



**AGENDA  
MEETING OF THE  
INLAND EMPIRE UTILITIES AGENCY  
BOARD OF DIRECTORS**

**WEDNESDAY, MARCH 15, 2017  
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY\*  
AGENCY HEADQUARTERS  
6075 KIMBALL AVENUE, BUILDING B  
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.

**1. PUBLIC HEARING**

**A. PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2017-3-1, CERTIFYING THE FINAL PROGRAM ENVIRONMENTAL IMPACT REPORT AS COMPLETE**

It is recommended that the Board:

1. Hold a Public Hearing to receive public comments for the Board to adopt Resolution No. 2017-3-1, certifying the Final Program Environmental Impact Report for the Asset Management Plan (FY 2015/16), Recycled Water Program Strategy (2015), Amendment to the 2010 Recharge Master Plan Update (2013), Wastewater Facilities Master Plan Update Report (2015), Integrated Water Resources Plan (2015), and Energy Management Plan (2015) (collectively Facilities Master Plans), and adopting the Findings and Statement of Overriding Considerations; and
2. After closing the Public Hearing, adopt Resolution No. 2017-3-1.

**2. CONSENT ITEMS**

**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 February 1, 2017 Board Workshop meeting, and the February 15, 2017 Board meeting.

**B. REPORT OF GENERAL DISBURSEMENTS**

It is recommended that the Board approve the total disbursements for the month of January 2017, in the amount of \$11,104,791.62.

**C. APPOINTMENT OF IEUA COMMITTEE MEMBER AND ALTERNATE MEMBER TO THE PROJECT AGREEMENT 23 COMMITTEE**

It is recommended that the Board:

1. Appoint the IEUA's Santa Ana Watershed Project Authority (SAWPA) Commissioner Jasmin A. Hall as the IEUA Committee member for the Project Agreement 23 (PA 23) Committee; and
2. Appoint the IEUA's SAWPA alternate Commissioner Kati Parker as the alternate Committee member for the PA 23 Committee.



**D. THE AUDIT COMMITTEE AND THE INTERNAL AUDIT DEPARTMENT CHARTERS**

It is recommended that the Board:

1. Reconfirm the Audit Committee and the Internal Audit Department Charters; and
2. Direct staff to continue to implement the Audit Committee and the Internal Audit Department Charters.

**E. FISCAL YEAR (FY) 2015/16 SINGLE AUDIT REPORT FOR FEDERAL GRANT PROGRAMS**

It is recommended that the Board:

1. Approve the Single Audit Report for FY 2015/16; and
2. Direct staff to distribute the report, as appropriate, to the State Controller's Office, the Federal Audit Clearing House, and other interested parties.

**F. AMENDMENT TO CONTRACTS FOR AGENCY-WIDE CONTRACT SERVICES OF ROTATING MACHINERY**

It is recommended that the Board:

1. Amend and increase the not-to-exceed amount of Contract No. 4600001868 to Superior Electric Motor Service, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of \$440,000 over the existing three-year period with a one-year option to extend;
2. Amend and increase the not-to-exceed amount of Contract No. 4600001864 to Vaughan's Industrial Repair, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of \$390,000 over the existing three-year period with a one-year option to extend; and
3. Authorize the General Manager to execute the contracts.

**G. RP-1 DESIGN-BUILD CONTRACT AWARD (SOLIDS)**

It is recommended that the Board:

1. Award a design-build contract for the RP-1 Dewatering Building Safety Improvements and RP-1 Vertical Conveyor Housing Replacement, Project Nos. EN17047 and EN17048 respectively, to Baghouse & Industrial Sheet Metal Services, Inc., in the amount of \$392,800; and
2. Authorize the General Manager to execute the design-build contract.

**H. RP-1 GAS SYSTEM DESIGN-BUILD CONTRACT AWARD**

It is recommended that the Board:

1. Award a design-build contract for the RP-1 Iron Sponges Installation, Project No. EN17059, to W.A. Rasic in the amount of \$319,900;
2. Approve a total project budget amendment in the amount of \$200,000 for Project No. EN17059; and
3. Authorize the General Manager to execute the design-build contract and budget amendment.

**I. UTILITY LOCATING SERVICES CONTRACT AMENDMENT**

It is recommended that the Board:

1. Award a three-year contract amendment to UtiliQuest, LLC, for dig alert locating services for a not-to-exceed amount of \$440,000; and
2. Authorize the General Manager to execute the contact amendment.

**J. RP-1 CONSULTANT TASK ORDER AMENDMENT (DISINFECTION)**

It is recommended that the Board:

1. Approve the consultant task order amendment for the RP-1 Disinfection Improvements, Project No. EN11039, to Carollo Engineers, Inc., for the not-to-exceed amount of \$398,324; and
2. Authorize the General Manager to execute the amendment.

**3. ACTION ITEMS**

**A. CHINO BASIN STORAGE PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT (PEIR) ADDENDUM**

It is recommended that the Board:

1. Adopt Addendum No. 1 to the Optimum Basin Management Program; and
2. Authorize the General Manager to finalize and file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

**B. ENERGY STORAGE AGREEMENT AMENDMENT**

It is recommended that the Board:

1. Approve the amendment to the Energy Management Services Agreement between Inland Empire Utilities Agency and Advanced Microgrid Solutions, Inc. (AMS); and
2. Authorize the General Manager to finalize and execute the agreement amendment subject to non-substantive changes.

**C. RP-1/RP-5 EXPANSION PRELIMINARY DESIGN REPORT**

It is recommended that the Board concur with the findings of the RP-1/RP-5 Expansion Preliminary Design Report.

**4. INFORMATION ITEMS**

**A. FISCAL YEARS 2017/18 – 2018/19 BIENNIAL BUDGET OVERVIEW (POWERPOINT)**

**B. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)**

**C. PLANNING AND ENVIRONMENTAL RESOURCES UPDATE (ORAL)**

**D. MWD & DROUGHT UPDATE (ORAL)  
❖ STATE WATER PROJECT (POWERPOINT)**

**RECEIVE AND FILE INFORMATION ITEMS**

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

**F. FY 2016/17 SECOND QUARTER BUDGET VARIANCE, PERFORMANCE GOALS UPDATES, AND BUDGET TRANSFERS (WRITTEN/POWERPOINT)**

**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 LEGISLATIVE TRACKING MATRIX (WRITTEN)
  - M. REPORT OF OPEN AUDIT RECOMMENDATIONS (WRITTEN)
  - N. REPORT ON THE AUDIT FUNCTION (WRITTEN)
  - O. INTERNAL AUDIT DEPARTMENT STATUS REPORT FOR MARCH 2017 (WRITTEN)
  - P. OPERATIONS DIVISION UPDATE (POWERPOINT)
5. AGENCY REPRESENTATIVES' REPORTS
- A. SAWPA REPORT
  - B. MWD REPORT (WRITTEN)
  - C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)
  - D. CHINO BASIN WATERMASTER REPORT
6. GENERAL MANAGER'S REPORT (WRITTEN)
7. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS
8. DIRECTORS' COMMENTS
- A. CONFERENCE REPORTS

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


9. CLOSED SESSION
- A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
    1. Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010
    2. Martin vs. IEUA, Case No. CIVRS 1000767
    3. Mwembu vs. IEUA, Case No. CIVDS 1415762
    4. Spiniello vs. SAWPA, Case No. BC 616589

- B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Supplemental Water Transfer/Purchase  
Negotiating Party: General Manager P. Joseph Grindstaff  
Under Negotiation: Price and Terms of Purchase
- C. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION; INITIATION OF LITIGATION  
Three (3) Cases
- D. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS  
Various Positions
- E. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS – PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
General Manager

**10. ADJOURN**

*\*A Municipal Water District*

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: 

**Declaration of Posting**

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency\*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, March 9, 2017.

  
April Woodruff

# PUBLIC HEARING

# 1A

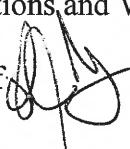



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Date: March 15, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations and Water Resources Committee (3/8/2017)

From: P. Joseph Grindstaff   
General Manager

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

Sylvie Lee   
Manager of Planning and Environmental Resources

Subject: Public Hearing and Adoption of Resolution No. 2017-3-1, Certifying the Final Program Environmental Impact Report as complete

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Hold a Public Hearing to receive public comments for the Board to adopt Resolution No. 2017-3-1, certifying the Final Program Environmental Impact Report for the Asset Management Plan (FY 2015/16), Recycled Water Program Strategy (2015), Amendment to the 2010 Recharge Master Plan Update (2013), Wastewater Facilities Master Plan Update Report (2015), Integrated Water Resources Plan (2015), and Energy Management Plan (2015) (collectively Facilities Master Plans), and adopting the Findings and Statement of Overriding Considerations; and
2. After closing the Public Hearing, adopt Resolution No. 2017-3-1.

### **BACKGROUND**

Inland Empire Utilities Agency (IEUA), as the Lead Agency pursuant to CEQA, is proposing to implement a program that includes updates and new Facilities Master Plans (FMP), which encompass IEUA's Asset Management Plan (FY 2015/16), Recycled Water Program Strategy (2015), Amendment to the 2010 Recharge Master Plan Update (2013), Wastewater Facilities Master Plan Update Report (2015), Integrated Water Resources Plan (2015), and Energy Management Plan (2015). The activities that would be implemented within these individual FMP and Capital Improvement Plan (FY 2016/17) would provide for future wastewater treatment, biosolids handling, recycled water, and reliable and sustainable energy infrastructure to support these activities within the IEUA service area.

This Program Environmental Impact Report (PEIR) serves as a first-tier environmental document that focuses on the overall effects of implementing the activities that make up the FMP. Many of the projects that make up the FMP are in the concept development or planning phase and all would take place within the IEUA service area, largely in the vicinity of IEUA's existing assets. The implementation of the facilities proposed within the FMP consists of construction, operation, and maintenance. These potential facilities are separated into three project categories: treatment facility upgrades, conveyance systems and ancillary facilities, and groundwater recharge and extraction.

The environmental evaluation includes a project analysis and a cumulative analysis for potential impacts related to construction and operation of the proposed facilities before and after the implementation of mitigation measures in accordance with Appendix G of the CEQA Guidelines.

The potentially significant and unavoidable impacts associated with the FMP are to air quality as a result of construction equipment emissions, changes to historical resources as a result of ground disturbance during construction of FMP projects, noise impacts associated with construction of proposed FMP projects, and secondary effects of growth. Impact to aesthetics, agriculture and forest resources, biological resources, geology soils and mineral resources, hazards and hazardous materials, hydrology and water quality, land use and planning, population and housing, public services, recreation, traffic and transportation, and utilities are less than significant when mitigation measures are implemented.

Three alternatives (no project, reduced groundwater recharge, expanded advanced water treatment facility) were selected for a detailed analysis using a combination of projects that would avoid or lessen the significant environmental effects, while effectively meeting IEUA's goals. The proposed program would implement necessary improvements to minimize the need for imported water, while maximizing the efficiency of wastewater treatment, local water supply augmentation, energy efficiency, and asset maintenance. Upgrading aging infrastructure provides for greater operating efficiency that reduces the risk of spills, malfunctions, and air emissions associated with treatment facilities and energy production. As a result, the proposed program is the environmentally superior alternative since it provides for the careful planning and timed implementation of necessary public services while minimizing environmental impacts.

The environmental analysis of the six planning documents started in August 2015. An Initial Study and Notice of Preparation (NOP) of a PEIR were distributed on June 24, 2016, for public comments. A scoping meeting was held at IEUA's headquarter on July 21, 2016, to receive additional input on potential environmental issues. Comments from these solicitations were compiled into a draft PEIR that was circulated on December 20, 2016, for public review. The draft PEIR was distributed to over 76 interested parties for comment, a public meeting on the draft PEIR was held on January 25, 2016, and the closing date for final written comments was February 2, 2016.

IEUA received comment letters on the draft PEIR from the Department of Toxic Substances Control, the Metropolitan Water District of Southern California, the City of Rancho Cucamonga, the City of Ontario, Chino Basin Watermaster, the City of Chino, the San Bernardino County Department of Public Works, the Cucamonga Valley Water District, and the Native American Heritage Commission. Tom Dodson and Associates, Environmental Science Associates (ESA), and IEUA staff prepared



responses to all comments received. These responses were provided to the interested parties and were included into the final Program Environmental Impact Report.

The Facts, Findings, and Statement of Overriding Considerations for the PEIR discuss all significant adverse impact and the benefits related to implementing the proposed projects and programs included in the new Facilities Master Plans. As the Lead Agency under the CEQA guidelines, the Board's adoption of these Facts, Findings and Statement of Overriding Considerations for the final PEIR is required.

The Mitigation Monitoring and Reporting Program embodies the results of the PEIR, and the comments from the review by concerned parties, representing the framework under which the many projects of the FMP may go forward with more limited environmental review in the future. As the Lead Agency under the CEQA guidelines, the Board of Directors is required to adopt the Mitigation, Monitoring, and Reporting Program.

The certification of the PEIR is the final action by the Board of Directors prior to approval of the FMP for IEUA implementation. Certification of the PEIR reflects the Board's approval of the effort to fairly present the environmental effects of the projects of the FMP, the reason for such projects, the benefits to future wastewater treatment, biosolids handling, local and regional water supplies, recycled water, and reliable and sustainable energy infrastructure.

Certification also indicates that the Board, after due consideration of the mitigation measures, agrees that all negative impacts are likely to be reduced to a level of less than significant impact, except air quality, changes to historical resources, noise impacts, and secondary effects of growth. In the specific case of the PEIR, wherein a Statement of Overriding Consideration was developed, certification indicates that the Board concurs with the fact and findings regarding a negative impact that could not be mitigated to a level of less than significant. Resolution No. 2017-3-1 incorporates the Fact, Findings, and Statement of Overriding Consideration by reference. Adoption of Resolution No. 2017-3-1 by the Board will serve as the certification of the final FMP PEIR.

The proposed certification of the final PEIR, and approval of IEUA's Facilities Master Plans is consistent with the Agency's business goal of *Environmental Stewardship and Regulatory Compliance*, as approved by the Board of Directors in December 2016.

### **PRIOR BOARD ACTION**

On February 17, 2016, the Board of Directors concurred with the proposed initiatives and findings as outlined in the Energy Management Plan.

On November 4, 2015, the Board of Directors and the Regional Policy Committee developed a consensus in support of the water supply strategies for the Integrated Water Resources Plan.

On August 19, 2015, the Board of Directors awarded a professional service contract for the preparation of a PEIR to Tom Dodson and Associates for a not-to-exceed amount of \$330,000.

On July 15, 2015, the Board of Directors concurred with the findings of the Wastewater Facilities Master Plan.

On June 17, 2015, the Board of Directors concurred with the findings of the recycled water program as outlined in the Recycled Water Program Strategy.

On October 16, 2013, the Board of Directors approved the 2013 Amendment to the 2010 Chino Basin Recharge Master Plan Update and adopted Resolution No. 2013-10-1, adopting the 2013 Amendment to the 2010 Chino Basin Recharge Master Plan Update.

### **IMPACT ON BUDGET**

None.

#### Attachments:

- Resolution No. 2017-3-1
- Program Environmental Impact Report document can be found at:  
<https://www.ieua.org/category/reports/>
- “Energy Management Plan (EMP)” Board letter (2/17/2016)
- “Integrated Water Resources Plan” Board letter (11/4/2015)
- “Wastewater Facilities Master Plan” Board letter (7/15/2015)
- “Recycled Water Program Strategy” Board letter (6/17/2015)
- “Approval of 2013 Chino Basin Recharge Master Plan Update” Board letter (10/16/2013)

## **RESOLUTION NO.2017-3-1**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY CERTIFYING THE FINAL PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE ASSET MANAGEMENT PLAN (FY 2015/16), RECYCLED WATER PROGRAM STRATEGY (2015), AMENDMENT TO THE 2010 RECHARGE MASTER PLAN UPDATE (2013), WASTEWATER FACILITIES MASTER PLAN UPDATE REPORT (2015), INTEGRATED WATER RESOURCES PLAN (2015) AND ENERGY MANAGEMENT PLAN (2015) (COLLECTIVELY FACILITIES MASTER PLANS) AND ADOPTION OF FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS**

Whereas, the California Environmental Quality Act (CEQA) of 1970, as amended, requires that prior to approval of any project, the Lead Agency shall consider the potential impacts and effects of said project, consider alternatives to the project, and identify mitigation measures necessary to reduce or eliminate the impact of the project on the environment;

Whereas, the Inland Empire Utilities Agency (IEUA) is the Lead Agency for the Facilities Master Plans (FMP) and has caused to be prepared a Program Environmental Impact Report (PEIR) for the Facilities Master Plans in accordance with CEQA and its implementing guidelines;

Whereas, IEUA prepared and circulated a Notice of Preparation (NOP) to the public, responsible agencies and other interested parties for their review and comment, pursuant to CEQA Guidelines Section 15082;

Whereas, pursuant to comments received on the scope and content of the PEIR in response to the NOP document, IEUA prepared and circulated a draft PEIR assessing the project's environmental impact for public review;

Whereas, IEUA issued the Notice of Completion for the draft PEIR on December 20, 2016 and the draft PEIR was available for public review and comment from December 20, 2016 through February 2, 2017;

Whereas, IEUA received 10 letters with comments and concerns regarding the content of the draft PEIR for the Facilities Master Plans;

Whereas, the PEIR determined that the majority of potential adverse environmental impacts are less than significant with or without mitigation, including the following: aesthetics, agriculture and forest resources, biological resources, geology soils and mineral resources, hazards and hazardous materials, hydrology and water quality, land use planning, population and housing, public services, recreation, traffic and transportation, utilities;

Whereas, the PEIR identified significant and unavoidable environmental impact relating to air quality and greenhouse gas emissions, cultural resources, noise, and secondary effects of growth;

Whereas, IEUA provided a copy of the Responses to Comments to all Responsible Agencies on March 1, 2017, in accordance with CEQA;

Whereas, the Final Master Plan PEIR will be available for use as the base environmental document by any Responsible Agency proceeding to implement future site-specific projects under the Master Plan in accordance with programmatic procedures outlined in the State CEQA Guidelines Sections 15162 and 15168;

Whereas, the IEUA Board has received and has reviewed the Final Master Plan PEIR, consisting of the draft PEIR, all Responses to Comments, the Mitigation Monitoring and Reporting Program, Findings of Fact and Statement of Overriding Considerations, and all other material in the administrative record; and

Whereas, pursuant to duly given public notice, the IEUA Board has held a full and fair public hearing on March 15, 2017 concerning the Facilities Master Plans and the PEIR and has considered all written and oral comments and testimony relating thereto and is fully advised thereon.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE INLAND EMPIRE UTILITIES AGENCY AS FOLLOWS:

Section 1. A full and fair public hearing having been held on the PEIR prepared in connection with the Facilities Master Plans, as stated in the recitals herein, the IEUA hereby approves and certifies the PEIR for the Asset Management Plan (FY 2015/16), Recycled Water Program Strategy (2015), Amendment to the 2010 Recharge Master Plan Update (2013), Wastewater Facilities Master Plan (2015), Integrated Water Resources Plan (2015) and Energy Management Plan (2015) (collectively Facilities Master Plans) before the IEUA Board at this time which incorporates the written comments incorporated herein by reference, and all as more fully described in the Final Master Plan PEIR, and adopts the Mitigation Monitoring and Reporting Program and Facts, Findings and Statement of Overriding Considerations.

IEUA further finds that all changes or alterations have been required in connection with the adoption of the Facilities Master Plans and have been incorporated in conjunction with the Master Plans which avoid or substantially lessen the significant environmental effects identified in the PEIR.

Pursuant to Public Resources Code Section 21081, IEUA further finds that where the responsibility for implementation of mitigation measures has been assigned to participating agencies, such mitigation measures are within the responsibility and jurisdiction of such other agencies and such changes can and should be adopted by such agencies when they carry out future site-specific projects under the Facilities Master Plan.

Section 2. IEUA hereby authorizes and directs the filing and posting of a Notice of Determination as required by Section 21152 of the Public Resources Code, the filing required pursuant to Section 21089 (b) of the Public Resources Code, and CEQA Guidelines section 15094 by the General Manager with the Clerk of the Board of Supervisors of San Bernardino County and the State Clearinghouse, Governor's Office of Planning and Research, as soon as possible after the adoption of this Resolution.

Section 3. IEUA hereby adopts the mitigation measures recommended as conditions of project approval in Table ES-1, Chapter 3 and Responses to Comments of the Final Facilities Master Plan PEIR, and the Mitigation Monitoring and Reporting Program prepared for the purpose of monitoring the changes which have been adopted or made a condition of project approval as described in Section 1 of this Resolution and all as more fully described in the Mitigation Monitoring and Reporting Program.

Section 4. IEUA hereby adopts the Asset Management Plan (FY 2015/16), Recycled Water Program Strategy (2015), Amendment to the 2010 Recharge Master Plan Update (2013), Wastewater Facilities Master Plan (2015), Integrated Water Resources Plan (2015) and Energy Management Plan (2015) (collectively Facilities Master Plans) as the guidance document for preparation of the Ten-Year Capital Improvement Program.

Section 5. This Resolution shall take effect upon adoption

ADOPTED, this 15 day of March, 2017.

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President of the Inland Empire Utilities  
Agency and of the Board of Directors  
thereof

ATTEST:

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Secretary/Treasurer of the Inland Empire  
Utilities Agency and of the Board of  
Directors thereof.

STATE OF CALIFORNIA        )  
  )SS  
COUNTY OF                    )  
SAN BERNARDINO

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency , DO HEREBY CERTIFY that the foregoing Resolution being No. 2017-3-1, was adopted at an adjourned regular Board Meeting on March 15, 2017, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Secretary/Treasurer of the Inland  
Empire Utilities Agency\* and of  
the Board of Directors thereof

(SEAL)

# Mitigation Monitoring and Reporting Program

## CEQA Requirements

Section 15091(d) and Section 15097 of the CEQA Guidelines require a public agency to adopt a program for monitoring or reporting on the changes it has required in the project or conditions of approval to substantially lessen significant environmental effects. This Mitigation, Monitoring and Reporting Program (MMRP) summarizes the mitigation commitments identified in the IEUA Facilities Master Plans (proposed Program; FMP) Program EIR (State Clearinghouse No. 2016061064). Mitigation measures are presented in the same order as they occur in the Final PEIR.

The columns in the MMRP table provide the following information:

- **Mitigation Measure(s):** The action(s) that will be taken to reduce the impact to a less-than-significant level.
- **Implementation, Monitoring, and Reporting Action:** The appropriate steps to implement and document compliance with the mitigation measures.
- **Responsibility:** The agency or private entity responsible for ensuring implementation of the mitigation measure. However, until the mitigation measures are completed, IEUA, as the CEQA Lead Agency, remains responsible for ensuring that implementation of the mitigation measures occur in accordance with the MMRP (CEQA Guidelines, Section 15097(a)).
- **Monitoring Schedule:** The general schedule for conducting each task, either prior to construction, during construction and/or after construction.

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
<b>Aesthetics</b>			
<p><b>AES-1:</b> Proposed facilities shall be designed in accordance with local design standards and integrated with local surroundings. Landscaping shall be installed in conformance with local landscaping design guidelines as appropriate to screen views of new facilities and to integrate facilities with surrounding areas.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in project design specifications.</li> <li>• Ensure design specifications are included in construction contractor specifications.</li> <li>• Retain copies of design and contractor specifications in project files.</li> <li>• Perform site inspections to verify contractor compliance. Retain inspection records in the project file.</li> </ul>	<p align="center">IEUA; Construction Contractor</p>	<p align="center">Before Construction</p>
<p><b>AES-2:</b> All new permanent exterior lighting associated with proposed project components shall be shielded and directed downward to avoid any light intrusion to surrounding uses. The maximum light allowed beyond the property boundary adjacent to sensitive light receptors shall be limited to 1.5 candles.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in project design specifications.</li> <li>• Ensure design specifications are included in construction contractor specifications.</li> <li>• Retain copies of design and contractor specifications in project files.</li> <li>• Perform site inspections to verify contractor compliance. Retain inspection records in the project file.</li> </ul>	<p align="center">IEUA; Construction Contractor</p>	<p align="center">Before, During and After Construction</p>
<p><b>AES-3:</b> Development of the proposed project and associated facilities shall comply with existing and future lighting ordinances.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in project design specifications.</li> <li>• Ensure design specifications are included in construction contractor specifications.</li> <li>• Retain copies of design and contractor specifications in project files.</li> <li>• Perform site inspections to verify contractor compliance. Retain inspection records in the project file.</li> </ul>	<p align="center">IEUA; Construction Contractor</p>	<p align="center">Before, During and After Construction</p>



**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
<p><b>AES-4:</b> Structures with large facades shall not include highly reflective building materials.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in project design specifications.</li> <li>• Ensure design specifications are included in construction contractor specifications.</li> <li>• Retain copies of design and contractor specifications in project files.</li> <li>• Perform site inspections to verify contractor compliance. Retain inspection records in the project file.</li> </ul>	<p>IEUA; Construction Contractor</p>	<p>Before Construction</p>
<p><b>Agriculture and Forestry Resources</b></p>			
<p><b>AG-1:</b> Where an ancillary facility is proposed on land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, the improvement shall be relocated to urban land or non-important Farmland. Alternatively, if important farmland must be utilized for an ancillary facility, then IEUA shall conduct a California Land Evaluation and Assessment (LESA) Model. If the evaluation determines the loss of designated Farmland is significant, then it shall be offset by acquisition of agricultural land conservation credits at a minimum ratio of 1:1.</p>	<ul style="list-style-type: none"> <li>• Retain copies of specifications in project files.</li> <li>• Conduct a California Land Evaluation and Assessment (LESA) Model</li> </ul>	<p>IEUA</p>	<p>Before Construction and After Construction</p>
<p><b>Air Quality and Greenhouse Gas Emissions</b></p>			
<p><b>AQ-1:</b> The following measures shall be incorporated to minimize emissions of NOx and VOC associated with construction activities for the proposed facilities:</p> <ul style="list-style-type: none"> <li>• Construction activities shall require the use of 2010 and newer diesel haul trucks (e.g., material delivery trucks and soil import/export) to the extent feasible. Under conditions where it is determined that 2010 model year or newer diesel trucks are not readily available or obtainable for a project, the implementing party shall be required to provide this evidence to IEUA and shall instead use trucks that meet USEPA 2007 model year NOx emissions requirements.</li> <li>• Off-road diesel-powered construction equipment greater than 50 horsepower shall meet Tier 3 emissions standards at a minimum and Tier 4 where available. Under conditions where it is determined that equipment meeting Tier 4 emission standards are not readily available or obtainable for a project, the implementing party shall be required to provide this evidence to IEUA and shall instead use USEPA Tier 3 equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Retain copies of contractor specifications in project files.</li> <li>• Perform site inspections to verify contractor compliance. Retain inspection records in the project file.</li> </ul>	<p>IEUA; Construction Contractor</p>	<p>Before and During Construction</p>
<p><b>AQ-2:</b> For each individual FMP project, IEUA shall require by contract specifications that:</p> <ul style="list-style-type: none"> <li>• Construction-related equipment, including heavy-duty equipment, motor vehicles, and portable equipment, shall be turned off when not in use to avoid excessive idling.</li> <li>• Construction operations shall minimize use of diesel-powered generators and rely on the electricity infrastructure where feasible.</li> </ul>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Retain copies of contractor specifications in project files.</li> <li>• Perform site inspections to verify contractor compliance. Retain inspection records in the project</li> </ul>	<p>IEUA; Construction Contractor</p>	<p>Before and During Construction</p>

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
<ul style="list-style-type: none"> <li>Construction trucks shall be routed away from congested streets or sensitive receptor areas where feasible.</li> </ul>	file.		
<p><b>AQ-3:</b> Unpaved roads on the project site used for any vehicular travel are required to be watered by water trucks at least four times per eight hour workday or otherwise sufficient to reduce fugitive dust (PM10 and PM2.5) emissions consistent with Rule 403.</p>	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Retain copies of contractor specifications in project files.</li> <li>Perform site inspections to verify contractor compliance. Retain inspection records in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<p><b>AQ-4:</b> Prior to the construction upgrades at each treatment facility, IEUA would be required to prepare an Odor Impact Minimization Plan (OIMP), pursuant to Title 14, California Code of Regulations Section 17863.4. The OIMP provides operational protocols covering the implementation of the odor control system including during varied meteorological conditions. The OIMP would include complaint response protocol, operating procedures, and an odor monitoring program. A complaint response protocol would be implemented to receive complaints, investigate the source, and implement changes to minimize the odors.</p>	<ul style="list-style-type: none"> <li>Retain copies of the Odor Impact Minimization Plan in the project file.</li> <li>Perform site inspections to verify regular maintenance compliance.</li> <li>Retain records in the project file.</li> </ul>	IEUA	After Construction
<b>Biological Resources</b>			
<p><b>BIO-1:</b> Construction of the proposed improvements should avoid, where possible, special status natural communities and other vegetation communities that provide suitable habitat for a special-status species known to occur within the IEUA Service Area. If construction within potentially suitable habitat must occur, a presence/absence survey of any special-status plant or wildlife species must be determined prior to construction, to determine if the habitat supports any special-status species. If special-status species, including listed species, are determined to occupy any portion of a project site, avoidance and minimization measures such as temporary fencing, inspection of trenches and holes for entrapped wildlife each morning prior to the onset of project construction, inspection of pipes, culverts, and similar construction material for entrapped wildlife, and the prohibition of chemical uses shall be incorporated into the construction phase of the proposed improvement to avoid direct or incidental take of a listed species to the greatest extent feasible.</p>	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Retain copies of the survey(s) in the project file.</li> <li>Prepare reports to document any species relocation activities, and retain such reports in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
<p><b>BIO-2:</b> If direct or incidental take of a listed species is unavoidable, consultation with the resources agencies and/or additional permitting may be required. Agency consultation through the CDFW 2081 and USFWS Section 7 or Section 10 permitting processes must take place prior to any action that may result in the direct or incidental take of a listed species. Specific mitigation measures for direct or incidental impacts to a listed species will be determined on a case-by-case basis through agency consultation but shall include the following or comparable mitigation: restoration of habitat to comparable value as existed prior to disturbance; compensation for take or habitat loss through conserving suitable habitat in perpetuity off site; or participating in a habitat mitigation bank approved by the resource agency(ies). At a minimum IEUA will provide compensation at a 1:1 ratio for direct or indirect loss of habitat that supports listed species, except when regulatory agencies assign a higher compensation ratio on a case-by-case basis.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Retain copies of correspondence with CDFW and USFWS in project file.</li> <li>• Prepare reports to document any avoidance or compensation measures, and retain such reports in the project file.</li> </ul>	IEUA	Before, During and After Construction
<p><b>BIO-3a:</b> Prior to the start of construction of facilities, focused burrowing owl surveys shall be conducted to determine the presence/absence of burrowing owl adjacent to the project area. The focused burrowing owl survey must be conducted by a qualified biologist and following the survey guidelines included in the CDFW Staff Report on Burrowing Owl Mitigation (2012). If burrowing owl is observed within undeveloped habitat within or immediately adjacent to the project impact area, avoidance/minimization measures would be required such as establishing a suitable buffer around the nest (typically 500-feet) and monitoring during construction, or delaying construction until after the nest is no longer active and the burrowing owls have left. However, if burrowing owl avoidance is infeasible, a qualified biologist shall implement a passive relocation program in accordance with the <i>Example Components for Burrowing Owl Artificial Burrow and Exclusion Plans</i> of the CDFW 2012 Staff Report on Burrowing Owl Mitigation (CDFW, 2012).</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Retain copies of the Burrowing Owl survey reports in the project file.</li> <li>• Prepare reports to document any passive relocation program, and retain such reports in the project file.</li> </ul>	IEUA; Construction Contractor	Before Construction
<p><b>BIO-3b:</b> Construction of proposed improvements within the IEUA Service Area shall avoid special-status natural communities, unless deemed essential by the Agency. If a proposed improvement must be installed and result in a loss of a special-status natural community that is not occupied by a special-status species, compensatory habitat-based mitigation consisting of onsite preservation of habitat, restoration of similar habitat, or purchase of off-site credits from an approved mitigation bank shall be implemented. At a minimum IEUA will provide compensation at a 0.5:1 ratio for loss of habitat, except when regulatory agencies assign a higher compensation ratio on a case-by-case basis.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Perform construction site inspections to ensure any measures decided upon are implemented properly.</li> <li>• Retain copies of construction site inspection logs in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<p><b>BIO-4:</b> The proposed improvement projects within the IEUA Service Area shall avoid, if possible, construction within the general nesting season of February 1 through August 31 for avian species protected under Fish and Game Code 3500 and the Migratory Bird Treaty Act (MBTA), if it is determined that suitable nesting habitat occurs on a project site. If construction cannot avoid the nesting season, a pre-construction clearance survey must be conducted to determine if any nesting birds or nesting activity is observed on or within 500-feet of a project site. If an active nest is observed during the survey, a biological monitor must be on site to ensure that no proposed project activities</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• A qualified biologist will conduct pre-construction clearance survey as defined.</li> <li>• Prepare documentation to record results of the pre-construction survey.</li> <li>• Retain copies of pre-construction survey</li> </ul>	IEUA; Construction Contractor	Before and During Construction

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
would impact the active nest. A suitable buffer will be established around the active nest until the nestlings have fledged and the nest is no longer active. Project activities may continue in the vicinity of the nest only at the discretion of the biological monitor.	documentation in the project file.		
<p><b>BIO-5:</b> Any future project that must discharge fill into a channel or otherwise alter a streambed shall be mitigated. Mitigation can be provided by purchasing into any authorized mitigation bank; by selecting a site of comparable acreage near the site and enhancing it with native riparian habitat or invasive species removal in accordance with a habitat mitigation plan approved by regulatory agencies; or by acquiring sufficient compensating habitat to meet regulatory agency requirements. For jurisdictional waters without any riparian or wetland habitat IEUA will mitigate at a 1:1 ratio. For loss of any riparian or other wetland areas, the mitigation ratio will begin at 2:1 and the ratio will rise based on the type of habitat, habitat quality, and presence of sensitive or listed plants or animals in the affected area. A revegetation plan using native riparian vegetation common to the project area shall be prepared and reviewed and approved by the appropriate regulatory agencies. The Agency shall also obtain permits from the regulatory agencies (U.S. Army Corps of Engineers, Santa Ana Regional Water Quality Control Board and CDFW) if any impacts to jurisdictional areas will occur. These agencies can impose greater mitigation requirements in their permits, but the IEUA will utilize the ratios outlined above as the minimum required to offset or compensate for impacts to jurisdictional waters, riparian areas or other wetlands. Mitigation can be provided by purchasing into any authorized mitigation bank; by selecting a site of comparable acreage near the site and enhancing it with a native riparian habitat or invasive species removal in accordance with a habitat mitigation plan approved by regulatory agencies; or by acquiring sufficient compensating habitat to meet regulatory agency requirements. The regulatory agencies can impose greater mitigation requirements in their permits, but the IEUA will utilize the ratios outlined above as the minimum required to offset or compensate for impacts to jurisdictional waters, riparian areas or other wetlands.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Retain copies of correspondence with any regulatory agencies.</li> <li>• Retain records in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<p><b>BIO-6:</b> Best Management Practices (BMPs) shall be incorporated into the design and construction phase of the project to ensure that no pollutants or silt drain into a federal or state protected jurisdiction area, including wetlands and riparian areas. Project design features (BMPs) to fulfill this mitigation requirement shall be clearly identified as part of project engineering plans prior to initiating construction.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in project design specifications.</li> <li>• Ensure BMPs are included in construction contractor specifications.</li> <li>• Retain copies of design and contractor specifications in project files.</li> <li>• Perform site inspections to verify contractor compliance. Retain inspection records in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<p><b>BIO-7:</b> Construction of a proposed project shall avoid, where possible, a wildlife corridor; however, if the wildlife corridor cannot be avoided, such as a discharge location within a drainage channel or creek, construction activities shall use best management practices</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Ensure BMPs are included in construction contractor</li> </ul>	IEUA; Construction	Before and During Construction

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

<b>Mitigation Measures</b>	<b>Implementation, Monitoring, and Reporting Action</b>	<b>Responsibility</b>	<b>Monitoring Schedule</b>
such as placing temporary fencing to protect wildlife and plant species from construction activities, inspecting trenches and holes for entrapped wildlife each morning prior to the onset of project construction, inspecting pipes, culverts, or similar construction material for entrapped wildlife, and prohibiting the use of rodenticides, herbicides, insecticides or other chemicals that could potentially harm migratory species.	<ul style="list-style-type: none"> <li>specifications.</li> <li>Retain copies of contractor specifications in project files.</li> <li>Perform construction site inspections to ensure any measures decided upon are implemented properly.</li> <li>Retain copies of construction site inspection logs in the project file.</li> </ul>	Contractor	
<b>BIO-8:</b> Once construction is completed, restore the impacted wildlife corridor area to its original vegetation and in accordance with any regulatory permitting, if applicable.	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Retain copies of contractor specifications in project files.</li> <li>Perform construction site inspections to ensure restoration is complete.</li> <li>Retain copies of restoration inspection logs in the project file.</li> </ul>	IEUA; Construction Contractor	After Construction
<b>BIO-9:</b> Prior to construction activities to provide treatment facilities upgrades, the IEUA shall comply with the local policies and ordinances to protect biological resources.	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Retain copies of contractor specifications in project files.</li> <li>Perform construction site inspections to ensure policy compliance.</li> </ul>	IEUA; Construction Contractor	Before Construction
<b>BIO-10:</b> IEUA shall avoid constructing facilities within existing habitat conservation plan areas such as the Oakmont Industrial Group HCP in Ontario and the North Fontana Multiple Species Habitat Conservation Plan in Fontana, unless avoidance is not feasible and the habitat conservation plans allow the construction of the proposed facility. IEUA shall follow the mitigation procedures outlined in such HCPs to bring the project in compliance with the HCP.	<ul style="list-style-type: none"> <li>Retain copies of HCP specifications in project files.</li> <li>Perform site inspections to verify compliance with HCP mitigation procedures.</li> <li>Retain inspection records in the project file.</li> </ul>	IEUA	Before and During Construction
<b>Cultural Resources</b>			
<b>CUL-1:</b> Prior to development involving ground disturbance, IEUA shall retain a qualified archaeologist, defined as an archaeologist meeting the Secretary of the Interior's Standards for professional archaeology to conduct a study of the project area(s) for all project components that involve ground disturbance. The archaeologist shall conduct a cultural resources inventory designed to identify potentially significant resources. The cultural resources inventory would consist of: a cultural resources records search to be conducted at the South Central Coastal Information Center located at California State University Fullerton; consultation with the NAHC and with interested Native Americans identified by the NAHC; a field survey where deemed appropriate by the archaeologist;	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Retain copies of all cultural research and survey reports in the project file.</li> <li>Perform site inspections to ensure compliance with cultural sensitivity requirements.</li> <li>Retain inspection forms in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
and recordation of all identified archaeological resources located on a project site on California Department of Parks and Recreation 523 Site Record forms. The archaeologist shall provide recommendations regarding resource significance and additional work for those resources that may be affected by a project.			
<b>CUL-2:</b> Development involving ground disturbance and containing structures 50 years old or older shall be subject to a historic built environment survey, and potentially historic structures shall be evaluated for their potential historic significance, prior to IEUA's approval of project plans. The survey shall be carried out by a qualified historian or architectural historian meeting the Secretary of the Interior's Standards for Architectural History. If potentially significant resources are encountered during the survey, a treatment plan shall be prepared prior to demolition or substantial alteration of such resources identified.	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Retain copies of all historical research and survey reports in the project file.</li> <li>• Perform site inspections to ensure compliance with historical sensitivity requirements.</li> <li>• Retain inspection forms in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<b>CUL-3:</b> For project-level development involving ground disturbance, a qualified paleontologist shall be retained to determine the necessity of conducting a study of the project area(s) based on the potential sensitivity of the project site for paleontological resources. If deemed necessary, the paleontologist shall conduct a paleontological resources inventory designed to identify potentially significant resources. The paleontological resources inventory would consist of: a paleontological resource records search to be conducted at the San Bernardino County Museum and/or other appropriate facilities; a field survey or monitoring where deemed appropriate by the paleontologist; and recordation of all identified paleontological resources.	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• In the event that paleontological resources are discovered, documentation of the assessment of the significance of the find will be prepared and retained in the project file</li> <li>• Paleontological monitoring reports and logs will be retained in project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<b>Geology, Soils, and Mineral Resources</b>			
<b>GEO-1:</b> Prior to construction of each improvement, a design-level geotechnical investigation, including collection of site specific subsurface data if appropriate, shall be completed. The geotechnical evaluation shall identify all potential seismic hazards including fault rupture, and characterize the soil profiles, including liquefaction potential, expansive soil potential, subsidence, and landslide potential. The geotechnical investigation shall recommend site-specific design criteria to mitigate for seismic and non-seismic hazards, such as special foundations and structural setbacks, and these recommendations shall be incorporated into the design of individual proposed projects.	<ul style="list-style-type: none"> <li>• Retain copies of the geotechnical investigation in the project file.</li> <li>• IEUA shall verify that recommendations have been incorporated into the project design prior to initiation of the project.</li> <li>• Include the geotechnical report as part of the construction documents.</li> <li>• Perform site inspections to ensure contractor compliance with geotechnical report recommendations.</li> </ul>	IEUA; Construction Contractor	Before Construction
<b>GEO-2:</b> If an improvement is proposed within a designated Alquist-Priolo Fault Zone, the improvement shall be relocated, if possible. If relocation is not possible, the improvement shall be designed in accordance with the CBC or a project specific geotechnical study.	<ul style="list-style-type: none"> <li>• Retain copies of the geotechnical investigation in the project file.</li> <li>• Verify that recommendations/ CBC regulations have been incorporated into the project design prior to initiation of the project.</li> <li>• Include the geotechnical report as part of the construction documents.</li> </ul>	IEUA; Construction Contractor	Before Construction

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MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
	<ul style="list-style-type: none"> <li>Perform site inspections to ensure contractor compliance with geotechnical report recommendations.</li> </ul>		
<b>Hazards and Hazardous Materials</b>			
<p><b>HAZ-1:</b> Prior to the initiation of any construction requiring ground-disturbing activities, IEUA shall complete a Phase I Environmental Site Assessments (ESA) for soil and groundwater contamination in the project areas. The recommendations set forth in the Phase I ESA shall be implemented to the satisfaction of applicable agencies before and during construction. If the Phase I ESA indicates the potential for hazardous concentrations of contamination within the construction zone, Phase II ESA studies shall be completed before construction begins. Phase II studies shall include soil and/or groundwater sampling and analysis for anticipated contaminants. The Phase II sampling is intended to identify how to dispose of any potentially harmful material from excavations, and to determine if construction workers need specialized personal protective equipment.</p>	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Retain copies of all Phase I and II ESA reports in the project file.</li> </ul>	IEUA; Construction Contractor	Before Construction
<p><b>HAZ-2:</b> If the Phase II ESA determines that the site has contaminated soil and/or groundwater, a Soil and Groundwater Management Plan that specifies the method for handling and disposing of contaminated soil and groundwater prior to demolition, excavation, and construction activities shall be prepared and implemented. The plan shall include all necessary procedures to ensure that excavated materials and fluids generated during construction are stored, managed, and disposed of in a manner that is protective of human health and in accordance with applicable laws and regulations. The plan shall include the following information:</p> <ul style="list-style-type: none"> <li>Step-by-step procedures for evaluation, handling, stockpiling, storage, testing, and disposal of excavated material, including criteria for reuse and offsite disposal. All excavated materials shall be inspected prior to initial stockpiling, and spoils that are visibly stained and/or have a noticeable odor shall be stockpiled separately to minimize the amount of material that may require special handling.</li> <li>Procedures to be implemented if unknown subsurface conditions or contamination are encountered, such as previously unreported tanks, wells, or contaminated soils.</li> <li>Detailed control measures for use and storage of hazardous materials to prevent the release of pollutants to the environment, and emergency procedures for the containment and cleanup of accidental releases of hazardous materials to minimize the impacts of any such release. These procedures shall also include reporting requirements in the event of a reportable spill or other emergency incident. At a minimum, the IEUA or its contractor shall notify applicable agencies in accordance with guidance from the California Office of Emergency Services as well as the San Bernardino County Department of Public Health, Division of Environmental Health Services.</li> <li>Procedures for containment, handling and disposal of groundwater generated from construction dewatering, the method used to analyze groundwater for hazardous</li> </ul>	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Retain copies of Soil and Groundwater Management Plan in the project file.</li> <li>Perform site inspections to verify contractor compliance with hazardous materials. Retain inspection records in the project file.</li> <li>Retain inspection forms in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
materials likely to be encountered at specific locations and the appropriate treatment and/or disposal methods.			
<b>HAZ-3:</b> For projects within airport safety zones, facility design shall follow the guidelines of the appropriate airport land use plan. All design plans within an airport land use planning area shall be submitted to the appropriate airport management agencies for review and comment prior to implementation.	<ul style="list-style-type: none"> <li>• Include mitigation measure in project design specifications.</li> <li>• Ensure design specifications are included in construction contractor specifications.</li> <li>• Retain copies of design and contractor specifications in project files.</li> <li>• Perform site inspections to verify contractor compliance. Retain inspection records in the project file.</li> <li>• Retain copies of correspondence with airport management agencies in project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<b>HAZ-4:</b> Prior to initiating construction of proposed facilities, IEUA shall prepare and implement a Traffic Control Plan that contains comprehensive strategies for maintaining emergency access. Strategies shall include, but are not limited to, maintaining steel trench plates at the construction sites to restore access across open trenches and identification of alternate routing around construction zones. In addition, police, fire, and other emergency service providers shall be notified of the timing, location, and duration of the construction activities and the location of detours and lane closures. IEUA shall ensure that the Traffic Control Plan and other construction activities are consistent with the San Bernardino County Operational Area Emergency Response Plan.	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• The Traffic Control Plan shall be documented and retained in the project file.</li> <li>• Construction site inspections shall be performed to ensure contractor compliance with Traffic Control Plan.</li> <li>• Retain copies of construction inspection logs or reports in the project file.</li> <li>• Retain copies of correspondence with public services in project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<b>HAZ-5:</b> During construction of facilities located in areas designated as Very High Fire Hazard Severity Zones (VHFHSZs) by CAL FIRE, fire hazard reduction measures shall be implemented and incorporated into a fire management plan. These measures shall address all staging areas, welding areas, or areas slated for development that are planned to use spark-producing equipment. These areas shall be cleared of dried vegetation or other material that could ignite. Any construction equipment that includes a spark arrestor shall be equipped with a spark arrestor in good working order. During the construction of the project facilities, all vehicles and crews working at the project site to have access to functional fire extinguishers at all times. In addition, construction crews shall have a spotter during welding activities to look out for potentially dangerous situations, including accidental sparks.	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• The fire management plan shall be documented and retained in the project file.</li> <li>• Construction site inspections shall be performed to ensure contractor compliance with fire management plan.</li> <li>• Retain copies of construction inspection logs or reports in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<b>HAZ-6:</b> IEUA shall cooperate with the local vector control agencies to implement a strategy to use recharge basins in a manner that minimizes occurrence of vectors, such as midges and mosquitos. Based on discussions with vector control professionals, this	<ul style="list-style-type: none"> <li>• Include mitigation measures in construction contractor specifications.</li> </ul>	IEUA	Before, During and After Construction



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MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

<b>Mitigation Measures</b>	<b>Implementation, Monitoring, and Reporting Action</b>	<b>Responsibility</b>	<b>Monitoring Schedule</b>
<p>strategy shall include monitoring for presence of vectors and shall consider the following range of control measures for implementation: a) revising basin floors or management to ensure depth of water can be raised to more than two feet deep, or to ensure the basin floors can be dried; b) using mechanical means (for example sprinklers) to keep the surface of the water stored in a basin in motion; c) use of short-lived, non-water polluting pesticides to control outbreaks of midges when necessary or pre-treatment of the basin floors prior to filling the basin; d) other water or pest management actions to minimize potential for vector populations to grow into a public nuisance at nearby sensitive receptors (such as using basins with higher rates of percolation or using lights to attract and keep the midges at a basin); and use of water recharge management options developed based on past experience, such as operation in seasonally cooler weather. The strategy may be general (applying to all basins) or basin-specific and the strategy shall be compiled and available for implementation prior to initiating the additional groundwater recharge basins or expanding such basin use.</p>	<ul style="list-style-type: none"> <li>Retain copies of correspondence with vector control agencies.</li> <li>Site inspections shall be performed to ensure compliance with vector control mitigation measures.</li> </ul>		
<b>Hydrology and Water Quality</b>			
<p><b>HYDRO-1:</b> Prior to installing new injection or extraction wells, IEUA and the Watermaster shall ensure that IEUA conduct groundwater modeling near the affected areas sufficient to estimate extraction and injection capacities at specific locations and to avoid impacts to neighboring production well operations.</p>	<ul style="list-style-type: none"> <li>IEUA will maintain a repository of groundwater modeling results and reports, and make this information available to the public.</li> <li>All modeling will be reported and saved in project files.</li> </ul>	IEUA	Before Construction
<p><b>HYDRO-2:</b> IEUA shall continue to support monitoring of groundwater levels throughout the Chino Basin to identify areas of elevated groundwater levels. IEUA and the Watermaster shall ensure that, where necessary, future groundwater recharge projects are designed with groundwater monitoring capabilities sufficient to evaluate and minimize impacts of shallow groundwater on subsurface and surface infrastructure.</p>	<ul style="list-style-type: none"> <li>IEUA shall continue ground water quality monitoring.</li> <li>Watermaster Panel shall insure that IEUA follows the review and approval provisions under Judgement.</li> <li>Retain copies of monitoring results and processes in project file.</li> <li>Retain copies of Watermaster panel correspondence and approval in project file.</li> </ul>	IEUA	Before, During and After Construction
<p><b>HYDRO-3: Implementation of a Grading and Drainage Plan.</b> Prior to construction of project facilities, the IEUA shall prepare a grading and drainage plan that identifies anticipated changes in flow that would occur on site and minimizes any potential increases in discharge, erosion, or sedimentation potential in accordance with applicable regulations and requirements for the County of San Bernardino and/or the city in which the facility would be located. In addition, all new drainage facilities shall be designed in accordance with standards and regulations. The plan shall identify and implement retention basins, best management practices, and other measures to ensure that potential increases in storm water flows and erosion would be minimized, in accordance with local requirements.</p>	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Prepare grading and drainage plan under applicable County/City regulations and requirements</li> <li>Retain copies of the plan and records verifying implementation of the plan in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction
<p><b>HYDRO-5:</b> Following the demolition of RP-2 facilities, IEUA shall implement a soil stability plan that ensures soil and wind erosion does not substantially occur at the RP-2</p>	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> </ul>	IEUA; Construction	Before and During Construction

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
<p>site. The soil stability plan shall provide best management practice (BMP) measures such as soil binders, hydroseeding, straw mulch or other measures to ensure the onsite soils do not erode off of the RP-2 site.</p>	<ul style="list-style-type: none"> <li>• Prepare soil stability plan and identify BMPs</li> <li>• Perform site inspections to verify BMP compliance. Retain inspection records in the project file.</li> <li>• Retain copies of the plan and records verifying implementation of the plan in the project file.</li> </ul>	<p align="center">Contractor</p>	
<p><b>HYDRO-6:</b> All creek discharge structures shall be designed with velocity dissipation features as needed to prevent scour at the point of discharge. The design and location of these discharge facilities would be approved by the SBCFCD and USACE to ensure that they do not impede high flow capacity.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in project design specifications.</li> <li>• Ensure design specifications are included in construction contractor specifications.</li> <li>• Retain copies of design and contractor specifications in project files.</li> <li>• Perform site inspections to verify contractor compliance. Retain inspection records in the project file.</li> <li>• Retain copies of SBCFCD and USACE correspondence and approval in project file.</li> </ul>	<p align="center">IEUA; Construction Contractor</p>	<p align="center">Before Construction</p>
<p><b>HYDRO-7:</b> Where a facility is proposed within a 100-year flood zone, the improvement shall be relocated to land that is not within a 100-year flood zone. Alternatively, if a 100-year flood zone must be utilized for a facility, a hydrology study shall be conducted to ensure that there is no substantial impediment or redirection of flood flows.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in project design specifications.</li> <li>• IEUA will conduct a hydrology study.</li> <li>• The hydrology studying will be reported and saved in the project files.</li> </ul>	<p align="center">IEUA</p>	<p align="center">Before Construction</p>
<b>Noise</b>			
<p><b>NOISE-1:</b> IEUA shall implement the following measures during construction:</p> <ul style="list-style-type: none"> <li>• Include design measures where feasible to reduce the construction noise levels if necessary to comply with local noise ordinances. These measures may include, but are not limited to, the erection of noise barriers/curtains, use of advanced or state-of-the-art mufflers on construction equipment, and/or reduction in the amount of equipment that would operate concurrently at the construction site.</li> <li>• Place noise and groundborne vibration-generating construction activities whose specific location on a construction site may be flexible (e.g., operation of compressors and generators, cement mixing, general truck idling) as far as possible from the nearest noise- and vibration-sensitive land uses such as residences, schools, and hospitals.</li> <li>• Minimize the effects of equipment with the greatest peak noise generation potential via shrouding or shielding to the extent feasible. Examples include the use of drills, pavement breakers, and jackhammers.</li> <li>• Locate stationary construction noise sources as far from adjacent noise-sensitive receptors as possible, and require that these noise sources be muffled and</li> </ul>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Appoint a construction monitor to verify contractor compliance with noise measures.</li> <li>• Retain copies of monitoring records in the project file.</li> <li>• Appoint a Noise Concern Coordinator to respond to construction noise complaints.</li> <li>• Maintain log of concerns filed with the Coordinator and the resolution of each complaint.</li> <li>• Retain copies of the notification and concern log in the project file</li> <li>• Retain copies of notifications to all landowners and occupants of properties</li> </ul>	<p align="center">IEUA; Construction Contractor</p>	<p align="center">Before and During Construction</p>

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
<p>enclosed within temporary sheds, insulation barriers if necessary to comply with local noise ordinances.</p> <ul style="list-style-type: none"> <li>Provide noise shielding and muffling devices on construction equipment per the manufacturer's specifications.</li> <li>If construction is to occur near a school, the construction contractor shall coordinate the with school administration in order to limit disturbance to the campus. Efforts to limit construction activities to non-school days shall be encouraged.</li> <li>For major construction projects, identify a liaison for surrounding residents and property owners to contact with concerns regarding construction noise and vibration. The liaison's telephone number(s) shall be prominently displayed at construction locations.</li> <li>For major construction projects, notify in writing all landowners and occupants of properties adjacent to the construction area of the anticipated construction schedule at least two weeks prior to groundbreaking.</li> </ul>			
<p><b>NOISE-2:</b> IEUA shall require that all FMP-related aboveground facilities that include stationary noise generating equipment (such as emergency generators, blowers, pumps, motors, etc.) minimize their audible noise levels by locating equipment away from noise-sensitive receptor areas, installing proper acoustical shielding for the equipment, and incorporating the use of parapets into building design to meet the applicable city or county noise level requirements at neighboring property lines.</p>	<ul style="list-style-type: none"> <li>Include mitigation measure in project design specifications.</li> <li>Include mitigation measure in construction contractor specifications.</li> <li>Perform construction site inspections to ensure compliance with noise ordinances.</li> <li>Retain copies of site inspection logs or reports in project files.</li> </ul>	<p>IEUA; Construction Contractor</p>	<p>During Construction</p>
<p><b>NOISE-3:</b> For construction activities during non-standard working hours or hours that are not exempt from compliance with applicable city or county noise ordinances (e.g., 24-hour well drilling), IEUA will secure a noise waiver from the appropriate jurisdiction if available.</p>	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Initiate correspondence with the appropriate jurisdiction for noise waiver</li> <li>Retain copies of the correspondence and waiver in the project file.</li> </ul>	<p>IEUA; Construction Contractor</p>	<p>Before and During Construction</p>
<p><b>NOISE-4:</b> Prior to commencement of construction related to the FMP programs at a specific site that will endure for more than a few days and that are not emergency projects, IEUA will notify property owners within 300 feet regarding the scope and duration of work a minimum of 10 days prior to the start of such activity.</p>	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Initiate correspondence with property owners</li> <li>Retain copies of the correspondence in the project file.</li> </ul>	<p>IEUA; Construction Contractor</p>	<p>Before Construction</p>
<p><b>NOISE-5:</b> IEUA shall require the construction contractor(s) to implement the following measure:</p> <ul style="list-style-type: none"> <li>Ensure that the operation of construction equipment that generates high levels of vibration including, but not limited to, large bulldozers, loaded trucks, pile-drivers, vibratory compactors, and drilling rigs, is minimized within 45 feet of existing residential structures and 35 feet of institutional structures (e.g., schools) during</li> </ul>	<ul style="list-style-type: none"> <li>Include mitigation measure in construction contractor specifications.</li> <li>Retain copies of contractor specifications in project files.</li> <li>Perform site inspections to verify contractor</li> </ul>	<p>IEUA; Construction Contractor</p>	<p>During Construction</p>

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
construction of the various FMP projects. Use of small rubber-tired bulldozers shall be encouraged within these areas during grading operations to reduce vibration effects.	compliance. Retain inspection records in the project file.		
<b>NOISE-6:</b> Where a FMP project would be constructed adjacent to an existing or potential historic building, IEUA shall require by contract specifications that a certified structural engineer be retained to submit evidence that the operation of vibration-generating equipment associated with the construction activities would not result in any structural damage to the adjacent historic building. Contract specifications shall be included in the construction documents for the applicable FMP project development.	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Retain a certified structural engineer to submit evidence that the operation of construction activities would not result in any structural damage to historic building.</li> <li>• Structural engineer shall verify that operation of construction equipment would not result in damage.</li> <li>• Retain engineer report and any necessary information in project file.</li> <li>• Retain copies of construction equipment information in the project file.</li> </ul>	IEUA; Construction Contractor	Before Construction
<b>Public Services</b>			
<b>PS-1:</b> If a proposed improvement results in the removal of park or recreational facilities, IEUA will either relocate the proposed improvement or coordinate with the local jurisdiction to develop replacement park or recreational facility capacity.	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Initiate correspondence with local jurisdiction</li> <li>• Retain copies of the correspondence in the project file</li> </ul>	IEUA; Construction Contractor	Before Construction
<b>Traffic and Transportation</b>			
<p><b>TT-1:</b> For projects that may affect traffic flow along existing roadways, IEUA shall require that contractors prepare a construction traffic control plan. Elements of the plan should include, but are not necessarily limited to, the following:</p> <ul style="list-style-type: none"> <li>• Develop circulation and detour plans if necessary to minimize impacts to local street circulation. Use haul routes minimizing truck traffic on local roadways to the extent possible.</li> <li>• To the extent feasible, and as needed to avoid adverse impacts on traffic flow, schedule truck trips outside of peak morning and evening commute hours.</li> <li>• Install traffic control devices as specified in Caltrans' Manual of Traffic Controls for Construction and Maintenance Work Zones where needed to maintain safe driving conditions. Use flaggers and/or signage to safely direct traffic through construction work zones.</li> <li>• For roadways requiring lane closures that would result in a single open lane, maintain alternate one-way traffic flow and utilize flagger-controls.</li> <li>• Coordinate with facility owners or administrators of sensitive land uses such as police and fire stations, hospitals, and schools. Provide advance notification to the facility owner or operator of the timing, location, and duration of construction</li> </ul>	<ul style="list-style-type: none"> <li>• Include mitigation measure in construction contractor specifications.</li> <li>• Retain copy of Plan in the project file, including correspondence documenting approval of the Plan by the applicable local jurisdiction(s).</li> <li>• Perform site inspections to verify compliance with the Plan.</li> <li>• Retain copies of monitoring records in the project file.</li> </ul>	IEUA; Construction Contractor	Before and During Construction

**TABLE 11-1  
MITIGATION MONITORING AND REPORTING PROGRAM FOR THE IEUA FMP PROGRAM EIR**

Mitigation Measures	Implementation, Monitoring, and Reporting Action	Responsibility	Monitoring Schedule
activities.			
<b>Utilities</b>			
<p><b>U-1: Implementation of a Drainage Plan to Reduce Downstream Flows.</b> Prior to construction of project facilities, the IEUA shall prepare a drainage plan that includes design features to reduce stormwater peak concentration flows exiting the above ground facility sites so that the capacities of the existing downstream drainage facilities are not exceeded. These design features could include bio-retention, sand infiltration, return of stormwater for treatment within the treatment plant, and/or detention facilities.</p>	<ul style="list-style-type: none"> <li>• Include mitigation measure in project design specifications.</li> <li>• Ensure design specifications are included in construction contractor specifications.</li> <li>• Retain copy of Drainage Plan in the project file</li> <li>• Perform site inspections to verify compliance with the Plan.</li> <li>• Retain copies of design and contractor specifications in project files.</li> </ul>	<p align="center">IEUA; Construction Contractor</p>	<p align="center">Before and During Construction</p>

# IEUA FACILITIES MASTER PLANS PEIR

## Environmental Findings and Statement of Overriding Considerations

Prepared for  
Inland Empire Utilities Agency

February 2017



Prepared by

Tom Dodson  
& Associates



# IEUA FACILITIES MASTER PLANS PEIR

## Environmental Findings and Statement of Overriding Considerations

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# IEUA FACILITIES MASTER PLANS PEIR

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## Environmental Findings and Statement of Overriding Considerations

### 1. Background and Introduction

#### 1.1 Project Overview

The Inland Empire Utilities Agency (IEUA) has completed a Program Environmental Impact Report (PEIR) (State Clearinghouse Number 2016061064) for the IEUA Facilities Master Plans. The IEUA is the Lead Agency for the purposes of preparing and certifying the PEIR pursuant to Sections 15050 and 15367 of the State CEQA Guidelines (California Code of Regulations, Section 15000 et seq.)

The purpose of the PEIR is to evaluate the potential environmental impacts of the proposed program. In compliance with Section 21002.1 of CEQA and Section 15002 of the State CEQA Guidelines, the IEUA, as Lead Agency, has prepared the PEIR in order to (1) inform the general public, the local community, responsible and interested public agencies and the Agency's decision-making bodies and other organizations, entities, and interested persons of the potential environmental effects of the proposed program, feasible measures to reduce potentially significant environmental effects, and alternatives that could reduce or avoid the significant effects of the proposed program, (2) enable the Agency to consider environmental consequences when deciding whether to approve the proposed program and (3) to satisfy the substantive and procedural requirements of CEQA.

#### 1.2 Public Involvement and PEIR Scoping

The PEIR complies with the provisions of CEQA (California Public Resources Code, Sections 21000 et seq.), the State CEQA Guidelines (California Code of Regulations, Section 15000 et seq.) and the Agency's Procedures for Implementing the State CEQA Guidelines. In compliance with CEQA, IEUA has solicited and considered comments from Responsible and Trustee Agencies, members of the public, and other interested parties during the proposed program's various environmental review processes:

- In accordance with CEQA Guidelines Sections 15063 and 15082, IEUA prepared and distributed a Notice of Preparation (NOP) of a PEIR. The NOP was distributed on June 29, 2016 to governmental agencies, organizations, and persons who may be interested in the project.

- In compliance with Section 21083.9 of CEQA and Section 15082 (c)(1) of the State CEQA Guidelines, IEUA held a public scoping meeting on July 21, 2016, to receive public and agency comments.
- Comments received from the public and agencies during the public review period for the NOP and the public scoping meeting were considered in the preparation of the PEIR prepared for the proposed program.
- In December 2016, a Draft PEIR was prepared for the proposed program in accordance with current CEQA regulations and guidelines. The Draft PEIR was circulated for a 45-day public review period on December 20, 2016. Notification was provided to the State Clearinghouse (SCH), to local, state, and federal agencies, and to all interested parties and jurisdictions pursuant to the requirements of Section 15087 of the State CEQA Guidelines. There were nine letters/correspondence received by IEUA during the 45-day review period. Comments within each letter/correspondence were evaluated and responded to in accordance with Section 15088 of the State CEQA Guidelines.

## 1.3 PEIR Certification and Project Approval Process

### 1.3.1 Findings Required Under CEQA

The IEUA will determine whether to certify the PEIR for the program. The PEIR, as required by State CEQA Guidelines Sections 15089 and 15132, consists of the Draft Program Environmental Impact Report (SCH No. 2016061064), the Final PEIR Document, and any other information added by IEUA prior to certification of the Final PEIR. The Final PEIR Document includes an Introduction to Response to Comments; comments received on the Draft PEIR; a list of persons, organizations, and public agencies commenting on the Draft PEIR; the responses of the IEUA as “Lead Agency” to significant environmental points raised in the review and consultation process; Corrections and Additions made to the Draft PEIR after response to comments; and the Mitigation Monitoring and Reporting Program (MMRP). Because the Draft PEIR identified potentially significant environmental impacts, the IEUA must also make certain “findings” as part of its action to certify that the PEIR has been completed in compliance with CEQA and to approve the proposed program. Pursuant to CEQA Section 21081 and State CEQA Guidelines Section 15091, no public agency shall approve or carry out a project for which an environmental impact report has been certified, which identifies one or more significant effects on the environment that would occur if the program is approved or carried out, unless the public agency makes one or more findings for each of those significant effects, accompanied by a brief explanation of the rationale of each finding. The possible findings, which must be supported by substantial evidence in the record, are:

- (1) Changes or alterations have been required in or incorporated into, the program which avoid or substantially lessen the significant environmental effect as identified in the Final PEIR.
- (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

- (3) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or program alternatives identified in the Final PEIR.

### **1.3.2 Significant Effects and Mitigation Measures**

The Draft PEIR identified several significant environmental effects (or “impacts”) resulting from implementation of the proposed program. Some of these significant effects can be fully avoided/mitigated through the adoption of feasible mitigation measures. For those significant impacts that cannot be mitigated to less than significant, IEUA is required to balance, as applicable, the economic, legal, social, technological, or other benefits of the proposed program against its unavoidable environmental risks when determining whether to approve the proposed program. The State CEQA Guidelines at Section 15093(a) provide that if specific economic, legal, social, technological, or other benefits of the proposed program outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable” and IEUA may adopt a Statement of Overriding Considerations to that effect.

Three environmental topics that include a total of 12 program and cumulative environmental effects cannot be reduced to less than significant by the adoption of feasible mitigation measures. The potential project and cumulative significant and unavoidable impacts related to Air Quality, Cultural Resources, and Noise impacts have been identified as significant and unavoidable and require the preparation of a Statement of Overriding Considerations. Section 3.0, below, describes the program and cumulative effects and outlines IEUA’s findings with respect to each of these environmental effects of the proposed project.

### **1.3.3 Mitigation Monitoring and Reporting Program**

A Mitigation Monitoring and Reporting Program (MMRP) has been prepared to monitor and report the implementation of the mitigation measures identified for the proposed program. The MMRP will be adopted by IEUA concurrently with these findings, and will be implemented by IEUA during the proposed programs’ planning horizon and through the project review, construction, and post-construction periods of individual development projects. To the extent that these findings conclude that all mitigation measures outlined in the PEIR are feasible and have not been modified, superseded, or withdrawn, IEUA hereby binds itself to implement these measures and the additional measures included in response to comments. These findings, in other words, are not merely informational, but rather constitute a binding set of obligations that will come into effect when IEUA formally approves the proposed program.

### **1.3.4 Certification of the PEIR and Adoption of Findings**

IEUA will review and consider the information contained in the PEIR, as well as submissions from public officials, public agencies, and the general public. Prior to program approval, the IEUA shall certify that the PEIR reflects the Agency’s independent judgment and analysis. Having considered the foregoing information, as well as any and all other information in the record, IEUA shall make findings pursuant to CEQA Section 21081. In accordance with the provisions of CEQA and the State CEQA Guidelines, IEUA shall adopt the Findings as part of its certification of the PEIR for the proposed program.

## 2. Project Summary

### 2.1 Project Location

IEUA service area is located in southern California within the west end of San Bernardino Valley; just east of Los Angeles County, northeast of Orange County, and north of Riverside County boundary lines. Its 242-square-mile service area includes the cities of Upland, Montclair, Ontario, Fontana, Chino, Chino Hills; City of Rancho Cucamonga; and the unincorporated areas of San Bernardino County, including the Chino Agricultural Preserve. The service area consists primarily of the Chino Basin which is an alluvial valley that is relatively flat from east to west, sloping north to south at a one to two percent grade. Basin elevation ranges from 2,000 feet adjacent to the San Gabriel Foothills to approximately 500 feet near Prado Dam. The service area is bordered to the north by the San Gabriel Mountains; to the east by the Rialto-Colton Basin, the Jurupa Mountains and the Riverside County/San Bernardino County boundary, to the south by the Prado Flood Control Basin and to the west by the Chino Hills, Puente Hills and the Pomona and Claremont Basins. All proposed projects would be located inside the IEUA Service Area boundaries.

### 2.2 Project Description

The proposed program consists of the construction and operation of facilities identified in the six interrelated Facility Master Plans. These proposed facilities would implement the comprehensive strategy for managing IEUA's regional wastewater and recycled water distribution system in the future; the future strategy for the treatment and disposal of biosolids and manure; and reliable and sustainable energy infrastructure to support these activities. These six master plans are outlined below.

#### 1. **Wastewater Facilities Master Plan Update Report**

The Wastewater Facilities Master Plan Update Report (WFMP) was prepared by CH2MHill in association with Carollo Engineers and dated March 2015. Changes in economic conditions and water use efficiency practices, discharge permit requirements, and water recycling needs necessitated the re-evaluation of the assumptions put forth in the 2002 WFMP and resulted in the update of the WFMP.

#### 2. **IEUA Asset Management Plan**

The IEUA Asset Management Plan for the Fiscal Year 2015/2016 was developed by staff members of the Agency. The Asset Management Plan addresses the Agency's need to manage their assets in order to coordinate decisions and take actions that allow the Agency to meet the business goals set in the document at the lowest lifecycle cost.

#### 3. **Recycled Water Program Strategy**

The Recycled Water Program Strategy (RWPS), which is considered a Facility Master Planning Study, was prepared by Stantec for the Agency in April 2015. This document serves to update the 2005 Recycled Water Implementation Plan and the 2007 Recycled Water Three Year Business Plan. The objective of the RWPS is to

update supply and demand forecasts and to help map changes for the Recycled Water Program to maximize the beneficial use of recycled water through the planning year 2035.

**4. 2013 Amendment to the 2010 Recharge Master Plan Update**

The 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU), prepared in September 2013 by Wildermuth Environmental, Inc., documents the investigation that was conducted pursuant to the direction of the Court and the Chino Basin Watermaster to amend its 2010 RPMU.

**5. IEUA 2015 Energy Management Plan**

The IEUA 2015 Energy Management Plan of December 2015 analyzes historical energy use, defines a current energy and Greenhouse Gas emissions baseline, forecasts future demands, examines procurement strategies (including an Organics Diversion program), and proactively explores measures that can ease the Agency's load on utilities while cultivating a reliable and sustainable energy infrastructure across its facilities.

**6. 2015 Integrated Water Resources Plan**

The 2015 Integrated Resources Plan: Water Supply & Climate Change Impacts 2015-2040 (IRP) is a regional blueprint for ensuring reliable, cost-effective and environmentally responsible water supplies for the next 25 years. It takes into consideration availability of current and future water supplies and accounts for possible fluctuations in demand forecasts and climate change impacts.

In addition to facilities proposed within the six master plans, there are additional facilities proposed within the Agency's Capital Improvement Plan, described below.

**Fiscal Year 2016/17 Ten-Year Capital Improvement Plan**

Fiscal Year 2016/17 Ten-Year Capital Improvement Plan (CIP) provides a cataloging and scheduling of projects over a multiyear period. Projects within the CIP are necessary to accomplish the Agency's goals based on physical conditions of assets and forecasted regional projections of water and wastewater needs. The projects involve the purchase, improvement or construction of major fixed assets and equipment, which are typically large in size, expensive, and permanent.

The six master plans and the CIP are collectively known as the Facilities Master Plans. Many of the projects that make up the Facilities Master Plans are in the concept development or planning phase and all would take place within the IEUA service area, largely in the vicinity of IEUA's existing assets. The implementation of the facilities proposed within the Facilities Master Plans consists of construction, operation, and maintenance. These potential facilities are separated into three project categories: (1) Project Category 1: Treatment Facility Upgrades, (2) Project Category 2: Conveyance Systems and Ancillary Facilities, and (3) Project Category 3: Groundwater Recharge and Extraction. Below are general descriptions of the facilities and operations proposed within the six master plans.

### **Project Category 1: Treatment Facility Upgrades**

Treatment Facility Upgrades include, but are not limited to, liquid and solid treatment capacity, sludge systems, dewatering treatment, pipelines, dosing facilities, odor control, flares, electrical, pumps, pump stations, lift stations, meters, tanks, filters, HVAC (heating, ventilation, and air conditioning), emergency generators, rip-rap, lighting, drains, energy storage, odor control, solar panels, filters, fire sprinklers, conveyor belts, lighting, drains, screens, parking lot improvements, bathrooms, signage, and blowers and maintenance/rehabilitation of existing facilities.

### **Project Category 2: Conveyance Systems and Ancillary Facilities**

Conveyance and ancillary facilities include, but are not limited to, pipelines, pump stations, lift stations, emergency generators, meters, electrical, system improvements, storage tanks or reservoirs, facility repairs, manhole replacements, septic systems, dry weather diversion points, and discharge relocations.

### **Project Category 3: Groundwater Recharge and Extraction**

Groundwater recharge and extraction projects include, but are not limited to, recharge basins, ancillary facilities, injection and extraction wells, meters, facility well-housing, basin maintenance, emergency generators, and groundwater treatment.

## **2.3 Project Objectives**

Section 15124(b) of the CEQA Guidelines states that the project description shall contain; “a statement of the objectives sought by the proposed project.” As set forth by the CEQA Guidelines, the list of objectives that IEUA seeks to achieve for the proposed program is provided below:

- Implement a program strategy that is consistent with the mission, vision, and core values of IEUA.
- Ensure that IEUA service area is served with adequate wastewater treatment capacity that meets regulatory requirements and recycled water objectives through service area build out.
- Ensure that IEUA produces adequate recycled water supply to meet the objectives established in the Recycled Water Program Strategy through service area build out.
- Deliver sufficient wastewater discharge to meet IEUA’s downstream discharge obligations to the Santa Ana River and to sustain Prado Basin Riparian/Wetland Habitat through service area build out.
- Provide sufficient processing capacity at the Inland Empire Regional Composting Facility to meet service area biosolids management demands through service area build out.
- To the maximum extent feasible provide sustainable energy generation to minimize IEUA demand for electricity and natural gas from the Southern California Edison (SCE) and the Southern California Gas Company (SCG) grids.



- **Maintain IEUA’s leadership role in developing and providing new water resources and working with other stakeholders in the Chino Basin to maintain the Chino Groundwater Basin aquifer as a suitable source of potable water within its service area.**
- **Identify key water resource supply vulnerabilities and evaluate water supply options that could reduce these vulnerabilities and continue to develop a robust water resource strategy that can adapt and respond to a wide range of possible futures.**
- **Implement an organics diversion program and food waste co-digestion in support of IEUA’s Member Agencies and local businesses in complying with the State’s organics diversion requirements, and the Agency long-term goals of peak power independence and carbon neutrality.**

## 2.4 Record of Proceedings

For purposes of CEQA and these findings, the record before IEUA includes the following:

- The Draft PEIR and all appendices of the Draft PEIR;
- The Final PEIR and all appendices to the Final PEIR;
- The MMRP;
- All notices required by CEQA, staff reports, and presentation materials related to the proposed program;
- All studies conducted for the program and contained in, or referenced by, staff reports, the Draft PEIR, or the Final PEIR;
- All public reports and documents related to the program prepared for IEUA and other agencies;
- All documentary and oral evidence received and reviewed at public hearings, study sessions, and workshops and all transcripts and minutes of those hearings related to the program and the Final PEIR;
- For documentary and informational purposes, all locally adopted land use plans and ordinances, including, without limitation, general plans, specific plans and ordinances, master plans together with environmental review documents, findings, mitigation monitoring programs, and other documentation relevant to planned growth in the area;
- Any additional items not included above if otherwise required by law.

The Final PEIR is incorporated into these findings in its entirety. Without limitation, this incorporation is intended to elaborate on the scope and nature of mitigation measures, the basis for determining the significance of impacts, and the comparative analysis of alternatives.

## 2.5 Custodian and Location of Records

The documents and other materials that constitute the administrative record for the Agency's actions related to the program are located at the Inland Empire Utility Agency Headquarters, 6075 Kimball Avenue, Chino, CA 91708. The Agency is the custodian of the record of proceedings for the program. Copies of these documents, which constitute the record of proceedings, are, and at all relevant times, have been and will be available upon request at the Agency's headquarters. This information is provided in compliance with Public Resources Code Section 21081.6(a)(2) and CEQA Guideline Section 15091(e).

## 3. Environmental Findings

### 3.1 Findings Regarding No Impact and Less than Significant Impacts Identified in the EIR

The PEIR found that the proposed program would have no impacts or less than significant impacts without the imposition of mitigation on a number of environmental topic areas. The no impact or less than significant environmental impact determination was made for each of the following topic areas listed below, based on the more expansive discussions contained in the PEIR.

#### 3.1.1 Project Impacts

##### 3.1.1.1 Aesthetics

- a. **Impact:** The proposed program could have significant effects on a scenic vista.

**Facts in Support of Finding:** The proposed construction activities within the treatment facilities primarily include upgrades, but there is one of the facilities that will be demolished. The treatment facilities include Regional Water Recycling Plant 1 (RP-1), RP-2, RP-4, RP-5, Carbon Canyon Water Recycling Facility (CCWRF), and Inland Empire Regional Composting Facility (IERCF).

The construction of the treatment facility upgrades would require temporary ground-disturbance within existing treatment facilities. The presence of construction equipment and materials would be visible from public vantage points such as open space areas, sidewalks, and streets, but it would not permanently affect designated scenic views or vistas. Thus, impacts would be less than significant.

The construction of the collection system facilities, conveyance systems and ancillary facilities would require temporary ground-disturbance within existing roadway/public ROWs. The presence of construction equipment and materials would be visible from public vantage points such as open space areas, sidewalks, and streets, but it would not affect any scenic views or vistas. Construction of the conveyance pipelines and ancillary facilities would not permanently affect views or scenic vistas. Thus, impacts would be less than significant.

The conveyance pipelines would be placed underground and would not be visible once construction is complete. Implementation of conveyance system upgrades would not alter a scenic vista. The impact to a scenic vista would be less than significant.

The construction of the groundwater recharge basins and extraction facilities would require temporary ground-disturbance within the project sites. The presence of construction equipment and materials would be visible from public vantage points such as open space areas, sidewalks, and streets, but it would not permanently affect designated scenic views or vistas. Thus, impacts would be less than significant.

Operational recharge basins are typically flat, below the ground surface, earthen excavations with berms. Operation of the recharge basins would not obstruct or alter existing view of scenic vistas. The project would include aboveground ancillary facilities associated with the basins. The aboveground ancillary facilities would not be located on a designated scenic vista. The ancillary facilities would be located in areas that are generally flat, and proximate to developed areas. Furthermore, the proposed aboveground ancillary facilities would not have size or massing that significantly reduces views of scenic vistas. Impacts would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon scenic vistas would be less than significant.

- b. **Impact:** The proposed program could have significant impacts related to damage of scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway.

**Facts in Support of Finding:** The proposed treatment facility upgrades would be located within the IEUA service area. Construction activities within the treatment facilities primarily include upgrades. The treatment facilities include Regional Water Recycling Plant 1 (RP-1), RP-2, RP-4, RP-5, Carbon Canyon Water Recycling Facility (CCWRF), and Inland Empire Regional Composting Facility (IERCF). There are no officially-designated State scenic highways or eligible State scenic highways that run adjacent to or near the project areas. Therefore, the project would not impact scenic resources within a State Scenic Highway corridor.

Pipeline installation would occur within existing right-of-ways; however, they could potentially be placed within an eligible scenic highway, or a locally-defined scenic corridor identified in a local General Plan. Pipeline construction activities would progress along the alignment; however, construction would be temporary. Therefore, construction impacts would be less than significant.

Once constructed and repaved or revegetated, the proposed conveyance systems would not detract from the visual quality along an eligible scenic highway, or a locally-defined scenic corridor or route because pipelines would be buried underground. Therefore, there

would be no long-term impacts to these scenic corridors. The impact to locally-defined scenic corridors or routes would be less than significant.

Groundwater recharge and extraction facilities could potentially be placed adjacent to an eligible scenic highway, or a locally-defined scenic corridor identified in a local General Plan. Existing views could be interrupted during construction due to equipment staging and fencing; however, construction would be temporary. Therefore, construction impacts would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon scenic resources within a State Scenic Highway would be less than significant.

- c. **Impact:** The proposed program could degrade the existing visual character or quality of the sites and their surroundings.

**Facts in Support of Finding:** Construction activities associated with treatment facility upgrades would result in short-term impacts to aesthetic resources. Construction activities would require the use of construction equipment and storage of materials within the existing treatment facilities for project components. Excavated areas, stockpiled soils and other materials generated during construction would present negative aesthetic elements to the existing visual landscape. However, these effects would be nominal because they would be located within the existing treatment facilities, and the effects would be temporary and therefore not substantially affect the existing visual character of the surrounding area.

The treatment facility upgrades would be located within existing treatment facilities and would not substantially alter the existing visual character of the site or its surroundings. Further, the projects would not be visually incompatible when viewed with the surrounding urban and developed areas. RP-2 would be demolished, and no new facilities are proposed to be implemented on site. Demolition activities would include placement of soil on the RP-2 site so that the site is relatively flat. Post-demolition, the site would be bare and blend in with the surrounding area of open space. This altered site would not substantially degrade the visual character or quality of the site or surrounding area because the site with no RP-2 facilities would be more compatible with the surrounding open space character compared to the existing RP-2 facilities. Visual character impacts would be less than significant.

Further, the proposed conveyance pipelines would be buried underground; thus, no long-term impacts to the existing visual character or quality of the project sites or surrounding area would occur. Visual character impacts would be less than significant for pipelines.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon visual character would be less than significant.

- d. **Impact:** The proposed program could create new sources of substantial light or glare which could result in significant adverse effects on day or nighttime views in the IEUA service area. A significant impact would occur if the proposed project caused a substantial increase in ambient light levels near light-sensitive land uses such as residential and natural/open space areas.

**Facts in Support of Finding:** Some proposed facility upgrades, primarily proposed for the IERCF, include the addition or expansion of solar panel use. Solar panels could create sources of glare during various times of the day. Proposed upgrades and additions of solar panels to treatment facilities could result in glare impacts on airplanes navigating from airports in the IEUA service area. The proposed facilities would not fall within a Runway Protection Zone (RPZ). Therefore proposed solar panel usage at treatment facilities would result in a less than significant related to the interference with flight paths of local airports.

The conveyance systems would not require nighttime lighting, and they would be placed underground. As a result, there would be no new sources of lighting to the project area. No impacts related to light and glare would occur.

Recharge basins are relatively flat, earthen excavations that are surrounded by earthen berms. Nighttime security lighting could be included with the groundwater recharge facilities; however, due to these facilities being located on relatively flat terrain, potential lighting impacts would be less than significant. The potential for glare from proposed recharge basins containing surface water to affect specific residences and/or viewsheds for short periods of time is low and would not introduce substantial new sources of glare, and therefore, would represent a less than significant impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon light and glare would be less than significant.

### **3.1.1.2 Agriculture and Forestry Resources**

- a. **Impact:** The proposed program could result in significant impacts from the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) as shown on maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency to non-agricultural use.

**Facts in Support of Finding:** The proposed treatment facility upgrades would be located within the existing IEUA assets boundaries: Regional Water Recycling Plant 1 (RP-1), RP-2, RP-4, RP-5, Carbon Canyon Water Recycling Facility (CCWRF), and Inland Empire Regional Composting Facility (IERCF). IEUA assets are located in the Cities of Ontario, Rancho Cucamonga, and Chino; within developed land supporting industrial, commercial, and residential uses. No impact to Prime Farmland, Unique Farmland, or Farmland of Statewide Importance would occur.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon Prime Farmland, Unique Farmland, or Farmland of Statewide Importance would not be significant.

- b. **Impact:** The proposed program could have significant impacts from conflicts with existing zoning for agricultural use, or a Williamson Act Contract.

**Facts in Support of Finding:** According to the City of Chino, City of Ontario, and City of Rancho Cucamonga General Plan Zoning Maps, none of the IEUA assets are located within areas zoned for agriculture (see Figure 3.2-1). Additionally, none of the proposed treatment facility upgrades would conflict with active Williamson Act Contracts. No impacts to agricultural zoning or Williamson Act Contracts would occur.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon agricultural zoning and Williamson Act Contracts would not be significant.

- c. **Impact:** The program would not conflict with existing zoning for, or cause rezoning of, forest land, timberland, or timber land zoned for Timberland Production.

**Facts in Support of the Finding:** The IEUA service area does not include zoning designations for forest land, timberland, or timberland zoned Timberland Production. The IEUA service area borders the San Bernardino National Forest, but it does not overlap with the IEUA service area. All program projects would occur within the IEUA service area.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon zoning or rezoning of Forest or Timberland would not be significant.

- d. **Impact:** The proposed program would not result in the loss of forest land or conversion of forest land to non-forest use.

**Facts in Support of the Finding:** The IEUA service area does not include zoning designations for forest land. The IEUA service area borders the San Bernardino National Forest, but it does not overlap with the IEUA service area. Because none of the FMP projects would be located within forest land, implementation projects would not result in the conversion of forest land to non-forest use. No impact would occur.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon loss or conversion of forest land would not be significant.

- e. **Impact:** The proposed program could have significant effects from conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use.

**Facts in Support of Finding:** The proposed projects would upgrade existing facilities and construct new facilities within the IEUA service area on land that generally consists of industrial, commercial and residential uses. The proposed treatment facilities do not contain agricultural uses and would not result in the conversion of farmland to a non-agricultural use. Therefore, the proposed improvements within the treatment facilities would result in no impacts.

IEUA service area does not have any land use designations or zoning designations for forest land or timberland. The IEUA service area borders the San Bernardino National Forest, but it does not overlap with the IEUA service area. The proposed projects would not result in the loss of forest land or convert forest land to non-forest use. There would be no impact.

Proposed upgrades to existing groundwater recharge such as deepening of recharge basins would not alter existing footprints and would not convert any existing farmlands to non-agricultural use.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon conversion of Farmland to non-agricultural use would not be significant.

### **3.1.1.3 Air Quality and Greenhouse Gas Emissions**

- a. **Impact:** The proposed program would have less than significant effects on implementation of the South Coast Air Quality Management Plan (AQMP) because the program would not conflict with or obstruct implementation of the AQMP.

**Facts in Support of Finding:** In preparation of the AQMP, SCAQMD and SCAG used land use designations contained in General Plan documents to forecast, inventory, and allocate regional emissions from land use and development-related sources. For purposes of analyzing consistency with the AQMP, projects that are consistent with the regional population, housing, and employment forecasts identified by SCAG are considered to be consistent with the AQMP growth projections, since the forecast assumptions by SCAG forms the basis of the land use and transportation control portions of the AQMP. Additionally, since SCAG's regional growth forecasts are based upon, among other things, land uses designated in General Plans, a project that is consistent with the land use designated in a local jurisdiction's General Plan would also be consistent with the SCAG's regional forecast projections, and thus also with the AQMP growth projections.

The proposed program is not a residential or commercial development project and its implementation is not forecast to induce any additional growth within the service area. The proposed IEUA facilities would accommodate demands of planned growth and would not alter the growth projections identified in the General Plans that have jurisdiction within the IEUA service area. The FMPs would not conflict with, or obstruct, implementation of the AQMP, and this impact would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon an Air Quality Management Plan would be less than significant.

- b. **Impact:** The proposed program could result in significant effects associated with the exposure of sensitive receptors to substantial pollutant concentrations.

**Facts in Support of Finding:**

*Localized Construction Air Quality Impacts – Criteria Air Pollutants*

During construction of the proposed projects within the project area, nearby sensitive receptors located offsite from each of the various regional plant construction sites could be exposed to significant adverse localized air quality impacts. The daily onsite construction emissions generated by construction of facilities would not exceed any of SCAQMD's applicable LSTs, and impacts to sensitive receptors would be less than significant.

*Localized Operational Air Quality Impacts – Criteria Air Pollutants*

Operational LSTs, like construction LSTs are only associated with the onsite emission of NO<sub>x</sub>, CO, PM<sub>10</sub> and PM<sub>2.5</sub>. As shown in Table 3.3-7 of the draft PEIR, the minimal emissions associated with these criteria pollutants are generated from the mobile (offsite) emissions resulting from chemical deliveries, maintenance visits, or employees traveling to and from the facilities. Since the operational emissions from the project are negligible, impacts to sensitive receptors would be less than significant.

*Localized Construction Air Quality Impacts – Toxic Air Contaminants*

Intermittent construction activities occurring throughout the project area associated with the proposed project would result in short-term emissions of diesel PM, which is a TAC. During construction of each individual project within the project area, the exhaust of off-road heavy-duty diesel equipment would emit diesel PM during general construction activities, such as site preparation (e.g., excavation, grading, and clearing); paving; installation of utilities, materials transport and handling; building/structure construction; and other miscellaneous activities. The construction period for any of the IEUA projects that would occur in the project area would be finite and less than the 70-year period used for risk determination. Because off-road heavy-duty diesel equipment would be used only temporarily at each construction site, the construction activities associated with the individual projects would not expose sensitive receptors to substantial emissions of TACs. This impact would be less than significant.

*Localized Operational Air Quality Impacts – Toxic Air Contaminants*

The proposed project would not introduce any new stationary sources of TACs, such as diesel-fueled pumps or generators. The operation of the pump stations and treatment



facilities would be powered by electricity, and thus would not emit any TAC emissions. Therefore, the project would not expose surrounding sensitive receptors to TAC emissions. Impacts would be less than significant.

### *CO Hotspots*

Since construction-related traffic would not substantially increase CO concentrations in the project area, CO hotspot impacts to sensitive receptors would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon sensitive receptors would be less than significant.

- c. **Impact:** The proposed program could result in significant effects from the creation of objectionable odors affecting a substantial number of people.

**Facts in Support of Finding:** According to the SCAQMD *CEQA Air Quality Handbook*, land uses associated with odor complaints typically include agricultural uses, wastewater treatment plants, food processing plants, chemical plants, composting, refineries, landfills, dairies, and fiberglass molding.

Construction activities would be required for the installation of proposed improvement upgrades at the existing treatment plant facilities. During the construction phases for each of the improvements, exhaust from construction equipment may produce discernible odors typical of most construction sites. Such odors would be a temporary source of nuisance to adjacent uses, but since they are temporary and intermittent in nature, exhaust odors from construction equipment would not be considered a significant environmental impact.

Operation of the proposed project components in Project Category 2 would include the installation of new pipelines, pump stations, reservoir tanks, and lift stations. Operation of these conveyance systems and ancillary facilities would not result in the development of a typical land use that results in nuisance odors. Therefore, impacts associated with objectionable odors during operation would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon odors from construction and operation of Category 2 projects would be less than significant.

- d. **Impact:** The proposed program would result in less than significant effects associated with greenhouse gas emissions.

**Facts in Support of Finding:** The primary source of GHG emissions attributed to the proposed projects would be from construction over the next 20 years of buildout. It is anticipated that the annual GHG emissions for an individual project would not exceed 10,000 MT/year of CO<sub>2</sub>e. As such, the FMP projects would not generate, either directly

or indirectly, substantial GHG emissions. The proposed program would result in less than significant effects associated with greenhouse gas emissions because the program would not generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon greenhouse gas emissions would be less than significant.

- e. **Impact:** The proposed program would not conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases.

**Facts in Support of Finding:**

*Consistency with AB 32*

The GHG emissions generated by the construction and operation of the proposed program would not exceed the SCAQMD's recommended threshold of 10,000 MTCO<sub>2</sub>e/year for non-industrial projects. The primary source of GHG emissions generated by program implementation would occur during construction, which would be temporary in nature. Additionally, as the program is not a land use project, GHG emissions associated with mobile sources would only occur from periodic vehicle trips by workers for inspection and maintenance purposes, which would not generate substantial emissions. The annual GHG emissions associated with the operation of the facility improvements and pump stations would also generate GHG emissions during the operation of the plan. Consequently, the implementation of the program would not generate substantial amounts of GHG emissions that would hinder the State's ability to achieve AB 32's goal of achieving 1990 levels of GHG emissions by 2020, and this impact would be less than significant.

*Consistency with County of San Bernardino GHG Reduction Plan*

The County adopted its GHG Reduction Plan in 2014. The Plan identifies existing wastewater treatment GHG emissions in the County and estimates that unmitigated emissions would increase by 11 percent by the year 2020. Total wastewater GHG emissions represent 0.5 percent of the total GHG emissions in the County. The Reduction Plan includes the following three wastewater measures: methane capture produced during wastewater treatment processes (Wastewater-1), upgrade and replace wastewater treatment and pumping equipment with more energy efficient equipment (Wastewater-2), and increased use of recycled and treated wastewater for non-potable water demand (Wastewater-3).

IEUA, which serves the cities of Chino, Chino Hills, Fontana, Rancho Cucamonga, Montclair, Upland, and Ontario, already captures 100% of generated methane and combusts 25% of this methane to generate electricity, so the proposed program is consistent with reduction measure Wastewater-1. In addition, the proposed treatment

facility upgrades included in the FMP are consistent with reduction measures Wastewater-2 and Wastewater-3. The proposed program would result in less than significant effects on a greenhouse gas plan because the program would not conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon a plan, policy, or regulation that reduces greenhouse gas emissions would be less than significant.

### 3.1.1.4 Biological Resources

- a. **Impact:** The proposed program could have significant effects on habitat because the program could have a substantial adverse effect on riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the CDFG or USFWS.

**Facts in Support of Finding:** The proposed facility upgrades would occur within the boundaries of the existing facilities. Within the existing boundaries of these facilities, the area is devoid of riparian habitat or other sensitive natural community habitat and contain above ground and below ground structural improvements. The implementation of the upgrades would not have a substantial adverse effect on any riparian habitat or other sensitive natural community habitat. Therefore, the implementation of the upgrades and improvements within Project Category 1 would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon riparian habitat would be less than significant.

- b. **Impact:** The proposed program could have significant effects on wetlands because the program could have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means.

**Facts in Support of Finding:** The proposed facility upgrades would occur within the boundaries of the existing facilities. Within the existing boundaries of these facilities, the area is devoid of federally protected wetlands as defined by Section 404 of the Clean Water Act. The implementation of the upgrades would not have a substantial adverse effect on any wetlands. Therefore, the implementation of the upgrades and improvements within Project Category 1 would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon federally protected wetlands would be less than significant.

- c. **Impact:** The proposed program could have significant effects on the movement of species because the program could interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites.

**Facts in Support of Finding:** Implementation of the proposed treatment facility upgrades would occur within the boundaries of the existing treatment facilities that would not support migratory corridors. The proposed pipelines are anticipated to be located underground and within existing roadway rights-of-way. Therefore, the proposed pipelines would result in a less than significant impact on the movement of native resident or migratory fish or wildlife species or impede the use of migratory wildlife corridors or native wildlife nursery sites.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon wildlife corridors and nursery sites would be less than significant.

- d. **Impact:** The proposed program could have significant effects on a conservation plan because the program could have conflicts with the provisions of an adopted habitat conservation plan, natural community conservation plan, or other approved local, regional, or state habitat conservation plan.

**Facts in Support of Finding:** The implementation of the proposed upgrades at the treatment facilities would not conflict with an adopted habitat or natural community conservation plan because the existing treatment facilities are not included within a habitat or natural community conservation plan.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon conservation plans would not be significant.

### 3.1.1.5 Cultural Resources

- a. **Impact:** The proposed program could have significant and effects on human remains.

**Facts in Support of the Finding:** All projects would subject to state law regarding discovery of human remains, including PRC Section 5097.98 and Health and Safety Code Section 7050.5. If human remains are encountered, IEUA or its contractor shall halt work in the vicinity (within 100 feet) of the find and contact the San Bernardino County Coroner in accordance with PRC Section 5097.98 and Health and Safety Code Section 7050.5. If the County Coroner determines that the remains are Native American, the NAHC will be notified in accordance with Health and Safety Code Section 7050.5, subdivision (c), and PRC Section 5097.98. The NAHC will designate a Most Likely Descendant (MLD) for the remains per PRC Section 5097.98. Until the landowner has conferred with the MLD, IEUA shall ensure that the immediate vicinity where the discovery occurred is not disturbed by further activity, is adequately protected according

to generally accepted cultural or archaeological standards or practices, and that further activities take into account the possibility of multiple burials. Compliance with state law provisions is required and potential impacts to human remains would be less than significant. Adherence to applicable regulations and implementing guidelines related to the inadvertent discovery of human remains would result in less than significant impacts.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon human remains would be less than significant.

### **3.1.1.6 Geology, Soils, and Mineral Resources**

- a. **Impact:** The proposed program could potentially expose people or structures to adverse geologic effects, including the risk of loss, injury or death involving rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map or based on other substantial evidence of a known fault; strong seismic ground shaking; or seismic-related ground failure, including liquefaction or landslides.

#### **Facts in Support of Finding:**

##### *Fault Rupture*

None of the proposed treatment facilities would be within the boundaries of designated Alquist-Priolo Earthquake Fault Zones, so no fault rupture is expected, and no impact would occur. Therefore, the risk of the project exposing people or structures to loss, injury, or death involving rupture of an active earthquake fault would be unlikely, and therefore, no impact would occur.

##### *Seismic Ground Shaking*

The structural elements of projects would undergo appropriate design-level geotechnical evaluations prior to final design and construction as required to comply with the CBC. The geotechnical engineer, as a registered professional with the State of California, is required to comply with the CBC and local codes while applying standard engineering practice and the appropriate standard of care required for projects in the San Bernardino County area. The California Professional Engineers Act (Building and Professions Code Sections 6700-6799), and the Codes of Professional Conduct, as administered by the California Board of Professional Engineers and Land Surveyors, provides the basis for regulating and enforcing engineering practice in California. In addition, the pipelines would be constructed according to industry standards using American Water Works Association (AWWA) guidelines. Compliance with these construction and building safety design standards would reduce potential impacts associated with ground shaking to less than significant.

##### *Landslide*

Landslides and mudflow hazards exist throughout the IEUA service area on steep hillsides and in creek and streambed areas. Though some areas are susceptible to landslides, all treatment facilities are located on flat terrain that would have very low susceptibility to landslides. Therefore, no impacts related to landslides are expected to occur.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon seismic groundshaking, fault rupture, and landslides would be less than significant.

- b. **Impact:** The proposed program would have less than significant effects from soil erosion or the loss of topsoil.

**Facts in Support of the Finding:** To prevent erosion associated with runoff from construction sites for each proposed project, IEUA would be required to prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) in accordance with the requirements of the statewide Construction General Permit (CGP) (SWRCB Water Quality Order 2009-0009-DWQ). The SWPPP would identify best management practices (BMPs) to control erosion, sedimentation, and hazardous materials potentially released from construction sites into surface waters. Compliance with the CGP, required SWPPP, and identified BMPs would ensure soil erosion and loss of topsoil impacts would be reduced to less than significant. Adherence to the SCAQMD Rule 403, CGP, SWPPP, and associated BMPs would ensure that potential soil erosion and loss of topsoil impacts would be minimized to less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon soil erosion or topsoil loss would be less than significant.

- c. **Impact:** The proposed program would have no impact on soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste.

**Facts in Support of the Finding:** Implementation of proposed upgrades would not include facilities that would require the use of septic systems. The majority of facilities would be upgrades to existing infrastructure, wells, pipelines, and other water conveyance facilities that do not require septic systems. There is no planned use of on-site septic systems for the proposed project facilities. The proposed program would have no impact on soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water because the program does not include the use of septic tanks or alternative waste water disposal systems.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon wastewater disposal systems would be less than significant.

- d. **Impact:** The proposed program would have a less than significant impacts on mineral resources because the program would not result in the loss of availability of a known mineral resource that would be of value to the region and residents of the state.

**Facts in Support of the Finding:** The proposed treatment facility upgrades would be constructed within existing IEUA treatment facilities. Regionally significant mineral resources are not known to occur within the existing treatment facilities. Therefore, the proposed upgrades would not prevent the future availability of a known regionally-significant mineral resource to be obtained in other portions of the County. No impact would occur for Project Category 1 activities.

Implementation of the proposed conveyance facilities would be located within existing rights-of-way that would not include areas actively being excavated or prevent areas from being accessed for future extraction of mineral resources. The proposed ancillary facilities such as pump stations would not be large enough to interfere with the exploitation of mineral resources. Therefore, implementation of improvements within Project Category 2 would not result in the loss of availability mineral resource that would be of value to the region and residents of the state. Impacts would be less than significant.

Proposed recharge basins, which could have the largest footprint of any of the proposed IEUA facilities, would not include any ancillary facility that would be large enough to interfere with the exploration of future mineral resources. Additionally if a recharge basin were to be implemented within a mineral resource zone, it would not prohibit the future extraction of mineral resources after the life span of the recharge basin. Therefore, implementation of the proposed facilities would not result in the loss of availability of mineral resource that would be of value to the region and residents of the state. The proposed program would have a less than significant impacts on mineral resources because the program would not result in the loss of availability of a known mineral resource that would be of value to the region and residents of the state.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon mineral resources would be less than significant.

- e. **Impact:** The proposed program would have a less than significant impacts to locally important mineral resources and would not include facilities large enough to interfere with locally important mineral resources recovery sites as delineated on a local general plan, specific plan or other land use plan.

**Facts in Support of the Finding:** Based on the review of the City of Chino, Ontario, and Rancho Cucamonga General Plans, none of the proposed treatment facility sites are located within mineral resources recovery sites that contain locally important minerals.

The facilities implemented under Category 2 would not be large enough to interfere with locally important mineral resources recovery sites. Impacts would be less than significant. Proposed recharge basins, which could have the largest footprint of any of the proposed IEUA facilities, would not include any ancillary facility that would be large enough to interfere with the exploration of future mineral resources. Therefore, implementation of the proposed facilities would not result in the loss of availability of locally important mineral resources. Impacts would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon the loss of mineral resources recovery sites would be less than significant.

### **3.1.1.7 Hazards and Hazardous Materials**

- a. **Impact:** The proposed program would result in less than significant hazards to the public or the environment through the routine transport, use, or disposal of hazardous materials.

**Facts in Support of the Finding:** Compliance with all applicable federal, State and local regulations regarding the handling, storage, transportation, and disposal of hazardous materials would reduce potential impacts to the public or the environment related to the transport, use, or disposal of hazardous materials to less than significant.

The use of hazardous materials and substances during operation would be subject to the federal, state, and local health and safety requirements for the handling, storage, transportation, and disposal of hazardous materials, summarized in the Regulatory Framework. Compliance with these laws would minimize the potential impacts to the public or environment due to routine transport, storage, and use of hazardous materials. Impacts would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon routine use of hazardous materials would be less than significant.

- b. **Impact:** The proposed program would result in less than significant hazards to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

**Facts in Support of the Finding:** IEUA is required to comply with all relevant and applicable federal, state and local laws and regulations that pertain to the accidental release of hazardous materials during construction of proposed facilities such as Health and Safety Code, Section 2550 et seq. Compliance with all applicable federal, state and local regulations would reduce potential impacts to the public or the environment regarding accidental release of hazardous materials to less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's



impacts upon accident conditions involving hazardous materials would be less than significant.

- c. **Impact:** The proposed program would result in less than significant impacts from emitting hazardous emissions or handling hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school.

**Facts in Support of the Finding:** There are no schools within one-quarter mile of the CCWRF, RP-5, RP-2, RP-1, IERCF, and RP-4. Therefore, construction and operation of treatment facilities would not emit hazardous emissions or handle hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school. There would be no impacts.

Due to the potentially extensive nature of facilities associated with implementing the proposed pipelines and ancillary facilities under Project Category 2, it is possible that construction of proposed facilities would occur within one-quarter mile of a school. Compliance with all applicable federal, state and local regulations would reduce potential impacts to the public or the environment regarding hazardous waste emissions within one-quarter mile of a school. Impacts would be less than significant.

Compliance with all applicable federal, state, and local regulations would reduce potential impacts to the public or the environment regarding hazardous waste emissions within one-quarter mile of a school to less than significant levels.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon schools due to release and handling of hazardous materials would be less than significant.

- d. **Impact:** The proposed program could be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, could create significant hazard impacts to the public or the environment.

**Facts in Support of Finding:** The hazardous sites analysis undertaken for this program, including records search on the SWRCB GeoTracker and the DTSC EnviroStor databases, revealed multiple listed and active sites within the IEUA service area, however there are no hazardous waste sites identified within or adjacent to the IEUA treatment facilities' sites. Therefore, construction and operation of treatment facilities' upgrades would not create a hazard to the public or environment. No impacts would occur.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon hazardous materials sites would not be significant.

- e. **Impact:** The proposed program could be located within an airport land use plan or within two miles of a public airport, public use airport, or private airstrip, which could result in significant safety hazards for people residing or working in the project area.

**Facts in Support of Finding:** The following three airports are located within IEUA's service area boundaries: the Chino Airport, the LA/Ontario International Airport, and the Cable Airport in Upland. There are no private airstrips located within the IEUA service area. Project facilities would be located in zones that do not substantially expose short-term construction workers or long-term employees to risks. Impacts would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon treatment facility upgrades being located within an airport land use plan would be less than significant.

- f. **Impact:** The proposed program could impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan, and as a result could result in significant emergency impacts.

**Facts in Support of Finding:** The proposed projects would not impair implementation of or physically interfere with adopted emergency response plans or emergency evacuation plans.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon interference with emergency plans would be less than significant.

- g. **Impact:** The proposed program could have significant wildfire impact on people or structures due to the intermixing of urbanize areas with wildlands.

**Facts in Support of Finding:** Construction within existing IEUA footprints would not increase wildfire risks. Conveyance facilities would distribute recycled and treated water throughout the service area, and these facilities would not be constructed of flammable materials or involve any spark-producing activities. Additionally, all ancillary facilities such as pump stations would be unmanned and would only require routine maintenance, therefore, no people would be exposed to a significant risk involving wildland fires. Operational impacts of the proposed plan facilities would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon wildland fires would be less than significant.

### **3.1.1.8 Hydrology and Water Quality**

- a. **Impact:** The proposed program would have less than significant impacts to water quality standards or waste discharge requirements.

**Facts in Support of the Finding:** IEUA would be required to acquire coverage under the statewide Construction General Permit (CGP) (SWRCB Water Quality Order 2009-0009-DWQ) by complying with the CGP and preparing and implementing a SWPPP. The SWPPP would include BMPs to control erosion, sedimentation, and hazardous materials release from construction sites into surface waters. Compliance with the SWPPP BMPs and other conditions of the CGP and SWPPP would ensure impacts to water quality are less than significant.

Compliance with the NPDES permit would ensure that discharge to all creeks would meet surface water quality objectives. Impacts would be less than significant. The FMP also includes a program to reduce septic system use in the service area. IEUA would expand the collection system to areas not currently served with wastewater collection facilities. Septic leach fields introduce nutrients to the ground that can migrate to the groundwater basin. The reduction of septic system use would improve groundwater quality through the reduction of infiltration from septic systems. There would be no adverse impact to water quality resulting from septic system diversions.

Discharge of the treated effluent into proposed Project Category 3 recharge basins and injection wells would comply with the DDW recycled water regulations contained in Title 22 of the CCR, subject to conditions imposed by the RWQCB pursuant to WRRs and WDRs. Compliance with NPDES discharge regulations with approval from the RWQCB would ensure that the proposed project would not result in significant impacts to surface or groundwater quality.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon water quality standards and waste discharge requirements would be less than significant.

- b. **Impact:** The proposed program could have significant groundwater impacts due to potentially depleting groundwater supplies or interfering with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level.

**Facts in Support of Finding:** The proposed treatment facilities upgrades include expansion and construction of new facilities to increase capacity of wastewater treatment at the IEUA assets. Construction and operation of the proposed projects would have no direct effect on groundwater supplies or interfere with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table. No impact would occur.

The proposed upgrades and expansion of conveyance systems and ancillary facilities such as pump stations would aid in transporting recycled water treated to Title 22 standards to discharge locations, other IEUA assets, recharge basins, or injection wells. Construction and operation of the proposed projects would have no adverse effect on

groundwater supplies or interfere with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table.

Dry weather diversions would not deplete groundwater supplies or substantially reduce annual surface water flows reaching Prado Basin. Impacts would be less than significant. The diversion of leach field infiltration to a centralized recycled water system would be used to meet regional water demands and would not adversely affect groundwater supplies in the region.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon groundwater supplies and recharge would be less than significant.

- c. **Impact:** The proposed program could have significant groundwater impacts due to potentially altering the existing drainage pattern of a site or area, including the alteration of the course of a stream or river, in a manner that would result in substantial erosion, siltation, or flooding on-or off-site.

**Facts in Support of Finding:** The proposed treatment plant facilities would not alter the course of a stream or river. The surface waters located adjacent to CCWRF and RP-1 are concrete-lined channels and thus have a set drainage pattern. Because the channels adjacent to the CCWRF and RP-1 are concrete-lined, no erosion or siltation would occur. The remaining IEUA assets are not adjacent to any streams or river channels, and therefore would not alter the drainage course of a stream or river. No impacts would occur.

The construction of proposed facilities would require activities such as pavement breaking, ditching, excavation and demolition, which would temporarily alter each site's existing ground surface and drainage patterns. Compliance with the CGP, SWPPP, or San Bernardino County MS4 Permit, would require the implementation of BMPs that manage overland runoff from construction sites and establish permanent drainage pathways to stabilized outlets. With implementation of such BMPs and compliance with conditions of required permits governing storm water runoff from construction sites, potential onsite and offsite flooding impacts would be reduced to less than significant levels and discharges from construction sites would not exceed the capacity of existing storm water drainage systems. Erosion or siltation from construction sites also would be minimized to less than significant levels.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon drainage patterns due to construction of program facilities would be less than significant.

- d. **Impact:** The proposed program would not place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other authoritative flood hazard delineation map.

**Facts in Support of the Finding:** RP-2 is located within a 100-year flood hazard area; however, this treatment plant would be demolished over time and would not expose people to substantial risk regarding flooding. Furthermore, no housing is proposed for the FMP projects, therefore, the proposed projects would not place any housing within a 100-year flood hazard area. No impacts would occur.

Portions of the IEUA service area are within a 100-year flood zone. However, the proposed program involves the construction of treatment facilities, conveyance systems, and groundwater recharge facilities; no housing is proposed as part of the program, and the program facilities would not displace any existing housing such that replacement housing would be developed in a flood zone. There would be no impact related to the placement of housing within a 100-year flood zone.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon placing housing within flood hazard areas would not be significant.

- e. **Impact:** The proposed program could have significant flooding impacts on structures because the program could place within a 100-year flood hazard area structures that could impede or redirect flood flows.

**Facts in Support of Finding:** RP-2 is the only IEUA asset located within a 100-year flood zone. However, RP-2 would be demolished over the next 20 years and therefore, the proposed projects located at that treatment plant would not place any structure within a 100-year flood hazard zone that could impede or redirect flows. All other treatment facilities upgrades would be implemented outside of a 100-year flood zone. There would be no impact.

The proposed recharge basins could be located within a 100-year flood zone. The recharge basins could impede and potentially redirect flood flows. However, the recharge basins would increase the capacity of stormwater percolation and reduce the velocity of downstream flows, thereby resulting in a less than significant environmental effect.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon placing structures within flood hazard areas would be less than significant.

- f. **Impact:** The proposed program would have less than significant impacts regarding the exposure of people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.

**Facts in Support of the Finding:** All of IEUA assets are located outside of dam inundation zones, therefore flood impacts to those facilities and employees would not be significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon levee or dam failure would be less than significant.

- g. **Impact:** The proposed program would have not expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow.

**Facts in Support of the Finding:** In general, the proposed FMP projects would be located in relatively flat areas that would not be susceptible to mudflows. Furthermore, none of the proposed projects would be located near the coast. The IEUA service area is located 25 miles east of the Pacific Ocean; therefore impacts related to tsunamis would not result. None of the proposed facilities would be located adjacent to any large standing water bodies that could experience a seiche.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon a seiche, tsunami or mudflows would not be significant.

### **3.1.1.9 Land Use and Planning**

- a. **Impact:** The proposed program would not physically divide an established community.

**Facts in Support of the Finding:** The program does not propose any action that could physically divide an established community. The physical division of an established community generally refers to the construction of features such as an interstate highway, railroad tracks, or permanent removal of a means of access, such as a local road or bridge that would impact mobility within an existing community or between a community and outlying area.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon dividing an established community would not be significant.

- b. **Impact:** The proposed program would have a less than significant impacts associated with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project.

**Facts in Support of the Finding:** Treatment facility upgrades would be located within existing treatment plants designated for this use. All facility upgrades would be consistent with the character of the existing facility and would not substantially alter the existing character of the facilities. Pipelines and ancillary facilities would be installed primarily within or adjacent to public rights-of-way to the extent feasible and would not conflict

with land use designations or be incompatible with neighboring land uses. Per Government Code Section 53091, building ordinances of local cities or counties do not apply to the location or construction of facilities for the projection, generation, storage, treatment, or transmission of water or wastewater. IEUA would determine the most suitable locations to place facilities, taking into consideration surrounding land uses. IEUA would coordinate directly with local agencies with jurisdiction to ensure compatibility with existing adjacent land uses. Therefore, impacts would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon conflicts with applicable plans, policies, or regulations would be less than significant.

### **3.1.1.10 Noise**

- a. **Impact:** The proposed program could have significant impacts on the exposure of persons to or generation of, noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.

**Facts in Support of Finding:** All treatment plant facility upgrades would be installed and implemented within the existing treatment plant footprints. Construction noise standards and/or regulations that would apply to each of the FMP projects would depend on the cities of Chino, Ontario, and Rancho Cucamonga. Noise during construction of treatment facilities may exceed local construction noise standards or violate local construction noise regulations.

Based on the information presented in Table 3.10-9 of the Draft PEIR, the closest sensitive receptor to the treatment plants are residents located 420 feet west of the Carbon Canyon Water Recycling Facility (CCWRF). This distance is far enough away that the residents would not be impacted by excessive noise, particularly since construction activities would occur during daylight hours. Furthermore, the remaining five treatment plants are located far enough away from sensitive receptors that no significant noise level impacts would occur during construction. As such, impacts would be less than significant.

Once construction of a proposed treatment facility upgrades has been completed, the surrounding off-site land uses would be exposed to operational noise levels generated by the new aboveground facilities. Treatment facilities have the potential to generate the most operational noise due to operation of heating, ventilating, and air conditioning (HVAC) equipment and other mechanical equipment such as fans, pumps, air compressors, chillers, turbines, etc. However, the new facilities would be designed to meet acoustic performance criteria that would comply with the local ambient noise standards at the facility fence-line for a stationary noise source. Furthermore, sensitive receptors are located far enough away from the treatment facilities such that noise levels increases would not be experienced. Impacts would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon exceedance of established noise standards from treatment plant facility upgrades would be less than significant.

- b. **Impact:** The proposed program could have significant impacts on persons and structures from ground-borne vibration or ground-borne noise levels.

**Facts in Support of Finding:** The closest sensitive receptor to the treatment plants are far enough away that the residents would not be impacted by vibration levels or ground-borne noise levels that would result in building damage or human annoyance. No impacts would occur.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon exposure to vibration levels would be less than significant.

- c. **Impact:** The proposed program could have a significant permanent increase in ambient noise levels in the project vicinity above levels existing without the project.

**Facts in Support of Finding:** The proposed improvements to treatment facilities would comply with local noise standards during operations. As seen in Table 3.10-9, sensitive receptors are located far enough away from treatment plant facilities that no increases of operational noise would be experienced by the receptors. Thus, the project's operational noise would not increase ambient noise levels at nearby noise-sensitive receptors. No impact would occur.

The traffic volumes associated with the projects would generally be minimal. Worker trips to the pump stations and injection and extraction wells would be required for inspection and maintenance purposes and these visits would only occur periodically throughout the month. These periodic trips are not expected to result in a doubling of traffic volumes on the local roadways; therefore the noise impacts associated with the project's operational traffic noise levels would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon permanent increase in ambient noise levels would be less than significant.

- d. **Impact:** The proposed program could have a significant temporary or periodic increase in ambient noise levels in the project vicinity above existing levels existing without the project.

**Facts in Support of Finding:** Sensitive receptors are located far enough away from treatment plant facilities that no construction noise would be heard from the receptors. Thus, the project's construction noise would not temporarily increase ambient noise levels at nearby noise-sensitive receptors. No impact would occur.



In addition to noise levels generated at construction sites, construction-related traffic volumes on local roadways would also raise the ambient noise levels along haul routes, depending on the number of haul trips made and types of vehicles used. Consequently, noise-sensitive land uses that front or are located in proximity to these roadways would be exposed to increased ambient noise levels. However, due to the urban environment of the project area, the local roadway networks would be expected to consist of existing high traffic volumes that result in existing high traffic noise levels. As the project's construction traffic for each project is not expected to result in a doubling of traffic volumes on a local roadway, the noise impacts associated with the project's construction traffic noise levels would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon temporary increases in ambient noise levels for treatment facility upgrades and operation of pipelines would be less than significant.

- e. **Impact:** The proposed program would have less than significant noise level impacts on people residing or working within two miles of a public airport, public use airport, or private airstrip.

**Facts in Support of Finding:** The City of Chino Airport is located approximately 1.7 miles southwest of RP-2; 1.7 miles west of RP-5; and 2.6 miles northwest of CCWRF. The City of Ontario International Airport is located approximately 1.7 miles north of RP-1. Furthermore, there are no treatment facilities that require full time employees within 2 miles of the Cable Airport.

All full-time employees would be at least a 1.5 miles away from the three airports. Employees may occasionally hear airplanes pass by overhead; however the employees would not be exposed to substantial, long-term airport-related noise. Therefore the proposed projects would not expose persons to excessive airport-related noise levels. Exposure to airport noise would be a less than significant impact.

Proposed pipelines, pump stations, recharge basins, or wells could be constructed and operated within 2 miles of an airport. There would be no habitable structures proposed for these facilities. Furthermore, maintenance and inspection of the proposed pipelines and ancillary facilities would be minimal during project operations. Therefore the proposed projects would not expose persons to excessive airport-related noise levels. Exposure to airport noise would be a less than significant impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon public airport noise would be less than significant.

### 3.1.1.11 Population and Housing

- a. **Impact:** The proposed program would have less than significant population growth inducement impacts.

**Facts in Support of the Finding:** The proposed FMP does not include construction of new homes or businesses that would result in a direct increase in population or create a substantial numbers of jobs. Upgrading of public services to meet modern standards of efficiency, water supply reliability, and public health would occur irrespective of growth rates in the service area. Therefore, the implementation of the proposed facilities would result in less than significant impacts related to indirect inducement of population growth.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon population growth would be less than significant.

- b. **Impact:** The proposed program would have less than significant impacts to housing and would not displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.

**Facts in Support of the Finding:** The proposed improvements to the treatment facilities do not include the demolition of any dwelling units. The improvements would be constructed within the existing treatment plant boundaries, and there are no existing dwelling units within the existing facilities. Therefore, the project would have no impact with regard to the displacement of existing housing units, nor would it necessitate the construction of replacement housing elsewhere.

The project includes the construction of pipelines within existing rights-of-way (ROWs) and ancillary facilities adjacent to the proposed pipelines. The implementation of pipelines and ancillary facilities could result in the removal of a limited amount existing housing units. Therefore, the proposed pipelines and ancillary facilities would have a less than significant impact with regard to the displacement of existing housing units.

Impacts would be the same for Project Category 3 projects. Given the amount of future housing forecast to be developed over the next 25 years, the proposed project would not necessitate the construction of replacement housing elsewhere.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon displacement of housing would not be significant.

- c. **Impact:** The proposed program would not displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

**Facts in Support of Finding:** The proposed FMP would not displace any housing; it also would not displace people or any other structures that are occupied by people.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon displacement of people would not be significant.

### **3.1.1.12 Public Services**

- a. **Impact:** The proposed program would have no impact associated with the provision of, or the need for, new or physically altered police or fire protection facilities, the construction of which could cause environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for fire and police services.

**Facts in Support of the Finding:** The proposed treatment facility upgrades do not include new fire departments, police stations or expansion of existing fire and police protection facilities. The facility upgrades would not directly induce substantial population growth in the IEUA service area. The implementation of the proposed pipelines and ancillary facilities would not result in a permanent increase in employees; however, construction activities would increase temporary employees. Employment opportunities associated with the construction activities would be temporary, are assumed to be filled by the local economy based on the available unemployed population, and is not forecast to result in the demand for housing. Because the proposed improvements would not result in the permanent increase in residences or population, no increase in the need for new fire or police protection facilities would occur. As a result, no environmental effects would occur because construction of a new police or fire facility would not be required.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon fire and police protection would not be significant.

- b. **Impact:** The proposed program would have no impact associated with the provision of, or the need for, new school facilities, the construction of which could cause environmental impacts, in order to maintain acceptable performance objectives for the school district.

**Facts in Support of Finding:** The proposed treatment facility upgrades would not directly induce substantial population growth in the IEUA service area. Approximately 35 new fulltime employees would be required to operate facility components. As a worst-case assumption, the 35 new employees could result in the demand for 35 new housing units that could generate school-age children. This potential increase in students would be considered nominal and would not require new schools in order to maintain acceptable performance objectives. Because the project would not require the construction of new schools, no environmental effects from school construction would occur.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon schools would not be significant.

- c. **Impact:** The proposed program could have significant physical impacts associated with the provision of, or the need for, new or physically altered parks and recreation facilities, the construction of which could cause environmental impacts, in order to maintain acceptable performance objectives for parks and recreation.

**Facts in Support of Finding:** The proposed treatment facility upgrades would not interfere with or have direct adverse impacts on parks because the proposed upgrades would occur within the existing treatment plants and the existing treatment plants do not include any park or recreation facilities. The proposed upgrades could indirectly increase the use of park facilities within the IEUA service area because the proposed upgrades could result in the need for approximately 35 new employees. As a worst-case assumption, the 35 new employees could result in the demand for 35 new housing units. An increased demand of 35 new housing units are within the housing projections anticipated to accommodate the population growth expected to occur within the IEUA service area. This increase would be nominal in the context of the 25 year forecast for background population growth within the IEUA service area and would not trigger the need for new or altered parks and recreational facilities to maintain acceptable performance objectives. Because the project would not require the construction of new park and recreational facilities, no environmental effects from park and recreational facility construction would occur.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon parks and other facilities from treatment facility upgrades would not be significant.

### **3.1.1.13 Recreation**

- a. **Impact:** The proposed program would have less than significant park impacts from the increased use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated

**Facts in Support of the Finding:** The proposed facility upgrades would be placed within existing facilities and would not result in substantial adverse physical impacts to any neighborhood parks, regional parks, or other recreational facilities. The project would not substantially induce population growth, such as a residential housing project that would result in impacts to recreational facilities due to increased use. The proposed facilities would not increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated. Impacts would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon increased use of recreational facilities would not be significant.

- b. **Impact:** The proposed program could have significant impacts on recreational facilities thus require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment.

**Facts in Support of Finding:** The proposed treatment facility upgrades would be located within existing treatment facilities. These existing facilities do not include any park or recreational facilities. Therefore, the improvements proposed within the existing treatment facilities would not impact existing parks or recreational facilities. Because the proposed improvements would not physically impact existing parks or recreational facilities, no new or expanded park or recreational facility would be required with the implementation of the proposed facilities. Therefore, no physical effect on the environment would occur related to new or expanded park or recreational facilities because the proposed improvements would not require new or expanded park or recreational facilities.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon recreational facilities physical effect on the environment from treatment facility upgrades would not be significant.

### 3.1.1.14 Utilities

- a. **Impact:** The proposed program would have a less than significant effects regarding wastewater treatment requirements of the applicable Regional Water Quality Control Board.

**Facts in Support of Finding:** The project would include future upgrades at existing treatment facilities. The discharge of tertiary-treated effluent treated to Title 22 levels from the existing treatment plants are currently subject to waste discharge requirements regulated by the SARWQCB under Order No. R8-2015-0036, Waste Discharge Requirements and Master Reclamation Permit for Inland Empire Utility Agency Regional Water Recycling Facilities Surface Water Discharges and Recycled Water Use. Effluent quality standards require tertiary treatment with filters and disinfection equivalent to Title 22 requirements for recycled water, due to the use of the receiving water for recreation. The proposed upgrades would comply with the provisions of the Order. The treatment facility upgrades would be designed to comply with the applicable treatment and discharge requirements of Order No. R8-2015-0036. Compliance with permit limitations would ensure that impacts would be less than significant.

Compliance with the requirements and conditions of the Title 22 Engineering Report, WDRs, and WRRs would ensure that the proposed project does not exceed wastewater

treatment requirements of the SARWQCB. Impacts would be considered less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, IEUA hereby finds that the program's impacts upon wastewater treatment requires would be less than significant.

- b. **Impact:** The proposed program would have no impacts associated with the need for construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause environmental effects, in order to maintain acceptable service.

**Facts in Support of Finding:** The proposed facilities within Project Category 1 would include the construction or expansion of existing IEUA treatment plant facilities. Construction workers would temporarily require use of portable sanitary units during construction of the proposed projects. Wastewater generated and the demand for water during construction of the proposed projects would be minimal and would not require the construction of new water or wastewater treatment facilities. Because construction of new or expanded facilities is not required to accommodate the FMP projects; there would be no construction impacts associated with the provision of these facilities to serve the FMP projects.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon water or wastewater treatment facilities would not be significant

- c. **Impact:** The proposed program would have less than significant effects from new or expanded water supply resources or entitlements.

**Facts in Support of Finding:** Water demand and water supply are expected to increase incrementally from 2016 through 2035. The FMP projects are specifically designed to provide a more efficient and effective program for managing water resources within the IEUA service area. Implementation of the project would serve to meet the existing and future demand of development for the service area. The project is not forecast to create substantial growth or demand for new connections that would place additional demand on the existing water supply system that beyond that anticipated in the individual jurisdictions' General Plans. Impacts to water supply resulting from project implementation would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon water supplies would be less than significant.

- d. **Impact:** The proposed program would have less than significant effects on wastewater treatment capacity.

**Facts in Support of the Finding:** The project would upgrade existing treatment facilities. Wastewater generated during construction and operation of the proposed facilities would be minimal; therefore, impacts related to available wastewater treatment capacity would be less than significant

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon wastewater treatment capacity would be less than significant.

- e. **Impact:** The proposed program would have less than significant impacts on solid waste disposal facilities.

**Facts in Support of Finding:** Each of the improvements and demolition activities would include the preparation of a construction and demolition solid waste management plan as required by San Bernardino County for all new construction projects (County of San Bernardino, 2016). The plan would demonstrate a minimum of 50 percent diversion of construction building materials and demolition debris from landfills through reuse or recycling. Operation the proposed treatment facilities would generate additional biosolids as a byproduct of the wastewater treatment process. These biosolids would be sent to IEUA Biosolids Handling Facilities at RP-5, once relocated from RP-2, and the IERCF to be reused as soil amendments, or would be disposed of at appropriate landfills similar to existing operations conducted at IEUA treatment facilities. The proposed facility upgrades would not substantially increase the amount of biosolids generated in the region.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon landfill capacity would be less than significant.

- f. **Impact:** The proposed program would have less than significant effects associated with solid waste federal, state, and local statutes and regulations.

**Facts in Support of Finding:** The proposed projects would comply with all city and County construction and demolition requirements during construction of the proposed facilities as described above in the regulatory setting. All excavated soil would be hauled offsite by truck to an appropriately permitted solid waste facility. The daily amount of soil to be disposed per day would not exceed the maximum permitted throughput for each waste type (i.e., non-hazardous and hazardous). It is possible that soil disposal for one day could consist of one type (non-hazardous and hazardous). Based on this, there would be adequate maximum permitted daily throughput for each category. The proposed project would be in compliance with all federal, State, and local statutes related to solid waste disposal. Therefore, the proposed project would result in less than significant construction impacts.

The cities and County in which the project would be located are required to comply with the California Integrated Waste Management Act of 1989, requiring diversion of solid

waste from landfills through reuse and recycling. The project would be required to recycle during its operation.

Impacts for Project category 2 and 3 projects would be the same. Project impacts related to potential noncompliance with solid waste statutes and regulations would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's impacts upon compliance with solid waste regulations and statutes would be less than significant.

### 3.1.2 Cumulative Impacts

#### 3.1.2.1 Agriculture and Forestry Resources

- a. **Impact:** The proposed program would have no cumulative impact on existing zoning, or cause rezoning of, forest land, timberland, or timberland zoned Timberland Production.

**Facts in Support of the Finding:** The proposed projects would not conflict with existing zoning for, or cause rezoning of, forest land, timberland, or timberland zoned Timberland Production; and therefore would not contribute to any cumulative effect on forest or timberland.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon existing zoning for forest land and timberland would not be significant.

- b. **Impact:** The proposed program would have no contribution to cumulative impacts regarding the loss of forest land or conversion of forest land to non-forest use.

**Facts in Support of the Finding:** There is no forest land within the IEUA service area. The proposed FMP projects would not result in a loss of forest land or conversion of forest land to non-forest use, therefore, the FMP would not cumulatively contribute to the loss of forest land or conversion of forest land. Therefore, the FMP would result in no cumulative impacts.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon loss or conversions of forest land would not be significant.



### 3.1.2.2 Air Quality and Greenhouse Gas Emissions

- a. **Impact:** The proposed program would have less than cumulatively considerable effects on implementation of the South Coast Air Quality Management Plan (AQMP) because the program would not conflict with or obstruct implementation of the AQMP.

**Facts in Support of the Finding:** Future cumulative development in the IEUA service area could introduce land uses that could induce growth, such as residential or commercial developments, and could be inconsistent with a city's or county general plan. Therefore, cumulative development has a potential to impact growth projections and thus the AQMP. Cumulative impacts on the AQMP could be cumulatively significant. Because the proposed FMP projects would not induce growth or conflict with the implementation of the AQMP, the project's contribution to cumulative impacts associated with the AQMP would be less than cumulatively considerable.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon the SCAQMD Plan would be less than significant.

- b. **Impact:** The proposed program would result in less than cumulatively considerable effects associated with greenhouse gas emissions because the program would not generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment.

**Facts in Support of Finding:** The increased concentration of GHGs in the atmosphere has been linked to global warming, which can lead to climate change. Construction and operation of the proposed projects would incrementally contribute to GHG emissions along with past, present and future activities. As such, impacts of GHG emissions are analyzed on a cumulative basis.

Given that the primary source of GHG emissions attributed to the proposed projects would be from construction over the next 20 years of buildout, it is anticipated that the annual GHG emissions for an individual project would not exceed 10,000 MT/year of CO<sub>2</sub>e. As such, the FMP projects would not generate, either directly or indirectly, substantial GHG emissions. Because the FMP projects would not generate substantial GHG emissions, the program would have no considerable contribution to cumulative effects to GHG emissions.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon greenhouse gas emissions would be less than significant.

- c. **Impact:** The proposed program would result in less than cumulatively considerable effects on a greenhouse gas plan because the program would not conflict with an

applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases.

**Facts in Support of Finding:** Implementation of cumulative development could result in the generation of GHG emissions. Cumulative development could exceed the GHG thresholds and could conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases. Because the proposed facilities associated with the project categories would be consistent with all relevant GHG reduction plans and policies, the project's contribution to cumulative GHG reduction plans and policies impacts would be less than cumulatively considerable. Therefore, the project's cumulative impacts would be less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon greenhouse gas emissions plans, policies, or regulations would be less than significant.

### **3.1.2.3 Cultural Resources**

- a. **Impact:** The proposed program could have cumulatively considerable effects on human remains because the program could disturb human remains.

**Facts in Support of Finding:** The IEUA service area is largely urbanized with residential, commercial, and industrial development. As the service area continues to develop, it is possible, but unlikely, that construction activities could impact unknown human remains. However, since the treatment of human resources is governed by Public Resources Code Section 5097.98 and Health and Safety Code Section 7050.5, the cumulative potential to impact human remains would be less than significant. Therefore, the implementation of the project would result in less than cumulatively considerable impacts to human remains.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon human remains would be less than significant.

### **3.1.2.4 Geology, Soils, and Mineral Resources**

- a. **Impact:** The proposed program would have less than cumulatively considerable effects from soil erosion or the loss of topsoil.

**Facts in Support of Finding:** Future cumulative development has the potential to experience substantial soil runoff and wind erosion impacts within the IEUA service area; however, each project would be required to comply with the CGP and/or the MS4 Permit. Therefore, cumulative development would not result in a significant loss of topsoil or soil erosion.

Because the proposed FMP projects would not result in substantial soil erosion or the loss of topsoil, the project's contribution to cumulative impacts associated with soil erosion or topsoil loss would be less than cumulatively considerable. Therefore, the project would result in a less than cumulatively considerable impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon soil erosion or topsoil loss would be less than significant.

- b. **Impact:** The proposed program would have no contribution to cumulative impacts on soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water because the program does not include the use of septic tanks or alternative waste water disposal systems.

**Facts in Support of Finding:** Although most future cumulative development is anticipated to use traditional wastewater disposal systems (i.e., sewer pipelines), there may be some future cumulative development that includes septic tanks or alternative waste water disposal systems. The future development that may use septic systems may experience significant impacts associated with soils that are not capable of supporting the use of septic tanks. The proposed FMP projects would not result in impacts associated with soils incapable of supporting the use of septic tanks.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon wastewater disposal systems would not be significant.

- c. **Impact:** The proposed program would have less than cumulatively considerable impacts on mineral resources because the program would not result in the loss of availability of a known mineral resource that would be of value to the region and residents of the state.

**Facts in Support of Finding:** Future cumulative development could be located in areas known to contain regionally significant mineral resources that would be of value to the region and the residents of the state. Therefore, cumulative development could result in significant mineral impacts. The proposed FMP projects would not result in impacts to regionally significant minerals.

Because the proposed FMP projects would result in less than significant impacts to regionally-significant mineral resources, the project's contribution to cumulative impacts would be less than cumulatively considerable. Therefore, the proposed projects' cumulative impact on mineral resources is less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon mineral resources would be less than significant.

- d. **Impact:** The proposed program would have less than cumulatively considerable impacts to locally important mineral resources and would not interfere with locally important mineral resources recovery sites delineated on a local general plan, specific plan or other land use plan.

**Facts in Support of Finding:** Future cumulative development could be located in areas known to contain locally important mineral resources. Therefore, cumulative development could result in significant mineral impacts. Because the proposed FMP projects would result in less than significant impacts to locally important mineral resources, the project's contribution to cumulative impacts would be less than cumulatively considerable. Therefore, the proposed projects' cumulative impact on locally important mineral resources is less than significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon mineral resources recovery site would be less than significant.

### **3.1.2.5 Hazards and Hazardous Materials**

- a. **Impact:** The proposed program would have less than cumulatively considerable hazards to the public or the environment through the routine transport, use, or disposal of hazardous materials.

**Facts in Support of Finding:** The IEUA service area is largely urbanized with residential, commercial, and industrial uses. As the service area continues to develop, the addition of more development could create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials. All cumulative development would be subject to federal, State, and local regulations related to the routine transportation, use, storage, and disposal of hazardous materials.

Since the proposed FMP projects would result in less than significant impacts related to the routine handling, use or disposal of hazardous materials, the projects' contributions to such impacts would be less than cumulatively considerable and therefore, would result in a less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon routine use of hazardous materials would be less than significant.

- b. **Impact:** The proposed program would have less than cumulatively considerable hazards to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

**Facts in Support of Finding:** The IEUA service area is largely urbanized with residential, commercial, and industrial development. As the service area continues to develop, the addition of more development could create hazards to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. All cumulative development would be subject to federal, State, and local regulations related to the routine transportation, use, storage, and disposal of hazardous materials.

Since the proposed FMP projects would result in less than significant impacts related to accident conditions, the projects' contributions to such impacts would be less than cumulatively considerable and therefore, would result in a less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon accidental release of hazardous materials would be less than significant.

- c. **Impact:** The proposed program would have less than cumulatively considerable impacts from emitting hazardous emissions or handling hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school.

**Facts in Support of Finding:** The IEUA service area is largely urbanized with residential, commercial, and industrial development. As the service area continues to develop, emit hazardous emissions or handle hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school. All cumulative development would be subject to federal, State, and local regulations related to the routine transportation, use, storage, and disposal of hazardous materials.

Since the proposed FMP projects would not result in potentially significant impacts related to releasing hazardous emissions or materials within one quarter-mile of a school, the projects' contributions to such impacts would be less than cumulatively considerable and therefore, would result in a less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon schools from release of hazardous materials would be less than significant.

### 3.1.2.6 Hydrology and Water Quality

- a. **Impact:** The proposed program would have less the cumulatively considerable water quality impacts when compared to water quality standards or waste discharge requirements.

**Facts in Support of Finding:** Concurrent construction of development within the IEUA service area could result in temporary impacts to surface hydrology and water quality. All other related projects would be subject to the same federal, State, and local regulations regarding implementation of BMPs under the CGP, SWPPP, and San Bernardino County MS4 Permits. Therefore, cumulative development would not result in a violation of water quality standards, waste discharge requirements, or otherwise substantially degrade water quality.

Because the proposed FMP projects would not result in significant impacts, the project's contribution to cumulative impacts associated with violation of water quality standards, waste discharge requirements, or degradation of water quality would be less than cumulatively considerable. Therefore, the project would result in a less than cumulatively significant impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon water quality standards and waste discharge requirements would be less than significant.

- b. **Impact:** The proposed program would not contribute to cumulative flooding impacts on housing because the program would not place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other authoritative flood hazard delineation map.

**Facts in Support of Finding:** Future cumulative development could place housing within a 100-year flood hazard area. Because the proposed FMP projects do not propose housing, the project's contribution to cumulative impacts associated with placing housing within a 100-year flood hazard zone would not be cumulatively considerable. Therefore, the project would result in no cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon placing housing within flood hazard areas would not be significant.

- c. **Impact:** The proposed program would have less than cumulatively considerable exposure of people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.

**Facts in Support of Finding:** Future cumulative development could expose people or structures to a significant risk of loss, injury or death involving flooding, including

flooding as a result of the failure of a levee or dam. Because the proposed FMP projects would not involve physical interference with or disturbance to Prado Dam and would not put employees or structures at significant risk, the project's contribution to cumulative impacts would be cumulatively considerable. Therefore, the project would result in a potentially cumulative significant impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon levee or dam failure would be less than significant.

- d. **Impact:** The proposed program would have no contribution to cumulative impacts from the exposure of people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow.

**Facts in Support of Finding:** Future cumulative development could expose people or structures to a significant risk of loss, injury, or death involving inundation by seiche, tsunami, or mudflow. Because the proposed FMP projects would not expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow do not propose housing, the project's contribution to cumulative impacts would not be cumulatively considerable. Therefore, the project would result in no cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon seiches, tsunamis, or mudflows would not be significant.

### 3.1.2.7 Land Use and Planning

- a. **Impact:** The proposed program would not contribute to cumulative community impacts from physically dividing an established community.

**Facts in Support of Finding:** Future cumulative development could result in the division of established communities within the IEUA service area. The future cumulative division of communities could represent a significant cumulative impact. Because the proposed FMP improvements would not include features with the potential to divide a community, the FMP projects would not contribute to potential cumulative impacts on physical community division, and therefore, there would be no cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon features that may divide an established community would not be significant.

- b. **Impact:** The proposed program would have less than cumulatively considerable environmental impacts associated with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the project.

**Facts in Support of Finding:** Future cumulative development within the IEUA service area could conflict with applicable land use plans, policies, or regulations of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect. Therefore, cumulative development within the IEUA service area could result in significant cumulative environmental effects due to land use incompatibilities and conflicts with land use plans, policies or regulations.

**Finding:** Because the potential land use impacts associated with the implementation of the FMP projects would be less than significant, the project's contribution to cumulative land use impacts would be less than cumulatively considerable and thus a less than significant cumulative land use impact would occur.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon a land use plan, policy or regulation would be less than significant.

### **3.1.2.8 Noise**

- a. **Impact:** The proposed program would have less than cumulatively considerable noise level impacts on people residing or working within two miles of a public airport, public use airport, or private airstrip.

**Facts in Support of Finding:** Future cumulative development could expose people residing or working within two miles of a public airport, public use airport, or private airstrip to excessive noise levels within the IEUA service area. Because the proposed FMP improvements would not expose people to excessive noise levels regarding airport noise, the project's contribution to cumulative impacts on exposure of people to airport related noise would not be cumulatively considerable, and thus would result in no significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon people residing or working within proximity of public airports would not be significant.

### **3.1.2.9 Population and Housing**

- a. **Impact:** The proposed program would have less than cumulatively considerable population growth inducement impacts.



**Facts in Support of Finding:** The IEUA FMP would contribute to the cumulative construction of public services and utilities by local jurisdictions within the IEUA service area and by other agencies within the greater Inland Empire region. The region is anticipating significant population growth. However, since IEUA has no control over land use designations or growth within its service area, the implementation of the FMP would not directly or indirectly induce population growth. The proposed FMP's contribution to population growth inducement would be less than cumulatively considerable, and thus a less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon population would be less than significant.

- b. **Impact:** The proposed program would have less than cumulatively considerable impacts to housing and would not displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere.

**Facts in Support of Finding:** Future cumulative development could result in displacement of housing necessitating the construction of replacement housing elsewhere. The future cumulative displacement of housing could represent a significant impact. Because the proposed FMP improvements would not displace a substantial amount of existing housing nor would the FMP replace housing elsewhere, project's contribution to cumulative impacts on housing displacement would be less than cumulatively considerable, and thus less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon housing would be less than significant.

- c. **Impact:** The proposed program would have no contribution to cumulative impacts from the displacement of substantial numbers of people, necessitating the construction of replacement housing elsewhere.

**Facts in Support of Finding:** Future cumulative development could result in displacement of housing and people necessitating the construction of replacement housing elsewhere. Because the proposed FMP projects would not displace existing housing or people, nor would the FMP replace housing elsewhere, the project would not contribute to cumulative impacts on displacement of people, and thus the project would have no cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon the displacement of people or housing would not be significant.

### 3.1.2.10 Public Services

- a. **Impact:** The proposed program would have no contribution to cumulative physical impacts associated with the provision of, or the need for, new or physically altered police or fire protection facilities, the construction of which could cause environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for fire and police services.

**Facts in Support of Finding:** The cumulative analysis for impacts to public services involves the projected growth of the IEUA service area. It is projected that the Inland Empire will experience substantial growth within the next 25 years, resulting in development of commercial, industrial, and residential land uses. As cumulative development occurs, the IEUA service area may experience substantial increases in the demand for fire and police protection services, including personnel, equipment, and/or facilities. Substantial increases in the demand for these services could result in the need for new police and fire facilities. Depending on the location of the new police and fire facilities, there could be significant impacts from the construction and operation of new facilities. Because the locations of new facilities are unknown, the impacts are speculative. However, for this analysis, it is assumed that cumulative development could result in significant environmental impacts from the construction and operation of new police or fire facilities. Because the proposed project would result in a nominal increase in demand for police and fire services, the project would contribute a less than cumulatively considerable need for new police and fire services.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon police and fire services would not be significant.

- b. **Impact:** The proposed program would have no contribution to cumulative physical impacts associated with the provision of, or the need for, new school facilities, the construction of which could cause environmental impacts, in order to maintain acceptable performance objectives for the school district.

**Facts in Support of Finding:** The cumulative analysis for impacts to school services involves the projected growth within the school districts of the IEUA service area. The IEUA service area is expected to experience substantial growth within the next 25 years, resulting in development of commercial, industrial, and residential land uses. As cumulative development occurs, the school districts may experience substantial increases in the demand for additional school capacity. Substantial increases in the demand for schools could result in the need for new school facilities. Depending on the location of the new school facilities, there could be significant impacts from the construction and operation of new facilities. The proposed FMP projects would only result in nominal increases in school services (based on a future 35 new employees and homes); therefore, the programs contribution to cumulative impacts would be less than significant.

Because the proposed project would result in a nominal increase in demand for school services, the project's contribution to cumulative environmental effects associated with the construction of new schools would be less than cumulatively considerable and thus less than cumulatively significant.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon school services would be less than significant.

### **3.1.2.11 Recreation**

- a. **Impact:** The proposed program would have less than cumulatively considerable park impacts from the increased use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated.

**Facts in Support of Finding:** Future cumulative development could substantially increase the development of residential units and therefore substantially increase population within the IEUA. This increase in population could result in significant impacts on parks and recreational facilities due to increased use of neighborhood parks, regional parks, and other recreational facilities. Because the proposed FMP projects would not result in a direct increase in population, an increased use of parks or other recreational facilities would not occur. As described above, the project could result in an indirect increase in population due to the generation of approximately 35 employment opportunities; however, this increase in employees who could demand housing within the IEUA service area would result in nominal impacts on existing parks and recreational facilities. Therefore, the proposed project's contribution to cumulative impacts on demand for parks and recreational facilities would be less than cumulatively considerable, and thus less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon recreational facilities would be less than significant.

### **3.1.2.12 Utilities**

- a. **Impact:** The proposed program would have less than cumulatively considerable effects regarding wastewater treatment requirements of the applicable Regional Water Quality Control Board.

**Facts in Support of Finding:** Future cumulative development could exceed wastewater treatment requirements of the Santa Ana Regional Water Quality Control Board and result in potential significant cumulative impacts. The proposed FMP projects would result in less than significant impacts associated with exceedance of wastewater treatment requirements. Since the project would result in less than significant impacts related to exceedance of wastewater treatment requirements, the project's contribution to

cumulative impacts is not considered cumulatively considerable, and therefore, would result in a less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon wastewater treatment requirements would be less than significant

- b. **Impact:** The proposed program would have no contribution to cumulative physical impacts associated with the need for construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause environmental effects, in order to maintain acceptable service.

**Facts in Support of Finding:** Future cumulative development is forecast to require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities. The cumulative need for additional and expanded wastewater or water treatment facilities could result in significant environmental effects during the construction of these facilities. However, the proposed FMP projects would not require new or expanded wastewater or water treatment facility capacity. Because the proposed FMP projects would not require new or expanded wastewater or water treatment facility capacity to serve the FMP projects, the project would not result in the need for construction of wastewater or water treatment facilities. Therefore, the FMP projects would not contribute to cumulative environmental effects and thus would result in no cumulative impacts.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon water or wastewater treatment facilities would not be significant.

- c. **Impact:** The proposed program would have less than cumulatively considerable effects from new or expanded water supply resources or entitlements.

**Facts in Support of Finding:** Future cumulative development within the IEUA service area is expected to require new or expanded water supply resources or entitlements to serve the increase in urban development. IEUA's IRP identifies management actions required to achieve adequate water supply through 2040. The plan developed implementation strategies that would improve near-term and long-term groundwater management for the region. In addition, the IRP evaluates new growth, development, and water demand patterns within the IEUA service area. Management actions to ensure adequate water supplies were evaluated based on various demand factors such as land development and community density.

The IRP includes management actions such as Low Impact Development (LID) and best management practices (BMPs). IEUA will be supporting LID systems as cumulative development within the IEUA service area occurs. The County of San Bernardino

Stormwater Program defines LID BMPs as any stormwater control that uses on-site natural treatment processes to reduce or remove pollutants in runoff (SWRCB, 2011). LID would result in development that utilizes water conservation measures by reducing urban runoff and ultimately increasing the amount of stormwater that is captured and stored in the Chino Basin groundwater table. Practices and management actions such as these would assist in reducing demands of the IEUA's service area water supplies.

The proposed FMP projects would accommodate increasing water demand and would not contribute to the need for new or expanded water supply resources or entitlements. Because the project would result in a less than significant impact related to expanded water supply resources, the project's contribution to cumulative impacts is not considered cumulatively considerable, and therefore, would result in a less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon water supply would be less than significant.

- d. **Impact:** The proposed program would have less than cumulatively considerable effects on wastewater treatment capacity.

**Facts in Support of Finding:** Future cumulative development within the IEUA service area would increase the generation of wastewater. This cumulative increase could result in inadequate capacity of the wastewater treatment plant(s) to serve the additional demand. However, the IEUA WFMP Update addresses long term projection of growth and capacity needs within the IEUA service area and models capacity utilization of the four permanent Regional Water Recycling Plants (RWRPs). The projects proposed within the WFMP would ensure that IEUA would have adequate capacity to treat wastewater for the region. The program's contribution to cumulative impacts regarding wastewater treatment capacity is less than cumulatively considerable, and therefore, would be a less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon wastewater treatment capacity would be less than significant.

- e. **Impact:** The proposed program would have less than cumulatively considerable effects on solid waste disposal facilities.

**Facts in Support of Finding:** Future cumulative development within the IEUA would cumulatively contribute to the generation of solid waste and disposal of solid waste at the El Sobrante and Mid-Valley Landfill landfills. Based on growth projections, these two landfills have approximately 15 to 30 more years of capacity. Future cumulative development could eventually exceed the capacities of these landfills. Therefore,

cumulative development could result in significant impacts on landfills. The proposed FMP project would not substantially increase the generation of solid waste.

Because the proposed FMP project would not substantially increase the generation of solid waste and may reduce certain waste streams through diversion, the project's contribution to cumulative effects on landfills would be less than cumulatively considerable, and therefore, would result in a less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon solid waste disposal facilities would be less than significant.

- f. **Impact:** The proposed program would have less than cumulatively considerable effects associated with solid waste federal, state, and local statutes and regulations.

**Facts in Support of Finding:** Potential cumulative impacts related to solid waste facilities and solid waste disposal would occur if projects within the IEUA service area would be served by a facility without sufficient permitted capacity to accommodate solid waste disposal needs, or if cumulative projects do not comply with federal, state, and local statutes and regulations related to solid waste. Specifically, projects producing solid waste during project implementation, including cleanup, residential and commercial projects, could produce a waste stream that could together not be accommodated by current solid waste facilities within regional solid waste disposal areas, resulting in a cumulatively considerable impact to solid waste facilities.

The proposed FMP projects would comply with all federal, State, and local statutes and regulations related to solid waste and would not result in potential significant impacts. When added to cumulative projects, the effects of the proposed FMP projects would contribute incrementally to the cumulative impacts on solid waste facilities.

Cumulative projects would generally be served by the local municipal solid waste disposal facilities and hazardous waste disposal facilities, resulting in potential cumulative impacts to solid waste facilities. However, new cumulative development projects would participate in local programs designed to divert 50 percent of waste from landfills. In addition, all cumulative projects implemented in the area would also be required to comply with federal, State, and local solid waste regulations and statutes. When considered in addition to the anticipated impacts of other cumulative projects, the proposed project's incremental contribution to solid waste facility capacity impacts would not be cumulatively considerable, and therefore, would result in a less than significant cumulative impact.

**Finding:** Based upon the analysis presented in the PEIR and considering the information contained in the Record of Proceedings, the IEUA hereby finds that the program's contribution to cumulative impacts upon solid waste regulations would be less than significant.

## 3.2 Findings Regarding Environmental Impacts which Can Be Mitigated to Less than Significant

Environmental impacts identified in the PEIR as potentially significant but which the IEUA finds can be mitigated to less than significant through the imposition of feasible mitigation measures identified in the PEIR and set forth herein, are described in this section.

### 3.2.1. Project Impacts

#### 3.2.1.1 Aesthetics

- a. **Potentially Significant Impact:** The proposed program could have significant effects on a scenic vista.

**Facts in Support of the Finding:** Although several of the proposed ancillary facilities would individually have small footprints and be low profile, some recycled water storage reservoirs would be high profile. Depending on the location of the recycled water storage reservoirs, they could affect views or designated scenic vistas. The conveyance systems and ancillary facilities project components would result in potentially significant impacts to scenic vistas. The implementation of Mitigation Measure AES-1 (below) would ensure that the proposed facilities meet local design and landscape standards to be visually compatible with surrounding uses and reduce the potential for obstructing views of scenic vistas to less than significant.

**AES-1:** Proposed facilities shall be designed in accordance with local design standards and integrated with local surroundings. Landscaping shall be installed in conformance with local landscaping design guidelines as appropriate to screen views of new facilities and to integrate facilities with surrounding areas.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** The proposed program could result in significant impacts related to damage of scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway.

**Facts in Support of Finding:** There are roadways classified as eligible for state scenic highway status within the IEUA service area; however, there are no officially designated scenic highways. Eligible state scenic highways include: State Route (SR) 142 south of SR 71 and SR 71 south of SR 83. In addition, there are 19 locally designated scenic roadways within the IEUA service area.

The implementation of Mitigation Measure AES-1 (above) would ensure that the proposed facilities meet local design and landscape standards to be visually compatible

with surrounding uses and reduce the potential for impact to scenic highways, routes, and corridors to less than significant.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- c. **Potentially Significant Impact:** The proposed program could result in significant degradation of the existing visual character or quality of the sites and their surroundings.

**Facts in Support of Finding:** The proposed conveyance pipelines would be buried underground; thus, no long-term impacts to the existing visual character or quality of the project sites or surrounding area would occur. The locations of associated ancillary facilities are unknown. Some of the aboveground ancillary facilities may be constructed in urban areas. Any aboveground structures within these urban areas would be constructed on or adjacent to existing developed and built-up landscapes. Therefore, there would be no impact to the visual character within these urban areas. Some aboveground facilities may be constructed in locally-designated corridors with specific visual characteristics. The proposed aboveground ancillary facilities may contrast with the visual character of these areas.

It is possible that construction of aboveground ancillary facilities, groundwater recharge basins, and extraction facilities could result in physical impacts to the visual character of the project site and its surroundings. These potential visual character impacts could be significant.

The implementation of Mitigation Measure AES-1 (above) would ensure that the proposed facilities meet local design and landscape standards to be visually compatible with surrounding uses and reduce the potential for physical impacts to the visual character of the site and surrounding area to less than significant.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- d. **Potentially Significant Impact:** The proposed program could create new sources of substantial light or glare which could result in significant adverse effects on day or nighttime views in the IEUA service area. A significant impact would occur if the proposed project caused a substantial increase in ambient light levels near light-sensitive land uses such as residential and natural/open space areas.

**Facts in Support of Finding:** If nighttime construction is required, nighttime lighting at construction sites would contribute to ambient light. This source of nighttime lighting would result in a potentially significant impact. In addition, nighttime security lighting



used during the construction phase of the proposed projects may introduce new sources of light and glare to the existing views of the area. This impact is potentially significant.

The treatment facility upgrades would be located within existing treatment facilities that contain lighting. The facilities are also located within an urban area developed with residential and commercial uses. Implementation of the proposed improvements could result in new exterior nighttime lighting for operational and security purposes within the existing treatment facilities. The increase in lighting within existing treatment facilities could result in spill over lighting onto residential and commercial uses. Therefore, increase lighting within the treatment facilities could represent a potential significant lighting impact.

The ancillary facilities may include nighttime security lighting mounted to the buildings and/or structures. These new sources of lighting could result in significant light intrusion impacts onto adjacent land uses. Further, water storage reservoirs could be a source of glare due to highly reflective materials. Therefore, potentially significant impacts related to glare would occur.

The implementation of Mitigation Measures AES-2 and AES-3 (below) will limit the maximum light beyond the property boundary and comply with existing and future lighting ordinances so that lighting impacts on adjacent uses would be less than significant. The implementation of Mitigation Measure AES-4 (below) will ensure that proposed structures with large facades will not include highly reflective building materials so that glare impacts could be reduced to less than significant.

**AES-2:** All new permanent exterior lighting associated with proposed project components shall be shielded and directed downward to avoid any light intrusion to surrounding uses. The maximum light allowed beyond the property boundary adjacent to sensitive light receptors shall be limited to 1.5 candles.

**AES-3:** Development of the proposed project and associated facilities shall comply with existing and future lighting ordinances.

**AES-4:** Structures with large facades shall not include highly reflective building materials.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### **3.2.1.2 Agriculture and Forestry Resources**

- a. **Potentially Significant Impact:** The proposed program could have significant impacts from the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide

Importance (Farmland) as shown on maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency to non-agricultural use.

**Facts in Support of Finding:** The IEUA service area historically contains significant agricultural resources; primarily dairy ranches located in the southwestern portion of the County of San Bernardino. There are several parcels of land designated by the California Department of Conservation as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance within the IEUA service area. Most of this farmland is located within the City of Chino, the City of Ontario, and Prado Regional Park area, which is located in the southwestern portion of the program area.

Pipelines would be constructed and operated within public rights-of-way, which are not located on land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. Farmland with these designations could be located adjacent to conveyance systems. Construction and operation of pipelines would not convert any designated farmland to non-agricultural uses; however ancillary facilities such as pump stations could be constructed on land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. Construction and operation of ancillary facilities could convert Prime, Unique Farmland, or Farmland of Statewide Importance to non-agricultural use. Therefore, impacts would be potentially significant.

Proposed upgrades to existing groundwater recharge such as deepening of recharge basins would not alter existing footprints and would not convert any farmland to non-agricultural use. Some proposed projects include the construction of new recharge basins or storage tanks, which could operate on important agricultural land. The majority of the proposed recharge basins would be located north of SR-60 which includes a nominal amount of farmland and the implementation of the proposed recharge facilities is not expected to be located on farmland. However, IEUA is assuming that the implementation of recharge basins could significantly impact farmland. Additionally, groundwater production, extraction, and monitoring wells include well-housings that may be constructed and operated on land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance. Similar to conveyance system ancillary facilities, above-ground facilities (including reservoirs) associated with groundwater recharge could convert farmland to non-agricultural use. Therefore, impacts would be potentially significant.

The implementation of Mitigation Measure AG-1 (below) includes the need to conduct a LESA Model if a facility is proposed on designated farmland. If there is a determination that the loss of farmland is significant based on the LESA Model, IEUA would offset the loss by acquiring agricultural land conservation credits at a minimum ratio of 1:1 so that potential impacts to farmland would be reduced to less than significant.

**AG-1:** Where an ancillary facility is proposed on land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, the improvement shall be relocated to urban land or non-important

Farmland. Alternatively, if important farmland must be utilized for an ancillary facility, then IEUA shall conduct a California Land Evaluation and Assessment (LESA) Model. If the evaluation determines the loss of designated Farmland is significant, then it shall be offset by acquisition of agricultural land conservation credits at a minimum ratio of 1:1.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** The proposed program could conflict with existing zoning for agricultural use, or a Williamson Act Contract.

**Facts in Support of Finding:** Pipelines would be constructed and operated within public rights-of-way, which are not located on land zoned for agriculture or on land under a Williamson Act Contract; however ancillary facilities such as storage tanks and pump stations, and recharge basins and wells could be constructed on land zoned as agriculture, and therefore, impacts could be potentially significant.

The implementation of Mitigation Measure AG-1 (above) includes the need to conduct a LESA Model if a facility is proposed on designated farmland. If there is a determination that the loss of farmland is significant based on the LESA Model, IEUA would offset the loss by acquiring agricultural land conservation credits at a minimum ratio of 1:1 so that potential impacts to land zoned for agriculture would be reduced to less than significant.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- c. **Potentially Significant Impact:** The proposed program could result in significant effects from conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use.

**Facts in Support of Finding:** There are no forest lands within the IEUA service area; therefore, no conversion of forest land would occur. Construction and operation of pipelines would not convert any existing farmland to a non-agricultural use; however ancillary facilities such as pump stations could be constructed on existing agricultural land. Construction and operation of ancillary facilities could convert existing agricultural land to non-agricultural uses. Therefore, impacts would be potentially significant.

Proposed upgrades to existing groundwater recharge such as deepening of recharge basins would not alter existing footprints and would not convert any existing farmlands to non-agricultural use. Some proposed projects include the construction of new recharge basins or storage tanks, which could operate on existing agricultural land. Additionally,

groundwater production, extraction, and monitoring wells include well-housings that may be constructed and operated on existing agricultural land. Similar to conveyance system ancillary facilities, above-ground facilities associated with groundwater recharge could convert existing farmland to non-agricultural uses. Therefore, impacts would be potentially significant.

The implementation of Mitigation Measure AG-1 (above) includes the need to conduct a LESA Model if a facility is proposed on farmland. If there is a determination that the loss of farmland is significant based on the LESA Model, IEUA would offset the loss by acquiring agricultural land conservation credits at a minimum ratio of 1:1 so that potential impacts from converting existing farmland to a non-agricultural use would be reduced to less than significant.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### **3.2.1.3 Air Quality and Greenhouse Gas Emissions**

- a. **Potentially Significant Impact:** The proposed program could result in significant effects from the creation of objectionable odors affecting a substantial number of people.

**Facts in Support of the Finding:** Operation of the proposed project components in Project Category 1 would include improvements to liquid and solid treatment systems, sludge systems, headworks, dewatering treatment, and dosing facilities. Wastewater treatment facilities typically produce gases from decomposing organic matter in wastewater which generate foul gas odors. The proposed treatment facility upgrades, particularly at RP-1, would be located within residential communities that could be significantly impacted by fugitive odors from the proposed facilities. Therefore, objectionable odor impacts affecting a substantial number of people would be potentially significant.

The implementation of Mitigation Measure AIR-4 (below) would reduce odor impacts associated with the proposed treatment facilities by preparing and implementing an Odor Minimization Plan that includes a complaint response protocol and implementation of changes to minimize odors, if needed.

**AIR-4:** Prior to the construction upgrades at each treatment facility, IEUA would be required to prepare an Odor Impact Minimization Plan (OIMP), pursuant to Title 14, California Code of Regulations Section 17863.4. The OIMP provides operational protocols covering the implementation of the odor control system including during varied meteorological conditions. The OIMP would include complaint response protocol, operating procedures, and an odor monitoring program. A complaint

response protocol would be implemented to receive complaints, investigate the source, and implement changes to minimize the odors.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### **3.2.1.4 Biological Resources**

- a. **Potentially Significant Impact:** The proposed program could have significant effects on species because the program could have a substantial adverse effect, either directly or through habitat modifications, on species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the CDFW or USFWS.

**Facts in Support of the Finding:** The proposed facility upgrades would occur within the boundaries of the existing facilities that are mostly devoid of natural habitat. However, the treatment plant upgrades could be located in or adjacent to areas where habitat has emerged that could support special status plant or wildlife species. Therefore, the proposed upgrades within this category could have a significant impact on plant or wildlife species identified as a candidate, sensitive, or special-status species.

Direct project impacts to species listed as a candidate, sensitive, or special-status species by local, state, and federal agencies should be avoided to the greatest extent feasible; however, it is acknowledged that future projects may not be able to avoid these species. Project-related impacts that result in the direct take of a special-status species may be considered a significant impact. The presence/absence of a special-status species on a project site and the potential to impact a special-status species must be determined prior to project construction. If projects within the IEUA Service Area result in the direct take or loss of suitable habitat for any of the 58 special-status plant species and 63 special-status wildlife species that have the potential to occur in the IEUA Service Area, project-level mitigation will be required. Project impacts to special-status species listed as threatened or endangered by CDFW and/or USFWS may also require agency consultation and/or take permits. The implementation of improvements within Project Category 2 could result in significant impacts to plant and wildlife species identified as a candidate, sensitive, or special-status species.

The proposed recharge basins and ancillary facilities adjacent to pipelines could be located in areas that are currently undeveloped and contain habitat that support candidate, sensitive, or special-status plant and animal species. Potential sensitive species impacts associated with improvements in this project category could be significant.

Implementation of Mitigation Measures BIO-1 through BIO-4 would reduce potential impacts to sensitive plant and wildlife species to less than significant through avoidance, minimization, and compensation.

The following mitigation measures are required to reduce potential impacts to sensitive plant and/or wildlife species:

- BIO-1:** Construction of the proposed improvements should avoid, where possible, special status natural communities and other vegetation communities that provide suitable habitat for a special-status species known to occur within the IEUA Service Area. If construction within potentially suitable habitat must occur, a presence/absence survey of any special-status plant or wildlife species must be determined prior to construction, to determine if the habitat supports any special-status species. If special-status species, including listed species, are determined to occupy any portion of a project site, avoidance and minimization measures such as temporary fencing, inspection of trenches and holes for entrapped wildlife each morning prior to the onset of project construction, inspection of pipes, culverts, and similar construction material for entrapped wildlife, and the prohibition of chemical uses shall be incorporated into the construction phase of the proposed improvement to avoid direct or incidental take of a listed species to the greatest extent feasible.
- BIO-2:** If direct or incidental take of a listed species is unavoidable, consultation with the resources agencies and/or additional permitting may be required. Agency consultation through the CDFW 2081 and USFWS Section 7 or Section 10 permitting processes must take place prior to any action that may result in the direct or incidental take of a listed species. Specific mitigation measures for direct or incidental impacts to a listed species will be determined on a case-by-case basis through agency consultation but shall include the following or comparable mitigation: restoration of habitat to comparable value as existed prior to disturbance; compensation for take or habitat loss through conserving suitable habitat in perpetuity off site; or participating in a habitat mitigation bank approved by the resource agency(ies). At a minimum IEUA will provide compensation at a 1:1 ratio for direct or indirect loss of habitat that supports listed species, except when regulatory agencies assign a higher compensation ratio on a case-by-case basis.
- BIO-3a:** Prior to the start of construction of facilities, focused burrowing owl surveys shall be conducted to determine the presence/absence of burrowing owl adjacent to the project area. The focused burrowing owl survey must be conducted by a qualified biologist and following the survey guidelines included in the CDFW Staff Report on Burrowing Owl Mitigation (2012). If burrowing owl is observed within undeveloped habitat within or immediately adjacent to the project impact area, avoidance/minimization measures would be required such as establishing a suitable buffer around the nest (typically 500-feet) and monitoring

during construction, or delaying construction until after the nest is no longer active and the burrowing owls have left. However, if burrowing owl avoidance is infeasible, a qualified biologist shall implement a passive relocation program in accordance with the *Example Components for Burrowing Owl Artificial Burrow and Exclusion Plans* of the CDFW 2012 Staff Report on Burrowing Owl Mitigation.

**BIO-3b:** Construction of proposed improvements within the IEUA Service Area shall avoid special-status natural communities, unless deemed essential by the Agency. If a proposed improvement must be installed and result in a loss of a special-status natural community that is not occupied by a special-status species, compensatory habitat-based mitigation consisting of onsite preservation of habitat, restoration of similar habitat, or purchase of off-site credits from an approved mitigation bank shall be implemented. At a minimum IEUA will provide compensation at a 0.5:1 ratio for loss of habitat, except when regulatory agencies assign a higher compensation ratio on a case-by-case basis.

**BIO-4:** The proposed improvement projects within the IEUA Service Area shall avoid, if possible, construction within the general nesting season of February 1 through August 31 for avian species protected under Fish and Game Code 3500 and the Migratory Bird Treaty Act (MBTA), if it is determined that suitable nesting habitat occurs on a project site. If construction cannot avoid the nesting season, a pre-construction clearance survey must be conducted to determine if any nesting birds or nesting activity is observed on or within 500-feet of a project site. If an active nest is observed during the survey, a biological monitor must be on site to ensure that no proposed project activities would impact the active nest. A suitable buffer will be established around the active nest until the nestlings have fledged and the nest is no longer active. Project activities may continue in the vicinity of the nest only at the discretion of the biological monitor.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** The proposed program could have significant effects on habitat because the program could have a substantial adverse effect on riparian habitat or other sensitive natural communities identified in local or regional plans, policies, regulations, or by the CDFG or USFWS.

**Facts in Support of Finding:** The IEUA service area contains riparian habitat areas and special-status natural communities. The riparian habitat within the IEUA service area

provides suitable habitat for a number of special-status plant and wildlife species known to occur in the region. There are six special-status natural communities within the IEUA service area including California Walnut Woodland, Riversidean Alluvial Fan Sage Scrub, Southern California Arroyo Chub/Santa Ana Sucker Stream, Southern Cottonwood Willow Riparian Forest, Southern Sycamore Alder Riparian Woodland, and Southern Willow Scrub.

The proposed pipelines are anticipated to be located within existing roadway rights-of-way and are not expected to substantially impact any existing natural communities. However, ancillary facilities adjacent to pipelines such as reservoir tanks, pump stations, lift stations and discharge locations at drainages could be located in areas that could contain special-status natural communities. The presence of riparian habitat and/or a special-status natural community on a site proposed for ancillary facilities must be evaluated prior to project approval. Any project-related impacts to riparian habitat and/or a special-status natural community are considered a significant impact.

The proposed recharge basins and ancillary facilities adjacent to pipelines could be located in areas that are currently undeveloped and contain riparian habitat areas and special-status natural communities. Potential impacts to riparian habitat areas and special-status natural communities associated with improvements in this project category could be significant.

Implementation of Mitigation Measures BIO-1 and BIO-3 (above) and BIO-5 (below) would reduce potential impacts to riparian habitat areas and special-status natural communities to less than significant through avoidance, minimization, and compensation.

**BIO-5:** Any future project that must discharge fill into a channel or otherwise alter a streambed shall be mitigated. Mitigation can be provided by purchasing into any authorized mitigation bank; by selecting a site of comparable acreage near the site and enhancing it with native riparian habitat or invasive species removal in accordance with a habitat mitigation plan approved by regulatory agencies; or by acquiring sufficient compensating habitat to meet regulatory agency requirements. For jurisdictional waters without any riparian or wetland habitat IEUA will mitigate at a 1:1 ratio. For loss of any riparian or other wetland areas, the mitigation ratio will begin at 2:1 and the ratio will rise based on the type of habitat, habitat quality, and presence of sensitive or listed plants or animals in the affected area. A revegetation plan using native riparian vegetation common to the project area shall be prepared and reviewed and approved by the appropriate regulatory agencies. The Agency shall also obtain permits from the regulatory agencies (U.S. Army Corps of Engineers, Santa Ana Regional Water Quality Control Board and CDFW) if any impacts to jurisdictional areas will occur. These agencies can impose greater mitigation requirements in their permits, but the IEUA will utilize the ratios outlined above as the



minimum required to offset or compensate for impacts to jurisdictional waters, riparian areas or other wetlands. Mitigation can be provided by purchasing into any authorized mitigation bank; by selecting a site of comparable acreage near the site and enhancing it with a native riparian habitat or invasive species removal in accordance with a habitat mitigation plan approved by regulatory agencies; or by acquiring sufficient compensating habitat to meet regulatory agency requirements. The regulatory agencies can impose greater mitigation requirements in their permits, but the IEUA will utilize the ratios outlined above as the minimum required to offset or compensate for impacts to jurisdictional waters, riparian areas or other wetlands.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level..

- c. **Potentially Significant Impact:** The proposed program could have significant effects on wetlands because the program could have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means.

**Facts in Support of Finding:** The proposed pipelines are anticipated to be located within existing roadway rights-of-way and are not expected to impact any wetlands. However, ancillary facilities adjacent to pipelines such as reservoir tanks, pump stations, lift stations and discharge locations at drainages could be located in areas that could contain wetlands. The presence of wetlands on a site proposed for ancillary facilities must be evaluated prior to project approval. Any project-related impacts to wetlands are considered a significant impact.

Development of improvements within the IEUA service area, particularly in undeveloped areas, could result in the loss of jurisdictional wetland habitat, which includes seasonal or permanent wetlands that are considered waters of the U.S. or intermittent/permanent water bodies. Proposed improvements that encroach into riparian areas may result in the significant disturbance and/or fill of potentially jurisdictional wetlands. Any project-related improvements that result in the significant alteration or fill of a federally protected wetland are considered a significant impact. Additionally, special-status species associated with wetlands may be impacted as a result of project impacts to protected wetlands. Project-specific agency (i.e., CDFW, RWQCB, and/or USACE) coordination and/or regulatory permitting would be required to reduce project impacts to wetland habitat.

The proposed recharge basins and ancillary facilities adjacent to pipelines could be located in areas that are currently undeveloped and contain wetland habitat areas.

Potential impacts to wetland habitat areas associated with improvements in this project category could be significant.

Implementation of Mitigation Measures BIO-5 (above) and BIO-6 (below) would reduce wetland impacts through compensation and implementation of construction and operational best management practices to control stormwater pollutants from exiting a proposed facility site.

**BIO-6:** Best Management Practices (BMPs) shall be incorporated into the design and construction phase of the project to ensure that no pollutants or silt drain into a federal or state protected jurisdiction area, including wetlands and riparian areas. Project design features (BMPs) to fulfill this mitigation requirement shall be clearly identified as part of project engineering plans prior to initiating construction.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- d. **Potentially Significant Impact:** The proposed program could have significant effects on the movement of species because the program could interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites.

**Facts in Support of Finding:** The proposed pipelines are anticipated to be located underground and within existing roadway rights-of-way. Therefore, the proposed pipelines would result in a less than significant impact on the movement of native resident or migratory fish or wildlife species or impede the use of migratory wildlife corridors or native wildlife nursery sites.

Ancillary facilities adjacent to pipelines such as reservoir tanks, pump stations, lift stations and discharge locations at drainages could be located in areas that provide for the movement of resident or migratory fish, in areas of established wildlife corridors, or wildlife nursery sites. These potential sites could include trees and vegetation that provide suitable nesting habitat for birds covered under the MBTA. Therefore, the implementation of these ancillary facilities could result in potential significant impacts to nesting birds.

The proposed recharge basins and ancillary facilities adjacent to pipelines could be located in areas that are currently undeveloped and could contain a wildlife corridor or trees and vegetation that could provide suitable habitat for birds covered under the MBTA. Improvements under this category could result in potential significant impacts to wildlife corridors and nesting birds.

The implementation of Mitigation Measure BIO-4 (above) would reduce impacts on wildlife nests and movement of fish and wildlife species to less than significant through the avoidance of the nesting season for construction activities or provision of a construction buffer from active nests. The implementation of Mitigation Measures BIO-7 and BIO-8 (below) would avoid or minimize impacts to wildlife corridors to less than significant.

**BIO-7:** Construction of a proposed project shall avoid, where possible, a wildlife corridor; however, if the wildlife corridor cannot be avoided, such as a discharge location within a drainage channel or creek, construction activities shall use best management practices such as placing temporary fencing to protect wildlife and plant species from construction activities, inspecting trenches and holes for entrapped wildlife each morning prior to the onset of project construction, inspecting pipes, culverts, or similar construction material for entrapped wildlife, and prohibiting the use of rodenticides, herbicides, insecticides or other chemicals that could potentially harm migratory species.

**BIO-8:** Once construction is completed, restore the impacted wildlife corridor area to its original vegetation and in accordance with any regulatory permitting, if applicable.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- e. **Potentially Significant Impact:** The proposed program could have significant effects on biological resources because the program could have conflict with local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance.

**Facts in Support of Finding:** The facilities upgrades are proposed for the existing treatment facilities that are located in the cities of Chino, Ontario, and Rancho Cucamonga. The City of Chino does not have an ordinance protecting biological resources such as a tree preservation ordinance; however the cities of Ontario and Rancho Cucamonga have tree preservation policies. Therefore, future implementation of improvements within the existing treatment facilities located in the cities of Ontario and Rancho Cucamonga could conflict with the local policies or ordinances protecting biological resources. As a result, a potential significant impact on biological resources could occur.

Implementation of pipelines and ancillary facilities within the cities of Upland, Ontario, Fontana, Chino Hills, and Rancho Cucamonga and the County of San Bernardino could conflict with the local policies or ordinances protecting biological resources. As a result,

a potential significant impact on biological resources could occur. The cities of Montclair and Chino do not have local policies or ordinances protecting biological resources.

Implementation of recharge and extraction facilities within the cities of Upland, Ontario, Fontana, Chino Hills, and Rancho Cucamonga and the County of San Bernardino could conflict with the local policies or ordinances protecting biological resources. As a result, a potential significant impact on biological resources could occur. The cities of Montclair and Chino do not have local policies or ordinances protecting biological resources.

Implementation of Mitigation Measure BIO-9 (below) would reduce impacts to biological resources protected by local policies or ordinances through compliance with the local regulations

**BIO-9:** Prior to construction activities to provide treatment facilities upgrades, the IEUA shall comply with the local policies and ordinances to protect biological resources.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- f. **Potentially Significant Impact:** The proposed program could have significant effects on a conservation plan because the program could have conflicts with the provisions of an adopted habitat conservation plan, natural community conservation plan, or other approved local, regional, or state habitat conservation plan.

**Facts in Support of Finding:** Pipelines and ancillary facilities may be located in areas with existing habitat conservation plans (HCPs) such as the Oakmont Industrial Group HCP in Ontario and the North Fontana Multiple Species Habitat Conservation Plan in Fontana. Therefore, improvements within these HCP areas would conflict with the provisions of the HCPs and would represent a potential significant impact.

Groundwater recharge and extraction facilities may be located in areas with existing habitat conservation plans (HCPs) such as the Oakmont Industrial Group HCP in Ontario and the North Fontana Multiple Species Habitat Conservation Plan in Fontana. Therefore, improvements within these HCP areas would conflict with the provisions of the HCPs and would represent a potential significant impact.

Implementation of Mitigation Measure BIO-10 (below) would reduce potential impacts to existing habitat conservation plan (HCP) areas to less than significance through either avoidance or compliance with HCP permitted activities.

**BIO-10:** IEUA shall avoid constructing facilities within existing habitat conservation plan areas such as the Oakmont Industrial Group HCP in Ontario and the North Fontana Multiple Species Habitat Conservation

Plan in Fontana, unless avoidance is not feasible and the habitat conservation plans allow the construction of the proposed facility. IEUA shall follow the mitigation procedures outlined in such HCPs to bring the project in compliance with the HCP.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### 3.2.1.5 Cultural Resources

- a. **Potentially Significant Impact:** The proposed program could have significant effects on archaeological resources because the program could result in substantial change in the significance of an archeological resource.

**Facts in Support of Finding:** Given the number and type of archaeological resources in the project area, as well as the presence of Cucamonga Creek, Chino Creek and other natural water sources, and the area's long period of historic use, the project area is considered highly sensitive for the presence of archaeological resources. Previously unknown and unrecorded archaeological resources may be unearthed during excavation and grading activities for individual projects. This can occur in already developed areas, as older buildings are known to have been built on top of or within archaeological deposits. Although much of the project area is already heavily developed, potentially significant buried archaeological resources could still exist within the project area, beneath and between structures and roads. If previously undiscovered artifacts or remains are uncovered during excavation or construction, significant impacts could occur.

The implementation of Mitigation Measure CUL-1 (below) would ensure a study is conducted to identify any potentially significant archaeological resources. The study would outline measures to reduce or avoid impacts to potentially significant archaeological resources. Therefore, with implementation of Mitigation Measure CUL-1, project implementation would result in a less-than-significant impact involving an adverse change in the significance of an archaeological resource.

**CUL-1:** Prior to development involving ground disturbance, IEUA shall retain a qualified archaeologist, defined as an archaeologist meeting the Secretary of the Interior's Standards for professional archaeology to conduct a study of the project area(s) for all project components that involve ground disturbance. The archaeologist shall conduct a cultural resources inventory designed to identify potentially significant resources. The cultural resources inventory would consist of: a cultural resources records search to be conducted at the South Central Coastal Information Center located at California State University Fullerton; consultation with the NAHC and with interested Native Americans identified by the NAHC; a field survey where deemed appropriate by the archaeologist;

and recordation of all identified archaeological resources located on a project site on California Department of Parks and Recreation 523 Site Record forms. The archaeologist shall provide recommendations regarding resource significance and additional work for those resources that may be affected by a project.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** The proposed program could have significant effects on paleontological resources because the program could directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.

**Facts in Support of Finding:** The General Plans for the cities and unincorporated portions within the IEUA service area indicate that some portions of the IEUA service area are highly sensitive for paleontological resources. Since the proposed project is at the programmatic level, specific project design elements have yet to be finalized. Impacts to specific paleontological resources are speculative. Previously unknown and unrecorded paleontological resources may be unearthed during excavation and grading activities for individual projects. If previously unknown potentially unique paleontological resources are uncovered during excavation or construction, significant impacts could occur.

The implementation of Mitigation Measure CUL-3 (below) would require a site-specific study to identify potentially significant paleontological resources. Additional studies would minimize potential impacts to paleontological resources.

**CUL-3:** For project-level development involving ground disturbance, a qualified paleontologist shall be retained to determine the necessity of conducting a study of the project area(s) based on the potential sensitivity of the project site for paleontological resources. If deemed necessary, the paleontologist shall conduct a paleontological resources inventory designed to identify potentially significant resources. The paleontological resources inventory would consist of: a paleontological resource records search to be conducted at the San Bernardino County Museum and/or other appropriate facilities; a field survey or monitoring where deemed appropriate by the paleontologist; and recordation of all identified paleontological resources.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### 3.2.1.6 Geology, Soils, and Mineral Resources

- a. **Potentially Significant Impact:** The proposed program could potentially expose people or structures to adverse geologic effects, including the risk of loss, injury or death involving rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map or based on other substantial evidence of a known fault; strong seismic ground shaking; or seismic-related ground failure, including liquefaction or landslides.

#### **Facts in Support of the Finding:**

##### *Liquefaction*

Based on a review of the General Plan EIRs for Ontario and Rancho Cucamonga, the existing RP-1, RP-4, and IECRF are not located within a liquefaction zone. Therefore, facility upgrades at RP-1 would not result in the exposure of structures to substantial adverse effects involving liquefaction. No impact would occur. RP-2 would be demolished and would not expose new structures to the risks associated with liquefaction. No impact would occur. The remaining treatment facilities would be located within potentially liquefiable soils. Therefore, adverse effects involving liquefaction could be potentially significant.

The location of all conveyance systems and ancillary facilities is unknown. As described in the Setting above, there are areas within the IEUA service area with high potential for liquefaction. The pipelines and/or ancillary facilities located on or in soils with a moderate to high potential for liquefaction could experience damage or failure as a result of liquefaction. Therefore, adverse effects involving liquefaction would be potentially significant.

##### *Fault Rupture*

Because not all proposed projects' locations are determined at this time, there is the potential for projects to be constructed and operated within an Alquist-Priolo Fault Zone. Facilities operated within these zones could expose structures to potential substantial adverse effects; therefore, impacts would be potentially significant.

##### *Landslide*

The location of proposed conveyance systems and ancillary facilities is unknown. Landslides and mudflow hazards exist throughout the IEUA service area on steep hillsides and in creek and streambed areas. Therefore, there is a potential for those facilities to be constructed in areas susceptible to landslides. Impacts would be potentially significant.

The implementation of Mitigation Measure GEO-1 (below) would require a design-level geotechnical investigation to identify potential seismic hazards. The geotechnical investigation would recommend site-specific design criteria based on the initial findings.

These recommendations would reduce risk from seismic hazards to less than significant. The implementation of Mitigation Measure GEO-2 (below) would relocate improvements within a designated Alquist-Priolo Fault Zone. If relocation is not possible, then the improvement would be designed in accordance with the CBC or project-specific geotechnical investigation design requirements to reduce potential seismic impacts to less than significant.

To reduce the potential impacts from liquefaction and landslide hazards the following mitigation measures are required:

**GEO-1:** Prior to construction of each improvement, a design-level geotechnical investigation, including collection of site specific subsurface data if appropriate, shall be completed. The geotechnical evaluation shall identify all potential seismic hazards including fault rupture, and characterize the soil profiles, including liquefaction potential, expansive soil potential, subsidence, and landslide potential. The geotechnical investigation shall recommend site-specific design criteria to mitigate for seismic and non-seismic hazards, such as special foundations and structural setbacks, and these recommendations shall be incorporated into the design of individual proposed projects.

**GEO-2:** If an improvement is proposed within a designated Alquist-Priolo Fault Zone, the improvement shall be relocated, if possible. If relocation is not possible, the improvement shall be designed in accordance with the CBC or a project specific geotechnical study.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** The proposed program could have significant instability effects because the program could be located on a geologic unit or soil that is unstable or that would become unstable as a result of the proposed program and potentially result in on-or off-site landslide, subsidence, or collapse.

**Facts in Support of the Finding:** The IEUA service area has experienced historic subsidence caused by groundwater withdrawal. This subsidence can cause collapse of structures. The subsidence primarily occurs in the City of Chino, where the treatment facilities RP-2, RP-5, and the CCWRF are located. Subsidence from 0.8 to 5.8 feet is possible throughout these project areas. Construction and operation of the proposed facilities would not cause subsidence; rather, proposed facilities could be exposed to subsidence and collapse risk due to the historic subsidence within the treatment facility locations. Subsidence and collapse could damage the proposed facilities and affect the safety of on-site employees. Impacts could be potentially significant.



The locations of some of the proposed conveyance systems and ancillary facilities are unknown. As mentioned above, the IEUA service area has experienced historic subsidence; therefore, proposed systems and facilities could be located in areas with a potential for subsidence and collapse. Portions of the IEUA service area have designated landslide potential; therefore, soils in the project areas could be unconsolidated and could be prone to damage from landslides. Impacts could be potentially significant.

The implementation of Mitigation Measure GEO-1 (above) would require a design-level geotechnical investigation to identify potential unstable soils. The geotechnical investigation would recommend site-specific design criteria based on the initial findings. Therefore, the proposed project would not expose people or structures to potential substantial adverse effects involving unstable geologic units or soils. Impacts would be less than significant.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- c. **Potentially Significant Impact:** The proposed program facilities could be located on expansive soils as defined in 24 CCR 1803.5.3 of the California Building Code (2013), or corrosive soils creating substantial risks to life or property.

**Facts in Support of the Finding:** When expansive soils swell, the change in volume can exert significant pressures on loads that are placed on them, such as loads resulting from structure foundations or underground utilities, and can result in structural distress and/or damage. Most of the Chino Basin is comprised of old alluvial fans and valley deposits, which vary in consistency. As stated above, soils throughout the project area mainly consist of sandy loams that show little change with moisture variation, and thus do not typically exhibit expansive soil characteristics. Therefore, the project facilities would be located in areas of low soil expansion potential. However, the specific soil properties of a site can vary on a small scale, and may include undetermined areas that exhibit expansive properties. The presence of expansive soils at the existing treatment facility sites could decrease the structural stability of the proposed project facilities, which could result in structural or operational failure of these facilities and or threaten the health and safety of on-site workers. Such impacts are considered potentially significant.

Proposed pipelines would be installed belowground; soils with expansive characteristics could exert pressure on the pipelines during times of saturation, potentially threatening pipeline stability. Similar to Project Category 1 facilities, the foundation of the ancillary facilities could also be damaged by expansive soils. Identified soil types within the IEUA service area do not have expansive soil characteristics since they do not have a large amount of clay; however, specific sites could have undetected expansive characteristics. Therefore, impacts associated with expansive soils could be significant.

Proposed recharge basins and wells could saturate soils and create expansive soil characteristics that did not exist previously. Additionally, ancillary facilities could also be damaged by expansive soils. Specific sites could have undetected expansive characteristics; therefore, impacts associated with expansive soils could be potentially significant.

The implementation of Mitigation Measure GEO-1 (above) would require a design-level geotechnical investigation to identify potential unstable soils. The geotechnical investigation would recommend site-specific design criteria based on the initial findings. Therefore, the proposed project would not expose people or structures to potential substantial adverse effects involving unstable geologic units or soils. Impacts would be less than significant.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### **3.2.1.7 Hazards and Hazardous Materials**

- a. **Potentially Significant Impact:** The proposed program could be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, could create significant hazard impacts to the public or the environment.

**Facts in Support of the Finding:** The hazardous sites analysis undertaken for this program, including records search on the SWRCB GeoTracker and the DTSC EnviroStor databases, revealed multiple listed and active sites within the IEUA service area. The proposed projects would include construction of pipelines and ancillary facilities throughout the IEUA service area. During project construction, it is possible that contaminated soil and/or groundwater could be encountered during excavation, thereby posing a health threat to construction workers, the public, and the environment. The analysis of operational impacts associated with hazardous materials sites, mobilization of soil and groundwater contaminants, and groundwater quality can be found in Chapter 3.8, Hydrology and Water Quality of the Draft PEIR. Impacts would be potentially significant.

The implementation of Mitigation Measures HAZ-1 and HAZ-2 (below) would require site-specific studies to identify known hazardous materials risks or the potential for risk related to hazardous materials. These studies would identify recommendations and cleanup measures to reduce risk to the public and the environment from development on hazardous materials sites. Implementation of Mitigation Measure HAZ-1 and HAZ-2 would reduce potential impacts to construction workers and the public from exposure to unknown affected soils. Therefore, impacts to the public or the environment related to hazardous materials sites would be less than significant.

**HAZ-1:** Prior to the initiation of any construction requiring ground-disturbing activities, IEUA shall complete a Phase I Environmental Site Assessments (ESA) for soil and groundwater contamination in the project areas. The recommendations set forth in the Phase I ESA shall be implemented to the satisfaction of applicable agencies before and during construction. If the Phase I ESA indicates the potential for hazardous concentrations of contamination within the construction zone, Phase II ESA studies shall be completed before construction begins. Phase II studies shall include soil and/or groundwater sampling and analysis for anticipated contaminants. The Phase II sampling is intended to identify how to dispose of any potentially harmful material from excavations, and to determine if construction workers need specialized personal protective equipment.

**HAZ-2:** If the Phase II ESA determines that the site has contaminated soil and/or groundwater, a Soil and Groundwater Management Plan that specifies the method for handling and disposing of contaminated soil and groundwater prior to demolition, excavation, and construction activities shall be prepared and implemented. The plan shall include all necessary procedures to ensure that excavated materials and fluids generated during construction are stored, managed, and disposed of in a manner that is protective of human health and in accordance with applicable laws and regulations. The plan shall include the following information:

- Step-by-step procedures for evaluation, handling, stockpiling, storage, testing, and disposal of excavated material, including criteria for reuse and offsite disposal. All excavated materials shall be inspected prior to initial stockpiling, and spoils that are visibly stained and/or have a noticeable odor shall be stockpiled separately to minimize the amount of material that may require special handling.
- Procedures to be implemented if unknown subsurface conditions or contamination are encountered, such as previously unreported tanks, wells, or contaminated soils.
- Detailed control measures for use and storage of hazardous materials to prevent the release of pollutants to the environment, and emergency procedures for the containment and cleanup of accidental releases of hazardous materials to minimize the impacts of any such release. These procedures shall also include reporting requirements in the event of a reportable spill or other emergency incident. At a minimum, the IEUA or its contractor shall notify applicable agencies in accordance with guidance from the California Office of Emergency Services as well as the San Bernardino County

Department of Public Health, Division of Environmental Health Services.

- Procedures for containment, handling and disposal of groundwater generated from construction dewatering, the method used to analyze groundwater for hazardous materials likely to be encountered at specific locations and the appropriate treatment and/or disposal methods.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** The proposed program could be located within an airport land use plan or within two miles of a public airport, public use airport, or private airstrip, which could result in significant safety hazards for people residing or working in the project area.

**Facts in Support of the Finding:** The following three airports are located within IEUA's service area boundaries: the Chino Airport, the LA/Ontario International Airport, and the Cable Airport in Upland. There are no private airstrips located within the IEUA service area.

Pipelines are anticipated to be constructed below the ground surface within existing public rights-of-way, and no impacts would occur. Furthermore, all Project Category 2 facilities would be unmanned and therefore would not put any workers at risk. However, some ancillary facilities' locations have not yet been determined, and therefore, have the potential to be within an airport land use planning area. Ancillary facilities could result in a safety hazard to airport flight patterns, light, or navigation. Therefore, potential airport hazard impacts could be potentially significant.

The implementation of Mitigation Measure HAZ-3 (below) would ensure compliance with the appropriate airport land use plan and coordination with the appropriate airport management agencies to ensure safety for people residing or working within the project area. Implementation of Mitigation Measure HAZ-3 would reduce potential impacts from development within an airport safety zone to less than significant.

**HAZ-3:** For projects within airport safety zones, facility design shall follow the guidelines of the appropriate airport land use plan. All design plans within an airport land use planning area shall be submitted to the appropriate airport management agencies for review and comment prior to implementation.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the

potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- c. **Potentially Significant Impact:** The proposed program could impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan, and as a result could result in significant considerable emergency impacts.

**Facts in Support of the Finding:** The construction of the pipelines and aboveground facility installations would require construction along or in public roadways and could interfere with an adopted emergency response plan or emergency evacuation plan. All proposed pipelines would be constructed within public rights-of-way. This construction activity, and other anticipated construction activity associated with conveyance systems, could potentially block access to roadways and driveways for emergency vehicles. The construction-related impacts, although temporary, could potentially impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan. Impacts could be potentially significant.

The implementation of Mitigation Measure HAZ-4 (below) would require the preparation of a Traffic Control Plan with comprehensive strategies to reduce disruption to emergency access. Therefore, potential significant impacts to emergency access would be reduced to less than significant.

**HAZ-4:** Prior to initiating construction of proposed facilities, IEUA shall prepare and implement a Traffic Control Plan that contains comprehensive strategies for maintaining emergency access. Strategies shall include, but are not limited to, maintaining steel trench plates at the construction sites to restore access across open trenches and identification of alternate routing around construction zones. In addition, police, fire, and other emergency service providers shall be notified of the timing, location, and duration of the construction activities and the location of detours and lane closures. IEUA shall ensure that the Traffic Control Plan and other construction activities are consistent with the San Bernardino County Operational Area Emergency Response Plan.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- d. **Potentially Significant Impact:** The proposed program could have significant wildfire impact on people or structures due to the intermixing of urbanize areas with wildlands.

**Facts in Support of the Finding:** The proposed pipelines and ancillary facilities would be constructed primarily within paved roadway rights-of-way and on disturbed open space. CAL FIRE designates most of the areas within the IEUA service area as Non-very

high fire hazard severity zones (VHFHSZs) but some VHFHSZs are in Chino Hills, Upland, Rancho Cucamonga, and Fontana, primarily around foothills containing wildlands near the boundaries of the IEUA service area. Because not all of the ancillary facilities' locations are determined at this time, there is a potential for facilities to be located within or near wildland areas with high fire risk. The use of spark-producing construction machinery within a fire risk area could create hazardous fire conditions and expose construction workers to wildfire risks. Impacts would be potentially significant.

The implementation of Mitigation Measure HAZ-5 (below) would ensure implementation of fire hazard reduction measures during construction in areas designated as VHFHSZs to reduce the potential for wildfire impacts on people or structures to less than significant.

**HAZ-5:** During construction of facilities located in areas designated as Very High Fire Hazard Severity Zones (VHFHSZs) by CAL FIRE, fire hazard reduction measures shall be implemented and incorporated into a fire management plan. These measures shall address all staging areas, welding areas, or areas slated for development that are planned to use spark-producing equipment. These areas shall be cleared of dried vegetation or other material that could ignite. Any construction equipment that includes a spark arrestor shall be equipped with a spark arrestor in good working order. During the construction of the project facilities, all vehicles and crews working at the project site to have access to functional fire extinguishers at all times. In addition, construction crews shall have a spotter during welding activities to look out for potentially dangerous situations, including accidental sparks.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### **3.2.1.8 Hydrology and Water Quality**

- a. **Potentially Significant Impact:** The proposed program could have significant groundwater impacts due to potentially depleting groundwater supplies or interfering with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level.

**Facts in Support of the Finding:** Implementation of the groundwater recharge and extraction facilities would increase the reliability of replenishment water to the IEUA service area. The proposed recharge basins would be constructed on previously disturbed or undeveloped land and would increase the amount of recycled water and storm water that recharges the groundwater basin. Furthermore, recycled water used for irrigation is projected to decrease; therefore, increased amounts of recycled water would be injected into the basin via the proposed injection wells. The proposed projects would not increase

the use of groundwater but rather accommodate future increases in demand for potable water sourced from groundwater.

As part of implementation of the OBMP, the Chino Basin Watermaster initiated an extensive groundwater-level monitoring program. Currently, groundwater levels are measured by municipal water agencies, DTSC, San Bernardino County, and various private consulting firms at approximately 800 of 1000 wells. Because IEUA, Chino Basin Watermaster, and all other local agencies and jurisdictions coordinate to implement this regional groundwater level monitoring system and the information is used to manage groundwater levels to meet regional objectives, it is unlikely that significant impacts associated with depletion of groundwater levels would occur.

In the event that groundwater levels increase in shallow aquifers due to increased recharge from recharge basins and injection locations, subsurface structures and utilities could become inundated, potentially compromising their functions. Impacts to subsurface structures are potentially significant. Additionally, there is the potential for groundwater levels to rise close to the ground surface during wet years. Potential extended periods of high groundwater could lead to increased liquefaction hazards and reduced percolation capacity. Impacts would be potentially significant.

Implementation of Mitigation Measures HYDRO-1 and HYDRO-2 (below) would ensure that IEUA monitors groundwater levels so that there is no net deficit in aquifer levels and implement measures to ensure groundwater levels do not impact subsurface structures.

**HYDRO-1:** Prior to installing new injection or extraction wells, IEUA and the Watermaster shall ensure that IEUA conduct groundwater modeling near the affected areas sufficient to estimate extraction and injection capacities at specific locations and to avoid impacts to neighboring production well operations.

**HYDRO-2:** IEUA shall continue to support monitoring of groundwater levels throughout the Chino Basin to identify areas of elevated groundwater levels. IEUA and the Watermaster shall ensure that, where necessary, future groundwater recharge projects are designed with groundwater monitoring capabilities sufficient to evaluate and minimize impacts of shallow groundwater on subsurface and surface infrastructure.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** The proposed program could have significant groundwater impacts due to potentially altering the existing drainage pattern of a site or area, including the alteration of the course of a stream or river, in a manner that would result in substantial erosion, siltation, or flooding on-or off-site.

**Facts in Support of the Finding:** During operation, the presence of new facilities at each project site and changes in the extent of permeable or impermeable surfaces could alter the direction and volume of overland flows during both wet and dry periods. Operational impacts would be potentially significant.

Following demolition of RP-2, the project site would be highly disturbed and this could alter the existing drainage pattern of the site, including the alteration of the course of Chino Creek, which is adjacent to the treatment plant. This alteration could result in erosion or siltation during peak rain events. Impacts would be potentially significant.

The proposed project would discharge water into San Antonio Creek, Cucamonga Creek, Day Canyon Creek, Dry Creek, Deer Creek, and Chino Creek. Since some creeks could be dry at discharge locations, the addition of perennial water could alter the contours within the channels and result in minor sediment transport. In addition, the discharge of effluent to the creeks could promote scour or impede flood flows by reworking the stream bed. Furthermore, discharges to the creeks during high flow events could contribute to flood flows and exceed the capacity of the existing drainage systems. Impacts to alteration of and exceedance of capacity of existing drainage systems are potentially significant.

During project design, overland flows and drainage at each FMP project site would be assessed and drainage facilities designed such that no net increase in runoff would occur, in accordance with the San Bernardino County MS4 Permit. As required by Mitigation Measure HYDRO-3 (below), a grading and drainage plan would be developed during project design and implemented to ensure no increase in offsite discharges would occur and no substantial increase in erosion or sedimentation would occur. This also would ensure no substantial increases in onsite or offsite flooding would occur and that the existing capacity of storm water drainage systems would not be exceeded. Impacts would be less than significant with mitigation.

Furthermore, installing velocity dissipaters at the point of discharge for Project Category 2 projects may be necessary to ensure that excessive scour does not occur, without impeding flood flows. Mitigation Measure HYDRO-4 (below) would require that the discharge facilities be designed to avoid scour and flood impacts. Mitigation Measure HYDRO-4 would ensure that during high flow events, the pipelines would divert discharge to other discharge locations to avoid flooding. Implementation of Mitigation Measures HYDRO-3, HYDRO-4 and HYDRO-5 (below) would ensure that impacts to drainages would be less than significant.

**HYDRO-3: Implementation of a Grading and Drainage Plan.** Prior to construction of project facilities, the IEUA shall prepare a grading and drainage plan that identifies anticipated changes in flow that would occur on site and minimizes any potential increases in discharge, erosion, or sedimentation potential in accordance with applicable regulations and requirements for the County of San Bernardino and/or the city in which



the facility would be located. In addition, all new drainage facilities shall be designed in accordance with standards and regulations. The plan shall identify and implement retention basins, best management practices, and other measures to ensure that potential increases in storm water flows and erosion would be minimized, in accordance with local requirements.

**HYDRO-4:** Following the demolition of RP-2 facilities, IEUA shall implement a soil stability plan that ensures soil and wind erosion does not substantially occur at the RP-2 site. The soil stability plan shall provide best management practice (BMP) measures such as soil binders, hydroseeding, straw mulch or other measures to ensure the onsite soils do not erode off of the RP-2 site.

**HYDRO-5:** All creek discharge structures shall be designed with velocity dissipation features as needed to prevent scour at the point of discharge. The design and location of these discharge facilities would be approved by the SBCFCD and USACE to ensure that they do not impede high flow capacity.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- c. **Potentially Significant Impact:** The proposed program could have significant flooding impacts on structures because the program could place within a 100-year flood hazard area structures that could impede or redirect flood flows.

**Facts in Support of the Finding:** Portions of the IEUA service area are within 100-year flood zones. Not all of the proposed conveyance ancillary facilities, well housing, and recharge basin ancillary facilities' locations are determined at this time; therefore, the proposed projects could construct a structure that could impede, or redirect flood flows within a 100-year flood zone.

Implementation of Mitigation Measure HYDRO-6 (below) would ensure that all structures would not impede or redirect flood flows. Therefore, impacts related to the impediment or redirection of flood flows resulting from the placement of structures within a 100-year flood hazard area would be less than significant.

**HYDRO-6:** Where a facility is proposed within a 100-year flood zone, the improvement shall be relocated to land that is not within a 100-year flood zone. Alternatively, if a 100-year flood zone must be utilized for a facility, a hydrology study shall be conducted to ensure that there is no substantial impediment or redirection of flood flows.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### 3.2.1.9 Land Use and Planning

- a. **Potentially Significant Impact:** The proposed program could have significant effects on a conservation plan because the program could conflict with an applicable habitat conservation plan or natural community conservation plan.

**Facts in Support of the Finding:** Pipelines and ancillary facilities may be located in areas with existing habitat conservation plans (HCPs) such as the Oakmont Industrial Group HCP in Ontario and the North Fontana Multiple Species Habitat Conservation Plan in Fontana. Therefore, improvements within these HCP areas could conflict with the provisions of the HCPs and could represent a potential significant impact.

Groundwater recharge and extraction facilities may be located in areas with existing HCPs such as the Oakmont Industrial Group HCP in Ontario and the North Fontana Multiple Species Habitat Conservation Plan in Fontana. Therefore, improvements within these HCP areas could conflict with the provisions of the HCPs and could represent a potential significant impact.

Implementation of Mitigation Measure BIO-10 (above) would reduce potential impacts to existing habitat conservation plan (HCP) areas to less than significance through either avoidance or compliance with HCP permitted activities.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### 3.2.1.10 Noise

- a. **Potentially Significant Impact:** The proposed program could have significant impacts on the exposure of persons to or generation of, noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.

**Facts in Support of the Finding:** The aboveground facilities have the potential to generate some operational noise due to operation of mechanical equipment such as fans, pumps, air compressors, chillers, turbines, etc. Given the urbanized environment of the IEUA service area, many of the aboveground facilities could operate in proximity or adjacent to existing noise-sensitive land uses, such as residential uses, schools, hospitals, etc. The operation of these facilities could potentially expose the adjacent sensitive receptors to noise levels that exceed local established exterior noise standards. Noise-generating equipment such as new aboveground pump stations and other ancillary

facilities would be designed to meet local nighttime ambient noise standards, such that local sensitive receptors would not experience increase in noise. Nonetheless, impacts would be potentially significant.

To reduce the operational noise impacts of the FMP project's aboveground facilities on nearby or adjacent noise-sensitive receptors, Mitigation Measure NOISE-2 (below) would be implemented, which requires operational noise levels of all new facilities to be in compliance with the noise standards in the local noise ordinances. Impacts would be considered less than significant with mitigation.

**NOISE-2:** IEUA shall require that all FMP-related aboveground facilities that include stationary noise generating equipment (such as emergency generators, blowers, pumps, motors, etc.) minimize their audible noise levels by locating equipment away from noise-sensitive receptor areas, installing proper acoustical shielding for the equipment, and incorporating the use of parapets into building design to meet the applicable city or county noise level requirements at neighboring property lines.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** The proposed program could have significant impacts on persons and structures from ground-borne vibration or ground-borne noise levels.

**Facts in Support of the Finding:** Construction activities for the proposed conveyance systems, ancillary facilities, and groundwater recharge and extraction projects would have the potential to impact their respective nearby sensitive receptors. Given the urbanized environment of the project area, the potential exists for construction of a specific project to be located within 25 feet of an adjacent land use. Consequently, existing off-site receptors that are located immediately adjacent to a construction site could be exposed to excessive groundborne vibration levels. While it is anticipated that construction of the proposed projects would employ conventional techniques and the equipment to be used would typically not cause excessive ground-borne vibration, drilling would be required during the installation of injection and extraction wells. Additionally, the installation of pipelines could also require jack and bore construction, depending on the local geology and location of the FMP projects, which can result in vibration levels similar to well drilling operations. Drilling activities could generate peak vibration levels of 0.089 PPV and 87 RMS at a distance of 25 feet. Where potential adjacent receptors are located less than 25 feet from a construction site that employs drilling, the vibration levels experienced by these receptors would be even greater.

As the specific locations for the proposed pump stations recharge basins, ancillary facilities, and injection and extraction wells are undetermined at this time, and given the

short-term nature of construction events, it is anticipated that there would be an infrequent amount of vibration events per day at sensitive land use receptors resulting from project-related construction activities. However, depending on how close an actual receptor location is to a construction site, and the type of building the receptor, the vibration levels at a receptor location could exceed the FTA's vibration thresholds for building damage and human annoyance. As such, vibration impacts during construction associated with the proposed project on existing nearby receptors would be potentially significant.

Implementation of Mitigation Measure NOISE-5 (below), which would discourage the use of construction equipment that generates high levels of vibration (i.e., large bulldozers, loaded trucks, drill rigs, and jackhammers) within specific distances from existing land uses that are located near active construction areas, would reduce the construction-related vibration levels experienced by these existing off-site land uses. Additionally, implementation of Mitigation Measure NOISE-6 (below) would serve to ensure the safety of existing historic buildings by requiring a certified structural engineer to analyze and provide evidence that no structural damage would result at these buildings due to the project's construction activities. Although construction related vibration could be experienced for some specific locations, impacts would be limited in scope and scale and substantially avoided or minimized with implementation of the Mitigation Measures NOISE-5 and NOISE-6; therefore, vibration impacts would be less than significant with mitigation.

**NOISE-5:** IEUA shall require the construction contractor(s) to implement the following measure:

Ensure that the operation of construction equipment that generates high levels of vibration including, but not limited to, large bulldozers, loaded trucks, pile-drivers, vibratory compactors, and drilling rigs, is minimized within 45 feet of existing residential structures and 35 feet of institutional structures (e.g., schools) during construction of the various FMP projects. Use of small rubber-tired bulldozers shall be encouraged within these areas during grading operations to reduce vibration effects.

**NOISE-6:** Where a FMP project would be constructed adjacent to an existing or potential historic building, IEUA shall require by contract specifications that a certified structural engineer be retained to submit evidence that the operation of vibration-generating equipment associated with the construction activities would not result in any structural damage to the adjacent historic building. Contract specifications shall be included in the construction documents for the applicable FMP project development.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the

potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** The proposed program could result in a permanent increase in ambient noise levels in the project vicinity above levels existing without the project.

**Facts in Support of the Finding:** Since the preliminary siting of proposed aboveground facilities have not been finalized at this time and could be subject to change in the future, the existing ambient noise levels at potentially affected noise-sensitive receptors could not be determined at this time. Noise-generating facilities would be designed to avoid increases in ambient noise levels. Given that many of the aboveground FMP facilities would operate in the urbanized and developed areas in and around the IEUA service area, these facilities could be located in proximity to noise-sensitive land uses (e.g., residential uses, schools, hospitals, etc.). Given the acoustic design requirements to avoid increases in ambient noise levels; increased noise levels exceeding the Federal Interagency Committee on Noise (FICON) noise criteria would not be expected. Nonetheless, the program's operational noise impact related to a permanent increase in ambient noise levels at nearby noise-sensitive receptors would be potentially significant.

Implementation of Mitigation Measure NOISE-2 (above) would reduce operational noise levels of the project's aboveground facilities by locating those facilities away from noise-sensitive receptor areas and installing proper acoustical shielding around the facilities. Therefore, operational noise impacts would be less than significant with mitigation.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### **3.2.1.11 Public Services**

- a. **Potentially Significant Impact:** The proposed program could have significant physical impacts associated with the provision of, or the need for, new or physically altered parks and recreation facilities, the construction of which could cause environmental impacts, in order to maintain acceptable performance objectives for parks and recreation.

**Facts in Support of the Finding:** The proposed pipelines are expected to occur within existing roadway rights-of-way, and therefore, would not impact existing park and recreational facilities and would not result in the demand for new park and recreational facilities. The proposed ancillary facilities could be located on parkland or within areas with active recreational uses. Depending on the area required for the ancillary facility, an individual project could result in the removal of all or a portion of a park or recreational facility. The removal of a facility could require the construction of new park or recreational facilities elsewhere to accommodate for the loss of the existing park or

recreational facility. It is assumed that the removal of a park or recreational facility could be a significant impact to the local community.

The implementation of Mitigation Measure PS-1 (below) would ensure no loss of parkland or recreational facilities occur. By relocating proposed improvements or replacing parkland to an alternate location, impacts to recreational facilities would be reduced to less than significant levels.

**PS-1:** If a proposed improvement results in the removal of park or recreational facilities, IEUA will either relocate the proposed improvement or coordinate with the local jurisdiction to develop replacement park or recreational facility capacity.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### **3.2.1.12 Recreation**

- a. **Potentially Significant Impact:** The proposed program could have significant impacts on recreational facilities and thus, could require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment.

**Facts in Support of the Finding:** The proposed pipelines and ancillary facilities would not include the construction of recreational facilities. The proposed pipelines are expected to occur within existing roadway rights-of-way, and therefore, would not impact existing park and recreational facilities. The proposed ancillary facilities could be located on parkland or within areas with active recreational uses. Depending on the area required for the ancillary facility, an individual project could result in the removal of all or a portion of a park or recreational facility. The removal of a facility could require the construction of new park or recreational facilities elsewhere to accommodate for the loss of the existing recreational facility. It is assumed that the removal of a park or recreational facility could result in significant impact to the local community.

The implementation of Mitigation Measure PS-1 (above) would ensure no loss of parkland or recreational facilities occur. By relocating proposed improvements or replacing parkland to an alternate location, impacts to recreational facilities would be reduced to less than significant levels.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level..

### 3.2.1.13 Traffic and Transportation

- a. **Potentially Significant Impact:** Implementation of the proposed program could have a significant impact on an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit.

**Facts in Support of the Finding:** The proposed construction activities within the treatment facilities primarily include upgrades, but there is one of the facilities that will be demolished. The treatment facilities include Regional Water Recycling Plant 1 (RP-1), RP-2, RP-4, RP-5, Carbon Canyon Water Recycling Facility (CCWRF), and Inland Empire Regional Composting Facility (IERCF).

The construction of the proposed treatment facility upgrades would require a maximum of 52 workers per day, generating about 104 one-way vehicle trips (assuming each worker commuted in their own private vehicle). It is estimated that a maximum of 20 haul trucks and up to 22 vendor trucks would be needed each day, generating up to 84 one-way truck trips per day. The proposed demolition of RP-2 is expected to occur over 20 years. For this analysis, it is assumed that a maximum of 10 percent of the demolition could occur in one year and specifically over a 15 day period. Therefore, up to 32 workers per day, generating about 64 one-way vehicle trips (assuming each worker commuted in their own private vehicle). It is estimated that a maximum of 14 haul trucks and up to 2 vendor trucks would be needed each day, generating up to 32 one-way truck trips per day. The proposed restoration of RP-2 is expected to occur over a 30-day period. The restoration activities associated with RP-2 is assumed to required up to 16 workers per day, generating 32 one-way trips. There would be up to 103 haul trips for imported soil and up to 2 vendor trucks per day, generating 210 one-way trips.

The construction workers associated with the upgrades and demolition activities are expected to arrive at and depart from the work sites during a one-hour period at the start and end of the work day, respectively, while truck trips would be spread over the course of the work day. Both the worker trips and truck trips would be spread over different roads that provide access to the locations of the treatment facilities. This impact is considered potentially significant.

Improvements to conveyance systems and ancillary facilities include but are not limited to: installation of new pipelines, rehabilitation of old pipelines, pump stations, lift stations, emergency generators, meters, electrical, system improvements, tanks, and discharge relocations. The proposed improvements to conveyance systems and ancillary facilities would be implemented throughout the entire IEUA service area.

The construction of the proposed conveyance systems and ancillary facilities would require a maximum of 74 workers per day, generating about 148 one-way vehicle trips (assuming each worker commuted in their own private vehicle. It is estimated that up to

3 haul trucks and 23 vendor trucks would be needed each day, generating up to 52 one-way truck trips per day. The construction workers are expected to arrive at and depart from each day's work sites during a one-hour period at the start and end of the work day, respectively, while truck trips would be spread over the course of the work day. Both the worker trips and truck trips would be spread over different roads that provide access to the locations of the pipeline corridors.

In addition to the increased traffic on area roadways, the installation of new pipelines and rehabilitation of old pipelines would temporarily reduce the capacity of roadways along the pipeline alignment(s) due to open-trenching within existing roadway ROWs and the resulting temporary lane closures on the affected roadways. The impact of the lane closures would vary based on the number of lanes needed to be closed (a function of pipeline diameter and trench width) and the width (number of lanes) of the affected roads. Multi-lane roads (four or more lanes) would be better able to accommodate two-way traffic than two-lane roadways. Two-lane roads would likely require active traffic control (flaggers) to allow alternate one-way traffic flow on the available road width, and could possibly require full road closure (with detour routing around the construction work zone). This impact is considered potentially significant.

Improvements associated with groundwater recharge and extraction facilities include: new and modified recharge basins, extraction wells and associated well housing, and groundwater monitoring. Similar to conveyance systems, groundwater recharge and extraction improvements are proposed throughout the IEUA service area. The specific locations of future new extraction facilities are not currently known.

The construction of the groundwater recharge basins and extraction facilities would require a maximum of 54 workers, generating about 108 one-way vehicle trips (assuming each worker commuted in their own private vehicle). It is estimated that up to 201 haul trucks and 5 vendor trucks would be needed each day, generating up to 412 one-way truck trips per day. The construction workers are expected to arrive at and depart from each day's work sites during a one-hour period at the start and end of the work day, respectively, while truck trips would be spread over the course of the work day. Both the worker trips and truck trips would be spread over different roads that provide access to the locations of the pipeline corridors. This impact is considered potentially significant.

The implementation of Mitigation Measure TT-1 (below) would reduce the program's potential construction traffic impacts to less than significant. Mitigation Measure TT-1 would require all construction activities to be conducted in accordance with an approved construction traffic control plan, which would serve to reduce the construction-related traffic impacts to the maximum extent feasible. Thus, through the environmental review and development permit process, subsequent project-specific analysis would be needed to determine specific required elements of the traffic control plans.

The following mitigation measure would be required to reduce potential impacts to traffic and transportation conditions:



**TT-1:** For projects that may affect traffic flow along existing roadways, IEUA shall require that contractors prepare a construction traffic control plan. Elements of the plan should include, but are not necessarily limited to, the following:

- Develop circulation and detour plans if necessary to minimize impacts to local street circulation. Use haul routes minimizing truck traffic on local roadways to the extent possible.
- To the extent feasible, and as needed to avoid adverse impacts on traffic flow, schedule truck trips outside of peak morning and evening commute hours.
- Install traffic control devices as specified in Caltrans' Manual of Traffic Controls for Construction and Maintenance Work Zones where needed to maintain safe driving conditions. Use flaggers and/or signage to safely direct traffic through construction work zones.
- For roadways requiring lane closures that would result in a single open lane, maintain alternate one-way traffic flow and utilize flagger-controls.
- Coordinate with facility owners or administrators of sensitive land uses such as police and fire stations, hospitals, and schools. Provide advance notification to the facility owner or operator of the timing, location, and duration of construction activities.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- b. **Potentially Significant Impact:** Construction of the proposed program could result in hazard impacts due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment).

**Facts in Support of the Finding:** Project construction would not alter the physical configuration of the existing roadway network serving the area, and would not introduce unsafe design features. Also, although construction of the treatment facility upgrades, conveyance systems and ancillary facilities, and groundwater recharge and extraction facilities could temporarily increase the type of vehicles (i.e., trucks) that could be incompatible with predominantly automobile vehicles on local roadways, the change to the mix of vehicles would stop when project construction is completed. The potential conflicts between construction trucks and automobiles on local roadway are considered potentially significant.

The implementation of Mitigation Measure TT-1 (above) would reduce the project's contribution to potential construction traffic hazard impacts to less than significant. The above measure would reduce traffic hazards by requiring all construction activities to be conducted in accordance with an approved construction traffic control plan. Thus,

through the environmental review and development permit process, subsequent project-specific analysis would be needed to determine specific required elements of the traffic control plans.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

- c. **Potentially Significant Impact:** The proposed program could result in a significant emergency access impact.

**Facts in Support of the Finding:** Because the proposed pipelines and some of the ancillary facilities, recharge basins, and/or extraction facilities could require the closure of lanes during construction activities, potential access impacts on emergency vehicles could occur. These potential impacts are considered significant.

The implementation of Mitigation Measure TT-1 (above) would reduce the project's potential construction impacts on emergency access to less than significant. The above measure would reduce impacts on emergency access by requiring all construction activities to be conducted in accordance with an approved construction traffic control plan and require coordination of timing, location, and duration of construction activities with emergency services such as police and fire.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### **3.2.1.14 Utilities**

- a. **Potentially Significant Impact:** The proposed program could result in significant environmental effects from the construction of new stormwater drainage facilities or expansion of existing facilities.

**Facts in Support of the Finding:** Implementation of the treatment facility upgrades, conveyance ancillary facilities, and extraction wells would result in the addition of impervious surfaces that would increase stormwater quantity. This increase could affect on-site drainage patterns as well as off-site drainage volume and require the construction and operation of new and/or expanded stormwater drainage facilities. The construction of new and/or expanded drainage facilities could result in significant environmental effects.

The implementation of Mitigation Measure U-1 (below) would ensure the reduction of peak concentration stormwater flows so that the capacities of the existing downstream drainage facilities are not exceeded.

- U-1: Implementation of a Drainage Plan to Reduce Downstream Flows.**  
Prior to construction of project facilities, the IEUA shall prepare a drainage plan that includes design features to reduce stormwater peak concentration flows exiting the above ground facility sites so that the capacities of the existing downstream drainage facilities are not exceeded. These design features could include bio-retention, sand infiltration, return of stormwater for treatment within the treatment plant, and/or detention facilities.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant environmental effect as identified in the PEIR to a less than significant impact level.

### 3.2.2 Cumulative Impacts

#### 3.2.2.1 Aesthetics

- a. **Potentially Significant Impact:** The proposed program would have cumulatively considerable effects on a scenic vista.

**Facts in Support of the Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more residential, commercial, and industrial development could eliminate portions of the remaining natural areas that are within the service area. With regard to the overall visual and scenic character of the service area, cumulative development would result in more alterations of the existing visual quality of the region and could result in cumulatively significant impacts to existing scenic vistas.

The proposed project would not result in substantial degradation of existing scenic vistas; however, the proposed project could result in impacts to views of scenic vistas. Consequently, the project's contribution to cumulative impacts to scenic resources would be cumulatively considerable. Therefore, the project would result in a potentially significant cumulative impact.

The implementation of Mitigation Measure AES-1(above) would ensure that the proposed facilities' contribution to cumulative scenic vista impacts would be reduced to less than cumulatively considerable by meeting the local design and landscape standards.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- b. **Potentially Significant Impact:** The proposed program could have cumulatively considerable impacts related to damage of scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway.

**Facts in Support of Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more residential, commercial, and industrial development could eliminate portions of the remaining natural areas that are within the service area. With regard to the overall visual and scenic character of the service area, cumulative development would result in more alterations of the existing visual quality of the region and could result in cumulatively significant impacts to the existing scenic character along an eligible state scenic highway or locally-defined corridor or route.

Since the project could result in potential significant impacts on an eligible state scenic highway or locally-defined scenic corridors, the project's contribution is considered cumulatively considerable, and therefore, would result in a significant cumulative impact.

The implementation of Mitigation Measure AES-1(above) would ensure that the proposed facilities' contribution to cumulative impacts on scenic highways, routes, and corridors would be reduced to less than cumulatively considerable by meeting the local design and landscape standards.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- c. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable degradation of the existing visual character or quality of the sites and their surroundings.

**Facts in Support of Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more residential, commercial, and industrial development could eliminate portions of the remaining natural areas that are within the service area. With regard to the overall visual and scenic character of the service area, cumulative development would result in more alterations of the existing visual quality of the region and could result in cumulatively significant impacts to visual character.

Since the project could result in potential significant impacts to the existing visual character or quality of the site and surroundings, the project's contribution is considered cumulatively considerable, and therefore, would result in a significant cumulative impact.

The implementation of Mitigation Measure AES-1(above) would ensure that the proposed facilities' contribution to cumulative impacts on visual character would be

reduced to less than cumulatively considerable by meeting the local design and landscape standards.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- d. **Potentially Significant Impact:** The proposed program could create new sources of substantial light or glare which contribute to cumulatively considerable adverse effects on day or nighttime views in the IEUA service area. A significant impact would occur if the proposed project caused a substantial increase in ambient light levels near light-sensitive land uses such as residential and natural/open space areas.

**Facts in Support of Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more residential, commercial, and industrial development could increase additional sources of light and glare. With regard to the overall sources of light and glare of the service area, cumulative development would result in more new sources of light and glare in the region and could result in cumulatively significant light and glare impacts.

Since the project could result in potential significant impacts related to light spillover and glare, the project's contribution is considered cumulatively considerable, and therefore, would result in a significant cumulative impact.

The implementation of Mitigation Measures AES-2, AES-3 and AES-4 (above) would ensure that the proposed facilities' contribution to cumulative light and glare impacts would be reduced to less than cumulatively considerable by limiting the maximum light beyond the property boundary, complying with existing and future lighting ordinances and not including highly reflective building materials on proposed structures with large facades.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### **3.2.2.2 Agriculture and Forestry Resources**

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable impacts from the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) as shown on maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency to non-agricultural use.

**Facts in Support of Finding:** The cumulative analysis for impacts to agricultural resources involves the projected growth of the IEUA service area. It is projected that the Inland Empire will experience substantial growth within the next 20 to 25 years, which means rapid development of commercial, industrial, and residential land uses could convert farmlands to non-agricultural use. Because agricultural land designated as Prime Farmland, Unique Farmland, and Farmland of Statewide Importance is limited within the Valley Region, the loss of any of the remaining agricultural land in the area would be considered a significant cumulative impact. The proposed FMP projects in conjunction with projected development projects within the IEUA service area are potentially significant and impacts to important farmland are cumulatively considerable.

The implementation of Mitigation Measure AG-1 (above) would ensure the proposed facilities' contribution to cumulative farmland impacts would be reduced to less than cumulatively considerable by using the LESA Model to determine if a significant farmland impact would occur. If there is a determination of significance, then IEUA will offset the loss by acquiring agricultural land conservation credits at a minimum ratio of 1:1.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- b. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable impacts from conflicts with existing zoning for agricultural use, or a Williamson Act Contract.

**Facts in Support of Finding:** The cumulative analysis for determining conflicts between proposed projects and agricultural zoning and Williamson Act Contracts, involves the projected growth of the IEUA service area. It is projected that the Inland Empire will experience substantial growth within the next 25 years, which means rapid development of commercial, industrial, and residential land uses could convert farmlands to non-agricultural use. Because land zoned for agriculture is limited within the Valley Region, the loss of any of the remaining agricultural land in the area would be considered a significant cumulative impact. The proposed FMP projects in conjunction with projected development projects within the IEUA service area are potentially significant, and impacts to agricultural zones are cumulatively considerable.

The implementation of Mitigation Measure AG-1 (above) would ensure the proposed facilities' contribution to cumulative impacts on land zoned for agriculture would be reduced to less than cumulatively considerable by using the LESA Model to determine if a significant farmland impact would occur. If there is a determination of significance, then IEUA will offset the loss by acquiring agricultural land conservation credits at a minimum ratio of 1:1.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- c. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects from conversion of Farmland to non-agricultural use, or conversion of forest land to non-forest use.

**Facts in Support of Finding:** There is no forest land within the IEUA service area, therefore the program would not result in any cumulative impacts to conversion of forest land. However, cumulative development within the IEUA service area could result in the conversion of existing farmlands to non-farmland uses. Therefore, potential significant cumulative farmland conversion impacts could occur. Because the proposed project would result in potential significant farmland conversion impacts, the project's contribution to the cumulative conversion of farmland would be cumulatively considerable.

The implementation of Mitigation Measure AG-1 (above) would ensure the proposed facilities' contribution to cumulative impacts from converting existing farmland to a non-agricultural use would be reduced to less than cumulatively considerable by using the LESA Model to determine if a significant farmland impact would occur. If there is a determination of significance, then IEUA will offset the loss by acquiring agricultural land conservation credits at a minimum ratio of 1:1.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### 3.2.2.3 Air Quality and Greenhouse Gas Emissions

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects from the creation of objectionable odors affecting a substantial number of people

**Facts in Support of the Finding:** Future cumulative growth would add residential and commercial developments to the IEUA service area. The proposed treatment facility upgrades could result in potentially significant impacts regarding the production of increased objectionable odors in the area. Population growth in the service area could result in an increased number of people affected by the objectionable odors produced by the proposed FMP projects. Therefore, treatment facility upgrades could result in potentially significant odor impacts to future cumulative development. The implementation of the treatment facility upgrades could contribute to cumulative odors, resulting in cumulatively considerable impacts. The program's impact would be cumulatively significant.

The implementation of Mitigation Measure AIR-4 (above) would reduce the proposed treatment facilities' contribution to cumulative odor impacts to less than cumulatively considerable by preparing and implementing an Odor Minimization Plan that includes a complaint response protocol and implementation of changes to minimize odors, if needed.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### 3.2.2.4 Biological Resources

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on species because the program could have a substantial adverse effect, either directly or through habitat modifications, on species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the CDFW or USFWS.

**Facts in Support of the Finding:** Cumulative development within the cities and County areas that are in the IEUA service area include infill and conversion of open undeveloped land to urban and rural development. This future cumulative development has the potential to reduce the availability of suitable habitat for special-status species, including suitable foraging habitat for raptor species. Additionally, the conversion of open undeveloped land has the potential to reduce the size, extent, and/or quality of existing wildlife movement corridors, due to habitat fragmentation of undeveloped open space areas within the IEUA service area.

The reduction of flow into Prado Basin resulting from the proposed dry weather diversions would contribute to a cumulative reduction in future flows reaching Prado Basin. Numerous projects are currently being planned to divert water currently discharged into the Santa Ana River from the cities of Rialto, San Bernardino, and Riverside to meet water recycling objectives. In addition, Low Impact Development ordinances, local policies, and municipal storm water detention regulations will encourage water conservation and flow detention, resulting in a potential cumulative reduction in dry weather surface flows reaching Prado Basin. These cumulative flow reductions may result in reduced acreage of healthy riparian forest that supports sensitive species such as least Bells vireo as well as aquatic species such as Santa Ana sucker and Southern California arroyo chub. To mitigate the effects of the cumulative diversions on habitat values and conservation objectives, regional organizations such as the Santa Ana Watershed Project Authority (SAWPA) have developed local partnerships to address cumulative impacts to habitat within Prado Basin. The Chino Basin Watermaster groundwater management and monitoring efforts include provisions to maintain groundwater levels sufficient to avoid adversely affecting existing habitat that relies on groundwater. In addition, regional Habitat Conservation Plans (HCP) are being developed including the Upper Santa Ana River HCP that will develop projects to protect



sensitive species and achieve regional habitat conservation objectives. While IEUA's dry weather diversions would contribute minimally to the cumulative effect, IEUA would continue to participate in regional planning efforts to mitigate habitat deterioration including participating in arundo removal and other invasive species control efforts.

The loss of potentially suitable habitat for special-status species as a result of cumulative development would primarily result from the total conversion of undeveloped land to urban and rural development. This potential conversion by cumulative development is considered a potential significant impact on special-status species. Since the proposed project would also result in potential significant impacts on special-status species, the project's contribution is considered cumulatively considerable, and therefore, would result in a significant cumulative impact.

Implementation of Mitigation Measures BIO-1 through BIO-4 (listed above) would reduce the proposed treatment facilities' contribution to cumulative impacts to sensitive plant and wildlife species to less than cumulatively considerable through avoidance, minimization, and compensation.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- b. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on habitat because the program could have a substantial adverse effect on riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the CDFG or USFWS.

**Facts in Support of Finding:** Implementation of cumulative development within the IEUA service area could result in potential impacts to riparian habitat and special status natural communities. Cumulative development could encroach into areas adjacent to existing drainages and creeks that could contain riparian habitat. In addition, cumulative development could result in potential impacts on riparian habitat. In addition, dry weather flow diversions could contribute to a reduction of surface water reaching the riparian forest in Prado Basin as discussed above. Since development in accordance with the IEUA FMP could result in potential impacts on riparian habitat and/or special-status natural communities, the project's contribution to cumulative impacts would be considerable and would represent a significant cumulative impact.

Implementation of Mitigation Measures BIO-1, BIO-3, and BIO-5 (listed above) would reduce the proposed treatment facilities' contribution to cumulative impacts to riparian habitat areas and special-status natural communities to less than cumulatively considerable through avoidance, minimization, and compensation.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the

potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- c. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on wetlands because the program could have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means.

**Facts in Support of Finding:** The conversion of undeveloped areas to cumulative development, within the IEUA service area may increase effects on protected wetland habitats. Cumulative development that encroaches into wetland habitat areas or indirectly impacts wetland habitat through the increase of upstream urban runoff could result in a significant impact. In addition, dry weather flow diversions could contribute to a reduction of surface water reaching the riparian forest in Prado Basin as discussed above. Since the development in accordance with the IEUA FMP could increase impacts on wetland habitats, the project's contribution to potential impacts on wetland habitat is cumulatively considerable. Thus, the proposed project would result in a significant cumulative impact.

Implementation of Mitigation Measures BIO-5 and BIO-6 (above) would reduce the proposed treatment facilities' contribution to cumulative wetland impacts to less than cumulatively considerable through compensation and implementation of construction and operational best management practices to control stormwater pollutants from exiting a proposed facility site.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- d. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on the movement of species because the program could interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites.

**Facts in Support of Finding:** Implementation of cumulative development within the IEUA service area could be located in areas that are currently undeveloped and could contain a wildlife corridor or trees and vegetation that could provide suitable habitat for birds covered under the Migratory Bird Treaty Act (MBTA). Cumulative development could result in potential significant cumulative impacts to wildlife corridors and nesting birds. Since development in accordance with the IEUA FMP could result in potential impacts to wildlife corridors and nesting birds, the project's contribution to cumulative impacts would be considerable and would represent a significant cumulative impact.

The implementation of Mitigation Measure BIO-4 (above) would reduce impacts on wildlife nests and movement of fish and wildlife species to less than significant through the avoidance of the nesting season for construction activities or provision of a construction buffer from active nests. The implementation of Mitigation Measures BIO-7 and BIO-8 (listed above) would avoid or minimize impacts to wildlife corridors to less than significant.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- e. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on biological resources because the program could have conflict with local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance.

**Facts in Support of Finding:** Implementation of cumulative development within the IEUA service area could be located in areas that are currently protected by local policies or ordinances within the cities of Upland, Ontario, Fontana, Chino Hills, and Rancho Cucamonga and the County of San Bernardino. Therefore, cumulative development could result in potential significant cumulative impacts on biological resources protected by local policies or ordinances. Since development in accordance with the IEUA FMP could result in potential impacts impact to biological resources protected by local policies or ordinances, the project's contribution to cumulative impacts would be considerable and would represent a significant cumulative impact.

Implementation of Mitigation Measure BIO-9 (above) would reduce the proposed treatment facilities' contribution to cumulative biological resources impacts to less than cumulatively considerable through compliance with the local regulations that protect biological resources.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level..

- f. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on a conservation plan because the program could have conflicts with the provisions of an adopted habitat conservation plan, natural community conservation plan, or other approved local, regional, or state habitat conservation plan.

**Facts in Support of Finding:** Implementation of cumulative development within the IEUA service area could be located in areas with existing habitat conservation plans (HCPs) such as the Oakmont Industrial Group HCP in Ontario and the North Fontana Multiple Species Habitat Conservation Plan in Fontana. Therefore, cumulative

development within these HCP areas would conflict with the provisions of the HCPs and would represent a potential significant impact. Since development in accordance with the IEUA FMP could result in potential impacts to existing HCPs, the project's contribution to cumulative impacts would be considerable and would represent a significant cumulative impact.

The implementation of Mitigation Measure BIO-10 (above) would reduce the proposed treatment facilities' contribution to cumulative HCP impacts to less than cumulatively considerable through either avoidance or compliance with HCP permitted activities.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### **3.2.2.5 Cultural Resources**

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on archaeological resources because the program could cause a substantial change in the significance of an archeological resource.

**Facts in Support of Finding:** The project vicinity contains a significant archaeological record that, in many cases, has not been well documented or recorded. Thus, there is the potential for ongoing and future development projects in the vicinity to disturb known or unknown cultural resources, including archaeological sites, and resources of traditional and cultural significance to Native American tribes.

The potential construction impacts of the project, in combination with other projects in the area, could contribute to a cumulatively significant impact on cultural resources.

The implementation of Mitigation Measure CUL-1 (above) would ensure that the proposed facilities' contribution to cumulative impacts on archaeological resources would be reduced to less than cumulatively considerable by avoiding an adverse change in the significance of an archaeological resource.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- b. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on paleontological resources because the program could directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.

**Facts in Support of Finding:** As the service area continues to develop with projected growth, new residential, commercial, and industrial developments would occur. The project vicinity contains a significant paleontological and geological record that, in many

cases, has not been well documented or recorded. Thus, there is the potential for ongoing and future development projects in the vicinity to destroy known or unknown paleontological resource sites or sites with unique geologic features.

The potential construction impacts of the project, in combination with other projects as a result of growth in the area, could contribute to a cumulatively significant impact on paleontological and geological resources. Therefore, the project's cumulative effects to paleontological resources would be cumulatively considerable and cumulative impacts would be potentially significant.

The implementation of Mitigation Measure CUL-3 (above) would ensure that the proposed facilities' contribution to cumulative paleontological resources impacts would be reduced to less than cumulatively considerable by requiring a site-specific study to identify known paleontological resources and/or the potential for unknown paleontological resources.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### **3.2.2.6 Geology, Soils, and Mineral Resources**

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable potential to expose people or structures to adverse geologic effects, including the risk of loss, injury or death involving rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map or based on other substantial evidence of a known fault; strong seismic ground shaking; or seismic-related ground failure, including liquefaction or landslides.

**Facts in Support of the Finding:** Future cumulative development may experience significant impacts related to fault rupture, strong seismic shaking, liquefaction, and landslides within the IEUA service area. The proposed FMP projects could result in potential significant impacts associated with strong seismic ground shaking, liquefaction and landslides. Since the project could result in potential significant impacts related to fault rupture, liquefaction, and landslides, the project's contribution to cumulative impacts is considered cumulatively considerable, and therefore, would result in a cumulatively considerable impact.

The implementation of Mitigation Measures GEO-1 and GEO-2 (above) would ensure that the proposed facilities' contribution to cumulative seismic impacts would be reduced to less than cumulatively considerable by identifying potential seismic hazards with a geotechnical investigation and relocating improvements within Alquist-Priolo faults zones, or designing improvements in accordance with CBC.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- b. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable instability effects because the program facilities could be located on a geologic unit or soil that is unstable or that would become unstable as a result of the proposed program and potentially result in on-or off-site landslide, subsidence, or collapse.

**Facts in Support of the Finding:** Future cumulative development may experience significant impacts associated with unstable geologic conditions such as landslides, subsidence, or collapse within the IEUA service area. The proposed FMP projects could also result in potential significant impacts associated with unstable soils. Therefore, the project's contribution to cumulative impacts associated with unstable soils would be cumulatively considerable. Therefore, the project would result in a potentially cumulative significant impact.

The implementation of Mitigation Measure GEO-1 (above) would ensure that the proposed facilities' contribution to cumulative impacts from development on unstable soils would be reduced to less than cumulatively considerable by implementing recommendations from a design-level geotechnical investigation to reduce the risk of collapse.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- c. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on species because the program could be located on expansive soils as defined in 24 CCR 1803.5.3 of the California Building Code (2013), or corrosive soils creating substantial risks to life or property.

**Facts in Support of the Finding:** Future cumulative development may experience significant impacts associated with expansive soils within the IEUA service area. The proposed FMP projects could result in potential significant impacts associated with expansive soils. Consequently, the project's contribution to cumulative impacts to expansive soils would be cumulatively considerable. Therefore, the project would result in a potentially cumulative significant impact.

The implementation of Mitigation Measure GEO-1 (above) would ensure that the proposed facilities' contribution to cumulative impacts from development on expansive soils would be reduced to less than cumulatively considerable by implementing

recommendations from a design-level geotechnical investigation to reduce the risk of structural damage or collapse from expansive soils.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### **3.2.2.7 Hazards and Hazardous Materials**

- a. **Potentially Significant Impact:** The proposed program facilities could be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, could contribute to cumulatively considerable hazard exposure to the public or the environment.

**Facts in Support of the Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of developments could be located on sites that are included on a list of hazardous materials sites and as a result, could create significant hazards to the public or the environment. Since the proposed FMP projects could be constructed on current hazardous material sites, impacts would be cumulatively considerable and therefore, would result in a potentially significant cumulative impact.

The implementation of Mitigation Measures HAZ-1 and HAZ-2 (above) would ensure that the proposed facilities' contribution to cumulative development on hazardous materials sites would be reduced to less than cumulatively considerable by requiring site-specific studies to identify known hazardous materials risks or the potential for risks related to hazardous materials and affected soils and groundwater. These studies would include recommendations and cleanup measures to reduce risk to the public and the environment from development on hazardous materials sites. Implementation of Mitigation Measure HAZ-1 and HAZ-2 would reduce potential impacts to construction workers and the public from exposure to unknown affected soils.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- b. **Potentially Significant Impact:** The proposed program could be located within an airport land use plan or within two miles of a public airport, public use airport, or private airstrip, which could contribute to cumulatively considerable safety hazards for people residing or working in the project area.

**Facts in Support of the Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more development could be located within an airport land use

plan which could result in a safety hazard for people residing or working in the project area. Since the proposed FMP projects could be constructed within an airport land use plan, impacts would be cumulatively considerable and therefore, would result in a potentially significant impact.

Implementation of Mitigation Measure HAZ-3 (above) would ensure that the proposed facilities' contribution to cumulative safety impacts from development within airport safety zones would be reduced to less than cumulatively considerable by requiring compliance with the appropriate airport land use plan and coordination with the appropriate airport management agencies.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- c. **Potentially Significant Impact:** The proposed program could impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan, and as a result could contribute to cumulatively considerable emergency impacts.

**Facts in Support of the Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more development could impair implementation of or physically interfere with an adopted emergency response plans or emergency evacuation plans by constructing facilities within public rights-of-way. Since the proposed FMP pipelines would be constructed within public rights-of-way, impacts would be cumulatively considerable and therefore, would result in a potentially significant cumulative impact.

The implementation of Mitigation Measure HAZ-4 (above) would ensure that the proposed facilities' contribution to cumulative emergency access impacts would be reduced to less than cumulatively considerable by requiring the preparation of a Traffic Control Plan with comprehensive strategies to reduce disruption to emergency access.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- d. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable wildfire impacts on people or structures due to the intermixing of urbanized areas with wildlands.

**Facts in Support of the Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more development could expose people or structures to a



significant risk of loss, injury or death involving wildland fires. Since there would be potential for FMP projects to be located within or adjacent to areas with high wildland fire risks, impacts would be cumulatively considerable and therefore, would result in a potentially significant cumulative impact.

The implementation of Mitigation Measure HAZ-5 (above) would ensure that the proposed facilities' contribution to cumulative impacts related to wildfires would be reduced to less than cumulatively considerable by implementing fire hazard reduction measures during construction in areas designated as VHFHSZs to reduce the potential for wildfire impacts on people or structures.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### 3.2.2.8 Hydrology and Water Quality

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable groundwater impacts due to potentially depleting groundwater supplies or interfering with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level.

**Facts in Support of the Finding:** IEUA's service area encompasses a large area subject to cumulative water demands. In addition to the projects identified in the FMP, other projects initiated by local agencies could be introduced that would alter groundwater levels. Storm water retention projects initiated by the San Bernardino County Flood Control District may increase groundwater recharge throughout the IEUA service area, resulting in elevated water levels. In addition, increased use of recycled water or localized land use changes in the future could change water demand patterns throughout the IEUA service area, resulting in changing or unpredicted groundwater levels. These local actions would contribute to a cumulative impact.

IEUA's IRP identifies management actions required to achieve adequate water supply through 2040. The plan developed implementation strategies that would improve near-term and long-term groundwater management for the region. In addition, the IRP evaluates new growth, development, and water demand patterns within the IEUA service area. Management actions to ensure adequate groundwater supplies were evaluated based on various demand factors such as land development and community density. For example, as cumulative development within the IEUA service area occurs, the IRP shows that irrigable landscaped areas in developments are becoming increasingly smaller than traditional development and this trend leads to lower water use per housing unit. Management actions such as reducing landscape irrigation allows for increased amounts of recycled water to be used for groundwater recharge.

The IRP includes other management actions such as Low Impact Development (LID) and best management practices (BMPs). IEUA will be supporting LID systems as cumulative development within the IEUA service area occurs. The County of San Bernardino Stormwater Program defines LID BMPs as any stormwater control that uses on-site natural treatment processes to reduce or remove pollutants in runoff (SWRCB, 2011). LID would result in development that utilizes water conservations measures by reducing urban runoff and ultimately increasing the amount of stormwater that is captured and stored in the Chino Basin groundwater table. Practices and management actions such as these would assist in reducing demands of the IEUA's service area water supplies.

The FMP was designed to consider future scenarios where the Chino Basin is used for additional storage to provide a larger contribution to the regional water supply portfolio than is currently feasible, therefore the FMP proposed recharge projects provide a plan to manage the cumulative use of local resources for the benefit of the regional community. With implementation of water efficient management actions and continued groundwater level monitoring under the OBMP, Chino Basin groundwater levels should be stable because increased use matches increased recharge. The potential impacts associated with the proposed FMP projects would not have an incremental effect on groundwater that would be considered cumulatively considerable.

Implementation of Mitigation Measures HYDRO-1 and HYDRO-2 (above) would ensure that the proposed facilities' contribution to cumulative Chino Basin groundwater level impacts would be reduced to less than cumulatively considerable by complying with the Chino Basin groundwater level monitoring program.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- b. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable groundwater impacts due to potentially altering the existing drainage pattern of a site or area, including the alteration of the course of a stream or river, in a manner that would result in substantial erosion, siltation, or flooding on-or off-site.

**Facts in Support of the Finding:** Concurrent construction of cumulative development within the IEUA service area could result in temporary impacts to drainage patterns that may result in erosion, siltation, flooding, or insufficient capacity of drainage systems. All related projects within the service area would be subject to the same federal, State, and local regulations regarding implementation of BMPs under the CGP, SWPPP, and San Bernardino County MS4 Permits. Therefore, cumulative development would not result in significant impacts related to drainage during construction.

However, cumulative projects could experience significant impacts to local drainage systems after rapid development of structures. The proposed FMP projects could result in potential significant impacts associated with the alteration of drainage patterns that result

in erosion, siltation, or flooding. Since the project could result in potential significant impacts, the project's contribution to cumulative impacts is considered cumulatively considerable, and therefore, would result in a significant cumulative impact.

Implementation of Mitigation Measures HYDRO-3, HYDRO-4, and HYDRO-5 (listed above) would ensure that the proposed facilities' contribution to cumulative drainage pattern impacts would be less than cumulatively considerable.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- c. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable flooding impacts on structures because the program could place within a 100-year flood hazard area structures that could impede or redirect flood flows.

**Facts in Support of the Finding:** Future cumulative development could occur within a 100-year flood hazard area and construct structures that impede or redirect flows. Because the proposed FMP projects could also be located within 100-year flood hazard zones and introduce new facilities that could impeded or redirect flows, the project's contribution to cumulative impacts would be cumulatively considerable. Therefore, the project would result in a potentially cumulative significant impact.

Implementation of Mitigation Measure HYDRO-6 (above) would ensure that the proposed facilities' contribution to cumulative flood impacts would be reduced to less than cumulatively considerable by either relocating the improvement away from a 100-year flood zone or conducting a hydrology study to ensure that no substantial impediment or redirection of flood flows occur.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### 3.2.2.9 Land Use and Planning

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on a conservation plan because the program could have conflicts with an applicable habitat conservation plan or natural community conservation plan.

**Facts in Support of the Finding:** Implementation of cumulative development within the IEUA service area could be located in areas with existing habitat conservation plans (HCPs) such as the Oakmont Industrial Group HCP in Ontario and the North Fontana Multiple Species Habitat Conservation Plan in Fontana. Therefore, cumulative development within these HCP areas could conflict with the provisions of the HCPs and could represent a potential significant impact. Since development in accordance with the

IEUA FMP could result in potential impacts impact to existing HCPs, the project's contribution to cumulative impacts would be considerable and would represent a significant cumulative impact.

Implementation of Mitigation Measure BIO-10 (above) would reduce potential cumulative impacts to existing habitat conservation plan (HCP) areas to less than significance through either avoidance or compliance with HCP permitted activities. The program's contribution to cumulative impacts regarding confliction with HCPs would be less than cumulatively considerable.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### **3.2.2.10 Noise**

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable impacts on persons and structures from ground-borne vibration or ground-borne noise levels.

**Facts in Support of the Finding:** Future cumulative development could expose persons and structures to ground-borne vibration or ground-borne noise levels which would represent a significant environmental impact. Because the proposed FMP improvements could result in ground-borne vibration or ground-borne noise levels near sensitive receptors, the project's contribution to cumulative impacts on vibration would be cumulatively considerable, and thus result in a significant cumulative impact.

Implementation of Mitigation Measures NOISE-5 and NOISE-6 (above) would ensure that the proposed facilities' contribution to cumulative vibration impacts would be reduced to less than cumulatively considerable by discouraging the use of construction equipment that generates high levels of vibration and requiring a certified structural engineer to analyze and provide that evidence that no structural damage would result at nearby buildings due to the project's construction activities.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- b. **Potentially Significant Impact:** The proposed program could contribute to a cumulatively considerable permanent increase in ambient noise levels in the project vicinity above levels existing without the project.

**Facts in Support of the Finding:** Future cumulative development could result in a substantial permanent increase in ambient noise levels within the IEUA service area, which would represent a significant environmental impact. Because the proposed FMP

improvements could result in a permanent increase in ambient noise levels, the project's contribution to cumulative impacts on ambient noise levels would be cumulatively considerable, and thus result in a significant cumulative impact

Implementation of Mitigation Measure NOISE-2 (above) would ensure that the proposed facilities' contribution to cumulative noise impacts would be reduced to less than cumulatively considerable by locating facilities away from noise-sensitive receptors and installing proper acoustical shielding around the facilities.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### **3.2.2.11 Public Services**

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable physical impacts associated with the provision of, or the need for, new or physically altered parks and recreation facilities, the construction of which could cause environmental impacts, in order to maintain acceptable performance objectives for parks and recreation.

**Facts in Support of the Finding:** The cumulative analysis for impacts to public services involves the projected growth of the IEUA service area. It is projected that the Inland Empire will experience substantial growth within the next 25 years, which means development of commercial, industrial, and residential land uses. As cumulative development occurs, the IEUA service area may experience a substantial demand for parks and recreational facilities. This increased demand is expected to result in the need for new or altered parks and recreational facilities. The project's contribution to the reduction of parks and recreational facilities would be cumulatively considerable, and thus cumulatively significant.

The implementation of Mitigation Measure PS-1 (above) would ensure that the proposed facilities' contribution to cumulative loss of parkland or recreational facilities would be reduced to less than cumulatively considerable by relocating proposed improvements or replacing parkland to an alternate location.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### **3.2.2.12 Recreation**

- a. **Potentially Significant Impact:** The proposed program could have cumulatively considerable impacts on recreational facilities thus require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment

**Facts in Support of the Finding:** Future growth in the IEUA could require the construction or expansion of park or recreational facilities to accommodate the increase in population (users) within the IEUA area. At this time, the specific environmental effects are not known. Although the effects are not known, this analysis assumes that the cumulative environmental impacts from the construction and operation of a new park or recreational facility could result in significant environmental effects. Because the proposed project could also result in significant impacts from the construction and operation of a new park or recreational facility, the project's contribution to cumulative environmental effects would be cumulatively considerable and therefore cumulatively significant.

The implementation of Mitigation Measure PS-1 (above) would ensure that the proposed facilities' contribution to cumulative loss of parkland or recreational facilities would be reduced to less than cumulatively considerable by relocating proposed improvements or replacing parkland to an alternate location.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### **3.2.2.13 Traffic and Transportation**

- a. **Potentially Significant Impact:** Implementation of the proposed program could contribute to a cumulatively considerable impact on an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit.

**Facts in Support of the Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more residential, commercial, and industrial development is expected to substantially increase traffic volumes on roadways within the service area. This substantial increase from cumulative development is expected to result in significant cumulative impacts on the existing transportation systems. Because the construction activities associated with the FMP projects would increase construction traffic on the area roadways and potentially cause significant impacts, the FMP projects' contribution to cumulative impacts on roadways would be cumulatively considerable and a potential significant cumulative impact would occur.

The implementation of Mitigation Measure TT-1(above) would reduce the project's contribution to potential construction traffic impacts to less than significant. The above measure would require all construction activities to be conducted in accordance with an approved construction traffic control plan, which would serve to reduce the construction-

related traffic impacts to the maximum extent feasible. Thus, through the environmental review and development permit process, subsequent project-specific analysis would be needed to determine specific required elements of the traffic control plans.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- b. **Potentially Significant Impact:** Construction of the proposed program could contribute to cumulatively considerable hazard impacts due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment).

**Facts in Support of the Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more residential, commercial, and industrial development is expected to substantially increase traffic volumes on roadways within the service area. This increase in cumulative traffic volumes could result in significant hazard impacts. Because the proposed construction activities associated with the FMP projects could temporarily increase the type of vehicles (i.e., trucks) that could be incompatible with predominantly automobile vehicles on local roadways, potential conflicts between construction trucks and automobiles could result in significant traffic hazard impacts. Therefore, the project's contribution to cumulative traffic hazard impacts would be considered cumulatively considerable and result in a significant cumulative impact.

The implementation of Mitigation Measure TT-1 (above) would reduce the project's contribution to potential construction traffic hazard impacts to less than significant. The above measure would reduce traffic hazards by requiring all construction activities to be conducted in accordance with an approved construction traffic control plan. Thus, through the environmental review and development permit process, subsequent project-specific analysis would be needed to determine specific required elements of the traffic control plans.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

- c. **Potentially Significant Impact:** The proposed program could contribute to a cumulatively considerable emergency access impact.

**Facts in Support of the Finding:** The IEUA service area is largely urbanized with residential, commercial and industrial development. As the service area continues to develop, the addition of more residential, commercial, and industrial development is expected to substantially increase traffic volumes on roadways within the service area. Cumulative construction activities are expected to increase construction vehicles

travelling on the roadways. While individual emergency vehicles could be slowed if travelling behind a slow-moving truck, per vehicle code requirements, vehicles must yield to emergency vehicles using a siren and red lights. Cumulative construction vehicles travelling along the roadways are expected to result in a less than significant impact on emergency access.

The implementation of some of the cumulative projects within the IEUA service area could result in lane closures during construction activities. Lane closures due to cumulative construction activities could result in potential access impacts on emergency vehicles. These potential cumulative impacts are considered significant. Because the construction activities associated with some of the FMP project could result in lane closures, the project's contribution to cumulative impacts on emergency access is considered cumulatively considerable and a significant cumulative impact.

The implementation of Mitigation Measure TT-1 (above) would reduce the project's cumulative contribution to potential construction impacts on emergency access to less than significant. The above measure would reduce impacts on emergency access by requiring all construction activities to be conducted in accordance with an approved construction traffic control plan and require coordination of timing, location, and duration of construction activities with emergency services such as police and fire.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### 3.2.2.14 Utilities

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable environmental effects from the construction of new stormwater drainage facilities or expansion of existing facilities.

**Facts in Support of the Finding:** Future cumulative development within the IEUA service area would result in the removal of pervious surfaces and increase impervious surfaces. Increases in impervious surfaces would increase stormwater quantity. This increase could cumulatively affect on-site drainage patterns as well as off-site drainage volume and require the construction and operation of new and/or expanded stormwater drainage facilities. This cumulative need for the construction of new and/or expanded stormwater drainage facilities could result in significant environmental effects. Because the proposed FMP projects could also require new and/or expanded stormwater drainage facilities of which their construction could cause significant environmental effects, the program's contribution to cumulative effects would be significantly considerable, and thus would result in as a significant cumulative impact.

The implementation of Mitigation Measure U-1 (above) would ensure that the proposed facilities' contribution to cumulative stormwater drainage facilities impacts would be



reduced to less than cumulatively considerable by ensuring the reduction of peak concentration stormwater flows exiting the aboveground facility sites.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(1), changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the potentially significant contribution to cumulatively considerable environmental effect as identified in the PEIR to a less than significant level.

### 3.3 Findings Regarding Environmental Impacts Not Fully Mitigated to Less Than Significant

Environmental impacts identified in the PEIR as potentially significant but which the IEUA finds cannot be fully mitigated to less than significant, despite the imposition of all feasible mitigation measures identified in the PEIR and set forth herein, are described in this section. The significant and unavoidable impacts are associated with Air Quality, Cultural Resources and Noise.

#### 3.3.1 Project Impacts

##### 3.3.1.1 Air Quality and Greenhouse Gas Emissions

- a. **Potentially Significant Impact:** The proposed program could violate an air quality standard or contribute substantially to an existing or projected air quality violation.

**Facts in Support of Finding:** Activities associated with the proposed project are expected to begin in 2017 and would be completed over approximate 20-year period in 2035. Development of the proposed components in Category 1 includes new and/or upgraded treatment facilities. Construction activities associated with each project within Category 1 would generate pollutant emissions from the following construction activities: (1) demolition of RP-2 facilities; (2) restoration of RP-2 site; (3) site preparation and earthwork of treatment facilities; (4) piping and forming concrete for facilities; and (5) site finishing.

These construction activities would temporarily create emissions of dust, fumes, equipment exhaust, and other air contaminants. Construction activities involving site preparation, grading, and soil movement would primarily generate PM<sub>10</sub> emissions. Mobile source emissions (use of diesel-fueled equipment onsite, and traveling to and from a construction site) would primarily generate NO<sub>x</sub> emissions. Asphalt paving and the application of architectural coatings, where necessary, would primarily result in the release of ROG (i.e., VOC) emissions. The amount of emissions generated on a daily basis would vary, depending on the intensity and types of construction activities occurring at the same time.

It is expected that construction activities of Category 1 projects would occur gradually throughout the 20-year implementation period. Ten percent of RP-2 would be demolished on an annual basis, while total restoration of the RP-2 site would be completed in one year. Construction impacts would be short-term and limited to the period of time when construction activities are taking place. The analysis below assumes that all construction

phases of each project component may occur concurrently (i.e. demolition of RP-2 may occur simultaneously as piping and forming concrete at RP-4). In addition, the analysis below assumes that construction activities would comply with all SCAQMD requirements (i.e., Rule 403 to suppress dust emissions through watering, soil stabilizers, and other measures, and the modeling included a dust emissions reduction of up to 55 percent which is watering two times per day). Implementation of the treatment facility upgrades in Category 1 would exceed the SCAQMD significance threshold for NOx emissions and therefore, would result in a potentially significant impact.

Development of the proposed components in Category 2 includes the construction of pipelines, reservoir tanks, and pump stations. Construction activities associated with each project within Category 2 would generate pollutant emissions from the following construction activities: (1) excavation and shoring, pipeline installation and street restoration for pipelines, (2) site preparation and earthwork, reservoir construction, and architectural coating for reservoir tanks; and (3) site preparation and piping, building construction, and equipment installation for pump stations.

It is expected that construction activities of Category 2 projects would occur gradually throughout the 20-year implementation period. Ten percent of total pipeline installation would be constructed on an annual basis to represent a worst case construction scenario. In addition, the emissions resulting from the construction of a 24 MG reservoir and two pump stations within one year is analyzed as a worst case construction scenario. Similar to Category 1, the analysis below assumes that all construction phases of each project component may occur concurrently. In addition, the analysis below assumes that construction activities would comply with all SCAQMD requirements (i.e., Rule 403 to suppress dust emissions through watering, soil stabilizers, and other measures, and the modeling included a dust emissions reduction of up to 55 percent which is watering two times per day). Implementation of the conveyance and ancillary facilities in Category 2 would exceed the SCAQMD significance threshold for NOx emissions and therefore, would result in a potentially significant impact.

Development of the proposed components in Category 3 includes the construction of recharge basins and wells. Construction activities associated with each project within Category 2 would generate pollutant emissions from the following construction activities: (1) excavation and grading for recharge basins and (2) drilling and construction for wells.

It is expected that construction activities of Category 3 projects would occur intermittently throughout the 20-year implementation period. The total acreage of groundwater recharge basins is undetermined; therefore, as a conservative analysis, the emissions generated below account for the construction of approximately 40 acres of basins, as well as seven wells, within one year. Similar to Category 1, the analysis below assumes that all construction phases of each project component may occur concurrently. In addition, the analysis below assumes that construction activities would comply with all SCAQMD requirements (i.e., Rule 403 to suppress dust emissions through watering, soil stabilizers, and other measures, and the modeling included a dust emissions reduction of

up to 55 percent which is watering two times per day). Implementation of the groundwater recharge basins and wells in Category 3 would exceed the SCAQMD significance threshold for NO<sub>x</sub> emissions and therefore, would result in a potentially significant impact.

The implementation of Mitigation measures AIR-1 and AIR-2 (below) would reduce VOC and NO<sub>x</sub> emissions through the use of construction equipment that emits less criteria pollutants and direct construction trucks away from congested intersections. Although these measures would reduce VOC and NO<sub>x</sub> emissions, the resulting emissions are still expected to exceed the SCAQMD thresholds for VOC and NO<sub>x</sub>.

**AIR-1:** The following measures shall be incorporated to minimize emissions of NO<sub>x</sub> and VOC associated with construction activities for the proposed facilities:

- Construction activities shall require the use of 2010 and newer diesel haul trucks (e.g., material delivery trucks and soil import/export) to the extent feasible. Under conditions where it is determined that 2010 model year or newer diesel trucks are not readily available or obtainable for a project, the implementing party shall be required to provide this evidence to IEUA and shall instead use trucks that meet USEPA 2007 model year NO<sub>x</sub> emissions requirements.
- Off-road diesel-powered construction equipment greater than 50 horsepower shall meet Tier 3 emissions standards at a minimum and Tier 4 where available. Under conditions where it is determined that equipment meeting Tier 4 emission standards are not readily available or obtainable for a project, the implementing party shall be required to provide this evidence to IEUA and shall instead use USEPA Tier 3 equipment.

**AIR-2:** For each individual FMP project, IEUA shall require by contract specifications that:

- Construction-related equipment, including heavy-duty equipment, motor vehicles, and portable equipment, shall be turned off when not in use to avoid excessive idling.
- Construction operations shall minimize use of diesel-powered generators and rely on the electricity infrastructure where feasible.
- Construction trucks shall be routed away from congested streets or sensitive receptor areas where feasible.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or

project alternatives identified in the PEIR to ensure air emissions are reduced below a level of significance. The air quality impacts remain significant and unavoidable.

- b. **Potentially Significant Impact:** The proposed program could result in unavoidable significant effects associated with the exposure of sensitive receptors to substantial pollutant concentrations.

**Facts in Support of Finding:** Construction of Project Categories 1, 2 and 3 assumes that all construction phases of each project component would be constructed simultaneously. For the purposes of analyzing localized air quality impacts to sensitive receptors, the following analysis assumes that all project components are simultaneously being constructed in the same vicinity and exposing the same sensitive receptors. Although the construction of the all project categories would disturb an area larger than five acres, it is assumed in the model that construction would not occur on more than one acre on any given day of construction because the LST for one-acre is more stringent than the 3-acre and 5-acre thresholds and represents a worst-case analysis. Thus, the daily onsite construction emissions generated by all project categories were evaluated against SCAQMD's LSTs for a one-acre site at the nearest sensitive receptor to a treatment facility improvement which is 422 feet as a screening-level analysis to determine whether the emissions would cause or contribute to adverse localized air quality impacts. The maximum localized daily emissions will be compared to the SCAQMD LSTs for SRAs 32, 33 because the nearest receptor to an existing treatment facility is located in SRAs 32, 33.

In addition to the above analysis, an evaluation of the combination of Project Categories 2 and 3 was conducted that assumes all construction phases of each project component would be constructed simultaneously. Since these project components could be constructed throughout the IEUA service area, the maximum localized daily emissions of both of these project categories will be compared to the SCAQMD LSTs for SRAs 32, 33 and 34. The nearest off-site sensitive receptors are assumed to be 82 feet or less for this evaluation. While there may be some components that are further from the receptors, using 82 feet as the receptor distance for this evaluation is also considered a conservative analysis. Therefore, the LSTs for a one-acre site in SRAs 32, 33 and 34 for a receptor distance of 82 feet is used to evaluate the potential localized air quality impacts associated with each facilities' peak day construction emissions in Project Categories 2 and 3.

Construction activities would comply with all SCAQMD requirements (i.e., Rule 403 to suppress dust emissions through watering, soil stabilizers, and other measures, and the modeling included a dust emissions reduction of up to 55 percent which is watering two times per day). The proposed projects under Scenario 1 (all three project categories) would exceed SCAQMD's applicable LSTs for NO<sub>x</sub> and PM<sub>2.5</sub> and under Scenario 2 (Project Categories 2 and 3) would exceed SCAQMD's applicable LSTs for NO<sub>x</sub>, PM<sub>10</sub> and PM<sub>2.5</sub>. Therefore, criteria pollutant impacts to sensitive receptors would be potentially significant.

Implementation of Mitigation Measures AIR-1 and AIR-2 (above) would reduce NOx emissions; however to reduce the emissions to below the SCAQMD significance threshold, emissions would be required to be reduced by approximately 690 percent. The implementation of Mitigation Measures AIR-1 and AIR-2 would not be able to reduce emissions to that extent and the resulting program emissions would continue to exceed the SCAQMD significance thresholds for NOx. The implementation of Mitigation Measure AIR-3 (below) would include additional water above and beyond the watering that was assumed within the modeling and compliant with Rule 403 (i.e., two time per day and reducing emissions by 55 percent). Mitigation Measure AIR-3 includes an additional watering of two times per day for a total of four times per day. This additional watering would provide an additional dust emissions reduction of approximately 14 percent (from 55 percent to 69 percent reduction). Based on the PM10 and PM2.5 emissions illustrated in Table 3.3-13, the combined PM2.5 emissions under Scenario 1 would require a reduction of 21 percent (38.79/32.0) to reduce the PM2.5 emissions to less than significant. The additional two times of watering per day would reduce the emissions by an additional 14 percent; therefore, PM2.5 emissions would remain significant under Scenario 1.

**AIR-3:** Unpaved roads on the project site used for any vehicular travel are required to be watered by water trucks at least four times per eight hour workday or otherwise sufficient to reduce fugitive dust (PM<sub>10</sub> and PM<sub>2.5</sub>) emissions consistent with Rule 403.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure that exposure of sensitive receptors to substantial pollutant concentrations are reduced below a level of significance. The pollutant concentration impacts remain significant and unavoidable.

### 3.3.1.2 Cultural Resources

- a. **Potentially Significant Impact:** The proposed program could have significant effects on historical resources because the program could cause a substantial adverse change in the significance of a historical resource.

**Facts in Support of Finding:** RP-2 would be demolished as part of the treatment facility upgrades, and it is the only treatment facility that currently contains historic-age structures. There is a potential for implementation of facility upgrades at each of the treatment facilities and demolition of RP-2 to impact historical resources since the FMP would be implemented over the next 25 years. The potential impact to the significance of a historical resource is considered significant.

Since the proposed project is at the programmatic level, specific project locations and design elements of the conveyance systems and ancillary facilities have yet to be finalized. Thus, impacts to specific historical resources are speculative. Future development occurring under the FMP could adversely affect historic resources within

the IEUA service area. The potential impact to a historical resource is considered significant.

Surveys of structures 50 years of age or older have not been done and the details of any treatment plan are unknown; therefore, it is possible that the treatment plan may be insufficient to reduce the impacts of the loss of a historic resource to less than significant. In addition, the IEUA does not have any policies that prevent the IEUA Board of Directors to approve demolition of a historic resource that is found to be significant. As such, the impact would remain significant and unavoidable after implementation of Mitigation Measures CUL-1(above) and CUL-2 (below).

**CUL-2:** Development involving ground disturbance and containing structures 50 years old or older shall be subject to a historic built environment survey, and potentially historic structures shall be evaluated for their potential historic significance, prior to IEUA's approval of project plans. The survey shall be carried out by a qualified historian or architectural historian meeting the Secretary of the Interior's Standards for Architectural History. If potentially significant resources are encountered during the survey, a treatment plan shall be prepared prior to demolition or substantial alteration of such resources identified.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure that impacts to historical resources are reduced below a level of significance. The historical resource impacts remain significant and unavoidable.

### 3.3.1.3 Noise

- a. **Potentially Significant Impact:** The proposed program could result in the exposure of persons to or generation of, noise levels in excess of standards established in local general plans or noise ordinances, or applicable standards of other agencies.

**Facts in Support of Finding:** Conveyance and ancillary facility construction activities would involve trenching for new pipelines and installation of any additional supporting infrastructure. Construction of the proposed projects would occur intermittently over the next 20-25 years.

Given the urbanized environment of the service area, many of the projects would be constructed in proximity or adjacent to existing land uses, including those that are noise-sensitive uses. In most cases, the construction of conveyance infrastructure along existing public rights-of-way, existing off-site land uses may be located less than 50 feet from the construction activities. Thus, the proposed project's construction activities would expose existing land uses located in proximity to the pipelines and ancillary facilities like pump stations to increased temporary and intermittent noise levels that are substantially greater than existing ambient noise levels. Because not all locations of the projects are

determined at this time, the construction noise standards and/or regulations that would apply to each of the projects would depend on the agency with jurisdiction over each project location. Noise during construction, depending upon the final location of facilities, may exceed local construction noise standards or violate local construction noise regulations. As a result, construction noise impacts would be potentially significant.

To reduce the construction noise impacts associated with the FMP projects, Mitigation Measure NOISE-1 (below) would be implemented, which would require all construction activities to be conducted in accordance with the applicable local noise regulations and standards, the implementation of noise reduction devices and techniques during construction activities, and advance notification of the surrounding noise-sensitive receptors to a construction site about upcoming construction activities and their hours of operation. This would serve to reduce the construction-related noise levels at nearby receptors to the maximum extent feasible. However, there may be circumstances where the construction activities for a particular FMP project are unable to comply with the local noise regulations and/or standards (for example, well drilling).

Furthermore, while the majority of the construction activities associated with the FMP projects would occur during daytime hours, the construction of the injection and extraction wells would require drilling that requires 24 hour activity. Since all of the jurisdictions in the IEUA service area (the majority of which exempts construction noise from regulation by established exterior noise standards) do not have provisions that would allow for nighttime construction activities, a noise waiver would need to be obtained for these activities. Thus, Mitigation Measure NOISE-3 (below) would be implemented, which would require IEUA to obtain a noise waiver from the jurisdiction where the project is located. However, even with the issuance of a noise waiver, the increase in ambient noise levels at adjacent properties may still be substantial enough such that the nighttime exterior and/or interior noise standards for noise-sensitive uses (e.g., residential uses) in a particular jurisdiction may be exceeded.

To address this noise impact, Mitigation Measure NOISE-4 (below) would be implemented, which would require injection and extraction wells to be located as far away from sensitive receptors as possible and that temporary noise barriers be erected where new wells are located in the immediate vicinity of sensitive receptors to the extent feasible. Nonetheless, despite the implementation of Mitigation Measures NOISE-4, it is anticipated that the noise levels from well drilling would still likely exceed the established local nighttime exterior noise levels for noise-sensitive land uses that are located adjacent to a well-drilling site, in particular residential uses. Thus, these noise impacts for Project Category 3 injection and extraction wells are considered to be significant and unavoidable.

**NOISE-1:** IEUA shall implement the following measures during construction:

- Include design measures where feasible to reduce the construction noise levels if necessary to comply with local noise ordinances. These measures may include, but are not limited to, the erection of

noise barriers/curtains, use of advanced or state-of-the-art mufflers on construction equipment, and/or reduction in the amount of equipment that would operate concurrently at the construction site.

- Place noise and groundborne vibration-generating construction activities whose specific location on a construction site may be flexible (e.g., operation of compressors and generators, cement mixing, general truck idling) as far as possible from the nearest noise- and vibration-sensitive land uses such as residences, schools, and hospitals.
- Minimize the effects of equipment with the greatest peak noise generation potential via shrouding or shielding to the extent feasible. Examples include the use of drills, pavement breakers, and jackhammers.
- Locate stationary construction noise sources as far from adjacent noise-sensitive receptors as possible, and require that these noise sources be muffled and enclosed within temporary sheds, insulation barriers if necessary to comply with local noise ordinances..
- Provide noise shielding and muffling devices on construction equipment per the manufacturer's specifications.
- If construction is to occur near a school, the construction contractor shall coordinate the with school administration in order to limit disturbance to the campus. Efforts to limit construction activities to non-school days shall be encouraged.
- For major construction projects, identify a liaison for surrounding residents and property owners to contact with concerns regarding construction noise and vibration. The liaison's telephone number(s) shall be prominently displayed at construction locations.
- For major construction projects, notify in writing all landowners and occupants of properties adjacent to the construction area of the anticipated construction schedule at least two weeks prior to groundbreaking.

**NOISE-3:** For construction activities during non-standard working hours or hours that are not exempt from compliance with applicable city or county noise ordinances (e.g., 24-hour well drilling), IEUA will secure a noise waiver from the appropriate jurisdiction if available.

**NOISE-4:** Prior to commencement of construction related to the FMP programs at a specific site for that will endure for more than a few days and that are not emergency projects, IEUA will notify property owners within 300 feet regarding the scope and duration of work a minimum of 10 days prior to the start of such activity.



**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure that noise levels are reduced below a level of significance. The noise impacts remain significant and unavoidable.

- b. **Potentially Significant Impact:** The proposed program could have a significant temporary or periodic increase in ambient noise levels in the project vicinity above existing levels existing without the project.

**Facts in Support of Finding:** As existing sensitive land uses in and around the IEUA service area could potentially be located in proximity or adjacent to the future project sites, it is concluded that the construction noise levels generated by the projects would result in a substantial temporary increase in ambient noise levels at those existing land uses. Impacts would be potentially significant.

Although implementation of Mitigation Measures NOISE-1 and NOISE-4 (above) would reduce construction noise levels associated with the proposed projects to the maximum extent feasible, temporary increases in ambient noise due to construction activities of conveyance systems, recharge basins, and wells may be experienced over the course of the planning period. In addition, some activities may require nighttime construction. Despite the implementation of Mitigation Measures NOISE-1, NOISE-3, and NOISE-4, it is anticipated that the noise levels from construction could temporarily increase noise levels, in particular locations. Thus, temporary increases to ambient noise levels for Project Category 3 are considered to be significant and unavoidable.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure that ambient noise levels are reduced below a level of significance. The ambient noise level impacts remain significant and unavoidable.

### 3.3.2 Cumulative Impacts

#### 3.3.2.1 Air Quality and Greenhouse Gas Emissions

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects because the program could violate an air quality standard or contribute substantially to an existing or projected air quality violation.

**Facts in Support of Finding:** The project site is located within the SCAB, which is considered the cumulative study area for air quality. Because the SCAB is currently classified as a state nonattainment area for ozone, PM<sub>10</sub>, and PM<sub>2.5</sub>, cumulative development that includes future projects in the SCAB could violate an air quality standard or contribute to an existing or projected air quality violation.

Based on SCAQMD's cumulative air quality impact methodology, SCAQMD recommends that if an individual project results in air emissions of criteria pollutants (VOC, CO, NO<sub>x</sub>, SO<sub>x</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub>) that exceed the SCAQMD's recommended daily thresholds for project-specific impacts, then it would also result in a cumulatively considerable net increase of these criteria pollutants for which the project region is in nonattainment under an applicable federal or state ambient air quality standard. While operation of the proposed program would not exceed any of SCAQMD's regional significance thresholds, construction emissions would exceed SCAQMD's daily thresholds during construction for VOC and NO<sub>x</sub>. Therefore, the proposed program's contribution to air quality impacts during construction activities, specifically for VOC and NO<sub>x</sub> emissions, would be cumulatively considerable, resulting in a potentially significant cumulative impact.

The implementation of Mitigation Measures AIR-1 and AIR-2 (above) would reduce VOC and NO<sub>x</sub> emissions; however, the proposed facilities' contribution to cumulative impacts related to cumulative emissions of VOC and NO<sub>x</sub> would be cumulatively considerable.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure air emissions are reduced below a level of significance. The air quality impacts remain significant and unavoidable.

- b. **Potentially Significant Impact:** The proposed program could result in a cumulatively considerable net increase of criteria pollutants.

**Facts in Support of Finding:** The project site is located within the SCAB, which is considered the cumulative study area for air quality. Because the SCAB is currently classified as nonattainment area for ozone, PM<sub>10</sub>, and PM<sub>2.5</sub>, cumulative development consisting of the project along with other reasonably foreseeable future projects in the SCAB as a whole could violate an air quality standard or contribute to an existing or projected air quality violation.

Based on SCAQMD's cumulative air quality impact methodology, SCAQMD recommends that if an individual project results in air emissions of criteria pollutants (VOC, CO, NO<sub>x</sub>, SO<sub>x</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub>) that exceed the SCAQMD's recommended daily thresholds for project-specific impacts, then it would also result in a cumulatively considerable net increase of these criteria pollutants for which the project region is in nonattainment under an applicable federal or state ambient air quality standard. The proposed facility improvement projects in Category 1 could generate regional construction emissions exceeding SCAQMD's daily thresholds for NO<sub>x</sub>, resulting in a potentially significant cumulative impact.

The implementation of Mitigation Measures AIR-1 and AIR-2 (above) would reduce VOC and NO<sub>x</sub> emissions through the use of construction equipment that emits less

criteria pollutants and direct construction trucks away from congested intersections. Although these measures would reduce VOC and NO<sub>x</sub> emissions, the resulting emissions are still expected to exceed the SCAQMD thresholds for VOC and NO<sub>x</sub>. The proposed facilities' contribution to cumulative impacts related to cumulative emissions of VOC and NO<sub>x</sub> would be cumulatively considerable.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure net increases of criteria pollutants are reduced below a level of significance. The pollutant impacts remain significant and unavoidable.

- c. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects associated with the exposure of sensitive receptors to substantial pollutant concentrations.

**Facts in Support of Finding:** Because the SCAB is currently classified as a state nonattainment area for ozone, PM<sub>10</sub>, and PM<sub>2.5</sub>, cumulative development consisting of the project along with other reasonably foreseeable future projects in the SCAB as a whole could expose sensitive receptors to substantial pollutant concentrations. Based on SCAQMD's cumulative air quality impact methodology, SCAQMD recommends that if an individual project results in air emissions of criteria pollutants (VOC, CO, NO<sub>x</sub>, SO<sub>x</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub>) that exceed the SCAQMD's recommended daily thresholds for project-specific impacts, then it would also result in a cumulatively considerable net increase of these criteria pollutants for which the project region is in nonattainment under an applicable federal or state ambient air quality standard.

Implementation of all Project Categories (Scenario 1) could exceed the SCAQMD localized significance thresholds for NO<sub>x</sub> and PM<sub>2.5</sub> emissions, and implementation of Project Categories 2 and 3 could exceed the SCAQMD localized significance thresholds for NO<sub>x</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub> emissions. Therefore, the proposed program could result in a cumulatively considerable net increase of the criteria pollutants for which the region is in nonattainment, resulting in a potentially significant cumulative impact.

The implementation of Mitigation Measures AIR-1, AIR-2, and AIR-3 (above) would reduce the proposed facilities' generation of NO<sub>x</sub>, PM<sub>10</sub> and PM<sub>2.5</sub>; however, the program's contribution to cumulative NO<sub>x</sub>, PM<sub>10</sub> and PM<sub>2.5</sub> emissions remains cumulatively considerable.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure exposure of sensitive receptors to substantial pollutant concentrations are reduced below a level of significance. The criteria pollutant impacts remain significant and unavoidable.

### 3.3.2.2 Cultural Resources

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable effects on historical resources because the program could cause a substantial adverse change in the significance of a historical resource.

**Facts in Support of Finding:** The IEUA's service area is largely urbanized with residential, commercial, and industrial development. As the service area continues to develop with projected growth, new residential, commercial, and industrial developments would occur. The project vicinity contains a significant archaeological and historical record that, in many cases, has not been well documented or recorded. Thus, there is the potential for ongoing and future development projects in the vicinity to disturb known or unknown cultural resources, including archaeological sites, historic-era built resources, and resources of traditional and cultural significance to Native American tribes.

The potential construction impacts of the project, in combination with other projects as a result of growth in the area, could contribute to a cumulatively significant impact on cultural resources. Therefore, the project's cumulative effects to historic built resources would be cumulatively considerable and cumulative impacts would be significant and unavoidable.

Surveys of structures 50 years of age or older have not been one and the details of any treatment plan are unknown; therefore, it is possible that the treatment plan may be insufficient to reduce the impacts of the loss of a historic resource to less than significant. In addition, the IEUA does not have any policies that prevent the IEUA Board of Directors to approve demolition of a historic resource that is found to be significant. As such, the impact would remain significant and unavoidable after implementation of Mitigation Measures CUL-1 and CUL-2 (above).

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure impacts to historical resources are reduced below a level of significance. The historical resource impacts remain significant and unavoidable.

### 3.3.2.3 Noise

- a. **Potentially Significant Impact:** The proposed program could contribute to cumulatively considerable impacts on the exposure of persons to or generation of, noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.

**Facts in Support of Finding:** Future cumulative development could result in the exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinances which could represent a significant impact. Because the proposed FMP improvements could result in excessive noise levels during

construction, the project's contribution to cumulative impacts on generation of noise levels in excess of standards throughout the IEUA service area would be cumulatively considerable, and thus result in a significant cumulative impact.

To reduce the construction noise impacts associated with the FMP projects, Mitigation Measure NOISE-1 (above) would be implemented, which would require all construction activities to be conducted in accordance with the applicable local noise regulations and standards, the implementation of noise reduction devices and techniques during construction activities, and advance notification of the surrounding noise-sensitive receptors to a construction site about upcoming construction activities and their hours of operation. This would serve to reduce the construction-related noise levels at nearby receptors to the maximum extent feasible. However, there may be circumstances where the construction activities for a particular FMP project are unable to comply with the local noise regulations and/or standards.

Furthermore, while the majority of the construction activities associated with the FMP projects would occur during daytime hours, the construction of the injection and extraction wells would require drilling that requires 24 hour activity. Since all of the jurisdictions in the IEUA service area (the majority of which exempts construction noise from regulation by established exterior noise standards) do not have provisions that would allow for nighttime construction activities, a noise waiver would need to be obtained for these activities. Thus, Mitigation Measure NOISE-3 (above) would be implemented, which would require IEUA to obtain a noise waiver from the jurisdiction where the project is located. However, even with the issuance of a noise waiver, the increase in ambient noise levels at adjacent properties may still be substantial enough such that the nighttime exterior and/or interior noise standards for noise-sensitive uses (e.g., residential uses) in a particular jurisdiction may be exceeded.

To address this noise impact, Mitigation Measure NOISE-4 (above) would be implemented, which would require injection and extraction wells to be located as far away from sensitive receptors as possible and that temporary noise barriers be erected where new wells are located in the immediate vicinity of sensitive receptors to the extent feasible. Nonetheless, despite the implementation of Mitigation Measures NOISE-4, it is anticipated that the noise levels from well drilling would still likely exceed the established local nighttime exterior noise levels for noise-sensitive land uses that are located adjacent to a well-drilling site, in particular residential uses. Thus, these noise impacts for Project Category 3 injection and extraction wells are considered to be cumulatively considerable with mitigation incorporated.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure noise levels are reduced below a level of significance. The noise level impacts remain significant and unavoidable. **b.**

**Potentially Significant Impact:** The proposed program could contribute to

cumulatively considerable temporary or periodic increase in ambient noise levels in the project vicinity above existing levels existing without the project.

**Facts in Support of Finding:** Future cumulative development could result in a substantial temporary or periodic increase in ambient noise levels throughout the IEUA service area and this would represent a significant environmental impact. Because the proposed FMP improvements could result in temporary or periodic increases in ambient noise levels near the individual project areas, the project's contribution to cumulative impacts on temporary ambient noise levels would be cumulatively considerable, and thus result in a significant cumulative impact.

The implementation of Mitigation Measures NOISE-1, NOISE-2, and NOISE-3 (above) would reduce construction noise levels to the maximum extent feasible; however, the proposed facilities' contribution to cumulative noise impacts would be cumulatively considerable because of the project's contribution to all other construction taking place within the IEUA service area. Temporary noise levels could increase in particular locations despite implementation of mitigation measures. Impacts are considered to be significant and unavoidable.

**Finding:** Pursuant to CEQA Guidelines Section 15091 (a)(3), specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make it infeasible for the mitigation measures or project alternatives identified in the PEIR to ensure ambient noise levels are reduced below a level of significance. The ambient noise level impacts remain significant and unavoidable.

## 4. Feasibility of Alternatives

CEQA requires that a PEIR include an analysis of a reasonable range of feasible alternatives to a proposed program capable of avoiding or substantially lessening any significant adverse environmental impact associated with the program. The discussion of alternatives is required to include the "No Project" alternative. CEQA requires further that the IEUA identify an environmentally superior alternative. If the "No Project" alternative is the environmentally superior alternative, an environmentally superior alternative must be identified from among the other alternatives. (CEQA Guidelines, section 15126.6.)

As set forth in these Findings, the implementation of the proposed program will result in significant impacts that are considered unavoidable. Following are the alternatives to the project that were considered and evaluated.

## 4.1 Alternative 1: No Program

### 4.1.1 Description

An analysis of the No Program Alternative is required under CEQA Guidelines Section 15126.6(e). According to Section 15126.6(e)(2) of the CEQA Guidelines, the “no program” analysis shall discuss:

*what is reasonably expected to occur in the foreseeable future if the project were not approved, based on current plans and consistent with available infrastructure and community services.*

The No Program Alternative represents a “no build” scenario in which the proposed project would not be constructed or operated. It assumes that all proposed treatment plant facilities, treated water conveyance systems, storage reservoirs, conveyance ancillary facilities, sewage collection facilities, groundwater recharge basins, injection and extraction wells, and groundwater recharge ancillary facilities, along with other elements of the program would not be implemented and no program components would be constructed. Under the No Program Alternative, IEUA would continue to convey wastewater to the treatment plants for treatment then convey recycled water treated to Title 22 standards to creeks, recharge basins, biosolids, other facilities, storage reservoirs, or injection wells. There would be no increase in the use of recycled water to solve regional water supply challenges and there would be no availability of recycled water for multiple beneficial uses within the Santa Ana Watershed and Chino Groundwater Basin. Additionally, there would be no increase in the operational flexibility for potable water resources within the IEUA service area by advancing the localized recycled water management and groundwater recharge objectives of the region.

### 4.1.2 Impact Analysis

#### ***Aesthetics***

The proposed projects would result in a less than significant impact to aesthetics with mitigation. Under Alternative 1, the project sites would remain the same as existing conditions, retaining their current visual character; therefore, no views of the site would be altered. Additionally, no new sources of light and glare would be created. Therefore, this alternative would have no impacts to aesthetics, and would have fewer impacts compared to the proposed FMP program.

#### ***Agriculture and Forestry Resources***

The proposed FMP program would result in less than significant impacts to agriculture and forestry resources with mitigation. Alternative 1 would have no impact to agriculture and forestry resources.

#### ***Air Quality and Greenhouse Gas Emissions***

Under Alternative 1, there would be no construction-related emissions (from construction activities, vehicles and equipment). The significant and unavoidable impact associated with short-term construction emissions would not occur under this alternative. However, air emissions associated with energy demands would remain high compared to the proposed program’s goals of

implementing renewable energy supplies. In addition, air emissions associated with imported water energy demands would be greater than the proposed program. Although short-term construction emissions would be avoided, long-term operational air emissions would be greater under the No Program Alternative.

### ***Biological Resources***

The proposed FMP program would result in less than significant impacts to biological resources with mitigation. Under Alternative 1, the project sites would not undergo construction or operation of facilities on open land that may contain habitat, and therefore would not put candidate, sensitive, or special-status species at risk or impede any biological resource regulation, ordinance, or conservation plans. Therefore, this alternative would have no impacts to any biological resources or areas that may contain biological resources, and would have fewer impacts compared to the proposed FMP program.

### ***Cultural Resources***

The proposed projects have the potential to encounter archaeological and paleontological resources during ground disturbing activities. Additionally, the proposed program would have significant and unavoidable impacts in regards to historical resources. Under Alternative 1, no ground disturbing activities would occur to any known or unknown historical, archaeological, or paleontological resources. Therefore, this alternative would have fewer impacts to cultural resources compared to the proposed FMP program.

### ***Geology, Soils, and Mineral Resources***

The proposed program would result in a less than significant impact related to exposure to geologic resources with mitigation incorporated. Additionally, the proposed FMP program would not result in the loss of availability of important mineral resources within the IEUA service area. Under Alternative 1, there would be no development and the potential effects associated with geology and soils, such as soil erosion during construction, and mineral resources, would not occur. Therefore, this alternative would have fewer impacts to geology, soils and minerals compared to the proposed program.

### ***Hazards and Hazardous Materials***

The proposed program would result in a less than significant impact to hazards and hazardous materials with mitigation. Under Alternative 1, no construction would occur; therefore no new facilities would be placed on hazardous material sites or expose structures or persons to hazardous materials. Therefore, this alternative would result in fewer impacts related to hazards and hazardous materials compared to the proposed FMP program.

### ***Hydrology and Water Quality***

The proposed projects would result in less than significant impacts to hydrology and water quality with mitigation. Under Alternative 1, there would be no development and thus no changes to the natural drainage patterns of any site, or to the potential to contribute to runoff into existing stormwater drainage systems. However, there would be no opportunity to increase groundwater supplies or increase capacity at treatment plants. In addition, salt loading into the groundwater



basin would continue to rise. This alternative would result in fewer surface water quality impacts, but greater groundwater impacts.

### ***Land Use and Planning***

The proposed program would result in a less than significant impact to land use and planning. The FMP program would not physically divide a community, or conflict with any applicable land use plan, policy, or regulations. Under Alternative 1, no development would occur and project sites would remain in their current state. As such, this alternative would not change existing land use or have an effect on land use plans and policies related to the program area. However, without implementation of the proposed program, IEUA would not be able to meet future growth forecasts' water demand. Ultimately, population growth would exceed capacity of IEUA's treatment system which could lead to significant water quality degradation or a shut down of development within IEUA's service area. Alternative 1 would result in IEUA requesting that no population growth be allowed within service area. Alternative 1 would substantially affect population and housing. Therefore, this alternative would result in greater impacts compared to the proposed program.

### ***Noise and Vibration***

The proposed projects would result in a significant unavoidable impact from temporary construction noise and less than significant impacts from operation. Under Alternative 1, there would be no development and no change to existing ambient noise levels. No noise and vibration impacts would occur under Alternative 1. Therefore, this alternative would result in fewer impacts from noise and vibration compared to the proposed program and would avoid a significant impact of implementing the FMP program.

### ***Population and Housing***

The proposed program would result in a less than significant impact to population and housing. Alternative 1 would not result in the need for new housing or induce growth. However, providing wastewater treatment mitigates secondary effects of growth by accommodating future demands. Under Alternative 1, construction and operation of the projects would not occur, and accordingly there would be no potential impacts associated with construction. However, without implementation of the proposed program, IEUA would not be able to meet future growth forecasts' water demand. Ultimately, population growth would exceed capacity of IEUA's treatment system which could lead to significant water quality degradation or a shut down of development within IEUA's service area. Alternative 1 would result in IEUA requesting that no population growth be allowed within service area. Alternative 1 would substantially affect population and housing.

### ***Public Services***

The proposed program would result in a less than significant impact to public services with mitigation. Under Alternative 1, there would be no development, thus no increased demand on existing fire protection, police protection, public schools, or recreational facilities. Therefore, this alternative would result in fewer impacts related to public services than the proposed program.

### ***Recreation***

The proposed program would result in a less than significant impact to recreation with mitigation. Under Alternative 1, there would be no development and no impact to recreational activities or facilities. Therefore, this alternative would have fewer impacts to recreation compared to the proposed program.

### ***Traffic and Transportation***

The proposed program would result in a less than significant impact to traffic and transportation with mitigation. Under Alternative 1, there would be no development, thus no additional traffic would be generated by uses on the project sites and no impacts related to traffic and circulation would occur. Therefore, this alternative would result in fewer impacts to transportation and traffic such as new development fees and roadway improvements, compared to the proposed program.

### ***Utilities***

The proposed program could result in the construction of new stormwater drainage facilities which would result in a less than significant impact with mitigation. Under Alternative 1, no development would occur and no construction of new drainage or other utility infrastructure systems would need to be implemented. Therefore, this alternative would result in fewer impacts related to utilities than the proposed program.

### ***Secondary Effects of Growth***

The proposed FMP program would indirectly accommodate anticipated population growth through the development of wastewater treatment facilities and increased groundwater recharge, but would not cause additional secondary effects beyond those that have been identified and addressed in prior EIRs on General Plans prepared by each of the cities experiencing growth. The development of new wastewater treatment and groundwater recharge facilities would mitigate potential impacts associated with out-growing existing wastewater treatment and groundwater recharge facilities. Under Alternative 1, there would be no method to accommodate increased wastewater treatment requirements which is a secondary effect of growth in the service area. Providing public utilities mitigates secondary effects of growth. Without implementation of the proposed program, IEUA would not be able to meet future growth forecasts' water demand. Ultimately, population growth would exceed capacity of IEUA's treatment system which could lead to significant water quality degradation and supply. This alternative would result in increased significant impacts from secondary effects of growth.

## **4.1.3 Findings for Alternative 1: No Project**

The No Program Alternative excludes any of the proposed facility upgrades. As a result, there would be less construction activity when compared to the proposed FMP projects. Alternative 1 would reduce or eliminate all proposed program impacts, including significant and unavoidable impacts of the proposed program, but it would result in new potentially significant impacts that could result from aging equipment including process malfunctions and inefficiencies that could result in hazardous material spills, increased energy usage, groundwater quality degradation, and increased air emissions.

## 4.2 Alternative 2: Reduced Groundwater Discharge

### 4.2.1 Description

All proposed FMP projects either directly or indirectly support the FMPs goal of increasing groundwater recharge to reduce reliance on imported water. The 2013 RMPU proposes the most projects that would directly impact groundwater recharge in order to achieve this goal. These projects would increase stormwater and dry-weather runoff recharge in the Chino Basin by about 4,066 AFY and increase recycled water recharge capacity by about 3,025 AFY. When fully implemented, the 2013 RMPU would reduce the future demand for SWP water by about 12,600 AFY. Table 2-13 in Chapter 2 of this PEIR displays key improvement projects that would support this increased recharge capacity. Groundwater recharge projects consist of improved conveyance systems, ancillary facilities such as pump stations, drainage structures, berms, injection wells and recharge basins. The proposed projects that would construct new recharge basins and/or implement upgrades to existing recharge basins would result in the most substantial environmental impacts as compared to other proposed groundwater recharge facility projects.

Alternative 2 would reduce groundwater recharge by 25 percent by eliminating all new recharge basin locations and only implementing the enlarging of existing recharge basins. Under this Alternative a maximum of 702,000 CY of material (soil) would be excavated as opposed to 936,000 CY under the proposed program. Since no new recharge basins would be built, no impacts to undeveloped property would occur. The reduced recharge basin capacity would reduce some of the impacts associated with the proposed program from excavation and grading. Construction activities would occur intermittently throughout the 20-year FMP implementation period. Basin excavation and grading would result in VOC and NO<sub>x</sub> emissions during construction. Recharge basins would also account for the most truck haul and delivery trips needed to export and import soil, and therefore would attribute to greenhouse gas emissions. Additionally, construction of the recharge basins would impact traffic the most out of other proposed recharge facilities.

By not implementing all recharge basin projects, there would be a reduction in the total amount of cubic yards of soil that would need to be excavated; therefore, impacts to air quality, cultural resources, greenhouse gases, land use, traffic, and potentially other environmental resources would be proportionately reduced.

### 4.2.2 Impact Analysis

#### *Aesthetics*

The proposed program was found to have less than significant impacts to aesthetics with mitigation. Alternative 2 would result in similar significant impacts associated with aesthetics prior to the implementation of mitigation measures as compared to the proposed program. However, because no new recharge basins would be constructed, impacts to scenic vistas, visual character, and light and glare would be lessened.

### ***Agriculture and Forestry Resources***

The proposed program would result in less than significant impacts to agriculture resources with mitigation and no impacts to forestry resources. New recharge basins and ancillary facilities could potentially be implemented on land that is zoned for agriculture or land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance.

Because Alternative 2 would not construct any new recharge basins, no impacts to farmland conversion would occur. Therefore, this alternative would have fewer impacts to agriculture compared to the proposed FMP program.

### ***Air Quality and Greenhouse Gas Emissions***

The proposed FMP program would result in temporary construction-related emissions (from construction activities, vehicles, and equipment), and significant and unavoidable short term impacts associated with construction emissions. Additionally, the FMP program could expose sensitive receptors to substantial pollutant concentrations. The construction of new recharge basins account for the most substantial impact to NO<sub>x</sub>, VOC, and greenhouse gas emissions associated with construction equipment vehicles and soil haul trucks for excavation.

Alternative 2 would result in similar significant and unavoidable impacts to air quality (NO<sub>x</sub>), although emissions would be less than the proposed program since less soil would be excavated and hauled. Alternative 2 would similarly result in fewer greenhouse gases emissions compared to the proposed program.

### ***Biological Resources***

The proposed FMP program would result in less than significant impacts to biological resources with mitigation. Open space areas that could be used for new recharge basin implementation could contain special species, habitats, sensitive communities, or corridors for wildlife migration or movement.

Under Alternative 2, no new recharge basins would be constructed on open land that may contain habitat or special-status species. Alternative 2 would result in similar or fewer impacts associated with biological resources.

### ***Cultural Resources***

The proposed FMP program has the potential to encounter archaeological and paleontological resources during ground disturbing activities. Additionally, the proposed program would have significant and unavoidable impacts in regards to historical resources.

Alternative 2 would result in similar significant and unavoidable impacts to historical resources. However, under Alternative 2, with no new recharge basins constructed, the potential for encountering cultural resources or paleontological during excavation would be lessened. Therefore, this alternative would have fewer impacts to cultural resources compared to the proposed FMP program due to the decreased amount of construction, grading, and excavation that would occur because of new recharge basin implementation.

### ***Geology, Soils, and Mineral Resources***

The proposed FMP program would result in a less than significant impact related to exposure to geologic resources with mitigation incorporated. Additionally, the proposed program would not result in the loss of availability of important mineral resources within the IEUA service area. New recharge basins have the potential to contribute to the most significant soil erosion or topless due to the size and volume of the basins. Furthermore, increased recharge into the new basins could contribute to increased liquefaction hazards due to increased saturation of soils and landslide hazards along steep slopes of the new basins.

Alternative 2 would result in similar impacts associated with geology and soils, to the proposed program. Although fewer recharge basins would be constructed, impacts associated with seismic impacts, unstable soils and erosion would be similar for the existing basin enlargements. Alternative 2 would similarly result in fewer impacts to mineral resources since no new recharge basins would be constructed that could be located on mineral resource zones. .

### ***Hazards and Hazardous Materials***

The proposed program would result in a less than significant impact to hazards and hazardous materials with mitigation.

Alternative 2 would result in similar impacts associated with hazards and hazardous materials compared to the proposed program. However, under Alternative 2, since no new recharge basins would be constructed, the potential for encountering contaminated soils would be reduced. The potential for accidental spills of hazardous materials due to construction equipment that could threaten surface runoff or groundwater quality would be similar to the proposed program. This alternative would result in fewer potential impacts related to hazards and hazardous materials compared to the proposed program.

### ***Hydrology and Water Quality***

The proposed FMP program would result in less than significant impacts to hydrology and water quality with mitigation.

Alternative 2 would result in similar impacts to hydrology and water quality compared to the proposed program. Although no new recharge basins would be constructed, impacts to surface runoff, drainage, and floodplains would be similar. However, the reduced recharge capacity would reduce the amount of low-TDS stormwater recharged into the groundwater basin. The management of salt and nutrients in the basin is outlined in the RWQCB Basin Plan. The reduced stormwater recharge would result in increasing salt concentrations within the groundwater. Furthermore, the use of imported water with high salt content would replace the local stormwater. This would result in greater water quality impacts than under the proposed program. In addition, due to the reduction in groundwater recharge, Alternative 2 would not meet goals for groundwater supplies in 2040. Therefore, impacts to groundwater supplies would be greater than the proposed program.

### ***Land Use and Planning***

The proposed FMP program would result in less than significant impacts to land use and planning. The FMP program would not physically divide a community, or conflict with any applicable land use plan, policy, or regulations.

Under Alternative 2, no development of recharge basins and associated ancillary facilities would occur and project sites would remain in their current state. As such, this alternative would not change existing land use or have an effect on land use plans and policies related to the specific recharge basins project areas. Therefore, this alternative would result in fewer impacts to land use and planning as compared to the proposed program.

### ***Noise and Vibration***

The proposed FMP program would result in a significant unavoidable impact from temporary construction noise and less than significant impacts from operation.

Alternative 2 would result in similar significant impacts associated with long-term noise compared to the proposed program. Alternative 2 would have the potential to result in significant and unavoidable impacts due to construction noise, although in fewer locations. This alternative would have similar impacts to noise and vibration as compared to the proposed FMP program.

### ***Population and Housing***

The proposed FMP program would result in a less than significant impact to population and housing.

Alternative 2 would not result in the need for new housing or induce growth, and would similarly result in less than significant impacts associated with Population and Housing. The Alternative would not alter the FMP's relationship to regional growth.

### ***Public Services***

The proposed FMP program would result in a less than significant impact to public services with mitigation.

The reduction of groundwater recharge would have no direct effect on public services. Under Alternative 2, there would be no increased demand on existing fire protection, police protection, or public schools; therefore, this alternative would have no impact on fire services, police services, or schools as compared to the proposed program. Alternative 2 would result in similar impacts associated with public services.

### ***Recreation***

The proposed FMP program would result in a less than significant impact to recreation with mitigation. Proposed new recharge basins have the potential to be located on land that could be used for recreational activities.

Although some locations would be avoided, overall, Alternative 2 would result in similar impacts associated with parks and other recreational facilities compared to the proposed program.

### ***Traffic and Transportation***

The proposed FMP program would result in a less than significant impact to traffic and transportation with mitigation. Construction of recharge basins contribute to the most traffic compared to other proposed FMP projects. This is because recharge basins require the removal and transportation/delivery of soil that would be excavated. The truck haul trips contribute to the existing traffic within the IEUA service area.

Although some locations would be avoided, overall, Alternative 2 would result in similar impacts associated with traffic compared to the proposed program.

### ***Utilities***

The proposed FMP program would result in less than significant impacts to utilities with mitigation.

Alternative 2 would reduce the amount of local water supplies through the reduction of stormwater recharge basins. As a result, imported water would be required to make up for the local water supply reduction. This would result in greater energy usage and air emissions to import water from Northern California and the Colorado River. Impacts associated with other utilities including wastewater treatment and landfill capacities would be similar to the proposed program.

### ***Secondary Effects of Growth***

The proposed program would indirectly accommodate anticipated population growth through the development of wastewater treatment facilities and increased groundwater recharge, but would not cause additional secondary effects beyond those that have been identified and addressed in prior EIRs on General Plans prepared by each of the cities experiencing growth. The development of new wastewater treatment and groundwater recharge facilities would mitigate potential impacts associated with out-growing existing wastewater treatment and groundwater recharge facilities.

Although the reduction of recharge capacity would reduce groundwater supplies for the region, alternative water sources could be attained to meet regional demands. Therefore, the Alternative would not alter the FMP's relationship to regional growth.

## **4.2.3 Findings for Alternative 2: Reduced Groundwater Discharge**

Alternative 2 would reduce groundwater recharge by 25 percent by eliminating construction of new recharge basins and associated ancillary facilities. By not constructing new recharge basins, there would be a reduction in the total amount of cubic yards of soil that would need to be excavated and less overall ancillary facilities such as pipelines, pumps, meters and electrical systems; therefore, construction impacts would be proportionately reduced. The remaining facilities that are part of the proposed FMP program would be implemented under Alternative 2.

Alternative 2 would reduce but not eliminate the potential significant impacts of the proposed program. However, by reducing the proposed recharge capacity, additional water sources would

be necessary to meet growing water demands of the region. The only other available water supplies are recycled water and imported water. The proposed program includes recycled water production. Therefore, only imported water could replace the proposed new stormwater recharge capacity. Imported water requires a significant amount of energy to convey water from the Colorado River or Northern California and increases air emissions associated with energy production. In addition, imported water has more dissolved salts compared with local stormwater which increases salt loading in the Inland Empire groundwater basins. Because Alternative 2 does not maximize the use of low-TDS stormwater supplies, it results in greater impacts to energy demands and air emissions and is not the environmentally superior alternative.

## 4.3 Alternative 3: Expanded Advanced Water Treatment Facility

### 4.3.1 Description

Alternative 3 would construct an advanced water treatment facility (AWTF) to supply approximately 9 million gallons per day (MGD) of highly treated recycled water beyond the proposed FMP. The Integrated Water Resources Plan includes projects to increase direct-use and groundwater recharge by up to 22 MGD recycled water. Alternative 3 would construct an additional 9 MGD of AWTF capacity, enough to treat all potentially available recycled water supplies through buildout. The proposed AWTF would be constructed within existing IEUA facilities, or at a member agency facility. The AWTF would utilize recycled water, potentially from Regional Water Recycling Plant No. 1 (RP-1), IEUA's largest and most central wastewater treatment facility located in Ontario, California. The AWTF may treat a sidestream of the facility's available recycled water.

The proposed AWTF under Alternative 3 may include construction of a Microfiltration (MF) treatment facility, Reverse Osmosis (RO) treatment facility, Ultraviolet-Advanced Oxidation Process (UV-AOP) treatment or similar disinfection process, booster pump station, standby power for critical processes, chemical storage, truck off-loading pad, and associated piping and ancillary systems. The advance treated water may be used as facility treated effluent to neighboring creeks or recharged in recharge basins within the IEUA service area, potentially with the first phase to be basins closest to RP-1, such as RP-3, San Sevaine and/or Victoria Basins. The MF/RO membrane treatment process followed by UV-AOP provides tertiary-treated high quality recycled water suitable for groundwater recharge. The process provides the level of treatment needed to meet the Title 22 regulatory requirements for groundwater recharge through spreading and direct injection.

Each facility to be constructed as part of the AWTF would be designed and installed to meet applicable local, State and Federal regulations and would undergo related permitting. The AWTF may utilize approximately 150,000 – 200,000 square feet within an existing IEUA facility. Alternatively, IEUA may consider offsite AWTF locations such as Monte Vista Water District's Plant 28 in the city of Montclair for treatment and injection into Chino Basin Management Zone 1 (MZ1), such as Brooks Basin, Montclair Basin, College Heights and Upland Basin.

Following are brief general descriptions of the potential AWTF major processes:



### ***Microfiltration (MF) Facility***

MF membranes are an efficient technology for particle removal and pathogen control. These technologies yield finished water turbidities consistently below 0.1 NTU, independent of feed water quality. Membrane filtration is a pressure-driven process that provides a near absolute barrier to suspended solids and microorganisms with pore sizes ranging from 0.1 to 0.5 microns. The MF treatment facility may include:

- Feed pump,
- Microfiltration membranes, and
- Ancillary equipment

### ***Reverse Osmosis (RO) Facility***

High-pressure membrane processes, such as RO, are typically used for the removal of dissolved constituents including both inorganic and organic compounds. RO is a process in which the mass-transfer of ions through membranes is diffusion controlled. The feed water is pressurized, forcing water through the membranes concentrating the dissolved solids that cannot travel through the membrane. Consequently, these processes can remove salts, hardness, synthetic organic compounds, disinfection-by-product precursors, etc. The RO treatment facility may include:

- RO break tank and pump station,
- RO trains consisting of a feed pump and reverse osmosis membranes
- An RO flush tank with pump station, and
- An RO clean-in-place system

### ***Ultraviolet Advanced Oxidation Process (UV-AOP) Facility***

UV disinfection is a physical process that uses no toxic chemicals and produces no known toxic residuals or byproducts. The disinfection mechanism of UV light involves damage or destruction of an organism's genetic material due to the transference of electromagnetic energy (i.e., wavelength of 254 nanometers [nm]) from a UV lamp to the genetic material. The lethal effects of this energy result primarily from the organism's inability to replicate. When coupling this system with a small dose of hydrogen peroxide, an advanced oxidation process (AOP) results, in which hydroxyl radicals are produced which can mineralize many organic microconstituents. The UV-AOP facility may include:

- UV reactor, and
- Hydrogen peroxide feed system

## **4.3.2 Impact Analysis**

### ***Aesthetics***

The proposed program was found to have less than significant impacts to aesthetics with mitigation. Alternative 3 would result in similar impacts associated with aesthetics compared to the proposed program.

### ***Agriculture and Forestry Resources***

The proposed FMP program would result in less than significant impacts to agriculture and forestry resources with mitigation. Facilities could potentially be implemented on land that is zoned for agriculture or land designated as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance.

Alternative 3 would not alter potential impacts to agriculture or forest resources compared to the proposed program.

### ***Air Quality and Greenhouse Gas Emissions***

The proposed FMP program would result in temporary construction-related emissions (from construction activities, vehicles, and equipment), and significant and unavoidable short term impacts associated with construction emissions. Additionally, the FMP program could expose sensitive receptors to substantial pollutant concentrations.

Alternative 3 would result in similar significant and unavoidable impacts to air quality; however, the need for additional energy to power the facility would increase operational air emissions including GHG emissions.

### ***Biological Resources***

The proposed FMP program would result in less than significant impacts to biological resources with mitigation. Alternative 3 would not alter the potential impacts to biological resources compared to the proposed program.

### ***Cultural Resources***

The proposed FMP program has the potential to encounter archaeological and paleontological resources during ground disturbing activities. Additionally, the proposed program would have significant and unavoidable impacts in regards to historical resources.

Alternative 3 would not alter the potential impacts to cultural resources compared to the proposed program.

### ***Geology, Soils, and Mineral Resources***

The proposed FMP program would result in a less than significant impact related to exposure to geologic resources with mitigation incorporated. Additionally, the proposed program would not result in the loss of availability of important mineral resources within the IEUA service area.

Alternative 3 would not alter the potential impacts to geology, soils, or mineral resources compared to the proposed program.

### ***Hazards and Hazardous Materials***

The proposed program would result in a less than significant impact to hazards and hazardous materials with mitigation.

Alternative 3 would require increased use of chemicals to operate the AWTF. However, potential accidental spills of hazardous materials from treatment facilities and construction equipment would be similar to the proposed program.

### ***Hydrology and Water Quality***

The proposed FMP program would result in less than significant impacts to hydrology and water quality with mitigation.

Alternative 3 would provide high quality water for groundwater recharge and other reuse opportunities such as potable reuse. The high quality water would assist in reducing salt loading into the basin. This would result in benefits to the groundwater basin water quality. Other impacts to drainage, runoff, and floodplains would be similar to the proposed program.

### ***Land Use and Planning***

The proposed FMP program would result in less than significant impacts to land use and planning. The FMP program would not physically divide a community, or conflict with any applicable land use plan, policy, or regulations.

Alternative 3 would not alter the potential impacts to land use and planning compared to the proposed program.

### ***Noise and Vibration***

The proposed FMP program would result in a significant unavoidable impact from temporary construction noise and less than significant impacts from operation.

Alternative 3 would construct a new AWTF and would result in similar impacts to noise and vibration compared to the proposed program.

### ***Population and Housing***

The proposed FMP program would result in a less than significant impact to population and housing.

Alternative 3 would construct a new AWTF and would result in similar impacts to population and housing as the proposed program.

### ***Public Services***

The proposed FMP program would result in a less than significant impact to public services with mitigation.

Alternative 3 would construct a new AWTF that would not alter demands for public services such as fire protection, police protection, or public schools would be similar to the proposed program.

### ***Recreation***

The proposed FMP program would result in a less than significant impact to recreation with mitigation. Ancillary facilities have the potential to be located on land that could be used for recreational activities.

Alternative 3 would construct a new AWTF and would result in similar impacts to recreation as the proposed program.

### ***Traffic and Transportation***

The proposed FMP program would result in a less than significant impact to traffic and transportation with mitigation.

Alternative 3 would construct a new AWTF and would result in similar impacts to traffic as the proposed program.

### ***Utilities***

The proposed FMP program would result in less than significant impacts to utilities with mitigation.

Alternative 3 would construct a new AWTF that would increase energy demands compared with the proposed program. Demands for other utilities such as solid waste, water and wastewater treatment would be similar to the proposed program.

### ***Secondary Effects of Growth***

The proposed program would indirectly accommodate anticipated population growth through the development of wastewater treatment facilities and increased groundwater recharge, but would not cause additional secondary effects beyond those that have been identified and addressed in prior EIRs on General Plans prepared by each of the cities experiencing growth.

Alternative 3 would construct a new AWTF that could be used to augment water supplies to meet growing local demands. However, Alternative 3 would not alter the FMP's relationship to growth in the region.

## **4.3.3 Findings for Alternative 3: Expanded Advanced Water Treatment Facility**

Alternative 3 would include construction of an additional AWTF within an existing IEUA facility or other location that could produce up to 9 MGD of high-quality recycled water. The advanced treated water could be used for groundwater recharge, discharge to creeks, or eventually to augment potable water supplies. The operation of the treatment facility would require greater energy than the proposed tertiary treatment which would result in greater air emissions associated with energy production. Construction of the treatment facility would emit greater amounts of air

pollutants, and operation of the plant would require storage of more hazardous chemicals needed in the treatment. However, the removal of salts from the recharge water would improve groundwater quality and assist in managing the salt balance of the region. Alternative 3 could meet the program objectives. However, the Alternative's use of additional electricity would not meet the objective to minimize IEUA demand for electricity and natural gas to the same extent as Alternative 1.

## 4.4 Environmentally Superior Alternative

CEQA requires that an EIR identify an environmentally superior alternative of a project other than the No Project Alternative (CEQA Guidelines Section 15126.6(e)(2)). The Environmentally Superior Alternative is the one that would result in the fewest or least significant impacts. If the Environmentally Superior Alternative is the No Project Alternative, then an Environmentally Superior Alternative must be selected from the remaining alternatives.

The proposed program would implement necessary improvements to minimize the need for imported water, while maximizing the efficiency of wastewater treatment, local water supply augmentation, energy efficiency, and asset maintenance. Upgrading aging infrastructure provides for greater operating efficiency that reduces the risk of spills, malfunctions, and air emissions associated with treatment facilities and energy production. As a result, the proposed program is the environmentally superior alternative since it provides for the careful planning and timed implementation of necessary public services while minimizing environmental impacts.

## 5. Statement of Overriding Considerations

The California Environmental Quality Act (CEQA) requires the lead agency to balance the benefits of a proposed program against its unavoidable environmental risks in determining whether to approve the program. The IEUA proposes to approve the Facility Master Plans although significant and unavoidable impacts have been identified in the PEIR. Specifically, the significant and unavoidable project and cumulative impacts are described below.

### 5.1 Significant and Unavoidable Impacts

#### 5.1.1 Air Quality and Greenhouse Gas Emissions

**Air Quality Standard/Violation:** The program would violate an air quality standard or contribute substantially to an existing or projected air quality violation. The program's increase in VOC and NO<sub>x</sub> emissions would exceed the South Coast Air Quality Management District threshold. This impact is both a project and cumulative significant unavoidable impact.

**Criteria Pollutants:** The program would result in a cumulatively considerable net increase of criteria pollutants for which the program region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors). Since NO<sub>x</sub> is a criteria pollutant, the program's increase in NO<sub>x</sub> emissions would result in a cumulatively considerable net increase in a region that is in non-attainment. This is a project and cumulative significant unavoidable impact.

**Sensitive Receptors:** The program would result in significant and cumulatively considerable impacts associated with the exposure of sensitive receptors to substantial pollutant concentrations. Construction of the program components would expose sensitive receptors located near the project area boundaries to localized air quality impacts from criteria pollutants and TACs from on-site sources during project construction. This impact is both a project and cumulative significant unavoidable impact.

### **5.1.2 Cultural Resources**

**Historical Resources:** The program would result in significant and cumulatively considerable impacts on historical resources. There is a substantial lack of information available regarding historical resources within the IEUA service area; therefore, construction of the program components could unknowingly adversely affect historic resources. This impact is both a project and cumulative significant unavoidable impact.

### **5.1.3 Noise**

**Noise Standards:** The proposed program would expose people to and/or generate noise levels in excess of standards established in local general plans, noise ordinances, and/or applicable standards of other agencies. It is anticipated that the noise levels from 24-hour well drilling would likely exceed the established local nighttime exterior noise levels for noise-sensitive land uses that are located adjacent to a well-drilling sites. This impact is both a project and cumulative significant unavoidable impact for construction.

**Temporary Noise Increase:** The proposed program would temporarily or periodically increase ambient noise levels in the project vicinity above existing levels existing without the project. Temporary increases in ambient noise due to construction activities of conveyance systems, recharge basins and wells may be experienced over the course of the program planning period. In addition, some activities may require nighttime construction. This impact is both a project and cumulative significant unavoidable impact for construction.

## **5.2 Program Benefits**

The IEUA has balanced the proposed program's benefits against the proposed program's significant and unavoidable impacts. The IEUA finds that each of the following benefits supports the overriding of the significant impacts identified above and in the PEIR.

1. **Meet Future Wastewater Treatment Demand –** Implementing the proposed program will ensure that the IEUA service area is served with adequate wastewater treatment capacity that meets regulatory requirements and recycled water objectives through service area build-out.
2. **Recycled Water Production–** Implementing the proposed program will ensure that IEUA produces adequate recycled water supply to meet the objectives established in the Recycled Water Program Strategy through service area build out.
3. **Sustain Prado Basin Riparian/Wetland Habitat–** Implementing the proposed program will ensure that sufficient amounts wastewater discharge will meet IEUA's downstream discharge

obligations to the Santa Ana River in order to sustain riparian and wetland habitat through service area build out.

4. **Biosolids Management**– Implementing the proposed program will ensure that sufficient processing capacity at the Inland Empire Regional Composting Facility will meet service area biosolids demands through service area build out.
5. **Energy Saving**– Implementing the proposed program will, to the maximum extent feasible, provide sustainable energy generation to minimize IEUA demand for electricity and natural gas from the Southern California Edison (SCE) and the Southern California Gas Company (SCG) grids.
6. **Localizing Water Supply**– Implementing the proposed program will provide new water resources to maintain the Chino Groundwater Basin aquifer for sources of potable water within the IEUA service area.
7. **Adapt to Variable Wet and Dry-Year Conditions**– Implementing the proposed program will allow key water resource supply vulnerabilities to be identified and evaluated. Developing water supply options could reduce and/or adapt to potential vulnerabilities.
8. **Power Independence and Carbon Neutrality**– Implementing the proposed program will support the organics diversion program and food waste co-digestion of member agencies and local businesses. The proposed program would comply with the State’s organics diversion requirements, and the IEUA could meet long term goals of peak power independence and carbon neutrality.

# ATTACHMENTS



Date: February 17, 2016

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (02/10/16)

From: P. Joseph Grindstaff  
General Manager

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

Sylvie Lee  
Manager of Planning and Environmental Resources

Subject: Energy Management Plan (EMP)

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### **RECOMMENDATION**

It is recommended that the Board of Directors concur with the proposed initiatives and findings as outlined in the Energy Management Plan.

### **BACKGROUND**

The primary objectives of the EMP is to benchmark the Agency's current energy performance and greenhouse gas emissions baseline; forecast future demands; and explore measures that will cultivate a reliable and sustainable energy infrastructure to achieve the objectives set forth in IEUA's Business Goals. This plan also aims to identify projects and business practices that can improve the Agency's Integrated Demand Side Management (IDSM) and work in concert with energy utilities whenever possible to benefit grid management.

The major initiatives discussed in the EMP are:

- Peak power independence
- Grid interdependence
- Organics diversion, and
- Carbon neutrality

As described in past planning documents, peak power independence has been a central goal for the Agency due to cost of this power. IEUA has progressed toward this goal by developing a diverse energy portfolio that includes energy efficiency, as well as solar, wind, and fuel cell generation. As more renewable energy comes into the state's power grid; however, the State

must cope with changing grid conditions. This means that assumptions about peak power demand periods will shift, as will the times when surplus power needs to be taken off the grid. IEUA's demand response and battery storage projects are at the cutting edge of addressing this emerging grid management issue. Additionally, environmental regulatory issues related to energy generation will require detailed studies to identify new technologies to address these issues.

In concert with peak power independence and grid interdependence, the EMP also introduces a new initiative to assist the member agencies in complying with the State's anticipated increase in organics diversion requirements, by diverting food waste to the Agency's anaerobic digesters and composting facility. The State has a target to reduce landfilling of solid waste by 75% by 2020, and this is expected, under the 2016 Short Lived Climate Pollutants Plan, to increase to 90% by 2025 in order to further reduce greenhouse gas emissions. Staff is currently conducting a feasibility study to estimate the amount of food waste available in the service area; the biogas generation potential; and the possible alternatives to beneficially use the digester gas generated in a cost effective manner.

A direct consequence of the implementation of the first two initiatives is the proposed carbon neutrality goal, which requires the Agency to acquire 100 percent of its electricity needs from carbon neutral sources by 2030. This will be accomplished through increased energy efficiency and renewable energy generation, and optimized interdependence with the State's power grid. In addition to greenhouse gas emissions voluntary reporting initiated in 2013 (with an audited carbon emissions baseline completed in 2016), staff will establish a carbon impact evaluation criteria to ensure future energy projects selected for implementation contribute to the Agency's achievement of the 100% carbon neutral goal.

The EMP relied on forecasting to evaluate the feasibility of site-specific energy projects. Forecasts were developed by incorporating projects from the Ten-Year Capital Improvement Plan (TYCIP) and findings from the Wastewater Facilities Master Plans, as well as, the anticipated performance of applicable self-generation installations. Wastewater flow projections were utilized to forecast anticipated seasonal demands at each IEUA facility. The EMP identified several potential energy projects, such as lighting upgrades and expansion of the solar installation at the IERCF, that are recommended to undergo more detailed analyses to determine whether they will be incorporated into the 2016/17 TYCIP.

Focused business practices, such as energy procurement strategies and improved energy monitoring were discussed within the plan, as cost saving measures can extend beyond conservation projects. Through prudent planning that considers past performance and anticipates regional needs, this EMP constructs a blueprint to shape a reliable and efficient energy profile for the Agency and an open communication with energy utilities to enhance the water-energy relationship.

The EMP will be reevaluated every two years. A Programmatic Environmental Impact Report (PEIR) is being prepared and will incorporate the findings of the EMP, along with the remainder of the Agency's planning documents, such as the Wastewater Facilities Master Plan and the Integrated Resources Plan. Following the Board approval of the PEIR, anticipated in summer

2016, each of these planning documents will be brought to the Board for final approval. Development of the EMP is consistent with the IEUA business goal of *Wastewater Management*, namely optimizing facility energy use, achieving state environmental sustainability and renewable energy goals, effectively managing renewable resources to achieve peak power independence, and providing for future rate stabilization.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The EMP was entirely developed in-house. Projects recommended by the EMP will be included in the TYCIP to ensure they are properly funded.

Attachments:

Attachment 1: PowerPoint Presentation

Attachment 2: 2015 Energy Management Plan

Attachment 3: Fact Sheets

Date: November 4, 2015

To: The Honorable Board of Directors and  
Regional Policy Committee

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: Integrated Water Resources Plan

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### **RECOMMENDATION**

It is requested that the Board of Directors and Regional Policy Committee develop a consensus in support of the following water supply strategies for the Integrated Water Resources Plan:

**Recycled Water:** Continue to invest in recycled water projects to maximize the beneficial reuse.

**Groundwater:** Acquire additional supplemental water to enhance groundwater recharge, sustain production and reduce basin salinity.

**Conservation:** Implement measures to reduce current urban demand at least 10% to enhance water supply resiliency. Outdoor water efficiency is the top priority.

**Imported Water:** Strategically maximize the purchase of imported water for recharge or in-lieu when available.

**Stormwater:** Continue to maximize stormwater recharge projects, including rainwater capture and infiltration.

**Supplemental Water:** Pursue external water supplies including exchanges, storage and water transfers to augment groundwater recharge and recycled water programs. External supplies include surface, imported and non-potable water.

## **BACKGROUND**

Over the past 15 years, our agencies have successfully worked together to drought-proof the region by making significant investments in groundwater, recycled water, and conservation programs. These programs developed water supplies that supported and continued economic development and growth. These investments leveraged the region's ability to secure hundreds of millions of dollars in state and federal grants and loans. Over the next two years, more than a billion dollars of state and federal grants and loans will be available to support additional water supply development.

To ensure that the region is prepared for this next round of funding opportunities, IEUA in partnership with the member agencies have developed an Integrated Water Resources Plan (IRP) to guide the next round of proposed investments.

In order to meet the schedule for upcoming funding opportunities and establish planning priorities, the IRP process has been divided into two phases:

**Phase 1 – Analysis and Recommendations:** Phase 1 has focused on an extensive analysis of future projected water needs and water supply strategies under conditions of climate change and growth. The final report will summarize the recommended regional water resource strategies, corresponding ranges of costs for the various supply categories and a regionally developed, all-inclusive list of potential supply projects (local and regional). This report will be used to complete a Programmatic Environmental Impact Report (PEIR), which is critical for grant eligibility. Phase 1 will be completed by spring 2016.

**Phase 2 - Implementation and CIP:** Phase 2 will address additional detailed project level analysis including project scopes, costs, prioritization, and implementation schedule. Phase 2 will also include the disaggregation of the regional demand and supplies to the local, retail level. Continued discussions may be facilitated through a water forum. Phase 2 is anticipated to begin in May 2016.

Staff has made significant progress on Phase 1. Since June 2012, workshops have been conducted with member agencies to determine 2040 water demands, assess climate impact on local water supplies and stress test various water supply strategies. Key milestones made during this process in 2015 are summarized below.

- June - Established a projected regional urban demand range of 220,000 - 267,000 acre-feet per year (AFY) by 2040.
- July - Identified over 70 potential water supply projects and opportunities.
- August - Established IRP goals of “Resilience, Water Efficiency, Sustainability and Cost Effectiveness” with representatives from the Joint IEUA Board/Policy Committee.
- September - Performed climate change modeling of current water supplies and developed eight water supply strategies.
- October - Performed resiliency testing and analysis to identify the recommended water management strategies for the IRP.

## GOALS

The overarching goals that guided the IRP process and analysis are:

1. **Resilience:** Regional water management flexibility to adapt to climate change and economic growth, and any changes that limit, reduce, or make water supplies unavailable.
2. **Water Efficiency:** Meet or exceed rules and regulations for reasonable water use.
3. **Sustainability:** Provide environmental benefits, including energy efficiency, reduced greenhouse gas emissions, and water quality improvements to meet the needs of the present without compromising the ability of future generations meeting their own needs.
4. **Cost-Effectiveness:** Supply regional water in a cost effective manner and maximize outside funding.

## REGIONAL 2040 DEMAND PROJECTION

Based on the assumptions made through the IRP process, the estimated regional demand is 295,000 acre-feet (AF), which includes urban municipal and industrial demands of 267,000 AF, Santa Ana River discharge obligation of 17,000 AF, and the Chino Desalter replenishment requirement of 11,000 AF.

## CLIMATE IMPACT ASSESSMENT

The IRP evaluated the impacts of climate change on our region's future water needs. To do this, RAND Corp, the agency's consultant, created a model for the region that included 106 climate and hydrology projections from the Intergovernmental Panel of Climate Change Assessment. Results indicate that the majority of the region's local supplies will decrease by 2040 as shown in Table 1. The primary drivers for this reduction are projected temperature increases and the unpredictability of precipitation. On average, the availability of climate dependent water supplies, such as stormwater, local surface and imported water will reduce by approximately 30 percent over the next 20 years.<sup>i</sup>

Table 1: Local Supply Availability in year 2040

Supply Type	Supply Available	
	Baseline (Acre-Foot per Year)	Baseline under Climate Impact (% of Baseline) <sup>(1)</sup>
Recycled Water	64,700	100%
Groundwater	91,300	96%
Stormwater <sup>(2)</sup>	6,400	69%
Local Surface	22,100	63%
Imported Water <sup>(3)</sup>	69,750	77%
Notes:		
(1) Based on the range of supply that falls within 75 percent of the studied climate projections.		
(2) Only includes the projected increase in stormwater capture and recharge per the 2013 CBWM Recharge Master Plan Update. Supply availability to start in year 2020.		
(3) State Water Project supply availability is expected to decrease due to constraints on the Delta and projections of reduced snowfall in the Sierra Nevadas.		

## WATER SUPPLY STRATEGIES

A water supply strategy is a combination of water supply and conservation projects or opportunities that the region could pursue to help achieve the goals of the IRP. A total of eight different water supply strategies were developed during the course of the IRP workshops for resiliency testing across the 106 climate projections. These strategies were as follows:

- **Strategy 1:** Maximize Chino basin groundwater, including prior stored groundwater
- **Strategy 2A:** Maximize recycled water (including external supplies) and local supply projects and implement minimal conservation
- **Strategy 2B:** Strategy 2A plus securing supplemental imported water from MWD and non-MWD sources
- **Strategy 3A:** Maximize recycled water (including external supplies) and implement moderate conservation
- **Strategy 3B:** Strategy 3A plus implement high conservation
- **Strategy 4:** Maximize supplemental water supplies and recycled water (including external supplies) and implement minimal-moderate level of conservation
- **Strategy 5A:** Maximize the purchase of imported water from MWD and implement minimal-moderate level of conservation
- **Strategy 5B:** Strategy 5A plus maximize local recycled water

## RESILIENCY TESTING RESULTS

Strategies 2B, 3A, 3B, 4 and 5B performed well and were able to meet future demands. Strategies 3B and 4 had the added benefit of building storage reserves to help accommodate for future uncertainties or catastrophic events, such as a major facility/pipeline breaks or loss in supplies. Alternatively, these reserves could also be used to enhance supply reliability within the Santa Ana watershed and across Southern California.

Analysis of the performance of the eight water supply strategies resulted in the following recommendations:

- Continue investment in recycled water projects to maximize the beneficial reuse.
- Acquire supplemental water to enhance groundwater recharge and sustain production.
- Implement conservation measures to reduce current urban demand by at least 10 percent to enhance water supply resiliency. Outdoor water efficiency is the top priority.
- Strategically maximize the purchase of supplemental water for recharge or in-lieu when available.
- Include external supplies, such as surface, imported and non-potable water, strategically in combination with conservation to augment groundwater recharge, recycled water and build storage reserves.
- Continue to maximize stormwater recharge projects, including rainwater capture and infiltration.

IEUA staff greatly appreciated the engagement and assistance of member agency staff in the IRP discussion.

The Integrated Water Resources Plan is part of the Agency's Recycled Water and Groundwater Recharge Business Goal objectives that IEUA will develop and implement an integrated water resource management plan that promotes cost-effective, reliable and sustainable water use along with economic growth within the service area.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

**Attachments:**

1. August 26, 2015 IRP presentation – supply strategy building workshop
2. October 13, 2015 IRP presentation – supply strategy modeling results and lessons learned
3. Water supply strategy project summary table
4. Additional supplies and capacity summary table
5. IRP intent letter dated October 1, 2015
6. November 4, 2015 IRP presentation – Joint Policy workshop

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<sup>i</sup> To note, the 2040 baseline supply availability includes no climate impacts and assumes projects adopted in the Agency's Fiscal Year 2015-16 Ten Year Capital Improvement Plan are constructed. Therefore, no additional investments are made after the year 2025.



Date: July 15, 2015

To: The Honorable Board of Directors

Through: Engineering, Operations & Biosolids Committee (07/08/15)

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: Wastewater Facilities Master Plan

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### **RECOMMENDATION**

It is recommended that the Board of Directors concur with the findings of the Wastewater Facilities Master Plan.

### **BACKGROUND**

The purpose of the Wastewater Facilities Master Plan (WFMP) was to update the previous WFMP prepared in 2002 and updated in 2007 where the ultimate influent flow was estimated at 202 million gallons per day (mgd) and 110 mgd, respectively. Due to changes in economic conditions, water use efficiency practices, discharge permit requirements, and population growth projections, the influent wastewater flow and loading assumptions were re-evaluated to determine future facilities expansion needs. Based on the growth projections in the service area as identified in the Integrated Resources Plan (IRP), the revised ultimate influent flow was projected to be 88 mgd. Although the new influent flow was much less than previously reported, the wastewater strength had increased since 2002. In addition, the WFMP analyzed flow diversion alternatives in order to maximize recycled water supply in correlation with the Recycled Water Program Strategy program.

The planning period of the WFMP was for year 2035 and the ultimate year 2060. Capital projects were developed based on the expansion needs for each RWRP for the next 20 years. Table 1 identified the major capital projects required to meet projected capacities.

Table 1 – Major Capital Projects for next 20 Years

Project	Purpose	Estimated Cost (Smillion)
Whispering Lakes Pump Station Expansion	Increase pumping capacity for future wastewater flows to RP-1	\$6.1
RP-1 Solids Treatment Expansion	Increase solids treatment capacity for existing and future flows	\$24.9
RP-1 Liquid Treatment Expansion and Primary Effluent Equalization Elimination	Increase liquid treatment capacity for future flows; eliminate primary flow equalization for other uses	\$122.4
RP-4 Liquid Treatment Expansion	Increase liquid treatment capacity for future flows	\$6.6
RP-5 Solids Handling Facilities	Relocate RP-2 solids handling to RP-5; increase solids treatment capacity for existing and future flows; demolish RP-2 facilities	\$157.3
RP-5 Liquid Treatment Expansion	Increase liquid treatment capacity for future flows	\$125.5
Montclair Interceptor Upgrades	Upsize four segments to mitigate deficiencies	\$25.4

Preliminary design efforts for the expansion of RP-1 and RP-5 will begin in FY 2015/16 to identify treatment options consistent with the ultimate facility layouts provided within the WWFMP.

The WWFMP will be reevaluated once every ten years, or as major changes are identified. A Programmatic Environmental Impact Report (PEIR) will be prepared for the ultimate conditions provided in the WWFMP, along with the remainder of the Agency's planning documents such as the Recycled Water Program Strategy, Energy Management Plan and the Integrated Resources Plan. When the PEIR is adopted for the Agency's planning documents, staff will bring this WWFMP forward for the Board to formally adopt.

Development of the Wastewater Facilities Master Plan is consistent with the IEUA business goal of *Wastewater Management* where systems and facilities will be maintained to meet essential service demands and to protect public health and the environment.

**PRIOR BOARD ACTION**

On September 18, 2013, the IEUA Board of Directors awarded a Professional Engineering Services Master Contract for the Wastewater Facilities Master Plan to CH2M Hill.

**IMPACT ON BUDGET**

There is no impact on budget.

**Attachments:**

- Attachment A: CIP Forecast through 2035
- Wastewater Facilities Master Plan document can be found at:  
<http://www.ieua.org/category/reports/other-reports/>

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

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

**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 <sup>(1,2)</sup>	RWPS/RMPU	\$8,615,000 <sup>(2)</sup>	\$47,800,000
Existing Projects <sup>(3)</sup>	TYCIP	\$13,825,000	\$0
Repair and Replacement (R&R) <sup>(4)</sup>	AMP <sup>(4)</sup>	\$8,905,000	\$15,625,000
Operational Needs <sup>(5)</sup>	TYCIP	\$16,275,000	\$775,000
<b>Total CIP Cost</b>		<b>\$53,800,000</b>	<b>\$100,000,000</b>

**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>



Date: October 16, 2013

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (10/09/13)  
Finance, Legal, and Administration Committee (10/09/13)

From: P. Joseph Grindstaff  
General Manager

Submitted by: Chris Berch  
Manager of Planning and Environmental Compliance

Subject: Approval of 2013 Chino Basin Recharge Master Plan Update

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### **RECOMMENDATION**

It is recommended that the Board of Directors approve the 2013 Chino Basin Recharge Master Plan Update.

### **BACKGROUND**

Inland Empire Utilities Agency (IEUA), Chino Basin Watermaster (CBWM), Chino Basin Water Conservation District (CBWCD), and their respective member agencies have prepared a 2013 Recharge Master Plan Update (Update) to the 2010 Recharge Master Plan, per the direction of the Court.

The Update evaluated 27 yield enhancement projects (i.e. capital projects) and recommends implementing 11 of the yield enhancement projects over the next 6 years. These 11 projects are estimated to develop approximately 6,781 AFY of stormwater recharge and 4,936 AFY of recycled water recharge, at an estimated capital cost of \$57 million. The Update also evaluated 9 production sustainability projects (i.e. in-lieu projects), and recommends individual parties develop the necessary agreements to implement these projects.

Both IEUA and CBWM are required to approve and submit the 2013 Update to the Court in October 2013. The CBWM Board of Directors approved the Update at their September 26, 2013 Board meeting. The full document can be found at [www.cbwm.org](http://www.cbwm.org).

#### *Peace II Agreement, Article 8.1.b*

Within the Peace II Agreement, there are provisions that describe cost sharing requirements between IEUA and CBWM, for projects identified in the Chino Basin Recharge Master Plan. Specifically, Article 8.1.b of the Peace II Agreement describes cost sharing on capital projects:

*Mutually approved capital improvements for recharge basins that do or can receive recycled water constructed pursuant to the court approved Recharge Master Plan, if any, will be financed through the use of third party grants and contributions if available, with any unfunded balance being apportioned 50 percent each to IEUA and Watermaster.*

*Implementation and Financing Plan*

Section 8 of the 2013 Update includes a detailed implementation schedule for both yield enhancement projects and sustainability projects. It also includes a detailed schedule and process on how a financing plan will be developed in order to fund the recommended yield enhancement projects.

As one of the first milestones in the schedule, IEUA and CBWM will be required to develop a yield enhancement project implementation agreement in 2014. This agreement will determine the implementation responsibilities of IEUA, such as developing preliminary design reports or preparing environmental documentation. The agreement will also determine the financing responsibilities, if any, by IEUA above and beyond the cost sharing requirements described in the Peace II Agreement. Currently, the 2013 Update does not require IEUA to finance any of the recommended yield enhancement projects.

*Recommended Cost Sharing Projects*

Attached is a memo addressed to the Steering Committee summarizing IEUA’s recommendations. The memo recommends that IEUA cost-share 3 of the 11 recommended yield enhancement projects, as they include a recycled water capital component (see table below). These 3 projects are estimated to yield 4,936 AFY of recycled water recharge at a capital cost of \$4.5 million. This equates to an average unit cost of \$273/AF for all 3 projects.

The memo also recommends that the region continues to evaluate and pursue the other cost-sharing projects with the intent of implementing them once the required proof-of-concept/investigative work determines the project is viable.

**Recharge Master Plan Update – IEUA Cost-Sharing Projects**

Project ID	Project Name	Included in IEUA FY 13/14 TYCIP	Management Zone	Estimated RW Yield (AF)	IEUA Funding Support
7	San Sevaine Basin	Yes	2	1,911	\$1,775,000
11	Victoria Basin	No	2	120	\$75,000
22	RP3 Basin Improvements	No	3	2,905	\$2,645,000
<b>TOTAL</b>				<b>4,936</b>	<b>\$4,495,000</b>

Staff vetted the attached memo with the IEUA water/wastewater member agencies at the July 2013 Water Managers/Technical Committee Workshop, with the Technical Committee at the August and October 2013 meeting, and with the IEUA Committee/Board in August and September 2013.



**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

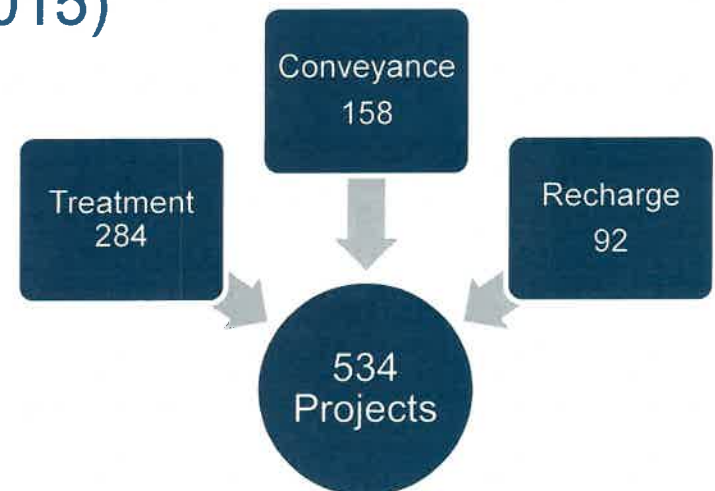
Attachments: 1. Resolution No. 2013-10-1  
2. IEUA Memo to Chino Basin Recharge Master Plan Update Steering Committee

# Program Environmental Impact Report (PEIR) Certification and Adoption of Planning Documents

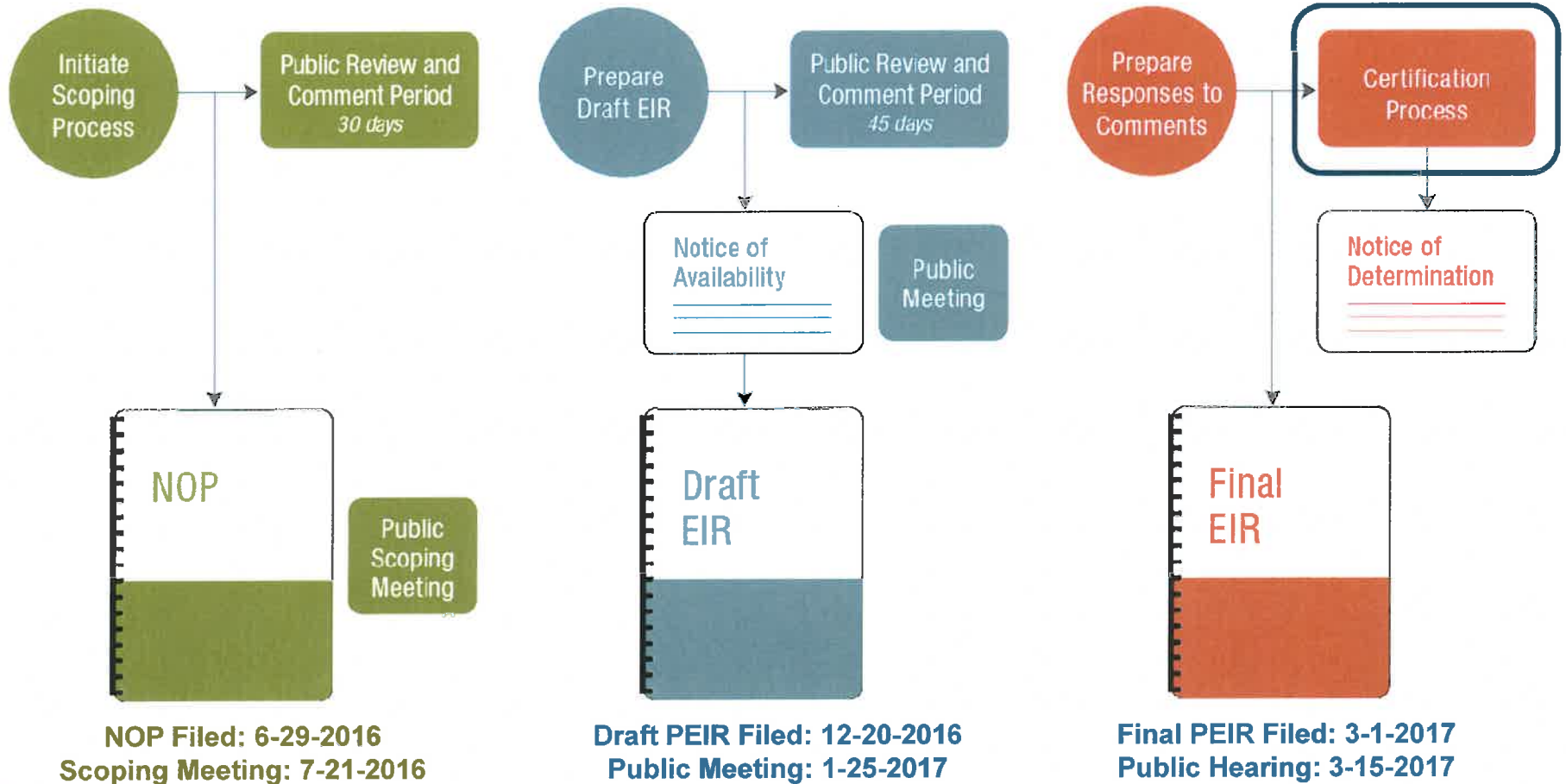


# Facility Master Plans

- Wastewater Facilities Master Plan Update Report (2015)
- Amendment to the 2010 Recharge Master Plan Update (2013)
- IEUA Asset Management Plan (2015)
- Recycled Water Program Strategy (2015)
- Integrated Water Resources Plan (2015)
- Energy Management Plan (2015)



# EIR Process



# Environmental Impacts

Resource	Significance Determination
Aesthetics	Less than Significant with Mitigation (LSM)
Agriculture and Forest Resources	Less than Significant with Mitigation (LSM)
<b>Air Quality and GHG Emissions</b>	<b>Significant and Unavoidable (SU)</b>
Biological Resources	Less than Significant with Mitigation (LSM)
<b>Cultural Resources</b>	<b>Significant and Unavoidable (SU)</b>
Geology, Soils, and Mineral Resources	Less than Significant with Mitigation (LSM)
Hazards and Hazardous Materials	Less than Significant with Mitigation (LSM)
Hydrology and Water Quality	Less than Significant with Mitigation (LSM)
Land Use and Planning	Less than Significant with Mitigation (LSM)
<b>Noise</b>	<b>Significant and Unavoidable (SU)</b>
Population and Housing	Less than Significant (LS)
Public Services	Less than Significant with Mitigation (LSM)
Recreation	Less than Significant with Mitigation (LSM)
Traffic and Transportation	Less than Significant with Mitigation (LSM)
Utilities	Less than Significant with Mitigation (LSM)
<b>Secondary Effects of Growth</b>	<b>Significant and Unavoidable (SU)</b>



# Project Alternatives

Resource	Proposed Project	Alternative 1 No Project	Alternative 2 Reduced GWR	Alternative 3 Expanded AWTF
Aesthetics	LSM	Less	Less	Similar
Agriculture and Forest Resources	LSM	Less	Less	Similar
Air Quality and GHG Emissions	SU	Greater	Greater	Greater
Biological Resources	LSM	Less	Similar	Similar
Cultural Resources	SU	Less	Less	Similar
Geology, Soils, and Mineral Resources	LSM	Less	Similar	Similar
Hazards and Hazardous Materials	LSM	Greater	Greater	Less
Hydrology and Water Quality	LSM	Less	Similar	Similar
Land Use and Planning	LSM	Similar	Less	Similar
Noise	SU	Less	Similar	Similar
Population and Housing	LS	Greater	Similar	Similar
Public Services	LSM	Less	Similar	Similar
Recreation	LSM	Less	Similar	Similar
Traffic and Transportation	LSM	Less	Similar	Similar
Utilities	LSM	Less	Greater	Greater
Secondary Effects of Growth	SU	Greater	Similar	Similar

# Conclusion

- The proposed program is the environmentally superior alternative
- provides for the careful planning,
  - timed implementation of necessary public services, and
  - minimizes environmental impacts.

## **Comment Letters received from**

- Department of Toxic Substances Control
- Metropolitan Water District of Southern California
- Cities of Chino, Ontario, and Rancho Cucamonga
- Chino Basin Watermaster
- San Bernardino County Department of Public Works
- Native American Heritage Commission
- Cucamonga Valley Water District

**Final comments and responses were incorporated into the PEIR**

# Recommendation

1. Adopt Resolution No. 2017-3-1, certifying the Final Program Environmental Impact Report as complete, and;
2. Approve IEUA's Facility Master Plans.

The certification of the Final Program Environmental Impact Report, and approval of IEUA's Facilities Master Plans is consistent with IEUA's business goal of ***Environmental Stewardship and Regulatory Compliance***.



CONSENT  
CALENDAR  
ITEM

**2A**



**MINUTES OF THE REGULAR  
MEETING OF  
THE  
INLAND EMPIRE UTILITIES AGENCY  
BOARD OF DIRECTORS**

**WEDNESDAY, FEBURARY 1, 2017  
10:00 A.M.**

**DIRECTORS PRESENT:**

Steven J. Elie, President  
Michael Camacho, Vice President  
Jasmin A. Hall, Secretary/Treasurer  
Paul Hofer  
Kati Parker

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/AGM  
Randy Lee, Executive Manager of Operations/AGM  
Christina Valencia, Chief Financial Officer/AGM  
Kathryn Besser, Manager of External Affairs  
Liz Hurst, Environmental Resources Planner II  
Sylvie Lee, Manager of Planning & Environmental Resources  
Jason Marseilles, Senior Engineer  
Jason Pivovaroff, Senior Engineer  
Shawn Stone, Manager of Engineering  
Teresa Velarde, Manager of Internal Audit  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Ms. Vivian Castro, Chino Basin Water Conservation District  
Mr. Satish Kamath, Parsons

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

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

President Elie stated that members of the public may address the Board. There was no one desiring to do so.

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

## **WORKSHOPS**

### **REGIONAL WATER RESOURCES MANAGEMENT WORKSHOP**

Executive Manager of Engineering/AGM Chris Berch gave a PowerPoint presentation on the Regional Water Resources Management Program. He provided a general overview of the history of water resources in the Chino Basin from the early 20<sup>th</sup> century to present day. Mr. Berch noted that the historical success of the region and its resilient water supplies in the IEUA service area/Chino Basin have been developed over the past 30+ years. He stated these programs helped add more water into storage and helped the region weather through the drought. He further stated as IEUA moves forward with a focus on long term resiliency for the region, the future of water resources will be more focused on the larger watershed and groundwater storage projects. Therefore, it's important for the Agency to continue to strengthen and build partnerships with stakeholders and other water agencies throughout the watershed.

Mr. Berch provided a technical focus presentation on the following projects:

#### **Prado Basin Adaptive Management Plan (Prado AMP):**

The Prado AMP is a mitigation requirement of the 2010 Subsequent Environmental Impact Report (SEIR) that the IEUA Board adopted for the Peace II Agreement. It will establish a baseline habitat and hydrology conditions to ensure that there are no unforeseen adverse impacts from implementation of the programs in the Peace II Agreement. The Prado AMP is a partnership between IEUA and Chino Basin Watermaster (CBWM), and has included active stakeholder participation from Orange County Water District (OCWD), the Army Corps of Engineers and the Fish & Wildlife service (both California and US). The first annual report is under development, with an anticipated draft to be released in March 2017.

#### **Upper Santa Ana River Habitat Conservation Plan (Upper SAR HCP)**

The Upper SAR HCP is a watershed-wide collaborative project that spans the Santa Ana River Watershed north of Prado Dam. San Bernardino Valley Municipal Water District (Valley District) leads the project which involves 12 water agencies and regulatory stakeholders such as the US and CA Dept. of Fish and Wildlife. The Upper SAR HCP will include an evaluation of project impacts on 24 endangered species, which will then be used to pre-negotiate mitigation with the regulatory agencies.

As part of its environmental documentation, the Upper SAR HCP will also need to develop a model of the Santa Ana River. This model will identify impacts that individual projects will cumulatively have on river flows. IEUA, along with CBWM will continue working together with Valley District and the other SAWPA agencies as the model is being developed to ensure that it is consistent with other existing models and operations in the Chino Basin.

#### **Chino Basin Water Bank**

The 2015 Integrated Water Resources Plan (IRP) identified the potential for Chino Basin to build stored groundwater under a variety of scenarios, such as increased water use efficiency and maximized recycled water. During the current drought, this potential was realized when Chino Basin increased storage levels despite the dry conditions. As a result, the region has started conceptual discussions about developing a Chino Basin Water Bank.

Challenges facing the development of a Chino Basin Water Bank include determining how it would integrate into existing groundwater discussions, operations and agreements. It is important to note that other watershed wide programs, such as SARCCUP, rely heavily on the ability to store water in the Basin through an entity such as the Chino Basin Water Bank.

### **Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)**

SARCCUP is a combination of water resources projects that spans the Santa Ana River Watershed. The project received \$55 million (M) in grants for the \$100M project through Proposition 84 funding. The project includes increasing storage within four basins for a total of 180,000 acre foot (AF). Most of the water would be stored in the Chino Groundwater Basin. SARCCUP also provides funding for riparian habitat improvements (Santa Ana sucker fish), and budget based rate structure development. Chino and Chino Hills, are transforming their rate structures and benefiting from this portion of the grant.

Per the Proposition 84 requirements, all projects included in SARCCUP must be completed by 2021. This will be a challenge since many of the projects, especially those in the Chino Basin, will require interagency agreements before they can move forward.

### **RP-1/RP-5 EXPANSION PDR WORKSHOP NO. 3**

Senior Engineer Jason Marseilles gave a PowerPoint presentation on the RP-1 & RP-5 Expansion Preliminary Design Report (PDR). Mr. Marseilles stated that this workshop will focus on RP-1. The RP-1 Liquids Treatment Systems; 2. The RP-1 Solids Treatment Systems, and 3. Advanced Water Treatment for total dissolved solids (TDS) reduction and indirect potable reuse. He mentioned that the Advance Water Treatment is a two-step process of total dissolved salts removal followed by organics removal. He stated this is usually achieved by reverse osmosis followed by peroxide or ozone chemical injection or ultraviolet light.

Mr. Marseilles stated that the RP-1 and RP-5 Expansion PDR is scheduled to be completed this March, with the RP-5 expansion design being awarded in April, and will last two years. He noted construction of the RP-5 expansion will begin in 2019, and will have a duration of 3 years with a completion date in 2022, which is still in line with the US Army corps date for completing the construction for the raising of the Prado Dam Spillway. Mr. Marseilles stated that the RP-1 expansion design will begin after the completion of the RP-5 Expansion Project in 2023, and will last 2 years. He noted the construction of the RP-1 Expansion Project will follow design and will last 3 years with a completion date in 2029. General Manager Joe Grindstaff stated that the Agency may pull the RP-1 preliminary and 30% design forward to the next fiscal year to be eligible for potential federal funding opportunities. He stated as part of the PDR, the project team evaluated the treatment process expansions required for the headworks and primary treatment, secondary treatment, tertiary treatment, and the RP-1 liquid expansion treatment costs. He stated that the RP-1 liquids treatment expansion has three major objectives for the expansion of the RP-1 secondary system. The system is to provide enough hydraulic and biological treatment capacity to allow for: 1. An increase in the raw sewer influent capacity of RP-1 from 32 MGD to the ultimate capacity of 40 MGD; 2. Increased secondary capacity to allow treatment of peak daily flow to eliminate Primary Effluent equalization; and 3. Increased secondary capacity to provide dewatering centrate treatment onsite eliminating the need to discharge to the Non-Reclaimable Waste System. Mr. Marseilles provided four RP-1 secondary treatment alternatives including costs – 1. Expand the existing conventional activated sludge system (\$92.1M); 2. Expand the existing system with a new membrane bio-reactor (MBR) treatment system (\$107.7M), and 3. Convert the existing system to a new MBR treatment system and add one additional MBR train for redundancy (\$163.8M); and 4. Convert the existing system to a new MBR treatment system without an additional MBR treatment train (\$151.5M) as flows can be bypassed to RP-5 to allow for system maintenance. He reported that staff recommends a full MBR system without an additional MBR treatment train (Option 4), because it provides the best effluent water quality, has the smallest footprint, supports one treatment system, and leverages spare capacity at RP-5.

Mr. Marseilles discussed the RP-1 solids expansion that includes improvements to the thickening, digestion, and dewatering processes. He stated the following improvements are recommended: 1. Construct a new rotary drum thickening system, which includes waste activated sludge (WAS) thickening; 2. Refurbish and include odor control to the existing dissolve air flotation devices; 3.

Construct three new smaller acid phase digesters; 4. Convert the digesters to allow for recuperative thickening; and 5. Construct a new bio-scrubber odor control system. Mr. Marseilles reported that the RP-1 Solids Project cost is estimated at \$47.2M, and the RP-1 Liquids Expansion Project cost is approximately \$182M, with an estimated total RP-1 Expansion Project cost of approximately \$230M.

Mr. Marseilles discussed advanced water treatment (AWT) system alternatives at either RP-1 or RP-5 to reduce total dissolved solids (TDS) in IEUA's overall effluent to stay in compliance with the National Pollutant Discharge Elimination System (NPDES) permit, and to meet regulatory treatment requirements for indirect potable reuse. He provided two options; to 1. construct a system at RP-5 that would allow for TDS reduction only (\$40M), or 2. construct a system at RP-1 that would allow for TDS reduction and approximately 2 MGD of indirect potable reuse (\$65M). This cost does not include the cost for pipelines or groundwater injection wells. He reported staff's recommendation for AWT is not to construct AWT at RP-5 at this time, because benefits for the indirect potable reuse cannot be obtained at RP-5; and therefore, it is better to construct it at RP-1.

With no further business, President Elie adjourned the meeting at 11:37 a.m.

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Jasmin A. Hall, Secretary/Treasurer

**APPROVED: MARCH 15, 2017**



**MINUTES OF THE REGULAR  
MEETING OF  
THE  
INLAND EMPIRE UTILITIES AGENCY  
BOARD OF DIRECTORS**

**WEDNESDAY, FEBRUARY 15, 2017  
10:00 A.M.**

**DIRECTORS PRESENT:**

Steven J. Elie, President  
Michael Camacho, Vice President  
Jasmin A. Hall, Secretary/Treasurer  
Paul Hofer  
Kati Parker

**STAFF PRESENT:**

P. Joseph Grindstaff, General Manager  
Chris Berch, Executive Manager of Engineering/AGM  
Randy Lee, Executive Manager of Operations/AGM  
Christina Valencia, Chief Financial Officer/AGM  
Kathryn Besser, Manager of External Affairs  
Andy Campbell, Groundwater Recharge Coordinator/Hydrogeologist  
Javier Chagoyen-Lazaro, Manager of Finance and Accounting  
Jason Gu, Grants Officer  
Eddie Lin, Associate Engineer  
Jason Pivovarovoff, Senior Engineer  
Jesse Pompa, Senior Engineer  
Craig Proctor, Source Control/Environmental Resources Supervisor  
Stephanie Riley, External Affairs Analyst  
Shaun Stone, Manager of Engineering  
Ian Tillery, Operations Supervisor  
Al VanBreukelen, Deputy Manager of Maintenance  
Teresa Velarde, Manager of Internal Audit  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Michael Boccadoro, West Coast Advisors  
Jean Cihigoyenette, General Counsel  
Beth Olhasso, West Coast Advisors

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

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

President Elie stated that members of the public may address the Board. There was no one desiring to do so.

President Elie asked if there were any changes/additions/deletions to the agenda.

General Counsel Jean Cihigoyenette noted there was a matter that would need to be voted onto the agenda by the Board. He stated that this is a new case – claim for damages arising from a traffic collision that occurred on Grove Avenue and G Street, associated with some work and improvements being done there. The claim for damages was received after the posting of the agenda, and there is a time limit in which the Board can act in either accepting or rejecting this claim. Mr. Cihigoyenette stated that he would like to place this item on Closed Session today, and would need a unanimous vote of the Board, since Director Hofer has not arrived yet.

Upon motion by Director Camacho, seconded by Director Parker, and unanimously carried.

**M2017-2-1**

MOVED, to add Claim for Damages onto the Closed Session section of today's Agenda.

### **NEW HIRE INTRODUCTIONS**

Executive Manager of Engineering/AGM Chris Berch introduced the following new hire:

- Mr. Eddie Lin, Associate Engineer, hired 1/3/17

Executive Manager of Operations/AGM Randy Lee introduced the following new hire:

- Mr. Ian Tillery, Operations Supervisor, hired 1/23/17

The Board welcomed Messrs. Lin and Tillery to the IEUA team.

### **WEST COAST ADVISORS LEGISLATIVE UPDATE – Mr. Michael Boccadoro, President**

President of West Coast Advisors Mr. Michael Boccadoro gave a PowerPoint presentation on the 2017 legislation planning session.

*(Director Hofer entered the meeting room at 10:15 a.m.)*

Mr. Boccadoro gave an update on the drought. He noted that Southern California still has pockets of “severe drought”. Mr. Boccadoro provided an update on the Oroville Dam situation. He also gave a 2016 legislative recap noting it was a slower year for water policy and big on energy/climate, and drought emergency remained the focus. He highlighted the 2016 climate change legislation – SB 1381 (Lara), SB 32 (Pavley), and SB 197 (E. Garcia), and noted CARB is now developing a 2030 Scoping Plan and Short-Lived Climate Pollutant Reduction Strategy. Mr. Boccadoro also gave a legislative overview, noting significant policy committee changes and provided the legislative delegation. He concluded his presentation with key issues for 2017; drought emergency and long-term conservation/efficiency; Bay Delta and Cal Water Fix (BDCP); water infrastructure financing; SERCB “unimpaired flows” process; cap and trade extension, and the strategic approach to Capitol efforts.

### **PUBLIC HEARING**

#### **PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2017-2-5**

President Elie called the Public Hearing to order.

General Counsel Jean Cihigoyenette stated under the Political Reform Act, all public agencies are required to adopt a Conflict of Interest Code. He stated that the Form 700 is a public document intended to alert public officials and the public to the types of financial interest that may create a

conflict of interest. He noted a Conflict of Interest Code specifically enumerates positions within the Agency, which involve the making or participation in making of decisions which may foreseeably have a material financial effect on any financial interest of the Agency. General Counsel Cihigoyenette noted that the Board last amended its Conflict of Interest Code in December 2014. Therefore, staff recommends that the Board amend the 2014 Code for three reasons: A few designated positions in the Code have been eliminated, and these designated positions be removed from the Conflict of Interest Code. The Code should be amended to reflect the Agency's revision of employees' job titles. The Code should be amended to reflect additional position that participate in the making of decisions which may foreseeable have a material financial effect on any financial interest.

President Elie opened the Public Hearing at 10:55 a.m., and receiving no comments, he closed the Public Hearing at 10:56 a.m.

Upon motion by Director Camacho, seconded by Director Hofer, and unanimously carried.

**M2017-2-2**

MOVED, to adopt Resolution No. 2017-2-5, adopting amendments to the Inland Empire Utilities Agency's Conflict of Interest Code.

**CONSENT ITEMS**

President Elie asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion.

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

**M2017-2-3**

MOVED, to approve the Consent Calendar.

- A. Approved the minutes from the December 21, 2016 Joint IEUA/CBRFA Board meeting, December 21, 2016 Board meeting, January 4, 2017 Board meeting, and the January 18, 2017 Board meeting.
- B. Approved the total disbursements for the month of December 2016, in the amount of \$21,746,279.50.
- C. The Board:
  - 1. Awarded Master Service Contracts (Nos. 4600002275 through 4600002282) to the firms identified below for a two-year contract (two-year with two, one-year options to extend) to provide professional engineering and financial services for the development of water resources and the Integrated Water Resources Plan;
    - No. 4600002275 to Arcadis U.S., Inc.
    - No. 4600002276 to CH2M Hill Engineering, Inc.
    - No. 4600002277 to Carollo Engineers, Inc.
    - No. 4600002278 to Thomas Harder & Co., Inc.
    - No. 4600002279 to Michael Baker International
    - No. 4600002280 to Kennedy/Jenks Consultants
    - No. 4600002281 to INTERA Incorporated
    - No. 4600002282 to Daniel B. Stephens & Associates Inc.

*Continued...*



**M2017-2-3, continued**

2. Increased the General Manager's authority set by Ordinance No. 101 to approve and execute task orders in the amount of not-to-exceed \$250,000 for services rendered under this project;
3. Authorized the Master Service Contracts of a not-to-exceed \$3,000,000; and
4. Authorized the General Manager to approve, subject to non-substantive changes, and execute the Master Service Contracts.

**D. The Board:**

1. Approved the agreement amendment with Santa Ana Watershed Project Authority to extend the temporary Brine Line connection to March 2020;
2. Approved the agreement amendment with Chino Development Corporation, Chino Preserve Development Corporation, and Chino Holding Company to extend the temporary Brine Line connection to March 2020;
3. Approved the agreement amendment with the City of Chino to extend the permanent sewer facilities development guarantee to March 2020; and
4. Authorized the General Manager to execute the agreement amendments subject to non-substantive changes.

**E. The Board**

1. Approved a three-year blanket purchase agreement Contract No. 4600002251 to Downs Energy for the supply and delivery of diesel fuel with a three-year blanket purchase agreement, for a not-to-exceed amount of \$100,000 to various Agency locations, through December 31, 2019; and
2. Authorized the Manager of Contract and Procurement to issue a blanket purchase agreement.

**F. The Board:**

1. Awarded a consulting engineering services contract for the RP-1 Primary Effluent Conveyance Improvements, Project NO. EN15012, to Stantec for the not-to-exceed amount of \$461,483; and
2. Authorized the General Manager to execute the consulting engineering services contract.

**G. The Board:**

*Continued...*

**M2017-2-3, continued**

1. Approved the consultant contract amendment for additional design efforts for the RP-1 Power System Upgrades, Project No. EN13048 to Tetra Tech Inc., for the not-to-exceed amount of \$205,825; and
2. Authorized the General Manager to execute the amendment.

H. The Board:

1. Awarded a construction contract for the CCWRF Valve Replacement Project No. EN17051, to Ferreira Construction Co., in the amount of \$178,809; and
2. Authorized the General Manager to execute the contract.

I. The Board

1. Awarded a construction contract for the RP-4 Disinfection Facility Improvements, Project No. EN14018, to W.A. Rasic in the amount of \$1,839,400;
2. Approved a total project budget amendment in the amount of \$284,400 for Project No. EN14018; and
3. Authorized the General Manager to execute the construction contract and budget amendment.

**ACTION ITEMS**

**RP-2 MICROTURBINE DESIGN-BUILD CONTRACT AWARD**

Senior Engineer Jesse Pompa gave a PowerPoint presentation on additional information requested by the Finance and Administration Committee members at the February 8 meeting. He noted that staff evaluated several different technologies as part of this project to replace the co-generation at RP-2; a new internal combustible engine that would meet environmental regulations, a fuel cell at the site, microturbine, and converting digester gas to compressed natural gas. He stated all those technologies were compared to the "do nothing" alternative, which would be to combust the digester gas in the boilers, and any excess digester gas would be flared. Mr. Pompa reported that out of all the technologies, the microturbine was the only alternative that proved to be more economically beneficial than the "do nothing" alternative. He stated that this was the best use of public funds as this technology was achieving a savings over the "do nothing" alternative. Mr. Pompa presented an economic analysis of the total project from year 1 through 6. He highlighted capital and O&M expenditures, savings/revenues – Self Generation Incentive Program (SGIP) incentive, avoided electricity costs, electricity export revenue, and avoided natural gas costs. Mr. Pompa showed the net savings, and the cost of microturbine power at the current average cost of power from Southern California Edison (SCE) (\$0.122/kWh). He also highlighted the return on investment, cost of power, and environmental benefits of RP-2 engine, RP-2 flare, new engine standard, and microturbine. He noted that staff evaluated several different technologies as part of this project to replace the co-generation at RP-2, i.e., a new internal combustible engine that would meet environmental regulations, a fuel cell at the site, and microturbine.

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

**M2017-2-4**

MOVED, to:

1. Award a design-build contract for the RP-2 Microturbine Installation Project No. EN17065, to Geveden Industrial in the amount of \$1,876,809;
2. Approve a ten-year service agreement with Cal Microturbine in the amount of \$752,460 for Project No. EN17065;
3. Approve a total project budget in the amount of \$2,210,000 and FY budget in the amount of \$850,000 for Project No. EN17065; and
4. Authorize the General Manager to execute the budget amendment, the construction contract, and maintenance service agreement subject to non-substantive changes.

**ADOPTION OF RESOLUTIONS FOR THREE USBR GRANT APPLICATIONS**

*(Director Camacho left the meeting room a 11:15 a.m.)*

Grants Officer Jason Gu gave a PowerPoint presentation on the grant applications for drought resiliency, water use efficiency and agricultural conservation programs.

*(Director Camacho re-entered the meeting room a 11:18 a.m.)*

Mr. Gu highlighted the three 2017 USBR grant programs, the IEUA projects – Jurupa and Montclair Basin Improvement Project, 833 AFY benefit, grant amount of \$750,000, and project cost of \$3,296,000; Wineville and CIS Basin Improvement, Pumping and Conveyance System Project, 2,921 AFY benefit, grant amount of \$740,000, and project cost of \$13,842,000; and Chino Basin Agricultural Water Use Efficiency Project, 10,000 AFY benefit, grant amount of \$100,000, and project cost of \$200,000. Mr. Gu provided an update on the RMPU project grant and SRF loan awards, application and balance.

Upon motion by Director Hall, seconded by Director Hofer, and unanimously carried:

**M2017-2-5**

MOVED, to:

1. Adopt Resolution Nos. 2017-2-1, 2017-2-2, and 2017-2-3, authorizing IEUA to enter financial assistance agreements with the U.S. Department of Interior, Bureau of Reclamation (USBR) for three grant applications: Drought Resiliency, CALFED Water Use Efficiency, and Agricultural Water Conservation Grant Programs; and

**RESOLUTION NO. 2017-2-1**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART: DROUGHT RESILIENCY PROJECT**

**M2017-2-5, continued**

**GRANTS FOR FY 2017 WITH THE U.S. DEPARTMENT OF INTERIOR – BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO FOR THE RECHARGE MASTER PLAN UPDATE (RMPU), JURUPA AND MONTCLAIR BASIN IMPROVEMENT PROJECT**

**RESOLUTION NO. 2017-2-2**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE BAY-DELTA RESTORATION PROGRAM: CALFED WATER USE EFFICIENCY GRANTS WITH THE U.S. DEPARTMENT OF INTERIOR – BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO FOR THE RECHARGE MASTER PLAN UPDATE (RMPU), WINEVILLE AND CSI BASIN IMPROVEMENT PROJECTS**

**RESOLUTION NO. 2017-2-3**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE AGRICULTURAL WATER CONSERVATION AND EFFICIENCY GRANTS WITH THE U.S. DEPARTMENT OF INTERIOR – BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO FOR CHINO BASIN AGRICULTURAL WATER USE EFFICIENCY PROJECT**

2. Authorize the General Manager to execute the financial assistance agreements, any amendments and related documents thereto.

**ADOPTION OF RESOLUTION NO. 2017-2-4, FOR \$1.8M PROPOSITION 50 GRANT FUNDING FOR THE CDA II EXPANSION PROJECT**

Grants Officer Jason Gu gave a PowerPoint presentation on the grant amendment for an additional grant received for the Chino Desalter Authority (CDA) II Expansion Project. He reviewed that in 2005, the California Department of Public Health (CDPH) announced the Proposition 50, Clean and Safe Drinking Water Grant Program. He stated in 2007, in collaboration with the Chino Basin Desalter Authority, IEUA submitted a grant application for the CDA II Expansion Project. Mr. Gu reported that in May 2013, IEUA received a \$52,005,715 Proposition 50 grant award for the CDA II Expansion Project. He noted during construction, the CDA II Expansion Project's cost increased from \$96 million to \$113,000, and in December 2016, SWRCB approve an additional \$1,867,196 in grant funding. He stated staff is recommending that the Board adopt Resolution No. 2017-2-4, authorizing the General Manager to execute the grant agreement amendment with State Water Resources Control Board (SWRCB) for the additional grant award.

Upon motion by Director Parker, seconded by Director Hall, and unanimously carried:

**M2017-2-6**

MOVED, to:

1. Adopt Resolution No. 2017-2-4, authorizing the General Manager to execute an amendment to the Proposition 50 Grant Funding Agreement No. 50124B01 between IEUA and SWRCB for the CDA II Expansion Project; and

**M2017-2-6, continued**

**RESOLUTION NO. 2017-2-4  
RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND  
EMPIRE UTILITIES AGENCY\*, SAN BERNARDINO COUNTY,  
CALIFORNIA, AUTHORIZING SIGNATURE OF A FUNDING  
AMENDMENT A-1 TO FUNDING AGREEMENT UNDER THE WATER  
SECURITY, CLEAN DRINKING WATER, COASTAL AND BEACH  
PROTECTION ACT OF 2002**

2. Authorize the General Manager to execute any documents related thereto.

**INFORMATION ITEMS**

**DIRECTORS' COMPENSATION**

General Counsel Jean Cihigoyenette stated at the January 18, 2017, Board meeting, the Board directed staff to conduct a survey be done of health benefits offered to Board Members of comparable agencies. The survey indicated that IEUA was at the low end of the 10 water districts surveyed. General Counsel Cihigoyenette stated at this time, direction is requested from the Board whether an increase in Board compensation should be implemented. He noted that any approved increase in compensation could not exceed 5% for each calendar year following the operative date of the last adjustment, which was in 2014. He stated the maximum compensation which the Board could implement is \$247.50, which would take effect on July 1, 2017, by adoption of an ordinance. Discussion ensued regarding the various ways other agencies increase Board compensation. The Board directed staff to submit an Ordinance with a published compensation of \$247.50 at a hearing scheduled in April.

**2017A REFUNDING REVENUE BONDS UPDATE**

Chief Financial Officer/AGM Christina Valencia gave a PowerPoint presentation update on the 2017A Refunding Bond. She reported the sale of the 2017A Bonds was completed on January 19, 2017, resulting in gross savings of \$129 million and net present value savings of \$36.8 million (net of the \$50 million cash pay down) through the life of the bonds (22 years), with the all-in true interest cost of 2.82%. She noted the significant reductions achieved were \$57.4 million reduction in outstanding debt; \$185.3 million reduction in total debt service costs; and a 5-year reduction in the repayment period. Ms. Valencia noted the key objectives achieved were the use of available cash reserves, which resulted in significant present value savings over the life of the bonds; a reduction in outstanding debt of \$57.7 million; lower debt service costs every year through maturity; reduced repayment term by 5 years, and long term credit rating upgraded to AA+ by S&P. Ms. Valencia also provided the current financing schedule.

**GROUNDWATER RECHARGE PROGRAM**

Groundwater Recharge Coordinator/Hydrogeologist Andy Campbell gave a PowerPoint overview on the Groundwater Recharge Program operations. He provided the historical milestone for the

Chino Basin Recharge Program, and identified the recharge facilities. He explained the three types of recharge basins and typical basin controls. Mr. Campbell highlighted the historical groundwater recharge operations and Santa Ana River discharge minimum obligation at Prado. Mr. Campbell reported for December and January, stating that storm water capture was 3,389 and 4,711 AF respectively, and it is at 9,777 AF for the year. He stated that about 2 inches of rainfall is expected over the weekend for approximately another 1,500 AF. Mr. Campbell stated as of today, we are at 7,746 AF for recycled water and 21,783 AF for all sources and of recharged water combined.

#### **ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES**

Manager of Engineering Shaun Stone provided a PowerPoint update on the Engineering and Construction Management Project Updates. He gave an update on the CP 16003 Headquarter Roofing, EN11039 RP-1 Disinfection Pump Improvements, EN16024 RP-1 Mixed Liquor Return Pumps, EN16051 RP-1 Utility Water Flow Meter, and the EN16055 Headquarters Back-up Generator.

#### **MWD & DROUGHT UPDATE**

Senior Engineer Jason Pivovarovoff stated that in terms of January and February activities for the MWD water conditions in sales, the Department of Water Resources announced that the initial State Water Project allocation is set at 60% from 45%. Snow pack is trending 179%, 37.7 inches of water equivalent, an increase of 16 inches. In regards to precipitation, we are just under 221% of normal, about 68 inches, an increase of 22 inches. He stated with regards to how the system is operating, much of the system is nearing capacity. He reported the Delta Pumps are pushing capacity at 14,000 CFS, which is the peak coming out of the Delta, that is benefitting from both the Sacramento and San Joaquin River, which is experiencing very high flows.

#### **THE FOLLOWING INFORMATION ITEMS WERE RECEIVED AND FILED BY THE BOARD:**

##### **TREASURER'S REPORT OF FINANCIAL AFFAIRS**

##### **PUBLIC OUTREACH AND COMMUNICATION**

##### **LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES**

##### **LEGISLATIVE REPORT FROM WEST COAST ADVISORS**

##### **LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES**

##### **CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT**

##### **REGIONAL PRETREATMENT PROGRAM LOCAL LIMITS UPDATE**

##### **LABORATORY SEMI-ANNUAL UPDATE**

##### **AGENCY'S PROGRAM FUNDS REVIEW**

##### **UNFUNDED LIABILITIES FOR PENSION AND OTHER POST-EMPLOYMENT BENEFITS UPDATE**

##### **RP-5 EXPANSION DESIGN CONTRACT UPDATE**

##### **PLANNING AND ENVIRONMENTAL RESOURCES UPDATE**

##### **AGENCY REPRESENTATIVES' REPORTS**

##### **SAWPA REPORT**

Director Hall reported that the Commission meeting entered into a Memorandum of Understanding with the United States Forest Service to plan and develop projects with the Santa Ana River Watershed. She stated that the Commission adopted a resolution supporting the preferred alternative of the California Water Fix and California Eco Restore.

**MWD REPORT**

Director Camacho had nothing further to report.

**REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT**

The January meeting was cancelled. The next meeting is scheduled for February 2, 2017.

**CHINO BASIN WATERMASTER REPORT**

President Elie stated that there is nothing new to report - still waiting for the Judge to rule on safe yield. He mentioned there are ongoing discussions on storage.

**5. GENERAL MANAGER'S REPORT**

General Manager Joseph Grindstaff reported that he provided a written status update on the Regional Contract and the Regional Technical Committee progress expected to be received in March 2017. He reported that MWD has approach IEUA to discuss cyclic storage agreement in the Chino Basin, and will be further discussed. He mentioned that on the Colorado River, only two pumps are running and all the pumped water is going into the Coachella Valley to be stored, and all the rest of the water is being stored at Lake Mead. He noted that in the next few months, there will be more water than could be sold. General Manager Grindstaff will be reformatting the General Manager's Report to make it less dense by omitting repetitive information. He also reminded that Board that the Board room will be under construction for approximately two months. He also reported at the SAWPA General Managers' Meeting it was discussed to ask the Board members to take on the responsibility of Project Agreement 23, which will eliminate the Brown Act problem whereby items within the jurisdiction of SARCCUP groundwater storage cannot be discussed.

**BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS**

There were no Board requested future agenda items.

**BOARD OF DIRECTORS' COMMENTS**

Director Hall reported that on January 18 through 20, she attended the CASA Winter Conference in Palm Springs. She also attended the Colorado River Aqueduct Inspection Trip on January 20 and 21, she attended the Fontana State of the City Address on January 26, and she attended the Fontana Police Officers Association's Installation and Awards Ceremony on February 9.

Director Parker reported that on January 20, she attended the SAWPA By Pass Line Removal Ceremony.

Director Camacho reported that on February 10-12, he hosted a MWD Inspection Trip of Hoover Dam and the Colorado River Aqueduct.

President Elie commented that effective in March, he would like to reschedule the Committee meetings as follows:

- 9:00 a.m. Community and Legislative Affairs Committee
- 9:45 a.m. Engineering, Operations & Water Resources Committee
- 10:30 a.m. Finance and Administration Committee
- Audit Committee will remain the same.

**CLOSED SESSION**

The Board went into Closed Session at 12:25 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION: (1)

Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010; (2) Martin vs. IEUA, Case No. CIVRS 1000767; (3) Mwembu vs. IEUA, Case No. CIVDS 1415762; B. PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR: (1) Supplemental Water Transfer/Purchase, Negotiating Party: General Manager P. Joseph Grindstaff, Under Negotiation: Price and Terms of Purchase; C. PURSUANT TO GOVERNMENT CODE SECTION 54956.8(d)(4) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION; INITIATION OF LITIGATION: Two (2) Cases

The meeting resumed at 2:10 p.m., and General Counsel Jean Cihigoyenetché stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Conference with Legal Counsel – Existing Litigation:

Martin vs. IEUA, Case No. CIVRS 1000767

The Board took no reportable action.

Regarding Conference with Legal Counsel – Existing Litigation:

Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010

Mwembu vs. IEUA, Case No. CIVDS 1415762

The Board did not discuss.

Regarding Conference with Real Property Negotiator:

Supplemental Water Transfer/Purchase

The Board did not discuss.

Regarding Conference with Legal Counsel – Anticipated Litigation; Initiation of Litigation:

Two Cases

The Board took no reportable action.

Regarding Claim for Damages:

Spicer vs. IEUA

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

**M2017-2-7**

**MOVED**, to reject the claim for damages filed by Jay Paul Spicer and Maria Spicer against the Inland Empire Utilities Agency.

With no further business, President Elie adjourned the meeting at 1:11 p.m.



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Jasmin A. Hall, Secretary/Treasurer

**APPROVED: MARCH 15, 2017**

CONSENT  
CALENDAR  
ITEM

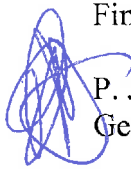
**2B**






Date: March 15, 2017

To: The Honorable Board of Directors

Through: Finance and Administration Committee (3/8/17)

From:  P. Joseph Grindstaff  
General Manager

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

 Javier Chagoyen-Lazaro   
Manager of Finance and Accounting

Subject: Report on General Disbursements

**RECOMMENDATION**

It is recommended that the Board of Directors approve the total disbursements for the month of January 2017, in the amount of \$11,104,791.62.

**BACKGROUND**

January disbursement activity includes vendor payments (check numbers 217319-217677) of \$2,354,945.89 and worker's compensation payments (check numbers 04688-04699) of \$3,747.25. The total amount of ACH and wire transfer payments is \$8,736,123.05, which includes payroll taxes in the amount of \$817,167.86. The total employee pay was \$1,484,678.64. The total pay for the Board of Directors was \$3,742.27.

Payment Type		Transactions	Total Amount
Check	Vendors	358	2,354,945.89
	Workers-Comp	12	3,747.25
	Payroll-Directors'	2	1,831.38
	Payroll-Others	3	8,144.05
<b>Subtotal Check</b>		<b>375</b>	<b>\$2,368,668.57</b>
<b>ACH</b>		<b>158</b>	<b>\$4,733,836.46</b>
Wire Transfer	Payroll-Net Pay	2	1,476,534.59
	Payroll-Directors'	2	1,910.89
	Others	19	2,523,841.11
<b>Subtotal Wires</b>		<b>23</b>	<b>\$4,002,286.59</b>
<b>TOTAL</b>		<b>556</b>	<b>\$11,104,791.62</b>

Report on General Disbursements

March 15, 2017

Page 2

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

<b>Vendor</b>	<b>Amount</b>	<b>Description</b>
CDA	2,737,678.00	Chino II Expansion Project-Pass Through
MWD	849,921.56	11/2016 Water Purchase
PERS	843,163.57	1/17 Health Ins, P/R 1,2,Dir 1 Deferred Comp
KEMP BROTHERS	830,926.01	EN15008-New Laboratory 12/2016 Pay Est 4
IRS	683,253.75	P/R 1, 2, DIR01 Taxes

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

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

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

Check Register

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Bank Key		122234149				
Acct number		CHECK 231167641				
Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
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217320	2200079940	01/05/2017	USD	358.08	AIRGAS WEST INC PASADENA CA	01/10/2017
217321	2200080021	01/05/2017	USD	239.14	AMERICAN HERITAGE LIFE INSURANDALLAS TX	01/17/2017
217322	2200079983	01/05/2017	USD	1,240.00	AMP MECHANICAL INC COSTA MESA CA	01/10/2017
217323	2200079951	01/05/2017	USD	5,784.48	ANIXTER INC DALLAS TX	01/11/2017
217324	2200079968	01/05/2017	USD	35.00	ASECSD HESPERIA CA	01/12/2017
217325	2200079996	01/05/2017	USD	836.22	AUTOZONE INC ATLANTA GA	01/11/2017
217326	2200079956	01/05/2017	USD	428.07	BEN MEADOWS CO CHICAGO IL	01/11/2017
217327	2200079999	01/05/2017	USD	1,089.99	BERLIN PACKAGING LLC CHICAGO IL	01/10/2017
217328	2200080047	01/05/2017	USD	216.54	BOUGHAN, ARIN CHINO HILLS CA	01/10/2017
217329	2200079963	01/05/2017	USD	848.00	BRAGG CRANE SERVICE LONG BEACH CA	01/10/2017
217330	2200080001	01/05/2017	USD	16,918.83	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	01/09/2017
217331	2200079981	01/05/2017	USD	680.00	BUILDING BLOCK ENTERTAINMENT WOODLAND HILLS CA	01/11/2017
217332	2200079952	01/05/2017	USD	533.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/20/2017
217333	2200080002	01/05/2017	USD	14,770.18	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	01/11/2017
217334	2200080045	01/05/2017	USD	187.43	CAMACHO, MICHAEL CHINO HILLS CA	01/12/2017
217335	2200080038	01/05/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	01/10/2017
217336	2200079960	01/05/2017	USD	2,257.95	CAROLLO ENGINEERS INC SALT LAKE CITY UT	01/13/2017
217337	2200079953	01/05/2017	USD	8,698.00	CHINO BASIN WATER CONSERVATIONMONTCLAIR CA	01/11/2017
217338	2200079949	01/05/2017	USD	25,562.45	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	01/11/2017
217339	2200080035	01/05/2017	USD	415.00	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	01/10/2017
217340	2200080014	01/05/2017	USD	4,056.17	CITY OF CHINO CHINO CA	01/09/2017
217341	2200079931	01/05/2017	USD	324.88	CITY RENTALS INC ONTARIO CA	01/11/2017
217342	2200079932	01/05/2017	USD	223.09	COLE FARMER INSTRUMENT CO CHICAGO IL	01/10/2017
217343	2200080030	01/05/2017	USD	572.55	COLONIAL LIFE & ACCIDENT INSURCOLUMBIA SC	01/11/2017
217344	2200079977	01/05/2017	USD	5,822.32	CS-AMSCO HUNTINGTON BEACH CA	01/13/2017
217345	2200080015	01/05/2017	USD	55.20	CUCAMONGA VALLEY WATER DISTIRICLOS ANGELES CA	01/10/2017
217346	2200079948	01/05/2017	USD	11,512.02	DELL MARKETING L P PASADENA CA	01/09/2017
217347	2200079994	01/05/2017	USD	526.39	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	01/10/2017
217348	2200080046	01/05/2017	USD	47.68	ELIE, STEVE CHINO HILLS CA	01/12/2017
217349	2200079995	01/05/2017	USD	1,550.00	EPI-USE AMERICA INC ATLANTA GA	01/17/2017
217350	2200080006	01/05/2017	USD	54,491.38	FERREIRA COASTAL CONSTRUCTION BRANCHEURG NJ	01/10/2017
217351	2200080037	01/05/2017	USD	2,193.85	FIDELITY SECURITY LIFE INSURANCINCINNATI OH	01/12/2017
217352	2200079933	01/05/2017	USD	1,185.40	FISHER SCIENTIFIC LOS ANGELES CA	01/09/2017
217353	2200079962	01/05/2017	USD	375.46	FLORENCE FILTER CORP COMPTON CA	01/17/2017
217354	2200079991	01/05/2017	USD	795.00	FLOWPOINT ENVIRONMENTAL SYSTEMDENVER CO	01/17/2017
217355	2200079958	01/05/2017	USD	400.00	FONTANA AREA CHAMBER OF COMMERFONTANA CA	01/20/2017
217356	2200080019	01/05/2017	USD	868.28	FONTANA WATER COMPANY FONTANA CA	01/12/2017
217357	2200080041	01/05/2017	USD	154.93	FRAZIER, JAMES M CHINO HILLS CA	01/12/2017
217358	2200080043	01/05/2017	USD	209.52	FRESQUEZ, ADRIAN CHINO HILLS CA	01/12/2017
217359	2200080020	01/05/2017	USD	2,961.50	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/11/2017
217360	2200079945	01/05/2017	USD	981.81	GRAINGER PALATINE IL	01/10/2017
217361	2200080042	01/05/2017	USD	442.87	GU, JASON CHINO HILLS CA	01/18/2017
217362	2200079934	01/05/2017	USD	401.32	HARRINGTON INDUSTRIAL PLASTICSCHINO CA	01/10/2017

Inland Empire Util. Agency  
 Chino, CA  
 Company code 1000

Check Register

02/13/2017 / 13:55:02  
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 Page: 2

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Check						
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217363	2200079935	01/05/2017	USD	326.15	HOME DEPOT CREDIT SERVICES DES MOINES IA	01/12/2017
217364	2200080044	01/05/2017	USD	148.69	IGNACIO, JOEL CHINO HILLS CA	01/19/2017
217365	2200079965	01/05/2017	USD	127.46	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	01/10/2017
217366	2200080025	01/05/2017	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	01/10/2017
217367	2200079976	01/05/2017	USD	100.00	INLAND VALLEY APPRAISERS SAN BERNARDINO CA	01/18/2017
217368	2200080005	01/05/2017	USD	3,952.50	KAIZEN INFOSOURCE LLC PALO ALTO CA	01/12/2017
217369	2200079990	01/05/2017	USD	455.00	KIM'S MASTER AUTO REPAIR CHINO CA	01/10/2017
217370	2200079955	01/05/2017	USD	291.61	KONICA MINOLTA PASADENA CA	01/10/2017
217371	2200079954	01/05/2017	USD	3,429.33	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	01/11/2017
217372	2200080034	01/05/2017	USD	306.90	LEGALSHIELD ADA OK	01/11/2017
217373	2200080039	01/05/2017	USD	288.00	MARIA FRESQUEZ LAS VEGAS NV	01/11/2017
217374	2200079987	01/05/2017	USD	903.66	MARS ENVIRONMENTAL INC YORBA LINDA CA	01/12/2017
217375	2200079961	01/05/2017	USD	298.03	MCMASTER-CARR SUPPLY CO CHICAGO IL	01/10/2017
217376	2200080040	01/05/2017	USD	52.92	MEDETIROS, SHAWN CHINO HILLS CA	02/06/2017
217377	2200079997	01/05/2017	USD	3,317.05	MICROGE PHOENIX AZ	01/10/2017
217378	2200079964	01/05/2017	USD	246.27	MIDPOINT BEARING ONTARIO CA	01/09/2017
217379	2200079941	01/05/2017	USD	1,554.84	MISSION REPROGRAPHICS RIVERSIDE CA	01/10/2017
217380	2200079947	01/05/2017	USD	2,016.61	MOTION INDUSTRIES INC LOS ANGELES CA	01/09/2017
217381	2200080004	01/05/2017	USD	3,920.00	MSO TECHNOLOGIES INC THOUSAND OAKS CA	01/23/2017
217382	2200079979	01/05/2017	USD	211.60	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	01/10/2017
217383	2200079969	01/05/2017	USD	180.00	PALM AUTO DETAIL INC COLTON CA	01/13/2017
217384	2200079993	01/05/2017	USD	48,737.40	PAMCO MACHINE WORKS INC RANCHO CUCAMONGA CA	01/11/2017
217385	2200080048	01/05/2017	USD	41.31	PARKER, KATTI CHINO HILLS CA	01/13/2017
217386	2200080036	01/05/2017	USD	430.50	PATRICK W HUNTER PHELAN CA	01/11/2017
217387	2200080033	01/05/2017	USD	193.08	PERS LONG TERM CARE PROGRAM PASADENA CA	01/18/2017
217388	2200079942	01/05/2017	USD	1,737.67	PETE'S ROAD SERVICE FULLERTON CA	01/11/2017
217389	2200079943	01/05/2017	USD	489.34	PETTY CASH EXPENDITURES CHINO CA	01/17/2017
217390	2200080000	01/05/2017	USD	699.64	PMC ENGINEERING LLC DANBURY CT	01/10/2017
217391	2200080010	01/05/2017	USD	14,879.00	PRIORITY BUILDING SERVICES LLC BREA CA	01/11/2017
217392	2200080008	01/05/2017	USD	75.00	PUBLIC AGENCY SAFETY ORANGE CA	02/06/2017
217393	2200079966	01/05/2017	USD	2,525.00	REGIONAL WATER QUALITY CONTROL RIVERSIDE CA	
217394	2200079936	01/05/2017	USD	6,250.07	ROYAL WHOLESALE ELECTRIC ORANGE CA	01/10/2017
217395	2200079984	01/05/2017	USD	332.00	RUTAN & TUCKER LLP COSTA MESA CA	01/10/2017
217396	2200079992	01/05/2017	USD	7,601.14	SCHIEVEL ENGINEERING LLC ANAHEIM CA	01/09/2017
217397	2200079985	01/05/2017	USD	25.00	SCFMA-HR LOS ANGELES CA	
217398	2200079944	01/05/2017	USD	626.37	SHANLEY PUMP & EQUIPMENT INC ARLINGTON HEIGHTS IL	01/10/2017
217399	2200080016	01/05/2017	USD	44,544.79	SO CALIF EDISON ROSEMEAD CA	01/13/2017
217400	2200080017	01/05/2017	USD	14,641.26	SO CALIF EDISON ROSEMEAD CA	01/10/2017
217401	2200080018	01/05/2017	USD	988.02	SO CALIF GAS MONTEREY PARK CA	01/19/2017
217402	2200080013	01/05/2017	USD	3,507.48	SOAR TECHNOLOGIES INC REDMOND WA	01/17/2017
217403	2200079978	01/05/2017	USD	10,189.68	STANIEC CONSULTING INC CHICAGO IL	01/10/2017
217404	2200080007	01/05/2017	USD	10,422.11	SUPERIOR ELECTRIC MOTOR SERVICE VERNON CA	01/18/2017
217405	2200079970	01/05/2017	USD	3,691.02	SYSTEMS SOURCE INC IRVINE CA	01/10/2017
217406	2200080009	01/05/2017	USD	30.00	THE SHREDDERS LOS ANGELES CA	01/18/2017

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217409	2200080003	01/05/2017	USD	1,839.00	TRIEPEI SMITH AND ASSOCIATES, IRVINE CA	01/17/2017
217410	2200079967	01/05/2017	USD	348.19	U S HOSE INC ONTARIO CA	01/10/2017
217411	2200079959	01/05/2017	USD	160.95	ULIRA SCIENTIFIC NORTH KINGSTOWN RI	01/11/2017
217412	2200079988	01/05/2017	USD	8,402.16	UNIVERSAL PROTECTION SERVICE PASADENA CA	01/10/2017
217413	2200079957	01/05/2017	USD	160.00	UPLAND CHAMBER OF COMMERCE UPLAND CA	01/19/2017
217414	2200079989	01/05/2017	USD	5,049.00	UPS PROTECTION INC ANAHEIM CA	01/11/2017
217415	2200079975	01/05/2017	USD	108.00	URIMAGE BLOOMINGTON CA	01/10/2017
217416	2200080029	01/05/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	01/12/2017
217417	2200079998	01/05/2017	USD	10,208.33	UTILIQUEST LLC ATLANTA GA	01/10/2017
217418	2200079950	01/05/2017	USD	1,815.00	WATER EDUCATION FOUNDATION SACRAMENTO CA	01/23/2017
217419	2200079946	01/05/2017	USD	312.00	WATER ENVIRONMENT FEDERATION BOSTON MA	01/17/2017
217420	2200079938	01/05/2017	USD	87.93	WAXIE SANITARY SUPPLY LOS ANGELES CA	01/11/2017
217421	2200079939	01/05/2017	USD	6,661.43	WEST VALLEY MOSQUITO AND ONTARIO CA	01/11/2017
217422	2200080026	01/05/2017	USD	2,859.50	WESTERN DENTAL PLAN ORANGE CA	01/24/2017
217423	2200079972	01/05/2017	USD	51.84	WESTERN WATER WORKS SUPPLY CO CHINO HILLS CA	01/17/2017
217424	2200079974	01/05/2017	USD	1,288.08	WORLDWIDE EXPRESS ALBANY NY	01/17/2017
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217426	2200080126	01/12/2017	USD	2,000.00	ADAMS, JASON FONTANA CA	01/12/2017
217427	2200080105	01/12/2017	USD	500.00	ADVANCED RIGGERS & MILLWRIGHTSRIVERSIDE CA	01/23/2017
217428	2200080070	01/12/2017	USD	598.07	AIRGAS WEST INC PASADENA CA	01/17/2017
217429	2200080096	01/12/2017	USD	837.30	ALTA FOODCRAFT COFFEE ORANGE CA	01/19/2017
217430	2200080090	01/12/2017	USD	497.15	AMERICAN PAYROLL ASSOCIATION SAN ANTONIO TX	01/18/2017
217431	2200080093	01/12/2017	USD	2,260.00	AMP MECHANICAL INC COSTA MESA CA	01/18/2017
217432	2200080074	01/12/2017	USD	792.61	ARIZONA INSTRUMENT LLC CHANDLER AZ	01/18/2017
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217435	2200080107	01/12/2017	USD	17,822.36	BUSINESS CARD WILMINGTON DE	01/18/2017
217436	2200080092	01/12/2017	USD	8,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	01/20/2017
217437	2200080104	01/12/2017	USD	3,582.08	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	01/18/2017
217438	2200080079	01/12/2017	USD	358.92	CALOLYMPIC SAFETY CORONA CA	01/17/2017
217439	2200080066	01/12/2017	USD	65.52	CARL WARREN & COMPANY SANTA ANA CA	01/27/2017
217440	2200080080	01/12/2017	USD	18,991.06	CAROLLO ENGINEERS INC SALT LAKE CITY UT	01/19/2017
217441	2200080077	01/12/2017	USD	8,788.50	CHAMPION NEWSPAPERS CHINO CA	01/17/2017
217442	2200080113	01/12/2017	USD	3,074.81	CITY OF CHINO CHINO CA	01/17/2017
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217446	2200080127	01/12/2017	USD	300.00	COOK, KATHERINE CHINO HILLS CA	
217447	2200080119	01/12/2017	USD	168.93	DAVIS, MARIHA CHINO HILLS CA	
217448	2200080078	01/12/2017	USD	115.00	DEPT OF CONSUMER AFFAIRS SACRAMENTO CA	01/25/2017
217449	2200080085	01/12/2017	USD	133.55	DESERT PUMPS AND PARTS INC BELLA VISTA AR	01/18/2017
217450	2200080073	01/12/2017	USD	151.87	DME INC SANTA FE SPRINGS CA	01/18/2017

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217454	2200080099	01/12/2017	USD	6,931.39	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	01/18/2017	
217455	2200080068	01/12/2017	USD	2,824.57	FISHER SCIENTIFIC LOS ANGELES CA	01/17/2017	
217456	2200080118	01/12/2017	USD	2,750.57	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/19/2017	
217457	2200080123	01/12/2017	USD	64.32	GIBSON, CONNIE CHINO HILLS CA	01/18/2017	
217458	2200080111	01/12/2017	USD	31,350.00	GP STRATEGIES CORPORATION COLUMBIA MD	01/23/2017	
217459	2200080072	01/12/2017	USD	1,083.87	GRAINGER PALATINE IL	01/17/2017	
217460	2200080125	01/12/2017	USD	145.21	HALL, JASMIN CHINO HILLS CA	01/23/2017	
217461	2200080069	01/12/2017	USD	1,825.63	HOME DEPOT CREDIT SERVICES DES MOINES IA	01/23/2017	
217462	2200080120	01/12/2017	USD	705.56	IGNACIO, JOEL CHINO HILLS CA	01/19/2017	
217463	2200080116	01/12/2017	USD	55,811.87	INLAND BIOENERGY LLC FONTANA CA	01/27/2017	
217464	2200080087	01/12/2017	USD	8,000.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	01/20/2017	
217465	2200080108	01/12/2017	USD	59,240.16	KWS MANUFACTURING COMPANY LID BURLESON TX	01/23/2017	
217466	2200080117	01/12/2017	USD	873.02	LEVEL 3 COMMUNICATIONS LLC DENVER CO	01/18/2017	
217467	2200080122	01/12/2017	USD	129.60	LITTLETON, DANNY CHINO HILLS CA	01/18/2017	
217468	2200080095	01/12/2017	USD	777.62	MAILFINANCE INC DALLAS TX	01/20/2017	
217469	2200080109	01/12/2017	USD	442.32	MANAGED MOBILE INC PLACENITA CA	01/18/2017	
217470	2200080121	01/12/2017	USD	54.71	MELENDREZ, MATTHEW CHINO HILLS CA	02/08/2017	
217471	2200080076	01/12/2017	USD	375.00	METTLER-TOLEDO PASADENA CA	01/17/2017	
217472	2200080081	01/12/2017	USD	699.75	MIDPOINT BEARING ONTARIO CA	01/17/2017	
217473	2200080114	01/12/2017	USD	298.00	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	01/17/2017	
217474	2200080071	01/12/2017	USD	186.52	PETTY CASH EXPENDITURES CHINO CA	01/17/2017	
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217476	2200080091	01/12/2017	USD	231.28	PRIORITY NEOPOST TORRANCE CA	01/19/2017	
217477	2200080082	01/12/2017	USD	1,675.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	01/19/2017	
217478	2200080106	01/12/2017	USD	100.00	SANDOVAL, JESUS L FONTANA CA		
217479	2200080115	01/12/2017	USD	985.11	SO CALIF EDISON ROSEMEAD CA	01/17/2017	
217480	2200080102	01/12/2017	USD	1,200.00	STAFFING NETWORK LLC CAROL STREAM IL	01/18/2017	
217481	2200080103	01/12/2017	USD	100.00	STONE, DEBRA KAYE UPLAND CA	02/10/2017	
217482	2200080088	01/12/2017	USD	62,728.00	THE AUSTIN COMPANY CLEVELAND OH	01/18/2017	
217483	2200080100	01/12/2017	USD	100.00	TIEGS, KATHLEEN ALTA LOMA CA	02/07/2017	
217484	2200080083	01/12/2017	USD	1,019.14	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	01/17/2017	
217485	2200080075	01/12/2017	USD	235.00	WATER ENVIRONMENT FEDERATION BOSTON MA	01/23/2017	
217486	2200080086	01/12/2017	USD	217.00	WORLDWIDE EXPRESS ALBANY NY	01/18/2017	
217487	2200080141	01/12/2017	USD	23,029.18	U S BANK ST LOUIS MO	01/18/2017	
217488	2200080179	01/19/2017	USD	446.04	AIRGAS WEST INC PASADENA CA	01/23/2017	
217489	2200080246	01/19/2017	USD	109.75	ARGUELLES, ALEX CHINO HILLS CA	01/30/2017	
217490	2200080208	01/19/2017	USD	2,005.92	ASAP INDUSTRIAL SUPPLY FONTANA CA	01/24/2017	
217491	2200080288	01/19/2017	USD	167.95	ASPRER, KEVIN CHINO HILLS CA	01/24/2017	
217492	2200080211	01/19/2017	USD	1,323.88	AUTOZONE INC ATLANTA GA	01/26/2017	
217493	2200080193	01/19/2017	USD	270.00	BABCOCK LABORATORIES, INC RIVERSIDE CA	01/25/2017	
217494	2200080221	01/19/2017	USD	43,732.95	BANNER BANK SACRAMENTO CA	01/25/2017	



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217497	2200080187	01/19/2017	USD	88.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/31/2017
217498	2200080188	01/19/2017	USD	542.26	CALIFORNIA CHAMBER OF COMMERCE SAN FRANCISCO CA	01/23/2017
217499	2200080214	01/19/2017	USD	21,746.37	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	01/25/2017
217500	2200080261	01/19/2017	USD	161.98	CAMBIASO, PIETRO CHINO HILLS CA	01/26/2017
217501	2200080237	01/19/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	01/24/2017
217502	2200080272	01/19/2017	USD	350.00	CATALAN, JOSE L CHINO HILLS CA	
217503	2200080275	01/19/2017	USD	350.00	CATALAN, MARIA CHINO HILLS CA	
217504	2200080222	01/19/2017	USD	49,500.00	CCR MANAGEMENT CONSULTANTS LLC LAWDALE CA	01/26/2017
217505	2200080269	01/19/2017	USD	210.00	CHAVEZ, NESTOR C CHINO HILLS CA	01/25/2017
217506	2200080259	01/19/2017	USD	350.00	CHEN, TING CHINO HILLS CA	01/27/2017
217507	2200080245	01/19/2017	USD	54.00	CHENG, TINA CHINO HILLS CA	02/01/2017
217508	2200080202	01/19/2017	USD	4,799.01	CINTAS CORPORATION LOCKH150 PHOENIX AZ	01/31/2017
217509	2200080235	01/19/2017	USD	446.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	01/24/2017
217510	2200080181	01/19/2017	USD	702.00	CITY OF CHINO CHINO CA	01/23/2017
217511	2200080173	01/19/2017	USD	37.45	CITY RENTALS INC ONTARIO CA	01/26/2017
217512	2200080209	01/19/2017	USD	7,219.00	CIVIC PUBLICATIONS INC LA VERNE CA	01/24/2017
217513	2200080174	01/19/2017	USD	944.19	COLE PARMER INSTRUMENT CO CHICAGO IL	01/25/2017
217514	2200080255	01/19/2017	USD	299.95	CUNNINGHAM, RICHARD CHINO HILLS CA	01/24/2017
217515	2200080200	01/19/2017	USD	4,227.50	DAVIS ELECTRIC INC YUCAIPA CA	01/25/2017
217516	2200080266	01/19/2017	USD	350.00	ELEBY, CRYSTAL CHINO HILLS CA	01/30/2017
217517	2200080210	01/19/2017	USD	526.02	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	01/24/2017
217518	2200080224	01/19/2017	USD	21,840.16	ERSHIGS INC DALLAS TX	01/26/2017
217519	2200080217	01/19/2017	USD	142,540.35	FERREIRA COASTAL CONSTRUCTION BRANCBURG NJ	01/24/2017
217520	2200080220	01/19/2017	USD	4,741.00	FIREHAWK FIRE & SAFETY SAN DEIGO CA	02/02/2017
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217523	2200080184	01/19/2017	USD	181.00	FONTANA HERALD NEWS FONTANA CA	01/25/2017
217524	2200080267	01/19/2017	USD	62.98	FRANCOONE, LEO CHINO HILLS CA	
217525	2200080231	01/19/2017	USD	3,084.56	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/25/2017
217526	2200080243	01/19/2017	USD	350.00	GARCIA, PAUL CHINO HILLS CA	01/30/2017
217527	2200080180	01/19/2017	USD	104.50	GRAINGER PALATINE IL	01/24/2017
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217529	2200080268	01/19/2017	USD	350.00	HANSON, MATTHEW CHINO HILLS CA	01/30/2017
217530	2200080251	01/19/2017	USD	149.95	HEIN, DAVID CHINO HILLS CA	
217531	2200080250	01/19/2017	USD	350.00	HOLLIHAN, JESSE D CHINO HILLS CA	
217532	2200080257	01/19/2017	USD	139.20	HUGHBANKS, ROGER CHINO HILLS CA	01/26/2017
217533	2200080283	01/19/2017	USD	96.00	HULL, KURT CHINO HILLS CA	01/25/2017
217534	2200080198	01/19/2017	USD	795.00	INLAND EMPIRE MAGAZINE RIVERSIDE CA	01/25/2017
217535	2200080233	01/19/2017	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	01/26/2017
217536	2200080206	01/19/2017	USD	200.00	INSTITUTE OF CERTIFIED NORTH SYRACUSE NY	
217537	2200080189	01/19/2017	USD	290,312.21	J F SHEA CONSTRUCTION INC WALNUT CA	01/24/2017
217538	2200080176	01/19/2017	USD	15,125.32	J R FILANC CONSTRUCTION CO. INC SCONDIDO CA	01/25/2017

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217541	2200080253	01/19/2017	USD	350.00	KLING, WANDA CHINO HILLS CA		01/20/2017
217542	2200080249	01/19/2017	USD	350.00	KREIMEYER, CARL CHINO HILLS CA		01/25/2017
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217544	2200080286	01/19/2017	USD	180.00	LUCAS, LARRY CHINO HILLS CA		01/31/2017
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217547	2200080238	01/19/2017	USD	288.00	MARIA FRESQUEZ LAS VEGAS NV		01/25/2017
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217549	2200080239	01/19/2017	USD	350.00	MELTON, DANIEL CHINO HILLS CA		02/06/2017
217550	2200080205	01/19/2017	USD	7,942.45	MEYERS NAWE OAKLAND CA		01/24/2017
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217554	2200080201	01/19/2017	USD	62,452.45	MONTE VISTA WATER DISTRICT MONTCLAIR CA		02/06/2017
217555	2200080271	01/19/2017	USD	350.00	MORGAN-PERALES, LISA CHINO HILLS CA		01/30/2017
217556	2200080282	01/19/2017	USD	350.00	MROCHEK, STEVEN CHINO HILLS CA		01/30/2017
217557	2200080285	01/19/2017	USD	198.00	NANGIA, SAPNA CHINO HILLS CA		01/30/2017
217558	2200080204	01/19/2017	USD	2,485.00	NATIONAL CINEMEDIA LLC CENTENNIAL CO		01/30/2017
217559	2200080203	01/19/2017	USD	744.46	NESTLE WATERS NORTH AMERICA LOUISVILLE KY		01/27/2017
217560	2200080223	01/19/2017	USD	225,923.61	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA		01/25/2017
217561	2200080279	01/19/2017	USD	179.94	NGUYEN, ROSE CHINO HILLS CA		01/31/2017
217562	2200080278	01/19/2017	USD	274.95	NOH, BRIAN CHINO HILLS CA		02/01/2017
217563	2200080218	01/19/2017	USD	9,306.00	O C VACUUM INC LONG BEACH CA		01/25/2017
217564	2200080277	01/19/2017	USD	302.40	O'BRIEN, MICHELLE CHINO HILLS CA		02/06/2017
217565	2200080263	01/19/2017	USD	149.75	OLAGUNJU, TITILAYO CHINO HILLS CA		
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217567	2200080226	01/19/2017	USD	5,734.76	ONTARIO MUNICIPAL UTILITIES COONTARIO CA		01/23/2017
217568	2200080236	01/19/2017	USD	430.50	PATRICK W HUNTER PHELAN CA		01/24/2017
217569	2200080215	01/19/2017	USD	285.12	PHOTO ART INDUSTRIES CHINO CA		01/27/2017
217570	2200080248	01/19/2017	USD	350.00	POESKE, MATTHEW CHINO HILLS CA		
217571	2200080280	01/19/2017	USD	350.00	POMPA, JESSE CHINO HILLS CA		01/24/2017
217572	2200080216	01/19/2017	USD	8,916.96	PREMIUM PROMOTIONALS UPLAND CA		01/25/2017
217573	2200080177	01/19/2017	USD	2,065.17	RAMONA TIRE & SERVICE CENTERS HEMET CA		01/26/2017
217574	2200080265	01/19/2017	USD	154.45	RESECK-FRANCIS, CHEYANNE CHINO HILLS CA		01/25/2017
217575	2200080262	01/19/2017	USD	179.94	REYES, RAYMOND CHINO HILLS CA		
217576	2200080242	01/19/2017	USD	120.96	ROSALES, TIMOTEO CHINO HILLS CA		01/30/2017
217577	2200080270	01/19/2017	USD	350.00	RUSSO, EFRAIN CHINO HILLS CA		02/06/2017
217578	2200080276	01/19/2017	USD	249.90	SCHERCK, JOHN CHINO HILLS CA		02/02/2017
217579	2200080232	01/19/2017	USD	40.12	SHERIFF'S COURT SERVICES SAN BERNARDINO CA		02/09/2017
217580	2200080178	01/19/2017	USD	501.73	SMART & FINAL LOS ANGELES CA		01/26/2017
217581	2200080264	01/19/2017	USD	57.00	SMITH, STEVEN CHINO HILLS CA		01/25/2017
217582	2200080290	01/19/2017	USD	350.00	SNIDER, LISA CHINO HILLS CA		01/25/2017

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Bank		CBB		CITIZENS BUSINESS BANK		ONTARIO CA 917610000	
Bank Key		122234149					
Acct number		CHECK		231167641			
Check							
Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
217583	2200080227	01/19/2017	USD	75,856.99	SO CALIF EDISON ROSEMEAD CA	01/24/2017	
217584	2200080228	01/19/2017	USD	234,672.37	SO CALIF EDISON ROSEMEAD CA	01/25/2017	
217585	2200080229	01/19/2017	USD	948.87	SO CALIF GAS MONTEREY PARK CA	01/30/2017	
217586	2200080182	01/19/2017	USD	479.21	SOUTH COAST AQMD DIAMOND BAR CA	01/30/2017	
217587	2200080186	01/19/2017	USD	1,000.00	SOUTHERN CALIFORNIA WATER COMMONTARIO CA		
217588	2200080244	01/19/2017	USD	65.00	SPAETH, ERIC CHINO HILLS CA		
217589	2200080212	01/19/2017	USD	900.00	STAFFING NETWORK LLC CAROL STREAM IL	01/24/2017	
217590	2200080241	01/19/2017	USD	345.59	STONE, VICTORIA CHINO HILLS CA	01/26/2017	
217591	2200080273	01/19/2017	USD	350.00	SUN, SUNNY YUE CHINO HILLS CA	01/20/2017	
217592	2200080284	01/19/2017	USD	25.92	TRAN, TIFFANY CHINO HILLS CA		
217593	2200080197	01/19/2017	USD	38,384.04	TRIMAX SYSTEMS INC BREA CA	01/24/2017	
217594	2200080192	01/19/2017	USD	2,387.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	01/23/2017	
217595	2200080207	01/19/2017	USD	7,828.47	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	01/24/2017	
217596	2200080234	01/19/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	01/27/2017	
217597	2200080252	01/19/2017	USD	100.00	VALENCIA, CHRISTINA CHINO HILLS CA	01/25/2017	
217598	2200080230	01/19/2017	USD	442.85	VERIZON BUSINESS ALBANY NY	01/24/2017	
217599	2200080183	01/19/2017	USD	235.00	WATER ENVIRONMENT FEDERATION BOSTON MA	01/24/2017	
217600	2200080258	01/19/2017	USD	179.94	WITTE, ANGELA CHINO HILLS CA	01/31/2017	
217601	2200080289	01/19/2017	USD	249.75	WOMACK, ASHLEY CHINO HILLS CA	01/25/2017	
217602	2200080199	01/19/2017	USD	714.01	WORLDWIDE EXPRESS ALBANY NY	01/24/2017	
217606	2200080292	01/19/2017	USD	3,138.36	KONICA MINOLTA PASADENA CA	01/25/2017	
217607	2200080293	01/19/2017	USD	249.94	PARKER, STEPHEN CHINO HILLS CA	01/25/2017	
217608	2200080355	01/26/2017	USD	2,281.97	ACE REAL TIME SOLUTIONS LLC CHESTERFIELD VA	01/31/2017	
217609	2200080344	01/26/2017	USD	445.00	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA	02/01/2017	
217610	2200080318	01/26/2017	USD	395.28	AIRGAS WEST INC PASADENA CA	01/30/2017	
217611	2200080322	01/26/2017	USD	1,014.00	APELEONE EMPLOYMENT SERVICES GLENDALE CA	01/31/2017	
217612	2200080349	01/26/2017	USD	58.67	AUTOZONE INC ATLANTA GA	01/31/2017	
217613	2200080345	01/26/2017	USD	1,136.44	BAM GRAPHICS N LAS VEGAS NV	01/31/2017	
217614	2200080364	01/26/2017	USD	200.00	BHOJANI, SHARMEEN CHINO HILLS CA		
217615	2200080334	01/26/2017	USD	738.44	BOOT BARN INC IRVINE CA	01/31/2017	
217616	2200080351	01/26/2017	USD	14,650.95	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	01/30/2017	
217617	2200080352	01/26/2017	USD	3,576.63	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	01/31/2017	
217618	2200080363	01/26/2017	USD	291.60	CAMPOS, JESSE CHINO HILLS CA	02/01/2017	
217619	2200080342	01/26/2017	USD	4,939.04	CINTAS CORPORATION LOC#150 PHOENIX AZ	02/08/2017	
217620	2200080332	01/26/2017	USD	1,075.19	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	02/02/2017	
217621	2200080324	01/26/2017	USD	376.00	CITY OF RANCHO CUCAMONGA RANCHO CUCAMONGA CA	02/01/2017	
217622	2200080343	01/26/2017	USD	1,200.00	CONSTRUCTION MANAGEMENT BALTIMORE MD	02/03/2017	
217623	2200080357	01/26/2017	USD	681.33	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	01/31/2017	
217624	2200080346	01/26/2017	USD	2,461.88	DAVID WHEELER'S PEST CONTROL, NORCO CA	02/01/2017	
217625	2200080336	01/26/2017	USD	10,610.00	DUDEK & ASSOCIATES INC ENCINITAS CA	02/01/2017	
217626	2200080348	01/26/2017	USD	1,695.54	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	01/31/2017	
217627	2200080350	01/26/2017	USD	963.05	ENVIRONMENTAL SCIENCE ASSOCIATSAN FRANCISCO CA	02/01/2017	
217628	2200080333	01/26/2017	USD	756.00	ENVIRONMENTAL SYSTEMS RESEARCHLOS ANGELES CA	01/30/2017	
217629	2200080314	01/26/2017	USD	231.99	FISHER SCIENTIFIC LOS ANGELES CA	01/30/2017	

Bank		CBB	CITIZENS BUSINESS BANK		ONTARIO CA 917610000	
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Acct number		CHECK	231167641			
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Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
217630	2200080359	01/26/2017	USD	3,121.07	FOUNDATION HA ENERGY GENERATION SAN FRANCISCO CA	
217631	2200080360	01/26/2017	USD	629.98	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	02/01/2017
217632	2200080337	01/26/2017	USD	116.00	GILLTRADING.COM INC BEAVERTON OR	
217633	2200080339	01/26/2017	USD	280.50	GOLDEN STATE LABOR COMPLIANCE PALMDALE CA	
217634	2200080319	01/26/2017	USD	13,755.56	GRAINGER PALATINE IL	01/31/2017
217635	2200080315	01/26/2017	USD	584.90	HAAKER EQUIPMENT COMPANY LA VERNE CA	02/01/2017
217636	2200080338	01/26/2017	USD	3,825.06	HACH COMPANY CHICAGO IL	01/30/2017
217637	2200080316	01/26/2017	USD	4,970.36	HARRINGTON INDUSTRIAL PLASTICS CHINO CA	01/31/2017
217638	2200080335	01/26/2017	USD	1,527.71	HOERBIGER SERVICE INC CHICAGO IL	01/31/2017
217639	2200080317	01/26/2017	USD	3,117.45	HOME DEPOT CREDIT SERVICES DES MOINES IA	02/01/2017
217640	2200080354	01/26/2017	USD	3,148.22	IDEXX DISTRIBUTION INC WESTBROOK ME	01/31/2017
217641	2200080323	01/26/2017	USD	837.55	INGERSOLL RAND COMPANY CHICAGO IL	01/30/2017
217642	2200080320	01/26/2017	USD	99,997.20	JWC ENVIRONMENTAL LOS ANGELES CA	01/31/2017
217643	2200080325	01/26/2017	USD	2,963.22	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	02/01/2017
217644	2200080353	01/26/2017	USD	63.00	LITTLE SISTER'S TRUCK WASH, INBONSALL CA	02/01/2017
217645	2200080331	01/26/2017	USD	677.04	LOCKMASTERS USA INC PANAMA CITY FL	
217646	2200080321	01/26/2017	USD	184.68	MAJESTIC TROPHY CO ONTARIO CA	01/31/2017
217647	2200080326	01/26/2017	USD	239.18	MIDPOINT BEARING ONTARIO CA	01/30/2017
217648	2200080362	01/26/2017	USD	54.00	MULLANEY, JOHN CHINO HILLS CA	02/02/2017
217649	2200080340	01/26/2017	USD	995.10	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	01/31/2017
217650	2200080361	01/26/2017	USD	81.00	NOEL, STEVE CHINO HILLS CA	01/31/2017
217651	2200080356	01/26/2017	USD	59.40	ONTARIO MUNICIPAL UTILITIES CO ONTARIO CA	01/30/2017
217652	2200080329	01/26/2017	USD	225.00	RED WING SHOE STORE CORONA CA	01/31/2017
217653	2200080330	01/26/2017	USD	1,149.00	REGIONAL WATER QUALITY CONTROL RIVERSIDE CA	
217654	2200080341	01/26/2017	USD	10,465.40	SCW CONTRACTING CORPORATION FALLEROCK CA	02/02/2017
217655	2200080347	01/26/2017	USD	15,761.81	SINNOTT, PUEBLA, CAMPAGNE & CILOS ANGELES CA	02/09/2017
217656	2200080358	01/26/2017	USD	528.45	SO CALIF EDISON ROSEMEAD CA	
217657	2200080327	01/26/2017	USD	40.00	THREE VALLEYS MWD CLAREMONT CA	
217658	2200080328	01/26/2017	USD	5,303.19	U S BANK NA ST PAUL MN	02/06/2017
217659	2200080479	01/26/2017	USD	239.14	AMERICAN HERITAGE LIFE INSURANCE DALLAS TX	02/03/2017
217660	2200080475	01/26/2017	USD	172.48	EREIG, ANNA VICTORVILLE CA	02/03/2017
217661	2200080481	01/26/2017	USD	423.22	COLONIAL LIFE & ACCIDENT INSURANCE COLUMBIA SC	02/01/2017
217662	2200080483	01/26/2017	USD	25.00	CONSECO LIFE INSURANCE COMPANY ATLANTA GA	02/03/2017
217663	2200080485	01/26/2017	USD	2,261.70	FIDELITY SECURITY LIFE INSURANCE CINCINNATI OH	02/01/2017
217664	2200080478	01/26/2017	USD	472.96	HOBBS, DIANA APPLE VALLEY CA	02/02/2017
217665	2200080476	01/26/2017	USD	472.96	HORNE, WILLIAM YUCCA VALLEY CA	01/31/2017
217666	2200080471	01/26/2017	USD	90.00	INDUSTRIAL HEARING & PULMONARY UPLAND CA	02/03/2017
217667	2200080484	01/26/2017	USD	281.00	LEGALSHIELD ADA OK	02/01/2017
217668	2200080470	01/26/2017	USD	116.98	LOS ANGELES TIMES PHOENIX AZ	02/01/2017
217669	2200080486	01/26/2017	USD	3,057.30	MALEKI, NASRIN CHINO HILLS CA	02/01/2017
217670	2200080477	01/26/2017	USD	746.37	MILLER, ELMER L BLUE JAY CA	
217671	2200080482	01/26/2017	USD	96.54	PERS LONG TERM CARE PROGRAM PASADENA CA	02/03/2017
217672	2200080468	01/26/2017	USD	1,095.24	REM LOCK & KEY ONTARIO CA	02/03/2017
217673	2200080474	01/26/2017	USD	829.69	SO CALIF GAS MONTEREY PARK CA	02/06/2017

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Bank	CBB	CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key	122234149					
Acct number	CHECK	231167641				
Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
217674	2200080469	01/26/2017	USD	32.00	STATE BOARD OF EQUALIZATION SACRAMENTO CA	02/06/2017
217675	2200080473	01/26/2017	USD	1,709.81	WESTERBERG & ASSOCIATES CORP LIBERTY LAKE WA	02/01/2017
217676	2200080480	01/26/2017	USD	2,847.55	WESTERN DENTAL PLAN ORANGE CA	02/01/2017
217677	2200080472	01/26/2017	USD	4,149.00	WILLDAN ENGINEERING ANAHEIM CA	01/31/2017
* Payment method Check			USD	2,353,895.89		

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Bank	CBB	CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key	122234149					
Acct number	CHECK	231167641				
Separate Check						
Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
217603	2200080194	01/19/2017	USD	350.00	AMERICAN ACADEMY OF ENVIRONMENANNAPOLIS MD	02/10/2017
217604	2200080195	01/19/2017	USD	350.00	AMERICAN ACADEMY OF ENVIRONMENANNAPOLIS MD	02/10/2017
217605	2200080196	01/19/2017	USD	350.00	AMERICAN ACADEMY OF ENVIRONMENANNAPOLIS MD	02/10/2017
* Payment method Separate Check			USD	1,050.00		

Total of all entries

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Check number from to	Payment	Pmt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	2,354,945.89		

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Bank		CBB		CITIZENS BUSINESS BANK		ONTARIO CA 917610000	
Bank Key		122234149					
Acct number		WDCMP		231159290			
Checks created manually							
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
04688	2200080058	01/04/2017	USD	112.10	YORK RISK SERVICES GROUP RANCHO CUCAMONGA CA	01/09/2017	
04689	2200080611	01/11/2017	USD	390.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/18/2017	
04690	2200080612	01/11/2017	USD	15.13	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/24/2017	
04691	2200080613	01/11/2017	USD	69.81	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/23/2017	
04692	2200080614	01/11/2017	USD	189.81	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/23/2017	
04693	2200080615	01/11/2017	USD	48.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/23/2017	
04694	2200080616	01/18/2017	USD	98.47	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/18/2017	
04695	2200080617	01/18/2017	USD	680.94	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/24/2017	
04696	2200080618	01/18/2017	USD	144.20	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/24/2017	
04697	2200080619	01/25/2017	USD	1,641.04	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/31/2017	
04698	2200080620	01/31/2017	USD	259.28	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/31/2017	
04699	2200080621	01/31/2017	USD	98.47	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/31/2017	
* Payment method Checks created manually			USD	3,747.25			



Total of all entries

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Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	3,747.25		

Check Payee / Description	Amount
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Wire	BANK OF AMERICA NT&SA P/R 1 1/6/17 EFT Direct Deposit	010617	771,881.21
	BANK OF AMERICA NT&SA	\$	771,881.21
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 1 1/6/17 Taxes	HR 0049500	56,603.33
	P/R 1 1/6/17 Taxes	HR 0049500	11,679.53
	EMPLOYMENT DEVELOPMENT DEPARTM\$		68,282.86
Wire	INTERNAL REVENUE SERVICE P/R 1 1/6/17 Taxes	HR 0049500	356,408.58
	INTERNAL REVENUE SERVICE	\$	356,408.58
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 101 1/9/17 Taxes	HR 0049600	4,519.31
	P/R 101 1/9/17 Taxes	HR 0049600	142.52
	EMPLOYMENT DEVELOPMENT DEPARTM\$		4,661.83
Wire	INTERNAL REVENUE SERVICE P/R 101 1/9/17 Taxes	HR 0049600	17,666.41
	INTERNAL REVENUE SERVICE	\$	17,666.41
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R DIR 01 1/6/17 Taxes	HR 0049700	7.78
	P/R DIR 01 1/6/17 Taxes	HR 0049700	341.22
	EMPLOYMENT DEVELOPMENT DEPARTM\$		349.00
Wire	INTERNAL REVENUE SERVICE P/R DIR 01 1/6/17 Taxes	HR 0049700	1,866.75
	INTERNAL REVENUE SERVICE	\$	1,866.75
Wire	BANK OF AMERICA NT&SA P/R 01 DIR 1/6/17 EFT Direct Deposit	010617 DIR	1,910.89
	BANK OF AMERICA NT&SA	\$	1,910.89
Wire	BANK OF AMERICA NT&SA P/R 101 1/6/17 EFT Direct Deposit	010617 101	21,567.11
	BANK OF AMERICA NT&SA	\$	21,567.11
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 2 1/20 Taxes	HR 0049800	50,243.25
	P/R 2 1/20 Taxes	HR 0049800	10,049.31
	EMPLOYMENT DEVELOPMENT DEPARTM\$		60,292.56
Wire	EMPLOYMENT DEVELOPMENT DEPARTM P/R 2 1/20 Taxes	P/R 2 1/20 AD	327.86
	EMPLOYMENT DEVELOPMENT DEPARTM\$		327.86

Check	Payee / Description		Amount
Wire	INTERNAL REVENUE SERVICE P/R 2 1/20 Taxes	HR 0049800	305,756.77
	INTERNAL REVENUE SERVICE	\$	305,756.77
Wire	INTERNAL REVENUE SERVICE P/R 2 1/20 Taxes	P/R 2 1/20 AD	1,555.24
	INTERNAL REVENUE SERVICE	\$	1,555.24
Wire	BANK OF AMERICA NT&SA P/R 2 1/20/17 EFT Direct Deposit	012017	683,086.27
	BANK OF AMERICA NT&SA	\$	683,086.27
Wire	PUBLIC EMPLOYEES' RETIREMENT S 1/17 Health Ins-Retirees, Board, Employees 2186 1/17		253,843.97
	PUBLIC EMPLOYEES' RETIREMENT S\$		253,843.97
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 1 1/6/17 Deferred Comp	HR 0049500	21,702.03
	PUBLIC EMPLOYEE'S RETIREMENT S\$		21,702.03
Wire	STATE DISBURSEMENT UNIT P/R 1 1/6/17	HR 0049500	198.00
	P/R 1 1/6/17	HR 0049500	1,145.06
	STATE DISBURSEMENT UNIT	\$	1,343.06
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 1 1/6/17 Empr PERS Match Contributio P/R 1 ADJ		557.32
	P/R 1 1/6/17 PERS	HR 0049500	277,640.17
	PUBLIC EMPLOYEES RETIREMENT SY\$		277,082.85
Wire	STATE BOARD OF EQUALIZATION 12/16 Sales Tax Deposit	23784561 12/1	10,902.00
	STATE BOARD OF EQUALIZATION	\$	10,902.00
Wire	PUBLIC EMPLOYEE'S RETIREMENT S P/R 2 1/20 Deferred Comp Ded	HR 0049800	20,739.95
	P/R 2 1/20 Deferred Comp Ded	P/R 2 1/20 AD	568.08
	PUBLIC EMPLOYEE'S RETIREMENT S\$		21,308.03
Wire	PUBLIC EMPLOYEES RETIREMENT SY P/R 2 1/20 PERS Adj	P/R 2 1/20 CR	22.54
	P/R 2 1/20 PERS	HR 0049800	267,614.73
	P/R 2 1/20 PERS	P/R 2 1/20 AD	1,634.50
	PUBLIC EMPLOYEES RETIREMENT SY\$		269,226.69
Wire	STATE DISBURSEMENT UNIT P/R 2 1/20	HR 0049800	1,145.06
	P/R 2 1/20	HR 0049800	198.00

Check	Payee / Description		Amount
	STATE DISBURSEMENT UNIT	\$	1,343.06
Wire	METROPOLITAN WATER DISTRICT November 2016 Water Purchase	8866	849,921.56
	METROPOLITAN WATER DISTRICT	\$	849,921.56

Grand Total Payment Amount: \$      4,002,286.59

Check	Payee / Description		Amount
ACH	ICMA RETIREMENT TRUST 457 P/R 1 1/6/17 Deferred Comp	HR 0049500	15,603.34
	ICMA RETIREMENT TRUST 457	\$	15,603.34
ACH	LINCOLN NATIONAL LIFE INS CO P/R 1 1/6/17 Deferred Comp	HR 0049500	23,206.71
	LINCOLN NATIONAL LIFE INS CO	\$	23,206.71
ACH	ICMA RETIREMENT TRUST 401 P/R 1 1/6/17 Exec Deferred Comp	HR 0049500	62,360.76
	ICMA RETIREMENT TRUST 401	\$	62,360.76
ACH	AQUA BEN CORPORATION RP1-18,400 Lbs Polymer 750A	35268	24,752.56
	AQUA BEN CORPORATION	\$	24,752.56
ACH	SANTA ANA WATERSHED November 2016 Truck Discharge	8960	2,321.16
	SANTA ANA WATERSHED	\$	2,321.16
ACH	ALFA LAVAL INC Belt Short Bottom	276067123	2,047.81
	ALFA LAVAL INC	\$	2,047.81
ACH	PARSONS WATER & INFRASTRUCTURE EN16028/EN16025-10/8-11/4 Prof Svcs	1611A885	147,961.44
	PARSONS WATER & INFRASTRUCTURE\$		147,961.44
ACH	PEST OPTIONS INC November 2016 Weed Abatement Services	268030	2,920.48
	PEST OPTIONS INC	\$	2,920.48
ACH	OLIN CORP TP1-4,974 Gals Sodium Hypochlorite TP1-4,888 Gals Sodium Hypochlorite TP1-4,920 Gals Sodium Hypochlorite RP4-1,986 Gals Sodium Hypochlorite TP1-4,964 Gals Sodium Hypochlorite RP5-4,894 Gals Sodium Hypochlorite RP1-3,006 Gals Sodium Hypochlorite CCWRP-2,998 Gals Sodium Hypochlorite TP1-4,918 Gals Sodium Hypochlorite	2264074 2269178 2265635 2265110 2265111 2265109 2265636 2264590 2264589	2,835.18 2,786.16 2,804.40 1,132.02 2,829.48 2,789.58 1,713.42 1,708.86 2,803.26
	OLIN CORP	\$	21,402.36
ACH	JC LAW FIRM 11/16 Regional Contract 11/16 IEUA vs Mwembu 11/16 IEUA vs Martin 11/16 Watermaster	00125 00116 00117 00119	2,070.00 90.00 1,080.00 390.00

Check	Payee / Description	Amount
	11/16 IEUA vs RP1 Ontario Airport Plume 00120	870.00
	11/16 RCA Legal 00121	1,020.00
	11/16 General Legal 00122	46,470.00
	11/16 Santa Ana River 00123	120.00
	11/16 IEUA vs SAWPA SARCCUP 00124	1,830.00
	JC LAW FIRM \$	53,940.00
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 1 1/6/17 Employee Ded HR 0049500	189.00
	IEUA EMPLOYEES' ASSOCIATION \$	189.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 1 1/6/17 Employee Ded HR 0049500	390.00
	IEUA SUPERVISORS UNION ASSOCIA\$	390.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 1 1/6/17 Employee Ded HR 0049500	1,144.10
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,144.10
ACH	PREFERRED BENEFIT INSURANCE 12/16 Agency Dental Plan EIA19361	14,898.50
	PREFERRED BENEFIT INSURANCE \$	14,898.50
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 1 1/6/17 Employee Ded HR 0049500	440.00
	IEUA PROFESSIONAL EMPLOYEES AS\$	440.00
ACH	DISCOVERY BENEFITS INC P/R 1 1/6/17 Cafeteria Plan HR 0049500	3,016.99
	DISCOVERY BENEFITS INC \$	3,016.99
ACH	DISCOVERY BENEFITS INC P/R 24 & 23 November Admin Fees 0000706328-IN	152.00
	DISCOVERY BENEFITS INC \$	152.00
ACH	AQUA BEN CORPORATION RP1-20,700 Lbs Polymer 750A 35280	27,846.63
	RP2-18,400 Lbs Polymer 748E 35283	16,295.04
	AQUA BEN CORPORATION \$	44,141.67
ACH	SANTA ANA WATERSHED November 2016 Service 8966	143,832.05
	SANTA ANA WATERSHED \$	143,832.05
ACH	MCMaster-CARR SUPPLY CO Cable Cutter, Sump Pump 94929157	432.03
	Shaft Collar, Drill Bit 96196148	127.63
	MCMaster-CARR SUPPLY CO \$	559.66

Check	Payee / Description		Amount
ACH	OLIN CORP		
	TP1-4,994 Gals Sodium Hypochlorite	2268707	2,846.58
	CCWRP-3,000 Gals Sodium Hypochlorite	2269179	1,710.00
	TP1-4,992 Gals Sodium Hypochlorite	2269442	2,845.44
	RP4-2,568 Gals Sodium Hypochlorite	2269443	1,463.76
			-----
	OLIN CORP	\$	8,865.78
ACH	DAVE'S PLUMBING		
	11/16-Replace PRV, Adjustment PRV	5118	1,125.00
	2 Water Softener Removal-12/2016	5120	500.00
	WR16017-12/2016 Replace PRV, Adjustment	5119	6,925.00
			-----
	DAVE'S PLUMBING	\$	8,550.00
ACH	ADVANCED ENVIRONMENTAL COMPLIA		
	4th Qtr 2016 Odor Study	7139	985.00
			-----
	ADVANCED ENVIRONMENTAL COMPLIA	\$	985.00
ACH	SHELL ENERGY NORTH AMERICA LP		
	11/16 Gas Cmmnty-Core, 9/16 Adj	1100002880311	471.53
	11/16 Gas Commodity-Non Core	2867174	2,550.78
	9/16 Adj Gas Commodity-Non Core	2860724	121.30
			-----
	SHELL ENERGY NORTH AMERICA LP	\$	3,143.61
ACH	SOLAR STAR CALIFORNIA V LLC		
	CCWRP/TP/RWPS-11/1-11/30 14950 Telephone	M0613-1007783	10,301.62
	RP5/TP5/HQA/B-11/1-11/30 6075 Kimball Av	M0614-1007784	16,543.35
	RP1-11/1-11/30 2450 Phila St	M0615-1007785	13,787.95
	RP1-11/1-11/30 2450 Phila St	M0616-1007786	2,501.09
			-----
	SOLAR STAR CALIFORNIA V LLC	\$	43,134.01
ACH	IEUA EMPLOYEES' ASSOCIATION		
	P/R DIR 01 Employee Ded	HR 0049700	12.00
			-----
	IEUA EMPLOYEES' ASSOCIATION	\$	12.00
ACH	STONE, SHAUN		
	Reim-12/22/16 New Hire Lunch SS,JS,MR	12/22/16 LUNC	65.00
			-----
	STONE, SHAUN	\$	65.00
ACH	ICMA RETIREMENT TRUST 457		
	P/R 2 1/20 Deferred Comp Ded	HR 0049800	15,557.57
			-----
	ICMA RETIREMENT TRUST 457	\$	15,557.57
ACH	LINCOLN NATIONAL LIFE INS CO		
	P/R 2 1/20 Deferred Comp Ded	HR 0049800	22,913.08
			-----
	LINCOLN NATIONAL LIFE INS CO	\$	22,913.08
ACH	ICMA RETIREMENT TRUST 401		
	P/R 2 1/20 Exec Deferred Comp	HR 0049800	8,360.76
			-----

Check	Payee / Description		Amount
	ICMA RETIREMENT TRUST 401	\$	8,360.76
ACH	AQUA BEN CORPORATION		
	RP1-18,400 Lbs Polymer 750A	35295	24,752.56
	RP1-20,700 Lbs Polymer 750A	35078	27,515.76
	RP1-18,400 Lbs Polymer 750A	35202	24,752.56
	AQUA BEN CORPORATION	\$	77,020.88
ACH	GENESIS CONSTRUCTION		
	EN16132-12/16 Pay Est 4	PE 4-EN16132	35,150.00
	GENESIS CONSTRUCTION	\$	35,150.00
ACH	MCMASTER-CARR SUPPLY CO		
	Nipples,Pipe Fittings	96949166	230.78
	SS Open Flow Hose Couplings	96877120	49.50
	SS Pipe Fitting,SS Pipe Nipple	97097288	330.56
	Machine Tool Taps	97374020	57.00
	MCMASTER-CARR SUPPLY CO	\$	667.84
ACH	AGRICULTURAL RESOURCES		
	2/17 Wtr Quality Consult	2/17 WTR QLTY	3,500.00
	AGRICULTURAL RESOURCES	\$	3,500.00
ACH	AMERICAN MICROIMAGING		
	Records Management CPP Course	47675	100.00
	AMERICAN MICROIMAGING	\$	100.00
ACH	SAP PUBLIC SERVICES INC		
	1/17-12/17 mySAP Business Suite Enterpri	6065032779	130,555.79
	7 SSO Licenses,MS SQL Server Enterprise	6065032413	19,845.00
	1/17-12/17 SAP BusObj Enterprise Support	6065032783	16,839.90
	1/17-12/17 SAP BusObj Enterprise Support	6065032782	20,838.61
	1/17-12/17 BSI US Payroll Tax Maint Supp	6065032781	5,443.20
	SAP PUBLIC SERVICES INC	\$	193,522.50
ACH	OLIN CORP		
	CCWRP-3,006 Gals Sodium Hypochlorite	2270627	1,713.42
	OLIN CORP	\$	1,713.42
ACH	EPI-USE LABS LLC		
	12/23/16-12/22/17 HCM Annual Maintenance	INV-US3471	2,175.77
	EPI-USE LABS LLC	\$	2,175.77
ACH	KEMP BROS CONSTRUCTION INC		
	EN15008-12/16 Pay Est 4	PE 4-EN15008	830,926.01
	KEMP BROS CONSTRUCTION INC	\$	830,926.01
ACH	IEUA EMPLOYEES' ASSOCIATION		
	P/R 2 1/20 Employee Ded	HR 0049800	186.00



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For 01/01/2017 ~ 01/31/2017		Treasurer Report		Date	02/14/2017
Check	Payee / Description				Amount
	IEUA EMPLOYEES' ASSOCIATION	\$			186.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 2 1/20 Employee Ded	HR	0049800		390.00
	IEUA SUPERVISORS UNION ASSOCIA\$				390.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 2 1/20 Employee Ded	HR	0049800		1,144.10
	IEUA GENERAL EMPLOYEES ASSOCIA\$				1,144.10
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 2 1/20 Employee Ded	012017			10.00
	P/R 2 1/20 Employee Ded	HR	0049800		430.00
	IEUA PROFESSIONAL EMPLOYEES AS\$				440.00
ACH	DISCOVERY BENEFITS INC P/R 2 1/20 Cafeteria Plan	HR	0049800		2,808.71
	DISCOVERY BENEFITS INC	\$			2,808.71
ACH	Inland Empire Reg. Composting Reim-EnerNOC Rebate Check Sent to IEUA	4-9/16	ENERNO		28,941.48
	Inland Empire Reg. Composting	\$			28,941.48
ACH	CHINO BASIN DESALTER AUTHORITY CDPH-Chino III Expnasion Prjcts Inv#11-G 301-R				2,737,678.00
	CHINO BASIN DESALTER AUTHORITY\$				2,737,678.00
ACH	AQUA BEN CORPORATION RP1-20,700 Lbs Polymer 750A	35314			27,846.63
	AQUA BEN CORPORATION	\$			27,846.63
ACH	NAPA GENUINE PARTS COMPANY Dexviatf,5W20 Synthetic Oil,Bfluid Dot	211752			34.81
	NAPA GENUINE PARTS COMPANY	\$			34.81
ACH	MARK IV COMMUNICATIONS INC Install Cable Ladder,Split Tubing,Chase	21360			1,700.79
	MARK IV COMMUNICATIONS INC	\$			1,700.79
ACH	GENESIS CONSTRUCTION EN16132-Ret Rls 1-Final	EN16132-RET R			15,889.68
	GENESIS CONSTRUCTION	\$			15,889.68
ACH	AMERICAN MICROIMAGING IS15003-Change Order #1	47701			34,920.00
	AMERICAN MICROIMAGING	\$			34,920.00
ACH	INLAND EMPIRE REGIONAL				

Check	Payee / Description	Amount
	RCA-SCE-Calif Solar Incentive Agrmnt SA# SA#3013233596	10,069.72
	INLAND EMPIRE REGIONAL \$	10,069.72
ACH	SAP PUBLIC SERVICES INC 1/17-12/17 SSO License Maint Enterprise 6065032414	4,365.90
	SAP PUBLIC SERVICES INC \$	4,365.90
ACH	EVOQUA WATER TECHNOLOGIES LLC 1/1/17-3/31/2017 DI Tank Rental 902927329	99.29
	EVOQUA WATER TECHNOLOGIES LLC \$	99.29
ACH	PREFERRED BENEFIT INSURANCE 1/17 Agency Dental Plan EIA19633	15,687.20
	PREFERRED BENEFIT INSURANCE \$	15,687.20
ACH	Inland Empire Reg. Composting 11/16 O&M Expenses SAP1116-IEUAO	2,265.00
	Inland Empire Reg. Composting \$	2,265.00
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem HEALTH PREM	472.96
	ESTRADA, JIMMIE J \$	472.96
ACH	LICHTI, ALICE Reim Monthly Health Prem HEALTH PREM	172.48
	LICHTI, ALICE \$	172.48
ACH	MORASSE, EDNA Reim Monthly Health Prem HEALTH PREM	172.48
	MORASSE, EDNA \$	172.48
ACH	NOWAK, THEO T Reim Monthly Health Prem HEALTH PREM	472.96
	NOWAK, THEO T \$	472.96
ACH	SONNENBURG, ILSE Reim Monthly Health Prem HEALTH PREM	172.48
	SONNENBURG, ILSE \$	172.48
ACH	DYKSTRA, BETTY Reim Monthly Health Prem HEALTH PREM	172.48
	DYKSTRA, BETTY \$	172.48
ACH	MUELLER, CAROLYN Reim Monthly Health Prem HEALTH PREM	172.48
	MUELLER, CAROLYN \$	172.48

Check	Payee / Description	Amount
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem HEALTH PREM 172.48 ----- GRIFFIN, GEORGE \$ 172.48	
ACH	CANADA, ANGELA Reim Monthly Health Prem HEALTH PREM 172.48 ----- CANADA, ANGELA \$ 172.48	
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem HEALTH PREM 172.48 ----- CUPERSMITH, LEIZAR \$ 172.48	
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem HEALTH PREM 300.48 ----- DELGADO-ORAMAS JR, JOSE \$ 300.48	
ACH	GRANGER, BRANDON Reim Monthly Health Prem HEALTH PREM 150.24 ----- GRANGER, BRANDON \$ 150.24	
ACH	GADDY, CHARLES L Reim Monthly Health Prem HEALTH PREM 150.24 ----- GADDY, CHARLES L \$ 150.24	
ACH	BAKER, CHRIS Reim Monthly Health Prem HEALTH PREM 22.24 ----- BAKER, CHRIS \$ 22.24	
ACH	WEBB, DANNY C Reim Monthly Health Prem HEALTH PREM 128.00 ----- WEBB, DANNY C \$ 128.00	
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem HEALTH PREM 150.24 ----- HUMPHREYS, DEBORAH E \$ 150.24	
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem HEALTH PREM 150.24 ----- MOUAT, FREDERICK W \$ 150.24	
ACH	MORGAN, GARTH W Reim Monthly Health Prem HEALTH PREM 128.00 ----- MORGAN, GARTH W \$ 128.00	
ACH	ALLINGHAM, JACK Reim Monthly Health Prem HEALTH PREM 22.24 ----- ALLINGHAM, JACK \$ 22.24	

Check	Payee / Description	Amount
ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM 437.19
	MAZUR, JOHN	\$ 437.19
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM 22.24
	RUDDER, LARRY	\$ 22.24
ACH	INTERLICCHIA, RANDY Reim Monthly Health Prem	HEALTH PREM 128.00
	INTERLICCHIA, RANDY	\$ 128.00
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM 128.00
	HAMILTON, MARIA	\$ 128.00
ACH	PICENO, TONY Reim Monthly Health Prem	HEALTH PREM 172.48
	PICENO, TONY	\$ 172.48
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM 22.24
	RAMOS, CAROL	\$ 22.24
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM 128.00
	FISHER, JAY	\$ 128.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM 22.24
	KING, PATRICK	\$ 22.24
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM 22.24
	HOWARD, ROBERT JAMES	\$ 22.24
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM 128.00
	DIETZ, JUDY	\$ 128.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM 150.24
	DAVIS, GEORGE	\$ 150.24
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM 22.24

Check	Payee / Description	Amount
	MONZAVI, TAGHI	\$ 22.24
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM 172.48
	PETERSEN, KENNETH	\$ 172.48
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 172.48
	TRAUTERMAN, HELEN	\$ 172.48
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 874.37
	TIEGS, KATHLEEN	\$ 874.37
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 772.02
	DIGGS, GEORGE	\$ 772.02
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 472.96
	HAYES, KENNETH	\$ 472.96
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 150.24
	HUNTON, STEVE	\$ 150.24
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 150.24
	RODRIGUEZ, LOUIS	\$ 150.24
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 573.89
	VARBEL, VAN	\$ 573.89
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 445.89
	CLIFTON, NEIL	\$ 445.89
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 128.00
	DELGADO, FRANCOIS	\$ 128.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 573.89
	WELLMAN, JOHN THOMAS	\$ 573.89
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 20.62

Check	Payee / Description		Amount
			-----
	SPEARS, SUSAN	\$	20.62
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM	172.48
			-----
	TROXEL, WYATT	\$	172.48
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM	437.19
			-----
	CORLEY, WILLIAM	\$	437.19
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM	342.34
			-----
	CALLAHAN, CHARLES	\$	342.34
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM	172.48
			-----
	LESNIAKOWSKI, NORBERT	\$	172.48
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM	470.34
			-----
	VER STEEG, ALLEN J	\$	470.34
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM	437.19
			-----
	HACKNEY, GARY	\$	437.19
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM	22.24
			-----
	CAREL, LARRY	\$	22.24
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM	322.01
			-----
	TOL, HAROLD	\$	322.01
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM	471.54
			-----
	BANKSTON, GARY	\$	471.54
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM	128.00
			-----
	ATWATER, RICHARD	\$	128.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM	450.01
			-----
	FIESTA, PATRICIA	\$	450.01
ACH	DIGGS, JANET		

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEALTH PREM	900.02
	DIGGS, JANET	\$	900.02
ACH	CARAZA, TERESA Reim Monthly Health Prem	HEALTH PREM	158.95
	CARAZA, TERESA	\$	158.95
ACH	ANDERSON, JOHN Reim Monthly Health Prem	HEALTH PREM	472.96
	ANDERSON, JOHN	\$	472.96
ACH	SANTA CRUZ, JACQUELYN Reim Monthly Health Prem	HEALTH PREM	779.40
	SANTA CRUZ, JACQUELYN	\$	779.40
ACH	HECK, ROSELYN Reim Monthly Health Prem	HEALTH PREM	22.24
	HECK, ROSELYN	\$	22.24
ACH	SOPICKI, LEO Reim Monthly Health Prem	HEALTH PREM	300.48
	SOPICKI, LEO	\$	300.48
ACH	HERNANDEZ, BENJAMIN Reim Monthly Health Prem	HEALTH PREM	322.01
	HERNANDEZ, BENJAMIN	\$	322.01
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	HEALTH PREM	128.00
	GOSE, ROSEMARY	\$	128.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	HEALTH PREM	128.00
	KEHL, BARRETT	\$	128.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	HEALTH PREM	128.00
	RITCHIE, JANN	\$	128.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	HEALTH PREM	445.89
	LONG, ROCKWELL DEE	\$	445.89
ACH	FATTAHI, MIR Reim Monthly Health Prem	HEALTH PREM	128.00
	FATTAHI, MIR	\$	128.00

Check	Payee / Description		Amount
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	HEALTH PREM	300.48
	VERGARA, FLORENTINO	\$	300.48
ACH	WARMAN, RALPH Reim Monthly Health Prem	HEALTH PREM	172.48
	WARMAN, RALPH	\$	172.48
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM	175.48
	ROGERS, SHIRLEY	\$	175.48
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM	286.95
	WALL, DAVID	\$	286.95
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM	150.24
	CHUNG, MICHAEL	\$	150.24
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM	172.48
	ADAMS, PAMELA	\$	172.48
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM	1,019.78
	BLASINGAME, MARY	\$	1,019.78
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM	22.24
	ANDERSON, KENNETH	\$	22.24
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM	22.24
	MOE, JAMES	\$	22.24
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM	746.06
	POLACEK, KEVIN	\$	746.06
ACH	ELROD, SONDRRA Reim Monthly Health Prem	HEALTH PREM	286.95
	ELROD, SONDRRA	\$	286.95
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM	171.77
	FRAZIER, JACK	\$	171.77



Check	Payee / Description	Amount
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 128.00
	HOAK, JAMES	\$ 128.00
ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM 171.77
	DEZHAM, PARIVASH	\$ 171.77
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM 158.95
	FOLEY III, DANIEL J.	\$ 158.95
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 128.00
	CLEVELAND, JAMES	\$ 128.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 238.70
	LANGNER, CAMERON	\$ 238.70
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 158.95
	HAMILTON, LEANNE	\$ 158.95
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 128.00
	HOOSHMAND, RAY	\$ 128.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 128.00
	SCHLAPKOHL, JACK	\$ 128.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 171.77
	POOLE, PHILLIP	\$ 171.77
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 150.24
	ADAMS, BARBARA	\$ 150.24
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 481.35
	RUESCH, GENECE	\$ 481.35
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 471.54

Check	Payee / Description		Amount
	VANDERPOOL, LARRY	\$	471.54
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM	573.89
	AMBROSE, JEFFREY	\$	573.89
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM	286.95
	MERRILL, DIANE	\$	286.95
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM	620.58
	HOUSER, ROD	\$	620.58
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM	158.95
	RUSSO, VICKI	\$	158.95
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM	445.89
	HUSS, KERRY	\$	445.89
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM	618.06
	BINGHAM, GREGG	\$	618.06
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM	128.00
	CHARLES, DAVID	\$	128.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM	128.00
	YEBOAH, ERNEST	\$	128.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem	HEALTH PREM	185.89
	ALVARADO, ROSEMARY	\$	185.89
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM	128.00
	BARELA, GEORGE	\$	128.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM	1,492.11
	FETZER, ROBERT	\$	1,492.11
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM	158.95

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Check	Payee / Description	Amount
	SPAETH, ERIC	\$ 158.95

Grand Total Payment Amount: \$ 4,733,836.46

# INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR JANUARY 6, 2017

PRESENTED AT BOARD MEETING ON FEBRUARY 15, 2017

GROSS PAYROLL COSTS			\$1,392,090.62
DEDUCTIONS			(\$598,642.30)
NET PAYROLL			<u>\$793,448.32</u>
<b>NET PAYROLL BREAKDOWN</b>	<b>CHECKS</b>	<b>EFT</b>	<b>TOTAL</b>
CHECKS USED	-		
TRANSACTION PROCESSED	0	358	358
AMOUNT	\$0.00	\$793,448.32	<u>\$793,448.32</u>

# INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR JANUARY 20, 2017

PRESENTED AT BOARD MEETING ON FEBRUARY 15, 2017

GROSS PAYROLL COSTS			\$1,350,713.57
DEDUCTIONS			(\$659,483.25)
NET PAYROLL			<u>\$691,230.32</u>
<b>NET PAYROLL BREAKDOWN</b>	<b>CHECKS</b>	<b>EFT</b>	<b>TOTAL</b>
CHECKS USED	105901 - 105903		
TRANSACTION PROCESSED	3	355	358
AMOUNT	\$8,144.05	\$683,086.27	<u>\$691,230.32</u>

# INLAND EMPIRE UTILITIES AGENCY

## RATIFICATION OF BOARD OF DIRECTORS

PAYROLL FOR JANUARY 13, 2017  
PRESENTED AT BOARD MEETING ON FEBRUARY 15, 2017

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
MICHAEL CAMACHO	\$3,874.97	\$1,319.64
STEVEN ELIE	\$3,190.25	\$511.74
JASMIN HALL	\$2,232.33	\$1,309.79
PAUL HOFER	\$0.00	\$0.00
KATHERINE PARKER	\$2,334.29	\$601.10
<b>TOTALS</b>	<b>\$11,631.84</b>	<b>\$3,742.27</b>

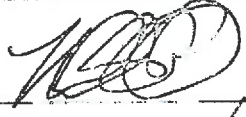
TOTAL EFTS PROCESSED	2
BEGINNING CHECK NO.	105899
ENDING CHECK NO.	105900
TOTAL CHECKS PROCESSED	2

**IEUA DIRECTOR PAYSHEET**

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

**DECEMBER 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-16	ACWA Fall Conference (3 <sup>rd</sup> day)	Yes	\$225.00
12-05-16	Meeting with J. Curatalo re: LAFCO	Yes	\$225.00
12-07-16	IEUA Board Workshop	Yes	\$225.00
12-08-16	Southern Coalition/Inland Caucus Meeting	Yes	\$225.00
12-14-16	Public Affairs, Legislative & Water Resources Committee	Yes	\$225.00
12-14-16	Engineering, Operations and Biosolids Management Committee	Yes (same day)	\$-0-
12-20-16	Telecon Mtg. w/ O Gonzalez re: Agency Business	Yes	\$225.00
12-21-16	IEUA Board Meeting	Yes	\$225.00
12-21-16	IEUA Holiday Luncheon	Yes (same day)	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83, including MWD meetings)			\$1,575.00
Total No. of Meetings Attended			9
Total No. of Meetings Paid			7

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

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

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


**DECEMBER 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-16	OP&T Committee Telecon Update	Yes	\$225.00
12-12-16	MWD Standing Committee Migs	Yes	\$225.00
12-13-16	MWD Standing Committee Meetings and Board Meeting	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			\$675.00
Total No. of Meetings Attended			3
Total No. of Meetings Paid			3

DIRECTOR  
SIGNATURE



Approved by:

  
 Steven J. Elie  
 Secretary/Treasurer, Board of Directors



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

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

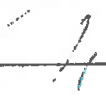
**DECEMBER 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-16	Regional Policy Committee Mtg.	No	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$-0-
Up to 10 days of service per month per Ordinance No. 73. Section 1 (d) (i.e., \$125.00 – difference between <b>Regional Policy Committee</b> (\$100.00 and Agency meetings \$225.00) including Agency meetings			
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

**DIRECTOR  
SIGNATURE**

  
\_\_\_\_\_

**Approved by:**

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

**IEUA DIRECTOR PAYSHEET**


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

**DECEMBER 2016**

<b>DATE</b>	<b>TYPE OF MEETING</b>	<b>ATTENDANCE</b>	<b>TOTAL COMPENSATION</b>
12-06-16	Dinner Mtg. w/J Grindstaff re: Agency Business	Yes (staff)	\$-0-
12-06-16	City of Chino City Council Meeting Presentation	Yes	\$225.00
12-07-16	IEUA Board Workshop	Yes	\$225.00
12-08-16	SCWC Meeting	Yes	\$225.00
12-13-16	Meeting with M. Boccadoro, West Coast Advisor - Legislation	Yes	\$225.00
12-14-16	Public, Legislative Affairs and Water Resources Committee	Yes (same day)	\$-0-
12-14-16	Finance, Legal & Administration Committee	Yes	\$225.00
12-21-16	Board Meeting	Yes	\$225.00
12-21-16	IEUA Holiday Luncheon	Yes (same day)	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			\$1,350.00
Total No. of Meetings Attended			9
Total No. of Meetings <b>Paid</b>			6

DIRECTOR  
SIGNATURE

Approved by:

  
 \_\_\_\_\_  
 Michael Camacho  
 Vice President, Board of Directors

**DIRECTOR PAYSHEET FOR IEUA  
ON WATERMASTER BOARD**

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

**DECEMBER 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-02-16	CBWM Admin Meeting w/P Kavounas	Yes*	\$-0-

<b>TOTAL REIMBURSEMENT</b> Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., <b>\$100.00</b> difference between Watermaster \$125.00 and District meetings \$225.00), including District meetings	<b>\$-0-</b>
Total No. of Watermaster Meetings Attended	1
Total No. of Watermaster Meetings Paid	0

**\*Decline IEUA portion**

DIRECTOR  
SIGNATURE

Approved by:

  
 Michael Camacho  
 Vice President, Board of Directors

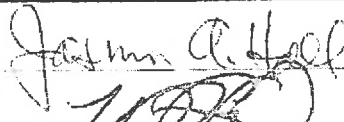
**IEUA DIRECTOR PAYSHEET**

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

**DECEMBER 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-16	ACWA Fall Conference	Yes	\$225.00
12-07-16	IEUA Board Workshop	Yes	\$225.00
12-08-16	LAFCO Governance Training	Yes	\$225.00
12-10-16	Fontana Christmas Parade	Yes	\$225.00
12-13-16	Rialto City Council Meeting	Yes	\$225.00
12-14-16	Audit Committee Meeting	Yes	\$225.00
12-21-16	IEUA Board Meeting	Yes	\$225.00
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			<b>\$1,575.00</b>
Total No. of Meetings Attended			7
Total No. of Meetings Paid			7

DIRECTOR  
SIGNATURE



Approved by:


Michael Camacho  
Vice President, Board of Directors

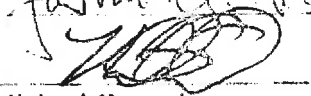
DIRECTOR PAYSHEET FOR IFUA  
ON SAWPA COMMISSION (ALTERNATE)

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

DECEMBER 2016

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-16	SAWPA Commission Workshop	Yes	\$27.18
12-20-16	SAWPA Commission Meeting	Yes	\$27.18
<b>TOTAL REIMBURSEMENT</b>			\$54.36
Up to 10 days of service per month per Ordinance No. 83.			
Section 1 (d) (i.e., \$27.18 – difference between SAWPA (\$197.82 <i>(eff. 2-16-16)</i> ) and Agency meetings \$225.00 including Agency meetings			
Total No. of SAWPA Meetings Attended			2
Total No. of SAWPA Meetings Paid			2

DIRECTOR SIGNATURE 


Approved by:   
Michael Camacho  
Vice President, Board of Directors

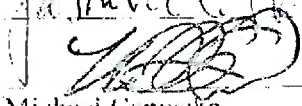
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE  
ON CHINO DESALTER AUTHORITY (ALTERNATE)**

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

**DECEMBER 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-16	CDA Board Meeting	No	\$-0-
<b>TOTAL REIMBURSEMENT</b>			\$-0-
Up to 10 days of service per month per Ordinance No. 83. Section 1 (d) (i.e., \$75.00 difference between CDA (\$150.00 And Agency meetings \$225.00 excludes alternate) including Agency meetings			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

DIRECTOR SIGNATURE: 

Approved by:   
 Michael Camacho  
 Vice President, Board of Directors

**IEUA DIRECTOR PAYSHEET**

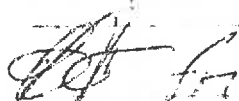
PAUL HOFER  
 EMPLOYEE NO. 1349  
 ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-16	IEUA Board Workshop	Yes	\$-0-
12-14-16	Finance, Legal & Administration Committee	Yes	\$-0-
12-16-16	Introduction mtg. w/W. Dorgan	Yes	\$-0-
12-21-16	IEUA Board meeting	Yes	\$-0-
<b>TOTAL REIMBURSEMENT</b> (Up to 10 days of service per month per Ordinance No. 83)			\$-0-
Total No. of Meetings Attended			5
Total No. of Meetings Paid			0

DIRECTOR  
 SIGNATURE

Approved by:

  
 Michael Camacho  
 Vice President, Board of Directors

Director Hofer has waived all stipend payments.


**IEUA DIRECTOR PAYSHEET**

KATI PARKER  
 EMPLOYEE NO. 1362  
 ACCOUNT NO. 10200 110100 100000 501010

**DECEMBER 2016**

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12/07/16	IEUA Board Meeting	Yes	\$225.00
12/07/16	Business Goals Mtg. w/W Green	Yes (staff)	\$-0-
12/07/16	Introduction Mrg. w/C Valencia	Yes (staff)	\$-0-
12/14/16	Audit Committee	Yes	\$225.00
12/14/16	Engineering, Operations & Biosolids Mgmt Committee	Yes (same day)	\$-0-
12/21/16	IEUA Board Meeting	Yes	\$225.00
12/21/16	IEUA Holiday Luncheon	Yes (same day)	\$-0-
<b>TOTAL REIMBURSEMENT</b>			<b>\$675.00</b>
Up to 10 days of service per month per Ordinance No. 83.			
Section 1 (d) (i.e., \$27.18 – difference between SAWPA (\$197.82 (eff 2/16/16) and Agency meetings \$225.00 including Agency meetings			
Total No. of SAWPA Meetings Attended			7
Total No. of SAWPA Meetings Paid			3

DIRECTOR SIGNATURE: 

Approved by:   
 Michael Camacho  
 Vice President, Board of Directors

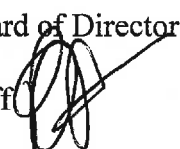


CONSENT  
CALENDAR  
ITEM

**2C**

Date: March 15, 2017

To: The Honorable Board of Directors

From: P. Joseph Grindstaff  
General Manager 

Subject: Appointment of IEUA Committee Member and Alternate member to the Project Agreement 23 Committee

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Appoint the IEUA's Santa Ana Watershed Project Authority (SAWPA) Commissioner Jasmin A. Hall as the IEUA Committee member for the Project Agreement 23 (PA 23) Committee; and
2. Appoint the IEUA's SAWPA alternate Commissioner Kati Parker as the alternate Committee member for the PA 23 Committee.

### **BACKGROUND**

PA 23 was established by the SAWPA member agencies to govern water banking elements of the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP). Parties to PA 23 are SAWPA and its five member agencies. PA 23 established a committee with each member agency having one representative on the committee. Through SARCCUP, the PA 23 parties desire to improve storage and dry year yield resiliency of the watershed by conjunctive operation of its groundwater basins with available imported water. The PA 23 Committee will implement measures pursuant to a \$55-million Proposition 84 grant, and may implement other measures consistent with the purpose of SARCCUP. PA 23 has no expiration date.

General Manager P. Joseph Grindstaff currently serves as a Committee member representing IEUA. In addition, the other agencies also have their General Managers currently serving as the PA 23 Committee members. However, due to a Brown Act conflict whereby General Managers, as the PA 23 Committee members are unable to attend other various meetings, therefore, it has been recommended to appoint the SAWPA Commissioner and alternate Commissioner to the PA 23 Committee.

Appointment of a IEUA Committee Member to PA 23

March 15, 2017

Page 2 of 2

**PRIOR BOARD ACTION**

On June 15, 2016, the Board approved the formation of PA 23 and the appointment of the IEUA General Manager as the Agency's representative to the committee.

**IMPACT ON BUDGET**

None.

CONSENT  
CALENDAR  
ITEM

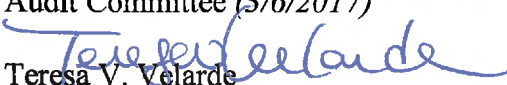
**2D**

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Date: March 15, 2017

To: The Honorable Board of Directors

Through: Audit Committee (3/6/2017)

From:   
Teresa V. Velarde  
Manager of Internal Audit

Subject: The Audit Committee and the Internal Audit Department Charters

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Reconfirm the Audit Committee and the Internal Audit Department Charters; and
2. Direct staff to continue to implement the Audit Committee and the Internal Audit Department Charters.

### **BACKGROUND**

The Internal Audit Department Charter states that the Internal Audit Department is responsible for performing periodic reviews of both the Audit Committee Charter and the Internal Audit Department Charter and making recommendations for any necessary updates and revisions. Attached are the charters presented in their current form. There are no proposed changes, but the Charters are available for your review, discussion and further direction.

The Audit Committee Charter defines and documents the Audit Committee's purpose, composition, authority, and responsibilities. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling their oversight responsibilities over financial reporting, internal controls, and compliance with legal and regulatory requirements related to the operations of the Agency. The responsibilities of the Audit Committee include inquiring of Agency management, the Manager of Internal Audit, the external auditors, and legal counsel about the Agency's internal controls, financial reporting, organizational risks, legal compliance matters, results of internal audits, organizational goals, and other matters as they relate to the Agency. The Charter is reviewed annually but was last amended in December 2015.

The Internal Audit Department Charter defines and documents the Internal Audit Department's (IA) purpose, mission, authority, and responsibilities. The purpose of IA is to assist the Board and the Audit Committee in fulfilling their oversight responsibilities for financial reporting, internal controls, and compliance with legal and regulatory requirements applicable to Agency operations.

## The Audit Committee and the Internal Audit Department Charters

March 15, 2017

Page 2 of 2

The purpose of IA is also to provide objective, independent assurance evaluations about the operations of the Agency as well as recommendations to improve efficiencies, establish compliance with policies and procedures, protect Agency assets, and mitigate risks. The responsibilities of IA include performing reviews to evaluate internal controls, report findings and recommendations to management, the Audit Committee and the Board. The IA Charter is reviewed annually but was last amended in December 2015.

IA staff evaluated updates proposed by the Institute of Internal Auditors and worked with the Audit Committee's Financial Expert Advisor to ensure both charters incorporate leading practices.

The Charters were submitted as an information item during the December meeting Audit Committee Meeting to take comments, changes, or proposed edits and updates from senior management, the Audit Committee Advisor, the Audit Committee and the Board of Directors, as well as direction to finalize. The Charters are being submitted through the Audit Committee for Board of Directors approval.

The attachments include the Audit Committee Charter and the IA Department Charter.

The updates for the Audit Committee and the Internal Audit Department Charters is consistent with the Agency's Business Goals of *Fiscal Responsibility, Workplace Environment and Business Practices* by providing direction and guidance for the Audit Committee and the Internal Audit Department.

### **PRIOR BOARD ACTION**

On December 21, 2016, the Board of Directors received the Audit Committee and Internal Audit Charters.

On December 16, 2015, the Board of Directors reconfirmed the amended Audit Committee and Internal Audit Charters.

On December 18, 2013, the Board of Directors approved the revised Audit Committee and Internal Audit Charters.

On December 15, 2010, the Board of Directors approved the revised Audit Committee Charter.

On December 9, 2009, the Board of Directors approved the revised Internal Department Charter.

On April 21, 2004, the Board of Directors approved the establishment of an Audit Committee of the Board of Directors, the new position of Internal Auditor, and the new position of Assistant Auditor.

### **IMPACT ON BUDGET**

None.



**INLAND EMPIRE UTILITIES AGENCY**  
**Audit Committee Charter**  
**Reconfirmed on March 15, 2017**

**PURPOSE**

The Audit Committee (Committee) is established under the authority of the Inland Empire Utilities Agency (IEUA or Agency) Board of Directors (Board) and reports directly to the Board. The primary purpose of the Committee is to assist the Board in fulfilling their oversight responsibilities for financial reporting, internal controls, and compliance with legal and regulatory requirements applicable to Agency operations.

While assisting the Board with these fiduciary duties, the Committee also provides an open avenue of communication between the Board, IEUA Management, the Internal Audit Department, and the external auditors. This advisory and oversight link provides the following benefits to the organization and stakeholders:

- Increased objectivity and credibility of financial reports.
- Increased management accountability.
- Support for measures to improve management performance and internal controls.
- Increased employee awareness of unethical, questionable, or illegal activities.
- Enhanced independence and effectiveness of the Internal Audit Department.
- Assurance that appropriate management action plans are implemented for audit findings and recommendations.

**COMPOSITION, COMPENSATION & TERM OF SERVICE**

The Committee shall consist of two members from the Board of Directors, each with equal voting rights, with one selected as the Committee Chairperson. The members will be appointed by the Board President.

The Audit Committee shall have access to at least one financial expert, an outside party with no voting rights, who will provide advisory and consulting duties and shall be compensated as agreed upon, in writing with the Audit Committee, the Board, Agency management and its designees.

All members of the Audit Committee shall possess or obtain a basic understanding of governmental financial reporting, accounting and auditing and shall have a requisite interest in financial reporting issues of the Agency. The financial expert shall be an individual with sufficient financial experience and interest to provide guidance and assistance to the Audit Committee. The financial expert should through both education and experience, and in a manner specifically relevant to the government sector, possess: 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; 4) experience with internal accounting controls; and 5) an understanding of Audit Committee functions.

**INLAND EMPIRE UTILITIES AGENCY**  
**Audit Committee Charter**  
**Reconfirmed on March 15, 2017**

The members of the Board serving on the Audit Committee shall be compensated in accordance with the guidelines established for the IEUA Board of Directors in Ordinance No. 98 adopted May 21, 2014, and as amended from time to time, entitled:

"Ordinance of the Inland Empire Utilities Agency, a Municipal Water District, San Bernardino County, California, establishing compensation/benefits and authorizing reimbursement of expenses for the Board of Directors and their appointed representatives to the Metropolitan Water District of Southern California Board of Directors and outside Committee Members."

The service term for each Committee member will be two years. Prior to term expiration, the Board President or their designee will conduct a review of Board Committee members' eligibility and the Board of Directors will conduct a review of the external/outside Committee member's eligibility. The Board President will then reconfirm the Committee members or select and confirm new members as needed. All activities and actions pertaining to selection or reconfirmation of Committee members will be documented by the Board, or their designee, and recorded in the next regularly scheduled IEUA Board of Directors' meeting minutes.

**AUTHORITY**

The Audit Committee has unrestricted access to all information and records, including IEUA personnel and documents. The Committee will have adequate resources to fulfill its oversight responsibilities, including the right to seek independent professional advice and counsel. The Committee is empowered to:

- Meet, as deemed appropriate and necessary, with IEUA Management and employees, the Manager of Internal Audit and audit staff, external auditors and legal counsel.
- Recommend to the Board the approval of the Internal Audit Department's Annual Audit Plan and any changes to the Plan or the Manager of Internal Audit duties.
- Authorize special audits and investigations into any matters within its scope of responsibility.
- Authorize an internal audit or review of any department or function under the control of the Board of Directors, or within the scope of influence of the IEUA.
- Recommend to the Board the appointment, compensation and scope of work of any public accounting firm employed by the IEUA.
- Recommend to the Board the approval of any auditing and consulting services.



**INLAND EMPIRE UTILITIES AGENCY**  
**Audit Committee Charter**  
**Reconfirmed on March 15, 2017**

- Review and recommend to the Board the external auditor's audit scope and approach, ensuring that the scope:
  1. Is in compliance with Generally Accepted Auditing Standards (issued by the American Institute of Certified Public Accountants).
  2. Is in compliance with Government Auditing Standards (issued by the Government Accountability Office).
  3. Will include a Single Audit that will be performed, if required, subject to the Office of Management and Budget (OMB) Circular A-133.
  4. Will include an opinion on each major fund presented in the Agency's financial statements.
- Review and recommend to the Board the approval of external auditors' reports, along with management's written responses, when appropriate.
- Resolve any disagreements between management, the Internal Audit Department, and the external auditors regarding financial or operational controls and reporting.
- Ensure corrective action is taken on internal accounting control weaknesses identified by the internal and external auditors.

**RESPONSIBILITIES**

The Audit Committee is chartered with performing oversight for the Board of Directors. In addition to reviewing this Charter annually and updating it as needed, the Committee has responsibilities in the areas of Financial Reporting, Internal Controls, the Internal Audit Department, the External Audit and external auditors, compliance requirements, and other matters as provided in the following sections. The Committee has the overall responsibility to ensure the general requirements underlying these items are carried out. However, the Audit Committee has the flexibility and authority to determine and choose the best course of action and the best method for carrying out its responsibilities. The following items are best practice guidelines that may be employed:

Financial Reporting:

- Review annual financial statements and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
- Advise the Board and management of any situations that would cause the Committee to believe the audited financial statements may contain material misstatements or omissions.
- Inquire of the General Manager and Chief Financial Officer (CFO) regarding the fiscal health of the Agency as well as the financial status of the Agency in relation to its adopted budget.
- Inquire of management, the Manager of Internal Audit, and the external auditors about whether significant financial, managerial, and operational information is accurate, reliable, complete, and timely.
- Inquire of Agency management, the Manager of Internal Audit, and the external auditors about significant risks or exposures facing the Agency; assess the steps management has

**INLAND EMPIRE UTILITIES AGENCY**  
**Audit Committee Charter**  
**Reconfirmed on March 15, 2017**

taken or proposes to take to minimize such risks to the Agency; and periodically review compliance with such steps.

Internal Controls:

- Discuss with Agency management, the Manager of Internal Audit, and the external auditors the reliability and effectiveness of the Agency's internal control environment to mitigate risk, including information technology security and control.
- Discuss with Agency management, the effectiveness of the Agency's process for identifying and assessing significant risks and exposures, and the steps Agency management has taken to communicate, monitor and mitigate these risks.
- Understand the scope of the internal and external auditors' reviews of internal controls, and obtain and review reports of significant findings, recommendations, and Agency management's action plans to mitigate risks.
- Review all significant accounting policy changes submitted by Agency management with the Internal Audit Department, and/or the external auditors, and provide recommendations to the Board and Agency management.
- Periodically review Agency policies and procedures governing Board of Director and employee conduct, including conflict of interest, misconduct, fraud and other sensitive issues or non-compliance and recommend changes to the Board and Agency management as appropriate.
- Discuss with Agency management, the Manager of Internal Audit, and the external auditors whether adequate policies have been established and the Agency complies with policies, standards and applicable laws and regulations.
- Discuss with Agency management, the Manager of Internal Audit, and the external auditors whether significant legislative or regulatory issues impacting Agency operations are identified, recognized, communicated and appropriately addressed.
- Review with Agency management, the Manager of Internal Audit, and the external auditors the audit scope and plan of the Internal Audit Department and the external auditors. Address the coordination of audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- Review with Agency management and the Manager of Internal Audit:
  - Significant findings, recommendations, and management's responses thereto.
  - Any difficulties the Internal Audit Department encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.
  - Any changes required in the scope of their internal audits.
  - The Internal Audit Department budget and staffing.
  - The Internal Audit Department Charter.
  - The Internal Audit Department's compliance with applicable standards (for example, Governmental Auditing Standards, or the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing).

**INLAND EMPIRE UTILITIES AGENCY**  
**Audit Committee Charter**  
**Reconfirmed on March 15, 2017**

- Periodically review the Agency's Code of Conduct/Ethics Policy to ensure that it is adequate and up to date.
- Review with the Manager of Internal Audit and the Agency's general counsel the results of their reviews of compliance monitoring with the Code of Conduct/Ethics Policy.
- Review the procedures for the receipt, retention, and treatment of complaints received by the Agency regarding accounting, internal accounting controls, auditing matters, or suspected fraud that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, the current status, and resolution if one has been reached.
- Review procedures for the confidential, anonymous submission by Agency employees of concerns regarding questionable accounting or auditing matters, or suspected fraud. Review any submissions that have been received, the current status, and the resolution if one has been reached.
- Inquire of Agency management, the Manager of Internal Audit, and the external auditors about significant risks or exposures facing the Agency. Assess the steps management has taken or proposes to take to communicate, manage, and minimize such risks to the Agency; and periodically review compliance with such steps.
- Review with the Manager of Internal Audit, and the external auditors:
  - The adequacy of the Agency's internal controls including computerized information system controls and security.
  - Any significant findings and recommendations of the Manager of Internal Audit, and the external auditors together with management's responses thereto.

Internal Audit Department:

- Request that the Agency's Manager of Internal Audit prepare the Audit Committee's meeting agendas designed to ensure that all of the responsibilities of the Audit Committee as described herein are addressed at least once a year.
- Ensure there are no unjustified restrictions or limitations placed on the Internal Audit Department.
- Review with the Board, General Manager, and the Manager of Internal Audit the Internal Audit Department Charter, Annual Audit Plan, staffing, budget, and organizational reporting structure to ensure they meet the Committee's goals, objectives, and responsibilities to the Board and Agency management.
- Review and recommend to the Board the approval of the Internal Audit Department's Annual Audit Plan and any significant changes that may occur during the year.
- Review, as needed, all internal audit reports, findings, and recommendations.
- Review and recommend to the Board the appointment, replacement, dismissal, or change in duties of the Manager of Internal Audit.
- Review the effectiveness of the Internal Audit Department's function, including compliance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (Standards)*.

**INLAND EMPIRE UTILITIES AGENCY**  
**Audit Committee Charter**  
**Reconfirmed on March 15, 2017**

- Conduct the Manager of Internal Audit performance appraisals and recommend Manager of Internal Audit merit increases and incentive compensation to the Board.
- Hold management accountable for the appropriate resolution of Internal Audit Department's recommendations and ensure that disposition has been determined for Audit Department recommendations from the prior year. If management has determined that Internal Audit Department recommendations need not be implemented because of adequate compensating controls, based upon a cost/benefit analysis or because the risks are at an acceptable level in accordance with the Agency's goals and objectives, evaluate the reasonableness of such determinations and advise the Board of Directors accordingly.

External Audit:

- Review the external accounting firm's proposals and fee structure, and provide recommendations and external audit plan approval to the Board.
- Review the external auditors' proposed audit scope and approach to ensure emphasis is placed on areas the Committee, Board, Management and external auditors believe special attention is warranted and that efforts are coordinated with the Internal Audit Department.
- Evaluate the external auditor's independence, and if needed, recommend the Board take the appropriate action to satisfy the Agency with the external auditor's independence.
- Review the effectiveness of the external auditor's work and provide the Board with the final approval to continue or discharge the current firm.
- Communicate to the external auditors areas of internal control with a heightened risk of fraud or error, any known or suspected employee fraud, management fraud, pressures or incentives for management to distort reported financial results, or any known or suspected accounting errors or misstatements.
- Communicate to the external auditors any areas of concern applicable to the external auditors' scope of responsibility (fraud, errors, or misstatements involving amounts significant to the financial statements taken as a whole).
- Review all significant written communications between the external auditors and management, such as any management letter comments or schedule of unadjusted differences (i.e. management letter, schedule of audit, or significant unusual or non-routine items, etc.)
- Hold management accountable for the appropriate resolution of external auditor recommendations, ensure that disposition has been determined for auditor recommendations from the prior year, and where management has determined that auditor recommendations need not be implemented because of adequate compensating controls or based upon a cost/benefit analysis, evaluate the reasonableness of such determinations and advise the Board of Directors accordingly.
- Review with the external auditor that performs the financial statement audit:
  - All critical accounting policies and practices used by the Agency.
  - All alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Agency's management, the ramifications of each alternative, and the treatment preferred by the Agency.

**INLAND EMPIRE UTILITIES AGENCY**  
**Audit Committee Charter**  
**Reconfirmed on March 15, 2017**

- Review with management and the external auditors:
  - The Agency's annual financial statements, related notes, and management's discussion and analysis.
  - The external auditors' audit of the financial statements and their report thereon.
  - The external auditors' judgments about the quality, not just the acceptability, of the Agency's accounting principles as applied in its financial reporting.
  - The external auditors' single audit of the federal awards administered by the Agency and their reports thereon.
  - Any significant changes required in the external auditors' audit plan.
  - Any serious difficulties or disputes with management encountered during the audit.
  - Matters required by Statement on Auditing Standards (SAS) No. 114, The Auditor's Communication With Those Charged With Governance; U.S. Government Accountability Office's (GAO) Government Auditing Standards; and the U.S. Office of Management and Budget's Circular A-133 related to the conduct of the audits.
  
- Evaluate whether or not the performance of any extra work or special projects requested of the Agency's external audit firm violates the independence standards of the GAO.
  
- Recommend that the Board of Directors approve the Agency's annual financial report, if the Committee believes that they are fairly presented, to the extent such a determination can be made on the basis of reading the financial statements and discussions with Agency management and the external auditors.

Compliance:

- Review with management and the external auditors the Agency's internal controls for identifying laws and regulations affecting operations, risks for non-compliance including litigation and fines, and implementing controls to prevent recurrence.
- Review the reports, findings and recommendations of any audits or examinations performed by external agencies.
- Review with Agency counsel any legal, tax, or regulatory matters that may have a material impact on the Agency's operations and its financial statements.

Other Matters:

- The Audit Committee shall engage consultants, specialists, or other audit firms as necessary to assist the committee in the discharging of its responsibilities.
- The Audit Committee shall direct the Manager of Internal Audit to review the Agency's Audit Committee Charter annually in order to advise the Audit Committee as to needed or recommended changes.

**INLAND EMPIRE UTILITIES AGENCY**  
**Audit Committee Charter**  
**Reconfirmed on March 15, 2017**

- The Audit Committee shall report to the Board of Directors issues discussed in the Audit Committee meeting that, in the judgment of the committee, warrant communication to the Board to help the Board fulfill its oversight responsibility.

**ETHICAL CONDUCT**

Audit Committee members are prohibited from participating in any event or matter that would create, or appear to create, a conflict of interest. These activities may include having a significant financial interest or operational influence in vendors, contractors, customers or competitors of IEUA. Any activity creating an actual or apparent conflict should be immediately reported to the Audit Committee Chair and the Board of Directors for resolution.

**MEETINGS**

The Audit Committee shall meet no less than quarterly.

The Manager of Internal Audit will schedule and coordinate all quarterly Committee meetings, and will call additional meetings if requested to do so by any Committee member, the Board, the General Manager or the external auditors. The Manager of Internal Audit will provide all Committee members with written notification and an agenda at least 72 hours before the scheduled quarterly meetings or as soon as reasonably possible for any special meetings, all in accordance with the requirements of the Brown Act.

The General Manager and Manager of Internal Audit will be provided written notification and an agenda at least 72 hours before quarterly and special Committee meetings. These parties will be provided an opportunity to attend and speak at all Committee meetings but are not considered members of the Committee and have no voting rights.

The Board or the General Manager will provide administrative support to the Audit Committee and its meetings, including agenda preparation, participant notification, and documentation of meeting minutes.



## **INLAND EMPIRE UTILITIES AGENCY**

### **Internal Audit Department Charter**

#### **Reconfirmed on March 15, 2017**

#### **PURPOSE**

This Charter establishes the authority and responsibilities of the Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department.

The purpose of the Internal Audit Department (Internal Audit or IA) is to assist the Board of Directors (Board) and the Audit Committee (Committee) in fulfilling their oversight responsibilities for financial reporting, internal controls, and compliance with legal and regulatory requirements applicable to Agency operations and to provide objective assurance about the Agency's operations. The purpose of the Internal Audit Department is also to provide as a service to management and as a way of adding value to improve the operations of the Agency, consulting services, analyses, recommendations, and information concerning operations.

The Internal Audit Department reports to the Board through the Committee and is an independent function from management. The responsibilities of the Internal Audit Department are defined in this Charter.

#### **MISSION**

The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments and recommendations to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve its goals and objectives, improve operations, and instill confidence among its employees and the citizens it serves by providing independent, objective assurance and consulting services and provide management and the Board of Directors with recommendations to:

- Promote and strengthen a sound control environment.
- Improve Agency risk management, control and governance.
- Promote the Agency's vision and mission through a high degree of professionalism.
- Establish adequate policies and procedures and to comply with them.
- Encourage efficient use of Agency resources.
- Protect and safeguard Agency assets.
- Mitigate risks related to fraud, waste and abuse.
- Hold staff accountable for the resolution of audit recommendations.

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**Internal Audit Department Charter**  
**Reconfirmed on March 15, 2017**

**VALUES**

The Internal Audit Department has adopted the following value statements that form the foundation for the Internal Audit Department.

**Independence**

As documented in this Charter, the Internal Audit Department is an independent function of the Agency for the purpose of providing independent, objective, unbiased opinions.

**Integrity**

The Internal Audit Department staff is required to maintain the highest degree of integrity in conducting its audit work.

**Professionalism**

The Internal Audit Department will perform its work with due professional care at all times.

**Collaboration**

The Internal Audit Department will foster collaboration with all Agency personnel to promote teamwork within the various business units.

**ACCOUNTABILITY**

The Internal Auditor is the Manager of the Internal Audit Department. The Internal Auditor is accountable and reports to the Board of Directors, through the Audit Committee appointed by the Board. The intent of this reporting relationship is to establish the Internal Audit Department's independence to function effectively and in accordance with best practices.

Annually, the Internal Auditor will submit an Audit Plan for the following fiscal year to the Committee for review and approval by the Board. Quarterly status reports of significant Internal Audit activities shall be presented at Committee meetings and shall include a status of major activities and any changes or deviations from the approved audit plan. The Internal Auditor has the authority to deviate from the approved annual Audit Plan, when necessary and if warranted by unforeseen issues that require immediate attention. Significant changes to the annual Audit Plan shall be reported to the Committee and to the Board.

Annually, a listing of audit recommendations provided by the Internal Audit Department and the corresponding corrective actions taken by Agency management will be presented to the Committee.

The Internal Auditor shall inform the Committee on the sufficiency of department staffing and resources.

Annually, the Internal Audit Department must also ensure the Committee fulfills their responsibilities as required under the Audit Committee Charter. Additionally, IA must ensure the



**INLAND EMPIRE UTILITIES AGENCY**  
**Internal Audit Department Charter**  
**Reconfirmed on March 15, 2017**

Internal Audit Department Charter and the Audit Committee Charter are reviewed annually and updated as necessary.

**INDEPENDENCE**

Independence is essential to the effectiveness of internal auditing and is strongly emphasized by the Institute of Internal Auditors (IIA), the American Institute of Certified Public Accountants (AICPA), and the U. S. General Accountability Office (GAO). The Internal Audit Department should be free, both in fact and appearance, from impairments to independence.

The Internal Auditor and the Internal Audit Department shall have no direct responsibility or authority over the day-to-day operations of the Agency or any activities they would audit. The Internal Audit Department shall not engage in any activities that would compromise their independence or would appear to be a conflict of interest.

To ensure independence is maintained, the Internal Audit Department shall report administratively to the Agency's General Manager or his designee and functionally to the Board through the Audit Committee, as stated under "Accountability".

**AUTHORITY**

The Internal Audit Department's authority is derived from the direction of management and the Agency's Board through the Committee as set forth in this Charter. Specifically, the Internal Audit Department is authorized to:

- Audit all areas of the Agency's operations. Perform audits of the Regional Sewage Service Contract agreement between the Agency and the Regional Contracting Agencies (RCA), including performing necessary audit field work and review of required supporting information and documents of the RCA's.
- Have unrestricted access to all Agency functions, records, information, property, and personnel.
- Have full and free access to Agency management, the Board of Directors and the Audit Committee.
- Allocate resources, set frequencies, select subjects and set objectives, determine the scope of work, and apply the techniques required to accomplish audit objectives, without interference from management.
- Obtain the necessary assistance of Agency staff where Internal Audit performs audits, as well as other specialized services from within or outside the organization.
- Obtain regular updates from management and Agency legal counsel regarding compliance matters affecting operations.

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- Establish procedures for the receipt, retention, and treatment of comments or complaints received regarding Agency accounting, operations, or internal controls, including those matters received through Ethics Point or other channels.
- Investigate and make recommendations to the Board, Audit Committee, Executive Management and/or Human Resources, as appropriate about reported instances of inappropriate activities, misappropriation of funds or fraud, including those matters received through Ethics Point or other channels.
- Obtain additional internal or external resources when the Internal Audit Department does not possess all the necessary skills or experience to complete an audit or review, subject to the approval of the Audit Committee and when necessary from the Board.

The Internal Auditor and the Internal Audit Department staff are **not** authorized to:

- Have any responsibilities or authority for any of the activities they audit or perform any operational duties for the Agency or its affiliates.
- Initiate or approve accounting transactions external to the Internal Audit Department.
- Direct the activities of any organization employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the Internal Auditor in audit activities.
- Participate in any activities that would compromise their objectivity and independence or any activities that would appear to be a conflict of interest.
- Draft or write any Agency Policies and Procedures, or Standard Operating Procedures outside the Internal Audit Department.

**RESPONSIBILITIES**

The responsibilities of the Internal Audit Department consist of the examination, review and evaluation of the reliability and effectiveness of the Agency's governance, risk management, internal controls, and the quality of operations and systems utilized in carrying out the Agency's goals and objectives. The Internal Audit Department has the responsibility to perform its work with due professional care.

The Internal Auditor and audit staff shall be responsible for, but not limited to, incorporating periodically, as deemed necessary and/or in agreement with the annual audit plan, activities in the following key areas:

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**Reconfirmed on March 15, 2017**

Internal Controls

- Assess the adequacy of internal controls in place and determine if they are operating effectively.
- Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- Review compliance with Agency policies and procedures, and with applicable laws and regulations which could have a significant impact on the operations of the Agency.
- Evaluate the means implemented and the extent Agency assets are identified, tracked, and safeguarded against misuse, unauthorized use, theft and loss.
- Review operations, programs or projects to determine if results are consistent with established objectives and goals.
- Assess the efficient and effective use of Agency resources and the controls over those resources.
- Provide consulting services on current and proposed policies, procedures, and systems to ensure adequate internal controls are considered and maintained.
- Provide consulting services to evaluate contractual agreements and determine if compliance exists.
- Use documents and information obtained from Departments in the same prudent manner as by those employees who are normally accountable for them.
- Perform “Follow-up Procedures” on all management responses to audit findings and recommendations to determine if internal control improvements and/or corrective actions have been implemented.
- Perform “Follow-up Procedures” on known external auditor’s or regulatory agency’s reported findings and recommendations to determine if internal control improvements and/or corrective actions have been implemented.
- Conduct special projects, studies, or audits as requested by management, the Audit Committee and the Board of Directors.
- Ensure known or suspected acts of fraud or improprieties involving Agency funds, property and employees are investigated in coordination with the Agency’s legal counsel, Human Resources and senior management.

Audit

- Conduct work in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* and Code of Ethics as required by the Institute of Internal Auditors (IIA).
- Develop a comprehensive and flexible annual audit plan using an appropriate risk-based methodology, including consideration of any risks or control concerns identified by management, the Audit Committee, the Board or the external auditor and submit that plan, as well as any periodic updates, to the Audit Committee and the Board for review and approval.
- Implement the annual audit plan, as approved, including as appropriate, any special tasks or projects requested by management, the Audit Committee, or the Board.

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- Provide Agency management with reasonable notice of intent to audit and with information about the audit process, except in those situations that warrant an unannounced audit.
- Consider the scope of work of the external auditors for the purpose of providing optimal audit coverage, at a reasonable cost, without redundancy or omission.
- Perform advisory services to assist the Agency in achieving its objectives; for example, reviewing controls, systems or process designs prior to implementation and providing recommendations to improve and enhance the effectiveness of controls and operations.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Maintain technical competence through continuing education supported by Department goals and budgets.
- Maintain a quality assurance program whereby the Internal Auditor assures the operations of the Internal Audit Department.
- Perform a periodic review of the Internal Audit Department Charter and the Audit Committee Charter. Additions, deletions, or other changes to the Charters are subject to the approval of the Board of Directors.

Reporting

- Issue quarterly reports to and meet with the Audit Committee and management to summarize results of audit activities and status of findings and recommendations.
- Provide written status reports of Audit Department activity to the Audit Committee quarterly. The Quarterly Audit Committee Status Report will include a summary of significant internal and external audit activities for the reporting period. The Status Report will be submitted for approval by the Committee and the approved Status Report will be presented at the next regularly scheduled IEUA Board of Directors meeting.
- Provide a written report listing all outstanding recommendations with expected resolution dates annually. The report of all outstanding recommendations will be submitted for approval by the Audit Committee and provided at the next regularly scheduled IEUA Board of Directors meeting.
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing, as well as new audit requirements, when applicable.
- Immediately report any reservations concerning control risks, accounting or disclosure practices to the Audit Committee.
- If during the scope and progress of its reviews and audits, the Internal Audit Department identifies opportunities for improving the Agency's control environment, processes and procedures to ensure an environment where assets are safeguarded, internal controls are in place and risk is mitigated, these recommendations will be communicated to the appropriate level of management and the Audit Committee as timely as necessary and in the written report.
- When deemed appropriate and necessary, provide responsible unit management with a preliminary written report of the results and recommendations of each audit, analysis, review, or investigation performed and sufficient time to respond in writing with a plan of

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corrective actions. Sufficient time to reply would be 30 to 60 days from the date of the final report.

- Provide final reports of results and recommendations for each review and audit performed, including the responsible management's responses to the Audit Committee, Executive management and responsible management. All final reports with any responses will be submitted to the Committee for discussion and to the Board for approval. However, in cases where the auditee does not provide a response that is timely or deemed responsive, the final report will not be held up pending a response and will be submitted for discussion during the next scheduled Audit Committee meeting.

**STANDARDS OF ETHICAL CONDUCT**

The Internal Audit Department staff have a responsibility to govern themselves so that their independence is not open to question. To this end, adherence to the Institute of Internal Auditor's "Code of Ethics" will ensure integrity, objectivity, confidentiality and competency in Internal Audit work performed on behalf of the Agency's Board and Audit Committee. These principles include:

- Performing internal auditing services in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*.
- Exercising honesty, diligence, and responsibility in performing duties.
- Observing the law and making disclosures expected by the law and the profession.
- Not knowingly being a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the Agency.
- Respect and contribute to the legitimate and ethical objectives of the Agency.
- Not participating in any activity or relationship that may impair, or be presumed to impair, unbiased assessments, including activities or relationships that may be in conflict with the interests of the Agency.
- Not accepting anything that may impair or be presumed to impair professional judgment.
- Disclosing all material facts known that, if not disclosed, may distort the reporting of activities under review.
- Being prudent in the use and protection of information acquired in the course of duties.
- Not using information for personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the Agency.
- Engaging in only those services or audit activities for which Internal Audit staff have the necessary knowledge, skills, and experience.
- Continually improving staff proficiency, and the effectiveness and quality of services.

**MANAGEMENT RESPONSIBILITIES**

It is the responsibility of the Board of Directors and senior management to foster a control environment that supports the Internal Audit Department's objectives and independence within the

**INLAND EMPIRE UTILITIES AGENCY**  
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**Reconfirmed on March 15, 2017**

Inland Empire Utilities Agency. The existence of the Internal Audit Department does not diminish Agency management's financial and operational responsibilities for prudent execution and control of activities, including their responsibilities for the periodic evaluation of risk, control, and governance systems.

Management's responsibilities include:

- Providing Internal Audit with its full support and cooperation at all operating levels, including full and complete access to all records, property, and staff relative to their assigned areas of responsibility, and active participation in the audit process.
- Immediately notifying the Manager of Internal Audit and the Audit Committee of any known or suspected cases of illegal, criminal or unethical activity involving Agency funds, property, employees, or any activity which appears to present a conflict of interest.
- Timely notification to Internal Audit of any new or proposed modifications to Agency systems, procedures, operations or services, ensuring controls are built into the new or modified processes.
- Providing the Internal Audit Department with written responses to all audit findings and recommendations, including action plans, responsible employees, and targeted resolution dates or the acceptance of the risks identified.
- Providing the Internal Audit Department with adequate budget, staffing, assistance from staff of audited Departments, and the tools needed for the Internal Audit Department to execute its duties as defined in this Charter.

CONSENT  
CALENDAR  
ITEM

**2E**



Date: March 15, 2017

To: The Honorable Board of Directors

Through: Audit Committee (3/6/17)  
Finance and Administration Committee (3/8/17)

From: P. Joseph Grindstaff  
General Manager

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

Jason Gu  
Grants Officer

Subject: Fiscal Year (FY) 2015/16 Single Audit Report for Federal Grant Programs

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the Single Audit Report for FY 2015/16; and
2. Direct staff to distribute the report, as appropriate, to the State Controller's Office, the Federal Audit Clearing House, and other interested parties.

### **BACKGROUND**

The Single Audit Act and Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, require each non-Federal entity that expends \$750,000 or more of Federal grants to undergo an annual independent audit.

The objectives of the Single Audit are to determine whether there are issues that could have a direct and material effect over:

1. Compliance for each major federal grant award program.
2. Internal control over compliance requirements of federal grant award programs.
3. Eligibility of federal grant award program expenditures.



In FY 2015/16, IEUA incurred \$6,306,549 in federal costs for the two federal programs listed in the table below. The Agency's independent external audit firm, Lance, Soll & Lunghard, LLP (LSL), performed the annual single audit for fiscal year ended June 30, 2016.

<b>Grantor</b>	<b>Program Title</b>	<b>Federal Expenditures</b>
U.S. Department of the Interior - Bureau of Reclamation (USBR)	Title XVI Desalination Water Reuse Program – Drinking Water	\$6,090,965
United States Environmental Protection Agency (EPA)	Clean Water State Revolving Fund (SRF) Program Recycled Water	\$ 215,584
	<b>TOTAL</b>	<b>\$6,306,549</b>

The Single Audit Report for the FY 2015/16 expressed the following opinion over the Agency's expense of federal funds:

1. IEUA is in compliance with each major federal grant award program.
2. No significant deficiencies in internal control over major federal award programs.
3. No findings or questioned costs to major federal award programs.
4. IEUA qualifies as a "Low-Risk Auditee".

The IEUA FY 2015/16 Single Audit Report is consistent with the Agency's Business Goal of fiscal responsibility in providing transparent communication regarding federal grant award programs.

### **PRIOR BOARD ACTION**

On December 16, 2015, the Board reviewed the FY 2014/15 Single Audit Report presented to the Audit Committee on December 9, 2015.

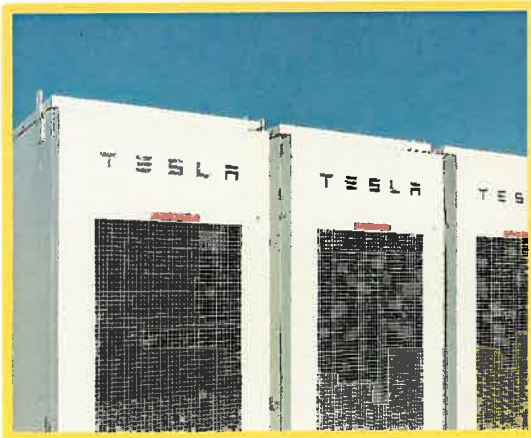
On December 17, 2014, the Board reviewed the FY 2013/14 Single Audit Report presented to the Audit Committee on December 10, 2014.

### **IMPACT ON BUDGET**

The audit fee for the Single Audit Report is within the Agency's FY 2016/17 budget in the Administrative Services (GG) fund (100000/111100/520110) under the professional fees and services category.

# Federal Single Audit Report

## Board Meeting

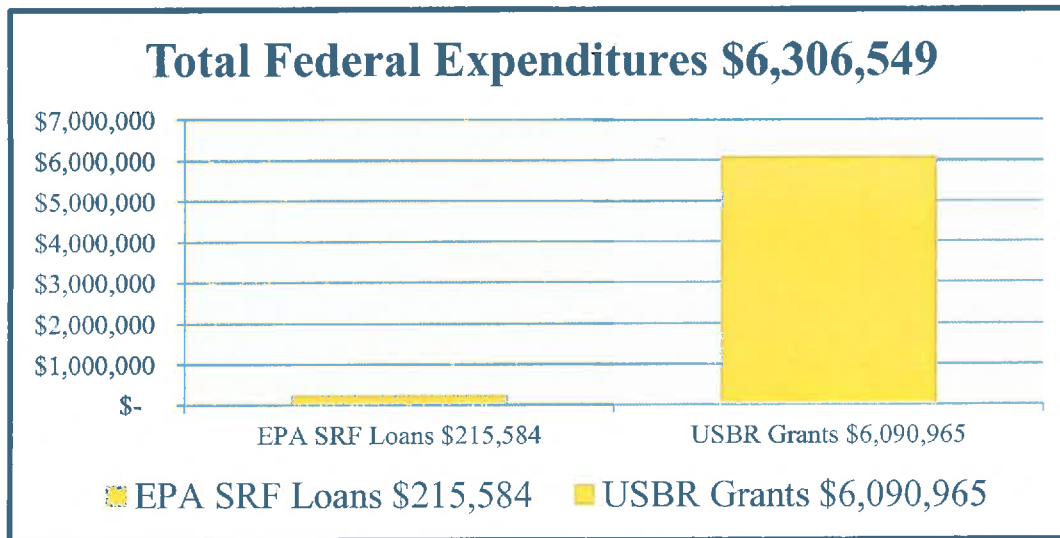


# Single Audit Act Requirements

- Applies to all non-federal agencies
- \$750,000 or more in a year (cash receipts)
- A single audit for all grants from multiple federal grantor agencies

# Federal Cost Incurred FY15/16

- Total federal grant cash receipts \$6,306,549
  - USBR Grants – \$6,090,965
  - EPA SRF Loans – \$215,584



# Single Audit Objectives

- Ensure compliance with federal regulations
- Ensure compliance with all grant agreements
- Verify internal controls
- Test grant cost eligibility

# IEUA – Single Audit Results

- Unqualified audit opinion (Clean)
  - Complied with all compliance requirements
  - No deficiencies in internal controls
  - No findings of errors or questioned costs
  - Qualified as a low-risk auditee
- Positive impact on future grant applications

# Recommendation

- Approve the FY2015/16 Single Audit Report;
- Direct staff to distribute the report to
  - State Controller's Office
  - Federal Audit Clearing House, and
  - Other grantors



# QUESTIONS?



**INLAND EMPIRE UTILITIES AGENCY**

**SINGLE AUDIT REPORT**

**JUNE 30, 2016**

**INLAND EMPIRE UTILITIES AGENCY**

**SINGLE AUDIT REPORT**

**JUNE 30, 2016**

INLAND EMPIRE UTILITIES AGENCY

SINGLE AUDIT REPORT

JUNE 30, 2016

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CPAs AND ADVISORS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Inland Empire Utilities Agency  
Chino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund, and the aggregate remaining fund information of the Inland Empire Utilities Agency (the Agency), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 19, 2016.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.





CPAs AND ADVISORS

To the Board of Directors  
Inland Empire Utilities Agency  
Chino, California

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Loughard, LLP*

Brea, California  
December 19, 2016



CPAs AND ADVISORS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors  
Inland Empire Utilities Agency  
Chino, California

**Report on Compliance for Each Major Federal Program**

We have audited the Inland Empire Utilities Agency (the Agency)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2016. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.





To the Board of Directors  
Inland Empire Utilities Agency  
Chino, California

### **Report on Internal Control over Compliance**

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the financial statements of each major fund, and the aggregate remaining fund information of the Inland Empire Utilities Agency, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements. We issued our report thereon dated December 19, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CPA AND ADVISORS

To the Board of Directors  
Inland Empire Utilities Agency  
Chino, California

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Lance, Soll & Loughard, LLP*

Brea, California  
February 24, 2017 (except for our report on the Schedule of Expenditures of Federal Awards, for which the date is December 19, 2016)



INLAND EMPIRE UTILITIES AGENCY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Identification Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<b><u>U.S. Department of the Interior - Bureau of Reclamation</u></b>				
Direct Programs:				
Title XVI Water Reclamation and Reuse*	15.504	R11AC35306	\$ 171,195	\$ 171,195
Title XVI Water Reclamation and Reuse*	15.504	R12AC35339	31,368	31,368
Title XVI Water Reclamation and Reuse*	15.504	R14AC00049	964,475	964,475
Title XVI Water Reclamation and Reuse*	15.504	R15AC00059	<u>4,923,927</u>	<u>4,923,927</u>
<b>Total U.S. Department of the Interior - Bureau of Reclamation</b>			<b><u>6,090,965</u></b>	<b><u>6,090,965</u></b>
<b><u>U.S. Environmental Protection Agency</u></b>				
Passed through the State of California, State Water Resources Control Board:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	C-06-7885-110	215,584	-
<b>Total U.S. Environmental Protection Agency</b>			<b><u>215,584</u></b>	<b><u>-</u></b>
<b>Total Federal Expenditures</b>			<b><u>\$ 6,306,549</u></b>	<b><u>\$ 6,090,965</u></b>

\* Major Program

Note a: Refer to Note 1 to the schedule of expenditures of federal awards for a description of significant accounting policies used in preparing this schedule.

Note b: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

**INLAND EMPIRE UTILITIES AGENCY**

**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

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**Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards**

**a. Scope of Presentation**

The accompanying schedule presents only the expenditures incurred by the Inland Empire Utilities Agency (the Agency), that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the Agency from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

**b. Basis of Accounting**

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the Agency becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The Agency has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 2: Reconciliation of State Water Resource Control Board and GAAP Expenditure Reporting**

For the year ended June 30, 2016, the following adjustments were necessary to reconcile the federal awards provided to the Agency for the Capitalization Grants for Clean Water State Revolving Funds federal awards program per the State Water Resource Control Board's records to the federal expenditures reported by the Agency under accounting principles generally accepted in the United States of America (GAAP).

Federal awards per the State Water Resource Control Board:	
C-06-5318-110	\$ 5,002,216
C-06-7885-110	236,824
	<hr/>
Subtotal	5,239,040
	<hr/>
Adjustment for expenditures reported in the prior fiscal period:	
C-06-5318-110	(5,002,216)
C-06-7885-110	(21,240)
	<hr/>
Subtotal	(5,023,456)
	<hr/>
<b>Total Federal Expenditures of the Capitalization Grants for Clean Water State Revolving Funds Program (GAAP)</b>	<b>\$ 215,584</b>
	<hr/> <hr/>

INLAND EMPIRE UTILITIES AGENCY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

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SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified Opinion

Internal control over financial reporting:

- Significant deficiencies identified?                    \_\_\_yes             X no
  - Material weaknesses identified?                    \_\_\_yes             X none reported
- Noncompliance material to financial statements noted?                    \_\_\_yes             X no

Federal Awards

Internal control over major programs:

- Significant deficiencies identified?                    \_\_\_yes             X no
- Material weaknesses identified?                    \_\_\_yes             X none reported

Type of auditors' report issued on compliance for major programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

\_\_\_Yes             X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

15.504

Title XVI Water Reclamation and Reuse

Dollar threshold used to distinguish between type A and type B program

\$750,000

Auditee qualified as low-risk auditee?

X yes            \_\_\_no

**INLAND EMPIRE UTILITIES AGENCY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2016**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**INLAND EMPIRE UTILITIES AGENCY**

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

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**SECTION IV - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION V - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.


CONSENT  
CALENDAR  
ITEM

**2F**

Date: March 15, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Water Resources Committee (3/8/17)

From: P. Joseph Grindstaff  
General Manager 

Submitted by: Randy Lee *PL*  
Executive Manager of Operations/Assistant General Manager

Albert VanBreukelen *PL for AL*  
Deputy Manager of Maintenance

Subject: Amendment to Contracts for Agency-Wide Contract Services of Rotating Machinery

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### RECOMMENDATION

It is recommended that the Board of Directors:

1. Amend and increase the not-to-exceed amount of Contract No. 4600001868 to Superior Electric Motor Service, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of \$440,000 over the existing three-year period with a one-year option to extend;
2. Amend and increase the not-to exceed amount of Contract No. 4600001864 to Vaughan's Industrial Repair, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of \$390,000 over the existing three-year period with a one-year option to extend; and
3. Authorize the General Manager to execute the contracts.

### BACKGROUND

The Agency has rotating equipment such as pumps, blowers, gearboxes, compressors, mixers, etc. that periodically require major overhaul. After a formal solicitation process, two contracts were established; Contract No. 4600001864 with Vaughan's Industrial Repair, Inc. for a not-to-exceed amount of \$240,000, and Contract No. 4600001868 with Superior Electric Motor Service, Inc., for a

not-to exceed amount of \$240,000. Both contracts were established for a three-year period with a one-year option to extend.

Since the initiation of both contracts, the Agency has utilized both service contracts extensively due to unplanned major equipment repairs; e.g., the Regional Water Recycling Plant No. 5 (RP-5) influent and drain pumps, Regional Water Recycling Plant No. 4 (RP-4) and Carbon Canyon Water Recycling Facility (CCWRF) mixed liquor pumps, the Roots blowers, and gas mixers at Regional Water Recycling Plant No. 1 (RP-1). Due to these major repairs, expenditures on both contracts require amendments to the not-to-exceed limits for the remainder of the contract terms, to ensure necessary repairs to major equipment as negotiated under the current contract terms. The expenses encumbered to date for Vaughan's Industrial Repairs, Inc. is \$230,000 and \$163,000 to Superior Electric Motor Service, Inc.

The awards of these amendments align with the fiscal responsibility of the Agency and the goal of cost containment of the operating costs.

### **PRIOR BOARD ACTION**

On May 20, 2015, the Board of Directors approved the award of Contract No. 4600001868 to Superior Electric Motor Service, Inc. for a total aggregate not-to-exceed amount of \$240,000 and Contract No. 4600001864 to Vaughan's Industrial Repair, Inc. for a total aggregate not-to-exceed amount of \$240,000 to provide repair, rebuild, or refurbishment services of rotating machinery over a three-year period with a one year option to extend.

### **IMPACT ON BUDGET**

If approved, sufficient funds are available in Fiscal Years 2016/17 and 2017/18 Regional Operations and Maintenance (RO), Recycled Water (WC), and Non-Reclaimable Wastewater (NC) Funds, Professional Fees and Services Budget, to support the contract services related to the repair, rebuild, and refurbishments of rotating machinery.





Inland Empire

**AMENDMENT NUMBER 4600001868-001  
TO  
MASTER CONTRACT NUMBER 4600001868  
FOR PROVISION OF  
AS-NEEDED MECHANICAL EQUIPMENT REPAIR SERVICES**

THIS AMENDMENT, Number 460001868-001, to Contract Number 46000018648 between the Inland Empire Utilities Agency and Superior Electric Motor Service, Inc., of Los Angeles, California, for as-needed provision of mechanical equipment repair services, revises the Contract as follows:

Within the last paragraph of Article 6, PAYMENT, INVOICING AND COMPENSATION, replace the existing call-out of this Contract's "total-aggregate price not-to-exceed \$240,000.00" with the superseding call-out of "total aggregate price not-to-exceed \$440,000.00." (This action represents a \$200,000.00 incremental increase to the not-to-exceed price limit of this Contract.)

**ALL OTHER PROVISIONS OF CONTRACT NUMBER 4600001868 REMAIN UNCHANGED.**


As evidenced by the signatures that follow, the Parties hereto mutually agree and covenant as to the above-stated amendment item(s) and in doing so designate this Amendment to become an integral part of the Contract Documents.

**INLAND EMPIRE UTILITIES AGENCY,  
A Municipal Water District:**

**SUPERIOR ELECTRIC MOTOR SERVICE, Inc :**

\_\_\_\_\_  
P. Joseph Grindstaff  
General Manager

(Date)

  
\_\_\_\_\_  
Chris Marachellian  
Vice President

1/31/17  
\_\_\_\_\_  
(Date)



**Inland Empire**  
UTILITIES AGENCY

**AMENDMENT NUMBER 4600001864-001  
TO  
MASTER CONTRACT NUMBER 4600001864  
FOR PROVISION OF  
AS-NEEDED MECHANICAL EQUIPMENT REPAIR SERVICES**

THIS AMENDMENT, Number 460001864-001, to Contract Number 4600001864 between the Inland Empire Utilities Agency and Vaughan's Industrial Repair Company, Inc., of Paramount, California, for as-needed provision of mechanical equipment repair services, revises the Contract as follows:

Within the last paragraph of **Article 6, PAYMENT, INVOICING AND COMPENSATION**, replace the existing call-out of this Contract's "total aggregate price not-to-exceed \$240,000.00" with the superseding call-out of "**total aggregate price not-to-exceed \$390,000.00.**" (This action represents a \$150,000.00 incremental increase to the not-to-exceed price limit of this Contract.)

**ALL OTHER PROVISIONS OF CONTRACT NUMBER 4600001864 REMAIN UNCHANGED.**

As evidenced by the signatures that follow, the Parties hereto mutually agree and covenant as to the above-stated amendment item(s) and in doing so designate this Amendment to become an integral part of the Contract Documents.

**INLAND EMPIRE UTILITIES AGENCY,  
A Municipal Water District:**

**VAUGHAN'S INDUSTRIAL REPAIR Co. :**

\_\_\_\_\_  
P. Joseph Grindstaff  
General Manager

(Date)

  
\_\_\_\_\_  
Keven Vaughan  
Vice President

(Date)

*1-31-17*

CONSENT  
CALENDAR  
ITEM

**2G**

Date: March 15, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (03/08/17)

From: P. Joseph Grindstaff  
General Manager

Submitted by: <sup>for</sup> Chris Berch <sup>SS</sup>  
Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone <sup>SS</sup>  
Manager of Engineering

Subject: RP-1 Design-Build Contract Award (Solids)

---

### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Award a design-build contract for the RP-1 Dewatering Building Safety Improvements and RP-1 Vertical Conveyor Housing Replacement, Project Nos. EN17047 & EN17048 respectively, to Baghouse & Industrial Sheet Metal Services, Inc., in the amount of \$392,800; and
2. Authorize the General Manager to execute the design-build contract.

### **BACKGROUND**

The Regional Water Recycling Plant No. 1 (RP-1) has been in service for over 60 years. The existing Dewatering Building was expanded in 2011 in order to increase the facilities treatment capacity, reduce RP-1's dewatering operation time, and reduce hauling costs, and impact to the Inland Empire Regional Composting Facility. The dewatering process receives sludge from the digesters and removes water from the sludge. The remaining solids are then transferred to the screw conveyor where they are conveyed to the sludge hauling trucks.

Recently, IEUA Operations and Maintenance staff identified key areas throughout the Dewatering Building that require safety upgrades. There are existing elevation changes and overhead equipment that require marking. There are areas surrounding the existing vertical and horizontal screw

RP-1 Design-Build Contract Award (Solids)

March 15, 2017

Page 2 of 3

conveyors that require additional safety railing or foot entanglement protection. In addition to the safety upgrades, the two vertical conveyor screws housings have developed holes due to moving parts contacting the housings. These holes result in extensive labor and costly maintenance.

The scope of the project will address the Operations and Maintenance Staff's safety concerns throughout the Dewatering Building. Baghouse & Industrial Sheet Metal Services, Inc. will design and install safety railing, foot entanglement protection, and overhead/tripping caution signs where necessary. Additionally, they will design and install two vertical conveyor housings in kind. The housings will be designed with additional material and protection to prevent future wear.

On February 2, 2017, a request for bids was advertised to the public. On February 16, 2017, the following bid was received:

Bidder's Name	EN17047	EN17048	Total Price
Baghouse & Industrial Sheet Metal Services, Inc.	\$143,400	\$249,400	\$392,800
<b>Engineer's Estimate</b>	<b>\$167,000</b>	<b>\$280,000</b>	<b>\$447,000</b>

Baghouse & Industrial Sheet Metal Services, Inc. was the lowest responsive and responsible bidder with a bid price of \$392,800. Baghouse & Industrial Sheet Metal Services, Inc. has performed several successful projects for the IEUA past showing good workmanship and responsiveness. Due to the nature of the work, IEUA performed reach out efforts to qualified C-43 licensed contractors in Southern California. Baghouse & Industrial Sheet Metal Services, Inc. was the sole qualified contractor that attended the mandatory job walk and submitted a bid on the project.

The following table is the projected project cost:

Description	EN17047	EN17048	Estimated Cost
Project Development	\$4,600	\$7,500	\$12,100
Design Services (~10%)	\$14,500	\$25,000	\$39,500
Construction Services (~15%)	\$22,000	\$37,500	\$59,500
Construction	\$143,400	\$249,400	\$392,800
Contingency (~15%)	\$22,000	\$37,500	\$59,500
<b>Total Project Cost</b>	<b>\$206,500</b>	<b>\$356,900</b>	<b>\$563,400</b>
<b>Total Project Budget</b>	<b>\$231,000</b>	<b>\$375,000</b>	<b>\$606,000</b>

The following is the project schedule:

Project Milestone	Date
Construction Contract Award	March 2017
Construction Completion	July 2017

The RP-1 Dewatering Building Safety Improvements Project and the RP-1 Vertical Conveyor Housing Replacement Project are consistent with IEUA's Business Goal of Wastewater Management and Work Environment specifically the Water Quality and Staff Safety objectives that IEUA will ensure that Agency systems are planned, constructed and managed to protect public health, the

RP-1 Design-Build Contract Award (Solids)

March 15, 2017

Page 3 of 3

environment, meet anticipated regulatory requirements, and ensure a safe and healthy work environment, exceeding industry best practices.

### **PRIOR BOARD ACTION**

None.

### **IMPACT ON BUDGET**

If approved, the design-build contract award for the RP-1 Dewatering Building Safety Improvements, Project No. EN17047, in the amount of \$143,400 will be within the total project budget of \$231,000 in the Regional Operations (RO) Fund.

If approved, the design-build contract award for the RP-1 Vertical Conveyor Housing Replacement, Project No. EN17048, in the amount of \$249,400 will be within the total project budget of \$375,000 in the Regional Operations (RO) Fund.

Attachments

1. Design-Build Contract

<https://www.dropbox.com/sh/zsvhl33jy6kpi78/AADhbPfUILRYY-KxocR2sXjza?dl=0>

PJG:CB:SS:rw

RP-1 Dewatering Building Safety Improvements &  
RP-1 Vertical Conveyor Housing Replacement  
Design-Build Contract Award  
Project Nos. EN17047 & EN17048

Board Meeting





# Regional Water Recycling Plant No. 1 Project Location



Dewatering  
Building



# Project Background

- EN17047
  - Safety upgrades were identified by Operations & Maintenance staff
  - Overhang, foot entanglement, and falling/tripping hazards
- EN17048
  - Two existing vertical conveyors are worn
  - Worn due to conveyor screw in contact with housing



Location of Additional Railing

# Project Scope

- EN17047
  - Design and install hand railing and foot entanglement protection
  - Install overhead and elevation change warning signs
- EN17048
  - Design and install two vertical conveyor housings in kind
  - Line housings with additional wear protection



Potential Tripping Hazard

# Consultant Selection

- Evaluation and Selection Committee
  - Contracts Department/Engineering & Construction Management Department
- Justification for unanimously selecting Baghouse & Industrial Sheet Metal Services, Inc.
  - Lowest Responsive, Responsible Bidder
  - Qualified C-43 licensed contractor
- One Proposal Received on February 16, 2017

## Proposals Received

Bidder's Name	EN17047	EN17048	Total
Baghouse & Industrial Sheet Metal Services, Inc.	\$143,400	\$249,400	\$392,800
<b>Engineer's Estimate</b>	<b>\$167,000</b>	<b>\$280,000</b>	<b>\$447,000</b>



# Project Budget and Schedule

Milestone	Estimated Cost EN17047	Estimated Cost EN17048	Estimated Total Cost
Project Development	\$4,600	\$7,500	\$12,100
Design Services (10%)	\$14,500	\$25,000	\$39,500
Construction Services (15%)	\$22,000	\$37,500	\$59,500
Construction	\$143,400	\$249,400	\$392,800
Contingency (15%)	\$22,000	\$37,500	\$59,500
Total Project Cost	\$206,500	\$356,900	\$563,400
Total Project Budget	\$231,000	\$375,000	\$606,000

Milestone	Date
Design/Build Contract Award	March 2017
Construction Completion	July 2017

# Recommendation

- Award a design-build contract for the RP-1 Dewatering Building Safety Improvements and RP-1 Vertical Conveyor Housing Replacement, Project Nos. EN17047 and EN17048 respectively, to Baghouse & Industrial Sheet Metal Services, Inc. for the not-to-exceed amount of \$392,800;
- Authorize the General Manager to execute the design-build contract.

The RP-1 Dewatering Building Safety Improvements & RP-1 Vertical Conveyor Housing Replacement Projects are consistent with **IEUA's Business Goals of Wastewater Management and Work Environment** specifically the Water Quality and Staff Safety objectives that IEUA will ensure that Agency systems are planned, constructed and managed to protect public health, the environment, meet anticipated regulatory requirements, and ensure a safe and healthy work environment, exceeding industry best practices.

CONSENT  
CALENDAR  
ITEM

**2H**

Date: March 15, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Water Resources Committee (3/8/17)  
Finance and Administration Committee (3/8/17)

From: P. Joseph Grindstaff  
General Manager

Submitted by: ~~for~~ Chris Berch *CS*  
Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone *SS*  
Manager of Engineering

Subject: RP-1 Gas System Design-Build Contract Award

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Award a design-build contract for the RP-1 Iron Sponges Installation, Project No. EN17059, to W.A. Rasic in the amount of \$319,900;
2. Approve a total project budget amendment in the amount of \$200,000 for Project No. EN17059; and
3. Authorize the General Manager to execute the design-build contract and budget amendment.

### **BACKGROUND**

The Regional Water Recycling Plant No. 1 (RP-1) has been in service for over 60 years. As part of the treatment process, the facility generates digester gas (DG). DG is produced within the digesters and conveyed via pipeline to processes within RP-1, such as hot water boilers and available power generation facilities. Major components of the RP-1 DG system include: one flare, seven digesters, control and relief valves, hydrogen sulfide removal system (iron sponges), SCADA/control instrument and devices, metering, miscellaneous piping, and auxiliary equipment.

South Coast Air Quality Management District (SCAQMD) requires that prior to flaring digester gas, its hydrogen sulfide (H<sub>2</sub>S) concentration be reduced to allowable limits as stipulated by SCAQMD rules. Vessels are filled with media and used for hydrogen sulfide removal (Iron Sponges). Currently, there are two Iron Sponges serving the flare at the RP-1 facility. Neither of the Iron Sponges have a backup to maintain the desired gas quality when one is out for maintenance or service. The project is to provide redundant Iron Sponges to ensure continuous hydrogen sulfide removal and compliance with SCAQMD requirements.

In 2014, Inland Empire Utilities Agency's (IEUA) Maintenance Department procured two new Iron Sponges with accessories for \$150,000. In August 2016, the SCAQMD permit was secured for installation. IEUA staff prepared a request for proposal including a preliminary design, which will be used by the selected contractor as a guideline for designing and installing the Iron Sponges and necessary appurtenant facilities.

On January 19, 2017, IEUA advertised a request for bids to the prequalified contractors on the under \$2,000,000 list. Two contractors participated in the job walk on January 26, 2017. On February 14, 2017, the following bids were received:

Bidder's Name	Total Price
W.A. Rasic Construction	\$319,900
W.M. Lyles Co.	\$348,276
<b>Engineer's Estimate</b>	<b>\$350,000</b>

W.A. Rasic was the lowest responsive and responsible bidder with a bid price of \$319,900. In the past, W.A. Rasic has performed several successful projects for IEUA, showing good workmanship and responsiveness.

The following table is the anticipated project cost:

Description	Estimated Cost
Design	\$75,000
Construction Services (~ 15%)	\$50,000
Construction	\$319,900
Contingency (~ 15%)	\$50,000
<b>Total Project Cost</b>	<b>\$494,900</b>
<b>Current Total Project Budget</b>	<b>\$300,000</b>
<b>Budget Amendment</b>	<b>\$200,000</b>

Based on project final scope of work, bid results and the anticipated total project cost, staff is requesting a total project budget amendment in the amount of \$200,000 for the RP-1 Iron Sponges Installation, Project No. EN17059. The previously approved budget was estimated prior to the preliminary design phase of the project. Projected expenditures for Fiscal Year 2016/17 is within the current, approved fiscal year budget of \$300,000.



The following is the project schedule:

<b>Project Milestone</b>	<b>Date</b>
Construction Contract Award	March 2017
Construction Completion	January 2018

The RP-1 Iron Sponge Installation Project is consistent with *IEUA's Business Goals of Wastewater Management and Environmental Stewardship*, specifically the Water Quality and Regulatory Compliance objectives that IEUA will comply with all federal, state, local, and environmental laws and regulations to protect public health and the environment.

### **PRIOR BOARD ACTION**

None.

### **IMPACT ON BUDGET**

If approved, the construction award for the RP-1 Iron Sponges Installation, Project No. EN17059, in the amount of \$319,900 will be supported by the revised total project budget of \$500,000 in the Regional Wastewater Capital (RC) Fund. An estimated amount of \$250,000 will be spent on the project this fiscal year, with the remaining project costs to be spent in the future fiscal year. The future year's funding will be re-appropriated accordingly during the Fiscal Year 2017/18 review of the Ten Year Capital Improvement Plan.

Attachments

1. Design-Build Contract

<https://www.dropbox.com/sh/usma0abttfuhcxv/AAAIN3BcbE9pyKmlVhJz8Aasa?dl=0>

PJG:CB:SS:jz

# RP-1 Iron Sponge Design-Build Contract Award Project No. EN17059

## Board Meeting





# Regional Water Recycling Plant No. 1 Project Location



# Project Background

- Hydrogen sulfide is currently removed via iron sponges
- Two existing iron sponges with no backup
- Potential hydrogen sulfide exceedance during maintenance or shutdown
- IEUA Maintenance staff purchased two backup iron sponges for installation



Flare Iron Sponge Location



Acid Phase Digester Iron Sponge



# Project Scope

- Design-build project
- Install two complete iron sponge systems including:
  - Interconnecting piping, valves, pads
  - Gas safety equipment
  - Electrical work for flare sponge regeneration air blower
- Enhance reliability and compliance with backup iron sponges installed



Acid Phase Digester Iron Sponge



Flare Iron Sponge

# Bid Summary

- Two (2) bids received on February 14, 2017:

## Bids Received

Bidder's Name	Total Price
W.A. Rasic Construction	\$319,900
W.M. Lyles Co.	\$348,276
Engineer's Estimate	\$350,000

# Project Budget and Schedule

Milestone	Date
Design	\$75,000
Construction Services (~15%)	\$50,000
Construction – Design build (bid price)	\$319,900
Contingency (~15%)	\$50,000
<b>Total Project Cost</b>	<b>\$494,900</b>
Current Total Project Budget	\$300,000
Requested Budget Amendment	\$200,000

Milestone	Date
Construction Contract Award	March 2017
Construction Completion	January 2018

# Recommendation

- Award a design-build contract for the RP-1 Iron Sponge Installation, Project No. EN17059, to W.A. Rasic Construction in the amount of \$319,900.
- Approve a total project budget amendment in the amount of \$200,000 for the RP-1 Iron Sponge Installation Project.
- Authorize the General Manager to execute the design-build contract and budget amendment.

The RP-1 Iron Sponge Installation project is consistent with **IEUA's Business Goals of Wastewater Management and Environmental Stewardship** specifically the Water Quality and Regulatory Compliance objectives that IEUA will comply with all federal, state, local, and environmental laws and regulations to protect public health and the environment.




CONSENT  
CALENDAR  
ITEM


**21**


Date: March 15, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee  
(03/08/17)

From: P. Joseph Grindstaff  
General Manager 

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

Shaun J. Stone   
Manager of Engineering

Subject: Utility Locating Services Contract Amendment

---

### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Award a three-year contract amendment to UtiliQuest, LLC, for dig alert locating services for a not-to-exceed amount of \$440,000; and
2. Authorize the General Manager to execute the contract amendment.

### **BACKGROUND**

Dig alert is a service utilized by contractors and utility owners as a means to allow contractors to inform agencies of construction projects requiring excavation. Upon notification by a contractor to Dig Alert Service Center, the limits of construction are marked by the contractor, which informs IEUA where work is being performed. Since 2013, IEUA has utilized UtiliQuest to manage the dig alert requests from contractors to determine and mark IEUA facilities in the contractor work areas. Utility marking is required by law and failure to mark said facilities could result in damage by the contractors, which would then be the responsibility of IEUA to correct and repair.

UtiliQuest is currently under contract with IEUA to perform dig alert marking services that will expire in March 2017. Prior to recommending an extension to UtiliQuest's contract, staff contacted six firms to see if there was interest in a general solicitation. Of the six firms contacted,

one firm, Pacific Locators, Inc., stated they would consider performing work for IEUA. Pacific Locators has only one current customer with telecommunication/digital lines in the City of Ontario. UtiliQuest currently performs marking for multiple utilities such as Southern California Edison, Frontier, AT&T, Time Warner, the City of Rancho Cucamonga, and the City of Corona. Because of UtiliQuest's number of local customers, they can mark all customer's lines efficiently during a single request, which allows them to share the cost amongst the different customers.

Based on UtiliQuest's past performance, knowledge of IEUA's GIS System, infrastructure, and fee price, it was determined that UtiliQuest is still the best qualified to continue to perform the work. UtiliQuest proposal includes an increase in the ticket management fee by an estimated 2% per year. Staff is requesting a contract extension to take UtiliQuest contract through 2020. An estimated cost of \$440,000 for this three-year extension was based on the ten-year capital improvement projection of new growth and the proposed unit cost for marking utilities.

UtiliQuest's recommended fees in current dollars is less than when originally solicited. Re-solicitation and training for a new vendor would cost between \$30,000 and \$50,000. Currently, cost for UtiliQuest are less than what would be expected if IEUA was to begin utility marking its facilities again. Staff feels that a contract extension would provide the best value to the IEUA.

The dig alert contract extension is consistent with *IEUA's Business Goal of Wastewater Management* specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

### **PRIOR BOARD ACTION**

On August 20, 2014, the Board of Directors awarded a two-year extension with an optional renewal to UtiliQuest, LLC for dig alert locating services for a not-to-exceed amount of \$335,000.

On March 20, 2013, the Board of Directors awarded a two-year contract to UtiliQuest, LLC for dig alert locating services for a not-to-exceed amount of \$200,000.

### **IMPACT ON BUDGET**

The yearly maintenance and support fees for dig alert services will continue to be paid through Professional Fees and Services budget in the Administrative Services (GG) Fund. There is no direct impact on the Agency's fiscal year budget as a result of this action.

#### Attachments:

1. Contract Amendment

PJG:CB:SS:mp



**AMENDMENT NUMBER: 4600001401-003**  
**FOR**  
**UTILITY LOCATION SERVICES**

THIS AMENDMENT NUMBER THREE is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency") and UtiliQuest, LLC (hereinafter referred to as "Contractor") for utility location services, and shall revise the Contract as amended:

**REVISE SECTION 5., TERM, TO READ AS FOLLOWS:**

The term of the Contract shall extend from the Notice to Proceed and continue until March 30, 2020, unless agreed to by both parties, reduced to writing and amended to the Contract.

**REVISE SECTION 6., COMPENSATION, TO ADD THE FOLLOWING:**

In compensation for the additional term represented by this Contract Amendment, Agency shall pay Contractor a NOT-TO-EXCEED maximum total of **\$975,000.00** for all services provided, in accordance with the fee schedule below. This represents a net increase of **\$440,000.00** to the Contract.

March 31, 2017-March 30, 2018

<b>Description</b>	<b>Price Schedule</b>	<b>Notes</b>
Ticket Management Fee	\$4,635 per month	Plus screening fee below
Ticket Screening Fee—in office	\$2.50 per ticket	Verifying utilities in office
Ticket on site per 300 linear ft.	\$17.50 per 300 ft.	Truck rolls out to location
*Standard hourly billing on site	\$49.50 per hour	Mon-Fri. 7:00 am – 5:00 pm
Overtime hourly billing on site	\$59.50 per hour	Outside Standard hours / holidays

March 31, 2018 – March 30, 2019

Description	Price Schedule	Notes
Ticket Management Fee	\$4,727.70 per month	Plus screening fee below
Ticket Screening Fee—in office	\$2.50 per ticket	Verifying utilities in office
Ticket on site per 300 linear ft.	\$17.50 per 300 ft.	Truck rolls out to location
*Standard hourly billing on site	\$49.50 per hour	Mon-Fri. 7:00 am – 5:00 pm
Overtime hourly billing on site	\$59.50 per hour	Outside Standard hours / holidays

March 31, 2019 – March 30, 2020

Description	Price Schedule	Notes
Ticket Management Fee	\$4,822.25 per month	Plus screening fee below
Ticket Screening Fee—in office	\$2.50 per ticket	Verifying utilities in office
Ticket on site per 300 linear ft.	\$17.50 per 300 ft.	Truck rolls out to location
*Standard hourly billing on site	\$49.50 per hour	Mon-Fri. 7:00 am – 5:00 pm
Overtime hourly billing on site	\$59.50 per hour	Outside Standard hours / holidays

**ALL OTHER PROVISIONS OF THIS CONTRACT REMAIN UNCHANGED.**

WITNESSETH, that the parties hereto have mutually covenanted and agreed as per the above amendment items, and in doing so have caused this document to become incorporated into the Contract Documents.

**INLAND EMPIRE UTILITIES AGENCY:**  
(A MUNICIPAL WATER DISTRICT)

**UTILIQUEST, LLC:**

\_\_\_\_\_  
P. Joseph Grindstaff  
General Manager

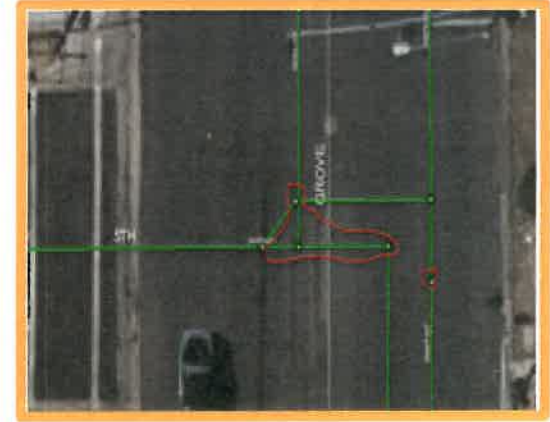
(Date)

\_\_\_\_\_  
Dennis Tarosky  
President

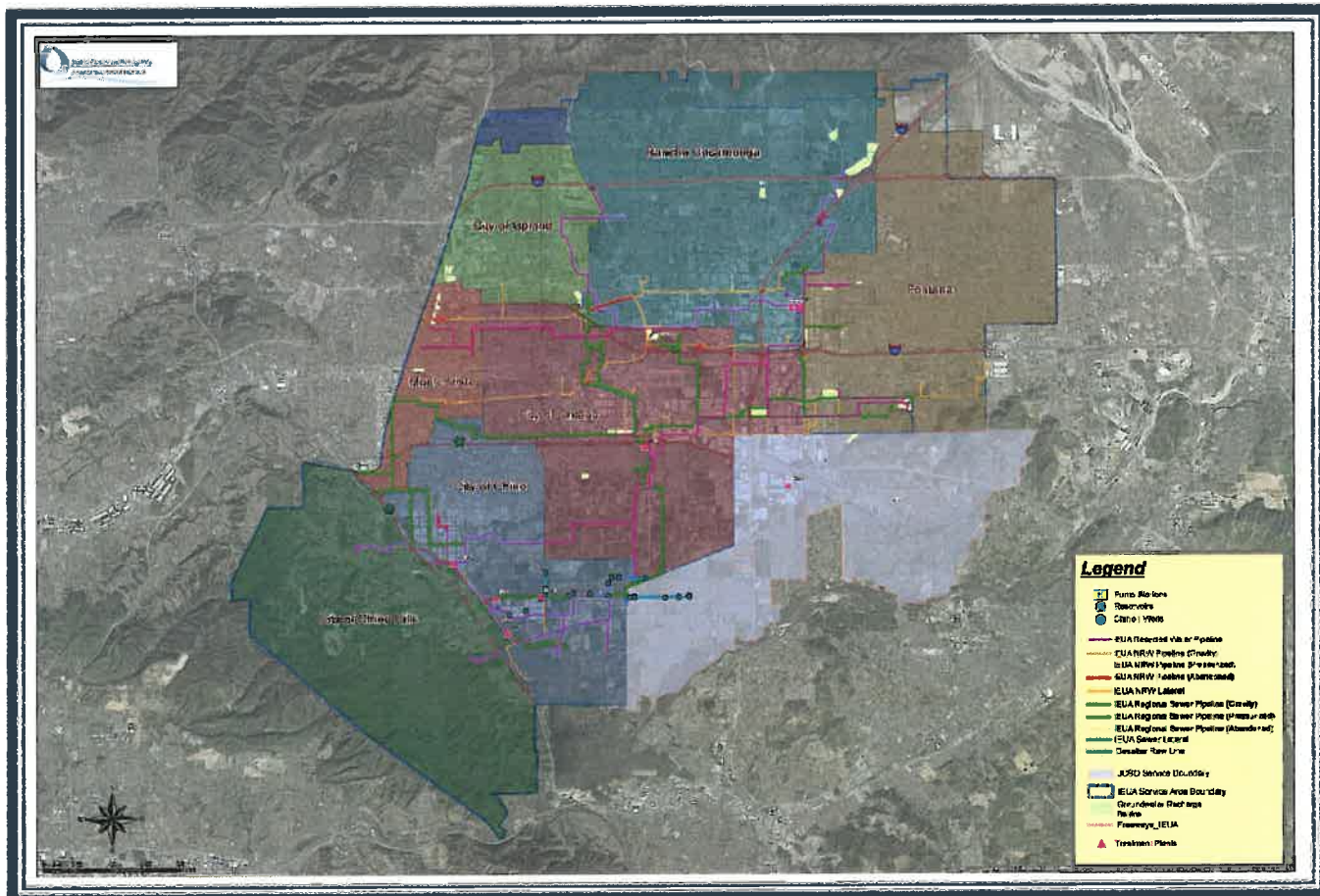
2/3/17  
(Date)

# Utility Locating Services Contract Amendment

## Board Meeting







# Contract Background

- IEUA utilizes UtiliQuest to mark utilities within 48-hours of notification
- Selected in 2013 by competitive solicitation
  - Amended in late 2014
- Failure to mark could result in damage to Agency facilities



Utiliquest Markings



# Amendment

- Lack of local firms to perform the work
- Utiliquest
  - Knowledge of IEUA systems
  - Quality Performance
  - Lower Cost
- Construction activity/amendment cost based on TYCIP projection
- Term Extension: March 2017 – March 2020
- Not-to-Exceed Amount: \$440,000
- Work performed at various locations as needed

# Project Budget and Schedule

Milestone	Date
March 20, 2013 Original Contract Award	200,000
August 20, 2014 Amendment No. 1	335,000
March 15, 2017 Amendment No. 2	\$440,000
Total Contract Amount	\$975,000

Milestone	Date
Original Contract Award	March 20, 2013
Contract Term Extension	March 30, 2020

# Recommendation

- Approve a three-year contract amendment to UtiliQuest, LLC, for dig alert services, for a not-to-exceed amount of \$440,000; and
- Authorize the General Manager to execute the contract amendment.

The Dig Alert contract amendment is consistent with **IEUA's Business Goal of Wastewater Management** specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

CONSENT  
CALENDAR  
ITEM

**2J**

Date: March 15, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Water Resources Committee (3/8/2017)

From: P. Joseph Grindstaff  
General Manager

Submitted by: ~~for~~ Chris Berch *SJS*  
Executive Manager of Engineering/Assistant General Manager

Shaun J. Stone *SJS*  
Manager of Engineering

Subject: RP-1 Consultant Task Order Amendment (Disinfection)

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the consultant task order amendment for the RP-1 Disinfection Improvements, Project No. EN11039, to Carollo Engineers, Inc., for the not-to-exceed amount of \$398,324; and
2. Authorize the General Manager to execute the amendment.

### **BACKGROUND**

The Regional Water Recycling Plant No. 1 (RP-1) tertiary treatment facility is required to treat and disinfect secondary effluent, prior to discharge to the environment. RP-1's Tertiary Plant 1 (TP-1) Disinfection System was constructed in 1971. The last major expansion occurred in 1987. The age of this facility is approaching 50 years old and requires substantial rehabilitation and replacement.

Currently, the disinfection system and sedimentation basin are in poor condition and must be rehabilitated to remain reliable. The Pre-Design Report (PDR) was developed through various meetings and site visits with project sponsors, stakeholders, and the RP-1 expansion team. It identified improvements which are required to increase the reliability and efficiency of the disinfection system and sedimentation basins to meet the current and future needs of this facility.

In February 2017, Carollo Engineers completed a PDR based on a Technical Services' needs analysis, as well as input from Operations, Maintenance and the Engineering Department. This work identified the below recommendations, expected cost and provided design to a 30% level. Recommendations included:

- Relocate and expand the disinfection storage system
- Replace disinfection pipelines
- Rehabilitate the sedimentation system
- Provide reliability improvements related to the disinfection system

Based on Carollo's current work on the PDR, the project team's qualifications and experience, understanding and development of the project scope, their 30% design drawings and ability to meet the project schedule, it is recommended that Carollo be selected to perform the final design work.

The following table is the anticipated project cost:

Description	Estimated Cost
Project Development and Preliminary Design	\$212,000
Consultant Engineer	\$398,324
Design Services (~5%)	\$172,000
Construction Services (~15%)	\$570,000
Construction	\$3,800,000
Contingency (~10%)	\$380,000
<b>Total Project Cost</b>	<b>\$5,532,324</b>
<b>Total Project Budget</b>	<b>\$1,288,300*</b>

*\*The total project budget will be amended during the Ten-Year Capital Improvement Plan process to account for additional scope identified.*

Given that this is the design scope of services, staff anticipates bringing forward for approval an additional task order amendment for additional services including engineering services during construction when the construction award is considered.

The following is the project schedule:

Project Milestone	Date
Consultant Task Order Amendment	March 2017
Design Completion	November 2017
Construction Contract Award	January 2018
Construction Completion	October 2018

The RP-1 Disinfection Improvements Project is consistent with IEUA's Business Goal of Wastewater Management specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

If approved, the amendment to the consulting engineering services contract for the RP-1 Disinfection Improvements, Project No. EN11039, for the not-to-exceed amount of \$398,324 will be within the total project budget of \$1,288,300 in the Regional Wastewater Capital (RC) Fund.

Attachments

1. Consultant task order amendment

PJG:CB:SS:mp



Date: January 25, 2017  
Consultant: Carollo Engineers, Inc.

Amendment 1 to Task Order Number: 01  
Contract Number: 4600002052

Project / Task Description: Regional Water Reclamation Plant No. 1 TP-1 Disinfection Pump Improvements

## I. RECITALS

This Task Order Amendment is issued for the procurement of additional on-call engineering support services needed in conjunction with an Inland Empire Utilities Agency (interchangeably "IEUA" and "Agency") facilities Project EN11039.00.

Agency and Consultant previously entered into Master Services Contract No. 4600002052. Except as otherwise specified herein, the terms and conditions of that Agreement are incorporated into this Task Order via this reference.

## II. TASK ORDER AMENDMENT AGREEMENTS

1. Scope Of Work Is Changed To Read: Consultant shall furnish the qualified personnel and equipment necessary to perform the additional work as outlined by IEUA staff and as listed in Task Order Amendment 1 Scope of Work, attached hereto and made a part hereof as **Exhibit B.**
2. Period Of Performance Is Changed To Read: The term of this Task Order shall extend from the date of the Notice to Proceed and terminate upon acceptance of the project's construction by the Agency's cognizant Project Manager, unless agreed to by both parties, reduced to writing, and amended to this Task Order.
3. Compensation Is Changed To Read: Authorized total payments to Consultant for performance of this Task Order shall sum to a **not-to-exceed maximum total of \$497,660.00** (NOTE: This represents an overall increase of **\$398,324.00** to the Task Order as outlined in Consultant's estimated Design Fee Schedule, attached hereto and made a part hereof as **Exhibit C.**)

[ Signature Page Immediately Follows ]

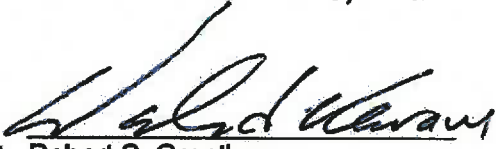


III. SIGNATURES


INLAND EMPIRE UTILITIES AGENCY:  
(A MUNICIPAL WATER DISTRICT)

CAROLLO ENGINEERS, INC.:

\_\_\_\_\_  
P. Joseph Grindstaff  
General Manager

*for*   
\_\_\_\_\_  
Robert S. Grantham  
Vice President

Date: 1/26/17

  
\_\_\_\_\_  
Dr. Graham J. G. Juby, PE  
Principal-in-Charge/Vice President

Date: 1/26/17

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# Exhibit B

**Exhibit A  
Scope of Services  
Final Design**

**Regional Water Reclamation Plant No. 1  
TP-1 Disinfection Pump Improvements (EN 11039)  
Inland Empire Utilities Agency  
(January 23, 2017)**

## **1.0 INTRODUCTION**

The purpose of this Exhibit is to provide details of the scope of services for the final design of the Tertiary Plant 1 Disinfection Pump Improvements (Project EN 11039) at the Inland Empire Utilities Agency's (IEUA's) Regional Water Reclamation Plant No. 1 (RP-1).

The scope of work presented below is based on the following:

The development work carried out by Carollo Engineers, Inc. (Carollo) during preparation of the Preliminary Design Report (PDR) and 30% design, that included a business case analysis.

The Scope of Work that was presented in the RFP for Project EN 11039. Workshops and other work performed in order to develop the Phase I Plant Upgrade Project Development Report.

## **2.0 BACKGROUND**

RP-1 is one of four regional reclamation facilities owned and operated by IEUA. It has a nominal treatment capacity of 40-mgd and treats domestic and industrial wastewater using conventional primary and secondary activated sludge processes.

Tertiary treatment takes place in TP-1 using coagulation and conventional dual media downflow filters. TP-1 was built in 1971 and originally used chlorine gas as the disinfectant. Major upgrades to the plant occurred in 1982 and 1987, and in 2004 the disinfection system was converted from chlorine gas to sodium hypochlorite.

Today there are a number of issues with the chemical storage, pumping and dosing systems that need to be addressed. For example, IEUA would like to move away from buried underground chemical dosing lines; do away with the pipe loop system; add a new secondary dosing point; replace leaking pipes and storage tanks; address piping congestion issues, and address other repair and maintenance issues. In addition, the sedimentation basins that treat filter backwash water that require rehabilitation.

In August 2016, Carollo was selected to prepare a PDR and 30% design for the proposed modifications to the TP-1 disinfection system and the other items included in the project. That work identified the need to construct a new sodium hypochlorite storage and pumping area closer to where the chemical is needed and more central to the plant facilities. This scope of work takes the design from 30% to 100% together with preparation of plans and specifications for bidding.

**Exhibit A  
Scope of Services  
Final Design**

**Regional Water Reclamation Plant No. 1  
TP-1 Disinfection Pump Improvements (EN 11039)  
Inland Empire Utilities Agency  
(January 23, 2017)**

The following is a list of the major items that are proposed to be added, modified, or upgraded as part of the project. Details of these items are outlined in the PDR and 30% design referred to above; details are presented in Section B.

1. **Chemical Storage:** A new sodium hypochlorite chemical storage facility will be installed to replace the existing one. The new facility will include new sodium hypochlorite storage tanks, new chemical dosing pumps to deliver hypochlorite to required dosing points, facilities to allow for truck off-loading. The new facility will have a covered roof to protect the tanks and equipment from the sun.
2. **Chemical Lines:** The existing underground double-contained pump-loop system will be replaced with double contained chemical tubing to deliver hypochlorite to each dosing point directly.
3. **Sedimentation Tank:** The existing sedimentation tank will have repairs made to it that will include replacing the flocculation mixers, the tube-settlers, and some of the over-flow weirs.
4. **SBS System:** SBS power outage response valve to provide dosing capabilities when no power is available.
5. **Secondary Dosing Modifications:** Adding two new chlorine doing locations with static mixers upstream of the Chlorine Contact Basins (CCBs) 1 and 2, and CCB 3.
6. **NES and OES Modifications:** Modifications to the New Effluent Structure (NES) and Old Effluent Structure (OES) to include demolishing of exiting chemical dosing equipment and piping and adding chemical mixing improvements.
7. **Out of Compliance Diversion:** Addition of motor operated gates at NES and OES and control system modifications for filter influent valves.
8. **Maintenance Trailer:** Relocate the maintenance trailer to the north side of the filter banks, and provide a separate pad and transformer for the trailer.
9. **New Parking:** Provide new paved and striped parking area to the east of the Sedimentation Basin.
10. **Geotechnical Work:** Hire the services of a Geotechnical sub-consultant to conduct a soils investigation for the new chemical storage facility.

**Exhibit A  
Scope of Services  
Final Design**

**Regional Water Reclamation Plant No. 1  
TP-1 Disinfection Pump Improvements (EN 11039)  
Inland Empire Utilities Agency  
(January 23, 2017)**

**B. SCOPE OF SERVICES**

Perform the necessary engineering work to develop contract plans and technical specification documents for construction of the "TP-1 Pump Replacement Project" at RP-1, starting with the PDR and 30% design that has been completed by Carollo. Specific details are as follows:

**Task 1 - Project Management and Meetings**

1. Project management includes routine management activities for the duration of the project. It has been assumed that the project duration will be a total of 18-months, including approximately 7-months for the Final Design phase, which includes two-weeks for each submittal review by IEUA. The routine management activities include:
  - a. At the start of the project, a project plan will be developed that lays out the approach to completing the project. The plan will include work assignments, scope, schedule, and budget information. It will also include communications, quality management, and risk management approaches for the project.
  - b. Review and oversight of technical issues
  - c. Developing and tracking communication channels
  - d. Monitoring and overseeing the status of the schedule and budget
  - e. Monitoring and logging project decisions
  - f. Tracking out-of-scope work items
  - g. A monthly progress report will be completed and submitted to the IEUA project manager delineating the project progress in relation to scope, schedule, and budget for the past month and the plan for the next month.
2. Meet with IEUA staff approximately every 4 weeks or as needed to present design information, submit progress prints, and receive design review comments. It is anticipated that 7 meetings will be required. The meeting total includes meetings during the final design, and the bid period.
3. Hire and manage the services of a Geotechnical sub-consultant for a soils investigation.
4. Submit preliminary drawings and draft specifications for IEUA review at approximately 50, 85, and 100 percent level of completion. Five sets of 1/2 size drawings and 8.5 x 11 specifications will be provided at the 50%, and 85% review stages. Five sets of full size drawings, five sets of 1/2 size drawings and specifications will be provided at the 100% stage along with the Mylars and file copies described below.
5. Incorporate revisions from the District review comments in the drawings and specifications.

**Exhibit A  
Scope of Services  
Final Design**

**Regional Water Reclamation Plant No. 1  
TP-1 Disinfection Pump Improvements (EN 11039)  
Inland Empire Utilities Agency  
(January 23, 2017)**

6. Complete a 90 percent in-house check of the plans and specifications by an independent in-house team, after incorporating comments from IEUA on the 85% design submittal.
7. Manage the delivery of sealed and photo-ready final drawings and specifications to IEUA ready for final reproduction and bidding by IEUA, following receipt of and incorporation of comments from IEUA on the 85% submittal. The final drawings will include a full size Mylar set, a pdf file of the drawings for 1/2 size reproduction by the District, and an unbound copy of the specifications for reproduction by the Agency.
8. Submit one electronic copy of final drawings and specifications on a flash drive.
9. Manage the preparation of the project's construction cost projection based on the 90 percent submittal and final drawings and specifications. Submit the estimate to the District within 3 weeks of the 90 percent and final submittal. Also, provide an updated cost estimate to the project development report estimate at the 30 percent and 60 percent design levels.  
Manage the project during the bidding, construction and close-out phases of the project.

**Task 2 - 50% Design**

Take the design from 30% to the 50% design level and prepare a 50% design review package that shall include the following:

1. Prepare plans and specifications to a 50% completed level. Prepare technical specifications in CSI format (in MS Word 2013), drawings (in AutoCAD format), and typical details (in AutoCAD format) for construction of the following project elements. Drawings will be submitted in 1/2 size sheets and typical details will be submitted on 8.5-inch by 11-inch sheets for intermediate submittals. As part of the final submittal (100%), typical details will be put on the drawings. IEUA's front end documents will be used for the project. An updated drawing list is included in Attachment A.
2. Only facilities highlighted below will be included in the Final Design. All other facilities at the treatment plant are excluded from the Final Design.
3. Prepare full size double plan and profile drawing sheets at the horizontal scale of no smaller than 1"=40', include all utility information from IEUA, utility company records and field information. Plot all easements, property lines, and street pavement limits on the drawings, as applicable. The location, horizontal and vertical, of all new facilities to be constructed shall be called out by dimensions. This includes small underground pipeline and electrical conduits within process plants.
4. Obtain a soils report for the proposed location of the new chemical storage facility.
5. Submit a 50% design review package to IEUA, with the following contents:

**Exhibit A  
Scope of Services  
Final Design**

**Regional Water Reclamation Plant No. 1  
TP-1 Disinfection Pump Improvements (EN 11039)  
Inland Empire Utilities Agency  
(January 23, 2017)**

- 11 x 17 Paper Drawings
- Plan and profile sheet – 50% complete
- Bleach pipeline detail sheet - 50% complete
- Structural plans and elevations – 50% complete
- Utility Research – include a list of utilities identified, contact persons, telephone numbers and any unusual requirements and specific reference to any utility which will significantly affect the proposed design.
- Design Survey – shall be incorporated into the Plan-set.
- Catalog sheets for equipment to be used in the project.
- List of all cities, agencies and/or individuals involved with each permit, including contacts, addresses, telephone numbers, requirements, and a schedule for obtaining each permit.
- Technical Specifications – 50% complete.
- Soils Report
- Pothole results
- Calculations- Include all calculations (hydraulic, structural, alignment, control, etc.) on pipes, flow control equipment and metering, jacked casing, etc.
- A discussion of any expected difficulty in the design or construction of the project.

Upon completion and submittal of the 50% design package, submit the package to the Agency for review. After a two-week review period by the Agency, attend a review meeting with the Agency staff to review the design status and receive Agency's input. Said review shall be presented in Power-Point. The Consultant shall summarize comments, following the meeting and submit said comments and response to comments to the Agency Project Manager for distribution, within 5-days, following the meeting.

### **Task 3 - 85% Design**

Advance the design from 50% design level to 85% level completion and include the following:

1. Complete draft set of plans and specifications - The plans and specifications shall be completed. The plans and specifications shall reflect all past Agency and Regional Committee comments, and they shall include the contractual language and design required to implement the adopted environmental mitigation measures and the controlling agency permit requirements known at the time. There shall be no missing specification sections or missing plan details. The specification does not have to include the permitting Agency's final permits, however, the plans and specifications shall both be designed to include the permit requirements and sample permits are required.

Standard Specification comments - Review the Agency's Standard Specification

**Exhibit A  
Scope of Services  
Final Design**

**Regional Water Reclamation Plant No. 1  
TP-1 Disinfection Pump Improvements (EN 11039)  
Inland Empire Utilities Agency  
(January 23, 2017)**

boilerplate and provide written comments on its adequacy for this project. Any changes the Consultant desire to make to these standard specifications shall be specifically noted.

2. Traffic Control plans are not required, but the Consultant shall ensure that proper traffic control is possible in relation to their proposed design.
3. Submit an 85% design review package with the following:
  - Design Drawings – 85% complete
  - Specifications – 85% complete
  - Standard specification comments
  - Final estimate of probable construction cost for the project.
  - Final calculation package – complete

Submit design calculations as part of the 85% design submittal. Calculations shall include all alignment, hydraulic, structural, and any other calculations as may be required.

Upon completion of the 85% design, submit the required copies to the Agency. After a two-week review period by the Agency, attend a review meeting with the Agency staff to review the design status and receive Agency's input. Review will include a Power-Point presentation. Summarize comments, following the meeting and submit said comments and response to comments to the Agency Project Manager for distribution, within 5-days, following the meeting.

#### **Task 4 - 100% Design**

Advance the level of design from 85% to 100%. Submit a review package to IEUA upon 100% completion of design which shall include the following:

1. Design Drawings and Specifications
2. The final design shall be a complete set of checked plans and specifications. The plans and specifications shall be fully checked and be ready to be advertised for construction bids. Carollo will complete an in-house check of the entire document package after incorporating the Agency's comments from the 85% design submittal. The updated plans will reflect all past IEUA and Regional Committee input and they shall include the contractual language and designs required to implement the controlling agency permit requirements during construction.
3. Final Engineer's Estimate - Update the construction cost estimate and provide an opinion of cost.



**Exhibit A  
Scope of Services  
Final Design**

**Regional Water Reclamation Plant No. 1  
TP-1 Disinfection Pump Improvements (EN 11039)  
Inland Empire Utilities Agency  
(January 23, 2017)**

4. Final Calculation package - submit the final version of the calculations package if there have been changes since the 85% submittal.
5. Required Permits - As a part of the final design phase, provide IEUA with technical information needed to assist the Agency in obtaining all permits required to construct the project. If it is required or desirable to have the permit obtained by the contractor, the Consultant shall obtain review comments on contract documents from the permitting agencies, if applicable, and the draft permit conditions shall be reported in the project specifications. All required permits shall be addressed in the specifications.
6. Shop Drawing Submittal List - Provide the Agency a tabulated list of all submittals required from the contractor. The list shall include the Division, Section, Paragraph, Description, and Submittal name.
7. Arc-Flash - Provide the Agency a list of all electrical equipment the contractor will be working around/installing and whether the required arc-flash labeling is in place or provide the necessary arc-flash information in the specifications.
8. Attend a progress review meeting with the Agency staff to review the final design. Upon resolution of Agency comments, provide the Agency with three draft copies of the final plans and specifications for final review.

Upon acceptance of the plans and specifications, the Consultant shall submit to the Agency:

- (1) One set of master specifications on both 8.5" x 11" paper unbound and in digital form,
- (2) The original tracings of the plans, both on Mylar film and in digital form,
- (3) Final plans, specifications and bid documents for bidding purposes,
- (5) A complete set of project calculations bound for permanent storage,
- (6) Final Engineer's Opinion of Cost Estimate,
- (7) Control System Subcontractor Pre-qualification Package

Note: Request for pre-qualification applications and applicant evaluation will be performed by the Agency.

### **Task 5 - Control Philosophy / Programming Scope**

Provide a General Operation and Control Philosophy for all PLC systems and DCS system Integration. A detailed control description is required to implement the general philosophy.

**Exhibit A  
Scope of Services  
Final Design**

**Regional Water Reclamation Plant No. 1  
TP-1 Disinfection Pump Improvements (EN 11039)  
Inland Empire Utilities Agency  
(January 23, 2017)**

Submit the control philosophy and P&IDs for review by the Agency once the P&IDs are 100% complete and the control philosophy has been developed. Attend a meeting with the Agency staff, address staff comments and submit a final version to be included in the construction bid documents.

Develop a separate scope of work for control programming which clearly identifies the work to be done by the control programmer. This scope of work must identify the current programs in use at the Agency (e.g. HMI, DCS, etc.), what changes are needed to the current programs, and the addition of any features, functions or new programming not currently existing.

The Construction DCS system integrator contract shall be pre-negotiated by the Agency and the information will be provided to Carollo to assign to the general contractor's construction contract.

**C. OPTIONAL ITEMS NOT INCLUDED**

1. The scope does not include effort for obtaining AQMD, NPDES, and any other permits required for the project, other than specific assistance as defined in Section B. We understand that the CEQA work is complete.
2. Potholing for the project will be carried out by IEUA.
3. Preparation of pre-qualification documentation for contractors.
4. Preparation of pre-purchase documentation packages for equipment.
5. Demolition and retrofit of existing facilities except for the Sedimentation Basin and the existing chemical storage facilities.
6. Preliminary design, preparation of preliminary P&IDs, and final design effort for facilities not specifically described above is not included.
7. Purchase of modeling software or licenses.
8. Work effort for other items not specifically listed in Tasks 1 through 5 in Section B.

ATTACHMENT A

Regional Water Reclamation Plant No. 1  
TP-1 Disinfection Pump Improvements (EN 11039)  
Inland Empire Utilities Agency  
(January 23, 2017)

Updated Drawing List

**SHEET NO.** **GENERAL**

- 1 COVER SHEET
- 2 DRAWING INDEX
- 3 DRAWING SYMBOLOGY AND FILE NAMING CONVENTION
- 4 GENERAL ABBREVIATIONS
- 5 SITE PLAN - I
- 6 DESIGN CRITERIA
- 7 PROCESS FLOW DIAGRAM

**SHEET NO.** **CIVIL**

- 8 GENERAL CIVIL NOTES
- 9 OVERALL SITE PLAN
- 10 PAVING AND GRADING PLAN - Chemical Containment
- 11 PAVING AND GRADING PLAN - New Parking Area
- 12 YARD PIPING PLAN - I
- 13 YARD PIPING PLAN - II
- 14 RELOCATE MAINTENANCE TRAILER AND DETAILS
- 15 CONNECTION AND PIPING DETAILS

**SHEET NO.** **DEMOLITION**

- 16 DEMOLITION - OVERALL SITE PLAN
- 17 SODIUM HYPOCHLORITE STORAGE DEMO - PLAN
- 18 SODIUM HYPOCHLORITE STORAGE DEMO - SECTIONS
- 19 OES AND NES CHEMICAL METERING DEMO
- 20 DEMOLITION DETAILS

**SHEET NO.** **STRUCTURAL**

- 21 STRUCTURAL GENERAL NOTES - I
- 22 STRUCTURAL GENERAL NOTES - II
- 23 FOUNDATION PLAN
- 24 ROOF FRAMING PLAN
- 25 SECTIONS AND DETAILS

**SHEET NO.** **PROCESS MECHANICAL**

- 26 MECHANICAL NOTES
- 27 MECHANICAL ABBREVIATIONS
- 28 SODIUM HYPOCHLORITE STORAGE - PLAN
- 29 SODIUM HYPOCHLORITE STORAGE - SECTIONS
- 30 OES AND NES CHEMICAL METERING - PLAN
- 31 OES AND NES CHEMICAL METERING - SECTION
- 32 CCB SODIUM HYPOCHLORITE INJECTION AND MIXING - PLAN AND SECTION - I
- 33 CCB SODIUM HYPOCHLORITE INJECTION AND MIXING - PLAN AND SECTION - II
- 34 MECHANICAL DETAILS - I

35 MECHANICAL DETAILS - II

**ELECTRICAL**

36 LEGEND  
37 ABBREVIATIONS  
38 SODIUM HYPOCHLORITE STORAGE LAYOUT  
39 OES AND NES SODIUM HYPOCHLORITE METERING  
40 CCB SODIUM HYPOCHLORITE METERING  
41 ONLINE AND RISER DIAGRAMS SHEET NO. 1  
42 SCHEMATICS AND CONDUIT SIZES SCHEDULE  
43 SCHEDULES  
44 DETAILS

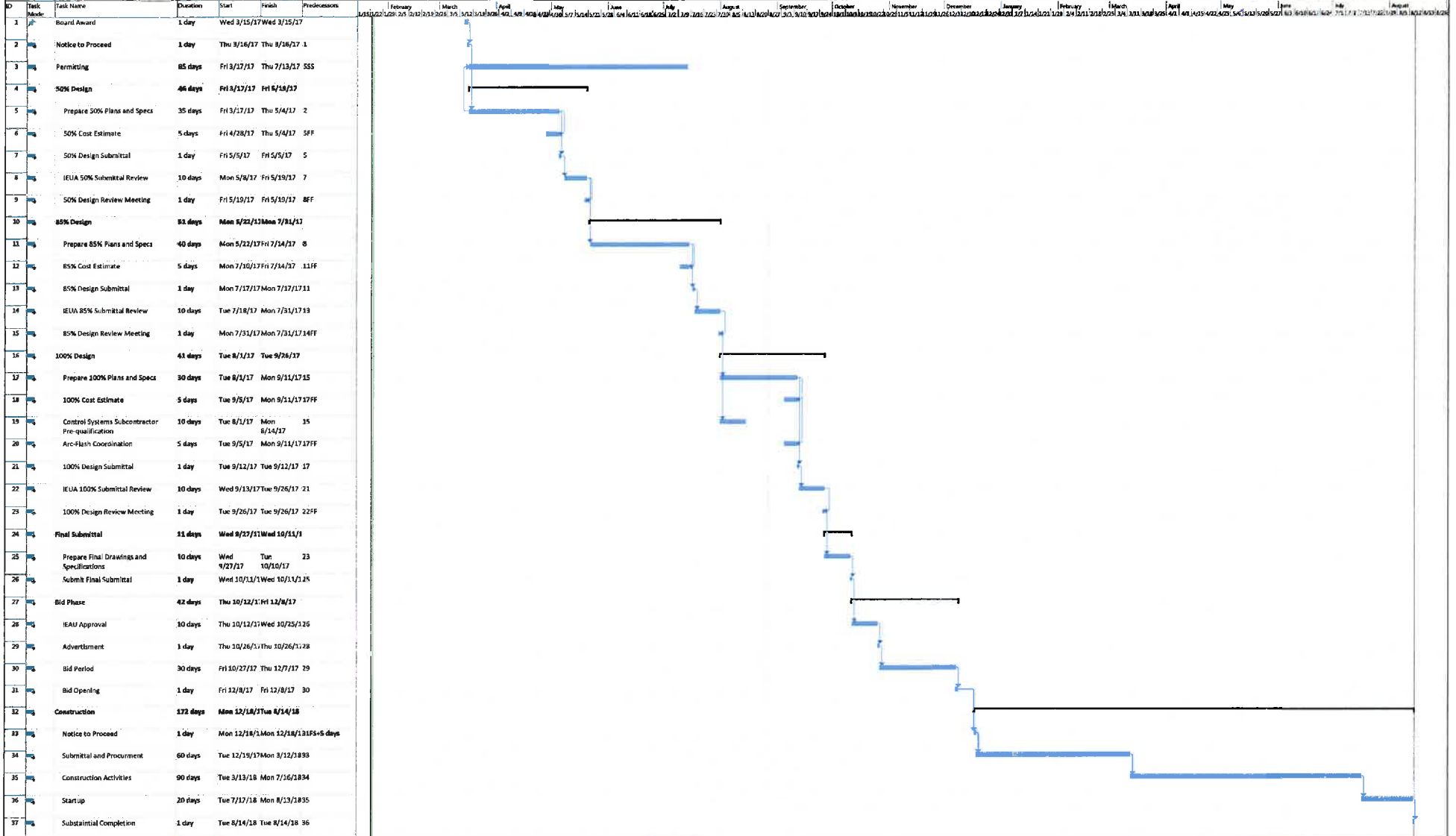
**SHEET NO. INSTRUMENTATION**

45 SYMBOLS & ABBREVIATIONS - I  
46 SYMBOLS & ABBREVIATIONS - II  
47 SYMBOLS & ABBREVIATIONS - III  
48 SYMBOLS & ABBREVIATIONS - IV  
49 SCHEMATIC SYMBOLS  
50 SODIUM HYPOCHLORITE STORAGE - I  
51 SODIUM HYPOCHLORITE STORAGE - II  
52 SODIUM HYPOCHLORITE STORAGE - III  
53 SODIUM HYPOCHLORITE STORAGE - IV  
54 SODIUM HYPOCHLORITE METERING PUMP - I  
55 SODIUM HYPOCHLORITE METERING PUMP - II  
56 SODIUM HYPOCHLORITE METERING PUMP - III  
57 SODIUM HYPOCHLORITE METERING PUMP - IV  
58 SODIUM HYPOCHLORITE METERING PUMP - V  
59 SODIUM HYPOCHLORITE METERING PUMP - VI  
60 SODIUM HYPOCHLORITE METERING PUMP - VII  
61 OES SODIUM HYPOCHLORITE INJECTION AND MIXING  
62 NES SODIUM HYPOCHLORITE INJECTION AND MIXING  
63 CCB SODIUM HYPOCHLORITE INJECTION AND MIXING - I  
64 CCB SODIUM HYPOCHLORITE INJECTION AND MIXING - II  
65 SBS INJECTION MODIFICATIONS

**SHEET NO. TYPICAL DETAILS**

66 CIVIL TYPICAL DETAILS - I  
67 ELECTRICAL TYPICAL DETAILS - I  
68 ELECTRICAL TYPICAL DETAILS - II  
69 MECHANICAL TYPICAL DETAILS - I  
70 INSTRUMENTATION TYPICAL DETAILS - I  
71 INSTRUMENTATION TYPICAL DETAILS - II  
72 PIPING TYPICAL DETAILS - I  
73 PIPING TYPICAL DETAILS - II  
74 STRUCTURAL TYPICAL DETAILS - I  
75 STRUCTURAL TYPICAL DETAILS - II

TP-1 Disinfection Pump Improvements



Project: IEUA - Disinfection Pump  
 Date: Tue 1/24/17

Legend:  
 Milestone: Blue diamond  
 Summary: Blue line  
 Inactive Milestone: Grey diamond  
 Inactive Summary: Grey line  
 Manual Task: Blue bar  
 Manual Summary: Blue bar with 'M' icon  
 Start-only: Green bar  
 Finish-only: Red bar  
 External Task: Blue bar with 'E' icon  
 External Milestone: Blue diamond with 'E' icon  
 Duration-only: Blue bar with 'D' icon  
 Manual Progress: Blue bar with 'M' icon

# **Exhibit C**

Carollo Engineers, Inc.  
 TP-1 - DISINFECTION PUMP IMPROVEMENTS PROJECT (EN 11093)  
 Inland Empire Utilities Agency (IEUA)

**LABOR AND COST ESTIMATE FOR FINAL DESIGN**  
 January 23, 2017

Task Description	Labor Costs														Task Total		
	Senior Project Professional	Lead Professional	Project Professional	Professional	Assistant Professional	CAD Technicians	Support Staff	Carollo Engineers		PECE	Travel		Other	ODCs incl PECE			
	\$273	\$249	\$230	\$194	\$159	\$140	\$109	Total Hours	Labor Cost	\$	11.7	Trips	Amount	Cost		Cost	Cost
<b>Task 1: Project Management and Meetings</b>																	
1.1 Kickoff Meeting, Agenda, and Minutes	4	4	4	4	8			24	\$ 5,056	\$ 281		2	\$ 30			\$341	\$ 5,397
1.2 Coordination, Schedule and Budget Monitoring, and Administrator			12	4				16	\$ 3,536	\$ 187						\$187	\$ 3,723
1.3 Obtain and Review Available Documents			4	4	4			12	\$ 2,332	\$ 140						\$140	\$ 2,472
1.4 Monthly Progress Reports			8	4				12	\$ 2,616	\$ 140						\$140	\$ 2,756
1.5 Monthly Progress Meetings, Agendas, and Minutes (5 meetings)	15	15	18	18	8			74	\$ 16,734	\$ 866		6	\$ 30			\$1,046	\$ 17,780
1.6 Submit Monthly Invoices	4		8					12	\$ 2,932	\$ 140						\$140	\$ 3,072
<b>Task 1 Subtotal</b>	<b>23</b>	<b>19</b>	<b>54</b>	<b>34</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>\$ 33,206</b>	<b>\$ 1,755</b>						<b>\$1,995</b>	<b>\$ 36,201</b>
<b>Task 2: 50% Design</b>																	
3.1 Prepare Plans and Specs to 50% Design Level	4	18	26	35	119	220	22	443	\$ 70,311	\$ 5,184				\$ 15,000		\$20,184	\$ 90,495
3.2 50% Design Submittal	1		4	4	16	8		35	\$ 5,851	\$ 410		1	\$ 30	\$ 1,500		\$1,940	\$ 7,791
3.3 50% Design Review Meeting	4	4	6	8	8			32	\$ 6,510	\$ 374		2	\$ 30			\$434	\$ 6,944
3.4 Class 3 Cost Estimate	1		1	4	12			18	\$ 3,187	\$ 211						\$211	\$ 3,398
<b>Task 2 Subtotal</b>	<b>10</b>	<b>22</b>	<b>37</b>	<b>51</b>	<b>155</b>	<b>228</b>	<b>26</b>	<b>528</b>	<b>\$ 85,859</b>	<b>\$ 6,178</b>						<b>\$22,768</b>	<b>\$ 108,627</b>
<b>Task 3: 85% Design</b>																	
4.1 Prepare Plans and Specs to 85% Design Level	2	26	40	53	178	329	33	661	\$ 104,375	\$ 7,729						\$7,729	\$ 112,103
4.2 Front End Document Review and Comment	2		24	24			8	58	\$ 11,594	\$ 679						\$679	\$ 12,273
4.3 85% Submittal Preparation	1		4	4	16	8		35	\$ 5,851	\$ 410		1	\$ 30	\$ 1,500		\$1,940	\$ 7,791
4.4 85% Design Review Meeting	4		4	8	8		2	26	\$ 5,054	\$ 304		2	\$ 30			\$384	\$ 5,418
4.5 Class 2 Cost Estimates	1		1	4	12			18	\$ 3,187	\$ 211						\$211	\$ 3,398
<b>Task 3 Subtotal</b>	<b>10</b>	<b>26</b>	<b>73</b>	<b>93</b>	<b>214</b>	<b>337</b>	<b>45</b>	<b>798</b>	<b>\$ 130,081</b>	<b>\$ 9,331</b>						<b>\$10,921</b>	<b>\$ 140,982</b>
<b>Task 4: 100% Design</b>																	
5.1 Prepare Plans and Specs to 100% Design	2	11	16	22	74	137	14	276	\$ 43,808	\$ 3,234						\$3,234	\$ 47,042
5.2 Control System Subcontractor Pre-qualification	4			24				36	\$ 6,620	\$ 421						\$421	\$ 7,041
5.3 Arc-Flash Coordination	2			16				18	\$ 3,650	\$ 211						\$211	\$ 3,861
5.4 100% Design Submittal	1		4	8	16	8	4	41	\$ 6,845	\$ 480		1	\$ 30	\$ 1,500		\$2,010	\$ 8,855
5.5 100% Design Review Meeting	4		4	8	8		2	26	\$ 5,054	\$ 304		2	\$ 30			\$384	\$ 5,418
5.6 Class 1 Cost Estimate	1		1	4	8			14	\$ 2,551	\$ 164						\$164	\$ 2,715
5.7 Final Submittal	1	2	4	8	16	40	8	79	\$ 12,259	\$ 924			\$ 700	\$ 1,950		\$2,774	\$ 15,033
<b>Task 4 Subtotal</b>	<b>15</b>	<b>13</b>	<b>29</b>	<b>90</b>	<b>122</b>	<b>185</b>	<b>36</b>	<b>490</b>	<b>\$ 80,767</b>	<b>\$ 5,735</b>						<b>\$9,178</b>	<b>\$ 89,955</b>
<b>Task 5: Control Philosophy / Programming</b>																	
6.1 Prepare Detailed Control Description	2		24	16	24			66	\$ 12,988	\$ 772						\$772	\$ 13,758
6.2 Attend Meeting with Agency to Discuss Control	4		4	4				12	\$ 2,768	\$ 140		1	\$ 30			\$170	\$ 2,958
6.3 Develop Control Programming Scope	1		4	16	12		2	35	\$ 6,423	\$ 410						\$410	\$ 6,833
<b>Task 5 Subtotal</b>	<b>7</b>	<b>0</b>	<b>32</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>2</b>	<b>113</b>	<b>\$ 22,197</b>	<b>\$ 1,322</b>						<b>\$1,352</b>	<b>\$ 23,549</b>
<b>NOT TO EXCEED TOTAL</b>	<b>65</b>	<b>60</b>	<b>225</b>	<b>304</b>	<b>546</b>	<b>750</b>	<b>108</b>	<b>2079</b>	<b>\$ 382,110</b>	<b>\$ 24,324</b>						<b>\$46,214</b>	<b>\$398,324</b>

# RP-1 Disinfection Improvements Consultant Task Order Amendment Project No. EN11039

## Board Meeting





# Regional Water Recycling Plant No. 1 Project Location



# Project Background

- RP-1 disinfection system is in poor condition and lacks redundancy
- Chlorination before filtration is inefficient
- The system has limited control from SCADA (Supervisory Control and Data Acquisition)
- The sedimentation basin has operational deficiencies



Bleach Loop Pumps

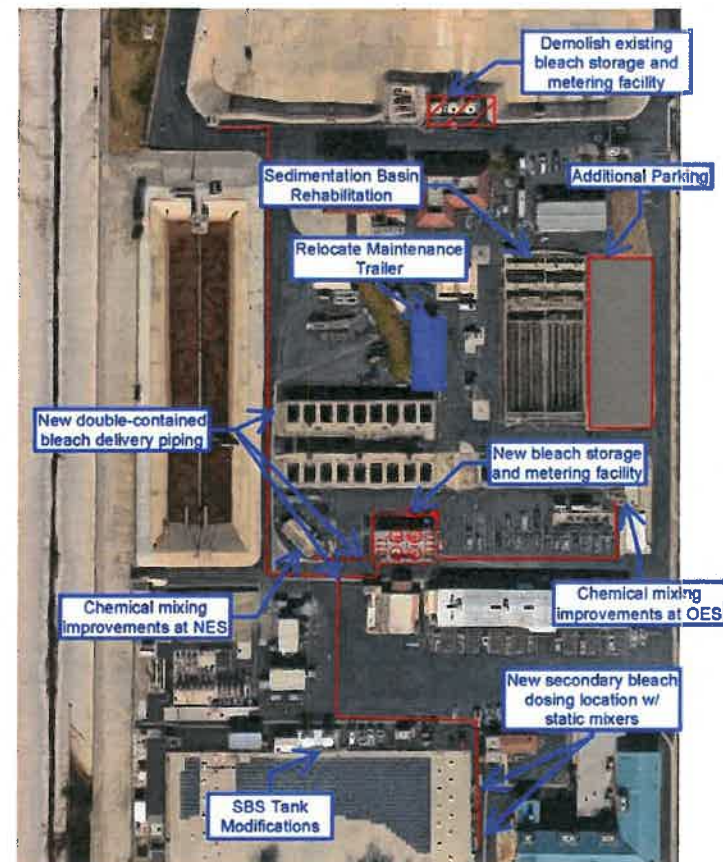


Sedimentation Basins



# Project Scope

- Relocate the disinfection storage system
- Replace disinfection pipelines
- Rehabilitate the sedimentation system
- Provide reliability improvements related to the disinfection system



# Project Budget and Schedule

Milestone	Date
Project Development and Preliminary Design	\$212,000
Consultant Engineer	\$398,324
Design Services (~5%)	\$172,000
Construction Services (~15%)	\$570,000
Construction	\$3,800,000
Contingency (~10%)	\$380,000
	<b>Total Project Cost</b>
	\$5,532,324
	<b>Total Project Budget</b>
	\$1,288,300*

*\*The total project budget will be amended during the Ten-Year Capital Improvement Plan process to account for additional scope identified.*

Milestone	Date
Consultant Contract Award	March 2017
Design Completion	November 2017
Construction Contract Award	January 2018
Construction Completion	October 2018

# Recommendation

- Approve a consultant task order amendment for the RP-1 Disinfection Improvements, Project No. EN11039, to Carollo Engineers, Inc., for the not-to-exceed amount of \$398,324; and
- Authorize the General Manager to execute the amendment.


The RP-1, TP-1 Disinfection Improvements Project, is consistent with *IEUA's Business Goal of Wastewater Management* specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.


**ACTION  
ITEM**

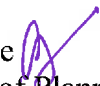
**3A**

Date: March 15, 2017

To: The Honorable Board of Directors

From: P. Joseph Grindstaff   
General Manager

Submitted by: <sup>407</sup>Chris Berch   
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee   
Manager of Planning & Environmental Resources

Subject: Chino Basin Storage Programmatic Environmental Impact Report (PEIR)  
Addendum

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## **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Adopt Addendum No. 1 to the Optimum Basin Management Program; and
2. Authorize the General Manager to finalize and file the Notice of Determination (NOD) with the San Bernardino County Clerk of the Board.

## **BACKGROUND**

The Chino Basin Optimum Basin Management Program (OBMP) and the Peace Agreement were completed in 1999 and 2000, respectively. The purpose of the Peace Agreement was to implement the OBMP. The OBMP and the Peace Agreement were reviewed in a programmatic environmental Impact report 1 (PEIR) completed by the Inland Empire Utilities Agency (IEUA) in July 2000. Shortly thereafter a Subsequent Environmental Impact Report (SEIR) was completed in 2010 for the implementation of the OBMP. The document evaluated the effect of 500,000 acre-feet (AF) of water in storage accounts plus carryover within the Chino Basin. Subsequent investigations were undertaken in 2007 and almost continuously since 2011 that demonstrate that the stored water plus carryover has increased and will exceed the 500,000 (AF) volume threshold analyzed in these documents. Present analyses demonstrate that, accounting for the water resources management activities and conditions

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<sup>1</sup> *Optimum Basin Management Program Programmatic Environmental Impact Report*, July 2000. Prepared by IEUA by Tom Dodson and Associates. The document can be found here: <https://www.ieua.org/referenced-documents/>.



within the Basin since the time of prior analysis, storage in Chino Basin by parties and also by others as part of a conjunctive use program can exceed 500,000 AF without causing any new significant effects to the basin or a party to the Judgment.

Given existing and expected water resources management activities, the volume of stored water and carryover by the Chino Basin parties will exceed the 500,000 AF limit established in the Peace Agreement. The allowed storage thus needs to be increased. In anticipation of such exceedance to occur within the end of Fiscal Year 2016-17, and considering the approved Dry Year Yield Agreement with MWD which allows that agency to store up to 25,000 AF per year in Chino Basin, the Chino Basin parties and Chino Basin Watermaster have recommended that the amount by which the original 500,000 AF volume can be exceeded be the subject of environmental analysis in light of the conclusions of the 2000 OBMP PEIR.

IEUA retained the services of Tom Dodson and Associates (TDA) to complete this analysis. The associated cost for the task order with TDA is \$9,000. Chino Basin Watermaster similarly retained the services of Wildermuth Environmental, Inc. (WEI) to complete the technical analysis of exceeding the 500,000 AF of identified storage in the Chino Basin. The associated task order for WEI with Chino Basin Watermaster is \$30,000. The costs are shared equally between Chino Basin Watermaster and IEUA.

The technical and environmental analyses concluded that no substantial changes in the project or new information of substantial importance will result from the temporary increase of Safe Storage Capacity of the Chino Groundwater Basin from 500,000 AF to 600,000 AF than previously described in the 2000 PEIR. There are no new significant impacts that will result from the temporary increase in storage conditions, based on continued implementation of all the mitigation measure commitments identified in the 2000 PEIR and subsequent IEUA environmental documents. An addendum to the 2000 PEIR is thus appropriate as no substantial changes or new information of substantial importance has been added to the project. (Pub. Res. Code § 21166; 14 Cal. Code Regs. § 15162(a); *Citizens Against Airport Pollution v. City of San Jose* (2014) 227 Cal.App.4th 788, 812 [holding an agency's decision to prepare an addendum to a master plan EIR was appropriate where reasonable assumptions and expert opinion supported by facts found that no new significant impacts would occur from changes to the master plan].)

The Addendum provides an update to the Optimum Basin Management Program through the following modification to the original PEIR: a temporary increase in the Safe Storage Capacity of the Chino Groundwater Basin from 500,000 AF to 600,000 AF for the period of July 1, 2017 through June 30, 2021. This modification to Safe Storage Capacity will not require construction of any new facilities. And through its existing authority, Chino Basin Watermaster can control the volume of groundwater stored in the Chino Groundwater Basin to ensure this value is not permanently exceeded without additional environmental evaluation.

The project meets IEUA's adopted Business goals for *Water Reliability* by promoting sustainable water use throughout the region by enhancing opportunities to increase groundwater storage.



On July 12, 2000, the IEUA Board of Directors approved the Program Environmental Impact Report for the Optimum Basin Management Plan.

**IMPACT ON BUDGET**

There is no direct impact on the budget.

Attachments:

- Addendum No. 1 to the Optimum Basin Management Program Project

**ADDENDUM NO. 1**

**TO THE**

**OPTIMUM BASIN MANAGEMENT PROGRAM**

**PROJECT (SCH#200041047)**

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Prepared for:

**Inland Empire Utilities Agency**  
6075 Kimball Avenue  
Chino, California 91708  
(909) 993-1600

Prepared by:

**Tom Dodson & Associates**  
2150 North Arrowhead Avenue  
San Bernardino, California 92405  
(909) 882-3612

**Original Environmental Impact Report Certified: July 20, 2000**  
**Addendum Compilation Completed: March 2017**

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I.	PROJECT INFORMATION.....	1
II.	PROJECT DESCRIPTION .....	1
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VI.	REVIEW AUTHORITY .....	17
VII.	CERTIFICATION.....	17

### FIGURES

- Figure 1      Chino Basin Area  
Figure 2      Historical and Expected Range of Total Storage, Basin Groundwater,  
                    Local Storage Account Water Plus Carryover Water

### ATTACHMENTS

- Attachment 1 – WEI Final Technical Memorandum - Technical support to temporarily increase  
Safe Storage Capacity from 500,000 AF to 600,000 AF

**ADDENDUM NO. 1  
TO THE  
OPTIMUM BASIN MANAGEMENT PROGRAM  
PROJECT (SCH#200041047)**

**I. PROJECT INFORMATION**

1. Project Title: Addendum No. 1 to the Optimum Basin Management Program  
Program Environmental Impact Report
2. Lead Agency Name: Inland Empire Utilities Agency  
Address: 6075 Kimball Avenue  
Chino, California, 91708
3. Contact Person: Ms. Sylvie Lee  
Phone Number: (909) 993-1600
4. Project Location:

This Addendum addresses the modifications to the Optimum Basin Management Program (OBMP)—which encompasses the Chino Groundwater Basin—Safe Storage Capacity. The Basin is located primarily in San Bernardino County, with a lesser portion of the project area overlying Riverside County and a very small section located in eastern Los Angeles County. Figure 1 depicts the Chino Basin (Basin) adjudicated boundaries relative to USGS 7.5 Minute Series Quadrangles. Chino Basin is bounded:

- On the north by the San Gabriel mountains and the Cucamonga Basin;
- On the east by the Rialto-Colton Basin, Jurupa Hills, and Pedley Hills;
- On the south by the La Sierra area, the Santa Ana River and the Temescal Basin; and
- On the west by the Chino Hills, Puente Hills, and the Pomona and Claremont Basins.

The principal drainage course for the Basin is the Santa Ana River. It flows 69 miles across the Santa Ana Watershed from its origin in the San Bernardino Mountains to the Pacific Ocean. The Santa Ana River enters the Basin at the Riverside Narrows and flows along the southern boundary to the Prado Flood Control Reservoir where it is eventually discharged through the outlet at Prado Dam into Orange County.

**II. PROJECT DESCRIPTION**

**A. Introduction**

This document is prepared as an Addendum to the Program Environmental Impact Report (PEIR) adopted by Inland Empire Utilities Agency (IEUA or Agency) in July 2000 (SCH#200041047). In July of 2000, IEUA serving as the lead agency representing the Chino Basin Watermaster (Watermaster, which is governed by a nine-member Board) prepared the PEIR. The PEIR analyzed the environmental effects of implementing the Optimum Basin Management Program, which set forth a program to manage the Chino Groundwater Basin in order to administer water-usage for the long-term beneficial use of all stakeholder members of the Watermaster. By mutual agreement and pursuant to Court Order, IEUA has also agreed to

serve as the California Environmental Quality Act (CEQA) lead agency for this Addendum to the 2000 PEIR. Refer to Court Order dated November 1999, page 2.

Fundamentally, the purpose of this Addendum is to address a proposal by Watermaster for a temporary increase in the Safe Storage Capacity from 500,000 AF to 600,000 AF for the period of July 1, 2017 through June 30, 2021. This temporary increase will be accommodated within the existing infrastructure. The reasons for seeking this short-term increase (4 years) in Safe Storage Capacity include the following:

- Recent water supply management actions of the Chino Basin Parties and technical investigations have demonstrated that the Local Storage Water<sup>1</sup> plus Carryover Water<sup>2</sup> will exceed the 500,000 AF Safe Storage Capacity established in the Peace Agreement. The 500,000 AF of safe storage was defined in the OBMP PEIR and Peace Agreement based on a finding of no material physical injury in the Basin or a party to the Judgment at this volume of storage;
- Current water in storage in the Basin is estimated to be approximately 487,000 AF and the Watermaster seeks some flexibility to store water in the Basin above the identified 500,000 AF Safe Storage Capacity to maintain operational flexibility in the Basin until a comprehensive re-evaluation of the Safe Storage Capacity value/concept can be completed before June 30, 2021;
- Recent modeling by Wildermuth Environmental, Inc. (WEI) indicates that no material physical injury will occur with storage of up to 600,000 AF in the Basin; and
- A detailed review (prepared by WEI and included as Attachment 1 to this Addendum) of storage activities in the Basin since the OBMP was adopted and the Peace Agreement approved by stakeholders (2000) indicates that an additional 100,000 AF beyond the current 500,000 AF Safe Storage Capacity can be stored in the Basin and overall storage can still be managed within the storage range of the Basin (low of 5,300,000 AF to a high of 5,800,000 AF) used to establish the 500,000 AF Safe Storage Capacity in 2000.

For the preceding reasons Watermaster is seeking a short-term change in the Safe Storage Capacity value and based on the findings in this document, including Attachment 1, the appropriate CEQA environmental determination for this proposed action is the adoption of an Addendum. The following additional background information is provided to assist the reviewer to understand the rationale for this proposed action at this time. Most of the information that is presented in the immediately following text is abstracted from Attachment 1.

## **B. Background**

Production and storage rights in the Chino Basin are defined in a Stipulated Judgment<sup>3</sup> (Judgment) entered in 1978. Since that time, the Basin has been sustainably managed, as required by the Judgment, under the direction of a court-appointed Watermaster. The Judgment

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<sup>1</sup> See definition in Peace Agreement located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

<sup>2</sup> See Exhibits G and H of the Chino Basin Judgment located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

<sup>3</sup> Chino Basin Municipal Water District vs. the City of Chino et al. [SBSC Case No. RCV 51010]. The Judgment and supporting documents are located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

ment declares the Safe Yield of the Chino Basin to be 140,000 AFY, which is allocated among three pools of right holders as follows:

- Overlying agricultural pool 82,800 AFY
- Overlying non-agricultural pool 7,366 AFY
- Appropriative pool 49,834 AFY

A fundamental premise of the Judgment is that all Chino Basin Parties are allowed to produce sufficient water from the Basin to meet their requirements. To the extent that production by a party exceeds its share of the safe yield, assessments are levied by Watermaster to replace that overproduction. The Judgment recognizes that there exists a substantial amount of available unused groundwater storage space in the Chino Basin that can be utilized for storage and the conjunctive-use of supplemental and Basin waters, makes utilization of this storage subject to Watermaster control and regulation, and provides that any person or public entity, whether or not a party to the Judgment, may make reasonable beneficial use of the available storage, provided that no such use shall be made except pursuant to a written storage agreement with Watermaster. It is through the control over written storage agreements that the Watermaster integrates storage with all other water production/management activities, including the Safe Storage Capacity established in the OBMP and Peace Agreement.

The OBMP storage management program consists of managing groundwater production, replenishment, recharge, and storage such that the total storage within the Basin would range from a low of 5,300,000 AF to a high of 5,800,000 AF. The following definitions are included in the OBMP Implementation Plan:

- **Operational Storage Requirement** – The Operational Storage Requirement is the storage or volume in the Chino Basin that is necessary to maintain safe yield. [Author’s note: This is an average value with the storage oscillating around this value due to dry and wet periods in precipitation. The Operational Storage Requirement was estimated in the development of the OBMP to be about 5.3 million AF. This storage value was set at the estimated storage in the basin in 1997.<sup>4</sup>]
- **Safe Storage** – Safe Storage is an estimate of the maximum storage in the Basin that will not cause significant water-quality and high-groundwater related problems. [WEI note: Safe storage was estimated in the development of OBMP to be about 5.8 million AF.]
- **Safe Storage Capacity** – Safe Storage Capacity is the difference between the Safe Storage and the Operational Storage Requirement. The allocation and use of storage space in excess of the Safe Storage Capacity will preemptively require mitigation; that is, mitigation must be defined and resources committed to mitigation prior to allocation and use.

Safe Storage is equal to the Operational Storage Requirement plus the Safe Storage Capacity. The Safe Storage Capacity was estimated during the development of the OBMP to be equal to the calculated decline in storage (400,000 AF) during the base period (1965 through 1974) used to estimate the safe yield<sup>5</sup> in the Judgment plus an assumed additional decline in storage since

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<sup>4</sup> Ibid, page 2-11

<sup>5</sup> Ibid, page 2-28 and Table 2-13

1974 (100,000 AF). The assumption underlying this definition was that it is safe to store water in storage space that was recently used in the past.

Water occupying the Safe Storage Capacity includes Local Storage Account Water, Carryover Water, and water that was anticipated to be stored in future groundwater storage programs. If groundwater storage exceeded 5,800,000 AF, mitigation would be required to operate the basin at those high storage levels. Watermaster extended the historical groundwater modeling work through September 30, 2016 to comply with the Sustainable Groundwater Management Act<sup>6</sup> and used the updated groundwater model to complete other investigations required by the Peace Agreement. A draft report that documents this new work will be available in Spring 2017.<sup>7</sup> Figure 2 shows the estimated time-series of historical and projected total water in storage, the Judgment Parties' Local Storage Water plus Carryover Water and basin groundwater based on the work performed for this report. The conclusions of this report related to storage management include the following:

- The total storage is projected to gradually increase from about 5,594,000 AF in 2016 to about 5,628,000 in 2024 and decline thereafter to 4,927,000 AF in 2050.
- The Local Storage Account Water plus Carryover Water is projected to increase from 487,000 AF in 2016 to about 663,000 AF by 2030 and decline thereafter to zero AF by 2051. Water in storage is projected to be removed from storage to meet future replenishment obligations.
- With the exception of the first eight years in the OBMP era, the total storage is always less than the Safe Storage limit of 5,800,000 AF.
- The total storage is projected to fall below the Operational Storage Requirement of 5,300,000 AF in approximately 2041.

Based on Wildermuth's findings (Attachment 1), maximum expected amount of Local Storage Account Water plus Carryover Water will range between 643,000 AF without the implementation of the 2013 RMPU projects to about 707,000 AF with implementation of the 2013 RMPU projects, and in both cases, Hydraulic Control is maintained. This increase in storage is due to the projects put forth in the RMPU, which would allow for greater groundwater recharge within the Chino Basin. Additionally, the Watermaster and IEUA have an agreement with the Metropolitan Water District of Southern California (MWDSC) to enable MWDSC to store up to 100,000 AF of water in the Basin for subsequent recovery during periods of imported water shortage. Based on this new information, IEUA, on behalf of the Watermaster has concluded that the Safe Storage Capacity could be reset to at least 600,000 AF without physical material injury and loss of hydraulic control of the Basin. Hydraulic control is the elimination of groundwater discharge from the Chino North Management Zone to the Santa Ana or its reduction to less than 1,000 AFY; this is a goal of the OBMP with the intent of maintaining safe yield of the Basin. This determination was made through updating the hydrogeologic conceptual model of the basin, updating historical hydrology, updating and recalibrating

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<sup>6</sup> The official website for the SGMA is located here: <http://groundwater.ca.gov>. The SGMA compliance requirements for adjudicated basins is described in Water Code Section 10720.8 and can be found starting on page 13 of: <http://groundwater.ca.gov/docs/2014%20Sustainable%20Groundwater%20Management%20Legislation%20with%202015%20amends%201-15-2016.pdf>.

<sup>7</sup> *Draft 2017 Balance of Recharge and Discharge, Material Physical Injury Analysis of the 2013 Recharge Master Plan Facilities, and Cumulative Effect of Transfers*. February 2017. Prepared for the Chino Basin Watermaster by Wildermuth Environmental.

numerical models that simulate the surface and groundwater hydrology of the Chino Basin area, and projecting the surface and groundwater response of the basin to future management plans that included storage management.

Since adoption of the OBMP, the following facilities have been installed or are now being utilized within the Chino Basin in support of groundwater management: 19 groundwater recharge basins (some dedicated specifically to recharge and some shared with flood control activities); several turnouts from imported water feeder lines that can deliver imported water for groundwater recharge; the Chino Basin Desalter Authority now operates two desalters and approximately 20 wells in support of the OBMP; wastewater treatment levels have been upgraded to tertiary treatment and the recycled water produced by these reclamation plants can now be delivered through pipelines that extend throughout the Chino Basin for direct use and groundwater recharge; and Hydraulic Control has been established within the basin, while minimizing land subsidence in the southwestern portion of the Chino Basin and minimizing adverse impacts to Prado Basin wetland/riparian habitat

### **C. Proposed Action**

The Watermaster and IEUA propose a temporary change in the Safe Storage Capacity increasing it from 500,000 AF to 600,000 AF for the period July 1, 2017 through June 30, 2021. The maximum recharge per year will be determined by the Watermaster and individual parties until the storage amount of 600,000 AF has been utilized, or a new permanent Safe Storage Capacity is established by subsequent review and approval. This temporary increase in Safe Storage Capacity has been shown not to cause material physical injury and loss of hydraulic control (refer to the Peace Agreement for the definition of these terms), and it will provide Watermaster time to develop a new storage management plan and agreements to implement it. Specifically, temporary increase in Safe Storage Capacity and the increase in the amount of Local Storage Account Water and Carryover Water within the Safe Storage Capacity will not result in any new significant or more severe environmental impacts than identified in the OBMP PEIR, which will be discussed further in the supporting text below.

Another key finding is that no additional infrastructure or changes in water resource management activities is required to store the additional water. The infrastructure for delivery and recharge of additional stormwater, imported water, or recycled water into the Chino Groundwater Basin is already in place. In addition, the management controls over the “where and when” of storing an additional approximate 100,000 AF (113,000 AF net relative to current groundwater in storage) in the Chino Basin is also in place. Thus, the only physical impacts on the environment will be the additional water being recharged and the effects of the additional groundwater in storage, which will be less than significant.

After considering the available options for complying with the California Environmental Quality Act (CEQA) regarding this reset of the Safe Storage Capacity to at least 600,000 AF, an increase from the 500,000 AF amount identified in the 2000 OBMP PEIR, IEUA concluded that compiling an Addendum to the 2000 PEIR would be the most appropriate way to comply with CEQA. The documentation in this Addendum, combined with the adopted 2000 PEIR will serve as the basis for this second-tier environmental review of IEUA’s proposed increase in Safe Storage Capacity of the Chino Groundwater Basin from 500,000 AF to 600,000 AF for the period July 1, 2017 through June 30, 2021 based on the available new data, as part of the OBMP Project. A number of subsequent environmental documents have been prepared since 2000 that augment the OBMP PEIR (Facilities Management Master Plans PEIR; Dry Year Yield Mitigated Negative Declaration; and the Peace II Subsequent EIR), but because the Safe



Storage Capacity was established within the OBMP PEIR, this Addendum is referenced specifically to that document.

Pursuant to the provisions of CEQA and State and local CEQA Guidelines, IEUA will serve as the Lead Agency for the proposed modifications to the OBMP, which amends the Safe Storage Capacity of the Chino Groundwater Basin from 500,000 AF of storage to 600,000 AF of storage. As part of its decision-making process, IEUA is required to review and consider all potential environmental effects that could result from modifying the original project. IEUA has compiled this Addendum as the basis for making a new CEQA determination for this modification to the originally approved project.

#### **D. Background Summary**

Pursuant to CEQA and the State CEQA Guidelines, this Addendum has been prepared in order to determine whether the proposed increase in Safe Storage Capacity of the Chino Groundwater Basin from 500,000 AF to 600,000 AF for the period July 1, 2017 through June 30, 2021 based on the available new data, as part of the OBMP Project, would result in conditions that would require a subsequent environmental document to be prepared because of changes in circumstances affecting the project or new or additional adverse environmental impacts. This Addendum also reviews any new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time the PEIR was approved in 2000. This examination includes an analysis in accordance with the provisions of Sections 15164 and 15162 of the State CEQA Guidelines, which outline the criteria and procedures for preparing an Addendum and conducting a second-tier environmental evaluation based on a previous environmental document, in this case the 2000 PEIR.

### **III. CEQA REQUIREMENTS FOR AN ADDENDUM**

This Addendum has been prepared in accordance with the current CEQA Statutes and Guidelines for implementing CEQA. CEQA Section 15164 includes the following procedures for the preparation and use of an Addendum:

- (a) The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described any of the conditions in Section 15162 calling for the preparation of a subsequent EIR have occurred.
- (c) An addendum need not be circulated for public review, but can be included in or attached to the Final EIR or adopted negative declaration.
- (d) The decision-making body shall consider the addendum with the Final EIR or adopted negative declaration prior to making a decision on the project.
- (e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency's required findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.

If changes to a project or its circumstances occur or new information becomes available after certification of an EIR or MND, the lead agency may: (1) prepare a subsequent EIR if the criteria

of State CEQA Guidelines Section 15162(a) are met, (2) prepare a subsequent negative declaration, (3) prepare an addendum, or (4) prepare no further documentation. (State CEQA Guidelines Section 15162(b)) When only minor technical changes or additions to the approved Negative Declaration are necessary and none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred, CEQA allows the lead agency to prepare and adopt an addendum. (State CEQA Guidelines, Section 15164(b))

Under Section 15162, a subsequent EIR or negative declaration is required only when:

- (1) Substantial changes are proposed in the project which will require major revisions of the previous negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the negative declaration due to the involvement of any new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the negative declaration was adopted, shows any of the following:
  - (A) The project will have one or more significant effects not discussed in the previous negative declaration;
  - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
  - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternative; or
  - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Because, as set forth below, there are no new significant impacts associated with proposed temporary increase in Safe Storage Capacity of the Chino Groundwater Basin from 500,000 AF to 600,000 AF for the period July 1, 2017 through June 30, 2021 from what was analyzed in the OBMP PEIR, this Addendum meets the requirements under CEQA (*Silverado Modjeska Recreation & Park Dist. V. County of Orange* (2011) 197 Cal.App.4<sup>th</sup> 282, 305 ["[A] new EIR is not required" whenever "any new, arguably significant information or data" is proposed, "regardless of whether the information reveals environmental bad news." [Citation.] Rather, the Guidelines clarify that the new information justifying a subsequent EIR must be 'of substantial importance' and must show that the project will have significant effects not discussed in the previous EIR or negative declaration.' That '[s]ignificant effects not discussed in the previous EIR or negative declaration,' that [s]ignificant effects previously examined will be substantially

more severe' than stated in the prior review....'] (citing *Moss v. County of Humboldt* (2008) 162 Cal.App. 4<sup>th</sup> 1041, 1057-1058.)

#### IV. ENVIRONMENTAL ANALYSIS OF THE PROPOSED MODIFICATION

- a. *POTENTIAL TO DEGRADE: Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory?*

*Less than Significant Impact/No Changes or No New Information Requiring Preparation of an Additional Environmental Document.* IEUA approved the OBMP PEIR in 2000; however, starting in 2011, the Watermaster began the technical effort to redetermine safe yield, essentially reexamining the Basin, which led to a determination of increasing Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF for the period July 1, 2017 through June 30, 2021. Based on the data supporting this temporary increase in Safe Storage Capacity (Attachment 1), the proposed increase in Safe Storage Capacity of the Basin is not anticipated to have any adverse effect on biological or cultural resources within the scope of the original PEIR. The additional storage in the Basin will be conveyed through existing facilities—turn outs, recycled water deliveries, and stormwater capture, etc.—which will not further disturb any cultural or biological resources. Similarly, no new facilities are required to extract the stored water from the Chino Basin aquifer. Because the proposed modification to the Safe Storage Capacity will not have any greater effect on the physical environment than envisioned in the original environmental documentation (PEIR), and no further construction of new facilities is necessary for the implementation of this temporary increase in the Safe Storage Capacity of the Basin, the proposed modifications to the PEIR are not projected to cause any further impacts to biological or cultural resources that were not envisioned or discussed in the original PEIR.

The biological resources analysis is provided in Chapter 4.8 of the 2000 PEIR. Additional biological studies have been conducted to demonstrate that implementation of the OBMP would not harm regionally significant biological resources, such as Prado Basin. Under the original project, as described in the 2000 PEIR, implementation of the OBMP had some potential to impact biological resources; however, the severity of the impacts were considered dependent on the site(s) selected for supporting infrastructure and the amount of site disturbance required to install the infrastructure, wells, and facilities required to implement the OBMP. In order to assess these future projects, site-specific biological surveys were considered necessary as projects became better defined. As previously stated, the modifications put forth in this Addendum do not require any additional infrastructure to allow the increase in Safe Storage Capacity to occur, as the additional conveyance to the Basin will occur through existing facilities. Therefore, with implementation of mitigation identified in the PEIR—specifically the mitigation that limits the amount of water taken from the Prado Basin in order to protect the habitat of the least Bell's vireo—no new significant adverse biological resource impacts will result from the proposed modification of the Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF for the period July 1, 2017 through June 30, 2021, proposed as part of this Addendum than that which was originally proposed in the 2000 PEIR.

The cultural resources evaluation in the 2000 PEIR is provided in Chapter 4.14. Site-specific cultural studies have been conducted as necessary for the infrastructure installed from 2000 through the present. However, no new infrastructure is proposed to be implemented as part of

the expanded groundwater storage addressed in this Addendum. Under the original project, as described in the 2000 PEIR, any activities associated with the OBMP that required the excavation or movement of soil material at any location within the project area could have the potential to adversely affect cultural resources. As previously stated, the change to the OBMP to allow an increase in the Safe Storage Capacity of the Basin will not require any additional infrastructure as the conveyance to the Basin will occur through existing facilities—turn outs, recycled water deliveries, and stormwater capture, etc. Several mitigation measures were included in the cultural resources evaluation in the PEIR to ensure that impacts to any cultural resources were less than significant; a majority of the mitigation measures under this issue pertained to ground disturbance, and no ground disturbing activities are proposed as part of this Addendum. Thus, based on the data in the PEIR, and the scope of the modified project, no new significant adverse cultural resource impacts will result from the proposed modification of the Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF for the period July 1, 2017 through June 30, 2021, proposed as part of this Addendum, than that which was originally proposed in the 2000 PEIR.

In conclusion, relative to the biological and cultural impacts forecast in the PEIR, no significant adverse changes or impacts are forecast to occur in approving this Addendum and implementing the proposed temporary increase in the Safe Storage Capacity of the Basin than that which was approved in the original PEIR. No further mitigation is required to support the implementation of the proposed project temporary modifications.

b) *CUMULATIVE IMPACTS: Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when reviewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future project.)*

Aesthetics and Visual Resources: Aesthetics and visual resource issues are discussed in Chapter 4.15 of the PEIR. According to the PEIR, the main issue of concern to aesthetics and visual resources were related to the alterations in the existing visual character of the visual setting within the project area, or views to external areas that may be impacted from implementing the OBMP. New construction had the potential to conflict with views of and from existing neighborhoods and structures. The proposed temporary increase in Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF will not include any new construction, as existing facilities will be used to convey any additional water to the Basin. Thus, any aesthetic impacts from the temporary increase in Safe Storage Capacity will remain consistent with the projected changes in the 2000 PEIR, which evaluated the aesthetic effects of the projects and facilities to be constructed as part of the Program. The proposed modifications, as stated above, will not require implementation of any aesthetics mitigation measures because the physical environment will remain effectively unchanged. Thus, implementation of the temporary increase in Safe Storage Capacity in the Basin is not forecast to negatively alter any aesthetic or visual impacts and no cumulatively considerable impacts will result from the modified project.

Agricultural Resources: Agricultural resources are discussed under land use in Chapter 4.2 of the PEIR. The Chino Groundwater Basin contained and still contains very significant agricultural resources, and the PEIR identified mitigation measures to ensure that much of the agricultural land within the Basin was protected from development as a result of OBMP projects. Implementation of the temporary increase in Safe Storage Capacity will not affect any agricultural resources. According to the PEIR, recharge basins are located in the upper to middle portion of the Chino Basin because the water in the lower basin would be difficult to capture due to poor water quality—mostly due to agricultural activities—thus, recharged water in

the lower portion of the Basin could only be made available through treatment (desalting). The Chino Desalter is now located in the lower Basin and it treats water with high total dissolved solids (TDS) and delivers this potable water to municipal water suppliers. As previously stated, the proposed modification to the Safe Storage Capacity will use existing facilities to convey water to the Basin, so no agricultural resources will be affected as a result of the modification put forth in this Addendum. Note that none OBMP project area contains any forest resources that could be impacted by the proposed modification to the Basin Safe Storage Capacity. Therefore, no new cumulative adverse impacts to agricultural or forestry resources can result from implementing the project modifications.

Air Quality: Air quality issues are discussed in Chapter 4.6 of the PEIR. The PEIR concluded that operation of the facilities identified in the OBMP have the potential to result in significant adverse air quality impacts at or near Buildout of the OBMP if operation of all of the systems was to occur at or near full capacity at the same time. However, mitigation was identified to minimize impacts to the greatest extent possible. That mitigation consists of installation by IEUA of extensive alternative sources of electrical and natural gas energy. Specifically, IEUA has installed several megawatts of solar energy; uses byproduct biogas to generate energy; has installed approximately one megawatt of wind energy facilities; constructed a new main office complex that was awarded LEED Platinum status; and has replaced energy consuming equipment throughout its service area with new equipment that reduces energy demand (energy conservation). Further, over the past 16 years the air quality within the South Coast Air Basin has improved relative to air quality in 2000. The proposed modification to the Safe Storage Capacity of the Basin will utilize existing facilities to convey additional water for storage in the Basin; however, the use of existing facilities and the extensive mitigation identified in the PEIR will ensure that no cumulative impacts adverse air quality impacts will result from the modified project. Note also that Greenhouse Gases (GHG) which were not an issue of concern in 2000, have been reduced within the Basin relative to what would exist through the implementation of the use energy conservation measures identified above and through reductions in imported water due to use of recycled water instead. Thus, the proposed action has no potential to cause cumulatively considerable air quality impacts and no further mitigation beyond that which was identified in the OBMP PEIR will be necessary to prevent a significant cumulative impact from occurring under this issue.

Hydrology and Water Quality: Hydrology and water quality issues are discussed in Chapter 4.5 of the PEIR. The PEIR concluded that implementation of the OBMP would have impacts on the Chino Basin water resources and water quality, but that these changes would either be beneficial or less than significant, i.e., not cumulatively considerable. These same conclusions were reached in the FMP PEIR, the Dry Year Yield Mitigated Negative Declaration, and the Peace II Subsequent EIR. Since the year 2000 when the OBMP and the OBMP PEIR were adopted, most of the facilities envisioned as needed to manage the Chino Groundwater Basin have been installed; groundwater in storage has effectively remained within the management storage range (between 5.3 MAF and 5.8 MAF) as documented in Attachment 1 even with a 5-year severe drought; hydraulic control of the Basin is in progress; the CDA is removing and treating up to 40 million gallons of groundwater per day that is high in Total Dissolved Solids; and the overall management of the Basin through the Watermaster and stakeholders has managed water quality and habitat protection within regulatory parameters. Extensive mitigation was identified to prevent recharging water to the Chino Basin groundwater aquifer from causing or contributing to any potential water resource/water quality related impacts. Through a combination of blending water sources, recharging at the correct locations, avoiding contaminated plumes and ensuring that recharge basin operations do not conflict with flood control operations and do not contribute to significant water quality degradation (both short- and long-

term), Safe Storage Capacity was not considered to cause significant unavoidable adverse hydrology or water quality impacts. Simply stated, no material physical injury has occurred to the various stakeholders located within the Chino Basin since 2000, which is consistent with the PEIR forecast in conjunction with implementation of the OBMP. The proposed short-term increase in the Basin's Safe Storage Capacity has been evaluated by WEI on behalf of the Watermaster and storage of up to 600,000 AF has been determined to not result in any material physical injury to Basin stakeholders. To be conservative and to remain within the historic management range for groundwater in storage (5.3 MAF and 5.8 MAF), the Watermaster has proposed modifying the short-term Safe Storage Capacity to 600,000 AF, from 500,000 AF. Based on the available data regarding the current state of the Basin (Attachment 1), by operating these facilities as they are currently managed and by implementing all applicable mitigation to protect the water quality of the Basin, the cumulative impact findings would remain effectively unchanged from temporarily increasing the Safe Storage Capacity in the Basin from 500,000 AF to 600,000 AF. The data compiled on behalf of the Watermaster supports a finding that this can be accomplished without material physical injury to any stakeholders. Therefore, no cumulatively considerable adverse impacts to hydrology and water quality characteristics of the Chino Groundwater Basin are forecast to result from implementing this modified, short-term Safe Storage Capacity value.

Land Use: Land use issues are discussed in Chapter 4.2 of the PEIR; please see the discussion under agricultural resources above. The PEIR concluded that implementation of the OBMP will result in direct physical change to existing land uses within the Basin; the potential environmental impacts from implementing the OBMP were divided into two categories: specific projects requiring construction, and indirect responsibility for future growth that could be assigned to OBMP implementation. The proposed temporary increase in the Safe Storage Capacity of the Basin will not result, directly or indirectly in future growth; the proposed modification will meet future, planned demand for water in the region in accordance with adopted General Plans of affected land use management agencies, and the additional storage in the Basin will provide storage for water during periods of drought. The PEIR identified mitigation that provided guidance for where OBMP projects should be implemented, and therefore do not pertain to the modification proposed in this Addendum because the proposed increase of the Safe Storage Capacity of the Basin will only utilize existing facilities to convey additional water for storage in the Basin. Thus, the proposed temporary modification of the Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF has no potential to substantially alter the finding of no cumulative impact in the 2000 PEIR regarding area land use.

Mineral Resource: Mineral resources are discussed in Chapter 4.4 under geologic resources / constraints in the PEIR. The potential impacts to mineral resources identified in the PEIR pertained to constructing new recharge basins or recharge wells (such as Aquifer Storage and Recovery, ASR, wells) in areas that would conflict with policies for retaining access to such mineral resources. No mitigation pertaining to mineral resources was identified in the PEIR, and no mitigation will be required as part of the modifications proposed as part of this Addendum. Because the proposed temporary increase in Safe Storage Capacity of the Basin does not involve any new construction than that which was envisioned in the OBMP, no potential exists to cumulatively impact mineral resources in the Basin. Therefore, the modified project has no potential to cumulatively affect mineral resources.

Noise: The noise issue is discussed in Chapter 4.11 of the PEIR. The evaluation of the noise in the PEIR was based on the project's potential to generate noise through implementation of specific projects that could cause short- and long-term changes in the noise environment surrounding the project area, such as pump stations. Another issue of concern was the

potential for the OBMP to contribute to the cumulative or general increase in noise that accompanies urban growth and development; however, based on the analysis in the PEIR, no potential existed for implementation of the OBMP to cause or contribute to significant adverse growth (growth inducement) in the Basin or cause a different future noise environment than what each local land use management agency has planned for. The temporary increase in Safe Storage Capacity of the Basin will not contribute to significant adverse growth in the region because, as previously stated, the extra storage will provide necessary water to customers in the Basin, especially during the current drought. The PEIR included several mitigation measures attenuating noise from any of the noise-generating facilities included as part of the OBMP. These mitigation measures have been effectively implemented when site specific facilities that generate noise have been implemented. Such mitigation will also prevent a cumulatively significant impact from occurring with any greater use that could occur as a result of transmitting additional storage water to the Basin as a result of the modifications set forth in this Addendum. Therefore, the proposed temporary increase in Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF, in annual increments as determined by the Watermaster as part of the Basin Management Plan, has no potential to cause cumulatively considerable noise impacts within the project area.

Population and Housing: The population and housing issues are discussed in Chapter 4.3 of the PEIR. The PEIR concluded that water does not serve as a constraint to growth within the Basin. Additionally, the OBMP does not represent a new supply of water to meet future expanded demands, but instead to more efficiently and effectively manages available water resources. The PEIR put forth one mitigation measure to ensure that if any specific projects displaced housing, short- and long- term housing would be made available to any affected persons; this does not apply to the modified project because it will rely upon existing facilities. Therefore, because water does not serve as a constraint to growth in the Basin, and the proposed temporary increase in the Safe Storage Capacity of the Basin will not represent a new supply of water, the modifications proposed as part of this Addendum have no potential to cumulatively effect population or housing within the project area.

Public Services/Recreation: The public services are discussed in Chapter 4.12 of the PEIR. Based on the analysis presented in the PEIR, implementation of the OBMP was not forecast to cause any direct or indirect significant adverse public service impacts with the implementation of one mitigation measure designed to prevent adverse impacts to law enforcement resources through requiring OBMP facilities to be constructed with fencing to prevent trespass. The main impact that could occur under this issue is if the project would cause a demand for a service to exceed a system's capacity. With one exception the proposed temporary increase in Safe Storage Capacity of the Basin would not cause a greater demand for any public services because the infrastructure is in place to convey the additional storage to the Basin. Further, depending on the source of the water in storage (imported water, carry over, etc.) the Watermaster will need to ensure that any additional conveyance of water would not overload any of the conveyance mechanisms and recharge facilities thereby exceeding the capacity of any system within the OBMP. However, over the years at certain recharge basin locations IEUA has learned that recharging groundwater at these basins near residential areas requires management of the basins to prevent creating nuisance conditions due to insect/vector breeding. IEUA has already committed to the management activities to control such vector issues at the pertinent locations, so there would be no additional adverse impact from increasing periods of recharge. Therefore, the modification proposed as part of this Addendum has no potential to cumulatively affect public services or recreation issues within the project area.

Transportation and Circulation: The transportation and circulation issues are discussed in Chapter 4.7 of the PEIR. According to the data compiled in the PEIR, implementation of the OBMP was not forecast to substantially increase the traffic load or alter the carrying capacity of street systems in the Basin area. Installation and construction of pipelines and the proposed desalters were forecast to cause short-term construction impacts to the existing circulation system, and mitigation measures were identified in the PEIR to ensure that these construction activities would not create a significant adverse impact. As previously stated, the proposed temporary increase in the Safe Storage Capacity of the Basin will use existing facilities to convey additional recharge to the Basin. Thus, with no construction that could impact the circulation system within the footprint of the Basin, the proposed temporary increase in Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF would have no potential to cause cumulatively considerable adverse effect on transportation/traffic issues.

Utilities and Service Systems: The utility issues are discussed in Chapter 4.13 of the PEIR. The PEIR concluded that implementation of the OBMP would not cause any direct or indirect significant adverse impacts with the implementation of several mitigation measures pertaining to the following issues: water supply, solid waste, wastewater, natural gas, and electricity. A significant majority of these mitigation measures addressed concerns with constructing new facilities as part of the OBMP, which is not applicable to the modification proposed as part of this Addendum because no new construction is proposed as part of the modified project. As previously stated, the PEIR determined that the OBMP would not contribute to future growth because it replaces existing sources of water and water resources management; and provision of future water was determined to be growth accommodating, not growth inducing. The temporary increase in Safe Storage Capacity of the Basin will not place greater demand on any utilities and service systems within the Basin (other than OBMP related facilities) because it will provide additional water supply and will accommodate future growth. The additional water will be conveyed to the Basin through existing facilities, which will cause a minor increase in electricity through greater use of pumps and facilities requiring electricity to transport water to the Basin; however, this increase is well within the parameters put forth in the PEIR. Therefore, the proposed project modification has no potential to cumulatively affect utilities and service systems within the project area.

In summary, when the proposed project effects are evaluated in the context of the OBMP PEIR as updated by data in Attachment1, implementation of the short-term change in the amount of groundwater that can be stored in the Chino Groundwater Basin will not cause any cumulative adverse effects on environmental resources.

c) *ADVERSE IMPACTS ON HUMANS: Does the project have environmental effects on human beings, either directly or indirectly?*

*Less Than Significant Impact/No Changes or New Information Requiring Preparation of an EIR.* Those project-related environmental resources or issues that pose a potential to have direct or indirect adverse effects on human beings include the following: air quality, geology and soils, hazards and hazardous materials, hydrology/water quality, and noise. The 2000 PEIR concluded that all but one of the above environmental issues would not experience any significant project specific or cumulative adverse environmental impacts to people. The PEIR indicated that a potentially significant air quality impact could occur, but not significant adverse cumulative air quality impact. Based on the analysis in support of this Addendum, implementation of the proposed modification of the Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF for the period July 1, 2017 through June 30, 2021 will not result in effects on humans any greater than identified in the 2000 PEIR. This is because the proposed project



modification will not involve the construction of additional facilities in order to facilitate the implementation of allowing an extra 100,000 AF of Safe Storage Capacity in the Basin. IEUA considers this temporary increase to be consistent with the OBMP management requirements as outlined in the OBMP PEIR and subsequent analyses provided in other supporting environmental documents. Substantiation for this conclusion is provided in the following text.

Air Quality: Please refer to the Air Quality discussion presented above. The PEIR concluded that operation of the facilities identified in the OBMP have the potential to result in significant adverse air quality impacts, however, the PEIR noted that in the future, efforts will be made to minimize impacts, and it may be possible to reduce impacts to less than significant levels. Adverse impacts could result at or near buildout of the OBMP. This would result from operation of all the systems at or near full capacity at the same time. Operation of the facilities necessary to convey the additional storage to the Basin as part of this temporary increase in Safe Storage Capacity of the Basin could result in a very minor increase in the consumption of electricity via energy consumption by motors at pump stations, but this increase is offset by IEUA solar, wind and biogas systems installed since adoption of the OBMP. However, this is only one component of the energy consumption associated with the OBMP, and therefore is considered to be within the parameters outlined in the worst case scenario analysis provided in the PEIR. In addition IEUA has installed several off-grid energy sources (solar, wind and biogas) and implemented energy conservation measures as mitigation that reduce and offset emissions associated with OBMP-related energy consumption. The PEIR concluded that no toxic emissions would be generated as part of the OBMP, and none will occur as a result of implementing the temporary increase in Safe Storage Capacity of the Basin because the conveyance of the additional water to be stored in the Basin will utilize existing facilities. When combined with the improvement of air quality conditions in the South Coast Air Basin since 2000, the modification to the OBMP as outlined in this Addendum is not anticipated to have any further air quality impacts on human being, directly or indirectly, as a result of the Project's implementation.

Geologic Resources/Constraints: Geologic Resources/Constraints are discussed in Chapter 4.4 of the PEIR. The geologic and soil resource impact evaluation in the PEIR indicated that implementing the OBMP could cause humans to be exposed to significant geotechnical impacts or constraints, but with mitigation no unavoidable adverse geologic or soil resource impacts would occur. The modification proposed as part of this Addendum requires operation of OBMP facilities to convey additional water for storage in the Basin. Groundwater modeling has shown that up to 600,000 AF of storage, issues such as high groundwater levels, subsidence issues, mobilization of existing contaminated groundwater plumes, liquefaction and earthquake damage will not result from the proposed project. Based on the historic management effectiveness of groundwater in the Chino Groundwater Basin, combined with OBMP mitigation, conveyance of additional water to the Basin as part of the proposed temporary increase in Safe Storage Capacity of the Basin, the potential geotechnical hazards, such as subsidence, liquefaction, and earthquake related issues would continue to remain below the significant impact threshold. Therefore, the modified project does not pose any exacerbated risk to humans from impacts related to geology and soils.

Hazards and Risk of Upset: Hazards and risk of upset are discussed in Chapter 4.10 of the PEIR. The PEIR concluded that it was possible to control or avoid potential health risk impacts by implementing identified mitigation measures. The PEIR provided measures to mitigate the following issues: chemical treatment of water produced by desalters for direct domestic use; accidental release of hazardous materials; recharge of recycled water to the groundwater aquifer; and recharging stormwater that could mobilize existing contaminated plumes of

groundwater. The temporary increase of Safe Storage Capacity in the Basin will facilitate conveyance of additional water to be stored in the Basin. As previously stated this conveyance will occur through existing infrastructure that is currently in operation—operating under the mitigation constraints set forth in the PEIR. Therefore, with implementation of mitigation measures designed to prevent hazards and risk of upset during the operation of OBMP facilities, the additional conveyance of water for storage will contribute to the temporary increase in Safe Storage Capacity of the Basin and will not result in significant adverse direct or indirect effects on humans.

Noise: Please refer to the noise discussion presented in the previous section. The evaluation of the noise issue in the PEIR was based on the project's potential to generate noise through implementation of specific projects that could cause short- and long-term changes in the noise environment surrounding the project area. No short-term noise would be generated from the modification proposed in this Addendum because no construction is proposed. Noise impacts from operation of OBMP facilities (pump operation, etc.) were considered less than significant with the implementation of several mitigation measures designed to attenuate noise to an acceptable level to nearby receptors. These measures have been implemented in conjunction with noise generating facilities installed in accordance with the OBMP. With these mitigation measures in place, and with the existing noise attenuating features of the OBMP facilities currently in operation, the use of these facilities to transmit additional storage water to the Basin would remain less than significant. Therefore, no additional significant adverse direct or indirect noise effect on humans will result from implementing the proposed modified project.

Hydrology and Water Quality: Please refer to the water resources/water quality discussion presented in the previous section. As previously stated, the PEIR indicated that the OBMP's ability to enhance and protect safe yield and water quality indicates that from the water resources and water quality standpoint, the cumulative effects of the program for the Basin as a whole will be beneficial, not adverse. The modification proposed as part of this Addendum will temporarily increase the Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF. The additional stored water will be conveyed to the Basin through existing infrastructure, which includes turn outs, recycled water deliveries, and stormwater capture, etc. The continued use of this infrastructure to convey additional stored water in increments, as determined by Watermaster as part of the Basin Management Plan, will not exacerbate the existing conditions at these facilities. The facilities are subject to the mitigation provided to prevent adverse impact to water resources and water quality and nuisance associated with vectors, and with continued implementation of these mitigation measures no new adverse direct or indirect impacts to humans will occur as a result of the temporary increase in Safe Storage Capacity of the Basin. The data provided in Attachment 1 quantifies the safety of the proposed temporary increase, and confirms that the Watermaster can maintain hydraulic control of the Basin with the implementation of this modification without material physical injury to any stakeholders or environmental resources.

Based on the above analysis, the implementation of the proposed modified project is not forecast to cause any significant direct or indirect impacts on humans. No major changes have occurred within the project environmental settings that would be affected by the modified project.

## **V. CONCLUSION**

The information presented in the 2000 PEIR—prepared for Inland Empire Utilities Agency on behalf of the Watermaster and Basin stakeholders—was used as a basis for the analysis in this

Addendum, updated with current information from sources cited, referenced, and attached. Upon review of the 2000 PEIR, the information and findings in this Addendum and all supporting evidence, it is the conclusion of this Addendum that the potential adverse environmental impacts from implementing the proposed project modifications, as described in the Project Description of this document, will not cause any new or more significant impacts to the environment than described in the 2000 PEIR and summarized in this Addendum. There are no new significant impacts that result from the proposed project modification, based on continuing to implement all of the mitigation measure commitments identified in the 2000 PEIR and subsequent IEUA environmental documents. This Addendum provides an update to the Optimum Basin Management Program through the following modification to the original PEIR: a temporary increase the Safe Storage Capacity of the Chino Groundwater Basin from 500,000 AF to 600,000 AF for the period of July 1, 2017 through June 30, 2021 between all agencies and parties until the storage amount of 600,000 AF has been utilized. Through its existing authority, Watermaster can control the volume of groundwater stored in the Chino Groundwater Basin to ensure this value is not permanently exceeded without additional environmental evaluation.

This Addendum provides Inland Empire Utilities Agency, Watermaster and stakeholders with new and updated information substantiating the conclusion that the proposed project modifications will not cause substantial physical changes to the environment that would require preparation and processing of a new negative declaration or a new environmental impact report. Such documentation would only be required due to the involvement of new significant environmental effects or substantial increase in the severity of previously identified significant effects from implementing the original project. The facts and findings cited above and provided in this Addendum allow IEUA, Watermaster and stakeholders to rely on an Addendum in accordance with Section 15164(b) of the State CEQA Guidelines for the modification of the OBMP through a temporary increase the Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF for the period of July 1, 2017 through June 30, 2021 until the capacity of up to 600,000 AF of total groundwater in storage has been utilized.

Pursuant to CEQA Section 15164, the PEIR adopted in 2000, as updated by this Addendum, can be relied upon for documentation of the effects on the environment of temporarily increasing the Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF for the period of July 1, 2017 through June 30, 2021 with until the capacity of up to 600,000 AF of total groundwater in storage has been utilized. Because the changes in this project do not exceed the thresholds outlined in Sections 15162 and 15164 of the State CEQA Guidelines, no further analysis of the environmental impacts of the project is required in a Supplemental/Subsequent EIR or MND. The proposed modified project does not substantially alter the conclusions contained in the PEIR as adopted by IEUA in 2000 or any subsequent environmental documentation. The analysis presented above of the modification to the adopted project justifies the issuance of an Addendum to IEUA's original 2000 PEIR.

This Addendum to the PEIR for the proposed temporary increase the Safe Storage Capacity of the Basin from 500,000 AF to 600,000 AF for the period of July 1, 2017 through June 30, 2021 includes the changes or additions necessary to make the adopted environmental document adequate under CEQA for the proposed project modifications. This Addendum incorporates the adopted 2000 PEIR, this document, and all staff reports and information submitted to the decision-makers regarding environmental issues affected by the proposed modified project. This Addendum is intended as a document containing additional information to provide decision makers and others, as appropriate, with an objective assessment of the potential environmental impacts associated with the implementation of the proposed project modification.

## **VI. REVIEW AUTHORITY**

IEUA serves as the CEQA lead agency for this project. See Court Order dated November 1999. It is recommended that an Addendum be adopted as the appropriate CEQA environmental determination for the proposed modification of the Optimum Basin Management Program to temporarily increase the Safe Storage Capacity of the Chino Groundwater Basin from 500,000 AF to 600,000 AF for the period of July 1, 2017 through June 30, 2021 until the capacity of up to 600,000 AF of total groundwater in storage has been utilized.

## **VII. CERTIFICATION**

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**ATTACHMENT 1**



## Final Technical Memorandum

To:	Peter Kavounas, General Manager of the Chino Basin Watermaster
From:	Mark Wildermuth
Date:	March 3, 2017
Subject:	Technical support to temporarily increase the Safe Storage Capacity from 500,000 AF to 600,000 AF
Job No.:	007-016-079

### Introduction

The Chino Basin Optimum Basin Management Program<sup>1</sup> (OBMP) and the Peace Agreement<sup>2</sup> were completed in 1999 and 2000, respectively. The operable features of the OBMP were incorporated into the OBMP Implementation Plan. The OBMP Implementation Plan is Exhibit B to the Peace Agreement. The Peace Agreement was reviewed in a programmatic environmental impact report<sup>3</sup> (PEIR), completed by the Inland Empire Utilities Agency (IEUA) in July 2000. The OBMP Implementation Plan contains a storage management plan that was developed to minimize the environmental impacts from groundwater storage programs. The storage management plan includes a block of storage space, referred to as the Safe Storage Capacity, for storage programs.

Recent water supply management actions of the Chino Basin Parties and technical investigations have demonstrated that the Local Storage Account Water<sup>4</sup> plus Carryover Water<sup>5</sup> will exceed the 500,000 AF Safe Storage Capacity established in the Peace Agreement and that there will be no Material Physical Injury<sup>6</sup> to the basin or a party to the Judgment due to this exceedance, provided that the mitigation mechanism for subsidence in Management Zone 1—also provided for in the OBMP Implementation Plan—continues to be implemented.

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<sup>1</sup> *Optimum Basin Management Program*. August 1999. Prepared for the Chino Basin Watermaster by Wildermuth Environmental, Inc. The report is located here:

[http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm).

<sup>2</sup> The Peace Agreement is located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

<sup>3</sup> *Optimum Basin Management Program Programmatic Environmental Impact Report*. July 2000. Prepared for IEUA by Tom Dodson and Associates. The document can be found here:

<https://www.ieua.org/referenced-documents/>.

<sup>4</sup> See definition in Peace Agreement located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

<sup>5</sup> See Exhibits G and H of the Chino Basin Judgment located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

<sup>6</sup> See definition in Peace Agreement located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

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This document describes:

- The storage management plan included in the Peace Agreement in 2000 and reviewed in the 2000 PEIR.
- The subsequent improvement in hydrogeologic knowledge.
- The storage management changes included in Peace II Agreement and reviewed in the 2010 SEIR.
- The actual utilization of storage space within the basin since 2000.
- A proposal for a temporary increase in the Safe Storage Capacity from 500,000 AF to 600,000 AF for the period of July 1, 2017 through June 30, 2021. During this period, Watermaster and the IEUA will develop a new storage management plan and the agreements to implement it.

### Storage Management Plan in the OBMP Implementation Plan

Figure 1 shows the location of the Chino Basin and some of the major hydrologic and management features of this area. The basin lies within the Counties of Los Angeles, San Bernardino, and Riverside; includes the Cities of Chino, Chino Hills, Eastvale, Fontana, Ontario, Pomona, Rancho Cucamonga, and Upland, as well as several other communities; and covers about 235 square miles.

The Chino Basin is an integral part of the regional and statewide water supply system. The Chino Basin is one of the largest groundwater basins in Southern California, containing about 5,700,000 AF of water in storage, and has an unused storage capacity of over 1,000,000 AF. Cities and other water supply entities produce groundwater for all or part of their municipal and industrial supplies. Agricultural users also produce groundwater from the basin. Irrigated agriculture has declined substantially in recent years and is projected to be almost nonexistent by 2030.

Production and storage rights in the Chino Basin are defined in a Stipulated Judgment<sup>7</sup> (Judgment) entered in 1978. Since that time, the basin has been sustainably managed, as required by the Judgment, under the direction of a court-appointed Watermaster. The Judgment declares the Safe Yield of the Chino Basin to be 140,000 AFY, which is allocated among three pools of right holders as follows:

- Overlying agricultural pool            82,800 AFY
- Overlying non-agricultural pool      7,366 AFY
- Appropriative pool                      49,834 AFY

A fundamental premise of the Judgment is that all Chino Basin Parties are allowed to produce sufficient water from the basin to meet their requirements. To the extent that production by a party exceeds its share of the Safe Yield<sup>8</sup>, assessments are

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<sup>7</sup> Chino Basin Municipal Water District vs. the City of Chino et al. [SBSC Case No. RCV 51010]. The Judgment and supporting documents are located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

<sup>8</sup> Safe Yield is defined in the Judgment as follows: as "The long term average annual quantity of ground water (excluding replenishment or stored water but including replenishment or stored water) which can



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levied by Watermaster to replace that overproduction. The Judgment recognizes that there exists a substantial amount of available unused groundwater storage space in the Chino Basin that can be utilized for storage and the conjunctive-use of supplemental and basin waters, makes the utilization of this storage subject to Watermaster control and regulation, and provides that any person or public entity, whether or not a party to the Judgment, may make reasonable beneficial use of the available storage, provided that no such use shall be made except pursuant to a written storage agreement with Watermaster.

The Judgment gives Watermaster the authority to develop an OBMP for the Chino Basin, including both water quantity and quality considerations. Watermaster, with direction from the court, began the development of the OBMP in 1998 and completed it in July 2000. The OBMP was developed in a public collaborative process that identified the needs and wants of all stakeholders, developed a set of management goals, identified impediments to those goals, and described a series of actions that could be taken to remove those impediments and achieve the goals.

The goals of the OBMP process include:

1. Enhance Basin Water Supplies
2. Protect and Enhance Water Quality
3. Enhance Management of the Basin
4. Equitably Finance the OBMP

As stated above, the Watermaster Parties identified the impediments to achieving these goals, actions to remove the impediments, and the implications of these actions. They grouped the actions into nine program elements for time-certain implementation. The technical work that defined the OBMP was completed in August 1999.<sup>9</sup>

Subsequently, the Watermaster Parties developed the Peace Agreement<sup>10</sup> to implement the OBMP. The OBMP Implementation Plan is included as an exhibit to the Peace Agreement. As noted above, the Peace Agreement was completed in June 2000, and a PEIR for the OBMP implementation was prepared and adopted by the IEUA in July 2000. The court approved the OBMP Implementation Plan and the Peace Agreement in October 2000.

The OBMP Implementation Plan consists of nine program elements or initiatives that contain the actions to remove the impediments to the OBMP goals and enable their achievement. These include:

- Program Element 1 – Develop and Implement Comprehensive Monitoring Program

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be produced from the basin under the cultural conditions of a particular year without causing an undesirable result.” (Restated Judgment §4(x))

<sup>9</sup> *Optimum Basin Management Program*. August 1999. Prepared for the Chino Basin Watermaster by Wildermuth Environmental, Inc. The report is located here: [http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm).

<sup>10</sup> The Peace Agreement is located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).



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- Program Element 2 – Develop and Implement Comprehensive Recharge Program
- Program Element 3 – Develop and Implement Water Supply Plan for the Impaired Areas of the Basin
- Program Element 4 – Develop and Implement Comprehensive Groundwater Management Plan for Management Zone 1
- Program Element 5 – Develop and Implement Regional Supplemental Water Program
- Program Element 6 – Develop and Implement Cooperative Programs with the Regional Water Quality Control Board, Santa Ana Region (Regional Board) and Other Agencies to Improve Basin Management
- Program Element 7 – Develop and Implement Salt Management Program
- Program Element 8 – Develop and Implement Groundwater Storage Management Program
- Program Element 9 – Develop and Implement Conjunctive-Use Programs

Each Program Element contains an implementation plan and schedule. The Parties to the Peace Agreement were bound to implement it and have done so under Court supervision.

Groundwater storage management was addressed in Program Elements 8 and 9. The implementation plan for these program elements is described in the OBMP Implementation Plan.

The OBMP storage management program consists of managing groundwater production, replenishment, recharge, and storage such that the total storage within the basin would range from a low of 5,300,000 AF to a high of 5,800,000 AF. The following definitions are included in the OBMP Implementation Plan:

- **Operational Storage Requirement** – The Operational Storage Requirement is the storage or volume in the Chino Basin that is necessary to maintain Safe Yield. [Author’s note: This is an average value with the storage oscillating around this value due to dry and wet periods in precipitation. The Operational Storage Requirement was estimated in the development of the OBMP to be about 5.3 million AF. This storage value was set at the estimated storage in the basin in 1997.<sup>11</sup>]
- **Safe Storage** – Safe Storage is an estimate of the maximum storage in the basin that will not cause significant water-quality and high-groundwater related problems. [Author’s note: Safe storage was estimated in the development of the OBMP to be about 5.8 million AF.]
- **Safe Storage Capacity** – Safe Storage Capacity is the difference between the Safe Storage and the Operational Storage Requirement. The allocation and use of storage space in excess of the Safe Storage Capacity will preemptively

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<sup>11</sup> Ibid, page 2-11

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require mitigation; that is, mitigation must be defined and resources committed to mitigation prior to allocation and use.

Safe Storage is equal to the Operational Storage Requirement plus the Safe Storage Capacity. The Safe Storage Capacity was estimated during the development of the OBMP to be equal to the calculated decline in storage (400,000 AF) during the base period (1965 through 1974) used to estimate the Safe Yield<sup>12</sup> in the Judgment plus an assumed additional decline in storage since 1974 (100,000 AF). The assumption underlying this definition was that it is safe to store water in storage space that was recently used in the past.

Water occupying the Safe Storage Capacity includes water in Local Storage Account Water, Carryover Water, and water that was anticipated to be stored in future groundwater storage programs.

### New Technical Information and Basin Management Efforts

Subsequent to the PEIR, Watermaster and the Judgment Parties developed revisions to the OBMP based on: new monitoring and borehole data collected since 1998, an improved hydrogeologic conceptualization of the basin, new numerical models that have improved the understanding of basin hydrology since 2000, and the need to expand the Chino Basin Desalters (desalters) to the 40,000 AFY of groundwater production required in the OBMP Implementation Plan. Concurrently, the IEUA and Watermaster worked with the Santa Ana Regional Water Quality Control Board (Regional Board) to revise the total dissolved solids (TDS) and nitrate objectives for the Chino North Management Zone<sup>13</sup> to enable the reuse of the IEUA's recycled water without desalting it for a period estimated to be at least 30 years and without impairing the beneficial use of Chino Basin groundwater. One of the Regional Board's conditions for raising the TDS and nitrate objectives was the achievement of Hydraulic Control.<sup>14</sup> Hydraulic control is the elimination of groundwater discharge from the Chino North Management Zone to the Santa Ana River or its reduction to less than 1,000 AFY. Hydraulic control is a goal of the OBMP with the intent of maintaining and enhancing the Safe Yield of the basin by ensuring that agricultural groundwater production in the southern half of the basin would be replaced by groundwater production for municipal uses as the land use in that area transitions from agricultural uses to urban uses. Through extensive investigations, the expansion of desalter groundwater production to 40,000 AFY and the reduction in

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<sup>12</sup> Ibid, page 2-28 and Table 2-13

<sup>13</sup> The Chino North Management Zone consists of the combination of OBMP Management Zones 1, 2, and 3, exclusive the Prado Basin flood pool area.

<sup>14</sup> Hydraulic Control is defined in the Peace II Agreement as: "Hydraulic Control means the reduction of groundwater discharge from the Chino North Management Zone to the Santa Ana River to de minimis quantities. The Chino North Management Zone is defined in the 2004 Basin Plan amendment (RWQCB resolution R8-2004-0001) attached hereto as Exhibit "B"". The Peace II Agreement is located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

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water in storage by 400,000 AF were determined necessary to achieve Hydraulic Control and maintain the Safe Yield.<sup>15</sup> These investigations included a recalculation of the total water in storage in the basin, based on the improved hydrogeologic understanding. The total storage in the Chino Basin for 2000 was estimated to be about 5,935,000 AF, which is 635,000 AF greater than that estimated for the Operational Storage Requirement and 135,000 AF greater than Safe Storage.

The Peace II Agreement<sup>16</sup> was negotiated by the Parties to implement, among other things, the expansion of the desalters, the dedication of 400,000 AF of groundwater in storage to desalter replenishment, and changes in the Judgment to implement the Peace II Agreement. However, there was no change to the storage management plan in the OBMP Implementation Plan even though the total storage estimated for 2001 was greater than the Operational Storage Requirement and the Safe Storage, and the implementation of the Peace II Agreement would result in 400,000 AF of new controlled overdraft.

The IEUA completed and subsequently adopted a supplemental environmental impact report (SEIR) for the Peace II Agreement in 2010.<sup>17</sup> The technical investigations,<sup>18,19</sup> conducted to support the expansion of desalter groundwater production to 40,000 AFY and the use of 400,000 AF of groundwater to partially meet the replenishment obligation for desalter production also indicated that the Safe Yield of the Chino Basin was likely less than that stated in the Chino Basin Judgment and that it was projected to decline further in the future due to changes in cultural conditions in the watersheds overlying and tributary to the Chino Basin. Pursuant to the Peace Agreement, the Safe Yield would be estimated in 2011 and reset thereafter.

Starting in 2011, Watermaster began the technical effort to redetermine Safe Yield. This work involved updating the hydrogeologic conceptual model of the basin, updating historical hydrology, updating and recalibrating numerical models that simulate the surface and ground water hydrology of the Chino Basin area, and projecting the surface and groundwater response of the basin to future management plans that included storage management. This work is documented in *2013 Chino Basin Groundwater Model Update and Recalculation of Safe Yield Pursuant to the*

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<sup>15</sup> *2007 Final Ground Water Modeling Report*. November 2007. Prepared for the Chino Basin Watermaster by Wildermuth Environmental, Inc. The report is located here:

[http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm).

<sup>16</sup> The Peace II Agreement is located here: [http://www.cbwm.org/rep\\_legal.htm](http://www.cbwm.org/rep_legal.htm).

<sup>17</sup> <<need a citation>>

<sup>18</sup> *2007 Final Ground Water Modeling Report*. November 2007. Prepared for the Chino Basin Watermaster by Wildermuth Environmental, Inc. The report is located here:

[http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm).

<sup>19</sup> *2009 Production Optimization and Evaluation of the Peace II Project Description*. Prepared for the Chino Basin Watermaster by Wildermuth Environmental. November 2009

## Final Technical Memorandum

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*Peace Agreement*<sup>20</sup> (hereafter, Safe Yield Report). One of the results of that work is a reassessment of the hydrology of the basin from 1961 through 2011 and projections of the hydrology of the basin through 2050, based on the best available planning information. Subsequent to the publication of the Safe Yield Report, Watermaster extended the historical groundwater modeling work through September 30, 2016 to comply with the Sustainable Groundwater Management Act<sup>21</sup> and used the updated groundwater model to complete other investigations required by the Peace Agreement. A draft report that documents these other investigations will be available in March 2017.<sup>22</sup> Figure 2 shows the estimated time-series of historical and projected total water in storage, the Judgment Parties' Local Storage Account Water plus Carryover Water and basin groundwater. The conclusions of this report related to storage management are:

- The total water in storage in the basin on July 1, 2000 was about 5,935,000 AF and was inclusive of 236,000 AF of Local Storage Account Water plus Carryover Water. This is about 635,000 AF greater than the Operational Storage Requirement of 5,300,000 AF established in the OBMP Implementation Plan.
- The total water in storage in the basin on July 1, 2016 was about 5,594,000 AF and was inclusive of 487,000 AF of Local Storage Account Water plus Carryover Water.
- The projected total water in storage from 2016 through 2050 is shown in Figure 2 along with the projected Local Storage Account Water plus Carryover Water by the Judgment Parties and basin groundwater. The total storage is projected to gradually increase from about 5,594,000 AF in 2016 to about 5,628,000 in 2024 and decline thereafter to 4,927,000 AF in 2050.
- The Local Storage Account water plus Carryover Water is projected to increase from 487,000 AF in 2016 to about 663,000 AF by 2030 and decline thereafter to zero AF by 2051. Water in storage is projected to be removed from storage to meet future replenishment obligations.
- With the exception of the first eight years in the OBMP era, the total storage is always less than the Safe Storage limit of 5.8 million AF.
- The total storage is projected to fall below the Operational Storage Requirement of 5.3 million AF in the 2041.

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<sup>20</sup> This report can be found here: [http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm).

<sup>21</sup> The official website for the SGMA is located here: <http://groundwater.ca.gov>. The SGMA compliance requirements for adjudicated basins are described in Water Code Section 10720.8 and can be found starting on page 13 of:

<http://groundwater.ca.gov/docs/2014%20Sustainable%20Groundwater%20Management%20Legislation%20with%202015%20amends%201-15-2016.pdf>.

<sup>22</sup> *Draft 2017 Balance of Recharge and Discharge, Material Physical Injury Analysis of the 2013 Recharge Master Plan Facilities, and Cumulative Effect of Transfers*. February 2017. Prepared for the Chino Basin Watermaster by Wildermuth Environmental.



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There is a significant difference in what is known today regarding storage management and basin conditions versus what was known in 2000 when the OBMP storage management plan was developed and analyzed in the PEIR. With the information developed since the Peace Agreement, our understanding of the basin hydrogeology and hydrology have improved.

Review of Figure 2 indicates that storage space within the basin is being utilized in a different manner than was expected when the OBMP was originally developed.

- When the OBMP was developed, it was expected that the Parties and other entities (e.g. Metropolitan Water District of Southern California) would use the storage space above 5,300,000 AF for conjunctive use and not exceed 5,800,000 AF and, if they did exceed the 5,800,000 AF, that mitigation would be required to operate the basin at storage levels in excess of 5,800,000 AF.
- With the OBMP revisions in the Peace II Agreement, new hydrogeologic information developed after 2000, the implementation of the OBMP through the Peace and Peace II Agreements, and related actions of Watermaster and the Parties, the Safe Storage is greater than 5,935,000 AF, and the Operable Storage Requirement is 5,300,000 AF (and possibly less). This implies the Safe Storage Capacity, without consideration for the maintenance of Hydraulic Control, is at least 635,000 AF.

The recent work cited above reviewed several issues of interest to Watermaster, the IEUA, the court, and the Regional Board. One of the findings of this report is that the maximum expected amount of Local Storage Account Water plus Carryover Water will range between 643,000 AF without the implementation of the 2013 RMPU projects to about 707,000 AF with the implementation of the 2013 RMPU projects, and in both cases, Hydraulic Control is maintained. Watermaster and the IEUA have an agreement with the Metropolitan Water District of Southern California to enable Metropolitan to store up to 100,000 AF of water in the basin for subsequent recovery during periods of imported water supply shortages. This means theoretically the maximum future Local Storage Account Water plus Carryover Water could range from 743,000 AF to 807,000 AF. It has not yet been determined if Hydraulic Control could be maintained for Local Storage Account Water plus Carryover Water in excess of 707,000 AF.

### Proposed Temporary Change in Storage Management Plan

Watermaster and the IEUA are proposing a temporary change in the Safe Storage Capacity, increasing it from 500,000 AF to 600,000 AF for the period July 1, 2017 through June 30, 2021. This temporary increase in Safe Storage Capacity will not cause Material Physical Injury and loss of Hydraulic Control, and it will provide Watermaster and the IEUA time to develop a new storage management plan and agreements to implement it.

Specifically, a temporary increase in Safe Storage Capacity and an increase in the amount of Local Storage Account Water and Carryover Water within the Safe

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Storage Capacity will not result in any new significant or more severe environmental impacts to the following resource areas:

1. **Water Quality** – For all future years, the total storage in the basin is less than 5,800,000 AF, and based on the PEIR, there would no expected impact on total dissolved solids and nitrate concentrations due to storage management. Also, managing the basin such that total storage ranges from 5,731,000 AF in 2016 to about 4,939,000 AF in the late 2050 will not materially impact the movement of contaminant plumes in the basin. Total storage is projected to increase during the period of July 2017 through June 2021, and no water quality-related material physical impacts will occur due to the proposed temporary change in Safe Storage Capacity.
2. **Liquefaction** – Areas in the Chino Basin that are susceptible to liquefaction include specific areas in the Prado Basin and in Ontario.<sup>23</sup> The depth to water at which liquefaction is a concern is 20 feet in the Prado area and 40 feet in the Ontario area. Areas with depth to water greater than these threshold values are not susceptible to liquefaction. There are no areas in the Ontario area where the depth to water in the regional aquifer system (the groundwater system managed in the OBMP Implementation Plan) is projected to be less than 40 feet below land surface. Total storage is projected to increase during the period of July 2017 through June 2021 and no liquefaction-related material physical impacts will occur due to the proposed temporary change in Safe Storage Capacity.
3. **Land subsidence** – There will be no significant changes in groundwater levels during the July 2017 through June 2021 period caused by the proposed temporary increase in Safe Storage Capacity. No land subsidence-related material physical impacts will occur due to the proposed temporary change in Safe Storage Capacity, provided that the land subsidence mitigation measures are implemented as described in the OBMP Implementation Plan, the PEIR, the SEIR, and Court-approved plan.<sup>24</sup>
4. **Increase in pump lift (impacts on wells)** – There will be no significant changes in groundwater levels during the July 2017 through June 2021 period caused by the proposed temporary increase in Safe Storage Capacity. No pump-lift-related material physical impacts will occur due to the proposed temporary change in Safe Storage Capacity.
5. **Adverse Impacts associated with rising groundwater** – Total storage is projected to increase slightly during the period of July 2017 through June 2021. There will be no rising groundwater-related material physical impacts due to the proposed temporary change in Safe Storage Capacity.

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<sup>23</sup> Seismic Hazard Zone Report for the Ontario and Prado 7.5-Minute Quadrangle, Department of Conservation Division of Mines and Geology. 2000.

<sup>24</sup> See *Chino Basin Subsidence Management Plan, July 2015*. prepared for the Chino Basin Watermaster by Wildermuth Environmental and located here: [http://www.cbwm.org/rep\\_engineering.htm](http://www.cbwm.org/rep_engineering.htm)

**Final Technical Memorandum**

**Date: March 3, 2017**

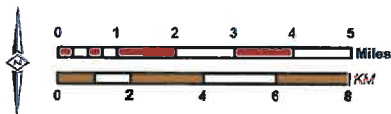
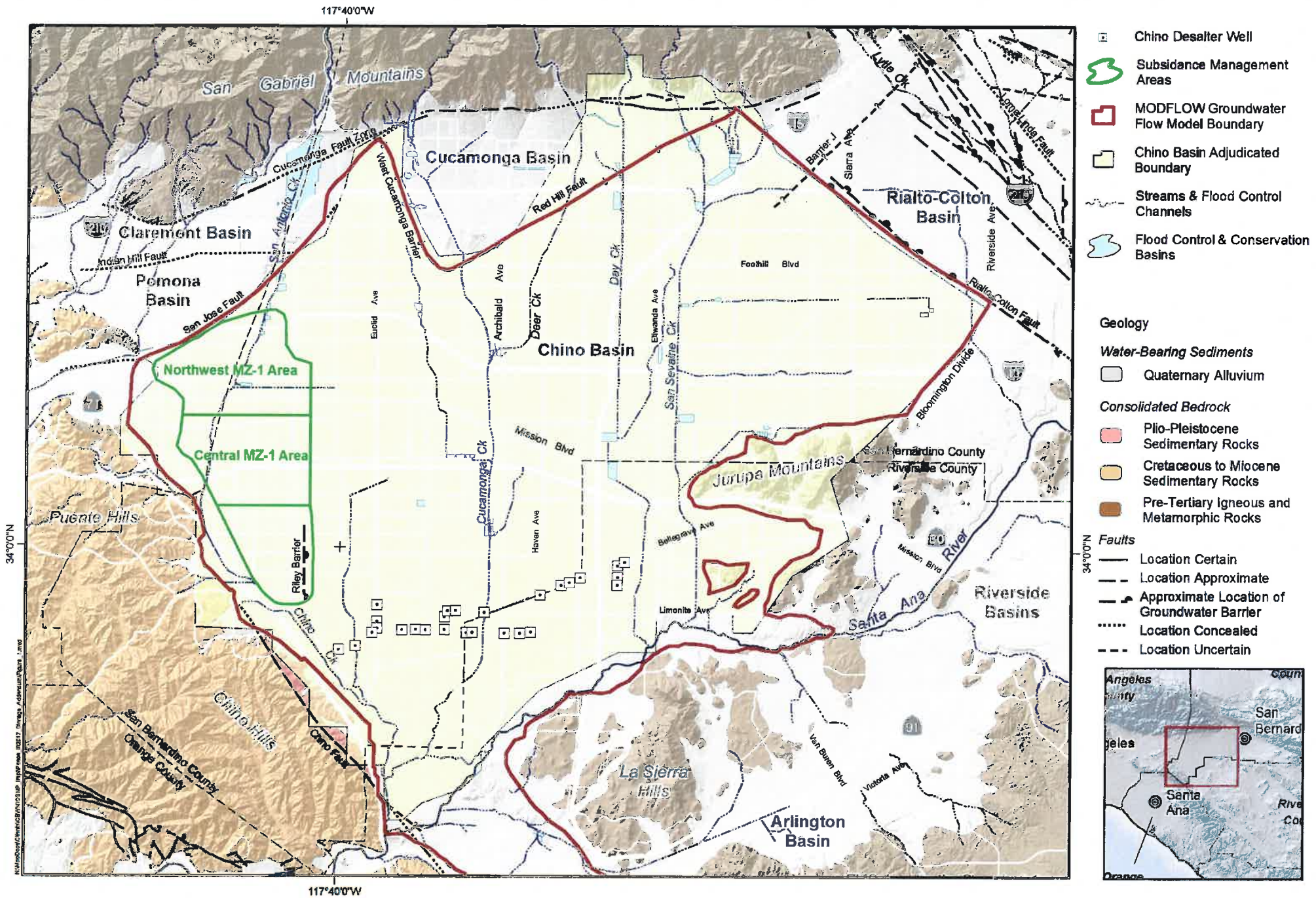
**Subject: Technical support to temporarily increase the Safe Storage Capacity from 500,000 AF to 600,000 AF**

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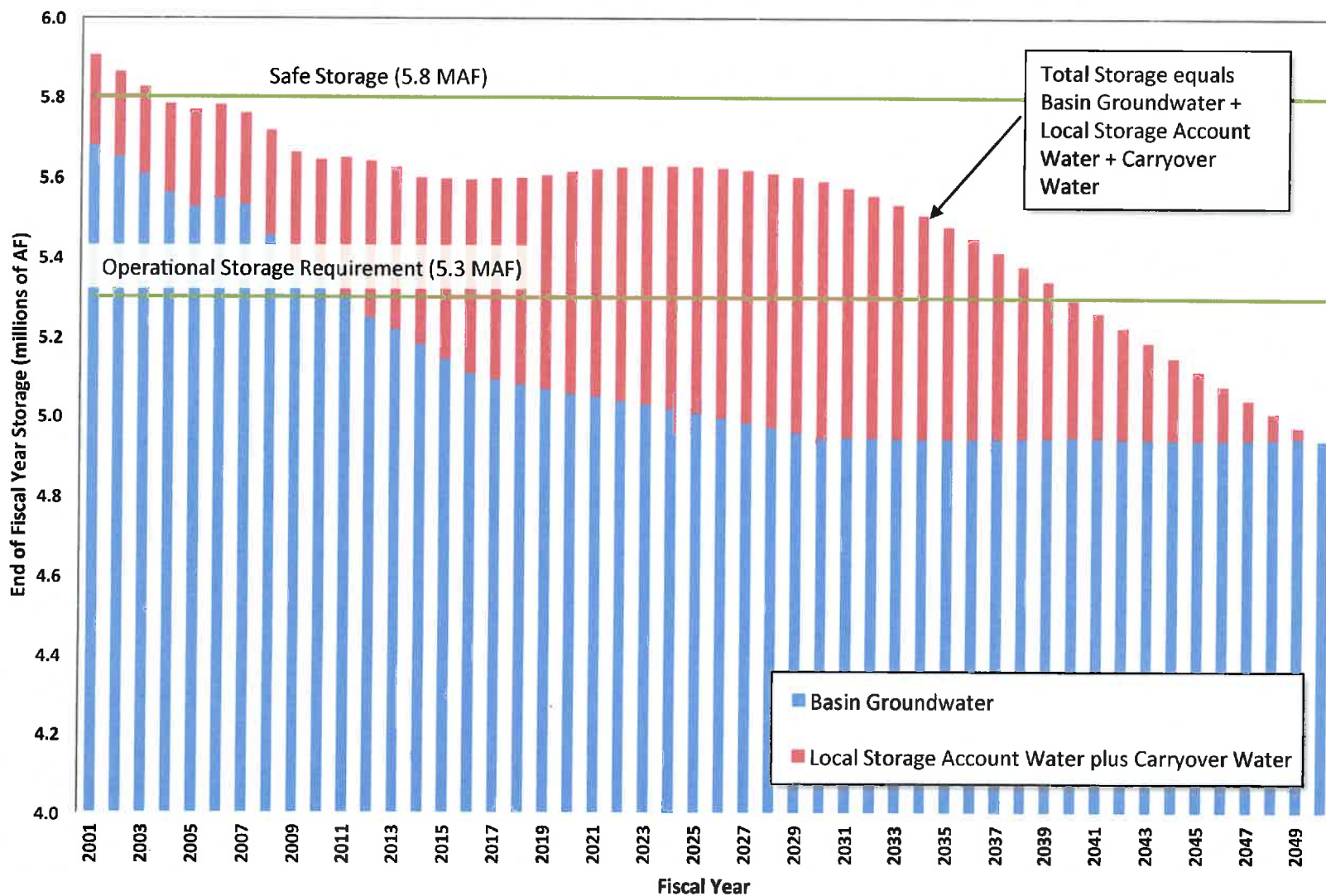
Watermaster's extensive monitoring efforts, court-ordered bi-annual assessment of the balance of recharge and discharge, and other management efforts will produce the additional information necessary to review the effects of managing Local Storage Account Water plus Carryover Water up to 600,000 AF in the basin and to assess the potential for Material Physical Injury and the state of Hydraulic Control.

## **FIGURES**





**Figure 2 Historical and Expected Range of Total Storage, Basin Groundwater, Local Storage Account Water plus Carryover Water, Scenario 2017-1A**



**ACTION  
ITEM**

**3B**



Date: March 15, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations and Water Resources Committee (3/8/2017)

From: P. Joseph Grindstaff  
General Manager

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

Sylvie Lee  
Manager of Planning & Environmental Resources

Subject: Energy Storage Agreement Amendment

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## **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the amendment to the Energy Management Services Agreement between Inland Empire Utilities Agency and Advanced Microgrid Solutions, Inc. (AMS); and
2. Authorize the General Manager to finalize and execute the agreement amendment subject to non-substantive changes.

## **BACKGROUND**

On October 14, 2015, IEUA entered into a 10-year agreement with AMS for the installation, operation, and maintenance of 3.65 Mega Watts (MW) of energy storage at several treatment plants. The battery will efficiently integrate IEUA's renewable generation facilities, improve energy load management, and provide cost savings by shifting electricity use away from expensive peak hours. The project, currently under construction, will be implemented at no cost to IEUA; in exchange, IEUA will provide AMS monthly payments for the energy management services. Since the estimated savings is expected to be greater than the monthly payments for the existing contract, AMS provided a minimum net savings assurance to IEUA of \$55,000 per year for 10 years.

The existing agreement anticipates additional third party agreements, and the use of the energy storage for other opportunities (referred to as market products), such as demand response, wholesale energy

sales, generation of capacity credits, and installation of solar photovoltaic systems to increase the overall project revenues. All third-party agreements must be approved by both parties prior to execution; benefits will be assessed, negotiated, and distributed between AMS and IEUA on a case-by-case basis.

In October 2016, AMS proposed that IEUA share with Shell (IEUA's energy service provider of electricity for RP-1, RP-2, and CCWRF) 1 MW of the 3.65 MW of energy storage capacity. Subsequent to IEUA's approval, Shell would have operational rights of the battery system through AMS, up to 400 hours per year for 10 years, and would pay AMS up to \$90,000 per year based on the battery's performance.

Shell's project rights will not interfere with the IEUA's existing minimum savings of \$55,000 per year; furthermore, IEUA would receive from AMS 30% of the maximum payment from Shell, which is equivalent to an additional \$27,000 per year. Hence, staff recommends amending the existing agreement between AMS and IEUA to allow AMS to trade energy storage capacity with Shell. In exchange to sharing the savings with IEUA, the existing agreement with Shell for the purchase of electricity will be extended for three years; this term is consistent with the current Shell contract, main difference being that the current contract is extended year to year for another three years.

IEUA's General Counsel and Financial Consultant, Public Financial Management, Inc., reviewed the proposed agreement and provided comments that were incorporated into the final agreement amendment language.

The project meets IEUA's adopted Business goals for *Wastewater Management* by optimizing renewable resources, containing future energy costs, and progressing toward peak power independence with the proposed Energy Management strategy.

### **PRIOR BOARD ACTION**

On May 18, 2016, the Board of Directors approved the electricity amendment with Shell Energy North America (SENA) US, L.P. through December 31, 2016, to purchase 1.5 megawatts (MW) of electricity per hour at a variable rate, and authorized the General Manager to finalize and execute the amended agreements, and negotiate further amendments for up to three additional years.

On October 14, 2015, the Board of Directors approved the Energy Storage Services Agreement between IEUA and AMS.

On August 19, 2015, the Board of Directors approved a revised MOU between IEUA and AMS for a Master Lease and Energy Services Agreement that was substantially different than the February 2015 MOU.

On February 18, 2015, the Board of Directors approved a Memorandum of Understanding (MOU) between IEUA and AMS for a Master Lease and Energy Services Agreement.

Energy Storage Services Agreement

March 15, 2017

Page 3 of 3

**IMPACT ON BUDGET**

If approved, IEUA will realize additional savings of up to \$27,000 per year for 10 years from AMS for energy load management through the batteries.

Attachment:

1. First Amendment to Energy Management Services Agreement

## FIRST AMENDMENT TO ENERGY MANAGEMENT SERVICES AGREEMENT

This FIRST AMENDMENT TO ENERGY MANAGEMENT SERVICES AGREEMENT ("First Amendment") is made as of this \_\_\_\_ day of \_\_\_\_\_, 2017 ("Effective Date"), by and between ADVANCED MICROGRID SOLUTIONS, INC., a Delaware corporation ("Provider"), and INLAND EMPIRE UTILITIES AGENCY, a municipal water district ("Host Customer"), with reference to the following facts:

### RECITALS

A. Host Customer and Provider are parties to those certain Special Terms and Conditions of Energy Management Services Agreement, dated October 14, 2015 ("Original Special Conditions"), which incorporate by reference those certain General Terms and Conditions of Energy Management Services Agreement, dated October 14, 2015 (the "Original General Conditions" and together with the other schedules and exhibits attached thereto and to the Original Special Conditions, the "Original Agreement," and as amended by this First Amendment, the "Agreement"). Capitalized terms used in this First Amendment, and not otherwise defined herein, shall have the meanings ascribed to them in the Original Agreement.

B. Pursuant to Section 18.3 of the Original General Conditions, Host Customer and Provider desire to amend the Original Agreement as set forth herein.

### AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Host Customer and Provider hereby amend the Original Agreement as follows:

1. Shell Utility Services Agreement. Prior to the date hereof, Provider has entered into a Utility Services Agreement (as applicable to the Project Sites, the "Shell Utility Services Agreement") with Shell Energy North America (US), L.P., a Delaware limited partnership ("Shell"), to sell and provide certain Market Products to Shell. In accordance with the last sentence of Recital C of the Original Special Conditions and Section 5.4 of the Original General Conditions, Provider and Host Customer agree to the following:

1.1. Subject to Section 1.2 below, within thirty (30) days following actual receipt of payment in full from Shell under the Shell Utility Services Agreement for any calendar month, Provider shall pay Host Customer a monthly amount (the "Monthly Shell Market Products Payment") equal to thirty percent (30%) of the revenue actually received by Provider from the sale of Market Products under the Shell Utility Services Agreement. Provider shall include the Monthly Shell Market Products Payment on the monthly invoices it provides to Host Customer under the Agreement, and shall have the right to deduct the Monthly Shell Market Products Payment from amounts otherwise owed by Host Customer to Provider. The Monthly Shell Market Products Payment shall be subject to proration, reduction, and adjustment as a result of the items, events, and circumstances identified in clauses (a) through (i) of Section 2 of Schedule 4 attached to the Original Special Conditions.

1.2. With respect to the Monthly Shell Market Products Payment, the Parties acknowledge and agree to the following: (a) no Monthly Shell Market Products Payment shall be made until Provider commences delivery of the Market Products to Shell under the Shell Utility Services Agreement, which will not occur until the occurrence of the Completion Date for a sufficient number (as reasonably determined by Provider) of Energy Storage Systems under the Agreement, (b) Provider's

obligation to pay the Monthly Shell Market Products Payment shall be subject to actual receipt by Provider of all amounts owed by Shell under the Shell Utility Services Agreement for such calendar month, with the amount of each such payment itemized and detailed in monthly statements by Provider to Host Customer , and (c) if, from time to time, for any reason the Shell Utility Services Agreement and/or the Agreement is suspended, terminated and/or expires, in whole or in part (including a termination of the Agreement with respect to individual Project Sites identified on Schedule 6 of the Original Specific Conditions) such that Provider is no longer able to satisfy its obligations under the Shell Utility Services Agreement and/or is no longer receiving payment from Shell under the Shell Utility Services Agreement, then, in each case, Provider's obligation to pay the Monthly Shell Market Products Payment shall likewise be suspended, terminated, or expired.

2. Miscellaneous. The terms of this First Amendment shall supersede and control to the extent of any conflicts or inconsistencies with the Original Agreement. The recitals set forth in the beginning of this First Amendment are incorporated herein as part of this First Amendment for all purposes. This First Amendment may be signed in one or more counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument. This First Amendment may be duly executed by a Party, and delivered to the other Party, by electronic delivery of a "pdf" counterpart to this First Amendment.

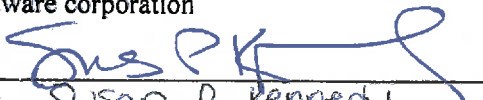
*[Signatures On Following Page]*



IN WITNESS WHEREOF, Host Customer and Provider have caused this First Amendment to be executed as of the date first above written.

**Provider:**

ADVANCED MICROGRID SOLUTIONS, INC.,  
a Delaware corporation

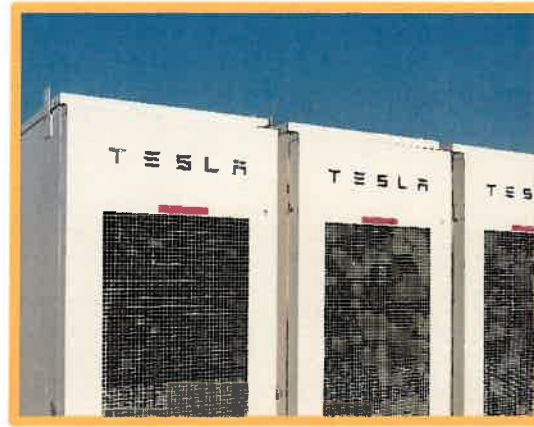
By:   
Name: Susan P. Kennedy  
Title: Chief Executive Officer

**Host Customer:**

INLAND EMPIRE UTILITIES AGENCY,  
a municipal water district

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

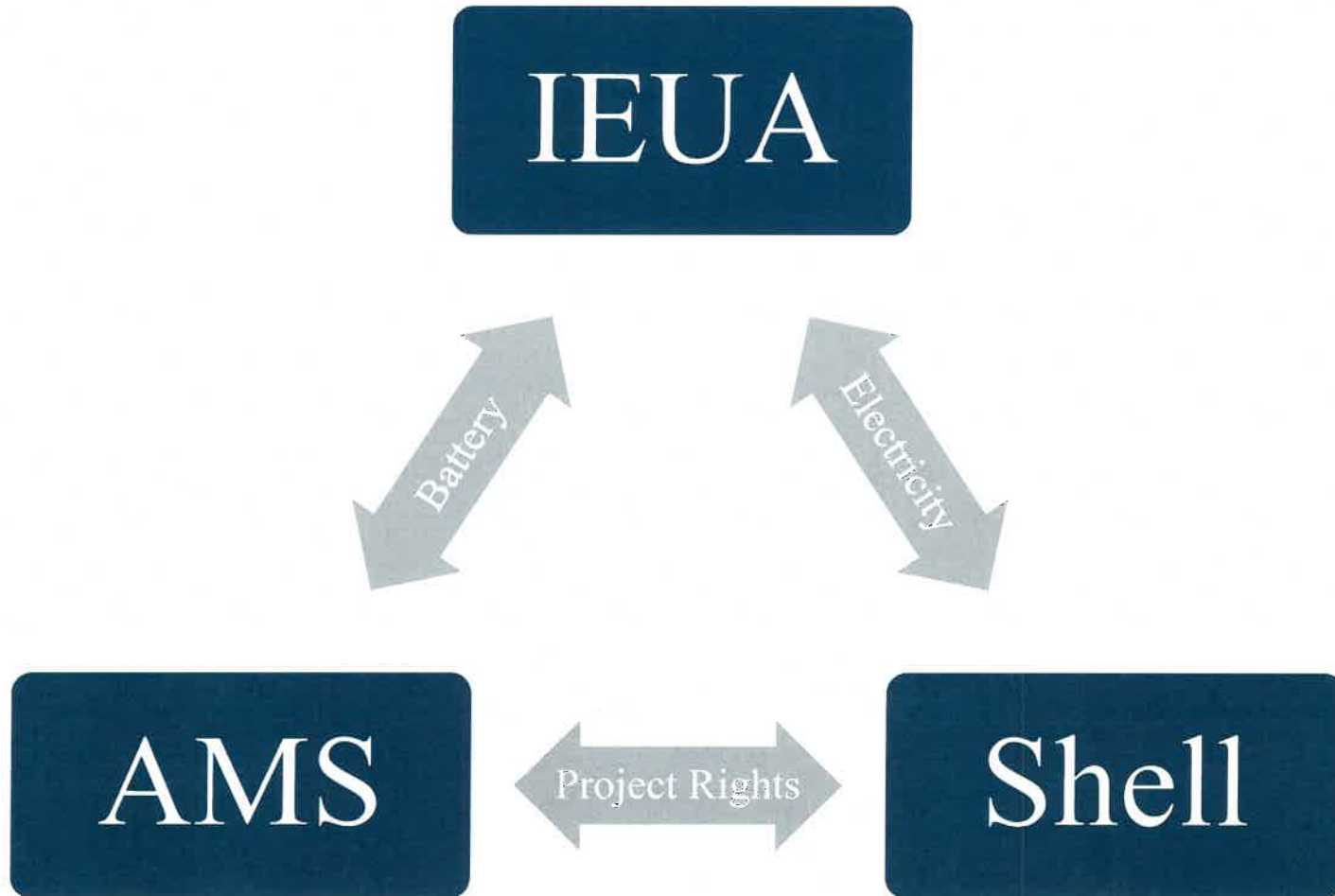
# Energy Storage Agreement Amendment



# Energy Management Service Agreement

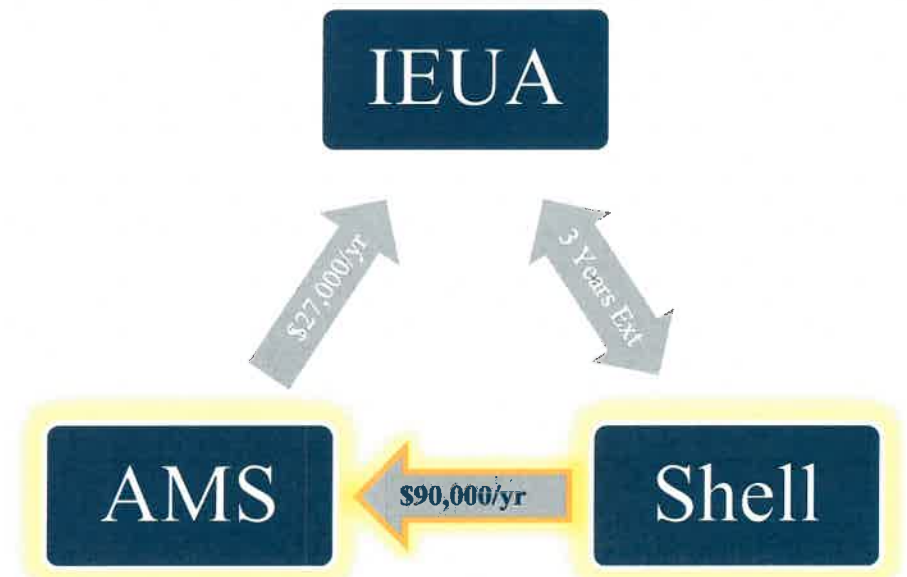
- 2015: Contract with Advanced Microgrid Solutions (AMS)
- 10-year term
- 3.65 Mega Watts (MW) of energy storage
- No capital cost to IEUA
- Net guaranteed savings \$55,000/year
- RP-5 installation complete

# Public-Private Partnership



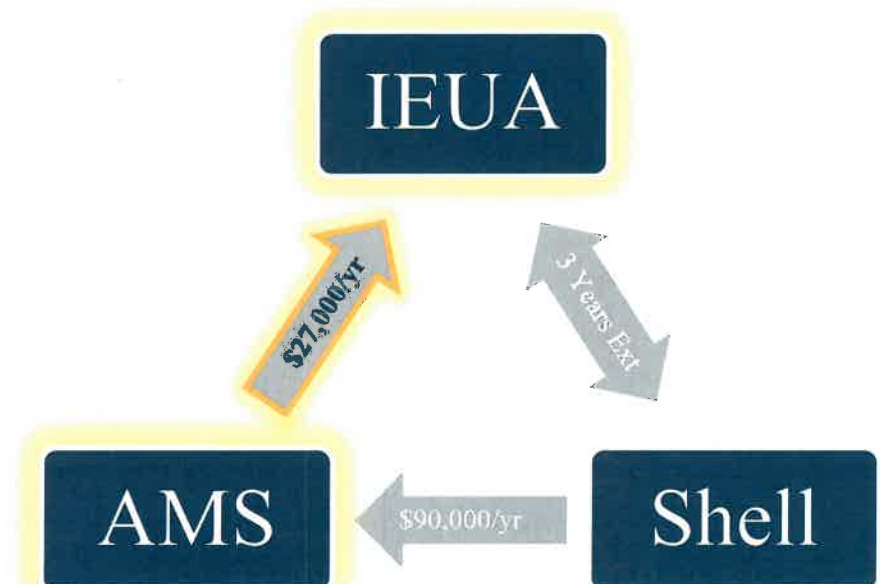
# AMS – Shell Master Agreement

- 1 MW energy storage project rights to Shell
- Performance: <400 hrs/yr of load management
- Shell pays max \$90,000/yr to AMS
- 10-year term



# Energy Management Service Agreement Amendment

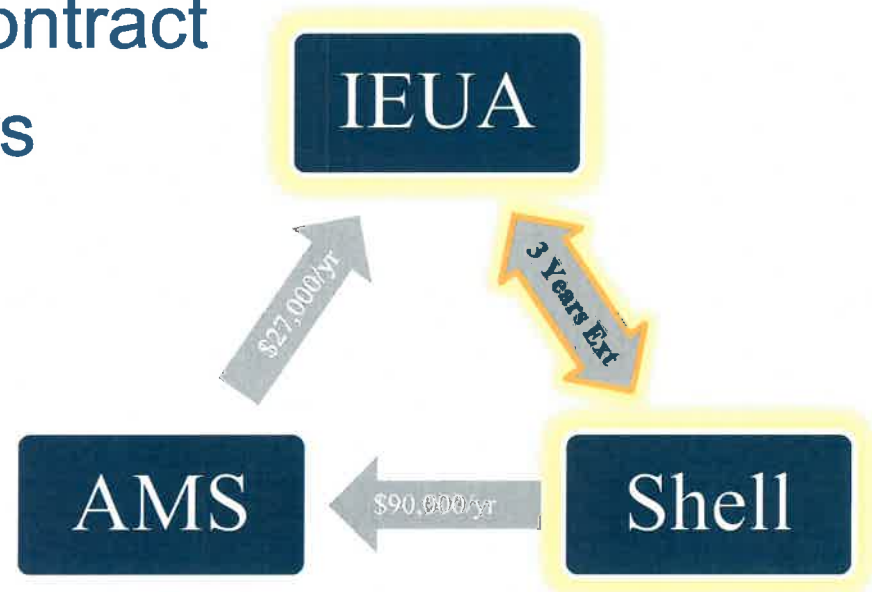
- IEUA and AMS agree 1 MW project rights to Shell
- AMS pays max \$27,000/yr to IEUA
- 10-year term
- Does not affect current contract





# IEUA – Shell Amendment

- Current contract:
  - Provides energy to RP-1, RP-2, CCWRF
  - Annually renewed contract (max three years)
- Proposal: 3-year term
- Consistent with current contract
- Term for savings: 10 years



# Recommendation

1. Approve the amendment to the Energy Management Services Agreement between Inland Empire Utilities Agency and Advanced Microgrid Solutions, Inc. (AMS); and
2. Authorize the General Manager to finalize and execute the agreement amendment subject to non-substantive changes.

*The amendment of the Energy Management Services Agreement between IEUA and AMS is consistent with IEUA's business goal for **Wastewater Management** by optimizing renewable resources, containing future energy costs, and progressing toward peak power independence with the proposed Energy Management strategy.*




**ACTION  
ITEM**


**3C**


Date: March 15, 2017

To: The Honorable Board of Directors

Through: Engineering, Operations, and Water Resources Committee (3/8/17)

From: P. Joseph Grindstaff  
General Manager 

Submitted by: <sup>for</sup> Chris Berch   
Executive Manager of Engineering/Assistant General Manager

Shaun Stone   
Manager of Engineering

Subject: RP-1/RP-5 Expansion Preliminary Design Report

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### **RECOMMENDATION**

It is recommended that the Board of Directors concur with the findings of the RP-1/RP-5 Expansion Preliminary Design Report.

### **BACKGROUND**

On January 20, 2016, the Inland Empire Utilities Agency (IEUA) Board of Directors approved the consulting engineering services contract award for the RP-1/RP-5 Expansion Preliminary Design Report (PDR) to Parsons Water & Infrastructure Inc. (Parsons) for the not-to-exceed amount of \$2,431,598. The major objectives for the PDR included evaluating the requirements for the RP-1 Liquids & Solids Rehabilitation, RP-5 Liquids Expansion, and RP-5 Solids Treatment Facility. IEUA and the Parsons project team promptly began working on the PDR, which has resulted in three Board Workshops conducted in May 2016, October 2016, and February 2017. Additionally, the project team provided updates to the Engineering, Operations, and Biosolids Management Committee in April 2016, August 2016, and November 2016 and conducted multiple staff workshops over the 14-month preliminary project phase. Based upon the collaborative efforts of the Board of Directors, Agency staff, and the Parsons project team throughout the development of the PDR, the RP-1/RP-5 Expansion Preliminary Design Report has been completed and provides the following recommendations for the above-stated major objectives.

**RP-1 Liquids & Solids Rehabilitation (Volume I of PDR)**

The goal of the RP-1 Liquids & Solids Rehabilitation Preliminary Design Report was to create a planning level document, setting the stage for a future project at RP-1 that extends beyond the current Ten Year Capital Improvement Plan (TYCIP), ensuring Agency-wide system efficiencies and standardization were planned in coordination with the near-term RP-5 Liquids Expansion and RP-5 Solids Treatment Facility. The RP-1 Liquids and Solids Rehabilitation Preliminary Design Report included 5 main evaluations, which are detailed in Table 1 below.

Table 1: RP-1 Liquids & Solids Rehabilitation PDR Main Evaluations

Number	Topic	Description
1	RP-1 Equalization	Elimination of RP-1 Primary Effluent Flow Equalization
2	Advanced Water Treatment	Analysis of Advanced Water Treatment at RP-1 for Total Dissolved Solids Reduction and Indirect Potable Reuse
3	Centrate Treatment	RP-1 Onsite Centrate Treatment Versus Discharge to the Non-Reclaimable Waste System
4	RP-1 Liquids Treatment	Headworks, Screening, Grit Removal, Primary Clarification, Secondary Treatment, Disinfection, Condition Assessment, & Odor Control
5	RP-1 Solids Treatment	Solids Thickening, Digestion, Dewatering, Digester Gas Utilization, & Odor Control

The major recommendations resulting from the main evaluations for the RP-1 Liquids & Solids Rehabilitation PDR included the following:

- Eliminate RP-1 primary effluent flow equalization and provide additional secondary system treatment capacity to allow for treatment of facility peak flows; thereby, reducing the potential for odors and meeting IEUA’s Business Goals.
- Evaluate further advanced water treatment systems at RP-1 for total dissolved solids reduction and indirect potable reuse as this was the preferred location compared to RP-5.
- Provide additional secondary system treatment capacity to allow for onsite treatment of RP-1’s centrate as this provided the lowest net present value cost to IEUA compared to discharge to the Non-Reclaimable Waste System.
- Rehab the RP-1 Liquids Treatment Systems to allow for the treatment of the ultimate influent sewer flow of 40 MGD.
- Rehab the RP-1 Solids Treatment Systems to allow for the treatment of the solids produced from both RP-1 & RP-4 at the total ultimate influent sewer flow of 60 MGD.

Based upon the major recommendations of the PDR, the RP-1 Liquids Rehabilitation, Project No. EN24001, is recommended to consist of the following major items:

- Replace and rehab major headworks equipment.
- Replace all primary clarifier components.
- Provide new primary clarifier covers including odor control.
- Expand the Intermediate Pump Station.
- Convert the existing conventional activated sludge secondary system to a membrane bio-reactor (MBR) system consistent with RP-5 recommendations.
- Modify Lagoon No. 3 to allow for secondary effluent equalization eliminating the requirement to expand the tertiary treatment process.
- Replace the existing odor control system.

The RP-1 Solids Expansion, Project No. EN24002, is recommended to consist of the following:

- Replace the existing solids thickening systems with new rotary drum thickeners to improve solids thickening.
- Construct three new smaller acid phase digesters to improve operational performance.
- Add recuperative thickening to the digestion process to increase performance and eliminate the need to construct one additional digester.
- Make minor modifications to the existing dewatering system.
- Replace the existing odor control system.

The project costs for the RP-1 Liquids Expansion and RP-1 Solids Expansion are provided in Table 2 and Table 3 below.

Table 2: Project No. EN24001, RP-1 Liquids Rehabilitation Cost

Major Systems	Estimated Cost
Headworks & Primary	\$10,250,000
Secondary	\$118,100,000
Tertiary	\$800,000
Odor Control	\$10,250,000
<b>Estimated Construction Cost</b>	<b>\$139,400,000</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$27,900,000</b>
<b>Total Project Cost</b>	<b>\$167,300,000</b>

Table 3: Project No. EN24002, RP-1 Solids Rehabilitation Cost

Major Systems	Estimated Cost
Thickening	\$20,150,000
Digestion	\$11,450,000
Dewatering	\$700,000
Odor Control	\$3,950,000
<b>Estimated Construction Cost</b>	<b>\$36,250,000</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$7,250,000</b>
<b>Total Project Cost</b>	<b>\$43,500,000</b>

Therefore, the total project cost for the RP-1 Liquids & Solids Expansion is approximately \$212,000,000.

***RP-5 Liquids Expansion & RP-5 Solids Treatment Facility (Volume II & III of PDR)***

The goal of the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility Preliminary Design Report was to create a detailed report to immediately lead into the full final design of the project. This is to ensure the project is completed before southern service area sewer flows exceeded the current RP-5 treatment capacity and before the completion of the United States Army Corps of Engineers project to raise the elevation of the Prado Dam spillway, placing RP-2 into the extended Prado floodplain. The RP-5 Liquids Expansion and RP-5 Solids Treatment Facility Preliminary Design Report included 10 main evaluations, which are detailed in Table 4 below.

Table 4: RP-5 Liquids Expansion & RP-5 Solids Treatment Facility PDR Main Evaluations

<b>Number</b>	<b>Topic</b>	<b>Description</b>
1	CCWRF	Decommissioning of Carbon Canyon Water Recycling Facility
2	RP-5 Capacity	Expand RP-5 to Ultimate Capacity
3	RP-5 Secondary	RP-5 Liquids Treatment Alternative Technology, Secondary Treatment
4	Food Waste	Comparative Analysis of RP-1, RP-5, & RP-5 Solids Handling Facility including Receiving, Digestion, Dewatering, & Digester Gas Usage
5	Digester Gas Usage	Comparative Analysis of Internal Combustion Engines (Existing/New), Micro Turbines, Natural Gas Pipeline Injection, & CNG Vehicle Fuel including potential for future phasing
6	Advanced Water Treatment	Analysis of Advanced Water Treatment at RP-5 for Total Dissolved Solids Reduction
7	Centrate Treatment	RP-5 Onsite Centrate Treatment Versus Discharge to the Inland Empire Brine Line
8	RP-5 Liquids Treatment	Influent Pump Station, Screening, Grit Removal, Primary Clarification, Disinfection, Condition Assessment, & Odor Control
9	RP-5 Solids Treatment	Solids Thickening, Digestion, Dewatering, & Digester Gas Conveyance/Storage/Safety Flaring
10	RP-5 Offsite Facilities	Inland Empire Brine Line Discharge Station Relocation & Mountain Ave. Lift Station

The major recommendations resulting from the listed evaluations for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility PDR included the following major items:

- Maintain operations of CCWRF indefinitely and completing repair and refurbishment projects to ensure safe and compliant operation of the facility.
- Fully expand RP-5 to 30 MGD, ultimate flow of the facility with CCWRF in operation, as this approach provided the lowest lifecycle cost for the ultimate expansion of the facility.
- Develop a hybrid food waste system between RP-5 and RP-5 Solids Handling Facility that will allow for approximately 50,000 gallons per day of organics waste diversion through 2030.
- RP-5 digester gas will be utilized in the existing Renewable Energy Efficiency Project (REEP) internal combustion engines.
- Do not construct advanced water treatment at RP-5 at this time.
- Construct the RP-5 Solids Treatment Facility to allow for the treatment of the solids produced from both CCWRF & RP-5 and allow for the decommissioning of RP-2 and the RP-2 Lift Station.

Based upon the major recommendations of the PDR, the RP-5 Liquids Expansion, Project No. EN19001, is recommended to consist of the following major items:

- Expand the Influent Pump Station.
- Provide Headworks improvements including: bar screens, vortex grit chamber, fine screens for MBR, and a screenings/grit building.
- Two primary clarifiers and new primary clarifier covers.
- Provide improvements to the existing aeration basin including new aeration diffusers, mixed liquor pumps, and air headers.
- Demolish two secondary clarifiers and construct a 30 MGD MBR system for improved water quality.
- Construct a UV disinfection system for improved water quality.
- Construct a centralized odor control system for Solids and Liquids to meet the objectives of the IEUA's Business Goals.
- Provide an emergency overflow and storm water system.
- Construct the new Mountain Avenue Lift Station and modify the City of Chino Hills Butterfield Ranch Pump Station.

The RP-5 Solids Treatment Facility, Project No. EN19006, is recommended to consist of the following:

- Construct a rotary drum thickening building for primary and secondary solids thickening.
- Provide phased digestion including acid phase digesters and methane digesters.
- Provide digested sludge storage.
- Construct a centrifuge dewatering building, biosolids cake storage, and centrate equalization.

- Provide digester gas treatment, digester gas flaring and emissions control systems for the existing REEP engines.
- Construct a food waste receiving station and digestate transfer pump station at RP-5 Solids Handling Facility.

The project costs for the RP-5 Liquids Expansion & RP-5 Solids Treatment Facility are provided in Table 5 and Table 6 below.

Table 5: Project No. EN19001, RP-5 Liquids Expansion Cost

<b>Major Systems</b>	<b>Estimated Cost</b>
Influent Pump Station	\$6,750,000
Headworks & Primary	\$21,500,000
Secondary	\$61,250,000
Tertiary	\$15,000,000
Odor Control	\$9,850,000
Emergency Overflow and Storm Water System	\$5,500,000
Permanent and Standby Power System Expansion	\$9,100,000
Offsite Facilities (does not include RP-2 Decommissioning)	\$4,000,000
<b>Estimated Construction Cost</b>	<b>\$132,950,000</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$26,600,000</b>
<b>Total Project Cost</b>	<b>\$159,550,000</b>

Table 6: Project No. EN19006, RP-5 Solids Treatment Facility Cost

<b>Major Systems</b>	<b>Estimated Cost</b>
Thickening	\$9,850,000
Digestion	\$51,650,000
Dewatering	\$42,950,000
Odor Control	\$1,900,000
Digester Gas Treatment, Flaring, and Emissions Controls	\$10,000,000
Permanent Power System Expansion	\$2,100,000
Site Work	\$7,900,000
Food Waste System	\$9,450,000
<b>Estimated Construction Cost</b>	<b>\$135,800,000</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$27,200,000</b>
<b>Total Project Cost</b>	<b>\$163,000,000</b>

Therefore, the total project cost for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility is approximately \$325,000,000.

***RP-5 Liquids Expansion & RP-5 Solids Treatment Facility Next Steps***

The RP-5 Liquids Expansion & RP-5 Solids Treatment Facility full design is scheduled to immediately begin upon the completion of the PDR. As discussed with the Board of Directors in the February 2017 Committee Meetings, staff is preparing to bring a contract amendment with Parsons to complete the full design for the RP-5 Liquids Expansion & RP-5 Solids Treatment

Facility to the Board in April 2017. If the amendment is approved, the full design will begin in May 2017 and will have a duration of two years. Major design submittals are set at the 30% completion, 50% completion, 85% completion, 100% completion milestones, each requiring approximately six months each. It is anticipated that additional items will be brought to the Board for approval including a contract award for value engineering services and a Finding of Consistency with the Programmatic Environmental Impact Report. The design is scheduled to be completed in May 2019, with the construction contract award in October 2019.

The RP-1/RP-5 Expansion PDR and the RP-5 Expansion Project are consistent with the *IEUA's Business Goal of Wastewater Management* specifically the Water Quality objective that IEUA will ensure that systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements.

### **PRIOR BOARD ACTION**

On January 20, 2016, the Board of Directors approved the consulting engineering services contract award for the RP-1/RP-5 Expansion PDR to Parsons Water & Infrastructure Inc. for the not-to-exceed amount of \$2,431,598.

### **IMPACT ON BUDGET**

The approved TYCIP budgets for Project No. EN19001, RP-5 Liquids Treatment Expansion, and Project No. EN19006, RP-5 Solids Treatment Facility, are \$125,000,000 and \$136,000,000, respectively. With the recommendations provided in the PDR, the total project cost for the RP-5 Liquids Treatment Expansion is estimated to increase to \$160,000,000. In addition, the total project cost for the RP-5 Solids Treatment Facility is estimated to increase to \$165,000,000.

With the recommendations provided in the PDR, the total project cost for the RP-1 Liquids Rehabilitation, Project No. EN24001, is estimated to be \$168,000,000. In addition, the total project cost for the RP-1 Solids Rehabilitation, Project No. EN24002, is estimated to be \$44,000,000. The four project budgets will be adjusted during the TYCIP approval process.

There are no budget impacts to the current phase of the project.

PJG:CB:SS:jm



# RP-1 & RP-5 Expansion Preliminary Design Report

## Project Nos. EN16025 and EN16028

### Board Meeting



# RP-1 & RP-5 Expansion PDR Scope of Work

One PDR with three separate volumes



RP-1 Liquids & Solids Treatment Rehabilitation



RP-5 Liquids Treatment Expansion



RP-5 Solids Treatment Facility



# RP-1 Liquids & Solids Rehabilitation

- Major Treatment Systems:
  - Rehabilitation of Headworks & Primaries
  - Convert existing aeration system to a membrane bio-reactor (MBR)
  - New rotary drum solids thickening system
  - New acid phase digesters
  - Recuperative thickening for digestion



*RP-1 Aerial*

# RP-1 Liquids & Solids Rehabilitation Cost

*RP-1 Liquids Project Cost*

Major Systems	Cost
Headworks & Primary	\$10.3M
Secondary	\$118.1M
Tertiary	\$0.8M
Odor Control	\$10.3M
<b>Estimated Construction Cost*</b>	<b>\$139.5M</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$27.9M</b>
<b>Estimated Project Cost</b>	<b>\$167.4M</b>

*RP-1 Solids Project Cost*

Major Systems	Cost
Thickening	\$20.2M
Digestion	\$11.5M
Dewatering	\$0.7M
Odor Control	\$4.0M
<b>Estimated Construction Cost*</b>	<b>\$36.4M</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$7.3M</b>
<b>Estimated Project Cost</b>	<b>\$43.7M</b>

**Estimated RP-1 Rehabilitation Project Cost: \$212M**



# RP-5 Liquids Expansion & Solids Facility

- Major Treatment Systems:
  - Influent pumping and screening
  - Primary clarifiers
  - Convert existing aeration system to membrane bio-reactor (MBR)
  - UV disinfection system
  - Rotary drum solids thickening system
  - Phase digestion
  - Centrifuge dewatering system
  - Gas conditioning
  - Food waste at RP-5 Solids Handling Facility



*RP-5 Liquids & Solids Treatment Systems*

# RP-5 Liquids Expansion & Solids Facility Cost

*RP-5 Liquids Project Cost*

Major Systems	Cost
Headworks & Primary	\$28.2M
Secondary	\$61.3M
Tertiary	\$15.0M
Odor Control	\$9.9M
Overflow, Storm Water, & Electrical	\$14.6M
Offsite Facilities	\$4.0M
<b>Estimated Construction Cost*</b>	<b>\$133.0M</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$26.6M</b>
<b>Estimated Project Cost</b>	<b>\$159.6M</b>

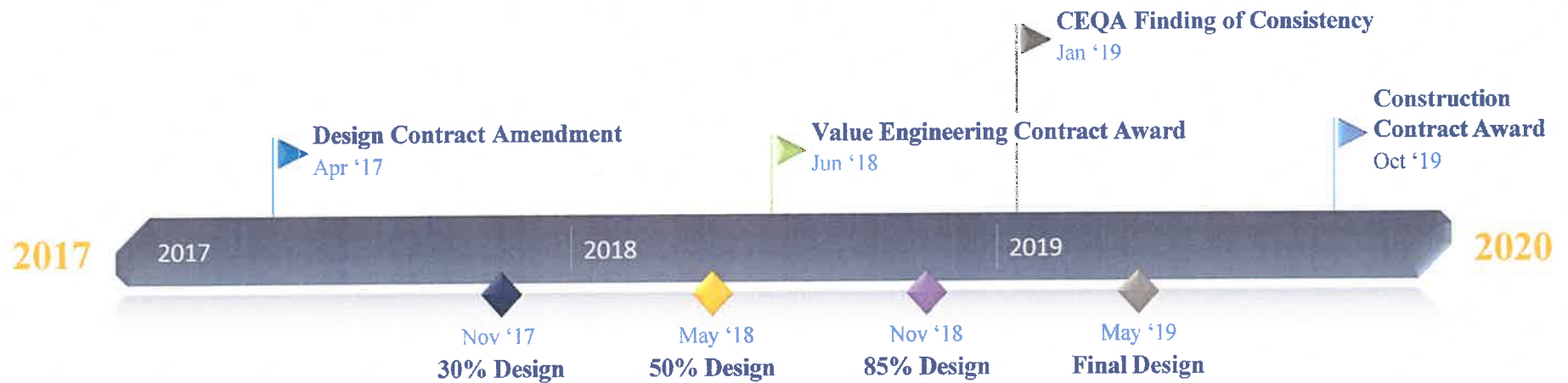
*RP-5 Solids Project Cost*

Major Systems	Cost
Thickening	\$9.8M
Digestion	\$51.6M
Dewatering	\$43.0M
Odor Control & Digester Gas Treatment	\$11.9M
Food Waste System	\$9.5M
Electrical & Site Work	\$10.0M
<b>Estimated Construction Cost*</b>	<b>\$135.8M</b>
<b>Design &amp; Project Management (20%)</b>	<b>\$27.2M</b>
<b>Estimated Project Cost</b>	<b>\$163.0M</b>

**Estimated RP-5 Expansion Project Cost: \$325M**



# RP-5 Liquids Expansion & Solids Facility Next Steps



# Recommendation

- It is recommended that the Board of Directors concur with the findings of the RP-1 & RP-5 Expansion Preliminary Design Report.

The RP-1 & RP-5 Expansion Preliminary Design Report is consistent with the *IEUA's Business Goal of Wastewater Management* specifically the Water Quality objective that IEUA will ensure that systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements.

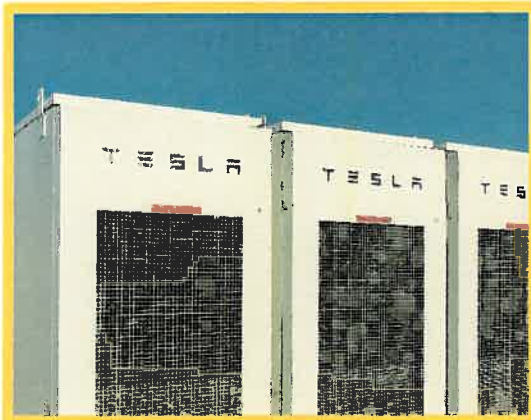


**INFORMATION  
ITEM**

**4A**

# Fiscal Years 2017/18 – 2018/19 Biennial Budget Overview

## Board Meeting

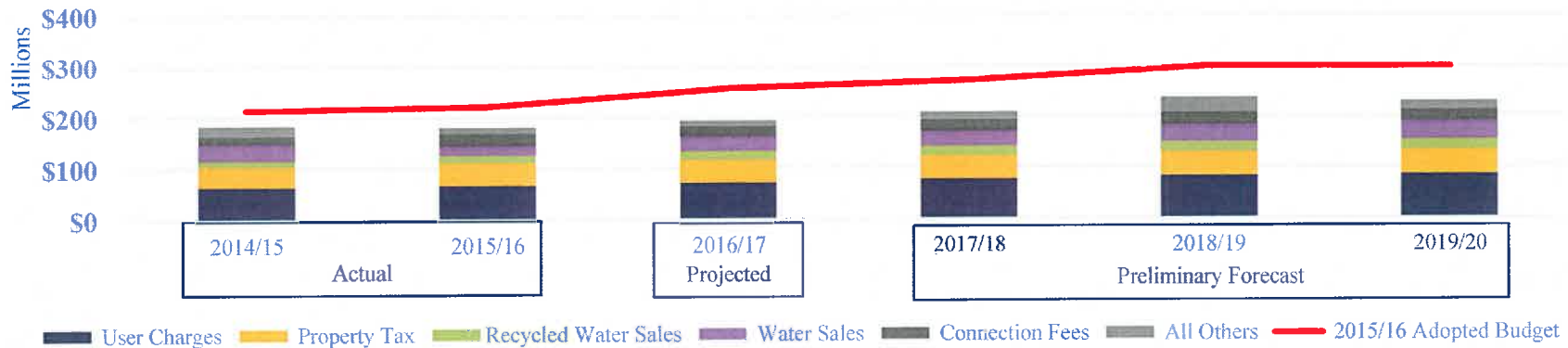


# ***Focus Over the Next 2 Years***

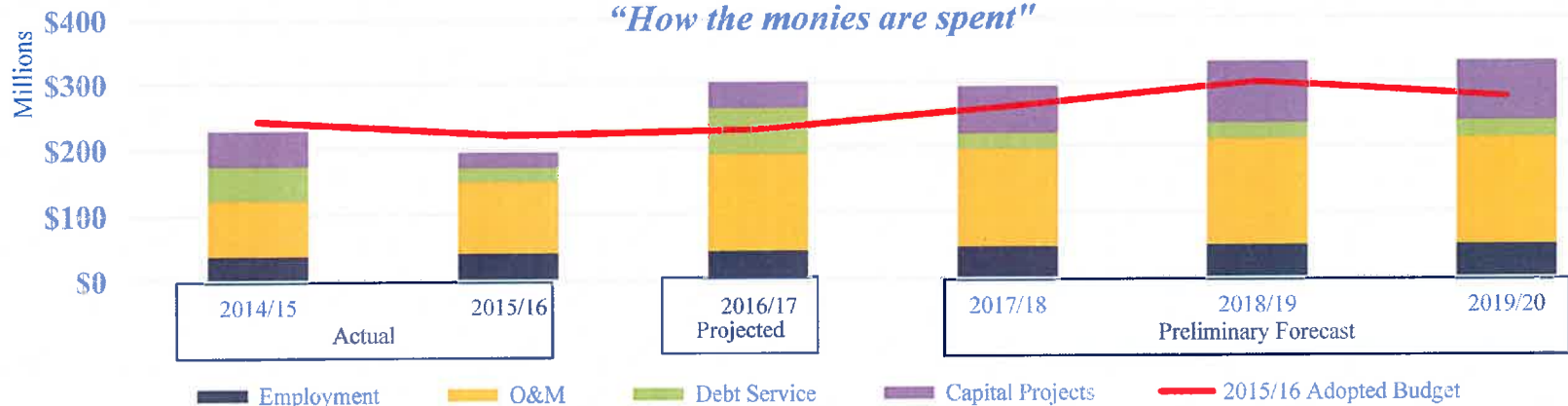
- **“Ramp-Up” succession planning**
- **Transition from corrective to preventive maintenance**
- **Optimize grants and low interest debt to support capital expansion and improvements**
- **Upkeep of Agency assets to ensure level of service delivery**
- **Continued commitment to cost containment**

# Are We on Track with 2015 Forecasts?

Sources of Funds  
"Where the monies come from"



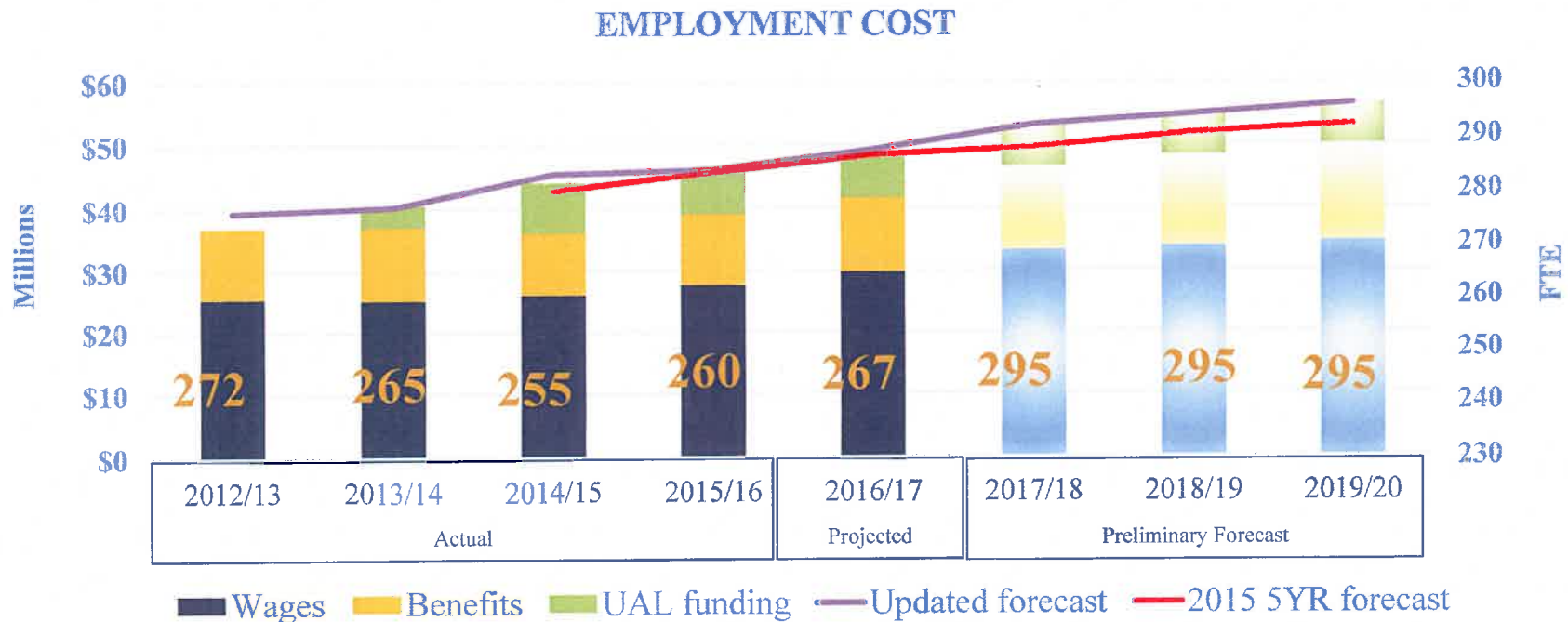
Uses of Funds  
"How the monies are spent"





# ~30% of Workforce May Retire Over the Next 5 Years

- “2015 5YR forecast” assumed 290 FTEs and a vacancy factor of 3%
- Ramp-up succession planning beginning FY 2017/18;
  - Eliminate the 3% vacancy factor, and
  - Establish a Succession Planning pool of 10 FTE positions



*FTE, full time equivalent employee*

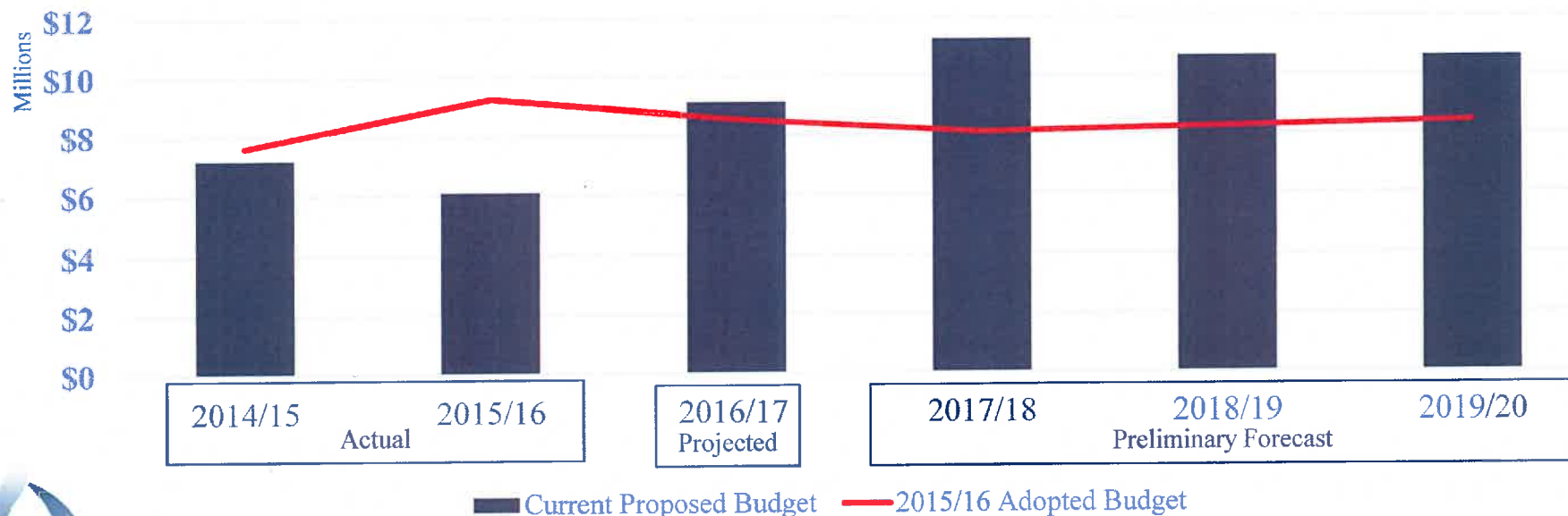
*UAL, unfunded accrued liabilities for employee retirement benefits*

# Cost Effective Maintenance Approach

Leverage outside contractors to support;

- Achieve 70% preventive/predictive maintenance
  - Currently 70% corrective and 30% preventive
- Skill development and knowledge transfer

Professional Services/Contract Labor



# Continued Focus on Expansion and Upkeep

~\$110 Million higher than FY 2015/16 TYCIP;

- RP-5 Expansion from 15 MGD to 30 MGD
- RP-1 Rehabilitation and Improvement



MGD, million gallon per day

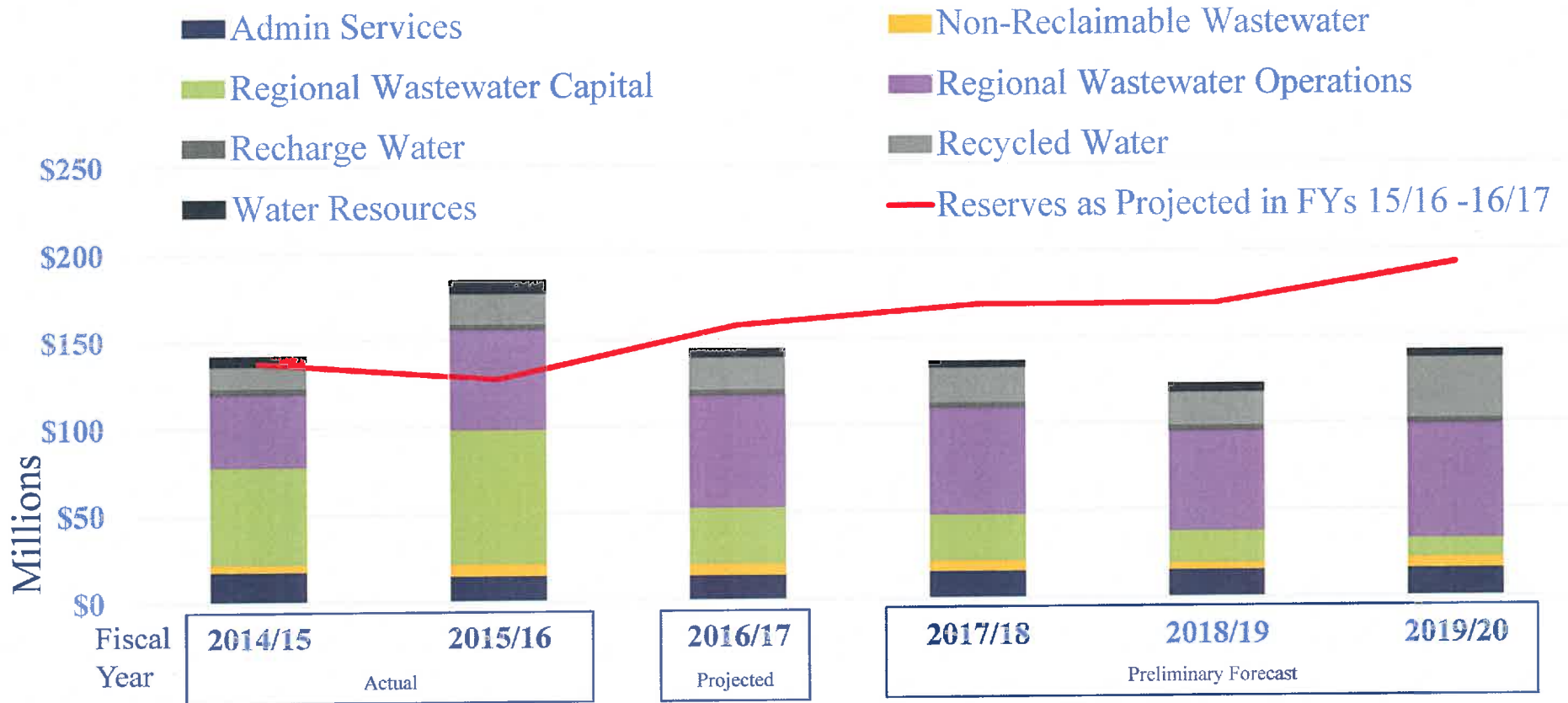


■ Capital

— FY 2015/16 Adopted TYCIP Budget

# Estimated Impact to Fund Balance

## All Funds





# Next Steps

Biennial Budget for Fiscal Years 2017/18 and 2018/19	IEUA Finance Committee/Board	Regional Technical/Policy Committees
Review of proposed O&M budget for Regional Wastewater, Recycled Water, and Recharge Water programs and Ten Year Capital Improvement Plan (TYCIP) FYs 2018-2027	March 8 March 15	March 30 April 6
Review proposed O&M of Non-reclaimable Wastewater, Water Resources, and Administrative Services programs	April 12 April 19	April 28 May 4
Final review of proposed O&M budget for all programs and TYCIP	May 10 May 17	May 25 June 1
Final approval and adoption	June 7 June 4	

*The Biennial Budget Overview is consistent with the Agency's business goal of fiscal responsibility and prudent financial planning.*

INFORMATION  
ITEM

**4B**

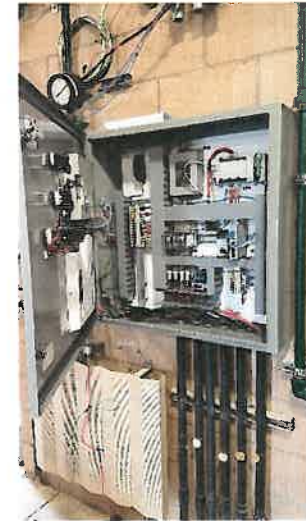
# Engineering and Construction Management Project Updates

## Board Meeting



# EN15055 – 1630 E. & W. Recycled Water Pump Station Surge Protection

- Contractor: J. R. Filanc
- Current Contract (Construction): \$766 K
- Total Project Budget: \$1.4 M
- Project Completion: March 2017
- Scope of Work:
  - Replace existing air compressors
  - Install surge tank
- Current Activities:
  - Distribute O&M Manuals
  - Document as-builts
  - Distribute Deliverables



Control Panel at 1630 West



New Compression System



# EN18006 – RP-1 Flare Improvements

- Consultant: Lee & Ro, Inc.
- Current Contract (Design): \$378 K
- Total Project Budget: \$4 M
- Project Completion: March 2019
- Scope of Work:
  - Replacement of existing flare with three new high efficiency flares
  - Predesign to upgrade/replace existing underground digester gas piping
  - Evaluate existing iron sponges and provide recommendations
  - Upgrade control system
- Current Activities:
  - Design phase kickoff meeting on February 2, 2017
  - Predesign in progress
  - System assessment/investigation



Digester Gas Piping to the Flare



Existing Candlestick Flare

# EN16049 – Conference Rooms Audio Visual Upgrades

- Contractor: New Millennium Construction
- Current Contract (Design-Build): \$894 K
- Total Project Budget: \$1.3 M
- Project Completion: December 2017
- Scope of Work:
  - Provide audiovisual and architectural upgrades
    - Phase 1: Board Room/Anza Conference Room
    - Phase 2: HQB Event Center
    - Phase 3: HQ Conference Rooms and RP-1 Lunch/Conference Room
- Current Activities:
  - Board Room construction
  - Complete Anza Conference Room upgrades



New Anza Projector



Smart Projector in Wetlands Interpretive Center

# EN16071 – San Bernardino Avenue Gravity Sewer

- Contractor: Ferreira Construction
- Current Contract (Construction): \$1 M
- Total Project Budget: \$1.5 M
- Project Completion: April 2017
- Scope of Work:
  - Install 1,300 lf of gravity sewer pipe
- Current Activities:
  - Install 18-in VCP sewer pipe and manholes
  - Install 15-in VCP sewer pipe inside Prologis WWTP
  - Connect CSI, Speedway, and Prologis laterals to 18-in sewer pipe



New 18-in Manhole Base



18-in Pipeline Between Manholes



# EN14019 – RP-1 Headworks Primary and Secondary Upgrades

- Contractor: RMC Water and Environment
- Current Contract (Design): \$819 K
- Total Project Budget: \$10.4 M
- Project Completion: April 2018
- Scope of Work:
  - Rehabilitate the grit removal systems
  - Install submersible scum pumps & Mixer
  - Design a bypass for System C flow meter
- Current Activities:
  - Complete final design



Grit Processing Equipment



Corroded Concrete



INFORMATION  
ITEM

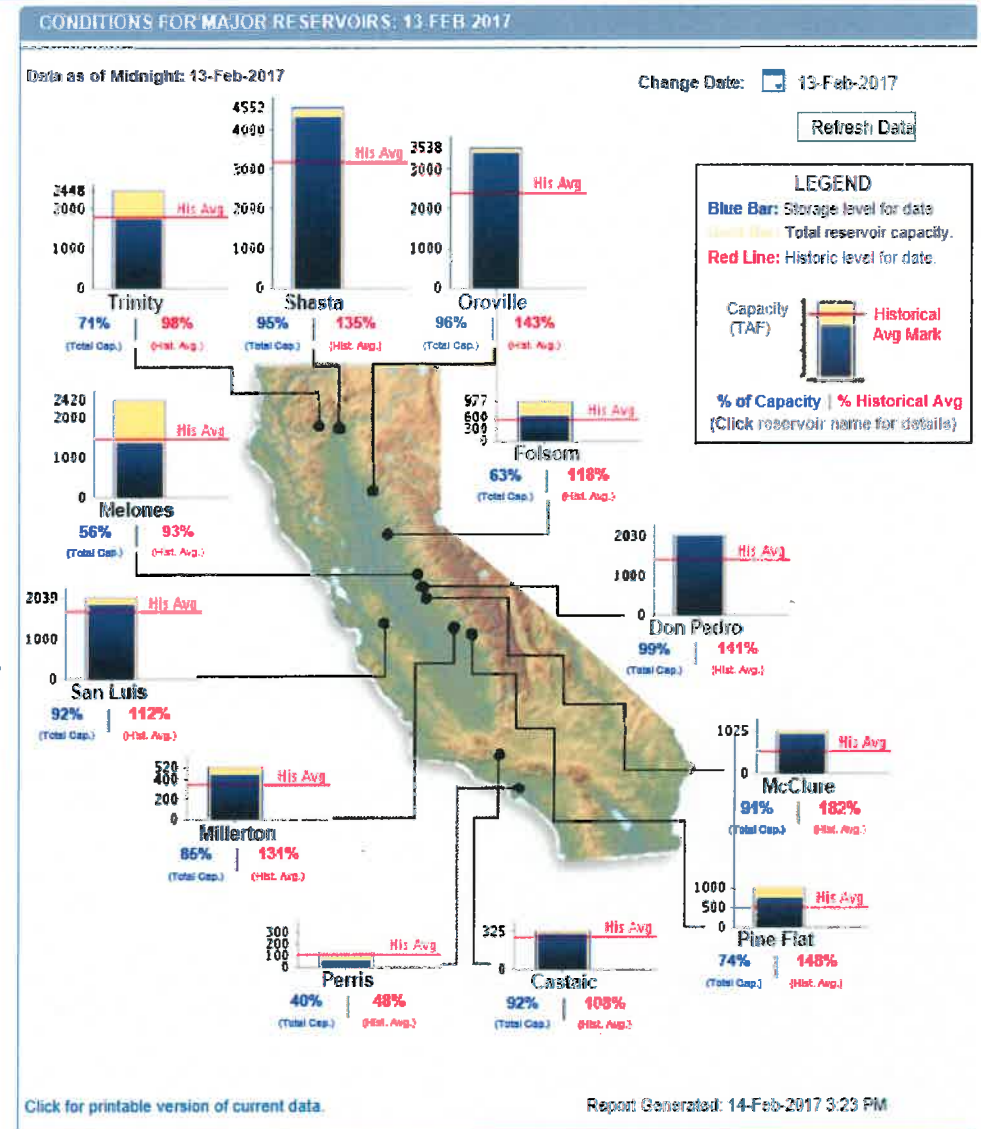
**4D**

# MWD Monthly Recap



# Water Conditions and Sales

- SWP Allocation 60%
- State snowpack 179%
  - 37.7” water equivalent
- N. Sierra precip 221%
  - 68-inches
- Delta pumps at max capacity
  - 14,000 CFS



# State Water Project

- *Connecting California's Water*



# Facility Tour

## Key SWP facilities:

- Lake Oroville
- Bay Delta
- San Luis Reservoir
- Edmonston Pumping Plant
- **Pearblossom Pumping Plant ←**
- **Rialto Pipeline to IEUA ←**





# From Edmonston Pumping Plant



# Imported Water Supply in the IEUA Service Area

- Purchased from the MWD (State Water Contractor)
- Conveyed by MWD through the Rialto pipeline
  - Service area includes 14 service connections
    - Wholesale to WFA, CVWD and FWC
    - Provide replenishment water to CBWM
  - Have ability to purchase up to 93k AFY
- Accounts for 20-30% of annual water supply

INFORMATION  
ITEM


**4E**






Date: March 15, 2017

To: The Honorable Board of Directors

Through: Finance and Administration Committee (03/8/17)

From: P. Joseph Grindstaff  
General Manager 

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

 Javier Chagoyen-Lazaro   
Manager of Finance and Accounting

Subject: Treasurer's Report of Financial Affairs

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### **RECOMMENDATION**

The Treasurer's Report of Financial Affairs for the month ended January 31, 2017, is an informational item for the Board of Director's review.

### **BACKGROUND**

The Treasurer's Report of Financial Affairs for the month ended January 31, 2017, is submitted in a format consistent with State requirements. The monthly report denotes investment transactions that have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2016-5-1).

Total cash, investments, and restricted deposits of \$153,973,856 reflects a decrease of \$40,676,027 compared to the total reported for December 2016. The decrease can be attributed to the payment of \$51.6 million for the re-funding of the 2008A bonds, offset by property tax receipts and Capital Capacity Reimbursement Account (CCRA) receipts for new wastewater connection fees collected by the contract agencies on behalf of the Agency. The average days of cash on hand for the month ended January 31, 2017, increased to 293 days from 287 days as reported in December 2016. The increase is attributable to the increase in unrestricted cash and cash equivalents due to property tax receipts in the month of January of \$8.4 million. Average days of cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating expenses, debt service, and capital expenditures as recorded in the Agency's cash flow. New connection fees collected and held by member agencies are excluded from the days of cash on hand calculation.

The Agency's investment portfolio average rate of return in January 2017 was 0.876%, an increase of 0.065% compared to the average yield of 0.811% reported in December 2016. The increase can be attributed to an increase in yield of the Agency's sweep account with Citizens Business Bank from 0.40% to 0.50% and a steady increase in the yield of the California Asset Management Program (CAMP) account from 0.72% in December to 0.85% in January.

The Financial Affairs report is consistent with the Agency's Business Goal of Fiscal Responsibility in providing financial reporting that accounts for cash and investment activities to fund operating requirements and to optimize investment earnings.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The interest earned on the Agency's investment portfolio increases the Agency's reserves.

Attachment: January 2017 Treasurer's Report of Financial Affairs

## TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended January 31, 2017



All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2016-5-1) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on May 18, 2016.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

\* A Municipal Water District

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
January 31, 2017

	<u>January</u>	<u>December</u>
<b><u>Cash, Bank Deposits, and Bank Investment Accounts</u></b>	<u>\$2,410,616</u>	<u>\$1,415,663</u>
<b><u>Investments</u></b>		
Citizens Business Bank (CBB) Repurchase (Sweep)	\$29,081,493	\$35,206,744
Local Agency Investment Fund (LAIF)	24,053,985	25,584,481
CalTrust	16,073,333	16,067,404
California Asset Management Program (CAMP)	18,099,004	8,053,427
Certificates of Deposit	2,900,000	3,630,000
Medium Term Notes	10,599,913	9,596,177
U.S. Government Sponsored Entities	21,430,106	22,429,797
<b>Total Investments</b>	<u>\$122,237,834</u>	<u>\$120,568,030</u>
 <b>Total Cash and Investments Available to the Agency</b>	 <u>\$124,648,450</u>	 <u>\$121,983,693</u>
 <b><u>Restricted Deposits</u></b>		
Restricted Bank Investment Deposits	\$4,000,000	\$54,000,000
Debt Service Accounts	\$3,096,409	\$2,544,825
CCRA Deposits Held by Member Agencies	12,696,306	6,728,925
OPEB (CERBT) Account	9,371,793	9,275,291
Escrow Deposits	160,898	117,149
<b>Total Restricted Deposits</b>	<u>\$29,325,406</u>	<u>\$72,666,190</u>
 <b>Total Cash, Investments, and Restricted Deposits</b>	 <u>\$153,973,856</u>	 <u>\$194,649,883</u>

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
January 31, 2017

**Cash, Bank Deposits, and Bank Investment Accounts**

CBB Demand Account (Offset by CBB Sweep Balance)	\$1,159,647
CBB Workers' Compensation Account	73,992
Bank of America (BofA) Payroll Account	27,284
BofA Payroll Taxes Account	28,565
Subtotal Demand Deposits	<u>\$1,289,488</u>

**Other Cash and Bank Accounts**

Petty Cash	<u>\$2,250</u>
Subtotal Other Cash	\$2,250

**US Bank Pre-Investment Money Market Account**

\$1,118,878

***Total Cash and Bank Accounts***

\$2,410,616

**Investments**

**CBB Repurchase (Sweep) Investments**

Fannie Mae	\$14,342,083
Freddie Mac	14,739,410
Subtotal CBB Repurchase (Sweep)	<u>\$29,081,493</u>

**Local Agency Investment Fund (LAIF)**

LAIF Non-Restricted Fund	<u>\$24,053,985</u>
Subtotal Local Agency Investment Fund	\$24,053,985

**CalTrust**

Short Term	\$10,122,366
Medium Term - Restricted	5,950,967
Subtotal CalTrust	<u>\$16,073,333</u>

**California Asset Management Program (CAMP)**

Pool	<u>\$18,099,004</u>
Subtotal CAMP	\$18,099,004

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
January 31, 2017

**Investments Continued**

**Certificates of Deposit**

Brokered Certificates of Deposit	\$2,900,000
Subtotal Certificates of Deposit	\$2,900,000

**Medium Term Notes**

John Deere Capital Corp.	\$1,000,575
Toyota Motor Credit Corp.	2,000,000
JP Morgan Chase & Co.	999,548
Johnson & Johnson	2,017,715
Microsoft	2,067,215
Exxon Mobil	1,005,720
Wells Fargo Bank N.A.	1,509,140
Subtotal Medium Term Notes	\$10,599,913

**U.S. Government Sponsored Entities**

Fannie Mae Bank	\$3,749,569
Freddie Mac Bank	6,482,964
Federal Farm Credit Bank	10,197,196
Federal Home Loan Bank	1,000,377
Subtotal U.S. Government Sponsored Entities	\$21,430,106

***Total Investments***

**\$122,237,834**

**Restricted Deposits**

**Bank Investment Deposits**

LAIF-Sinking Fund Reserves 2008A Bond	4,000,000
Subtotal Bank Investment Deposits	\$4,000,000

**Debt Service Reserves**

08B Debt Service Accounts	\$2,544,734
10A Debt Service Accounts	551,675
Subtotal Debt Service Reserves	\$3,096,409

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
January 31, 2017

**CCRA Deposits Held by Member Agencies**

City of Chino	\$2,390,571
Cucamonga Valley Water District	2,598,186
City of Fontana	1,368,368
City of Montclair	458,541
City of Ontario	3,145,959
City of Chino Hills	2,278,659
City of Upland	456,022
Subtotal CCRA Deposits Held by Member Agencies	\$12,696,306

**CalPERS**

OPEB (CERBT) Account	\$9,371,793
Subtotal CalPERS Accounts	\$9,371,793

**Escrow Deposits**

Kemp Brothers Construction	\$160,898
Subtotal Escrow Deposits	\$160,898

***Total Restricted Deposits***

**\$29,325,406**

***Total Cash, Investments, and Restricted Deposits as of January 31, 2017***

**\$153,973,856**

Total Cash, Investments, and Restricted Deposits as of 1/31/17

\$153,973,856

Less: Total Cash, Investments, and Restricted Deposits as of 12/31/16

194,649,883

***Total Monthly Increase (Decrease)***

**(\$40,676,027)**

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
January 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	January	January	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's				Amortization	Value				
<b>Cash, Bank Deposits, and Bank Investment Accounts</b>													
<b>Citizens Business Bank (CBB)</b>													
Demand Account*					\$1,159,647	\$1,159,647	N/A	N/A	\$1,159,647		N/A	N/A	\$1,159,647
Workers' Compensation Account					73,992	73,992	N/A	N/A	73,992		N/A	N/A	73,992
Subtotal CBB Accounts					\$1,233,639	\$1,233,639			\$1,233,639				\$1,233,639
<b>Bank of America (BoFA)</b>													
Payroll Checking					\$27,284	\$27,284	N/A	N/A	\$27,284		N/A	N/A	\$27,284
Payroll Tax Checking					28,565	28,565	N/A	N/A	28,565		N/A	N/A	28,565
Subtotal B of A Accounts					\$55,849	\$55,849			\$55,849		N/A		\$55,849
<b>US Bank (USB)</b>													
Federated Automated MMA					\$1,118,878	\$1,118,878	N/A	N/A	\$1,118,878		0.02%	N/A	\$1,118,878
Subtotal USB Account						\$1,118,878			\$1,118,878		0.02%		\$1,118,878
<b>Petty Cash</b>													
					\$2,250	\$2,250	N/A	N/A	\$2,250		N/A	N/A	\$2,250
<b>Total Cash, Bank Deposits and Bank Investment Accounts</b>					<b>\$1,291,738</b>	<b>\$2,410,616</b>			<b>\$2,410,616</b>				<b>\$2,410,616</b>
<i>*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance</i>													
<b>Investments</b>													
<b>CBB Daily Repurchase (Sweep) Accounts</b>													
Fannie Mae					\$14,342,083	\$14,342,083	N/A	N/A	\$14,342,083		0.50%	N/A	\$14,342,083
Freddie Mac					14,739,410	14,739,410	N/A	N/A	14,739,410		0.50%		14,739,410
Subtotal CBB Repurchase Accounts					\$29,081,493	\$29,081,493			\$29,081,493		0.50%		\$29,081,493
<b>LAIF Accounts</b>													
Non-Restricted Funds					\$24,053,985	\$24,053,985	N/A	N/A	\$24,053,985		0.751%	N/A	\$24,053,985
Subtotal LAIF Accounts					\$24,053,985	\$24,053,985			\$24,053,985		0.751%		\$24,053,985
<b>CALTRUST Accounts</b>													
Short-Term					\$10,122,366	\$10,122,366	N/A	N/A	\$10,122,366		0.94%	N/A	\$10,122,366
Medium-Term (Self Insurance Reserves)					5,950,967	5,950,967	N/A	N/A	5,950,967		1.14%	N/A	5,950,967
Subtotal CalTrust Accounts					\$16,073,333	\$16,073,333			\$16,073,333		1.014%		\$16,073,333
<b>CAMP Accounts</b>													
Short-Term					\$18,099,004	\$18,099,004	N/A	N/A	\$18,099,004		0.85%	N/A	\$18,099,004
Subtotal CAMP Accounts					\$18,099,004	\$18,099,004			\$18,099,004		0.85%		\$18,099,004



# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
January 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	January Amortization	January Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
<b>Investments (continued)</b>													
<b>Brokered Certificates of Deposit (CDs)</b>													
Comenity Capital Bank	N/A				\$240,000	\$240,000	731		\$240,000	1.15%	1.15%	07/13/17	\$240,348
Discover Bank	N/A				240,000	240,000	552		240,000	1.15%	1.15%	07/17/17	240,521
Medallion Bank	N/A				240,000	240,000	733		240,000	1.20%	1.20%	07/17/17	240,346
Sallie Mae Bank	N/A				248,000	248,000	743		248,000	1.15%	1.15%	11/06/17	248,670
Key Bank National Association	N/A				248,000	248,000	732		248,000	1.10%	1.10%	11/13/17	248,667
Capital One Bank	N/A				240,000	240,000	916		240,000	1.35%	1.35%	01/16/18	240,826
Goldman Sachs Bank USA	N/A				240,000	240,000	916		240,000	1.40%	1.40%	01/16/18	240,941
BMW Bank of North America	N/A				240,000	240,000	915		240,000	1.40%	1.40%	01/17/18	240,938
American Express Bank	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	241,090
American Express Centurion	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	241,090
HSBC Bank USA, NA Step	N/A				244,000	244,000	1827		244,000	1.25%	2.51%	07/29/20	244,522
Synchrony Bank	N/A				240,000	240,000	1827		240,000	2.25%	2.25%	10/02/20	244,267
<b>Subtotal Brokered CDs</b>					<b>\$2,900,000</b>	<b>\$2,900,000</b>		<b>\$0</b>	<b>\$2,900,000</b>		<b>1.504%</b>		<b>\$2,912,226</b>
<b>U.S. Government Sponsored Entities</b>													
Federal Farm Credit Bank ( <i>Sinking Fund Reserves</i> )	AA+	AAA			\$5,195,000	\$5,199,431	447	(303)	\$5,197,196	0.75%	0.68%	09/13/17	\$5,194,117
Federal Home Loan Bank	AA+	Aaa			1,000,000	1,000,380	713	(3)	1,000,377	1.25%	1.23%	01/18/19	999,560
Federal Farm Credit Bank	AA+	AAA			3,000,000	3,000,000	1,079		3,000,000	1.15%	1.15%	02/22/19	2,987,100
Freddie Mac Bond	AA+	AAA			1,000,000	1,003,132	1,023	(95)	1,002,367	1.25%	1.14%	03/15/19	998,390
Federal Farm Credit Bank	AA+	AAA			2,000,000	2,000,000	1,460		2,000,000	1.52%	1.52%	06/24/19	2,006,160
Freddie Mac Bond	AA+	AAA			1,500,000	1,500,000	1,080		1,500,000	1.15%	1.15%	07/26/19	1,478,055
Fannie Mae Step Bond	AA+	AAA			1,500,000	1,500,000	1,080		1,500,000	0.88%	1.33%	07/26/19	1,485,750
Fannie Mae Bond	AA+	AAA			900,000	899,460	1,153	14	899,569	1.25%	1.25%	08/23/19	891,927
Fannie Mae Bond	AA+	AAA			1,350,000	1,350,000	1,157		1,350,000	1.25%	1.25%	08/26/19	1,338,080
Freddie Mac Bond	AA+	AAA			3,000,000	2,972,928	1,359	618	2,980,597	1.25%	1.50%	10/02/19	2,982,570
Freddie Mac Bond	AA+	Aaaa			1,000,000	1,000,000	1,093		1,000,000	1.63%	1.63%	01/28/20	998,650
<b>Subtotal U.S. Gov't Sponsored Entities</b>					<b>\$21,445,000</b>	<b>\$21,425,331</b>		<b>\$231</b>	<b>\$21,430,106</b>		<b>1.168%</b>		<b>\$21,360,359</b>
<b>(As of August 2011, all US GSE's have been downgraded to AA+ Rating by S&amp;P)</b>													

# INLAND EMPIRE UTILITIES AGENCY

## Cash and Investment Summary

Month Ended  
January 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	January Amortization	January Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
<b>Medium Term Notes</b>													
John Deere Capital Corp	A	A2			\$1,000,000	\$1,004,000	1,754	(71)	\$1,000,575	1.20%	1.11%	10/10/17	\$1,000,300
Toyota Motor Credit Corp	AA-	AA3			2,000,000	2,000,000	1,045		2,000,000	1.10%	1.10%	04/25/18	1,983,680
JP Morgan Chase & Co	A-	A3			1,000,000	999,000	1,037	30	999,548	1.63%	1.66%	05/15/18	999,070
Johnson & Johnson	AAA	AAA			2,000,000	2,027,480	1,044	(816)	2,017,715	1.65%	1.16%	12/05/18	2,008,940
Microsoft	AAA	AAA			2,050,000	2,076,691	1,045	(792)	2,067,215	1.63%	1.16%	12/06/18	2,059,430
Exxon Mobil	AA+	Aaaa			1,000,000	1,005,750	763	(30)	1,005,720	1.71%	1.43%	05/24/19	1,002,200
Wells Fargo Bank	AA-	Aa2			1,500,000	1,511,655	1,061	(336)	1,509,140	1.75%	1.48%	05/24/19	1,494,075
<b>Subtotal Medium Term Notes</b>					<b>\$10,550,000</b>	<b>\$10,624,576</b>		<b>(\$2,015)</b>	<b>\$10,599,913</b>		<b>1.26%</b>		<b>\$10,547,695</b>
<b>Total Investments</b>					<b>\$122,202,815</b>	<b>\$122,257,722</b>			<b>\$122,237,834</b>				<b>\$122,128,095</b>
<i>(Source of Investment Market Value: US Bank)</i>													
<b>Restricted Deposits</b>													
<b>Bank Investment Deposits</b>													
LALF-Sinking Fund Reserves 2008A Bond					<u>4,000,000</u>	<u>4,000,000</u>			<u>4,000,000</u>		<u>0.751%</u>		<u>4,000,000</u>
<b>Total Bank Investment Deposit Accounts</b>					<b>\$4,000,000</b>	<b>\$4,000,000</b>			<b>\$4,000,000</b>		<b>0.75%</b>		<b>\$4,000,000</b>
<b>Debt Service and Arbitrage Accounts</b>													
08B Debt Service Accounts					\$2,544,734	\$2,544,734	N/A	N/A	\$2,544,734		0.23%		\$2,544,734
10A Debt Service Accounts					<u>551,675</u>	<u>551,675</u>	N/A	N/A	<u>551,675</u>		<u>0.10%</u>		<u>551,675</u>
<b>Total Debt Service Accounts</b>					<b>\$3,096,409</b>	<b>\$3,096,409</b>			<b>\$3,096,409</b>		<b>0.21%</b>		<b>\$3,096,409</b>
<b>CCRA Deposits Held by Member Agencies</b>													
City of Chino					\$2,390,571	\$2,390,571	N/A	N/A	\$2,390,571		N/A	N/A	\$2,390,571
Cucamonga Valley Water District					<u>2,598,186</u>	<u>2,598,186</u>	N/A	N/A	<u>2,598,186</u>		N/A	N/A	<u>2,598,186</u>
City of Fontana					<u>1,368,368</u>	<u>1,368,368</u>	N/A	N/A	<u>1,368,368</u>		N/A	N/A	<u>1,368,368</u>
City of Montclair					<u>458,541</u>	<u>458,541</u>	N/A	N/A	<u>458,541</u>		N/A	N/A	<u>458,541</u>
City of Ontario					<u>3,145,959</u>	<u>3,145,959</u>	N/A	N/A	<u>3,145,959</u>		N/A	N/A	<u>3,145,959</u>
City of Chino Hills					<u>2,278,659</u>	<u>2,278,659</u>	N/A	N/A	<u>2,278,659</u>		N/A	N/A	<u>2,278,659</u>
City of Upland					<u>456,022</u>	<u>456,022</u>	N/A	N/A	<u>456,022</u>		N/A	N/A	<u>456,022</u>
<b>Subtotal CCRA Deposits Held by Member Agencies</b>					<b>\$12,696,306</b>	<b>\$12,696,306</b>			<b>\$12,696,306</b>				<b>\$12,696,306</b>
<i>Reported total as of December 31, 2016 - net of received Capital Call proceeds.</i>													
<b>CalPERS Deposits</b>													
OPEB (CERBT) Account					\$9,000,000	\$9,000,000	N/A	N/A	\$9,371,793		N/A	N/A	\$9,371,793
<b>Subtotal CalPERS Deposits</b>					<b>\$9,000,000</b>	<b>\$9,000,000</b>			<b>\$9,371,793</b>				<b>\$9,371,793</b>
<b>Escrow Deposits</b>													
Kemp Brothers Construction Escrow					160,898	\$160,898	N/A	N/A	\$160,898		N/A	N/A	\$160,898
<b>Subtotal Escrow Deposits</b>					<b>\$160,898</b>	<b>\$160,898</b>			<b>\$160,898</b>				<b>\$160,898</b>
<b>Total Restricted Deposits</b>					<b>\$28,953,613</b>	<b>\$28,953,613</b>			<b>\$29,325,406</b>				<b>\$29,325,406</b>
<b>Total Cash, Investments, and Restricted Deposits as of January 31, 2017</b>					<b>\$152,448,166</b>	<b>\$153,621,951</b>			<b>\$153,973,856</b>				<b>\$153,864,117</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
January 31, 2017

**January Purchases**

No.	Date	Transaction	Investment Security	Par Amount Purchased	Investment Yield
1	01/25/17	Purchase	Federal Home Loan Bank	\$ 1,000,000	1.230%
2	01/27/17	Purchase	Exxon Mobil Medium Term Note	\$ 1,000,000	1.430%
3	01/30/17	Purchase	Freddie Mac Bond	\$ 1,000,000	1.630%
<b>Total Purchases</b>				<b>\$ 3,000,000</b>	

**January Investment Maturities, Calls & Sales**

No.	Date	Transaction	Investment Security	Par Amount Matured/Sold	Investment Yield to Maturity
1	01/17/17	Maturity	Ally Bank Brokered Certificate of Deposit (CD)	\$ 245,000	0.800%
2	01/17/17	Maturity	Capital One National Association Brokered CD	240,000	0.800%
3	01/17/17	Maturity	Compass Bank	245,000	0.850%
4	01/26/17	Full Call	Federal Home Loan Bank	3,000,000	1.500%
<b>Total Maturities, Calls &amp; Sales</b>				<b>\$ 3,730,000</b>	

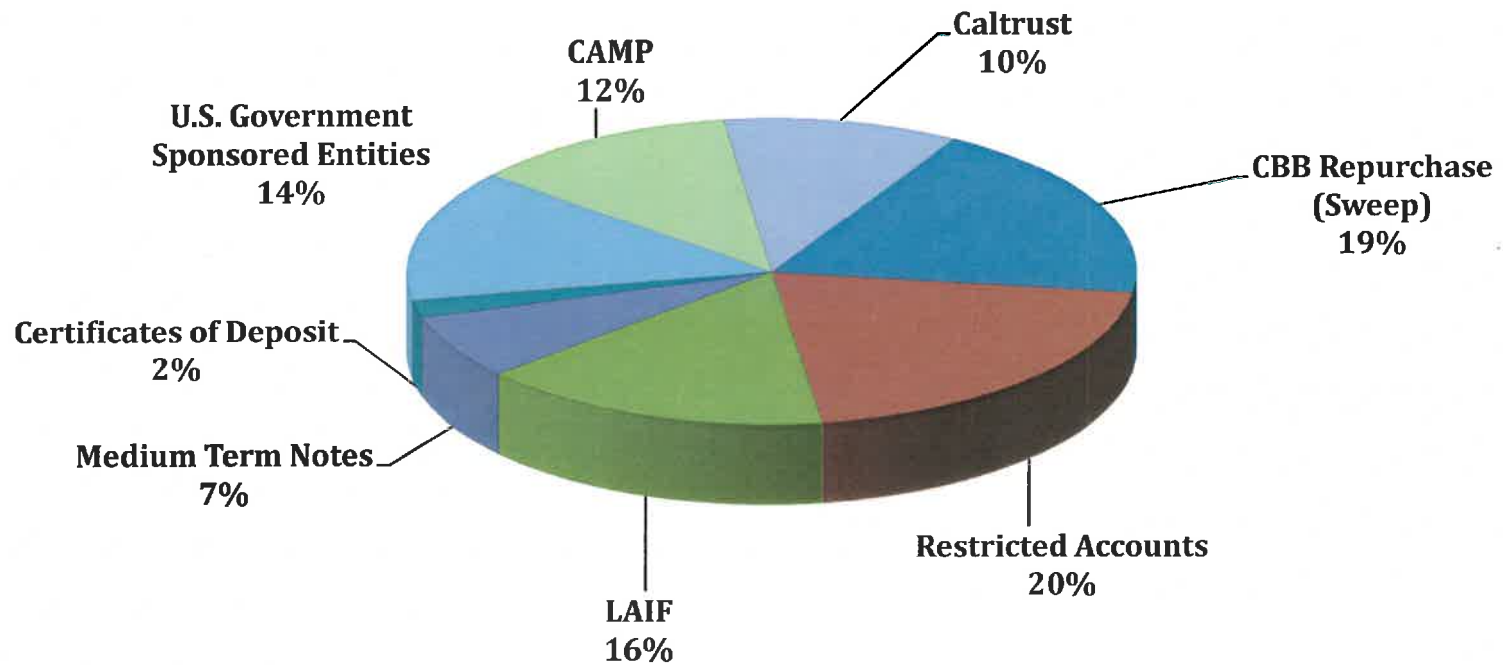
**INLAND EMPIRE UTILITIES AGENCY**  
**Cash and Investment Summary**

Month Ended  
January 31, 2017

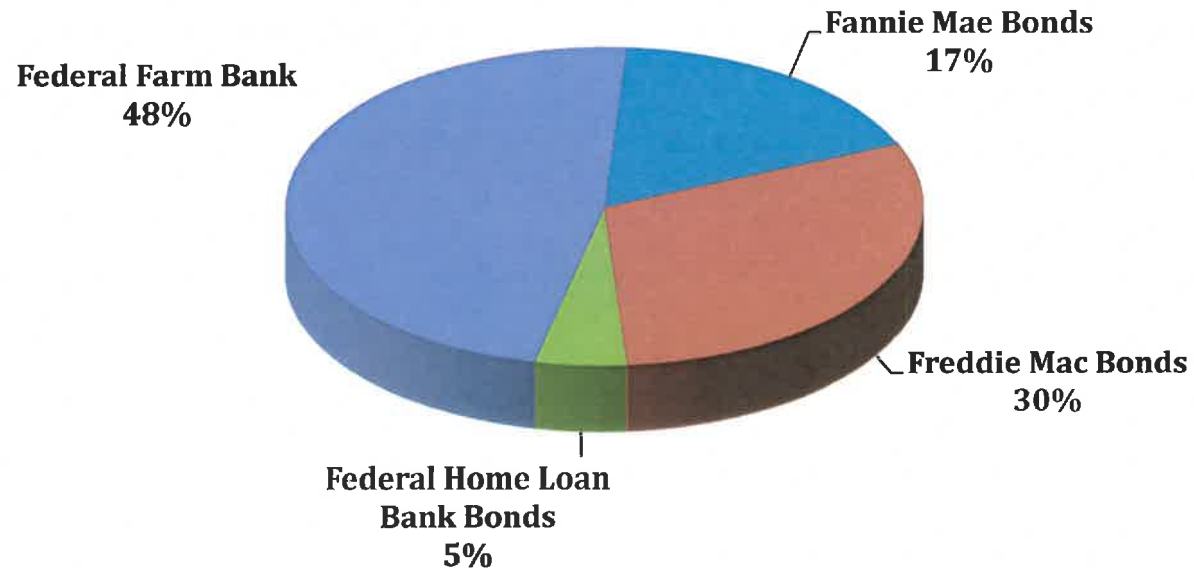
<b><u>Directed Investment Category</u></b>	<b><u>Amount Invested</u></b>	<b><u>Yield</u></b>
CBB Repurchase (Sweep)	\$29,081,493	0.500%
LAIF	24,053,985	0.751%
CalTrust	16,073,333	1.014%
CAMP	18,099,004	0.850%
Medium Term Notes	10,599,913	1.263%
U.S. Government Sponsored Entities	21,430,106	1.168%
	<b>\$119,337,834</b>	<b>0.861%</b>
<b>Bank Deposit and Investment Accounts</b>		
Various Banks - Brokered Certificates of Deposit	\$2,900,000	1.504%
	<b>\$2,900,000</b>	<b>1.504%</b>
<b>Total Investment Portfolio</b>	<b>\$122,237,834</b>	
<b>Investment Portfolio Rate of Return</b>		<b>0.876%</b>
<b><u>Restricted/Transitory/Other Demand Accounts</u></b>		
CCRA Deposits Held by Member Agencies	\$12,696,306	N/A
CalPERS OPEB (CERBT) Account	9,371,793	N/A
Bank Investment Deposits	4,000,000	0.751%
US Bank - 2008B Debt Service Accounts	2,544,734	0.230%
US Bank - 2010A Debt Service Accounts	551,675	0.100%
US Bank - Pre-Investment Money Market Account	1,118,878	0.020%
Citizens Business Bank - Demand Account	1,159,647	N/A
Citizens Business Bank - Workers' Compensation Account	73,992	N/A
Other Accounts*	58,099	N/A
	<b>\$31,575,124</b>	
<b>Total Other Accounts</b>	<b>\$31,575,124</b>	
<b>Average Yield of Other Accounts</b>		<b>0.446%</b>
<b>Total Agency Directed Deposits</b>	<b>\$153,812,958</b>	

\* Note: Bank of America Payroll Deposits used as compensating balances for bank services.

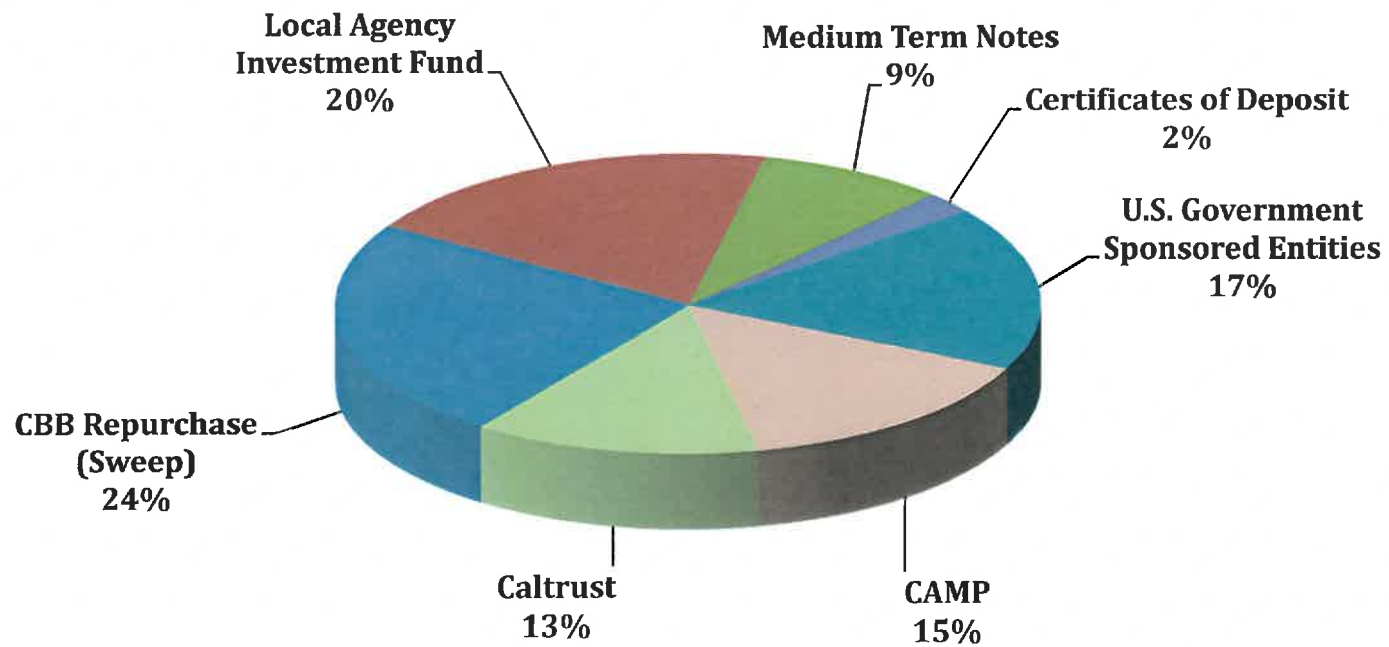
***Inland Empire Utilities Agency***  
**Treasurer's Report of Financial Affairs**  
For the Month Ended January 31, 2017  
Agency Investment Portfolio (net of escrow accounts)  
**\$153,812,958**



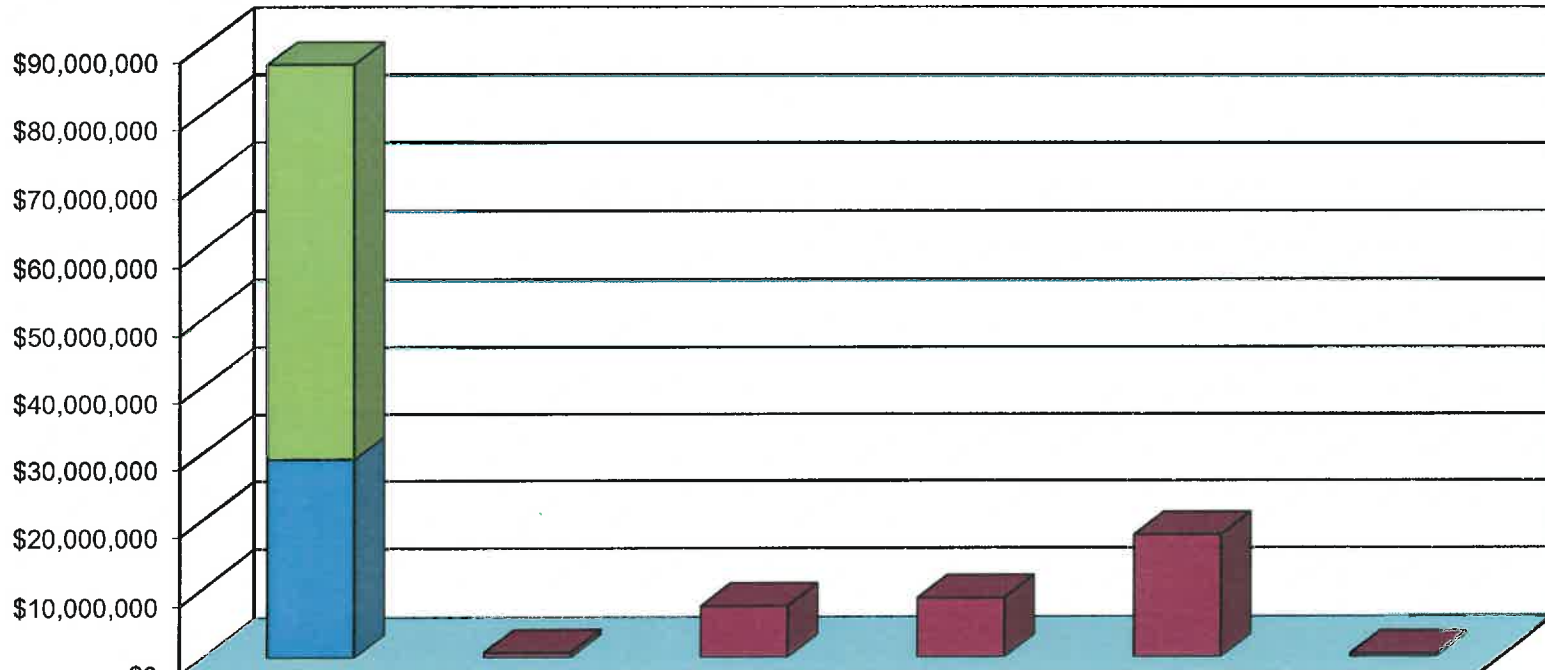
***Inland Empire Utilities Agency***  
**Treasurer's Report of Financial Affairs**  
**For the Month Ended January 31, 2017**  
**U.S. Government Sponsored Entities Portfolio**  
**\$21,430,106**



***Inland Empire Utilities Agency***  
**Treasurer's Report of Financial Affairs**  
**For the Month Ended January 31, 2017**  
**Unrestricted Agency Investment Portfolio**  
**\$122,237,834**



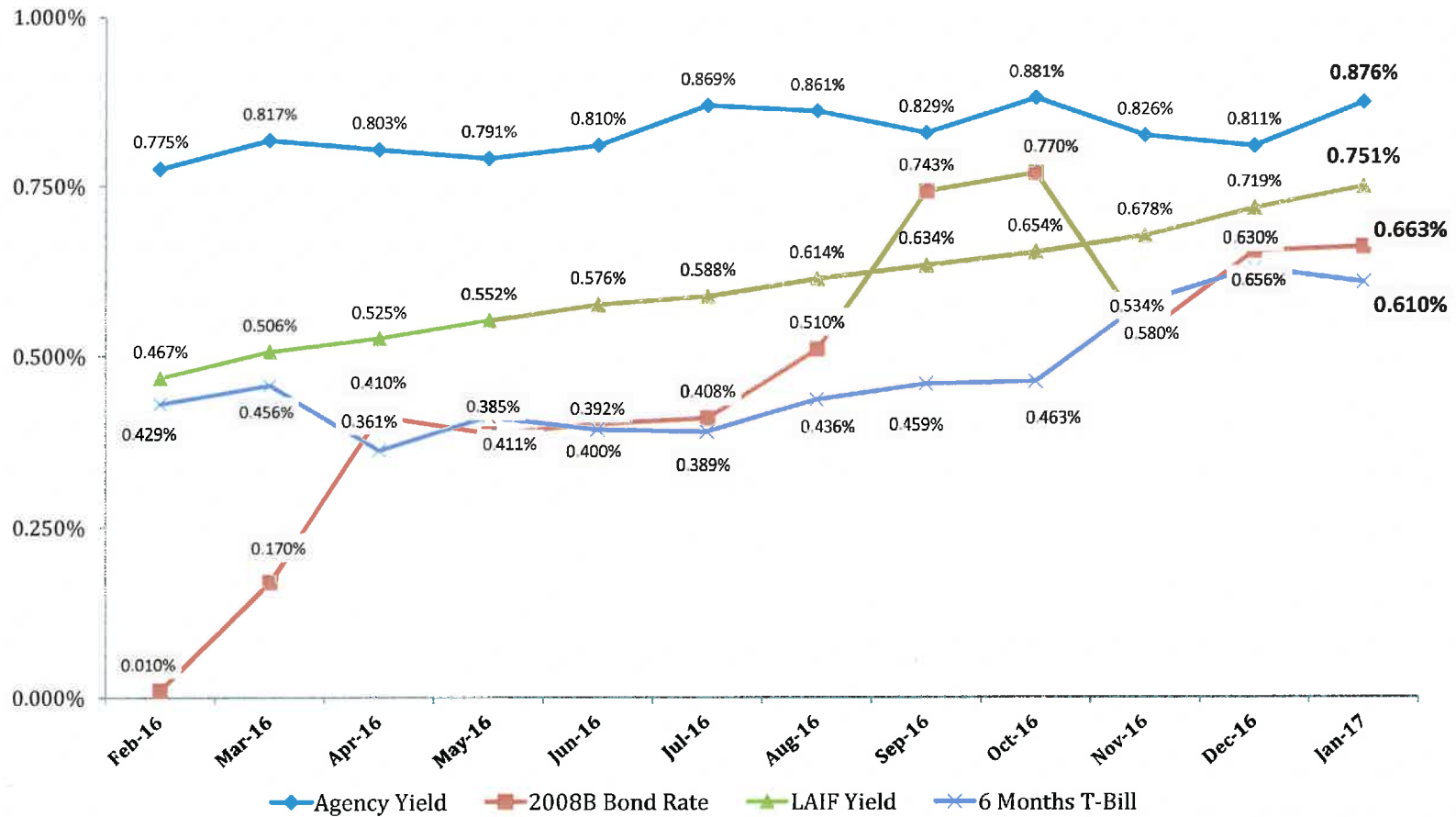
***Inland Empire Utilities Agency***  
**Treasurer's Report of Financial Affairs**  
For the Month Ended January 31, 2017  
***Agency Investment Portfolio Maturity Distribution***  
**\$122,237,834**



	0-30 Days	31-180 Days	181-365 Days	366-730 Days	2 to 3 Years	Over 3 Yrs
■ LAIF + CalTrust+CAMP	\$58,226,322					
■ Checking+Sweep	\$29,081,493					
■ GSE+CD+MTN+MUNI		\$720,000	\$7,413,771	8,564,855	\$17,747,393	\$484,000
□ Percent	71.41%	0.59%	6.07%	7.01%	14.52%	0.40%



**Inland Empire Utilities Agency  
Treasurer's Report of Financial Affairs  
For the Month Ended January 31, 2017  
Agency Investment Portfolio Yield Comparison**



# Treasurer's Report of Financial Affairs for January 31, 2017

## Board Meeting



# Report of Financial Affairs

## Liquidity

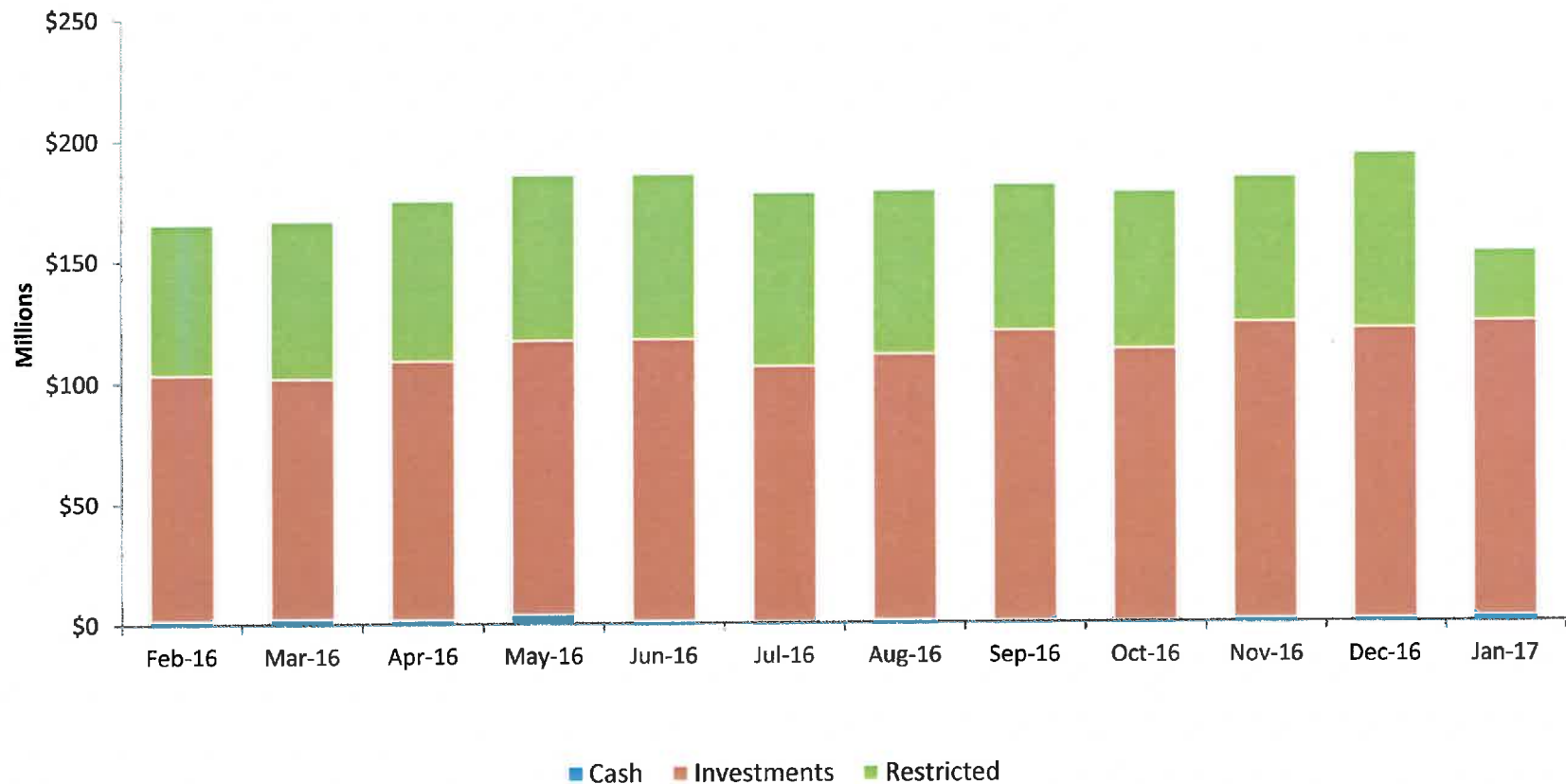
Description	January 2017 (\$ million)	December 2016 (\$ million)	Increase (Decrease) (\$ million)
Total Cash, Investments, and Restricted Deposits	\$154.0	\$194.6	(\$40.6)
Total Investment Portfolio	\$122.2	\$120.6	(\$1.6)
Investment Portfolio Yield	0.876%	0.811%	0.065%
Weighted Average Duration (years)	0.75	0.74	0.01
Average Cash on Hand (days)	293	287	6

## Portfolio

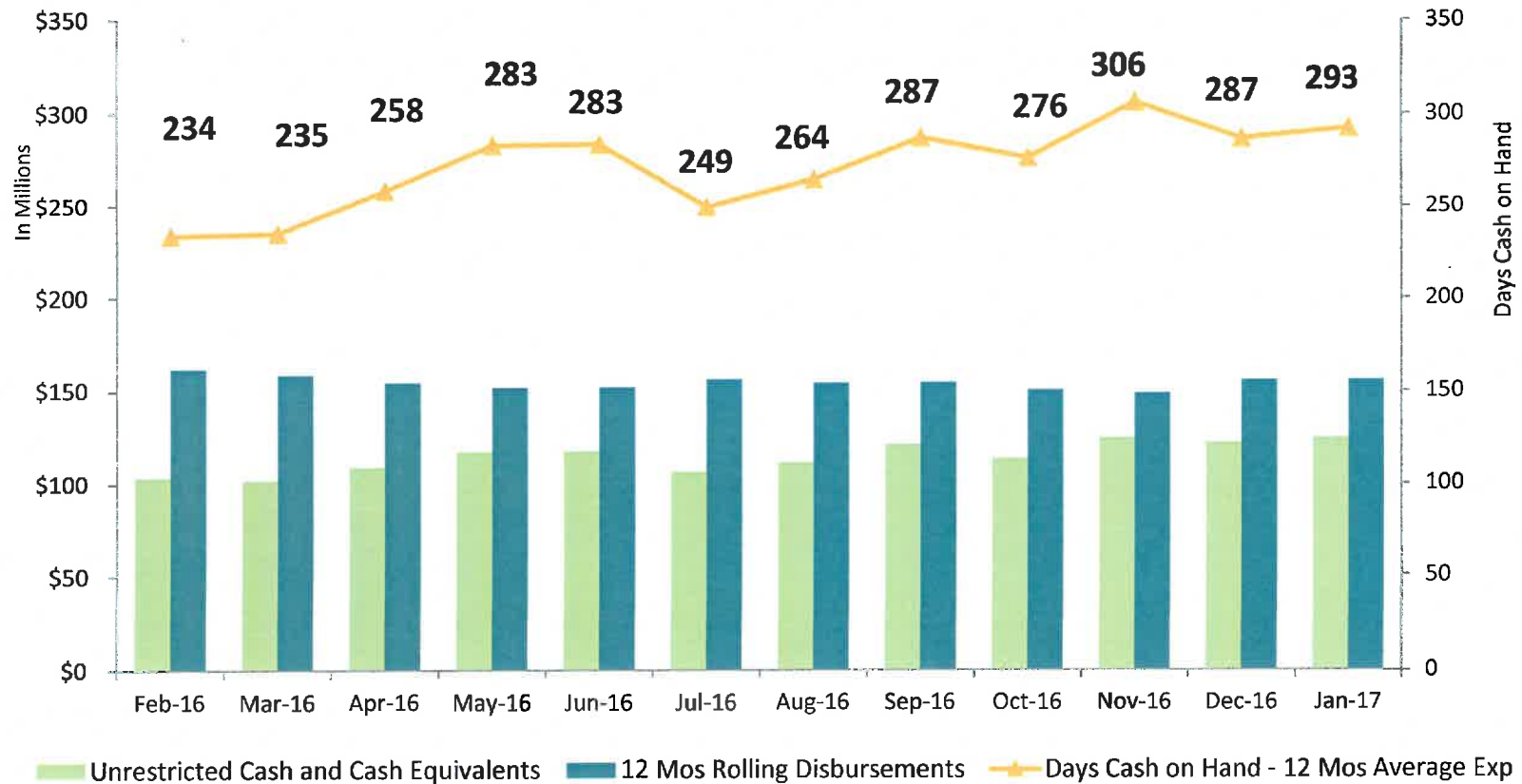
Term	Description	Allowable Threshold (\$ million)	Investment Value (\$ million)	Yield	Current Portfolio %
<b>Short Term, Under 1 Year:</b>	LAIF	\$65	\$24.1	0.75%	19.7%
	CalTrust	\$20	\$16.1	1.01%	13.2%
	Citizens Business – Sweep	40%	\$29.1	0.50%	23.8%
	CAMP	\$20	\$18.1	0.85%	14.8%
	Brokered CD's	30%	\$1.9	1.24%	1.6%
	Medium Term Notes	10%	\$1.0	1.11%	0.8%
<b>1 to 3 Years:</b>	US Government Securities	n/a	\$5.2	0.68%	4.2%
	Brokered CDs	30%	\$0.5	1.70%	0.4%
	US Government Securities	n/a	\$16.2	1.31%	13.3%
<b>Over 3 Years:</b>	Medium Term Notes	10%	\$9.5	1.28%	7.8%
	Brokered CDs	30%	\$0.5	2.38%	0.4%

# Cash, Investments, and Restricted Deposits

## Cash, Investments and Restricted Deposits

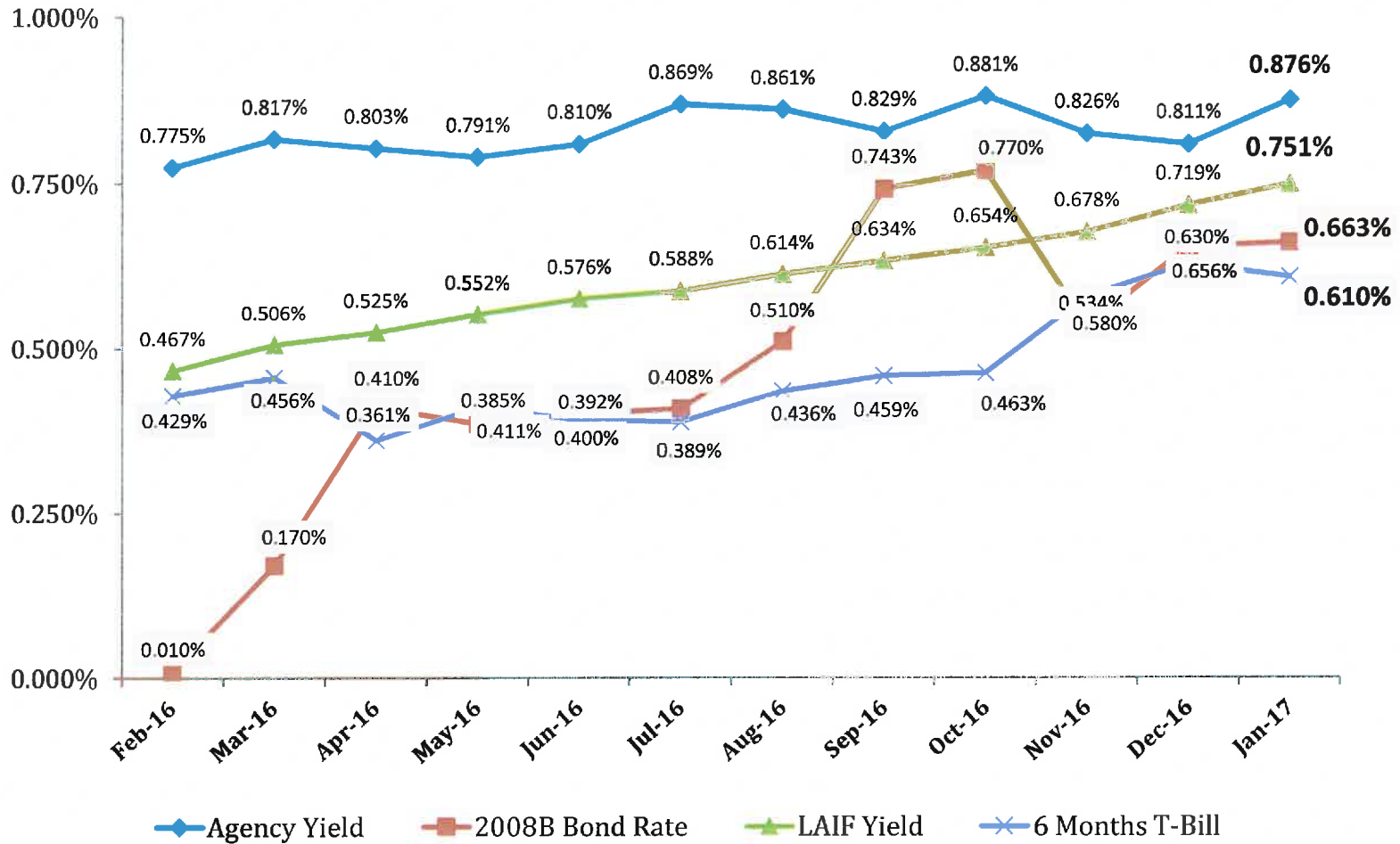


# Days Cash on Hand 12 Months Rolling Average





# Month End Portfolio Yield Comparison





# Questions?

*The Treasurer's Report of Financial Affairs is consistent with the Agency's business goal of fiscal responsibility*

INFORMATION  
ITEM

**4F**







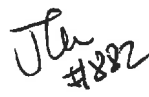
Date: March 15, 2017

To: The Honorable Board of Directors

Through: Finance and Administration Committee (3/8/17)

From:  P. Joseph Grindstaff  
General Manager

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

 Javier Chagoyen-Lazaro  
Manager of Finance and Accounting

Subject: FY 2016/17 Second Quarter Budget Variance, Performance Goals Updates, and Budget Transfers

---

### **RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

### **BACKGROUND**

The Budget Variance report presents the Agency's financial performance through the second quarter ending December 31, 2016, includes various analyses in the following attachments:

- Exhibit A provides a comparison of actual revenues and expenses against the current FY 2016/17 amended budget including a discussion of major categories with the most significant variances.
- Exhibit B provides a progress status of Division and Department Goals and Objectives as established in the FY 2016/17 amended budget.
- Exhibit C-1 presents a summary of Operations and Maintenance (O&M) budget transfers approved by management during the second quarter.
- Exhibit C-2 presents a summary of the GM contingency account activity.
- Exhibit D lists Board approved budget amendments and management approved budget transfers for capital and O&M projects.
- Exhibit E provides a FY 2016/17 financial overview of each of the Agency's programs.

## TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency received total revenues and other funding sources during the second quarter of FY 2016/17 of \$107.6 million, or 47.7% of the amended budget (Exhibit A detail). The following section highlights key variances:

- **Recycled Water Sales** – Recycled water sales at the end of second quarter were \$9.3 million, or 58.8% of the amended budget. Direct sales were \$5.7 million at 12,812 acre feet (AF) and groundwater recharge sales were \$3.6 million at 6,237 AF. Total year to date deliveries of 19,049 AF compared to the 37,100 AF projected for the fiscal year accounts for the favorable variance. Sales demand for direct use and groundwater recharge varies depending on weather pattern, water use conservation efforts, reuse supply, and basin availability.
- **MWD Imported Water Sales** – Total MWD pass-through imported water revenue was \$16.2 million or 56.6% of amended budget. A total of 23,149 AF of pass through water was delivered compared to 50,000 AF budgeted for the fiscal year. This exceeds last year's sales through December of 15,345 AF when sales were low due to water use reduction efforts in response to the drought.
- **MWD LPP Rebate** – Direct recycled water sales in excess of 3,500 AF and up to 17,000 AF are eligible for the Metropolitan Water District (MWD) Local Project Program (LPP) rebate at a rate of \$154/AF, for a maximum amount of \$2.1 million per fiscal year. Rebate receipts for the first half of the fiscal year totaled \$1.5 million for delivery of 9,593 AF. The MWD LPP rebate is set to expire at the end of June 2017.
- **Property Taxes** – Property tax receipts of \$16.4 million, or 36.7% of amended budget were collected beginning in November 2016 through the end of the second quarter. This includes \$16.1 million of general ad-valorem property tax from San Bernardino County and \$358,000 received from pass through agreements with former redevelopment agencies. Cumulative taxes received from the county through the second quarter are 5% higher compared to taxes received through December last year.
- **Wastewater/ Water Connection Fees** – Total connection fee receipts were \$13.3 million, or 66.1% of the amended budget. This category includes \$11.5 million for 2,024 new EDU connections through December 2016, compared to the 3,000 new EDU budgeted for the fiscal year. New EDU connections reflect 38% of the member agencies' forecast of 5,277 EDUs for FY 16/17. This category also includes water connection fees implemented January 1, 2016. The amount received through the second quarter was \$1.8 million for 2,805 new water connections. Water connection fees are a one-time fee paid directly to the Agency for any new or upsized water meter connection to the Agency's regional water distribution system.
- **Grants & Loans** – Grant and loan receipts through December were \$10.2 million, or 36.5% of the amended budget. \$10.1 million of the receipts are pass-through receipts to Chino

Basin Desalter Authority for the TCE Plume Cleanup project. The amended budget is comprised of \$10.7 million of grants and \$17.3 million of State Revolving Fund (SRF) loan proceeds. Grants and loans proceeds are primarily reimbursable in nature thus are dependent on related projects expenditures.

- **Other Revenues** – Total other revenues were \$1.4 million, or 17.6% of the \$8.2 million amended budget. The receipts include \$0.4 million from lease revenue and energy rebates, and \$1.0 million in project reimbursements. Project reimbursement receipts account for 11.9% of the budget. Delays in the reimbursable projects from recycled water and water resources programs accounted for the lower revenue.

**TOTAL EXPENSES AND USES OF FUNDS**

The Agency’s total expenses and uses of funds through the second quarter were \$88.4 million, or 36.7% of the amended budget.

The amended budget includes \$12.5 million of encumbrances and commitments carried forward from FY 2015/16 comprised of \$1.5 million for O&M expenses, \$6.5 million for special projects (non-capital), and \$4.5 million for capital projects. In accordance with Agency Policy A-81 (Fiscal Year-End Carry Forward of Encumbrances and Related Budget), carry forward encumbrances, commitments and related budget not expended by December 31 are subject to cancellation unless otherwise approved by Executive Management. At the end of the second quarter, unspent carry forward was \$8.4 million of which \$7.6 million was extended, and \$0.8 million was returned, as shown in Table 1.

**Table 1: FY 2015/17 Encumbrance Carry Forward Status**

	Capital & Special Projects	O&M	Total
Carried Forward – September 2016	\$11,031,817	\$1,479,671	\$12,511,488
Remaining Carry Forward subject to Reversal	\$7,714,192	\$708,006	\$8,422,198
Carry Forward Requested for Extension	\$7,239,742	\$402,655	\$7,642,397
<b>Encumbrance Returned – January 2017</b>	<b>\$474,450</b>	<b>\$305,351</b>	<b>\$779,801</b>

Key expense variance highlights are:

- **Employment Expenses** – Employment expenses were \$22.2 million or 52.2% of the amended budget. This slightly unfavorable variance reflects higher O&M labor expense due to lower capital and special project related labor costs. The category also includes \$3.5 million of expense for other post-employment benefits and retirement unfunded accrued liability, budgeted at \$7 million. In addition, the Agency currently employs 18 limited term employees, compared to the adopted staffing plan of 16 limited term positions. The cost of these additional positions in the Engineering, Planning, & Science Division is offset by a higher than anticipated vacancy factor of 8%, equivalent to 24 full-time (FTE) positions, compared to budgeted vacancy rate of 2% (6 FTEs). Recruitment of key positions as part of the Agency’s succession planning effort will lower the vacancy factor going forward.

- **Professional Fees & Services** – Total expenses were \$3.1 million, or 27.2% of the amended budget. The positive variance can be attributed to the timing of contracts and services that were deferred and which are anticipated to be spent in the remaining quarters for services associated with work performed by outside contractors such as the annual financial audit, annual software maintenance, financial advisor and bond counsel, and dig alert notifications.
- **Utilities** – Expenses in this category were \$4.2 million or 36.4% of the amended budget. *Electricity* expense showed an unfavorable variance of 57.5% of the amended budget, or \$3.6 million of expenses. Usage was 35.9 million kWh through the end of the second quarter compared to the annual Agency average of 70.0 million kWh. Electricity usage is higher than budgeted because the fuel cell has been offline since July 2016, and electricity has been pulled from Southern California Edison to make up for the loss in fuel cell production; however, *natural gas* usage was lower, partially offsetting the higher electricity costs. Natural gas usage was 42,794 therms through the end of the second quarter, at a winter rate of \$0.832/therm, compared to expected annual usage of 1.2 million therms and budgeted rate of \$0.80/therm.
- **O&M (Non-capital) Projects** – O&M project costs were \$10.2 million or 30% of the amended budget. The favorable variance is mainly due to lower spending in Agency-wide aeration projects, Santa Ana River Conservation & Conjunction Use Program (SARCCUP), various planning documents, and recycled water intertie projects budgeted at \$8.4 million or 25% of the category's amended budget, of which only \$636 thousand has been spent year-to-date.
- **Capital Projects** – Total capital project expenditures were \$10.0 million or 16.7% of the amended budget of \$59.7 million, which includes \$4.5 million carry forward from the prior fiscal year. Favorable variances in spending are largely driven by changes in project schedules. Capital project costs and budget related to the Regional Wastewater Program through the second quarter were \$7.4 million and \$36.2 million, respectively. Recycled water capital projects accounted for \$1.6 million of expenditures, compared to \$13.5 million budget.
- **Debt Service** – Total principal, interest, and financial expenses for the second quarter were \$10.1 million or 45.7% of the amended budget. Actual costs included \$5.6 million in principal payment (*\$4.1 million for the 2010A Bonds*) and \$4.5 million in interest and other financial administration fees.

A detailed explanation of significant revenue and expenses are included in the attached Exhibit A.

**FUND BALANCES AND RESERVES**

The net result through the end of the second quarter indicated an increase of \$19.2 million in total fund balance, resulting in an ending fund balance of \$204.0 million. Changes in scope and schedule of key capital and O&M projects account for the favorable variance. Table 3 provides an overview of the second quarter budget variance in revenue, expense, and fund balance.

**Table 3: Second Quarter Revenues, Expenses, and Fund Balance (\$Millions)**

Operating	FY 2016/17 Amended Budget	Second Quarter Ended 12/31/16	Actual % of Amended Budget
Operating Revenue	\$126.8	\$67.0	52.8%
Operating Expense	\$159.0	\$68.0	42.8%
<b>Operating Net Increase/(Decrease)</b>	<b>(\$32.2)</b>	<b>(\$1.0)</b>	
Non- Operating			
Non-Operating Revenue	\$99.0	\$40.6	41.0%
Non-Operating Expense	\$82.0	\$20.4	24.8%
<b>Non-Operating Net Increase/(Decrease)</b>	<b>\$17.0</b>	<b>\$20.2</b>	
Consolidated	FY 2016/17 Amended Budget	Second Quarter Ended 12/31/16	Actual % of Amended Budget
Total Sources of Funds	\$225.8	\$107.6	47.7%
Total Uses of Funds	\$241.0	\$88.4	36.7%
<b>Total Net Increase/(Decrease)</b>	<b>(\$15.2)</b>	<b>\$19.2</b>	
Beginning Fund Balance	\$184.8	\$184.8	
<b>Ending Fund Balance</b>	<b>\$169.6</b>	<b>\$204.0</b>	

**GOALS AND OBJECTIVES**

Exhibit B provides information on Division and related Department Goals and Objectives and the status of each through the end of the first quarter. The goals and objective indicators are used to track the volume and complexity of work by type and to track the effort invested to accomplish that work. Staff will use the indicators to track productivity and to justify current resource allocations, re-allocation and requests for additional staff.

**BUDGET TRANSFERS AND AMENDMENTS**

*O&M* budget transfers for this quarter accounted for \$63,000 as detailed in Exhibit C-1.

*General Manager (GM) Contingency Account* adopted budget of \$700,000 included \$400,000 in the Regional Wastewater Operations & Maintenance (RO) Fund and \$300,000 in the Administrative Services (GG) Fund. At the end of the second quarter, \$110,000 from RO Fund and \$12,600 from the GG Fund was utilized to support the unexpected and necessary expenses as listed in Exhibit C-2.

*Capital and O&M projects* annual and total project budget transfers accounted for approximately \$1.4 million during the second quarter as listed in Exhibit D.

The budget variance analysis report is consistent with the Agency's business goal of Fiscal Responsibility: to demonstrate the Agency appropriately funded operational, maintenance, and capital costs.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

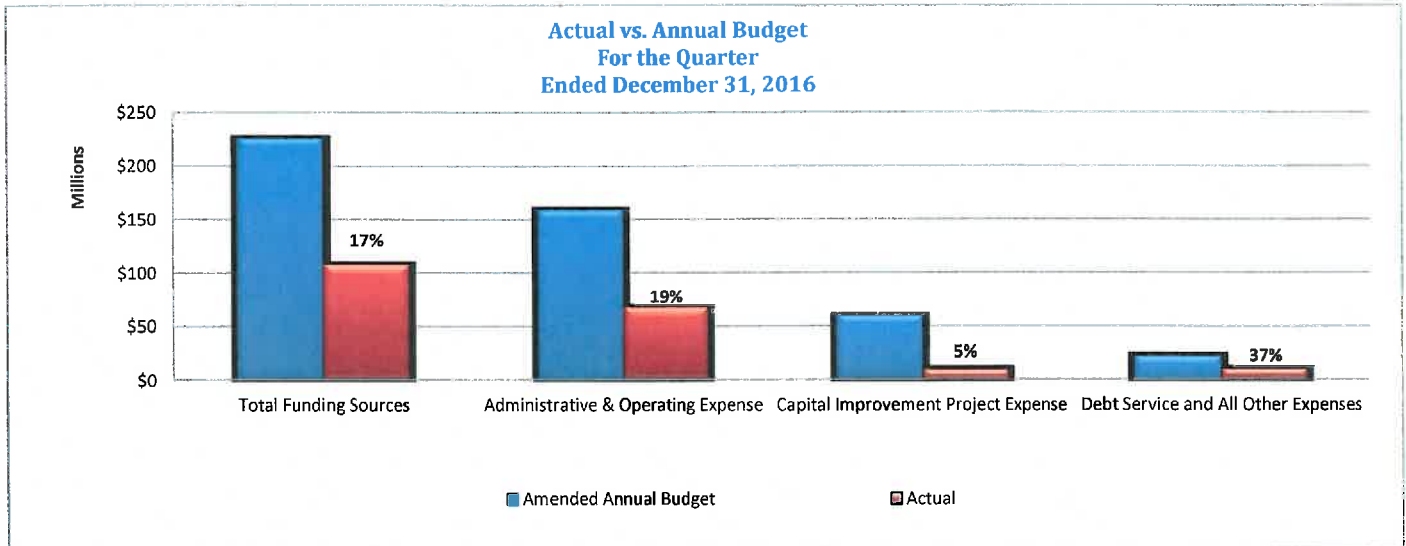
The net change in total revenues over total expenses in the amount of \$19.2 million resulted in a total estimated fund balance of \$204.0 million, for the second quarter ended December 31, 2016.

I. Actual vs. Budget Summary:

Second Quarter Ended December 31, 2016

% of the Year  
Elapsed: 50%

	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Revenues	\$126,854,961	\$126,851,978	\$67,031,285	(\$59,820,693)	52.8%
Non-Operating (Other Sources of Fund)	98,976,777	98,976,778	40,603,428	(58,373,350)	41.0%
<b>TOTAL FUNDING SOURCES</b>	<b>225,831,738</b>	<b>225,828,756</b>	<b>107,634,713</b>	<b>(118,194,043)</b>	<b>47.7%</b>
Administrative & Operating Expense	(146,702,633)	(158,977,965)	(68,020,725)	90,957,239	42.8%
Capital Improvement Project Expense	(60,387,558)	(59,707,635)	(9,965,254)	49,742,381	16.7%
Debt Service and All Other Expenses	(23,653,357)	(22,358,268)	(10,401,964)	11,956,304	46.5%
<b>TOTAL USES OF FUNDS</b>	<b>(230,743,548)</b>	<b>(241,043,868)</b>	<b>(88,387,943)</b>	<b>152,655,924</b>	<b>36.7%</b>
Surplus/(Deficit)	(\$4,911,810)	(\$15,215,112)	\$19,246,770	\$34,461,881	





2. Actual Revenue vs. Budget:

Second Quarter Ended December 31, 2016					% of the Year Elapsed: 50%
	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
<b>Operating Revenues:</b>					
User Charges	\$71,875,415	\$71,872,436	\$35,917,639	\$35,954,797	50.0%
Recycled Water Sales	15,735,000	15,734,996	9,256,492	6,478,504	58.8%
MWD Water Sales	28,670,598	28,670,598	16,217,447	12,453,151	56.6%
MWD LPP Rebate	2,079,000	2,079,000	1,477,368	601,632	71.1%
Property Tax - O&M	1,972,200	1,972,200	723,846	1,248,354	36.7%
Cost Reimbursement	5,913,343	5,913,343	2,928,790	2,984,553	49.5%
Interest	609,405	609,405	509,703	99,702	83.6%
<b>OPERATING REVENUES</b>	<b>126,854,961</b>	<b>126,851,978</b>	<b>67,031,285</b>	<b>59,820,693</b>	<b>52.8%</b>
<b>Non-Operating Revenues:</b>					
Property Tax - Debt, Capital, Reserves	\$42,732,600	\$42,732,600	\$15,683,916	\$27,048,684	36.7%
Connection Fees	20,068,020	20,068,020	13,264,950	6,803,070	66.1%
Grants & Loans	28,008,654	28,008,655	10,219,403	17,789,252	36.5%
Other Revenue	8,167,503	8,167,503	1,435,159	6,732,344	17.6%
<b>NON-OPERATING REVENUES</b>	<b>98,976,777</b>	<b>98,976,778</b>	<b>40,603,428</b>	<b>58,373,350</b>	<b>41.0%</b>
<b>Total Revenues</b>	<b>\$225,831,738</b>	<b>\$225,828,756</b>	<b>\$107,634,713</b>	<b>\$118,194,043</b>	<b>47.7%</b>

- User Charges, 50%**      User charges were \$35.9 million, or 50.0% of the Amended Budget. The category includes equivalent dwelling unit (EDU) volumetric charges of \$28.3 million, \$2.8 million Non-Reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system; \$2.6 million monthly meter charge (MEU) imposed on all potable water connections and water meter service charge to meet our Readiness-to-Serve obligation from MWD and water use efficiency programs.
  
- Property Tax/ AdValorem, 36.7%**      The \$16.4 million in property tax receipts included \$16.1 million of general ad-valorem property tax from San Bernardino County and \$358 thousand from Redevelopment Agencies (RDA) "pass-through" incremental taxes. Cumulative taxes received from the county through the second quarter are 5% higher compared to taxes received through December of last year.
  
- Recycled Water Sales, 58.8%**      Recycled water actual direct and groundwater recharge sales were \$5.7 million (12,812AF) and \$3.6 million (6,237 AF) respectively, for a combined total \$9.3 million. Total year to date deliveries are 19,049 AF compared to the 37,100 AF (24,200 AF Direct and 12,900 AF Recharge) budgeted for the fiscal year. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability.
  
- Interest Income, 83.6%**      Interest Income is \$0.5 million or 83.6% of the annual budget. Interest rates have been trending up which accounts for the positive variance. In December, the Local Agency Investment Fund (LAIF) reported a yield of 0.719%, and CalTrust had a yield of 0.990%.
  
- MWD Water Sales, 56.6%**      Total MWD pass-through imported water revenue was \$16.2 million or 56.6% of amended budget. A total of 23,149 AF of pass through water was delivered at the end of the second quarter compared to 50,000 AF budgeted for FY 2016/17. This exceeds last year's sales through December of 15,345 AF when sales were low due to water use reduction efforts used in response to the drought.
  
- MWD LPP Rebates, 71.1%**      MWD LPP rebate is budgeted at \$2.1 million or \$154/AF for direct recycled water deliveries up to 17,000 AFY, excluding the initial 3,500 AFY. Rebate receipts through the end of the second quarter totaled \$1.5 million for delivery of 9,593 AF. The MWD LPP rebate is set to expire in June 2017.
  
- Connection Fees, 66.1%**      Total connection fees were \$13.3 million, or 66.1% of the amended budget. This category includes \$11.5 million for 2,024 new EDU connections compared to the 3,000 budgeted for the fiscal year. New EDU connections reflect 38% of the member agencies' forecast of 5,277 EDUs for FY 16/17. This category also includes water connection fees implemented last fiscal year. Amount received through the second quarter was 2,805 new connections for \$1.8 million, or 60% of the \$2.9 million budget. Water connection fees are a one-time fee paid directly to the Agency for any new or upsized water meter connection to the Agency's regional water distribution system.



**Grants and Loans, 36.5%** Grant and loan receipts through the second quarter are \$10.2 million, or 36.5% of the Amended Budget. \$10.1 million of grant receipts are pass-through receipts to Chino Basin Desalter Authority for the TCE Plume Cleanup project. Grants and loans proceeds are primarily reimbursable in nature and thus are dependent on related capital projects expenditures and are reimbursable.

**Cost Reimbursements JPA, 49.5%** Total cost reimbursements were \$2.9 million, or 49.5% of the amended budget. Category actuals include reimbursements of \$1.8 million from the Inland Empire Regional Composting Authority (IERCA) and \$0.6 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities. Also included is \$0.5 million from Chino Basin Watermaster (CBWM) for operations & maintenance costs related to the groundwater recharge basins, net of the Agency's pro-rata share for the recycled water recharge costs. Total cost reimbursement budget of \$5.9 million includes: \$3.5 million from IERCA, \$1.5 million from CDA, and \$0.9 million from CBWM.

**Other Revenues, 17.6%** Total other revenues were \$1.4 million, or 17.6% of the \$8.2 million amended budget. Total other revenues include \$0.4 million from lease revenue and energy rebates, and \$1.0 million in project reimbursements. Project reimbursement receipts are 11.9% of the amended budget. Delays in the reimbursable projects from recycled water and water resources programs accounted for the lower revenue.

**3. Actual Operating and Capital Expense vs. Budget:**

Second Quarter Ended December 31, 2016				% of the Year Elapsed: 50%	
	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
<b>Operating Expenses:</b>					
Employment	\$43,326,017	\$42,601,461	\$22,223,487	\$20,377,974	52.2%
Admin & Operating	103,376,616	116,376,504	45,797,238	\$70,579,266	39.4%
<b>OPERATING EXPENSES</b>	<b>\$146,702,633</b>	<b>\$158,977,965</b>	<b>\$68,020,726</b>	<b>\$90,957,239</b>	<b>42.8%</b>
<b>Non-Operating Expenses:</b>					
Capital	60,387,558	59,707,635	9,965,254	\$49,742,381	16.7%
Debt Service and All Other Expenses	23,653,357	22,358,268	10,401,964	\$11,956,304	46.5%
<b>NON-OPERATING EXPENSES</b>	<b>\$84,040,915</b>	<b>\$82,065,903</b>	<b>\$20,367,218</b>	<b>\$61,698,685</b>	<b>24.8%</b>
<b>Total Expenses</b>	<b>\$230,743,548</b>	<b>\$241,043,868</b>	<b>\$88,387,944</b>	<b>\$152,655,924</b>	<b>36.7%</b>

**Employment Expense**      **Employment , 52.2%**  
 Employment expenses were \$22.2 million or 52.2% of the Amended Budget. This slightly unfavorable variance reflects higher O&M labor expense due to lower capital and special project spending than budgeted. The category also includes \$3.5 million of expense for other post employment benefits and retirement unfunded accrued liability, budgeted at \$7 million. In addition, the Agency currently employs 18 limited term employees, compared to the adopted staffing plan of 16 limited term positions. The cost of these additional positions in the Engineering, Planning, and Science Division is offset by a higher than anticipated vacancy factor of 8%, equivalent to 24 full-time (FTE) positions, compared to budgeted vacancy rate of 2% (6 FTEs). Recruitment of key positions as part of the Agency's succession planning effort will lower the vacancy factor going forward.

**Administrative & Operating Expense**      **Office and Administrative, 29%**  
 The favorable variance was due to the inclusion of \$577,400 (20% of category's budget) for the GM contingency, and election expense for \$300k (11% of budget). Also contributing to the favorable variance was the ads/newspaper budget in the amount of \$177,000. Contracts for ads and newspapers have been entered and spending is anticipated in the remaining two quarters.

**Professional Fees & Services , 27.2%**  
 Positive variance can be attributed to the timing of contracts and services that were deferred and which are anticipated to be spent in the remaining quarters for services associated with work performed by outside contractors such as the annual financial audit, annual software maintenance, financial advisor and bond counsel, and dig alert notifications.

**Materials & Supplies/Leases/Contribution , 38.5%**  
 This category includes spending of \$1.3 million, or 39% of the budget for materials and supplies, and \$25,000, or 27% of budget for leases and rental related expenses. The favorable variance was primarily due to staff's effort to monitor operational equipment usage to ensure maximum use from supplies. Accelerated spending is anticipated in this category in the following quarters of the fiscal year.

**Biosolids Recycling , 40.1%**

The favorable variance in this category is due to an increase in the utilization of the RP-2 solar pad to dry biosolids which causes a reduction in residual disposal costs. Total tonnage shipped to IERCA was 28,891 tons at \$55 per ton. Total tonnage hauled was 18,488 tons at a blended rate of \$5.80 per ton which is lower than the budgeted transportation blended cost of \$8.29 per ton.

**Chemicals , 43.7%**

Chemical expenses were \$2.0 million, or 44% of budget. The majority of the spending was for Polymer 750A and 748E and Sodium Hypochlorite. Usage of 462,300 lbs of Polymer 750A and 221,100 lbs of Polymer 748E accounted for \$790,000 of expenses in this category. Bypassed sewer flows caused a reduction in the amount of raw waste water treated due to the rehabilitation of critical aeration equipment.

**Operating Fees - 49.8%**

Spending in this category was on target particularly in the areas of waste volumetric fees, waste TSS charges, and waste BOD/COD charges, which account for a combined \$3.0 million of expenses. This category also includes \$1.6 million of expenses for readiness-to-serve obligation collected by MWD budgeted at \$3.1 million.

**MWD Water Purchases , 50.9%**

Total MWD pass-through imported water purchases were \$16.2 million for 23,149 AF or 46% of 50,000 AF budgeted for the fiscal year.

**Utilities , 36.4%**

Electricity expense showed an unfavorable variance of 57.5% of the amended budget, or \$3.6 million of expenses. Usage was 35.9 million kWh through the end of the second quarter compared to the annual Agency average of 70.0 million kWh. Electricity usage is higher than budgeted because the fuel cell has been offline since July 2016 and electricity has been pulled from Southern California Edison to make up for the loss in fuel cell production.

Natural gas usage was low, also due to the fuel cell, partially offsetting the higher electricity costs. Natural gas usage was 42,794 therms through the end of the second quarter, at a winter rate of \$0.832/Therm, compared to expected annual usage of 1.2 million Therms and budgeted rate of \$0.80/therm.

**O&M and Reimbursable Projects , 30% and 42.8%**

The combined O&M and reimbursable project costs were \$10.2 million or 30% of the amended budget. The favorable variance is mainly due to lower spending in Agency-wide aeration projects, SAWPA Action Santa Ana River Conservation & Conjunction Use Program (SARCCUP), various planning documents, and recycled water intertie projects budgeted at \$8.4 million or 25% of the category's amended budget, of which only \$636 thousand has been spent year-to-date. The table below provides a summary of the major projects and current status.

**Financial Expense**

**Financial Expense , 16.7%**

Total financial expenses were \$10.1 million or 45.7% compared to budget through the end of the second quarter. Actual costs included \$5.6 million in principal payments (\$4.1 million for 2010A Bond paid in August 2016) and \$4.5 million in interest, and other financial administration fees.

**Other Expenses**

**Other Expenses , 100.4%**

Total other expenses were \$342 thousand or 100.4% compared to budget through the end of the second quarter. Unfavorable variance in this category is due to contributions-in-aid to the Santa Ana Watershed Project Authority of \$288 thousand which were paid in full for the fiscal year last July, and unforeseen reimbursements to FEMA for prior year grant receipts.

**Capital Expense**

**Capital Costs , 16.7%**

Capital expenditures through the end of second quarter were \$10.0 million or 16.7% when compared to the amended budget of \$59.7 million which includes encumbrances of \$4.5 million of capital project budget carried forward from FY 2015/16 budget. Favorable variances in spending are largely driven by changes in project schedules. Capital project costs and budget related to the regional wastewater program through the second quarter were \$8.0 million and \$34.1 million, respectively. Recycled water capital projects accounted for \$1.6 million of expenditures compared to \$13.5 million budget. Listed below is a brief status report for some of the major projects currently under construction.

**Summary of major capital and special project expenses and status as of December 31, 2016**

Capital Projects		Amended FY 2016/17	YTD Expenditure	Budgeted Amount Remaining
EN15008	<b>Water Quality Laboratory</b> The scope of the project is the construction of a new, state of the art, 17,000 sq. laboratory and expand existing central plant to supply chilled water for the laboratory air conditioning and heating system. The project's fiscal year spending is on track with the budget. Engineering has completed the environmental biological survey in compliance with CEQA requirements, and issued the notice to proceed to the contractor for mobilization and commencement of the construction work. The installation of underground utilities has begun, and project control schedule update and solar system design coordination are underway.	7,000,000	3,047,034	3,952,966
EN19006	<b>RP-5 Solids Handling Facility</b> This project includes the detailed design, permitting, and construction of the new solids handling facility at RP-5 to decommission the RP-2 facility. The schedule for RP-5 Expansion Preliminary Design Report (PDR), a prequel project to EN19006, has been extended from January 2017 to March 2017. The award of the design contract for EN19006 will follow the completion of the RP-5 Expansion PDR and has been scheduled for April 2017.	3,125,000	-	3,125,000

**RW15003 Recharge Master Plan Update Projects** **3,100,000** **506,998** **2,593,002**  
 The scope for this project is to implement only the soft cost efforts related to the Recharge Master Plan such as: preliminary design, environmental review, permitting, and final design. The preliminary design phase of the project was completed at the end of the second quarter and the scope of the project was reduced as a result of the report. The projected design cost is now estimated at \$2.5 million.

**EN13001 San Sevaine Basin Improvements** **3,085,000** **128,972** **2,956,028**  
 As part of the 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU), this project will evaluate, design, and construct basin improvements needed to maximize infiltration and recharge capture at the San Sevaine basins. The final recommendation from the preliminary development report proposes to implement, a new storm water/recycled water pump station in Basin 5, directly tie it into all existing RW pipeline, place new pipelines and headwalls in Basins 1, 2 and 3, and install monitoring wells and lysimeters. The proposed improvements will add 642 AF per year of storm water and 4,100 AF per year of recycled water for groundwater recharge. Currently, the final design phase was delayed due to an extended permitting phase for regulatory permits, so spending through the end of the fiscal year is expected to be below budget.

O&M & Reimbursable Projects		Amended FY 2016/17	YTD Expenditure	Budgeted Amount Remaining
<b>EN16021</b>	<b>Chino Basin Groundwater Wells</b> This project involves the remediation of the South Archibald Plume in conjunction with the Chino Basin Desalter Authority (CDA). The project requires payment to the Chino Basin Desalter Authority in full prior to the execution of the contracts. The full amount of the fiscal year budget was given to CDA in anticipation of forthcoming design and construction contracts. The project also received grant funding through USBR, which was also passed through to CDA.	<b>7,481,073</b>	<b>7,870,950</b>	<b>(389,877)</b>
<b>PA17006</b>	<b>Agency-Wide Aeration Panel Replacements</b> The project scope of PA17006 involves the replacement of aeration panels at RP-1, RP-4, RP-5, and CCWRF. In the current fiscal year, funding has been allocated to complete the replacement at RP-1 in conjunction with EN16024, the RP-1 Mixed Liquor Return Pump project which is currently in construction.	<b>2,200,000</b>	<b>-</b>	<b>2,200,000</b>
<b>WR16024</b>	<b>SAWPA Action SARCCUP</b> The Santa Ana River Conservation & Conjunctive Use Program is known as SARCCUP. It was created with various other water agencies to utilize funds from SAWPA Prop 84 grants to develop a watershed-scale conjunctive use program. IEUA cost sharing for the SARCCUP project has yet to be initiated.	<b>1,854,492</b>	<b>168,959</b>	<b>1,685,533</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**Fiscal Year 2016/17**

**CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT**  
**Second Quarter Ended December 31, 2016**

	Adopted FY 2016/17 Annual Budget	Amended FY 2016/17 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
<b><u>OPERATING REVENUES</u></b>					
User Charges	\$71,875,415	\$71,872,436	\$35,917,639	(\$35,954,797)	50.0%
Recycled Water	15,735,000	15,734,996	9,256,492	(6,478,504)	58.8%
MWD Water Sales	28,670,598	28,670,598	16,217,447	(12,453,151)	56.6%
MWD LPP Rebates	2,079,000	2,079,000	1,477,368	(601,632)	71.1%
Property Tax - O&M	1,972,200	1,972,200	723,846	(1,248,354)	36.7%
Cost Reimbursement from JPA	5,913,343	5,913,343	2,928,790	(2,984,553)	49.5%
Interest Revenue	609,405	609,405	509,703	(99,702)	83.6%
<b>TOTAL OPERATING REVENUES</b>	<b>\$126,854,961</b>	<b>\$126,851,978</b>	<b>\$67,031,285</b>	<b>(\$59,820,693)</b>	<b>52.8%</b>
<b><u>NON-OPERATING REVENUES</u></b>					
Property Tax - Debt, Capital, Reserves	\$42,732,600	\$42,732,600	\$15,683,916	(\$27,048,684)	36.7%
Connection Fees	20,068,020	20,068,020	13,264,950	(6,803,070)	66.1%
Grants	10,715,255	10,715,256	10,219,403	(495,853)	95.4%
SRF Loan Proceeds	17,293,399	17,293,399	0	(17,293,399)	0.0%
Project Reimbursements	7,292,963	7,292,963	971,335	(6,321,628)	13.3%
Other Revenue	874,540	874,540	463,824	(410,716)	53.0%
<b>TOTAL NON OPERATING REVENUES</b>	<b>\$98,976,777</b>	<b>\$98,976,778</b>	<b>\$40,603,428</b>	<b>(\$58,373,350)</b>	<b>41.0%</b>
<b>TOTAL REVENUES</b>	<b>\$225,831,738</b>	<b>\$225,828,756</b>	<b>\$107,634,713</b>	<b>(\$118,194,043)</b>	<b>47.7%</b>
<b><u>ADMINISTRATIVE and OPERATING EXPENSES</u></b>					
<b>EMPLOYMENT EXPENSES</b>					
Wages	\$23,690,863	\$22,966,307	\$13,160,942	\$9,805,365	57.3%
Benefits	19,635,154	19,635,154	9,062,545	10,572,609	46.2%
<b>TOTAL EMPLOYMENT EXPENSES</b>	<b>\$43,326,017</b>	<b>\$42,601,461</b>	<b>\$22,223,487</b>	<b>\$20,377,974</b>	<b>52.2%</b>
<b>ADMINISTRATIVE EXPENSES</b>					
Office & Administrative	\$1,767,847	\$2,806,064	\$812,554	\$1,993,510	29.0%
Insurance Expenses	840,500	840,498	357,993	482,505	42.6%
Professional Fees & Services	9,793,857	11,504,439	3,128,181	8,376,258	27.2%
O&M Projects	23,219,025	33,294,674	10,001,543	23,293,131	30.0%
Reimbursable Projects	490,272	490,272	210,052	280,220	42.8%
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$36,111,501</b>	<b>\$48,935,947</b>	<b>\$14,510,323</b>	<b>\$34,425,624</b>	<b>29.7%</b>

**INLAND EMPIRE UTILITIES AGENCY**  
**Fiscal Year 2016/17**

**CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT**  
**Second Quarter Ended December 31, 2016**

	Adopted FY 2016/17 Annual Budget	Amended FY 2016/17 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
<b>OPERATING EXPENSES</b>					
Material & Supplies/Leases	\$2,866,883	\$3,516,528	\$1,355,497	\$2,161,031	38.5%
Biosolids Recycling	4,469,101	4,407,405	1,769,337	2,638,068	40.1%
Chemicals	4,674,015	4,674,015	2,043,405	2,630,610	43.7%
MWD Water Purchases	31,856,220	31,856,220	16,217,447	15,638,773	50.9%
Operating Fees/RTS Fees/Exp. Alloc.	11,790,850	11,438,343	5,696,537	5,741,806	49.8%
Utilities	11,608,046	11,548,046	4,204,692	7,343,354	36.4%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$67,265,115</b>	<b>\$67,440,557</b>	<b>\$31,286,915</b>	<b>\$36,153,642</b>	<b>46.4%</b>
<b>TOTAL ADMINISTRATIVE and OPERATING EXPENSES</b>	<b>\$146,702,633</b>	<b>\$158,977,965</b>	<b>\$68,020,725</b>	<b>\$90,957,240</b>	<b>42.8%</b>
<b><u>NON-OPERATING EXPENSES</u></b>					
<b>CAPITAL OUTLAY</b>	<b>\$60,387,558</b>	<b>\$59,707,635</b>	<b>\$9,965,254</b>	<b>\$49,742,381</b>	<b>16.7%</b>
<b>FINANCIAL EXPENSES</b>					
Principal, Interest and Financial Expenditure	22,001,426	22,016,968	10,059,449	11,957,519	45.7%
<b>OTHER NON OPERATING EXPENSES</b>	<b>1,651,931</b>	<b>341,300</b>	<b>342,515</b>	<b>(1,215)</b>	<b>100.4%</b>
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$84,040,915</b>	<b>\$82,065,903</b>	<b>\$20,367,218</b>	<b>\$61,698,685</b>	<b>24.8%</b>
<b>TOTAL EXPENSES</b>	<b>\$230,743,548</b>	<b>\$241,043,868</b>	<b>\$88,387,943</b>	<b>\$152,655,925</b>	<b>36.7%</b>
<b>REVENUES IN EXCESS/ (UNDER) EXPENSES</b>	<b>(\$4,911,810)</b>	<b>(\$15,215,112)</b>	<b>\$19,246,770</b>	<b>\$34,461,881</b>	
<b>FUND BALANCE SUMMARY</b>					
Unaudited Beginning Balance, July 01	\$160,207,357	184,793,882	\$184,793,882	\$0	
Surplus/ (Deficit)	(4,911,810)	(15,215,112)	19,246,769	34,461,881	
<b>ENDING BALANCE, June 30</b>	<b>\$155,295,547</b>	<b>\$169,578,770</b>	<b>\$204,040,651</b>	<b>\$34,461,881</b>	

FY 2016/17

**Business Goals & Objectives Report By Department**

Department: ALL  
 Report Month: October, November, December: Year:2017

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
<b>Agency Management</b>														
217	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean Management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop and implement a standardized procedure for writing and processing committee/board letter	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	February	2017	On Schedule		External Affairs is working with Board Secretary on the new board letter format
219	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop and implement a standardized procedure for writing and processing committee/board letter	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	February	2017	On Schedule		External Affairs is working with Board Secretary on new board letter format.
220	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a standard operating procedure handbook for the Executive Management Department area	Completed by June 30, 2017	Implement two procedures per quarter until completed	April Woodruff	February	2017	On Schedule		This project was assigned to Executive Assistant. First draft to be completed on May 31, 2017
221	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Update and maintain "Duties and Annual Calendar or Responsibilities" manual for the Board Secretary position	Completed by June 30, 2017	Update 25% per quarter	April Woodruff	February	2017	On Schedule		This project is on hold until department is fully staffed. Recruitment for additional Executive Assistant is scheduled.
222	FY 2016/17	Quarterly	Agency Management	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Increase the efficiency of the executive administrative group through streamlining processes	Ongoing	Review and improve two processes per quarter	April Woodruff	February	2017	On Schedule		Ongoing - Agency Management staff works to continually improve procedures within the department to further streamline processes.
<b>Contracts and Facilities Services</b>														
172	FY 2015/16	Quarterly	Finance and Administration	A	Continue commitment to cost containment for operating and capital costs	Implement new solicitation tool for expanded competition cost savings	Complete by Jan. 2016	Increase of 5% in cost savings	Warren Green	February	2017	On Schedule	No	In support of the Agency's business operations, CAP conducts analysis and reviews in support of securing the best value to the Agency, as well as attempts cost saving measures on all purchases.
173	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Conduct Agency training on department processes that are in line with the Agency's MVV	Ongoing		Warren Green	February	2017	On Schedule	No	Staff completes safety training topics on a regular basis in support of 100% compliance with the Agency's Safety Tailgate program. Additionally, staff provides process training to various departments.
174	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives =95%	Ongoing		Warren Green	February	2017	On Schedule	No	Staff reviews their MESA multiple times during the day and supports urgent and emergency requisitions as appropriate. Additionally, staff meets with Maintenance and Operations every two weeks discuss what is PR's are pending and coming to the department.
175	FY 2016/17	Quarterly	Finance and Administration	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Identify and participate in organizations that advance the Agency MV and key initiatives	Ongoing		Warren Green	February	2017	On Schedule	No	Staff participates in CAPPO, NCMA, ARMA and various other organizations that promote the professional development of staff and are consistent with the Agency's MVV.

FY 2016/17

Business Goals & Objectives Report By Department

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
242	FY 2016/17	Quarterly	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirement and eliminates redundant archiving systems	Implement the new ECM System, Agency taxonomy project, and legal holds process	Ongoing	Will conduct inventory of both paper and electronic records by October 15, 2016	Linda Johnson	February	2017	On Schedule		Due to loss of RM staff, inventory was delayed. On task to complete by June 2017
242	FY 2016/17	Quarterly	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and the regulatory public records requirement and eliminates redundant archiving systems	Implement the new ECM System, Agency taxonomy project, and legal holds process	Ongoing	Will conduct inventory of both paper and electronic records by October 15, 2016	Linda Johnson	February	2017	Behind Schedule		The project was delayed as a result of changes in the File Structures for each department. Project staff worked with departments and the vendor to ensure we are implementing the system we want which pushed the project delivery date. The inventory project is underway. No update at this time.
243	FY 2016/17	Annual	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirement and eliminates redundant archiving systems	In collaboration with BIS, implement an email or Electronic Data Interchange (EDI) solution for purchase order transmission to the vendors.	Ongoing	Transmission of purchase orders to vendors via direct email or EDI by January 2017.	Warren Green	February	2017	On Schedule		
244	FY 2016/17	Annual	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public records requirement and eliminates redundant archiving systems	In collaboration with BIS, establish purchase requisition accessible Open Catalog Interface (OCI) catalogs for end user.	Ongoing	Add two new OCI vendors, open for use by all staff through the PR process, by June 2017	Warren Green	February	2017	On Schedule		We have not added any additional vendors with OCI capabilities.
245	FY 2016/17	Quarterly	Finance and Administration	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Maintain average processing time within CFS's published service level objectives = 95%	Ongoing	Run quarterly staff and department service level reports and publish in the General Manager's quarterly report	Warren Green	February	2017	On Schedule		While we have not published the information in the GM report, we continue to evaluate the performance of the department on a regular basis, including PO's issued, Contracts issued, YTD \$, etc.
<b>Engineering</b>														
208	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Work with other agencies on the implementation of local regional programs to meet the region's goal of reaching 50,000 AFY of recycled water use by June 2022	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority.	Ongoing	Install recycle water screens at RP-1 and RP-5	Shaun Stone	February	2017	On Schedule	No	The project design is at 50% and currently on schedule.
214	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	In-House Design Engineer = 10%	Shaun Stone	January	2017	On Schedule		For projects that finish construction during or after FY1617 the overall percentage is 14.75% 9 of 61 projects are in house design
215	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Provide engineers training to understand business aspects of capital projects and increase engineering consultant design services in lieu of in-house designs to complete more projects in a shorter timeframe by July 2022	Provide high quality project management design for Capital Improvement Projects.	Ongoing	Fiscal Year Capital Spending = 90%	Shaun Stone	January	2017	On Schedule		FY Budget = \$64M; Projected spending = \$42M Overall projection = 66%. As of 12/31 Engineering had 6 projects representing \$7M in budget variance. Please see our November 2016 GM report for detail variances for the 6 projects.
216	FY 2016/17	Quarterly	Engineering, Planning and Science	E	Conduct Lesson's Learned sessions to evaluate key construction implementations	Review and evaluate all projects for best practices that can be applied to future projects.	Ongoing	10x/year > 90%	Shaun Stone	January	2017	On Schedule		Conducted 1 Lesson Learned; Montclair Splitter Box – Access Hatches in December 2016



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## Business Goals &amp; Objectives Report By Department

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
115	FY 2016/17	Semi-Annual	Engineering, Planning and Science	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Perform evaluations to identify measures to improve recycled water quality and implement measures based on priority	Complete by June 2017	Install recycle water screens at RP-1 and RP-5	Shaun Stone	February	2017	On Schedule	No	Engineering is now leading this project. The project design is at 50% and currently on schedule.
156	FY 2016/17	Once Complete	Engineering, Planning and Science	E	Evaluate advances in laboratory design for inclusion in the construction of the Water Quality Laboratory facility	Upon funding, design and construct latest technology lab	48 months after funding is received	Upon funding 12 months for design and 36 months to construct	Shaun Stone	January	2017	On Schedule	No	The consultant contract was awarded in May 2015 and the design was completed 9 months later in February 2016. The construction contract was awarded in May 2016. The construction work is scheduled to be completed in August 2018.
<b>External Affairs</b>														
166	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Cultivate positive relationships with local and regional media	Ongoing	Present to 6 associations /groups	Kathy Besser	February	2017	On Schedule	No	Presented to the Rancho Chino Rotary on the Chino Creek Wetlands & Educational Park.
167	FY 2016/17	Quarterly	Agency Management	D	13. Advocate strategies that help anticipate and mitigate the impacts of droughts and climate change on the region	Develop, support, promote, and participate in water education programs	Ongoing		Kathy Besser	January	2017	On Schedule	No	Conducted additional outreach for education programs, resulting in significantly increased numbers of tours. Tour activities focus more on conservation. Increased social media posts to include appropriate messaging for winter.
168	FY 2016/17	Quarterly	Agency Management	F	Support legislation to reduce drugs in waterways through take back programs	Support legislation to reduce drugs in waterways through take back programs	Completed by FY 16/17		Kathy Besser	February	2017	On Schedule	No	No activity in Q2.
223	FY 2016/17	Quarterly	Agency Management	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Incorporate the Agency's Mission, Vision, and Values into all staff activities including: creating collateral materials, employee newsletter, and posting to the IEUA website. Increase public recognition of Agency brand	By June 2016 and ongoing	Continue to update printed materials, newsletters, and website with current content	Kathryn Besser	February	2017	On Schedule		Continued to assist with development of updated Agency business goals - with the focus now on Key Performance Indicators - to ensure mission, vision and values are included in long term planning. New Agency PowerPoint has been created to increase branding.
224	FY 2016/17	Monthly	Agency Management	C	Update and maintain the Agency's website to clearly communicate key activities, issues, policies, and key documents, and continue to optimize use of social network media	Serve as the Agency Webmaster and provide current and timely information	By June 2016 and ongoing	Review the website for accuracy on a continual basis	Kathryn Besser	February	2017	On Schedule		Continuing meetings with department managers to ensure content remains accurate. Continue to switch out front page "sliders" on a timely basis to ensure current programs are being promoted.
228	FY 2016/17	Quarterly	Agency Management	C	Promote regional projects and initiatives through presentations to community based organizations, service groups, and stakeholders	Communicate the importance of regional/local water independence and conservation	By June 2016 and ongoing	Form a Drought Task Force with member agencies. Continue marketing campaigns and social media outreach. Present to associations or community organizations quarterly	Kathryn Besser	February	2017	On Schedule		Modified regional drought campaign to adjust to changing seasons and community perceptions. Also evaluated current media being used and eliminated areas that didn't receive much response.
229	FY 2016/17	Quarterly	Agency Management	D	Complete water softener ordinance by December 2014 and continue to reduce salinity and nutrients in recycled water	Work with the cities of Chino, Chino Hills, and Ontario to pass the water softener ordinance	By June 2016 and ongoing	Remaining cities to pass ordinance by end of FY 2015/16	Kathryn Besser	February	2017	On Schedule		Three remaining cities have not passed ordinance -- will work with Planning Department to address new city councils beginning in Q3.



FY 2016/17

## Business Goals &amp; Objectives Report By Department

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
230	FY 2016/17	Monthly	Agency Management	F	Develop a communication plan to promote being a good neighbor	Communicate the Agency-wide goals, services, and functions to our entire service area, including all community members, businesses, and stakeholders.	By June 2016 and ongoing	FY2015/16 will continue to increase number of events attended in order to reach the entire service area	Kathryn Besser	February	2017	On Schedule		Brochures and technical illustrations were delayed, with new expected printing date at the end of FY16/17. Continue to increase number of social media postings.
<b>Finance and Accounting</b>														
184	FY 2016/17	Quarterly	Finance and Administration	A	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Reinstate the Agency's long term credit rating to AAA and maintain a debt coverage ratio to support such rating	Ongoing		Tina Cheng	January	2017	On Schedule	No	During the 2008A bond refinancing process, the Agency received upgraded credit ratings from rating agencies; Standard & Poor (S&P) had upgraded the Agency's credit rating from AA to AA+. Moody's rated the Agency from Aa1 to Aa2.
185	FY 2016/17	Quarterly	Finance and Administration	A	Continue to monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Monitor market opportunities for retirement, refunding, or restructuring of outstanding debt to reduce costs.	Ongoing		Tina Cheng	January	2017	On Schedule	No	The Agency 2008A bond went through refinancing which is schedule to close on February 2, 2017. The refinancing of 2008A bonds (\$125 M) includes defeasance of \$50M, which will provide the Agency long term savings in debt service costs, as well as reduce payment period.
186	FY 2016/17	Quarterly	Finance and Administration	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Ongoing		Tina Cheng	January	2017	On Schedule	No	Attended required safety training each month.
258	FY 2016/17	Quarterly	Finance and Administration	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Ongoing	Review program fund allocations and adjust if necessary to meet program needs.	Tina Cheng	January	2017	On Schedule		Continue to monitor the property tax receipts and allocate among programs based on adopted budget.
<b>Grants</b>														
273	FY 2016/17	Semi-Annual	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Manage congressional grant authorizations for water desalination projects in the Chino Basin	Ongoing	Until completion of the \$26M congressional authorization	Jason Gu	January	2017	On Schedule		IEUA has received \$20.8 million out of the \$26M Congressional Grant Authorization. A \$5.2M Title XVI grant application was submitted during this quarter.
274	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Collaborate with departments that have projects that need grant funding.	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Jason Gu	January	2017	On Schedule		Collaborating with Accounting & Fiscal Management, External Affairs, Planning, Engineering, Construction Management, and Operations on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.
275	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments.	Find grants that match with Member and Regional Agencies capital and conservation programs	Ongoing	Continues as Federal and State grants are available	Jason Gu	January	2017	On Schedule		Collaborated with CDA, CBWM, and member agencies on preparing, submitting grant and loan applications, and monitoring grant and SRF loan funded projects.

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Business Goals & Objectives Report By Department

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
181	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend potential grant opportunities that align with the Agency mission and financial goal	Ongoing		Jason Gu	January	2017	On Schedule	No	Recommended multiple State and Federal Grant and SRF loan opportunities that align with the Agency mission and financial goal. Several applications and pre-applications were submitted.
182	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Pursue new grant awards to diversify revenue	Ongoing		Jason Gu	January	2017	On Schedule	No	Major new grant applications and pre-applications were submitted to the State Water Resources Control Board and USBR. A \$10M stormwater grant award was received. Opportunities through the state Prop 1 grant program and Federal WaterSMART program are continually being reviewed for potential grants.
183	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Collaborate with departments that have projects that need grant funding	Ongoing		Jason Gu	January	2017	On Schedule	No	Collaborating with Accounting & Fiscal Management, External Affairs, Planning, Engineering, Construction Management, and Operations on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.
<b>Internal Audit</b>														
231	FY 2016/17	Monthly	Agency Management	A	Continue commitment to cost containment for operating and capital costs.	Promote a strong control environment by conducting independent and objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment	On-going and through the audits approved by the Audit Committee and the Board during the Annual Audit Plan presentation	Completed planned and scheduled audits approved through the Annual Audit Plan. Comments and discussions during Audit Committee Meetings and exit meeting	Teresa Velarde	February	2017	On Schedule		Completed and on-going. In this period, Internal Audit completed two audits that promote a strong control environment - The Information Technology Accountability Follow-up Audit for Finance related recommendations and the Master Services Contract Audit for professional services. These audits were planned as part of IAs Board-approved Annual Audit Plan.
232	FY 2016/17	Monthly	Agency Management	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Close out and finalize the Regional Contract Review with recommendations to improve the consistent and fair application of the Regional Contract requirements among all Regional Contract Agencies. Additionally, provide recommendations to Agency management to improve and clarify clauses and requirements of the contract to negotiate a new contract going forward. Complete the evaluation of the connection and monthly sewer rate calculations, as well as Exhibit J application, as well as RCA's internal processes and procedures, supporting documentation	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	February	2017	On Schedule		Completed in October 2015. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the IEUA Board of Directors as well as with Tech Committee. The Final Report for the Regional Contract Audit was completed in October of 2015. Over 20 recommendations were provided to evaluate, change and improve: the monthly sewer billing, the connection fee billing, the business model of the Regional Contract. Various meetings, discussions and presentations were provided by IAD. To-date, the Agency has been able to collect over \$600K in connection fees resulting from audit findings. IAD continues to stay involved with various discussions of moving forward with the recommendations provided, and resolving issues identified. IA continues to assist with analysis and

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Business Goals & Objectives Report By Department

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
														information requests.
235	FY 2016/17	Monthly	Agency Management	B	Uphold a strong internal control environment by conducting independent objective internal and external audits of Agency finances and operations	Promote a strong control environment by conducting independent objective audits of Agency operations where the focus and audit scope includes identifying areas and providing recommendations for strong internal controls, effectiveness and efficiency in operations. Broaden, improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit or reviewed. Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to improve customer service that is effective and responsive Per direction or approval by the Audit Committee and Board, and through coordination with senior management, Internal Audit would identify areas for audit where the goal and scope are to measure the performance of a program, a process, or a service or compare results to goals and identify areas for improvement, make recommendations to improve efficiencies. Conduct independent objective audits of Agency operations	Ongoing and through approved audits as approved through the Annual Audit Plan	Completed audits. Comments and discussions from stakeholders and during Executive Management Meetings, Audit Committee Meetings and exit meetings	Teresa Velarde	February	2017	On Schedule		Completed and on-going. As described in the IAD Charter and as required by professional standards, IAs responsibilities includes to promote a strong control environment. IA continuously accomplishes this by conducting independent objective operational audits of Agency's business departments/units where the focus and audit scope includes identifying areas where controls can be made more effective or areas where costs can be contained and providing recommendations for strong internal controls, effectiveness and efficiency in operations and processes and procedures. Improve and expand knowledge, reliance and utilization of financial and information systems to gather, research, analyze, and examine different types, more detailed and larger scopes of data to evaluate and test during audit procedures for any type of audit. Promote a strong control environment that preserve the public perception of the Agency and safeguard Agency assets where the focus is identifying areas and providing recommendations to assist the Agency in achieving organizational goals.

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## Business Goals &amp; Objectives Report By Department

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
236	FY 2016/17	Monthly	Agency Management	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Update and maintain the IAD's Disaster Preparedness Plan and submit to the Audit Committee for review and submittal to the Board	Annually as part of the review of all IAD procedures and Charter	Review with the Audit Committee Advisor and Audit Committee members as well as Executive Management	Teresa Velarde	February	2017	On Schedule		Complete. IA has SOP #006 "IA Internal Audit Department Business Continuity and Disaster Recovery," the purpose of the SOP is to document the role and responsibility of IA. IA's role will be to assist in the continuance of critical activities and to help Agency Management minimize the impact of the incident to the Agency's core operations. Additionally, as part of the Agency's effort to implement a disaster plan in place, IA staff are placed on the Incident Organizational Chart. IA is committed to assisting other departments and the Agency document a disaster preparedness plan.
241	FY 2016/17	Monthly	Agency Management	C	Leverage private/public partemship opportunities	Establish, maintain and strengthen audit-related private/public partnership opportunities to have network ties and associates where audit-related topics can be shared, discussed, and evaluated with the goal of continuous internal audit processes improvement	On-going	Feedback from auditees, senior/Executive Management, the Audit Committee Advisor, the Audit Committee and Board	Teresa Velarde	February	2017	On Schedule		Complete and Ongoing. Professional guidelines require all auditors be professional and are expected to achieve continuous professional development including professional association networking, this goal is achieved through those requirements and participating in conference and training events. Additionally, this goal is achieved through every audit project as it becomes an opportunity to promote friendly, helpful customer service, build the business networks and provide any assistance or information necessary. This is achieved both internally with internal Agency staff, externally, with employees in outlying locations and non-Agency employees that are business professional peers and contacts.
<b>Laboratory</b>														
300	FY 2016/17	Quarterly	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Evaluate advances in laboratory design for inclusion in the construction of the new Water Quality Laboratory	December 2016	Support Engineering during design phase by participation in design review.	Nel Groenvelde	February	2017	On Schedule		Ongoing. Lab staff is responding to RFIs from the Construction management team.
302	FY 2016/17	Monthly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings	Meet the bi-weekly safety tailgate meeting requirement	December 2016	Hold bi-weekly safety meetings	Nel Groenvelde	February	2017	On Schedule		Lab staff completed all the required safety meetings for Calendar year 2016.
<b>Maintenance</b>														
308	FY 2016/17	Quarterly	Operations	B	Establish a cross training program across departments and divisions to enhance understanding of Agency programs	Develop and implement a division-wide training program to enhance understanding by Agency staff of wastewater treatment process and compliance; modern maintenance practices; and recycled water maintenance.	By June 30, 2017	Hold one training session each quarter	Randy Lee	February	2017	On Schedule		Maintenance training continues through March.

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Business Goals & Objectives Report By Department

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
246	FY 2016/17	Monthly	Operations	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Provide exceptional and responsive customer service.	Continuous	Increase facilities services response time for support services by 15%.	Lucia Diaz	February	2017	On Schedule		On-going Facilities continues to monitor the activities associated with the Track it system in response to the level of service. There are times where staff is dependent upon other departments for support.
247	FY 2016/17	Quarterly	Operations	F	Ensure Agency programs promote environmental stewardship, sustainability, and preservation of heritage measures, utilizing green procurement and reuse of surplus materials, equipment, and parts when possible	Identify educational opportunities for environmentally friendly facilities and landscapes	Ongoing	Increase educational signage by 10% for Agency facilities that are accessible by the public.	Lucia Diaz	February	2017	On Schedule		Received signage. Installation is on hold.
<b>Operations</b>														
306	FY 2016/17	Quarterly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Support the development and implementation of the Energy Management Plan to ensure 100% use of digester gas	By June 2016 Ongoing	Meet 100% of established implementation goals; on-going	Chander Letulle, Matt	January	2017	On Schedule		Operations has supported all implementation goals. Due to equipment issues at RP-1 and RP-2 gas utilization is lower than expected.
307	FY 2016/17	Monthly	Operations	F	Strive for 100% use of Agency bi-products by 2021	Maximize use of biosolids by sending 90% of organics to IERCF	By June 2016 Ongoing	Send 90% of organics to IERCF; on-going	Randy Lee	February	2017	On Schedule		All Agency biosolids have been sent to the IERCF, processed into compost and sold into landscape and agricultural markets.
80	FY 2016/17	Quarterly	Operations	D	Optimize IEUA's use of potable and recycled water by July 2016	Identify projects necessary to reduce potable and recycled water usage.	FY 2016/17	One facility per quarter	Matt Melendrez	January	2017	On Schedule	No	A project has been identified to convert the RP-1 centrifuge oil coolers from potable water to utility water.
198	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Measure baseline usage of potable and recycled water usage.	Ongoing through June 2016		Matt Melendrez and	January	2017	On Schedule	No	Potable water usage data is collected and monitored for all sites. Recycled water usage data is collected and monitored at RP-5, CCWRF, RP-1 and RP-2. A project has been identified to add a meter at RP-4.
199	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain peak demand management readiness	Ongoing through June 2016		Andy Campbell	February	2017	On Schedule	No	Weekly demand management meetings will be resumed in May after storm season ends in April 2017.
200	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Maintain pump station readiness	Ongoing through June 2016		Andy Campbell	February	2017	On Schedule	No	Pump station readiness is continuously monitored by RW staff. Any deficiency's of readiness are addressed and remedied.
201	FY 2016/17	Quarterly	Operations	D	Develop and implement a communication plan to promote water use efficiency and the value of water by July 2015	Continue weekly Peak Demand Management meetings with key operations staff for start of 2016 Peak Demand season.	Ongoing through June 2016		Andy Campbell	February	2017	On Schedule	No	Weekly demand management meetings will be resumed in May after storm season ends in April 2017.
202	FY 2016/17	Quarterly	Operations	D	Develop plan to improve the quality of recycled water to meet customer's needs by June 2017	Prepare and submit to CDPH start-up reports for new basin as delivery mechanisms are completed	Completed by June 2016 and Ongoing		Andy Campbell	February	2017	On Schedule	No	Declerz Basin start-up is complete; start-up report will be completed in third quarter.

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## Business Goals &amp; Objectives Report By Department

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
203	FY 2016/17	Quarterly	Operations	D	Identify and protect the best recharge land sites in the service region by June 2016	Ensure all treatment standards are met to maximize availability of recycled water.	Completed by June 2016 and Ongoing		Matt Melendrez and	January	2017	On Schedule	No	According to Compliance's Incident Report Summary all facilities are meeting or exceeding standards.
204	FY 2016/17	Quarterly	Operations	D	Identify and protect the best recharge land sites in the service region by June 2016	Identify projects necessary to reduce potable and promote recycled water usage	Completed by June 2016 and Ongoing		Matt Melendrez and	January	2017	On Schedule	No	Projects have been identified to switch processes from potable to recycle water. Operations is working with Maintenance, and Engineering to complete these projects. For example San Bernardino Lift Station packing water system and the RP-1 Centrifuge cooling water system.
206	FY 2016/17	Quarterly	Operations	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Maintain basin readiness through basin cleanings	Completed by June 2016 and Ongoing		Andy Campbell	February	2017	On Schedule	No	Conducted 3DFEEM study with Jorg Drewes. Final report for study was completed February 2016. Study with other sampling results assisted IEUA in obtaining 50% RWC for most of its RW GWR basins.
<b>Planning and Environmental Compliance</b>														
190	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Apply LEAN management principles to streamline current practices and develop long-term strategy for permitting of the O&M activities of recharge basins	To be Completed by June 2017		Sylvie Lee	January	2017	On Schedule	No	ACOE will submit the public notice by early February 2017
191	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Continue to apply Lean management principles to streamline current business processes and systems and eliminate waste and redundancies	Develop a regulatory permitting strategy to support the implementation of the regional water and wastewater programs as identified in the planning documents	To be Completed by June 2017		Sylvie Lee	January	2017	On Schedule	No	Draft PEIR filed on 12/20/2016, public meeting on 1/25/2017, public review comment period ends 2/2/2017.
193	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Evaluate new projects and programs to support regional water reliability	Continuous	Meet the schedule as defined by the IRP	Sylvie Lee	January	2017	On Schedule	No	Demonstrate Ag water use efficiency utilizing biosolid compost. Potential to reduce Ag water use by 25%, maintaining high basin levels.
195	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Complete the MWD Foundational Action Research Program and develop a tertiary injection research project plan to find new methods to safely recharge more water in to Chino Basin	Through June 2016 and Ongoing	Develop the plans	Sylvie Lee	January	2017	On Schedule	No	Reviewing research and information from the State Water Resources Control Board with regards to the development of regulations for direct potable reuse.
196	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Accelerate implementation of capital projects where appropriate to "drought proof" regional water supplies and optimize use of available federal and state grants and low interest rate financing	Accelerate implementation of "Drought Proof" projects to optimize use of federal and state grants and loans; develop the project list based on priority.	Continuous	Keep updated project list and be coordinated with member agencies	Sylvie Lee	January	2017	On Schedule	No	Seeking and applying for grants to support Agriculture and healthy soils via the increased use of biosolid compost.
89	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Identify and protect the best recharge land sites in the service region by June 2016	Implement the schedule consistent with the IRP	continuous	Meet the schedule as defined by the IRP	Sylvie Lee	February	2017	On Schedule	No	This is an ongoing process working with CBWM on the recharge master plan projects, and investigating projects as they arise from IRP and RW Program Strategy. SI.

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Business Goals & Objectives Report By Department

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
271	FY 2016/17	Monthly	Engineering, Planning and Science	A	Initiate discussions to revise and renew the Regional Sewerage Service Contract set to expire in 2023 by January 2018	Collaborate with the Member agencies, JPAs, and the regional leaders on projects that can be partially funded by grant or SRF loan programs	Ongoing	Collaborating with IEUA and member agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects.	Sylvie Lee	January	2017	On Schedule		CEQA Plus was prepared for the Pomona/MVWDM/EUA Recycled Water Inter tie Project. The grant application is being expanded to include recent forms provided by the State Water Resources Control Board. The Feasibility Study may be expanded to include evaluation of additional alternatives as well as further evaluation on any anticipated groundwater quality impacts to local wells.
272	FY 2016/17	Monthly	Engineering, Planning and Science	A	Advocate for continued receipt of property taxes and optimize grants and other funding sources to support Agency and regional investments	Recommend and pursue new grant awards/opportunities to diversify revenue.	Ongoing	Grants Opportunities announcements to Agency departments and member agencies.	Sylvie Lee	January	2017	On Schedule		Staff prepared a USBR Water Conservation Field Services Grant for IEUA's regional Residential Pressure Regulation Program and submitted it on Jan. 23, 2017.
278	FY 2016/17	Annual	Engineering, Planning and Science	C	Identify and participate in organizations that advance the Agency's mission, vision, and key initiatives	Participate in local and regional meetings such as CASA, SCAP, Water Reuse, SCWC, CWEA, and ACWA, to advance the Agency's mission, vision and key initiatives.	Continuous	Attend at regular meetings	Sylvie Lee	January	2017	On Schedule		Staff is actively participating in meetings, workshops, conferences, task forces, and seminars regarding issues relating to the Agency's goals.
279	FY 2016/17	Quarterly	Engineering, Planning and Science	C	Promote regional projects and initiatives to boost business and industry relocations and promote economic development in the regiona	Promote local initiatives; consider and recognize the business impacts when developing regulations, policies, and planning documents	Continuous	Maintain the schedules as established in the regulations, policies and planning documents	Sylvie Lee	February	2017	On Schedule		Staff in process of evaluating the Exhibit J sewer fee calculation methodology, which will modernize the calculations. SL
280	FY 2016/17	Monthly	Engineering, Planning and Science	C	Provide timely updates to the Regional Committees and the IEUA Board on long term planning needs	Provide regular updates to the Regional Committees and IEUA Board on long term planning needs.	Continuous	Provide monthly/ quarterly/annual updates as needed.	Sylvie Lee	February	2017	On Schedule		Updates have been provided on planning issues through the quarter. SL
283	FY 2016/17	Quarterly	Engineering, Planning and Science	D	Advocate for ordinances requiring use of permeable pavement in new parking lots	Work with member agencies to develop ordinances, programs, and initiatives to promote storm water capture.	June 2016 Ongoing	Ongoing development of programs, plans, and policies to support storm water capture	Sylvie Lee	January	2017	On Schedule		Internal discussions about the stormwater program have begun. Civic Spark Fellows are doing supporting research. Program to kick off in Spring 2017
284	FY 2016/17	Semi-Annual	Engineering, Planning and Science	D	Optimize IEUAs use of potable and recycled water by July 2016	Optimize IEUA's use of potable and recycled water by completion of the recommended updates of the Recycled Water Program Strategy (RWPS).	June 2016 Ongoing	Adopt the RWPS	Sylvie Lee	February	2017	On Schedule		Complete. SL
289	FY 2016/17	Annual	Engineering, Planning and Science	D	Conduct research to find new methods to safely recharge more water into Chino Basin by June 2016	Develop and implement the Recycled Water Peak Demand Management Plan to optimize efficient use of recycled water. Work with member agencies to encourage new developments to connect to recycled water.	Continuous	Continuous dialogue with member agencies and through customers as needed to connect new customers and support demand management initiatives.	Sylvie Lee	February	2017	On Schedule		Coordination with Member Agencies for RW demand management is ongoing and usually coordinated prior to summer months. SL

FY 2016/17

**Business Goals & Objectives Report By Department**

Goal ID	FY Start	Reporting Required	Division	Bus. Goal	Work Plan	Department Goal	Time Line	KPI	Assigned To	Note Month	Note Year	Status	Complete	Notes
295	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Develop a communication plan to neighboring businesses of odor performance monitoring.	Continuous	Periodic/as needed monitoring performed	Sylvie Lee	January	2017	On Schedule		Perform quarterly odor survey at all facilities.
296	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Develop a communication plan to promote being a good neighbor	Assist Operations and External Affairs with odor complaint investigations and assist with mitigation.	Continuous	Provide support as needed	Sylvie Lee	January	2017	On Schedule		Perform odor monitoring, as needed to assist Operations, External Affairs during complaints investigation and mitigation.
297	FY 2016/17	Quarterly	Engineering, Planning and Science	F	Lead efforts to advocate for emerging trends and proposed changes to rules and regulations	Actively participate in the legislative process through advice letters and comments	Continuous	Actively participate and submit comments/letters as issues arise through ACWA, WasteReuse, SCAP.	Sylvie Lee	February	2017	On Schedule		Provided comments to External Affairs regarding P&ER's legislative priorities. Continuous. SL
299	FY 2016/17	Annual	Engineering, Planning and Science	F	Develop a regionally focused Comprehensive Mitigation Plan for construction projects by July 2016	Complete a Santa Ana River Multi Species Habitat Conservation Plan (SAR-MSHCP) and develop a long-term strategy for mitigation for other regional projects.	June 2017	Adopt the SAR-MSHCP by June 2017	Sylvie Lee	January	2017	Behind Schedule		Project impacts assessment and mitigation discussions underway. Plan may be delayed until SAR model completed.



**Inland Empire Utilities Agency  
Inter-Departmental / Division Transfers FY 2016/2017  
Budget Transfer**

<b>Fund</b>	<b>Date</b>	<b>O&amp;M Transfer From</b>	<b>Category</b>	<b>Amt Transfer Out</b>	<b>O&amp;M Transfer To</b>	<b>Category</b>	<b>Amount Transfer In</b>	<b>Description</b>	<b>QTR</b>
10200	11/14/16	545230	Fuel Cell Power	\$60,000	511120	Employee Training	\$60,000	Transfer to cover additional training costs for the Maint. Dept. including Root Cause Analysis, Planning and Scheduling, and ISS Cyber Security Training.	2
10800	12/8/16	521080	Other Contract Svcs	\$3,000	519310	Operating Permits & Lic	\$3,000	Transfer for certification application fee for the Magnolia Channel	2
			<b>Total O&amp;M Transfers Out</b>	<b>\$63,000</b>		<b>Total O&amp;M Transfers In</b>	<b>\$63,000</b>		

**Inland Empire Utilities Agency  
FY 2016/17 GM Contingency Account Activity**

Exhibit C-2

Date	Description	Account/Project No.	Requestor	GM Contingency		
				Budget	Transfers	Balance
7/1/2016	FY 2016/17 Adopted budget	RO Fund 10800-112100-501000-519010		\$400,000		\$400,000
9/27/2016	Transfer to cover unforeseen clean-up and abatement fees	RO Fund 10800-112100-501000-520210	A. Woodruff		\$20,000	\$380,000
10/17/2016	Transfer to cover unforeseen clean-up and abatement fees	RO Fund 10800-112100-501000-520210	A. Woodruff		\$30,000	\$350,000
11/10/2016	Transfer to cover unforeseen clean-up and abatement fees	RO Fund 10800-112100-501000-520210	A. Woodruff		\$60,000	\$290,000
<b>RO Fund GM Contingency</b>				<b>\$400,000</b>	<b>\$110,000</b>	<b>\$290,000</b>
7/1/2016	FY 2016/17 Adopted budget	GG Fund 10200-112100-100000-519010		\$300,000		\$300,000
8/31/2016	Transfer to cover the purchase of computers for new staff in External Affairs	GG Fund 10200-146100-105000-980000	K. Besser		\$3,700	\$296,300
12/15/2016	Transfer to cover the purchase of IEUA shirts for employees	GG Fund 10200-120100-100000-511310	S. Bhojani		\$8,900	\$287,400
<b>GG Fund GM Contingency</b>				<b>\$300,000</b>	<b>\$12,600</b>	<b>\$287,400</b>
<b>GM CONTINGENCY GRAND TOTAL</b>				<b>\$700,000</b>	<b>\$122,600</b>	<b>\$577,400</b>

cc: Joe Grindstaff, Christina Valencia

**Inland Empire Utilities Agency**  
**Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2016/17**

Exhibit D

Fund	Capital or Spec Proj?	Request Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
10200	Capital	10/18/16	Yes	Yes	Yes	EN15052	Primavera Enhancements	\$193,400	\$0	\$193,400	(\$15,000)	\$178,400	\$72,447	(\$15,000)	\$57,447	IS17027	Transfer from EN15052 to create new project IS17027 to fund the acquisition of new PC workstations for the Civic Spark Fellows in the Planning department.
						IS17027	New PC Workstations	\$0	\$0	\$0	\$15,000	\$15,000	\$0	\$15,000	\$15,000	(EN15052)	
Capital	11/17/16	Yes	Yes	No	IS16020	SAP User Interface Improvements	\$142,070	\$0	\$142,070	(\$1,000)	\$141,070	\$142,070	(\$1,000)	\$141,070	IS17025	Transfer from IS16020 to IS17025 to purchase equipment to allow GWR interns to access the GWR SCADA.	
					IS17025	New Workstations - External Affairs	\$0	\$3,700	\$3,700	\$1,000	\$4,700	\$3,700	\$1,000	\$4,700	(IS16020)		
Capital	11/22/16	Yes	Yes	Yes	IS16015	FY 15/16 Workstation Replacement	\$159,200	\$0	\$159,200	(\$4,850)	\$154,350	\$13,908	(\$4,850)	\$9,058	IS17030	Transfer to create new project, IS17030, to fund the purchase of a new TV, cable management, and TV bracket needed to upgrade the Raines Conference Room AV system.	
					IS17030	Raines Conference Room AV Upgrade	\$0	\$0	\$0	\$4,850	\$4,850	\$0	\$4,850	\$4,850	(IS16015)		
<b>Subtotal Administration (GG)</b>							<b>\$494,670</b>		<b>\$498,370</b>		<b>\$232,125</b>		<b>\$232,125</b>				
10300	Capital	11/3/16	Yes	Yes	No	RW15002	Upper Santa Ana River	\$160,000	\$0	\$160,000	(\$11,000)	\$149,000	\$355,674	(\$11,000)	\$344,674	RW15001	Transfer from RW15002 to RW15001 due to re-categorization of project type from the staffing at the Regional Board.
						RW15001	Long-Term Basin-Wide	\$150,000	\$0	\$150,000	\$11,000	\$161,000	\$117,567	\$11,000	\$128,567	(RW15002)	
<b>Subtotal Groundwater Recharge (RW)</b>							<b>\$310,000</b>		<b>\$310,000</b>		<b>\$473,241</b>		<b>\$473,241</b>				
10600	Capital	11/2/16	Yes	Yes	Yes	EN15055	1630 E&W Recycled Water Pump Station	\$1,590,000	\$0	\$1,590,000	(\$100,000)	\$1,490,000	\$1,340,000	(\$100,000)	\$1,240,000	EN17060	Transfer to create new project, EN17060, to replace a pump case and an impeller for two 1299 pumps at RP-4 that have damage likely due to material incompatibility with chlorine in the effluent.
						EN17060	1299 Recycled Water Pumps Replacement	\$0	\$0	\$0	\$100,000	\$100,000	\$0	\$100,000	\$100,000	(EN15055)	
Capital	12/21/16	Yes	Yes	Yes	EN13001	San Seivaine Basin Improvements	\$6,460,000	\$0	\$6,460,000	(\$165,000)	\$6,295,000	\$3,250,000	(\$165,000)	\$3,085,000	EN17067	Transfer to create new project, EN17067, to build a new groundwater monitoring well at the Dedez Basin as required by the California Recycled Water Recharge Regulation.	
					EN17067	Dedez Basin RW Compliance Monitoring Wells	\$0	\$0	\$0	\$165,000	\$165,000	\$0	\$165,000	\$165,000	(EN13001)		
<b>Subtotal Recycled Water (WC)</b>							<b>\$8,050,000</b>		<b>\$8,050,000</b>		<b>\$4,590,000</b>		<b>\$4,590,000</b>				
10800	Capital	10/20/16	Yes	Yes	Yes	EN16070	Agency-wide Sewage Pump Efficiency	\$1,275,000	(\$625,000)	\$650,000	(\$300,000)	\$350,000	\$635,000	(\$300,000)	\$335,000	EN17059	Transfer from EN16070 to create new project, EN17059, to fund the installation of two previously purchased iron sponges at RP-1 that will serve as backup to the existing iron sponges.
						EN17059	RP-1 Iron Sponges Installation	\$0	\$0	\$0	\$300,000	\$300,000	\$0	\$300,000	\$300,000	(EN16070)	
Capital	11/22/16	Yes	Yes	Yes	IS15020	Process Automation and Control IT Improvement	\$500,000	\$0	\$500,000	(\$8,000)	\$492,000	\$500,000	\$0	\$500,000	IS17033	Transfer from IS15020 to create new project, IS17033, to implement a firewall to segment the wastewater network from the GWR/RW network.	
					IS17033	SCADA Network Firewall	\$0	\$0	\$0	\$8,000	\$8,000	\$0	\$0	\$0	(IS15020)		

**Inland Empire Utilities Agency**  
**Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2016/17**

Exhibit D

Fund	Capital or Spec Proj?	Request Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amnt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification		
Capital	11/22/16	Yes	Yes	Yes	Yes	IS15020	Process Automation and Control IT Improvement	\$500,000	(\$8,000)	\$492,000	(\$48,000)	\$444,000	\$500,000	\$0	\$500,000	IS17035	Transfer from IS15020 to create new project, IS17035, to fill gaps identified in the cyber security assessment report and help comply with the NIST cyber security framework.		
						IS17035	SCADA Network Switch Replacement	\$0	\$0	\$0	\$48,000	\$48,000	\$0	\$0	\$0	(IS15020)			
Capital	11/22/16	Yes	Yes	Yes	Yes	IS15020	Process Automation and Control IT Improvement	\$500,000	(\$56,000)	\$444,000	(\$17,000)	\$427,000	\$500,000	\$0	\$500,000	IS17031	Transfer from IS15020 to create new project, IS17031, to fund the purchase of a Dell server required to host a Vulnerability Scanner and Intrusion detection system software for the SCADA network.		
						IS17031	Server for Cyber Security Services	\$0	\$0	\$0	\$17,000	\$17,000	\$0	\$0	\$0	(IS15020)			
Capital	11/22/16	Yes	Yes	Yes	Yes	IS15020	Process Automation and Control IT Improvement	\$500,000	(\$73,000)	\$427,000	(\$61,000)	\$366,000	\$500,000	\$0	\$500,000	IS17032	Transfer from IS15020 to create new project, IS17032, to prevent extended downtime at RP-4 that would result in the case of a fire at the Data Center.		
						IS17032	Inergen Fire Suppression System - RP-4	\$0	\$0	\$0	\$61,000	\$61,000	\$0	\$0	\$0	(IS15020)			
Capital	11/22/16	Yes	Yes	Yes	Yes	IS15020	Process Automation and Control IT Improvement	\$500,000	(\$134,000)	\$366,000	(\$130,000)	\$236,000	\$500,000	\$0	\$500,000	IS17029	Transfer from IS15020 to create new project, IS17029, to provide hardware redundancy for non-SCADA compliance-related services.		
						IS17029	3PAR Storage Area Network/ SAN	\$0	\$0	\$0	\$130,000	\$130,000	\$0	\$0	\$0	(IS15020)			
<b>Subtotal Regional Operations (RO)</b>								<b>\$3,775,000</b>				<b>\$2,879,000</b>	<b>\$3,135,000</b>		<b>\$3,135,000</b>				
10900 Capital	11/16/16	Yes	Yes	Yes	Yes	EN14019	RP-1 Headworks Primary and Secondary Upgrades	\$10,500,000	\$0	\$10,500,000	(\$60,000)	\$10,440,000	\$1,500,000	(\$60,000)	\$1,440,000	EN17063	Transfer to create new project, EN17063, for replacement of cast Iron gates at RP-4 that have corrosion due to liquid environment. The new project will replace the gates with stainless steel gates.		
						EN17063	RP-4 Anoxic Splitter Box Gates	\$0	\$0	\$0	\$60,000	\$60,000	\$0	\$60,000	\$60,000	(EN14019)			
<b>Subtotal Regional Capital (RC)</b>								<b>\$10,500,000</b>				<b>\$10,500,000</b>	<b>\$1,500,000</b>		<b>\$1,500,000</b>				
								<b>Capital Total Project Budget</b>		<b>Capital Total Project Budget</b>		<b>Total Annual Capital Budget</b>							
								Adopted	Current	Amended	Adopted	Amended							
								\$23,129,670	\$22,237,370	\$22,237,370	\$9,930,366	\$9,930,366							
10700 O&M Proj	10/25/16	Yes	Yes	Yes	Yes	WR16025	WW Planning Documents	\$1,000,000	\$0	\$1,000,000	(\$400,831)	\$599,169	\$999,362	(\$400,831)	\$598,531	WR17023	Transfer from WR16025 to create new project, WR17023, funded by grants from the United States Bureau of Reclamation.		
						WR17023	Chino Basin Drought Contingency Plan	\$0	\$0	\$0	\$400,831	\$400,831	\$0	\$400,831	\$400,831	(WR16025)			
<b>Subtotal Water Resources (WW)</b>								<b>\$1,000,000</b>				<b>\$1,000,000</b>	<b>\$999,362</b>		<b>\$999,362</b>				

**Inland Empire Utilities Agency  
Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2016/17**

Fund	Capital or Spec Proj?	Request Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification
10800	O&M Proj	11/2/16	Yes	Yes	Yes	PL17001	RO Planning Documents	\$250,000	\$0	\$250,000	(\$50,000)	\$200,000	\$250,000	(\$50,000)	\$200,000	PL17004	Transfer to create new project, PL17004, to fund the Wastewater Flow and Loading Study, which is coordinated by the California Association of Sanitation Agencies (CASA).
						PL17004	Wastewater Flow and Loading Study	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000		
O&M Proj	12/1/16	Yes	Yes	No	EN17019	FY 16/17 RO Emergency O&M	\$600,000	\$0	\$600,000	(\$20,000)	\$580,000	\$600,000	(\$20,000)	\$580,000	EN16019	Transfer to pay the final change orders owed to the contractors for subproject EN16019.08, RP-1 Dewatering Non-Adhering Surface Coating Removal.	
					EN16019	FY 15/16 RO Emergency O&M	\$600,000	\$0	\$600,000	\$20,000	\$620,000	\$85,000	\$20,000	\$105,000	(EN17019)		
<b>Subtotal Regional Operations (RO):</b>							<b>\$1,450,000</b>		<b>\$1,450,000</b>		<b>\$935,000</b>		<b>\$935,000</b>				

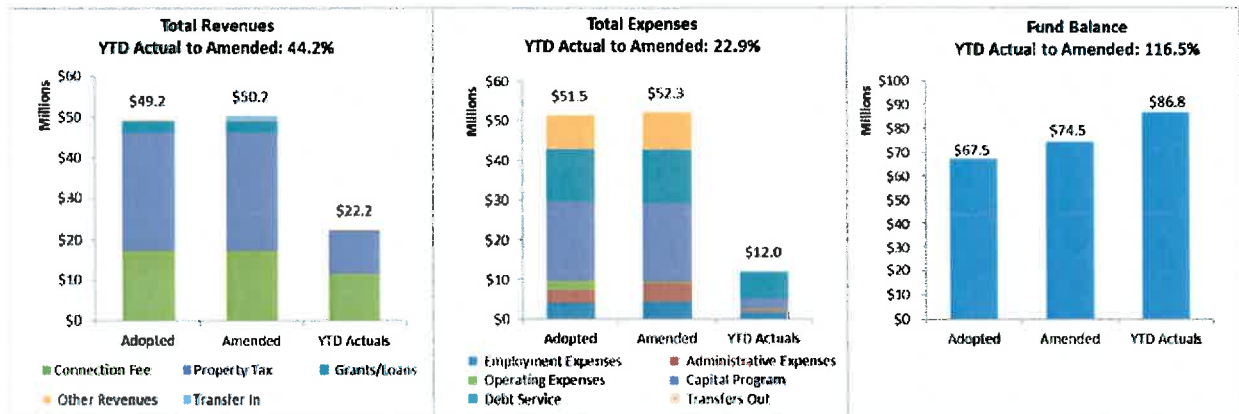
O&M Total Project Budget		O&M Total Project Budget		Total Annual O&M Project Budget	
Adopted	Current	Adopted	Amended	Adopted	Amended
\$2,450,000	\$2,450,000	\$2,450,000	\$2,450,000	\$1,934,362	\$1,934,362

Total Capital and O&M Project Transfers:	\$1,391,681
Total Project Budget Change - Capital:	\$0
Total Project Budget Change - O&M Proj:	\$0
<b>Total Project Budget - Net Change:</b>	<b>\$0</b>

### Financial Overview of Agency's Programs FY 2016/17 quarter ended December 31, 2016 Total Revenues, Expenses, and Fund Balance

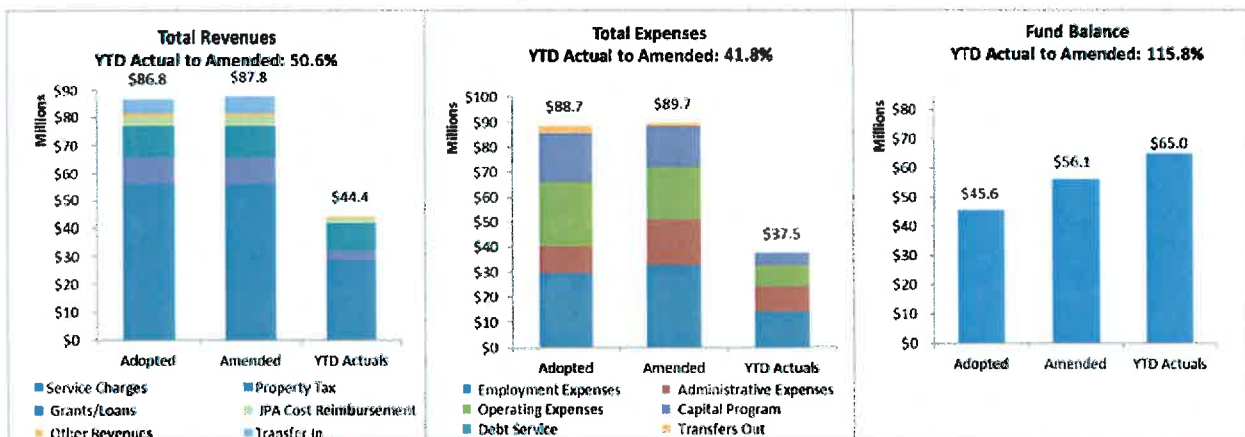
#### ***Regional Wastewater Capital Improvement (RC) Fund***

The fund balance indicated an increase of \$12.2 million compared to the amended budget primarily due to favorable connection fee revenues, and low capital spending.



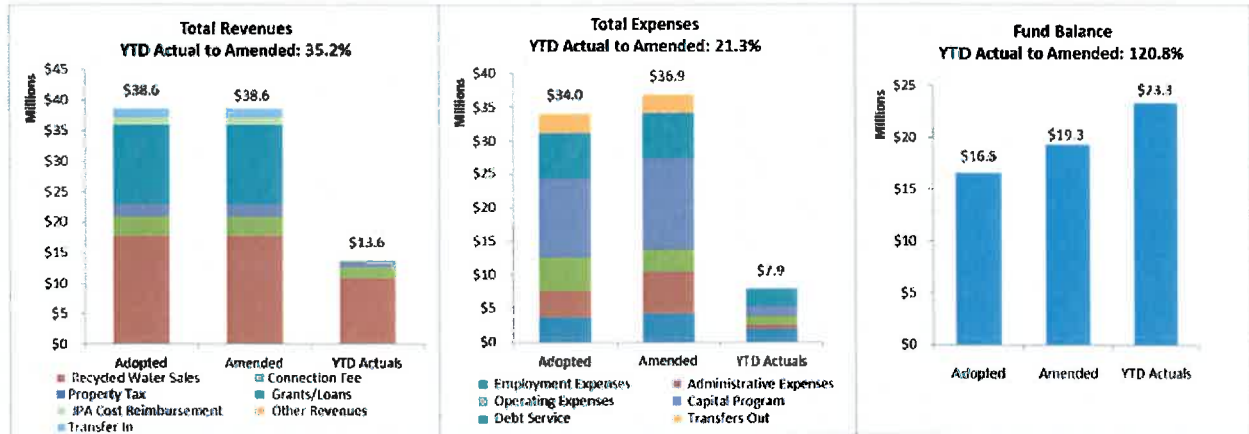
#### ***Regional Wastewater Operations and Maintenance (RO) Fund***

The fund balance indicated an increase of \$9.1 million compared to the amended budget mainly due to the timing of execution of O&M and capital replacement and rehabilitation projects and lower than budgeted administrative expenses.



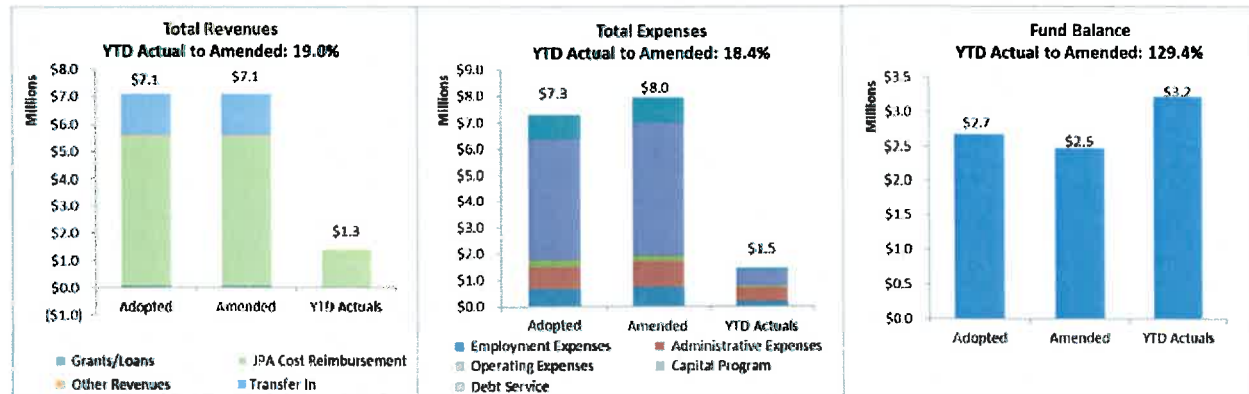
**Recycled Water (WC) Fund**

The fund balance indicated an increase of \$4.0 million compared to the amended budget primarily due to higher than anticipated recycled water sales, low administrative expenses, and timing in the execution of capital projects.



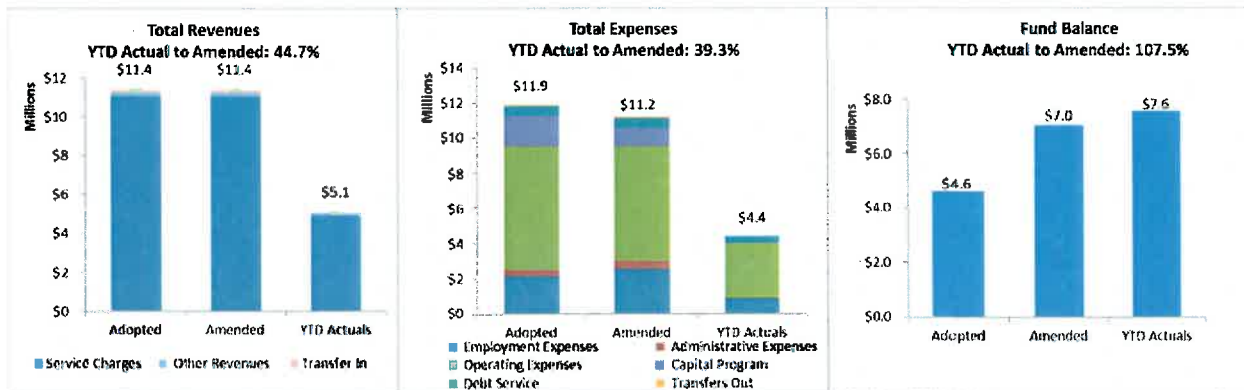
**Recharge Water (RW) Fund**

The fund balance shows an increase of \$0.7 million compared to the amended budget due to timing of operation spending & delays in capital project execution.



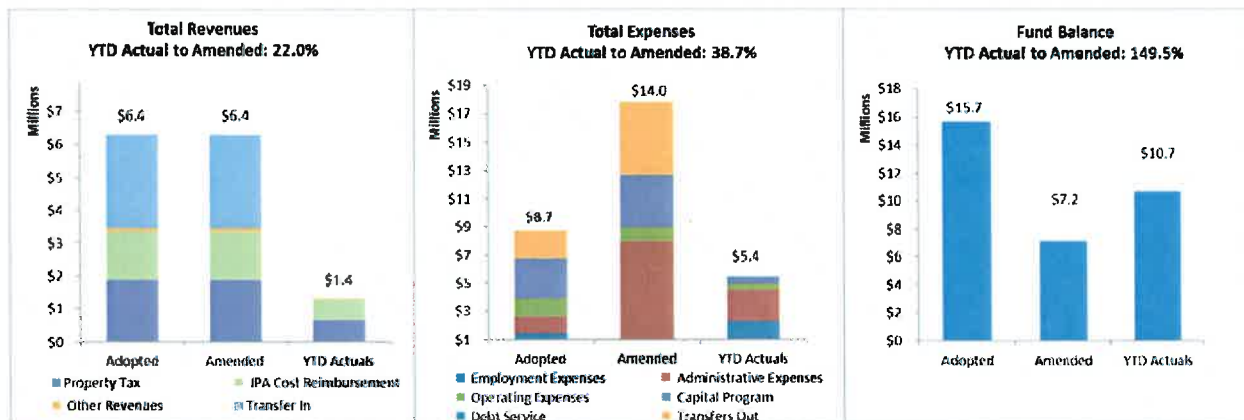
**Non-Reclaimable Wastewater (NRW) Fund**

The fund balance shows an increase of \$0.5 million compared to the amended budget due to favorable variance in employment expenses and capital project expenditures.



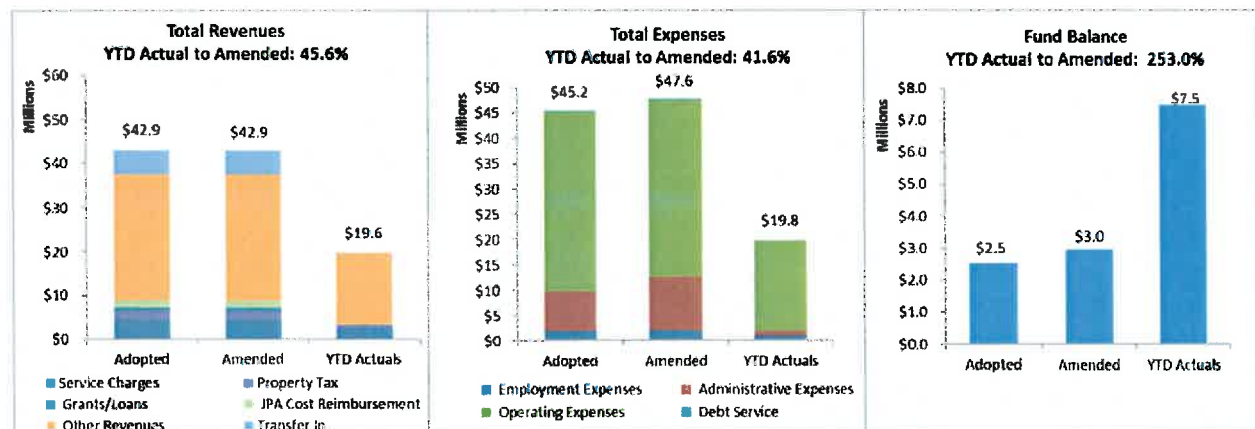
**Administrative Services (GG) Fund**

The fund balance indicated an increase of \$3.5 million compared to the amended budget due to lower capital spending and the timing of inter-fund loan activities.



**Water Resources (WW) Fund**

The fund balance indicates an increase of \$4.5 million compared to the amended budget due to collection of user charges and lower administrative spending.





# FY 2016/17 Budget Variance Report

## 2<sup>nd</sup> Quarter ended Dec. 31, 2016

### Board Meeting



# Sources of Funds Highlights

## Actuals compared to Amended Budget

### Favorable Variance

- Wastewater/Water Connection Fees: \$13.3M, 66.1%
  - 2,024 new EDU connections vs. 3,000 budgeted
  - 2,805 new Water connections vs. 2,730 budgeted
- Recycled Water Sales: \$9.3M, 58.8%
  - 19,049 AF actual year to date vs. 37,100 AFY budgeted

### Unfavorable Variance

- Grants and Loans: \$10.2M, 36.5%
  - Delays in grant and loan reimbursable projects
- Property Tax: \$16.4M, 36.7%
  - Additional receipts anticipated in third quarter

# Uses of Funds Highlights

## Actuals compared to Amended Budget

### Favorable Variance:

- **Capital Projects: \$10.0M, 16.7%**
  - Delayed project execution primarily due to changes in project schedules
- **Professional Fees & Services: \$3.1M, 27.2%**
  - Delays in contract materials & other contractual service execution
- **Office & Administration: \$0.8M, 29.0%**
  - Included unspent GM contingency & delayed billings of election expenses

### Unfavorable Variance

- **Employment Expenses: \$22.2M, 52.2%**
  - Includes \$3.5M contribution to other post-employment benefits and retirement unfunded accrued liability

# Project Budget Updates

- Total Project Budget Change in Second Quarter
  - \$1,391,681 transferred between 30 projects within the same fund\*
    - \$920,850 transferred between capital projects
    - \$470,831 transferred between O&M projects
  - No change in appropriated budget for FY 2016/17

\*Transfer details provided in Exhibit D.



# FY 2016/17 Q2 Consolidated Fund Balance

Operating	FY 2016/17 Amended Budget	Second Quarter Ended 12/31/16	Actual % of Amended Budget
Operating Revenue	\$126.8	\$67.0	52.8%
Operating Expense	\$159.0	\$68.0	42.8%
<b>Operating Net Increase/(Decrease)</b>	<b>(\$32.2)</b>	<b>(\$1.0)</b>	
Non- Operating			
Non-Operating Revenue	\$99.0	\$40.6	41.0%
Non-Operating Expense	\$82.0	\$20.4	24.8%
<b>Non-Operating Net Increase/(Decrease)</b>	<b>\$17.0</b>	<b>\$20.2</b>	
Consolidated	FY 2016/17 Amended Budget	Second Quarter Ended 12/31/16	Actual % of Amended Budget
Total Sources of Funds	\$225.8	\$107.6	47.7%
Total Uses of Funds	\$241.0	\$88.4	36.7%
<b>Total Net Increase/(Decrease)</b>	<b>(\$15.2)</b>	<b>\$19.2</b>	
Beginning Fund Balance	\$184.8	\$184.8	
<b>Ending Fund Balance</b>	<b>\$169.6</b>	<b>\$204.0</b>	

# Questions?

*The budget variance analysis report is consistent with the Agency's business goal of fiscal responsibility*

INFORMATION  
ITEM

**4G**

Date: March 15, 2017

To: The Honorable Board of Directors

Through: Community and Legislative Affairs Committee (3/8/17)

From: P. Joseph Grindstaff  
General Manager

Submitted by: Kathy Besser  
Manager of External Affairs

Subject: Public Outreach and Communication

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### **RECOMMENDATION**

This is an informational item for the Board of Directors to receive and file.

### **BACKGROUND**

#### March

- March 20-26, Fix a Leak Week
- March 20, IEUA Hosted Special Districts Dinner (Keynote: Randall Lewis – Executive Vice President, Marketing – Lewis Group of Companies), Panda Inn: 3223 E. Centrelake Drive, Ontario
- March 22, World Water Day
- March 24, Montclair High School, Garden in Every School® Dedication, 4725 Benito Street, Montclair, 3:00 p.m.

#### April

- April 13, Arroyo Elementary, Garden in Every School® Dedication, 1700 E. 7th Street, Ontario, 5:30 p.m.
- April 19, Student Earth Day, Chino Creek Wetlands and Educational Park, 9:00 a.m. – 2:00 p.m.
- April 20, Community Earth Day, Chino Creek Wetlands and Educational Park, 4:00 p.m. – 7:00 p.m.
- April 29, National Prescription Drug Take Back Day

#### May (Water Awareness Month)

- May 4, IERCF 10 Year Anniversary Celebration
- May 7-13, International Compost Awareness Week



## Public Outreach and Communication

March 15, 2017

Page 2

- May 10, Townsend Junior High, Garden in Every School® Dedication, 15359 Ilex Drive, Chino Hills, 5:30 p.m.
- May 19-21, MWD Solar Cup Competition, Lake Skinner

### Outreach/Education - Civic Publications Newspaper Campaign

- IEUA is working with Civic Publications to update the KickWaterWaste.com micro-site.
- IEUA is working with Civic Publications to distribute themed email blasts each month for March through June.

### Media and Outreach

- IEUA is continuing to run banner ads through *Fontana Herald News* and *La Opinión* newspapers.
- Staff has developed spring messages for the season that align with the *Kick the Habit* brand and include a “Spring Into Action” theme.
- A *Kick the Habit* ad will run in the April issue of IE Magazine in the Primetime section.
- A *Kick the Habit* ad will run in the Champion Newspaper’s *Progress Edition* on April 8.
- In February, 30 posts were published to the IEUA Facebook page and 34 tweets were sent on the @IEUAWater Twitter handle.
- The top three Facebook posts, based on reach and engagement, in the month of February were:
  - 2/15: “Water is Life” Traveling Art Exhibit Featuring Winning Artwork by 5th grade student from Cal Aero Preserve Academy
  - 2/4: Mark Your Calendars: Earth Day – April 20, 2017
  - 2/15: Regional Leader Appointed to California Association of Sanitation Agencies Board of Directors

### Education and Outreach Updates

- Staff is continuing to book Water Discovery field trips for the current school year. To date, staff has scheduled and provided field trips to approximately 2,053 students from October 1, 2016 through June 29, 2017.
- IEUA staff held a Project WET and Garden Mini-Grant workshop on March 2. Partnering agencies assisted in activity discussion. Each school that was represented became eligible for a mini-grant for their Garden in Every School® water-wise garden as well as becoming Project WET certified.
- Staff has awarded four schools the Garden in Every School® water-wise grant for program year 2016/17. Schools awarded include: Arroyo Elementary in Ontario, Rolling Ridge Elementary in Chino Hills, Townsend Junior High School in Chino Hills, and Montclair High School in Montclair. Planting has been completed at Arroyo Elementary School, and a reading bench was installed. Townsend Junior High School’s planting has been completed. Rolling Ridge Elementary School’s planting has been completed. Montclair High School’s garden installation has been completed. Dedication ceremonies are planned for spring 2017.
- The deadline for the 2017 “Water is Life” poster contest is March 30, 2017.

- Staff has completed scheduling schools for the Earth Day field trip portion. Currently, 1,330 students are scheduled to attend the student day on April 19, 2017.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The above-mentioned activities are budgeted in the FY 2016/17 Administrative Service Fund, External Affairs Services budget.

INFORMATION  
ITEM

**4H**

# *Innovative Federal Strategies* LLC

Comprehensive Government Relations

## MEMORANDUM

**To: Joe Grindstaff and Kathy Besser, IEUA**

**From: Letitia White and Jean Denton**

**Date: February 27, 2017**

**Re: February Monthly Legislative Update**

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### ***Obamacare Repeal Delays and Appropriations Derailment***

Congress continues to grapple with how to address the Affordable Care Act. Part of the issue lies in discrepancies in the timespan in which the Affordable Care Act should be repealed and replaced. Republicans initially proposed repealing the law before introducing a replacement. But then President Trump called for a simultaneous repealing of the current law with a replacement plan in order to avoid uncertainty in insurance markets. Congressional Republicans have acknowledged that coming up with a replacement could take months, but President Trump has claimed that the Administration's replacement draft is in the "final stages" and will be submitted in early to mid-March.

The postponement to repeal and replace the Affordable Care Act creates a trickle-down effect to the Republicans' already ambitious legislative action plan. By keeping the health care law repeal measure on a fast track, Congress must delay passing a budget resolution for the upcoming fiscal year that begins October 1. Passing a new budget resolution before a repeal bill is done would effectively nullify the fast-track provision that prevents Democrats from filibustering in the Senate to block the repeal legislation.

The longer it takes to pass a repeal measure, the less time for Congress to advance a budget resolution needed to guide spending bills for the fiscal 2018 cycle. If a budget resolution is not approved by a statutory deadline of April 15, no spending bills can come to the House floor for a vote until May 15. Congress could choose to forgo a fiscal year 2018 budget resolution, but that would eliminate the possibility of using reconciliation to pass tax reform legislation either later this year or in early 2018, which is a priority of both Congressional Republican and President Trump.

Congress is also still grappling with how to complete the fiscal year 2017 appropriations cycle, with most of the government operating under a continuing resolution until April 28. Over the last decade, Congress has increasingly relied on deadlines to finish the appropriations process, or have passed continuing resolutions to provide themselves with additional time to complete the legislation. As such, Congress will likely wait until mid-to-late April to complete the current fiscal year appropriations process, further complicating moving appropriations bills for fiscal year 2018.

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### ***Infrastructure Package in the Works***

President Trump will discuss details about how he plans to upgrade the nation's infrastructure during his address to House and Senate lawmakers on February 28, according to White House spokesman Sean Spicer. "The infrastructure projects and priorities that the president has talked about, there's [air traffic control] and our airports or the roads and bridges will be something that he's going to work with [Department of Transportation] but also talk about in his budget and you'll see more in his joint address to Congress," Spicer said. Trump is expected to release a framework of his federal budget proposal in mid-March.

Recent reports that the Republican leadership might delay consideration of a major infrastructure investment package until next year are raising alarm bells in Washington but don't seem to have killed efforts to at least keep the conversation going. Congressional hearings continue on the topic of an infrastructure package. During February both the House Transportation and Infrastructure Committee and the Senate Environment and Public Works Committee held hearings on modernizing the nation's infrastructure. The Senate Commerce, Science and Transportation Committee is scheduled to hold a hearing on infrastructure access issues on March 1. We anticipate that both the House and Senate will continue to get feedback from stakeholders throughout the country as they continue to consider crafting an infrastructure package.

### ***Calendar Set for Trump's Supreme Court Nominee***

The Senate Judiciary Committee announced that the confirmation hearing for nominee Neil Gorsuch to the Supreme Court will begin on March 20. Gorsuch, the youngest Supreme Court nominee in 25 years and a Colorado federal appeals court judge for the 10<sup>th</sup> Circuit, is believed to share a similar legal philosophy to Justice Antonin Scalia, who passed away last year.

Gorsuch's nomination process began on January 31, when President Donald Trump made the announcement during an evening ceremony at the White House. During his remarks, Trump called Gorsuch "[an] outstanding and brilliant mind, tremendous discipline and has earned bipartisan support."

While Judge Gorsuch has received support on both sides of the aisle from Congress—notably during his 2006 confirmation to his court of appeals position—with the late Supreme Court's ideological bend in the balance and after Republicans refused to hold hearings or votes on Judge Merrick Garland's nomination to the Supreme Court before the end of President Barack Obama's term, Democrats have promised to hinder the confirmation process. Senate Minority Leader Chuck Schumer (NY) argued in an op-ed for the *New York Times* that he was concerned with Judge Gorsuch's independence from President Trump.

In order to confirm Judge Gorsuch and to avoid a filibuster, Republicans in the Senate will have to muster 60 total votes, which means that all 52 Republicans and an additional 8 Democrats must vote affirmatively.

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If Democrats decide to pursue a filibuster to block Judge Gorsuch's confirmation, Republicans may decide to use the "nuclear option" that would change Senate's rules and allow Gorsuch to be confirmed on a simple majority vote.

### ***Trump to Release "Skinny Budget" in March***

White House spokesman Sean Spicer told reporters this month that Congress should expect a first draft of President Trump's budget on March 14. This "skinny budget" will be used as the skeleton by Congress during the budget reconciliation process.

Newly confirmed director of the Office of Management and Budget Mick Mulvaney will have a hand in the shaping of both the skinny and the full-fledged budget proposal from the White House. Confirmed on a 51-49 vote, the former South Carolina Representative was known for challenging raising the debt ceiling and advocated for Congress to identify offsets for new federal funding.

As Mulvaney begins work at the OMB, he will have to find a way to reconcile his budget hawk preferences with President Trump's campaign assertions. For instance, Mulvaney argued during his confirmation hearing for raising the retirement age for Social Security and altering Medicare benefits, though Trump has articulated his unwillingness to cut these programs.

### ***Trump Reverses Transgender Bathroom Executive Orders***

President Donald Trump rescinded the Obama administration's guidance on interpretation of Title IX, which gave transgender students access to the bathroom that is aligned their gender identity.

The Obama Administration's Departments of Justice and Education issued a letter to school districts last May, stating that, "to be in compliance with the law, every K-12 school district, state education association and high school athletic association in the country 'must not treat a transgender student differently from the way it treats other students of the same gender identity,'" which includes transgender access to bathrooms. The letter also threatened non-compliant schools with withholding funding.

Since August, a federal judge has placed President Obama's guidance on hold, arguing that the directions contradicted existing laws and regulations. Until the Supreme Court makes a decision on the case, states and districts have the ability to set their own policies.

### ***Cabinet Confirmations and Senior Administration Picks***

President Trump's cabinet is taking shape with the confirmation of several Cabinet Secretaries. We have included a list below of the nominees along with the status of their confirmation and/or the next steps at the committee level. Additionally, we have included a list below that includes senior White House staff not requiring Senate confirmation.

<b>Cabinet</b>	<b>Trump's Pick</b>	<b>Next Committee/Floor Action</b>
Secretary of State	Rex Tillerson	Confirmed
Treasury Secretary	Steve Mnuchin	Confirmed
Defense Secretary	James Mattis	Confirmed
Attorney General	Jeff Sessions	Confirmed

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Interior Secretary	Ryan Zinke	Floor Action possible in March
Agriculture Secretary	Sonny Perdue	Committee hearing unscheduled
Commerce Secretary	Wilbur Ross	Scheduled for 2/27
Labor Secretary	Alexander Acosta	Committee hearing unscheduled
HHS Secretary	Tom Price	Confirmed
HUD Secretary	Ben Carson	Floor Action unscheduled
Transportation Secretary	Elaine Chao	Confirmed
Energy Secretary	Rick Perry	Floor Action possible in March
Education Secretary	Betsy DeVos	Confirmed
Veterans Affairs Secretary	David Shulkin	Confirmed
Homeland Security Secretary	John F. Kelly	Confirmed
<b>High-level Offices</b>	<b>Trump's Pick</b>	<b>Hearing Date</b>
White House Chief of Staff	Reince Priebus	n/a
Director of Office of Management and Budget	Mick Mulvaney	Confirmed
Director of the CIA	Mike Pompeo	Confirmed
Admin. of the Small Business Admin	Linda McMahon	Confirmed
Admin. of the EPA	Scott Pruitt	Confirmed
Admin. Centers for Medicare & Medicaid	Seema Verma	Next steps unscheduled
Deputy Commerce Secretary	Todd Ricketts	Next steps unscheduled
Secretary of the Army	n/a	Next steps unscheduled
Trade Representative	Robert Lighthizer	Next steps unscheduled
Chair Securities and Exchange Commission	Jay Clayton	Next steps unscheduled

### ***Outlook for March***

Monday begins the longest stretch of work on the 2017 congressional calendar: six straight weeks before the next break. Confirmations will dominate the Senate floor as the work period begins. Votes have been teed up beginning Monday on President Donald Trump's nominees to head the Commerce, Interior, Housing and Urban Development and Energy departments. The Senate Judiciary Committee plans at least three days of confirmation hearings for Supreme Court nominee Neil Gorsuch, beginning March 20. Majority Leader Mitch McConnell has indicated he would like to schedule a vote on that nomination before the Senate leaves on its spring break on April 7.

Also the Senate Intelligence Committee has scheduled a Tuesday hearing on the nomination of former Indiana Senator Dan Coats to be Director of National Intelligence.

The big event of the week ahead will be Trump's first address to a joint session of Congress. Administration officials have been vague on whether the president will provide details on how he wants to proceed on his major priorities: increased border and immigration enforcement, including a wall across the border with Mexico; expanding the U.S. military; a massive project to rebuild the country's infrastructure; and revamping the tax code. All that will require Congress to turn goals into legislation and figure out how to pay for them. House Democrats, dozens of whom skipped the inauguration, haven't said whether they intend to display their unhappiness with the new president when he's on the rostrum Tuesday night.

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Creeping up fast are some budget and appropriations deadlines as Congress simultaneously finishes work on almost-halfway-over fiscal 2017 and starts writing the bills for fiscal 2018. Appropriators have been drafting part-year spending bills, and might have the one covering the Pentagon ready to circulate as soon as March 1.

The administration is also working on a supplemental spending request for current-year military operations. That could land on the Hill in the early weeks of March. As is typical for a new administration, Trump is late submitting a budget request to Congress. Now that OMB Director Mick Mulvaney is on the job, a skinny version of the White House proposal for fiscal 2018 is expected as early as March 13.



**INFORMATION  
ITEM**

**41**



**February 23, 2017**

**To:** Inland Empire Utilities Agency

**From:** Michael Boccadoro  
Beth Olhasso

**RE:** February Legislative Report

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**Overview:**

The hottest topics in Sacramento in February were massive precipitation and flooding, followed closely by bill introductions in the Legislature. All eyes were on Lake Oroville, as a damaged spillway led to risk of catastrophic flooding. Swollen rivers, compromised levees, and heavy downpours led to flooding throughout the state. Major and minor highways are closed, or at reduced capacity due to landslides and damage from harsh storms. Forecasts for the end of February and the first part of March predict that the northern part of the state will likely see a little reprieve, with no significant storms moving through.

The State Water Resources Control Board was busy in February as well. At the beginning of the month, the Board approved extending the emergency conservation measures for another 270 days. There were strong objections by many water agencies, but the Board moved ahead with the extension and noted that they would look at the water supply situation in the Spring to see if the measures could be removed. Additionally, the Board approved their priorities for drinking water regulations for 2017. The top of the list includes a MCL for 1,2,3- TCP and surface water augmentation regulations for use of recycled water.

Just shy of 2,500 bills have been introduced since January 3, most of those coming just before the bill introduction deadline on February 17. While many are “spot bills,” we now have some indication of popular issues being pursued this session. Hot topics include water conservation, recycled water, increasing renewable energy targets and funding drinking water for disadvantaged communities.

In response to the emergency at Oroville, Governor Jerry Brown announced a spending plan to bolster the state’s dams and flood protection structures. The proposal is to invest \$437 million in near-term flood control and emergency response actions by redirecting \$50 million from the General Fund and requesting a \$387 million Proposition 1 appropriation from the Legislature as soon as possible. The Governor committed to working with the Legislature on long-term solutions, like Proposition 218 reform in the coming session.

# Inland Empire Utilities Agency Status Report – February 2017

## Water Supply Conditions

Storms, one after the other, pounded into California in February, filling reservoirs, causing flooding, washing out roads, and causing general havoc in most parts of the state. With the situation in Oroville stabilizing, focus shifted to other localized flooding in both northern and southern California. Even though the storms did cause some problems, the amount of water they brought to the state helped improve the drought conditions throughout California. For the first time since August 6, 2013 no part of the state is in the “extreme drought” conditions.

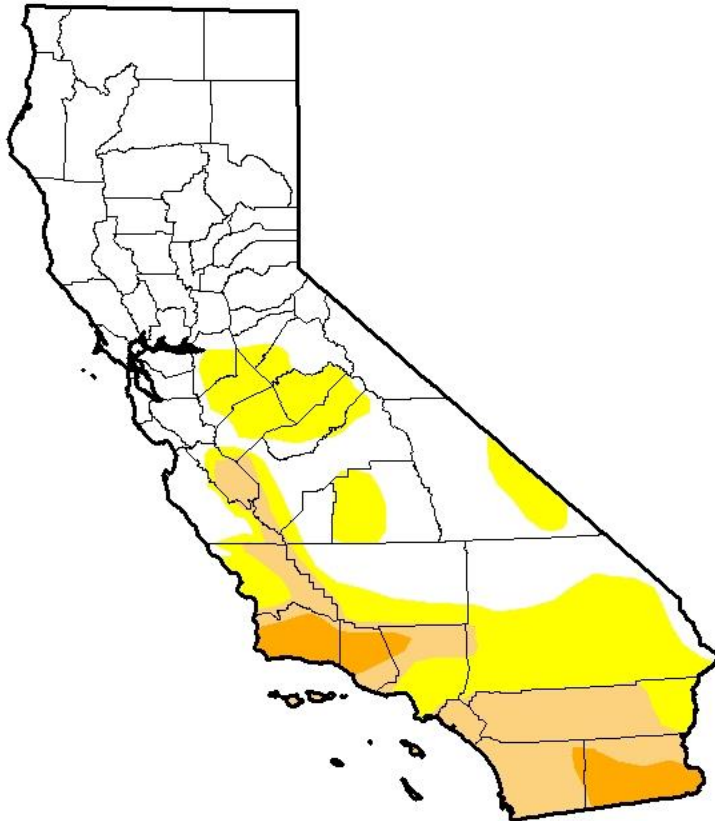
Additionally, more than 83 percent of the state is completely out of the drought, with just 4 percent of the state remaining in “severe drought” conditions. The remaining 13 percent of the state is facing moderate drought conditions.

## U.S. Drought Monitor California

**February 21, 2017**

(Released Thursday, Feb. 23, 2017)

Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
<b>Current</b>	61.66	38.34	16.87	4.19	0.00	0.00
<b>Last Week</b> 2/14/2017	43.94	56.06	24.19	7.41	0.73	0.00
<b>3 Months Ago</b> 11/22/2016	12.03	87.97	73.04	60.27	42.80	21.04
<b>Start of Calendar Year</b> 1/3/2017	18.07	81.93	67.61	54.02	38.17	18.31
<b>Start of Water Year</b> 9/27/2016	0.00	100.00	83.59	62.27	42.80	21.04
<b>One Year Ago</b> 2/23/2016	0.43	99.57	94.38	81.82	60.86	38.48

### Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

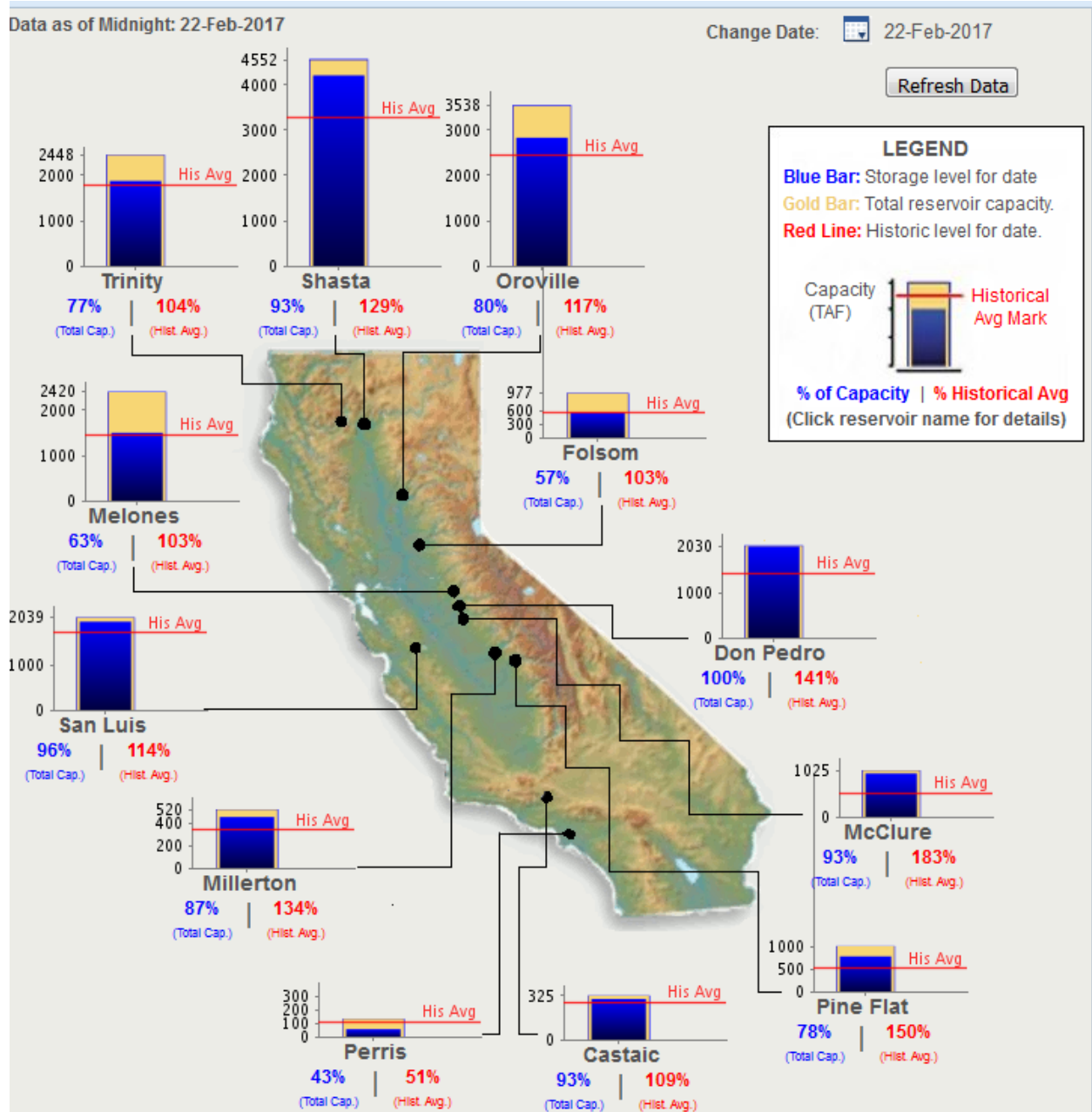
### Author:

Richard Heim  
NCEI/NOAA



<http://droughtmonitor.unl.edu/>

Reservoir conditions continue to improve as well. While some Southern California reservoirs, especially those in the Santa Barbara area, continue to lag behind in storage levels, most reservoirs are reaching capacity. The big State Water Project (SWP) reservoirs are at capacity, with room left for spring runoff and large storm events. The Metropolitan Water District of Southern California (MWD) has indicated that they will likely fill Diamond Valley Lake. MWD has also noted that they will likely be able to rely solely on SWP supplies, allowing water to refill the critically low, Lake Mead, which is only 42 percent full.



### ***State Water Resources Control Board Updates***

#### **Emergency Conservation Regulations Extended**

The State Water Resources Control Board (SWRCB) unanimously voted to extend the emergency conservation regulations for another six months. The extension keeps in place the “stress test,” by which agencies can self-certify they have enough water supplies to meet demand for an additional three years. Additionally, agencies must continue to report their water usage data on a monthly basis to the SWRCB. While the Board recognized that water supply conditions are improving greatly, they seemed most concerned about losing the monthly usage data. Until there are new long-term conservation/efficiency measures in place, the Board wants to retain the ability to get monthly data from every water agency in the state.

The extension included a provision allowing the Board to revisit the emergency regulation in the Spring, after the full water supply conditions are known. They could, at that time, remove the emergency regulations. However, only the Governor can remove the emergency drought declaration for the state.

#### **2017 Drinking Water Regulation Prioritization Approved**

The SWRCB approved a list of ten drinking water regulation items to prioritize for 2017. The list includes:

1. MCL for 1,2,3- Trichloropropane (1,2,3- TCP)
2. Surface Water Augmentation Regulation for Recycled Water
3. Revised Total Coliform Rule
4. Lead and Copper Rule
5. MCL for Perchlorate
6. Environmental Laboratory Accreditation Program Regulations
7. Permanent Point of Use/Point of Entry Regulations
8. Unregulated Contaminant Monitoring Rule
9. Primacy Package Applications
10. Work to support Direct Potable reuse

### ***Governor Announces Spending Plan for Flood Protection***

After a surprise visit to assess the damage at Oroville, the Governor announced a four-point plan to bolster dam safety and flood protection:

1. Invest \$437 million in near-term flood control and emergency response actions by redirecting \$50 million from the General Fund and requesting a \$387 million Proposition 1 appropriation from the Legislature as soon as possible.
2. Require emergency action plans and flood inundation maps for all dams.
3. Enhance California's existing dam inspection program.
4. Seek prompt regulatory action and increased funding from the federal government to improve dam safety.

The Governor noted that California has nearly \$50 billion in unmet flood management

infrastructure needs. To address these needs, Governor Brown committed the Administration to continue to work with the Legislature through the budget process on solutions, including potential changes to Proposition 218.

### ***Legislative Update***

Bill introductions for the 2017 Legislative Session are now complete with about 2,500 bills being introduced. While many are just in “spot” form, meaning they only give a vague idea of what the bill will be about, without offering any substantive language, we are getting a good picture of the hot topics in the Legislature this year.

### **Delta Bills**

It looks like Assemblymember Jim Frazier has taken up the Delta cause in the absence of termed-out Senator Lois Wolk. He has introduced three bills, all in spot form, that look to put road blocks in front of the California WaterFix project. The language isn’t fleshed out yet, but the bills address a conveyance facility, the change in the point of diversion, and financing. WCA will keep an eye on AB 791, AB 792 and AB 793 as they are amended in the coming weeks.

### **Water Financing Bills**

Both Senators Hertzberg and Monning have bills that would create a fund for clean drinking water. Both are in spot form at this point but essentially do the same thing. SB 623 (Monning) creates the “Safe, Affordable Drinking Water Fund” but does not yet include a provision stating where the money will come from. SB 778 (Hertzberg) states that it is the intent of the Legislature to enact legislation that would impose a charge that would assist the state in providing safe safe drinking water to the residents of California.

Both bills will be amended to add in specifics and are sure to be some of the most significant bills of the year. Recent polling has shown that a majority of Californians support some sort of fee to provide drinking water for all Californians.

### **Recycled Water Bills**

There are a significant number of bills regarding recycled water. Most are in spot form. As discussed in the last report, the WaterReuse bill (AB 574, Quirk) would re-define specific categories of recycled water. Many of the other bills seek to preemptively address what is believed to be coming out in the long-term conservation/efficiency measures from the administration. AB 869 (Rubio) will likely work to ensure that recycled water is not counted towards efficiency standards. AB 1323 (Weber) would require the Department of Water Resources to convene a stakeholder group that would develop, evaluate and recommend proposals for establishing new water use targets. Finally, Assemblymember Harper has three spot bills that indicate they might deal with recycled water, but the author’s office has noted that they don’t know what will go into them yet.

There are many other bills that are on the topic of recycled water and water generally that are still in spot form. As amendments are made to bills, WCA will report on the specifics.

## Energy Bills

In addition to the cap and trade extension bill discussed in the January report, President pro Tem de Leon has introduced a bill, SB 584, that changes the Renewable Portfolio Standard (RPS) targets from 50 percent by 2030, to 50 percent by 2025. Additionally, it requires the state to operate solely (100 percent) on renewable energy by the end of 2045.

Both Senator Nancy Skinner and Assemblymember Kevin Mullin have introduced bills (AB 1405 and SB 338), still in “spot” form, but both are believed to be vehicles to require 100 percent of peak energy to be derived from renewables by an unspecified date.

## Proposition 218 Reform

Senator Bob Hertzberg has introduced two bills to address Proposition 218 reform. The bills pick up where 2016 ACWA effort left off. SB 231 is sponsored by the California Water Foundation and addresses stormwater, specifically how to finance stormwater capture, cleanup and reuse in rates. And SCA 4, is a constitutional amendment that would address lifeline and conservation rates. There is a tentative agreement from the Association of California Water Agencies (ACWA) to sponsor SCA 4, but ACWA has provided the Senator with a list of conditions to their sponsorship. The Senator’s staff has indicated that they will let ACWA know if those conditions can be met by the first week of March.

The following is a list of bills WCA initially picked out for IEUA to track. WCA will work with the Legislative Affairs Committee and staff as the bills become more substantive to identify “priority bills” IEUA will track this year.

## *Bay Delta*

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### [AB 791](#) **(Frazier D) Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: new conveyance facility.**

**Summary:** The Sacramento-San Joaquin Delta Reform Act of 2009 prohibits construction of a new Delta conveyance facility from being initiated until the persons or entities that contract to receive water from the State Water Project and the federal Central Valley Project or a joint powers authority representing those entities have made arrangements or entered into contracts to pay for certain costs required for the construction, operation, and maintenance of the facility and full mitigation of property tax or assessments levied for land used in the construction, location, mitigation, or operation of the facility. This bill would make nonsubstantive changes in these provisions.

### [AB 792](#) **(Frazier D) Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: change in the point of diversion.**

**Summary:** Under the Sacramento-San Joaquin Delta Reform Act of 2009, until the State Water Resources Control Board issues an order approving a change in the point of diversion of the State Water Project and the federal Central Valley

Project from the southern Delta to a certain point on the Sacramento River, the Department of Water Resources is prohibited from commencing construction of any diversion, conveyance, or other facility necessary to divert and convey water pursuant to the change in the point of diversion. This bill would make a nonsubstantive change in these provisions.

**AB 793 (Frazier D) Sacramento-San Joaquin Delta: financing.**

**Summary:** Would declare it to be state policy that the natural state of the Sacramento-San Joaquin Delta is recognized and defined as an integral component of California's water infrastructure. The bill would state that the maintenance and repair of the Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.

**AB 1050 (Allen, Travis R) Fish and wildlife: Delta smelt.**

**Summary:** The California Constitution provides for the delegation to the Fish and Game Commission powers relating to the protection and propagation of fish and game. Current statutory law delegates to the commission the power to regulate the taking or possession of birds, mammals, fish, amphibians, and reptiles in accordance with prescribed laws. Under current law, the Department of Fish and Wildlife exercises various functions with regard to the taking of fish and wildlife. This bill would state the intent of the Legislature to enact legislation relating to Delta smelt.

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## *CEQA*

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**SB 80 (Wieckowski D) California Environmental Quality Act: notices.**

**Summary:** The California Environmental Quality Act requires the lead agency to mail certain notices to persons who have filed a written request for notices. The act provides that if the agency offers to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. This bill would require the lead agency to post those notices on the agency's Internet Web site. The bill would require the agency to offer to provide those notices by email. Because this bill would increase the level of service provided by a local agency, this bill would impose a state-mandated local program.

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## *Energy*

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**AB 36 (Nazarian D) Eligible fuel cell electrical generating facilities: net energy metering.**

**Summary:** Current law requires that an electrical corporation file with the PUC a standard tariff providing for net energy metering for eligible fuel cell customer-generators and make this tariff available to eligible fuel cell customer-generators upon request, on a first-come-first-served basis, until the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff reaches a specified level. Current law provides that a fuel cell electrical generating facility is not eligible for the tariff unless it commences operation on or before December 31, 2021. This bill would make a nonsubstantive change to the above provision.

**AB 151 (Burke D) California Global Warming Solutions Act of 2006: market-based compliance mechanisms.**

**Summary:** Would state the intent of the Legislature to enact legislation that authorizes the State Air Resources Board to utilize a market-based compliance mechanism after December 31, 2020, in furtherance of the statewide greenhouse gas emissions limit of at least 40% below the 1990 level by 2030. This bill contains other existing laws.

**AB 277 (Mathis R) Water and Wastewater Loan and Grant Program.**

**Summary:** The Safe Drinking Water State Revolving Fund Law of 1997 establishes the Safe Drinking Water State Revolving Fund to provide grants or revolving fund loans for the design and construction of projects for public water systems that will enable those systems to meet safe drinking water standards. This bill would, to the extent funding is made available, authorize the State Water Resources Control Board to establish the Water and Wastewater Loan and Grant Program to provide funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment.

**AB 302 (Gipson D) Greenhouse Gas Reduction Fund: 3-year investment plan.**

**Summary:** Current law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Current law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Current law requires appropriations from the fund to be made in the annual Budget Act. This bill would make technical, nonsubstantive changes to those provisions.

**AB 378 (Garcia, Cristina D) California Global Warming Solutions Act of 2006: regulations.**

**Summary:** Would require the State Air Resources Board to consider and account for the social costs of the emissions and greenhouse gases when

adopting those rules and regulations. The bill would authorize the state board to adopt or subsequently revise new regulations that establish a market-based compliance mechanism, applicable from January 1, 2021, to December 31, 2030, to complement direct emissions reduction measures in ensuring that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030.

**AB 523 (Reyes D) Electric Program Investment Charge: allocation.**

**Summary:** Would require the Energy Commission to allocate at least 25% of the moneys in the Electric Program Investment Charge Fund for technology demonstration and deployment at sites located in disadvantaged communities, as defined. The bill would require the Energy Commission to allocate at least 10% of the moneys in the fund for technology demonstration and deployment at sites located in, or benefiting, low-income communities, as defined. The bill would require the Energy Commission to give preference for funding to clean energy projects under the EPIC program that benefit residents of low-income or disadvantaged communities.

**AB 546 (Chiu D) Land use: local ordinances: energy systems.**

**Summary:** Would, on or before September 30, 2018, for a city, county, or city and county with a population of 200,000 or more residents, or January 31, 2019, for a city, county, or city and county with a population of less than 200,000 residents, require the city, county, or city and county to make all documentation and forms associated with the permitting of advanced energy storage, as defined, available on a publicly accessible Internet Web site, as specified.

**AB 594 (Irwin D) Water supply planning: California Environmental Quality Act: photovoltaic or wind energy generation facility.**

**Summary:** Current law requires a city or county that determines that a project, as defined, is subject to the California Environmental Quality Act to identify any public water system that may supply water for the project and to request those public water systems to prepare a specified water supply assessment. If no public water system is identified, the city or county is required to prepare the water supply assessment. Current law, until January 1, 2018, exempts from the definition of “project” a proposed photovoltaic or wind energy generation facility that would demand no more than 75 acre-feet of water annually. This bill would indefinitely exempt from the definition of “project” a proposed photovoltaic or wind energy generation facility that would demand no more than 50 acre-feet of water annually.

**AB 655 (O'Donnell D) California Renewables Portfolio Standard Program.**

**Summary:** The California Renewables Portfolio Standard Program requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that

the total kilowatthours sold to their retail end-use customers achieves 25% of retail sales by December 31, 2016, 33% by December 31, 2020, 40% by December 31, 2024, 45% by December 31, 2027, and 50% by December 31, 2030. This bill would make nonsubstantive revisions to a definition applicable to the program.

**AB 881 (Gallagher R) Solid waste: composting: anaerobic digestion.**

**Summary:** Would express the intent of the Legislature to enact legislation to encourage investment in anaerobic digestion.

**AB 914 (Mullin D) Transmission planning: energy storage and demand response.**

**Summary:** Would require the Public Utilities Commission, in its participation in the ISO's transmission planning process, to promote the consideration of the use of energy storage systems and demand response as means to address the state's transmission needs before the use of transmission wires.

**AB 954 (Chiu D) Organic waste: reduction.**

**Summary:** Would require the Department of Resources Recycling and Recovery to include in the analysis of the progress made on the organic waste reduction targets the status of industry efforts and federal legislation to reduce consumer food waste, including the adoption of uniform labels on food. By adding to the duties of local governments related to organic waste in landfills, this bill would impose a state-mandated local program.

**AB 1030 (Ting D) Energy storage systems.**

**Summary:** Would require the PUC to establish a program to incentivize residential and commercial customers to adopt energy storage systems. Because a violation of any order, decision, rule, direction, demand, or requirement of the PUC implementing these requirements would be a crime, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

**AB 1036 (McCarty D) Organic waste: composting.**

**Summary:** Current law requires the California Environmental Protection Agency and the Department of Food and Agriculture, with the Department of Resources Recycling and Recovery, the State Water Resources Control Board, and the State Air Resources Board, to, among other things, assess the state's progress toward developing the organic waste processing and recycling infrastructure necessary to meet the state goals specified in certain state laws and documents. This bill would require those entities to assess the state's progress towards developing the organic waste processing and recycling infrastructure necessary to meet the state goals specified in an additional state law, as provided, and would make other changes in these provisions.

**AB 1184 (Ting D) Energy storage systems.**

**Summary:** Current law requires the PUC to open a proceeding to determine appropriate targets, if any, for each load-serving entity, as defined, to procure viable and cost-effective energy storage systems, as defined, to be achieved by December 31, 2015, and December 31, 2020. If determined to be appropriate, the PUC is required to adopt the procurement targets, by October 1, 2013, and to reevaluate the determinations not less than once every three years. Current law excludes an electrical corporation that has 60,000 or fewer customer accounts within California from these requirements. This bill would make a nonsubstantive change to the definition of an “energy storage system” applicable to the above-described requirements.

**AB 1198 (Dahle R) Net energy metering.**

**Summary:** Current law requires the Public Utilities Commission to ensure that the standard contract or tariff made available to eligible customer-generators ensures that customer-sited renewable distributed generation continues to grow sustainably and include specific alternatives designed for growth among residential customers in disadvantaged communities. This bill would define “disadvantaged communities” for these purposes.

**AB 1274 (O'Donnell D) Carl Moyer Memorial Air Quality Standards Attainment Program.**

**Summary:** Current law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program, which is administered by the State Air Resources Board. The program authorizes the state board to provide grants to offset the incremental cost of eligible projects that reduce emissions from covered vehicular sources. The program also authorizes funding for a fueling infrastructure demonstration program and for technology development efforts that are expected to result in commercially available technologies in the near-term that would improve the ability of the program to achieve its goals. This bill would make nonsubstantive changes to these provisions.

**AB 1288 (Eggman D) Solid waste: charges.**

**Summary:** The California Integrated Waste Management Act of 1989 requires the operator of a disposal facility to pay to the State Board of Equalization a fee based on the amount of all solid waste disposed of at each disposal site. The act requires the department to establish the amount of the fee, as specified, and limits the fee to a maximum of \$1.40 per ton. Current law requires the moneys collected from the fee to be deposited in the Integrated Waste Management Account and requires the moneys in the account to be used by the department, upon appropriation, for specified purposes, including, among others, the administration and implementation of the act. This bill would require the department to use the moneys in the account also to maintain a prudent reserve for the administration and implementation of the act.

**AB 1342 (Flora R) Greenhouse Gas Reduction Fund: appropriations.**

**Summary:** Would continuously appropriate \$100,000,000 from the Greenhouse Gas Reduction Fund to the Department of Forestry and Fire Protection for healthy forest programs that reduce greenhouse gas emissions caused by uncontrolled wildfires, as specified. The bill would continuously appropriate \$100,000,000 from the fund to the Department of Resources Recycling and Recovery for in-state organic waste recycling projects that reduce greenhouse gas emissions, as specified.

**AB 1405 (Mullin D) Electricity: Clean Peak Energy Standard.**

**Summary:** Would require the Public Utilities Commission to ensure that an unspecified percentage of the energy delivered to ratepayers during the peakload time period by load-serving entities is derived from eligible renewable resources or energy storage systems. Because a violation of an order or direction of the commission would be a crime, this bill would impose a state-mandated local program.

**AB 1494 (Patterson R) Energy efficiency.**

**Summary:** Current law authorizes the State Energy Resources Conservation and Development Commission to prescribe, by regulation, energy efficiency standards, including appliance efficiency standards. This bill would make nonsubstantive revisions to these provisions.

**AB 1662 (Oberholte R) Net energy metering.**

**Summary:** Under current law, generation eligible for net energy metering that had all local and state permits required to commence construction on or before December 31, 2002, and had completed construction on or before September 30, 2003, is entitled, regardless of any change in customer or ownership of the energy system, for the life of the installation, to the net energy metering terms in effect on the date the local and state permits were acquired. This bill would make a nonsubstantive change to that provision.

**AB 1680 (Burke D) Energy efficiency and pollution reduction.**

**Summary:** Current law requires the Public Utilities Commission and the State Energy Resources Conservation and Development Commission to take specified actions in furtherance of meeting the state's clean energy and pollution reduction objectives. This bill would make a nonsubstantive change to that law.

**SB 19 (Hill D) Public Utilities Commission: duties and responsibilities: governance.**

**Summary:** Would prohibit an executive of a public utility from serving as a commissioner within 2 years after leaving the employment of the utility. The bill would require the Public Utilities Commission to maintain an updated Conflict of Interest Code and Statement of Incompatible Activities. The bill would establish an ethics officer within the legal division of the commission. The ethics officer would be appointed by the commission and would be responsible for

instituting a program of enhanced ethics training for all commissioners and employees of the commission.

**SB 57 (Stern D) Natural gas storage: moratorium.**

**Summary:** Current law requires the State Oil and Gas Supervisor to continue the prohibition against Southern California Gas Company injecting any natural gas into the Aliso Canyon natural gas storage facility located in the County of Los Angeles until a comprehensive review of the safety of the gas storage wells at the facility is completed. This bill would additionally require the supervisor to continue that prohibition until a specified root cause analysis of the natural gas leak from the facility that started approximately October 23, 2015, has been completed and released in its entirety to the public.

**SB 242 (Skinner D) Property Assessed Clean Energy program.**

**Summary:** Would state that it is the intent of the Legislature, in order to ensure that PACE programs continue to effectively meet their public purposes, to enact legislation to enhance the requirements, guidelines, and procedures to which PACE programs administered by 3rd parties must conform.

**SB 276 (Dodd D) Greenhouse Gas Reduction Fund: exemptions.**

**Summary:** Current law requires the Department of Food and Agriculture, prior to awarding a grant using moneys from the Greenhouse Gas Reduction Fund, to review the applicant's analysis identifying the potential adverse impacts of a proposed project. Current law prohibits a project from receiving funding from the department unless the applicant has made certain demonstrations to the department. Current law requires the department to prioritize projects based on the criteria pollutant emission benefits achieved by the project. This bill would exempt from those requirements the Healthy Soils Program and the State Water Efficiency and Enhancement Program.

**SB 356 (Skinner D) Energy storage systems.**

**Summary:** Under current law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Current law requires the commission to open a proceeding to determine appropriate targets, if any, for each load-serving entity, as defined, to procure viable and cost-effective energy storage systems to be achieved by December 31, 2015, and December 31, 2020. This bill would make a nonsubstantive change in legislative findings and declarations adopted with the above-described energy storage system requirements.

**SB 370 (Hertzberg D) Energy efficiency.**

**Summary:** Current law requires the PUC, by September 1, 2016, to authorize electrical corporations and gas corporations to provide financial incentives, rebates, technical assistance, and support to their customers to increase the energy efficiency of existing buildings, as specified. This bill would require the



PUC to authorize electrical corporations and gas corporations to also provide those services to their customers to increase the energy efficiency of industrial facilities and agricultural equipment.

**SB 584 (De León D) California Renewables Portfolio Standard Program.**

**Summary:** The California Renewables Portfolio Standard Program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources to achieve the procurement requirements established by the program. The Legislature has separately declared that its intent in implementing the program is to attain, among other targets for sale of eligible renewable resources, the target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise those legislative findings and declarations to state that the goal of the program is to achieve that 50% target by December 31, 2025, and for all electricity sold at retail to be generated by eligible renewable energy resources by December 31, 2045.

**SB 700 (Wiener D) Energy storage.**

**Summary:** Would state the intent of the Legislature to enact legislation to foster growth of the energy storage market.

**SB 745 (Stern D) California Global Warming Solutions Act of 2006.**

**Summary:** The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to consult with other states, the federal government, and other nations to identify the most effective strategies and methods to reduce greenhouse gases, manage greenhouse gas control programs, and facilitate the development of integrated and cost-effective regional, national, and international greenhouse gas reduction programs. This bill would make technical, nonsubstantive changes to these provisions.

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## *Prop 218/PGC*

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**AB 339 (Mathis R) Drinking water.**

**Summary:** Current law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer the regulation of drinking water and public water systems, as defined, to protect public health, including the conduct of research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water. This bill would declare the intent of the Legislature to enact subsequent legislation that would appropriate moneys for the provision of safe, clean, and reliable drinking water.

**SB 231 (Hertzberg D) Local government: fees and charges.**

**Summary:** Articles XIII C and XIII D of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Current law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIII C and XIII D of the California Constitution and defines terms for these purposes. This bill would define the term “sewer” for these purposes. The bill would also make findings and declarations relating to the definition of the term “sewer” for these purposes.

**SB 623 (Monning D) Safe and Affordable Drinking Water Fund.**

**Summary:** Current law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the board. By creating a new continuously appropriated fund, this bill would make an appropriation.

**SB 778 (Hertzberg D) Safe drinking water.**

**Summary:** Under current law, it is the policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would declare the intent of the Legislature to enact subsequent legislation that would impose a charge, moneys from which would assist the state in providing safe drinking water to the residents of California.

**SCA 4 (Hertzberg D) Water conservation.**

**Summary:** The California Constitution requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable and that the waste or unreasonable use or unreasonable method of use of water be prevented. This measure would declare the intent of the Legislature to amend the California Constitution to provide a program that would ensure that affordable water is available to all Californians and to ensure that water conservation is given a permanent role in California’s future.

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## *Public Agency*

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**AB 92 (Bonta D) Public contracts: payment.**

**Summary:** Current law until January 1, 2018, authorizes the retention proceeds withheld from any payment by an awarding entity, as described, from the



original contractor, by the original contractor from any subcontractor, and by a subcontractor from any subcontractor to exceed 5% on specific projects where the director of the applicable department, as specified, has made, or the governing body of the public entity or designated official of the public entity has approved, a finding prior to the bid that the project is substantially complex and requires a higher retention and the department or public entity includes both this finding and the actual retention amount in the bid documents. This bill would extend the operation of these provisions to January 1, 2023.

**AB 168 (Eggman D) Employers: salary information.**

**Summary:** Would prohibit an employer, including state and local government employers, from seeking salary history information about an applicant for employment, except as otherwise provided. The bill would require an employer, except state and local government employers, upon reasonable request, to provide the pay scale for a position to an applicant for employment. The bill would specify that a violation of its provisions would not be subject to the misdemeanor provision.

**AB 219 (McCarty D) Property taxes: revenue allocations.**

**Summary:** Current property tax law requires the county auditor to allocate and pay certain property tax revenues to designated local jurisdictions within the county in accordance with specified formulas, including allocating and paying additional revenues generated by a rate levied in excess of the 1% limitation prescribed by the California Constitution on ad valorem taxes on real property, as specified. Current property tax law requires these allocations and payments to be made on a timely basis. This bill would instead require those allocations and payments to be made on a timely basis no later than 31 calendar days after the close of the preceding monthly or 4-weekly accounting period, except as specified.

**AB 252 (Ridley-Thomas D) Local government: taxation: prohibition: video streaming services.**

**Summary:** Would, until January 1, 2023, prohibit the imposition by a city, city and county, or county, including a chartered city, city and county, or county, of a tax on video streaming services, including, but not limited to, any tax on the sale or use of video streaming services or utility user taxes. This bill contains other related provisions.

**AB 271 (Caballero D) Property Assessed Clean Energy program.**

**Summary:** Would, as an alternative to the Notice of Intent to Remove Delinquent Special Tax Installment from the Tax Roll requirement, would authorize the local agency or legislative body to provide notice of the removal of the delinquent voluntary contractual assessment or special tax, if it arises from a contract entered into on or after January 1, 2018, through the adoption of a resolution or ordinance requiring the county tax collector to remove all

delinquent voluntary contractual assessments and special taxes securing PACE bonds and arising from contracts entered into on or after January 1, 2018, from the county's secured tax roll during the annual fiscal yearend closing, whether or not a foreclosure action has been ordered.

**AB 733 (Berman D) Enhanced infrastructure financing districts: projects: climate change.**

**Summary:** Current law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance, and makes related findings and declarations. This bill would additionally authorize the financing of projects that incentivize adapting to the impacts of climate change, including, but not limited to, extreme weather events, sea level rise, flooding, heat waves, wildfire, and drought, and would make conforming changes to the Legislature's findings and declarations.

**AB 833 (Allen, Travis R) Public employees' retirement.**

**Summary:** Current law, the California Public Employees' Pension Reform Act of 2013, establishes various limits on retirement benefits generally applicable to a public employee retirement system, except as specified, and among other things, prescribes limits on service after retirement without reinstatement into the applicable retirement system. This bill would make a nonsubstantive change to that provision.

**AB 979 (Lackey R) Local government.**

**Summary:** Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts and makes related findings and declarations. This bill would make nonsubstantive changes to those findings and declarations.

**AB 1023 (Brough R) Joint powers agreement.**

**Summary:** The Joint Exercise of Powers Act authorizes 2 or more public agencies, as defined, if authorized by their governing bodies or the Legislature, by agreement to jointly exercise any power common to the contracting parties. The act authorizes the parties to provide that contributions from the treasuries, payments of public funds, and advances of public funds may be made, or personnel, equipment, or property may be used, for the purposes set out in the agreement. This bill would make nonsubstantive changes to that provision.

**AB 1603 (Ridley-Thomas D) Meyers-Milias-Brown Act: local public agencies.**

**Summary:** The MMBA rules and regulations may include exclusive recognition of employee organizations formally recognized pursuant to a vote of the employees of the agency or an appropriate unit thereof, subject to the right of an

employee to represent himself or herself. This bill instead would specify that those rules and regulations may provide for exclusive recognition of employee organizations formally recognized pursuant to a vote of the employees of the agency or an appropriate unit thereof, subject to the employee's right to represent himself or herself, and provided that an otherwise appropriate unit of a public agency and one or more joint employers do not require the agency or joint employer's consent.

**SB 76** **(Nielsen R) Excluded employees: arbitration.**

**Summary:** Would enact the Excluded Employee Arbitration Act to permit an employee organization that represents an excluded employee who has filed certain grievances with the Department of Human Resources to request arbitration of the grievance if specified conditions are met. The bill would require the designation of a standing panel of arbitrators and, under specified circumstances, the provision of arbitrators from the California State Mediation and Conciliation Service within the Public Employment Relations Board. The bill would then require the arbitrator to be chosen in a specified manner and would prescribe the duties of that arbitrator.

**SB 205** **(Committee on Governance and Finance) Local Government Omnibus Act of 2017.**

**Summary:** The California Constitution requires, among others, all public officers, to take a specified oath of office. Current statutory law requires any office to take that oath before he or she enters the duties of his or her office. This bill would require an officer to take that oath following any election or appointment and before entering the duties of his or her office. This bill contains other related provisions and other current laws.

**SB 242** **(Skinner D) Property Assessed Clean Energy program.**

**Summary:** Would state that it is the intent of the Legislature, in order to ensure that PACE programs continue to effectively meet their public purposes, to enact legislation to enhance the requirements, guidelines, and procedures to which PACE programs administered by 3rd parties must conform.

**SB 423** **(Cannella R) Indemnity.**

**Summary:** Current law provides, with respect to contracts and amendments to contracts entered into on or after January 1, 2011, with a public agency for design professional services, that all provisions, clauses, covenants, and agreements contained in, collateral to, or affecting these contracts or amendments to contracts that purport to require the design professional to defend the public agency under an indemnity agreement, including the duty and the cost to defend, are unenforceable, except for claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional. Current law provides that all contracts and all solicitation documents between a public agency and a design professional are deemed to

incorporate these provisions by reference. This bill would make a nonsubstantive change to these provisions.

**SCA 10 (Moorlach R) Public employee retirement benefits.**

**Summary:** Would prohibit a government employer from providing public employees any retirement benefit increase until that increase is approved by a 2/3 vote of the electorate of the applicable jurisdiction and that vote is certified. The measure would define retirement benefit to mean any postemployment benefit and would define benefit increase as any change that increases the value of an employee's retirement benefit. The measure would define a government employer to include, among others, the state and any of its subdivisions, cities, counties, school districts, special districts, the Regents of the University of California, and the California State University.

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## *Water*

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**AB 166 (Salas D) Drinking water.**

**Summary:** Current law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. This bill would make technical, nonsubstantive changes to these provisions.

**AB 196 (Bigelow R) Greenhouse Gas Reduction Fund: water supply repairs.**

**Summary:** Current law requires moneys from the Greenhouse Gas Reduction Fund to be allocated for the purpose of reducing greenhouse gas emissions in this state and satisfying other purposes. Current law authorizes specified investments, including water use and supply, if the investment furthers the regulatory purposes of the California Global Warming Solutions Act of 2006 and is consistent with law. This bill would authorize the use of the moneys in the fund for water supply repairs if the investment furthers the regulatory purposes of the act and is consistent with law.

**AB 305 (Arambula D) School accountability report card: drinking water access points.**

**Summary:** Would amend the Classroom Instructional Improvement and Accountability Act to also require the school accountability report card to include an assessment of the drinking water access points at each school site, as specified. The bill would require the State Department of Education to compile the assessments and transmit them to the State Water Resources Control Board. By imposing additional duties on local educational agency officials, the bill would impose a state-mandated local program. The bill would provide that the

Legislature finds and declares that the changes made to the act by its provisions further the purposes of the act.

**AB 313 (Gray D) Water.**

**Summary:** Current law establishes the State Water Resources Control Board in the California Environmental Protection Agency consisting of 5 members appointed by the Governor, including one member required to be an attorney admitted to practice law in this state who is qualified in the fields of water supply and water rights and one registered civil engineer under the laws of this state qualified in the fields of water supply and water rights. This bill would revise the qualifications for the membership to the board by eliminating those requirements for qualification in the field of water rights.

**AB 321 (Mathis R) Groundwater sustainability plans.**

**Summary:** The Sustainable Groundwater Management Act requires that all groundwater basins that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. This bill would require the groundwater sustainability agency to solicit the participation of farmers, ranchers, and other qualified professionals within the groundwater basin prior to and during the development and implementation of the plan.

**AB 355 (Chu D) State Water Resources Control Board: public water systems: collaboration.**

**Summary:** Would require the State Water Resources Control Board to collaborate with all public water systems to improve drinking water infrastructure and ensure adequate, safe, and clean drinking water supplies.

**AB 366 (Obernolte R) Water supply: new residential development: building permits.**

**Summary:** Current law prohibits a city, including a charter city, or a county from issuing a building permit for the construction of a new residential development where a source of the water supply is water transported by a water hauler, bottled water, a water-vending machine, or a retail water facility. Under current law, this prohibition on the issuance of a building permit does not apply to a residence that will be rebuilt because of a natural disaster. This bill would exempt from the prohibition on the issuance of a building permit a residence that will be rebuilt because of a fire and would provide that this is declaratory of existing law.

**AB 367 (Obernolte R) Water supply: building permits.**

**Summary:** Current law prohibits a city, including a charter city, or a county from issuing a building permit for the construction of a new residential development where a source of the water supply is water transported by a water hauler, bottled water, a water-vending machine, or a retail water facility. Under current law, this prohibition on the issuance of a building permit does not apply to a residence that will be rebuilt because of a natural disaster. This bill would exempt from the prohibition on the issuance of a building permit a residence that will be rebuilt because of a fire and would provide that this is declaratory of existing law.

**AB 429 (Grayson D) State water policy: water rights: use and transferability.**

**Summary:** Current law declares that the growing water needs of the state require the use of water in an efficient manner and that the efficient use of water requires certainty in the definition of property rights to the use of water and transferability of those rights. This bill would make nonsubstantive changes to those declarations.

**AB 487 (Mathis R) Sustainable Groundwater Management Act.**

**Summary:** Would state the intent of the Legislature to enact statutory changes relating to the Sustainable Groundwater Management Act.

**AB 560 (Salas D) Water storage.**

**Summary:** Under current law, various programs provide funds for water projects and facilities, including water storage. This bill would declare the intent of the Legislature to enact legislation relating to water storage.

**AB 574 (Quirk D) Potable reuse.**

**Summary:** Current law required the State Department of Public Health to develop and adopt uniform water recycling criteria for surface water augmentation, as defined, by December 31, 2016. Current law defined the terms “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation” for these purposes. This bill would remove certain references to “direct potable reuse,” “indirect potable reuse for groundwater recharge,” and “surface water augmentation,” and would instead specify the four different types of potable reuse projects as “potable reuse through groundwater augmentation,” “potable reuse through reservoir augmentation,” “potable reuse through raw water augmentation,” and “potable reuse through treated water augmentation.”

**AB 640 (Harper R) Recycled water: recycling criteria.**

**Summary:** Current law, the Porter-Cologne Water Quality Control Act, requires the State Water Resources Control Board to establish uniform statewide recycling criteria for each varying type of use of recycled water if the use involves the protection of public health. The act defines recycling criteria to mean the levels of constituents of recycled water, and the means for assurance of

reliability under the design concept that will result in recycled water that is safe for the uses to be made. This bill would make technical, nonsubstantive changes to that definition.

**AB 641 (Harper R) Water conservation and reclamation projects.**

**Summary:** Current law, the Water Conservation Projects Act of 1985, declares that the intent of the act is to encourage local agencies and private enterprise to implement potential water conservation and reclamation projects by establishing a state program to finance or assist in financing projects that meet state criteria and will result in an additional supply of water for use in areas of need. This bill would make nonsubstantive changes in that provision.

**AB 642 (Harper R) Desalinated water.**

**Summary:** The Cobey-Porter Saline Water Conversion Law declares that the growing water needs of the state require the development of cost-effective and efficient water supply technologies and that desalination technology is now feasible to help provide significant new water supplies from seawater, brackish water, and reclaimed water. This bill would declare the intent of the Legislature to enact subsequent legislation relating to desalination.

**AB 685 (Fong R) Water: dams and reservoirs.**

**Summary:** Current law provides that all dams and reservoirs in the state are under the jurisdiction of the Department of Water Resources. Current law authorizes the department to require owners of dams and reservoirs to keep records of, and to report on, maintenance, operation, staffing, and engineering and geologic investigations. This bill would make nonsubstantive changes to that provision.

**AB 869 (Rubio D) Water use: landscaping: recycled water.**

**Summary:** Current law contains legislative findings declaring the use of potable domestic water for the irrigation of residential landscaping to be a waste or unreasonable use of water if recycled water is available. This bill would make a nonsubstantive change to this provision.

**AB 892 (Waldron R) Department of Water Resources: supervision: dams and reservoirs.**

**Summary:** Current law establishes the Department of Water Resources and prescribes the powers and responsibilities of the department with regard to the construction and operation of water storage facilities in the state. Current law requires the department, under the police power of the state, to supervise the construction, enlargement, alteration, repair, maintenance, operation, and removal of dams and reservoirs for the protection of life and property. This bill would make a nonsubstantive change in that law governing the duties of the department with respect to dams and reservoirs.



**AB 968 (Rubio D) Urban water management planning.**

**Summary:** Current law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified. This bill would make nonsubstantive changes in these provisions.

**AB 975 (Friedman D) Natural resources: wild and scenic rivers.**

**Summary:** Current law establishes that it is the policy of the state that certain rivers that possess extraordinary scenic, recreational, fishery, or wildlife values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state. This bill would revise that policy to specify that certain rivers that possess scenic, recreational, fishery, wildlife, historical, cultural, geological, ecological, hydrological, botanical, or other values shall be preserved in their free-flowing state, together with their immediate environments, for the benefit and enjoyment of the people of the state, and would revise the definition of “immediate environments,” and define the term “extraordinary value” for purposes of that policy.

**AB 1000 (Friedman D) Water conservation: certification.**

**Summary:** Current law requires the State Energy Resources Conservation and Development Commission to establish minimum levels of operating efficiency to promote the use of energy and water efficient appliances. This bill would require the commission to certify innovative water conservation and water loss detection and control technologies that meet certain criteria.

**AB 1009 (Gallagher R) Sustainable groundwater management: groundwater sustainability agencies.**

**Summary:** The Sustainable Groundwater Management Act generally authorizes any local agency or combination of local agencies overlying a basin to decide to become a groundwater sustainability agency for that basin. The act requires a groundwater sustainability agency to establish and maintain a list of persons interested in receiving notices regarding plan preparation, meeting announcements, and availability of draft plans, maps, and other relevant documents. This bill would make a nonsubstantive change in these provisions.

**AB 1041 (Levine D) Urban water suppliers: urban water shortage contingency analysis.**

**Summary:** The Urban Water Management Planning Act requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified. This bill would instead require an estimate of the



minimum water supply available during each of the following 5 years to be based on the driest 5-year historic sequence for the agency's water supply.

**AB 1047 (Gallagher R) Flood control.**

**Summary:** Would state the intent of the Legislature to enact statutory changes relating to flood control.

**AB 1235 (Daly D) Santa Ana River Conservancy Program.**

**Summary:** Current law establishes the State Coastal Conservancy with prescribed powers and responsibilities for implementing and administering various programs intended to preserve, protect, and restore the state's coastal areas. Current law also establishes the Santa Ana River Conservancy Program, to be administered by the conservancy, for purposes related to the implementation of projects to restore, preserve, and enhance specified lands in the Santa Ana River region, as defined. This bill would declare the intent of the Legislature to enact subsequent legislation that would identify new funding sources to support the program.

**AB 1270 (Gallagher R) Stormwater resource planning.**

**Summary:** Current law, the Stormwater Resource Planning Act, authorizes one or more public agencies to develop a stormwater resource plan that meets certain standards. This bill would make nonsubstantive changes in these provisions.

**AB 1271 (Gallagher R) Urban water management plans.**

**Summary:** Current law requires an urban water supplier, as defined, to prepare and adopt an urban water management plan for submission to the Department of Water Resources, and requires that the plan provide an urban water shortage contingency analysis, as specified. This bill would make nonsubstantive changes in those provisions.

**AB 1273 (Gallagher R) Urban water management plans.**

**Summary:** Current law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. This bill would make nonsubstantive changes to that act.

**AB 1323 (Weber D) Sustainable water use and demand reduction: stakeholder workgroup.**

**Summary:** Would require the Department of Water Resources to convene a stakeholder workgroup with prescribed representatives invited to participate, including, among others, representatives of the department and the State Water Resources Control Board, no later than February 1, 2018. The bill would require the stakeholder workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to examine and report to the Governor and the Legislature by December 31, 2018, as specified.

**AB 1343 (Chen R) Stormwater resources: use of captured water.**

**Summary:** Current law, the Stormwater Resource Planning Act, authorizes one or more public agencies to develop a stormwater resource plan that meets specified standards to address the capture of stormwater, as defined, and dry weather runoff, as defined. Current law authorizes a public entity that captures stormwater from urban areas, in accordance with a stormwater resource plan, before the water reaches a natural channel to use the captured water to the extent that the water augments current water supplies. This bill would make a nonsubstantive change in these provisions.

**AB 1481 (Nazarian D) Water: public use.**

**Summary:** Current law declares that all water within the state is the property of the people of the state, but the right to the use of the water may be acquired by appropriation in the manner provided by law. This bill would make nonsubstantive changes to that provision.

**AB 1490 (Gray D) State Water Resources Control Board: school drinking water.**

**Summary:** Would require the State Water Resources Control Board, before adopting or approving a water quality control plan, water quality objectives, or a program of implementation, to evaluate impacts on primary drinking water standards and secondary drinking water standards for, and impacts on groundwater basins that provide drinking water to, impacted local education agencies located in whole or in part in a disadvantaged community. The bill, if the state board finds any defined significant effect in this evaluation, would prohibit the state board from adopting a statement of overriding consideration.

**AB 1602 (O'Donnell D) Water supply improvements.**

**Summary:** Under current law, various state and local agencies engage in water resource planning. This bill would state the intent of the Legislature to enact legislation relating to water supply improvements.

**AB 1654 (Cooper D) Water conservation.**

**Summary:** Current law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Current law requires agricultural water suppliers to prepare and adopt agricultural water management plans with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before December 31 every 5 years thereafter. Current law sets forth various findings and declarations related to water conservation. This bill would make a nonsubstantive change in those findings and declarations.

**AB 1667 (Friedman D) Urban water suppliers: landscape water meters.**

**Summary:** Would require an urban water supplier to install dedicated landscape water meters on commercial, institutional, industrial, and multifamily service

connections that are located in its service area on or before January 1, 2020, if the property has greater than 1,000 square feet of irrigated landscape, and on or before January 1, 2025, if the property has greater than 500, but less than 1,001, square feet of irrigated landscape.

**AB 1668 (Friedman D) Water conservation: guidelines.**

**Summary:** Executive Order B-37-16, among other things, requires the Department of Water Resources to work with the State Water Resources Control Board to develop new water use targets as a part of a permanent framework for urban water agencies. This bill would require the state board, on or before July 1, 2018, in consultation with the department and other appropriate state agencies, to adopt water conservation guidelines that are consistent with a specified report issued in response to Executive Order B-37-16.

**AB 1669 (Friedman D) Urban water use efficiency.**

**Summary:** Would, on or before January 1, 2019, would require the State Water Resources Control Board, in consultation with the Department of Water Resources and other appropriate state agencies, to establish and adopt a process to increase urban water use efficiency through incremental urban water use efficiency targets and in that regard to establish an urban water use efficiency target to be achieved by the state by January 1, 2025. The bill would require the state board to update its urban water use efficiency target every 5 years.

**AB 1673 (Aguiar-Curry D) The California Water Plan.**

**Summary:** Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as The California Water Plan. This bill would make technical, nonsubstantive changes to that requirement.

**SB 193 (Cannella R) Groundwater sustainability agencies.**

**Summary:** The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. This bill would make a nonsubstantive change to those provisions. The Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater

basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin, as prescribed. This bill would make a nonsubstantive change to those provisions.

**SB 417 (Berryhill R) State Water Resources Control Board.**

**Summary:** Current law declares that to provide for the orderly and efficient administration of the water resources in the state, it is necessary to establish the State Water Resources Control Board to exercise the adjudicatory and regulatory functions of the state in the field of water resources. Existing law declares the intent of the Legislature to combine the water rights, water quality, and drinking water functions of the state government to provide for coordinated consideration of water rights, water quality, and safe and reliable drinking water. This bill would make nonsubstantive changes to these declarations.

**SB 564 (McGuire D) Joint powers authorities: Water Bill Savings Act.**

**Summary:** Would enact the Water Bill Savings Act, which would authorize a joint powers authority to provide funding for a customer of a local agency or its publicly owned utility to acquire, install, or repair a water efficiency improvement on the customer's property served by the local agency or its publicly owned utility. The bill would require the customer to repay the authority through an efficiency charge on the customer's water bill to be established and collected by the local agency or its publicly owned utility on behalf of the authority pursuant to a servicing agreement.

**SB 633 (Portantino D) Stormwater.**

**Summary:** Current law, the Stormwater Resource Planning Act, authorizes one or more public agencies to develop a stormwater resource plan that meets certain standards. This bill would state the intent of the Legislature to enact legislation relating to stormwater runoff in California.

**SB 669 (Moorlach R) Sustainable groundwater management: adjudicated groundwater basins.**

**Summary:** The Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. Under current law, the provisions of the act do not apply to an adjudicated groundwater basin, as specified, or to a local agency that conforms to the requirements of an adjudication of water rights

for an adjudicated groundwater basin. This bill would make a nonsubstantive change in these provisions.

**SB 750 (Hueso D) Water lease: water district, water company, or mutual water company.**

**Summary:** Current law authorizes water districts, water companies, and mutual water companies to enter into water lease agreements, as prescribed. This bill would make nonsubstantive changes in these provisions.

**SB 780 (Wiener D) Water Conservation in Landscaping Act.**

**Summary:** Would require state and local agencies to adhere to specified principles of the watershed approach in landscaping. The bill would require the Department of Water Resources to develop watershed approach-focused landscaping policies and incentives, including an enhanced model water efficient landscape ordinance, as provided. The bill would also require the Department of Water Resources to promote watershed approach-focused education and training for homeowners, contractors, certified community conservation corps, and other landscape professionals who plan, develop, or implement projects complying with the enhanced model ordinance.

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## ***Bond***

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**AB 18 (Garcia, Eduardo D) California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.**

**Summary:** Would enact the California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,105,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, coastal protection, and outdoor access for all program. This bill contains other related provisions.

**AB 1442 (Allen, Travis R) Bonds: transportation: water projects.**

**Summary:** Would state the intent of the Legislature to enact legislation to redirect the high-speed rail bond act funds to water projects.

**SB 5 (De León D) California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.**

**Summary:** Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,500,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water,

parcs, climate, coastal protection, and outdoor access for all program. This bill contains other related provisions.

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## *Water Quality*

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**AB 272 (Gipson D) **Water quality.****

**Summary:** The Porter-Cologne Water Quality Control Act establishes a statewide program for the control of the quality of all the waters in the state and makes certain legislative findings and declarations. This bill would make technical, nonsubstantive changes to the legislative findings and declarations.

**AB 474 (Garcia, Eduardo D) **Hazardous waste: spent brine solutions.****

**Summary:** Current law exempts from certain requirements of the Hazardous Waste Control Law wastes from the extraction, beneficiation, or processing of ores and minerals that are not subject to regulation under the federal Resource Conservation and Recovery Act of 1976, including spent brine solutions used to produce geothermal energy that meet specified requirements. This bill would exempt spent brine solutions that are byproducts of the treatment of groundwater to meet California drinking water standards from those same requirements if certain conditions are met, including that the spent brine solutions are transferred for dewatering via a closed piping system to lined surface impoundments regulated by the California regional water quality control boards.

**AB 567 (Quirk-Silva D) **School facilities: drinking water fountains.****

**Summary:** Would, on and after July 1, 2018, require all new construction projects submitted to the Division of the State Architect pursuant to the Greene Act to include drinking water fountains equipped with both a water fountain and a spigot for filling water bottles.

**AB 885 (Rubio D) **Pupil health: drinking water: lead.****

**Summary:** Would require a public or private school to ensure that drinking water is provided at the school that meets the United States Environmental Protection Agency drinking water standards for lead. The bill would require a public or private school, on or before February 1, 2018, to request water quality testing, including lead testing, from the State Water Resources Control Board, and would require the state board to perform or provide for the performance of the requested testing on or before November 1, 2019.

**AB 1075 (Reyes D) **Water quality information.****

**Summary:** Current law requires the State Water Resources Control Board and the 9 California regional water quality control boards to prescribe waste discharge requirements in accordance with the federal national pollutant



discharge elimination system permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act. Current law requires the state board to implement, with the assistance of the regional boards, a public information program on matters involving water quality, as prescribed. This bill would make nonsubstantive changes to these water quality information program provisions.

**AB 1211 (Dahle R) State policy for water quality control.**

**Summary:** Under current law, the Porter-Cologne Water Quality Control Act, the state policy for water quality control is required to consist of water quality principles and guidelines for long-range resource planning, water quality objectives, and other principles and guidelines deemed essential by the State Water Resources Control Board for water quality control. This bill would make technical, nonsubstantive changes to that provision.

**AB 1369 (Gray D) Water quality and storage.**

**Summary:** Current law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions to be deposited in the Greenhouse Gas Reduction Fund. This bill would require the Department of Water Resources to increase statewide water storage capacity by 25% by January 1, 2025, and 50% by January 1, 2050, as specified.

**SB 427 (Leyva D) Public water systems: lead user service lines.**

**Summary:** Would, by July 1, 2020, require a public water system to provide the timeline for replacement of known lead user service lines in use in its distribution system to the State Water Resources Control Board. The bill, by July 1, 2020, would require a public water system that has identified areas that may have lead user service lines in use in its distribution system to (a) provide to the state board its determination as to whether there are any lead user service lines in use in those areas of its distribution system and provide a timeline to the state board for replacement of those lead use service lines, and (b) provide findings as to whether there are any areas for which it cannot determine the content of the user service lines and a timeline for the replacement of those user service lines.

**SB 740 (Wiener D) Onsite treated water.**

**Summary:** Would require the State Water Resources Control Board, in consultation with other state agencies, to adopt regulations, as specified, for a comprehensive risk-based framework to assist local jurisdictions in developing a program for the oversight and management of onsite treatment of water for nonpotable use. The bill would require the regulations to be flexible to adapt to new water sources, end uses, and advances in approaches and methodologies to estimate the risk of onsite water treatment to public health.

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## *Other*

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**AB 552 (Irwin D) Natural resources: protection.**

**Summary:** Current law declares that resource conservation is of fundamental importance to the prosperity and welfare of the people of this state, and provides for the formation and powers of resource conservation districts. This bill would declare the intent of the Legislature to enact legislation that would protect the state's land and water resources.



INFORMATION  
ITEM

**4J**

# *Agricultural Resources*

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February 24, 2017

## **Legislative Report**

**TO: Joe Grindstaff**  
**General Manager, Inland Empire Utility Agency**

**FR: David M. Weiman**  
**Agricultural Resources**  
**LEGISLATIVE REPRESENTATIVE, IEUA**

**SU: Legislative Report, February 2017**

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### **State of Affairs**

- \* Confirmations for Cabinet positions are proceeding – albeit slowly.
- \* Nominations from Administration – even slower.
- \* Committees – organizing – getting underway.
- \* Congressional Legislative Agenda – emerging, but major initiatives face hurdles.
- \* Executive Orders – Issued almost daily. Regulatory review underway.
- \* In California, the State has gone from extreme and exceptional drought to massive flooding – almost in a matter of weeks.

### **Interior Department, the Nomination Process and Impact on the Senate**

- \* As January came to a close, Secretary-Designate and House Rep. Ryan Zinke's (R-MT) nomination was expected on the Senate Floor. Didn't happen.
- \* Zinke's nomination hearing went well. He was well received on a bi-partisan basis. Some of the intense conflict, experienced with other Nominations did not materialize for Rep. Zinke.
- \* As February came to a close, the nomination was still pending. Some of the other appointments (National Security, Education, Labor and EPA for instance), have become very controversial and consumed an extraordinary amount of floor time.

- \* Late reports this month indicate that the nomination will reach the Senate floor on the 28<sup>th</sup> of February or maybe March 1 (barring the unforeseen). The nomination should be approved easily, likely with a strong bi-partisan vote.
- \* The Administration has not submitted any additional nominations to the Senate. No nominee yet for Deputy Secretary, Solicitor or Assistant Secretary (five of them). None of the Agency leaders (BLM, Parks, Fish and Wildlife, Indian Affairs, DOI Budget, etc.) have been named either. Lots of rumors, but no formal nominations. This is true for other Departments and Agencies.
- \* The absence of a team in place has implications for Interior's ability to develop policy, prepare budgets, and/or to address issues during 2017.
- \* Additionally, these delays will all but certainly lead to a logjam of nominations at the Senate Energy Committee (which must vet and formally "advise and consent" each presidential nomination). That crush of nominations (remember, the Committee also will manage DOE nominations and nominations from certain independent agencies like FERC) will impact the Committee's ability to conduct legislative business.
- \* Making matters even more complicated, Senator Murkowski also Chairs, on Appropriations, the Interior Appropriations Subcommittee. The 2017 funding bills (ready-to-go) and the 2018 cycle are pending – and both will consume time and attention.

#### **Trump Administration – Foreign Policy, Domestic Policy and Executive Orders**

- \* Every Administration issues a series of Executive Orders at the start of their tenure. This Administration, however, has been different. The sheer volume of Orders – some highly controversial – are different than previous presidencies.
- \* Additionally, international and foreign policy matters have dominated the first month of the Administration.
- \* Trump has set a new standard with almost a blizzard of Orders being issued – at one point, almost daily.
- \* The Administration is openly critical of "climate change" and is actively addressing these issues at Commerce, EPA, USDA, State and at other agencies as well with Executive Orders. It is anticipated, with Administrator Pruitt's confirmation as EPA Administrator, that there will be a new round of Executive Orders in March and April.
- \* Hacking by foreign entities – Russian prominently, but the Chinese, Iranians and many others, has become an almost "overnight issue" to be addressed by Administration reviews and congressional investigations.

### **Tax Reform – Yes, No, and Maybe – If So, When?**

- \* As soon as the new Congress was sworn in, the House leadership announced that tax reform would be among the first issues addressed, and the House expected to pass it's bill by March.
- \* A scramble ensued as Washington braced for a major tax reform bill moving in the House almost immediately beginning in January.
- \* Congressional rules and practical politics influence the structure of a tax bill. Under certain House rules, the a tax bill has to be “revenue neutral.” To achieve lowered rates – the centerpiece of the House Republican tax initiative, any changes have to meet the test of revenue neutrality.
- \* As a practical matter, to lower rates a score of tax provisions must be eliminated. The mortgage deduction is expected to be restricted. Certain overseas tax benefits will be eliminated. The Historic Tax Credit will be repealed. The House objective – reduce the corporate tax rate down to 20% – all but mandates that the deductibility of municipal bonds must be amended (restricted) or repealed.
- \* The House desire to move a tax bill quickly got side-tracked and embroiled in controversy over tax policy as well as the health care repeal AND the infrastructure initiative.
- \* Regardless of the “why,” the tax bill is now on a slower – and more uncertain – path.
- \* The Speaker and others then said the House would have a bill by the August recess (end of July). Treasury Secretary Mnuchin echoed the same.
- \* No sooner was this schedule announced than Members and staff began talking about tax reform being pushed into 2018. And almost immediately thereafter, the President spoke at CPAC at the end of February. He called on Congress to act on tax reform, calling for lower rates. Tax reform quickly became more important.
- \* The only thing certain right now: the House Ways and Means (Tax) Committee schedule keeps shifting.
- \* To make matters even more confusing, some on Capitol Hill are now recommending that only partial reform be considered at this time with comprehensive reform pushed further into the future.
- \* The Committee has yet to introduce – or even circulate – a bill (or draft). The Committee process and timing remain up in the air. Anc, an actual Committee bill has yet to be introduced or otherwise made public.

- \* The Municipal Bond Coalition for America released a letter in February signed by 375 organizations from almost every state to House and Senate leadership (and committee leadership) urging that the muni bonds provisions be retained.. MWD, ACWA and other water organizations signed the letter.

### Infrastructure

- \* Last month, I reported that “*Trump declared that a key domestic initiative would be a \$1 TRILLION infrastructure proposal.*” Increasing jobs – and putting people to work here in America is one of Trump’s highest priorities.
- \* And I also reported, “*in broad concept, this initiative has been received well on a bi-partisan. basis.*” That remains true today.
- \* In short order, Trump released a list of proposed projects. The Governors did the same. Senate Dems joined in a with list of their own. Others have as well.
- \* Trump has added two factors. First, he proposes to give priority to projects that are designed as “public-private” partnerships. Second, his priority for financing will be tax credits (which may conflict with pending tax reform proposals).
- \* Left unanswered, how will municipalities and public entities (like IEUA) will be able to participate. That’s remains unclear.
- \* The “Freedom Caucus” – a key element of the House Conference – has signaled opposition to a large spending (infrastructure) package.
- \* So, there appears to be general consensus that the broad objectives – putting people to work and investing in American infrastructure is a great idea, there is little consensus on how to achieve it.
- \* The time line on tax reform is slipping. Now, the time line on infrastructure is slipping as well with some now predicting that this is a 2018 issue at the earliest.

### Drought – Water Conditions

- \* In January, the NOAA-USDA-University of Nebraska Drought Monitor map of California began to change. By the end of February, only “trace” signs of drought are evident anywhere in California. By any yardstick, a stunning turn-around.
- \* February saw waves of storms hit, one after another.
- \* At Mammoth, according to very recent reports, there are 350 inches of snow. When I reported that to IEUA last week, I was immediately told that, in some places that total topped 500 inches. California is closing in on records for precipitation and snowfall.

- \* While California is receiving precipitation (DWR snow and reservoir surveys are positive), there is a growing chorus of political and water leaders who are warning against complacency. Yes, California is experiencing a strong “water” season. Yes, the current drought is blunted. Yes, BuRec and DWR water allocations are, as a result, increasing. But the effects of drought linger, and what will happen in the 2017-18 water season is a complete unknown.
- \* The effects of the multi-year drought remain in place. A massive die-off of trees in the Sierra Nevada Mountains is underway which could cause water management problems for years into the future. And significantly, groundwater basins, particularly in the San Joaquin Valley, remain overdrawn and in need of replenishment.
- \* The sensational (and unexpected) problems at Oroville compound problems and further reduce or restrict operational options.
- \* And, unless there is a strong close to the water season in the Rocky Mountains, the Colorado River remains in a severe drought.
- \* As stated in last month’s report, “*a single wet Winter does not eliminate the drought...*” (numerous commentators and experts are making this point throughout the state).

**March and April.**

- \* Funding for the remainder of 2017 and 2018 must be addressed. The debt ceiling will have to be addressed.
- \* House and Senate Committees are only now announcing hearings and beginning to report “simple” bills. The Administration need to put people in place. The Congress needs complete is organizational work and then turn to legislation AND oversight.
- \* Trump has signaled that Defense spending will increase. It is expected that the budgets (funding priorities) domestic agencies will be slashed. No details yet. Congress is now waiting for the Trump Administration to submit its budget priorities and are braced for significant cuts in numerous programs.

# # # # #

INFORMATION  
ITEM

**4K**



CALIFORNIA STRATEGIES, LLC

Date: February 24, 2017  
To: Inland Empire Utilities Agency  
From: John Withers, Jim Brulte  
Re: February Activity Report

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California Strategies is honored to provide consulting services to the Inland Empire Utilities Agency. In addition to our regular monthly meeting with the Senior Staff of the Agency, we continue to be available to members of the Senior Staff and Board Members throughout the year to deliver advice, answer questions or provide services consistent with the mission of IEUA.

Here is our monthly activity report:

- Participated in our monthly meeting with the Senior Staff of the Agency
- Discussed participation and support of Sacramento legislative reception
- Briefed the Senior Staff on anticipated unannounced upcoming staff changes at local government entities in IEUA service territory
- Discussed the recent Board elections and the issue of automatic rotation of Board officers
- Discussed IEUA 2017 Goals and Objectives and ways that California Strategies can assist the Agency with the accomplishment of those goals.
- Participated in a continuation of previous discussion related to State Finances and Processes
- Discussed the Regional Contract and the phasing of contacts with local stakeholders
- Discussed and made recommendations related to the creation of a Water Bank JPA with the City of Ontario, Monte Vista Water District and Cucamonga Valley Water District
- Consulted and advised Board member Hall on her new role as CASA Director
- And at least one Board member contacted both John Withers and Jim Brulte to solicit advice.



INFORMATION  
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**4L**

**Federal Legislation of Significance**

Bill Number	Sponsor	Title and/or Summary	Summary/Status																
H.R. 2028	Sen. Mitch McConnell (R-KY)	FY17 Continuing Resolution Package	<p>A continuing resolution funding the federal government was passed by the House and Senate in early December and was signed into law on December 10, 2016. The CR provides funding for all federal agencies except for Military Construction and Veterans Affairs through April 28, 2017.</p> <p>While both House and Senate Appropriations Committee staff were redirected in mid-February to reengage regarding the FY17 bills, progress has been hampered by the Presidents Day recess week. Once conference agreements are completed the House will introduce new bills for the 115th Congress and bring the legislation to the floor for consideration. Senate floor debate will likely be severely impeded well into the spring by the nomination process. We have already heard rumblings of a short term CR to buy a little extra time if they aren't able to close out FY17 before the current CR expires on April 28.</p>																
		FY17 Energy and Water Development and Related Agencies Appropriations legislation	<p>As the House and Senate Appropriations Committee staff renew efforts to produce a FY17 Energy and Water Bill it is helpful to review what progress was made with the legislation in 2016.</p> <table border="1" data-bbox="865 902 1982 1057"> <thead> <tr> <th>Program</th> <th>President' Budget</th> <th>House Report</th> <th>Senate Report</th> </tr> </thead> <tbody> <tr> <td>Title XVI</td> <td>\$21.5 million</td> <td>\$24 million</td> <td>\$21.5 million</td> </tr> <tr> <td>WaterSMART</td> <td>\$23.4 million</td> <td>\$24 million</td> <td>\$23.4 million</td> </tr> <tr> <td>Western Drought</td> <td>\$0</td> <td>\$0</td> <td>\$100 million</td> </tr> </tbody> </table> <p>It is anticipated that this could be one of the first FY17 bills completed this spring. We will continue to push for additional funding for the WaterSMART and Title XVI grants, and work to ensure that additional discretionary funding is included in the final agreement. If discretionary funding is included, we will work again this year to request that the funding be used to supplement all of the programs under the WaterSMART umbrella so that more money is available for individual grants when individual awards are made.</p>	Program	President' Budget	House Report	Senate Report	Title XVI	\$21.5 million	\$24 million	\$21.5 million	WaterSMART	\$23.4 million	\$24 million	\$23.4 million	Western Drought	\$0	\$0	\$100 million
Program	President' Budget	House Report	Senate Report																
Title XVI	\$21.5 million	\$24 million	\$21.5 million																
WaterSMART	\$23.4 million	\$24 million	\$23.4 million																
Western Drought	\$0	\$0	\$100 million																
H.R. 23	Rep. David Valadao (R-CA)	Gaining Responsibility on Water Act of 2017	Among other things the legislation would require regulators to comply with the Bay-Delta Accord. The measure has been referred to the House Committee on Natural Resources and the Committee on Agriculture. At this time, it is our understanding that																

			there isn't much of an appetite to revisit California drought legislation after just including language in the Water Resource Development Act passed at the end of 2016.
	Rep. Bill Shuster (R-PA) /Sens. Jim Inhofe (R-WY) and Kamala Harris (D-CA)	Infrastructure Package	<p>Congressional hearings continue on the topic of an infrastructure package. During February both the House Transportation and Infrastructure Committee and the Senate Environment and Public Works Committee held a hearings on modernizing the nation's infrastructure. The Senate Commerce, Science and Transportation Committee is scheduled to hold a hearing on infrastructure access issues on March 1. We anticipate that both the House and Senate will continue to get feedback from stakeholders throughout the country as they continue to consider crafting an infrastructure package.</p> <p>While discussions continue the Republican leadership has indicated that the legislation will likely not gain momentum until Congress concludes action regarding the Affordable Care Act and tax reform legislation.</p>
	Rep. Ken Calvert (R-CA) / Sen. Lisa Murkowski (R-AK)	FY17 Interior, Environment, and Related Agencies Appropriations legislation	<p>As House-Senate negotiators work to conference the FY17 Interior Appropriations legislation we will be monitoring provisions included in the House passed bill. In addition to the normal funding, the legislation included provisions aimed at curbing the environmental agenda of the Obama Administration. Those provisions include:</p> <ul style="list-style-type: none"> <li>• prohibiting the implementation of the "waters of the United States" regulatory definition (currently on hold by the courts);</li> <li>• prohibiting EPA from implementing new greenhouse gas regulations for new or existing power plants;</li> <li>• eliminating funding for greenhouse gas "New Source Performance Standards";</li> <li>• prohibiting EPA from changing the definition of "fill materials";</li> <li>• prohibitions on new methane requirements; and</li> <li>• prohibitions on changes to the "stream buffer rule".</li> </ul> <p>The Senate bill, which passed out of the Senate Appropriations Committee along party lines also included a prohibition to the implementation of the "waters of the United States" regulatory definition. The Senate legislation has not been considered on the floor.</p>

INFORMATION  
ITEM

**4M**



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Date: March 15, 2017  
To: The Honorable Board of Directors  
Through: Audit Committee (3/6/2017)  
From: Teresa V. Velarde  
Manager of Internal Audit  
Subject: Report of Open Audit Recommendations

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### **RECOMMENDATION**

The attached is an informational item for the Board of Directors.

### **BACKGROUND**

The Internal Audit Department Charter and professional standards require the Internal Audit Department (IA) staff to follow-up on the status of open audit recommendations to determine if corrective action efforts have been made. The Charter also requires IA to annually provide, to the Audit Committee and the Board, a report listing all outstanding recommendations with action plans and expected resolution dates.

As of the date of this report, there are a total of 88 open/outstanding recommendations. Of the 88 outstanding recommendations, 48 do not require a follow-up review during this year. Seventeen recommendations relate to audits completed recently and 31 relate to the Regional Contract Review where the plan is to address those recommendations through the renegotiation of the Regional Contract. Therefore, 40 recommendations require follow-up, some of the recommendations have been outstanding since August 2010. IA plans to follow-up on 13 recommendations by June 2017, leaving 27 recommendations for follow-up during FY 2018.

Audit guidelines state that an adequate amount of time be granted to provide the auditees with sufficient time to fully implement corrective action plans. IA will continue to evaluate the status of the open recommendations until full implementation has been achieved, the deficiency originally identified is no longer applicable, or alternate internal controls have been accomplished. At the time of the original reviews, follow-up activities are discussed with the responsible business units. Follow-up audit work may include a desk review of supporting documentation, discussions with the auditee, and/or the application of testing procedures to verify implementation. The audited units can, at any time, provide information for IAs verification. Once IA completes a follow-up review, a separate report documenting the status will be reported through the Audit Committee.

Follow-up reviews will be scheduled according to the proposed Annual Audit Plan or sooner if requested by Management, the Audit Committee or the Board. Following is a list summarizing the outstanding recommendations, noting the audited area and the date the original audit report was completed. Attached is a detailed report showing the actual recommendations and the current status of each one.

<b>Outstanding Recommendations</b>			
<b>Area Audited</b>	<b>Report Issued Date</b>	<b>No. of Recs. Remaining to be Verified by IA</b>	<b>Planned Follow-Up</b>
Payroll Audit	August 24, 2010	1	Annually
Intercompany Receivables - Watermaster	August 30, 2011	1	FY2017
Human Resources Follow-Up	June 20, 2012	1	FY2017
Contracts and Procurement Follow-Up	August 29, 2012	2	FY2017
2013 Petty Cash	May 31, 2013	5	FY2017
SCE Utility Payments	August 28, 2013	3	FY2017
Accounts Payable Follow-Up	August 29, 2013	9	FY2018
Automobile Insurance Requirements	March 3, 2014	2	FY2018
Vehicle Security Procedures	March 3, 2014	3	FY2018
Vehicle Inventory Procedures	March 12, 2014	13	FY2018
<b>Total Outstanding Recommendations</b>		<b>40</b>	
<b>Recommendations related to the Regional Contract Review</b>			
Regional Contract Review – Final Audit Report	December 16, 2015	31	Pending – Renegotiation of the Regional Contract
<b>New Audit Recommendations Issued in FY 2016/2017</b>			
Follow-Up – Information Technology Equipment Audit – Information Services	February 29, 2016	2	FY 2019
Master Trade Contracts	September 1, 2016	6	FY 2019
Audit of Master Service Contracts	December 14, 2016	3	FY 2019
Follow-Up – Information Technology Equipment Audit – Finance & Accounting	December 5, 2016	6	FY 2019
<b>Total New Recommendations for 2016</b>		<b>17</b>	
<b>Total Recommendations Outstanding</b>		<b>88</b>	

All audit reports referenced here have been submitted through the Board. The Internal Audit website accessible through the Agency’s Intranet and available to all Agency employees, provides all the audit reports issued by the Internal Audit Department.

**PRIOR BOARD ACTION**

On June 15, 2016, the Board of Directors approved the Annual Audit Plan for Fiscal Year 2016/17. Follow-up activities were scheduled in the plan.

On December 16, 2015, the Board of Directors reconfirmed the amended Audit Committee and Internal Audit Charters.

**IMPACT ON BUDGET**

None

**Pre-2016 Outstanding Audit Recommendations  
March 2017**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Payroll Audit August 24, 2010	4	HR and FMD should work together to revise and update the Agency's Resolution No. 2005-2-9 and clarify which employees are required to sign a Confidentiality Agreement, based on their job duties and responsibilities, specifically those whose roles involve handling sensitive and confidential information. Having employees sign a Confidentiality Agreement reinforces that confidential and sensitive information is being handled, the Confidentiality Agreement also provides the expectations and consequences for sharing or misusing confidential information.	The Executive Management Team and HR continue to work closely with legal counsel to determine the need for updates to the Resolution. IA will continue to follow-up on this item.
Intercompany Receivables - Watermaster August 30, 2011	1	Fiscal Management Department should establish procedures to prepare and submit invoices to Watermaster prior to the beginning of the quarter to allow payment by Watermaster before the quarter begins.	Finance and Accounting stated they will implement the billing requirement to bill in advance of each quarter as required by the contract. IA will verify that this process has been implemented during follow-up evaluation planned for 2017.
Human Resources Follow-Up June 20, 2012	1	Document standard operating procedures to address the many administrative practices of the department.	HR stated they will document and adopt written procedures. HR has updated 10 Standard Operating Procedures (SOPs), which are currently in Draft form. HR is evaluating the need for additional SOPs and finalizing the required SOPs. IA will verify during follow-up evaluation planned by the end of FY 2017.
Contracts and Procurement Follow-Up August 29, 2012	1	The Contracts and Procurement Department should ensure adequate separation of duties exist in procurement transactions. Specifically the functions of creating and approving the Purchase Request, creating the Purchase Order and having the ability to receive should involve a second knowledgeable individual.	Consistent with the soft recommendation provided by the External Auditor prior to 2016, IA also recommends there should be adequate segregation of duties. Contracts and Procurement stated that with recent retirements and new hires the conflict will be resolved and eliminated. IA will verify during follow-up evaluation planned for FY 2017.
Contracts and Procurement Follow-Up August 29, 2012	2	For all grant-related procurements, the Contracts and Procurement Department should print the confirmations from the debarment website at the time the vendor debarment is verified. The confirmation should be filed as evidence of verification, to show whether a vendor was debarred or not at the time of the procurement.	Contracts implemented this added procedure during our audit. IA will verify the practice continues during follow-up evaluation of randomly selected files, a review is planned for FY 2017.
2013 Petty Cash May 31, 2013	1	IA recommends that Accounting and Fiscal Management Department personnel should take the lead in working with the responsible Agency personnel in making revisions and updates to the following Agency policies: A-02, A-75, A-68 and A-34.	IA will verify during follow-up evaluation planned by June 2017.

Pre-2016 Outstanding Audit Recommendations

March 2017

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
2013 Petty Cash May 31, 2013	3	IA recommends that monthly fund reconciliations be performed by personnel independent of the petty cash reimbursement processes and that the fund reconciliation subsequently be reviewed and signed by the Petty Cash Custodian's supervisor or manager as required by SOP CM PR-13, "Cash Management Procedures-Petty Cash", further ensure all Petty Cash Custodians understand the requirements of the SOP.	IA will verify during follow-up evaluation planned by June 2017.
2013 Petty Cash May 31, 2013	4	IA recommends that either a new SOP be developed or the current SOP CM PR-13, "Cash Management Procedures-Petty Cash" be updated to include detailed procedures over the entire petty cash reimbursement processes.	IA will verify during follow-up evaluation planned by June 2017.
2013 Petty Cash May 31, 2013	5	IA recommends that Accounting and Fiscal Management review current petty cash reimbursable budget codes within SAP and develop a "Master Listing" of budget codes or "roles" within SAP for all Petty Cash Custodians to have access to and utilize them when coding expenditures.	IA will verify during follow-up evaluation planned by June 2017.
2013 Petty Cash May 31, 2013	6	IA recommends that Accounting and Fiscal Management evaluate the petty cash needs of each location throughout the Agency and make any necessary adjustments to the petty cash assignments.	IA will verify during follow-up evaluation planned by June 2017.
SCE Utility Payments August 28, 2013	1	P&EC and Maintenance Management should work with the City of Chino and SCE to adequately transfer the electricity expense related to City of Chino property. The street lights in front of IEUA's HQ-A building have been identified by the Agency and SCE as the financial responsibility of the City of Chino. It was noted that over \$900.00 a year is paid for the street lights expense. P&EC and Maintenance previously identified this issue and had initiated discussions to transfer the account and related expense to the City of Chino. It is anticipated that by the end of calendar year 2013 this will be resolved.	IA will verify during follow-up evaluation planned for FY 2017.
SCE Utility Payments August 28, 2013	2	CAP management should evaluate the entire CAP Department staff's responsibilities and leverage all department resources to achieve all tasks and at the same time avoid internal control conflicts. In addition, IA recommends that SAP authorized access be modified for employees as noted in the report section "SAP Segregation of Duties – CAP Personnel" to address existing internal control conflicts identified. The report details the specific conflicts. This has previously been recommended in prior CAP Follow-Up Audit Reports dated May 24, 2010 and August 29, 2012.	IA will verify during follow-up evaluation planned for FY 2017.
SCE Utility Payments August 28, 2013	3	CAP personnel should take the lead in working with the responsible Agency personnel to make the necessary updates to Agency policies A-32 (Authority to Contractually Commit the Agency) and A-33 (Request and Evaluation of Proposals), and department specific SOP's.	IA will verify during follow-up evaluation planned for FY 2017.
Accounts Payable Follow-Up Audit August 29, 2013	1	AFM and BIS need to work together to ensure users have appropriate access within SAP based on job responsibilities and remove/modify access privileges that are not necessary to reduce the risk of unauthorized transactions and SOD conflicts. All user access should be immediately removed when an employee resigns his/her position with the Agency.	IA to verify during follow-up evaluation.



**Pre-2016 Outstanding Audit Recommendations  
March 2017**

<b>Audit Performed</b>	<b>Rec #</b>	<b>Internal Audit Recommendation</b>	<b>Target for Implementation &amp; Comment</b>
Accounts Payable Follow-Up Audit August 29, 2013	2	Access to the Vendor Master File (VMF) should only be granted to one Manager/Supervisor for AFM and CAP department with only one back up employee, if necessary, due to Segregation of Duties conflict. This is a standard best practice across many industries. Furthermore, we recommend access be removed from all other current and past employees.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	3	AFM department should institute controls to ensure payment of invoices by the due date.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	4	AFM should work with the appropriate Agency personnel to update Agency policies and remind employees of the requirements of Agency Policy A-12, Employee Personal Computer Purchase Program; Policy A-37, Reimbursement for Attendance at a Conference, Seminar or Meeting; Policy A-50, Non-Purchase-Order Invoice Approval Procedures; Policy A-55, Agency Credit Cards; and Agency Policy A-14 Vehicle Use.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	5	Human Resources department, in conjunction with Information Support Systems, should ensure that loans for personal computers are not approved for items not covered by the loan program as described in Agency Policy A-12. Additionally, consider revising Agency Policy A-12 to clarify the applicability of the computer loan program to tablet computers and operating systems other than Microsoft Windows.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	6	AFM department should strengthen Vendor Master File procedures to establish uniformity in entering, altering and deleting vendors, and to provide guidelines for the maintenance of vendors, to ensure vendors are authorized, including the requirement that a supervisor or manager in FMD CAP approve additions, deletions, or changes to vendors.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	7	AFM department should ensure all new vendors provide a current, physical business address for the Vendor Master File. Additionally, AFM should establish a plan to update the master file for all active vendors that do not currently have a physical address on file.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	8	AFM department should work with BIS to test the features of SAP related to purging inactive vendors. Upon successful completion of the testing, AFM should identify vendors with no activity in the previous three to five years and deactivate or delete from the Vendor Master File as appropriate.	IA to verify during follow-up evaluation.
Accounts Payable Follow-Up Audit August 29, 2013	9	AFM department should update all SOPs to reflect business process changes resulting from the implementation of the Agency's ERP SAP system.	IA to verify during follow-up evaluation.
Automobile Insurance Requirements March 3, 2014	1	IA recommends that the Contracts and Facilities Department: Take the lead to review and update and/or consolidate the existing Agency Policy A-14 "Vehicle Use Policies and Procedures" and A-36 "Automobile Insurability and Driver's License Requirements for Current and Prospective Employees." The policies should define and specify the requirements for employees to maintain personal automobile insurance, clarify the coverage limits and any other responsibilities and provisions. Ensure policy updates and requirements are communicated to all employees.	IA to verify during follow-up evaluation.

**Pre-2016 Outstanding Audit Recommendations**

**March 2017**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Automobile Insurance Requirements March 3, 2014	2	IA recommends that the Contracts and Facilities Department: Consider developing an appropriate "Acknowledgment Statement" form or other verification/certification document or process that outlines and verifies the requirements of the Agency's policies related to personal automobile insurance coverage and driver's license. Determine the need to require all employees sign the acknowledgement/verification document each year as a certification that the employee understands and accepts responsibilities when driving a personal or Agency vehicle.	IA to verify during follow-up evaluation.
Vehicle Security Procedures March 3, 2014	1	CAP should take the lead to properly inventory and account for all assigned and unassigned gate transmitters. CAP should continuously work with department managers who request gate transmitters to monitor and revise access based on staff duties and responsibilities. CAP should promptly deactivate any improperly assigned/unassigned gate transmitters or for those employees and contractors that separate employment from the Agency.	IA to verify during follow-up evaluation.
Vehicle Security Procedures March 3, 2014	2	CAP should ensure the appropriate signed gate transmitter form is maintained on file for all issued gate transmitters. Additionally, CAP should ensure the employee/contractor who is issued a gate transmitter understands the requirements of Agency Policy A-24 "Issuance and Inventorying of Gate Transmitters and Keys to Agency Facilities, Vehicles and/or Equipment." This can be done at the time the employee/contractor is issued the gate transmitter via the signed form and is provided a copy of the Agency policy.	IA to verify during follow-up evaluation.
Vehicle Security Procedures March 3, 2014	3	IA recommends CAP staff inventory all Certificates of Title and work to locate or replace the missing titles for Agency vehicles. Additionally, CAP should implement and communicate the proper procedure to ensure that all Certificates of Title are promptly submitted to Records Management for filing and retention.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	1	Maintenance Department and HR Department should work together to develop and/or consolidate into one updated policy, the proper procedures for refueling Agency vehicles in order to streamline processes and clearly define the procedures for refueling Agency vehicles. Specifically, the policy should include: payment method, when to fuel, and specify if the requirement applies to assigned, pool or all vehicles. Take the lead to review and update and/or consolidate the existing Agency Policy A-14 "Vehicle Use Policies and Procedures" and A-36 "Automobile Insurability and Driver's License Requirements for Current and Prospective Employees." The policies should define and specify the requirements for employees to maintain personal automobile insurance, clarify the coverage limits and any other responsibilities and provisions. Ensure policy updates and requirements are communicated to all employees.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	2	Maintenance Department should take the lead to update Agency Policy A-86, "Refueling Agency Vehicles" to include a clear definition of a "pool" versus an "assigned" vehicle and these definitions should be carried across all Agency policies that relate to Agency vehicle procedures.	IA to verify during follow-up evaluation.

**Pre-2016 Outstanding Audit Recommendations  
March 2017**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Vehicle Inventory Procedures March 12, 2014	3	Maintenance Department should revise Agency Policy A-86 to specifically address how Voyager fuel cards for Agency "pool" vehicles will be issued and used by employees in order to establish separate guidelines for Agency "pool" vehicles.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	4	Maintenance Department should work with Business Information Systems (BIS) to develop an online/electronic "vehicle reservation and approval process." Approval should be obtained through the online/electronic process by either the employee's supervisor or manager. If the travel in an Agency "pool" vehicle will be for the calendar day only, online/electronic approval obtained from the employee's direct supervisor is sufficient. If travel utilizing an Agency "pool" vehicle will be overnight or several nights, or outside the service area, the employee should obtain online approval from the responsible manager and/or a member of Executive Management.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	5	Maintenance Department should work with the HR Department to incorporate mileage limitations and/or geographic boundaries (i.e. out-of-state) for Agency vehicles in updated Agency policies.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	6	Maintenance Department should evaluate the overall purpose of the VIF, to determine what elements are necessary to be reported by employees after use of an Agency vehicle, as well as determine what elements to hold the employee accountable for. Additionally, fewer incomplete forms may be returned if wording is revised to require only exceptions (an example might be: "Indicate damage to vehicle, if any").	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	7	Maintenance Department should determine the need to require that the VIF include an area for the employee's direct supervisor/manager to approve and sign, specifically acknowledging where the vehicle will be used and permitting the use of the Agency vehicle, prior to checking out the vehicle as an added control and accountability measure for the vehicle and the employee.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	8	Maintenance Department should ensure the recipients of the VIF (currently, the receptionists) no longer accept incomplete VIF forms from an employee upon the return of the vehicle to Headquarters. The receptionist should return the form to the employee and request they fill out the VIF completely before checking-in the vehicle.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	9	Maintenance Department should continue to work with "Voyager Fleet Systems" and U.S. Bank to review the card issuer's reporting capabilities, in order to develop the reports needed with the appropriate inputs (e.g. odometer readings, date of purchase, amount, credit card number, cardholder name, number of gallons purchased at point-of-sale) so that the Agency can perform a thorough analysis of fuel consumption monthly.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	10	Maintenance Department should develop one policy or update the existing policy (ies) to outline the proper procedures for washing Agency vehicles.	IA to verify during follow-up evaluation.

**Pre-2016 Outstanding Audit Recommendations  
March 2017**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Vehicle Inventory Procedures March 12, 2014	11	Maintenance Department should perform a routine inventory as well as regular safety/maintenance inspections for all Agency vehicles at least annually and ensure necessary safety and emergency equipment is available and operational. Issues identified should be addressed and corrected timely. Specifically, items required for safety reasons such as fire extinguishers, insurance information and accident instructions, etc. should be current and readily available in the vehicle. Documented maintenance and safety inspection results should be retained and placed in the vehicle's file as evidence of examination.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	12	Maintenance Department should consider including a vehicle bumper sticker on all Agency vehicles that display the Agency's logo and a hotline or contact phone number where issues may be reported by any member of the public.	IA to verify during follow-up evaluation.
Vehicle Inventory Procedures March 12, 2014	13	Periodic reconciliations for fleet (vehicles and equipment) should be performed by the Maintenance Department between any report(s) or system databases that are utilized by management to ensure accuracy when reporting fleet information and making decisions regarding fleet.	IA to verify during follow-up evaluation.

**Pre-2016 Outstanding Audit Recommendations  
March 2017**

<b>Audit Performed</b>	<b>Rec #</b>	<b>Internal Audit Recommendation</b>	<b>Target for Implementation &amp; Comment</b>
Regional Contract Review - Final Report December 16, 2015	Overall	Consider legal, political and financial impacts of governing by ordinance vs. contract	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	Overall	Review and revise EDU formula	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	Overall	Resolve identified differences of over/under collected amounts of Connection fees and identified differences of over/under collected amounts of unreported monthly sewerage fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.

Regional Contract Review - Final Report December 16, 2015	1	<b>Connection Fees:</b> Centralize the permitting process OR IEUA provides final sign-off and plumbing permit approval for all nonresidential entities.	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	2	<b>Connection Fees:</b> IEUA should establish monitoring program to inspect random facilities and those were there is a suspected discrepancy	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	3	<b>Connection Fees:</b> Contract should include IEUA inspection, verification and recourse rights for under-collected/under-reported Connection Fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	4	<b>Connection Fees:</b> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	5	<b>Connection Fees:</b> Two tier connection fees process that distinguishes between common features and unique features (i.e., a toilet always costs the same regardless of type of business)	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	6	<b>Connection Fees:</b> Update Exhibit J regularly to include new/evolving business types	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	7	<b>Connection Fees:</b> Update & clarify Fixture Unit descriptions of Exhibit J regularly	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	8	<b>Connection Fees:</b> Standardize calculation worksheet to ensure it is consistent with Exhibit J and consistent region-wide	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	9	<b>Connection Fees:</b> IEUA should require copies of calculation worksheets for all nonresidential customers along with the monthly Building Activity Reports.	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	10	<b>Connection Fees:</b> Regular workshops, meetings, plant tours, etc. with staff in Building, Plan Check and Utility Billing/Financial Departments	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	11	<b>Connection Fees:</b> IEUA develop fixture count expertise and provide regular/ongoing training for Contracting Agencies - Building Departments	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.

**Pre-2016 Outstanding Audit Recommendations  
March 2017**

<b>Audit Performed</b>	<b>Rec #</b>	<b>Internal Audit Recommendation</b>	<b>Target for implementation &amp; Comment</b>
Regional Contract Review - Final Report December 16, 2015	12	<b>Connection Fees:</b> Contracting Agency internal review of Connection Fees as part of preparing the Building Activity Report	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	1	<b>Monthly Sewerage:</b> Collect monthly sewerage fees for the entire region through County's property tax roll	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	2	<b>Monthly Sewerage:</b> Evaluate methodology used for billing monthly sewerage fees (residential and commercial) and consider alternatives by water consumption, EDUs purchased or other methodology	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	3	<b>Monthly Sewerage:</b> Standardize monthly report to provide IEUA automated, itemized listings of non-residential monthly sewerage charges	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	4	<b>Monthly Sewerage:</b> Establish contract for monthly sewerage payments from Contracting Agencies rather than IEUA issuing monthly invoices	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	5	<b>Monthly Sewerage:</b> IEUA exercise inspection, verification and recourse rights for under-collected/under-reported monthly sewerage fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	6	<b>Monthly Sewerage:</b> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	7	<b>Monthly Sewerage:</b> Update 1997 billing memorandum regularly for new business types to provide detailed definitions and descriptions	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	8	<b>Monthly Sewerage:</b> Create a correlation between monthly sewerage fees and Connection Fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	9	<b>Monthly Sewerage:</b> Add billing guidance for locations with multiple types of businesses serviced by a master meter	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	10	<b>Monthly Sewerage:</b> Bill commercial businesses at least a minimum of one EDU per month	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	1	<b>Public Service Facility:</b> Consider legal, political and financial impacts of excluding Public Service Facilities from Connection Fees and monthly sewerage charges.	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	2	<b>Public Service Facility:</b> Consider legal, political and financial impacts of IEUA assuming responsibility for Connection Fees calculations, collections and CCRA accounts	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	3	<b>Public Service Facility:</b> Contract should include IEUA inspection, verification and recourse rights for under-collected/under-reported Connection Fees	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.

**Pre-2016 Outstanding Audit Recommendations**

**March 2017**

<b>Audit Performed</b>	<b>Rec #</b>	<b>Internal Audit Recommendation</b>	<b>Target for Implementation &amp; Comment</b>
Regional Contract Review - Final Report December 16, 2015	4	<b>Public Service Facility:</b> Contract should include IEUA right to audit, full cooperation and access to records and documents upon request	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	5	<b>Public Service Facility:</b> Address difference between "Publicly Owned" vs. "Publicly Used"	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.
Regional Contract Review - Final Report December 16, 2015	6	<b>Public Service Facility:</b> Consider cross-departmental approach to the development review process as a regional model	Recommendation to be addressed as part of the Renegotiation of the Regional Contract. IA will follow-up at that time.

**Total of 71 outstanding recommendations from 2015 and prior requiring IA verification and/or supported response as of March 6, 2017 .**

Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Master Trade Contracts, dated September 1, 2016	1	IA recommends that even in instances where a difference department has primary responsibility for the proposal evaluation process, CFS work with the end-user department to ensure the information is communicated to the Board of Directors accurately reflects the signed contract terms. Additionally, CFS should determine the need to request from the evaluating department the evaluation documentation, or a staff memo summarizing the selection process and have it available/filed.	Both CAP and CM stated they would begin steps to implement. IA to verify during a future follow-up evaluation.
Master Trade Contracts, dated September 1, 2016	2	IA recommends that CFS work with BIS to research built-in tools within SAP to implement automated controls necessary to ensure that spending on contracts and groups of contracts do not exceed Board approved limits and determine the cost benefit of implementing those monitoring tools.	Both CFS and BIS stated they would work together to evaluate implementation. IA to verify during a future follow-up evaluation.
Master Trade Contracts, dated September 1, 2016	3	IA supports and encourages the initiative to fully implement the Agency's Enterprise Content Management System (ECMS) - Laserfiche. CFS should continue to work closely with BIS to implement the Agency's ECMS - Laserfiche to assist with the organization and centralizing of contract documents, facilitate research and access to information, streamline recordkeeping and eliminate multiple copies of the same documents.	Both CFS and BIS stated they would work together to evaluate implementation. IA to verify during a future follow-up evaluation.
Master Trade Contracts, dated September 1, 2016	4	IA recommends that CFS enhance communications about the Agency's ethical procurement responsibilities and expectations to all Agency employees as well as Agency vendors and contractors to actively foster an ethical procurement environment. CFS should consider creating an ethics outreach plan and developing an approach with Agency Executive Management and Human Resources about reinforcing the "tone at the top" to actively remind employees and contractors/vendors about the Agency's ethical expectations including once again providing annual notifications of ethical guidelines to vendors and staff. Agency management may also want to incorporate references to the Agency's Ethics Hotline and Ethics Point "FAQs" in that communication.	CFS stated they would research the best approach and begin steps for implementation. IA to verify during a future follow-up evaluation.
Master Trade Contracts, dated September 1, 2016	5	IA recommends CFS staff attend annual training related to ethics in their respective procurement activities.	CFS reported that all staff attended ethics training related to procurement activities shortly after the audit and will plan to attend training annually. IA to verify during a future follow-up evaluation.
Master Trade Contracts, dated September 1, 2016	6	In addition to the cross-training that is already occurring, IA suggests that CFS consider the potential benefits of job rotation within the CFS department as a training and internal control technique with multiple benefits.	CFS stated that they would evaluate and determine the need for rotation since currently there have been various retirements and changes. IA to verify during a future follow-up evaluation.
Audit of Master Service Contracts, dated December 14, 2016	1	Emergency projects are classified according to three levels. Level 3 emergencies are the least urgent and the work can be scheduled on a time-table set by the Agency. E&CM and CFS should consider establishing clear criteria that differentiate between a "Level 3" emergency procurement and routine minor construction and repairs procurements and/or determine and document whether the "Level 3" designation is necessary.	CM stated they would begin implementation. IA to verify during a future follow-up evaluation.



Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
Audit of Master Service Contracts, dated December 14, 2016	2	To ensure that the Agency communicates sufficient information about emergency procurement activity, E&CM and CFS should consider developing and providing a comprehensive monthly update of emergency procurements for the Board. The information to consider could include the current month emergency procurement activity and a year-to-date total. It may also be useful to compare current year-to-date emergency procurement activity in dollars and numbers of task orders to prior years and to the total budget. Trends can be analyzed and comparisons can be made to ensure that the Agency's infrastructure is well maintained and emergency procurements are kept to a minimum.	CM stated they would begin implementation. IA to verify during a future follow-up evaluation.
Audit of Master Service Contracts, dated December 14, 2016	3	To ensure that contracts for Repairs and Minor Construction operate as intended, E&CM and CFS should consider developing specific criteria and/or additional guidance and definitions about what constitutes repairs or minor construction as compared to projects for prequalified contractors for contracts less than \$2 million. An additional control would be to consider establishing dollar maximums within the contract or the group of contractors to provide assurance that the contracts are being utilized as intended and spending is constrained.	CM stated they would begin implementation. IA to verify during a future follow-up evaluation.
Follow-Up Review - Information Technology Equipment Audit, dated December 5, 2016	1	FAD should take the lead to ensure a physical inventory and inspection of the Agency's IT fixed assets is completed on a periodic basis to verify existence, location, and working condition of assets.	FAD agrees with IA and the External Auditors recommendation and would evaluate implementation. IA to verify during a future follow-up evaluation.
Follow-Up Review - Information Technology Equipment Audit, dated December 5, 2016	2	FAD should evaluate the Agency's current capitalization thresholds for IT equipment and determine if these need to be increased to ensure current practice meets policy and are consistent with current trends.	IA to verify during a future follow-up evaluation.
IT Equipment August 21, 2012 (December 21, 2016 Follow-Up)	15	FMD should implement adequate controls to ensure that the stated capitalization policy for IT equipment is consistently followed to ensure that all items meeting the capitalization threshold are capitalized and to ensure that items not meeting the capitalization threshold are not capitalized.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment August 21, 2012 (December 21, 2016 Follow-Up)	17	FMD should implement adequate controls to ensure that asset records established in SAP are accurate and complete, such as ensuring that all data fields in SAP are completed and ensuring that only those items allowed by the capitalization policy are capitalized.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment August 21, 2012 (December 21, 2016 Follow-Up)	19	FMD should return incorrect or incomplete Project Closure Authorization Forms to the Project Manager for proper completion. FMD should also provide training to Project Managers on the importance of proper completion and instructions on completing the form.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment August 21, 2012 (December 21, 2016 Follow-Up)	22	FMD should document Standard Operating Procedures to address the functions of setting up capital assets such as procedures for completing the SAP asset information, compliance with stated capitalization thresholds, and processing of Project Closure Authorization Forms.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.

2016 Audit Recommendations Issued


Audit Performed	Rec #	Internal Audit Recommendation	Target for Implementation & Comment
IT Equipment August 21, 2012 (February 29, 2016 Follow-Up)	3	ISS implement appropriate tracking systems that include relevant information on IT purchases (i.e., serial numbers, etc.), are updated timely and are complete and accurate. ISS should establish procedures to enter, modify, and delete information in the tracking systems that address areas such as timeliness for updates, responsibilities for maintaining the systems, and the types of items included in the tracking system.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.
IT Equipment August 21, 2012 (February 29, 2016 Follow-Up)	1	ISS should ensure that any services procured with P-cards are expressly authorized by the Manager of CAP, CFO, AGM, or GM prior to committing to services.	Additional time is required for full implementation. IA will re-verify during follow-up evaluation.

Total of 17 outstanding recommendations from 2016 requiring IA verification and/or supported response as of March 6, 2017 .

INFORMATION  
ITEM

**4N**



Date: March 15, 2017  
To: The Honorable Board of Directors  
Through: Audit Committee (3/6/2017)  
From:   
Teresa V. Velarde  
Manager of Internal Audit  
Subject: Report on the Audit Function

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### **RECOMMENDATION**

This is an information item for the Board of Directors.

### **BACKGROUND**

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) and the Audit Committee were established by Board action on April 21, 2004. The Audit Function was established as a response to increased responsibilities for financial reporting and audit compliance requirements of various regulatory agencies, specifically related to the financial growth of the Agency associated with the issuance of bonds and receipt of increasing grant funding, along with the administration of rebate programs and the active roles and projects with various joint powers and member agencies. As documented in the March 17, 2004 Board Letter, the Audit Function was the staff recommendation to provide greater Board oversight of External Auditor activities, to perform internal audits and prepare/submit audit reports, to adopt Government Finance Officers Association (GFOA) and Institute of Internal Auditors (IIA) guidance and comply with California legislation anticipated changes in audit reporting requirements. Additionally, to ensure the Agency maintains the highest standards of fiscal integrity and accountability, provide a system of sound checks and balances, and ensure a truly independent view of Agency operations.

For purposes of this report, “the Audit Function” refers to: the Internal Audit Department, the External Auditors, the Audit Committee Financial Expert and the Audit Committee. The purpose of the Audit Function is to assist the Agency in achieving its goals and objectives. The Internal Audit Department is charged with the responsibility to ensure the oversight obligations of the Audit Function are met. The Internal Audit Department seeks to add value and improve the organization’s operations through independent, objective audits, reviews and evaluations and recommendations provided. Internal Auditors must adhere to a strict Code of Conduct, professional standards and principles and follow a systematic, disciplined approach in performing internal audits, evaluating operations and making recommendations.

The current structure of the Agency's Internal Audit Department follows best practices and guidelines provided the Government Finance Officers Association (GFOA), the Institute of Internal Auditors (IIA) and the American Institute of Certified Public Accountants (AICPA). Consistent with those best practices, the Internal Audit Department reports functionally to the Board through the Audit Committee for the purpose of establishing the necessary independence and objectivity. Also, consistent with best practices, the Internal Audit Department reports administratively to the General Manager for the purpose of planning and coordinating audit projects, establishing the department's budget and staffing needs and other administrative items. The purpose, authority and responsibilities of the Internal Audit Department are documented in the Board-approved Charter.

In summary, the purpose of the Internal Audit Department is to:

- Assists the Agency achieve its goals
- Evaluates risks
- Assesses the reliability of internal controls
- Provides recommendations for improving operations
- Promotes a strong ethical culture
- Reviews processes and procedures
- Provides on-going monitoring and compliance
- Safeguards assets
- Raises potential red flags
- Communicates results to management, the Audit Committee and the Board
- Serves as the "eyes and ears" of the Board of Directors

The IEUA Audit Committee is composed of two members of the Board and an outside member that serves as the Financial Expert and Advisor to the Audit Committee, as prescribed by best practices. GFOA, AICPA and the IIA recommend the Audit Committee meet at minimum quarterly and discuss audit matters with Executive Management, the Internal Auditor, the Financial Advisor and the External Auditors and report to the Board any significant issues that warrant attention.

The attached report provides additional detail and information about the Audit Function including:

- Background and historical information
- Internal Audit Department
- External Financial Audit Firm
- Audit Committee Financial Advisor
- Audit Committee
- Types of Audits performed by IA
- The Annual Audit Plan
- Best Practices for the Audit Function as recommended by:
  - Government Finance Officers Association (GFOA)
  - Institute of Internal Auditors (IIA)
  - American Institute of Certified Public Accountants (AICPA)
- Additional Reference Material

In summary, IEUA has adopted best practices in structuring and establishing an effective Audit Function. The documents attached include a comprehensive report, and additional reference material taken from best practice guidance. Internal Audit appreciates the opportunity to provide this comprehensive report on the Audit Function and would like to request direction, feedback and/or changes for audit responsibilities.

This report evaluating the IEUA Audit Function is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing the functions, roles and responsibilities of the Internal Audit Department and providing an overview of the components which make up the Audit Function.

### **PRIOR BOARD ACTION**

On December 21, 2016, the Board of Directors received the Audit Committee and Internal Audit Charters.

On December 16, 2015, the Board of Directors reconfirmed the amended Audit Committee and Internal Audit Charters.

On December 18, 2013, the Board of Directors approved the revised Audit Committee and Internal Audit Charters.

On December 15, 2010, the Board of Directors approved the revised Audit Committee Charter.

On December 9, 2009, the Board of Directors approved the revised Internal Department Charter.

On April 21, 2004, the Board of Directors approved the establishment of an Audit Committee of the Board of Directors, the new position of Internal Auditor, and the new position of Assistant Auditor.

### **IMPACT ON BUDGET**

None.

#### Attachments

1. The Audit Function

<https://www.dropbox.com/s/g2lwwtsqxnv2wxa/17010%20Binder%20-%20ALL%20DOCUMENTS.pdf?dl=0>



# The Audit Function

***This report evaluating the IEUA Audit Function is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing the functions, roles and responsibilities of the Internal Audit Department and providing an overview of the components which make up the Audit Function.***

**Prepared by:  
Internal Audit Department  
March 15, 2017**



## Inland Empire Utilities Agency


A MUNICIPAL WATER DISTRICT

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DATE: March 15, 2017

TO: Honorable Board of Directors

Joseph P. Grindstaff  
General Manager



FROM: Teresa V. Velarde  
Manager of Internal Audit

**SUBJECT: The Audit Function**

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) and the Audit Committee were established by Board action on April 21, 2004. The Audit Function was established as a response to increased responsibilities for financial reporting and audit compliance requirements of various regulatory agencies, specifically related to the financial growth of the Agency associated with the issuance of bonds and receipt of increasing grant funding, along with the administration of rebate programs and the active roles and projects with various joint powers and member agencies. As documented in the March 17, 2004 Board Letter, the Audit Function was the staff recommendation to provide greater Board oversight of External Auditor activities, to perform internal audits and prepare/submit audit reports, to adopt Government Finance Officers Association (GFOA) and Institute of Internal Auditors (IIA) guidance and comply with California legislation modifying audit reporting. Additionally, to ensure the Agency maintains the highest standards of fiscal integrity and accountability, provide a system of sound checks and balances, and ensure a truly independent view of Agency operations.

For purposes of this report, "the Audit Function" refers to: the Internal Audit Department, the External Auditors, the Audit Committee Financial Expert and the Audit Committee. The purpose of the Audit Function is to assist the Agency in achieving its goals and objectives. The Internal Audit Department is charged with the responsibility to ensure the oversight obligations of the Audit Function are met. The Internal Audit Department seeks to add value and improve the organization's operations through independent, objective audits, reviews and evaluations and recommendations provided. Internal Auditors must adhere to a strict Code of Conduct, professional standards and principles and follow a systematic, disciplined approach in performing internal audits, evaluating operations and make recommendations.

*Water Smart – Thinking in Terms of Tomorrow*

Steven J. Elie  
President

Michael E. Camacho  
Vice President

Jasmin A. Hall  
Secretary/Treasurer

Paul Hofer  
Director

Kati Parker  
Director

P. Joseph Grindstaff  
General Manager



The current structure of the Agency's Internal Audit Department follows best practices and guidelines provided the Government Finance Officers Association (GFOA), the Institute of Internal Auditors (IIA) and the American Institute of Certified Public Accountants (AICPA). Consistent with those best practices, the Internal Audit Department reports functionally to the Board through the Audit Committee to establish independence and objectivity. Also, consistent with best practices, the Internal Audit Department reports administratively to the General Manager for planning and coordinating audit projects, establishing the department's budget and staffing needs and other administrative items. The purpose, authority and responsibilities of the Internal Audit Department are documented in the Board-approved Charter.

The purpose of the Internal Audit Department is summarized as:

- Assists the Agency achieve its goals
- Evaluates risks
- Assesses the reliability of internal controls
- Provides recommendations for improving operations
- Promotes a strong ethical culture
- Reviews processes and procedures
- Provides on-going monitoring and compliance
- Safeguards assets
- Raises potential red flags
- Communicates results to management, the Audit Committee and the Board
- Serves as the "eyes and ears" of the Board of Directors

The IEUA Audit Committee is composed of two members of the Board and an outside member that serves as the Financial Expert and Advisor to the Audit Committee, as prescribed by best practices. GFOA, AICPA and the IIA recommend the Audit Committee meet at minimum quarterly and discuss audit matters with Executive Management, the Internal Auditor, the Financial Advisor and the External Auditors and report to the Board any significant issues that warrant attention.

The attached report provides additional detail and information about the Audit Function including:

- Background and historical information
- Internal Audit Department
- Audit Committee
- Audit Committee Financial Advisor
- External Financial Auditor
- Types of Audits performed by IA
- The Annual Audit Plan

- Best Practices for the Audit Function as recommended by:
  - Government Finance Officers Association (GFOA)
  - Institute of Internal Auditors (IIA)
  - American Institute of Certified Public Accountants (AICPA)
- Additional Reference Material

IEUA has adopted best practices in structuring and establishing an effective Audit Function. The report that follows provides details about the Audit Function at IEUA with greater discussion focused on the Internal Audit Department.

The documents attached are additional reference material and relevant information gathered from best practice guidance related to the Audit Function, including the following:

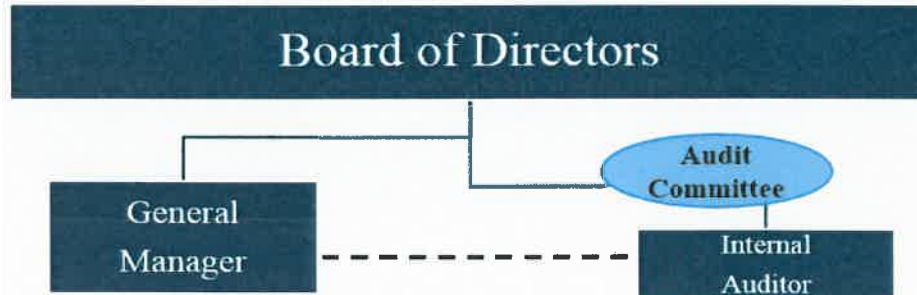
- AICPA Audit Committee Toolkit
  - A toolkit for evaluating the various resources of the Audit Committee
- The Charters: Audit Committee and Internal Audit Department Charters
- 2004 Board Letter regarding the establishment of the Audit Function
- The IIA's Guidance on the Audit Committee
- GFOAs best practice guidance/information
- AICPA's best practice guidance/information
- Association of Certified Fraud Examiner's (ACFE) Report to the Nations on Occupational Fraud and Abuse

The Internal Audit Department appreciates the opportunity to provide this comprehensive report on the Audit Function of IEUA and request direction, feedback and/or changes for the fulfillment of audit responsibilities and future Audit Committee Meetings. The Manager of Internal Audit is available to provide additional information or answer any questions.

*This report evaluating the IEUA Audit Function is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing the functions, roles and responsibilities of the Internal Audit Department and providing an overview of the components which make up the Audit Function.*

## The Audit Function

This diagram illustrates the reporting lines of the Internal Auditor.



### Background

IEUA's Internal Audit Department was established by the Agency's Board of Directors on April 21, 2004. The Board of Directors asked Agency staff to conduct research and provide recommendations on the best structure for the Internal Audit Department and the Audit Committee. Based on the research completed and recommendations by staff, the Board approved the "best practices" model suggested by the Government Finance Officers Association (GFOA), the Institute of Internal Auditors (IIA), and the Agency's General Counsel. This has remained the model since its establishment:

- An Audit Committee composed of three committee members, two members of the Board of Directors and an Audit Committee Member, with no voting rights, to serve as the Financial Expert with experience in conducting financial audits, as suggested by best practices.
- The position of Internal Auditor reporting functionally to the Board through the Audit Committee and reporting administratively to the General Manager.

According to the Board report presented in 2004, this structure was recommended and established:

*"to address this increase in responsibility" (from increased auditing requirements and reporting of expenditures for special districts by the California Legislature), "to ensure administrative and financial accountability to standards required by federal and state regulatory agencies and bondholders, to better define staff's administrative responsibilities, and to provide the Board with a consistent means of monitoring the Agency's financial responsibilities".*

GFOA recommends that every government consider the feasibility of establishing a formal internal audit function (GFOA recommended practice, 1997). Further, GFOA recommends the internal audit function be established formally by charter. IEUA has adopted best practices and has established the Internal Audit Department by Board-approved Charter.

The Internal Audit Department is currently staffed with one full-time Manager of Internal Audit and two full-time Senior Internal Auditors. As required by the Board-approved Charter, the Manager of Internal Audit, reports functionally to the Board through the Audit Committee, and administratively to the General Manager. This independent reporting line establishes the Internal Audit Department as a separate, independent entity to assist management in achieving organizational goals and to assist the Board in fulfilling its oversight responsibilities. This reporting line supports IA and ensures that audit work is performed objectively and independently.

## **The Role of the Internal Audit Department**

### **Mission Statement**

*The Internal Audit Department seeks to improve the operations of the Agency by providing unbiased and objective assessments and recommendations to ensure Agency resources are efficiently and effectively managed in order to achieve Agency goals and objectives. The Internal Audit Department will help the Agency achieve its goals and objectives, improve operations, and instill confidence among its employees and the citizens it serves by providing independent, objective assurance and consulting services and provide management and the Board of Directors with recommendations to:*

- *Promote and strengthen a sound control environment.*
- *Improve Agency risk management, control and governance.*
- *Promote the Agency's vision and mission through a high degree of professionalism.*
- *Establish adequate policies and procedures and to comply with them.*
- *Encourage efficient use of Agency resources.*
- *Protect and safeguard Agency assets.*
- *Mitigate risks related to fraud, waste and abuse.*
- *Hold staff accountable for the resolution of audit recommendations.*

### **Internal Audit Department Charter**

The purpose, authority and responsibilities of the Internal Audit Department are documented in the Board-approved Charter. The Internal Audit Department Charter states that the purpose of the Internal Audit Department is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for financial reporting,

internal controls and compliance with legal and regulatory requirements applicable to Agency operations and to provide objective assurance about Agency operations. Those responsibilities are fulfilled through the various planned audit projects, discussions with Executive Management, the External Financial Auditor and the Audit Committee Financial Expert, as well as discussions with the Audit Committee. The Charter is provided for Audit Committee and Board review and/or discussion each year. The Internal Audit Department evaluates changes in best practices and suggestions by the External Financial Advisor and the External Auditor in making changes/edits to the Charters. The Charters are posted on the Internal Audit Department webpage on the Agency's intranet website.

#### Annual Audit Plan

The Annual Audit Plan is a flexible plan of audit projects proposed for the succeeding year. The proposed audit projects are selected based on risks considered, requests by management and inquiries of the Agency's management, External Auditors, the Audit Committee Advisor, general counsel and others. The plan is intended to provide information about the proposed scope of work for each project. The plan is meant to address risk areas and to evaluate and contribute to improving effectiveness of operations. The Annual Audit Plan is submitted for Audit Committee review and discussion Board approval in June. The current Annual Audit Plan in effect, can be found under Board-approved documents and located on the Internal Audit Department webpage on the Agency's intranet website.

#### Types of Audits

The Internal Audit Department performs operational audits of the various business units of the Agency. An operational audit is designed to evaluate an activity's effectiveness and efficiency of operations. IA's operational audits also incorporate elements of program, financial and compliance audits to evaluate financial transactions and overall compliance of the activity with specific requirements. Prior to finalizing an audit, discussions take place between IA and the auditee about the audit results and resulting audit findings and recommendations. Then, the auditee has opportunities to provide resolutions, responses or additional information prior to IA finalizing the audit report. Results of audits are documented in a formal audit report and discussed during Audit Committee meetings. Auditees can provide a written response and include corrective action plans. Any resulting open/outstanding audit recommendations are followed-up as scheduled through the Annual Audit Plan until full implementation is achieved or alternate controls are incorporated.

IA has completed audits in multiple areas of the Agency, including:

- Warehouse Operations
- Human Resources
- Finance & Accounting
- Inter-company Receivables
- Construction Management
- Contracts and Procurement
- Laboratory
- Environmental Compliance
- Pre-Treatment and Source Control
- Integrated Systems Services
- Vehicle Audits
- Energy/Utility Bills
- Regional Contract Audits of the 7 contracting agencies

All audit reports are discussed during the regular Audit Committee Meetings and can be accessed through the Agency Information Management (AIM), the Agency's intranet site, also available on the Internal Audit Department webpage on AIM, through the Board Reports on the main IEUA webpage or available upon request from the Manager of IA.

### Standards

In performing audit work, internal auditors abide by the Code of Ethics and the *Standards* as promulgated by the Institute of Internal Auditors (IIA) as documented in the International Professional Practice Framework (IPPF) or "Red Book."

## **BEST PRACTICES RECOMMENDATIONS FOR INTERNAL AUDIT STRUCTURE**

### **Government Finance Officers Association (GFOA)**

- *"Every government should consider the feasibility of establishing a formal internal audit function because such a function can play an important role in helping management to maintain a comprehensive framework of internal controls. As a rule, a formal internal audit function is particularly valuable for those activities involving a high degree of risk (e.g., complex accounting systems, contracts with outside parties, a rapidly changing environment). If it is not feasible to establish a separate internal audit function, a government is encouraged to consider either 1) assigning internal audit responsibilities to its regular employees or 2) obtaining the services of an accounting firm (other than the independent auditor) for this purpose;*

- *The internal audit function should be established formally by charter, enabling resolution, or other appropriate legal means;*
- *It is recommended that internal auditors of state and local governments conduct their work in accordance with the professional standards relevant to internal auditing contained in the U.S. General Accounting Office's publication Government Auditing Standards, including those applicable to the independence of internal auditors;*
- *At a minimum, the head of the internal audit function should possess a college degree and appropriate relevant experience. It also is highly desirable that the head of the internal audit function hold some appropriate form of professional certification (e.g., certified internal auditor, certified public accountant, certified information systems auditor) ; and*
- *All reports of internal auditors, as well as the annual internal audit work plan, should be made available to the government's audit committee or its equivalent."*

#### **American Institute of Certified Public Accountants (AICPA)**

*"First and foremost, the internal audit department will understand that its responsibilities are primarily to the audit committee. A strong internal audit function may also include audit committee oversight of the internal audit group's budget approval process and its policies regarding hiring, evaluation, training, and termination of internal audit staff. Terminating or transferring high level internal audit personnel will be ultimately determined by the audit committee.*

*Executive sessions with the head of the internal audit function at every audit committee meeting provide the audit committee a unique opportunity to engage in candid discussions with him or her about the possible risk of management override of internal control and any indications of improper conduct by senior management.*

*The audit committee, by understanding and assisting in developing the internal auditors' annual audit plan, will influence the internal auditors' agenda by directing the plan's emphasis to areas of particular interest to the audit committee. These areas might include fraud risks—particularly matters that surfaced during the brainstorming session—and controls over judgments and estimates and key information processes. A properly directed internal audit staff can serve as the "eyes and ears" of the audit committee."*

### **The Institute of Internal Auditors (IIA)**

*“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.*

*Reporting to executive management and having direct access to the audit committee well positions the internal audit activity within an organization. Internal audit independence is furthered by periodic private meetings between the audit committee and the CAE, during which time sensitive issues are discussed without management’s presence.”*

### **The Audit Committee**

The IEUA Audit Committee structure follows recommended best practices and professional standards. The April, 2004 Board report included the following structural recommendation about the creation of an Audit Committee as a separate committee of the Board of Directors:

*“An Audit Committee of the Board of Directors be established to oversee the audit and grants’ responsibilities of the current Chief Financial Officer position. The Committee would be responsible to meet at least quarterly with the Agency’s Internal Auditor and Agency staff, for overseeing the acquisition of the Agency’s outside Auditor, developing the scope of work for the annual audit, approving the annual audit work plan, directing special internal audits, reviewing and approving the internal auditing work plans, evaluating the performance of the internal audit activities, and providing policy direction to the Agency’s Audit and Grants Department. The Audit Committee would meet at least quarterly with the Internal Auditor to review work plans, audit activities and the draft/final audit reports. The Audit Committee would submit all audit management reports to the Board for review and policy direction, as appropriate.”*

This recommendation was developed based upon research performed by IEUA staff. IEUA staff discussed the structure of the Audit Committee and Internal Audit Department with the “Agency’s bond counsel, investment banker, the External Auditor, The Agency’s General Counsel, and the Metropolitan Water District’s Chief Financial Officer who suggested the proposed reorganization was in the best interests of the Agency.”

The Audit Committee meets quarterly and is comprised of three members: two Board Members and one External Financial Expert. The Manager of IA is responsible for preparing all agenda items for the Audit Committee meetings.



### Audit Committee Charter

The Audit Committee Charter documents the purpose, composition, authority and responsibility of the Audit Committee. The Charter is reviewed and discussed annually and any changes must be approved by the Board. The Charter follows best practice recommendations by GFOA, IIA and AICPA. The Charter also states that the Audit Committee shall delegate fulfilling those responsibilities to the Internal Audit Department. Those responsibilities are fulfilled through various evaluations and discussions with Executive Management, the Internal Auditor, the External Auditor and the Audit Committee Financial Advisor.

## **BEST PRACTICES RECOMMENDATIONS FOR AUDIT COMMITTEE STRUCTURE**

### **Government Finance Officers Association**

- *"The governing body of every state and local government should establish an audit committee or its equivalent.*
- *The audit committee should be . . . made directly responsible for the appointment, compensation, retention, and oversight of the work of any independent accountants engaged for the purpose of preparing or issuing an independent audit report or performing other independent audit, review, or attest services.*
- *All members of the audit committee should be members of the governing body.*
- *It is the responsibility of the audit committee to provide independent review and oversight of a government's financial reporting processes, internal controls and independent auditors.*
- *The audit committee should have access to the reports of internal auditors, as well as access to annual internal audit work plans."*

### **American Institute of Certified Public Accountants**

*"Government entities are faced with ongoing challenges related to the governance of their organization, risks associated with achieving their organization's objectives, and compliance with revised and emerging laws and regulations. Responsibilities are ultimately identified by the governing body and assigned to various governing committees, including the audit committee . . .*

*The audit committee assists the governing body in its oversight of*

- *integrity of the organization's financial statements;*
- *internal control including internal control over financial reporting;*
- *independent auditor's qualifications, independence, and performance;*

- *internal audit function's qualifications, independence, and performance;*
- *the organization's risk management and overall governance process; and*
- *the organization's ethics and compliance program, which includes legal and regulatory requirements."*

### **The Institute of Internal Auditors**

*"The cornerstones of effective governance are the board of directors, executive management, the internal auditors, and the external auditors. No single committee of the board is more focused on or better in tune with governance than the audit committee.*

*What is the audit committee's role in governance? In a nutshell, the audit committee should provide oversight of financial reporting, risk management, internal control, compliance, ethics, management, internal auditors, and the external auditors.*

*Some detailed audit committee responsibilities include:*

- *Ensuring that financial statements are understandable, transparent, and reliable.*
- *Ensuring the risk management process is comprehensive and ongoing, rather than partial and periodic.*
- *Helping achieve an organization-wide commitment to strong and effective internal controls, emanating from the tone at the top.*
- *Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and the investigation of misconduct and fraud.*
- *Reviewing current and pending corporate-governance-related litigation or regulatory proceedings to which the organization is a party.*
- *Continually communicating with senior management regarding status, progress, and new developments, as well as problematic areas.*
- *Ensuring the internal auditors' access to the audit committee, encouraging communication beyond scheduled committee meetings.*
- *Reviewing internal audit plans, reports, and significant findings.*
- *Establishing a direct reporting relationship with the external auditors."*

## **Role of the Financial Expert**

The April, 2004 recommendation that established the Audit Committee and the Internal Audit Department did not discuss the role of an external financial expert in providing counsel and advice to the Audit Committee. The Audit Committee Advisor/Financial Expert serves as a resource to the Audit Committee, the Internal Audit Department and Executive Management. The Financial Advisor serves as a checks and balance for the Internal Audit Department for the Audit Committee and serves as an interpreter for the Audit Committee. Professional best practices provide the following:

### **BEST PRACTICES RECOMMENDATIONS FOR AUDIT COMMITTEE FINANCIAL EXPERT**

#### **Government Finance Officers Association**

*"The audit committee also should have access to the services of at least one financial expert, either a committee member or an outside party engaged by the committee for this purpose. Such a financial expert should through both education and experience, and in a manner specifically relevant to the government sector, possess 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals, and reserves; 4) experience with internal accounting controls; and 5) an understanding of audit committee functions"*

#### **American Institute of Certified Public Accountants**

*"If no individual member of the audit committee possesses the attributes required for financial expertise, and the committee members collectively do not possess such attributes, two options might be considered:*

- *Engage a financial professional to provide financial expertise as a consultant to the audit committee. Such an individual must otherwise be independent with respect to the entity (that is, must have no other financial arrangements with the government entity).*
- *Pursue a training program for audit committee members to develop the financial expertise. Such training can include participation in professional development classes or programs offered by the AICPA, associations, or the specific sector in which the government entity participates, or in-house training programs led by members of the government entity's financial management team."*

#### **The Institute of Internal Auditors**

*"The audit committee charter should define membership requirements, include a provision for a financial expert, allow for yearly reviews and changes . . . "*

IEUA has contracted with Travis C. Hickey, CPA consultant with Rogers, Anderson, Malody, and Scott, LLP to be the Audit Committee Advisor. Over the past nine years, Mr. Hickey has been a valuable resource to the Audit Committee and the Internal Audit Department by providing consulting and advisory services, along with professional audit advice and information.

### **Role of the External Financial Auditor**

State law and the Agency's Fiscal Ordinance requires that an independent certified public accountant audit the Financial Statements of the Agency. The purpose of a financial audit is to demonstrate that the Agency's financial statements were prepared in conformity with generally accepted accounting principles in the United States of America (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Agency. The role of the External Auditors is also to evaluate the adequacy and accuracy of the accounts, test internal controls and complete the audit in accordance with generally accepted auditing standards. The auditors are only providing an opinion as to the representations provided by the Agency. The purpose of the annual financial audit is to receive an independent audit opinion as to the fairness of the financial statements. The opinion is relied upon by readers of the financial statements such as lenders, rating agencies and other stakeholders. The scope of the audit and the materiality threshold set for the audit testing and procedures are determined based on the auditor's risk assessment, professional guidelines and their professional judgment. The audit is not meant to detect fraud. The External Financial Auditors must be licensed as Certified Public Accountants in the State of California and follow a rigorous set of guidelines established by the American Institute of Certified Public Accountants for the performance of financial audits. The Agency currently has a contract with Lance, Soll & Lunghard, LLP, located in Brea, CA for financial auditing and single audit services.

### **Charters**

The professional standards describe two separate charters that provide guidance to the Internal Audit function. One is the Internal Audit Department's charter that defines the activity's purpose and the other is the Audit Committee's charter which provides information about the Committee's governance responsibilities, goals and purpose. IEUA follows best practices and has adopted both Charters for the IAD and the Audit Committee.

### **Internal Audit Department Charter**

The IPPF Standards states that “the internal audit activity must be formally defined in an internal audit charter, consistent with the “Mission of Internal Audit and the mandatory elements of the Framework”. The IPPF Standards clarify this responsibility by stating:

*“The internal audit charter is a formal document that defines the internal audit activity’s purpose, authority and responsibility. The internal audit charter establishes the internal audit activity’s position within the organization, reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.”*

#### **BEST PRACTICES RECOMMENDATIONS FOR INTERNAL AUDIT CHARTER**

##### **Government Finance Officers Association**

*“The internal audit function should be established formally by charter, enabling resolution, or other appropriate legal means.”*

##### **American Institute of Certified Public Accountants**

The AICPA also recommends that one aspect of the audit committee’s oversight responsibilities for Internal Audit includes: *“Approve the internal audit department charter.”*

### **Audit Committee Charter**

#### **BEST PRACTICES RECOMMENDATIONS FOR AUDIT COMMITTEE CHARTER**

##### **Government Finance Officers Association**

*“The audit committee should be formally established by charter, enabling resolution or other appropriate legal means and . . . the written documentation establishing the audit committee should proscribe the scope of the committee’s responsibilities, as well as its structure, processes, and membership requirements. The audit committee should itself periodically review such documentation, no less than once every five years, to assess its continued adequacy.”*

##### **American Institute of Certified Public Accountants**

*“Specific responsibilities assigned to an audit committee are set forth in an audit committee charter . . . that is approved by the governing body. An audit committee charter should address the audit committee process, procedures, and responsibilities. Audit committee responsibilities can vary by government entity due to factors such as size of the entity, the type of entity, and the complexity of the government entity’s service or business model.”*

**American Institute of Certified Public Accountants**

*“The audit committee’s charter is its blueprint for operations. Highly customized to best meet the needs of an organization’s industry, mission, and culture, the charter should clearly delineate audit committee processes, procedures, and responsibilities that have been sanctioned by the entire board.”*

The document goes on to provide specific recommendations for what to include in an Audit Committee Charter and provides a sample document for reference.

The Internal Audit Department appreciates the opportunity to provide this comprehensive report on the Audit Function of IEUA.

# The Audit Function at Inland Empire Utilities Agency



# Background

- Formation of Internal Audit Department & Audit Committee
  - 2004
  - 2005
  - 2017
- Guidance over audit activities
  - GFOA: Government Finance Officers Association
  - IIA: Institute of Internal Auditors
  - AICPA: American Institute of Certified Public Accountants



# Survey Agencies

	<i>Inland Empire Utilities Agency (IEUA)</i>	<b>Metropolitan Water District of Southern California (MET)</b>	<b>Sanitation Districts of Los Angeles County (LACSD)</b>	<b>Los Angeles Department of Water and Power (LADWP)</b>	<b>Orange County Sanitation District (OCSD)</b>	<b>East Bay Municipal Utility District (EBMUD)</b>
<b>Department Size</b>	3	11	2 positions 1 currently filled	18	Contracted to outside auditor	3 Total positions (2 filled currently)
<b>Reporting Structure</b>	<i>Reports to the Board through the Audit Committee</i>	Reports to the Board of Directors and the Audit and Ethics Committee	Reports to Chief Accountant, who reports to Department Engineer, reporting to the General Manager	Reports to the Audit Committee	OCSD contracts with External Audit Firm for Internal Audit services	Reports to the Finance Director, who reports to the Finance Committee & Board.
<b>Audit Committee</b>	Yes, <i>Audit Committee</i>	Yes, Audit and Ethics Special Committee	Yes, Audit Committee of Internal Management	Yes, Audit Committee	Yes, Audit Committee	Yes, Finance & Administration committee
<b>Number and Frequency of Audit Committee Meetings</b>	<i>Quarterly</i>	Quarterly or more often	1 meeting per year	Written reports monthly and an annual committee meeting.	every other month	Annual & Semi-annual to the Board
<b>Types of Audits performed</b>	<i>Operational Audits which encompass: Compliance, Financial, etc, Follow-Ups, and Special Projects</i>	Operational, Compliance, Construction Contracts, Consulting Agreements, and special Turf Rebates	Operational	Mandatory audits of joint projects (primarily power transmission), operational audits, IT audits, management requests, billings, write-offs, review concerning lawsuits.	Based on a risk assessment, request "agreed upon procedures." Areas reviewed include fictitious vendors, contracts, separation of duties, etc.	Operational, Compliance, Financial, Vendor leases, Water consumption review, rebate program, lab audit, agreements, etc.
<b>Fraud Hotline</b>	Yes, <i>Third-party EthicsPoint Monitored by Legal Counsel.</i>	Yes, monitored by Ethics Department	Yes, monitored by Internal Auditor	Yes, monitored by the elected office of the Controller managed by the City's audit section.	None	None

# Survey Cities

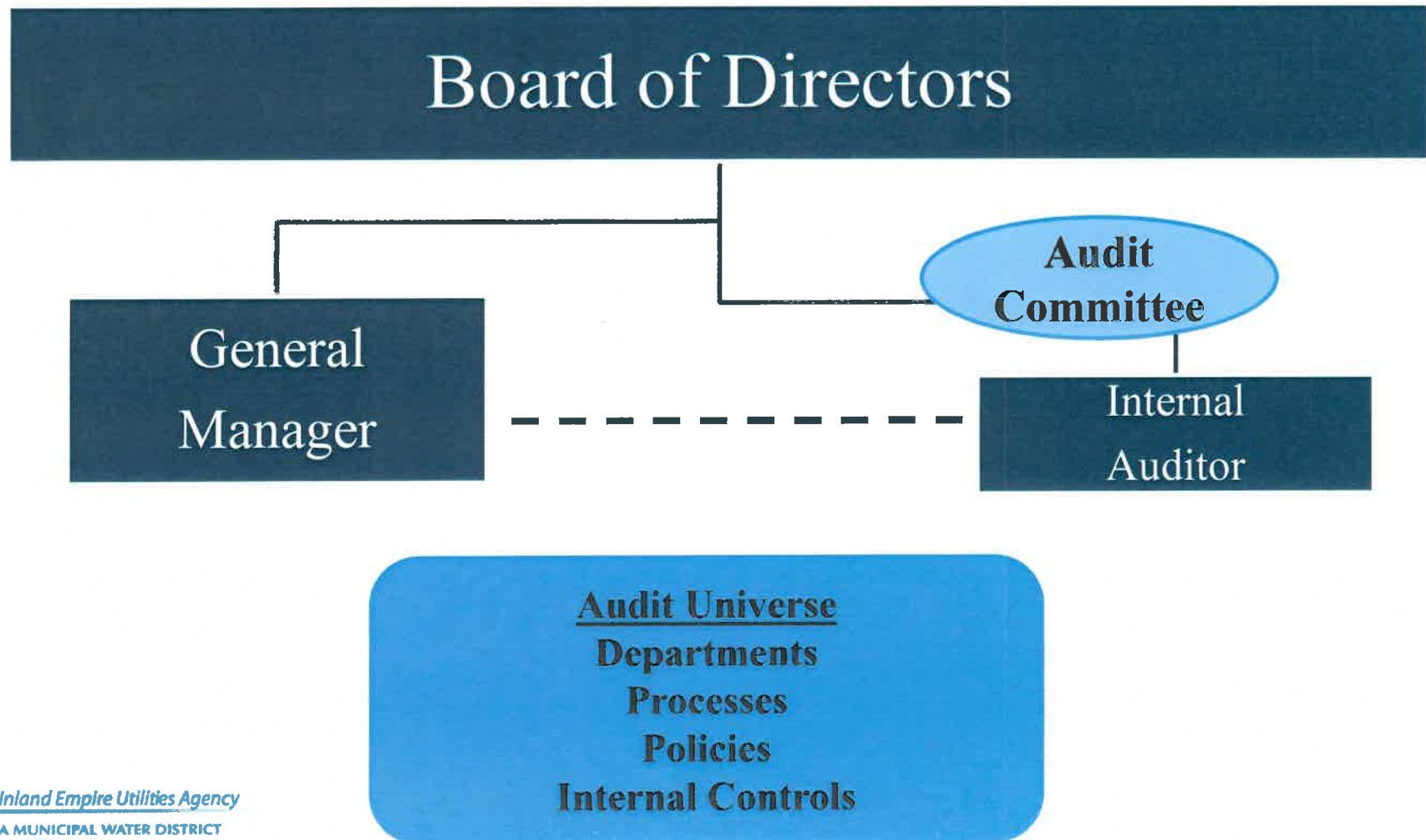
	City of Anaheim	City of Long Beach	City of Ontario	City of Pasadena	City of San Diego	City of Thousand Oaks
<b>Department Size</b>	6	13 auditors Total staff 22	1	2	22	1
<b>Reporting Structure</b>	Internal Audit Division reports to the City Manager's Office	The City Auditor is elected as outlined in City Charter	Internal Auditor reports to the Administrative Officer, who reports to the Management Services Director who reports to the Administrative Services/Finance Director, who reports to the City Manager.	Internal Audit reports to the City Manager	City Auditor reports to the City Council's Audit Committee; City Auditor appointed by City Council for a 10-year term.	Internal Auditor reports to the Finance Director, who reports to the City Manager.
<b>Audit Committee</b>	Yes	No	No	Reports to Finance Committee	Yes. Consisting of 2 City Council members and 2 independent members	Yes, Consists of 2 City Council members
<b>Number and Frequency of Audit Committee Meetings</b>	2 times per year	As needed meetings with the Mayor. Monthly meetings with the City Manager	N/A	Four times per year	Approximately 10 meetings a year	Meets Audit Committee 2 times per year.
<b>Types of Audits performed</b>	Contract Compliance, Operational, Performance, Transient Occupancy Tax, and Public Utilities	Performance audits, investigations and follow ups	Financial, operational, & occasional fraud investigations. Compliance audits for other agencies per grant requirements	Internal Audit performs all types of audits, except for the financial audit	Performance and IT audits	Operational, Compliance, Performance, Financial, Investigations, Follow-ups
<b>Fraud Hotline</b>	No, In the process of establishing a hotline	Yes, Hire an outside agency to take the reports	Yes, monitored by an independent organization.	Yes, Monitored by Internal Audit	Yes, Monitored by Internal Audit	Yes, Monitored by Internal Auditor, third party vendor takes information



# Survey Counties

	County of Los Angeles	County of Orange	County of Riverside	County of San Bernardino	County of San Diego
<b>Department Size</b>	130 Total (50 Audit, 50 Contract Monitoring, and 30 Office of County Investigations)	22 positions	8 (1 Chief, 1 Audit Manager, and 6 Senior Internal Auditors)	14	15 (1 Chief, 2 Managers, 1 Assistant, and 11 auditors)
<b>Reporting Structure</b>	Auditor-Controller	Auditor-Controller & Audit Oversight Committee	Auditor-Controller	Auditor-Controller/ Treasurer/Tax Collector. Auditor-Controller is an elected position	Auditor-Controller & Audit Committee
<b>Audit Committee</b>	Yes	Yes	No	Yes	Yes
<b>Number and Frequency of Audit Committee Meetings</b>	Monthly and Special Audit committee meetings as required	Quarterly	N/A	Quarterly	Quarterly
<b>Types of Audits performed</b>	Department Audits, Management audits, Internal Controls, Special Projects & Investigations	Financial, Compliance, IT, Financial Fraud Investigations, Internal Control and Follow-ups	Operational, Compliance, Financial, Investigations	Operational and compliance	Operational, Compliance, Performance, IT, Investigations and Advisory Services
<b>Fraud Hotline</b>	Yes, Fraud Hotline administered by the Office of County Investigations under Auditor-Controller	Yes, County Counsel monitors the hotline, Financial fraud allegations are referred to the Internal Audit Division.	Yes, Internal Audit Division of the Auditor-Controller's Office monitors the hotline. County uses a third-party.	Yes, Internal Audits administers the Auditor-Controller's Fraud, Waste, and Abuse hotline. Utilizes 3rd party. Report to IA which follows up with related departments.	Yes, IA administers the Fraud hotline. Utilizes 3rd party. IA coordinates with other departments and the Ethics & Compliance Office.

# The Audit Function & The Reporting Line for the Internal Auditor





# The Audit Function & Audit Committee Resources



# Auditor Contracts & Fees

YEAR	2013	2014	2015	2016
External Advisor	\$6,190	\$6,190	\$6,190	\$6,190
External Audit	\$37,705	\$38,551	\$39,418	\$41,170
<b>TOTAL</b>	<b>\$43,895</b>	<b>\$44,741</b>	<b>\$45,608</b>	<b>\$47,360</b>

# Charter Requirements



# The Role of the Internal Audit Department

- Serve as the “Eyes and ears” of the Board
- Objective and independent evaluations and reviews
- Assist the Agency in achieving its goals
- Assess internal controls
- Provide assurance on processes and procedures
- Promote strong ethical culture
- On-going monitoring and compliance
- Assist in safeguarding assets
- Raise any potential red flags
- Make recommendations to improve operations
- Communicate results & provide Audit Reports



# Types of Audits Performed by Internal Audit



# Annual Audit Plan

## FY 2016/17 Annual Audit Plan

- **Master Services Contracts Audits**
  - Evaluate the pre-qualification process, contract administration, issuance of work/task orders
  - Evaluate whether contracts are utilized and monitored as intended
  - Evaluate compliance with policies and procedures
- **Information Technology Equipment Follow-Up Review**
  - Evaluate IT equipment accountability, recording and capitalization
- **Water Conservation Programs Audit**
  - Evaluate internal controls with Contract Compliance and Administration,
  - Evaluate financial transactions to ensure they comply with agreements in place.
- **Wire Transfers and Electronic Disbursements**
  - Evaluate if adequate segregation of duties exists
  - Verify that payees are authorized
  - Evaluate internal controls

# Annual Audit Plan

- Long Range Audit Planning – Additional Audit Areas
  - Payroll & Time System
  - Accounts Payable – Review of Credit Cards & P-cards
  - Construction Contracts – award through final payment
  - Recycled Water Program
  - Accounts Payable - Duplicate Payments/Late Payments
  - Inter-Fund Transfers and Reserve Requirements
  - Capital Projects
  - Asset Management
  - Operations

# Internal Audit Department Responsibilities

- Operational Audits
- Make recommendations to improve operations
- Follow-ups Reviews
- Agency Policy reviews
- Special Requests
- Quality Control Review of CAFR, Disclosures and GFOA recommendations
- Ethics Point
- Annual Audit Plan
- RFP for External Financial Audit Services
- Charters & Standard Operating Procedures
- Continuous Professional Development
- IAD Website on AIM

# Audit Committee Meetings

- Audit Reports
  - Scope
  - Observations & Recommendations
  - Auditee Response & Discussion
  - Direction to Proceed
- Required and/or Routine Audit Items
- Administrative Items



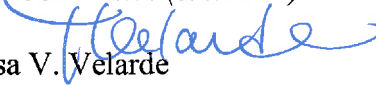


## Provide direction for Audit Responsibilities and future Audit Committee Meetings

*This workshop is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing the functions, roles and responsibilities of the Internal Audit Department and providing an overview of the components which make up the Audit Function.*

**INFORMATION  
ITEM**

**40**

Date: March 15, 2017  
To: The Honorable Board of Directors  
Through: Audit Committee (3/6/2017)  
From:   
Teresa V. Velarde  
Manager of Internal Audit  
Subject: Internal Audit Department Status Report for March 2017

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### **RECOMMENDATION**

This is an information item for the Board of Directors.

### **BACKGROUND**

The Audit Committee Charter requires that a written status report be prepared and submitted each quarter. The Internal Audit Department Status Report includes a summary of significant internal and external audit activities for the reporting period. Attached is the Status Report for March 2017.

The Status Report is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment and Business Practices by describing IA's progress in providing independent evaluations of Agency financial and operational activities and making recommendations for improvements.

### **PRIOR BOARD ACTION**

On June 15, 2016, the Board of Directors approved the Annual Audit Plan for Fiscal Year 2016/17.

On December 16, 2015, the Board of Directors reconfirmed the amended Audit Committee and Internal Audit Charters.

### **IMPACT ON BUDGET**

None





## Internal Audit Department Status Report for March 2017

**Project:** Filing of the Annual Financial Statements and Single Audit Report

**Scope:** Submit the required audited financial reports to the requesting reporting authorities

**Status:** **IN PROGRESS – Required Filing of Financial & Single Audit  
COMPLETE – both Audits are complete**

Completing the required filing with the State Controller's Office, the San Bernardino Auditor-Controller and the State Water Resources Control Board is mandatory and IEUA must complete filing by March 31st, 2017. Internal Audit Department takes the lead to file the Financial and Single Audit with the required agencies. Final Board of Director approval and authorization is necessary to complete the filing. Both Audit reports have now been completed and provided to us by the External Auditor. As discussed during the December Audit Committee and Board Meetings, the Single Audit was being delayed pending the state's determination of grant funds as either state or federal funding. The State has provided final totals, therefore, LSL was able to finalize the Single Audit on February 24th. Upon approval, Internal Audit will file the required reports by the legal deadline. The Single Audit Report is being presented as an Action item separately through this Agenda. This item has been discussed in detail and at length by Deborah Harper, CPA of LSL during the December meetings.

**Project:** Regional Contract Review – Follow up: Communication, Collections & Centralization

**Scope:**

To continue to report the results of the Regional Contract review and pursue region-wide agreement and settlement of findings in conjunction with the renegotiation of the Regional Contract.

**Status:** **COMPLETE – Final Report and all prior reports  
ON-GOING – Agreement & Settlement of Findings/Recommendations**

Internal Audit was asked to participate in a meeting with representatives from the City of Upland to discuss billing issues discovered by the City of Upland in their bi-monthly volumetric sewerage billing system. Upland representatives asked to postpone the meeting because City representatives needed additional time to investigate.

Internal Audit continues to be involved in discussions with outside counsel and representatives from Planning and Environmental Resources and from Finance and Accounting to discuss findings from the Regional Contract Review and potential collection strategies and related issues.

**Reports related to the Regional Contract Review include:**

Final Report-Regional Contract Review	Complete	December 2015
City of Ontario	Complete	September 2015
Cucamonga Valley Water District	Complete	March 2015
City of Chino	Complete	December 2014
City of Fontana	Complete	December 2014
City of Montclair	Complete	September 2014
City of Upland	Complete	September 2014
Review of the Ten-year Forecast	Complete	June 2014
Comparable Agency Survey Report	Complete	June 2014
Survey of Comparative Information	Complete	September 2014

Internal Audit stands ready to be of assistance to any Agency department as the Agency pursues renewal, renegotiation and/or other approaches towards the extension/continuance of the Regional Contract and/or with implementation of the recommendations and/or resolution of the unpaid fees identified.

## Internal Audit Department Status Report for March 2017

### On-going Projects

#### **Project: Water Conservation Programs Audit**

**Scope:** To evaluate water conservation programs of the Agency, to evaluate whether IEUA effectively uses its resources for the execution of the programs, additionally to evaluate internal controls over programs as required by executed contracts, State laws, Agency policies and grant requirements and determine opportunities to improve the administration of the programs.

**Status:** **IN PROGRESS**

IA has begun reviewing the processes in place and the supporting documentation for the activities involving Water Conservation Programs. A key measure included in the Governor's Drought declaration directed the California Department of Water Resources to accelerate funding for projects that enhance water supplies. Such funding is mostly in the form of grants; some received by IEUA. IEUA is the intermediary between State/Federal and Metropolitan Water District programs and member agencies. In partnership with other water agencies, IEUA has been at the forefront of various conservation projects working with member agencies to increase awareness about the drought and the need for conservation. Projects administered by IEUA must be carried out in accordance with the requirements of the grants, etc. This evaluation is reviewing internal controls with contract administration/execution and appropriate distribution of funding.

Proposed Completion: Planned complete turf-removal program review by June 2016

#### **Project: Management Requests**

**Scope:**

Assist Agency Management with requests for analysis, evaluations and verification of information, assist with the interpretation of policies and procedures, and/or provide review and feedback on new policies or procedures. These services are provided according to the IA Charter, the Annual Audit Plan, and best practices.

The management request projects are short-term projects, typically lasting no more than 60 – 75 hours each where IAD determines it has the necessary staff, skills and resources to provide assistance without having to delay/defer scheduled audits and priority projects. The scope of each review is agreed upon between the department manager requesting the evaluation/review/analysis/assistance and the Manager of IA and when deemed appropriate by Executive Management.

During this quarter, IA was working on the following "Management Requests":

- Continue to be involved with possible collection of the identified uncollected Connection Fees.
- Make recommendations about Maintenance, Construction Management and Contracts and Procurement Departments' concern/issue about a purchase requisition in excess of contract limits
- Participate in IT Security Committee
- Participate in the Safety Committee

## Internal Audit Department Status Report for March 2017

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Status: On-Going

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### ***Internal Audit Department***

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#### **Internal Audit Department Staffing:**

The Internal Audit Department is staffed as follows:

- 1 Full-time Manager of Internal Audit
- 2 Full-time Senior Internal Auditors

#### **Internal Audit Staff Professional Development Activities:**

As required by the *International Standards for the Professional Practice of Internal Auditing*, auditors should continue to enhance their knowledge, skills, and other competencies through continuing professional development.

The Internal Audit Manager is a member of the governing board of the Inland Empire Chapter of the Institute of Internal Auditors. The governing board sets direction for the chapter and provides guidance on seminar topics and activities sponsored by the association.

During the past quarter, IA staff has continued to stay abreast of industry developments through review of industry periodicals and participation in on-line webinars. In February 2017, one Senior Internal Auditor attended an all-day seminar on Fraud sponsored by the Inland Empire Chapter of the Institute of Internal Auditors.

Additionally, the Manager of IA was requested as a guest lecturer for a 1-hour presentation on Leadership at an IIA seminar in San Bernardino and a 3-hour session on practical experiences in Internal Auditing to a Masters of Accountancy class at Cal Poly Pomona, evening class.

All three IA members are preparing for the third exam of the 3-part Certified Internal Auditor (CIA) certification examination. The CIA is the only globally-recognized certification for internal audit professionals and is the highest certification that can be attained by an internal auditor. One Senior Auditor is a Certified Public Accountant (CPA). One Senior Auditor is a Certified Government Audit Professional (CGAP).

#### **Future Audit Committee Meetings:**

- Monday, June 12, 2017 – Regularly Scheduled Audit Committee Meeting
- Monday, September 11, 2017 – Regularly Scheduled Audit Committee Meeting
- Monday, December 11, 2017 – Regularly Scheduled Audit Committee Meeting

INFORMATION  
ITEM

**4P**

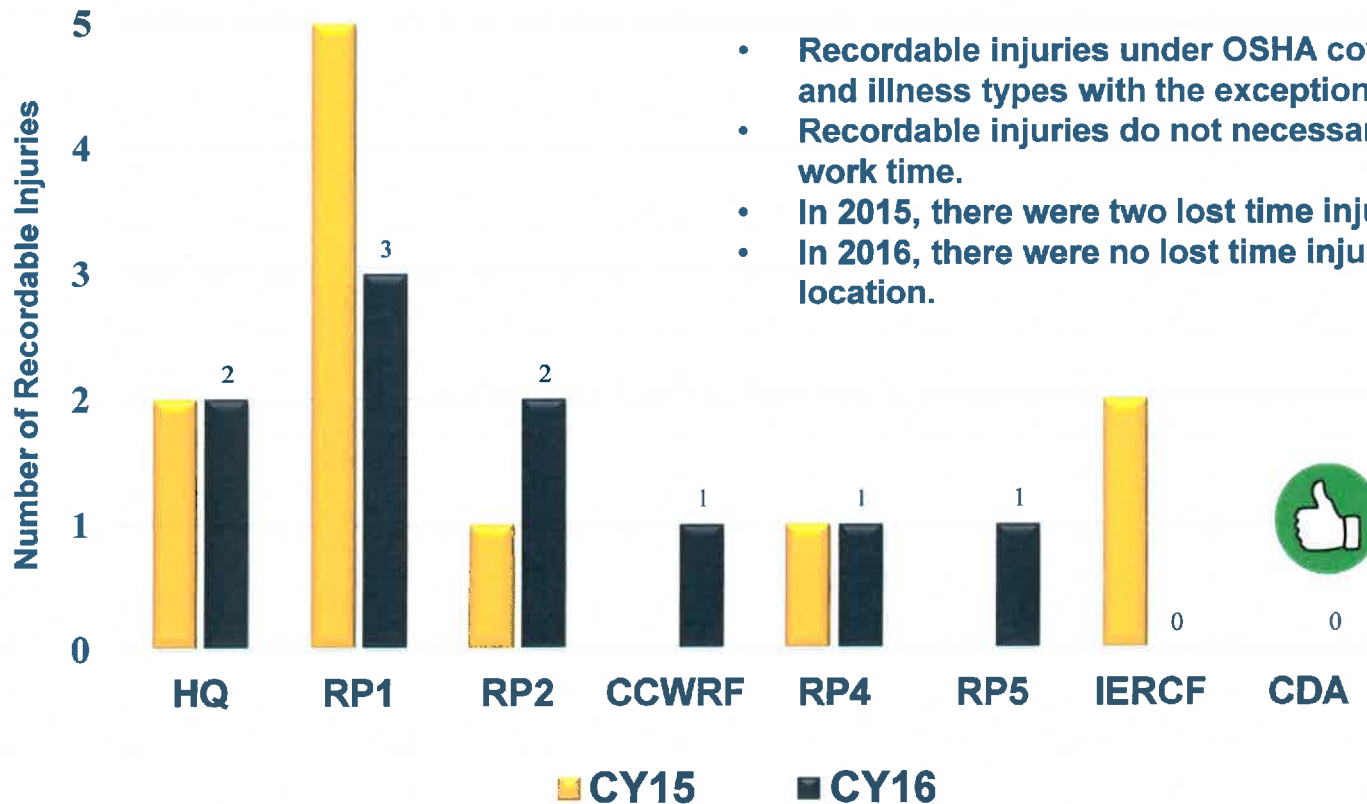
# Operations Division Update



Randy Lee, Executive Manager of Operations/AGM  
Board Meeting 3/15/17

# Safety

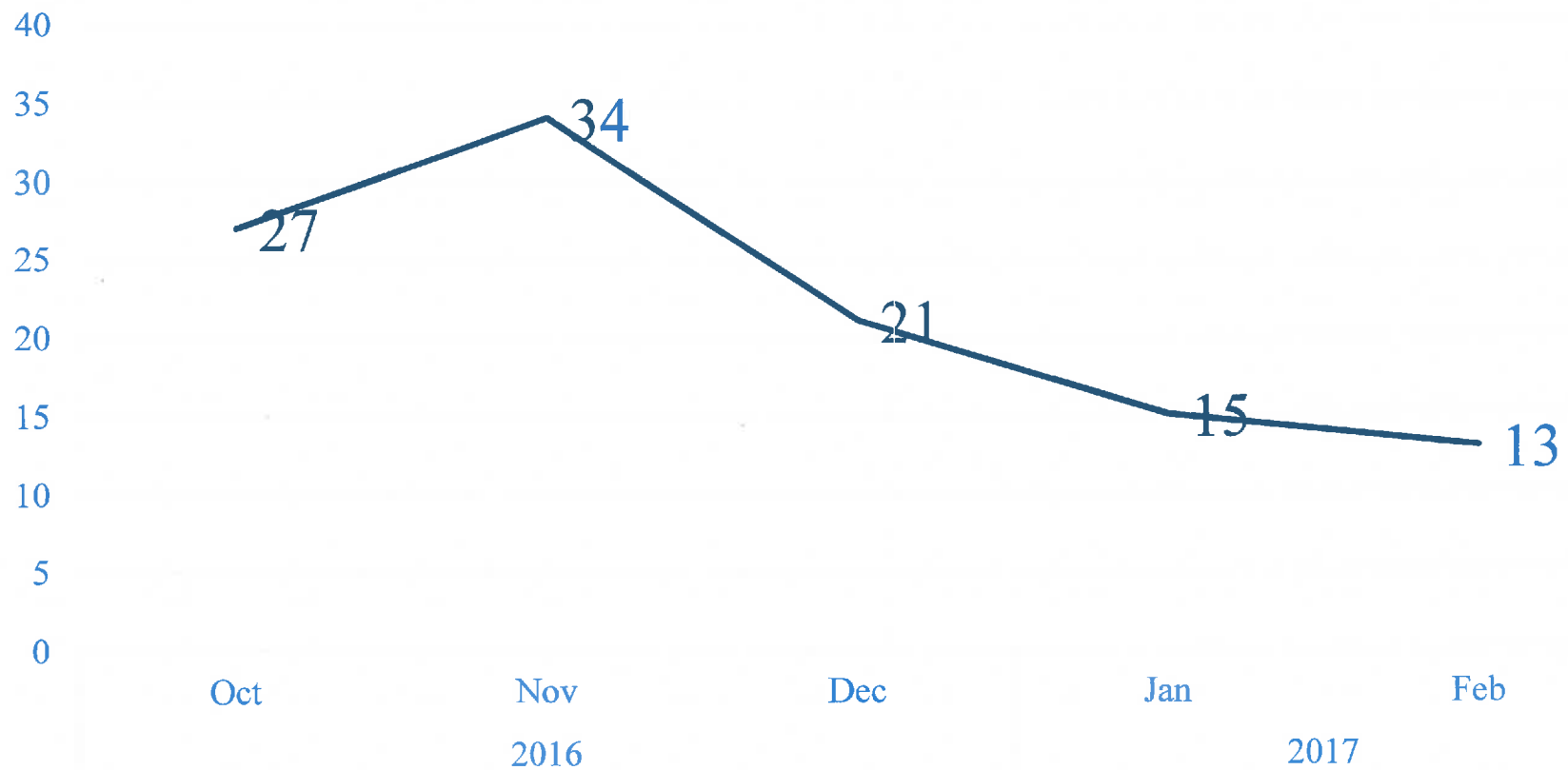
## Injuries by Location



- Recordable injuries under OSHA cover all injury and illness types with the exception of first aid.
- Recordable injuries do not necessarily result in lost work time.
- In 2015, there were two lost time injuries at RP-1.
- In 2016, there were no lost time injuries at any location.

# Phishing Campaign

Number of Clicked Links





# Maintenance Skills Training

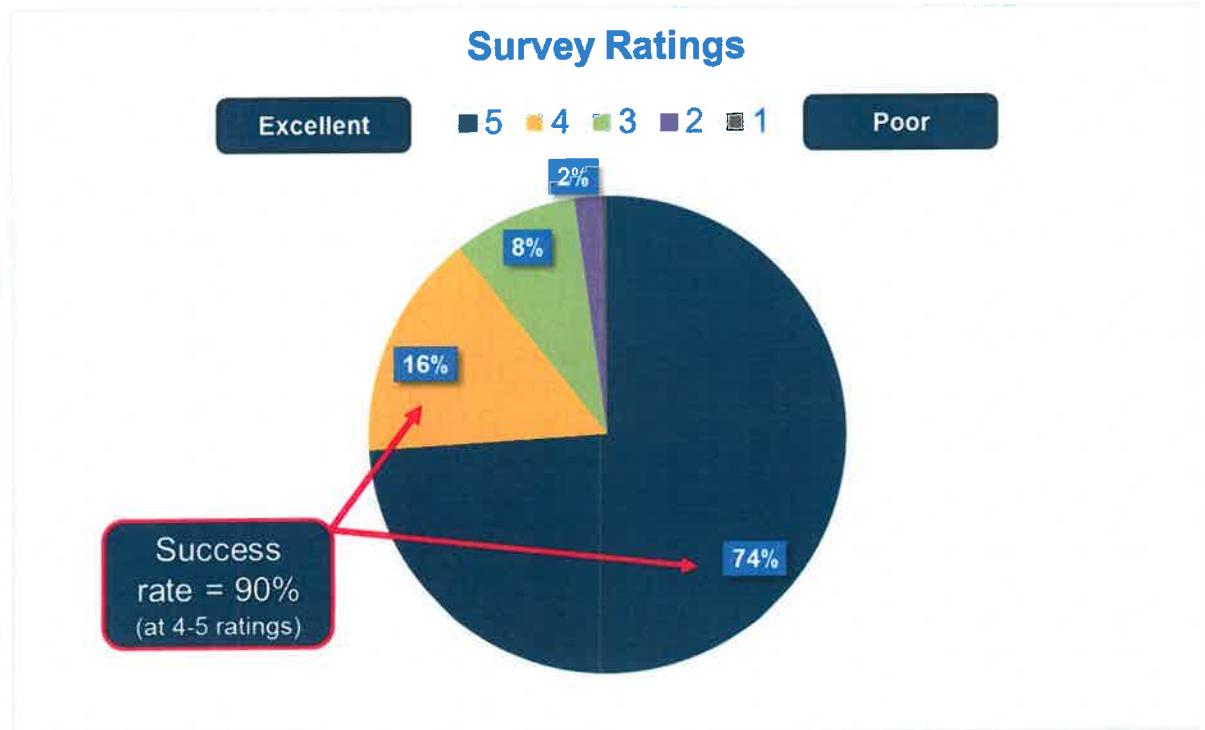
## Training Courses

- **Electrical & Instrumentation**

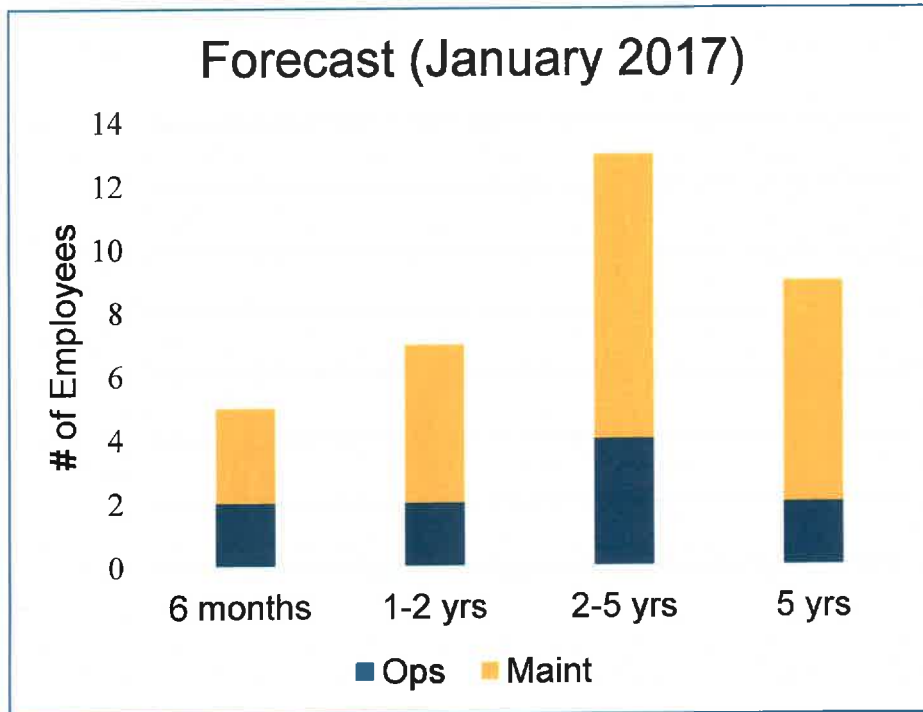
- Transformers
- Electrical Troubleshooting
- Analytical Measurement
- Basic Digital Circuits

- **Mechanical**

- Bearings and Lubrication
- Hydraulics & Pneumatics
- Pumps and Pump Repair
- Fans, Blowers, & Compressors



# Operations & Maintenance Retirement Forecast



## Our Succession Plan Includes:

- Intern/Volunteer Program in Ops
- Consider pre-hire before retirement occurs
- University, College, and Trade School relationships in development

## Operator Staff Needs

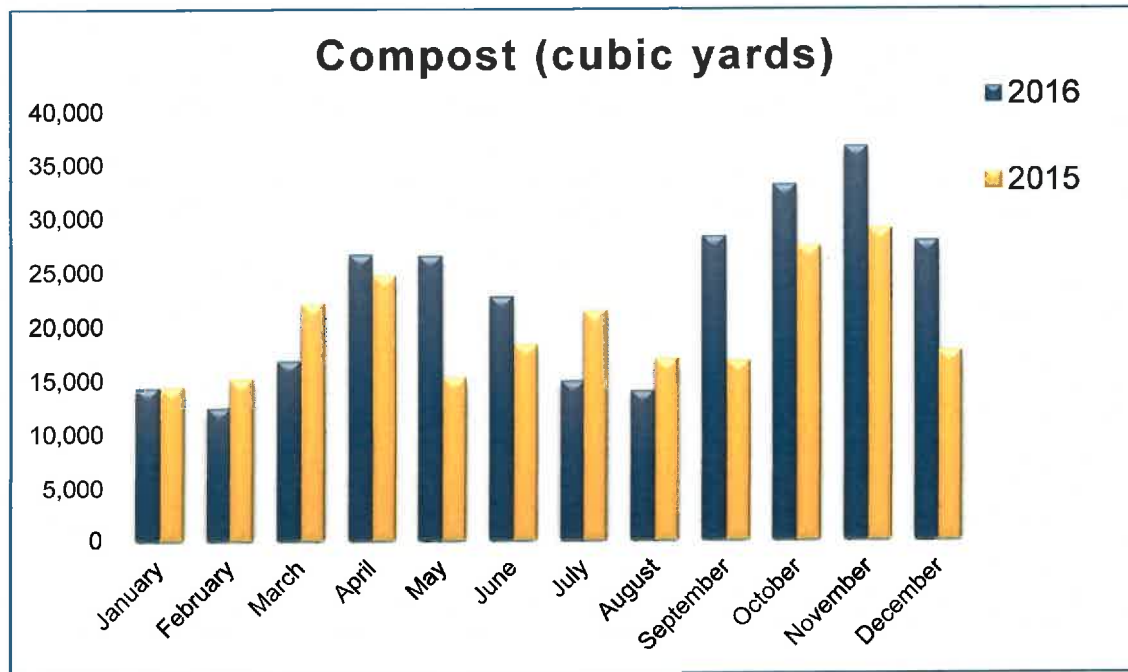
- Grade III Cert to work Call-Out Duty
- Depending on experience and qualifications it can take 1.5 to 5.5 years to get to a Grade III

## Maintenance Staff Needs

- 12 months minimum to reach Level II

# Inland Empire Regional Compost Facility Update

- 20% increase in sales vs. 2015 due to agricultural demand
- Sold all inventory leading into winter



**Air Duct Failure:**  
Contractor secured and sealed the duct wall

# Condition Based Monitoring

## Success Stories: Infrared Thermography

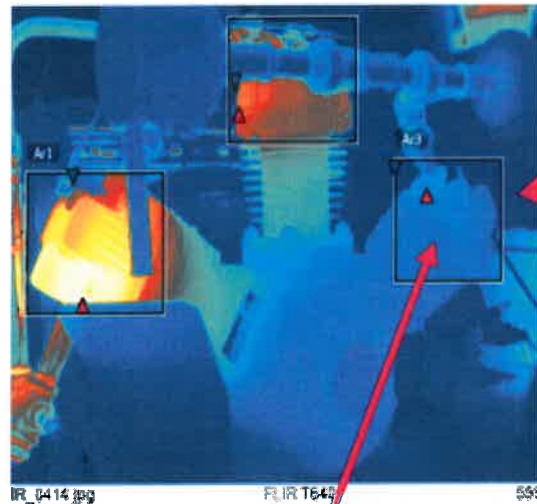
### Equipment

- RP-1 Control Air Compressor
- Provides control air supply for the aeration basin's activated sludge process



### Failure Analysis

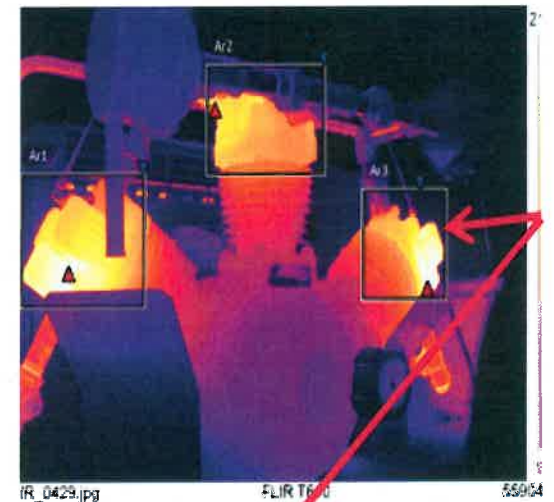
- Infrared thermography showed one of the cylinder head is not loading.
- Analysis found that one of the cylinder valve was stuck in open position.



Failed cylinder shows a relatively cooler temperature.

### Failure Avoidance

- Replaced broken cylinder valve.
- Prevented frequent cycling of the air compressor.
- Savings: \$16,000 (cost of replacement air compressor + energy savings)



Properly working cylinder shows hotter temperature.



**AGENCY  
REPRESENTATIVES'  
REPORTS**

**5A**



# S A W P A

SANTA ANA WATERSHED PROJECT AUTHORITY

11615 Sterling Avenue, Riverside, California 92503 • (951) 354-4220

## REGULAR COMMISSION MEETING TUESDAY, MARCH 7, 2017 – 9:30 A.M.

### AGENDA

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE** (Susan Lien Longville, Chair)
2. **ROLL CALL**
3. **PUBLIC COMMENTS**  
Members of the public may address the Commission on items within the jurisdiction of the Commission; however, no action may be taken on an item not appearing on the agenda unless the action is otherwise authorized by Government Code §54954.2(b).
4. **SPECIAL COMMENDATION**
  - Karen Williams – Awarded the designation of Certified Government Financial Manager by the Association of Government Accountants.
5. **CONSENT CALENDAR**  
All matters listed on the Consent Calendar are considered routine and non-controversial and will be acted upon by the Commission by one motion as listed below.
  - A. **APPROVAL OF MEETING MINUTES: FEBRUARY 21, 2017**  
**Recommendation:** Approve as posted.
6. **WORKSHOP DISCUSSION AGENDA**
  - A. **FYE 2018 AND 2019 BRINE LINE AND GENERAL FUND DRAFT BUDGETS (CM#2017.28)**  
**Presenter:** Karen Williams  
**Recommendation:** Review and discuss the draft FYE 2018 and 2019 Brine Line and General Fund Budgets.
  - B. **OWOW 2018 PLAN DEVELOPMENT STATUS (CM#2017.32)**  
**Presenter:** Mark Norton  
**Recommendation:** Receive and file.
  - C. **PROP 84 PROJECTS STATUS UPDATE – ALL ROUNDS**  
**Presenter:** Nicole D. Weideman  
**Recommendation:** Receive and file.

7. **NEW BUSINESS**

A. **COMMISSIONER COMPENSATION (CM#2017.29)**

**Presenter:** Larry McKenney

**Recommendation:** Conduct a public hearing and then adopt a proposed updated ordinance authorizing the increase in the amount of compensation paid to Commissioners, to supersede Ordinance 1997-2; a proposed new policy on Commissioner Compensation; and a proposed amendment to the 1975 Joint Powers Agreement regarding Commissioner compensation.

B. **EXPANSION OF THE WATER-ENERGY COMMUNITY ACTION NETWORK PROGRAM (WECAN) PARTNERSHIP WITH WEST VALLEY WATER DISTRICT (CM#2017.30)**

**Presenter:** Mike Antos

**Recommendation:** (1) Authorize the General Manager to sign the First Amendment to Memorandum of Understanding with West Valley Water District to expand the Water-Energy Community Action Network Program (WECAN); (2) Approve Task Order No. ECOT397-02 with EcoTech Services Inc. for an amount not to exceed \$612,000 to provide expanded turf replacement landscaping services; and, (3) Approve Task Order No. GMC397-02 with Waterwise Consulting (dba Green Media Creations) for an amount not to exceed \$80,000 to provide expanded outreach services.

C. **OUTSTANDING MEMBER AGENCY CONTRIBUTIONS (CM#2017.31)**

**Presenter:** Karen Williams

**Recommendation:** Consider either to write off the outstanding member agency contributions for Orange County Water District for Fiscal Years 2013-14 and 2014-15 in the amount of \$23,000 each year (\$46,000 total) or ask Orange County Water District to pay the outstanding invoices plus ten percent (10%) interest per annum as per the JPA Agreement.

D. **INLAND EMPIRE BRINE LINE REACH 4 EROSION PROTECTION – NOTICE OF EXEMPTION (CM#2017.36)**

**Presenter:** Carlos Quintero

**Recommendation:** Direct the General Manager to file a CEQA Notice of Exemption with the Riverside County Clerk's Office for the Brine Line Protection project as a result of recent storm caused erosion.

8. **INFORMATIONAL REPORTS**

**Recommendation:** Receive and file the following oral/written reports/updates.

A. **UPDATE ON PROJECT AGREEMENT 22 COMMITTEE (CM#2017.33)**

**Presenter:** Mark Norton

B. **DISPOSAL OF SAWPA SURPLUS PROPERTY (CM#2017.34)**

**Presenter:** Celeste Cantú

C. **INLAND EMPIRE BRINE LINE REACH 5 REHABILITATION PROJECT FUNDING INCREASE (CM#2017.35)**

**Presenter:** Celeste Cantú

D. **CHAIR'S COMMENTS/REPORT**

E. **COMMISSIONERS' COMMENTS**

F. **COMMISSIONERS' REQUEST FOR FUTURE AGENDA ITEMS**

**9. CLOSED SESSION**

**A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(1)**

Name of Case: Spiniello Companies v. Charles King Company, Inc., Santa Ana Watershed Project Authority, The Ohio Casualty Insurance Company (Superior Court of Los Angeles BC616589)

**10. ADJOURNMENT**

**PLEASE NOTE:**

Americans with Disabilities Act: Meeting rooms are wheelchair accessible. If you require any special disability related accommodations to participate in this meeting, please contact (951) 354-4220 or [kberry@sawpa.org](mailto:kberry@sawpa.org). 48-hour notification prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility for this meeting. Requests should specify the nature of the disability and the type of accommodation requested.

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda packet are available for public inspection during normal business hours at the SAWPA office, 11615 Sterling Avenue, Riverside, and available at [www.sawpa.org](http://www.sawpa.org), subject to staff's ability to post documents prior to the meeting.

**Declaration of Posting**

I, Kelly Berry, Clerk of the Board of the Santa Ana Watershed Project Authority declare that on Thursday, March 2, 2017, a copy of this agenda has been uploaded to the SAWPA website at [www.sawpa.org](http://www.sawpa.org) and posted in SAWPA's office at 11615 Sterling Avenue, Riverside, California.

/s/

\_\_\_\_\_  
 Kelly Berry, CMC

**2017 SAWPA Commission Meetings | Events**

First and Third Tuesday of the Month; unless otherwise noticed,  
 all Commission Workshops/Meetings begin at 9:30 a.m. and are held at SAWPA.)

<b>January</b> 1/3/17 Commission Workshop 1/10/17 Special Commission Meeting 1/17/17 Regular Commission Meeting	<b>February</b> 2/7/17 Commission Workshop 2/21/17 Regular Commission Meeting
<b>March</b> 3/7/17 Commission Workshop 3/21/17 Regular Commission Meeting	<b>April</b> 4/4/17 Commission Workshop 4/18/17 Regular Commission Meeting
<b>May</b> 5/2/17 Commission Workshop 5/9 – 5/12 ACWA Spring Conference, Monterey 5/16/17 Regular Commission Meeting 5/25/17 OWOW Conference [Ontario Convention Cntr]	<b>June</b> 6/6/17 Commission Workshop 6/20/17 Regular Commission Meeting
<b>July</b> 7/4/17 No Meeting (Independence Day) 7/18/17 Regular Commission Meeting	<b>August</b> 8/1/17 Commission Workshop 8/15/17 Regular Commission Meeting
<b>September</b> 9/5/17 Commission Workshop 9/19/17 Regular Commission Meeting	<b>October</b> 10/3/17 Commission Workshop 10/17/17 Regular Commission Meeting
<b>November</b> 11/7/17 Commission Workshop 11/21/17 Regular Commission Meeting 11/28 – 12/1 ACWA Fall Conference, Anaheim	<b>December</b> 12/5/17 Commission Workshop 12/19/17 Regular Commission Meeting



**AGENCY  
REPRESENTATIVES'  
REPORTS**

**5B**



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

# MWD MEETING AGENDA

**Board Meeting**  
Meeting with Board of Directors

**March 14, 2017**

**12:00 p.m. -- Board Room**

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MWD Headquarters Building

700 N. Alameda Street

Los Angeles, CA 90012

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**1. Call to Order**

(a) Invocation: Diane Doesserich, Environmental Specialist  
Business Technology Group

(b) Pledge of Allegiance: Director Camacho

**2. Roll Call**

**3. Determination of a Quorum**

**4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code § 54954.3(a))**

**5. OTHER MATTERS**

A. Approval of the Minutes of the Meeting for February 14, 2017. (A copy has been mailed to each Director) Any additions, corrections, or omissions

B. Report on Directors' events attended at Metropolitan expense for month of February

C. Induction of new Director William Gedney, from Central Basin Municipal Water District

(a) Receive credentials

(b) Report on credentials by General Counsel

(c) File credentials

(d) Administer Oath of Office

(e) File Oath

D. Induction of Director Leticia Vasquez, from Central Basin Municipal Water District

(a) Receive credentials

(b) Report on credentials by General Counsel

(c) File credentials

(d) Administer Oath of Office

(e) File Oath

E. Reappointment of Director Mark Gold from City of Los Angeles

- (a) Receive credentials
- (b) Report on credentials by General Counsel
- (c) File credentials
- (d) Administer Oath of Office
- (e) File Oath

- F. Presentation of Commendatory Resolution to past Director Michael Touhey, representing Upper San Gabriel Valley Municipal Water District
- G. Presentation of 15-year service pin to Director David De Jesus
- H. Approve committee assignments
- I. Chairman's Monthly Activity Report

**6. DEPARTMENT HEADS' REPORTS**

- A. General Manager's summary of Metropolitan's activities for the month of February  
6A Report
- B. General Counsel's summary of Legal Department activities for the month of February
- C. General Auditor's summary of activities for the month of February  
6C Report
- D. Ethics Officer's summary of activities for the month of February  
6D Report

**7. CONSENT CALENDAR ITEMS — ACTION**

- 7-1 Adopt CEQA determination and appropriate \$1.65 million; and authorize three rehabilitation projects at Lake Mathews (Appropriation Nos. 15441 and 15480). (E&O)  
7-1 Board Letter and Attachments
- 7-2 Adopt CEQA determination and appropriate \$1.92 million; and award \$1,488,913 procurement contract to Xylem Water Solutions USA, Inc. for pumps at the Greg Avenue Pump Station (Appropriation No. 15488). (E&O)  
7-2 Board Letter and Attachments

(END OF CONSENT CALENDAR)

**8. OTHER BOARD ITEMS — ACTION**

- 8-1 Adopt CEQA determination and appropriate \$4.57 million; authorize preliminary investigations for a system-wide upgrade of Metropolitan's control system; and award \$2,305,000 contract to Systems Integrated, LLC for computer equipment and support services (Appropriation No. 15467). (E&O)  
8-1 Board Letter and Attachment
- 8-2 Adopt CEQA determination and appropriate \$7.4 million; award \$5,285,000 contract to RockForce Construction, LLC for erosion protection of the Whitewater Siphons on the Colorado River Aqueduct; and authorize increase of \$150,000 to an agreement with Helix Environmental Planning, Inc., for a new not-to-exceed total of \$303,000 (Appropriation No. 15341). (E&O)  
8-2 Board Letter and Attachments
- 8-3 Adopt CEQA determination and authorize a five-year agreement with Electric & Gas Industries Association to administer Metropolitan's consumer incentive programs. (WP&S) (To be mailed separately)
- 8-4 Adopt CEQA determination and authorize an increase of maximum amount payable under the contract with Richardson & Company LLP for auditing services related to State Water Project charges and related claims from \$3,900,000 to an amount not to exceed \$7,000,000 and extend the term by three years to March 31, 2020. (WP&S)

8-4 Board Letter

- 8-5 Adopt CEQA determination and receive report on In re Holy Hill Community Church, U.S. Bankruptcy Court Case No. 2:15-ap-01467-WB (Bankr. C.D. Cal. 2015), and authorize settlement. (L&C) [To be mailed separately] [Conference with legal counsel - discussion concerning existing and potential litigation; may be heard in closed session pursuant to Gov. Code Sections 54956.9(d)(1) and (d)(2)]
- 8-6 Express support for AB 574 (Quirk, D-Hayward) - Potable Reuse. (C&L) [To be mailed separately]
- 8-7 Express support for SB 231 (Hertzberg, D-Van Nuys) - Local Government: Fees and Charges. (C&L) [To be mailed separately]

**9. BOARD INFORMATION ITEMS**

None

**10. FUTURE AGENDA ITEMS**

**11. ADJOURNMENT**

**NOTE:** At the discretion of the committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the committee.

This committee reviews items and makes a recommendation for final action to the full Board of Directors. Final action will be taken by the Board of Directors. Agendas for the meeting of the Board of Directors may be obtained from the Board Executive Secretary. This committee will not take any final action that is binding on the Board, even when a quorum of the Board is present.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**5C**



## Regional Sewerage Program Policy Committee Meeting

Thursday, March 2, 2017  
4:30 p.m.

### Location

Inland Empire Utilities Agency  
Event Room – Building B  
6075 Kimball Avenue  
Chino, CA 91710

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### **Call to Order and Roll Call**

### **Pledge of Allegiance**

### **Public Comment**

### **Additions to the Agenda**

- 1. Technical Committee Report (Oral)**
- 2. Action Item**
  - A. Approval of the November 3 and December 6, 2016 Meeting Minutes
- 3. Informational Items**
  - A. RP-5 Expansion Preliminary Design Report
  - B. Regional Contract Update/Renewal (Oral)
  - C. 2017A Refunding Bond Update
  - D. Fund Overview
- 4. Receive and File**
  - A. Operations Summary Update
  - B. Building Activity Update
  - C. Recycled Water Distribution – Operations Summary
- 5. Other Business**
  - A. IEUA General Manager's Update
  - B. Committee Member Requested Agenda Items for Next Meeting
  - C. Committee Member Comments
  - D. Next Meeting – April 6, 2017
- 6. Adjournment**

**DECLARATION OF POSTING**

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I, Laura Mantilla, Executive Assistant 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. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Monday, February 27, 2017.

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Laura Mantilla

**AGENCY  
REPRESENTATIVES'  
REPORTS**

**5D**



**CHINO BASIN WATERMASTER  
WATERMASTER BOARD MEETING**

11:00 a.m. – February 23, 2017

**WITH**

*Mr. James Curatalo – Chair*

*Mr. Robert DiPrimio – Vice-Chair*

**At The Offices Of**

**Chino Basin Watermaster**

9641 San Bernardino Road

Rancho Cucamonga, CA 91730

**AGENDA**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENTS**

**AGENDA - ADDITIONS/REORDER**

**I. CONSENT CALENDAR**

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

**A. MINUTES**

1. Minutes of the Watermaster Board Meeting held January 26, 2017

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of December 2016
2. Watermaster VISA Check Detail for the month of December 2016
3. Combining Schedule for the Period July 1, 2016 through December 31, 2016
4. Treasurer's Report of Financial Affairs for the Period December 1, 2016 through December 31, 2016
5. Budget vs. Actual Report for the Period July 1, 2016 through December 31, 2016

**C. WATER TRANSACTIONS**

1. Notice of Sale or Transfer – The permanent transfer of 27.619 acre-feet of Safe Yield from Ameron International Corporation ("Ameron") to TAMCO, a California Corporation ("TAMCO"). In addition, Ameron requests to transfer 27.619 acre-feet of its Carryover Balance, and 169.358 acre-feet from its Local Storage Account to TAMCO.
2. Notice of Sale or Transfer – The purchase of 2,000.000 acre-feet of water from the City of Norco by Fontana Water Company. This purchase is made from the City of Norco's Excess Carryover Account and is to be transferred to Fontana Water Company's Annual Production Right/Operating Safe Yield.

**D. RESOLUTION 2017-03 CONCURRING IN NOMINATION OF KATHLEEN J. TIEGS TO THE EXECUTIVE COMMITTEE OF ACWA JPIA**

**II. BUSINESS ITEMS**

**NONE**

**III. REPORTS/UPDATES**

**A. LEGAL COUNSEL REPORT**

1. Update of Rules and Regulations
2. Safe Yield Reset

**B. ENGINEER REPORT**

1. Addendum to Optimum Basin Management Program SEIR
2. Prado Basin Habitat Sustainability Program
3. Ground-Level Monitoring Program
4. Supplemental Water Recharge Procedures
5. Model Update and Required Demonstrations

**C. CFO REPORT**

1. Fiscal Year 2016/17 Mid-Year Review
2. Fiscal Year 2017/18 Budget Schedule

**D. GM REPORT**

1. Santa Ana River Watershed Status Report
2. Overlying Non-Agricultural Pool Available Water Per Restated Judgment Exhibit "G"
3. Other

**IV. INFORMATION**

1. Cash Disbursements for January 2017

**V. BOARD MEMBER COMMENTS**

**VI. OTHER BUSINESS**

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to Article 2.6 of the Watermaster Rules & Regulations, a Confidential Session may be held during the Watermaster committee meeting for the purpose of discussion and possible action.

**VIII. FUTURE MEETINGS AT WATERMASTER**

2/23/17	Thu	9:30 a.m.	Update of Rules and Regulations Workshop
2/23/17	Thu	11:00 a.m.	Watermaster Board
2/23/17	Thu	1:00 p.m.	Recharge Investigations and Projects Committee (RIPCom)
2/28/17	Tue	9:00 a.m.	Groundwater Recharge Coordinating Committee (GRCC at CBWCD)
3/09/17	Thu	9:00 a.m.	Appropriative Pool
3/09/17	Thu	11:00 a.m.	Non-Agricultural Pool
3/09/17	Thu	1:30 p.m.	Agricultural Pool
3/16/17	Thu	8:00 a.m.	Appropriative Pool Strategic Planning (Confidential Session Only)
3/16/17	Thu	9:00 a.m.	Advisory Committee
3/16/17	Thu	9:30 a.m.	Recharge Investigations and Projects Committee (RIPCom)
3/23/17	Thu	11:00 a.m.	Watermaster Board

**ADJOURNMENT**

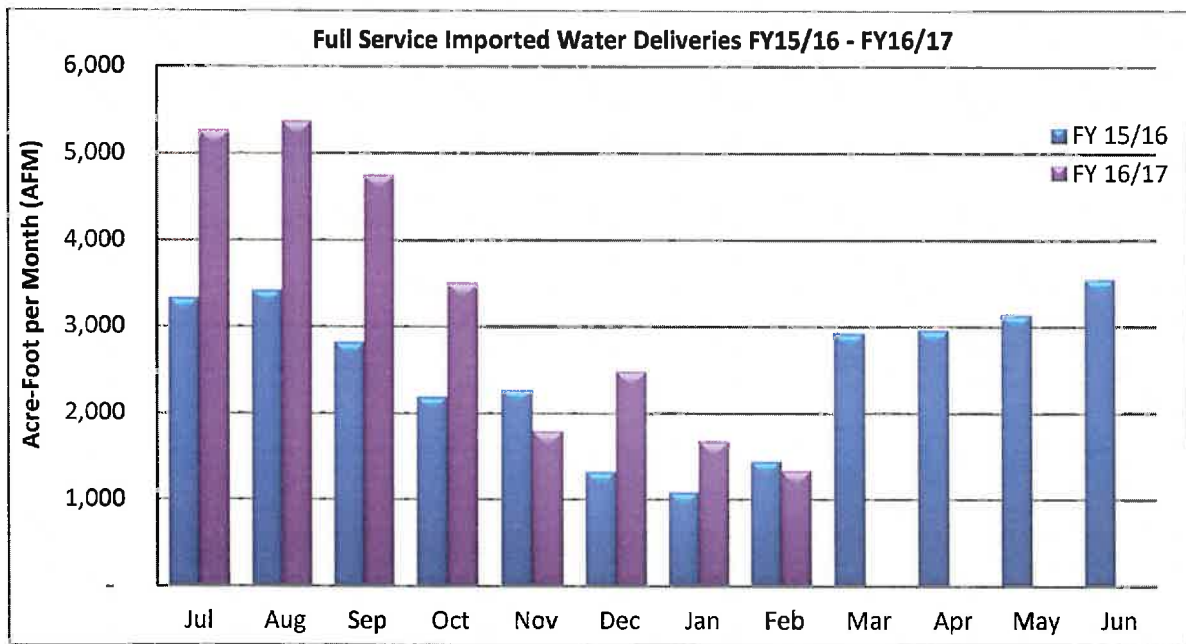
**GENERAL  
MANAGER'S  
REPORT**



Date: March 15, 2017  
 To: The Honorable Board of Directors  
 From: P. Joseph Grindstaff, General Manager  
 Subject: General Manager's Report Regarding Agency Activities

**PLANNING & ENVIRONMENTAL RESOURCES**

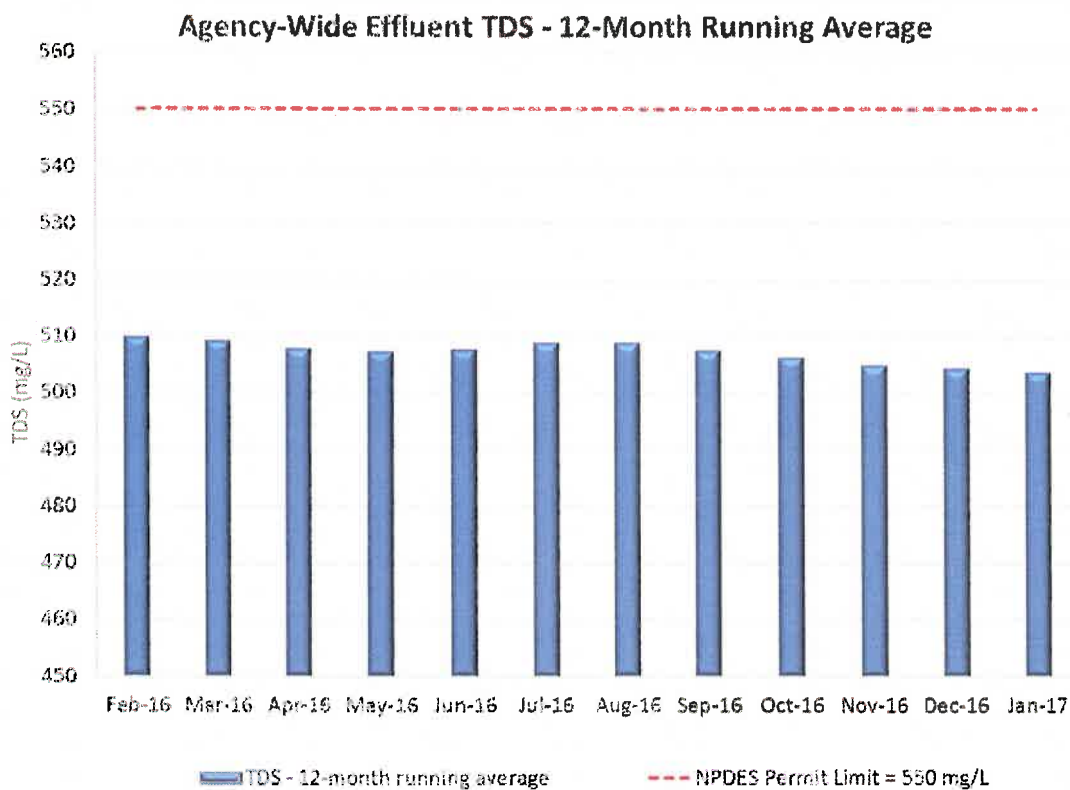
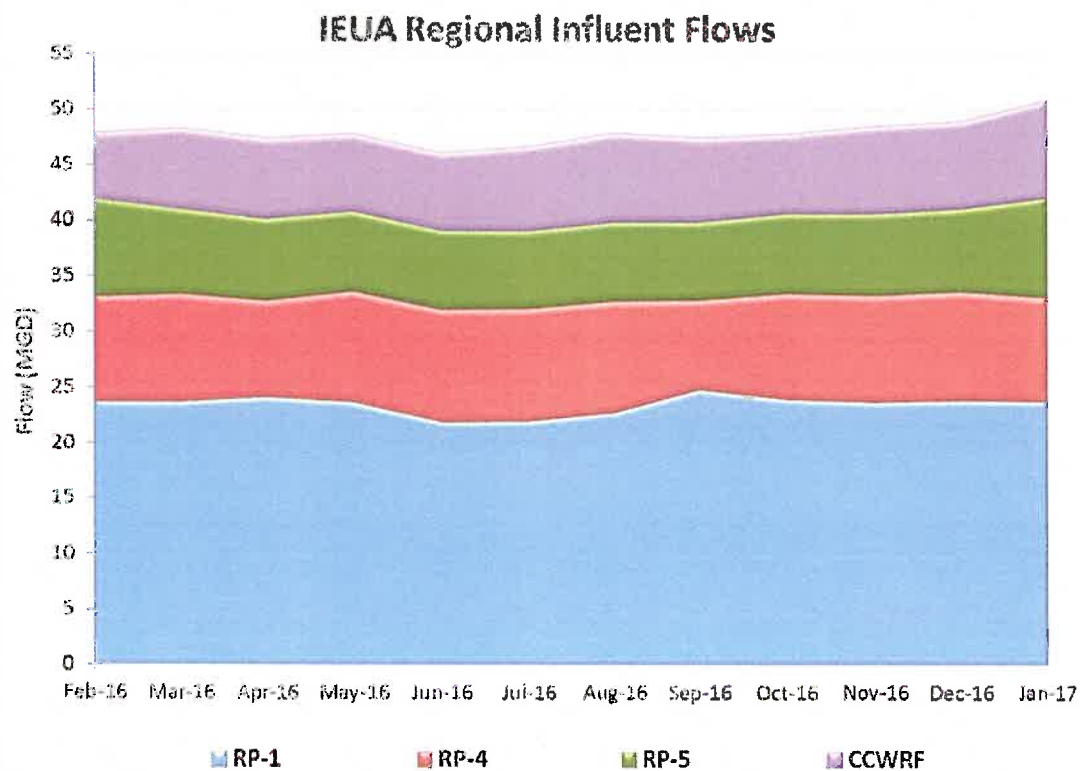
For FY16/17, the full service imported water deliveries for the month of February were slightly lower compared to FY15/16. The Water Facilities Authority Treatment Plant was in a planned shutdown during February reducing demand.



The Agency-wide average influent flow for the month of January 2017 was 50.9 million gallons per day (mgd), which is a 1.9 mgd increase from the December 2016 total influent flow.

The discharge permit effluent limit for total inorganic nitrogen (TIN) is 8 mg/L. The 12-month running average TIN value for January 2017 was 6.0 mg/L.

The discharge permit effluent limit for total dissolved solids (TDS) is 550 mg/L. The 12-month running average TDS value for January 2017 was 504 mg/L.



With regards to air quality compliance, there were no incidents for the month of February.

**IERCF UPDATE**

**Operational Comments** – Facility throughput for February averaged approximately 99% of permitted capacity at an average of 406 tons per day of biosolids and 226 tons per day of amendments (based on a 28-day month). The facility is operating well with no violations or lost time incidents.

**Facility Biosolids Throughput**

POTW	WET TONS MONTH	WET TONS YEAR TO DATE
LACSD	5,025.97	9,951.99
IEUA	5,381.72	11,154.93
OCSO	978.78	2,014.38
<b>TOTAL</b>	<b>11,386.47</b>	<b>23,121.30</b>

**Compost Sales** –Sales in February were greater than last year due to an increase in our AG market. Sales are expected to increase now that the weather has become more consistent and less volatile. We predict a strong spring now that the rain has shown signs of slowing down. Compost inventory in the storage facility is 11,013 cubic yards of finished material.

**Monthly Sales Summary**

PRODUCT	CUBIC YARD	AVERAGE PRICE PER CUBIC YARD	TOTAL REVENUE
Premium	9,077.45	\$2.15	\$19,539.19
Base	5,294.02	\$0.10	\$531.02
<b>TOTAL</b>	<b>14,371.47</b>	<b>\$1.40</b>	<b>\$20,070.21</b>

**Fiscal Year-To-Date Sales Summary**

MONTH	TOTAL YARDS 2016/2017	TOTAL YARDS 2015/2016	TOTAL REVENUE 2016/2017	TOTAL REVENUE 2015/2016
July	14,898.82	21,389.25	\$27,554.05	\$34,657.16
August	13,973.73	16,919.04	\$32,185.36	\$30,461.07
September	28,277.42	16,750.02	\$25,161.07	\$24,655.71
October	33,118.70	27,394.30	\$30,402.44	\$33,401.74
November	36,746.25	29,056.62	\$26,452.12	\$25,280.90
December	27,866.97	17,653.19	\$26,088.79	\$28,476.77
January	7,965.39	14,298.49	\$11,934.94	\$22,085.28
February	14,371.47	12,426.08	\$20,070.21	\$28,926.15
<b>TOTAL</b>	<b>177,218.75</b>	<b>155,886.99</b>	<b>\$199,848.98</b>	<b>\$227,944.78</b>
<b>AVERAGE</b>	<b>22,152.34</b>	<b>19,485.87</b>	<b>\$24,981.12</b>	<b>\$28,493.10</b>

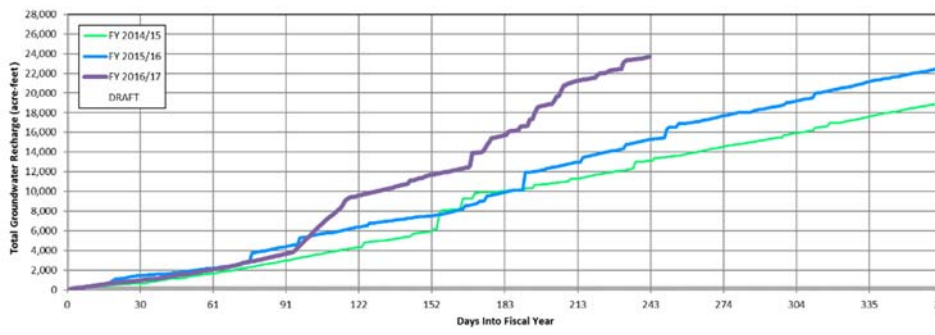
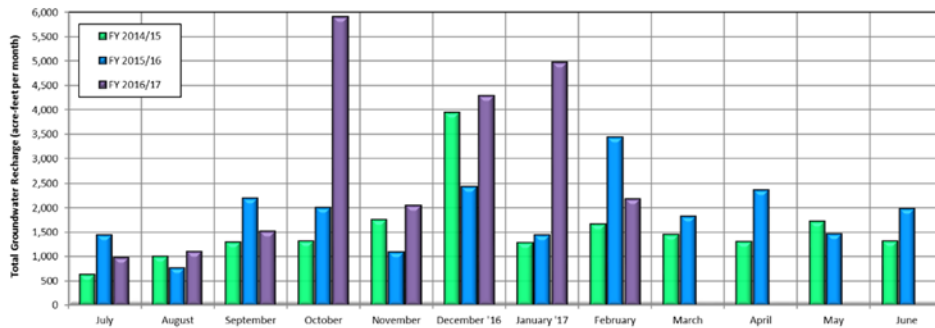
**Groundwater Recharge – January 2016**

During January 2017, recycled water recharge totaled 431 acre-feet. There was no imported water recharge. There were eight rain events in January bringing a total of approximately six inches of rain. There were also several days of snowmelt and runoff from the local mountains. Combined rainfall capture and miscellaneous runoff totaled 4,712 acre-feet.

**Groundwater Recharge – February 2017 (preliminary)**

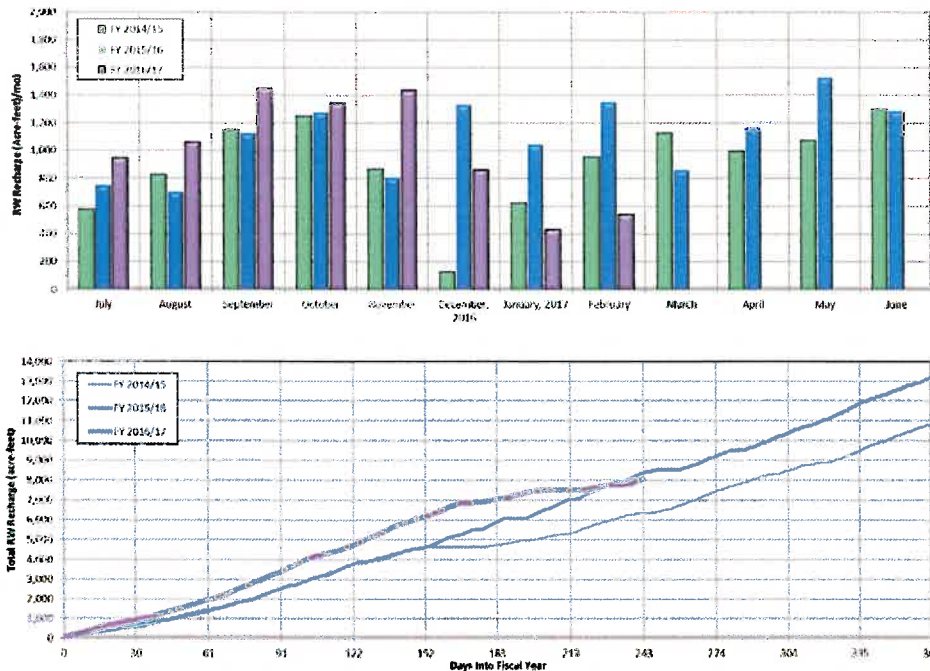
During February 2017, recycled water recharge totaled 542 acre-feet. There was no imported water recharge. There were eight rain events in February bringing a total of approximately 1.4 inches of rain. Combined rainfall capture and miscellaneous runoff totaled 1,700 acre-feet of storm water were captured. Monthly summaries of recharge by recharge site for the Chino Basin Groundwater Recharge Operations can be found at <http://www.ieua.org/category/reports/groundwater-recharge-reports>.

**Total Groundwater Recharge – February 2017**





### Recycled Water Delivered to Groundwater Recharge – February 2017

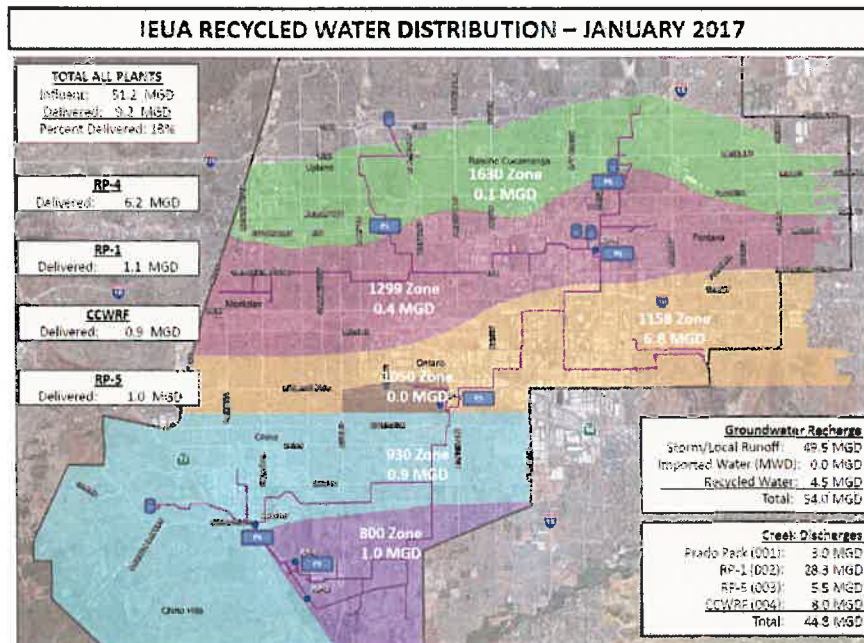


### RW Distribution – January 2017

During January 2017, 18% (9.2 MGD) of IEUA recycled water supply (51.2 MGD) was delivered into the distribution system for both direct use customers (4.7 MGD) and groundwater recharge (4.5 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 44.8 MGD.

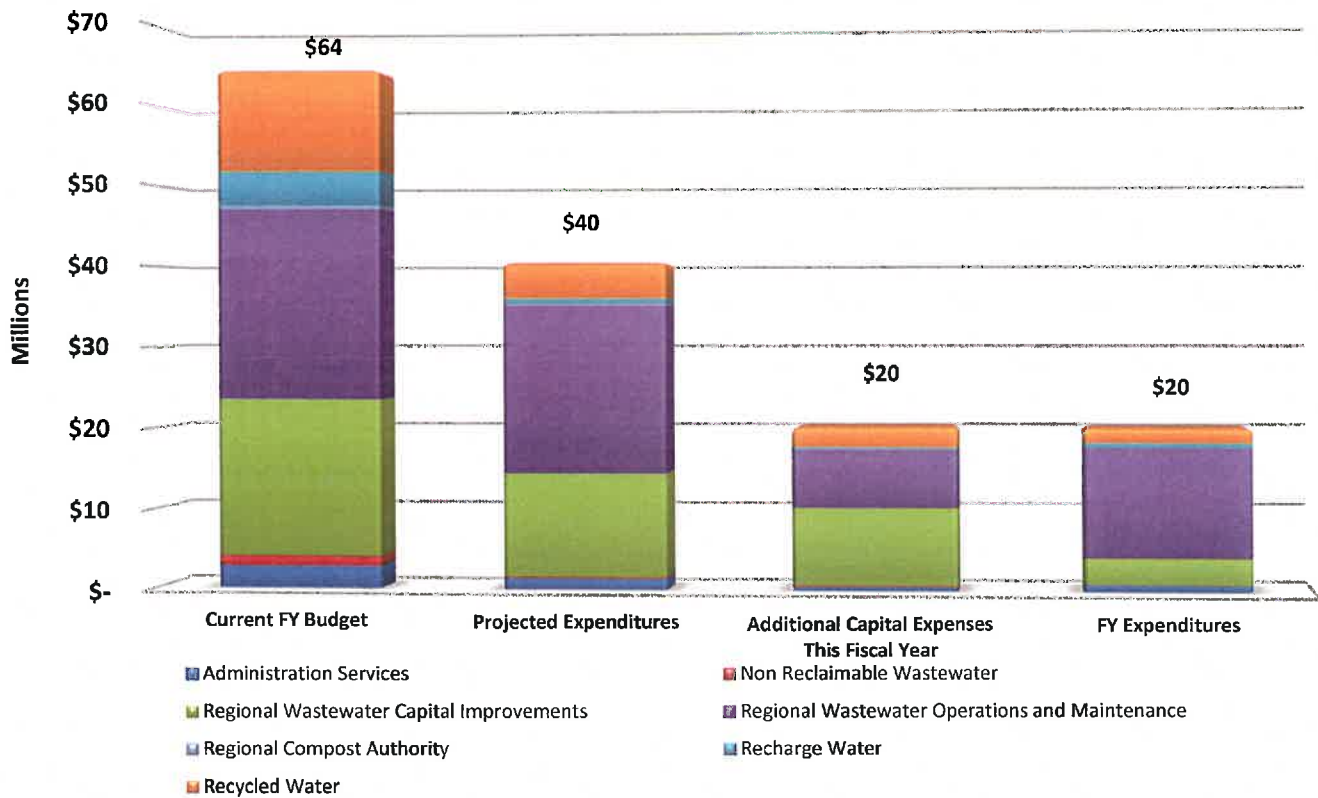
### RW Distribution – February 2017 (Preliminary)

During February 2017, 25% (11.7 MGD) of IEUA recycled water supply (47.6 MGD) was delivered into the distribution system for both direct use customers (5.4 MGD) and groundwater recharge (6.3 MGD). Plant discharge to creeks feeding the Santa Ana River averaged 39.5 MGD.





**Engineering and Construction Management FY 16/17 Budget Status Update**



Project Budget Variance > \$500,000						
Project	Description	(A) FY 16/17 Forecast \$	(B) FY 16/17 Budget \$	(B-A) Variance (FY Budget - FY Forecast) \$	Reason for Variance	
1	EN13001	San Sevaine Basin Improvements	644,989	3,085,000	2,440,011	The final design and construction phases were delayed due to extended time frame in obtaining regulatory permits.
2	EN13016	SCADA Enterprise System	829,950	1,504,652	674,701	The initiation of Phase II of the SCADA Enterprise project was delayed when the delivery method was re-evaluated for the remaining facilities to take advantage of potential grant funds and accelerate the overall project timeline. Due to this delay, the FY16/17 spending will be lower than originally budgeted.
3	EN15002	1158 Reservoir Site Cleanup	56,990	650,000	593,010	The projected expenditures depend on the scope of work determined by an environmental consulting firm. Request for Proposal for environmental consulting will be issued in March 2017. The project design is dependent on the findings of the environmental evaluation.
4	EN15043	SBCFCD Recycled Water Easement	25,000	570,000	545,000	Original projected expenditures were based on San Bernardino County completing the review this FY, however, IEUA recently received a request for an additional \$17,000 to complete reviewing the submittal. Based on their progress, the FY16/17 spending will be lower than anticipated.
5	EN15044	SBCFCD NRW Easement	2,000	515,000	513,000	Projected expenditure depends on San Bernardino County's progress on the review/issuance of the previously submitted easements. No significant progress has been made on those, so the FY16/17 expenditures will be less than anticipated.
6	EN17018	RC Emergency O&M Projects FY 16/17	8,875	600,000	591,125	This project is budgeted for emergency projects. The budget is spent as emergencies arise. Budget will be reduced in future FY.
7	EN17019	RO Emergency O&M Projects FY 16/17	39,096	580,000	540,904	This project is budgeted for emergency projects. The budget is spent as emergencies arise. Budget will be reduced in future FY.
8	EN19006	RP-5 SHF - RO	865,000	3,125,000	2,260,000	The schedule for the RP-1 and RP-5 Expansion PDR has been extended from January 2017 to March 2017 which leads into the design for the RP-5 Liquid Treatment Expansion, EN19001, and the RP-5 Solids Treatment Facility, EN19006. The award of the design contract for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility has been scheduled for April 2017.
9	RW15003	Recharge Master Plan Update (Soft cost)	1,106,998	3,100,000	1,993,002	The project scope was decreased after the completion of the Pre-Design Report.
10	RW15004	Lower Day Basin RMPU Improvements	164,067	1,155,000	990,933	The project had an extended Pre-Design phase to address the Flood Control concerns. A flow study was conducted which revealed that additional design and construction efforts are needed to Flood Control District requirements. The total project is \$4M.
			3,742,965	14,884,652	11,141,686	

General Manager's Report Regarding Agency Activities

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<b>Bid and Award Look Ahead Schedule</b>			
	<b>Project Name</b>	<b>Projected Bid Opening Date</b>	<b>Projected Bid Award Date</b>
	<b>Apr-17</b>		
1	EN13001.00 San Sevaine Basin Improvements	4-Apr-17	19-Apr-17
2	EN17014.00 NRWS Manhole Upgrades – FY 16/17	4-Apr-17	19-Apr-17
3	EN17015.00 Collection System Upgrades – FY 16/17	4-Apr-17	19-Apr-17
	<b>May-17</b>		
4	EN17067.00 Declez Monitoring Well Project	2-May-17	17-May-17
5	EP17003.00 RP-1 Training Room	2-May-17	17-May-17
	<b>Jun-17</b>		
6	CP16003.00 Headquarters Roofing Replacement	6-Jun-17	21-Jun-17
7	EN13016.03 SCADA Enterprise System - (Regional Water Recycling Plant No. 4 )	6-Jun-17	21-Jun-17
8	EN13016.04 SCADA Enterprise System - (Regional Water Recycling Plant No. 5)	6-Jun-17	21-Jun-17
9	EN17052.00 RP-1 and RP-4 Safety Improvements	6-Jun-17	21-Jun-17
10	EN17062.00 RP-1 RW Valve Replacement	6-Jun-17	21-Jun-17
11	EN17063.00 RP-4 Anoxic Splitter Box Gates	6-Jun-17	21-Jun-17
12	WR15021.00 Napa Lateral	6-Jun-17	21-Jun-17
	<b>Jul-17</b>		
13	EN14019.00 RP-1 Headworks Primary and Secondary Upgrades	4-Jul-17	19-Jul-17
14	EN15013.00 RP-1 TWAS and Primary Effluent Piping Replacement	4-Jul-17	19-Jul-17
15	EN17046.00 1630 East Pump Station Upgrades	4-Jul-17	19-Jul-17
	<b>Aug-17</b>		
16	EN17044.00 RP-1 Power Reliability Generator Control Upgrades	1-Aug-17	16-Aug-17
	<b>Sep-17</b>		
17	EN14043.00 RP-5 RW Pipeline Bottleneck	5-Sep-17	20-Sep-17
	<b>Nov-17</b>		
18	EN17045.00 RP-1 Filter Valve Replacement	31-Oct-17	15-Nov-17
	<b>Jan-18</b>		
19	EN11039.00 RP-1 Disinfection Pump Improvements	2-Jan-18	17-Jan-18
	<b>Mar-18</b>		
20	EN13048.00 RP-1 Power System Upgrades	6-Mar-18	21-Mar-18
21	EN17043.00 RP4 Primary Clarifier Rehab	6-Mar-18	21-Mar-18
22	EN17110.00 RP-4 Process Improvements	6-Mar-18	21-Mar-18
23	EN18006.00 RP-1 Flare Improvements	6-Mar-18	21-Mar-18
24	RW15004.00 Lower Day Basin RMPU Improvements	6-Mar-18	21-Mar-18

Fiscal Year 16/17 Capital Improvement Program

Agency-Wide														
No.	Project ID	Project Title	Budget					Contract						
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16- 12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)	(e) Total Project Budget (\$)	(f) Phase	(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)
1	EN13016	SCADA Enterprise System (EN13016.02 RP-1)	5,058,331	1,504,652	516,955	5,575,285	13,900,000	Pre-Design	1,926,650	71,271	3.70%	6/30/2020	4/30/2020	61
2	EN17052	RP-1 and RP-4 Safety Improvements	-	760,000	146,650	146,650	760,000	Design	57,430	27,780	48.37%	6/30/2017	3/14/2017	108
3	EN16070	Agency-wide Pumps Efficiencies Improvements	-	335,000	68,189	68,189	350,000	Construction	142,060	-	0.00%	4/30/2017	4/24/2017	6
4	EN17034	Agency-wide Lighting Improvements - Phase 2	-	1,385,000	41,373	41,373	1,400,000	Construction	1,107,583	-	0.00%	6/2/2017	3/31/2017	63
5	EN17053	Agency-wide Recycled Water Pumps Overhaul Services	-	625,000	87,840	87,840	625,000	Construction	466,319	-	0.00%	4/28/2017	4/11/2017	17
6	EN13056	Agency-wide HVAC Improvements- Pckg No. 2, (EN13056.01 RP-4 MCC)	885,445	192,968	236,522	1,121,967	1,131,500	Warranty	188,000	21,308	11.33%	10/20/2016	11/16/2016	-27
7	EN15032	Agency-wide HVAC Improvements- Pckg No. 3	742,334	4,725	4,853	747,188	1,155,000	Warranty	431,216	22,909	5.31%	5/10/2016	5/10/2016	0
8	EN16013	Agency-wide Lighting Improvements	186,129	213,945	119,775	305,904	400,000	Warranty	292,737	(12,027)	-4.11%	6/2/2017	9/29/2016	246
9	EN17004	Agency-wide Energy Efficiency Study	91,500	5,540	2,539	94,040	1,600,000	Warranty	17,780	-	0.00%	5/31/2016	6/28/2016	-28
10	EN16018	RC Emergency O&M Projects FY 15/16	17,685	51,750	51,750	69,435	500,000	N/A	Various Emergency Projects					
11	EN16019	RO Emergency O&M Projects FY 15/16	344,200	100,626	92,216	436,416	620,000	N/A	Various Emergency Projects					
12	EN16017	WC Emergency O&M Projects FY 15/16	397,778	2,698	1,424	399,202	500,000	N/A	Various Emergency Projects					
13	EN17018	RC Emergency O&M Projects FY 16/17	-	600,000	8,875	8,875	600,000	N/A	Various Emergency Projects					
14	EN17019	RO Emergency O&M Projects FY 16/17	-	580,000	42,188	42,188	580,000	N/A	Various Emergency Projects					
15	EN17017	WC Emergency O&M Projects FY 16/17	-	500,000	74,324	74,324	500,000	N/A	Various Emergency Projects					
16	EN17016	NRWS Emergency O&M Projects FY 16/17	-	200,000	2,769	2,769	200,000	N/A	Various Emergency Projects					
17	EN17021	RC On-Call Operations and Maintenance Support	-	250,000	2,538	2,538	250,000	N/A	Various Maintenance Projects					
18	EN17022	RO On-Call Operations and Maintenance Support	-	250,000	10,163	10,163	250,000	N/A	Various Maintenance Projects					
19	EN17020	WC On-Call Operations and Maintenance Support	-	217,000	5,739	5,739	250,000	N/A	Various Maintenance Projects					
20	EN17027	RC Safety Operations and Maintenance Support	-	250,000	-	-	250,000	N/A	Various Safety Projects					
21	EN17026	RO Safety Operations and Maintenance Support	-	250,000	-	-	250,000	N/A	Various Safety Projects					
22	EN17025	WC Safety Projects Operations and Maintenance Support	-	250,000	13,169	13,169	250,000	N/A	Various Safety Projects					
23	CW17003	RC OE Projects FY 16/17	-	50,000	12,552	12,552	50,000	N/A	Various Permit Projects					
24	CW17101	NRWS OE Projects FY 16/17	-	10,000	9,979	9,979	10,000	N/A	Various Permit Projects					
25	CW17005	WC OE Projects FY 16/17	-	50,000	22,383	22,383	50,000	N/A	Various Permit Projects					
Totals			7,723,402	8,638,902	1,574,767	9,298,169	26,431,500		4,629,775	131,241				

General Manager's Report Regarding Agency Activities  
 March 15, 2017  
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Carbon Canyon Wastewater Regional Facility (CCWRF)														
No.	Project ID	Project Title	Budget				Contract							
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16- 12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)	(e) Total Project Budget (\$)	(f) Phase	(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)
26	EN17006	CCWRF Odor Control and Headworks Replacements	6,951	610,000	48,512	55,463	7,000,000	Consultant Contract Award	Contract Has Not Been Awarded Yet					
27	EN17051	CCWRF Valve Replacement	-	250,000	19,393	19,393	250,000	Construction	178,809	-	0.00%	6/15/2017	6/15/2017	0
Totals			6,951	860,000	67,905	74,856	7,250,000		178,809	-				
Chino Desalter Authority (CDA)														
No.	Project ID	Project Title	Budget				Contract							
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16- 12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)	(e) Total Project Budget (\$)	(f) Phase	(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)
28	EN16021	TCE Plume Cleanup	1,089,754	7,481,073	7,873,609	8,963,363	12,000,000	Project Evaluation	CDA Managed Project					
Totals			1,089,754	7,481,073	7,873,609	8,963,363	12,000,000							
Groundwater Recharge														
No.	Project ID	Project Title	Budget				Contract							
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16- 12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)	(e) Total Project Budget (\$)	(f) Phase	(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)
40	EN17038	GWR Level Transmitter Upgrades	-	200,000	-	-	200,000	Cancelled	Project has been cancelled					
41	RW15003	Recharge Master Plan Update Projects	622,207	3,100,000	539,564	1,161,771	7,490,500	Pre-Design	768,950	9,434	1.23%	12/29/2017	12/29/2017	0
42	RW15004	Lower Day Basin RMPU	205,693	1,155,000	38,886	244,579	2,480,000	Pre-Design	38,720	32,500	83.94%	10/21/2016	1/31/2017	-102
43	EN13001	San Savaine Basin Improvements	535,568	3,085,000	150,780	686,349	6,295,000	Permit	358,828	4,734	1.32%	4/20/2019	4/20/2019	0
44	EN14047	GWR and RW SCADA Control Upgrades	233,626	455,263	239,160	472,786	932,000	Construction	250,988	-		1/23/2017	3/23/2017	-59
Totals			1,597,094	7,995,263	968,391	2,565,485	17,397,500		1,417,486	46,668				



General Manager's Report Regarding Agency Activities

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Collections															
No.	Project ID	Project Title	Budget				(f) Phase	Contract							
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16-12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)		(e) Total Project Budget (\$)	(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)	
29	EN17050	Septic Conversion PDR	-	200,000	-	-	1,000,000	Project Evaluation	Contract Has Not Been Awarded Yet						
30	EN17067	Declaz Monitoring Well Project	-	165,000	2,116	2,116	165,000	Pre-Design	Contract Has Not Been Awarded Yet						
33	EN11039	TP-1 Disinfection Pump Improvements	95,367	225,000	64,053	159,420	1,288,302	Pre-Design	99,336	-	0.00%	3/31/2017	2/24/2017	35	
38	EN22002	NRW East End Flowmeter Replacement	3,325	175,000	24,194	27,518	300,000	Pre-Design	213,554	-	0.00%	10/14/2019	10/10/2019	4	
31	EN17014	NRWS Manhole Upgrades - 16/17	-	350,000	14,855	14,855	350,000	Design	In-House Design - Construction Contract Has Not Been Awarded Yet						
32	EN17015	Collection System Upgrades 16/17	-	500,000	14,143	14,143	500,000	Design	In-House Design - Construction Contract Has Not Been Awarded Yet						
34	EN13028	Preserve Lift Station	19,774	100,000	8,637	28,411	100,000	Bid and Award	Contract Managed by Developer						
35	EN15042	SBCFCD Sewer Easement	415	275,000	-	415	302,500	Land Acquisition	Not Applicable						
36	EN15044	SBCFCD NRW Easement	338	515,000	-	338	565,000	Land Acquisition	Not Applicable						
37	EN16071	San Bernardino Avenue Gravity Sewer	203,227	1,300,000	188,039	391,265	1,500,000	Construction	992,240	62,880	6.34%	2/27/2017	3/17/2017	-18	
39	EN13018	Montclair Diversion Structure Retrofit	1,068,186	176,394	134,306	1,202,492	3,030,095	Warranty	557,565	(14,665)	-2.63%	7/17/2016	7/15/2016	2	
Totals			1,390,632	3,981,394	450,342	1,840,974	9,100,897		1,852,695	48,225					
Headquarters															
No.	Project ID	Project Title	Budget				(f) Phase	Contract							
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16-12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)		(e) Total Project Budget (\$)	(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)	
45	EN16012	CIPO Enhancements	-	175,000	-	-	175,000	Not Started	Project Has Not Started						
46	EN17023	HQ Drainage Investigations	-	50,000	-	-	50,000	Not Started	Ongoing Monitoring Requirements						
47	CP16003	Headquarters Roofing Replacement	9,822	450,000	29,489	39,311	450,000	Design	In-House Design - Construction Contract Has Not Been Awarded Yet						
48	EN16048	As-Built Database Upgrades	24,599	150,000	8,254	32,853	200,000	Pre-design	In House Database						
49	EN16049	Conference Rooms Audio Visual Upgrades	72,777	626,453	301,221	373,998	1,349,230	Construction	831,890	-	0.00%	2/7/2018	1/23/2018	15	
50	EN15052	Primavera Enhancements	116,435	201	201	116,636	178,400	Construction	80,000	-	0.00%	12/30/2016	12/30/2016	0	
51	EN16047	HQ Parking Lot FY15/16	50,765	415,000	23,578	74,343	443,000	Construction	264,138	-	0.00%	5/15/2017	5/10/2017	5	
52	EN16055	Headquarters Back Up Generator	48,950	400,000	50,906	99,856	449,000	Construction	178,777	-	0.00%	2/13/2017	4/17/2017	-63	
53	EN16068	Main Office Permit Office	18,068	293,000	106,963	125,031	312,000	Warranty	52,890	20,809	39.34%	11/23/2016	12/15/2016	-22	
Totals			341,416	2,559,654	520,612	862,028	3,606,630		1,407,695	20,809					

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Recycled Water														
No.	Project ID	Project Title	Budget					Contract						
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16- 12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)	(e) Total Project Budget (\$)	(f) Phase	(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)
54	EN12016	North CIM Lateral	14,631	450,000	1,582	16,212	450,000	Not Started	Contract Has Not Been Awarded					
55	EN17007	930 To 800 West CCWRF PRV	5,481	100,000	263	5,744	600,000	Not Started	Contract Has Not Been Awarded					
56	EN17041	Orchard Recycled Water Turnout Improvements	-	25,000	-	-	125,000	Not Started	Project Has Not Started					
58	EN17049	Baseline RWPL Extension	-	300,000	7,771	7,771	5,000,000	Project Evaluation	Contract Has Not Been Awarded					
59	EN15002	1158 Reservoir Site Cleanup	3,805	650,000	8,399	12,204	1,300,000	Project Evaluation	Contract Has Not Been Awarded					
60	EN16034	RW Pressure Sustaining Valve Installation	18,098	341,300	7,981	26,079	850,000	Project Evaluation	Contract Has Not Been Awarded					
57	EN17039	8th St. Basin RW Turnout Discharge Retrofit	-	58,000	8,371	8,371	275,000	Consultant Contract Award	Contract Has Not Been Awarded					
61	EN17046	1630 East Pump Station Upgrades	-	100,000	7,886	7,886	300,000	Consultant Contract Award	Contract Has Not Been Awarded					
62	WR15021	Napa Lateral	60,019	500,000	34,375	94,394	6,050,000	Pre-Design	Contract Has Not Been Awarded					
63	EN17011	RW Hydraulic Modeling	-	100,000	4,350	4,350	100,000	N/A	Not Applicable					
64	EN15043	SBCFCD Recycled Water Easement	534,759	570,000	-	534,759	1,210,000	Land Acquisition	Not Applicable					
65	EN15055	1630 W. Recycled Water Pump Station - Surge Tank Installation	546,124	1,160,000	569,385	1,115,509	1,410,000	Close-Out	729,000	21,673	2.97%	10/14/2016	1/27/2017	-105
66	EN12014	East Avenue 1630 E RWP Relocation	504,666	388,148	13,428	518,094	890,108	Warranty	480,000	28,134	5.86%	City of Rancho Cucamonga Project		
67	EN17057	Wineville A.C. for the Electrical Panel at RP-3	-	15,000	12,059	12,059	15,000	Warranty	15,000	-	0.00%	10/31/2016	10/24/2016	7
68	EN13045	Wineville RW Extension Segment B	10,786,069	71,692	53,733	10,839,802	11,865,300	Warranty	8,900,000	241,113	2.71%	7/25/2015	12/3/2015	-131
Totals			12,473,652	4,829,140	729,583	13,203,235	30,440,408		10,124,000	290,920				

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Regional Water Recycling Plant No. 1 (RP-1)															
No.	Project ID	Project Title	Budget					Contract							
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16-12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)	(e) Total Project Budget (\$)	(f) Phase	(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)	
69	EN14042	RP-1 1158 RWPS Upgrades	75,543	475,000	61,371	136,914	4,000,000	Consultant Contract Award	Contract Has Not Been Awarded						
70	EN17042	Digester 6 and 7 Roof Repairs	-	400,000	19,237	19,237	3,800,000	Consultant Contract Award	Contract Has Not Been Awarded						
71	EN17059	RP-1 Iron Sponges Installation	-	300,000	6,906	6,906	300,000	Consultant Contract Award	Contract Has Not Been Awarded						
72	EN19003	RP-1 Parallel Outfall Pipeline from RP-1 to Riverside Dr	7,031	200,000	24,454	31,484	5,700,000	Consultant Contract Award	Contract Has Not Been Awarded						
73	EN17044	RP-1 Power Reliability Building Controls Upgrades	-	350,000	26,143	26,143	1,500,000	Consultant Contract Award	67,000	-	0.00%	6/30/2017	5/18/2017	43	
74	EN15012	RP-1 East Primary Effluent Pipe Rehab	13,547	500,000	52,344	65,890	1,885,000	Pre-Design	461,483	-	0.00%	4/16/2020	4/16/2020	0	
75	EN16025	RP-1 Expansion PDR	220,836	450,000	345,050	565,886	1,500,000	Pre-Design	451,288	-	0.00%	3/20/2017	3/31/2017	-11	
76	EN18006	RP-1 Flare Improvements	-	600,000	34,991	34,991	4,000,000	Pre-Design	378,030	-	0.00%	3/14/2019	3/14/2019	0	
77	EN17047	RP-1 Dewatering Silo/Conveyor Safety Improvement Repairs	-	231,000	2,548	2,548	231,000	Design	Contract Has Not Been Awarded						
78	EP17003	RP-1 Training Room	-	200,000	10,909	10,909	200,000	Design	16,795	8,200	48.83%	6/30/2017	6/30/2017	0	
79	EN13048	RP-1 Power System Upgrades	292,963	200,000	76,272	369,236	1,599,000	Design	269,380	205,825	76.41%	6/30/2019	6/30/2019	0	
80	EN15013	RP-1 TWAS and Primary Effluent Piping Replacement	19,700	120,000	139,494	159,194	500,000	Design	56,000	30,475	54.42%	2/7/2017	3/13/2017	-34	
81	EN14019	RP-1 Headworks Gate Replacement	243,916	1,440,000	272,346	516,262	10,440,000	Design	723,151	96,294	13.32%	5/1/2018	5/1/2018	0	
82	EN17048	RP-1 Dewatering Vertical Conveyor Repairs	-	375,000	8,094	8,094	375,000	Design	Contract Has Not Been Awarded						
83	EN16024	RP-1 Mixed Liquor Return Pumps	567,463	2,850,000	566,562	1,134,026	6,636,000	Construction	4,888,000	-	0.00%	1/19/2018	1/18/2018	1	
84	EN17040	RP-1 Aeration Basin Panel Repairs	-	200,000	60,385	60,385	200,000	Construction	1,745,000	-	0.00%	1/19/2018	1/18/2018	1	
85	EN17062	RP-1 RW Valve Replacement	-	80,000	2,604	2,604	80,000	Construction	66,050	-	0.00%	5/5/2017	5/5/2017	0	
86	EN16051	RP-1 Utility Water Flow Meter	71,330	260,000	188,898	260,228	331,400	Project Acceptance	127,584	15,615	12.24%	11/23/2016	12/15/2016	-22	
Totals			1,512,328	9,231,000	1,898,609	3,410,937	43,277,400		9,249,761	356,409					

Regional Water Recycling Plant No. 2 (RP-2)														
No.	Project ID	Project Title	Budget					Contract						
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16-12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)	(e) Total Project Budget (\$)	(f) Phase	(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)
88	EN17065	Microturbine Design-Build	-	850,000	-	-	2,210,000	Design	1,876,809	-	0.00%	12/31/2017	12/4/2017	27
87	EN14012	RP-2 Drying Beds Rehabilitation	1,231,986	350,000	276,005	1,507,991	1,818,400	Warranty	193,961	32,322	16.66%	12/15/2016	11/16/2016	29
Totals			1,231,986	1,200,000	276,005	1,507,991	4,028,400		2,070,770	32,322				

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Regional Water Recycling Plant No. 4 (RP-4)														
No.	Project ID	Project Title	Budget				(e) Total Project Budget (\$)	(f) Phase	Contract					
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16-12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)			(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)
89	EN17032	RP-4 Outfall Repair from Mission Blvd to RP-1	-	50,000	-	-	5,300,000	Not Started	Contract Has Not Been Awarded					
90	EN17063	RP-4 Anoxic Splitter Box Gates	-	60,000	2,740	2,740	60,000	Not Started	Contract Has Not Been Awarded					
91	EN17110	RP-4 Process Improvements	63	180,000	2,836	2,899	5,200,000	Project Evaluation	1,288,858	-	0.00%	6/30/2020	6/30/2020	0
92	EN17043	RP4 Primary Clarifier Rehab	-	400,000	14,932	14,932	1,900,000	Project Evaluation	-	-	0.00%	6/30/2020	6/30/2020	0
93	EN14018	RP-4 Disinfection System Retrofit	391,899	1,000,000	75,764	467,663	2,684,400	Construction	1,839,400	-	0.00%			0
Totals			391,962	1,690,000	96,272	488,234	15,144,400		3,128,258	-				
Regional Water Recycling Plant No. 5 (RP-5)														
No.	Project ID	Project Title	Budget				(e) Total Project Budget (\$)	(f) Phase	Contract					
			(a) Prior FY Expenditures thru 6/30/16 (\$)	(b) FY Budget 2016/17 (\$)	(c) FY 2016/17 Expenditures 7/1/16-12/31/2016 (\$)	(d) Total Expenditures to Date thru 12/31/2016 (A + C) (\$)			(g) Original Contract (\$)	(h) CO's/ Amendments (\$)	(i) CO's/ Amendments (H/G) (%)	(j) Contract Completion Date	(k) Projected/ Contract Completion Date (NOC)	(l) Float (J-K)
94	EN19001	RP-5 Expansion to 30 mgd	-	1,250,000	-	-	125,000,000	Not Started	Project Has Not Started					
95	EN19006	RP-5 SHF - RO	-	3,125,000	-	-	136,000,000	Not Started	Project Has Not Started					
96	EN14043	RP-5 RW Pipeline Bottleneck	56,637	600,000	103,281	159,918	2,755,000	Design	201,987	35,900	17.77%	8/24/2019	8/24/2019	0
97	EN16028	RP-5 Expansion PDR	712,311	2,111,086	962,508	1,674,818	2,823,400	Pre-Design	1,980,310	55,989	2.83%	3/20/2017	3/31/2017	-11
98	EN13012	Magnolia Channel Monitoring Maintenance	87,611	10,000	-	87,611	192,242	Monitoring	Ongoing Monitoring Requirements					
99	EN11031	RP-5 Flow Equalization and Effluent Monitoring	422,173	1,465,000	173,896	596,070	3,397,200	Construction	945,029	-	0.00%	6/5/2017	7/3/2017	-28
100	EN15008	Water Quality Laboratory	1,502,545	7,000,000	3,967,099	5,469,644	24,645,000	Construction	17,480,000	26,904	0.15%	8/6/2018	8/6/2018	0
101	EN17060	1299 Recycled Water Pumps Replacement	-	100,000	-	-	100,000	Construction	Equipment Purchase Only					
102	EN16132	Magnolia Channel Spillway Improvements	162,787	390,564	372,166	534,953	734,000	Warranty	280,891	36,903	13.14%	11/23/2016	10/28/2016	26
Totals			2,944,063	16,051,650	5,578,950	8,523,013	295,646,842		20,868,217	155,695				
Overall Totals			30,703,241	64,518,077	20,035,045	50,738,287	464,030,922		54,871,415	1,082,289				



*Emergency Projects*

**February 2017 Emergency Projects**

	Contractor	Task Order Description	Details of the Circumstances/Cause of Emergency	Scope of Repair	Location	Date of Award	Not-to-Exceed /Estimate
1	W.A. Rasic Construction	RP-4 Raw Screening Area	RP-4's influent Fine Screen #1 failed on Thursday February 16, 2017 at 0930. Influent flow was diverted un-screened through the Fine Screen #2 channel. Emergency assistance was requested to install unit #2, in order to restore screening operations and redundancy. Continuing to operate the plant without screening would cause the facility to shut down.	Install fine screen #2.	RP-4	2/16/2017	\$35,000
2	W.A. Rasic Construction	Sinkhole on Misson Boulevard	Roadway is sinking adjacent to two IEUA manholes on Mission Boulevard between Grove and Baker.	Excavate around manhole, fill with slurry backfill and replace pavement	Agency wide	2/24/2017	\$50,000
<b>Total</b>							<b>\$85,000</b>

**FY16/17 Emergency Projects**

	Project ID	Contractor	Task Order Description (Details of Circumstance and Cause of the Emergency)	Location	TO #	Original Not-to-Exceed /Estimate	Actual Cost thru 1/31	Date of Award	Status
CDA									
1	CDA000000012	W.A. Rasic Construction	Raw Water Line Repair	CDA	TO-035	8,000	156	7/18/2016	Complete
Collection									
2	EN17018.01	W.A. Rasic Construction	Grove Ave. Manhole Repair	COLL	TO-036	5,618	8,875	8/11/2016	Complete
RP-1									
3	EN17017.01	Ferreira Construction	RP-1 Flow Meter Replacement	RP-1	TO-09	60,000	64,791	7/26/2016	Complete
4	EN17019.05	W.A. Rasic Construction	DAFT Sludge Line Repair	RP-1	TO-041	35,000	0	12/21/2016	Complete
RP-2									
5	EN17019.01	W.A. Rasic Construction	RP-2 Underground Pipe Leak	RP-2	TO-037	5,500	8,944	9/12/2016	Complete
RP-4									
6	EN17019.06	W.A. Rasic Construction	RP-4 Raw Screening Area	RP-4	TO-042	35,000	0	2/16/2017	Active
7	EN17019.03	W.A. Rasic Construction	RP-4 Raw Screening Area	RP-4	TO-039	12,500	5,065	11/9/2016	Complete
RP-5									
8	EN17019.02	Ferreira Construction	RP-5 Repair an existing SS Pump Guide Rail	RP-5	TO-010	25,000	24,181	9/15/2016	Complete
Agency wide									
9	EN17016.01	W.A. Rasic Construction	Monte Vista Ave ARVA Repair	Agency wide	TO-040	10,000	1,969	11/10/2016	Complete
10	EN17017.02	Ferreira Construction	Street Subsidence and Blow Off Repair	Agency wide	TO-011	21,902	3,479	10/18/2016	Complete
11	EN17017.03	Ferreira Construction	Valve Shear Pine Replacement on a Buried RW Line	Agency wide	TO-012	6,209	2,199	10/19/2016	Complete
12	EN17019.04	Ferreira Construction	6" DAFT Sludge Line Tapping Sleeve Repair	Agency wide	TO-014	3,658	1,712	11/28/2016	Complete
13	EN17018.02	W.A. Rasic Construction	Mission Blvd Sink Hole (Ontario)	Agency wide	TO-043	50,000	0	2/24/2017	Active
<b>Totals</b>						<b>278,387</b>	<b>121,371</b>		

**GRANTS UPDATE**

Since the last General Manager’s report, the following items were processed through the IEUA Board Meeting:

- Adopted Resolution Nos. 2017-2-1, 2017-2-2, and 2017-2-3, authorizing IEUA to enter into a financial assistance agreements with the U.S. Department of Interior, Bureau of Reclamation (USBR) for three grant applications: Drought Resiliency, CALFED Water Use Efficiency, and Agricultural Water Conservation Grant Programs; and authorized the General Manager to execute the financial assistance agreements, any amendments and related documents thereto.
- Adopted Resolution No. 2017-2-4, authorizing the General Manager to execute an amendment to the Proposition 50 Grant Funding Agreement No. 50124B01 between IEUA and State Water Resources Control Board (SWRCB) for the CDA II Expansion Project; and authorized the General Manager to execute any documents related thereto.

**Site Visits**

On February 24, 2017, the State Water Resources Control Board (SWRCB) conducted a site visit prior to initiating the agreement for the grant award in the amount of \$10 million for the Recharge Master Plan Update (RMPU). This visit involved coordination with the Chino Basin Watermaster (CBWM), where the site visit began after a brief overview meeting.

**Grant/Loan Applications/Opportunities worked on by Grants Staff**

IEUA staff submitted applications to USBR: WaterSMART Drought Resiliency Grant Program and the USBR: Agriculture Water Conservation and Efficiency Grant Program, on February 14, 2017.

Grants staff is currently working on opportunities due later in February, including the USBR: Bay-Delta Restoration Program: CALFED Water Use Efficiency Grants Program.

<b>USBR Grant Program</b>	<b>Project Proposed</b>	<b>Benefits (AFY)</b>	<b>Grant Amount</b>	<b>Project Cost</b>	<b>Status</b>
Drought Resiliency Implementation	Jurupa Basin Improvement Project	833	\$750,000	\$1,453,000	Submitted
Bay-Delta Restoration CALFED Water Use Efficiency	Wineville Basin Improvement Project	2,921	\$750,000	\$13,842,000	In Progress
Agricultural Water Conservation & Water Use Efficiency	Regenerative Farming Demonstration Project	10,000	\$135,000	\$337,691	Submitted

Grants staff is currently working on opportunities due in April including:

- EPA WIFIA loan
- USBR WaterSMART: Water Marketing

**Future Grant/Loan Applications/Opportunities worked on by Grants Staff**

- SWRCB: SRF Loan Application for MVWD \$3.25M Recycled Water Project
- EPA: Water Infrastructure Finance and Innovation Act (WIFIA) Letter of Interest
- SWRCB: SRF Loan Application for the balance of the RMPU project
- SWRCB: SRF Loan Application for the RP-1/RP-5 Construction

**Grant Reimbursements and Reporting Activities**

The following is a status update on several existing contracts for various grants and loans:

- SWRCB Central Wineville RW Pipeline Grant Invoice #5 for \$100,000
- SAWPA/DWR Regional Residential Landscape Retrofit Grant Invoice #9 for \$16,634.31.

**Other Department Activities**

Staff participated in webinars provided by the EPA, which provided more information regarding the Water Infrastructure Finance and Innovation Act (WIFIA) letter of interest submission and project selection process. The webinar provided prospective borrowers with an overview of the process for submitting and evaluating WIFIA letters of interest, and explained the relationship between this type of funding and state revolving fund (SRF) loan funding.

**FINANCE DIVISION UPDATE**

**Improved SAP Usability**

On February 22, 2017, the Agency went live with Single Sign-On (SSO) for SAP ESS/MSS. This enhancement allows users to be automatically logged on to the system using their network credentials. Employees no longer need to remember different passwords for the network and SAP. By having SSO, users can now easily access the system and process their timesheets and related functions.