$ -	\$ 5,000,000	
1	Op. Flexibility and Increased GWR	Insufficient capacity for 1630E PZ GWR flows	RP-1 1158 Pump Station Upgrades	\$ 3,900,000	\$ 14,615,000	\$ 3,900,000	\$ -	
		Phase 1 Improvements [2015 thru 2025] - Total Cost						
2	930 PZ Max Summer Direct Use	Existing pipeline undersized from Chino to Schaeffer Ave.	New 930 PZ Parallel Pipeline	\$ 10,000,000	\$ 24,615,000	\$ -	\$ 10,000,000	
2	GWR to Fitwanda Debris Basin	System expansion to serve GWR Basin	16-inch 1630E Pipeline and Booster PS	\$ 4,000,000	\$ 28,615,000	\$ 4,000,000	\$ -	
2	Max Summer Direct Use & GWR	Deficient 1299 PZ transmission mains	Parallel 1299 PZ Pipeline and Extension	\$ 9,000,000	\$ 37,615,000	\$ 4,500,000	\$ 4,500,000	
2	GWR to Wineville Basin	System expansion to serve Wineville Basin	Wineville Basin Pipeline	\$ 1,000,000	\$ 38,615,000	\$ 1,000,000	\$ -	
2	Increase Op. Storage	System optimization for GWR flows, system expansion to serve GWR	36-inch 1630E Pipeline to 1630E Tank	\$ 5,000,000	\$ 43,615,000	\$ 5,000,000	\$ -	
2	Increase Op. Storage	System optimization for GWR flows, system expansion to serve GWR	Conversion of 1630E Storage Tank and Pipeline	\$ 9,000,000	\$ 52,615,000	\$ 9,000,000	\$ -	
2	GWR to 1630W PZ	System expansion to serve GWR Basins	1630W Booster Pump Station Capacity Upgrades	\$ 3,000,000	\$ 55,615,000	\$ 3,000,000	\$ -	
2	GWR to Lower Day	System expansion to serve Lower Day Basin	42-inch Pipeline to Lower Day	\$ 9,000,000	\$ 64,615,000	\$ 9,000,000	\$ -	
2	GWR to Lower Day	Potential GWR Expansion - Basin modification	Lower Basin (RMPU)	\$ 2,500,000	\$ 67,115,000	\$ 2,500,000	\$ -	
2	Velocity Deficiency for Direct Use	Existing pipeline undersized in Bickmore and Kimball parallel	24-inch 800 PZ Pipeline in Kimball Ave	\$ 9,500,000	\$ 76,615,000	\$ -	\$ 9,500,000	
2	GWR to Montclair Basins	System expansion to serve Montclair Basin	30-inch 1299 PZ Pipeline to Montclair Basins	\$ 5,500,000	\$ 82,115,000	\$ 5,500,000	\$ -	
2	GWR Improvements	Upsize existing basin turnouts	Increase flow control valve capacity	\$ 1,500,000	\$ 83,615,000	\$ 1,500,000	\$ -	
2	Max Summer Direct Use & GWR	Pump capacity exceeded to serve peak direct use and future GWR	RP-4 1158 and 1299 PZ Pump Station Capacity Upgrades	\$ 5,600,000	\$ 89,215,000	\$ 2,800,000	\$ 2,800,000	
2	Max Summer Direct Use	Pump capacity exceeded to serve peak direct use demand periods	RP-1 930 PZ Pump Station Capacity Upgrades	\$ 5,500,000	\$ 94,715,000	\$ -	\$ 5,500,000	
2	Max Summer Direct Use	Pump capacity exceeded to serve peak direct use demand periods	CCWRP Pump Station Capacity Upgrades	\$ 3,500,000	\$ 98,215,000	\$ -	\$ 3,500,000	
		Phase 2 Improvements [2025 thru 2035] - Total Cost						
3	Future Basin	System expansion to serve College Heights Basin	36-inch 1630W Pipeline in Foothill Blvd	\$ 83,600,000	\$ 98,215,000	\$ 47,800,000	\$ 35,800,000	
3	Future Basin	System expansion to serve College Heights Basin	College Hts East	\$ 500,000	\$ 112,785,000	\$ 14,070,000	\$ -	
3	Future Basin	System expansion to serve College Heights Basin	College Hts West	\$ 500,000	\$ 113,285,000	\$ 500,000	\$ -	
3	Max Summer Direct Use	Capacity in the 1158 PZ and 1299 PZ	New 1158 to 1299 Booster Pump Station	\$ 3,800,000	\$ 117,085,000	\$ 1,900,000	\$ 1,900,000	
3	Max Summer Direct Use	Capacity in the 1158 PZ and 1299 PZ	24-inch 1158 PZ Pipeline	\$ 16,000,000	\$ 133,085,000	\$ 8,000,000	\$ 8,000,000	
3	Max Summer Direct Use	Capacity in the 1158 PZ and 1299 PZ	4.0 MG 1158 PZ Storage Tank	\$ 9,000,000	\$ 142,085,000	\$ 4,500,000	\$ 4,500,000	
3	Max Summer Direct Use	Capacity in the 1158 PZ and 1299 PZ	16-inch 1299 PZ Pipeline	\$ 3,600,000	\$ 145,685,000	\$ -	\$ 3,600,000	
		Phase 3 Improvements - Total Cost						
4	Future Basin	System expansion to serve Grove Basin	12-inch to Grove Basin	\$ 47,470,000	\$ 145,685,000	\$ 29,470,000	\$ 18,000,000	
4	GWR to Jurupa (1158 PZ)	System expansion to serve GWR Basin	36-inch Pipeline in 1158 PZ	\$ 270,000	\$ 146,955,000	\$ 270,000	\$ -	
4	GWR to Jurupa (1158 PZ)	System expansion to serve GWR Basin	30-inch Pipeline in Jurupa Street to Jurupa Basin	\$ 11,940,000	\$ 157,895,000	\$ 11,940,000	\$ -	
4	GWR to Jurupa (1158 PZ)	System expansion to serve GWR Basin	20-inch Pipeline in Jurupa Street	\$ 3,290,000	\$ 161,185,000	\$ 3,290,000	\$ -	
4	Future Basin	Potential GWR Expansion	Upland Basin demand	\$ 530,000	\$ 161,715,000	\$ 530,000	\$ -	
4	Max Summer Direct Use	Pipeline undersized for demands condition	24-inch 1050 PZ Parallel Pipeline	\$ 990,000	\$ 162,485,000	\$ 730,000	\$ 990,000	
4	Max Summer Direct Use	Pump capacity exceeded to serve peak direct use demand periods	RP-1 930 Pump Station Capacity Upgrades	\$ 1,160,000	\$ 164,615,000	\$ -	\$ 1,160,000	
4	Max Summer Direct Use	Pump capacity exceeded to serve peak direct use demand periods	RP-1 1050 Pump Station Capacity Upgrades	\$ 1,020,000	\$ 165,635,000	\$ -	\$ 1,020,000	
		Phase 4 Improvements - Total Cost						
				\$ 19,950,000	\$ 165,635,000	\$ 16,780,000	\$ 3,170,000	
				\$ 165,635,000	\$ 165,635,000	\$ 102,665,000	\$ 62,970,000	

ATTACHMENT B - CIP FORECAST THROUGH 2035

Project No.	ID	Fund	Project Description	Total Project Cost	2015-2025						2025-2035						
					RWPS	Direct Use	GWR + RMPU Cost Share	RMPU	Existing	R&R	Operational Needs	RWPS	RMPU	Existing	R&R	Operational Needs	
RW15004	1	RW	Lower Day RMPU Project (100% cbwm)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD-17	2	RW	RMPU Construction Costs (100% cbwm)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	3	RW	Agencywide GWR Environmental Permits (50% cbwm)	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	4	RW	Ely Basin Turnout Remote Control Upgrades	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	5	RW	Prado Basin Adaptive Management Plan Monitoring & Report (95% cbwm)	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	6	RW	RW Asset Management (50% cbwm)	\$ 1,250,000	\$ -	\$ -	\$ -	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RW15003	7	RW	RMPU Soft Costs (95% cbwm)	\$ 181,000	\$ -	\$ -	\$ -	\$ 181,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN13040	8	WC	Prado Decolour Communication System	\$ 181,735	\$ -	\$ -	\$ -	\$ 181,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN06025	9	WC	Wineville Extension Pipeline Segment A	\$ 2,150,000	\$ -	\$ -	\$ -	\$ 2,150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN12016	10	WC	North City lateral	\$ 210,000	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN13001	11	WC	San Seavine Improvements (50% cbwm)	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN13002	12	WC	930 RW Reservoir	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN13023	13	WC	930 Pressure Zone Pipeline	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN13041	14	WC	RP-5 RW PS Process Control Sys Migration	\$ 280,000	\$ -	\$ -	\$ -	\$ 280,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN13045	15	WC	Wineville Extension Pipeline Segment B	\$ 1,650,000	\$ -	\$ -	\$ -	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN14042	17	WC	RP-1 1158 Pump Station Improvements	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN14043	18	WC	800 Zone Capacity Implementation (RP-S Pump Station Piping Upgrades)	\$ 3,900,000	\$ 3,900,000	\$ -	\$ -	\$ 3,900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN15002	19	WC	1158 Reservoir Site Cleanup Project	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN15003	20	WC	1630 W PS Improvements (Surge Protection & VFD Replacement)	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN15003	21	WC	RP-1 Parallel Outfall Pipeline from RP-1 to Riverside Dr	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD-21	22	WC	RP-1 Utility Water Flow Meter	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	23	WC	930 to 800 West CCWRE PRV	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD-26	24	WC	1299 pressure zone pipeline surge tank	\$ 480,000	\$ -	\$ -	\$ -	\$ 480,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	26	WC	RW Pressure Sustaining Valve	\$ 850,000	\$ -	\$ -	\$ -	\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	27	WC	1299 Pressure Zone Pipeline Capacity Upgrades	\$ 9,000,000	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD-28	28	WC	Recycled Water Pump Station Emergency Generation Upgrade	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	29	WC	Wineville Basin Pipeline	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WR15019	30	WC	RP-3 Basin Improvements (50% cbwm)	\$ 1,650,000	\$ 1,650,000	\$ -	\$ -	\$ 1,650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WR15020	31	WC	Victoria Basin Improvements (50% cbwm)	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WR15021	32	WC	Napa Lateral/SB Speedway	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN09007	34	WC	1650 East Reservoir & Segment B Pipeline	\$ 14,000,000	\$ -	\$ -	\$ -	\$ 14,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN20002	36	WC	Etiwanda Debris Basin Pipeline and Pump Station	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	37	WC	RP-1 Parallel Outfall Line (Chino to Schaeffer)	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	38	WC	2025-2030 Recycled Water Projects	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	39	WC	2030-2035 Recycled Water Projects	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN12019	41	WC	GWR & RW SCADA Communication System Upgrades (50% cbwm)	\$ 232,500	\$ -	\$ -	\$ -	\$ 232,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD-08	42	WC	WC OE Projects	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD-07	43	WC	WC OE Projects	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EN14004	44	WC	RW Hydraulic Modeling for FY14/15	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD-109	45	WC	RW Hydraulic Modeling	\$ 550,000	\$ -	\$ -	\$ -	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	46	WC	RW Program Strategy	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	47	WC	WC Planning Documents	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	48	WC	WC Asset Management	\$ 12,500,000	\$ -	\$ -	\$ -	\$ 12,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	49	WC	RW Injection Pilot Study	\$ 900,000	\$ -	\$ -	\$ -	\$ 900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	50	WC	WRWCWA Planning Study	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TBD	51	WC	WRWCWA (purchase costs)	\$ 3,750,000	\$ -	\$ -	\$ -	\$ 3,750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total CIP Costs				\$ 153,800,000	\$ 14,615,000	\$ 6,615,000	\$ 181,000	\$ 13,824,235	\$ 8,905,000	\$ 16,275,000	\$ 83,600,000	\$ -	\$ -	\$ 15,625,000	\$ 775,000	\$ 1,000,000	\$ 1,000,000

ATTACHMENT C – RWPS PROJECT MAP



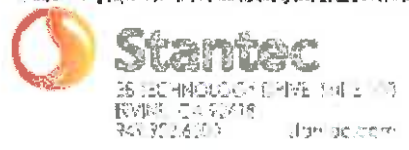
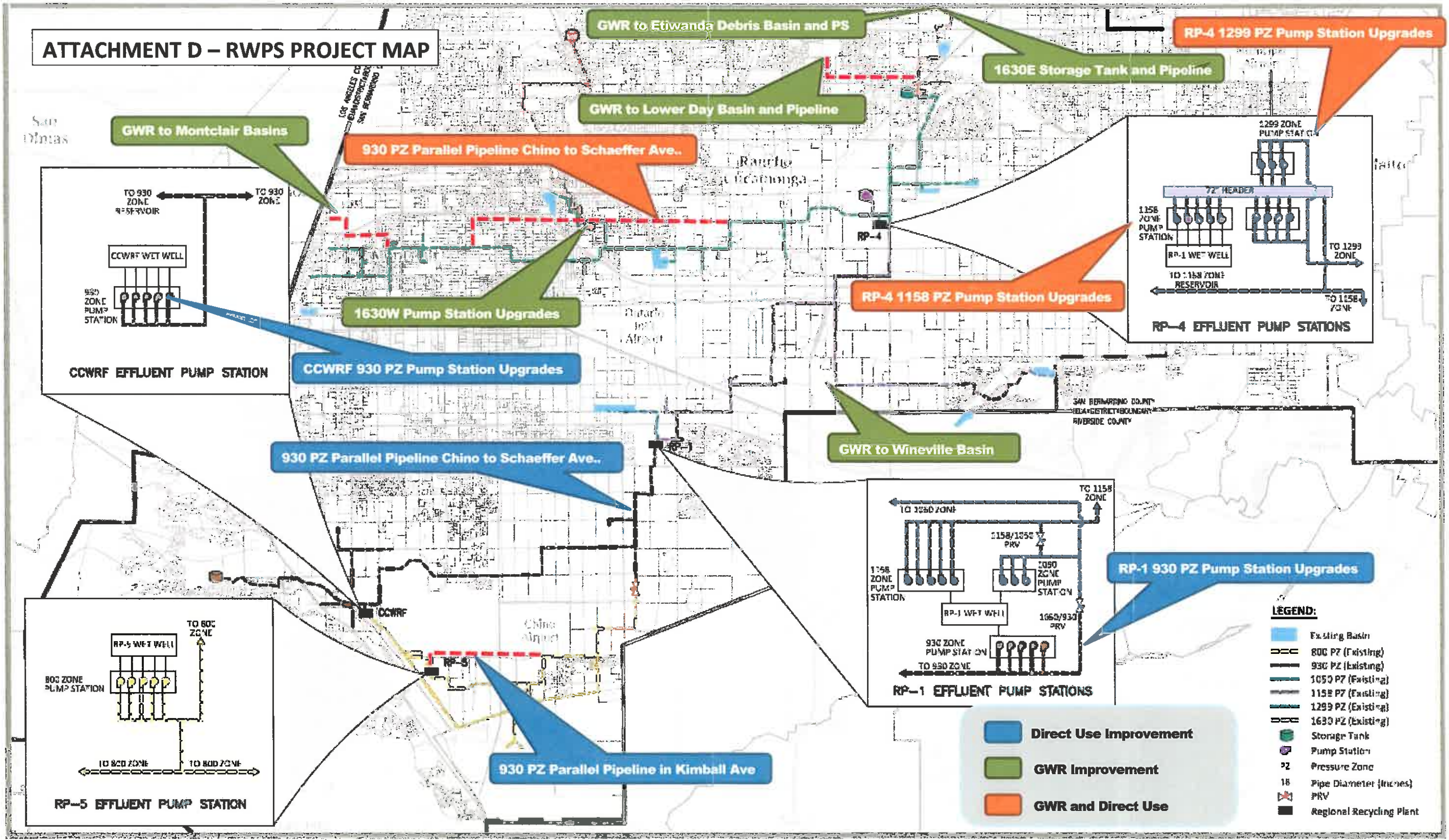
- LEGEND:**
- █ Existing Basin
 - ▬▬▬ 800 PZ (Existing)
 - ▬▬▬ 930 PZ (Existing)
 - ▬▬▬ 1050 PZ (Existing)
 - ▬▬▬ 1158 PZ (Existing)
 - ▬▬▬ 1299 PZ (Existing)
 - ▬▬▬ 1630 PZ (Existing)
 - Storage Tank
 - ⊠ Pump Station
 - PZ Pressure Zone
 - 18 Pipe Diameter (Inches)
 - PRV PRV
 - RRP Regional Recycling Plant

- █ Direct Use Improvement
- █ GWR Improvement



Regional Recycling Plants and Effluent Pump Stations
RWPS Project Location Map for 2015 through 2025

ATTACHMENT D – RWPS PROJECT MAP



IEUA RWPS
 Regional Recycling Plants and Effluent Pump Stations
 RWPS Project Location Map for 2025 through 2035

Recycled Water Program Strategy (RWPS)



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

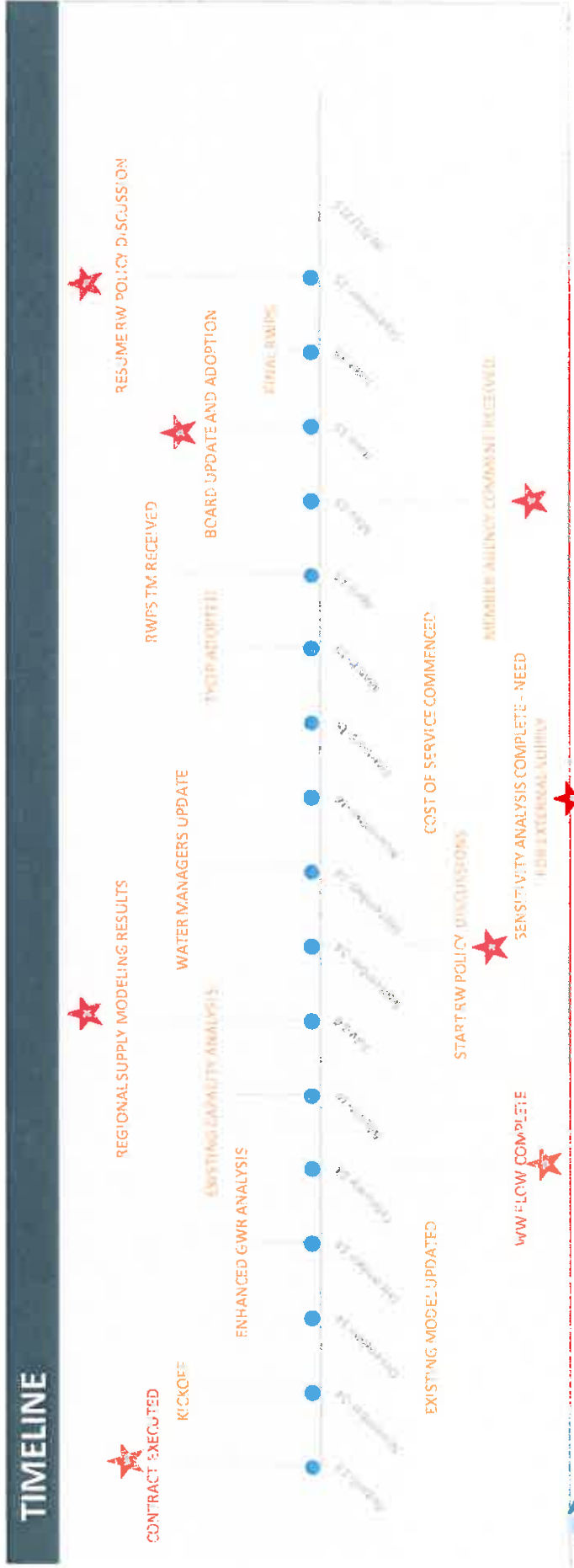
June 2015

RWPS Overview

- Update 2007 Business Plan & 2005 RW Implementation Plan
- Goal to maximize reuse of RW throughout the year
 - Re-evaluate groundwater recharge system (GWR) system
 - Update recycled water (RW) direct demands
 - Supply vs. demand balance
 - 20-yr planning horizon
 - Identify capital improvement project (CIP) needs

Timeline of Events

* Approximately 2 year process from Start to Final



Achieves the Agency's Business Goal Objective of Water Reliability

RWPS Recommendations

- Address system limitations:
 - Pump Station upgrades
 - Pipeline capacity restrictions
- Construct facilities consistent with:
 - Recharge Master Plan Update
 - Projected member agency direct use demand
- Evaluate alternative reuse strategy after completion of Integrated Resources Plan

RWPS Results

- Project costs & demands dependent on:
 - Long-term strategy & amount of external supply secured
 - Project cost: \$78M - \$182 M
 - Beneficial reuse: 58,000 – 63,000 AFY (average)
- Ten Year Capital Improvement Projects (2025):
 - Subset of the RWPS recommendations
 - Direct Use: increase to 27,000 – 31,000 AFY
 - GWR: up to ~19,000+ AFY**
- Program EIR to be established at ultimate buildout

***Pending supply and basin availability*

Next Steps

- Implement TYCIP projects
- Complete RW policy discussions – Fall 2015
- Complete Integrated Resources Plan – Fall 2015
- Complete Programmatic EIR – Summer 2016
- Update the RWPS every five years – 2020

This project meets the Agency's Business Goal of Water Reliability by maximizing the beneficial reuse of recycled water to enhance reliability and reduce dependence on imported water.

Questions

**INFORMATION
ITEM**

5A



Date: June 17, 2015

To: The Honorable Board of Directors

Through: Special Audit Committee (6/17/15)

From: Teresa V. Velarde
Manager of Internal Audit

Subject: Regional Contract Review - Interim Audit Report for City of Chino Hills and Draft Interim Audit Report for City of Ontario

RECOMMENDATION

This is an information item for the Board of Directors to review.

BACKGROUND

At the request of the Board and Executive Management, Internal Audit (IA) has been performing a review of the Agency's Regional Sewage Service Contract (Regional Contract Review) as implemented with the seven Regional Contracting Agencies. The objectives of the Regional Contract Review include:

- Evaluation of how each of the seven agencies apply the Regional Contract provisions
- Determine whether the processes are in compliance with the Regional Contract requirements
- Determine opportunities to improve processes and procedures
- Identify opportunities and make recommendations for consideration as part of the Regional Contract renegotiation

Attachments

The interim report for the City of Chino Hills (Chino Hills) and the *draft* interim report for the City of Ontario (Ontario) are attached. IA is submitting the report of the Ontario in draft form for discussion purposes and to provide a status of the review. IA anticipates submitting a final report by September 2015, to provide the Ontario every opportunity to provide additional information to finalize the evaluation.

IA identified observations and recommendations to strengthen administrative, accounting, recording, and reporting controls to ensure the intent of the Regional Contract is achieved. As with the previous five Regional Contract reports, most of the IA recommendations could be applied to all Contracting Agencies going-forward, as an amendment and/or as part of the Regional Contract review and renegotiation process; in order to ensure all Regional Contracting

Agencies apply and administer the Regional Contract in a uniform and consistent manner. A summary of IA's recommendations is provided separately in Exhibit A. Summaries of the most significant observations are provided below. The attached reports provide additional details.

City of Chino Hills

- No Connection Fees were collected for the Chino Hills High School addition of a swimming pool, showers and locker room/restrooms. For comparison purposes, the City of Upland collected \$22,506 in Connection Fees for a new high school gymnasium and the Cucamonga Valley Water District collected \$42,792 in Connection Fees for a new high school classroom wing/building, gymnasium expansion and athletic field complex. Chino Hills' representatives indicated that they "do not issue permits for school facilities nor do they collect IEUA fees."
- The monthly billing guidelines do not provide guidance for businesses included under a master meter. Many businesses in Chino Hills are located in commercial centers served by master meters, meaning the City will bill the owner or anchor tenant of a commercial center based on one water meter that serves all tenants. It is Chino Hills' practice to invoice master metered customers at the highest billing rate/factor based on the types of businesses in the commercial center. Over time businesses may change and changes may not be made to the rate/factor and the rate/factor may no longer be relevant. Therefore, the City may not be billing appropriately. Examples are included in the attached report. Additionally, this methodology may not appear to be the most equitable for customers.
- The monthly billing guidelines do not provide for minimum sewer service fees for commercial customers. IA recommends incorporating the monthly billing guidelines into the Regional Contract and including a provision that a minimum of one EDU be charged to commercial customers per month. Commercial customers are billed for sewer services based on water usage. It would seem appropriate that a commercial customer be billed a minimum rate for 1 EDU (which is used for a residential customer) even if commercial consumption is lower than one calculated EDU. The audit noted instances where commercial customers are billed a lower amount than what a residential customer pays. Examples are included in the attached report.

City of Ontario (Draft)

IA has submitted the Interim Audit Report for Ontario in *draft* form to provide a status of the review to IEUA Executive Management and the Board and so as to provide Ontario every opportunity to provide additional information to finalize the evaluation.

- Ontario's calculation worksheet does not match Exhibit J; therefore creating differences in the Connection Fees that should be collected. For the items tested, Ontario under-collected over \$75,000 in Connection Fees. The review found that the Ontario's automated calculation worksheet, built into their permits system, utilized to calculate Connection Fees does not always coincide with the descriptions and/or associated fixture unit values as outlined in Table 1 of Exhibit J of the Regional Contract.

- Connection Fees collected for customers serviced by the Cucamonga Valley Water District (CVWD) service area should have been collected and reported by CVWD not the City of Ontario. IA noted several instances where Connection Fees were collected for commercial enterprises located in Ontario, but whose water and sewerage are in the CVWD service area. These fees should have been collected by CVWD and included in their CCRA account. In some cases the amounts collected by Ontario were refunded to the developer in a subsequent BAR, but in others, the Connection Fees remained within Ontario. For the items noted, CVWD showed fee collections by Tract number and parcel number, whereas the Ontario used address and permit number. IA was therefore unable to verify fee collections by CVWD in the Building Activity Reports.
- Ontario asks permit applicants to self-assess their fixture units and determine the Connection Fees they owe. (This process differs from what most Contracting Agencies have implemented, where a calculation worksheet is completed by the Building Department staff.) During the site inspection process Ontario confirms that the actual structure agrees to the plans that were submitted. This procedure omits the step of verifying that the Connection Fee calculation agrees to the building/plumbing plans, giving oversight (and potential under-calculation and under-collection) of the Connection Fee process to the customer. In addition, the Ontario is not fully utilizing the expertise of its Building Department staff in collecting fees.
- Ontario has not collected fees for public schools construction:

Name of School	School District	Type of Construction	When completed	Fees Collected
Richard Haynes Elementary	Ontario Montclair	Addition of a Multi-purpose room with multiple restrooms and warming kitchen. (CVWD collected \$10,809 for a new elementary school cafeteria and Montclair collected \$24,021 for a new elementary school multipurpose room with kitchen and restroom.)	Summer 2012	\$ 0
Ray Wiltsey Middle	Ontario Montclair	13 classroom modular facility with multiple restrooms, outdoor areas. (CVWD collected \$62,958 for a new 14 room classroom building with restrooms.)	Summer 2013	\$ 0
Ontario High	Chaffey Joint Union High School	New classroom building, restrooms, football stadium and pool. (CVWD collected \$42,792 in Connection Fees for a new high school classroom wing/building, gymnasium expansion and athletic field complex.)	In Process	\$ 0

- Approximately a third of the monthly sewerage billing items tested noted erroneous rates, were not found or were industrial entities with unusual rate structures as described in the next paragraph. No sewerage billing was found for one item where Connection Fees had been collected, but water service is provided by the Jurupa Community Services District (JCSD).

- A wide range of new manufacturing and industrial businesses have located in Ontario. The Connection Fees and monthly sewerage charges for these enterprises varied widely. Ontario has not yet responded to questions about the methodology used for monthly billing purposes and is in the process of resolving Connection Fee differences with Haliburton. IA is providing Ontario additional time to respond to IA's inquiries. In addition, there appears to be a need to improve guidelines for industrial enterprises to ensure that Connection Fees and monthly sewerage charges are assessed correctly, are fair and equitable, and are determined in accordance with the intent of the Regional Contract.

IA would like to extend its appreciation to staff at Ontario and Chino Hills, as well as the IEUA Planning and Environmental Resources Department for their cooperation and assistance during this review.

To-date, IA has submitted as information items the following reports:

- Interim Audit Report for the Cucamonga Valley Water District (March 2015)
- Interim Audit Report for the City of Chino (December 2014)
- Interim Audit Report for the City of Fontana (December 2014)
- Interim Audit Report for the City of Montclair (September 2014)
- Interim Audit Report for the City of Upland (September 2014)
- "Survey of Comparative Information of the Seven Contracting Agencies" (September 2014)
- "Regional Contract Review – Review of the Ten Year Forecast" (June 2014)
- "Regional Contract Review – Survey of Comparable Agencies (June 2014)

PRIOR BOARD ACTION

On September 17, 2014, the Board approved the Fiscal Year 2014/15 Annual Audit Plan.

On December 18, 2013, the Board reconfirmed the approved Internal Audit Department Charter.

IMPACT ON BUDGET

None

Exhibit A - Internal Audit Recommendations for IEUA Management and the Contracting Agencies

No	Recommendations	Contracting Agencies							
		Upland	Montclair	Fontana	Chino	CVWD	Chino Hills	Ontario	
OVERALL RECOMMENDATIONS									
•	Consider legal, political and financial implications of governing by ordinance vs contract	X	X	X	X	X	X	X	X
•	Review and revise EDU formula from current 270 gallons per day	X	X	X	X	X	X	X	X
•	Resolve identified differences of over/under collected amounts of Connection Fees and unreported service fees discovered during the Regional Contract Reviews and determine/establish working relationship with Contracting Agencies. JA identified businesses that are not reported to IEUA and fees not paid for the services provided by IEUA as well as classification errors and formula mistakes.	X	X	X	X	X	X	X	X
	CONNECTION FEES RECOMMENDATIONS and FEES: 2013/2014	\$505,462	\$262,500	\$830,226	\$2,620,202	\$1,901,701	\$1,985,132	\$1,728,501	
1.	IEUA and the Contracting Agencies should consider centralizing the Connection Fee and wastewater permitting process or, as part of the permitting and plan check process, establishing a requirement that an IEUA representative provide final sign-off and approval prior to the Contracting Agency issuing a permit to a nonresidential entity and allowing a connection to the regional system. This added approval step will ensure IEUA agrees with the interpretation of the contract and the appropriate category type and sewage factor have been applied so correct connection fees are assessed and collected.	X	X	X	X	X	X	X	X
2.	IEUA Planning and Pretreatment groups should take the lead to exercise the authority provided under Regional Contract Section 26 Inspection of Facilities, and establish an on-going monitoring program to inspect random facilities or those where there is a suspected discrepancy in order to ensure the intent of the Regional Contract is applied and ensure the integrity of the Regional Program	n/a	n/a	X	n/a	X	n/a	n/a	X
3.	IEUA and the Contracting Agencies should add language to the Regional Contract regarding IEUA's inspection and verification rights for connection fees and the recourse IEUA has when IEUA believes a Contracting Agency has under-collected and/or under-reported connection fees.	n/a	X	X	X	X	X	X	X
4.	Regional Contract should be updated to include IEUA right to audit, full cooperation and access to records and documents upon request	X	X	X	X	X	X	X	X
5.	IEUA should consider a two tier process of determining connection fees as part of Exhibit J that distinguishes between common features that are part of any commercial facility such as restroom toilets and sinks and those features that are unique to a specific site, such as a fire hub drain, butcher shop drain, a restaurant dishwasher or washing sink, etc. This would create consistency in the treatment of same-type and same-use fixture units.	X	n/a	n/a	X	X	X	X	X
6.	Exhibit J was recently updated and now provides detailed definitions for many business types, yet there is still room for varying interpretation and application. Businesses continue to evolve and new types of businesses emerge. Exhibit J should be updated regularly to provide additional language, definitions and guidance to ensure all types of commercial businesses are classified consistently. IEUA should consider documenting additional definitions and descriptions to the classification of businesses in Exhibit J. This would reduce the risk of misclassification of businesses and the potential under-collection of IEUA fees. Examples include fast-casual restaurants (where orders are placed at a register near the entrance but the restaurant provides table service for the food and beverage service), animal hospitals or shelters, community centers at newer residential communities and facilities that provide rehabilitative services.	X	X	X	X	n/a	X	X	X
7.	IEUA and the Contracting Agencies should develop and provide additional clarification and descriptive information for the various types of appliances, appurtenances or fixtures in the descriptors included in Exhibit J. Examples include defining the nature of an emergency drain classification of a hub drain, clarifying differences between lavatories, wash fountains, receptors, sinks and mop basins and whether a	X	n/a	X	X	X	X	X	X

X = Condition/exception noted at the Contracting Agency resulting in an Observation and Recommendation
 ✓ = Procedure/practice employed at the Contracting Agency resulting in a Recommendation that may be worth consideration/adoption/emulation
 N/A = Procedure/Practice not observed during the review process at this Contracting Agency
 Note: Categorization of conditions present in the Interim Audit Report.

Exhibit A - Internal Audit Recommendations for IEUA Management and the Contracting Agencies

No	Recommendations	Upland	Montclair	Fontana	Chino	CVWD	Chino Hills	Ontario
8.	drinking fountain that includes a separate basin for handicapped access consists of one or two fountains. The review revealed differences in interpretation IEUA and the Contracting Agencies should consider developing a standardized calculation worksheet to assist Contracting Agencies in the connection fee calculations. Currently, each Contracting Agency has its own unique calculation worksheet and it is not always consistent with the Regional Contract Exhibit J. A standardized calculation worksheet should mirror the fixture unit types in Exhibit J and provide additional clarification and uniformity to the fixture count process. The worksheet should be flexible enough to allow for multiple components of a business to be calculated at different commercial categories when there is more than one type of business at the same location (for example, a gas station/minimart with a car wash). A standardized calculation worksheet would provide assistance in computing the connection fees so that Contracting Agencies would not each need to develop their own tools, creating a lack of consistency and uniformity. IA noted varying application of fixture counts because the Contracting Agencies' calculation worksheets are not consistent.	X	X	✓ (Calculation worksheet follows Exhibit J)	X / ✓ (Calculation worksheet now follows Exhibit J)	✓ (Calculation worksheet follows Exhibit J)	X / ✓ (Calculation worksheet now follows Exhibit J)	X
9.	IEUA should require that Contracting Agencies provide copies of the connection calculation worksheets for all nonresidential entities included on their monthly Building Activity Reports. Calculation worksheets would provide additional support for the connections reported and the connection fees collected. This would provide IEUA staff greater visibility and documented support for the application of the category types and fixture counts utilized. IEUA staff would have the necessary information to contact the Contracting Agency if any questions or discrepancies are noted at the time that connections are reported rather than identifying these later on.	X	X	✓ Calculation worksheets provided with the BAR	X	X	X	X
10.	In addition to the regular meetings of the Regional Technical and Regional Policy Committees, IEUA has already begun to provide ad-hoc meetings and training as needed for things such as the updated excel Building Activity Report and the Exhibit J subcommittee. IA noted that great variability and understanding of IEUA, the Regional Contract and Exhibit J exists amongst Contracting Agencies' staff in departments such as Building, Plan Check and Utility Billing. In order to develop greater consistency and uniformity throughout the region, IEUA should consider taking the lead in holding quarterly or more regular workshops, meetings, plant tours and similar activities as an avenue where Contracting Agencies' staff in departments such as Building, Plan Check and Utility Billing and/or others as well can discuss and ask questions about the application of the Regional Contract and Program. The workshops would provide a forum to discuss questions about category types to apply, definitions, other questionable items and individual situations, and foster cooperation and collaboration among all. A Contracting Agency may encounter questions or situations that could apply to other Contracting Agencies. Frequent and on-going dialogue about the application of the Regional Contract would benefit all Contracting Agencies and the Regional Program to ensure consistent application of the Regional Contract and that issues are addressed on a timely basis.	X	X		X			
11.	IEUA should consider developing expertise in fixture count techniques and providing regular and ongoing training at the Building Departments of Contracting Agencies to develop consistency in the IEUA fixture count process across the region, including obtaining IEUA's guidance on the treatment of commercial businesses whose type is unique or does not fall into categories established in Exhibit J.	X	n/a	X	X	n/a	X	X
12.	Contracting Agencies should consider adopting an internal review process for Connection Fees as part of preparing the Building Activity Report	n/a	n/a	✓ (Use I/R)	n/a	✓ (Use I/R)	n/a	n/a

X = Condition/exception noted at the Contracting Agency resulting in an Observation and Recommendation
 ✓ = Procedure/practice employed at the Contracting Agency resulting in a Recommendation that may be worth consideration/adoption/emulation
 N/A = Procedure/Practice not observed during the review process at this Contracting Agency
 Note: Categorization of conditions present in the Interim Audit Report.

Exhibit A - Internal Audit Recommendations for IEUA Management and the Contracting Agencies

No	Recommendations	CVWD							
		Upland	Montclair	Fontana	Chino	CVWD	Chino Hills	Ontario	
		\$4,294,863	\$1,981,117	\$8,196,601	\$4,592,930	\$10,288,244	\$3,892,815	\$9,532,321	
1.	MONTHLY SEWERAGE BILLING RECOMMENDATIONS and FEES: 2013/2014 IEUA and the Contracting Agencies should consider establishing the collection of monthly sewerage fees directly for the entire region through the County's property tax roll. Collection of sewerage fees through the property tax roll could result in a more efficient process and reduce the administrative resources used by Contracting Agencies in billing and collecting these fees. Residential properties could be transferred initially until consideration is given to ways in which and whether to transition commercial, industrial and other entities and consider alternatives, either by water consumption or EDUs purchased. Since the adoption of the existing billing methodology in a 1997 memorandum efficiencies have been achieved in water usage, which may have an impact on the type and amount of sewerage discharged and the types of services provided to the region as a whole. The billing methodology should be aligned with the services provided. Another approach to consider as part of the billing methodology would be examining Winter season usage by residential properties to investigate a volumetric rather than EDU based rate structure. The billing methodology should be presented to the IEUA Board of Directors and formally adopted. As part of this process a Rate and Fee Study would assist in establishing a sustainable and equitable rate structure that recovers the cost of providing services.	n/a	n/a	✓ (Property tax roll used for SFR & MFR)	n/a	n/a	X	X	
2.	IEUA and the Contracting Agencies should evaluate the methodology used for billing monthly sewerage fees and consider alternatives, either by water consumption or EDUs purchased. Since the adoption of the existing billing methodology in a 1997 memorandum efficiencies have been achieved in water usage, which may have an impact on the type and amount of sewerage discharged and the types of services provided to the region as a whole. The billing methodology should be aligned with the services provided. Another approach to consider as part of the billing methodology would be examining Winter season usage by residential properties to investigate a volumetric rather than EDU based rate structure. The billing methodology should be presented to the IEUA Board of Directors and formally adopted. As part of this process a Rate and Fee Study would assist in establishing a sustainable and equitable rate structure that recovers the cost of providing services.	X	X	✓ (EDU based rate structure)	X	X	X	X	
3.	IEUA and the Contracting Agencies should consider standardizing and providing automated and itemized listings of non-residential monthly sewerage charges. This would provide information that could be reviewed and researched for anomalies and reconciled on a regular basis.	X	X	X	X	X	X	X	
4.	IEUA should evaluate the current process used for invoicing each Contracting Agency for monthly sewer fees. By establishing a contract for monthly payment rather than relying on invoices, each Contracting Agency could provide the EDU information and remit the funds to IEUA directly within a reasonable period of time. This contrasts with the current approach whereby Contracting Agencies provide EDU information and then wait for an invoice from IEUA before payment thereby delaying payment for up to 45 days. By reengineering the process, IEUA would receive monthly sewer fees in a more efficient and timely manner.	X	X	X	X	X	X	X	
5.	IEUA should add language to the Regional Contract regarding IEUA's inspection and verification rights as to monthly sewerage fees and the recourse IEUA has when IEUA believes a Contracting Agency has under-collected and/or underreported such fees	X	X	n/a	X	X	X	X	
6.	Regional Contract should be updated to include IEUA right to audit, full cooperation and access to records and documents upon request	X	X	X	X	X	X	X	
7.	IEUA and the Contracting Agencies should consider updating the 1997 memorandum to consider new business types and provide more detailed definitions and descriptions. Since the adoption of the 1997 memorandum, businesses have continued to evolve and new types of businesses emerge. The 1997 memorandum should be updated regularly to provide additional language, definitions, and guidance to ensure all types of commercial businesses are classified consistently. Examples include pet related businesses such as pet shops, pet rescue locations, veterinarians and pet hospitals and clinics and spa related businesses such as spas, massage parlors, salons, foot spas and waxing businesses.	n/a	n/a	n/a	n/a	n/a	X	n/a	
8.	Evaluate and consider the relationship between monthly sewer fees and Connection Fees and determine the need to create a correlation between the two. For example fast-food restaurants and full-service restaurants are both included in Category 8 for monthly sewerage billing purposes and pay at the same rate. However, for purposes of Connection Fees fast-food restaurants are grouped with office retail and similar uses (which are Category 1 for monthly sewerage billing). Therefore, fast-food restaurants incur lower Connection Fees, but pay monthly sewer fees at the higher rates charged to full-service restaurants.	X	X	X	X	X	X	X	
9.	IEUA and the Contracting Agencies should consider the need for additional billing guidance for locations with multiple business types serviced by master meter, either blended, highest applicable or other methodology	n/a	n/a	n/a	n/a	n/a	X	n/a	
10.	IEUA and the Contracting Agencies should consider billing commercial businesses that do not consume or discharge a minimum of one EDU at least that amount under the rationale that no business should pay less	X	✓	X	X	✓	X	X	

✓ = Procedure/practice employed at the Contracting Agency resulting in a Recommendation that may be worth consideration/adoption/emulation
 N/A = Procedure/Practice not observed during the review process at this Contracting Agency
 Note: Categorization of conditions present in the Interim Audit Report.

Exhibit A - Internal Audit Recommendations for IEUA Management and the Contracting Agencies

No	Recommendations					Upland	Montclair	Fontana	Chino	CVWD	Chino Hills	Ontario
	than the amount charged to a single family residence											
	PUBLIC SERVICE FACILITIES RECOMMENDATIONS											
		None noted, per audit sample	Moreno Elem classroom building (OMSD) Montclair H. S. classroom building (CJUHSD)	None noted, per audit sample (City made conscious choice not to charge Kaiser Fontana)	Howard Cattle Elem classroom building (CVUSD) Chaffey College - Chino Campus - multiple buildings	Los Amigos Elem classrooms Etiwanda HS classrooms, performing arts complex, athletic field Rancho Cucamonga HS auditorium, athletic field Chaffey College - multiple buildings	Chino Hills H. S. Swimming Facility, Showers and Locker Room (CVUSD)	Richard Heynes Elem Multi-purpose (OMSD) Ray Witsky Middle classroom building (OMSD) Ontario H. S. Classroom building, football stadium and pool (CJUHSD)				
1.	Examples of recent Public Service Facilities with NO Connection Fees collected	n/a	X	n/a	X	X	X	X	X	X	X	X
	IEUA and the Contracting Agencies should consider the exclusion of Public Service Facilities from the charge for Connection Fees and Monthly Sewerage Charges. As documented under the audit report "Comparison of the Regional Sewerage Service Contract and Program with similar contracts and programs" IA found that some Agencies (for example, the Los Angeles County Sanitation Districts) exclude local governmental agencies such as public K – 14 schools and City governments from both Connection Fees and Monthly Sewerage Charges											
2.	IEUA and the Contracting Agencies should consider the legal, political and financial impacts of centralizing the Connection Fee calculation, connection, CCRA account and wastewater permitting process for Public Service Facilities	X	X	X	X	X	X	X	X	X	X	X
3.	IEUA should add language to the Regional Contract regarding IEUA's inspection and verification rights for Public Service Facilities as to connection and monthly sewer fees and the recourse IEUA has when IEUA believes a Contracting Agency has under-collected and/or under-reported such fees	n/a	X	n/a	X	X	X	X	X	X	X	X
4.	Regional Contract should be updated to include IEUA right to audit, full cooperation and access to records and documents upon request	X	X	X	X	X	X	X	X	X	X	X
5.	Exhibit J was recently updated and now provides detailed definitions, yet there is still room for varying interpretation and application. Exhibit J should be updated regularly to provide additional language, definitions and guidance to consider clarification and descriptive information for categorizing public service facilities to expand and address the differences between publicly owned and publicly used.	X	X	X	X	X	X	X	X	X	X	X
6.	Consider the City of Upland's cross-departmental approach to the development review process as a regional model for Contracting Agencies to follow. The City of Upland has formed an inclusive group from all city departments that meets regularly to review new development. The group includes representatives from the Planning, Building, Public Works, and Police and Fire departments. Since planning for fire safety is required for new construction to ensure access and egress, Fire department representatives are often the first to know about new PSF construction. This will trigger Public Works and Building department representatives to be involved resulting in the assessment of connection fees, including those for IEUA in accordance with Exhibit J	✓ (Uses cross-departmental approach)	X	n/a	X	n/a (Not a city water agency only)	X	X	X	X	X	X

X = Condition/exception noted at the Contracting Agency resulting in an Observation and Recommendation
 ✓ = Procedure/practice employed at the Contracting Agency resulting in a Recommendation that may be worth consideration/adoption/emulation
 N/A = Procedure/Practice not observed during the review process at this Contracting Agency
 Note: Categorization of conditions present in the Interim Audit Report.



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

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DATE: May 28, 2015

TO: Joe Grindstaff
General Manager

Teresa V. Velarde

FROM: Teresa V. Velarde
Manager of Internal Audit

SUBJECT: **REGIONAL CONTRACT REVIEW**
Interim Audit Report
City of Chino Hills

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) performed a review of the Agency's Regional Sewage Service Contract (Regional Contract) as implemented with the Regional Contracting Agencies (RCA or Contracting Agency). The review was performed under the authority given by the IEUA Board of Directors as documented in the Internal Audit Department Charter and according to the Fiscal Year 2013/14 Annual Audit Plan.

Audit Objective and Scope

The objectives of the Regional Contract Review are to evaluate how each of the seven Contracting Agencies apply the Regional Contract provisions, determine whether processes are in compliance with Regional Contract requirements, determine opportunities to improve processes and procedures and make recommendations to consider as part of the Regional Contract renegotiation or amendment. The review covered the period from July 1, 2012 through December 31, 2013 and where possible considered events subsequent to that period.

The review included procedures to evaluate compliance with the Regional Contract, Exhibit J Initial Connection Fees provisions as well as the recurring Sewer Service Fees billing for the various types of land uses (commercial, industrial, residential, public service and extra-territorial). IA performed a variety of review procedures at each Contracting Agency to evaluate:

- Initial Connection Fees
- Public Service Facilities Connection Fees
- Monthly Volumetric Sewerage Charges
- Extra-Territorial Fees
- Reconciliations of fees collected and paid to IEUA
- Overall Recordkeeping

Water Smart – Thinking in Terms of Tomorrow

Terry Catlin
President

Michael E. Camacho
Vice President

Steven J. Elie
Secretary/Treasurer

Jasmin A. Hall
Director

Gene Koopman
Director

P. Joseph Grindstaff
General Manager

This report describes the results of the review performed at the City of Chino Hills.

City of Chino Hills – Background

The City of Chino Hills (Contracting Agency, Chino Hills or City) was incorporated in December 1991 and utilizes a Council-Manager form of government. The City has a population of 76,131 and encompasses 46 square miles, which is 19% of the 242-square-miles covered by IEUA's service area¹. Of this, a little over 22 square miles is made up of Chino Hills State Park and Carbon Canyon Regional Park, leaving a net of approximately 24 square miles (or about 10% of the service area) that connects to the Regional Sewerage System.

The City provides water, trash and local sewer services to residential, commercial and other properties within its boundaries.

City of Chino Hills – Financial Information

As part of the Regional Contract, Chino Hills is required to report *Initial Connection Fees* and *Sewer Service Fees* on a monthly basis.

Initial Connection Fees (Connection Fees) are one-time fees levied on new development connecting to the Regional Sewerage System, as well as existing users who expand their number of fixture units. These fees are reported in the monthly Building Activity Reports (BAR) to the IEUA Planning and Environmental Resources Department and are recorded in the Agency's financial system.

The amount of Connection Fees collected varies from year to year depending on the construction activity occurring within the Contracting Agency's boundaries. The number of Equivalent Dwelling Units (EDU's) purchased and fees collected by the City during the last two fiscal years are:

City of Chino Hills
Connection Fees

Fiscal Year	EDU's	Fees collected
2012/13	42.30	\$ 207,452
2013/14	396.47	\$ 1,985,132

EDU's and fees collected reflect the amounts reported in the BAR. Fees collected vary from year to year depending on the amount of new development. The fees for FY 2013/14 were substantially higher than the prior year due to the Capriana/Villagio apartment complex on Butterfield Ranch Road, a 286 unit apartment community.

¹ Chino Hills statistics from City of Chino Hills website and Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2014

CCRA Account: Connection Fees are collected by the City and held in a Capital Connection Reimbursement Account (CCRA) until called by IEUA. The CCRA balance as reported by the City of Chino Hills at June 30, 2013 and 2014 was \$933,078 and \$2,918,210, respectively.

Sewer Service Fees (Volumetric Sewerage Fees): Sewer Service Fees are recurring fees assessed and collected from users that discharge into the Agency's Regional Sewerage System. According to the Regional Contract, Contracting Agencies must pay IEUA for sewer services each month. The City of Chino Hills reports the number of EDU's to IEUA on a monthly basis. The EDU's reported are comprised of the following: one EDU for residential, 0.7 EDU for multi-family residential, fixed EDU's for schools (based on student enrollment) and variable EDU's for commercial entities (based on water consumption).

The table below outlines the total number of EDU's reported and Volumetric Sewerage Fees paid to IEUA by the City of Chino Hills for the last two fiscal years. This information is reported in the Agency's CAFR.

City of Chino Hills: Sewer Service Fees		
Fiscal Year	EDU's ⁽¹⁾	Fees
2012/13	288,891	\$ 3,579,355
2013/14	290,726	\$ 3,892,815

(1) = Calculated as Fees divided by Board approved rate.

The City of Chino Hills Finance Department provided the following break-down of their monthly sewerage revenues for the 2013/2014 fiscal year:

Description	Revenues	Percentage
Residential	\$ 3,563,293	90.59 %
Commercial	\$ 369,954	9.41 %
TOTAL	\$ 3,933,247	100.00 %

Initial Connection Fees

Contracting Agencies are required to assess, collect, and report Connection Fees for any new development that connects to the Regional Sewerage System, or users who expand their fixture unit count. The fees must be assessed and collected by the Contracting Agency in accordance with the provisions of Exhibit J of the Regional Contract.

IA selected various businesses to test whether Connection Fees were accurately calculated, collected and reported in accordance with the Regional Contract. IA judgmentally selected 62 different businesses from the following sources to verify the

Contracting Agency applied and collected the correct EDU rate according to the Board-approved rates and to determine the accuracy of the categorization type used per Exhibit J of the Regional Sewage Service Contract:

- New business license report provided by City staff
- IA conducted physical observations of the City's commercial districts
- Building Activity Reports submitted to IEUA
- Input received from IEUA's Planning & Environmental Compliance Department

The review period extended from July 1, 2012 through December 31, 2013 (and in some cases earlier or later when deemed necessary). For the earlier sample items (prior to the June 19, 2013 revision of Exhibit J), Contracting Agencies' guidance for fixture unit counts was limited to the California Plumbing Code. The revision to Exhibit J added additional descriptive examples of Category types and "Table 1 – Fixture Unit (FU) Values" which provided specific unit amounts for assessing Fixture Unit Values.

The calculation worksheet Chino Hills utilized prior to the revision of Exhibit J had fewer categories than the California Plumbing Code or the revised Exhibit J, but charged at least as many fixture units than what was subsequently adopted by the revision of Exhibit J. After the revision of Exhibit J, Chino Hills revised their own calculation worksheet to ensure that it matches Table 1 of Exhibit J of the Regional Contract. Chino Hills' staff indicated that their revision was in use within a month after the revised Exhibit J took effect.

IA recommends that calculation worksheets be standardized for all Contracting Agencies to create uniformity in the fixture unit count and Connection Fee calculations.

The review noted the following:

1. Pet N Vets Animal Hospital: Since the descriptive information provided in Exhibit J appear to overlap, these descriptions could have been interpreted differently and the business could have been classified as Commercial Category III, a convalescent home or hospital which would have resulted in higher Connection Fees. According to City of Chino Hills staff, Pets N Vets is more of a Veterinary Doctor's office and is classified in the same way that doctors' and dentists' offices are classified under Category Type I which includes "retail" and "office" descriptions.

Different interpretations for: Pets N Vets Animal Hospital

Description	Exhibit J	Exhibit J Description	Sewage Factor	Fees
Chino Hills determination	Category Type I	Retail, office, motel/hotel and similar businesses	0.0444	\$2,539.32
Other possible interpretation	Category Type III	Convalescent home or hospital	0.1780	\$10,180.18

It is IA's observation that although Exhibit J was recently updated and now provides detailed definitions for many business types, there still appears to be some room for varying interpretation and application. Businesses continue to evolve and new types of businesses emerge and the Regional Contract should continually be updated to provide additional language, definitions and guidance to ensure all types of commercial businesses are classified consistently.

Additionally, IEUA should consider developing expertise in fixture count techniques and providing regular and ongoing training at the building departments of the Contracting Agencies to develop consistency in the IEUA fixture count process across the region, particularly so that Contracting Agencies can obtain IEUA's guidance on the treatment of commercial enterprises whose business type is unique and does not fall into the categories established in Exhibit J.

Plumbing Plans – Fixture Unit Recount

IA reviewed the plumbing plans for five (5) of the originally selected 62 items to verify the accuracy of the fixture count and the application of the required fees. The recount was performed by the City of Chino Hills' Community Development staff and witnessed/verified by IA. The results of the recount were agreed upon by both parties.

The recount noted differences in fixture unit values prior to the revision of Exhibit J. In addition, due to the lack of specificity in some building plans, the fixture count can be inherently subjective. It appears City of Chino Hills staff was conservative in their interpretation of the plumbing code, and Exhibit J (after the 2013 revision). IA only noted small immaterial differences resulting from the fixture recount.

Chino Hills staff noted that regular meetings such as were held by the BAR subcommittee in preparing the revision of Exhibit J are helpful. Having the ability to compare experiences with other Contracting Agencies' staff involved in the plan check and permit process helps create greater consistency throughout the region, particularly as businesses continue to evolve and change.

In order to develop greater consistency and uniformity throughout the region, IEUA should consider taking the lead in holding quarterly or more regular workshops, meetings, plant tours and similar activities as an avenue where Contracting Agencies' staff in departments such as Building, Plan Check and Utility Billing and/or others as well can discuss and ask questions about the application of the Regional Contract and Program. The workshops would provide a forum to discuss questions about category types to apply, definitions, other questionable items and individual situations, and foster cooperation and collaboration among all.

Public Service Facilities

Exhibit J includes for purposes of fee calculation: "All structures designed for the purpose of providing permanent housing for enterprises engaged in exchange of good

*and services. This shall include, but not be limited to, all private business and service establishments, **schools, churches, and public facilities.***"

The Division of the State Architect's Office (DSA) of the State of California provides design and construction oversight for public schools (Kindergarten through 12th grade and community college), and various other state-owned and leased facilities. Likewise, the Office of Statewide Health Planning and Development (OSHPD) regulates hospital construction. Entities that fall under the DSA or OSHPD have a permit and plan check process that is separate and includes limited or no coordination with the local jurisdiction. The DSA and OSHPD do not collect Connection Fees on IEUA's behalf as part of their oversight process, even though the construction projects reviewed could be new construction or expansions that result in additional discharge into the regional infrastructure. It is the responsibility of each individual Contracting Agency to ensure collection of the Connection Fees from entities that fall under the DSA or OSHPD and reside within their service area.

Several approaches were used to determine Public Service Facilities in the City of Chino Hills. IA used personal knowledge of the community and a physical observation. In addition, IA reviewed the OSHPD website for information about hospital and similar construction in the City. IA also reviewed Bond Measure updates on the website for the Chino Valley Unified School District to look for construction activity. This resulted in the selection of the following for testing:

Site	New Additions or Renovations	Month/Year Fees Collected	Amount Collected
BAPS Shri Swaminarayan Mandir; 15100 Fairfield Ranch Rd. ⁽¹⁾	Hindu Temple additions	June 2007	\$ 14,288
BAPS Shri Swaminarayan Mandir; 15100 Fairfield Ranch Rd. ⁽¹⁾	Hindu Temple restaurant	May 2014	\$ 8,448
Chino Hills Community Center; 14250 Peyton Dr.	New construction	June 2012	\$ 38,283
Chino Hills Sheriff's Station; 14077 Peyton Dr.	New SB County sheriff's station	January 2007	\$ 69,590
Chino Hills High School; 16150 Pomona Rincon Rd.:	Pool, Showers and Locker room	Within the last 3 years	\$ 0

⁽¹⁾ The Temple also paid \$268,686 in Connection Fees in December 2006 for original construction.

No Connection Fees were collected for Chino Hills High School Addition

IA noted that in all instances other than the Chino Hills High School expansion, the City collected Connection Fees from Public Service Facilities construction. City representatives indicated that they "do not issue permits for school facilities nor do they collect IEUA fees." Since the customer does not come to the counter, the City of Chino

Hills does not have a process in place to identify and pursue PSF construction or expansions. For comparison purposes, the City of Upland collected \$22,506 in Connection Fees for a new high school gymnasium and the Cucamonga Valley Water District collected \$42,792 in Connection Fees for a new high school classroom wing/building, gymnasium expansion and athletic field complex.

IEUA should provide guidance and assistance to the Contracting Agency to adopt a collaborative approach and foster a relationship with the School District and any other PSF to ensure Connection Fees are charged and collected for any future planned projects with new construction or expansion. For example, the City of Chino Hills has a collaborative group called the Project Review Committee that meets to consider projects that have been submitted for permit application. The role of this group could be expanded to include conversations of potential projects outside the permitting process. Since planning for fire safety is required for new construction to ensure access and egress, Fire department representatives are often the first to know about new PSF construction. This would trigger Public Works and Building department representatives to be involved resulting in the assessment of connection fees, including those for IEUA in accordance with Exhibit J.

In connection with a renegotiation of the Regional Contract, IEUA and the Contracting Agencies should consider the legal and financial impacts of eliminating the requirement for collecting connection fees and monthly sewerage charges from Public Service Facilities. As documented under the audit report "Comparison of the Regional Sewage Service Contract and Program with similar contracts and programs", IA found that some Agencies (for example, the Los Angeles County Sanitation Districts) exclude local governmental agencies such as public schools and City governments from these charges.

Volumetric Sewerage Fees

Section 18 of the Regional Contract states: "Concurrently with the adoption of the Regional Sewerage System budget, the Board of Directors of CBMWD shall fix the service charge rate for the fiscal year. The rate shall be expressed in dollars and cents for each Equivalent Dwelling Unit (EDU) of sewage and shall be computed . . . as set forth in the Regional Sewerage System budget adopted for the fiscal year. The estimated EDU's of sewage delivered into the Regional Sewerage System shall be determined based on a standard daily measurement or contribution of sewage per EDU agreed to from time to time by CBMWD and the Regional Technical Committee."

The most recent information about monthly sewerage billing is from a memorandum entitled "Procedures for Establishing a Regional Sewer Billing Formula" which was endorsed by the Regional Technical and Policy Committees and forwarded for approval by the IEUA Board for monthly/bimonthly billing processes in 1997. IA noted that there is no indication that the document was presented to the IEUA Board of Directors and approved. The document itself appears to be a draft for presentation purposes, not an approved approach. Finally, IA noted that other similar agencies are also examining

winter season water usage of residential properties to investigate the possibility of a volumetric rather than EDU based rate structure.

The City of Chino Hills performs monthly meter readings for several routes each day such that all customers are billed on a monthly basis. All water customers are also billed for the City's and IEUA's regular sewerage charges. On the customer's monthly statement, City and IEUA sewer fees are combined in one total, although they can be viewed separately in the City's Sungard Utility Billing system. For IEUA sewerage billing purposes, EDU's are calculated in accordance the 1997 memorandum.

Customers are billed at the current monthly rate as follows: one EDU for residential, 0.7 EDU for multi-family residential, fixed EDU's for schools (based on student enrollment) and variable EDU's for commercial entities (based on water consumption).

For the 62 entities originally selected, IA tested the monthly sewerage billing system to determine whether monthly billing is in fact taking place and the appropriate categories and rates for monthly volumetric fees are used. IA noted the following:

1. **Sewer Service billing category inconsistencies: There is an inconsistency between the rate charged for Connection Fees and the rate used for monthly sewerage billing.**

The billing formulas are based on the memorandum "Procedures for Establishing a Regional Sewer Billing Formula" from 1997. The formulas are divided into Residential, Commercial and Industrial categories and the Commercial categories are further divided into eight Commercial categories and an additional category for schools. Category eight includes: "Restaurant – full service; Restaurant – Fast food; Market w/ grinder; and Bakery".

IA notes that the inclusion of both full service and fast food restaurants in the same classification for monthly sewerage contradicts the guidance provided for Connection Fees where full service restaurants are charged a significantly higher sewage factor to connect than are fast food restaurants. In general, full service restaurants would probably pay higher monthly fees from higher water consumption even though their sewer factor is the same as for fast food restaurants, however the rate classification structure does lump them together in the same category. As part of renegotiating the Regional Contract, IEUA and the Contracting Agencies should evaluate and consider the relationship between monthly Sewer Service Fees and Connection Fees and determine the need to create a correlation between the two.

IA notes that documentation approving and mandating the billing methodology is not available. Any revision should be presented to the IEUA Board of Directors and formally adopted, based upon the recommendation of the Regional Technical Committee.

2. Master Meters: The Regional Contract does not provide guidance for businesses included under a master meter.

Many businesses in Chino Hills are located in commercial centers served by master meters, meaning the City will bill the owner or anchor tenant of a commercial center based on one water meter that services all the tenants:

Master Meter billed to	Other Businesses in Commercial Center	Applied by City		Internal Audit Comment
		Factor Type	Factor Rate	
Dillon's Restaurant	Barnes and Noble, Starbucks, Crabby Corner, Crème De La Crème Bakery	Restaurant/Market with Grinder, adjusted for Landscape Factor	0.05731	Use Commercial rate adjusted for Landscape Factor (.0401) for non-restaurant uses?
JoJo's Pizza Kitchen	Orphanage pet rescue, 99 Ranch Market, Daiso Japan, Young Dong Tofu	Drycleaner	0.1215	Use Restaurant/Market with Grinder (0.1042) and Commercial (0.0729) rates for various businesses?
Fresh and Easy	TLC Animal Clinic, VIP Foot Spa, Chino Hills Pet Salon	Restaurant/Market with Grinder, adjusted for Landscape Factor	0.05731	Use Commercial rate adjusted for Landscape Factor (.0401) for non-restaurant and non-market uses?
Spa Shangri-La	Goodwill, Pets N Vets Animal Hospital	Restaurant/Market with Grinder	0.1042	Use Commercial (0.0729) rate for various businesses?

It is the Chino Hills' practice to invoice master metered customers at the highest billing rate/factor based on the types of businesses in the commercial center. However, over time businesses may change and changes may not be made to the rate/factor and the rates/factors may no longer be relevant. Therefore, the City may or may not be billing appropriately.

Of the 62 items included in the sample that IA tested, 36 (58%) were part of various master meters, either as the commercial entity being billed or as one of the other commercial entities also in the commercial center but not receiving a bill. Of these 36 items, 21 (58%) were included in a rate/factor that differed from the most appropriate rate/factor based on their business type (both higher and lower). The reasons for these differences included:

- Being part of a group of businesses billed under the Chino Hills policy of billing a master meter based on the highest rate/factor type of business at the commercial center
- Commercial centers where a higher rate/factor business no longer exists but the billing rate/factor has not been adjusted
- Commercial centers where a higher rate/factor business now exists but a prior rate/factor has not been adjusted.

The 1997 sewer services billing memorandum does not provide specific guidance when a master meter is used and different Contracting Agencies apply different billing practices.

IEUA and the Contracting Agencies should evaluate the billing methodologies in the 1997 memorandum and determine and document the most appropriate approaches to invoicing master meters, including potential approaches such as:

- *A blended rate*
- *The City of Chino Hills use of the highest rate available for types of businesses in a particular center*
- *Another method that is appropriate, equitable and documented*

3. **Billing categories do not consider the variety of commercial enterprises that have evolved:** Commercial billing rates were last evaluated and revised in 1997. Since then businesses have evolved and changed. The existing billing categories do not provide guidance for the variety of businesses that now exist.

As part of reviewing the master meter billing practices at the City of Chino Hills, Internal Audit noted 7 of the 62 items tested (over 10%) were businesses where the commercial categorization is unclear according to the 1997 memorandum. These businesses were primarily of two types:

- Pet related businesses including pet shops, pet rescue locations, veterinarians and pet hospitals and clinics.
- Spa related businesses including spas, massage parlors, salons, foot spas and waxing businesses.

Businesses continue to evolve and new types of businesses emerge. The 1997 billing memorandum should be updated regularly to provide additional language, definitions and guidance to ensure all types of commercial businesses are classified consistently.

IEUA and the Contracting Agencies should consider documenting additional definitions and descriptions to the classification of businesses in the monthly billing memorandum from 1997. This would reduce the risk of misclassification of businesses and the potential under-collection of monthly fees. Examples include pet related businesses and spa related businesses.

4. **Minimum Sewer Service Fees based on one EDU:** It would seem appropriate that a commercial customer be billed, at the minimum, the rate for 1 EDU which is used for a residential customer, even if the commercial consumption is lower than one calculated EDU.

All residential customers are billed 1 EDU (.7 for multi residential) regardless of water consumption or actual use or waste flow. The audit noted instances where commercial customers are billed a lower amount than what a residential customer pays.

Commercial customers are billed converting water consumption into EDUs. Sometimes the calculations produce a fraction of an EDU (less than 1 EDU). The rate is applied to the calculated EDU or fraction of an EDU and the commercial customer is billed accordingly.

The monthly sewerage fee for a single EDU in the 2013/2014 fiscal year was \$13.39, yet IA noted commercial entities with billings as low as:

Business	HCF	Factor	Billed Amount
Chino Hills Cross Fit	7	0.0729	\$ 6.83
CVS Pharmacy	11	0.0729	\$ 10.74
Walgreens	4	0.0729	\$ 3.90
Shell service station	3	0.040095*	\$ 1.61

* Includes landscaping factor which is billed at 55% of commercial factor

IA noted that Cucamonga Valley Water District and the City of Montclair both bill a minimum base amount of one EDU per month to commercial enterprises even if the amount determined through water usage would be lower under the rationale that no business should pay less than the amount charged to a single family residence.

Total Sewer Service Fee Billings/Revenue

IA compared the Sewer Billing Revenues recorded by IEUA for agreement to the City of Chino Hills' general ledger information.

IA noted the following variances between the Contracting Agency's general ledger revenues and the revenues recognized by IEUA that are based upon Monthly Sewer Billing Reports submitted to IEUA:

IEUA Revenue compared to Chino Hills Revenue FY 2012/13 (July 1, 2012 through June 30, 2013)		
Sewer Utility Revenue ending balance from IEUA CAFR for City of Chino Hills	Sewer Utility Revenue ending balance per City of Chino Hill's general ledger	Variance
\$ 3,579,355	\$ 3,598,933	\$ 19,578

IEUA Revenue compared to Chino Hills Revenue FY 2013/14 (July 1, 2013 through June 30, 2014)		
Sewer Utility Revenue ending balance from IEUA CAFR for City of Chino Hills	Sewer Utility Revenue ending balance per City of Chino Hill's general ledger	Variance
\$ 3,892,815	\$ 3,933,247	\$ 40,432

Per City of Chino Hills' staff differences are the result of an accrual for unbilled revenues at year-end.

IA noted the following variance between the Contracting Agency's general ledger expenses and the revenues recognized by IEUA that are based upon Monthly Sewer Billing Reports submitted to IEUA:

IEUA Revenue compared to Chino Hills Expense FY 2012/13 (Jul 1, 2012 through June 30, 2013)		
Sewer Utility Revenue ending balance from IEUA CAFR for City of Chino Hills	Sewer Utility Expense ending balance per City of Chino Hill's general ledger	Variance
\$ 3,579,355	\$ 3,586,031	\$ 6,677

IEUA Revenue compared to Chino Hills Expense FY 2013/14 (Jul 1, 2013 through June 30, 2014)		
Sewer Utility Revenue ending balance from IEUA CAFR for City of Chino Hills	Sewer Utility Expense ending balance per City of Chino Hill's general ledger	Variance
\$ 3,892,815	\$ 3,897,719	\$ 4,903

CAFR Reconciliation

IA verified that the CCRA amounts reported on the City's general ledger agreed to what IEUA reported on its CAFR at June 30, 2013 and June 30, 2014. The balances on both reports at June 30, 2013 were \$933,078 and \$2,918,210, respectively. For the year ended June 30, 2014 the IEUA balance was \$2,918,210, but the City of Chino Hills general ledger balance had already been reduced from that amount by the third quarter Call payment of \$308,194.

Extra-Territorial Fees

The City of Chino Hills has no Extra-Territorial areas and does not charge Extra-Territorial (ET) fees.

Internal Audit Recommendations

Through this evaluation, IA noted observations and recommendations to strengthen administrative, accounting, recording, and reporting controls to ensure the intent of the Regional Contract is achieved. The recommendations can be applied to all Contracting Agencies going-forward as part of an amendment to and/or as part of the Regional Contract review and renegotiation process; in order to ensure all Regional Contracting Agencies apply and administer the Regional Contract in a similar and consistent manner. IA's recommendations are for IEUA's Executive Management to consider.

Recommendations relating to Connection Fees:

As part of the review and renegotiation of the Regional Contract, IEUA and the Contracting Agencies should consider:

- 1. In addition to the regular meetings of the Regional Technical and Regional Policy Committees, IEUA has already begun to provide ad-hoc meetings and training as needed for things such as the updated excel Building Activity Report and the Exhibit J subcommittee. IA noted that great variability and understanding of IEUA, the Regional Contract and Exhibit J exists amongst Contracting Agencies' staff in departments such as Building, Plan Check and Utility Billing. In order to develop greater consistency and uniformity throughout the region, IEUA should consider taking the lead in holding quarterly or more regular workshops, meetings, plant tours and similar activities as an avenue where Contracting Agencies' staff in departments such as Building, Plan Check and Utility Billing and/or others as well can discuss and ask questions about the application of the Regional Contract and Program. The workshops would provide a forum to discuss questions about category types to apply, definitions, other questionable items and individual situations, and foster cooperation and collaboration among all. One Contracting Agency may encounter certain questions or situations that could apply to other Contracting Agencies. Frequent and on-going dialogue about the application of the Regional Contract would benefit all Contracting Agencies and the Regional Program to ensure consistent application of the Regional Contract and that issues are addressed on a timely basis.***
- 2. Adding language in the Regional Contract regarding recourse for non-collection and over/under collection of Initial Connection Fees.***
- 3. A standardized calculation worksheet to create uniformity among the Contracting Agencies with fixture unit counts and the connection fee calculations. Currently, each Contracting Agency utilizes its own calculation worksheet and it is not always consistent with Regional Contract Exhibit J. The standardized calculation worksheet should mirror the fixture unit types in Exhibit J and provide additional clarification and uniformity to the fixture count process. The worksheet should be flexible***

enough to allow for multiple components of a business to be calculated at different Commercial categories when there is more than one type of business at the same location (for example, a gas station/minimart with a car wash). The standardized calculation worksheet will facilitate computing the Connection Fees in a consistent and uniform manner. (Note: The City of Chino Hills current calculation worksheet is consistent with Exhibit J.)

- 4. The inclusion of the initial connection calculation worksheets for all nonresidential entities with monthly Building Activity Reports as additional support for the connections reported and the Connection Fees collected. This would provide IEUA staff greater visibility and documented support for the application of the category types and the fixture counts. IEUA staff would have the necessary information to contact the Contracting Agency if any questions or discrepancies are noted at the time that connections are reported rather than identifying these later on.***
- 5. Exhibit J was recently updated and now provides detailed definitions for many business types, yet there is still room for varying interpretation and application. Businesses continue to evolve and new types of businesses emerge. Exhibit J should be updated regularly to provide additional language, definitions and guidance to ensure all types of commercial businesses are classified consistently. This would reduce the risk of misclassification of businesses and the potential under-collection of IEUA fees. Examples include pet clinics and private community swimming and recreation centers in residential communities.***
- 6. Additional clarification and descriptive information for the various types of appliances, appurtenances and/or fixtures in the descriptions included in Exhibit J. Examples include; defining the nature of an emergency drain, clarifying differences between lavatories, wash fountains, receptors, sinks and mop basins and defining whether a drinking fountain that includes a separate basin for handicapped access consists of one or two fountains. The review revealed differences in interpretation.***
- 7. A two-step process of determining Connection Fees as part of Exhibit J that distinguishes between common features that are part of any commercial facility such as restroom toilets and sinks (ie., a toilet is always the same cost regardless of type of business whether a restaurant, office or gym) vs. those features that are unique to a specific site, such as a butcher shop drain or a restaurant dishwasher or washing sink, etc. This would create consistency in the treatment of same-type and same-use fixture units.***
- 8. Developing significant expertise within IEUA in fixture count techniques and providing regular and ongoing training at the building departments of***

the individual Contracting Agencies to develop consistency in the IEUA fixture count process across the region.

- 9. Should consider, as part of the permitting and plan check process, a requirement that an IEUA representative provide final sign-off and approval prior to the Contracting Agency issuing a permit to a nonresidential entity and allowing a connection to the regional system. This added approval step will ensure IEUA agrees with the interpretation of the contract and the appropriate category type and sewage factor have been applied so correct connection fees are assessed and collected.***

Although the City of Chino Hills collected Connection Fees for most types of Public Service Facilities, the City did not collect Connection Fees for the public school selected for testing.

***Recommendations relating to Public Service Facilities:
As part of the review and renegotiation of the Regional Contract IEUA and the Contracting Agencies should consider:***

- 10. The exclusion of Public Service Facilities from the charge for Connection Fees and Monthly Sewerage Charges. As documented under the audit report "Comparison of the Regional Sewerage Service Contract and Program with similar contracts and programs", IA found that some Agencies (for example, the Los Angeles County Sanitation Districts) exclude local governmental agencies such as public schools (Kindergarten through 12th grade and community college) and City governments from both Connection Fees and Monthly Sewerage Charges.***
- 11. Adding language to the Regional Contract regarding IEUA's inspection and verification rights for Public Service Facilities as to Connection Fees and monthly sewer fees and the recourse IEUA has when IEUA believes a Contracting Agency has under-collected and/or under-reported such fees.***

IEUA sewerage revenue from the seven Regional Contracting Agencies totaled almost \$43 million for the 2013/2014 fiscal year, yet IEUA relies entirely on one-page self-reported monthly EDU counts from the Contracting Agencies to generate invoices for these revenues with no significant oversight or reconciliation. Once these self-reported EDU totals are provided to IEUA (generally approximately 15 days after the end of the month), IEUA generates invoices that are mailed to each of the Contracting Agencies. The Contracting Agencies then have 45 days to remit their payments. The following recommendations are intended to improve and make this process more efficient:

***Recommendations relating to Sewer Service Fees:
As part of the review and renegotiation of the Regional Contract IEUA and the Contracting Agencies should consider:***

- 12. Establishing the collection of the monthly Sewer Service Fees (Volumetric Fees) directly for the entire region through the County's Property Tax Roll. Collection of the Sewer Service Fees through the property tax roll could result in a more efficient process and reduce the administrative resources used by Contracting Agencies in billing and collecting for these fees. Residential properties could be transferred initially until consideration is given to ways in which and whether to transition fees from commercial, industrial and other entities.**
- 13. Evaluating the methodology used for billing monthly sewerage fees and possible alternatives; either by water consumption or EDUs purchased. Since the adoption of the existing billing methodology in a 1997 memorandum there have been greater efficiencies achieved in water usage, which may have an impact on the type and amount of sewerage discharged and the types of services provided to the region as a whole. The billing methodology should be aligned with the services provided. The billing methodology should be presented to the IEUA Board of Directors and formally adopted, since the Regional Contract specifies that the role of the Regional Technical Committee is to make recommendations.**
- 14. Updating the 1997 memorandum to consider new business types and provide more detailed definitions and descriptions. Since the adoption of the 1997 memorandum, businesses have continued to evolve and new types of businesses emerge. The 1997 memorandum should be updated regularly to provide additional language, definitions, and guidance to ensure all types of commercial businesses are classified consistently. IEUA should consider documenting additional definitions and descriptions to the classification of businesses in the 1997 memorandum. Examples include pet related businesses such as pet shops, pet rescue locations, veterinarians and pet hospitals and clinics and spa related businesses such as spas, massage parlors, salons, foot spas and waxing businesses.**
- 15. Evaluating and considering the relationship between monthly Sewer Service Fees and Connection Fees and determine the need to create a correlation between the two. For example, fast-food restaurants and full-service restaurants are both included in Category 8 for monthly sewerage billing purposes and pay at the same rate. However, for purposes of connection fees fast-food restaurants are grouped with office, retail and similar uses (which are Category 1 for monthly sewerage billing). Therefore, fast-food restaurants incur lower Initial Connection Fees, but pay monthly Sewer Service Fees at the higher rates charged to full-service restaurants.**
- 16. Evaluate and consider the need to provide additional guidance for locations serviced by a master meter. In these, generally mall-like**

locations, multiple types of businesses are all serviced by a single connection. Consideration should be given to providing billing guidance in these instances, possibly through a blended volumetric rate or, as is Chino Hills' practice, utilizing the highest volumetric rate applicable to the businesses at that location or considering some other methodology.

- 17. Adding language to the Regional Contract regarding IEUA's inspection and verification rights as to the monthly sewerage fees and the recourse IEUA has when IEUA believes a Contracting Agency has under-collected and/or under/reported such fees.**
- 18. Consider and determine the most appropriate methodology for billing commercial businesses that do not consume or discharge a minimum of one EDU. Currently, two member agencies bill a minimum base of one EDU determined by water consumption under the rationale that no business should pay less than the amount charged to a single family residence; while all others bill based on actual consumption. Provide contracting agencies' clear guidance, in the Regional Contract, as to the most appropriate methodology to ensure all contracting agencies' bill commercial customers in a consistent and uniform method.**
- 19. Standardizing and providing automated and itemized listing of non-residential monthly sewerage charges to provide information that could be reviewed and researched for anomalies and reconciled on a regular basis.**
- 20. Evaluating the current process used for invoicing each Contracting Agency for monthly sewer fees collected. By establishing a contract for monthly payment rather than relying on invoices, each Contracting Agency could provide the EDU information and remit the funds collected to IEUA directly within a reasonable period of time. This contrasts with the current approach whereby Contracting Agencies provide EDU information and then wait for an invoice from IEUA before payment thereby delaying payment for up to 45 days. By reengineering the process, IEUA would receive the monthly sewer fees in a more efficient and timely manner.**

Although this is not a financial audit, and IA makes no recommendations to the City of Chino Hills, the following are suggested recommendations for the City's consideration.

City of Chino Hills should:

- 21. Work with the local School District to determine and collect any additional connection fees that are due to IEUA as required by the Regional Contract.**
- 22. Consider adopting a collaborative approach and fostering a relationship with the School District and any other PSF to ensure Connection Fees are**

charged and collected for any future planned projects with new construction or expansion. For example, the City of Chino Hills has a collaborative group called the Project Review Committee that meets to consider projects that have been submitted for permit application. The role of this group could be expanded to include conversations about potential projects outside the permitting process. Since planning for fire safety is required for new construction to ensure access and egress, Fire department representatives are often the first to know about new PSF construction. This would trigger Public Works and Building department representatives to be involved resulting in the assessment of connection fees, including those for IEUA in accordance with Exhibit J.

Acknowledgements

We would like to extend our appreciation to the City of Chino Hills and the IEUA Planning and Environmental Resources Department for their cooperation and assistance during this review.

Discussions with the City of Chino Hills

We provided the results of this audit to Mr. Winston Ward, Assistant Director, Community Development, Sherry Copeland, Billing Supervisor, Finance Department and Ms. Liz Carlock, Accounting Supervisor, Finance Department for their review and comments prior to finalizing the report.

Discussions with the Planning & Environmental Resources Department

We also discussed the report with Chris Berch, Executive Manager of Engineering/Assistant General Manager, Sylvie Lee, Manager of Planning and Environmental Resources, Craig Proctor, Pretreatment and Source Control Supervisor, Pietro Cambiaso, Senior Engineer and Kenneth Tam, Senior Associate Engineer of the IEUA Planning and Environmental Resources Department prior to finalizing this report, for their review and comments.

Action Items

IA will submit a separate report for each of the seven Contracting Agencies as each review is completed. At the conclusion of the audit of all seven Contracting Agencies, IA will provide a comprehensive report summarizing all the identified observations and recommendations and any additional observations and recommendations identified throughout this process. IA anticipates finalizing the seven audit reports by June of 2015; in the meantime the recommendations provided in this report should be evaluated and considered at this time.



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

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DATE: May 28, 2015
TO: Joe Grindstaff
General Manager
FROM: Teresa V. Velarde
Manager of Internal Audit
SUBJECT: REGIONAL CONTRACT REVIEW
Interim Audit Report
City of Ontario

DRAFT

This report is being submitted in DRAFT form for discussion purposes.

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) performed a review of the Agency's Regional Sewage Service Contract (Regional Contract) as implemented with the Regional Contracting Agencies (RCA or Contracting Agency). The review was performed under the authority given by the IEUA Board of Directors as documented in the Internal Audit Department Charter and according to the Fiscal Year 2013/14 Annual Audit Plan.

Audit Objective and Scope

The objectives of the Regional Contract Review are to evaluate how each of the seven Contracting Agencies apply the Regional Contract provisions, determine whether processes are in compliance with Regional Contract requirements, determine opportunities to improve processes and procedures and make recommendations to consider as part of the Regional Contract renegotiation or amendment. The review covered the period from July 1, 2012 through December 31, 2013 and where possible considered events subsequent to that period.

The review included procedures to evaluate compliance with the Regional Contract, Exhibit J Initial Connection Fees provisions as well as the recurring sewer service fees billing for the various types of land uses (commercial, industrial, residential, public service and extra-territorial). IA performed a variety of review procedures at each Contracting Agency to evaluate:

- Connection Fees
- Public Service Facilities Connection Fees
- Monthly Volumetric Sewerage Charges
- Extra-Territorial Fees
- Reconciliations of fees collected and paid to IEUA
- Overall Recordkeeping

Water Smart – Thinking in Terms of Tomorrow

This report describes the results of the procedures performed at the City of Ontario.

City of Ontario – Background

The City of Ontario (Contracting Agency, Ontario or City) was incorporated on December 10, 1891 and utilizes a Council-Manager form of government. The City has a population of 166,866 and encompasses 50 square miles which is 21% of the 242-square-miles covered by IEUA's service area¹.

As well as other municipal services, the City provides water, trash and local sewer service to residential, commercial and other properties within its boundaries.

Financial Information

Under the terms of the Regional Contract, the City of Ontario is required to report Connection Fees and sewer service fees on a monthly basis.

Connection Fees are one-time fees levied on new development connecting to the Regional Sewerage System, as well as existing users who expand their number of fixture units. These fees are reported in the monthly Building Activity Reports (BAR) to the IEUA Planning and Environmental Compliance Department and are recorded in the Agency's financial system.

The amount of Connection Fees collected varies from year to year depending on the construction activity occurring within the Contracting Agency's boundaries. Equivalent Dwelling Units (EDU's) purchased and fees collected by the City during the last two fiscal years are:

Fiscal Year	EDU's	Fees collected
2012/13	157	\$ 770,709
2013/14	345	\$ 1,728,501

EDU's and fees collected reflect the amounts reported in the BAR. The fees for FY 2013/14 were substantially higher than the prior year due to fees collected in connection with the construction of new residential, gated communities in the City.

CCRA Account

Connection Fees are collected by the City and held in a Capital Connection Reimbursement Account (CCRA) until called by IEUA. The CCRA balance for the City of Ontario as reported by IEUA in the June 30, 2013 and 2014 CAFR's was \$3,337,338 and \$5,011,733 respectively.

¹ Ontario statistics from City of Ontario website: "About Ontario – City Facts"

Sewer Service Fees (Volumetric Sewerage Fees) are recurring fees assessed and collected from users that discharge into the Agency's Regional Sewerage System. According to the Regional Contract, Contracting Agencies must pay IEUA for sewer services each month. The City of Ontario self-reports the number of EDU's to IEUA for all its customers on a monthly basis, since the City bills monthly. The EDU's reported are comprised of the following: one EDU for residential, 0.7 EDU for multi-family residential, fixed EDU's for schools (based on student enrollment) and industrial (recalculated annually), and variable EDU's for commercial entities (based on water consumption).

The table below outlines the total number of EDU's reported and Volumetric Sewerage Fees paid to IEUA by the City of Ontario for the last two fiscal years. This information is reported in the Agency's accounting system (SAP).

**City of Ontario
Sewer Service Fees**

Fiscal Year	EDU's ⁽¹⁾	Fees ⁽¹⁾
2012/13	707,904	\$ 8,770,935
2013/14	711,899	\$ 9,532,321

(1) = From IEUA monthly billing invoices.

As part of reporting Sewer Service Fees, the City of Ontario provides additional detail as shown below. The Regional Contract does not require this information and the amount of information provided varies by Contracting Agency.

As of June 30, 2014 the City of Ontario's total number of EDU's consisted of the following (from the June 2014 monthly billing information provided to IEUA):

Type of Account	Number of EDU's	% of Total
Single Family Residential (1 EDU per dwelling)	26,492	41.70
Multi-Family Residential (.7 EDU per dwelling)	13,047	20.53
Public Authority	947	1.49
Interdepartmental	127	0.20
Industrial	4,208	6.62
Hotel/Motel	831	1.31
Commercial	17,884	28.15
Total	63,536	100%

This information is reported by the City of Ontario. IEUA does not verify these totals.

Connection Fees

Each Contracting Agency is required to assess, collect, and report Connection Fees for any new development that connects to the Regional Sewerage System, or users who expand their fixture unit count. The fees are to be assessed and collected by the Contracting Agency in accordance with the provisions of Exhibit J in the Regional Contract.

IA selected various businesses to test whether Connection Fees were accurately calculated, collected and reported to IEUA in accordance with Exhibit J of the Regional Contract. IA judgmentally selected 73 different businesses from the following sources to verify the Contracting Agency applied and collected the correct EDU rate according to the Board-approved rates and to determine the accuracy of the categorization type used per Exhibit J of the Regional Contract:

- The new business license report provided by City staff
- IA conducted physical observations of the City's commercial districts
- Building Activity Reports submitted to IEUA
- Input received from IEUA's Planning & Environmental Compliance Department

The review revealed the following:

1. Ontario's Calculation Worksheet does not match Exhibit J; therefore creating differences in the Connection Fees that should be collected. For the items tested, Ontario under-collected over \$75,000 in Connection Fees. The review found that the City of Ontario's automated calculation worksheet, built into their permits system, utilized to calculate Connection Fees does not always coincide with the descriptions and/or associated fixture unit values as outlined in Table 1 of Exhibit J of the Regional Contract. Ontario established a worksheet based on their interpretation of the California Plumbing Code, however, some of the descriptions for the type of fixture installed and associated fixture unit value differ from the types and values provided under Exhibit J creating differences when compared to the Regional Contract required Fixture Unit count and Connection Fees assessed:

COMPARISON OF ONTARIO CALCULATION WORKSHEET TO EXHIBIT J			
City of Ontario's Worksheet		Regional Contract Exhibit J (Table 1)	
Type of Fixture	Unit	Type of Fixture	Fixture Unit
Water Closet-Commercial Qty	1	Water Closet, 1.6 GPF	4.0
Urinal Qty	4	Urinal	2.0
Sink-Service Mop Qty	2	Kitchen, Service or Mop Basin	3.0
Drinking Fountain Qty	1	Drinking Fountain or Water Cooler	0.5

The impact of using fixture unit values that vary from Exhibit J affects the dollar amount of Connection Fees assessed and collected by the Contracting Agency. Of the 73 items selected, 22 paid Connection Fees for new fixture units since 2006. Exhibit J did not provide a table of fixture unit values until its revision in 2013. Therefore, there was no authoritative guidance prior to that revision and individual Contracting Agencies relied on the Plumbing Code to determine fixture unit values. IA noted the following variances in Connection Fees for these businesses:

CALCULATION WORKSHEET DIFFERENCES: EXHIBIT J COMPARED TO ONTARIO				
Business/Permit Tested	Exh J F. U.	Exh J Fees	Ontario F. U.	Ontario Fees
FAST 5 PIZZA	14	\$ 3,112.35	13	\$ 2,890.04
JOGUE INCORPORATED	26	\$ 9,457.68	30	\$ 10,912.71
JOGUE INCORPORATED	13 0137	\$ 63,884.25	13.0137	\$ 63,884.25
BIOSCRIP INFUSION SERVICES, INC	18	\$ 3,923.27	17	\$ 3,705.31
MANDARIN HOUSE	12	\$ 2,237.76	11	\$ 2,051.28
MANDARIN HOUSE	9	\$ 1,678.32	9	\$ 1,678.32
ANJUMAN E. QUTBI (ORANGE COUNTY)	109	\$ 32,728.12	67	\$ 20,117.29
DEDEAUX INLAND EMPIRE	30	\$ 6,348.31	17	\$ 3,597.38
MIGUEL'S JR.	47	\$ 9,945.69	39	\$ 8,252.81
FRESH & EASY #1164	59	\$ 12,241.39	52	\$ 10,789.02
Office Building	105	\$ 23,342.63	107	\$ 23,787.26
Office Building	97.5	\$ 21,675.30	60	\$ 13,338.65
Magic Hawaiian Barbecue also Pizza Palace, etc.	25	\$ 5,668.77	24	\$ 5,442.02
New Tilt-Up Building	23	\$ 4,772.07	11	\$ 2,282.29
Target	180	\$ 33,566.40	154	\$ 28,717.92
Lucky Elephant Thai	39	\$ 8,252.81	42	\$ 8,887.64
Starbucks also Burger Zone, 3 Day Suit Broker	14	\$ 4,416.17	16	\$ 5,047.06
B201201590	46	\$ 10,026.14	61	\$ 13,295.54
B201300259	229	\$ 70,822.14	148	\$ 45,771.52
WW2140	46.5	\$ 8,671.32	32	\$ 5,967.36
B201301115	51	\$ 15,772.62	31	\$ 9,587.28
B201202858	117	\$ 42,559.56	106	\$ 38,558.23
B201302744	32.5	\$ 10,251.83	30	\$ 9,463.23
B201301578	48	\$ 17,808.90	26	\$ 9,646.49
B201302547	61.5	\$ 13,672.11	62	\$ 13,783.27
TOTALS	1,452.01	\$ 436,835.92	1,178.01	\$ 361,454.14

Audit Results	Commercial Fixture Units	Fees
City of Ontario Connection Fee Worksheet Totals	1,178.01	\$ 361,454.14
Internal Audit: Exhibit J-Verification Totals	1,452.01	\$ 436,835.92
Net Difference		(\$ 75,381.79)

Ontario under-collected \$75,381 in Connection Fees for the items tested during this review, from Fixture Unit differences in the Calculation worksheet.

In the 2013-14 fiscal year the City of Ontario reported a total of \$768,586 in Connection Fees for non-residential building activity in the Building Activity Reports. By extrapolating using the error rate in the sample tested and comparing it to the total non-residential fees reported, Connection Fees could have been under-reported by as much as approximately \$160,000 (calculated, as follows: \$75,381.79/ \$361,454.14 x \$768,586.06 or "error rate" times "reported fees") for the 2013-14 fiscal year.

The City of Ontario recently revised their calculation worksheet to align it with Table 1 of the revised Exhibit J, but kept the limited number of categories and naming conventions from the prior version (**See Exhibit A – City of Ontario Revised Calculation Worksheet**). Therefore, there are still differences between the revised worksheet and Exhibit J:

EXHIBIT J CATEGORIES NOT INCLUDED ON ONTARIO WORKSHEET	
DESCRIPTION	F.U.
High efficiency clothes washer	2.0
Food waste grinder (commercial)	3.0
Floor drain, emergency	0.0
Shower, multi-head, each additional	1.0
Lavatory, in sets of two or three	2.0
Washfountain (1.5-in minimum fixture branch size)	2.0
Washfountain (2-in minimum fixture branch size)	3.0
Receptor, indirect waste – Bar	2.0
Receptor, indirect waste – Clinical	6.0
Receptor, commercial with food waste (1.5-in minimum fixture branch size)	3.0
Receptor, commercial with food waste (2-in minimum fixture branch size)	4.0
Receptor, commercial with food waste (3-in minimum fixture branch size)	6.0
Receptor, kitchen, domestic	2.0
Receptor, Service, flushing rim	6.0
Waterless Urinal	1.0

ONTARIO CATEGORIES NOT SPECIFIED IN EXHIBIT J	
DESCRIPTION	F.U.
Floor sinks	2.0
MH park trap - one trailer	6.0
Sink-food waste	3.0

IA recommends that calculation worksheets be standardized region-wide and that Contracting Agencies prepare separate calculation worksheets for the individual categories when businesses operate in multiple segments as described in Exhibit J.

- 2. Private residential community centers have varying interpretations by the different contracting agencies.** IA noted a recent trend where new housing developments include a community center with amenities such as fitness centers, swimming pools, meeting rooms and gathering places. This is an instance that can create varying interpretations and applications of Exhibit J of the Regional Contract. In the March, 2014 BAR, the City of Ontario reported such a facility as commercial category III, which includes "Health Spa with Pool" as one of the descriptions and has a Sewage Factor of 0.1081. This compares to the City of Chino's practice of using commercial category I which includes retail, office and fast food and has a Sewage Factor of 0.0444 resulting in lower Connection Fees.

Although Exhibit J was recently updated and now provides greater detailed definitions for many business types, there still appears to be room for varying interpretation and application. Businesses continue to evolve and new types of businesses emerge and the Regional Contract should be updated regularly to provide additional language, definitions and guidance to ensure all types of commercial businesses are classified consistently. Additionally, the Contracting Agencies should look for IEUA's guidance.

Plumbing Plans – Fixture Unit Recount

In attempting to perform a fixture unit recount at the City of Ontario, IA determined that Ontario's procedure in assessing Connection Fees differs from the other Contracting Agencies. According to Ontario's Building Department staff, the City of Ontario asks permit applicants to self-assess their fixture units and determine the Connection Fees that they owe. The City then performs its own review during the site inspection process to confirm that the actual structure conforms to the plans that were submitted. In IA's opinion this procedure omits the step of verifying that the actual Connection Fee calculation conforms to the building/plumbing plans. In addition, the City of Ontario is not fully utilizing the expertise of its Building Department staff in collecting fees.

IA recommends that the City of Ontario examines and restructures the Connection Fee calculation and collection process to ensure that the fixture unit counts are correctly tallied, the categorization of businesses is appropriate and that connection fees are not under-collected.

IA reviewed the plumbing plans for five of the originally selected 73 items to verify the accuracy of the fixture count and the application of the required fees. At all other Contracting Agencies the recount was performed by Contracting Agency staff, witnessed/verified by IA and the results of the recount agreed upon by both parties. However, since the City of Ontario requires permit applicants to self-assess fixture units the Building Department officials indicated that they would not be able to provide assistance for the plumbing plans recount. Although IA staff have no plan-check experience and do not have the technical expertise of an actual plan-checker or someone familiar with the Plumbing Code and Exhibit J, IA attempted to independently

examine the five sets of building/plumbing plans to determine the accuracy of the fees that were collected. IA's review noted the following:

- Jogue, Inc: The City's permitting files reference Permit #'s 201203421 and 201302705, neither of which were found to have been included in Building Activity Reports to IEUA. The only relevant permit that was reported is #2142 which shows 30 fixture units. IA's fixture unit count totaled 73 domestic industrial fixture units rather than the 30 that were reported, resulting in under-collection of \$15,642.
- Continental Funeral Home: The calculation worksheet used the general commercial category I sewage factor (0.0444) rather than the category II that includes mortuaries (0.1081), resulting in under-collection of \$4,378.
- Office Building, 150 E. Holt: One of the two sets of plans associated with this location was unavailable. The other set that was made available to IA indicated that the building houses medical clinics, facilities, and offices. IA performed additional "Google" research which shows a Women/Infant/Children (WIC) clinic on the 1st floor and the Ontario Public Health Clinic on the second floor. IA's fixture unit count totaled 122 fixture units rather than the 107 that were reported. The calculation worksheet also used the commercial category I sewage factor (0.0444) rather than category III that includes hospitals and convalescent homes (0.1780). Overall, this resulted in an under-collection of \$14,697.
- Haliburton: IA attempted to recount the fixture units on this set of building plans. However, without the technical expertise and knowledge that Building Officials have, IA was unable to validate the fixture unit count. See additional discussion of Haliburton later in this report.
- Excelsior Charter School Resource Center: IA's fixture count matched the calculation worksheet and the City did use the correct category VI sewage factor (0.0630) for a Public Service Facility.

The impact of these findings is summarized:

FIXTURE UNIT RECOUNT SUMMARY			
BUSINESS	ERROR TYPE (Information is for specific calculation worksheet tested)	CONNECTION FEES COLLECTED	IMPACT (Under Collected)
Jogue, Inc.	Fixture Unit difference	\$ 10,913	(\$ 15,642)
Continental Funeral Home	Classification difference	\$ 3,051	(\$ 4,378)
150 E. Holt	Fixture Unit & Classification differences	\$ 23,787	(\$ 14,697)
Haliburton	Industrial Calculation difference (addressed separately)	\$ 38,558	unknown
Excelsior Charter	No differences noted	\$ 5,047	\$ 0
	TOTAL		(\$ 34,717)

IEUA and the Contracting Agency should work together to ensure the calculation of connection fees and fixture units is in compliance with Exhibit J of the Regional Contract in order to prevent over/under collections and to ensure all Contracting Agencies apply the values required under the Regional Contract in a consistent and uniform manner.

IEUA should work with the Contracting Agency to establish, as part of the permitting and plan check process, the requirement to have an IEUA representative provide a final sign-off and approval, prior to the Contracting Agency issuing a permit to a business or industry and allowing a connection to the system. This added approval step will ensure IEUA is in agreement with the interpretation of the Contract and that the appropriate category type and sewage factor has been applied so that the correct Connection Fees are assessed and collected.

Public Service Facilities

Exhibit J includes for purposes of fee calculation: *"All structures designed for the purpose of providing permanent housing for enterprises engaged in exchange of good and services. This shall include, but not be limited to, all private business and service establishments, **schools, churches, and public facilities.**"*

The Division of the State Architect's Office (DSA) of the State of California provides design and construction oversight for public schools (Kindergarten through 12th grade), community colleges, and various other state-owned and leased facilities. Likewise, the Office of Statewide Health Planning and Development (OSHPD) regulates hospital construction. Entities that fall under the DSA or OSHPD have a permit and plan check process that is separate and includes limited or no coordination with the local jurisdiction. The DSA and OSHPD do not collect Connection Fees on IEUA's behalf as part of their oversight process, even though the construction projects reviewed could be new construction or expansions that result in additional discharge into the regional infrastructure. It is the responsibility of each individual local jurisdiction to ensure collection of the Connection Fees from entities that fall under the DSA or OSHPD and reside within their service area.

For purposes of this review, several approaches were used to determine Public Service Facilities in the City of Ontario. IA reviewed the OSHPD website for information about hospital and similar construction in the City of Ontario. This review noted that the Kaiser Ontario facility opened in November of 2011. The medical facility is located on a 28-acre master-planned campus and the construction project included a 386,000 sq. ft. Hospital Medical Center with two patient towers that hold 260 beds and a diagnostic and treatment wing, a new three-story 160,000 sq. ft. hospital support building that has medical offices, and major additions to the existing Central Utility Plant. The City of Ontario collected Connection Fees in the amount of \$1,409,106 in May 2012 for this facility.

IA also reviewed the websites of school districts that service the City of Ontario. This included looking at bond measure construction update reports and the annual school

accountability report cards of individual schools. As a result of these procedures one elementary school (Richard Haynes Elementary School), one middle school (Ray Wiltsey Middle School) and one high school (Ontario High School) were chosen for testing. IA noted:

Name of School	School District	Type of Construction	Bond Measure	When completed	Fees Collected
Richard Haynes Elementary	Ontario Montclair	Addition of a Multi-purpose room with multiple restrooms and warming kitchen	"T"	Summer 2012	\$ 0
Ray Wiltsey Middle	Ontario Montclair	13 classroom modular facility with multiple restrooms, outdoor areas	"T"	Summer 2013	\$ 0
Ontario High	Chaffey Joint Union High School	New classroom building, restrooms, football stadium and pool	"P"	In Process	\$ 0

1. Richard Haynes Elementary School: Per staff, the City has no record of any fees collected. For comparison purposes Cucamonga Valley Water District collected \$10,809 in Connection Fees for a new elementary school cafeteria and the City of Montclair collected \$24,021 in Connection Fees for a new elementary school multipurpose room with kitchen and restrooms.
2. Ray Wiltsey Middle School: Per staff, the City has no record of any fees collected. For comparison purposes Cucamonga Valley Water District collected \$62,958 in fees for a new 14 room classroom building with restrooms.
3. Chaffey Joint Union High School District – Ontario High School: Per staff, the City has no record of any fees collected. For comparison purposes, the City of Upland collected \$22,506 in Connection Fees for a new high school gymnasium and the Cucamonga Valley Water District collected \$42,792 in Connection Fees for a new high school classroom wing/building, gymnasium expansion and athletic field complex.

Example of schools construction:
 Digital image of construction in progress at Ontario High School obtained from "Google Maps – Street View", 2015



Approximately half of the Contracting Agencies are collecting Connection Fees for school construction. However, even those that collect Connection Fees do not do so in all instances. In moving forward with renegotiating the Regional Contract, IEUA and the Contracting Agencies should consider the following options:

- 1. IEUA should provide guidance and assistance to the Contracting Agency to adopt a collaborative approach and foster a relationship with the School District and any other PSF to ensure Connection Fees are charged and collected for any future planned projects with new construction or expansion. For example, the City of Ontario could consider and adopt the collaborative approach utilized at the City of Upland. The City of Upland has formed an inclusive group from all city departments that meets regularly to review new development. The group includes representatives from the Planning, Building, Public Works, Police and Fire departments. Since planning for fire safety is required for new construction to ensure access and egress, Fire department representatives are often the first to know about new PSF construction. This will trigger Public Works and Building department representatives to be involved resulting in the assessment of Connection Fees, including those for IEUA in accordance with Exhibit J.*
- 2. In connection with a renegotiation of the Regional Contract, IEUA and the Contracting Agencies should consider the legal and financial impacts of eliminating the requirement for collecting Connection Fees and monthly sewerage charges from some types of Public Service Facilities. As documented under the audit report "Comparison of the Regional Sewerage Service Contract and Program with similar contracts and programs", IA found that some Agencies (for example, the Los Angeles County Sanitation Districts) exclude local governmental agencies such as public schools and City governments from these charges.*

Volumetric Sewerage Fees

Section 18 of the Regional Contract states:

"Concurrently with the adoption of the Regional Sewerage System budget, the Board of Directors of CBMWD shall fix the service charge rate for the fiscal year. The rate shall be expressed in dollars and cents for each Equivalent Dwelling Unit (EDU) of sewage and shall be computed . . . as set forth in the Regional Sewerage System budget adopted for the fiscal year. The estimated EDU's of sewage delivered into the Regional Sewerage System shall be determined based on a standard daily measurement or contribution of sewage per EDU agreed to from time to time by CBMWD and the Regional Technical Committee."

Thus, the Regional Contract delegates the details of determining monthly sewerage billing to the Regional Technical Committee. The most recent information about monthly sewerage billing is from a memorandum entitled "Procedures for Establishing a

Regional Sewer Billing Formula” which was adopted by the Regional Technical and Policy Committees for monthly/bimonthly billing processes in 1997.

The City of Ontario bills customers each month for water and the City’s and IEUA’s regular sewerage charges. For IEUA sewerage billing purposes EDU’s are calculated in accordance with the 1997 memorandum.

Customers are billed at the current monthly rate as follows: one EDU for residential, 0.7 EDU for multi-family residential, fixed EDU’s for schools (based on student enrollment) and variable EDU’s for commercial entities (based on water consumption). Industrial customers are billed in a variety of ways.

For the 73 entities originally selected for review, IA tested the monthly sewerage billing system to determine whether monthly billing is in fact taking place and the appropriate categories and rates for monthly volumetric fees are used. Approximately a third (33%) of the items tested noted erroneous rates or other concerns:

ISSUE	DESCRIPTION	# OF ITEMS	% OF TOTAL
1. Errors and anomalies:			
	Businesses not found	Possibly a master meter/meter at another site or street	5 6.85%
a	Restaurants billed at commercial factor	Master meter or different prior use	4 5.48%
b	Funeral home & health clinic	Commercial factor used	2 2.74%
c	Bakery	Billed at Laundromat factor	1 1.37%
d	For-Profit college	Billed at medical office factor	1 1.37%
e	Elementary School	may not be being billed	1 1.37%
2. Water services not provided by Ontario:			
	No sewerage billing, but Connection Fees collected	Water provided by Jurupa Water District	1 1.37%
3. New industrial and manufacturing entities in Ontario:			
	Commercial/Industrial businesses with fixed or other unusual rate structures	Additional information provided below	9 12.33%
Tested with no exceptions:			49 67.12%
TOTAL TESTED			73 100.00%

The information in the table describes:

- 1. Errors and anomalies:** In fourteen instances, (or 20% of items tested) either an inaccurate billing factor was used or the billing for monthly sewerage fees was not found.

Although the findings were confirmed only for the individual billing period examined (one monthly billing), all of them become magnified over time impacting the volumetric sewerage fees paid to IEUA. IA was able to recalculate the billings for some of the items noted (a through c above):

	Businesses for which adequate information was available for recalculation of monthly sewerage billing	Estimated Monthly Amount Should Have Been	Monthly Amount Actually Billed	Estimated annualized bill (multiply by 12 months)	Estimated annualized actual fees (multiply by 12 months)	Estimated Amount (under-collected) and (underpaid) IEUA for 12 months
a	Fast 5 Pizza	\$ 23.72	\$ 16.60	\$ 284.64	\$ 199.20	(\$ 85.44)
a	Home Pie Bakery/Cafe	\$ 366.95	\$ 256.69	\$ 4,403.40	\$ 3,080.28	(\$ 1,323.12)
a	Miguel's Jr.	\$189.75	\$132.69	\$ 2,277.00	\$ 1,592.28	(\$ 684.72)
a	J & R Deli	\$ 62.79	\$ 43.92	\$ 753.48	\$ 527.04	(\$ 226.44)
b	Continental Funeral Home	\$ 107.06	\$ 74.18	\$ 1,284.72	\$ 890.16	(\$ 394.56)
b	Office/Medical Building	\$ 115.87	\$ 125.91	\$ 1,390.44	\$ 1,510.92	\$ 120.48
c	Camacho's Bakery	\$ 189.75	\$ 113.95	\$ 2,277.00	\$ 1,367.40	(\$ 909.60)
TOTAL ESTIMATED ANNUALIZED DIFFERENCE (for 7 items):						(\$ 3,503.40)

Enrollment information was not obtained for the (d) For-Profit College, so a monthly sewerage amount could not be estimated. The (e) elementary school would have owed approximately \$210 (approximately \$2,500 annualized) for sewerage service for the month tested based on the enrollment used to calculate its water bill, although IA has not received a response to its inquiry about whether the school is being billed for monthly sewerage.

- Water services not provided by City of Ontario: One address was found that was not being billed for sewerage services because water services are provided by the Jurupa Water District.**

Although IEUA does not show this area as connected to the regional sewerage system, it is within IEUA's service area and the City of Ontario did collect Connection Fees.

Contracting Agencies should review their Utility Billing Systems on a regular basis to ensure that all business and residential properties are being billed for sewer services and make any needed corrections. The City of Ontario should review its Utility Billing system from time to time to verify all active sewer accounts have been captured and billing is in alignment with those receiving sewer services. Additionally, the City should ensure that any residential or commercial properties connected to the sewerage system are included in the reporting of EDU's to IEUA as part of the Volumetric Sewerage Fees according to the requirements of the Regional Contract.

IEUA should consider including language in the Regional Contract regarding recourse for non-payment for services provided and work closely with the Contracting Agencies to ensure there are reconciliation and verification controls to ensure all sewer services are reported and paid accurately and according to the requirements of the Regional Contract.

- New industrial and manufacturing entities in Ontario: There is a need to provide clarity and improve guidelines for industrial enterprises to ensure that Connection Fees and monthly sewerage charges are assessed**

correctly, are fair and equitable, and are determined in accordance with the intent of the Regional Contract.

Connection Fees: A purpose of the Regional Contract is to ensure Connection Fees are assessed and collected consistently and uniformly by all Contracting Agencies. Exhibit J was revised as of June 19, 2013, to provide clarity and guidance in selecting category types and collecting Connection Fees more consistently throughout the region.

Exhibit J states that Connection Fees for industrial enterprises are calculated based on a two-part formula. The domestic wastewater EDUs are calculated in the traditional manner according to the number of fixture units multiplied by an assigned sewage factor (0.0741). The second part of the formula is for industrial wastewater (non-domestic) and utilizes a calculation based on sewer flow, Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) levels shown on the industrial waste permit:

**Exhibit "J" (Amended 6/19/13): Equivalent Dwelling Unit Computations
General: Paragraph 3. Industrial**

3. Industrial. All structures designed for the purpose of providing permanent housing for an enterprise engaged in the production, manufacturing, or processing of material. EDU's for industrial users shall be determined as follows:

a. For domestic type wastewater, multiply the fixture units (as defined by Table 1) shown on the approved building plans by a sewage factor of 0.0741, based on a 20 gallons per fixture unit flow per day.

b. For non-domestic wastewater; compute from information contained on the industrial waste permit, using the following formula:

$$\text{EDU} = \frac{\text{Estimated non-domestic flow}}{270} \left[.37 + .31 \frac{\text{BOD}}{230} + .32 \frac{\text{SS}}{220} \right]$$

c. Combine the resultant EDU's derived from a and b above.

As an example, Evolution Fresh is a juice manufacturer owned by Starbucks located in the Cucamonga Valley Water District (CVWD). As described in the interim report for CVWD this entity was assessed a total of 233.96 EDUs and fees of \$1,148,510 using the methodology from Exhibit J. The domestic EDU calculation amounted to 9.67 EDUs and fees of \$47,470 and the industrial BOD/TSS calculation amounted to 224.29 EDUS and fees of \$1,101,040.

Monthly sewerage charges: The 1997 Sewerage Billing memorandum states that monthly sewerage charges for industrial enterprises are also calculated based on a two-part formula. The domestic wastewater EDUs are calculated in the traditional manner according to the amount of water consumption multiplied by an assigned sewage factor (0.0729). The second part of the formula is for industrial wastewater (non-domestic) and utilizes a calculation based on sewer flow, BOD and TSS levels shown on the industrial waste permit recalculated on a yearly basis:

**Procedures for Establishing a Regional Sewer Billing Formula (1997)
 Chino Basin Regional Sewer Service Program
 Volumetric Equivalent Dwelling Unit (EDU) Calculation
 Industrial Users**

**CHINO BASIN REGIONAL SEWER SERVICE PROGRAM
 Volumetric Equivalent Dwelling Unit (EDU) Calculation
 Industrial Users**

1. Industrial: Shall be defined for purposes of this exhibit, as those industries identified in the Standard Industrial Classification Manual, Bureau of the Budget, 1967, as amended and supplemented, under the category "Division D - Manufacturing" and such other classes of significant waste product as, by regulation, the Administrator deems appropriate. EDU's shall be determined as follows:

Total EDU's = a + b

a. Domestic Wastewater EDU's are calculated using Category #1 on Table 1.

b. Non-domestic Wastewater EDU's are calculated as follows:

<u>Non-Domestic Flow</u>	(0.37 + 0.31 <u>BOD</u> + 0.32 <u>SS</u>)
270	230 220

2. Procedures for establishing industrial wastewater strength charges shall be as follows:

a. If required by the Contracting Agency, any Non-residential User may be required to submit on a yearly basis (on or before the first of July of every year), a 24-hour composite wastewater analysis performed by a certified laboratory. Said analysis shall be for BOD, SS and/or any other parameter as may be required by Contracting Agency Ordinance. The results of this analysis may be used to adjust the equivalent dwelling units for any category of the Non-residential User. The frequency of wastewater analysis samples submitted may vary depending on the type of industrial discharge as determined by the Contracting Agency.

Continuing with the Evolution Fresh example; CVWD bills customers on a bi-monthly basis. In Spring of 2014 the Evolution Fresh paid domestic sewerage fees of \$72 (\$36 monthly equivalent) and industrial sewerage fees of \$14,976 (\$7,488 monthly equivalent).

In selecting items for testing, IA found that Ontario is home to the largest number of industrial entities in the region. IA selected a total of 10 industrial entities in Ontario. The Connection Fees and monthly sewerage charges for these enterprises varied widely and were generally much lower than those of similar entities located in other Contracting Agencies, such as Evolution Fresh.

Ontario staff provided IA with copies of the "Uniform Industrial Wastewater Survey" reports that had been prepared to support the BOD and TSS calculations for the Connection Fee payments for the selected entities tested by IA, other than Haliburton. IA noted that in all cases these fee calculations were significantly lower than the calculation in the example of Evolution Fresh. According to City staff additional Connection Fees based on industrial factors are still being negotiated with Haliburton (see also additional information later in this report).

IA has requested supporting documentation for the monthly sewerage fee calculations, but City staff has not provided any information as of the date of this report. Without additional information it is impossible for IA to determine whether the monthly sewerage fees are being applied in accordance with the 1997 Sewerage Billing memorandum. However, based on the initial information obtained from the utilities billing system it appears that there are inconsistencies in the billing practices between the different entities.

**THE CITY OF ONTARIO: INDUSTRIAL AND MANUFACTURING BUSINESSES
INITIAL CONNECTION FEES AND MONTHLY SEWERAGE BILLING**

Business	Address	Description	Connection Fees Noted	Monthly Billing Example	April 2014
Niagara Bottling ^(a)	2560 E. Philadelphia Ave.	Water bottling company	Commercial from 3/2006 to 6/2013: \$33,331	April 2014: Fixed 66 EDUs rate	\$883.74
New-Indy Ontario llc ^(a)	5100 E Jurupa St.	Paperboard Mill	In existence for extended period ^(b)	April 2014: Fixed 47 EDUs rate	\$629.33
Greif	3042 E. Inland Empire Blvd.	Packaging supply	In existence for extended period ^(b)	No April 2014 billing for water or wastewater.	\$0.00
Zum Industries	3690 E. Jurupa St.	Liquid waste disposal systems supplier	Per building permit fixtures established in 2001 ^(b)	April 2014: Two meters: one with 5 HCF @ .04 Factor & another with 0 HCF, but not turned off.	\$2.68
Jogue, Inc.	4142 E Pacific Privado	Flavoring Syrups & Concentrates	June 2013: Domestic Industrial: \$10,313 Industrial: \$63,884	April 2014: 88 HCF @ .0202 Factor	\$23.80
Wing Hing Foods	2539 E. Philadelphia St.	manufacturer of Chinese foods & noodles	March 2007: \$5,967 (purchased by Haliburton) April 2013: Industrial \$31,518	April 2014: 221 HCF @ .0087 Factor	\$25.74
Haliburton	3855 E. Jurupa	Manufacturer of soups & sauces	Commercial and Domestic industrial purchased from 2011 – 2013: \$69,043	April 2014: Fixed 186 EDU rate	\$2,490.54
Tropicale Foods	1237 W. State St.	Manufacturer of fresh fruit & ice cream bars	Commercial connections from 2007 – 2010: \$6,177	April 2014: 2,651 HCF @ .5902 factor August 2014: 3,984 HCF @ .0411 factor reducing bill to \$2,356.25	\$20,950.26
American Jerky	2400 E. Francis St.	Manufacturer of chicken based pet treats.	2014: Domestic industrial and industrial: \$168,070.72	May 2014: First month billed for 91 HCF at office/commercial factor of .0729	\$88.78 (May – 1 st month available)

^(a) Also pay fees for industrial waste disposed through the non-reclaimable wastewater program
^(b) Facilities in existence for extended period of time. Connection Fees not tested

IA noted that confusion and a lack of clarity about assessing Connection Fees and calculating recurring sewer fees for Industrial entities is not limited to Ontario:

- City of Ontario staff noted that IEUA Connection Fees can be an impediment to businesses locating or relocating to their community impacting the City's goal of encouraging job growth, specifically the industrial waste permit based on Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS), since in their experience this has resulted in fee calculations that businesses believe to be prohibitively high.

- Another Contracting Agency noted that proximity to one of the two Non-Recyclable Waste Systems (NRWS) can impact the costs to a business in terms of their desire to connect to that system rather than the regional sewerage system.
- Another Contracting Agency commented that Connection Fees paid by industrial entities based on BOD and TSS are not related to Fixture Units in the traditional sense and guidance is unclear about how these would be transferred or owned if a building is sold to a new owner or if an owner wants to transfer these to a new location or if the industrial equipment is removed.
- Another Contracting Agency commented that it is unclear what value an industrial entity receives for its previously purchased capacity as a Significant Industrial User (SIU) when it is declassified from being one or for the EDUs previously purchased when becoming an SIU.

Additionally, the number of industrial entities in the region is expected to grow in coming years, magnifying their impact on fees. According to John Husing, chief economist for the Inland Empire Economic Partnership:

(The following is from an article in the Los Angeles Times on March 20, 2015.)

The local logistics industry could even help boost lagging manufacturing employment, Husing said.

The production process is increasingly being broken up and scattered around the world. Husing believes that the Inland Empire distribution warehouses could do double duty as factories where various component parts are assembled into a final product and delivered to customers.

Industrial vacancy rates in the Inland Empire have fallen to 4.5% from 12.8% during the recession. As of December, 16.9 million square feet of industrial space was under construction in the region – 80% of the total for Southern California.

Therefore, IA recommends that IEUA and the Contracting Agencies compare and contrast the Connection Fees and monthly sewerage charges from being an industrial entity that is part of the regional sewer system to the fees and charges paid for contracting with either of the two NRWS lines, particularly for similar types of businesses and consider options to ensure that fees and charges are fair, equitable, determined in accordance with the intent of the Regional Contract, and not a detriment to businesses considering a location in the Inland Empire.

IA recommends that IEUA and the City of Ontario work together to resolve their differences regarding the calculation and collection of Connection Fees and monthly sewerage charges for all commercial and public service categories, but particularly for manufacturing and industrial entities.

In addition to the regular meetings of the Regional Technical and Regional Policy Committees, IEUA has already begun to provide ad-hoc meetings and training as needed for things such as the updated excel Building Activity Report and the Exhibit J subcommittee. IA noted that great variability and understanding of IEUA, the Regional Contract and Exhibit J exists amongst Contracting Agencies' staff in departments such as Building, Plan Check and Utility Billing. IA recommends that IEUA take the lead to, hold workshops, meetings, plant tours and similar activities as an avenue where the Contracting Agencies' staff in departments such as Building, Plan Check and Utility Billing and/or others as well can discuss and ask questions about the application of the Regional Contract and Program. The workshops will provide a forum to discuss questions about the category types to apply, questions on definitions, other questionable items related to individual situations, as well as foster cooperation and collaboration among all. One Contracting Agency may encounter questions or situations that could apply to other Contracting Agencies. Frequent and on-going dialogue about the application of the Regional Contract would benefit all Contracting Agencies and the Regional Program to ensure consistent application of the Regional Contract and that issues are addressed on a timely basis.

In testing recurring sewer service fees, IA also noted:

- 4. Minimum sewer service fees based on one EDU: It would seem appropriate that a commercial customer be billed, at the minimum, the rate for 1 EDU which is used for a residential customer, even if the commercial consumption is lower than one calculated EDU.**

All residential customers are billed 1 EDU (.7 for multi residential) regardless of water consumption or actual use or waste flow. The audit noted instances where commercial customers are billed a lower amount than what a residential customer pays.

Commercial customers are billed converting water consumption into EDUs. Sometimes the calculations produce a fraction of an EDU (less than 1 EDU). The rate is applied to the calculated EDU or fraction of an EDU and the commercial customer is billed accordingly.

The monthly sewerage fee for a single EDU in the 2013/2014 fiscal year was \$13.39, yet IA noted commercial entities with billings as low as:

Business	HCF	Factor	Monthly Billed Amount
Excel Industries, Inc.	10	0.0729	\$ 9.77
Nesco, LLC	2	0.0729	\$ 2.01
Astrophysics, Inc	1	0.0729	\$ 0.94
Minsly, Inc	2	0.0729	\$ 2.01
Anjuman E. Qutbi Mosque	14	0.067	\$ 12.59
Jack Sweeney/Dynateck	1	0.0729	\$ 0.94
Zurn Industries	5	0.04	\$ 2.68
1690 Milliken	2	0.0729	\$ 2.01

IA noted that Cucamonga Valley Water District and the City of Montclair both bill a minimum base amount of one EDU per month to commercial enterprises even if the amount determined through water usage would be lower under the rationale that no business should pay less than the amount charged to a single family residence.

- 5. Sewer service billing category inconsistencies:** There is an inconsistency between the rate charged for Connection Fees and the rate used for monthly sewerage billing.

The billing formulas are based on the memorandum “Procedures for Establishing a Regional Sewer Billing Formula” from 1997. The formulas are divided into Residential, Commercial and Industrial categories and the Commercial categories are further divided into eight Commercial categories and an additional category for schools. Category eight includes: “Restaurant – full service; Restaurant – Fast food; Market w/ grinder; and Bakery”.

IA notes that the inclusion of both full service and fast food restaurants in the same classification for monthly sewerage contradicts the guidance provided for Connection Fees where full service restaurants are charged a significantly higher sewerage factor to connect than are fast food restaurants. In general, full service restaurants would probably pay higher monthly fees from higher water consumption even though their sewer factor is the same as for fast food restaurants, however the rate classification structure does lump them together in the same category. As part of renegotiating the Regional Contract, IEUA and the Contracting Agencies should evaluate and consider the relationship between monthly Sewer Service Fees and Connection Fees and determine the need to create a correlation between the two.

IA notes that documentation approving and mandating the billing methodology is not available. Any revision should be presented to the IEUA Board of Directors and formally adopted, based upon the recommendation of the Regional Technical Committee.

Haliburton Foods

During the original planning for this review, the IEUA Planning and Environmental Compliance Department requested IA determine the number of EDUs purchased by Haliburton Foods. IA performed a review of Building Activity Reports from December 2011 through June 2013 that found \$69,042.82 in total Connection Fees for 250 fixture units amounting to 14.2482 EDUs. In addition City of Ontario staff provided a prior permit for 3855 E. Jurupa Ave. for 18 fixture units, 0.7992 EDUs and \$3,734.66 in fees (probably paid for construction of the original shell building). In connection with these procedures, IA had the following recommendations:

As part of renegotiating the Regional Contract, the Agency may want to consider adding provisions for the collection of additional EDUs for existing fixture units at the higher rates in situations where a change in category of usage occurs, at a minimum in situations where the building has had no prior occupants.

As part of renegotiating the Regional Contract, the Agency should standardize the Monthly Sewage report to require that Contracting Agencies provide sufficient information to track customer history from the time of initial connection through on-going/monthly services. The standardized monthly form should require that each non-residential business be identified with the total number of EDUs reported for the month.

IEUA Planning and Pre-Treatment groups should take the lead to exercise the authority provided under Regional Contract Section 26 Inspection of Facilities, and establish an on-going monitoring program to inspect random facilities or those where there is a suspected discrepancy in order to ensure the intent of the Regional Contract is applied and ensure the integrity of the Regional Program.

As a result of conversations with City of Ontario staff, IA understands that the City of Ontario is in discussions with Haliburton about the classification and additional fees owed. Therefore, IA did not perform additional procedures as part of this review.

Total Sewer Service Fee Billings/Revenue

As part of the review, IA attempted to compare the Sewer Billing Revenues recorded by IEUA for agreement to the City of Ontario's CAFR information to determine if all sewer related collections/billings by the City are paid to (or "passed-through") and reported to IEUA. The City of Ontario records all Sewer Service Revenue into one fund, which includes IEUA's treatment fee, local sewer service fees, stand-by fees, and local sewer capital replacement fees.

IA was unable to reconcile Sewer Service Revenue recorded by IEUA with the Contracting Agency's CAFR information because of the multiple types of revenue combined into one fund by the City.

Additionally, IA noted the following variances between the Contracting Agency's CAFR expenses and the revenues recognized by IEUA that are based upon Monthly Sewer Billing Reports submitted to IEUA:

IEUA Revenue compared to Ontario Expense FY 2012/13 (Jul 1, 2012 through June 30, 2013)		
Sewer Utility Revenue ending balance from IEUA SAP for City of Ontario	Sewer Utility Expense ending balance per City of Ontario's CAFR	Balance Variance over/(under) paid to IEUA
\$ 8,770,935	\$ 8,782,140	\$ (11,205)

IEUA Revenue compared to Ontario Expense FY 2013/14 (Jul 1, 2013 through June 30, 2014)		
Sewer Utility Revenue ending balance from IEUA SAP for City of Ontario	Sewer Utility Expense ending balance per City of Ontario's CAFR	Balance Variance over/(under) paid to IEUA
\$ 9,532,321	\$ 9,844,757	\$ (312,436)

IA did not receive information from City of Ontario staff about the reasons that utility expense recorded by the City is higher than the amount billed by and shown on the IEUA accounts.

CAFR Reconciliation

IA verified that the CCRA amounts reported on the City's CAFR agree to what IEUA reported on its CAFR at June 30, 2013 and June 30, 2014. The balance on both reports was \$3,337,340 at June 30, 2013.

At June 30, 2014 the City of Ontario's CAFR showed a balance of \$3,935,945 with additional accounts payable of \$1,075,788. These two amounts agree in total to the \$5,011,733 shown in IEUA's CAFR. The accounts payable amount shown by Ontario agrees to the "Capital Call" amount requested by IEUA for the third quarter of 2014.

Extra-Territorial Fees

The City of Ontario has no Extra-Territorial areas and does not charge Extra-Territorial (ET) fees. In recent years the City has annexed some previously unincorporated areas, but these were not considered ET areas as described in the contract.

Internal Audit Recommendations

Through this evaluation, IA noted observations and recommendations to strengthen administrative, accounting, recording, and reporting controls to ensure the intent of the Regional Contract is achieved. Most of the recommendations provided could be applied to all Contracting Agencies on a going-forward basis, as part of an amendment and/or as part of the Regional Contract review and renegotiation process; in order to ensure all Regional Contracting Agencies apply and administer the Regional Contract in a similar and consistent manner. IA's recommendations are for IEUA's Executive Management to consider.

Recommendations relating to Connection Fees:

As part of the review and renegotiation of the Regional Contract, IEUA and the Contracting Agencies should consider:

- 1. In addition to the regular meetings of the Regional Technical and Regional Policy Committees, IEUA has already begun to provide ad-hoc meetings and training as needed for things such as the updated excel Building Activity Report and the Exhibit J subcommittee. IA noted that great variability and understanding of IEUA, the Regional Contract and Exhibit J exists amongst Contracting Agencies' staff in departments such as Building, Plan Check and Utility Billing. In order to develop greater consistency and uniformity throughout the region, IEUA should consider taking the lead in holding quarterly or more regular workshops, meetings, plant tours and similar activities as an avenue where Contracting Agencies' staff in departments such as Building, Plan Check and Utility Billing and/or others as well can discuss and ask questions about the application of the Regional Contract and Program. The workshops would provide a forum to discuss questions about category types to apply, definitions, other questionable items and individual situations, and foster cooperation and collaboration among all. A Contracting Agency may encounter questions or situations that could apply to other Contracting Agencies. Frequent and on-going dialogue about the application of the Regional Contract would benefit all Contracting Agencies and the Regional Program to ensure consistent application of the Regional Contract and that issues are addressed on a timely basis.***
- 2. Having IEUA Planning and Pretreatment groups take the lead to exercise the authority provided under Regional Contract Section 26 Inspection of Facilities, and establish an on-going monitoring program to inspect random facilities or those where there is a suspected discrepancy in order to ensure the intent of the Regional Contract is applied and ensure the integrity of the Regional Program.***
- 3. Comparing and contrasting the Connection Fees and monthly sewerage charges associated with being an industrial entity that is part of the***

regional sewer system to the fees and charges paid for contracting with either of the two NRWS lines (including transportation costs and distance), particularly for similar types of businesses and consider options to ensure that fees and charges are fair, equitable, determined in accordance with the intent of the Regional Contract and not a detriment to businesses considering a location in the Inland Empire. Additionally, clarifying the relationship between EDUs and “paying for capacity” would assist the Contracting Agencies and businesses considering locating in the region to understand their costs at the outset.

- 4. A standardized calculation worksheet to assist all Contracting agencies in the initial connection fee calculations. Currently, each Contracting Agency utilizes its own calculation worksheet; the audit found inconsistencies in the calculation worksheets when compared with the requirements of the Regional Contract Exhibit J. The standardized calculation worksheet should mirror the fixture unit types in Exhibit J and provide additional clarification and uniformity to the fixture count process. The worksheet should be flexible enough to allow for multiple components of a business to be calculated at different Commercial categories when necessary. The standardized calculation worksheet will facilitate computing the initial Connection Fees in a consistent and uniform manner. Alternatively, a process whereby IEUA would review, suggest changes and potentially approve the calculation worksheet and/or permit used by each Contracting Agency would achieve similar results. This added approval step would ensure that IEUA is in agreement with the interpretation of the Contract and that the appropriate category type and sewage factor have been applied so that the correct Connection Fees are assessed and collected.**
- 5. The inclusion of the connection calculation worksheets for all nonresidential entities with monthly Building Activity Reports as additional support for the connections reported and the Connection Fees collected. This would provide IEUA staff greater visibility and documented support for the application of the category types and the fixture counts. This process would also allow IEUA staff to contact the Contracting Agency if any questions or discrepancies are noted.**
- 6. Additional definitions and descriptions to the classification of businesses in Exhibit J. This would reduce the risk of misclassification of businesses and the potential under-collection of IEUA fees. Examples include private community centers, swimming facilities and recreation centers in residential communities. Ontario’s practice has been to classify these as category III which includes descriptions such as “health spa with pool” whereas the City of Chino included these in category I along with fast food restaurants, stores and offices. Although Exhibit J was recently updated and now provides greater detailed definitions for many business types,**

there still appears to be room for varying interpretation and application. Businesses continue to evolve and new types of businesses emerge and the Regional Contract should continually be updated to provide additional language, definitions and guidance to ensure all types of commercial businesses are classified consistently.

- 7. Additional clarification and descriptive information for the various types of appliances, appurtenances and/or fixtures in the descriptions included in Exhibit J. Examples include; defining the nature of an emergency drain, clarifying differences between lavatories, wash fountains, receptors, sinks and mop basins and defining whether a drinking fountain that includes a separate basin for handicapped access consists of one or two fountains. The review revealed differences in interpretation.***
- 8. A two tier process of determining connection fees as part of Exhibit J that distinguishes between common features that are part of any commercial facility such as restroom toilets & sinks and those features that are unique to a specific site, such as a butcher shop drain or a restaurant dishwasher or washing sink, etc. This would create consistency in the treatment of same-type and same-use fixture units.***
- 9. Developing significant expertise within IEUA in fixture count techniques and providing regular and ongoing training at the building departments of the individual Contracting Agencies to develop consistency in the IEUA fixture count process across the region.***
- 10. Clarifying language describing the criteria for being classified a "Floor Drain, Emergency" in Exhibit J. The City of Ontario charges two Fixture Units for all floor drains under the general "Floor Drain" category whereas in the City of Upland all California State Plumbing Code required drains such as in bathrooms are considered "Emergency" and are charged zero Fixture Units.***
- 11. Adding language in the Regional Contract regarding recourse for non-collection, in addition to over/under collection of Initial Connection Fees.***

Although the City of Ontario collected Connection Fees for other types of Public Service Facilities, the City did not collect Connection Fees for new construction at the public schools selected for testing.

Recommendations relating to Public Service Facilities:

As part of the review and renegotiation of the Regional Contract IEUA and the Contracting Agencies should consider:

12. The legal and financial impacts of excluding Public Service Facilities from the charge for Connection Fees and monthly sewerage charges. As documented under the audit report "Comparison of the Regional Sewage Service Contract and Program with similar contracts and programs", IA found that some Agencies (for example, the Los Angeles County Sanitation Districts) exclude local governmental agencies such as public schools (Kindergarten through 12th grade and community college) and City governments from both Connection Fees and monthly sewerage charges.

13. Adding language to the Regional Contract regarding IEUA's inspection and verification rights for Public Service Facilities as to Connection Fees and monthly sewerage charges and the recourse IEUA has when IEUA believes a Contracting Agency has under-collected and/or under-reported them.

IEUA sewerage revenue from the seven Regional Contracting Agencies totaled almost \$43 million for the 2013/14 fiscal year, yet IEUA relies entirely on a one-page self-reported monthly EDU count from the Contracting Agencies to generate invoices for these revenues with no significant oversight or reconciliation. Once these self-reported EDU totals are provided to IEUA (generally approximately 15 days after the end of the month), IEUA generates invoices that are mailed to each of the Contracting Agencies. The Contracting Agencies then have 45 days to remit their payments. The following recommendations are intended to improve and make this process more efficient:

Recommendations relating to sewer service fees:

As part of the review and renegotiation of the Regional Contract IEUA and the Contracting Agencies should consider:

14. Establishing the collection of the monthly sewer service fees for the entire region directly through the County's Property Tax Roll. Collection of the sewer service fees through the property tax roll could result in a more efficient process and reduce the administrative resources used by Contracting Agencies in billing and collecting for these fees. Residential properties could be transferred initially until consideration is given to ways in which and whether to transition fees from commercial, industrial and other entities.

15. How and which customers are billed for sewerage services. As an example the Los Angeles County Sanitation Districts do not bill local governments and schools for monthly sewerage services. As another example Paso Robles and the City of Mill Valley are measuring residential water flows during winter months to develop a differentiated rate structure for residential customers as opposed to the uniform 1 EDU per residence no matter what size utilized by IEUA. Conversely, the City of Fontana bills all customers, residential and commercial, a fixed billing amount based upon the number of EDUs purchased.

- 16. The relationship between monthly sewer service fees and Connection Fees.** For example fast-food restaurants and full-service restaurants are both included in Category 8 for monthly sewerage billing purposes and pay at the same rate. However, for purposes of Connection Fees fast-food restaurants are grouped with office, retail and similar uses (which are Category 1 for monthly sewerage billing). Therefore, fast-food restaurants incur lower Connection Fees, but pay monthly sewer service fees at the higher rates charged to full-service restaurants. Such inconsistencies between Connection Fees and monthly sewerage charges reduce the credibility of the established rate categories and could lead them to be challenged.
- 17. Standardizing and providing more detailed regular reporting of the ongoing sewerage charges.** In particular an automated item by item detailed listing of non-residential charges would provide information that could be reviewed and researched for anomalies and reconciled on a regular basis. Alternatively, an automated interface between IEUA and the Contracting Agencies would provide similar advantages.
- 18. Evaluating the current process used for invoicing each Contracting Agency for monthly sewer fees collected.** By establishing a contract for monthly payment instead of relying on the invoice process, each Contracting Agency could provide the EDU information and remit the funds collected to IEUA directly within a reasonable period of time; instead of waiting for an invoice that delays payment for up to 45 days. By reengineering the process, IEUA would receive the monthly sewer fees collected by the Contracting Agencies in a more efficient and timely manner.
- 19. Ensuring all current customers receiving sewer services are reported on the Monthly Volumetric report and the appropriate rates are paid to IEUA, according to the Regional Contract.** Work together with IEUA to resolve the accounts identified in this review, where there is no indication that monthly sewer fees are paid to IEUA.
- 20. Adding language in the Regional Contract regarding recourse for non-payment of monthly sewerage services provided.**

Although this is not a financial audit, and IA makes no recommendations to the City of Ontario, the following are suggested recommendations for the City of Ontario's consideration.

Recommendations for consideration by the City of Ontario:
The City of Ontario should:

- 21. Work to resolve issues regarding the calculation and collection of Connection Fees and monthly sewerage charges for manufacturing and industrial entities.**
- 22. Work together with the local School Districts to determine and collect any additional Connection Fees that are due to IEUA as required by the Regional Contract.**
- 23. Examine and restructure the Connection Fee calculation and collection process to ensure that the fixture unit counts are correctly tallied, the categorization of businesses is appropriate and that connection fees are not under-collected. The current procedure omits the step of verifying that the Connection Fee calculation conforms to the building/plumbing plans.**
- 24. Consider the City of Upland's cross-departmental approach to the Development Review Process. This team approach to the Development Review Process (or, alternatively a liaison relationship with the Fire Department which seems to play a role even with Public Service Facilities) facilitates obtaining information about new Public Service Facilities construction to ensure fee collection.**

Acknowledgements

We would like to extend our appreciation to the City of Ontario and the IEUA Planning Department for their cooperation and assistance during this review.

Discussions with City of Ontario and Planning & Environmental Compliance

We provided the results of this audit to Mr. Michael Sigsbee, Utilities Admin Services Manager, Mr. xx, Senior Engineer and Ms. Delilah Patterson, Revenue Services Director for their review and comments prior to finalizing the report. We also discussed the report with Chris Berch, Executive Manager of Engineering/Assistant General Manager, Sylvie Lee, Manager of Planning and Environmental Compliance, Craig Proctor, Pretreatment and Source Control Supervisor, Pietro Cambiaso, Senior Engineer and Kenneth Tam, Environmental Compliance Officer of the IEUA Planning and Environmental Compliance Department prior to finalizing this report, for their review and comments.

Action Items

IA will submit a separate report for each of the seven Contracting Agencies as each review is completed. At the conclusion of the audit of all seven Contracting Agencies, IA will provide a comprehensive report summarizing all the identified observations and recommendations and any additional observations and recommendations identified throughout this process. IA anticipates finalizing the seven audit reports by June 2015 and the final report thereafter; in the meantime the recommendations provided in this report should be evaluated and considered at this time.

ATTACHMENT A

**REGIONAL CONTRACT REVIEW:
CITY OF ONTARIO
REVISED CALCULATION WORKSHEET**

Schedule ID: 0201501227		Date		Year		City	
No. To #	Category	Quantity	Additional Info	Category	Quantity	Additional Info	City
Future Units							
4	Automatic Clothes Washer Qty	Future Units		1	MB Park Trap-Cole Trailer Qty	Future Units	
1	Bathtub Showers Qty	Future Units		1	Shower Qty	Future Units	
1	Dental Unit Qty	Future Units		1	Sew. Service Man Qty	Future Units	
1	Dishwasher Qty	Future Units		1	Sew. Food Waste Qty	Future Units	
1	Drinking Fountain Qty	Future Units		1	Urinal Qty	Future Units	
1	Floor Drains Qty	Future Units		1	Wash Sink Circular Qty	Future Units	
1	Floor Sinks Qty	Future Units		1	Water Closet Hotel/Hotel Qty	Future Units	
1	Laundry Sinks Qty	Future Units		1	Water Closet Commercial Qty	Future Units	
1	Lavatory Qty	Future Units		1		Future Units Total	47.5

Sewage Factor Category	Sewage Factor	EDU
1	1	1
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