



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

**WEDNESDAY, JUNE 14, 2017
10:30 A.M.**

*Or immediately following the
Engineering, Operations, &
Water Resources Committee Meeting*

CALL TO ORDER

PUBLIC COMMENT

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

ADDITIONS TO THE AGENDA

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

1. CONSENT ITEMS

A. MINUTES

The Committee will be asked to approve the Finance and Administration Committee meeting minutes of March 8, 2017.

B. REPORT ON GENERAL DISBURSEMENTS

It is recommended that the Committee/Board approve the total disbursements for the month of April 2017, in the amount of \$10,529,057.72

2. ACTION ITEMS

A. ADOPTION OF AGENCY'S BIENNIAL BUDGET FOR FISCAL YEARS (FYs) 2017/18 AND 2018/19, AND FYs 2018-2027 TEN-YEAR CAPITAL IMPROVEMENT PLAN

It is recommended that the Committee/Board:

1. Hold a public hearing to receive public comments on the proposed Agency's Biennial Budget for FYs 2017/18 and 2018/19 and FYs 2018-2017 Ten Year Capital Improvement Plan (TYCIP), and
2. After closing the public hearing, adopt Resolution No. 2017-6-10, approving the Agency's Biennial Budget for FYs 2018/18 and 2018/19 and FY's 2018-2017 TYCIP, including the inter-fund transfers, Agency-wide department al goals and objectives, and Rate Resolutions No. 2017-6-1, to 2016-6-8 for the Non-Reclaimable Wastewater system rates, and other service fees.

B. ADOPTION OF RESOLUTION NO. 2017-6-9, ESTABLISHING THE APPROPRIATION LIMITS FOR FISCAL YEAR 2017/18

It is recommended that the Committee/Board adopt Resolution No. 2017-6-9, establishing the appropriation limits for Fiscal Years 2017/18.

C. ADOPTION OF RESOLUTION NO. 2017-6-11, APPROVING THE SANTA ANA WATERSHED PROJECT AUTHORITY ADOPTED BUDGET FOR FISCAL YEARS 2017/18 AND 2018/19

It is recommended that the Committee/Board:

1. Ratify the Santa Ana Watershed Project Authority (SAWPA) adopted budget for Fiscal Years (FYs) 2017/19 and 2018/19, as submitted; and
2. Adopt Resolution No. 2017-6-11, approving the SAWPA general and specific project budgets for FYs 2017/18 and 2018/19.

D. ADOPTION OF RESOLUTION TO EXECUTE SWRCB PROPOSITION 1 FINANCING AGREEMENT FOR THE CHINO BASIN IMPROVEMENT AND GROUNDWATER CLEAN-UP PROJECT

It is recommended that the Committee/Board adopt Resolution No. 2017-6-13, authorizing the General Manager or his designee to file the Groundwater Quality Grant application and execute the grant agreement received from the State Water Resources Control Board (SWRCB) for the Chino Basin Improvement and Groundwater Clean-up Project.

E. AGENCY-WIDE INSURANCE POLICIES FOR FY 2017/18

It is recommended that the Committee/Board authorize the purchase of the following Agency-wide insurance policies with an effective date of July 1, 2017, providing coverage through July 1, 2018, for the not-to-exceed budgeted amount of \$843,000:

General Liability: Provides third party liability coverage for bodily injury and property damage for up to \$20,000,000 per policy year; and

Automobile Liability: Covers losses to other parties for bodily injury and property damage caused by Agency vehicles for up to \$20,000,000 per accident; and

Public entity Errors and Omissions: Provides a minimum of \$20,000,000 per policy year of protection against claims for damages arising from the negligent acts, errors, and omissions of the Board of Directors and/or Agency staff acting within their professional capacity; and

Property and Boiler and Machinery: Provides insurance protection resulting from damage and destruction of property through the California Sanitation Risk Management Authority (CSRMS) Property Program; with a deductible level of \$25,000; and

Excess Workers' Compensation and Employers' Liability: Provides coverage against bodily injury and illness to employees in the scope of their employment insurance, with a Self-Insured Retention (SIR) of \$1,000,000.

F. PURCHASE OF NEW VEHICLES

It is recommended that the Committee/Board authorize the purchase of 15 to 19 vehicles, including a passenger van, plug-in hybrids, and utility trucks, for a combined, not-to-exceed price of \$558,905, including extended warranties, taxes, fees, and delivery charges through the informal bid process and/or negotiated procurements with local dealerships.

3. INFORMATIONAL ITEMS

A. FY 2016/17 THIRD QUARTER BUDGET VARIANCE, PERFORMANCE GOALS UPDATES, AND BUDGET TRANSFERS (WRITTEN/POWERPOINT)

B. TREASURER'S REPORT OF FINANCIAL AFFAIRS

4. GENERAL MANAGER'S COMMENTS

5. COMMITTEE MEMBER COMMENTS

6. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

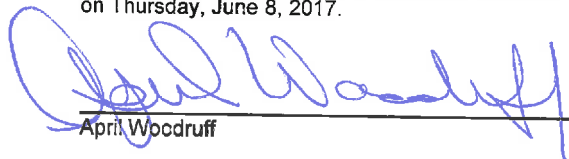
7. ADJOURN

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

Proofed by: 

DECLARATION OF POSTING

I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of the agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Ave., Building A, Chino, CA on Thursday, June 8, 2017.



April Woodruff

**CONSENT
ITEM**

1A



MINUTES

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

**WEDNESDAY, MARCH 8, 2017
10:30 A.M.**

COMMITTEE MEMBERS PRESENT

Jasmin A. Hall, Chair
Paul Hofer

STAFF PRESENT

Kati Parker, Director
P. Joseph Grindstaff, General Manager
Jerry Burke, Deputy Manager of Engineering
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Tina Cheng, Budget Officer
Jason Gu, Grants Officer
Shaun Stone, Manager of Engineering
Christina Valencia, Chief Financial Officer/AGM
Jamal Zughbi, Senior Engineer/Project Manager, P.E.
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

None

The meeting was called to order at 10:45 a.m. There were no public comments received or additions to the agenda.

CONSENT CALENDAR ITEMS

The Committee:

- ◆ Approved the Finance and Administration Committee amended meeting minutes of February 8, 2017.
- ◆ Recommended that the Board approve the total disbursements for the month of January 2017, in the amount of \$11,104,791.62.

ACTION ITEMS

The Committee:

- ◆ 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;

as a Consent Calendar Item on the March 15, 2017 Board meeting agenda.

- ◆ 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 Officer, the Federal Audit Clearing House, and other interested parties;

as a Consent Calendar Item on the March 15, 2017 Board meeting agenda.

INFORMATION ITEMS

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

- ◆ FY 2016/17 Second Quarter Budget Variance, Performance Goals Updates, and Budget Transfers
- ◆ Fiscal Years 2017/18 – 2018/19 Biennial Budget Overview
- ◆ Treasurer's Report of Financial Affairs

GENERAL MANAGER'S COMMENTS

There were no General Manager's comments.

COMMITTEE MEMBER COMMENTS

There were no additional Committee Member comments.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

There were no Committee Member requests for future agenda items.

With no further business, Director Hall adjourned the meeting at 12:10 p.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: MAY 10, 2017

**CONSENT
ITEM**

1B

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Finance and Administration Committee (6/14/17)

From: P. Joseph Grindstaff *PG*
General Manager

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

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

Subject: Report on General Disbursements

RECOMMENDATION

It is recommended that the Board of Directors approve the total disbursements for the month of April 2017, in the amount of \$10,529,057.72.

BACKGROUND

April disbursement activity includes vendor check payments of \$3,700,017.13 and worker's compensation check payments of \$4,992.82. The total amount of ACH payments was \$2,834,142.55. The total amount of wire transfer payments (excluding payroll) was \$2,320,737.54. The total pay for the Board of Directors was \$6,326.42. The total pay for employees was \$1,662,841.26.

Attachment	Payment Type	Amount
1	Vendor Checks	\$3,700,017.13
2	Workers' Comp Checks	\$4,992.82
3	Vendor ACHs	\$2,834,142.55
4	Vendor Wires (excludes Payroll)	\$2,320,737.54
5	Payroll-Net Pay-Directors	\$6,326.42
6	Payroll-Net Pay-Employees	\$1,662,841.26
Total Disbursements		\$10,529,057.72

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

Vendor	Amount	Description
MWD	897,349.49	February 2017 Water Purchase
PERS	884,844.81	4/17 Hlth Ins; P/R 8,9,DIR 004 PERS Cont
KEMP BROS CONST	874,191.21	EN15008-Water Quality Lab 3/17 Pay Est 7
JC LAW FIRM	589,320.00	4/17 Legal Settlement

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.

Attachment 1

Vendor Checks

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

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
218593	2200082005	04/06/2017	USD	7,554.50	AEROTEK INC ATLANTA GA	04/12/2017
218594	2200081983	04/06/2017	USD	1,053.02	AIRGAS WEST INC PASADENA CA	04/10/2017
218595	2200082061	04/06/2017	USD	115.50	ALQUISIRA, ROBERT CHINO HILLS CA	04/11/2017
218596	2200082059	04/06/2017	USD	116.50	ARAMBULA, BLANCA CHINO HILLS CA	04/18/2017
218597	2200082025	04/06/2017	USD	2,121.99	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/11/2017
218598	2200082030	04/06/2017	USD	732.66	AUTOZONE INC ATLANTA GA	04/13/2017
218599	2200082023	04/06/2017	USD	180.09	BAM GRAPHICS N LAS VEGAS NV	04/11/2017
218600	2200082033	04/06/2017	USD	16,918.83	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	04/10/2017
218601	2200082051	04/06/2017	USD	1,361.15	BURRTEC WASTE INDUSTRIES INC FONTANA CA	04/13/2017
218602	2200081996	04/06/2017	USD	438.96	CALIFORNIA NEWSPAPER SERVICE BLOS ANGELES CA	04/11/2017
218603	2200082035	04/06/2017	USD	3,744.14	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	04/10/2017
218604	2200081993	04/06/2017	USD	145.49	CALOLYMPIC SAFETY CORONA CA	04/11/2017
218605	2200082060	04/06/2017	USD	7.99	CAMACHO, MICHAEL CHINO HILLS CA	04/19/2017
218606	2200081994	04/06/2017	USD	26,154.80	CAROLLO ENGINEERS INC SALT LAKE CITY UT	04/13/2017
218607	2200082020	04/06/2017	USD	2,158.22	CINTAS CORPORATION LOC#150 PHOENIX AZ	04/17/2017
218608	2200082034	04/06/2017	USD	6,333.38	COMMUNICATIONS USA INC. ESCONDIDO CA	04/11/2017
218609	2200082046	04/06/2017	USD	470.75	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	04/11/2017
218610	2200081986	04/06/2017	USD	2,000.00	CUCAMONGA VALLEY WATER DISTRICTRANCHO CUCAMONGA CA	
218611	2200081990	04/06/2017	USD	9,855.73	DELL MARKETING L P PASADENA CA	04/11/2017
218612	2200082024	04/06/2017			voided by KMCCHRIS - Check not needed	04/19/2017
218613	2200082055	04/06/2017	USD	1,264.75	DIX, GARY CHINO HILLS CA	04/11/2017
218614	2200082043	04/06/2017	USD	16,650.97	DORGAN LEGAL SERVICES LLP PASADENA CA	04/11/2017
218615	2200082029	04/06/2017	USD	1,550.00	EPI-USE AMERICA INC ATLANTA GA	04/17/2017
218616	2200082028	04/06/2017	USD	4,905.00	EUROFINS EATON ANALYTICAL, INCGRAPEVINE TX	04/11/2017
218617	2200081998	04/06/2017	USD	2,316.37	EXPRESS PIPE & SUPPLY INC ANAHEIM CA	04/12/2017
218618	2200082040	04/06/2017	USD	21,775.87	FERRREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	04/11/2017
218619	2200081976	04/06/2017	USD	646.66	FISHER SCIENTIFIC LOS ANGHLES CA	04/10/2017
218620	2200081995	04/06/2017	USD	495.79	FLORENCE FILTER CORP COMPTON CA	04/17/2017
218621	2200082049	04/06/2017	USD	634.08	FONTANA WATER COMPANY FONTANA CA	04/13/2017
218622	2200082052	04/06/2017	USD	2,312.33	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	04/13/2017
218623	2200081985	04/06/2017	USD	348.09	GRAINGER PALATINE IL	04/11/2017
218624	2200082053	04/06/2017	USD	54.00	GU, JASON CHINO HILLS CA	04/24/2017
218625	2200082008	04/06/2017	USD	92.78	HACH COMPANY CHICAGO IL	04/12/2017
218626	2200082062	04/06/2017	USD	202.34	HALL, JASMIN CHINO HILLS CA	04/21/2017
218627	2200082031	04/06/2017	USD	14,000.00	HARPER & ASSOCIATES ENGINEERINCORONA CA	04/11/2017
218628	2200081977	04/06/2017	USD	1,855.79	HARRINGTON INDUSTRIAL PLASTICSCHINO CA	04/11/2017
218629	2200081978	04/06/2017	USD	1,364.87	HOME DEPOT CREDIT SERVICES DES MOINES IA	04/14/2017
218630	2200081987	04/06/2017	USD	125.00	HSW RR INC RANCHO CUCAMONGA CA	04/12/2017
218631	2200082044	04/06/2017	USD	719.40	IE GOURMET FOOD TRUCKS LLC REDLANDS CA	04/17/2017
218632	2200082050	04/06/2017	USD	31,920.47	INLAND BIOENERGY LLC FONTANA CA	04/20/2017
218633	2200082032	04/06/2017	USD	520.00	MICROAGE PHOENIX AZ	04/12/2017
218634	2200081984	04/06/2017	USD	1,774.48	MISSION REPROGRAPHICS RIVERSIDE CA	04/11/2017
218635	2200081989	04/06/2017	USD	2,801.46	MOTION INDUSTRIES INC LOS ANGELES CA	04/10/2017
218636	2200082045	04/06/2017	USD	1,750.00	NV MEDIA RIVERSIDE CA	04/14/2017
218637	2200081991	04/06/2017	USD	50.41	O RINGS & THINGS FONTANA CA	04/28/2017
218638	2200081975	04/06/2017	USD	2,420.22	OFFICE DEPOT PHOENIX AZ	04/13/2017

Bank	CBB	CITIZENS BUSINESS BANK		ONTARIO CA 917610000		
Bank Key	122234149					
Acct number	CHECK	231167641				
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
218639	2200081979	04/06/2017	USD	8,440.40	ORANGE COUNTY WATER DISTRICT FOUNTAIN VALLEY CA	04/11/2017
218640	2200082011	04/06/2017	USD	2,139.00	OSTS INC CHINO CA	04/11/2017
218641	2200081980	04/06/2017	USD	35,292.00	PERKINELMER HEALTH SCIENCES INCHICAGO IL	04/12/2017
218642	2200082037	04/06/2017	USD	473.04	PHOTO ART INDUSTRIES CHINO CA	04/14/2017
218643	2200082013	04/06/2017	USD	271.84	PLUMBERS DEPOT INC HAWTHORNE CA	04/11/2017
218644	2200081997	04/06/2017	USD	590.24	RED WING SHOE STORE UPLAND CA	04/18/2017
218645	2200082018	04/06/2017	USD	942.15	RICOH USA INC PASADENA CA	04/10/2017
218646	2200082056	04/06/2017	USD	18.00	RILEY, STEPHANIE CHINO CA	04/11/2017
218647	2200082010	04/06/2017	USD	2,000.00	RIVERSIDE COUNTY FLOOD CONTROLRIVERSIDE CA	04/17/2017
218648	2200082039	04/06/2017	USD	3,500.00	RM ARCHITECTURE IRVINE CA	04/12/2017
218649	2200081988	04/06/2017	USD	9,422.74	ROCKWELL ENGINEERING & EQUIPMETUSTIN CA	04/11/2017
218650	2200081981	04/06/2017	USD	1,926.33	ROYAL WHOLESALE ELECTRIC ORANGE CA	04/12/2017
218651	2200082019	04/06/2017	USD	311.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	04/19/2017
218652	2200082002	04/06/2017	USD	15,001.00	SCAP ENCINITAS CA	04/21/2017
218653	2200082016	04/06/2017	USD	10,658.95	SKALAR INC BUFORD CA	05/12/2017
218654	2200082047	04/06/2017	USD	57,436.10	SO CALIF EDISON ROSEMEAD CA	04/12/2017
218655	2200082048	04/06/2017	USD	1,233.44	SO CALIF GAS MONTEREY PARK CA	04/14/2017
218656	2200082063	04/06/2017	USD	742.13	ST PIERRE, DANIEL CHINO HILLS CA	04/11/2017
218657	2200082017	04/06/2017	USD	28,444.36	STANTEC CONSULTING INC CHICAGO IL	04/11/2017
218658	2200081992	04/06/2017	USD	70.00	STATE WATER RESOURCES CNTRL BRSAKRAMENTO CA	04/13/2017
218659	2200082041	04/06/2017	USD	5,092.76	SUPERIOR ELECTRIC MOTOR SERVICVERNON CA	04/17/2017
218660	2200081999	04/06/2017	USD	590.81	TELEDYNE INSTRUMENTS INC CHICAGO IL	04/12/2017
218661	2200082036	04/06/2017	USD	1,199.15	THERMO ELECTRON NORTH AMERICA ATLANTA GA	04/12/2017
218662	2200082022	04/06/2017	USD	6,787.50	THOMAS HARDER & CO INC ANAHEIM CA	04/18/2017
218663	2200082001	04/06/2017	USD	371.25	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	04/14/2017
218664	2200082004	04/06/2017	USD	3,535.00	TRUE FULL AND ACCURATE CORONA CA	04/11/2017
218665	2200082042	04/06/2017	USD	9,064.00	TRULOOK INC WINSTON SALEM NC	04/14/2017
218666	2200082021	04/06/2017	USD	22,903.05	U S BANK ST LOUIS MO	04/17/2017
218667	2200082003	04/06/2017	USD	716.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	04/10/2017
218668	2200082000	04/06/2017	USD	387.90	U S HOSE INC ONTARIO CA	04/11/2017
218669	2200082026	04/06/2017	USD	3,979.54	UPS PROTECTION INC ANAHEIM CA	04/11/2017
218670	2200082014	04/06/2017	USD	227.35	URIMAGE BLOOMINGTON CA	04/20/2017
218671	2200082038	04/06/2017	USD	2,835.25	V3IT CONSULTING INC NAPERVILLE IL	04/12/2017
218672	2200082054	04/06/2017	USD	32.80	VELARDE, TERESA CHINO HILLS CA	04/24/2017
218673	2200082007	04/06/2017	USD	15,272.41	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	04/12/2017
218674	2200082058	04/06/2017	USD	115.50	WALKER, RAYMOND CHINO HILLS CA	05/09/2017
218675	2200082015	04/06/2017	USD	15,050.00	WATER ENVIRONMENT & REUSE FOUNPHILADELPHIA PA	04/11/2017
218676	2200081982	04/06/2017	USD	3,408.00	WEST VALLEY MOSQUITO AND ONTARIO CA	04/11/2017
218677	2200082006	04/06/2017	USD	4,672.47	WESTERN WATER WORKS SUPPLY CO CHINO HILLS CA	04/13/2017
218678	2200082012	04/06/2017	USD	682.83	WORLDWIDE EXPRESS ALBANY NY	04/11/2017
218679	2200082009	04/06/2017	USD	854.46	XYLEM DEWATERING SOLUTIONS INCHICAGO IL	04/13/2017
218680	2200082027	04/06/2017	USD	5,809.10	XYLEM WATER SOLUTIONS USA INC CHICAGO IL	04/13/2017
218681	2200082057	04/06/2017	USD	108.50	YIM, BRADLEY CHINO HILLS CA	04/17/2017
218682	2200082064	04/06/2017	USD	1,186.76	ZHANG, TIAN RANCHO CUCAMONGA CA	04/20/2017
218683	2200082076	04/12/2017	USD	287.33	CAMACHO, MICHAEL CHINO HILLS CA	04/19/2017
218684	2200082131	04/13/2017	USD	145.00	AEROTEK INC ATLANTA GA	04/19/2017

Bank CBB CITIZENS BUSINESS BANK				ONTARIO CA 917610000		
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218685	2200082158	04/13/2017	USD	975.00	AIR MANAGEMENT INDUSTRIES INC RANCHO CUCAMONGA CA	04/18/2017
218686	2200082108	04/13/2017	USD	313.26	AIRCAS WEST INC PASADENA CA	04/17/2017
218687	2200082157	04/13/2017	USD	450.00	ALISON LOUKEH & ASSOCIATES RIVERSIDE CA	04/18/2017
218688	2200082116	04/13/2017	USD	10,321.33	ALL AMERICAN CRANE MAINTENANCEWALNUT CA	04/18/2017
218689	2200082187	04/13/2017	USD	244.00	ALQULSIRA, ROBERT CHINO HILLS CA	04/19/2017
218690	2200082146	04/13/2017	USD	870.38	ALTA FOODCRAFT COFFEE ORANGE CA	04/21/2017
218691	2200082155	04/13/2017	USD	146.67	ALTA LOMA SCHOOL DISTRICT ALTA LOMA CA	05/08/2017
218692	2200082127	04/13/2017	USD	3,004.37	AM CONSERVATION GROUP INC CHICAGO IL	04/19/2017
218693	2200082142	04/13/2017	USD	3,140.00	AMP MECHANICAL INC COSTA MESA CA	04/18/2017
218694	2200082113	04/13/2017	USD	2,004.89	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	04/19/2017
218695	2200082148	04/13/2017	USD	2,625.78	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/18/2017
218696	2200082115	04/13/2017	USD	28,932.50	BLACK & VEATCH CORPORATION KANSAS CITY MO	04/18/2017
218697	2200082191	04/13/2017	USD	31.86	BOUGHAN, ARIN CHINO HILLS CA	04/18/2017
218698	2200082170	04/13/2017	USD	6,729.42	BURRTEC WASTE INDUSTRIES INC FONTANA CA	04/20/2017
218699	2200082114	04/13/2017	USD	516.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	04/21/2017
218700	2200082141	04/13/2017	USD	8,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	04/21/2017
218701	2200082152	04/13/2017	USD	10,852.19	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	04/18/2017
218702	2200082178	04/13/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	04/18/2017
218703	2200082122	04/13/2017	USD	8,776.75	CAROLLO ENGINEERS INC SALT LAKE CITY UT	04/20/2017
218704	2200082117	04/13/2017	USD	1,388.06	CEM CORP CHICAGO IL	04/18/2017
218705	2200082121	04/13/2017	USD	500.00	CHINO VALLEY CHAMBER OF COMMERCHINO CA	04/28/2017
218706	2200082138	04/13/2017	USD	2,590.32	CINTAS CORPORATION LOC#150 PHOENIX AZ	04/26/2017
218707	2200082176	04/13/2017	USD	467.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	04/18/2017
218708	2200082166	04/13/2017	USD	3,786.73	CITY OF CHINO CHINO CA	04/17/2017
218709	2200082099	04/13/2017	USD	27.70	CITY RENTALS INC ONTARIO CA	04/21/2017
218710	2200082151	04/13/2017	USD	19,654.75	CONSERV CONSTRUCTION INC MURRIETA CA	04/19/2017
218711	2200082136	04/13/2017	USD	1,681.83	CS-AMSCO HUNTINGTON BEACH CA	04/19/2017
218712	2200082185	04/13/2017	USD	1,370.88	DELGADO, NELSON CHINO HILLS CA	04/19/2017
218713	2200082156	04/13/2017	USD	300.00	DOCUMENT DEMOLITION LLC CHINO CA	05/10/2017
218714	2200082130	04/13/2017	USD	5,982.50	DUDEK & ASSOCIATES INC ENCINITAS CA	04/24/2017
218715	2200082190	04/13/2017	USD	350.00	DYER, DANIEL CHINO HILLS CA	04/19/2017
218716	2200082150	04/13/2017	USD	2,662.31	E R BLOCK PLUMBING INC RIVERSIDE CA	04/18/2017
218717	2200082182	04/13/2017	USD	2,708.93	EDDY, NICHOLAS CHINO HILLS CA	04/17/2017
218718	2200082186	04/13/2017	USD	79.65	ELIE, STEVE CHINO HILLS CA	04/25/2017
218719	2200082120	04/13/2017	USD	123.00	ENVIRONMENTAL CONSULTING & TESSUPERIOR WI	04/19/2017
218720	2200082101	04/13/2017	USD	1,972.46	FISHER SCIENTIFIC LOS ANGELES CA	04/17/2017
218721	2200082102	04/13/2017	USD	4,542.53	FLO SYSTEMS INC ANAHEIM HILLS CA	04/20/2017
218722	2200082188	04/13/2017	USD	3,000.00	FLORES, JUAN CHINO HILLS CA	04/19/2017
218723	2200082172	04/13/2017	USD	4,876.90	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	04/21/2017
218724	2200082112	04/13/2017	USD	68.00	GOVERNMENT FINANCE OFFICERS ASCHICAGO IL	04/18/2017
218725	2200082111	04/13/2017	USD	5,618.97	GRAINGER PALATINE IL	04/18/2017
218726	2200082110	04/13/2017	USD	233.17	GRAINGER INC LAKE FOREST IL	05/01/2017
218727	2200082132	04/13/2017	USD	9,916.87	HACH COMPANY CHICAGO IL	04/19/2017
218728	2200082143	04/13/2017	USD	3,022.00	HARRIS STEEL FENCE CO INC LOS ANGELES CA	05/10/2017
218729	2200082103	04/13/2017	USD	3,882.84	HOME DEPOT CREDIT SERVICES DES MOINES IA	04/21/2017
218730	2200082161	04/13/2017	USD	1,855.97	IMPORTS UNLIMITED BEVERLY MA	04/18/2017

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218731	2200082174	04/13/2017	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	04/21/2017
218732	2200082104	04/13/2017	USD	135.85	J G TUCKER & SON INC COVINA CA	04/21/2017
218733	2200082154	04/13/2017	USD	955.00	KAIZEN INFOSOURCE LLC PALO ALTO CA	04/19/2017
218734	2200082147	04/13/2017	USD	1,250.00	KITCHELL CRM SACRAMENTO CA	04/18/2017
218735	2200082126	04/13/2017	USD	2,141.40	LEE & RO INC CITY OF INDUSTRY CA	04/18/2017
218736	2200082171	04/13/2017	USD	952.08	LEVEL 3 COMMUNICATIONS LLC DENVER CO	04/19/2017
218737	2200082183	04/13/2017	USD	350.00	LITTLETON, DANNY CHINO HILLS CA	05/02/2017
218738	2200082165	04/13/2017	USD	3,363.00	LOCAL GOVERNMENT COMMISSION SACRAMENTO CA	04/26/2017
218739	2200082159	04/13/2017	USD	1,184.56	MANAGED MOBILE INC PLACENTIA CA	04/19/2017
218740	2200082179	04/13/2017	USD	288.00	MARIA FRESQUEZ LAS VEGAS NV	04/18/2017
218741	2200082145	04/13/2017	USD	757.99	MARS ENVIRONMENTAL INC ANAHEIM CA	04/24/2017
218742	2200082129	04/13/2017	USD	1,794.98	MCCROMETER INC CHICAGO IL	04/18/2017
218743	2200082109	04/13/2017	USD	9.70	MISSION REPROGRAPHICS RIVERSIDE CA	04/18/2017
218744	2200082133	04/13/2017	USD	10,000.00	NATIONAL THEATRE FOR CHILDREN MINNEAPOLIS MN	04/19/2017
218745	2200082140	04/13/2017	USD	806.18	NESTLE WATERS NORTH AMERICA LOUISVILLE KY	04/21/2017
218746	2200082162	04/13/2017	USD	2,623.41	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	04/18/2017
218747	2200082100	04/13/2017	USD	742.03	OFFICE DEPOT PHOENIX AZ	04/24/2017
218748	2200082167	04/13/2017	USD	984.81	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	04/17/2017
218749	2200082192	04/13/2017	USD	84.83	PARKER, KATI CHINO HILLS CA	04/21/2017
218750	2200082177	04/13/2017	USD	430.50	PATRICK W HUNTER PHELAN CA	04/18/2017
218751	2200082189	04/13/2017	USD	74.90	PIVOVAROFF, JASON CHINO HILLS CA	04/19/2017
218752	2200082180	04/13/2017	USD	2,525.39	QUIROZ, OSCAR CHINO HILLS CA	04/24/2017
218753	2200082149	04/13/2017	USD	753.69	RDO TRUST # 80-5800 LAKESIDE CA	04/19/2017
218754	2200082135	04/13/2017	USD	24,105.00	RMC WATER AND ENVIRONMENT WALNUT CREEK CA	04/20/2017
218755	2200082119	04/13/2017	USD	3,920.00	RMS ENGINEERING & DESIGN CORONA DEL MAR CA	04/19/2017
218756	2200082105	04/13/2017	USD	5,120.64	ROYAL WHOLESALE ELECTRIC ORANGE CA	04/19/2017
218757	2200082173	04/13/2017	USD	138.85	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	05/10/2017
218758	2200082137	04/13/2017	USD	33.55	SKALAR INC BUFORD GA	05/12/2017
218759	2200082106	04/13/2017	USD	341.71	SMART & FINAL LOS ANGELES CA	04/24/2017
218760	2200082168	04/13/2017	USD	70,596.63	SO CALIF EDISON ROSEMEAD CA	04/20/2017
218761	2200082169	04/13/2017	USD	106.99	SO CALIF GAS MONTEREY PARK CA	04/24/2017
218762	2200082118	04/13/2017	USD	39,600.00	SOUTHERN CALIFORNIA GAS CO LOS ANGELES CA	
218763	2200082107	04/13/2017	USD	880.48	SOUTHWEST ALARM SERVICE UPLAND CA	04/27/2017
218764	2200082139	04/13/2017	USD	2,433.00	SUN WIRELESS SAN DIEGO CA	04/19/2017
218765	2200082124	04/13/2017	USD	309.24	TELEDYNE INSTRUMENTS INC CHICAGO IL	04/18/2017
218766	2200082125	04/13/2017	USD	53,040.26	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	04/19/2017
218767	2200082160	04/13/2017	USD	8,400.00	TPC TRAINCO BUFFALO GROVE IL	04/18/2017
218768	2200082184	04/13/2017	USD	350.00	TRAN, VINCENT CHINO HILLS CA	04/18/2017
218769	2200082153	04/13/2017	USD	350.00	TRIEPEI SMITH AND ASSOCIATES, IRVINE CA	04/20/2017
218770	2200082123	04/13/2017	USD	5,202.12	U S BANK NA ST PAUL MN	04/19/2017
218771	2200082128	04/13/2017	USD	398.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	04/17/2017
218772	2200082144	04/13/2017	USD	8,416.78	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	04/19/2017
218773	2200082175	04/13/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	04/20/2017
218774	2200082163	04/13/2017	USD	60,235.08	VIRAMONTES EXPRESS INC CORONA CA	04/25/2017
218775	2200082134	04/13/2017	USD	121.01	WORLDWIDE EXPRESS ALBANY NY	04/18/2017
218776	2200082164	04/13/2017	USD	1,641.00	YORKE ENGINEERING LLC SAN JUAN CAPISTRANO CA	04/20/2017

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218778	2200082193	04/13/2017	USD	228.01	KONICA MINOLTA PASADENA CA	04/19/2017
218779	2200082321	04/20/2017	USD	800.00	A PLUS PROMOTIONS TORRANCE CA	05/01/2017
218780	2200082259	04/20/2017	USD	522.00	AEROTEK INC ATLANTA GA	04/26/2017
218781	2200082229	04/20/2017	USD	1,399.26	AIRGAS WEST INC PASADENA CA	04/24/2017
218782	2200082236	04/20/2017	USD	2,266.86	ALL AMERICAN CRANE MAINTENANCEWALNUT CA	04/25/2017
218783	2200082340	04/20/2017	USD	274.00	ALQUISIRA, ROBERT CHINO HILLS CA	04/25/2017
218784	2200082320	04/20/2017	USD	100.00	ARMENDAREZ III, JESUS M FONTANA CA	05/01/2017
218785	2200082287	04/20/2017	USD	381.17	ASAP INDUSTRIAL SUPPLY FONTANA CA	04/25/2017
218786	2200082314	04/20/2017	USD	46,010.06	BANNER BANK SACRAMENTO CA	04/25/2017
218787	2200082333	04/20/2017	USD	99.00	BARRON, GREG CHINO HILLS CA	04/26/2017
218788	2200082268	04/20/2017	USD	126.98	BAVCO LONG BEACH CA	04/25/2017
218789	2200082343	04/20/2017	USD	36.72	BELTRAN, MIA CHINO HILLS CA	04/24/2017
218790	2200082295	04/20/2017	USD	1,087.47	BERLIN PACKAGING LLC CHICAGO IL	04/25/2017
218791	2200082260	04/20/2017	USD	7,500.00	BIA OF SOUTHERN CALIFORNIA INCRANCHO CUCAMONGA CA	
218792	2200082342	04/20/2017	USD	274.00	BOUGHAN, ARIN CHINO HILLS CA	04/24/2017
218793	2200082278	04/20/2017	USD	100.00	BOWMAN, JIM W ONTARIO CA	04/24/2017
218794	2200082305	04/20/2017	USD	30,072.25	BUSINESS CARD WILMINGTON DE	04/24/2017
218795	2200082298	04/20/2017	USD	7,052.71	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	04/25/2017
218796	2200082241	04/20/2017	USD	58.61	CALOLYMPIC SAFETY CORONA CA	04/25/2017
218797	2200082329	04/20/2017	USD	83.00	CAMBIASO, PIETRO CHINO HILLS CA	04/25/2017
218798	2200082319	04/20/2017	USD	265.67	CAPLUGS BUFFALO NY	04/28/2017
218799	2200082243	04/20/2017	USD	59,222.23	CAROLLO ENGINEERS INC SALT LAKE CITY UT	04/25/2017
218800	2200082265	04/20/2017	USD	1,623.00	CASC ENGINEERING AND CONSULTINCOLTON CA	04/25/2017
218801	2200082280	04/20/2017	USD	2,443.23	CINTAS CORPORATION LOC#150 PHOENIX AZ	05/02/2017
218802	2200082234	04/20/2017	USD	2,598.38	CITY OF CHINO CHINO CA	04/24/2017
218803	2200082290	04/20/2017	USD	1,650.00	CIVIC PUBLICATIONS INC LA VERNE CA	05/02/2017
218804	2200082296	04/20/2017	USD	335.00	COMMUNICATIONS USA INC ESCONDIDO CA	04/25/2017
218805	2200082263	04/20/2017	USD	2,809.88	CX & B UNITED CORP HARBOR CITY CA	04/28/2017
218806	2200082286	04/20/2017	USD	2,400.92	DAVID WHEELER'S PEST CONTROL, NORCO CA	04/27/2017
218807	2200082273	04/20/2017	USD	64,301.89	DAVIS ELECTRIC INC YUCAIPA CA	04/25/2017
218808	2200082299	04/20/2017	USD	2,000.00	DEBBY FIGONI BEVERLY HILLS CA	05/08/2017
218809	2200082285	04/20/2017	USD	60.00	DEPARTMENT OF MOTOR VEHICLES SACRAMENTO CA	05/01/2017
218810	2200082313	04/20/2017	USD	4,260.21	DXP ENTERPRISES INC HOUSTON TX	04/27/2017
218811	2200082256	04/20/2017	USD	399.96	E Z PARTY RENTALS POMONA CA	04/25/2017
218812	2200082291	04/20/2017	USD	365.00	EUROPINS EATON ANALYTICAL, INCGRAPEVINE TX	04/26/2017
218813	2200082311	04/20/2017	USD	230,170.53	FACILITY SOLUTIONS GROUP INC PLACENTIA CA	05/01/2017
218814	2200082303	04/20/2017	USD	352,187.04	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	04/25/2017
218815	2200082308	04/20/2017	USD	483.35	FIREHAWK FIRE & SAFETY SAN DEIGO CA	04/25/2017
218816	2200082222	04/20/2017	USD	1,766.67	FISHER SCIENTIFIC LOS ANGELES CA	04/24/2017
218817	2200082325	04/20/2017	USD	911.94	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	04/28/2017
218818	2200082317	04/20/2017	USD	26,700.00	GP STRATEGIES CORPORATION COLUMBIA MD	05/01/2017
218819	2200082231	04/20/2017	USD	8,518.11	GRAINGER PALATINE IL	04/25/2017
218820	2200082341	04/20/2017	USD	848.32	HALL, JASMIN CHINO HILLS CA	05/04/2017
218821	2200082223	04/20/2017	USD	19,969.87	HARRINGTON INDUSTRIAL PLASTICSCHINO CA	04/25/2017
218822	2200082224	04/20/2017	USD	538.15	HOME DEPOT CREDIT SERVICES DES MOINES IA	04/26/2017

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218824	2200082337	04/20/2017	USD	149.00	IAPMA-HR RIVERSIDE CA	04/27/2017
218825	2200082318	04/20/2017	USD	29.40	IDEXX DISTRIBUTION INC ATLANTA GA	04/25/2017
218826	2200082282	04/20/2017	USD	346.06	INDUSTRIAL RUBBER & SUPPLY APPLE VALLEY CA	04/27/2017
218827	2200082270	04/20/2017	USD	8,000.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	04/26/2017
218828	2200082240	04/20/2017	USD	289,502.25	J F SHRA CONSTRUCTION INC WALNUT CA	04/26/2017
218829	2200082225	04/20/2017	USD	8,278.96	J. R. FILANC CONSTRUCTION CO. INCESCONDIDO CA	04/25/2017
218830	2200082304	04/20/2017	USD	9,506.00	JEREMY HARRIS CONSTRUCTION, IN RIVERSIDE CA	04/26/2017
218831	2200082232	04/20/2017	USD	51,609.03	JWC ENVIRONMENTAL LOS ANGELES CA	04/24/2017
218832	2200082288	04/20/2017	USD	117.00	KIM'S MASTER AUTO REPAIR CHINO CA	04/26/2017
218833	2200082332	04/20/2017	USD	274.00	KING, JEFFREY L CHINO HILLS CA	04/24/2017
218834	2200082239	04/20/2017	USD	2,699.14	KONICA MINOLTA PASADENA CA	04/24/2017
218835	2200082327	04/20/2017			voided by KMCCHRIS - Check not needed	05/23/2017
218836	2200082255	04/20/2017	USD	140.00	LIEBERT CASSIDY WHITMORE LOS ANGELES CA	04/27/2017
218837	2200082307	04/20/2017	USD	1,282.75	MANAGED MOBILE INC PLACENTIA CA	04/25/2017
218838	2200082233	04/20/2017	USD	22,574.48	MARCAB COMPANY INC ONTARIO CA	
218839	2200082238	04/20/2017	USD	1,300.00	MBC APPLIED ENVIRONMENTAL SCIECOSTA MESA CA	04/24/2017
218840	2200082294	04/20/2017	USD	1,495.00	MICROAGE PHOENIX AZ	04/26/2017
218841	2200082245	04/20/2017	USD	136.40	MIDPOINT BEARING ONTARIO CA	04/24/2017
218842	2200082235	04/20/2017	USD	1,667.71	MISCO WATER FOOTHILL RANCH CA	05/05/2017
218843	2200082230	04/20/2017	USD	202.35	MISSION REPROGRAPHICS RIVERSIDE CA	04/27/2017
218844	2200082262	04/20/2017	USD	1,540.00	NATIONAL BUSINESS INVESTIGATION MURRIETA CA	04/26/2017
218845	2200082276	04/20/2017	USD	1,206.35	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	04/25/2017
218846	2200082328	04/20/2017	USD	90.59	NEIGHBORS, CLAUDIA CHINO HILLS CA	05/08/2017
218847	2200082315	04/20/2017	USD	97,081.36	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	04/26/2017
218848	2200082338	04/20/2017	USD	93.00	NOH, BRIAN CHINO HILLS CA	05/02/2017
218849	2200082221	04/20/2017	USD	350.52	OFFICE DEPOT PHOENIX AZ	04/25/2017
218850	2200082322	04/20/2017	USD	1,240.30	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	04/24/2017
218851	2200082301	04/20/2017	USD	484.79	PCH PIEZOTRONICS INC CHICAGO IL	04/26/2017
218852	2200082267	04/20/2017	USD	2,490.21	PONTON INDUSTRIES INC YORBA LINDA CA	05/01/2017
218853	2200082339	04/20/2017	USD	274.00	RACZ, JASON CHINO HILLS CA	05/08/2017
218854	2200082220	04/20/2017	USD	342.84	REB LOCK & KEY ONTARIO CA	04/28/2017
218855	2200082246	04/20/2017	USD	211.16	RED WING SHOE STORE UPLAND CA	04/28/2017
218856	2200082302	04/20/2017	USD	3,500.00	RM ARCHITECTURE IRVINE CA	04/26/2017
218857	2200082271	04/20/2017	USD	122,927.00	RMC WATER AND ENVIRONMENT WALNUT CREEK CA	04/26/2017
218858	2200082281	04/20/2017	USD	100.00	ROGERS, PETER J CHINO HILLS CA	05/01/2017
218859	2200082226	04/20/2017	USD	96,417.86	ROYAL WHOLESALE ELECTRIC ORANGE CA	04/25/2017
218860	2200082277	04/20/2017	USD	1,078.40	RSD LAKE FOREST CA	04/25/2017
218861	2200082284	04/20/2017	USD	326.31	RUSSELL SIGLER INC LOS ANGELES CA	04/24/2017
218862	2200082250	04/20/2017	USD	2,782.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	04/28/2017
218863	2200082326	04/20/2017	USD	215.50	SANTA CRUZ, VICTOR CHINO HILLS CA	04/25/2017
218864	2200082330	04/20/2017	USD	274.00	SAULS, SCOTT CHINO HILLS CA	05/18/2017
218865	2200082334	04/20/2017	USD	2,500.00	SAYAVONG, KEVIN CHINO HILLS CA	04/26/2017
218866	2200082279	04/20/2017	USD	52,487.50	SCW CONTRACTING CORPORATION FALLBROOK CA	04/26/2017
218867	2200082306	04/20/2017	USD	3,014.91	SIEMENS DEMAG DELAVAL ATLANTA GA	04/28/2017
218868	2200082275	04/20/2017	USD	459.49	SKALAR INC BUFORD GA	05/12/2017

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218870	2200082323	04/20/2017	USD	271,859.55	SO CALIF EDISON ROSEMEAD CA	04/25/2017
218871	2200082300	04/20/2017	USD	370.50	SPORT PINS INTERNATIONAL INC UPLAND CA	04/25/2017
218872	2200082293	04/20/2017	USD	3,600.00	STAFFING NETWORK LLC CAROL STREAM IL	04/26/2017
218873	2200082244	04/20/2017	USD	575.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	05/03/2017
218874	2200082297	04/20/2017	USD	100.00	STONE, DEBRA KAYE UPLAND CA	
218875	2200082261	04/20/2017	USD	812.00	SYSTEMS SOURCE INC IRVINE CA	04/25/2017
218876	2200082247	04/20/2017	USD	362.04	TELEDYNE INSTRUMENTS INC CHICAGO IL	04/26/2017
218877	2200082292	04/20/2017	USD	100.00	TIEGS, KATHLEEN ALTA LOMA CA	05/08/2017
218878	2200082248	04/20/2017	USD	10,461.23	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	04/27/2017
218879	2200082312	04/20/2017	USD	4,850.00	TONY PAINTING GARDEN GROVE CA	04/25/2017
218880	2200082283	04/20/2017	USD	1,500.00	TOTALFUNDS BY HASLER TAMPA FL	04/27/2017
218881	2200082264	04/20/2017	USD	7,041.40	TRIMAX SYSTEMS INC BREA CA	05/02/2017
218882	2200082258	04/20/2017	USD	1,564.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	04/24/2017
218883	2200082257	04/20/2017	USD	1,554.00	U S POSTAL SERVICE CHINO HILLS CA	04/26/2017
218884	2200082242	04/20/2017	USD	531.68	ULTRA SCIENTIFIC NORTH KINGSTOWN RI	04/26/2017
218885	2200082310	04/20/2017	USD	394.62	VANTAGE TECHNOLOGY CONSULTING EL SEGUNDO CA	04/28/2017
218886	2200082324	04/20/2017	USD	454.01	VERIZON BUSINESS ALBANY NY	04/25/2017
218887	2200082249	04/20/2017	USD	8,318.58	VERIZON WIRELESS DALLAS TX	04/25/2017
218888	2200082309	04/20/2017	USD	100.00	VINCENT, TRISHA LYNN MONTCLAIR CA	
218889	2200082316	04/20/2017	USD	21,357.30	VIRAMONTES EXPRESS INC CORONA CA	04/25/2017
218890	2200082227	04/20/2017	USD	1,076.86	VWR INTERNATIONAL LLC PITTSBURGH PA	04/24/2017
218891	2200082266	04/20/2017	USD	122,683.24	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	04/25/2017
218892	2200082336	04/20/2017	USD	274.00	WALKER, RAYMOND CHINO HILLS CA	05/09/2017
218893	2200082228	04/20/2017	USD	2,722.17	WAXIE SANITARY SUPPLY LOS ANGELES CA	04/25/2017
218894	2200082272	04/20/2017	USD	1,918.86	WILLDAN ENGINEERING ANAHEIM CA	04/25/2017
218895	2200082274	04/20/2017	USD	3,686.40	WINCHESTER SYSTEMS INC BILLERICA MA	04/25/2017
218896	2200082269	04/20/2017	USD	232.13	WORLDWIDE EXPRESS ALBANY NY	04/25/2017
218897	2200082335	04/20/2017	USD	274.00	YIM, BRADLEY CHINO HILLS CA	05/02/2017
218898	2200082331	04/20/2017	USD	274.00	ZIEGENBEIN, JEFF CHINO HILLS CA	04/26/2017
218899	2200082251	04/20/2017	USD	8,449.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	05/02/2017
218900	2200082252	04/20/2017	USD	16,621.50	SAN BERNARDINO COUNTY SAN BERNARDINO CA	05/02/2017
218901	2200082253	04/20/2017	USD	16,938.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	05/02/2017
218902	2200082254	04/20/2017	USD	4,658.75	SAN BERNARDINO COUNTY SAN BERNARDINO CA	05/02/2017
218903	2200082352	04/20/2017	USD	94,463.92	MARTIN, DEAN RANCHO CUCAMONGA CA	04/28/2017
218904	2200082560	04/27/2017	USD	445.00	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA	05/04/2017
218905	2200082586	04/27/2017	USD	2,962.97	ADVANTECH CORPORATION MILPITAS CA	05/03/2017
218906	2200082540	04/27/2017	USD	1,305.00	ABROTEK INC ATLANTA GA	05/03/2017
218907	2200082510	04/27/2017	USD	6,463.95	AIRGAS WEST INC PASADENA CA	05/05/2017
218908	2200082561	04/27/2017	USD	4,467.98	ALLIED UNIVERSAL SECURITY SKRVPASADENA CA	05/03/2017
218909	2200082577	04/27/2017	USD	1,575.00	ALS ENVIRONMENTAL DALLAS TX	05/04/2017
218910	2200082557	04/27/2017	USD	6,228.31	AMERICAN PRINTING & PROMOTIONSEASTVALE CA	05/02/2017
218911	2200082518	04/27/2017	USD	1,021.60	APPLBONE EMPLOYMENT SERVICES GLENDALE CA	05/04/2017
218912	2200082538	04/27/2017	USD	658.10	BOOT BARN INC IRVINE CA	05/05/2017
218913	2200082592	04/27/2017	USD	172.48	BREIG, ANNA VICTORVILLE CA	05/08/2017
218914	2200082569	04/27/2017	USD	10,860.60	CALIFORNIA WATER TECHNOLOGIES, PASADENA CA	05/03/2017

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Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca /void	
218915	2200082604	04/27/2017	USD	340.00	CAMBIASO, PIETRO CHINO HILLS CA	05/03/2017	
218916	2200082601	04/27/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	05/09/2017	
218917	2200082533	04/27/2017	USD	11,250.70	CAROLLO ENGINEERS INC SALT LAKE CITY UT	05/03/2017	
218918	2200082526	04/27/2017	USD	601.99	CEM CORP CHICAGO IL	05/01/2017	
218919	2200082523	04/27/2017	USD	225.00	CHINO BASIN WATER CONSERVATIONMONTCLAIR CA	05/05/2017	
218920	2200082556	04/27/2017	USD	1,500.49	CINTAS CORPORATION LOC#150 PHOENIX AZ	05/05/2017	
218921	2200082599	04/27/2017	USD	446.50	CITY EMPLOYERS ASSOCIATES LONG BEACH CA	05/09/2017	
218922	2200082500	04/27/2017	USD	43.81	CITY RENTALS INC ONTARIO CA	05/05/2017	
218923	2200082588	04/27/2017	USD	55.20	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	05/02/2017	
218924	2200082542	04/27/2017	USD	4,310.79	CX & B UNITED CORP HARBOR CITY CA	05/05/2017	
218925	2200082570	04/27/2017	USD	12,413.56	D & H WATER SYSTEMS INC OCEANSIDE CA	05/03/2017	
218926	2200082562	04/27/2017	USD	34,514.57	DAVID T WASDEN INC RIVERSIDE CA	05/05/2017	
218927	2200082521	04/27/2017	USD	16,501.08	DELL MARKETING L P PASADENA CA	05/04/2017	
218928	2200082545	04/27/2017	USD	5,529.83	DESERT PUMPS AND PARTS INC BELLA VISTA AR	05/03/2017	
218929	2200082611	04/27/2017	USD	170.00	DIAS, MICHAEL CHINO HILLS CA	05/11/2017	
218930	2200082539	04/27/2017	USD	1,500.00	DUDEK & ASSOCIATES INC ENCINITAS CA	05/04/2017	
218931	2200082608	04/27/2017	USD	220.00	DYER, DANIEL CHINO HILLS CA	05/19/2017	
218932	2200082606	04/27/2017	USD	1,112.86	ELIE, STEVE CHINO HILLS CA	05/05/2017	
218933	2200082532	04/27/2017	USD	120.00	ENVIRONMENTAL CONSULTING & TRUSSUPERIOR WI	05/16/2017	
218934	2200082576	04/27/2017	USD	260.78	ENVIRONMENTAL EXPRESS INC ATLANTA GA	05/03/2017	
218935	2200082566	04/27/2017	USD	1,370.17	ENVIRONMENTAL SCIENCE ASSOCIATSAN FRANCISCO CA	05/05/2017	
218936	2200082565	04/27/2017	USD	425.00	EUROFINS EATON ANALYTICAL, INCGRAPEVINE TX	05/02/2017	
218937	2200082502	04/27/2017	USD	78.99	FISHER SCIENTIFIC LOS ANGELES CA	05/01/2017	
218938	2200082549	04/27/2017	USD	154.64	FLSMIDTH USA INC DALLAS TX	05/04/2017	
218939	2200082517	04/27/2017	USD	392.52	FONTANA HERALD NEWS FONTANA CA	05/03/2017	
218940	2200082591	04/27/2017	USD	2,017.68	FOUNDATION HA ENERGY GENERATIO SAN FRANCISCO CA		
218941	2200082564	04/27/2017	USD	7,500.00	GHD PASADENA CA	05/05/2017	
218942	2200082582	04/27/2017	USD	8,115.00	GILLIS + PANICHAPAN ARCHITECTSCOSTA MESA CA	05/02/2017	
218943	2200082585	04/27/2017	USD	324.00	GOALS ACADEMY ANAHEIM CA	05/22/2017	
218944	2200082514	04/27/2017	USD	4,834.70	GRAINGER PALATINE IL	05/02/2017	
218945	2200082546	04/27/2017	USD	1,178.62	HACH COMPANY CHICAGO IL	05/01/2017	
218946	2200082610	04/27/2017	USD	597.65	HALL, JASMIN CHINO HILLS CA	05/04/2017	
218947	2200082530	04/27/2017	USD	1,449.84	HAWTHORNE LIFT SYSTEMS LOS ANGELES CA	05/02/2017	
218948	2200082595	04/27/2017	USD	472.96	HOBBS, DIANA APPLE VALLEY CA	05/03/2017	
218949	2200082503	04/27/2017	USD	1,182.16	HOME DEPOT CREDIT SERVICES DES MOINES IA	05/05/2017	
218950	2200082593	04/27/2017	USD	472.96	HORNE, WILLIAM YUCCA VALLEY CA	05/03/2017	
218951	2200082609	04/27/2017	USD	51.00	HULL, KURT CHINO HILLS CA	05/05/2017	
218952	2200082519	04/27/2017	USD	706.95	INGERSOLL RAND COMPANY CHICAGO IL	05/01/2017	
218953	2200082597	04/27/2017	USD	66.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	05/09/2017	
218954	2200082554	04/27/2017	USD	1,368.80	INTEGRATED DESIGN SERVICES INCIRVINE CA	05/03/2017	
218955	2200082504	04/27/2017	USD	436.85	J L WINGER CO GARDEN GROVE CA	05/02/2017	
218956	2200082555	04/27/2017	USD	3,930.00	JOHNSON CONTROLS INC DALLAS TX	05/04/2017	
218957	2200082574	04/27/2017	USD	1,072.26	KAIZEN INFOSOURCE LLC PALO ALTO CA	05/10/2017	
218958	2200082529	04/27/2017	USD	290.93	KONICA MINOLTA PASADENA CA	05/03/2017	
218959	2200082580	04/27/2017	USD	1,285.00	LANCE SOLL & LUNGHARD LLP BREA CA	05/01/2017	
218960	2200082584	04/27/2017	USD	4,349.40	LAW OFFICE OF KATHY M GANDARA RANCHO CUCAMONGA CA	05/04/2017	

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218961	2200082603	04/27/2017	USD	2,719.73	LOPEZ, MARK CHINO HILLS CA	05/03/2017	
218962	2200082602	04/27/2017			voided by PJACKSON - Stop Payment	05/04/2017	
218963	2200082522	04/27/2017	USD	3,638.37	METTLER-TOLEDO COLUMBUS OH	05/04/2017	
218964	2200082558	04/27/2017	USD	3,800.00	MRYERS NAVE OAKLAND CA	05/02/2017	
218965	2200082568	04/27/2017	USD	10,192.02	MICROAGE PHOENIX AZ	05/03/2017	
218966	2200082594	04/27/2017	USD	746.37	MILLER, ELMER L BLUE JAY CA	05/05/2017	
218967	2200082505	04/27/2017	USD	1,136.36	MINE SAFETY APPLIANCES CO PITTSBURGH PA	05/03/2017	
218968	2200082612	04/27/2017	USD	36.72	MORRIS, SHANeka CHINO HILLS CA	05/08/2017	
218969	2200082573	04/27/2017	USD	280.00	MSO TECHNOLOGIES INC THOUSAND OAKS CA	05/05/2017	
218970	2200082605	04/27/2017	USD	95.00	MUNOZ, MARIE LIZA CHINO HILLS CA	05/02/2017	
218971	2200082551	04/27/2017	USD	211.55	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	05/02/2017	
218972	2200082524	04/27/2017	USD	98.39	O RINGS & THINGS MONTANA CA	05/05/2017	
218973	2200082501	04/27/2017	USD	288.74	OFFICE DEPOT PHOENIX AZ	05/09/2017	
218974	2200082587	04/27/2017	USD	4,256.87	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	05/01/2017	
218975	2200082536	04/27/2017	USD	2,005.20	PALM AUTO DETAIL INC COLTON CA	05/05/2017	
218976	2200082541	04/27/2017	USD	354.48	PANTHER PROTECTION ORANGE CA	05/03/2017	
218977	2200082600	04/27/2017	USD	430.50	PATRICK W HUNTER PHELAN CA	05/05/2017	
218978	2200082512	04/27/2017	USD	83.73	PETE'S ROAD SERVICE FULLERTON CA	05/02/2017	
218979	2200082513	04/27/2017	USD	810.67	PETTY CASH EXPENDITURES CHINO CA	05/02/2017	
218980	2200082607	04/27/2017	USD	36.00	PIVOVAROFF, JASON CHINO HILLS CA	05/03/2017	
218981	2200082544	04/27/2017	USD	742.99	PONTON INDUSTRIES INC YORBA LINDA CA	05/08/2017	
218982	2200082579	04/27/2017	USD	16,235.00	PRIORITY BUILDING SERVICES LLCBREA CA	05/03/2017	
218983	2200082506	04/27/2017	USD	290.50	RAYNE WATER CONDITIONING COVINA CA	05/01/2017	
218984	2200082507	04/27/2017	USD	2,619.50	RMA GROUP RANCHO CUCAMONGA CA	05/04/2017	
218985	2200082548	04/27/2017	USD	44,463.37	RMC WATER AND ENVIRONMENT WALNUT CREEK CA	05/04/2017	
218986	2200082531	04/27/2017	USD	13,200.00	RMS ENGINEERING & DESIGN CORONA DEL MAR CA	05/02/2017	
218987	2200082508	04/27/2017	USD	3,275.84	ROYAL WHOLESALE ELECTRIC ORANGE CA	05/02/2017	
218988	2200082583	04/27/2017	USD	15,851.00	SAITECH INC FREMONT CA	05/05/2017	
218989	2200082515	04/27/2017	USD	64,172.00	SAN BERNARDINO VALLEY MWD SAN BERNARDINO CA	05/08/2017	
218990	2200082596	04/27/2017	USD	345.38	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	05/18/2017	
218991	2200082589	04/27/2017	USD	3,902.15	SO CALIF EDISON ROSEMEAD CA	05/03/2017	
218992	2200082590	04/27/2017	USD	347.20	SO CALIF GAS MONTEREY PARK CA	05/09/2017	
218993	2200082516	04/27/2017	USD	701.30	SOUTH COAST AQMD LOS ANGELES CA	05/01/2017	
218994	2200082567	04/27/2017	USD	1,110.00	STAFFING NETWORK LLC CAROL STREAM IL	05/02/2017	
218995	2200082550	04/27/2017	USD	7,942.75	STANTEC CONSULTING INC CHICAGO IL	05/01/2017	
218996	2200082528	04/27/2017	USD	1,240.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	05/03/2017	
218997	2200082581	04/27/2017	USD	668.53	STORETRIEVE LLC MONTEBELLO CA	05/02/2017	
218998	2200082511	04/27/2017	USD	1,115.64	SUEZ TREATMENT SOLUTIONS INC BALTIMORE MD	05/01/2017	
218999	2200082575	04/27/2017	USD	205.05	SUPERIOR ELECTRIC MOTOR SERVICVERNON CA	05/05/2017	
219000	2200082525	04/27/2017	USD	4,387.50	TELEDYNE INSTRUMENTS INC CHICAGO IL	05/01/2017	
219001	2200082534	04/27/2017	USD	3,245.43	TELEDYNE INSTRUMENTS INC CHICAGO IL	05/01/2017	
219002	2200082571	04/27/2017	USD	703.20	THERMO ELECTRON NORTH AMERICA ATLANTA GA	05/03/2017	
219003	2200082559	04/27/2017	USD	8,237.20	THOMAS HARDER & CO INC ANAHEIM CA	05/16/2017	
219004	2200082535	04/27/2017	USD	3,436.82	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	05/02/2017	
219005	2200082572	04/27/2017	USD	1,564.26	TRIEPEI SMITH AND ASSOCIATES, IRVINE CA	05/09/2017	
219006	2200082537	04/27/2017	USD	299.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	05/01/2017	

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219007	2200082509	04/27/2017	USD	387.00	UNDERGROUND SERVICE ALERT/SC CORONA CA	05/08/2017
219008	2200082543	04/27/2017	USD	232.98	UNITED STATES PLASTIC CORP LIMA OH	05/04/2017
219009	2200082598	04/27/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	05/09/2017
219010	2200082527	04/27/2017	USD	749.12	USA BLUE BOOK GURNEE IL	05/02/2017
219011	2200082552	04/27/2017	USD	5,278.13	V & A CONSULTING ENGINEERS OAKLAND CA	05/02/2017
219012	2200082578	04/27/2017	USD	526.16	VANTAGE TECHNOLOGY CONSULTING EL SEGUNDO CA	05/02/2017
219013	2200082553	04/27/2017	USD	14,094.64	VAUGHAN'S INDUSTRIAL REPAIR COPARAMOUNT CA	05/02/2017
219014	2200082547	04/27/2017	USD	235.52	WORLDWIDE EXPRESS ALBANY NY	05/02/2017
219015	2200082563	04/27/2017	USD	6,218.55	KYLEM WATER SOLUTIONS USA INC CHICAGO IL	05/04/2017
219016	2200082520	04/27/2017	USD	434.30	YALE CHASE EQUIPMENT AND SERVILOS ANGELES CA	05/01/2017

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
*			USD	3,700,017.13		

Attachment 2

Workers' Comp Checks

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

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
04762	2200082357	04/05/2017	USD	118.76	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/10/2017
04763	2200082360	04/12/2017	USD	92.17	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/12/2017
04764	2200082361	04/12/2017	USD	118.76	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/13/2017
04765	2200082362	04/12/2017	USD	103.48	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/17/2017
04766	2200082363	04/12/2017	USD	3,350.30	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/18/2017
04767	2200082364	04/12/2017	USD	128.60	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/18/2017
04768	2200082365	04/12/2017	USD	14.36	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/26/2017
04769	2200082366	04/12/2017	USD	64.46	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/20/2017
04770	2200082367	04/12/2017	USD	96.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/20/2017
04771	2200082368	04/12/2017	USD	236.22	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/20/2017
04772	2200082369	04/12/2017	USD	259.86	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/20/2017
04773	2200082358	04/19/2017	USD	107.46	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/19/2017
04774	2200082359	04/19/2017	USD	180.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	04/24/2017
04775	2200082617	04/26/2017	USD	98.39	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	05/04/2017
04776	2200082618	04/26/2017	USD	12.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	05/03/2017
04777	2200082625	04/28/2017	USD	12.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	05/08/2017

Check number from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
*			USD	4,992.82		

Attachment 3

Vendor ACHs

Check	Payee / Description		Amount
ACH	AQUA BEN CORPORATION		
	RP2-23,000 Lbs Polymer 748E	35580	20,321.65
	DAFT-4,600 Lbs Polymer 748E	35544	4,064.33
	RP1-20,700 Lbs Polymer 750A	35545	27,782.17
	AQUA BEN CORPORATION	\$	52,168.15
ACH	LASER LINE		
	HQA-Svc HP DJ 5000	29395	189.95
	LASER LINE	\$	189.95
ACH	NAPA GENUINE PARTS COMPANY		
	15W40 Engine Oil	218087	207.78
	NAPA GENUINE PARTS COMPANY	\$	207.78
ACH	UNIVAR USA INC		
	TP1-10,751 Lbs Sodium Bisulfite	LA522381	2,321.44
	CCWRP-13,043 Lbs Sodium Bisulfite	LA524358	2,816.45
	UNIVAR USA INC	\$	5,137.89
ACH	THATCHER COMPANY OF CALIFORNIA		
	TP4-45,400 Lbs Aluminum Sulfate	243408	3,946.61
	TP1-45,380 Lbs Aluminum Sulfate	243424	3,973.68
	CCWTP-44,040 Lbs Aluminum Sulfate	243577	3,837.71
	TP1-45,420 Lbs Aluminum Sulfate	243518	3,929.11
	THATCHER COMPANY OF CALIFORNIA	\$	15,687.11
ACH	MCMASTER-CARR SUPPLY CO		
	Suction Strainer	21486732	19.09
	Ladder, Leveling Mount, Anchor Bolt, U-Bolt	21108827	1,083.08
	MCMASTER-CARR SUPPLY CO	\$	1,102.17
ACH	ALFA LAVAL INC		
	Repair SG2-800 R/A w/30.ODD Gearbox	277751791	45,832.43
	ALFA LAVAL INC	\$	45,832.43
ACH	INVENSYS SYSTEMS INC		
	Inv-Intelligent Transmitters	93535769	3,434.78
	INVENSYS SYSTEMS INC	\$	3,434.78
ACH	PEST OPTIONS INC		
	February 2017 GWR Weed Abatement Service	272635	6,034.32
	January 2017 GWR Weed Abatement Services	271121	6,034.32
	February 2017 Weed Abatement Services	272452	2,920.48
	PEST OPTIONS INC	\$	14,989.12
ACH	OLIN CORP		
	CCWRP-3,010 Gals Sodium Hypochlorite	2303082	1,715.70
	CCWRP-3,002 Gals Sodium Hypochlorite	2306209	1,711.14
	TP1-4,924 Gals Sodium Hypochlorite	2305628	2,806.68

Check	Payee / Description	Amount
	RP5-4,892 Gals Sodium Hypochlorite 2303638	2,788.44
	RP4-2,986 Gals Sodium Hypochlorite 2305069	1,702.02
	CCWRP-2,974 Gals Sodium Hypochlorite 2304795	1,695.18
	TP1-4,964 Gals Sodium Hypochlorite 2304794	2,829.48
	TP1-4,956 Gals Sodium Hypochlorite 2304793	2,824.92
	TP1-4,944 Gals Sodium Hypochlorite 2304197	2,818.08
	RP4-2,938 Gals Sodium Hypochlorite 2303639	1,674.66
	RP2-1,814 Gals Sodium Hypochlorite 2304796	1,033.98
	OLIN CORP \$	23,600.28
ACH	DAVE'S PLUMBING 1 Water Softener Removal-3/28/17 5135	245.00
	DAVE'S PLUMBING \$	245.00
ACH	NAVEX GLOBAL INC 4/17-4/18 US Hotline/Subscription Renewa INV-139637CRE 28.00- 4/17-4/18 US Hotline/Subscription Renewa INV-139637 1,470.04	
	NAVEX GLOBAL INC \$	1,442.04
ACH	SHELL ENERGY NORTH AMERICA LP 2/17 Gas Commodity-Non Core 2908546 16,794.00- 9/16-12/16 Adj Gas Commodity-Non Core 2899403 7,309.37- 1/17 Gas Commodity-Non Core 2894952 2,268.00 1/17 Gas Cmmnty-Core,11/16 Adj 1100002880301 1,213.66 2/17 Gas Cmmnty-Core,12/16 Adj 1100002880302 1,518.35 2/17 Gas Commodity-Non Core 2908410 19,332.00	
	SHELL ENERGY NORTH AMERICA LP \$	228.64
ACH	SOLAR STAR CALIFORNIA V LLC CCWRP/TP/RWPS-2/1-2/28 14950 Telephone A M0613-1166566 1,680.17 RP5/TP5/HQA/B-2/1-2/28 6075 Kimball Ave M0614-1166567 10,228.59 RP1-2/1-2/28 2450 Phila St M0615-1166568 11,597.49 RP1-2/1-2/28 2450 Phila St M0616-1166569 2,171.22	
	SOLAR STAR CALIFORNIA V LLC \$	25,677.47
ACH	ICMA RETIREMENT TRUST 457 P/R 8 4/13/17 Deferred Comp Ded HR 0053200 15,449.52	
	ICMA RETIREMENT TRUST 457 \$	15,449.52
ACH	LINCOLN NATIONAL LIFE INS CO P/R 8 4/13/17 Deferred Comp Ded HR 0053200 24,733.61	
	LINCOLN NATIONAL LIFE INS CO \$	24,733.61
ACH	ICMA RETIREMENT TRUST 401 P/R 8 4/13/17 Exec Deferred Comp Ded HR 0053200 8,408.19	
	ICMA RETIREMENT TRUST 401 \$	8,408.19
ACH	AQUA BEN CORPORATION DAFT-4,600 Lbs Polymer 748E 35565 4,064.33 RP1-18,400 Lbs Polymer 750A 35566 24,695.27	

Check	Payee / Description	Amount
	AQUA BEN CORPORATION	\$ 28,759.60
ACH	LASER LINE	
	CAP-DC600 Drum Unit 29406	118.70
	HQA-Svc HP LJ 600 M603,Mnt Kit 29408	525.81
	HQA-Install Drum Unit for Sharp DC600 29407	55.00
	LASER LINE	\$ 699.51
ACH	SANTA ANA WATERSHED	
	February 2017 Truck Discharge 9007	1,485.36
	February 2017 Service 9013	140,232.75
	SANTA ANA WATERSHED	\$ 141,718.11
ACH	UNIVAR USA INC	
	RP5-11,741 Lbs Sodium Bisulfite LA524406	2,901.14
	UNIVAR USA INC	\$ 2,901.14
ACH	STANDARD & POOR'S	
	08B Bnds-4/17-3/18 Analytical Svcs-Stand 11327462	5,000.00
	STANDARD & POOR'S	\$ 5,000.00
ACH	MCMASTER-CARR SUPPLY CO	
	2 Gauge Steel Case 22698635	35.80
	MCMASTER-CARR SUPPLY CO	\$ 35.80
ACH	AMERICAN MICROIMAGING	
	IS15003-Through 3/8/17 Professional Serv 47740	45,853.50
	IS15003-Credit Memo to True Up Accountin 47701CR	45,853.50
	IS15003-Through 9/26/16 Professional Ser 47591	2,025.00
	IS15003-Through 10/22/16 Professional Se 47633	17,816.25
	IS15003-Through 9/22/16 Professional Ser 47588	13,687.50
	IS15003-Through 11/26/16 Professional Se 47670	10,125.00
	AMERICAN MICROIMAGING	\$ 43,653.75
ACH	OLIN CORP	
	TP1-4,980 Gals Sodium Hypochlorite 2308272	2,838.60
	RP4-2,508 Gals Sodium Hypochlorite 2306794	1,429.56
	RP5-4,948 Gals Sodium Hypochlorite 2306795	2,820.36
	TP1-4,948 Gals Sodium Hypochlorite 2307354	2,820.36
	CCWRP-4,962 Gals Sodium Hypochlorite 2307355	2,828.34
	TP1-4,868 Gals Sodium Hypochlorite 2307876	2,774.76
	TP1-4,960 Gals Sodium Hypochlorite 2308131	2,827.20
	RP4-2,990 Gals Sodium Hypochlorite 2308132	1,704.30
	OLIN CORP	\$ 20,043.48
ACH	DAVE'S PLUMBING	
	WR16017-3/2017 Replace PRV, Adjustment P 5130	4,302.20
	DAVE'S PLUMBING	\$ 4,302.20
ACH	KAMBRIAN CORPORATION	
	ISS-Visio Pro for Office 365-OLP Sngl La 13820	1,358.40

Check	Payee / Description		Amount
	KAMBRIAN CORPORATION	\$	1,358.40
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 8 4/13/17 Employee Ded	HR 0053200 HR 0053100	183.00 12.00
	IEUA EMPLOYEES' ASSOCIATION	\$	195.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 8 4/13/17 Employee Ded	HR 0053200	360.00
	IEUA SUPERVISORS UNION ASSOCIAS		360.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 8 4/13/17 Employee Ded	HR 0053200	1,144.10
	IEUA GENERAL EMPLOYEES ASSOCIAS		1,144.10
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 8 4/13/17 Employee Ded	HR 0053200	500.00
	IEUA PROFESSIONAL EMPLOYEES ASS		500.00
ACH	DISCOVERY BENEFITS INC P/R 8 4/13/17 Cafeteria Plan	HR 0053200	3,178.91
	DISCOVERY BENEFITS INC	\$	3,178.91
ACH	Inland Empire Reg. Composting 2/17 L&B Expenses	SAP0217-IEUAL	251.19
	Inland Empire Reg. Composting	\$	251.19
ACH	KOPP ILLUSTRATION, INC. RP1-Birds Eye View Site Map of CDA Facil 00002111		3,000.00
	KOPP ILLUSTRATION, INC.	\$	3,000.00
ACH	JC LAW FIRM 4/17 Legal Settlement	4/17 LGL STTL	589,320.00
	JC LAW FIRM	\$	589,320.00
ACH	NAPA GENUINE PARTS COMPANY Air Filters Battery, Core Deposit	219101 219099	118.73 144.52
	NAPA GENUINE PARTS COMPANY	\$	263.25
ACH	UNIVAR USA INC RP5-13,436 Lbs Sodium Bisulfite	LA527361	2,901.14
	UNIVAR USA INC	\$	2,901.14
ACH	MARK IV COMMUNICATIONS INC HQB-Relocate Existing Data Cable EN16049-Install New Cable in Conference	21448 21449	370.00 470.28

Check	Payee / Description	Amount
	MARK IV COMMUNICATIONS INC \$	840.28
ACH	WESTERN MUNICIPAL WATER DISTRI WR16011-2/1/17-2/28/17 50 Sprinkler Nozz IEUA-1328	90.00
	WESTERN MUNICIPAL WATER DISTRI\$	90.00
ACH	AGRICULTURAL RESOURCES 5/17 Wtr Quality Consult 5/17 WTR QLTY	3,500.00
	AGRICULTURAL RESOURCES \$	3,500.00
ACH	ALFA LAVAL INC Major Kits,Sun Wheel Shaft Kit,Gearbox K 277752211	15,441.43
	ALFA LAVAL INC \$	15,441.43
ACH	INLAND EMPIRE REGIONAL 3/17 Biosolids 90019862	324,118.30
	INLAND EMPIRE REGIONAL \$	324,118.30
ACH	SUNGARD AVAILABILITY SERVICES 5/17 Disaster Recovery Svc 152645018	4,152.00
	SUNGARD AVAILABILITY SERVICES \$	4,152.00
ACH	OLIN CORP CCWRP-3,010 Gals Sodium Hypochlorite 2309246	1,715.70
	TP1-4,950 Gals Sodium Hypochlorite 2312004	2,821.50
	RP4-2,974 Gals Sodium Hypochlorite 2311426	1,695.18
	TP1-4,864 Gals Sodium Hypochlorite 2311425	2,772.48
	CCWRP-2,990 Gals Sodium Hypochlorite 2311136	1,704.30
	TP1-4,942 Gals Sodium Hypochlorite 2311135	2,816.94
	TP1-4,932 Gals Sodium Hypochlorite 2310574	2,811.24
	RP5-4,976 Gals Sodium Hypochlorite 2309902	2,836.32
	RP4-3,504 Gals Sodium Hypochlorite 2309901	1,997.28
	OLIN CORP \$	21,170.94
ACH	KAMBRIAN CORPORATION IS17021-High Res Modules 14073	1,831.47
	IS17021-High Res Modules 14074	2,093.11
	KAMBRIAN CORPORATION \$	3,924.58
ACH	MICRO MOTION INC 1 Flanged Sensor,1 Remote Transmitter 4015908	13,394.21
	MICRO MOTION INC \$	13,394.21
ACH	TRIBOLOGIK CORPORATION Oil Analysis 31612	150.00
	Oil Analysis 31322	60.00
	Oil Analysis 31321	330.00
	TRIBOLOGIK CORPORATION \$	540.00
ACH	KEMP BROS CONSTRUCTION INC	

Check	Payee / Description	Amount
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
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

Check	Payee / Description	Amount
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
	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

Check	Payee / Description	Amount
	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
	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

Check	Payee / Description	Amount
	CALLAHAN, CHARLES	\$ 342.34
ACH	LBSNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 172.48
	LBSNIAKOWSKI, 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 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	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	779.40
	SANTA CRUZ, JACQUELYN	\$ 779.40
ACH	HECK, ROSELYN Reim Monthly Health Prem	22.24
	HECK, ROSELYN	\$ 22.24
ACH	SOPICKI, LEO Reim Monthly Health Prem	300.48
	SOPICKI, LEO	\$ 300.48
ACH	HERNANDEZ, BENJAMIN Reim Monthly Health Prem	322.01
	HERNANDEZ, BENJAMIN	\$ 322.01
ACH	GOSE, ROSEMARY Reim Monthly Health Prem	128.00
	GOSE, ROSEMARY	\$ 128.00
ACH	KEHL, BARRETT Reim Monthly Health Prem	128.00
	KEHL, BARRETT	\$ 128.00
ACH	RITCHIE, JANN Reim Monthly Health Prem	128.00
	RITCHIE, JANN	\$ 128.00
ACH	LONG, ROCKWELL DEE Reim Monthly Health Prem	445.89
	LONG, ROCKWELL DEE	\$ 445.89
ACH	FATTAHI, MIR Reim Monthly Health Prem	128.00
	FATTAHI, MIR	\$ 128.00
ACH	VERGARA, FLORENTINO Reim Monthly Health Prem	300.48
	VERGARA, FLORENTINO	\$ 300.48
ACH	WARMAN, RALPH Reim Monthly Health Prem	172.48
	WARMAN, RALPH	\$ 172.48
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	172.48
	ROGERS, SHIRLEY	\$ 172.48

Check	Payee / Description	Amount
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, SONDRAL Reim Monthly Health Prem	HEALTH PREM 286.95
	ELROD, SONDRAL	\$ 286.95
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 171.77
	FRAZIER, JACK	\$ 171.77
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

Check	Payee / Description	Amount
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
	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

Check	Payee / Description	Amount
	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 309.19
	ALVARADO, ROSEMARY	\$ 309.19
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM 128.00
	BARELA, GEORGE	\$ 128.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM 746.06
	FETZER, ROBERT	\$ 746.06
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM 158.95
	SPAETH, ERIC	\$ 158.95
ACH	DAVIS, MARTHA Reim Monthly Health Prem	HEALTH PREM 158.95
	DAVIS, MARTHA	\$ 158.95
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM 158.95
	BRULE, CHRISTOPHER	\$ 158.95
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM 445.89

Check	Payee / Description	Amount
	ROOS, JAMES	\$ 445.89
ACH	ICMA RETIREMENT TRUST 457 P/R 9 4/28 Deferred Comp Ded	HR 0053600 15,449.52
	ICMA RETIREMENT TRUST 457	\$ 15,449.52
ACH	LINCOLN NATIONAL LIFE INS CO P/R 9 4/28 Deferred Comp Ded	HR 0053600 24,700.71
	LINCOLN NATIONAL LIFE INS CO	\$ 24,700.71
ACH	ICMA RETIREMENT TRUST 401 P/R 9 4/28 Exec Deferred Comp	HR 0053600 8,420.18
	ICMA RETIREMENT TRUST 401	\$ 8,420.18
ACH	AQUA BEN CORPORATION DAFT-2,300 Lbs Polymer 748E	35628 2,032.17
	AQUA BEN CORPORATION	\$ 2,032.17
ACH	LASER LINE Inv-Color Toner Cartridges	29429 1,148.41
	LASER LINE	\$ 1,148.41
ACH	UNIVAR USA INC CCWRP-13,015 Lbs Sodium Bisulfite	LA529113 2,810.32
	UNIVAR USA INC	\$ 2,810.32
ACH	WESTERN MUNICIPAL WATER DISTRI WR16011-3/1/17-3/31/17 84 Sprinkler Nozz IEUA-1345	302.40
	WESTERN MUNICIPAL WATER DISTRI\$	302.40
ACH	AMERICAN MICROIMAGING Laserfiche 1 Year Maint/Suppt Beginning	47793 49,613.82
	AMERICAN MICROIMAGING	\$ 49,613.82
ACH	ALFA LAVAL INC 1 Lower Belt	277018798 2,099.61
	ALFA LAVAL INC	\$ 2,099.61
ACH	PARSONS WATER & INFRASTRUCTURE EN16028/EN16025-12/3-1/6 Prof Svcs	1701A709 131,411.48
	PARSONS WATER & INFRASTRUCTURE\$	131,411.48
ACH	LA OPINION PI-Water Conservation Ads-3/20,3/26	107290317 2,200.00
	LA OPINION	\$ 2,200.00
ACH	PEST OPTIONS INC	

Check	Payee / Description		Amount
	March 2017 Weed Abatement Services	273950	2,920.48
	PEST OPTIONS INC	\$	2,920.48
ACH	OLIN CORP		
	RP2-1,778 Gals Sodium Hypochlorite	2311137	1,013.46
	TP1-4,964 Gals Sodium Hypochlorite	2315474	2,829.48
	RP4-3,620 Gals Sodium Hypochlorite	2314445	2,063.40
	CCWRP-2,974 Gals Sodium Hypochlorite	2314444	1,695.18
	TP1-4,908 Gals Sodium Hypochlorite	2314443	2,797.56
	TP1-4,928 Gals Sodium Hypochlorite	2313869	2,808.96
	RP4-3,018 Gals Sodium Hypochlorite	2313248	1,720.26
	RP5-4,912 Gals Sodium Hypochlorite	2313247	2,799.84
	TP1-4,816 Gals Sodium Hypochlorite	2312636	2,745.12
	OLIN CORP	\$	20,473.26
ACH	GK & ASSOCIATES INC		
	46-2054-2/17 Prof Svcs	17-007	19,520.00
	46-2054-2/17 Prof Svcs	17-008	12,800.00
	46-2054-2/17 Prof Svcs	17-009	14,560.00
	46-2054-2/17 Prof Svcs	17-010	21,594.00
	GK & ASSOCIATES INC	\$	68,474.00
ACH	YORK RISK SERVICES GROUP INC		
	4/17-6/17W/C Adm Fee - 2Q17	500015857	4,488.75
	YORK RISK SERVICES GROUP INC	\$	4,488.75
ACH	EVOQUA WATER TECHNOLOGIES LLC		
	4/1/17-6/30/2017 DI Tank Rental	903047890	99.29
	EVOQUA WATER TECHNOLOGIES LLC	\$	99.29
ACH	WEST COAST ADVISORS		
	4/17 Prof Svcs	10700	9,800.00
	WEST COAST ADVISORS	\$	9,800.00
ACH	TRIBOLOGIK CORPORATION		
	Oil Analysis	31804	60.00
	Oil Analysis	31803	90.00
	Oil Analysis	31802	60.00
	TRIBOLOGIK CORPORATION	\$	210.00
ACH	SHELL ENERGY NORTH AMERICA LP		
	RP1-3/1-3/31 2450 Phila St 12/1-12/31 A 2042 3/17		77,860.32
	RP2/RP5-3/1-3/31 16400 El Prado Rd 12/1- 2044 3/17		4,573.11
	CCWRP/TP/RWPS-3/1-3/31 14950 Tlphn 12/1- 2046 3/17		21,342.25
	SHELL ENERGY NORTH AMERICA LP	\$	103,775.68
ACH	IEUA EMPLOYEES' ASSOCIATION		
	P/R 7 3/31/17 Employee Ded	HR 0052400	3.00
	P/R 9 4/28 Employee Ded	HR 0053600	183.00
	IEUA EMPLOYEES' ASSOCIATION	\$	180.00

Check	Payee / Description	Amount
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ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 9 4/28 Employee Ded	HR 0053600	345.00
	IEUA SUPERVISORS UNION ASSOCIAS		345.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 9 4/28 Employee Ded	HR 0053600	1,106.60
	IEUA GENERAL EMPLOYEES ASSOCIAS		1,106.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 9 4/28 Employee Ded	HR 0053600	500.00
	IEUA PROFESSIONAL EMPLOYEES ASS		500.00
ACH	DISCOVERY BENEFITS INC P/R 9 4/28 Cafeteria Plan	HR 0053600	3,178.91
	DISCOVERY BENEFITS INC	\$	3,178.91

Grand Total Payment Amount: \$ 2,834,142.55

Attachment 4

Vendor Wires
(excludes Payroll)

Check	Payee / Description			Amount
Wire	EMPLOYMENT DEVELOPMENT DEPARTM			
	P/R DIR 04 4/14/17 Taxes	HR	0053100	393.18
	P/R 8 4/14/17 Taxes	HR	0053200	52,025.83
	P/R 8 4/14/17 Taxes	HR	0053200	11,037.59
				- - - - -
	EMPLOYMENT DEVELOPMENT DEPARTM\$			63,456.60
Wire	INTERNAL REVENUE SERVICE			
	P/R DIR 04 4/14/17 Taxes	HR	0053100	2,573.81
	P/R 8 4/14/17 Taxes	HR	0053200	339,219.56
				- - - - -
	INTERNAL REVENUE SERVICE	\$		341,793.37
Wire	EMPLOYMENT DEVELOPMENT DEPARTM			
	P/R 4/14/17 Taxes Vacation Buy Back	HR	0053300	18,811.09
	P/R 4/14/17 Taxes Vacation Buy Back	HR	0053300	3,091.26
				- - - - -
	EMPLOYMENT DEVELOPMENT DEPARTM\$			21,902.35
Wire	INTERNAL REVENUE SERVICE			
	P/R 4/14/17 Taxes Vacation Buy Back	HR	0053300	101,121.80
				- - - - -
	INTERNAL REVENUE SERVICE	\$		101,121.80
Wire	PUBLIC EMPLOYEES' RETIREMENT S			
	4/17 Health Ins-Board	14927355	4/17	5,413.88
	4/17 Health Ins-Retirees, Employees	14927351	4/17	245,440.46
				- - - - -
	PUBLIC EMPLOYEES' RETIREMENT S\$			250,854.34
Wire	STATE BOARD OF EQUALIZATION			
	3/17 Sales Tax Deposit	23784561	3/17	7,583.00
				- - - - -
	STATE BOARD OF EQUALIZATION	\$		7,583.00
Wire	PUBLIC EMPLOYEES RETIREMENT SY			
	P/R 7 3/31/17 PERS	PR 7	3/31/17	0.68
	P/R 7 3/31/17 PERS	HR	0052400	268,913.08
				- - - - -
	PUBLIC EMPLOYEES RETIREMENT SY\$			268,913.76
Wire	PUBLIC EMPLOYEE'S RETIREMENT S			
	P/R 8 4/13/17 Deferred Comp Ded	HR	0053200	66,754.98
				- - - - -
	PUBLIC EMPLOYEE'S RETIREMENT S\$			66,754.98
Wire	STATE DISBURSEMENT UNIT			
	P/R 8 4/13/17	HR	0053200	1,145.06
		HR	0053200	198.00
				- - - - -
	STATE DISBURSEMENT UNIT	\$		1,343.06
Wire	STATE DISBURSEMENT UNIT			
	P/R 7 3/31/17	HR	0052400	198.00
	P/R 7 3/31/17	HR	0052400	1,145.06
				- - - - -
	STATE DISBURSEMENT UNIT	\$		1,343.06

Check	Payee / Description	Amount
Wire	PUBLIC EMPLOYEES RETIREMENT SY	
	P/R 8 4/14/17 PERS Adj	PR 8 4/14/17 11.18-
	P/R 8 4/13/17 PERS	HR 0053200 274,605.18
		- - - - -
	PUBLIC EMPLOYEES RETIREMENT SY\$	274,594.00
Wire	PUBLIC EMPLOYEE'S RETIREMENT S	
	P/R 9 4/28 Deferred Comp Ded	HR 0053600 23,727.73
		- - - - -
	PUBLIC EMPLOYEE'S RETIREMENT S\$	23,727.73
Wire	METROPOLITAN WATER DISTRICT	
	February 2017 Water Purchase	8950 897,349.49
		- - - - -
	METROPOLITAN WATER DISTRICT \$	897,349.49

Grand Total Payment Amount: \$ 2,320,737.54

Attachment 5

Payroll-Net Pay-Directors

INLAND EMPIRE UTILITIES AGENCY

RATIFICATION OF BOARD OF DIRECTORS

PAYROLL FOR APRIL 14, 2017
PRESENTED AT BOARD MEETING ON JUNE 21, 2017

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
MICHAEL CAMACHO	\$3,931.54	\$1,371.88
STEVEN ELIE	\$4,300.72	\$1,340.30
JASMIN HALL	\$2,874.92	\$1,788.32
PAUL HOFER	\$0.00	\$0.00
KATHERINE PARKER	\$3,386.47	\$1,825.92
TOTALS	\$14,493.65	\$6,326.42

TOTAL EFTS PROCESSED	2
BEGINNING CHECK NO.	105909
ENDING CHECK NO.	105910
TOTAL CHECKS PROCESSED	2

**Directors' Meetings
Pay Period 04**

	Compensation	Meetings		Total Compensation
		Paid		
Michael Camacho - Emp#1140 (Division 5)				
IEUA (59)	\$ 225.00	9	\$	2,025.00
MWD (60)	\$ 225.00	1	\$	225.00
SAWPA (61)	\$ 225.00		\$	-
Watermaster (61)	\$ 97.35		\$	-
Regional Policy Committee (61)	\$ 125.00		\$	-
CDA (61)	\$ 75.00		\$	-
Retro Adj IEUA	\$ 225.00		\$	-
<i>Total (CC 110095)</i>		<u>10</u>	<u>\$</u>	<u>2,250.00</u>

	Compensation	Meetings		Total Compensation
		Paid		
Steven J. Elle - Emp #1175 (Division 3)				
IEUA (59)	\$ 225.00	10	\$	2,250.00
MWD (60)	\$ 225.00		\$	-
SAWPA (61)	\$ 225.00		\$	-
Watermaster (61)	\$ 97.35		\$	-
Regional Policy Committee (61)	\$ 125.00		\$	-
CDA (61)	\$ 225.00		\$	-
<i>Total (CC 110093)</i>		<u>10</u>	<u>\$</u>	<u>2,250.00</u>

	Compensation	Meetings		Total Compensation
		Paid		
Jasmin A Hall - Emp#1256 (Division 4)				
IEUA (59)	\$ 225.00	9	\$	2,025.00
MWD (60)	\$ 225.00		\$	-
SAWPA (61) Alternate	\$ 27.18		\$	-
Watermaster (61)	\$ 97.35		\$	-
Regional Policy Committee (61)	\$ 125.00		\$	-
CDA (61)	\$ 75.00		\$	-
CDA -IEUA to pay	\$ 225.00	1	\$	225.00
IEUA (59) Correction 11/2015	\$ 225.00		\$	-
SAWPA (61) Alternate Correction 11/2015	\$ 45.57		\$	-
<i>Total (CC 110094)</i>		<u>10</u>	<u>\$</u>	<u>2,250.00</u>

	Compensation	Meetings		Total Compensation
		Paid		
Paul Hofer - Emp#1349 (Division 2)				
IEUA (59)	\$ 225.00		\$	-
MWD (60)	\$ 225.00		\$	-
SAWPA (61)	\$ 225.00		\$	-
Watermaster (61)	\$ 97.35		\$	-
Regional Policy Committee (61)	\$ 125.00		\$	-
CDA (61)	\$ 225.00		\$	-
IEUA (59) correction	\$ 225.00		\$	-
<i>Total (CC 110092)</i>		<u>0</u>	<u>\$</u>	<u>-</u>

	Compensation	Meetings		Total Compensation
		Paid		
Katherine Parker - Emp#1362 (Division 1)				
IEUA (59)	\$ 225.00	6	\$	1,350.00
MWD (60)	\$ 225.00		\$	-
SAWPA (61) Alternate	\$ 27.18	1	\$	27.18
Watermaster (61) Alternate	\$ 225.00	1	\$	225.00
Regional Policy Committee (61)	\$ 125.00	1	\$	125.00
CDA (61)	\$ 225.00		\$	-
<i>Retro</i> Watermaster (61) Alternate	\$ 125.00	2	\$	250.00
<i>Total (CC 110091)</i>		<u>11</u>	<u>\$</u>	<u>1,977.18</u>

Sub Totals	
Camacho	\$ 2,250.00
Elle	\$ 2,250.00
Hall	\$ 2,250.00
Hofer	\$ -
Parker	\$ 1,977.18

Grand Total \$ 8,727.18

IEUA DIRECTOR PAYSHEET

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

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-01-17	IEUA Board Meeting	Yes	\$225.00
03-07-17	Lunch mtg. w/R Winston, Exec Director of the California Strategic Growth Council	Yes	\$225.00
03-07-17	Inland Empire Water Agencies Legislative Reception	Yes (same day)	\$-0-
03-08-17	Community and Legislative Affairs Committee	Yes (same day)	\$-0-
03-08-17	Engineering, Operations and Water Resources Committee	Yes	\$225.00
03-09-17	Southern Coalition/Inland Caucus Meeting	Yes	\$225.00
03-10-17	Interview Panel for Exec. Mgr. External Affairs & Policy Devel.	Yes (staff)	\$-0-
03-15-17	IEUA Board Meeting	Yes	\$225.00
03-20-17	Mtg. w/Fontana City Council Armendarez	Yes	\$225.00
03-21-17	Mandatory Ethics Training	Yes	\$225.00
03-23-17	WELL (Water Education) Conf.	Yes	\$225.00
03-24-17	WELL (Water Education) Conf.	Yes	\$225.00
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83, including MWD meetings)			\$2,025.00 ✓
Total No. of Meetings Attended			12
Total No. of Meetings Paid			9 ✓

DIRECTOR
SIGNATURE

Michael Camacho

 Michael Camacho

Approved by:

Steven J. Elie

 Steven J. Elie
 President, Board of Directors

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

MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10700 110115 110000 511010

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-13-17	MWD Standing Committee Meetings	Yes	\$225.00
03-14-17	MWD Standing Committee Meetings and Board Meeting	Yes (10 mtgs. Max)	\$-0-
03-21-17	MWD Real Property Update Telecon	Yes (10 mtgs. Max)	\$-0-
03-28-17	MWD other Committee Meetings	No	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$225.00
Total No. of Meetings Attended			3
Total No. of Meetings Paid			1

DIRECTOR
SIGNATURE

Michael Camacho
Director Camacho

Approved by:

Steven J. Elie
Steven J. Elie
President, Board of Directors

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

MICHAEL CAMACHO
EMPLOYEE NO. 1140
ACCOUNT NO. 10900 110100 500000 501215

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-17	Regional Policy Committee Meeting.	No	\$-0-
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 73, Section 1 (d) (i.e., \$125.00 – difference between Regional Policy Committee (\$100.00 and Agency meetings \$225.00) including Agency meetings			\$-0-
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

**DIRECTOR
SIGNATURE**

Michael Camacho

Michael Camacho

Approved by:

Steven J. Elie

Steven J. Elie
President, Board of Directors

IEUA DIRECTOR PAYSHEET

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

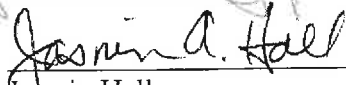
MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-01-17	IEUA Board Meeting	Yes	\$225.00
03-06-17	IEUA Audit Committee	Yes	\$225.00
03-06-27	SCWC Legislative Task Force Telecon	Yes (same day)	\$-0-
03-06-17	Telecon w/West Coast Advisors	Yes (same day)	\$-0-
03-07-17	Lunch mtg. w/R Winston, Exec Director of the California Strategic Growth Council	Yes	\$225.00
03-07-17	Inland Empire Water Agencies Legislative Reception	Yes (same day)	\$-0-
03-08-17	IEUA Community & Leg. Affairs Committee	Yes	\$225.00
03-10-17	Interview Panel for Exec. Mgr. External Affairs & Policy Devel.	Yes (staff)	\$-0-
03-10-17	Board Agenda Review/JG & JC	Yes	\$225.00
03-14-17	NRWI Board meeting @ OCWD	Yes	\$225.00
03-15-17	Board Meeting	Yes	\$225.00
03-20-17	IEUA Special District Dinner Mtg.	Yes	\$225.00
03-21-17	Mandatory Ethics Training	Yes	\$225.00
03-21-17	Plume Dinner w/Greg Newmark	Yes (same day)	\$-0-
03-27-17	NRWI Board meeting @ OCWD Telecon	Yes	\$225.00
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$2,250.00
Total No. of Meetings Attended			15
Total No. of Meetings Paid			10

DIRECTOR
SIGNATURE



Approved by:


 Jasmin Hall
 Secretary/Treasurer

**DIRECTOR PAYSHEET FOR IEUA
ON WATERMASTER BOARD**

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

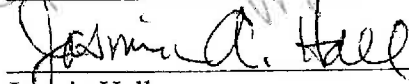
MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-03-17	CBWM Special Board Meeting – Closed Session	Yes*	\$-0-
03-16-17	CBWM Special Board Meeting	Yes*	\$-0-
03-23-17	CBWM Board Meeting	Yes*	\$-0-

TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$100.00 – difference between Watermaster \$125.00 and District meetings \$225.00), including District meetings	\$-0-
Total No. of Watermaster Meetings Attended	3
Total No. of Watermaster Meetings Paid	0

*Decline IEUA portion

DIRECTOR SIGNATURE 

Approved by: 
Jasmin Hall
Secretary/Treasurer

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

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

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-16	CDA Board Meeting	No	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 83, Section 1 (d) (i.e., \$75.00 – difference between CDA (\$150.00 And Agency meetings \$225.00) including Agency meetings			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

DIRECTOR SIGNATURE *Phillip Woodley for President Elie*

Approved by: *Jasmin A. Hall*
Jasmin Hall
Secretary/Treasurer

IEUA DIRECTOR PAYSHEET

JASMIN A. HALL

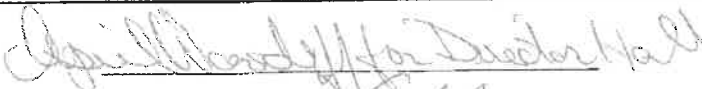
EMPLOYEE NO. 1256

ACCOUNT NO. 10200 110100 100000 501010

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-01-17	IEUA Board Meeting	No	\$-0-
03-01-17	CASA DC Policy Forum	Yes	\$225.00
03-04-17	Honoring Trailblazing Women in Labor and Business	Yes	\$225.00
03-07-17	Bloomington-Muni Advisory Council	Yes	\$225.00
03-08-17	Engineering, Operations & WR Committee	Yes (non alternate)	\$-0-
03-08-17	Finance and Admin. Committee Meeting	Yes	\$225.00
03-10-17	Brfst. Mtg. with Fontana Councilman Armendarez	Yes	\$225.00
3-14-17	CASA DC Policy Forum Debrief Telecon	Yes	\$225.00
03-15-17	IEUA Board Meeting	Yes	\$225.00
03-15-17	Mtg w/ CFO C Valencia and staff to discuss budget	Yes (staff)	\$-0-
03-20-17	Meeting w/Fontana Councilmember Armendarez	Yes	\$225.00
03-20-17	Fontana Business Activity Update w/C Hays	Yes (same day)	\$-0-
03-20-17	CASA Board Telecon Meeting	Yes (same day)	\$-0-
03-20-17	IEUA hosted Special District Dinner meeting	Yes (same day)	\$-0-
03-21-17	Mandatory Ethics Training	Yes	\$225.00
03-30-17	2017 Grow Riverside Conference	Yes(10 mtg. max.)	\$-0-
03-31-17	2017 Grow Riverside Conf.	Yes (10 mtg. max.)	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$ 2,025.00 \$2,250.00
Total No. of Meetings Attended			16
Total No. of Meetings Paid			9

DIRECTOR SIGNATURE



Approved by:

Steven J. Elie, President, Board of Directors


**DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION**

JASMIN A. HALL
 EMPLOYEE NO. 1256
 ACCOUNT NO. 10500 110100 165000 501010

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-07-17	SAWPA Commission Workshop	Yes (same day)	\$-0-
03-21-17	SAWPA Commission Meeting	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
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			2
Total No. of SAWPA Meetings Paid			0

DIRECTOR SIGNATURE 

Approved by: 
 Steven J. Elie
 President, Board of Directors

DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY

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

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-17	CDA Board Meeting	Yes	\$225.00
TOTAL REIMBURSEMENT			\$225.00
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			1
Total No. of CDA Meetings Paid			1

DIRECTOR SIGNATURE 

Approved by: _____
Steven J. Elie
President, Board of Directors

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

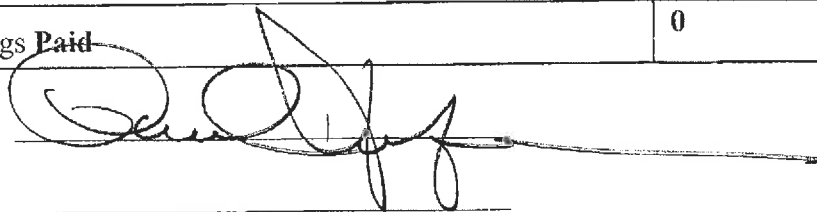
IEUA DIRECTOR PAYSHEET

PAUL HOFER
 EMPLOYEE NO. 1349
 ACCOUNT NO. 10200 110100 100000 501010

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-01-17	IEUA Board Meeting	Yes	\$-0-
03-08-17	Finance & Admin Committee Mtg.	Yes	\$-0-
03-15-17	IEUA Board Meeting	Yes	\$-0-
03-23-17	Ontario Oversight Meeting	Yes	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 83)			\$-0-
Total No. of Meetings Attended			5/1
Total No. of Meetings Paid			0

DIRECTOR
SIGNATURE



Approved by:

Steven J. Elie
President, Board of Directors

Director Hofer has waived all stipend payments.


IEUA DIRECTOR PAYSHEET

KATI PARKER
 EMPLOYEE NO. 1362
 ACCOUNT NO. 10200 1100100 100000 501010

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-01-17	Meeting/w Labor Counsel W. Dorgan	Yes (same day)	\$-0-
03-01-17	IEUA Board Meeting	Yes	\$225.00
03-06-17	Audit Committee	Yes	\$225.00
03-08-17	Community & Leg. Affairs Committee	Yes (non-alternate)	\$-0-
03-08-17	Engineering, Operations & Water Resources Committee	Yes	\$225.00
03-15-17	IEUA Board Meeting	Yes	\$225.00
03-15-17	Upland Oversight Committee	Yes (same day)	\$-0-
03-20-17	IEUA hosted Special District Dinner meeting	Yes	\$225.00
03-21-17	Mandatory Ethics Training	Yes	\$225.00
03-29-17	Upland Rotary Presentation	Yes (declined pymt.)	\$-0-
TOTAL REIMBURSEMENT 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			\$1,350.00
Total No. of IEUA Meetings Attended			10
Total No. of SAWPA Meetings Paid			6

DIRECTOR SIGNATURE 

Approved by: 
 Steven J. Elie
 President, Board of Directors

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

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10500 110100 165000 501010

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-07-17	SAWPA Commission Workshop	Yes	\$27.18
03-21-17	SAWPA Commission	Yes (sameday)	\$27.18 ✓
TOTAL REIMBURSEMENT			\$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 (eff. 2/16/16) and Agency meetings \$225.00 including Agency meetings			27.18 ✓
Total No. of SAWPA Meetings Attended			2 ✓
Total No. of SAWPA Meetings Paid			2 ✓

DIRECTOR
SIGNATURE 

Approved by: 
Steven J. Elie
President, Board of Directors

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

KATI PARKER
 EMPLOYEE NO. 1362
 ACCOUNT NO. 10900 110100 500000 501215

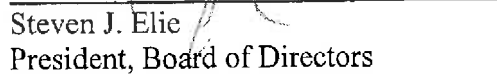
MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-02-17	Regional Policy Committee Meeting.	Yes	\$125.00
TOTAL REIMBURSEMENT			\$125.00
Up to 10 days of service per month per Ordinance No. 73, Section 1 (d) (i.e., \$125.00 – difference between Regional Policy Committee (\$100.00 and Agency meetings \$225.00) including Agency meetings			
Total No. of Meetings Attended			1
Total No. of Meetings Paid			1

**DIRECTOR
SIGNATURE**



Approved by:


 Steven J. Elie
 President, Board of Directors


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

KATI PARKER
EMPLOYEE NO. 1362
ACCOUNT NO. 10200 110100 100000 501010

MARCH 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
03-23-17	CBWM Board meeting	Yes	\$225.00
01-26-17	CBWM Board meeting	Yes (difference paid)	\$125.00*
02-23-17	CBWM Board meeting	Yes (difference paid)	\$125.00*
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 98, Section 1 (d) (i.e., \$100.00 – difference between Watermaster \$125.00 and District meetings \$225.00), including District meetings			\$475.00
Total No. of Watermaster Meetings Attended			1 + 2 (Jan & Feb)
Total No. of Watermaster Meetings Paid			1 + 2 (Jan & Feb)

DIRECTOR
SIGNATURE 

Approved by: 
Steven J. Elie
President, Board of Directors

- * Chino Basin Watermaster does not compensate an alternate Director unless the alternate Director is attending on behalf of an absent primary Director. In accordance to Ordinance No. 98, Section 1, (i) Attendance at any meeting provided for under Sections 1, b, c, e, and f, shall also include payment to both the primary representative and the alternate representative to said body if they both attend said meeting.

Attachment 6

Payroll-Net Pay-Employees

Non-Board Members	PP 8 Checks	PP 8 EFTs	PP 9 Checks	PP 9 EFTs	April
NET PAY TO EE	\$246,725.44	\$722,606.20	\$0.00	\$693,509.62	\$1,662,841.26

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR APRIL 14, 2017

PRESENTED AT BOARD MEETING ON JUNE 21, 2017

GROSS PAYROLL COSTS			\$1,706,360.15
DEDUCTIONS			(\$737,028.51)
NET PAYROLL			\$969,331.64 =====
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED	105911-105993		
TRANSACTION PROCESSED	83	309	392
AMOUNT	\$246,725.44	\$722,606.20	\$ <u>969,331.64</u>

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR APRIL 28, 2017

PRESENTED AT BOARD MEETING ON JUNE 21, 2017

GROSS PAYROLL COSTS			\$1,256,095.38
DEDUCTIONS			(\$562,585.76)
NET PAYROLL			\$693,509.62 =====
NET PAYROLL BREAKDOWN	CHECKS	EFT	TOTAL
CHECKS USED	0		
TRANSACTION PROCESSED	0	308	308
AMOUNT	\$0.00	\$693,509.62	<u>\$693,509.62</u>

**ACTION
ITEM**

2A



Date: June 21, 2017

To: The Honorable Board of Directors

Through: Finance and Administration Committee (6/14/17)

From: P. Joseph Grindstaff
General Manager *CG for Jon*

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

JCL #1882 Javier Chagoyen-Lazaro
Manager of Finance and Accounting

Subject: Adoption of the Agency's Biennial Budget for Fiscal Years (FYs) 2017/18 and 2018/19 and FYs 2018-2027 Ten Year Capital Improvement Plan

RECOMMENDATION

It is recommended that the Board of Directors:

1. Hold a public hearing to receive public comments on the proposed Agency's Biennial Budget for FYs 2017/18 and 2018/19 and FYs 2018-2027 Ten Year Capital Improvement Plan (TYCIP), and
2. After closing the public hearing, adopt Resolution No. 2017-6-10, approving the Agency's Biennial Budget for FYs 2017/18 and 2018/19 and FYs 2018-2027 TYCIP, including the inter-fund transfers, Agency-wide departmental goals and objectives, and Rate Resolution Nos. 2017-6-1 to 2017-6-8 for the Non-Reclaimable Wastewater system rates, and other service fees.

BACKGROUND

The FYs 2017/18 – 2018/19 Operating Budget is the Agency's second biennial budget. Transition from a single to a two-year budget supports the Agency's commitment to long term financial planning and fiscal stabilization for IEUA and its customers, as defined in the IEUA Business Goals (Business Goals) updated and approved in December 2016. The Operating Budget key areas of focus over the next two years are:

- **Succession planning** – Nearly 45 percent of the Agency's workforce is eligible for retirement over the next five years. Timely recruitment is essential to the transfer of knowledge and expertise to the next generation of employees. Included in the proposed biennial budget is the set-up of an estimated ten-full time equivalent (FTE) succession planning pool for recruitment of critical positions throughout the Agency;
- **Cost containment** – As part of the Agency's ongoing commitment to sustainable cost containment, the succession pool will be supported under the existing 290 authorized number of full time equivalent positions. Operations and maintenance expenses such as chemicals, operating fees, and utilities are relatively stable as a result of the Agency's continuing commitment to cost containment;
- **Cost of Service** – Continue implementation of multiyear rates and fees approved by the Board of Directors through FY 2019/20 designed to fully recover the cost of providing the Agency services;
- **Upkeep of Agency assets** – Continue the transition from "corrective" to "predictive and preventative" maintenance of Agency assets to ensure regulatory compliance, avoid costly corrective maintenance, and effectively meet the Agency's commitment to delivering a high-quality level of service;
- **Optimize low interest debt** – Continue to secure low cost financing to finance capital expansion and improvement of Agency's facilities to meet anticipated growth and increased service demands; and
- **Transparency** – Continue to provide a platform for transparent communication and timely reporting.

FYs 2017/18 & 2018/19 Total Revenues and Other Funding Sources

Total revenues and other funding sources for FY 2017/18 and FY 2018/19 are projected to be \$223.6 million and \$248.5 million, respectively. FY 2017/18 total revenue is approximately \$19.5 million, or ten percent, higher than the \$204 million projected in FY 2016/17. The increase is due to a combination of higher pass-through sales of MWD imported water and implementation of multiyear rate adjustments for the Regional Wastewater, Recycled Water, and Water Resources programs approved by the IEUA Board and member agencies through FY 2019/20. An increase of \$24.9 million in total revenues is also projected in FY 2018/19 compared to FY 2017/18 primarily due to an increase in state loans and grant proceeds associated with the completion of the Water Quality Laboratory, the Water Resources program initiatives, the South Archibald TCE Plume Clean Up, and Recharge Master Plan Update projects. Table 1 below presents revenue and funding sources trends by major categories.

Table 1: Total Revenues and Funding Sources (\$ in Millions)

Funding Sources	Actual	Projected	Biennial Budget	
	2015/16	Actual 2016/17	2017/18	2018/19
User Charges	\$66.4	\$71.5	\$77.8	\$82.9
Property Taxes	45.6	44.7	46.0	47.4
Contract Cost Reimbursement*	5.3	6.6	6.9	6.9
Recycled Water Sales	13.5	15.9	17.2	18.2
Connection Fees	25.9	19.9	23.1	24.3
Imported Potable Water Sales (Pass-Through)	18.7	27.4	34.2	36.0
State Loan Proceeds	9.3	3.5	9.3	19.3
Grants	6.2	11.5	6.0	8.2
Other**	4.8	3.1	3.1	5.3
Total	\$195.7	\$204.1	\$223.6	\$248.5

* Includes reimbursement from Joint Power Authorities (JPAs), Chino Basin Desalter Authority, Inland Empire Regional Composting Authority, and Chino Basin Watermaster.

** Includes capital contract reimbursements from Chino Basin Watermaster for various joint recharge basin improvement projects, lease revenues, sale of assets, and inter-fund loans.

Total may not tie due to rounding

FYs 2017/18 & 2018/19 Total Expenses and Other Uses of Funds

Total expenses and other uses of funds are \$236.6 million in FY 2017/18 and \$251.5 million in FY 2018/19 include the operational, capital, and debt service expenditures for all Agency programs. Total uses of funds in FY 2017/18 are \$2.1 million higher than the \$234.5 million projected in FY 2016/17. Further breakdown of the major uses of fund categories provided in Table 2 show Capital Improvement Plan (CIP) increasing from \$34.4 million in FY 2016/17 to \$69.2 million in FY 2017/18 and \$78.4 million in FY 2018/19. Some of the major projects planned over the next two years include; 1) design of the Regional Water Recycling Plan No. 5 (RP-5) Solids and Liquid Treatment Expansion, 2) construction of the Water Quality Laboratory, 3) continued standardization of the SCADA Enterprise System, 4) completion of the RP-1 Mixed Liquor Return Pumps implementation, replacement and rehabilitation (R&R) projects, and process improvements at various facilities, including RP-1, RP-4 and the Carbon Canyon Water Recycled Facility.

The budgeted increase in CIP is offset by a decrease of nearly \$49 million in debt service costs in FY 2017/18. Included in projected actuals for FY 2016/17 is a \$50 million payment to refund a portion of the 2008A Revenue Bonds in January 2017. Included in debt service costs are principal, interest and financial expenses related to the 2008B, 2010A and 2017A bonds, and State Revolving Fund (SRF) loans, and inter-fund loans.

The budgeted decrease in debt service costs also partly offset the budgeted increase in employment and operating expenses over the next two years. The budgeted increase of 5 percent in employment expenses in FY 2017/18 is needed to support the Agency's succession plan and higher pension costs due to a reduction in the CalPERS discount rate planned through 2021. Included in the biennial budget is a succession pool of 10 positions to ensure timely recruitment of critical positions across the organization. Consistent with the Agency's continual commitment to sustainable cost containment, the succession pool is supported by a reduction to the vacancy factor with no change in the 290 authorized full time equivalent (FTE) positions. A primary driver for the increase in operational expenses from \$86.2 million projected in FY 2016/17 to \$99.9 million and \$104.9 million in FYs 2017/18 and 2018/19, respectively, is the higher purchases of pass-through potable water from MWD. A summary of the major uses of funds categories is provided in Table 2.

Table 2: Total Expenses and Uses of Funds (\$ in Millions)

Uses of Funds	Actual 2015/16	Projected Actual 2016/17	Biennial Budget	
			2017/18	2018/19
Employment	\$39.3	\$43.2	\$45.5	\$46.0
Operational Expenses*	67.5	86.2	99.9	104.9
CIP**	23.1	34.4	69.2	78.4
Debt Service	21.0	70.7	22.0	22.2
Total	\$150.9	\$234.5	\$236.6	\$251.5

*Includes chemicals, utilities, office & administration, biosolids, materials and supplies, operating contribution to RCA biosolids recycling, professional fees, and operating fees.

**Includes expense for SDLAC 4Rs

Total may not tie due to rounding

FYs 2018 – 2027 Ten Year Capital Improvement Plan (TYCIP)

The FYs 2018 - 2027 TYCIP is consistent with the Business Goals of Water Reliability, Wastewater Management and Environmental Stewardship. Capital projects outlined in the TYCIP support the initiatives defined in the Agency's long term planning documents, amongst them the Facilities Master Plan, Recycled Water Program Strategy, Energy Management Plan, and Asset Management Plan.

Of the \$832.9 million planned over the next 10 years, \$716.8 million (86 percent) is designated for capital projects and the remaining \$116.1 million for non-capital (O&M) projects. Execution of critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements remains one of the primary focuses of the TYCIP. Another key area is improvement and expansion of existing facilities and infrastructure to meet future growth forecasted by member agencies. Major projects include RP-5 Solids and Liquid Treatment Expansion, RP-1 Liquid Expansion, the Water Quality Laboratory, Recharge Master Plan Update projects, SCADA Enterprise System, RP-1 Mixed Liquor Return Pumps, replacement and rehabilitation (R&R) projects, and process improvements for various facilities, including RP-1, RP-4, and the Carbon Canyon Water Recycled Facility. The TYCIP is funded by a combination of pay-go, low interest SRF loans, grants, and contributions.

Table 3: TYCIP by Fund (\$ in Millions)

Fund (\$ Millions)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 through 2026/27	TOTAL
Wastewater Capital*	\$27.4	\$26.6	\$82.2	\$167.7	\$107.8	\$77.1	\$488.8
Wastewater Operations**	30.0	32.8	22.1	10.4	9.3	53.0	157.6
Recycled Water	14.3	13.0	12.2	12.6	16.1	18.0	86.2
Non-Reclaimable Wastewater	1.2	1.9	1.0	0.3	0.3	7.7	12.4
Water Resources	5.8	8.1	17.2	10.2	1.7	9.5	52.5
Recharge Water	2.1	13.1	7.7	0.0	0.0	0.0	22.9
Administrative Services	3.8	1.1	1.8	0.9	0.8	4.1	12.5
Total	\$84.6	\$96.6	\$144.2	\$202.1	\$136.0	\$169.4	\$832.9

* Regional Wastewater Capital Improvement Fund (excludes \$2.5 million capital investment to the Inland Empire Regional Composting Authority)

** Regional Wastewater Operations & Maintenance Fund

Total may not tie due to rounding

FYs 2017/18 & 2018/19 Inter-Fund Loans

The Recycled Water fund has inter-fund loans outstanding in the amount of \$28.5 million; \$13.5 million due to the Wastewater Capital fund and \$15 million due to the Non-Reclaimable Wastewater fund. Repayment is scheduled to begin in FY 2019/20, with full repayment projected by FY 2024/25 as shown in Table 4.

Table 4: Summary of Inter-Fund Loans (\$ in Millions)

Inter Fund Loans Issued	Due to	Loan Amount (\$Millions)	Repayment Schedule
FY 2007/08	Non-Reclaimable Wastewater (NRW) Fund	\$9.0	2019/20 \$2.0 2020/21 \$2.0 2021/22 \$2.0 2022/23 \$2.0 2023/24 \$1.0 Total \$9.0

Inter Fund Loans Issued	Due to	Loan Amount (\$Millions)	Repayment Schedule
FY 2007/08	Regional Wastewater Capital (RC) Fund	3.0	2022/23 \$2.0 2023/24 \$1.0 Total \$3.0
FY 2009/10	Non-Reclaimable Wastewater (NRW) Fund	6.0	2023/24 \$1.0 2024/25 \$2.0 2025/26 \$3.0 Total \$6.0
FY 2014/15	Regional Wastewater Capital Improvement (RC) Fund	10.5	2023/24 \$5.0 2024/25 \$5.5 Total \$10.5
Total	Grand Total	\$28.5	\$28.5

Debt Service

Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans, notes, and inter-fund loans. Debt service costs are budgeted at \$22.0 million in FY 2017/18 and \$22.2 million in FY 2018/19.

Total outstanding debt, excluding inter-fund loans, at end of FY 2017/18 is approximately \$306.7 million comprised of \$161.1 million in bond indentures, \$139.8 million in SRF loans, and \$5.8 million in other notes payable. Total outstanding debt, at the end of FY 2018/19 is projected at \$329.2 million, comprised of \$146.6 million in bond indentures, \$177.3 million in SRF loans, and \$5.3 million in other notes payable.

Aggregate capital expenditures of \$716.8 million over the next 10 years will require new borrowings of approximately \$325.0 million. New debt is assumed to be a combination of new bonds and SRF loans. Further refinement of project parameters and funding needs will be done as part of updating the Agency’s Long Range Plan of Finance planned for Fall of 2017.

Debt Coverage Ratio (DCR)

The Debt Coverage Ratio (DCR) is the measurement of an entity’s ability to generate enough cash to cover debt payments (principal payments and related interest), and serves as a critical financial measure in determining its overall credit rating. DCR also affects an entity’s market accessibility for future borrowings and the associated costs.

Current bond covenants require the Agency to maintain a minimum total DCR of 1.25 times (x) or higher on total outstanding debt. The Agency has no legal debt limits imposed by state legislation. As indicated in Table 5, the projected upward trend of the Agency’s DCR through FY 2019/20 is

driven by a combination of higher system revenues and the partial refinancing and repayment of the 2008A Revenue Bonds in January 2017. The projected decline in FY 2019/20 through FY 2021/22 is due to estimated new borrowing needed to support critical capital investments for the wastewater program.

Table 5: Projected Debt Coverage Ratio

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
DCR	<i>Projected</i> 2.72x	<i>Proposed Budget</i> 2.86x 3.15x		<i>Forecast</i> 2.48x 2.08x 1.87x		

Reserves

Total reserves represent a fund’s net position and are a strong indicator of the Agency’s financial health. In addition to calculating fund reserves at the Agency-wide level, reserves are also maintained for each Agency fund. The aggregate ending fund balance in FY 2017/18 is estimated to be \$143.7 million, a decrease of \$13.0 million compared to the FY 2016/17 projected ending fund balance of \$156.7 million. The projected drop is primarily due to the use of reserves to support capital project expenditures. A key assumption over the next two years is limited availability of SRF loan and grant funding to support recycled water projects. The Agency will continue to work with the State Water Resources Control Board, administrators of the SRF loan program, to complete review of the pending loan and grant applications currently in the pipeline. The Agency is also working with SWRCB and other key stakeholders to address the oversubscription of SRF funding resulting from a combination of 1 percent loans made available through Proposition 1 and extension of the repayment period from 20 to 30 years. Table 6 below shows the net changes in fund reserves and the estimated ending balances through FY 2018/19. Should SRF loans become available this will result in higher fund reserves in FY 2018/19.

Table 6: Total Estimated Ending Fund Balance (\$ in Millions)

Description	Actual	Projected	Biennial Budget	
	2015/16	2016/17	2017/18	2018/19
Net Increase (Decrease) in Fund Balance	\$44.8	(\$30.4)	(\$13.0)	(\$3.0)
Beginning Fund Balance, July 1	142.3	187.1	156.7	143.7
Ending Fund Balance, June 30	\$187.1	\$156.7	\$143.7	\$140.7

Conclusion

The FYs 2017/18 & 2018/19 Biennial Operating Budget and the FYs 2018 - 2027 TYCIP continue to demonstrate the IEUA Board and staff’s steadfastness to deliver reliable, high quality, essential services to its customers in a regionally planned and cost-effective manner, consistent with the IEUA Business Goals.

Attached in the Appendix are the Sources and Uses of Funds reports for all of the Agency’s program funds and rate resolutions for Agency’s service fees and charges. The proposed budget for these

programs is consistent with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices.*

PRIOR BOARD ACTION

On June 15, 2016, the Board adopted the FY 2016/17 Operating Budget Amendments and FYs 2017-2026 TYCIP.

IMPACT ON BUDGET

None.

Attachments:

- Appendix A1 – Adopted Multi-Year Rates and Effective Dates
- Appendix A2 – Key Assumptions for the FYs 2017/18 and 2018/19 Biennial Budget
- Appendix B – FY 2017/18 and FY 2018/19 Non-Reclaimed Fund Proposed Budget and Rates
- Appendix C1 – Budget Summary of FYs 2017/18 and 2018/19
- Appendix C2 – Consolidated Fund Budget, FYs 2014/15 to FYs 2021/22
- Appendix C3 – Consolidated Fund Budget by fund
- Appendix D1-D7 – Program Fund Budget (Regional Wastewater Capital Improvements, Regional Wastewater Operations and Maintenance, Recycled Water, Recharge Water, Water Resources, Non-Reclaimable Wastewater, Administrative Services Funds)
- Appendix E – Budget Message
- Appendix F – Executive Summary
- Rate Resolutions:
 - 2017-6-10 Budget Adoption
 - 2017-6-1 Regional Rate for Wastewater Discharge
 - 2017-6-2 NRWS Etiwanda Wastewater Line (EWL) Rate
 - 2017-6-3 NRWS (SDLAC) Rate for Volumetric, Strength Charges and
 - 2017-6-4 Inland Empire Brine Line (IEBL) Rate
 - 2017-6-5 Laboratory Fees
 - 2017-6-6 Extra-Territorial Sewer Service Charge
 - 2017-6-7 Establishing Imported Water Rates
 - 2017-6-8 Equipment Rental

Appendix A1: Adopted Multi-Year Rates and Effective Dates

Regional Wastewater Volumetric EDU

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20
EDU Volumetric Rate	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00
Effective Date	10/1/15	7/1/16	7/1/17	7/1/18	7/1/19
EDU Units	3,215,268	3,281,664	3,289,868	3,298,092	3,306,338

Regional Wastewater Connection Fees

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20
Wastewater Connection Fee	\$5,338	\$5,712	\$6,309	\$6,624	\$6,955
Effective Date	1/01/16	1/01/17	7/01/17	7/01/18	7/01/19
Wastewater Connection Units	4,774	3,000	3,000	3,000	2,700

Water Connection Fees

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20
Water Connection Fee (for 5/8" and 3/4" meter size)	\$693	\$1,455	\$1,527	\$1,604	\$1,684
Effective Date	1/01/16	1/01/17	7/01/17	7/01/18	7/01/19
New Meter Equivalent Units (MEUs)	985	2,730	2,730	2,730	2,457

Recycled Water Rates

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20
Direct Delivery/Acre Foot (AF)	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge/Acre Foot (AF)	\$410	\$470	\$530	\$540	\$550
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
AF Deliveries	32,331	32,400	35,500	36,700	37,800

Water Rates

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
RTS Recovery	15%	30%	45%	60%	75%	90%	100%
Effective Date	10/01/16	07/01/17	07/01/18	07/01/19	07/01/20	07/01/21	07/01/22
Meter Equivalent Units (MEU)	\$0.90	\$0.95	\$0.99	\$1.04	Adjustments based on CPI		

Appendix A2: Key Assumptions for the FYs 2017/18 & 2018/19 Biennial Budget

	FY 2017/18	FY 2018/19
Revenues and Other Funding Sources	3,000 new regional wastewater connections	3,000 new regional wastewater connections
	2,730 new or upsized regional water connections	2,730 new or upsized regional water connections
	3.3 million total billable EDU volumetric	3.3 million plus 0.25% growth total billable EDU volumetric
	35,500 AF recycled water deliveries 50,000 AF imported potable water deliveries	36,700 AF recycled water deliveries 50,000 AF imported potable water deliveries
	3% growth in property tax receipts and excess growth allocated to Water Resources (WW) fund water use efficiency and resiliency projects.	3% growth in property tax receipts and excess growth allocated to WW fund
Expenses and Other Uses of Funds	290 FTE, no change	290 FTE, no change
	3.5% COLA (employee fully funded CalPERS contribution)	2.0% COLA (employee fully funded CalPERS contribution)
	\$4.5M annual payment against retirement long term unfunded liability (UAL)	\$4.5M UAL
	6% increase in health insurance premium	6% increase in health insurance premium
	0.7% increase in CalPERS employer rate	9% increase in CalPERS employer rate
	\$69 million CIP	\$78 million CIP

Appendix B: FY 2017/18 and FY 2018/19 Non-Reclaimable Wastewater Fund Proposed Budget and Rates

The Non-Reclaimable Wastewater (NWR) fund records the transactions for the acquisition, construction, expansion, replacement, and operation of the Agency’s non-reclaimable wastewater sewer lines, interceptors, and appurtenant facilities.

The NRW program has budgeted total revenues and other funding sources of \$12.3 million and \$12.8 million for FYs 2017/18 and 2018/19, respectively. The primary funding source for the NRW fund are the pass-through rates from the Sanitation District of Los Angeles County (SDLAC) for the north system and the Santa Ana Watershed Project Authority (SAWPA) for the south system. Revenues also include fees for agency program charges, capacity fees, wastewater connection fees transferred from Regional Wastewater Capital Improvement fund, and interest income.

Non-Reclaimable Wastewater System (NRWS) Rates: For the board review and approval are the FY 2017/18 pass-through rates of Sanitation District of Los Angeles County (SDLAC) for the north NRWS and the Santa Ana Watershed Project Authority (SAWPA) for the south NRWS. The SDLAC annual rate structure for the NRW north system is updated based on the new agreement entered in 2014. The NRW south system rates are based on SAWPA rates. There is no change in SAWPA’s agreement for the south NRWS. Both NRWS rates are effective July 1, 2017 as listed in Table B-1.

The Agency recovers the NRWS program costs through capacity charges for the north system. For FY 2017/18, the capacity charge per unit is \$18.75. The NRW south system program costs are recovered through a 50% operating surcharge imposed on volumetric, capacity and strength charges for non-recycled water users.

Table B-1: NRW Proposed Program Rates – North and South Systems

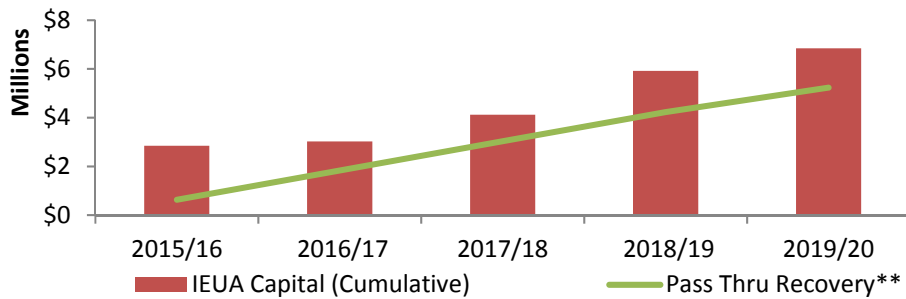
Rate Description	2016/17	2017/18 Adopted
North System	13,505 CU	14,252 CU
Flow/mg	\$915	\$919
COD/klb	\$180	\$172
TSS/klb	\$436	\$446
Peak/gpm	\$348	\$349
CU Purchase	\$4,172	\$4,172
CU Lease	\$208.60/CU/Yr.	\$208.60/CU/Yr.
South System		
Capacity/cu	\$368.76	\$387.24
Flow/mg	\$858.00	\$901.00
BOD/klb	\$307.00	\$307.00

Rate Description	2016/17	2017/18 Adopted
TSS/klb	\$429.00	\$429.00

A total of \$1.8 million in capital project costs is budgeted in FY 2017/18 and \$2.5 million is projected in FY 2018/19. The proposed capital project budget includes \$0.7 million per year for the Agency's SDLAC capital charges share funded through the state revolving fund (SRF) loan for a total of \$4.4 million and is supported by the NRW fund reserves. The executed SDLAC agreement requires the Agency to pay a share of their existing SRF loans of \$4.4 million with an annual interest rate of 2.3 percent over six-year term.

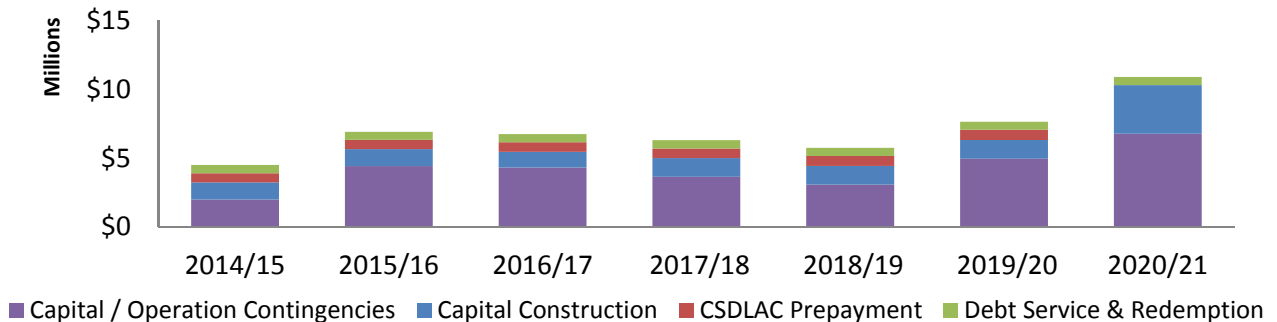
For the past years, recovery of the Agency's capital expenditures has been deferred until the outstanding SDLAC relocation, reconstruction, repair, and replacement (4Rs) capital costs were fully paid in FY 2015/16. At the same year, the Agency started to recover its deferred capital costs, as shown in Table B-2 Full recovery of the Agency's capital cost is projected to be reached in FY 2021/22.

Table B-2: Recovery of Deferred SDLAC 4Rs and IEUA Capital Expenditures



The Non-Reclaimable Wastewater ending fund balance for FY 2017/18 is estimated at \$6.3 million, and \$5.7 million for FY 2018/19. A total of \$15 million in inter-fund loan have been issued to the Recycled Water fund. The increase in fund balance starting in FY 2019/20 as shown in Figure B-3 is due to the start of the loan repayment from Recycled Water fund.

Figure B-3: NRW Fund Estimated Ending Fund Balance



Appendix C1: Budget Summary of FYs 2017/18 and 2018/19 (\$ Millions)

Fiscal Year	Actual	Projected Actual	Biennial Budget		Forecast		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Revenues	\$106.5	\$124.2	\$139.2	\$147.5	\$153.2	\$160.0	\$166.7
Operating Expense	(106.9)	(129.4)	(145.4)	(150.9)	(157.5)	(156.0)	(152.0)
Operating Net Increase (Decrease)	(0.4)	(5.2)	(6.2)	(3.4)	(4.3)	4.0	14.7
Other Sources of Funds	89.2	79.9	84.4	101.0	203.0	191.7	159.6
Debt Service	(20.9)	(70.7)	(22.0)	(22.2)	(32.8)	(40.2)	(45.4)
Capital Program	(23.1)	(34.4)	(69.2)	(78.4)	(123.6)	(187.7)	(130.8)
Non-Operating Increase (Decrease)	45.2	(25.2)	(6.8)	0.4	46.6	(36.2)	(16.6)
Total Increase (Decrease)	44.8	(30.4)	(13.0)	(3.0)	42.3	(32.2)	(1.9)
Beginning Fund Balance	142.3	187.1	156.7	143.7	140.7	183.0	150.8
Ending Fund Balance	\$187.1	\$156.7	\$143.7	\$140.7	\$183.0	\$150.8	\$148.9

Totals may not tie due to rounding

Appendix C2: Consolidated Fund Budget FYs 2014/15 to FY 2021/22

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEARS 2017/18 AND 2018/19 BIENNIAL BUDGET
 ALL FUNDS - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/2016	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	ACTUAL	ACTUAL	BUDGET	ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST	FORECAST	FORECAST
REVENUES									
User Charges	\$63,557	\$66,355	\$71,876	\$71,466	\$77,755	\$82,885	\$85,165	\$88,286	\$91,508
Property Tax - O&M	1,828	1,943	1,972	1,972	1,972	1,972	1,972	1,972	1,972
Cost Reimbursement from JPA	5,256	5,258	5,913	6,078	6,355	6,460	6,599	6,742	6,887
Contract Cost reimbursement	273	79	1,618	576	521	493	493	493	493
Interest Revenue	436	762	609	835	1,162	1,492	1,621	1,548	1,381
Recycled Water Sales	12,047	13,468	17,814	15,891	17,245	18,188	19,100	20,266	21,486
Water Sales	34,147	18,654	28,671	27,429	34,167	36,040	38,250	40,710	42,980
TOTAL REVENUES	\$117,544	\$106,519	\$128,473	\$124,246	\$139,178	\$147,530	\$153,200	\$160,016	\$166,708
OTHER FINANCING SOURCES									
Property Tax - Debt , Capital, Reserves	\$39,118	\$43,688	\$42,733	\$42,733	\$44,074	\$45,455	\$46,404	\$47,371	\$48,358
Connection Fees	15,074	25,907	20,068	19,875	23,096	24,251	22,916	24,921	24,322
Debt Proceeds	0	0	0	0	0	0	100,000	100,000	75,000
State Loans	22,714	9,330	14,400	3,519	9,314	19,251	12,798	5,785	4,261
Grants	5,918	6,208	10,715	11,507	5,970	8,244	13,159	9,218	3,130
Capital Contract Reimbursement	1,193	1,841	5,675	1,330	1,117	2,903	4,787	1,520	1,517
Other Revenues	1,330	2,009	875	915	879	898	919	939	961
Sale of Capacity	0	215	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	14,808	0	3,200	0	0	0	2,000	2,000	2,000
TOTAL OTHER FINANCING SOURCES	\$100,155	\$89,199	\$97,671	\$79,879	\$84,450	\$101,002	\$202,982	\$191,753	\$159,549
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$217,698	\$195,719	\$226,144	\$204,125	\$223,628	\$248,533	\$356,182	\$351,770	\$326,256
EXPENSES									
Employment Expense	\$36,510	\$39,300	\$43,335	\$43,150	\$45,457	\$46,046	\$47,024	\$48,283	\$50,494
Contract Work/Special Projects	5,045	9,596	30,931	14,709	16,708	19,415	21,784	14,960	5,210
Utilities	9,064	8,837	11,596	9,585	9,768	10,053	10,353	10,663	10,983
Operating Fees	12,599	11,290	11,453	11,863	11,908	12,215	12,559	12,918	13,280
Chemicals	4,192	3,943	4,674	4,407	4,549	4,681	4,822	4,966	5,115
Professional Fees and Services	7,133	6,083	10,725	8,702	11,234	10,630	10,611	10,808	11,125
Office and Administrative Expense	1,615	1,798	2,501	1,884	2,427	2,593	2,549	2,905	2,689
Biosolids Recycling	3,800	3,798	4,415	4,486	4,360	4,462	4,596	4,733	4,875
Materials & Supplies	2,273	2,817	3,055	2,963	3,225	3,191	3,293	3,392	3,493
MWD Water Purchases	34,147	18,654	31,856	27,429	34,167	36,040	38,250	40,710	42,980
Other Expenses	1,454	775	1,853	221	1,638	1,650	1,652	1,689	1,725
TOTAL EXPENSES	\$117,832	\$106,892	\$156,394	\$129,399	\$145,441	\$150,976	\$157,492	\$156,028	\$151,969
CAPITAL PROGRAM									
CSDLAC 4Rs	\$658	\$673	\$689	\$689	\$705	\$721	\$737	\$0	\$0
IERCA investment	0	0	500	0	500	500	500	500	0
Capital Construction & Expansion	53,161	22,420	59,725	33,747	67,945	77,150	122,397	187,165	130,778
TOTAL CAPITAL PROGRAM	\$53,819	\$23,094	\$60,914	\$34,435	\$69,150	\$78,371	\$123,634	\$187,665	\$130,778
DEBT SERVICE									
Financial Expenses	\$257	(\$100)	\$349	\$246	\$297	\$296	\$415	\$300	\$296
Interest	9,616	9,234	9,638	8,507	6,487	6,508	11,710	16,829	19,886
Principal	26,655	11,827	11,999	61,999	15,259	15,360	18,651	21,065	23,238
Short Term Inter-Fund Loan	14,808	0	3,216	0	0	0	2,000	2,000	2,000
TOTAL DEBT SERVICE	\$51,336	\$20,961	\$25,201	\$70,753	\$22,043	\$22,164	\$32,776	\$40,193	\$45,420
FUND BALANCE									
Net Increase (Decrease)	(\$5,289)	\$44,772	(\$16,365)	(\$30,461)	(\$13,007)	(\$2,978)	\$42,280	(\$32,116)	(\$1,910)
Beginning Fund Balance July 01	\$147,632	\$142,343	\$187,114	\$187,114	\$156,653	\$143,646	\$140,669	\$182,948	\$150,832
ENDING BALANCE AT JUNE 30	\$142,343	\$187,114	\$170,749	\$156,653	\$143,646	\$140,669	\$182,948	\$150,832	\$148,922
RESERVE BALANCE SUMMARY									
Operating Contingencies	\$31,316	\$34,561	\$37,360	\$34,648	\$37,728	\$37,863	\$37,097	\$41,099	\$43,635
Capital Expansion & Replacement	6,989	10,813	30,854	10,440	5,871	4,372	43,092	11,090	11,120
CCRA Capital Construction	41,023	55,201	21,587	18,337	11,514	14,386	33,165	42,823	36,160
Water Connection	0	0	1,088	501	0	0	0	0	0
Rehabilitation/Replacement	26,490	43,327	19,527	19,527	22,895	22,895	17,383	5,175	2,059
CSDLAC Prepayment	658	673	689	689	705	721	737	0	0
Water Resource Capital	0	0	0	3,682	464	0	0	0	5,603
Debt Service & Redemption	20,169	22,173	31,770	29,199	36,854	35,945	37,212	37,204	37,211
Self Insurance Program	6,000	5,675	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Employee Retirement Benefit	9,696	9,491	7,314	9,887	8,612	8,698	8,262	7,441	7,132
Sinking Fund	0	5,200	14,559	23,742	13,003	9,788	0	0	0
ENDING BALANCE AT JUNE 30	\$142,343	\$187,114	\$170,749	\$156,653	\$143,646	\$140,669	\$182,948	\$150,832	\$148,922

*Numbers may not total due to rounding

Appendix C3: Consolidated Fund Budget by Fund

INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEARS 2017/18 AND 2018/19 BIENNIAL BUDGET
 SOURCES AND USES OF FUNDS - BY PROGRAM FUND (In Thousands)

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18 PROPOSED BUDGET							TOTAL	FY 2018/19
				Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program		
	ACTUAL	ACTUAL	PROJECTED ACTUAL									
REVENUES												
User Charges	\$63,557	\$66,355	\$71,466	\$0	\$11,810	\$0	\$60,634	\$0	\$0	\$5,312	\$77,755	\$82,885
Property Tax	1,828	1,943	1,972	1,972	0	0	0	0	0	0	1,972	1,972
Cost Reimbursement JPA	5,256	5,258	6,078	1,473	0	0	3,825	1,058	0	0	6,355	6,460
Contract Cost reimbursement	273	79	576	0	0	0	93	38	0	390	521	493
Interest Revenue	436	762	835	130	143	226	454	15	140	54	1,162	1,492
Recycled Water Sales	12,047	13,468	15,891	0	0	0	0	0	17,245	0	17,245	18,188
Water Sales	34,147	18,654	27,429	0	0	0	0	0	0	34,167	34,167	36,040
TOTAL REVENUES	\$117,544	\$106,519	\$124,246	\$3,575	\$11,953	\$226	\$65,006	\$1,110	\$17,385	\$39,923	\$139,178	\$147,530
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$39,118	\$43,688	\$42,733	\$0	\$0	\$29,930	\$9,549	\$0	\$2,170	\$2,425	\$44,074	\$45,455
Regional System Connection Fees	15,074	25,907	19,875	0	0	18,927	0	0	4,169	0	23,096	24,251
State Loans	22,714	9,330	3,519	0	0	0	7,901	1,414	0	0	9,314	19,251
Grants	5,918	6,208	11,507	0	0	0	3,389	0	388	2,194	5,970	8,244
Capital Cost Reimbursement	1,193	1,841	1,330	0	0	0	0	772	345	0	1,117	2,903
Other Revenues	1,330	2,009	915	2	100	1	776	0	0	0	879	898
Sale of Capacity	0	215	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	14,808	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$100,155	\$89,199	\$79,879	\$2	\$100	\$48,858	\$21,614	\$2,186	\$7,071	\$4,619	\$84,450	\$101,002
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$217,698	\$195,719	\$204,125	\$3,577	\$12,053	\$49,084	\$86,619	\$3,296	\$24,456	\$44,543	\$223,628	\$248,533
EXPENSES												
Employment Expenses	\$36,510	\$39,300	\$43,150	\$1,545	\$2,391	\$4,157	\$30,052	\$592	\$4,257	\$2,462	\$45,457	\$46,046
Contract Work/Special Projects	5,045	9,596	14,709	1,407	125	900	5,971	325	2,151	5,829	16,708	19,415
Utilities	9,064	8,837	9,585	772	71	0	6,671	72	2,182	0	9,768	10,053
Operating Fees	12,599	11,290	11,863	21	6,639	246	2,018	7	10	2,968	11,908	12,215
Chemicals	4,192	3,943	4,407	0	130	0	4,419	0	0	0	4,549	4,681
Professional Fees and Services	7,133	6,083	8,702	4,847	130	364	4,089	877	686	242	11,234	10,630
Office and Administrative expenses	1,615	1,798	1,884	2,320	23	0	4	16	4	60	2,427	2,593
Biosolids Recycling	3,800	3,798	4,486	28	25	0	4,307	0	0	0	4,360	4,462
Materials & Supplies	2,273	2,817	2,963	674	104	0	2,161	68	218	0	3,225	3,191
MWD Water Purchases	34,147	18,654	27,429	0	0	0	0	0	0	34,167	34,167	36,040
Other Expenses	1,454	775	221	(6,322)	471	1,591	4,410	54	1,142	290	1,638	1,650
TOTAL EXPENSES	\$117,832	\$106,892	\$129,399	\$5,292	\$10,109	\$7,258	\$64,103	\$2,011	\$10,650	\$46,019	\$145,441	\$150,976
CAPITAL PROGRAM												
CSDLAC 4Rs	\$658	\$673	\$689	\$0	\$705	\$0	\$0	\$0	\$0	\$0	\$705	\$721
IERCA investment	0	0	0	0	0	500	0	0	0	0	500	500
Capital Construction and Expansion	53,161	22,420	33,747	2,476	1,094	26,450	24,063	1,729	12,134	0	67,945	77,150
TOTAL CAPITAL PROGRAM	\$53,819	\$23,094	\$34,435	\$2,476	\$1,799	\$26,950	\$24,063	\$1,729	\$12,134	\$0	\$69,150	\$78,371
DEBT SERVICE												
Financial Expenses	\$257	(\$100)	\$246	\$31	\$0	\$175	\$0	\$89	\$2	\$0	\$297	\$296
Interest	9,616	9,234	8,507	0	341	3,140	179	259	2,568	0	6,487	6,508
Principal	26,655	11,827	61,999	0	454	8,791	172	683	5,159	0	15,259	15,360
Short Term Inter-Fund Loan	14,808	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	\$51,336	\$20,961	\$70,753	\$31	\$796	\$12,105	\$352	\$1,031	\$7,729	\$0	\$22,043	\$22,164
TRANSFERS IN (OUT)												
Capital Contribution	\$0	\$0	\$0	\$1,065	(\$36)	\$2,954	(\$3,947)	\$288	(\$324)	\$0	\$0	\$0
Debt Service	0	0	0	0	0	(2,914)	0	515	2,399	0	0	0
Operation support	0	0	0	1,407	(48)	0	(1,311)	628	(676)	0	0	0
Capital - Connection Fees Allocation	0	0	0	1,378	293	(1,671)	0	0	0	0	0	0
One Water	0	0	0	32	0	0	0	56	(352)	264	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$0	\$0	\$0	\$3,883	\$208	(\$1,631)	(\$5,259)	\$1,487	\$1,047	\$264	\$0	\$0
FUND BALANCE												
Net Increase (Decrease)	(\$5,289)	\$44,772	(\$30,461)	(\$339)	(\$442)	\$1,140	(\$7,157)	\$13	(\$5,009)	(\$1,212)	(\$13,007)	(\$2,978)
Beginning Fund Balance July 01	147,632	142,343	187,114	17,397	6,742	38,172	64,316	3,397	19,274	7,355	156,653	143,646
ENDING BALANCE AT JUNE 30	\$142,343	\$187,114	\$156,653	\$17,058	\$6,299	\$39,312	\$57,159	\$3,410	\$14,265	\$6,142	\$143,646	\$140,669
RESERVE BALANCE SUMMARY												
Operating Contingencies	\$31,316	\$34,561	\$34,648	\$2,446	\$3,635	\$0	\$20,093	\$2,327	\$3,550	\$5,678	\$37,728	\$37,863
Capital Expansion & Replacement	6,989	10,813	10,440	0	1,358	1,894	0	500	2,119	0	5,871	4,372
CCRA Capital Construction	41,023	55,201	18,337	0	0	11,514	0	0	0	0	11,514	14,386
Water Connection	0	0	501	0	0	0	0	0	0	0	0	0
Rehabilitation/Replacement	26,490	43,327	19,527	0	0	0	22,895	0	0	0	22,895	22,895
CSDLAC Prepayment	658	673	689	0	705	0	0	0	0	0	705	721
Water Resource Capital	0	0	3,682	0	0	0	0	0	0	464	464	0
Debt Service & Redemption	20,169	22,173	29,199	0	602	25,904	1,169	583	8,596	0	36,854	35,945
Self Insurance Program	6,000	5,675	6,000	6,000	0	0	0	0	0	0	6,000	6,000
Employee Retirement Benefit	9,696	9,491	9,887	8,612	0	0	0	0	0	0	8,612	8,698
Sinking Fund	0	5,200	23,742	0	0	0	13,003	0	0	0	13,003	9,788
ENDING BALANCE AT JUNE 30	\$142,343	\$187,114	\$156,653	\$17,058	\$6,299	\$39,312	\$57,159	\$3,410	\$14,265	\$6,142	\$143,646	\$140,669

*Numbers may not total due to rounding

Appendix D-1: Regional Wastewater Capital Improvement Fund Budget

INLAND EMPIRE UTILITIES AGENCY FISCAL YEARS 2017/18 and 2018/19 BIENNIAL BUDGET REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2014/15	2015/2016	2016/2017	2016/2017	2017/18	2018/19	2019/20	2020/21	2021/22
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
Interest Revenue	\$94	\$135	\$135	\$187	\$226	\$357	\$547	\$547	\$364
TOTAL REVENUES	\$105	\$135	\$135	\$187	\$226	\$357	\$547	\$547	\$364
OTHER FINANCING SOURCES									
Property Tax - Debt and Capital	\$26,414	\$27,659	\$29,058	\$29,058	\$29,930	\$30,828	\$31,444	\$32,073	\$32,715
Regional System Connection Fees	15,074	24,910	17,136	17,136	18,927	19,872	18,779	20,658	20,337
Debt Proceeds	0	0	0	0	0	0	100,000	100,000	75,000
Other Revenues	0	10	6	1	1	1	1	1	1
TOTAL OTHER FINANCING SOURCES	\$41,538	\$52,579	\$46,200	\$46,195	\$48,858	\$50,701	\$150,224	\$152,732	\$128,053
EXPENSES									
Employment Expenses	\$3,230	\$4,248	\$4,030	\$3,995	\$4,157	\$4,155	\$4,243	\$4,478	\$4,682
Contract Work/Special Projects	1,007	1,253	3,147	795	900	800	300	800	300
Operating Fees	233	240	247	242	246	254	261	269	277
Professional Fees and Services	312	234	390	329	364	365	372	377	382
Other Expenses	1,457	509	1,899	1,899	1,591	1,596	1,588	1,627	1,668
TOTAL EXPENSES	\$6,240	\$6,484	\$9,713	\$7,260	\$7,258	\$7,170	\$6,765	\$7,551	\$7,310
CAPITAL PROGRAM									
IERCA investment	\$0	\$0	\$500	\$0	\$500	\$500	\$500	\$500	\$0
Work In Progress	4,318	6,057	20,005	10,737	26,450	25,793	81,875	166,955	107,500
TOTAL CAPITAL PROGRAM	\$4,318	\$6,057	\$20,505	\$10,737	\$26,950	\$26,293	\$82,375	\$167,455	\$107,500
DEBT SERVICE									
Financial Expenses	\$207	(\$203)	\$233	\$140	\$175	\$174	\$280	\$175	\$173
Interest	6,204	5,882	5,991	5,064	3,140	3,114	7,792	12,581	15,793
Principal	23,083	7,074	7,274	57,274	8,791	8,922	10,875	12,716	14,450
Short Term Inter-Fund Loan	10,500	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	\$39,994	\$12,753	\$13,499	\$62,479	\$12,105	\$12,211	\$18,947	\$25,472	\$30,415
TRANSFERS IN (OUT)									
Capital Contribution									
RO to RC -RP-5 Solids Treatment	\$0	\$0	\$1,000	\$0	\$1,350	\$1,715	\$3,472	\$3,472	\$3,472
RO to RC -CCWRF Asset Management Improveme	0	0	0	195	2,700	1,020	7,700	10,800	1,000
RO to RC -RP-5 Expansion Maintenance Building	0	0	0	0	0	0	5,000	5,000	5,000
RC to GG - Agency-wide Projects	(1,023)	(358)	(2,318)	(1,562)	(993)	(423)	(594)	(280)	(224)
RC to RO - Water Quality Laboratory	0	(11)	(625)	(103)	(103)	(92)	0	0	0
RO to RC - RP-5 Expansion Debt Funding	0	0	0	0	0	0	1,736	3,472	4,774
RC to RW - 2008B Bond Debt	(350)	(382)	(472)	(402)	(515)	(583)	(592)	(644)	(641)
RC to RO - Water Quality Lab SRF Loan	0	0	0	0	0	0	(253)	(253)	(253)
RC to WC - 2017A Bond Debt	0	(1,390)	(1,465)	(1,103)	(2,399)	(2,400)	(2,400)	(2,400)	(2,399)
Capital - Connection Fee Allocation to GG	0	(527)	(355)	(770)	(1,378)	(410)	(697)	(195)	(156)
Capital - Connection Fee Allocation to RO	0	(3,545)	(4,111)	0	0	0	0	0	0
Capital - Connection Fee Allocation to NC	0	(123)	(134)	(246)	(293)	(456)	(245)	(72)	(72)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$1,373)	(\$6,335)	(\$1,318)	(\$3,990)	(\$1,631)	(\$1,630)	\$13,127	\$18,900	\$10,501
FUND BALANCE									
Net Income (Loss)	(\$10,282)	\$21,083	(\$5,862)	(\$38,085)	\$1,140	\$3,754	\$55,810	(\$28,298)	(\$6,306)
Beginning Fund Balance July 01	65,455	55,173	76,257	76,257	38,172	39,312	43,066	98,877	70,578
ENDING FUND BALANCE AT JUNE 30*	\$55,173	\$76,257	\$70,395	\$38,172	\$39,312	\$43,066	\$98,877	\$70,578	\$64,272
RESERVE BALANCE SUMMARY									
Capital Construction	\$31	\$240	\$22,887	\$0	\$1,894	\$2,514	\$39,494	\$1,542	\$1,895
CCRA Capital Construction	41,023	55,201	21,587	18,337	11,514	14,386	33,165	42,823	36,160
Debt Service & Redemption	14,119	15,615	22,921	19,835	25,904	26,166	26,218	26,213	26,217
Sinking Fund	0	5,200	3,000	0	0	0	0	0	0
ENDING BALANCE AT JUNE 30	\$55,173	\$76,257	\$67,395	\$38,172	\$39,312	\$43,066	\$98,877	\$70,578	\$64,272

*Numbers may not total due to rounding

Appendix D-2: Regional Wastewater Operations & Maintenance Fund Budget

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEARS 2017/18 AND 2018/19 BIENNIAL BUDGET
 REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/2016	2016/17	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	ACTUAL	ACTUAL	AMENDED	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
User Charges	\$46,965	\$49,958	\$56,381	\$56,381	\$60,634	\$64,743	\$66,260	\$68,422	\$70,653
Cost Reimbursement JPA	3,423	3,403	3,526	3,750	3,825	3,902	3,980	4,059	4,140
Contract Cost Reimbursement	123	79	93	93	93	93	93	93	93
Interest Revenue	195	284	182	305	454	557	462	319	247
TOTAL REVENUES	\$50,706	\$53,724	\$60,182	\$60,529	\$65,006	\$69,294	\$70,794	\$72,893	\$75,133
OTHER FINANCING SOURCES									
Property Tax Revenues - Debt/Capital/Reserves	\$9,140	\$9,573	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549	\$9,549
State Loans	0	1,480	7,657	1,779	7,901	8,598	2,606	0	0
Grants	332	445	3,525	10,128	3,389	3,830	1,037	900	958
Other Revenues	763	972	757	757	776	795	816	836	858
TOTAL OTHER FINANCING SOURCES	\$10,235	\$12,470	\$21,487	\$22,212	\$21,614	\$22,772	\$14,007	\$11,285	\$11,365
EXPENSES									
Employment Expenses	\$24,338	\$25,644	\$29,552	\$28,590	\$30,052	\$30,601	\$31,359	\$32,026	\$33,531
Contract Work/Special Projects	1,053	3,595	13,418	10,500	5,971	8,265	2,447	1,850	1,600
Utilities	6,398	5,828	7,678	6,761	6,671	6,872	7,078	7,290	7,509
Operating Fees	1,819	1,807	1,919	1,848	2,018	2,073	2,133	2,199	2,260
Chemicals	4,092	3,895	4,499	4,277	4,419	4,547	4,684	4,824	4,969
Professional Fees and Services	2,979	1,969	3,441	2,612	4,089	3,358	3,438	3,523	3,622
Office and Administrative expenses	20	7	296	1	4	4	4	5	5
Biosolids Recycling	3,755	3,777	4,365	4,433	4,307	4,408	4,540	4,676	4,816
Materials & Supplies	1,621	1,927	2,138	2,080	2,161	2,200	2,266	2,333	2,404
Other Expenses	741	951	5,149	2,634	4,410	4,427	4,407	4,514	4,628
TOTAL EXPENSES	\$46,815	\$49,401	\$72,455	\$63,736	\$64,103	\$66,755	\$62,356	\$63,241	\$65,343
CAPITAL PROGRAM									
Capital Construction & Expansion (WIP)	\$9,336	\$7,814	\$17,026	\$13,000	\$24,063	\$24,506	\$19,662	\$8,500	\$7,718
TOTAL CAPITAL PROGRAM	\$9,336	\$7,814	\$17,026	\$13,000	\$24,063	\$24,506	\$19,662	\$8,500	\$7,718
DEBT SERVICE									
Financial Expenses	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$0	\$0
Interest	159	162	214	206	179	175	638	619	599
Principal	0	0	0	0	172	177	726	744	765
Short Term Inter-Fund Loan	0	0	3,200	0	0	0	0	0	0
TOTAL DEBT SERVICE	\$159	\$163	\$3,415	\$207	\$352	\$352	\$1,364	\$1,364	\$1,364
TRANSFERS IN (OUT)									
Capital Contribution									
WC to RO - SCADA Enterprise SRF Loan	\$1,274	\$3,430	\$1,400	\$598	\$0	\$0	\$0	\$0	\$0
RC to RO - New Water Quality Laboratory SRF Loan	0	11	625	103	103	92	0	0	0
RO to RC - CCWRF Asset Management and Improvement	0	0	0	(195)	(2,700)	(1,020)	(7,700)	(10,800)	(1,000)
RO to RC - RP-1 Maintenance Facility Cost Share	0	0	0	0	0	0	(5,000)	(5,000)	(5,000)
RO to RC - RP-5 Solids Handling Facility Cost Share	0	0	0	0	(1,350)	(1,715)	(3,472)	(3,472)	(3,472)
RC to RO - New Water Quality Laboratory SRF Loan	0	0	0	0	0	0	253	253	253
RO to WC - SCADA Enterprise SRF Loan	0	0	0	0	0	0	(149)	(149)	(149)
RO to RC - RP-5 Solids Handling Facility SRF Loan	0	0	0	0	0	0	(1,736)	(3,472)	(4,774)
Operation support to GG for Non-Capital Projects	0	0	0	0	(1,311)	(167)	(407)	(373)	(373)
Capital - Connection Fees Allocation	0	3,545	4,111	0	0	0	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,274	\$6,985	\$6,136	\$506	(\$5,259)	(\$2,810)	(\$18,211)	(\$23,013)	(\$14,515)
FUND BALANCE									
Net Income (Loss)	\$5,905	\$15,801	(\$5,091)	\$6,304	(\$7,157)	(\$2,357)	(\$16,792)	(\$11,939)	(\$2,442)
Beginning Fund Balance July 01	36,306	42,211	58,012	58,012	64,316	57,159	54,803	38,011	26,071
ENDING FUND BALANCE JUNE 30*	\$42,211	\$58,012	\$52,921	\$64,316	\$57,159	\$54,803	\$38,011	\$26,071	\$23,629
RESERVE BALANCE SUMMARY									
Operating Contingies	\$15,605	\$14,969	\$20,483	\$19,995	\$20,093	\$20,951	\$19,459	\$19,727	\$20,401
Rehabilitation/Replacement	26,390	42,827	19,527	19,527	22,895	22,895	17,383	5,175	2,059
Debt Service	216	216	352	1,051	1,169	1,169	1,169	1,169	1,169
Sinking Fund	0	0	11,559	23,742	13,003	9,788	0	0	0
ENDING BALANCE AT JUNE 30	\$42,211	\$58,012	\$51,921	\$64,316	\$57,159	\$54,803	\$38,011	\$26,071	\$23,629

* Numbers may not total due to rounding

Appendix D-3: Recycled Water Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2017/18 and 2018/19 BIENNIAL BUDGET
RECYCLED WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2014/15	2015/2016	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
Interest Revenue	\$0	\$106	\$84	\$113	\$140	\$139	\$135	\$168	\$184
Water Sales	12,047	13,468	17,814	15,891	17,245	18,188	19,100	20,266	21,486
TOTAL REVENUES	\$12,047	\$13,574	\$17,898	\$16,004	\$17,385	\$18,327	\$19,235	\$20,433	\$21,670
OTHER FINANCING SOURCES									
Property Tax - Debt/Capital	\$2,064	\$2,162	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170	\$2,170
Connection Fees	0	997	2,932	2,739	4,169	4,379	4,138	4,263	3,984
State Loans	22,714	7,851	6,749	1,740	0	0	3,638	5,776	4,261
Grants	4,901	4,371	6,265	1,116	388	63	1,262	2,172	2,172
Capital Contract Reimbursement	590	761	1,136	389	345	72	3,087	67	68
Other Revenues	32	13	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	10,500	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$40,800	\$16,153	\$19,252	\$8,155	\$7,071	\$6,683	\$14,294	\$14,448	\$12,655
EXPENSES									
Employment Expenses	\$4,080	\$4,412	\$3,653	\$4,099	\$4,257	\$4,258	\$4,349	\$4,586	\$4,796
Contract Work/Special Projects	343	1,023	4,537	637	2,151	1,681	1,360	1,610	1,110
Utilities	2,033	2,433	3,026	2,195	2,182	2,248	2,315	2,385	2,456
Operating Fees	159	3	10	3	10	10	11	11	11
Professional Fees and Services	737	480	929	511	686	722	698	667	725
Office and Administrative Expense	0	1	2	0	4	4	4	4	4
Materials & Supplies	114	106	236	190	218	222	228	235	242
Other Expenses	197	415	1,493	926	1,142	1,147	1,143	1,170	1,199
TOTAL EXPENSES	\$7,662	\$8,874	\$13,887	\$8,562	\$10,650	\$10,292	\$10,107	\$10,667	\$10,543
CAPITAL PROGRAM									
Work In Progress	\$35,295	\$5,077	\$13,576	\$6,487	\$12,134	\$11,274	\$10,926	\$11,000	\$14,960
TOTAL CAPITAL PROGRAM	\$35,295	\$5,077	\$13,576	\$6,487	\$12,134	\$11,274	\$10,926	\$11,000	\$14,960
DEBT SERVICE									
Financial Expenses	(\$31)	(\$31)	\$1	\$1	\$2	\$1	\$1	\$1	\$1
Interest	2,773	2,722	2,803	2,746	2,568	2,543	2,654	2,508	2,430
Principal	2,815	3,962	3,919	3,919	5,159	5,256	6,007	6,133	6,499
Short Term Inter-Fund Loan	0	0	0	0	0	0	2,000	2,000	2,000
TOTAL DEBT SERVICE	\$5,557	\$6,653	\$6,722	\$6,666	\$7,729	\$7,801	\$10,662	\$10,642	\$10,930
TRANSFERS IN (OUT)									
Capital Contribution	(\$1,649)	(\$4,734)	(\$1,941)	(\$942)	(\$324)	(\$265)	(\$22)	(\$10)	(\$8)
Debt Service	0	1,390	1,465	1,103	2,399	2,400	2,550	2,549	2,548
Operation support	(400)	(466)	(506)	(506)	(676)	(668)	(679)	(688)	(717)
One Water	0	(386)	(378)	(387)	(352)	(512)	(843)	(464)	(80)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$2,049)	(\$4,197)	(\$1,361)	(\$733)	\$1,047	\$955	\$1,006	\$1,388	\$1,743
FUND BALANCE									
Net Income (Loss)	\$2,285	\$4,927	\$1,604	\$1,712	(\$5,009)	(\$3,401)	\$2,841	\$3,960	(\$364)
Beginning Fund Balance July 01	10,351	12,636	17,563	17,563	19,274	14,265	10,864	13,705	17,665
ENDING BALANCE AT JUNE 30*	\$12,636	\$17,563	\$19,166	\$19,274	\$14,265	\$10,864	\$13,705	\$17,665	\$17,301
RESERVE BALANCE SUMMARY									
Operating Contingency	\$2,554	\$2,958	\$4,629	\$2,854	\$3,550	\$3,431	\$3,369	\$3,556	\$3,514
Capital Construction	5,217	8,847	6,330	8,800	2,119	(0)	1,739	5,513	5,190
Water Connection	0	0	1,088	501	0	0	0	0	0
Rehabilitation/Replacement (R&R)	100	500	0	0	0	0	0	0	0
Debt Service	4,765	5,258	7,119	7,119	8,596	7,433	8,596	8,596	8,596
ENDING BALANCE AT JUNE 30	\$12,636	\$17,563	\$19,166	\$19,274	\$14,265	\$10,864	\$13,705	\$17,665	\$17,301

* Numbers may not total due to rounding

Appendix D-4: Recharge Water Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2017/2018 AND 2018/2019 BIENNIAL BUDGET
RECHARGE WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2014/2015	2015/2016	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
Cost Reimbursement from JPA	\$595	\$486	\$915	\$889	\$1,058	\$1,056	\$1,087	\$1,120	\$1,153
Contract Cost reimbursement	0	0	60	0	38	0	0	0	0
Interest Revenue	13	14	10	10	15	20	25	25	25
TOTAL REVENUES	\$608	\$499	\$985	\$899	\$1,110	\$1,076	\$1,112	\$1,145	\$1,178
OTHER FINANCING SOURCES									
State Loans	\$0	\$0	\$0	\$0	\$1,414	\$10,653	\$6,554	\$9	\$0
Grants	70	0	60	60	0	0	0	0	0
Capital Contract Reimbursement	604	1,080	4,539	941	772	2,831	1,700	1,453	1,449
Other Revenues	23	34	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$697	\$1,115	\$4,599	\$1,001	\$2,186	\$13,485	\$8,254	\$1,461	\$1,449
EXPENSES									
Employment Expenses	\$398	\$444	\$679	\$539	\$592	\$593	\$594	\$603	\$631
Contract Work/Special Projects	0	37	120	0	325	250	0	0	0
Utilities	112	92	104	122	72	74	76	79	81
Operating Fees	4	7	7	5	7	7	7	7	7
Professional Fees and Services	183	511	752	650	877	904	930	957	985
Office and Administrative expenses	8	9	16	16	16	16	17	17	18
Expense Allocation	0	76	65	52	54	55	54	56	57
Materials & Supplies	67	75	86	74	68	70	72	74	76
Other Expenses	0	0	0	15	0	0	0	0	0
TOTAL EXPENSES	\$772	\$1,249	\$1,828	\$1,473	\$2,011	\$1,968	\$1,751	\$1,794	\$1,856
CAPITAL PROGRAM									
Capital Expansion/Construction	\$758	\$2,064	\$5,223	\$880	\$1,729	\$12,902	\$7,662	\$10	\$0
TOTAL CAPITAL PROGRAM	\$758	\$2,064	\$5,223	\$880	\$1,729	\$12,902	\$7,662	\$10	\$0
DEBT SERVICE									
Financial Expenses	\$86	\$114	\$92	\$76	\$89	\$88	\$100	\$89	\$86
Interest	7	17	205	80	259	368	346	853	811
Principal	607	632	647	647	683	710	739	1,155	1,193
TOTAL DEBT SERVICE	\$700	\$764	\$945	\$803	\$1,031	\$1,166	\$1,185	\$2,097	\$2,091
TRANSFERS IN (OUT)									
Capital Contribution	\$338	\$1,291	\$457	\$287	\$288	\$250	\$0	\$0	\$0
Debt Service	350	382	472	402	515	583	592	644	641
Operation support	400	466	506	506	628	662	664	674	703
Property Tax Transfer	0	86	96	122	56	131	53	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,088	\$2,225	\$1,531	\$1,317	\$1,487	\$1,626	\$1,309	\$1,318	\$1,344
FUND BALANCE									
Net Income (Loss)	\$162	(\$238)	(\$879)	\$61	\$13	\$151	\$78	\$25	\$24
Beginning Fund Balance July 01	3,413	3,575	3,337	3,337	3,397	3,410	3,561	3,638	3,663
ENDING FUND BALANCE AT JUNE 30*	\$3,575	\$3,337	\$2,457	\$3,397	\$3,410	\$3,561	\$3,638	\$3,663	\$3,687
RESERVE BALANCE SUMMARY									
Operating Contingencies	\$2,614	\$2,337	\$1,374	\$2,305	\$2,327	\$2,469	\$2,494	\$2,522	\$2,543
Capital Expansion / Construction	500	500	500	500	500	500	500	500	500
Debt Service & Redemption	460	500	583	592	583	592	644	641	644
ENDING BALANCE AT JUNE 30	\$3,575	\$3,337	\$2,457	\$3,397	\$3,410	\$3,561	\$3,638	\$3,663	\$3,687

*Numbers may not total due to rounding

Appendix D-5: Water Resources Fund Budget

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEAR 2017/18 and FY 2018/19 BIENNIAL BUDGET
 WATER RESOURCES FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/15	2015/2016	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
User Charges	\$5,690	\$5,314	\$4,443	\$4,553	\$5,312	\$6,020	\$6,763	\$7,395	\$8,052
Contract Cost reimbursement	138	0	1,465	483	390	400	400	400	400
Interest Revenue	12	40	8	43	54	68	53	66	106
Water Sales	34,147	18,654	28,671	27,429	34,168	36,040	38,250	40,710	42,980
TOTAL REVENUES	\$39,987	\$24,008	\$34,587	\$32,507	\$39,924	\$42,529	\$45,467	\$48,571	\$51,538
OTHER FINANCING SOURCES									
Property Tax - Debt and Capital	\$1,500	\$4,295	\$1,956	\$1,956	\$2,425	\$2,909	\$3,241	\$3,579	\$3,925
Grants	565	1,393	865	204	2,194	4,351	10,861	6,146	0
Other Revenues	0	27	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	4,308	0	3,200	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$6,373	\$5,715	\$6,021	\$2,159	\$4,619	\$7,260	\$14,101	\$9,725	\$3,925
EXPENSES									
Employment Expenses	\$949	\$2,252	\$1,828	\$2,244.0	\$2,462	\$2,467	\$2,471	\$2,510	\$2,625
Contract Work/Special Projects	2,200	3,268	7,707	1,833	5,829	8,140	17,140	10,200	1,700
Operating Fees	3,715	3,592	3,185	3,185	2,968	3,038	3,110	3,183	3,259
Professional Fees and Services	239	195	157	221	242	242	248	251	255
Office and Administrative expenses	50	38	60	50	60	60	60	60	60
MWD Water Purchases	34,147	18,653	31,856	27,429	34,167	36,040	38,250	40,710	42,980
Other Expenses	69	229	347	294	290	291	290	296	303
TOTAL EXPENSES	\$41,369	\$28,227	\$45,140	\$35,256	\$46,018	\$50,278	\$61,569	\$57,210	\$51,182
CAPITAL PROGRAM									
TOTAL CAPITAL PROGRAM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEBT SERVICE									
TOTAL DEBT SERVICE	\$0	\$0	\$16	\$0	\$0	\$0	\$0	\$0	\$0
TRANSFERS IN (OUT)									
One Water	\$0	\$295	\$269	\$245	\$264	\$371	\$774	\$459	\$77
TOTAL INTERFUND TRANSFERS IN (OUT)	\$0	\$295	\$2,269	\$245	\$264	\$371	\$774	\$459	\$77
FUND BALANCE									
Net Income (Loss)	\$4,991	\$1,791	(\$2,279)	(\$343)	(\$1,212)	(\$119)	(\$1,226)	\$1,544	\$4,358
Beginning Fund Balance July 01	916	5,906	7,698	7,698	7,355	6,142	6,023	4,797	6,341
ENDING FUND BALANCE AT JUNE 30*	\$5,906	\$7,698	\$5,418	\$7,355	\$6,143	\$6,023	\$4,797	\$6,341	\$10,699
RESERVE BALANCE SUMMARY									
Operating Contingency	\$5,906	\$7,698	\$5,418	\$3,672	\$5,679	\$6,023	\$4,797	\$6,341	\$5,096
Supplemental Water Resources	0	0	0	3,682	464	0	0	0	5,603
ENDING BALANCE AT JUNE 30	\$5,906	\$7,698	\$5,418	\$7,355	\$6,143	\$6,023	\$4,797	\$6,341	\$10,699

*Numbers may not total due to rounding

Appendix D-6: Non-Reclaimable Wastewater Fund Budget

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEAR 2017/18 and FISCAL YEAR 2018/19 BIENNIAL BUDGET
 NON-RECLAIMABLE WASTEWATER FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/2016	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	ACTUAL	ACTUAL	AMENDED BUDGET	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
User Charges	\$10,902	\$11,083	\$11,052	\$10,532	\$11,810	\$12,122	\$12,142	\$12,469	\$12,803
Interest Revenue	35	65	90	90	143	180	190	180	180
TOTAL REVENUES	\$10,938	\$11,148	\$11,142	\$10,622	\$11,953	\$12,302	\$12,332	\$12,649	\$12,983
OTHER FINANCING SOURCES									
Other Revenues	\$355	\$592	\$110	\$156	\$100	\$100	\$100	\$100	\$100
Sale of Capacity	0	215	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	0	0	0	0	2,000	2,000	2,000
TOTAL OTHER FINANCING SOURCES	\$355	\$807	\$110	\$156	\$100	\$100	\$2,100	\$2,100	\$2,100
EXPENSES									
Employment Expenses	\$2,195	\$1,931	\$2,121	\$2,179	\$2,391	\$2,395	\$2,399	\$2,438	\$2,549
Contract Work/Special Projects	55	21	210	22	125	100	100	100	100
Utilities	83	78	86	76	71	73	75	78	80
Operating Fees	6,662	5,635	6,074	6,562	6,639	6,812	7,016	7,227	7,444
Chemicals	101	48	175	130	130	134	138	142	146
Professional Fees and Services	33	63	173	143	130	133	136	139	143
Office and Administrative expenses	0	0	0	0	23	24	24	25	26
Biosolids Recycling	12	0	25	25	25	26	27	27	28
Materials & Supplies	53	56	107	104	104	107	110	114	117
Other Expenses	93	67	562	450	471	472	471	481	495
TOTAL EXPENSES	\$9,288	\$7,899	\$9,534	\$9,691	\$10,109	\$10,275	\$10,497	\$10,771	\$11,127
CAPITAL PROGRAM									
CSDLAC 4Rs SRF Loan	\$658	\$673	\$689	\$689	\$705	\$721	\$737	\$0	\$0
Capital Expansion/Construction	2,356	490	1,040	177	1,094	1,802	923	200	200
TOTAL CAPITAL PROGRAM	\$3,015	\$1,163	\$1,729	\$866	\$1,799	\$2,523	\$1,660	\$200	\$200
DEBT SERVICE									
Financial Expenses	(\$8)	(\$8)	\$1	\$2	\$0	\$0	\$0	\$0	\$0
Interest	473	450	425	411	341	307	280	268	253
Principal	150	159	159	158	454	294	305	317	332
TOTAL DEBT SERVICE	\$615	\$601	\$584	\$570	\$796	\$602	\$585	\$585	\$586
TRANSFERS IN (OUT)									
Capital Contribution	(\$37)	(\$13)	(\$85)	(\$57)	(\$36)	(\$15)	(\$21)	(\$10)	(\$8)
Operation support	0	0	0	0	(48)	(6)	(15)	(14)	(14)
Connection Fee	0	123	134	246	293	456	245	72	72
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$37)	\$110	\$50	\$189	\$208	\$435	\$209	\$48	\$50
FUND BALANCE									
Net Income (Loss)	(\$1,662)	\$2,401	(\$545)	(\$162)	(\$442)	(\$564)	\$1,899	\$3,241	\$3,221
Beginning Fund Balance July 01	6,163	4,502	6,903	6,903	6,742	6,299	5,736	7,635	10,876
ENDING FUND BALANCE AT JUNE 30*	\$4,502	\$6,903	\$6,358	\$6,742	\$6,299	\$5,736	\$7,635	\$10,876	\$14,097
RESERVE BALANCE SUMMARY									
Capital / Operation Contingencies	\$1,993	\$4,420	\$3,737	\$4,311	\$3,635	\$3,071	\$4,954	\$6,756	\$9,977
Capital Construction	1,241	1,226	1,136	1,140	1,358	1,358	1,358	3,535	3,535
CSDLAC Prepayment	658	673	689	689	705	721	738	0	0
Debt Service	609	584	796	602	602	585	585	585	585
ENDING BALANCE AT JUNE 30	\$4,502	\$6,903	\$6,358	\$6,742	\$6,299	\$5,736	\$7,636	\$10,876	\$14,097

* Numbers may not total due to rounding

Appendix D-7: Administrative Services Fund Budget

**INLAND EMPIRE UTILITIES AGENCY
 FISCAL YEARS 2017/18 and FISCAL YEAR 2018/19 BIENNIAL BUDGET
 ADMINISTRATIVE SERVICES FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2014/2015	2015/2016	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
	ACTUAL	ACTUAL	AMENDED BUDGET	D ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES									
Property Tax	\$1,828	\$1,943	\$1,972	\$1,972	\$1,972	\$1,972	\$1,972	\$1,972	\$1,972
Cost Reimbursement from JPA	1,238	1,370	1,473	1,439	1,473	1,502	1,532	1,563	1,594
Interest Revenue	87	118	100	87	130	171	209	243	274
TOTAL REVENUES	\$3,153	\$3,431	\$3,545	\$3,498	\$3,575	\$3,645	\$3,713	\$3,778	\$3,840
OTHER FINANCING SOURCES									
Other Revenues	\$157	\$360	\$2	\$2	\$2	\$2	\$2	\$2	\$2
TOTAL OTHER FINANCING SOURCES	\$157	\$360	\$2	\$2	\$2	\$2	\$2	\$2	\$2
EXPENSES									
Employment Expenses	\$1,319	\$370	\$1,472	\$1,504	\$1,545	\$1,577	\$1,609	\$1,643	\$1,680
Contract Work/Special Projects	387	399	1,793	921	1,407	179	437	400	400
Utilities	438	406	703	430	772	787	808	832	857
Operating Fees	7	6	10	18	21	21	21	21	21
Professional Fees and Services	2,651	2,631	4,883	4,237	4,847	4,906	4,788	4,894	5,013
Office and Administrative expenses	1,537	1,744	2,126	1,817	2,320	2,485	2,440	2,794	2,577
Biosolids Recycling	33	21	25	28	28	28	29	30	31
Materials & Supplies	418	653	488	515	674	593	617	636	654
Other Expenses	(1,103)	(1,472)	(7,662)	(6,050)	(6,322)	(6,338)	(6,299)	(6,456)	(6,625)
TOTAL EXPENSES	\$5,686	\$4,758	\$3,838	\$3,421	\$5,292	\$4,236	\$4,449	\$4,794	\$4,608
CAPITAL PROGRAM									
Capital Expansion & Construction	\$1,098	\$918	\$2,855	\$2,465	\$2,476	\$873	\$1,350	\$500	\$400
TOTAL CAPITAL PROGRAM	\$1,098	\$918	\$2,855	\$2,465	\$2,476	\$873	\$1,350	\$500	\$400
DEBT SERVICE									
Financial Expenses	\$3	\$27	\$21	\$27	\$31	\$32	\$33	\$34	\$36
TOTAL DEBT SERVICE	\$4,311	\$27	\$21	\$27	\$31	\$32	\$33	\$34	\$36
TRANSFERS IN (OUT)									
Capital Contribution	\$1,098	\$384	\$2,487	\$1,676	\$1,065	\$454	\$637	\$301	\$240
Operation support	0	0	0	0	1,407	179	437	400	400
Capital - Connection Fees Allocation	0	527	355	770	1,378	410	697	195	156
One Water	0	6	13	19	32	9	16	5	4
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,098	\$918	\$855	\$2,465	\$3,883	\$1,052	\$1,787	\$900	\$800
FUND BALANCE									
Net Income (Loss)	(\$6,688)	(\$994)	(\$2,312)	\$52	(\$339)	(\$442)	(\$330)	(\$648)	(\$401)
Beginning Fund Balance July 01	25,028	18,340	17,345	17,345	17,397	17,058	16,616	16,286	15,638
ENDING FUND BALANCE AT JUNE 30*	\$18,340	\$17,345	\$15,033	\$17,397	\$17,058	\$16,616	\$16,286	\$15,638	\$15,236
RESERVE BALANCE SUMMARY									
Operating Contingency	\$2,643	\$2,179	\$1,719	\$1,511	\$2,446	\$1,918	\$2,025	\$2,197	\$2,104
Self-Insurance Program	6,000	5,675	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Employee Retirement Benefit	9,696	9,491	7,314	9,887	8,612	8,698	8,262	7,441	7,132
ENDING BALANCE AT JUNE 30	\$18,340	\$17,345	\$15,033	\$17,397	\$17,058	\$16,616	\$16,286	\$15,638	\$15,236

*Numbers may not total due to rounding

GENERAL MANAGER'S MESSAGE

The Honorable Board of Directors
Inland Empire Utilities Agency

June 21, 2017

I am pleased to submit the Inland Empire Utilities Agency (IEUA/Agency) biennial budget for Fiscal Years 2017/18 and 2018/19 (FYs 2017/18 & 2018/19 budget) and the Ten-Year Capital Improvement Plan for Fiscal Years 2017/18 – 2026/27 (FY 2018-2027 TYCIP). The FYs 2017/18 & 2018/19 biennial budget and FY 2018-2027 TYCIP include the operational, capital and debt service expenditures necessary to uphold the Agency's commitment to safeguarding and enhancing the quality of life in the Inland Empire in a sustainable and cost-effective manner.

A key focus of the FYs 2017/18 & 2018/19 budget is the continued investment in Agency and regional assets. Over the next 10 years, population in the southern section of the Agency's service area is expected to double, so included in the FY 2018-2027 TYCIP is the expansion and improvement of existing Agency facilities to meet the needs of future growth and optimization of the wastewater collection system, wastewater treatment system and the regional recycled water distribution system (RRWDS). To prepare for the anticipated growth, included in the FY 2018-2027 TYCIP is the RP-5 Liquid and Solids Treatment Expansion project (RP-5 Expansion project) that will double plant capacity from 15 to 30 million gallons per day (MGD), and relocate solids handling processing from Regional Plant No. 2 (RP-2). The RP-2 solids handling facility is in the city of Chino on land leased from the U. S. Army Corps of Engineers (Army Corps). Portions of the RP-2 facility are in the 100-year flood plain. Relocation of the RP-2 facility is being triggered by the proposed raising of the maximum operation water level behind the Prado Dam to allow for greater water storage and conservation by the Army Corps and Orange County Flood Control District by 2021.

Opportunities and Challenges

Over the next 5 years, nearly 45 percent of Agency employees will be eligible to retire. Timely recruitment of skilled personnel is crucial to ensure effective transfer of knowledge and skills to the next generation of Agency employees. Included in the FYs 2017/18 & 2018/19 budget is a succession pool of ten positions to support timely recruitment of critical positions throughout the organization. Timely upkeep of Agency facilities and equipment is another key objective. Included in the biennial budget is support for the Agency's maintenance department ongoing transition from a corrective to a predictive and preventive maintenance strategy. Over time, the benefit of performing maintenance on equipment only when it is warranted, a proactive versus reactive approach, will result in lower maintenance costs. An important part of the transition is continual investment in training personnel to develop the necessary skills to implement and support this maintenance strategy.

After five years of epic drought, California experienced one of the wettest winter seasons in nearly a century of record-keeping. The final reading of the snow level in the Sierra Nevada mountains on May 1, 2017, reported the snowpack at 190 percent of the historic average; an unprecedented

improvement from zero snow pack reported just two years earlier in May 2015. The damage to the Oroville Dam in northern California in early February 2017 brought to the light the State's aging infrastructure and its ability to handle the vast amount of water expected from the unprecedented rainfall and impending snowmelt as temperatures begin to warm. Since the year 2000, California has experienced four waves of drought; however, no drought in the last 100 years was as severe as the last one. Experts and State water officials expect these extreme cycles of dry and wet weather to continue as global temperatures continue to rise.

Water Reliability

The Sierra Nevada mountain range is a key source of water supply. The ample supply of water expected from the snow melt coupled with the statewide water savings achieved through conservation is anticipated to provide sufficient supplies of water throughout the State. This is good news for IEUA and its retail water agencies. All of the water IEUA imports from the Metropolitan Water District of Southern California (MWD) is delivered through the State Water Project (SWP) system. To mitigate for the uncertainty of the SWP water supplies, over the past 15 years, more than \$500 million was invested by IEUA and its retail agencies to drought-proof the region by expanding groundwater, stormwater, recycled water and conservation programs and facilities. These investments also leveraged the region's ability to secure hundreds of millions of dollars in state and federal grants and loans. As a result, when the record-breaking drought of 2012 began the region was prepared. Throughout this unprecedented time, sufficient water supply was available to meet the water needs of the region without constraining new development or economic growth.

Optimizing beneficial use is also the goal of the Recycled Water Program Strategy (RWPS), one of the Agency's master plans, and a major part of the Agency's integrated water resource management program. Over the next two years, in partnership with Chino Basin Watermaster, Chino Basin Water Conservation District and its member agencies, the Agency is investing approximately \$40 million to improve the Agency's regional recycled water distribution system (RRWDS) and expand capacity of groundwater basins. IEUA remains committed to providing reliable and cost-effective water supplies, and promoting sustainable water use efficiency. The additional water supply is essential in supporting future growth and economic development for the region.

Environmental Stewardship

Making water conservation a way of life and establishing long term water use efficiency standards is a key objective of the Governor. The Agency, in partnership with its member agencies, will continue to invest in a wide range of regional programs to promote water use efficiency, eliminate waste and unreasonable use, and enhance regional water resiliency in alignment with the Governor's long term objective. Many of these projects are part of the Agency's Integrated Water

GENERAL MANAGER'S MESSAGE

Resources Plan (IRP) completed in 2015. The 2015 IRP is intended to anticipate future water supply challenges and to ensure that continued investments in water resources and water use efficiency meet the future water needs of the region.

As one of ten agencies participating in the Santa Ana River Multiple Species Habitat Conservation Plan (HCP), led by the San Bernardino Valley Municipal Water District (SBVMWD), IEUA will work closely with the U. S. Fish and Wildlife Service to mitigate any potential impact to federally-listed endangered, threatened or special status species from future water projects in the Upper Santa Ana River region. Included in the biennial budget are various projects that pool together multiple agencies in the region to collaborate in large-scale water supply reliability and water use efficiency projects to benefit the entire Santa Ana Watershed.

One such project is the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP). IEUA, along with SBVMWD, Eastern Municipal Water District, Western Municipal Water District, and Orange County Water District, comprise the Santa Ana River Watermaster Action Team (Action Team). The primary objective of SARCCUP is to maximize development of local and imported water supplies as equitable partners and not to compete for grants or imported water supplies that can be used to benefit the Santa Ana River Watershed. These projects were the basis for the 2015 One Water One Watershed (OWOW) grant application for \$60 million from the Department of Water Resources (DWR) Proposition 84 grant funding. The Action Team will also work collaboratively on regional water use efficiency programs and habitat restoration/Arundo removal programs.

The Agency is committed to protection of the environment through conservation and sustainable practices implemented on a regional and watershed basis. More information on these programs is provided in the Water Resources program section.

Wastewater Management

As a regional wastewater service provider, the Agency is required to maintain capacity within systems and facilities to meet essential service demands to protect public health and the environment. One of the key objectives included in the IEUA Business Goal Wastewater Management is to ensure systems are managed and constructed so that 90 percent of capacity is never exceeded. The acquisition, construction, improvement, and expansion of the Agency's regional wastewater system are supported by the regional wastewater connection fee. Included in the biennial budget and FY 2018-2027 TYCIP is the continued pace of new development of 3,000 new wastewater connections over the next two years.

The Agency's Wastewater Facilities Master Plan (WFMP), updated in 2015, reported member agencies' forecasts of 40,523 new equivalent dwelling units (EDU) connections through 2025. Most of the new development is anticipated in the cities of Chino, Fontana and Ontario. The most current forecast provided by member agencies in November 2016 estimates almost 36,500 new connections through 2027.

Fiscal Responsibility

The Operating Budget for FYs 2017/18 – 2018/19 is the Agency’s second biennial budget. An important policy principle of the multi-year rates was the establishment of rates and fees that fully recover the cost of providing the service, as well ensuring rates are reasonable and equitable by establishing a clear nexus between what a customer pays and the benefit of the services received, as legally mandated. Establishing a new regional water connection fee and adjusting the regional wastewater connection fee to adequately fund future capacity expansion and enhancement of existing facilities is consistent with the principle of having “growth pay for growth.” Based on actual and projected expenditures through FY 2016/17 and assumptions in the biennial budget, the Agency is on track to achieving full cost of service rates by FY 2019/20. No adjustment to the adopted multi-year rates and fees were made for FYs 2017/18 and 2018/19.

The Agency continues to be committed to sustainable cost containment as demonstrated in the adopted biennial budget. The number of authorized full time equivalent (FTEs) of 290 is maintained over the two-year budget period, and projected to be sustained over the ensuing three years. Included in the FYs 2018/19 & 2018/19 budget is a succession pool of 10 positions to support timely recruitment of critical positions throughout the organization.

The State Revolving Fund (SRF) loan program is an important source of funding for the RP-5 Expansion and RP-1 Rehabilitation projects. Additionally, the Agency submitted a letter of interest to the U.S. Environmental Protection Agency (EPA) for a Water Infrastructure Finance and Innovation Act (WIFIA) loan. The Agency will continue to aggressively pursue federal, state and regional grants and incentives, including low interest SRF loans and grants, and rebates offered by MWD to support its regional water use efficiency projects. Optimizing low interest loans and grant funding will help reduce the cost of executing the planned programs and projects included in the FY 2017/18 and 2018/19 budget and FY 2018-2027 TYCIP.

Conclusion

The last fiscal year was another successful year for the Agency, its member agencies, and key stakeholders in the region. In addition to meeting the Governor’s mandate to reduce water use by 25 percent and increasing the amount of water stored in the Chino Basin by nearly 100,000 AF during one of the worst drought periods in history; hydraulic control in the Chino Basin was officially achieved in February 2016. After 15 years of collaboration, planning and investing for Chino Basin Watermaster (Watermaster) Parties and the IEUA, and many other regional stakeholders, achieved a long-standing initiative to Improve the quality of the Chino Basin’s groundwater and outflow to Orange County.

Further advancement to improve water quality in the Chino Basin was achieved following years of collaborative efforts between IEUA, three public agencies, four private companies, and the U.S. Department of Defense regarding historical use of an industrial cleaning solvent that seeped into

GENERAL MANAGER'S MESSAGE

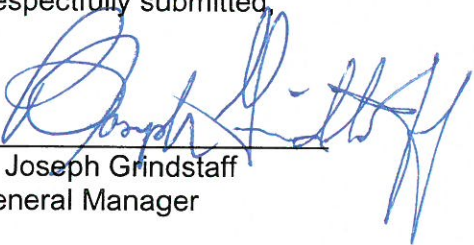
the area's groundwater, creating the South Archibald Plume. IEUA led discussions to plan the implementation of a permanent cleanup solution, which resulted in the development of several agreements and actions between the parties in September 2016 that include cleanup of this longstanding contaminated groundwater.

As part of its ongoing cost containment initiative, the Agency refinanced the 2008A Revenue Bonds in January 2017 resulting in net present value savings of \$37 million over the life of the bonds and a reduction in outstanding debt of over \$57 million. By leveraging historically low market rates, the Agency reduced annual debt service costs by approximately 36 percent resulting in positive cash flow savings averaging around \$3 million per year.

All of IEUA's accomplishments are possible due to the collaboration of our member agencies, stakeholders and dedicated Agency staff. Most of these milestones will help position the Agency in a more stable fiscal and operational status to more effectively execute the planned initiatives as outlined in the adopted FY 2017/18 and 2018/19 budget and FY 2018-2027 TYCIP.

The Agency is committed to sustainably enhancing the quality of life in the Inland Empire by ensuring that a clean, reliable and resilient water supply is available now and in the future. These principles will continue to guide the Agency and its member agencies in developing and prioritizing initiatives to effectively address the effects of climate change and its impact to our region's vital water resources and continued economic development.

Respectfully submitted,


P. Joseph Grindstaff
General Manager

EXECUTIVE SUMMARY

The Agency's Operating Budget for Fiscal Year (FYs) 2017/18 – 2018/19 and FYs 2017/18-2026/27 Ten Year Capital Improvement Plan (FY 2018-2027 TYCIP) focuses on the following key areas:

- **Succession planning** – Nearly 45 percent of the Agency's workforce is eligible for retirement over the next five years. Timely recruitment will be essential to the transfer of knowledge and expertise to the next generation of employees. Included in the proposed biennial budget is a succession pool of 10 positions to support timely recruitment of critical positions throughout the Agency;
- **Cost containment** – As part of the Agency's ongoing commitment to sustainable cost containment, the succession pool will be supported under the existing 290 authorized number of full time equivalent positions. Operations and maintenance expenses such as chemicals, operating fees, and utilities remain relatively leveled over the next two fiscal years.
- **Cost of Service**– Continue implementation of multiyear rates and fees approved by the Board of Directors through FY 2019/20 designed to fully recover the cost of providing the Agency services;
- **Upkeep of Agency Assets** – Continue the transition from “corrective” to “predictive and preventative” maintenance of Agency assets to ensure regulatory compliance, avoid costly corrective maintenance, and over time reduce maintenance costs by only performing maintenance on equipment when warranted;
- **Optimize low interest debt and grants** – Continue to secure low cost financing and grants to support capital expansion and improvement of Agency's facilities to meet anticipated growth and increased service demands; and
- **Transparency** – Continue to provide a platform for transparent communication and timely reporting.

The Operating Budget for FYs 2017/18 - 2018/19 is the Agency's second biennial budget. The transition from a single to a two-year budget in FY 2015/16 supports a key objective of the IEUA Business Goal under Fiscal Responsibility to enhance financial planning and fiscal stabilization for IEUA and its customers.

IEUA BUSINESS GOALS

The IEUA Business Goals align with the Agency's mission, vision and values which are defined by the needs of the Agency's stakeholders and the public value provided to the communities served. The IEUA Business Goals, updated and adopted by the IEUA Board in 2016, are categorized into six main areas as indicated in Figure 1-1:

Figure 1-1: IEUA’s Business Goals



Within each *Business Goal* are key *Objectives* which define the major areas of focus and guide the development of the Agency’s Work Plan. The Work Plan provide Agency departments with clearer direction as they set the goals and objectives included in the Agency’s biennial budget and TYCIP.

The biennial budget and TYCIP also incorporate the various planning documents, amongst them the Facilities Master Plan, Asset Management Plan, Integrated Water Resources Plan (IRP), Recycled Water Program Strategy, Energy Management Plan and Urban Water Management Plan.

FY 2017/18 – 2018/19 BUDGET OVERVIEW

Total uses of funds for \$236.6 million in FY 2017/18 and \$251.5 million in FY 2018/19 include the operational, capital, and debt service expenditures for all Agency programs necessary to support the Agency’s mission to provide reliable essential services in a regionally planned and cost effective manner.

Total operating expenses are budgeted at \$145.4 million in FY 2017/18 and \$150.9 million in FY 2018/19, an increase of \$16.0 million compared to \$129.4 million projected in FY 2016/17. The increase is mainly due to higher pass-through purchases of imported water from Metropolitan Water District of Southern California (MWD); higher professional fees and services to support the Agency’s continued transition from a corrective to preventative/predictive maintenance strategy; higher employment costs to support succession planning, higher pension costs due to a reduction in the discount rate by CalPERS beginning in FY 2018/19; and higher non-capital (O&M) project costs which include the South Archibald TCE Plume Clean Up project planned over the next three years.

EXECUTIVE SUMMARY

Non-operating expense, or other uses of funds, of \$91.2 million in FY 2017/18 and \$100.6 million in FY 2018/19 are comprised of debt service and capital improvement plan (CIP) expenditures. The decrease in debt service costs from \$70.7 million in FY 2016/17 to \$22.0 million in FY 2017/18 is due to the partial refinancing of the 2008A Revenue Bonds completed in January 2017 which included repayment of \$50.0 million in outstanding principal. The reduction in debt service costs is partially offset by an increase of \$34.8 million in CIP in FY 2017/18 budgeted at \$69.2 million and \$78.4 million in FY 2018/19, compared to \$34.4 million projected for FY 2016/17. Included in the CIP over the next two years is design of the Regional Water Recycling Plant No. 5 (RP-5) Liquids and Solids Expansion project, continued construction of the Water Quality Laboratory slated for completion in 2021, and capital upgrades and improvements to the various Agency facilities. Projected funding for CIP is evenly split between pay-go and new debt.

Total uses of funds are supported by total revenues and other funding sources of \$223.6 million in FYs 2017/18 and \$248.5 million in FY 2018/19. Included are operating revenues \$139.2 million in FY 2017/18 and \$147.5 million in FY 2018/19 with a projected increase of \$15.0 million in FY 2017/18 compared to projected actuals of \$124.2 million in FY 2016/17 partly due to higher pass-through sales of MWD imported water and rate adjustments for the Regional Wastewater, Recycled Water, and Water Resources programs approved by the IEUA Board and member agencies through FY 2019/20.

Non-operating revenue, or other sources of funds, of \$84.4 million in FYs 2017/18 and \$101.0 million in FY 2018/19 include fees from new connections to the Agency's regional wastewater and regional water systems, property tax receipts, and proceeds from low interest state loans and grants. Higher wastewater and water connection fees account for an increase of \$3.2 million in FY 2017/18 and \$1.2 million in FY 2018/19 due to the rate adjustment effective January 1, 2018, as the number of new connections are expected to remain leveled over the next two years. Additionally, property tax receipts, grant receipts and proceeds from state loans account for an increase of \$1.4 million in FY 2017/18 and \$15.3 million in FY 2018/19. State Revolving Fund (SRF) loan and grants are the primary funding sources of the Water Quality Laboratory under construction and the South Archibald TCE Plume Clean Up project.

Based on total funding sources and uses of funds budgeted over the next two years, the total ending reserve balance is anticipated to decrease from \$156.7 million projected in FY 2016/17 to \$140.7 million at the end of FY 2018/19. An overview of total revenues and other funding sources, total operating expense and other uses of funds, and estimated ending fund balance beginning FY 2014/15 through FY 2021/22 are provided on Table 1-1.

**Table 1-1: Comparative of Total Sources and Uses of Funds, and Fund Balance
(\$Millions)**

Fiscal Year	Actual	Projected	Biennial Budget		Forecast		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Revenues	\$106.5	\$124.2	\$139.2	\$147.5	\$153.2	\$160.0	\$166.7
Operating Expense	(106.9)	(129.4)	(145.4)	(150.9)	(157.5)	(156.0)	(152.0)
Operating Net Increase (Decrease)	(0.4)	(5.2)	(6.2)	(3.4)	(4.3)	4.0	14.7
Other Sources of Funds	89.2	79.9	84.4	101.0	203.0	191.7	159.6
Debt Service	(20.9)	(70.7)	(22.0)	(22.2)	(32.8)	(40.2)	(45.4)
Capital Program	(23.1)	(34.4)	(69.2)	(78.4)	(123.6)	(187.7)	(130.8)
Non-Operating Increase (Decrease)	45.2	(25.2)	(6.8)	0.4	46.6	(36.2)	(16.6)
Total Increase (Decrease)	44.8	(30.4)	(13.0)	(3.0)	42.3	(32.2)	(1.9)
Beginning Fund Balance	142.3	187.1	156.7	143.7	140.7	183.0	150.8
Ending Fund Balance	\$187.1	\$156.7	\$143.7	\$140.7	\$183.0	\$150.8	\$148.9

Totals may not tie due to rounding

REVENUES AND OTHER FUNDING SOURCES HIGHLIGHTS

Total revenues and other funding sources are budgeted at \$223.6 million in FY 2017/18 and \$248.5 million in FY 2018/19. The increase of \$19.5 million in FY 2017/18 compared to projected to actual of \$204.1 million in FY 2016/17 is mainly due to increase in higher pass-through sales of MWD imported water, higher connection fees to the regional wastewater and regional water systems, and implementation of the multiyear rate adjustments approved through FY 2019/20. An increase of \$24.9 million is budgeted in FY 2018/19 compared to FY 2017/18, mainly due an increase in low interest state loans and grant proceeds associated with the completion of the Water Quality Laboratory, the South Archibald TCE Plume Clean Up project, Recharge Master Plan Update projects, and water resources initiatives. Table 1-2 highlights the major funding sources.

EXECUTIVE SUMMARY

Table 1-2: Total Revenues and Other Funding Sources (\$Millions)

Funding Sources	ACTUAL	PROJECTED	BIENNIAL BUDGET	
	2015/16	2016/17	2017/18	2018/19
User Charges	\$66.4	\$71.5	\$77.8	\$82.9
Property Taxes	45.6	44.7	46.0	47.4
Contract Cost Reimbursement*	5.3	6.6	6.9	6.9
Recycled Water Sales	13.5	15.9	17.2	18.2
Connection Fees	25.9	19.9	23.1	24.3
Water Sales	18.7	27.4	34.2	36.0
State Loans	9.3	3.5	9.3	19.3
Grants	6.2	11.5	6.0	8.2
Other**	4.8	3.1	3.1	5.3
Total	\$195.7	\$204.1	\$223.6	\$248.5

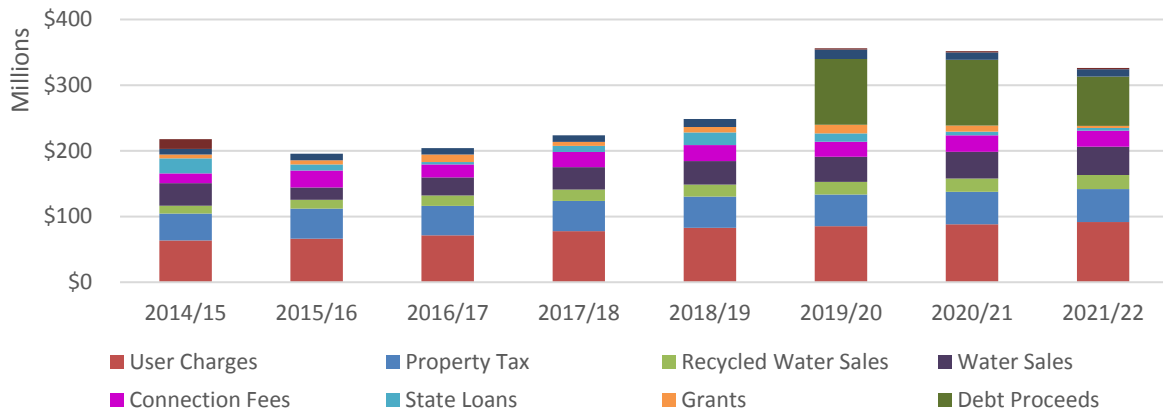
*Includes reimbursement from Joint Power Authorities (JPAs), Chino Basin Desalter Authority, Inland Empire Regional Composting Authority, and Chino Basin Watermaster.

**Includes capital contract reimbursements from Chino Basin Watermaster for various joint recharge basin improvement projects, and lease revenues.

Totals may not tie due to rounding

Projected revenues for FYs 2019/20 through 2021/22 include proceeds from new debt issues necessary to support improvement and expansion of Agency facilities and infrastructure needed to meet increase in service demand from anticipated future growth. The RP-5 Liquids and Solids Expansion project in the Regional Wastewater Capital Improvement fund is a major project included in CIP budgeted over the next two years. Figure 1-2 shows revenue trends from FYs 2014/15 to FY 2021/22.

Figure 1-2: Trend of Revenues and Other Funding Sources



The primary sources of the \$223.6 million and \$248.5 million total revenues and other funding sources budgeted in FY 2017/18 and FY 2018/19 are summarized in Table 1-3:

Table 1-3: Total Revenues and Other Funding Sources (\$ Millions)

Revenues	2017/18	2018/19	Description
User Charges	\$77.8	\$82.9	Regional Wastewater EDU service charges; Non-Reclaimable Wastewater (NRW) pass-through volumetric, capacity and strength charges; Imported potable water surcharge and monthly meter charges.
State and Other Loans	9.3	19.3	State Revolving Fund (SRF) loan proceeds for Recharge Water and Regional Wastewater projects.
Property Tax	46.0	47.4	San Bernardino County ad-valorem property taxes and pass-through incremental taxes.
Grants	6.0	8.2	Federal, state and local grants for regional recycled water distribution system, South Archibald TCE Plume Clean Up and support of water resource programs.
Recycled Water Sales	17.2	18.2	Direct and groundwater recharge recycled water sales and Metropolitan Water District of Southern California (MWD) Local Program Project (LPP) rebate.
Connection Fees	23.1	24.3	New connection fees for the Regional Wastewater and Regional Water systems.
Water Sales	34.2	36.0	Sales of pass-through MWD imported potable water budgeted at 50,000 acre feet per year (AFY).
Other Revenues	10.0	12.2	Reimbursements for operational and administration support from Chino Basin Watermaster (CBWM), Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), lease revenues, and interest earnings.
Total Revenues & Other Funding Sources	\$223.6	\$248.5	

Totals may not tie due to rounding

EXECUTIVE SUMMARY

EXPENSES AND OTHER USES OF FUNDS HIGHLIGHTS

Total uses of funds are \$236.6 million in FY 2017/18 and \$251.5 million in FY 2018/19, compared to projected actuals of \$234.5 million for FY 2016/17. The increase of \$2.1 million in FY 2017/18 is mainly due to higher capital expenditures and operating expenses offset by lower debt service costs. A comparison of the biennial budget major uses of funds to FY 2015/16 actuals and FY 2016/17 projected actuals is shown on Table 1-4.

Table 1-4: Total Uses of Funds (\$Millions)

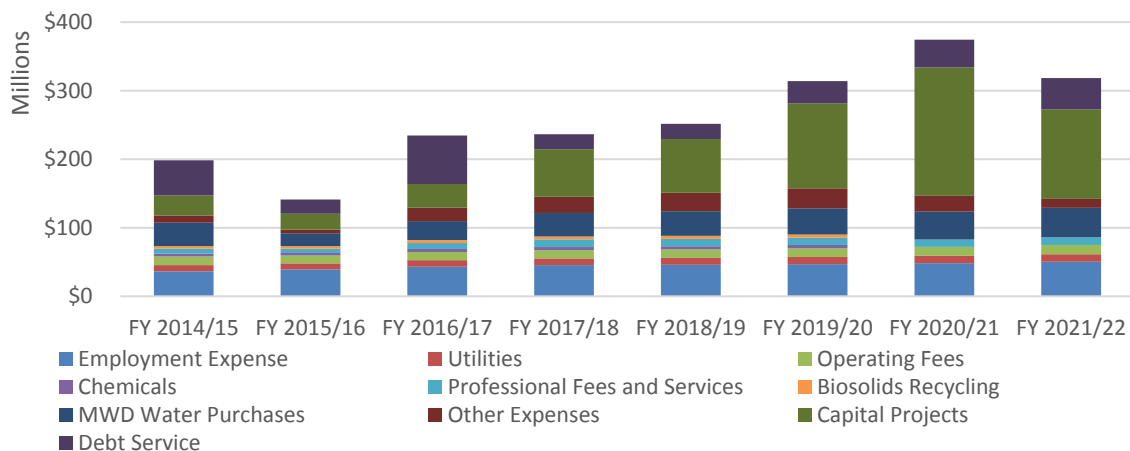
Uses of Funds	ACTUAL	PROJECTED	BIENNIAL BUDGET	
	2015/16	2016/17	2017/18	2018/19
Operational Expenses*	\$106.8	\$129.4	\$145.4	\$150.9
CIP	23.1	34.4	69.2	78.4
Debt Service	21.0	70.7	22.0	22.2
Total	\$150.9	\$234.5	\$236.6	\$251.5

*Includes employment, chemicals, utilities, materials and supplies, biosolids recycling, operating fees, professional fees, office & admin, and water purchases.

Totals may not tie due to rounding

Forecasted total expenses and other uses of funds for fiscal years subsequent to FY 2017/18 remain relatively stable, consistent with the Agency's continued commitment to sustainable cost containment. Overall, total uses of funds average \$300.0 million between FY 2017/18 and FY 2021/22. One exception is capital project (CIP) which averages \$74.0 million over the next two fiscal years and is projected to increase to \$187.7 million in FY 2020/21, as indicated in Figure 1-3. The increase in capital expenditures is primarily due to the RP-5 Liquids and Solids Expansion project planned to begin construction in 2020.

Figure 1-3: Trend of Expenses and Other Uses of Funds



The major expenses and other uses of funds budgeted in FYs 2017/18 and 2018/19 are summarized on Table 1-5.

Table 1-5: Total Expenses and Other Uses of Funds

Expense Category	BIENNIAL BUDGET (\$Millions)		Description
	2017/18	2018/19	
Employment Expenses	\$45.5	\$46.0	Includes wages and benefits, net of the Capital Improvement Plan (CIP) allocation. Maintain 290 authorized full time equivalent (FTE) positions.
Utilities	9.8	10.1	Includes electricity, natural gas, telephone, potable water, and renewal energy costs.
Operating Fees	12.0	12.2	Includes pass-through charges from Sanitation District of Los Angeles County (SDLAC) and Santa Ana Watershed Project Authority (SAWPA) for volumetric charges, capacity, excess strength, and biochemical oxygen demand (BOD) / chemical oxygen demand. (COD)
Chemicals	4.5	4.7	Chemicals necessary to meet the wastewater treatment process compliance and sustainment of the high quality recycled water.
Professional Fees	11.2	10.6	Includes contract services such as legal, external auditing, training, landscaping, security, janitorial services, etc.
Biosolids Recycling	4.4	4.5	Includes hauling costs and Inland Empire Regional Composting Authority (IERCA) tipping fees for biosolids recycling.
MWD Water Purchase	34.2	36.0	Pass-through purchase of imported potable water from Metropolitan Water District of Southern California (MWD).
Other Expenses	23.8	26.8	Includes non-capital (O&M) projects, office and administration expenses, contract services, and materials and supplies.
Capital Project	69.2	78.4	Capital improvement plan (CIP) expenditures consistent with the Ten-Year Capital Improvement Plan (TYCIP).
Debt Service	22.0	22.2	Includes principal, interest and financial payments of outstanding bonds, SRF loans and notes payable.
Total Expenses and Other Uses of Funds	\$236.6	\$251.5	

Totals may not tie due to rounding

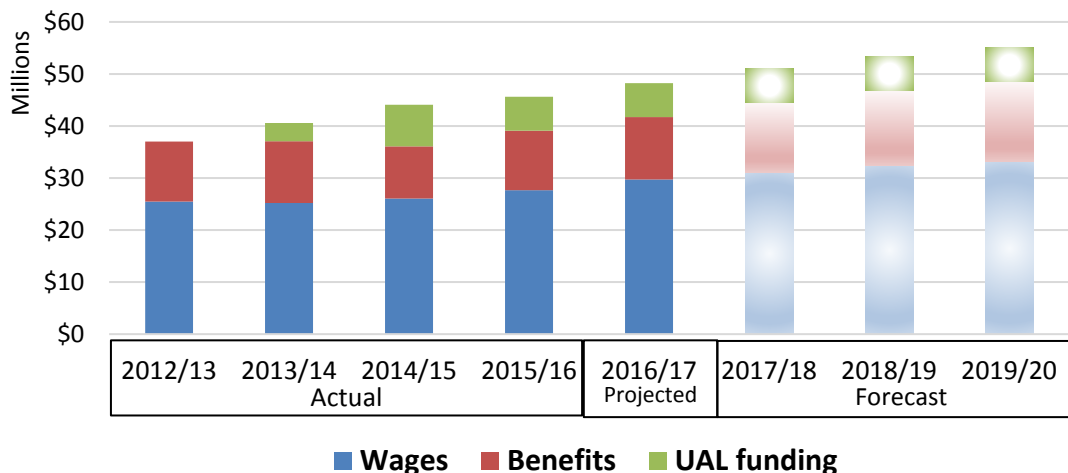
EMPLOYMENT EXPENSES

Total employment expenses of \$45.5 million in FY 2017/18 and \$46.0 million in FY 2018/19 (net of

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labor allocation to capital projects) make up about 30 percent of total operating expenses. Employment expenses include wages, benefits and additional contributions to unfunded accrued liabilities for pension and other postemployment benefits (OPEB). Employment costs for FY 2017/18 are projected to be 5.0 percent, or \$2.3 million higher than projected for FY 2016/17, as shown in Figure 1-4. Included in FY 2017/18 employment budget is a cost of living adjustment (COLA) of 3.5 percent as negotiated in the five-year Memorandums of Understanding (MOUs) with the various employee bargaining units in 2013. Partially offsetting the COLA is the employee pick up of the final 1 percent employer paid member contribution (EPMC). The EPMC is the employee's contribution portion paid to CalPERS to support future pension retirement benefits. Effective July 1, 2018, all employees will be paying 100 percent of the EPMC previously paid by the Agency. The estimated 2 percent COLA and 7 percent increase in medical and pension benefit costs included in the FY 2018/19 employment budget of \$46.0 million is subject to renegotiation of the MOUs set to expire on June 30, 2018. The 7 percent increase in benefit costs includes the reduction of the CalPERS discount rate beginning in FY 2018/19 from 7.50 percent to 7.0 percent by 2021. Also included is the Agency's continued funding of \$6.5 million in additional annual UAL contributions consistent with the IEUA Business Goal to be fully funded over a 10-year period.

Figure 1-4: Total Employment Costs



Over the next 5 years, approximately 45 percent of the current workforce is eligible for retirement. Included in the FY 2017/18 budget is establishment of a succession pool of 10 revolving positions and reclassification of existing positions to streamline operations, and more effectively support the areas of technology, finance, grants administration, and enhancement of the Agency's safety program. Consistent with the Agency's commitment to sustainable cost containment, the succession pool is supported by a reduction in the vacancy factor. There is no change in the 290 FTE authorized level included in the biennial budget. In addition to the 290 FTE staffing level, included in the FY 2017/18 is an estimated 23 intern and 20 limited-term positions primarily to support engineering, construction management, accounting, and grants administration activities.

Approximately \$6.5 million in total employment costs annually are allocated to support CIP activities.

CAPITAL IMPROVEMENT PROGRAM (CIP)

FY 2018 – 2027 Ten Year Capital Improvement Plan (TYCIP)

The purpose of the capital improvement plan is to catalog and schedule capital improvement projects over a multi-year period to effectively and efficiently meet the service needs of the region, comply with statutory requirements, and appropriately maintain Agency assets. Each year, pursuant to the Regional Sewage Service Contract (Regional Contract), member agencies provide a ten-year forecast of expected growth in their area. The member agencies forecast, presented to the Board of Directors on November 16, 2016, estimated over 36,000 new connections over the next ten years. Approximately 70% of the new connections are anticipated in the southern portion of the Agency's service area. Based on these member agency forecasts, the Agency prepares a ten-year projection of capacity demands and identifies capital projects needed to meet the service demand from future growth. Pursuant to the Regional Contract, the TYCIP is updated annually and presented to the Regional Technical and Policy Committees for review and comment, prior to approval by the IEUA Board of Directors.

The rehabilitation, replacement, improvement, and expansion of the Agency's facilities continue to be the key drivers for the proposed FY 2018-2027 TYCIP. These drivers are consistent with the Agency's long term planning documents approved by the Board of Directors, amongst them:

- 2015 Wastewater Facilities Master Plan Updated flow factors and concentrations
- Asset Management Plan
- 2015 Recycled Water Program Strategy Update
- 2015 Energy Management Plan
- 2016 Integrated Water Resources Plan
- 2016 Water Use Efficiency Business Plan

The FY 2018 - 2027 TYCIP of \$832.9 million is higher than the current 2017 TYCIP of \$746.1 million by approximately \$86.8 million for both capital and operational and maintenance projects. Projects in the Regional Wastewater and Recycled Water programs account for nearly 88 percent, or \$732.6 million. About 80 percent of the \$732.6 million, or \$584.5 million, is scheduled within the first five fiscal years (2018-2022) as shown by fund in Table 1-6.

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Table 1-6: Ten Year Capital Improvement Plan by Fund (\$Millions)

Fund (\$Millions)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 through 2026/27	TOTAL
*Wastewater Capital	\$27.4	\$26.6	\$82.2	\$167.7	\$107.8	\$77.1	\$488.8
**Wastewater Operations	30.0	32.8	22.1	10.4	9.3	53.0	157.6
Recycled Water	14.3	13.0	12.2	12.6	16.1	18.0	86.2
Non-Reclaimable Wastewater	1.2	1.9	1.0	0.3	0.3	7.7	12.4
Water Resources	5.8	8.1	17.2	10.2	1.7	9.5	52.5
Recharge Water	2.1	13.1	7.7	0.0	0.0	0.0	22.9
Administrative Services	3.8	1.1	1.8	0.9	0.8	4.1	12.5
Total	\$84.6	\$96.6	\$144.2	\$202.1	\$136.0	\$169.4	\$832.9

**Regional Wastewater Capital Improvement Fund (excludes \$2.5 million capital investment in the IERCA)*

***Regional Wastewater Operations & Maintenance Fund*

Totals may not tie due to rounding

A more detailed discussion on the CIP and major projects is provided under the Capital section of the FY 2017/18 – 2026/27 TYCIP.

DEBT SERVICE COSTS

Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans, and note payables. Debt service costs are budgeted at \$22.0 million in FY 2017/18 and \$22.2 million in FY 2018/19 and are primarily funded by property tax receipts, new connection fees and rates, consistent with the Agency's debt management policy adopted in May 2016. Table 1-7 shows the estimated biennial debt service costs by program.

Table 1-7: Debt Service Costs by Program (\$Millions)

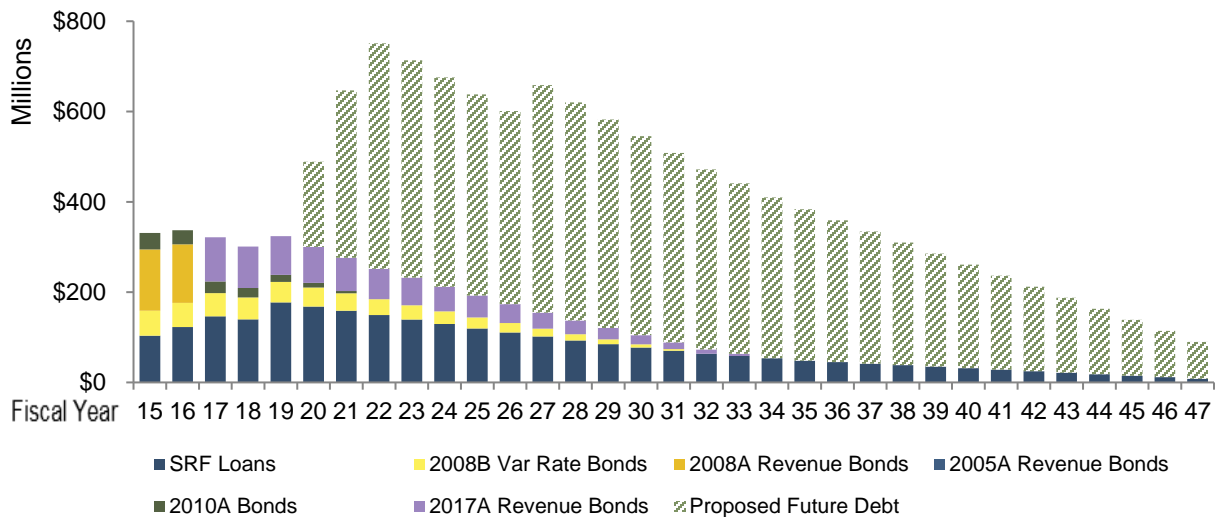
Program Fund	2017/18	2018/19
Non-Reclaimable Wastewater	\$0.8	\$0.6
Regional Wastewater Capital	12.1	12.2
Regional Wastewater Operations	0.4	0.4
Recharge Water	1.0	1.2
Recycled Water	7.7	7.8
Total Debt Service Costs	\$22.0	\$22.2

Totals may not tie due to rounding

Consistent with the Agency’s commitment to sustainable cost containment, the refinancing of the high interest 2008A Revenue Bonds was completed in January 2017. The use of \$50.0 million in available cash reserves and a portion of the premium realized from a historically low interest rate market resulted in a reduction of \$57.4 million in outstanding debt. The remaining amortization period was also reduced with the 2017A Revenue Bonds maturing five years earlier in 2033.

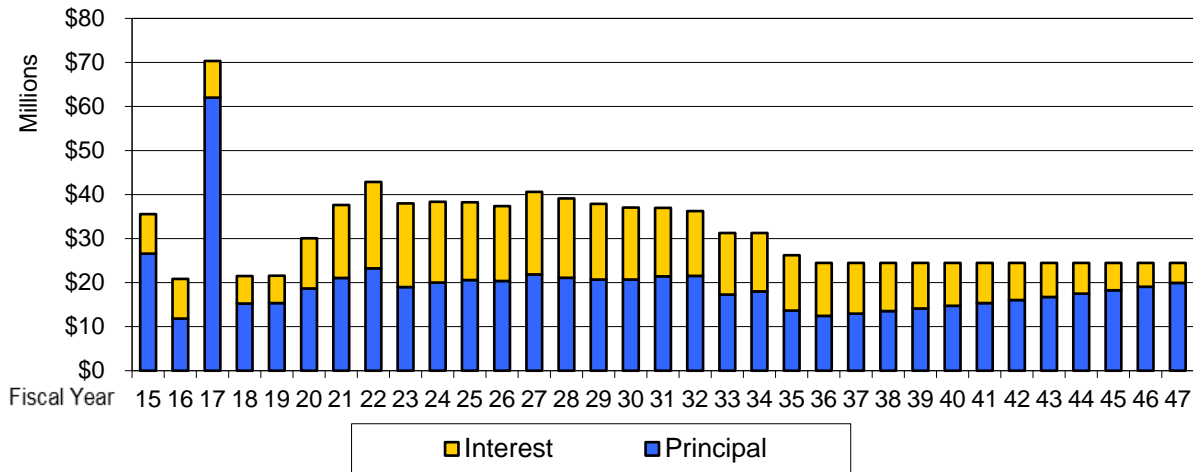
Total outstanding debt, exclusive of inter fund loans, at the end of FY 2017/18 is projected at \$306.7 million. Included are \$161.1 million in bond indentures, \$139.8 million in low interest SRF loans, and \$5.8 million in other notes payable. It is anticipated that the Agency will need to issue new debt to support major capital project expansions necessary to meet service demands associated with the anticipated growth over the next 10 years. Two major expansion projects included in the FY 2018-2027 TYCIP, the RP-5 Liquids Expansion and the RP-5 Solids Treatment Expansion, are scheduled to begin construction in FY 2019/20 with projected costs of over \$330.0 million. Projections for total outstanding debt, including both principal and interest, and annual service payments are shown in Figure 1-5 and Figure 1-6 below, respectively.

Figure 1-5: Total Outstanding Debt with Projected Future Debt



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Figure 1-6: Debt Service Costs with Projected Future Debt



RESERVES

Reserves are a strong indicator of the Agency’s financial health. Reserve balances are maintained at the Agency-wide level and at the individual fund level. The aggregate ending reserve fund balance in FY 2017/18 is estimated to be \$143.7 million, a decrease of \$13.0 million compared to the projected ending balance of \$156.7 million in FY 2016/17, and an additional \$3.0 million decrease in FY 2018/19 to \$140.7 million, as indicated on Table 1-8. The estimated drop is primarily due to the uncertainty of SRF loan and grant funding over the next two years. Capital projects planned over the next two years to enhance recycled water and groundwater basin facilities are assumed to be financed on a pay-go basis. Partially offsetting the use of fund reserves to support capital expenditures is an increase in operating revenues from the multiyear rate adjustments and higher volume of recycled water deliveries.

Table 1-8: Reserve Fund Balance (\$Millions)

Description	Actual	Projected	Biennial Budget	
	2015/16	2016/17	2017/18	2018/19
Net Increase (Decrease) in Fund Balance	\$44.8	(\$30.4)	(\$13.0)	(\$3.0)
Beginning Fund Balance, July 1	142.3	187.1	156.7	143.7
Ending Fund Balance, June 30	\$187.1	\$156.7	\$143.7	\$140.7

Totals may not tie due to rounding

Table 1-9 below provides an overview of estimated reserve balances by fund for FYs 2016/17 through 2018/19.

Table 1-9: Ending Reserve Balance by Fund (\$Millions)

Fund	Projected 2016/17	Biennial Budget	
		2017/18	2018/19
Administrative Services	\$17.4	\$17.1	\$16.6
Regional Wastewater Capital Improvement	38.2	39.3	43.1
Regional Wastewater Operation & Maintenance	64.3	57.2	54.8
Non-Reclaimable Wastewater	6.7	6.3	5.7
Recharge Water	3.4	3.4	3.6
Recycled Water	19.3	14.3	10.9
Water Resources	7.4	6.1	6.0
Total	\$156.7	\$143.7	\$140.7

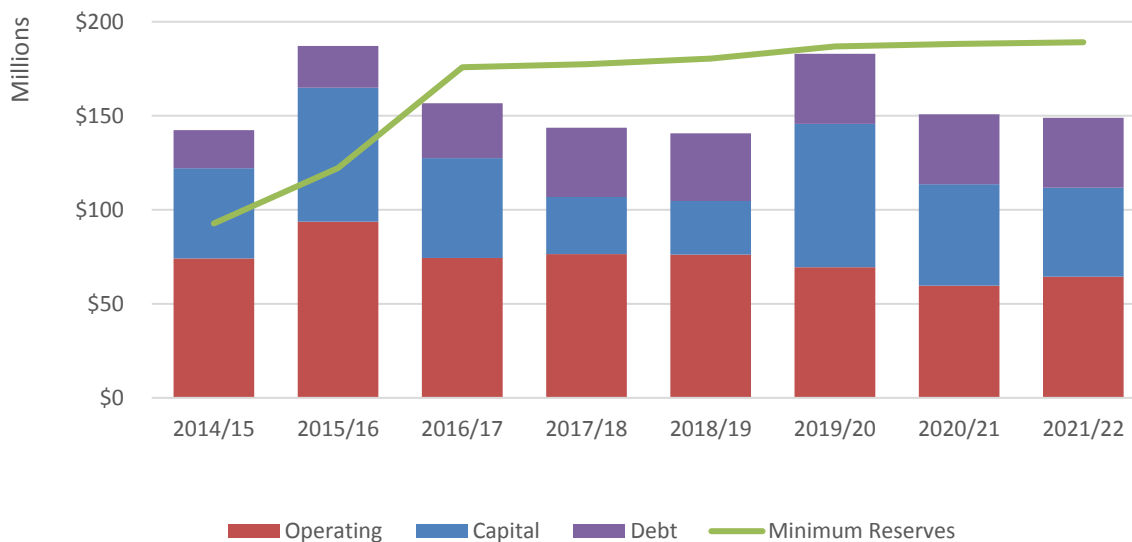
Totals may not tie due to rounding

Fund reserves are designated for specific purposes, as defined in the Agency's Reserve Policy updated in May 2016. The primary designations include: an operating contingency of a minimum of four months and a target of six months; debt service minimum as required by bond covenants and loan agreements with a target amount equal to the highest annual cost in the ensuing five years; capital construction and improvement minimum equal to total CIP for the following fiscal year and a target equal to the total CIP requirements for the following three fiscal years; replacement and rehabilitation (R&R) minimum and target criteria equal to capital construction and improvement; supplemental water resources with a minimum of \$10.0 million and target of \$30.0 million; excess workers' compensation and liability insurance to support the Agency's self-insurance programs with a target of \$6.0 million; and employee and other postemployment benefits (OPEB) benefits at a minimum of \$6.0 million. OPEB benefit is limited to medical insurance coverage.

A comparison of the Agency's actual and projected total fund reserves to the minimum and target levels from FY 2014/15 through FY 2021/22 is provided in Figure 1-7. The declining trend beginning in FY 2016/17 through FY 2018/19 reflects the use of reserves to support planned capital project expenditures on a pay-go basis. The projected increase in FY 2019/20 is due to debt proceeds needed to support expansion and improvement of regional wastewater and recycled water facilities and infrastructure to meet anticipated future growth.

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Figure 1-7: Trend of Operating, Capital, and Debt Reserve Balances



A forecast summary on the estimated fund balance is provided under the Programs/Fund section of this budget book. The criterion for each minimum and maximum target level by category varies by Agency fund and are further defined in the Agency's Reserve Policy included in the Appendix.

DEBT COVERAGE RATIO (DCR)

The Debt Coverage Ratio (DCR) is the measurement of an entity's ability to generate enough cash to cover debt payments (principal and interest). Credit agencies, such as Moody's Investor Services (Moody's) and Standard & Poors (S&P), assign credit ratings to organizations and specific debt issues to reflect their credit worthiness and serve as a notable reference to the investment community. The DCR is one of the financial ratios applied in the evaluation of an organization's overall credit rating that can affect market accessibility and the cost of future borrowings. In May 2016, S&P Global Ratings raised its long-term rating and underlying rating to AA+ from 'AA' for the Agency's outstanding revenue bonds. Moody's maintained the Agency rating at Aa2.

The Agency's bond covenants require a legal DCR of at least 1.20 times for senior bonds and a coverage ratio of at least 1.25 times or higher for senior and subordinate debt combined. A DCR of 1.25 means the Agency will generate a minimum of 1.25 times more (or 25 percent more) net operating cash flow than is required to pay annual debt service costs. Net operating cash flow is the amount remaining after payment of operating expenses. The Agency has no senior debt currently outstanding, nor any legal debt limits imposed by state legislation. As indicated in Table 1-10, the favorable trend of the Agency's DCR projected through FY 2018/19 is primarily driven

by a combination of higher system revenues and the partial refinancing of 2008A Revenue Bond completed in January 2017. The projected decline in DCR beginning in FY 2019/20 through FY 2021/22 is due to projected new debt issues needed finance planned capital improvements and expansion of the Agency’s regional wastewater and recycled water systems. New debt is assumed as a combination of bonds and low interest state loans to support future capital investments. The corresponding annual debt service cost is included in the calculation of the DCR as shown in Table 1-10 below.

Table 1-10: Debt Coverage Ratio Projected Trend

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	<i>Projected</i>	<i>Biennial Budget</i>		<i>Forecast</i>		
DCR	2.72x	2.86x	3.15x	2.48x	2.08x	1.87x

LONG-RANGE PLAN OF FINANCE

In addition to the adoption of the biennial Operating Budget and Ten Year Capital Improvement Plan (TYCIP), the Agency is also in the process of updating the Long-Range Plan of Finance (LRPF). The LRPF aligns the Agency’s long-term service objectives with financial requirements to ensure long term sustainability. By analyzing the financial environment, economic conditions, and revenue and expenditure forecasts, the LRPF provides the most cost-effective funding strategy to support the operations and capital requirements in line with established policies and goals.

Development of the LRPF is supported by the Agency’s financial model which has been enhanced to support a timeline of 50 years, multiple “what if” scenarios to highlight the fiscal impact of a variation of inputs, and on-screen graphic presentations to more effectively communicate scenario alternatives and outcomes. The Agency’s long range financial model will allow integration of the Agency’s various long term planning initiatives, some of which include the Ten-Year Capital Improvement Plan, Facilities Master Plan Update, Recycled Water Program Strategy, Integrated Water Resources Plan, Energy Management Plan and Asset Management Plan. Integrating these critical initiatives into the financial planning process will help ensure the Agency has the appropriate funding, fund reserves, and other essential resources necessary to fulfill its mission, vision, and values.

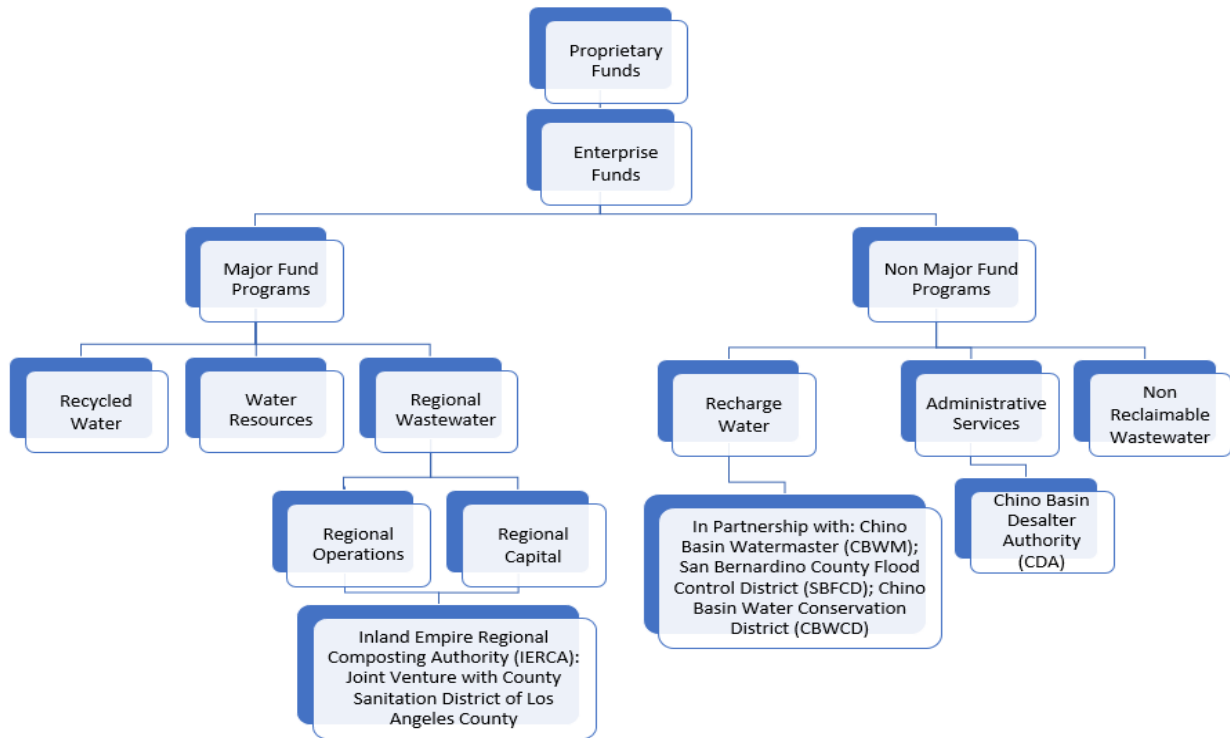
PROGRAMS

As a municipal water district, the Agency engages in primarily enterprise operations supported by user charges and fees, which are recorded in enterprise funds. In some cases, a program consists of a group of enterprise funds, such as the Regional Wastewater program comprised of

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the Regional Wastewater Operations & Maintenance (Regional Operations) and Regional Wastewater Capital Improvement (Regional Capital) funds and by extension the Inland Empire Regional Composting Authority. Figure 1-8 below provides an overview of the Agency's fund structure.

Figure 1-8: Inland Empire Utilities Agency (IEUA) Fund Structure



Each individual enterprise fund is classified in either a Major Fund or Non-Major Fund group. Each fund group is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, including related liabilities and residual equities or balances. Changes in the fund group are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Table 1-11 contains definitions of Major and Non-Major Fund groups. The definitions are consistent with the Agency's audited FY 2015/16 Comprehensive Annual Financial Report (CAFR).

Table 1-11: Definition of Major and Non-Major Fund Groups

Major Funds	Non-Major Funds
<p>The Major Fund Group accounts for:</p> <ul style="list-style-type: none"> the resources devoted to funding the operating, capital, and debt service costs associated with the operation asset acquisition and capital construction, improvement and expansion of the Agency’s domestic wastewater treatment plant facilities the recycled water distribution system, and the recharge water basins. the management and distribution of wholesale and potable water, the development and implementation of regional water conservation initiatives, and water resource planning. <p>The following programs make up the Major Fund group:</p> <ul style="list-style-type: none"> ■ Regional Wastewater ■ Recycled Water ■ Water Resources 	<p>The Non-Major Funds record:</p> <ul style="list-style-type: none"> capital and operating costs associated with the non-reclaimable wastewater system including the acquisition, expansion, and construction of the interceptors, and appurtenant facilities and treatment capacity the administrative and overhead expenses for the various departments, the operational and administrative support for the Chino Basin Desalter the purchase of common Agency assets <p>The following funds/programs make up the Non-Major Funds group:</p> <ul style="list-style-type: none"> ■ Administrative Services ■ Non-Reclaimable Wastewater ■ Recharge Water

Details of each programs’ purpose, initiatives, rates, biennial budget, and forecasts for the next three fiscal years, as well as the programs’ reflection of the Agency’s mission, goals, and objectives to service the region are included in the Program/Fund section of this document.

PROGRAM RATES AND FEES

In 2015, Carollo Engineering completed a comprehensive analysis of the Agency’s Regional Wastewater, Recycled Water and Water Resources user charges and fees. A key objective of the engineering study was to ensure user charges and fees were structured to equitably recover costs from those benefiting from the services, as legally mandated. Another key objective, and key policy principal for the Agency’s Board of Directors, was to set rates and fees that fully recover the cost of providing the service. Historically, the Agency has used property tax receipts to subsidize the cost of providing services and supporting capital investments needed to maintain and improve existing facilities and infrastructure not recovered by rates and fees. Completion of the engineering studies by Carollo in 2015 resulting in the adoption of multiyear rates for the Agency’s Regional Wastewater, Recycled Water, and Water Resources programs, including the

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establishment of a water connection fee for new connections or upgrades to the Agency’s regional water system. Another significant change was the restructuring of the potable water rates to equitably recover associated costs, including the pass-through charges from the Metropolitan Water District of Southern California (MWD). In collaboration with member agencies and the building industry, rate adjustments were implemented over a multiyear period to lessen the impact to ratepayers. Following is a summary of the major user charges and fees that support the Agency’s various programs.

Wastewater Volumetric Rates

The Agency’s wastewater volumetric rates support the operations and maintenance of the regional wastewater system which includes the collection, treatment, and disposal of municipal wastewater. The Agency utilizes equivalent dwelling units (EDUs) as a unit of measure and for forecasting the amount of water used by an average household.

The Agency’s Board of Directors adopted five-year EDU volumetric rates in 2015 intended to achieve full cost of service by FY 2018/19 based on certain key assumptions. Table 1-12 shows the FY 2017/18 and FY 2018/19 adopted rates of \$18.39 and \$19.59 per EDU effective July 1, are the third and fourth year rates of the five-year period. Based on actual costs in FY 2015/16 and projected actuals for FY 2016/17, the Agency is on track to meet its cost of service objective at the end of the 5-year period. Projected growth in number of monthly EDUs is estimated at 0.25% each year.

Table 1-12: Adopted EDU Volumetric Rates FYs 2015/16 – 2019/20

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20
EDU Volumetric Rate	\$15.89	\$17.14	\$18.39	\$19.59	\$20.00
Effective Date	10/1/15	7/1/16	7/1/17	7/1/18	7/1/19
EDU Units	3,215,268	3,281,664	3,289,868	3,298,092	3,306,338

Wastewater Connection Fees

The wastewater connection fee is restricted to support the acquisition, construction, improvement, and expansion of the Agency’s regional wastewater system. System growth and available capacity are measured by Equivalent Dwelling Units (EDUs). Revenues from wastewater connection fees in FY 2017/18 are estimated to be to \$18.9 million and increase just under \$1.0 million to \$19.9 million in FY 2018/19. Table 1-13 shows the adopted multi-year fees through FY 2019/20 and projected number of new connections per fiscal year.

Table 1-13: Adopted Wastewater Connection Fees FYs 2015/16 – 2019/20

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20
Wastewater Connection Fee	\$5,338	\$5,712	\$6,309	\$6,624	\$6,955
Effective Date	1/01/16	1/01/17	7/01/17	7/01/18	7/01/19
Wastewater Connection Units	4,774	3,000	3,000	3,000	2,700

Water Connection Fee

A water connection fee was established in 2015 to support future capital investment and expansion of the Agency’s regional water system. The Agency’s regional water system is comprised of potable water, recycled water, and groundwater recharge facilities. Included in IEUA’s long term planning documents is the expansion of the Agency’s regional recycled water distribution system and groundwater recharge facilities, as well as continual development of local water supplies.

Water connection fee revenue for FY 2017/18 is projected to be \$4.2 million and \$4.4 million for FY 2018/19. Water connection fee rates are set per meter equivalent unit (MEU). One MEU is equivalent to a 5/8” and 3/4” meter size (standard size of a residential meter). Shown in Table 1-14 are the adopted water connection fees through FY 2019/20 and the number of new connections projected by fiscal year.

Table 1-14: Adopted Water Connection Fees FYs 2015/16 – 2019/20

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20
Water Connection Fee (for 5/8” and 3/4” meter size)	\$693	\$1,455	\$1,527	\$1,604	\$1,684
Effective Date	1/01/16	1/01/17	7/01/17	7/01/18	7/01/19
New Meter Equivalent Units (MEUs)	985	2,730	2,730	2,730	2,457

Recycled Water Program Rates

The recycled water volumetric rates support the costs associated with the operations and maintenance of the Agency’s water recycling facilities, operating costs for the groundwater recharge basins not reimbursed by Chino Basin Watermaster (Watermaster), including the Agency’s pro-rata share for basins recharged with recycled water, and debt service costs related to the financing of existing facilities and infrastructure. Total recycled water sales in FY 2017/18 are projected to be \$17.2 million and \$18.2 million in FY 2018/19. Adopted recycled water rates through FY 2019/20, along with historical, budgeted, and forecasted deliveries by fiscal year are summarized on Table 1-15.

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Table 1-15: Recycled Water Program Rates FYs 2015/16 – 2019/20

Rate Description	2015/16	2016/17	2017/18	2018/19	2019/20
Direct Delivery/Acre Foot (AF)	\$350	\$410	\$470	\$480	\$490
Groundwater Recharge/Acre Foot (AF)	\$410	\$470	\$530	\$540	\$550
Effective Date	10/01/15	7/01/16	7/01/17	7/01/18	7/01/19
AF Deliveries	32,331	32,400	35,500	36,700	37,800

Non-Reclaimable Wastewater (NRW) Rates

The Agency operates a non-reclaimable wastewater system (NRWS) collections system which includes pipelines and pump stations to export the high-salinity industrial wastewater generated within the Agency’s service area for treatment and eventual discharge to the Pacific Ocean. The NRWS is comprised of two separate collection systems independent of the Agency’s regional wastewater system: The North System which discharges to the Sanitation District of Los Angeles County (SDLAC) treatment facility in the city of Carson, and the South System which discharges to the Santa Ana Watershed Project Authority (SAWPA) and the Orange County Sanitation District (OCSD) facility in Fountain Valley. The treated brine is then discharged to the Pacific Ocean. The NRW rates are primarily based on pass-through charges from SDLAC and SAWPA for volumetric, capacity, and strength as summarized in Table 1-16.

Table 1-16: NRW System Rates FYs 2016/17 and 2017/18

Rate Description	2016/17	2017/18
Effective Date	7/1/2016	07/01/17
North System SDLAC	13,505 CU	14,252 CU
Flow/mg	\$915	\$919
COD/klb	\$180	\$172
TSS/klb	\$436	\$446
Peak/mg	\$348	\$349
South System (SAWPA)		
Capacity/cu	\$368.76	\$387.24
Flow/mg	\$858.00	\$901.00
BOD/klb	\$307.00	\$307.00
TSS/klb	\$429.00	\$429.00

Potable Water Rates

A comprehensive analysis of the potable water rates was a key part of the engineering rate study completed by Carollo Engineering in 2015. The IEUA 2015 Water Rate Study issued in March 2015 identified some structural deficiencies in the existing rate structure and recommended significant restructuring of the rates to better align the collection and incurrence of program costs.

Following a year of close collaboration with water member agencies, in June 2016 the IEUA Board of Directors approved changes in water rates structure and adopted a seven-year implementation period for the full recovery of the MWD Readiness to Serve (RTS) pass-through fees. The new water rates are applied to monthly meter equivalent units (MEUs), similar to the structure used by water member agencies. The Readiness to Serve (RTS) Pass-Through costs are prorated amongst the water agencies based on their average water use over the last ten years, consistent with the methodology used by MWD. Revenue generated from these rates is recorded in the Agency's Water Resources fund. Some of the significant changes include:

- MEU rate will support the water resource program costs,
- A seven-year phased implementation of the Metropolitan Water District (MWD) readiness to serve Ten Year Rolling Average (RTS TYRA) direct charge to member agencies, and
- Use of property taxes to support pass-through RTS fees not recovered through the TYRA direct charge during the seven-year implementation period.

The adopted MEU rate through FY 2019/20 and the RTS Recovery percentage rate through FY 2022/23 are summarized on Table 1-17.

Table 1-17: Water Rates Multi-Year Rates

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
RTS Recovery	15%	30%	45%	60%	75%	90%	100%
Effective Date	10/01/16	07/01/17	07/01/18	07/01/19	07/01/20	07/01/21	07/01/22
Meter Equivalent Units (MEU)	\$0.90	\$0.95	\$0.99	\$1.04	Adjustments based on CPI		

Total imported water deliveries of 50,000 AF are budgeted in FY 2017/18 and FY 2018/19. The “pass-through” sale of imported water deliveries is estimated at \$34.2 million in FY 2017/18 and \$36.0 million in FY 2018/19.

DEPARTMENTS

The Agency's Work Plan serves as the basis for the goals and objectives developed by each department and included in the FYs 2017/18 and 2018/19 biennial Operating Budget. Each

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department updates their respective goals and objectives and develops measurable Key Performance Indicators (KPIs). These departmental KPIs serve as criteria for policy makers, management, and other stakeholders to measure the degree of goal attainment. The departmental budgets delineate the assignment and management of responsibilities and the human, financial, and capital resources necessary to support the Agency's mission, vision, and policy goals. Details on department budgets, goals and objectives, staffing, major initiatives, and performance and workload indicators are presented by division and department in the Department section.

JOINT POWERS AUTHORITIES (JPAs)

Inland Empire Regional Composting Authority

The Inland Empire Regional Composting Authority (IERCA) was formed February 2002 as a Joint Power Authority (JPA) to divert organic solids from landfill disposal and to become a consumer of recycled organic products generated from within the community. The JPA was entered into by the Agency and the Sanitation District No. 2 of Los Angeles County (SDLAC) to implement their shared goal of developing a sustainable biosolids management project.

In 2007, the two joint powers agencies completed construction of the 410,000 square feet facility called the Inland Empire Regional Composting Facility (IERCF) on approximately 22 acres of land in the City of Rancho Cucamonga. The property is ideally situated in an industrial area adjacent to the Agency's Regional Water Recycling Plant No. 4 (RP-4). The proximity of the facility to the RP-4 provides opportunities to improve staffing options and optimize energy usage at the locations.

In 2013, IERCF was honored with the Governor's Environmental and Economic Leadership Award (GEELA) award for the design and construction of North America's largest, fully enclosed composting facility, which produces approximately 230,000 cubic yards of compost per year. The facility utilizes aerated static pile composting technology to process a mixture of biosolids, green waste, and wood waste to generate Class A exceptional quality compost for use in local agriculture and/or horticulture markets. All of the facility's emissions are processed through a biofilter to meet air quality requirements.

The Agency is responsible for the operational and administrative activities of the IERCF and employs all of the staff assigned to the facility. Employment costs for IERCF staff are recorded in the Agency's Regional Wastewater Operations and Maintenance (RO) Fund. Labor costs are fully reimbursable to the Agency. IERCA costs by and equally shared by the JPA partners.

Starting in FY 2010/11, the IERCA Board implemented a tipping fee revenue base in lieu of partner contributions to cover operations and maintenance expenses for the IERCF. The tipping fee for FY 2017/18 will be \$56.0 per wet ton of biosolids, and is budgeted to pay for operating expenses and a portion of capital replacement and rehabilitation (R&R) costs. The fee is

projected to generate revenue of \$9.7 million based on budgeted tonnage of 145,000. The Agency's share of the IERCA tipping fee revenue is budgeted in the Regional Wastewater Operations & Maintenance fund under biosolids recycling costs. The annual budget of nearly \$4.5 million assumes that 100 percent of the biosolids generated from the Agency's regional water recycling plants will be transported to the IERCA composter for processing.

Chino Basin Desalter Authority

The CDA was formed in September 2001 as a Joint Power Authority (JPA) to manage and operate the Chino Desalter No. 1 (CDA 1). Chino Desalter No. 2 (CDA 2) is being managed and operated by Jurupa Community Services District (JCSD). The members of the JPA include the cities of Chino, Chino Hills, Ontario and Norco, the JCSD, the Santa Ana River Water Company, the Inland Empire Utilities Agency, and the Western Municipal Water District. There are eight directors, one from each entity, on the CDA Board. As an ex-officio member of the JPA, the Agency has appointed one of its Board of Directors to sit on the JPA Board as a non-voting member to participate in all discussions concerning issues before the CDA Board of Directors.

The Agency manages the day to day operations of the Chino Desalter No. 1 facility (CDA 1) located in the southern part of the city of Chino. Since it started operations in September 2000, CDA 1 is designed to produce 9,200 acre feet per year (AFYI) of desalinated water. The Agency also administers some grants related to the CDA Expansion Projects which include a \$52.0 million grant awarded by the California Department of Public Health (CDPH), \$26.0 million United States Bureau of Reclamation Title XVI grants for the Lower Chino Dairy Area Desalination Demonstration, and Reclamation Project, and other future state and federal grants that IEUA receives on behalf of the CDA.

The Agency's CDA 1 related costs, primarily comprised of employment costs, are recorded in the Administrative Service fund. Included in the FY 2017/18 Administrative Services Fund budget is an estimated CDA contract cost reimbursement budget of approximately \$1.5 million.

EXECUTIVE SUMMARY

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2017/18 AND 2018/19 BIENNIAL BUDGET
SOURCES AND USES OF FUNDS - BY PROGRAM FUND (In Thousands)

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18 PROPOSED BUDGET							FY 2018/19	
				Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program		TOTAL
	ACTUAL	ACTUAL	PROJECTED ACTUAL									
REVENUES												
User Charges	\$63,557	\$66,355	\$71,466	\$0	\$11,810	\$0	\$60,634	\$0	\$0	\$5,312	\$77,755	\$82,885
Property Tax	1,828	1,943	1,972	1,972	0	0	0	0	0	0	1,972	1,972
Cost Reimbursement JPA	5,256	5,258	6,078	1,473	0	0	3,825	1,058	0	0	6,355	6,460
Contract Cost reimbursement	273	79	576	0	0	0	93	38	0	390	521	493
Interest Revenue	436	762	835	130	143	226	454	15	140	54	1,162	1,492
Recycled Water Sales	12,047	13,468	15,891	0	0	0	0	0	17,245	0	17,245	18,188
Water Sales	34,147	18,654	27,429	0	0	0	0	0	0	34,167	34,167	36,040
TOTAL REVENUES	\$117,544	\$106,519	\$124,246	\$3,575	\$11,953	\$226	\$65,006	\$1,110	\$17,385	\$39,923	\$139,178	\$147,530
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	\$39,118	\$43,688	\$42,733	\$0	\$0	\$29,930	\$9,549	\$0	\$2,170	\$2,425	\$44,074	\$45,455
Regional System Connection Fees	15,074	25,907	19,875	0	0	18,927	0	0	4,169	0	23,096	24,251
State Loans	22,714	9,330	3,519	0	0	0	7,901	1,414	0	0	9,314	19,251
Grants	5,918	6,208	11,507	0	0	0	3,389	0	388	2,194	5,970	8,244
Capital Cost Reimbursement	1,193	1,841	1,330	0	0	0	0	772	345	0	1,117	2,903
Other Revenues	1,330	2,009	915	2	100	1	776	0	0	0	879	898
Sale of Capacity	0	215	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	14,808	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$100,155	\$89,199	\$79,879	\$2	\$100	\$48,858	\$21,614	\$2,186	\$7,071	\$4,619	\$84,450	\$101,002
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$217,698	\$195,719	\$204,125	\$3,577	\$12,053	\$49,084	\$86,619	\$3,296	\$24,456	\$44,543	\$223,628	\$248,533
EXPENSES												
Employment Expenses	\$36,510	\$39,300	\$43,150	\$1,545	\$2,391	\$4,157	\$30,052	\$592	\$4,257	\$2,462	\$45,457	\$46,046
Contract Work/Special Projects	5,045	9,596	14,709	1,407	125	900	5,971	325	2,151	5,829	16,708	19,415
Utilities	9,064	8,837	9,585	772	71	0	6,671	72	2,182	0	9,768	10,053
Operating Fees	12,599	11,290	11,863	21	6,639	246	2,018	7	10	2,968	11,908	12,215
Chemicals	4,192	3,943	4,407	0	130	0	4,419	0	0	0	4,549	4,681
Professional Fees and Services	7,133	6,083	8,702	4,847	130	364	4,089	877	686	242	11,234	10,630
Office and Administrative expenses	1,615	1,798	1,884	2,320	23	0	4	16	4	60	2,427	2,593
Biosolids Recycling	3,800	3,798	4,486	28	25	0	4,307	0	0	0	4,360	4,462
Materials & Supplies	2,273	2,817	2,963	674	104	0	2,161	68	218	0	3,225	3,191
MWD Water Purchases	34,147	18,654	27,429	0	0	0	0	0	0	34,167	34,167	36,040
Other Expenses	1,454	775	221	(6,322)	471	1,591	4,410	54	1,142	290	1,638	1,650
TOTAL EXPENSES	\$117,832	\$106,892	\$129,399	\$5,292	\$10,109	\$7,258	\$64,103	\$2,011	\$10,650	\$46,019	\$145,441	\$150,976
CAPITAL PROGRAM												
CSDLAC 4Rs	\$658	\$673	\$689	\$0	\$705	\$0	\$0	\$0	\$0	\$0	\$705	\$721
IERCA investment	0	0	0	0	0	500	0	0	0	0	500	500
Capital Construction and Expansion	53,161	22,420	33,747	2,476	1,094	26,450	24,063	1,729	12,134	0	67,945	77,150
TOTAL CAPITAL PROGRAM	\$53,819	\$23,094	\$34,435	\$2,476	\$1,799	\$26,950	\$24,063	\$1,729	\$12,134	\$0	\$69,150	\$78,371
DEBT SERVICE												
Financial Expenses	\$257	(\$100)	\$246	\$31	\$0	\$175	\$0	\$89	\$2	\$0	\$297	\$296
Interest	9,616	9,234	8,507	0	341	3,140	179	259	2,568	0	6,487	6,508
Principal	26,655	11,827	61,999	0	454	8,791	172	683	5,159	0	15,259	15,360
Short Term Inter-Fund Loan	14,808	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEBT SERVICE	\$51,336	\$20,961	\$70,753	\$31	\$796	\$12,105	\$352	\$1,031	\$7,729	\$0	\$22,043	\$22,164
TRANSFERS IN (OUT)												
Capital Contribution	\$0	\$0	\$0	\$1,065	(\$36)	\$2,954	(\$3,947)	\$288	(\$324)	\$0	\$0	\$0
Debt Service	0	0	0	0	0	(2,914)	0	515	2,399	0	0	0
Operation support	0	0	0	1,407	(48)	0	(1,311)	628	(676)	0	0	0
Capital - Connection Fees Allocation	0	0	0	1,378	293	(1,671)	0	0	0	0	0	0
One Water	0	0	0	32	0	0	0	56	(352)	264	0	0
TOTAL INTERFUND TRANSFERS IN (OU)	\$0	\$0	\$0	\$3,883	\$208	(\$1,631)	(\$5,259)	\$1,487	\$1,047	\$264	\$0	\$0
FUND BALANCE												
Net Increase (Decrease)	(\$5,289)	\$44,772	(\$30,461)	(\$339)	(\$442)	\$1,140	(\$7,157)	\$13	(\$5,009)	(\$1,212)	(\$13,007)	(\$2,978)
Beginning Fund Balance July 01	147,632	142,343	187,114	17,397	6,742	38,172	64,316	3,397	19,274	7,355	156,653	143,646
ENDING BALANCE AT JUNE 30	\$142,343	\$187,114	\$156,653	\$17,058	\$6,299	\$39,312	\$57,159	\$3,410	\$14,265	\$6,142	\$143,646	\$140,669
RESERVE BALANCE SUMMARY												
Operating Contingencies	\$31,316	\$34,561	\$34,648	\$2,446	\$3,635	\$0	\$20,093	\$2,327	\$3,550	\$5,678	\$37,728	\$37,863
Capital Expansion & Replacement	6,989	10,813	10,440	0	1,358	1,894	0	500	2,119	0	5,871	4,372
CCRA Capital Construction	41,023	55,201	18,337	0	0	11,514	0	0	0	0	11,514	14,386
Water Connection	0	0	501	0	0	0	0	0	0	0	0	0
Rehabilitation/Replacement	26,490	43,327	19,527	0	0	0	22,895	0	0	0	22,895	22,895
CSDLAC Prepayment	658	673	689	0	705	0	0	0	0	0	705	721
Water Resource Capital	0	0	3,682	0	0	0	0	0	0	464	464	0
Debt Service & Redemption	20,169	22,173	29,199	0	602	25,904	1,169	583	8,596	0	36,854	35,945
Self Insurance Program	6,000	5,675	6,000	6,000	0	0	0	0	0	0	6,000	6,000
Employee Retirement Benefit	9,696	9,491	9,887	8,612	0	0	0	0	0	0	8,612	8,698
Sinking Fund	0	5,200	23,742	0	0	0	13,003	0	0	0	13,003	9,788
ENDING BALANCE AT JUNE 30	\$142,343	\$187,114	\$156,653	\$17,058	\$6,299	\$39,312	\$57,159	\$3,410	\$14,265	\$6,142	\$143,646	\$140,669

*Numbers may not total due to rounding

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2017/18 AND 2018/19 BIENNIAL BUDGET
ALL FUNDS - SOURCES AND USES OF FUNDS (In Thousands)

	2014/2015	2015/2016	2016/2017	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
			AMENDED	PROJECTED	PROPOSED	PROPOSED			
	ACTUAL	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	FORECAST	FORECAST	FORECAST
REVENUES									
User Charges	\$63,557	\$66,355	\$71,876	\$71,466	\$77,755	\$82,885	\$85,165	\$88,286	\$91,508
Property Tax - O&M	1,828	1,943	1,972	1,972	1,972	1,972	1,972	1,972	1,972
Cost Reimbursement from JPA	5,256	5,258	5,913	6,078	6,355	6,460	6,599	6,742	6,887
Contract Cost reimbursement	273	79	1,618	576	521	493	493	493	493
Interest Revenue	436	762	609	835	1,162	1,492	1,621	1,548	1,381
Recycled Water Sales	12,047	13,468	17,814	15,891	17,245	18,188	19,100	20,266	21,486
Water Sales	34,147	18,654	28,671	27,429	34,167	36,040	38,250	40,710	42,980
TOTAL REVENUES	\$117,544	\$106,519	\$128,473	\$124,246	\$139,178	\$147,530	\$153,200	\$160,016	\$166,708
OTHER FINANCING SOURCES									
Property Tax - Debt , Capital, Reserves	\$39,118	\$43,688	\$42,733	\$42,733	\$44,074	\$45,455	\$46,404	\$47,371	\$48,358
Connection Fees	15,074	25,907	20,068	19,875	23,096	24,251	22,916	24,921	24,322
Debt Proceeds	0	0	0	0	0	0	100,000	100,000	75,000
State Loans	22,714	9,330	14,406	3,519	9,314	19,251	12,798	5,785	4,261
Grants	5,918	6,208	10,715	11,507	5,970	8,244	13,159	9,218	3,130
Capital Contract Reimbursement	1,193	1,841	5,675	1,330	1,117	2,903	4,787	1,520	1,517
Other Revenues	1,330	2,009	875	915	879	898	919	939	961
Sale of Capacity	0	215	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	14,808	0	3,200	0	0	0	2,000	2,000	2,000
TOTAL OTHER FINANCING SOURCES	\$100,155	\$89,199	\$97,671	\$79,879	\$84,450	\$101,002	\$202,982	\$191,753	\$159,549
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$217,698	\$195,719	\$226,144	\$204,125	\$223,628	\$248,533	\$356,182	\$351,770	\$326,256
EXPENSES									
Employment Expense	\$36,510	\$39,300	\$43,335	\$43,150	\$45,457	\$46,046	\$47,024	\$48,283	\$50,494
Contract Work/Special Projects	5,045	9,596	30,931	14,709	16,708	19,415	21,784	14,960	5,210
Utilities	9,064	8,837	11,596	9,585	9,768	10,053	10,353	10,663	10,983
Operating Fees	12,599	11,290	11,453	11,863	11,908	12,215	12,559	12,918	13,280
Chemicals	4,192	3,943	4,674	4,407	4,549	4,681	4,822	4,966	5,115
Professional Fees and Services	7,133	6,083	10,725	8,702	11,234	10,630	10,611	10,808	11,125
Office and Administrative Expense	1,615	1,798	2,501	1,884	2,427	2,593	2,549	2,905	2,689
Biosolids Recycling	3,800	3,798	4,415	4,486	4,360	4,462	4,596	4,733	4,875
Materials & Supplies	2,273	2,817	3,055	2,963	3,225	3,191	3,293	3,392	3,493
MWD Water Purchases	34,147	18,654	31,856	27,429	34,167	36,040	38,250	40,710	42,980
Other Expenses	1,454	775	1,853	221	1,638	1,650	1,652	1,689	1,725
TOTAL EXPENSES	\$117,832	\$106,892	\$156,394	\$129,399	\$145,441	\$150,976	\$157,492	\$156,028	\$151,969
CAPITAL PROGRAM									
CSDLAC 4Rs	\$658	\$673	\$689	\$689	\$705	\$721	\$737	\$0	\$0
IERCA investment	0	0	500	0	500	500	500	500	0
Capital Construction & Expansion	53,161	22,420	59,725	33,747	67,945	77,150	122,397	187,165	130,778
TOTAL CAPITAL PROGRAM	\$53,819	\$23,094	\$60,914	\$34,435	\$69,150	\$78,371	\$123,634	\$187,665	\$130,778
DEBT SERVICE									
Financial Expenses	\$257	(\$100)	\$349	\$246	\$297	\$296	\$415	\$300	\$296
Interest	9,616	9,234	9,638	8,507	6,487	6,508	11,710	16,829	19,886
Principal	26,655	11,827	11,999	61,999	15,259	15,360	18,651	21,065	23,238
Short Term Inter-Fund Loan	14,808	0	3,216	0	0	0	2,000	2,000	2,000
TOTAL DEBT SERVICE	\$51,336	\$20,961	\$25,201	\$70,753	\$22,043	\$22,164	\$32,776	\$40,193	\$45,420
FUND BALANCE									
Net Increase (Decrease)	(\$5,289)	\$44,772	(\$16,365)	(\$30,461)	(\$13,007)	(\$2,978)	\$42,280	(\$32,116)	(\$1,910)
Beginning Fund Balance July 01	\$147,632	\$142,343	\$187,114	\$187,114	\$156,653	\$143,646	\$140,669	\$182,948	\$150,832
ENDING BALANCE AT JUNE 30	\$142,343	\$187,114	\$170,749	\$156,653	\$143,646	\$140,669	\$182,948	\$150,832	\$148,922
RESERVE BALANCE SUMMARY									
Operating Contingencies	\$31,316	\$34,561	\$37,360	\$34,648	\$37,728	\$37,863	\$37,097	\$41,099	\$43,635
Capital Expansion & Replacement	6,989	10,813	30,854	10,440	5,871	4,372	43,092	11,090	11,120
CCRA Capital Construction	41,023	55,201	21,587	18,337	11,514	14,386	33,165	42,823	36,160
Water Connection	0	0	1,088	501	0	0	0	0	0
Rehabilitation/Replacement	26,490	43,327	19,527	19,527	22,895	22,895	17,383	5,175	2,059
CSDLAC Prepayment	658	673	689	689	705	721	737	0	0
Water Resource Capital	0	0	0	3,682	464	0	0	0	5,603
Debt Service & Redemption	20,169	22,173	31,770	29,199	36,854	35,945	37,212	37,204	37,211
Self Insurance Program	6,000	5,675	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Employee Retirement Benefit	9,696	9,491	7,314	9,887	8,612	8,698	8,262	7,441	7,132
Sinking Fund	0	5,200	14,559	23,742	13,003	9,788	0	0	0
ENDING BALANCE AT JUNE 30	\$142,343	\$187,114	\$170,749	\$156,653	\$143,646	\$140,669	\$182,948	\$150,832	\$148,922

*Numbers may not total due to rounding

RESOLUTION NO. 2017-6-10

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, APPROVING AND ADOPTING ITS BUDGET FOR
FISCAL YEARS 2017/2018 and 2018/2019**

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

Section 1. That this Board of Directors hereby approves and adopts the biennial budget for Fiscal Years 2017/18 and 2018/19, subject to any regulatory reform, or action of the State legislature that would have negative impact on the Agency's revenues and expenditures.

Section 2. Upon adoption of this resolution, Resolution No. 2015-6-1 is hereby rescinded in its entirety.

ADOPTED this 21st day of June, 2017.

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2017-6-10 was adopted at a regular meeting on June 21, 2017, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2017-6-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2017/18.

WHEREAS, it is necessary to establish service rates for processing and issuing permits to domestic, commercial, or industrial wastewater dischargers and wastewater haulers permitted by IEUA, and service rates for processing and treatment of sanitary, commercial or industrial wastewater deliveries to the Inland Empire Utilities Agency (Agency)'s Regional Wastewater System;

WHEREAS, it is necessary to establish application fees for processing and issuing of wastewater discharge permits to industrial wastewater generators who discharge directly through pipeline connections to the Regional Sewer System; and

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 97, may establish said service rates by resolution.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1, 2017:

Section 1. That Wastewater Permit Application for Domestic Wastewater Hauler fees is as follow:

Initial Permit Application Fee	\$233.00
Permit Renewal Fee	\$117.00

Section 2. That wastewater volumetric fee for domestic and industrial wastewater hauler is as follow:

For each load up to 2,000 gallons	\$ 72.48
Loads in excess of 2,000 gallons	\$ 0.036 per one (1) gallon

Section 3. That a rate schedule effective July 1, 2017, for delivery of domestic and industrial wastewater to regional plants with excessive biochemical oxygen demand and suspended solids is hereby established as follows:

<u>Quantity</u>	<u>Rate</u>
Biochemical Oxygen Demand (BOD) in excess of 423 mg/L	\$ 296.38 per 1,000 lb (dry weight)
Suspended Solids (SS) in excess of 369 mg/L	\$ 350.07 per 1,000 lb (dry weight)

Section 4. A Non-Compliance fee of \$150.00 will be assessed to reinstate elapsed or expired insurance requirements.

Section 5. That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the Regional Sewer System shall be:

**Initial Wastewater Discharge Permit Application Fees
 (Ownership Change with Process Changes included):**

Categorical Industrial User	\$4,078.00
with Combined Waste Stream Formula, add	\$990.00
with Production Based Standards, add	\$524.00
with Multiple Categories, add	\$1,981.00
Non-Categorical, Significant Industrial User	\$2,971.00
Non-Categorical, Non-Significant Industrial User	\$2,447.00

Permit Renewal Fees:

Categorical Industrial User	\$3,029.00
with Combined Waste Stream Formula, add	\$524.00
with Production Based Standards, add	\$291.00
with Multiple Categories, add	\$990.00
Non-Categorical, Significant Industrial User	\$757.00
Non-Categorical, Non-Significant Industrial User	\$524.00

Section 6. That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:

Categorical Industrial User	\$2,563.00
with Combined Waste Stream Formula, add	\$990.00
with Production Based Standards, add	\$524.00
with Multiple Categories, add	\$1,981.00
Non-Categorical, Significant Industrial User	\$1,515.00
Non-Categorical, Non-Significant Industrial User	\$990.00

Permit Renewal Fees:

Categorical Industrial User	\$2,097.00
with Combined Waste Stream Formula, add	\$524.00
with Production Based Standards, add	\$291.00
with Multiple Categories, add	\$990.00
Non-Categorical, Significant Industrial User	\$757.00
Non-Categorical, Non-Significant Industrial User	\$524.00

Section 7. That Permit Revision or Facility Expansion fees shall be: \$1,515.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 8. That Permit Addendum fees shall be: \$757.00

That for change of business name or ownership only with no process changes shall be: \$233.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 9. That IEUA will pass on to wastewater permit holder any other charges, such as, but not limited to, excessive strength, laboratory analysis, inspection activities, etc.

Section 10. Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 11. That all provisions of the Regional Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 12. That upon the effective date of this Resolution, Resolution No. 2016-6-4 is hereby rescinded in its entirety.

* * *

ADOPTED this 21st day of June, 2017

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

Resolution No. 2017-6-1
Regional Rates
Page 5 of 5

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. 2017-6-1 as adopted at
a regular Board meeting on June 21, 2017, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2017-6-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR 2017/18.

WHEREAS, *Etiwanda Wastewater Line Disposal Agreement* (Agreement) was entered between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate industries with Etiwanda Wastewater Line Capacity Unit (EWLCU), in order to collect such charges;

WHEREAS, one EWLCU for the EWL is defined as an equalized discharge not to exceed a flow rate of 15 gallons per minute;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Agency's EWL;

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost; and

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2017

Section 1. That the acquisition of capacity rights shall be as follows:

(A) CAPACITY RIGHT ACQUISITION RATE

That the purchase rate for the right to discharge one (1) EWLCU for the EWL shall be \$215,000.00 per an equalized flow rate not to exceed 15 gallons per minute. This charge shall be paid in full upon the execution of the Capacity Right Agreement.

Section 2. That the monthly charges for discharge to the EWL are as follows:

(A) CAPACITY CHARGES

For discharge to the EWL, which reaches the jurisdiction of the CSDLAC, the monthly Capacity Charge is \$41.00 per month per each EWLCU.

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

The monthly Capital Improvements Program (CIP) charge for EWL is \$90.00 per month per each EWLCU.

(C) VOLUMETRIC CHARGES

The Volumetric Charge for EWL is \$712.31 per Million Gallons. The minimum Volumetric Charge for discharge of 100,000 gallons or less per each EWLCU per month is \$71.23 per month per each EWLCU.

(D) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the EWL. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$127.00 per 1,000 pounds (dry weight)
TSS	\$358.00 per 1,000 pounds (dry weight)

Strength charges for the EWL discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average of all available data within the billing quarter.

(E) AGENCY CIP AND O&M CHARGES

Agency CIP and O&M Charges of 50% shall be added to the charges of Section 2(A), 2(C), and 2(D).

(F) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate, and shall decline at 5% intervals per year through FY 2023/2024.

For Fiscal Year 2017/18, the Recycled Water Usage Credit is **\$311.51** per million gallons of recycled water used.

Section 3. OTHER CHARGES

IEUA will pass on any other charges from CSDLAC invoiced to the Agency to dischargers to the EWL, such as, but not limited to, flow and strength imbalance charges, permit, inspection, analytical fees, etc.

Section 4. That Application fees for a EWL Capacity Right Agreement shall be: \$ 233.00

Section 5. That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the EWL sewer system shall be:

**Initial Wastewater Discharge Permit Application Fees
(Ownership Change with Process Changes included):**

Categorical Industrial User	\$4,078.00
with Combined Waste Stream Formula, add	\$990.00
with Production Based Standards, add	\$524.00
with Multiple Categories, add	\$1,981.00
Non-Categorical, Significant Industrial User	\$2,971.00
Non-Categorical, Non-Significant Industrial User	\$2,447.00

Permit Renewal Fees:

Categorical Industrial User	\$3,029.00
with Combined Waste Stream Formula, add	\$524.00
with Production Based Standards, add	\$291.00
with Multiple Categories, add	\$990.00
Non-Categorical, Significant Industrial User	\$757.00
Non-Categorical, Non-Significant Industrial User	\$524.00

Section 6. That Permit Revision or Facility Expansion fees shall be: \$1,515.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 7. That Permit Addendum fees shall be: \$757.00

That for change of business name with no process changes shall be: \$233.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 8. Toxic Organic Management Plan (TOMP) Processing No Charge

Section 9. Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 10. That all provisions of the Etiwanda Wastewater Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 11. That upon the effective date of this Resolution, the Resolution No. 2016-6-3 pertaining to the EWL is hereby rescinded in its entirety.

* * *

ADOPTED this 21st day of June, 2017

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

RESOLUTION NO. 2017-6-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR 2017/18

WHEREAS, NRWS *Wastewater Disposal Agreement No. 4830* (Agreement) has been adopted between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency (Agency);

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate User with Non Reclaimable Wastewater System Capacity Unit (NRWSCU), in order to collect such charges;

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Solids Discrepancy at East End (SD_{EE}) monitoring facility determined by the *Fractional Solids Discrepancy (FSD)* formula;

WHEREAS, it is necessary to establish application fees for processing applications for NRWSCU Allocations and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s NRWS;

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost; and

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2017

Section 1. That the acquisition of wastewater discharge right shall be as follows:

(A) NRWSCU ACQUISITION RATES

1. A NRWSCU for the NRWS is determined by the following formula:

$$NRWSCU = \left(0.6513 \times \frac{Flow_{gpd}}{260} \right) + \left(0.1325 \times \frac{COD_{ppd}}{1.22} \right) + \left(0.2162 \times \frac{TSS_{ppd}}{0.59} \right)$$

Where:

gpd = gallons per day

ppd = pounds per day

2. The minimum number of NRWSCU shall be 25 NRWSCU.
3. The **purchase rate** for the right to discharge one (1) NRWSCU shall be as established by CSDLAC or **\$4,172.00** per NRWSCU.
4. The optional **annual lease rate** for the right to discharge one (1) NRWSCU shall be 5% per year of the purchase rate, i.e. **\$208.60** per NRWSCU per each year.

The above charges shall be paid in full upon the execution of the NRWSCU purchase or lease.

Section 2. That the monthly charges for discharge to the NRWS are:

(A) VOLUMETRIC CHARGES

For discharge to the NRWS, the monthly volumetric charge is **\$919.00** per million gallons of discharge.

(B) PEAK FLOW CHARGES

For discharge to the NRWS, the monthly Peak Flow (PF) Charge shall be **\$349.00** per million gallons of volumetric discharge.

(C) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the NRWS. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$172.00 per 1,000 pounds (dry weight)
TSS	\$446.00 per 1,000 pounds (dry weight)

Strength charges for the NRWS discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average of all available data within the billing quarter.

(D) Solids DISCREPANCY Charge for NRWS

Solids Discrepancy Charge for an industry (SDC_i) shall be calculated on a monthly basis and invoiced on a quarterly basis. The charge shall be calculated by multiplying the individual industry's *Fractional Solids Discrepancy* (FSD_i) by the Total Solids Discrepancy at East End monitoring facility (TSD_{EE}) and by TSS rate:

$$SDC_i = (FSD_i) \times (TSD_{EE}) \times (TSS \text{ rate})$$

Individual industry's FSD_i for the NRWS is determined by the FSD_i formula to allocate the individual industry's solids contribution to the total solids discrepancy, based on their contribution to the overall loading of Alkalinity, Biological Oxygen Demand (BOD), Dissolved Calcium, and Flow.

$$FSD_i = 0.074 \times \left[\frac{Alk_i}{Alk_T} \right] + 0.535 \times \left[\frac{BOD_i}{BOD_T} \right] + 0.049 \times \left[\frac{Ca_i}{Ca_T} \right] + 0.342 \times \left[\frac{Flow_i}{Flow_T} \right]$$

Where:

- FSD_i = Fractional Solids Discrepancy for individual discharger (i)
- Alk_i = Individual dissolved alkalinity loading to the NRWS for discharger (i)
- Alk_T = Combined dissolved alkalinity loading from all dischargers to the NRWS
- BOD_i = Individual BOD₅ loading to the NRWS for discharger (i)
- BOD_T = Combined BOD₅ loading from all dischargers to the NRWS
- Ca_i = Individual dissolved calcium loading to the NRWS for discharger (i)
- Ca_T = Combine dissolved calcium loading from all dischargers to the NRWS
- $Flow_i$ = Individual flow contribution to the NRWS from discharger (i)
- $Flow_T$ = Combined flow from all dischargers to the NRWS

(E) AGENCY O&M Charge

The Agency's O&M charge shall be \$18.75 per NRWSCU per month.

(F) AGENCY CIP CHARGE

The Agency's capital improvement program charge shall be \$7.00 per NRWSCU per month.

(G) RECYCLED WATER USAGE CREDIT

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate, and shall decline at 5% intervals per year through FY 2023/2024.

For Fiscal Year 2017/18, the Recycled Water Usage Credit is \$311.51 per million gallons of recycled water used.

Section 3. OTHER CHARGES

IEUA will pass on any other charges from CSDLAC invoiced to the Agency to dischargers to the NRWS, such as, but not limited to, capacity, flow and strength imbalance charges, permit, inspection, analytical fees, etc.

Section 4. That Application fee for a NRWS Capacity Unit Purchase or Annual Lease shall be: \$ 233.00

Section 5. That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees (Ownership Change with Process Changes included):

Categorical Industrial User	\$4,078.00
with Combined Waste Stream Formula, add	\$990.00
with Production Based Standards, add	\$524.00
with Multiple Categories, add	\$1,981.00
Non-Categorical, Significant Industrial User	\$2,971.00

Non-Categorical, Non-Significant Industrial User \$2,447.00

Permit Renewal Fees:

Categorical Industrial User	\$3,029.00
with Combined Waste Stream Formula, add	\$524.00
with Production Based Standards, add	\$291.00
with Multiple Categories, add	\$990.00
Non-Categorical, Significant Industrial User	\$757.00
Non-Categorical, Non-Significant Industrial User	\$524.00

Section 6. That Permit Revision or Facility Expansion fees shall be: \$1,515.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 7. That Permit Addendum fees shall be: \$757.00

That for change of business name with no process changes shall be: \$233.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 8. Toxic Organic Management Plan (TOMP) Processing No Charge

Section 9. Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 10. That all provisions of the Non-Reclaimable Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 11. That upon the effective date of this Resolution, the Resolution No. 2016-6-2 pertaining to the NRWS is hereby rescinded in its entirety.

ADOPTED this 21st day of June, 2017

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2017-6-3 as adopted at
a regular Board meeting on June 21, 2017, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2017-6-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE INLAND EMPIRE BRINE LINE (BRINE LINE) FOR FISCAL YEAR 2017/18

WHEREAS, it is necessary to establish initial and monthly capacity charges, volumetric flow charges, CIP charges, trucked wastewater delivery charges and excessive strength charges;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency (Agency)'s Brine Line;

WHEREAS, one Agency Capacity Unit (CU) is defined as an equalized discharge at the flow rate of 15 gallons per minute (GPM);

WHEREAS, under Section 13550, et seq., of the California Water Code, a Public Agency may require industries to use recycled water for certain purposes, where it is available and at reasonable cost; and

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 96, may establish said fees and charges by Resolution.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2017

Section 1. That the Initial Capacity Charge for the purchase of Agency Capacity Rights shall be set at \$215,000.00 per CU.

Section 2. That the monthly charges for discharge to the Brine Line are as follows:

(A) CAPACITY CHARGES:

For discharge to the Brine Line, which reaches jurisdiction of the Santa Ana Watershed Project Authority (SAWPA), the monthly Capacity Charge is \$387.24 per CU.

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

The monthly Capital Improvements Program (CIP) charge for Brine Line is \$90.00 per CU per month.

(C) VOLUMETRIC CHARGES

For discharge to the Brine Line, the monthly Volumetric Charge is \$901.00 per Million Gallons of discharge. The minimum Volumetric Charge for discharge of 100,000 gallons or less per CU per month is \$90.10 per CU per month.

(D) STRENGTH CHARGES

That Strength Charges are applicable to all discharges to the Brine Line, via pipeline or hauled by truck, for excessive Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS). The rates are as follows:

<u>QUANTITY</u>	<u>RATE</u>
BOD	\$307.00 per 1,000 pounds (dry weight)
TSS	\$429.00 per 1,000 pounds (dry weight)

Strength charges for the Brine Line discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a monthly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average of all available data within the billing quarter.

(E) AGENCY ADMINISTRATIVE CHARGES

Agency Administrative Charges of 50% shall be added to the charges of Section 2(A), 2(C), and 2(D).

(F) RECYCLED WATER USAGE CREDIT FOR BRINE LINE

This program is for recycled water (RW) Users and shall end when funding is exhausted or not later than June 30, 2024, whichever comes first. New Users who qualify for this program shall be given the recycled water credit in effect at the time of connection to the recycled water system.

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate, and shall decline at 5% intervals per year through FY 2023/2024.

For FY 2017/18, the Recycled Water Usage Credit is **\$311.51** per million gallons of recycled water used.

(G) Other Charges

IEUA will pass on any other charges from SAWPA invoiced to the Agency to dischargers to the Brine Line, such as, but not limited to, flow and strength imbalance charges, permit, inspection, analytical fees, etc.

Section 3. For trucked discharges to the Brine Line, the wastewater discharge rate shall be based on the applicable Tiered Schedule as established by the higher concentration value for BOD or TSS. The Brine Line Tiered Rate Schedule for Trucks is shown in Table 1.

Table 1 – Brine Line Tiered Rate Schedule for Trucks

Tiered Schedule	BOD or TSS Concentration	Total Volumetric Charge Up to 5,000 gallon	Incremental Charge above 5,000 gallons, \$ per one (1) gallon	BOD Charges	TSS Charges
Brine	Less than 100 mg/L	\$269.74	\$0.012		
Tier 1 (Non-Brine)	100 to 999 mg/L	\$294.74	\$0.017		
Tier 2 (Non-Brine)	1,000 to 2,499 mg/L	\$384.74	\$0.035		
Tier 3 (Non-Brine)	2,500 mg/L and higher	\$224.24	\$0.0029	\$0.729 per pound of BOD	\$0.695 per pound of TSS
<i>Tier 3 minimum charge shall be no less than Tier 2 rate of \$384.74</i>					

Section 4. That Application fees for a Capacity Right Agreement shall be: \$ 233.00

Section 5. That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the Brine Line shall be:

Initial Wastewater Discharge Permit Application Fees (Ownership Change with Process Changes included):

Categorical Industrial User	\$4,078.00
with Combined Waste Stream Formula, add	\$990.00
with Production Based Standards, add	\$524.00
with Multiple Categories, add	\$1,981.00
Non-Categorical, Significant Industrial User	\$2,971.00
Non-Categorical, Non-Significant Industrial User	\$2,447.00

Permit Renewal Fees:

Categorical Industrial User	\$3,029.00
with Combined Waste Stream Formula, add	\$524.00
with Production Based Standards, add	\$291.00
with Multiple Categories, add	\$990.00
Non-Categorical, Significant Industrial User	\$757.00
Non-Categorical, Non-Significant Industrial User	\$524.00

Section 6. That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the Brine Line shall be:

Initial Wastewater Discharge Permit Application Fees:

Categorical Industrial User	\$2,563.00
with Combined Waste Stream Formula, add	\$990.00
with Production Based Standards, add	\$524.00
with Multiple Categories, add	\$1,981.00
Non-Categorical, Significant Industrial User	\$1,515.00
Non-Categorical, Non-Significant Industrial User	\$990.00

Permit Renewal Fees:

Categorical Industrial User	\$2,097.00
with Combined Waste Stream Formula, add	\$524.00
with Production Based Standards, add	\$291.00
with Multiple Categories, add	\$990.00
Non-Categorical, Significant Industrial User	\$757.00
Non-Categorical, Non-Significant Industrial User	\$524.00

Section 7. That initial Wastewater Hauler Permit application and Permit Renewal fees for the Brine Line shall be:

Initial Permit Application for Wastewater Hauler	\$233.00
Permit Renewal for Wastewater Hauler	\$117.00

Brine Line Liquid Waste Hauler Permit Application and Permit Renewal are processed and administered by Santa Ana Watershed Project Authority (SAWPA).

Section 8. That Permit Revision or Facility Expansion fees shall be: \$1,515.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, etc.

Section 9. That Permit Addendum fees shall be: \$757.00

That for change of business name with no process changes shall be: \$233.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 10. Toxic Organic Management Plan (TOMP) Processing No Charge

Section 11. Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 12. That all provisions of the Brine Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 13. That upon the effective date of this Resolution, the Resolution No. 2016-6-1 pertaining to the Inland Empire Brine Line (also known as South NRWS) is hereby rescinded in its entirety.

Resolution No. 2017-6-4
IEBL Rates
Page 7 of 8

ADOPTED this 21st day of June, 2017.

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

RESOLUTION NO. 2017-6-5

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY
ANALYSES FOR FISCAL YEAR 2017/18**

WHEREAS, The Agency occasionally enters into agreements with other local governmental agencies to perform laboratory analyses; and

WHEREAS, the most efficient and practical method of charging for this work is through the establishment of a price for each analysis.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS**, that, effective July 1, 2017, the single item prices for laboratory analyses are as shown on Exhibit 1 attached hereto.

Upon the effective date of this Resolution, Resolution No. 2016-6-5 is hereby rescinded in its entirety.

ADOPTED this 21st day of June, 2017.

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2017-6-5, was adopted at
a regular meeting on June 21, 2017, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**INLAND EMPIRE UTILITIES AGENCY
 LABORATORY PRICES - FISCAL YEAR 2017/18**

Inorganic Chemistry		
Test	Method	Price
Alkalinity, Total	SM 2320B	\$14.80
Ammonia as Nitrogen	EPA 350.1	\$14.80
Anion Sum	SM 1050	\$2.20
BOD, Soluble	SM 5210	\$43.70
BOD, Total	SM 5210	\$38.30
Bromide	EPA 300.0	\$11.00
Cation Sum	SM 1050	\$2.20
Chloride	EPA 300.0	\$9.00
Chlorine Residual	SM 4500-Cl G	\$16.40
COD	SM 5220D	\$32.80
Color	SM 2120B	\$5.00
Conductivity	SM 2510	\$8.80
Corrosivity	SM 2330B	\$40.50
<i>If Alkalinity, Ca, EC, or pH are requested on the sample, Corrosivity cost is reduced by their respective prices.</i>		
Cyanide, Available	EPA OIA-1677	\$40.00
Cyanide, Free	ASTM D7237	\$27.40
Cyanide, Total	ASTM D7284	\$29.50
Dissolved Organic Carbon	SM 5310B	\$39.30
Dissolved Organic Carbon	SM 5310C	\$32.80
Dissolved Oxygen	EPA 360.1	\$12.10
Fluoride	EPA 300.0	\$9.30
Fluoride	SM 4500-F C	\$16.40
Hardness, Total (Calculation)	EPA 200.7	\$21.20
<i>Calculation is reduced by their respective prices.</i>		
Hardness, Total	SM 2340C	\$18.10
Mercury	EPA 245.2	\$39.30
Metals Digestion (liquid)		\$16.40
Metals Digestion (solid)		\$43.60
Metals by ICP	EPA 200.7	\$9.80
Metals by ICP/MS	EPA 200.8	\$9.80
Nitrate as Nitrogen	EPA 300.0	\$9.00
Nitrite as Nitrogen	EPA 300.0	\$9.00
Nitrogen, Organic	Various	\$71.00
Oil & Grease, Polar (FOG)	EPA1664B	\$62.30
Oil & Grease, Non-polar	EPA1664B	\$32.80
Oil & Grease, Total	EPA1664B	\$29.50
pH	SM 4500-H+ B	\$5.00
Phosphorus, Ortho	EPA 300.0	\$9.00
Phosphorus, Total	EPA 200.7	\$10.00

Inorganic Chemistry		
Test	Method	Price
Silica	EPA 200.7	\$9.90
Sulfate	EPA 300.0	\$9.00
Sulfide, Dissolved	SM 4500-S D	\$21.90
Sulfide, Total	SM 4500-S D	\$18.10
Surfactants (MBAS)	SM 5540C	\$49.00
TDS	SM 2540C	\$14.80
TDS, Fixed/Volatile	SM 2540E	\$21.90
TKN	EPA 351.2	\$59.00
TOC	SM 5310B	\$32.80
TOC	SM 5310C	\$24.60
Total Solids	SM 2540B	\$11.00
TSS	SM 2540D	\$14.80
Turbidity	EPA 180.1	\$8.80
Uranium pCi/L	EPA 200.8	\$27.30
Volatile Solids	SM 2540E	\$16.40
Volatile Suspended Solids	SM 2540E	\$21.90

Bioassay/Microbiology		
Test	Method	Price
Bioassay, C.Dubia, Chronic	EPA 1002	\$1,081.50
Coliform, Fecal	SM 9221E	\$24.60
Coliform, Total (10 Tube)	SM 9221B	\$21.90
Coliform, Total (15 Tube)	SM 9221B	\$24.60
Heterotrophic Plate Count	SM 9215B	\$19.70

Organic Chemistry		
Test	Method	Price
Acrolein & Acrylonitrile	EPA 624	\$147.40
MTBE	EPA 524.2	\$122.80
Pesticides	EPA 608	\$240.20
Pesticides w/ PCBs	EPA 608	\$305.70
PCBs	EPA 608	\$240.20
Semi-Volatiles (Short list DW)	EPA 525	\$322.10
Semi-Volatiles (Acid Extractables)	EPA 625	\$245.70
Semi-Volatiles (Base/Neutrals)	EPA 625	\$245.70
Semi-Volatiles (BNA)	EPA 625	\$354.90
Tert-Butyl Alcohol (TBA)	EPA 524.2 MOD	\$147.40
Thiobencarb	EPA 525	\$294.70
Volatiles, DW	EPA 524.2	\$147.40
Volatiles, WW	EPA 624	\$163.80

RESOLUTION NO. 2017-6-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EXTRA-TERRITORIAL SEWER SERVICE CHARGE FOR SYSTEM USERS OUTSIDE THE AGENCY'S BOUNDARIES FOR FISCAL YEAR 2017/18

WHEREAS, it is necessary to establish an extra-territorial monthly sewer service charge for system user whose property served is located outside the boundaries of Improvement District "C" of the Inland Empire Utilities Agency (Agency);

WHEREAS, the charge shall be "A" dollars per equivalent dwelling unit (EDU) per month. "A" shall be determined annually by the Agency before July 1 and will be set at the amount of certain sewer taxes per EDU being received from the taxable area within Improvement District "C";

WHEREAS, these taxes are to be the Improvement District "C" portion of taxes plus the portion of the Agency's General Taxes applied each year to the Regional Wastewater Systems and the General Administrative expenditures for the Regional Wastewater Systems; and

WHEREAS, modification to this resolution may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1, 2017:

Section 1. That the monthly sewer service rate be determined based on the Agency-wide assessed valuation for FY 2016/17 as reported by the San Bernardino County Auditors Property Tax Division and the estimated number of billed EDU's listed in the Agency's FY 2016/17 Regional Wastewater Operations and Maintenance fund budget, as shown in Exhibit 1; and

Section 2. That the extra-territorial monthly sewer service charge should be set at a rate of \$14.79 per month per Equivalent Dwelling Unit (EDU) in addition to the FY 2017/18 adopted monthly EDU rate of \$18.39.

Section 3. That upon the effective date of this Resolution, Resolution No. 2016-6-9 is hereby rescinded in its entirety.

ADOPTED this 21st day of June, 2017.

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2017-6-6 was adopted at a Board
Meeting on June 21, 2017, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**AVERAGE VALUE OF AN EDU FOR FISCAL YEAR 2017/18
 CITY OF FONTANA MONTHLY EXTRA-TERRITORIAL USER SURCHARGE**

The information utilized includes the EDU projections identified in the Regional Wastewater Operations and Maintenance Fund budget and the San Bernardino County Auditors' report which lists the Agency's assessed valuation for FY 2016/17. Based on this information the estimated average value of an EDU within the Agency is as follows:

FY 2016/17 Agency Assessed Value -	=	\$	97,274,943,032
FY 2016/17 Projected number of EDU's within Agency =			273,472 EDU per month
<i>\$97,274,943,032 divided by 273,472</i>	=	\$	355,703

Annual tax obligation is calculated by:

<i>\$355,703 multiply by 0.000499</i>	=	\$	177.50 per year
<i>(adjusted Agency tax rate)</i>	=	\$	14.79 per month

RESOLUTION NO. 2017-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING IMPORTED WATER RATES

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency* (Agency) establishes, from time to time, rates for water sold or delivered by direct connections to Metropolitan Water District facilities;

WHEREAS, the Board of Directors of the Agency establishes rates for delivery of imported water supplies;

WHEREAS, the Board of Directors has determined that the levy of a per acre-foot surcharge that is required to maintain sufficient appropriated reserves and to provide for the program support and operational costs associated with the delivery of imported water supplies and water resource development and planning activities;

WHEREAS, the Board of Directors has also determined that the Agency, by written request, could levy a supplemental per acre foot surcharge for delivered imported water to fund the cost for the Water Conservation Program which includes the Conservation and Drought Charges; and

WHEREAS, modification of this policy may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS** the following to be effective July 1, 2017, and January 1, 2018:

Section 1. That the rates of sales of imported water are direct pass-through charged by Metropolitan for each class of water. The rates, by class of water are as follows:

(a) **FOR TIER 1 FULL SERVICE UNTREATED WATER** – i.e., domestic and municipal purposes:

01/1/2017 – 12/31/2017 (\$666)	\$666.00 per acre foot
01/1/2018 – 12/31/2018 (\$695)	\$695.00 per acre foot

(b) **FOR TIER 2 FULL SERVICE UNTREATED WATER** – i.e., domestic and municipal purposes:

01/1/2017 – 12/31/2017 (\$760)	\$760.00 per acre foot
01/1/2018 – 12/31/2018 (\$781)	\$781.00 per acre foot

(c) FOR GROUND WATER STORAGE PROGRAM

REPLENISHMENT WATER UNTREATED – This rate is available contingent upon the requirements of Metropolitan’s Administrative Code, and includes water delivered for groundwater replenishment and storage, by direct or in-lieu methods.

01/1/2017 – 12/31/2017 (NO RATE AVAILABLE)

01/1/2018 – 12/31/2018 (NO RATE AVAILABLE)

- (d) METROPOLITAN WATER SUPPLY ALLOCATION PLAN (WSAP) PENALTY RATES – Reduced imported water allocations caused by the adoption of a WSAP will reduce a member agencies Tier 1 allocation pursuant to Resolution 2016-9-1. Penalty rates will be applied in accordance to Metropolitans WSAP to IEUA and its member agencies if IEUA exceeds its imported water allocation` from MWD and is invoiced by MWD for WSAP penalty rates, during FY 2017/18. Any such penalty rates shall be “passed through” to the appropriate agency that caused the imposition of a penalty rate by MWD.

Section 2. That IEUA will impose any Metropolitan rates and charges, applicable to each service connection, if invoiced by Metropolitan to IEUA during FY 2017/18.

Section 3. That the Metropolitan levied Capacity Charge (\$/cfs) shall be as follows:

01/1/2017 – 12/31/2017	\$ 8,000 per cubic foot per second (cfs)
01/1/2018 – 12/31/2018	\$ 8,700 per cubic foot per second (cfs)

Section 4. That a minimum charge of \$1,000 per month will be collected from any active Metropolitan full service industrial connection beginning 7/1/2017 through 6/30/2018.

Section 5. That upon the effective date of this Resolution, Resolution No. 2016-6-15 is hereby rescinded in its entirety.

ADOPTED this 21st day of June, 2017.

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2017-6-7, was adopted at a regular
meeting on June 21, 2017, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2017-6-8

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR
FISCAL YEAR 2017/2018.**

WHEREAS, the Board of Directors of Inland Empire Utilities Agency* is required by Agency Ordinance No. 28, Section 3, to establish, from time to time, rates for rental of maintenance and construction equipment.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS**, pursuant to Ordinance No. 28, that the rates for equipment rental are as shown in Exhibit 1 attached hereto and are effective July 1, 2017.

Upon the effective date of this Resolution, Resolution No. 2016-6-6 is hereby rescinded in its entirety.

ADOPTED this 21st day of June, 2017.

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2017-6-8 was adopted at a regular
meeting on June 21, 2017, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

EXHIBIT 1

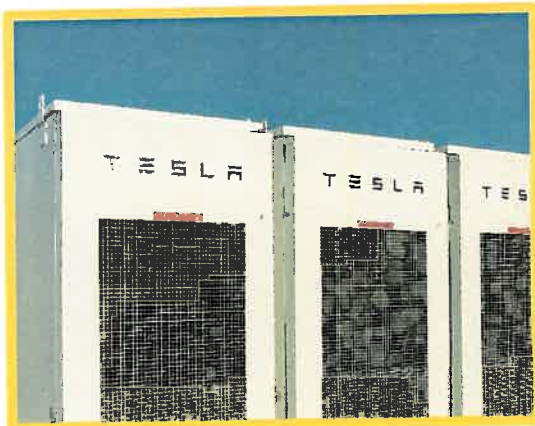
**INLAND EMPIRE UTILITIES AGENCY*
MAINTENANCE EQUIPMENT RENTAL RATES
FISCAL YEAR 2017/18**

GOVERNMENTAL AGENCIES WITHIN IEUA SERVICE BOUNDARIES

		RATE IN FORCE
CCTV Camera Equipment Truck		
With one operator	per hour portal-to-portal	92.78
With two operators	per hour portal-to-portal	161.07
Jetter Vactor		
With one operator	per hour portal-to-portal	85.53
With two operators	per hour portal-to-portal	153.82
Gap Vactor Truck		
With one operator	per hour portal-to-portal	102.30
With two operators	per hour portal-to-portal	170.59
Safety Van		
With one operator	per hour portal-to-portal	69.47
With two operators	per hour portal-to-portal	133.66
Water Truck		
With one operator	per hour portal-to-portal	76.22
With two operators	per hour portal-to-portal	144.51

Fiscal Years 2017/18 and 2018/19 Biennial Budget Adoption

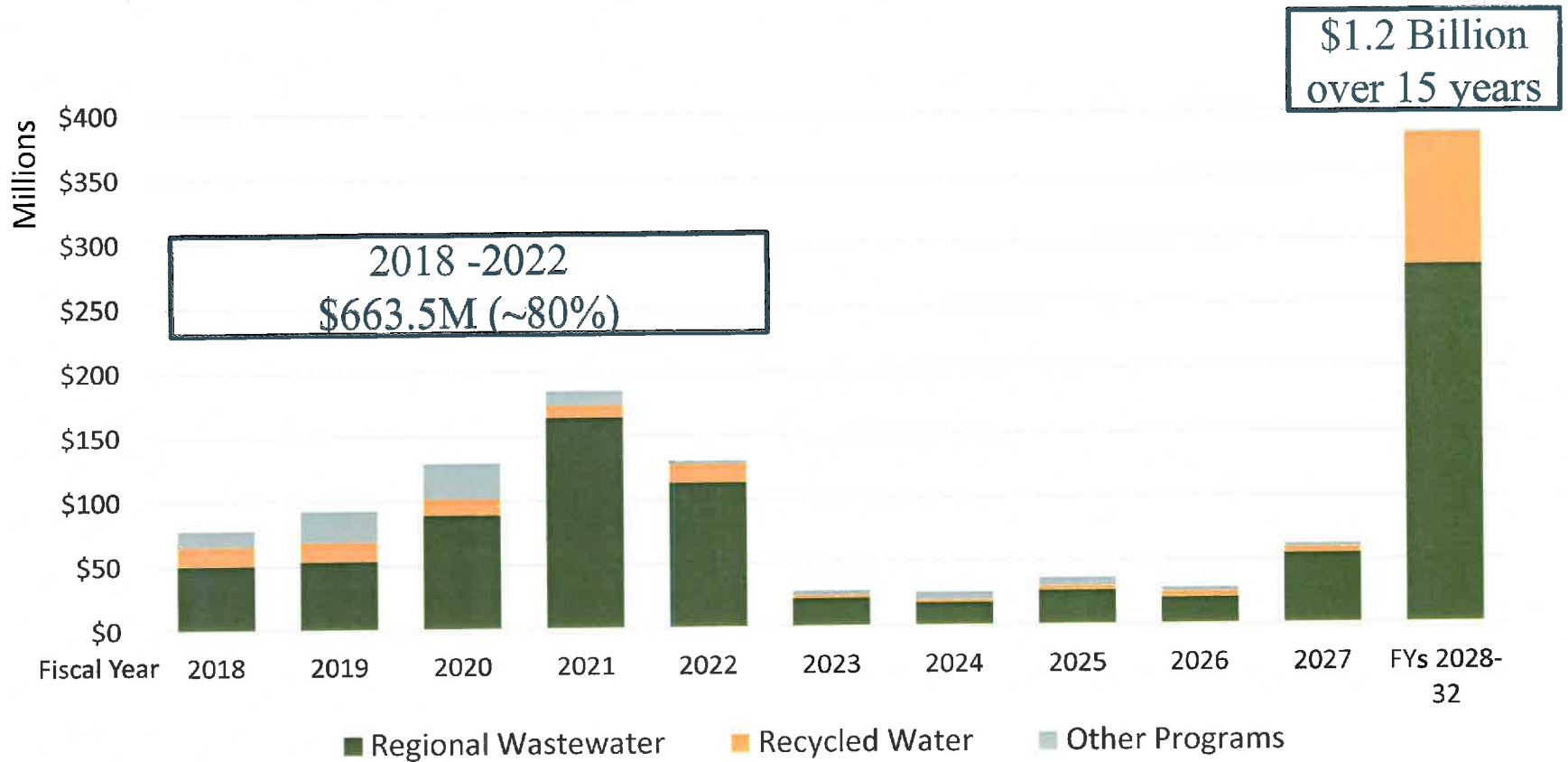
Board Meeting



Key Areas of Focus Over the Next Two Years

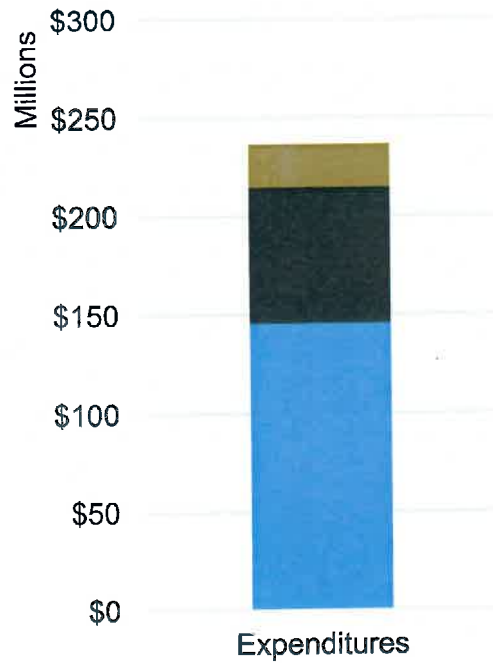
- Succession Planning
- Cost Containment
- Upkeep of Agency Assets
- Optimize Low Interest Debt
- Transparency
- TYCIP \$833 million
- No adjustments to approved rates and fees

FY 2018 – 2027 Ten Year Capital Improvement Plan - \$833 Million, by Major Funds

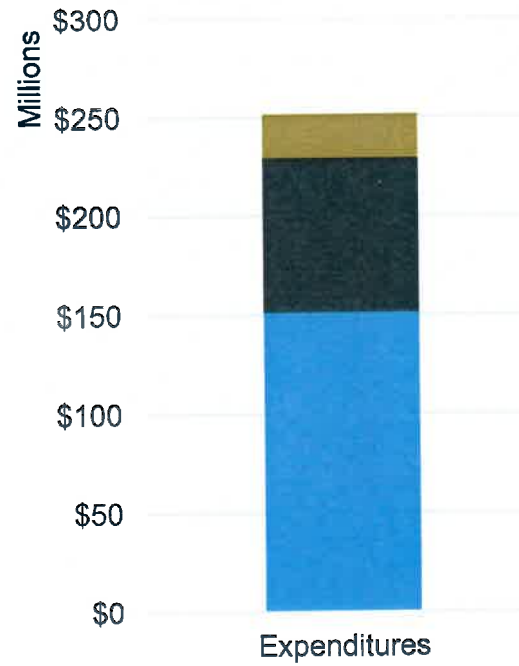


Total Expenditures

FY 2017/18
\$236.6M



FY 2018/19
\$251.5M



■ Operation & Administration

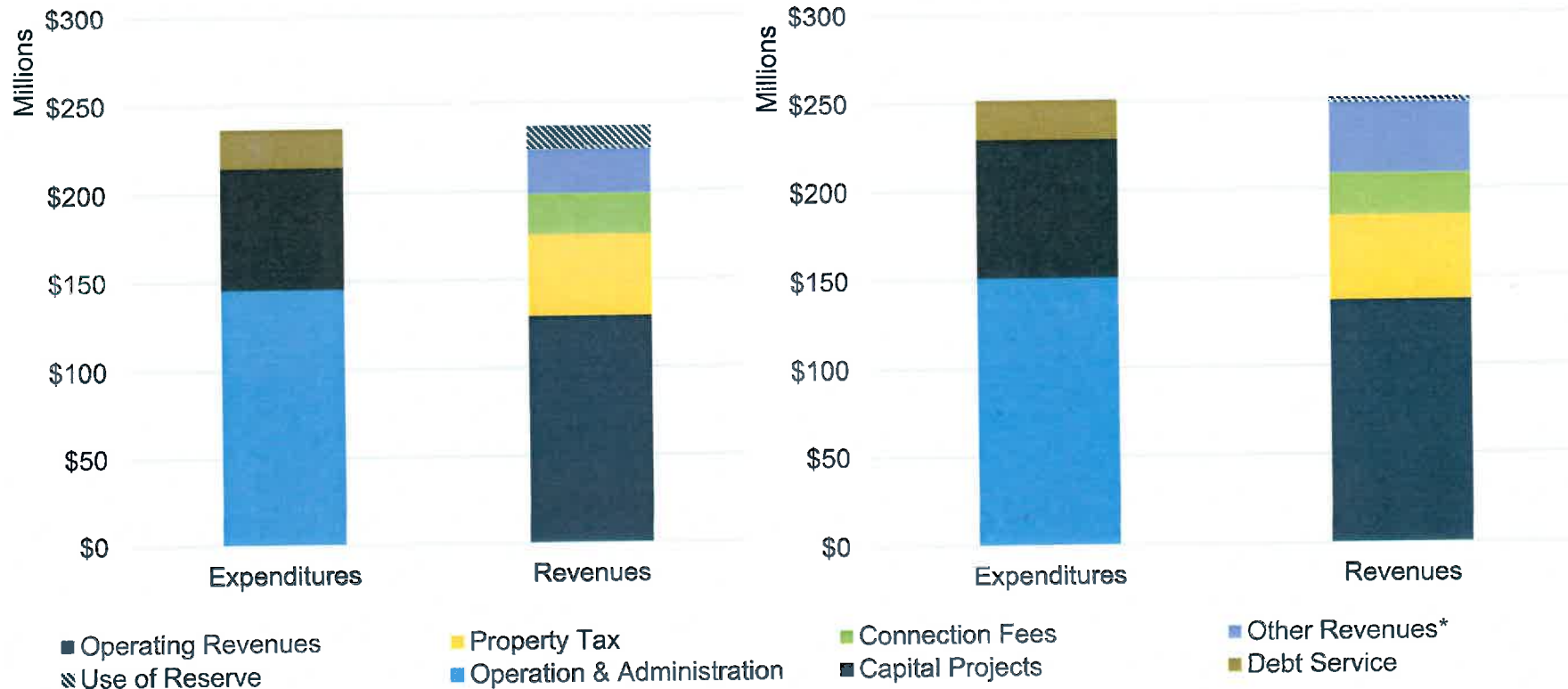
■ Capital Projects

■ Debt Service

Total Expenditures and Revenues

FY 2017/18
\$236.6M

FY 2018/19
\$251.5M

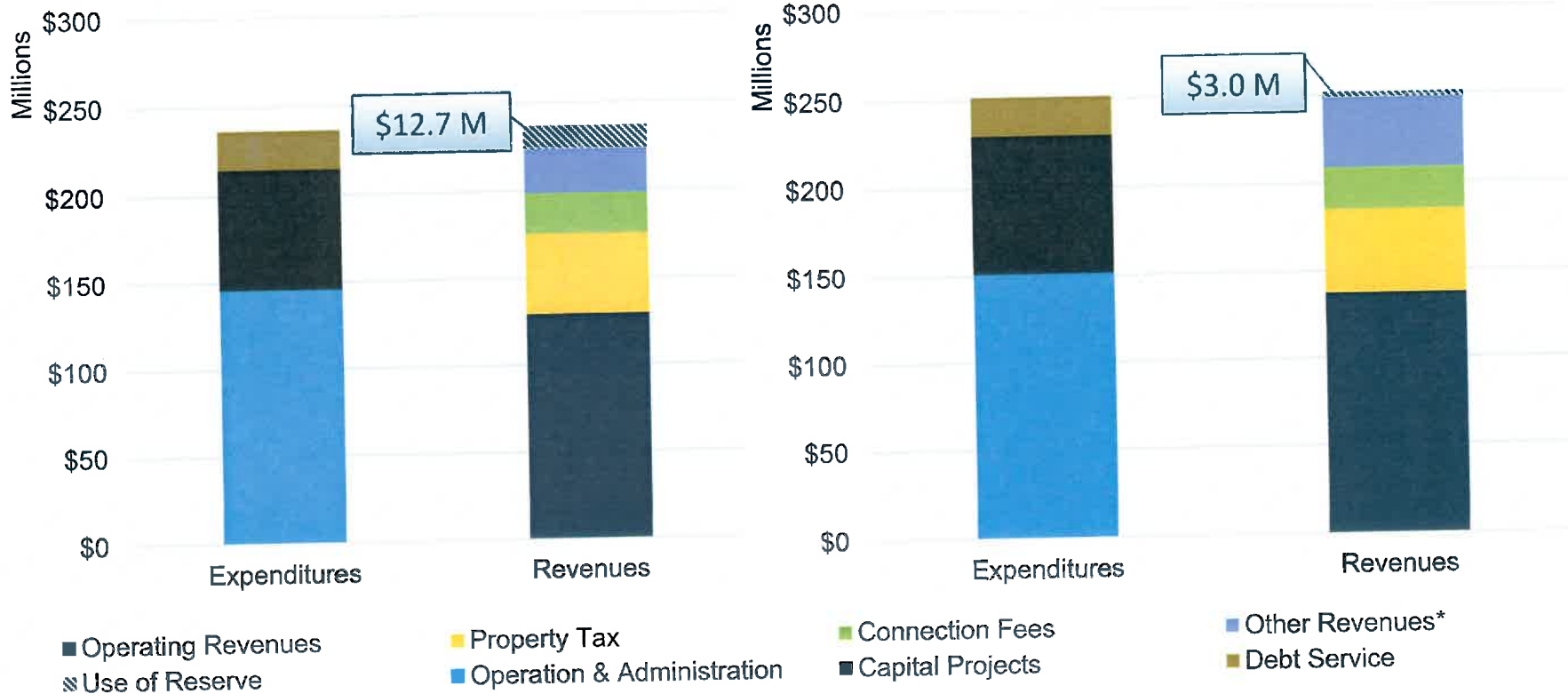


**Other Revenues include state loans, grants, interest revenue, and contract cost reimbursements*

Total Expenditures and Revenues

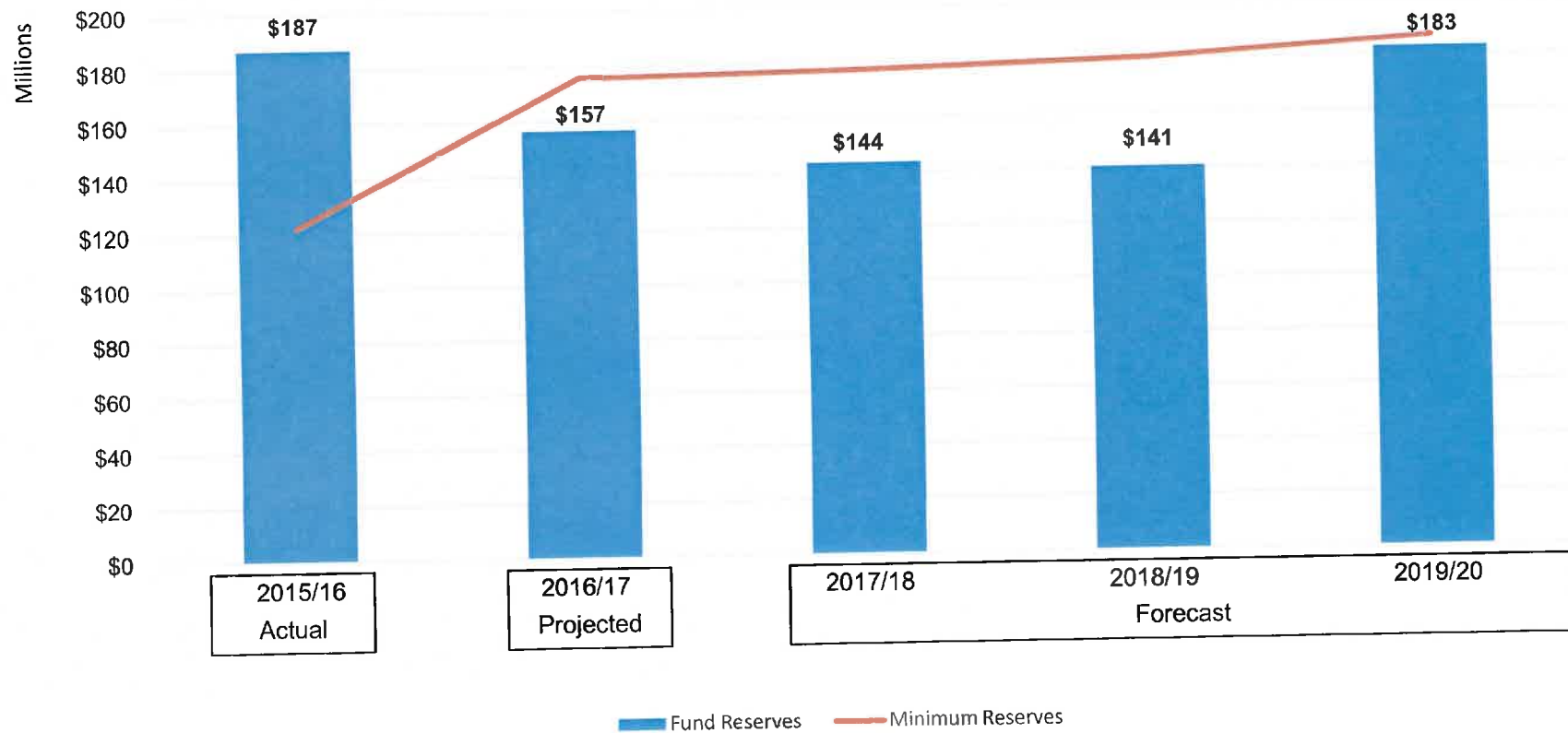
FY 2017/18
\$236.6M

FY 2018/19
\$251.5M



**Other Revenues include state loans, grants, interest revenue, and contract cost reimbursements*

Consolidated Fund Reserve



Questions?

The FYs 2017/18 and 2018/19 Budget is consistent with the Agency's business goal of fiscal responsibility

**ACTION
ITEM
2B**

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Finance, Legal and Administration Committee (6/14/17)

From: P. Joseph Grindstaff *CB for JG*
General Manager

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

JL #22 Javier Chagoyen-Lazaro
Manager of Finance and Accounting

Subject: Adoption of Resolution No. 2017-6-9, Establishing the Appropriation Limits for Fiscal Year 2017/18

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 2017-6-9, establishing the appropriation limits for Fiscal Year (FY) 2017/18.

BACKGROUND

A year after the adoption of Proposition 13 (People's Initiative to Limit Property Taxation), the State Legislation adopted Proposition 4 (Gann Limit Initiative) in November 1979 to place a limit (Appropriations Limit) on the amount of property tax proceeds that state and local government can authorize to expend (appropriate) during any fiscal year.

The purpose of Proposition 4 (1979), created under Article X111B of the California Constitution, and later amended by Proposition 111 (1990), was to hold government expenditures at their 1978-79 level, adjusted for changes in cost of living and population. Prop 111 reset the base year from 1978-79 to 1986-87 and allowed local jurisdictions to choose among measures of: population growth, inflation or per capita personal income tax (PIT) index.

Accordingly, the Agency's appropriations limit 1978-79 base year calculation was retroactively modified each year for changes in one of two factors. The Agency applies the population and PIT factors to calculate its annual appropriations limit (Exhibit II). For FY 2017/18, both factors

changed as follows: San Bernardino County population increased to 1.0116% from 0.93%, and the State of California PIT index decreased by 1.68% from 5.37% to 3.69%.

Based on the change in population and PIT index, the Agency's total Appropriation Limit for FY 2017/18 is \$178.0 million; an increase of \$8.3 million compared to \$169.7 million for the current fiscal year. The Agency's FY 2017/18 budget subject to the limit is \$46 million, equal to the projected amount of property tax proceeds; below the \$178.0 million appropriation limit. The calculation of the FY 2017/18 appropriation limit has been affirmed by the external auditors.

Prior to June 21, 2017, the required notice of the Board's intention to adopt the Agency's appropriation limits was posted for public review, and documentation of staff's determinations has been available for public review since that date. The required minimum 15-day notice has now been met.

Establishing the appropriation limits for FY 2017/18 is consistent with the *Agency's business goals of Fiscal Responsibility* in funding and appropriation.

PRIOR BOARD ACTION

On June 15, 2016, the Board of Directors adopted Resolution No. 2016-6-8, establishing the appropriation limits for FY 2016/17.

IMPACT ON BUDGET

The appropriation limits will not affect the Agency's proposed spending level or reserves, as the proposed expenditures are projected to be supported primarily by non-ad valorem tax revenue sources, such as user fees and rates. Expenses that will utilize tax revenue are expected to be well below the FY 2017/18 appropriation limit.

Attachment:
Resolution No. 2017-6-9

RESOLUTION NO. 2017-6-9

**RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND
EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY,
CALIFORNIA, ESTABLISHING APPROPRIATION LIMITS FOR
FISCAL YEAR 2017/18**

WHEREAS, on November 6, 1979, Proposition 4 on the ballot for the Special Election added Article XIII B to the Constitution, effective July 1, 1980, placing various limits on the fiscal powers of state and local governments;

WHEREAS, implementing legislation, Chapter 1205 Statutes of 1980 (SB 1352) became effective January 1, 1981, wherein the appropriation may increase each year by an amount equal to the percentage change in population from January to January each year and the lower of two price changes, i.e., either the U.S. March to March Consumer Price Index (CPI), or the fourth quarter per Capita Personal Income Index;

WHEREAS, Article XIII B and its implementing legislation were modified by Proposition 111 and SB88 (Chapter 60/90) to establish new annual adjustment factors beginning with the 1990/91 Appropriation Limits;

WHEREAS, Inland Empire Utilities Agency*, as a local government, is required under Article XIII B to annually establish an appropriation limit for the following fiscal year;

WHEREAS, Resolution No. 81-6-7 was adopted on June 24, 1981, setting forth definitions, declarations, findings, and determinations concerning the applicability of Article XIII B to the individual funds of the Agency;

WHEREAS, those definitions, declarations, findings, and determinations are modified as specifically provided herein;

WHEREAS, it is Inland Empire Utilities Agency's* intent to establish this year's Appropriation Limits, following the California League of Cities Uniform Guidelines dated March, 1991; and

WHEREAS, except for data on non-residential assessed valuation due to new construction (since 1986/87), data concerning per capita personal income and population changes necessary for determining the Fiscal Year 2017/18 Appropriation Limits are now available.

NOW, THEREFORE, the Inland Empire Utilities Agency* does hereby RESOLVE and DETERMINE as follows:

Section 1. The Board of Directors has determined to select the State of California Per Capita Personal Income as its inflation adjustment factor, in the absence of up-to-date data on non-residential assessed valuation. The Board reserves the right to change its selection of the inflation adjustment factor once the assessment data are available.

Section 2. The Board has determined to select the San Bernardino County's population growth (since 1986/87) as its population adjustment factor.

Section 3. Appropriation Limits. That pursuant to Section 7910 of the Government Code, the Board of Directors does hereby establish the following Appropriation Limits for Fiscal Year 2017/18 is \$178,006,894.

Section 4. Publication. Pursuant to Government Code Section 37200 the Appropriation Limits and the Total Appropriation Subject to Limitation will be published in the annual budget.

Section 5. Filing. That after a 45-day period to allow for public review and comment, the Board Secretary is hereby authorized and directed to file a certified copy of this Resolution with the State Auditor Controller.

Section 6. That upon adoption of this Resolution, Resolution No. 2016-6-8 is hereby rescinded in its entirety.

Adopted this 21st day of June, 2017

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

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)

*A Municipal Water District

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. 2017-6-9, was adopted at a regular meeting on June 21, 2017, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPROPRIATION LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the GANN Initiative or GANN Limit, was adopted by California voters in 1980 and placed limits on the amount of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978-1979 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriation Limit is to be calculated.

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of the State of California per capita income or U.S. CPI, each agency may choose either the growth in the State of California per capita income or the growth in assessed valuation due to new non-residential construction within the agency service area. For population, each agency may choose to use the population growth within its county instead of using only the population growth of an agency's service area. These are both annual elections.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote. In certain situation, proceeds of taxes may be spent on emergencies without having to reduce the limit in the future years. Each agency must now conduct a review of its Appropriation Limit during its annual financial audits.

The legislation also requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Inland Empire Utility Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for the Fiscal Year 2017/18 are the change in the State of California per capita personal income and the change in the San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last five years and for FY 2017/18. The change in the limit is based upon population change of 1.01% within the county and a per capita personal income change of 3.69%, as provided by the State Department of Finance.

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2012/13	\$140,911,109	\$ 32,607,254
2013/14	\$149,385,503	\$ 33,351,677
2014/15	\$150,204,136	\$ 40,203,474
2015/16	\$159,570,580	\$ 41,156,629
2016/17	\$169,703,311	\$ 44,704,800
2017/18	\$178,006,894	\$ 46,046,000

Since the implementation of this legislation (effective 1981 then modified in 1990), Inland Empire Utilities Agency has annually established and adopted an appropriation limit and has been in compliance.

INLAND EMPIRE UTILITIES AGENCY
Proposed Budget Fiscal Year 2017/18
Appropriations Limit Calculation

	Agency Total
2016/17 Appropriations Limit	\$169,703,311
2017/18 Change in Per Capital Personal income 1.03690	
2017/18 Change in Population 1.01160	
Ratio of Change (1.03690 x 1.01160)	1.04893
2017/18 APPROPRIATIONS LIMIT	\$178,006,894

	Agency Total
Total Expenses	\$145,170,074
Net Change in Capital Outlay	69,150,198
Debt Service	<u>22,043,492</u>
Subtotal of Appropriations	\$236,363,764
Increase/(Decrease) in Working Capital Reserves	<u>(12,736,040)</u>
Total Appropriations	\$223,627,724
Less: Non-Tax Proceeds	<u>(177,581,724)</u>
APPROPRIATIONS SUBJECT TO LIMITATION	\$46,046,000

**ACTION
ITEM**

2C

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Finance, Legal, and Administration Committee (6/14/17)

From: P. Joseph Grindstaff *cb for JG*
General Manager

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

JL Javier Chagoyen-Lazaro
Manager of Finance and Accounting

Subject: Adoption of Resolution No. 2017-6-11, Approving the Santa Ana Watershed Project Authority Adopted Budget for Fiscal Years 2017/18 and 2018/19

RECOMMENDATION

It is recommended that the Board of Directors:

1. Ratify the Santa Ana Watershed Project Authority (SAWPA) adopted budget for Fiscal Years (FYs) 2017/18 and 2018/19, as submitted; and
2. Adopt Resolution No. 2017-6-11, approving the SAWPA general and specific project budgets for FYs 2017/18 and 2018/19.

BACKGROUND

The FYs 2017/18 and 2018/19 budget was presented to the SAWPA member agencies' chief financial officers on February 16, 2017 and at the SAWPA Commission budget workshop on May 16, 2017.

On May 16, 2017, the SAWPA Commission adopted a biennial budget for FYs 2017/18 and 2018/19.

The total proposed budget for member contributions to support planning projects and administrative support for FY 2017/18 increased slightly from the FY 2016/17 amended budget, \$1,439,307 to \$1,442,117 for all members; an increase of \$2,810 per member.

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

Table 1 provides a summary of the adopted member agency's share of contributions for the two-year budgets (FYs 2017/18 and FY 2018/19) compared to the amended budget for FY 2016/17 by project:

**Table 1
 Member Agency Contribution Budget**

PROJECT PLANNING	Adopted Two-Year Budget		
	Amended FY 2016/17	FY 2017/18	FY 2018/19
General Planning	\$350,000	\$356,000	\$356,000
USBR Partnership Studies	20,000	20,000	20,000
Watershed Management Plan (OWOW)	300,000	400,000	425,000
SA Fish Conservation Task Force	10,000	10,000	10,000
RWQ Monitoring Task Force	50,000	-	-
LESJWA Management	10,000	10,000	10,000
Subtotal	\$740,000	\$796,000	\$821,000
ADMINISTRATION			
State/Federal Lobbying	\$249,307	\$196,117	\$200,695
General Fund Costs	450,000	450,000	450,000
Subtotal	\$699,307	\$646,117	\$650,695
Total Member Agency Contribution	\$1,439,307	\$1,442,117	\$1,471,695
Per Member Agency	<u>\$287,861</u>	<u>\$288,423</u>	<u>\$294,339</u>

PRIOR BOARD ACTION

On June 17, 2015, the IEUA Board of Directors adopted Resolution No. 2015-6-2, approving the adopted general and specific project budgets for SAWPA's adopted two-year budgets (FYs 2015/16 and 2016/17).

The adopted budgets were ratified by the IEUA Board on June 17, 2015.

Adoption of Resolution No. 2017-6-11

June 21, 2017

Page 3 of 3

IMPACT ON BUDGET

The Agency's share of SAWPA's FYs 2017/18 and 2018/19 member contribution adopted budget of \$288,423 and \$294,339, respectively, are included in the Agency's proposed biennial budget of the Administrative Services, Recycled Water, Water Resources, and Regional Wastewater Operations and Maintenance program funds.

Attachments:

Attachment A – Member Agency Contribution Budget

Attachment B – Resolution No. 2017-6-11

**Attachment A
Member Agency Contribution Budget**



MEMBER CONTRIBUTION
Summary Schedule

		<i>Adopted</i>	<i>Proposed</i>	<i>Proposed</i>
		<u>FYE 2017</u>	<u>FYE 2018</u>	<u>FYE 2019</u>
Member Agency Contributions				
<u>Exempt from G&A Costs</u>				
	<u>Funds</u>			
SAWPA General Funds	100-00	\$ 450,000	\$ 450,000	\$ 450,000
State Lobbying	100-03	\$ 223,005	\$ 181,154	\$ 184,980
Federal Lobbying	100-04	\$ 26,302	\$ 14,962	\$ 15,715
		<u>\$ 699,307</u>	<u>\$ 646,117</u>	<u>\$ 650,695</u>
<u>Planning Projects</u>				
General Planning	370-01	\$ 350,000	\$ 356,000	\$ 356,000
USBR Partnership Studies	370-02	\$ 20,000	\$ 20,000	\$ 20,000
Watershed Management (OWOW)	373	\$ 300,000	\$ 400,000	\$ 425,000
SA River Fish Conservation	381	\$ 10,000	\$ 10,000	\$ 10,000
RWQ Monitoring Task Force	386	\$ 50,000	\$ -	\$ -
LESJWA Management	477	\$ 10,000	\$ 10,000	\$ 10,000
		<u>\$ 740,000</u>	<u>\$ 796,000</u>	<u>\$ 821,000</u>
Total Member Agency Contributions		\$ 1,439,307	\$ 1,442,117	\$ 1,471,695
Per Member Agency		<u>\$ 287,861</u>	<u>\$ 288,423</u>	<u>\$ 294,339</u>

RESOLUTION NO. 2017-6-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA WATERSHED PROJECT AUTHORITY FOR FISCAL YEAR 2017/18 and FISCAL YEAR 2018/19

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

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

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Inland Empire Utilities Agency hereby approves SAWPA's Fiscal Year (FY) 2017/18 and Fiscal Year 2018/19 Budget, directs the Board Secretary to send a certified copy of this Resolution to SAWPA, and authorizes payment to SAWPA of the member agency contribution for \$288,423 (FY 2017/18) and \$294,339 (FY 2018/19).

ADOPTED this 21st day of June 2017.

Stephen J. Elie
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

Jasmin A. Hall
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2017-6-11 was adopted
at a regular meeting on June 21, 2017, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

**ACTION
ITEM**

2D

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Finance and Administration Committee (6/14/17)

From: P. Joseph Grindstaff *CB*
General Manager

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

Jason Gu *JGC*
Grants Officer

Subject: Adoption of Resolution No. 2017-6-13 to Execute SWRCB Proposition 1
Financing Agreement for the Chino Basin Improvement and Groundwater
Clean-up Project

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 2017-6-13, authorizing the General Manager or his/her designee to file the Groundwater Quality Grant application and execute the grant agreement received from the State Water Resources Control Board (SWRCB) for the Chino Basin Improvement and Groundwater Clean-up Project (Project).

BACKGROUND

Since 2012, the Inland Empire Utilities Agency (IEUA) has been working with the Regional Water Quality Control Board (RWQCB), the city of Ontario, the city of Upland, private and public companies, and the U.S. government to develop a solution to the groundwater contamination known as the South Archibald TCE Plume. IEUA staff also worked with the Chino Basin Desalter Authority (CDA) for a permanent treatment solution that capitalizes on the existing CDA construction and assets already in use with some modifications. As result of this effort, a stipulated Abatement Order was issued.

In May 2016, IEUA applied for the Proposition 1 Groundwater Quality Grant for the clean-up of the Project. SWRCB, RWQCB, IEUA, and regional stakeholders met regarding the importance of the Project to the region. Subsequently, IEUA hosted a site visit for SWRCB, RWQCB and local stakeholders to visit the areas that have been affected by the plume and where the clean-up facilities will be built.

In March 2017, the SWRCB awarded a \$11,377,018 Groundwater Quality Grant to IEUA for the construction of facilities that will cleanup and prevent the spread of the South Archibald TCE Plume. SWRCB requires that the Board adopt a resolution authorizing the General Manager or his designee to execute the financing agreement and to carry out all compliance requirements of the grant.

The Project demonstrates the integrated regional approach for groundwater supply optimization by meeting the region's need to develop reliable, drought-proof and diverse local water resources to reduce dependence on imported water supplies. Once the facilities are built, the cleanup process is estimated to enhance local drinking water supplies by 6,813 acre feet per year.

PRIOR BOARD ACTION

On August 17, 2016, the Board approved the Settlement and Cleanup and Abatement Order R8-2016-0016 between the RP-1 Parties and the Companies.

On June 17, 2015, the Board approved a Joint Facility Development Agreement between RP-1 Parties and CDA, as well as a Cost Sharing Agreement between RP-1 Parties.

On March 18, 2015, the Board approved a term sheet outlining conditions for the Joint Facility Development Agreement between IEUA, the city of Ontario, the city of Upland, and CDA.

On May 15, 2013, the Board approved a Memorandum of Understanding between, IEUA, the city of Ontario, the city of Upland, Jurupa Community Services District, Western Municipal Services District, and the CDA to collaboratively develop a project to address the South Archibald plume.

IMPACT ON BUDGET

IEUA's portion of the total Project cost is \$15,901,524. IEUA's FY 2017/18 TYCIP approved \$17,294,171 for Project No. EN16021. The TYCIP budget is supported by a total of \$16,877,018 in grants secured from the following agencies:

1. \$11,377,018 Prop 1 Groundwater Quality Grant received from the SWRCB,
2. \$1,100,000 contribution from the United States, through a successful negotiation,
3. \$1,400,000 contribution from private companies through a successful negotiation, and
4. \$3,000,000 Title XVI grant from the Department of Interior, Bureau of Reclamation.

RESOLUTION NO. 2017-6-13

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN
BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING
ENTERING INTO A PROPOSITION 1 GRANT FOR THE
CHINO BASIN IMPROVEMENT AND GROUNDWATER
CLEAN-UP PROJECT**

BE IT RESOLVED, by the Board of Directors of the Inland Empire Utilities Agency (IEUA) that the General Manager, or in his/her absence, his/her designees, is hereby authorized and directed to sign and file, for and on behalf of the IEUA, a financial assistance application for a Proposition 1 grant funding agreement with the State Water Resources Control Board for the implementation of the Chino Basin Improvements and Groundwater Clean-up Project;

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

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

ADOPTED this 21st day of June, 2017.

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

ATTEST:

Jasmin A. Hall, Secretary/Treasurer of the
Inland Empire Utilities Agency* and of the
Board of Directors thereof

* A Municipal Water District

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution No. 2017-6-13 was adopted at a regular
meeting on June 21, 2017 of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall, Secretary/Treasurer

(SEAL)

* A Municipal Water District



State Water Resources Control Board

MAR 30 2017

P. Joseph Grindstaff
Inland Empire Utilities Agency
6075 Kimball Avenue
Chino, CA 91708

PROPOSITION 1 GROUNDWATER GRANT FUNDING PRELIMINARY AWARD; INLAND EMPIRE UTILITIES AGENCY (IEUA); CHINO BASIN IMPROVEMENT AND GROUNDWATER CLEAN-UP PROJECT (PROJECT) (FAAST #37386)

Dear Mr. Grindstaff:

Congratulations! By this letter, I am approving the funding for IEUA's Project, as described below, through the Proposition 1 Groundwater Grant Program (GWGP). This implementation project is approved for funding with a preliminary grant award of up to \$11,377,018.

The Project includes a funding request to begin remediation activities of the South Archibald trichloroethylene (TCE) Plume and prevent nitrates from impacting the Santa Ana River. The Project includes:

1. Construction of extraction well CDA Well II-12 within the vicinity of the more concentrated TCE area of the Plume;
2. Construction of approximately five (5) miles of volatile organic compound (VOC) raw water pipeline to convey contaminated groundwater to the Chino Desalter Authority (CDA) II Facility;
3. Modification of water piping from existing desalter well CDA I-11 to connect to the VOC raw water pipeline for additional groundwater volume due to the cleanup of VOCs;
4. Installation of one (1) onsite and one (1) offsite monitoring well to monitor the performance of the remediation; and
5. Modification/replacement of up to three (3) existing decarbonators at the CDA II Facility, for treatment of VOC contaminated groundwater.

The Project is an eligible implementation project that would cleanup and prevent the spread of contamination to an aquifer that serves as a source of drinking water. The Project has been reviewed by technical experts from the State Water Resources Control Board (State Water Board), the Santa Ana Regional Water Quality Control Board (Regional Board), and the Department of Toxic Substances Control (DTSC). The technical experts concur that the Project should achieve its stated objectives. The Project, therefore, is considered eligible for the full funding amount, per the GWGP Funding Guidelines, adopted by the State Water Board (Resolution No. 2016-0028).

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1011 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.gov

Erin Crandall has been assigned as the State Water Board, Division of Financial Assistance's (Division) Grant Manager for this Project. You will receive information related to roles and responsibilities, grant agreement development, invoicing, deliverables, performance measures, reporting requirements and due dates at a future date from an assigned Program Analyst. Division staff will develop a timeline to ensure the conditions and appropriate comments are addressed prior to or during execution of the final grant agreement. We encourage your prompt response to any requests from our staff, since unreasonable delays or failure to respond could result in withdrawal of this grant award.

Your grant award is preliminary and conditioned on the successful negotiation of an agreement. The agreement process will begin with the finalization of a scope of work and budget that is acceptable to the Division's Deputy Director. The scope of work will be based on the proposal submitted with the Final Application, but changes to the scope of work and budget may be required as part of the grant agreement negotiation process. Division staff have identified the following items based on the technical review of the Final Application that will be discussed during agreement negotiation and may need to be included in the scope of work:

1. Provide permitting information and details of the site access agreement for CDA Well II-12.
2. Provide more information on the nature of the operation and maintenance (O&M) costs, and the incremental increase that the project would incur to the existing CDA activities.
3. Start dates, end dates, and duration of tasks and subtasks listed in the scope of work did not match those on the schedule; provide a consistent scope of work and schedule that reflects the current state of the project status.
4. Provide a description of the likelihood and contingency plan if it is necessary for a redesign of the CDA Desalter II facility, to accommodate possible higher concentrations of TCE and to maintain the proposed removal efficiency of the treatment system.

We look forward to working with you on this project.

Please contact the assigned Grant Manager, Erin Crandall, with any questions at (916) 319-8263, or Erin.Crandall@waterboards.ca.gov.

Sincerely,



Leslie S. Laudon, Deputy Director
Division of Financial Assistance

Cc: See next page

Cc: Joe Karkoski, Division of Financial Assistance
Joe.Karkoski@Waterboards.ca.gov

Robert Reeves, Division of Financial Assistance
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Sean McCarthy, Division of Drinking Water
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Mark Wildermuth, WEI
Mwildermuth@weewater.com

Groundwater Quality Grant Award State Water Resources Control Board



South Archibald Plume Clean-up Project

Background

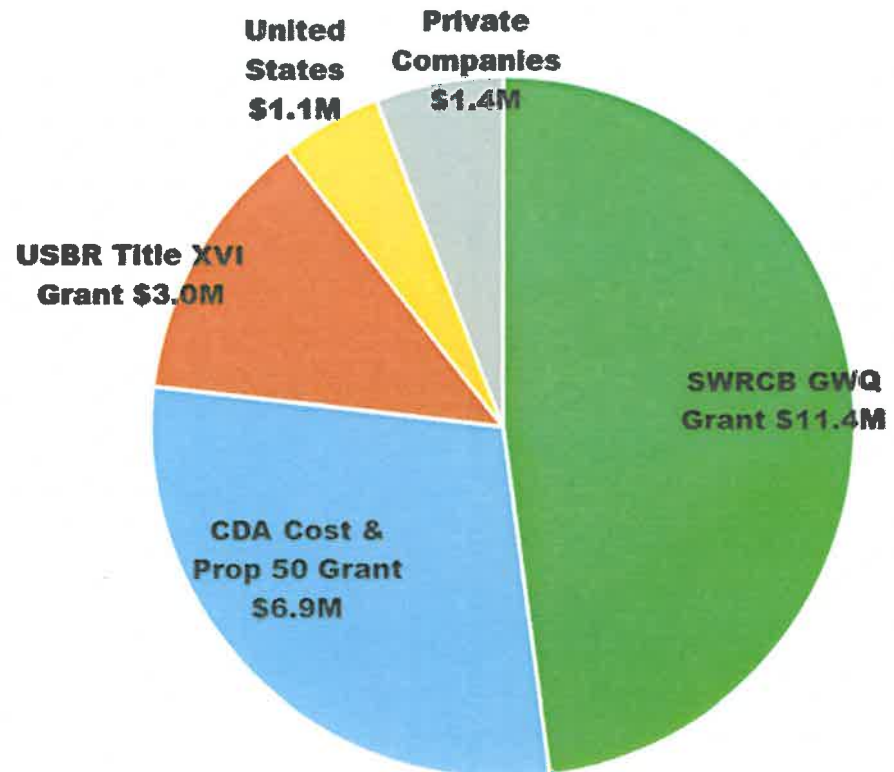
- Prop 1, Groundwater Quality Grant Program
- Grant application was submitted - 2016
- Site visit and negotiation of scope/eligibility
- Grant award of \$11,377,018 received 2017

Objectives

- Clean up the TCE plume
- Prevent the TCE plume from spreading
- Construct the cleanup facilities
- Leverage CDA Expansion construction
- Leverage Federal and State grant funding
- Increase local water supplies by more than 6,800 AFY

Grants and Other funding

- Total budget - \$22.8M
- CDA \$6.9M
- GWQ Grant \$11.4M
- Title XVI Grant \$3M
- United States \$1.1M
- Private Companies \$1.4M



Recommendation

- Adopt Resolution No. 2017-6-13, authorizing the General Manager or his/her designee to file the Groundwater Quality Grant application and execute the grant agreement received from the SWRCB for the Chino Basin Improvements and Groundwater Clean-up Project.

This action supports the Agency's mission of promoting sustainable use of groundwater and increasing the local water supply. It is also consistent with the Agency's mission of pursuing grants and low-interest financing.


**ACTION
ITEM**


2E


Date: June 21, 2017

To: The Honorable Board of Directors

Through: Finance and Administration Committee (6/14/17)

From: P. Joseph Grindstaff 
General Manager

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

Warren T. Green 
Manager of Contracts & Procurement

Subject: Agency-wide Insurance Policies for FY 2017/18

RECOMMENDATION

It is recommended that the Board of Directors authorize the purchase of the following Agency-wide insurance policies with an effective date of July 1, 2017, providing coverage through July 1, 2018 for the not-to-exceed budgeted amount of \$843,000:

General Liability: Provides third party liability coverage for bodily injury and property damage for up to \$20,000,000 per policy year;

Automobile Liability: Covers losses to other parties for bodily injury and property damage caused by Agency vehicles for up to \$20,000,000 per accident;

Public Entity Errors and Omissions: Provides a minimum of \$20,000,000 per policy year of protection against claims for damages arising from the negligent acts, errors, and omissions of the Board of Directors and/or Agency staff acting within their professional capacity;

Property, Boiler and Machinery: Provides insurance protection resulting from damage and destruction of property through the California Sanitation Risk Management Authority (CSRMA) Property Program, with a deductible level of \$25,000; and

Excess Workers' Compensation and Employer's Liability: Provides coverage against bodily injury and illness to employees in the scope of their employment insurance, with a Self-Insured Retention (SIR) of \$1,000,000.

BACKGROUND

In effort to provide the Board of Directors with a comprehensive insurance package, each year staff pursues and presents an insurance package of the major policies with an effective date of July 1. Alliant Insurance Services, Inc. (Alliant), the Agency's insurance broker, works closely with staff in aggressively and competitively marketing various options for the purchase of these policies with insurance carriers. Several carriers engage with our broker to review the Agency's underwriting and risk profile information, in support of providing the actual binding quotations.

1. GENERAL, AUTO, AND ERRORS & OMISSIONS

The Agency's previous excess general, automobile, and public entity errors and omissions liability insurance will expire on July 1, 2017. For the last ten years, the Agency has purchased these policies from the Insurance Company of the State of Pennsylvania as they have consistently offered the most competitive rate and coverage. The Agency will receive and review quotes from other insurance carriers; all carriers, including the incumbent, generally offer multi-layered excess policy programs.

The Agency received notice from the incumbent carrier that they were going to offer a renewal option, however they were increasing the Self-Insured Retention (SIR) to \$3,000,000 from the previous level of \$1,000,000. While the Agency has been successful in defending related claims, the level of activity and claims exceeding the SIR in recent years will have an impact on the renewal rates. They did not identify if there was a going to be a break in the premium, even so, Alliant will continue to aggressively market the Agency's insurance program.

The renewal premium for the new policy period is expected to be within the budgeted amount of \$422,000.

Additionally, staff initiated discussion with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA). During this initial process, staff was able to secure preliminary estimates on their various programs. The information received was beneficial, however due to the timing associated with processing an official application and their comprehensive review for acceptance, we could not meet the July 1, 2017 deadline. Staff will pursue this option in the upcoming year to ensure sufficient time is given. Participation in the ACWA JPIA program does require membership by the Agency, regular involvement and participation from staff, as well as one of the Agency's Board of Directors to serve as a representative on the JPIA Board.

2. PROPERTY, BOILER AND MACHINERY INSURANCE PURCHASE

For several years, the Agency has purchased property, boiler and machinery insurance through the California Sanitation Risk Management Authority (CSRMA) Property Program. The Agency's participation in this program is as a stand-alone member and not as a participant in a pool. Participation in the CSRMA program allows the Agency to obtain group premiums without having to participate in a risk sharing pool. The Agency's loss exposure is only determined by actual losses incurred by the Agency.

Under the expiring policy, should the Agency experience a loss of property, inventory or data processing equipment that exceeds \$25,000, such items will be replaced or repaired. Additionally, the policy provides coverage for lost or damaged accounts receivables and valuable papers. The policy does not provide coverage for earthquake damage or losses due to terrorism.

The Agency's policy through CSRMA also provides for boiler and machinery coverage. This coverage includes the replacement or repair of equipment such as centrifuges, electric panels, compressors, pumps, etc., in the event of a sudden and unforeseen breakdown. Breakdowns as a result of a lack of scheduled maintenance would not be covered. The boiler and machinery policy provides up to \$10,000,000 of coverage, after the Agency's per occurrence deductible of \$25,000. There were no insurable losses within the 2016/17 policy year. As with our property policy, the boiler and machinery policy does not provide coverage for earthquake damage or losses due to terrorism. The Agency's Total Insured Value (TIV) slightly increased from \$522,218,910 to \$527,500,000.

The renewal premium for the new policy period is expected to be within the budgeted amount of \$361,000.

3. EXCESS WORKERS' COMPENSATION INSURANCE PURCHASE

The Agency self-insures its workers' compensation program for the first \$1,000,000. Excess insurance is purchased to cover any claims that exceed \$1,000,000. To date, the Agency has not incurred a workers' compensation claim in excess of \$250,000, nor has had an employer liability claim. However, given the types of gases, chemicals and equipment utilized at Agency facilities, it is possible that the Agency could incur a claim that would exceed the Agency's current \$1,000,000 SIR. To mitigate this risk, the Agency has purchased Excess Workers' Compensation from Midlands Insurance (Midlands), for the past three policy years which offers the most competitive coverage.

The premium for the new Excess Workers' Compensation policy is expected to be within the budgeted amount of \$60,000.

A comparison of the FY 2016/17 insurance policy premiums and FY 2017/18 budget is outlined in the following table:

Policy	Expired Policy Premium for 2016/17	Budget for 2017/18
General, Auto, and Errors & Omissions	\$375,500	\$422,000
Property, Boiler & Machinery	\$252,139	\$361,000
Excess Workers' Compensation	\$50,005	\$60,000
Total	\$677,644	\$843,000

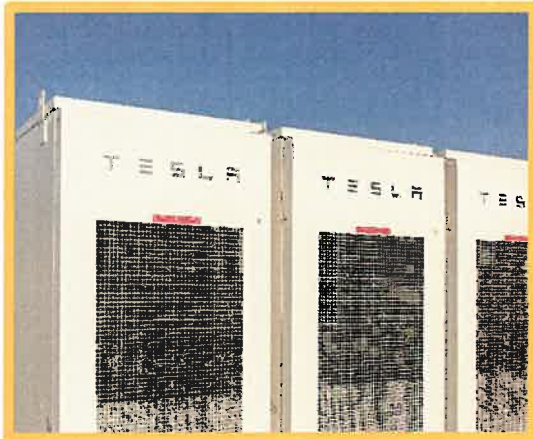
PRIOR BOARD ACTION

On July 20, 2016, the Board ratified the purchase of general liability, auto liability property, boiler and machinery, public entity and omissions, and excess workers' compensation coverage for FY 2016/17 for a total premium of \$677,644.

IMPACT ON BUDGET

Total budget of \$843,000 for insurance coverage is included in the Administrative Services (GG) fund FY 2017/18 Budget.

Agency-wide Insurance



Major Insurance Policies (Excess)

- **Liability**
 - General
 - 3rd Party coverage for bodily injury and property damage
 - Automobile
 - Coverage for bodily injury and property damage caused by Agency vehicles
 - Public Entity Errors & Omissions
 - Coverage for damages arising out of negligent acts, errors and omissions of Agency
- **Casualty**
 - Property
 - Coverage for destruction or damage to property, buildings, etc.
 - Boiler & Machinery
 - Coverage of equipment within the Agency's facilities
- **Workers' Compensation/Employer's Liability**
 - Coverage for bodily injury and illness to employees in the scope of employment

Liability Insurance

- Up to \$20,000,000 in coverage
- Self-Insured Retention (SIR) per Claim
 - Currently \$1,000,000 (IEUA responsible)
 - May be increased to \$3,000,000 as a result of claims activity
- Expiring Policy Premium \$375,500
- Premium based on operating budget, operating exposures, loss history
- FY 17/18 Budget: \$422,000

Casualty Insurance

- Up to \$1,000,000,000 in coverage
- Self-Insured Retention (SIR) per Claim
 - \$25,000 (IEUA responsible)
- Total Insured Value (TIV) for FY 17/18
 - \$527,500,000
- Expiring Policy Premium: \$252,139
- Premium based on assets, operations, loss history, TIV
- FY 17/18 Budget: \$361,000

Workers' Compensation Insurance

- Up to \$25,000,000 in coverage
- Self-Insured Retention (SIR) per Claim
 - \$1,000,000 (IEUA responsible)
- Expiring Policy Premium: \$50,005
- Premium based on total wages, loss history
- FY 17/18 Budget: \$60,000

Recommendation

- It is recommended that the Board of Directors authorize the purchase of the following Agency-wide insurance policies with an effective date of July 1, 2017, providing coverage through July 1, 2018, for the not-to-exceed budgeted amount of \$843,000:
 - General Liability
 - Auto Liability
 - Public Entity Errors and Omissions
 - Property, Boiler and Machinery
 - Excess Workers' Compensation and Employer's Liability

**ACTION
ITEM**

2F

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Finance & Administration Committee (6/14/17)

From: P. Joseph Grindstaff *PJG*
General Manager

Submitted by: Randy Lee *CL for R. Lee*
Executive Manager of Operations/Assistant General Manager

Al VanBreukelen *CL for A. VanBreukelen*
Deputy Manager of Maintenance

Subject: Purchase of New Vehicles

RECOMMENDATION

It is recommended that the Board of Directors authorize the purchase of 15 to 19 vehicles, including a passenger van, plug-in hybrids and utility trucks; for a combined, not-to-exceed price of \$558,905, including extended warranties, taxes, fees, and delivery charges through the informal bid process and/or negotiated procurements with local dealerships.

BACKGROUND

The Agency's 108 fleet vehicles and rolling equipment have been acquired to service the 242-square mile service area that includes eight major facilities, six lift stations, 17 wells, 16 basins, and six turnouts. The Agency's office staff uses fleet vehicles to conduct Agency-related business. To ensure fleet reliability and the timely phase-in of replacement vehicles, the Agency's vehicle policy provides (as a guideline) for the replacement of utility vehicles after ten years or 100,000 miles of service. In accordance with this policy, staff has recommended that 15 to 19 Agency vehicles be replaced. Since 2007, the Agency had purposely deferred the purchase of replacement fleet vehicles due to Agency cost containment, and opted to postpone replacing them until such time when economic recovery proved more conducive for budgeting the replacement of these aging vehicles. Meanwhile, staff has also closely monitored the Agency's rising vehicle repair costs as a direct result from aging and accumulating wear and tear, and had identified 15 to 19 fleet vehicles for replacement. The vehicles proposed to be replaced are between 10 to 13 years old.

Since 2003, the vehicle procurement strategy has been to obtain the Board's advance authorization to negotiate and purchase vehicles off-the-lot. This strategy has proven extremely successful,

resulting in the Agency obtaining numerous model year-end, as well as, new model year vehicles that are essentially immediately available for delivery and purchased at exceptionally attractive prices. By obtaining pre-approval, staff is afforded the flexibility to leverage the Agency's purchasing power by negotiating on-the-spot deals with local dealerships anxious to move excess inventory, slow moving models, etc. The result of the added flexibility is that the needed vehicles can be purchased and placed into service without delay, while still securing highly-advantageous prices and terms.

The purchase of the new vehicles aligns with the Agency's environmental stewardship goal to enhance and promote environmental sustainability.

PRIOR BOARD ACTION

On June 15, 2016, the Board approved staff's prior-year recommendation for Project EP17004 Agency-wide Vehicle Replacement, authorizing the purchase of replacement Agency vehicles through the standard procurement process.

IMPACT ON BUDGET

If approved, the combined expenditure associated with this request not exceeding \$558,905 is within the total project budget of \$600,000 for Project EP17004, included in the FY 2016/17 Administrative Services fund budget.

INFORMATION

ITEM

3A

Date: June 21, 2017

To: The Honorable Board of Directors

Through: Finance and Administration Committee (6/14/17)

From: P. Joseph Grindstaff *PJG*
General Manager

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

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

Subject: Fiscal Year 2016/17 Third 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 third quarter ending March 31, 2017, 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.
- 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 funds.

TOTAL REVENUES AND OTHER FUNDING SOURCES

Overall, the Agency received total revenues and other funding sources during the third quarter of FY 2016/17 of \$149.1 million, or 66.0% of the amended budget (Exhibit A detail). The following section highlights key variances:

- **Recycled Water Sales** – Recycled water sales at the end of third quarter were \$10.3 million, or 65.6% of the amended budget. Direct sales were \$5.9 million at 12,848 acre feet (AF) and groundwater recharge sales were \$4.4 million at 8,458 AF. Total year to date deliveries of 21,306 AF compared to the 37,100 AF budgeted for the fiscal year accounting for the favorable variance. Recycled water sales are approximately 10% lower than the same period in the prior year, mainly due to a wet winter season. Sales demand for direct use and groundwater recharge varies depending on weather pattern, water use conservation efforts, reuse supply, and basin availability. Annual AF sales are currently projected to be approximately 32,400 AF.
- **MWD Imported Water Sales** – Total Metropolitan Water District (MWD) pass-through imported water revenue was \$20.0 million or 69.9% of amended budget. A total of 28,857 AF of pass through water was delivered compared to 50,000 AF budgeted for the fiscal year. The slight variance can be attributed to lower demands due to a wet winter and a two-month deferment of service from a primary wholesale customer due to capital improvements at its treatment facility. However, total AF passed through is higher than the previous year's third quarter pass through amount of 20,790 AF.
- **MWD LPP Rebate** – Direct recycled water sales in excess of 3,500 AF and up to 17,000 AF are eligible for the 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 through the third quarter of the fiscal year totaled \$1.7 million for delivery of 10,198 AF. The MWD LPP rebate is set to expire at the end of June 2017.
- **Property Taxes** – Property tax receipts of \$26.9 million, or 60.3% of amended budget were collected beginning in November 2016 through the end of the third quarter. This includes \$18.4 million of general ad-valorem property tax from San Bernardino County, \$961,173 extra-territorial tax and \$7.6 million received from pass through agreements with former redevelopment agencies. Cumulative taxes received from the county through the third quarter are 6.1% higher compared to taxes received through March last year.
- **Wastewater/ Water Connection Fees** – Total connection fee receipts were \$20.0 million, or 99.9% of the amended budget. This category includes \$17.4 million for 3,002 new EDU connections through March 2016, compared to the 3,000 new EDU budgeted for the fiscal year. New EDU connections reflect 55% 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 third quarter was \$2.7 million, or 92.3% of budget, for 3,176 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 March were \$10.4 million, or 37.1% of the amended budget. \$10.2 million of the receipts are pass-through receipts to Chino Basin Desalter Authority for the South Archibald Trichlorethylene (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. Lower SRF loan proceeds can be attributed to the SWRCB's delayed processing of re-classification of existing loans. A resolution to clarify liens and pledges was approved by the SWRCB in October 2016 however, negotiations are still ongoing regarding reserve requirements. SRF loan proceeds are expected in the fourth quarter for the Water Quality Lab and Wineville projects.
- **Other Revenues** – Total other revenues were \$1.6 million, or 19.2% of the \$8.2 million amended budget. The receipts include \$0.7 million from lease revenue and energy rebates, and \$0.9 million in project reimbursements. Delays in the reimbursable projects from recycled water and recharge water programs accounted for the lower revenue.

TOTAL EXPENSES AND USES OF FUNDS

The Agency's total expenses and uses of funds through the third quarter were \$175.2 million, or 72.7% 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.

Key expense variance highlights are:

- **Employment Expenses** – Employment expenses were \$32.4 million or 76.0% of the amended budget. This slightly unfavorable variance reflects higher O&M labor expense due to lower capital and special project related labor costs currently at 55.3% of budget. The category also includes \$5.2 million of expense for other post-employment benefits and retirement unfunded accrued liability, budgeted at \$7 million. In addition, the Agency currently employs 19 limited term employees, compared to the adopted staffing plan of 17 limited term positions. The cost of these additional positions is offset by a higher than anticipated vacancy factor of 8.6%, equivalent to 25 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 \$4.7 million, or 41.2% of the amended budget. The positive variance can be attributed to the timing of contracts and services that were deferred or will not be utilized this fiscal year. Services for work performed by outside contractors that will be performed this year are for items such as the Long-Range Plan of Finance, dig alert notifications, and repairs for various items at RP-5.
- **Utilities** – Expenses in this category were \$5.7 million or 50.9% of the amended budget. *Electricity* expense showed an unfavorable variance of 78.5% of the amended budget, or \$4.9 million of expenses. Usage was 51.2 million kilowatt hours (kWh) through the end of the third quarter. The annual Agency average is approximately 70.0 million kWh. Electricity usage is higher than budgeted because the fuel cell has been offline since July 2016 and electricity has been purchased from Southern California Edison to make up for the loss in fuel cell production. Natural gas usage was lower, also due to the fuel cell, partially offsetting the higher electricity costs. Natural gas usage was 48,459 therms through the end of the third quarter, at an average rate of \$0.928/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 and reimbursable project costs were \$12.3 million or 36.5% of the amended budget. The favorable variance is mainly due to lower spending for the Santa Ana River Conservation & Conjunction Use Program (SARCCUP) and other conservation projects, various planning documents, and other emergency and safety operations projects.
- **Capital Projects** – Total capital project expenditures were \$17.9 million or 29.7% of the amended budget of \$60.4 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 third quarter were \$13.7 million and \$37.0 million, respectively. Recycled water capital projects accounted for \$2.2 million of expenditures, compared to \$13.5 million budget.
- **Debt Service** – Total principal, interest, and financial expenses for the third quarter were \$64.0 million or 290.8% of the amended budget. Included in actual costs is the Board authorized cash pay down of \$50 million for the 2008A bond partial refunding and refinancing. This option was not originally included in the budget consequently triggering the unfavorable variance. Included in category expense is \$7.5 million of other principal payments for various SRF loans and other bonds and \$6.5 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 third quarter indicated a decrease of \$26.1 million in the total fund balance, resulting in an ending fund balance of \$161.0 million. Debt refinancing payments of \$50 million for the 2008A bonds contributes to the reduction. Table 3 provides an overview of the third quarter budget variance in revenue, expense and fund balance.

Table 3: Third Quarter Revenues, Expenses and Fund Balance (\$Millions)

Operating	FY 2016/17 Amended Budget	Third Quarter Ended 3/31/17	Actual % of Amended Budget
Operating Revenue	\$126.8	\$91.3	72.0%
Operating Expense	\$158.5	\$92.9	58.7%
Operating Net Increase/(Decrease)	(\$31.7)	(\$1.6)	
Non- Operating			
Non-Operating Revenue	\$99.0	\$57.8	58.4%
Non-Operating Expense	\$82.6	\$82.3	99.6%
Non-Operating Net Increase/(Decrease)	\$16.4	(\$24.5)	
Consolidated	FY 2016/17 Amended Budget	Third Quarter Ended 3/31/17	Actual % of Amended Budget
Total Sources of Funds	\$225.8	\$149.1	66.0%
Total Uses of Funds	\$241.1	\$175.2	72.7%
Total Net Increase/(Decrease)	(\$15.3)	(\$26.1)	
Beginning Fund Balance	\$187.1	\$187.1	
Ending Fund Balance	\$171.8	\$161.0	

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 third 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 \$213,750 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 Fund and \$300,000 in the Administrative Services Fund. At the end of the third quarter, \$220,000 from the Regional Wastewater Operations & Maintenance Fund and \$12,600 from the Administrative Services Fund was utilized to support the unexpected but necessary expenses as listed in Exhibit C-2.

Capital and O&M projects annual and total project budget transfers accounted for approximately \$310,000 and the Board approved net increase to appropriated budget in the third quarter was \$484,400 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 expenses over total revenues in the amount of \$26.1 million resulted in a total estimated fund balance of \$161.0 million, for the third quarter ended March 31, 2017.

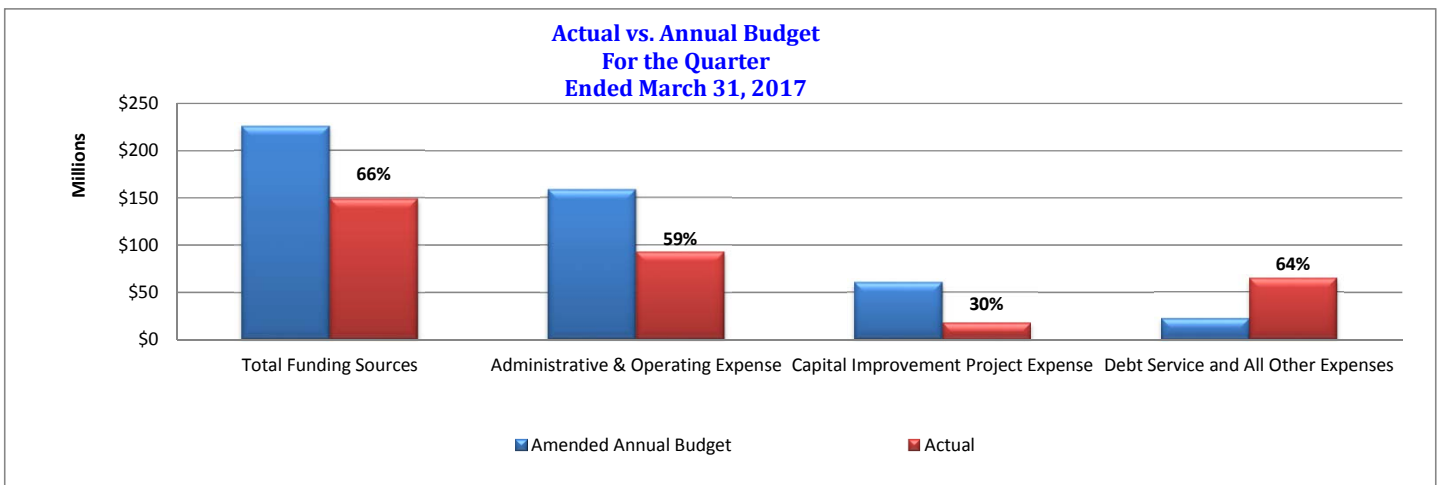


I. Actual vs. Budget Summary:

**% of the Year
Elapsed: 75%**

Third Quarter Ended March 31, 2017

	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Revenues	\$126,854,961	\$126,851,978	\$91,361,903	(\$35,490,075)	72.0%
Non-Operating (Other Sources of Fund)	98,976,777	98,976,778	57,781,574	(41,195,204)	58.4%
TOTAL FUNDING SOURCES	225,831,738	225,828,756	149,143,477	(76,685,279)	66.0%
Administrative & Operating Expense	(146,702,633)	(158,470,908)	(92,954,448)	65,516,460	58.7%
Capital Improvement Project Expense	(60,387,558)	(60,291,393)	(17,930,182)	42,361,211	29.7%
Debt Service and All Other Expenses	(23,653,357)	(22,358,268)	(64,368,879)	(42,010,611)	287.9%
TOTAL USES OF FUNDS	(230,743,548)	(241,120,569)	(175,253,509)	65,867,060	72.7%
Surplus/(Deficit)	(\$4,911,810)	(\$15,291,813)	(\$26,110,032)	(\$10,818,219)	



2. Actual Revenue vs. Budget:

% of the Year
Elapsed: 75%

Third Quarter Ended March 31, 2017

	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Revenues:					
User Charges	\$71,875,415	\$71,872,436	\$53,267,852	\$18,604,584	74.1%
Recycled Water Sales	15,735,000	15,734,996	10,317,622	5,417,374	65.6%
MWD Water Sales	28,670,598	28,670,598	20,027,753	8,642,845	69.9%
MWD LPP Rebate	2,079,000	2,079,000	1,721,583	357,417	82.8%
Property Tax - O&M	1,972,200	1,972,200	1,188,830	783,370	60.3%
Cost Reimbursement	5,913,343	5,913,343	4,013,196	1,900,147	67.9%
Interest	609,405	609,405	825,067	(215,662)	135.4%
OPERATING REVENUES	126,854,961	126,851,978	91,361,903	35,490,075	72.0%
Non-Operating Revenues:					
Property Tax - Debt, Capital, Reserves	\$42,732,600	\$42,732,600	\$25,758,946	\$16,973,654	60.3%
Connection Fees	20,068,020	20,068,020	20,046,803	21,217	99.9%
Grants & Loans	28,008,654	28,008,655	10,404,451	17,604,204	37.1%
Other Revenue	8,167,503	8,167,503	1,571,374	6,596,129	19.2%
NON-OPERATING REVENUES	98,976,777	98,976,778	57,781,574	41,195,204	58.4%
Total Revenues	\$225,831,738	\$225,828,756	\$149,143,477	\$76,685,279	66.0%

- User Charges, 74.1%** User charges were \$53.3 million, or 74.1% of the Amended Budget. The category includes equivalent dwelling unit (EDU) volumetric charges of \$42.0 million, other user fees of \$0.2 million, \$7.4 million Non-Reclaimable wastewater fees paid by industrial and commercial users connected to the brine line system. \$3.7 million of monthly meter charge (Meter Equivalent Unit (MEU) was effective October 2016) imposed on all potable water connections, the Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) charge to meet our Readiness-to-Serve obligation from Metropolitan Water District (MWD), and water use efficiency program receipts.
- Property Tax/ AdValorem, 60.3%** The \$26.9 million in property tax receipts included \$18.4 million of general ad-valorem property tax from San Bernardino County and \$7.6 million from Redevelopment Agencies (RDA) "pass-through" incremental taxes and \$0.9 million for extra-territorial tax. Cumulative taxes received from the county through the third quarter are 6.1% higher compared to taxes received through March of last year.
- Recycled Water Sales, 65.6%** Recycled water direct sales were \$5.9 million (12,848 AF) and groundwater recharge sales were \$4.4 million (8,458 AF) respectively, for a combined total \$10.3 million. Total year to date deliveries are 21,306 AF compared to the 37,100 AF (24,200 AF Direct and 12,900 AF Recharge) budgeted for the fiscal year. Recycled water sales through the third quarter are approximately 10% lower than the previous year, mainly due to the wet winter season. Annual AF sales are projected to be approximately 32,400 AF. Sales demand for direct use and groundwater recharge varies depending on weather patterns, water use conservation efforts, reuse supply, and basin availability.
- Interest Income, 135.4%** Interest Income is \$0.8 million or 135.4% of the annual budget. Interest rates have been trending higher than the budgeted 0.50% average rate of return which accounts for the positive variance. In March, the Local Agency Investment Fund (LAIF) reported a yield of 0.821%, and the Agency's average rate of return was 1.04%.
- MWD Water Sales, 69.9%** Total MWD pass-through imported water revenue was \$20.0 million or 69.9% of amended budget. A total of 28,857 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 third quarter sales of 20,790 AF.
- MWD LPP Rebates, 82.8%** 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 third quarter totaled \$1.7 million for delivery of 10,198 AF. The MWD LPP rebate is set to expire in June 2017.
- Connection Fees, 99.9%** Total connection fees were \$20.0 million, or 99.9% of the amended budget. This category includes \$17.3 million for 3,002 new EDU connections compared to the 3,000 budgeted for the fiscal year. New EDU connections reflect 55% 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 third quarter was 3,176 new connections for \$2.7 million, or 92.3% 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, 37.1%** Grant and loan receipts through the third quarter are \$10.4 million, or 37.1% of the Amended Budget. \$10.1 million of grant receipts are pass-through receipts to Chino Basin Desalter Authority for the South Archibald Trichlorethylene (TCE) Plume Cleanup project. Delay's of SRF loan receipts are due to the re-negotiation of subordinate debt status.

Cost Reimbursements JPA, 67.9% Total cost reimbursements were \$4.0 million, or 67.9% of the amended budget. Category actuals include reimbursements of \$2.4 million from the Inland Empire Regional Composting Authority (IERCA) and \$0.9 million from Chino Basin Desalter Authority (CDA) for the Agency's operation & maintenance of the IERCA Composter and CDA Desalter facilities. Also included is \$0.7 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, 19.2% Total other revenues were \$1.6 million, or 19.2% of the \$8.2 million amended budget. Total other revenues include \$0.7 million from lease revenue and energy rebates, and \$0.9 million in project reimbursements. Project reimbursement receipts are 12% of the amended budget, delays for reimbursable projects from recycled water and water resources programs accounted for the lower revenue.

3. Actual Operating and Capital Expense vs. Budget:

Third Quarter Ended March 31, 2017				% of the Year Elapsed: 75%	
	Adopted Annual Budget	Amended Annual Budget	Actual	Amended vs. Actual	% of Amended Budget
Operating Expenses:					
Employment	\$43,326,017	\$42,601,461	\$32,397,067	\$10,204,394	76.0%
Admin & Operating	103,376,616	115,869,447	60,557,381	\$55,312,066	52.3%
OPERATING EXPENSES	\$146,702,633	\$158,470,908	\$92,954,448	\$65,516,460	58.7%
Non-Operating Expenses:					
Capital	60,387,558	60,291,393	17,930,182	\$42,361,211	29.7%
Debt Service and All Other Expenses	23,653,357	22,358,268	64,368,879	(\$42,010,611)	287.9%
NON-OPERATING EXPENSES	\$84,040,915	\$82,649,661	\$82,299,061	\$350,600	99.6%
Total Expenses	\$230,743,548	\$241,120,569	\$175,253,509	\$65,867,060	72.7%

Employment Expense **Employment , 76%**
 Employment expenses were \$32.4 million or 76.0% of the Amended Budget. The slightly unfavorable variance reflects higher O&M labor expense due to lower capital and special project spending than budgeted. The category also includes \$5.2 million of expense for other post employment benefits and retirement unfunded accrued liability, budgeted at \$7 million. In addition, the Agency currently employs 19 limited term employees, compared to the adopted staffing plan of 17 limited term positions. The cost of these additional positions is partially offset by a higher than anticipated vacancy factor of 8.6%, equivalent to 25 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, 41.4%**
 The favorable variance was due to the inclusion of \$467,400 GM contingency and \$300k election expense budget, together they represent 28% of the category budget. Actual expense is approximately 57.6% of the remaining budget. Contributing to the positive variance are lower advertising, training and travel expense. Additional office supply, advertising, legal, and training expense is expected during the fourth quarter.

Professional Fees & Services , 41.2%

Expense through the third quarter was \$4.7 million. The positive variance can be attributed to the timing of contracts and services that were either not necessary or deferred. Items that will utilize budget in the fourth quarter are repairs for biofilter irrigation heads and variable frequency drive pumps for the recycled water pump station at RP-5, and services associated with work performed by outside contractors for dig alerts and the Long Range Plan of Finance. It is anticipated that this category will remain under budget through the end of the fiscal year as budgeted expense for items such as temporary audit work and flooring repairs at RP-1 (now a capital project) will not be incurred.

Materials & Supplies/Leases/Contribution , 58.3%

Category expense through the third quarter is \$2.1 million or 58.3% of the budget. The category includes spending of just over \$2.0 million materials and supplies, and \$42,096, or 45.3% 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. Some expense for field equipment and personal protective gear is expected in the fourth quarter, although category is projected to be under budget for the remainder of the fiscal year.

Biosolids Recycling , 64.4%

Biosolids expenses were \$2.8 million. The favorable variance in this category is due to an increase in the utilization of the RP-2 solar pad to dry biosolids causing a reduction in residual disposal costs. Year to date total tonnage shipped to IERCA was 109,181 tons at an IERCA rate of \$55 per ton. Total tonnage hauled from IEUA was 39,152 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 , 62.9%

Chemical expenses were \$3.1 million, or 63% of budget. Bypassed sewer flows at the Carbon Canyon Water Recycling Plant (by-passed to RP-5) caused a reduction in the amount of raw waste water treated and chemicals needed for treatment. Additionally, at Regional Plant No. 4 a reduction in chemical use through the third quarter was attributed to the rehabilitation of critical aeration equipment. However, the majority of category expense is for Polymer 750A and 748E and is on track at 76% of budget with usage of 765,800 lbs. of Polymer 750A and 420,200 lbs. of Polymer 748E which accounts for \$1.3 million of expense in this category. Sodium Hypochlorite usage was at 66% of budget accounting for \$1.0 million of expense with over 717,000 gallons used through the end of the third quarter.

Operating Fees - 72.1%

Spending in this category was on target particularly in the areas of waste volumetric fees, BOD and TSS charges. The category also includes \$2.8 million of expenses for readiness-to-serve obligation collected by MWD budgeted at \$3.1 million.

MWD Water Purchases , 62.9%

Total MWD pass-through imported water purchases were \$20.0 million for 28,857 AF or 57.7% of 50,000 AF budgeted for the fiscal year. The positive variance can be attributed to lower demands through the winter months.

Utilities , 50.9%

Electricity expense showed an unfavorable variance of 78.5% of the amended budget, or \$4.9 million of the category's \$5.7 million of expense. Usage was 51.2 million kWh at \$0.0915 per kWh through the end of the third 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 from Southern California Edison is used to make up for the loss in fuel cell (25% of category budget) production.

Natural gas usage was low, also due to the fuel cell, partially offsetting the higher electricity costs. Natural gas usage was 48,459 Therms through the end of the third quarter, at an average rate of \$0.928/Therm, compared to expected annual usage of 1.2 million Therms and budgeted rate of \$0.80/therm.

O&M and Reimbursable Projects , 36.4% and 44.3%

The combined O&M and reimbursable project costs were \$12.3 million or 36.5% of the amended budget. The favorable variance is mainly due to lower spending for Santa Ana River Conservation & Conjunction Use Program (SARCCUP) and other conservation related projects as well as various planning documents. The table below provides a summary of the major projects and current status.

Financial Expense

Financial Expense , 290.8%

Total financial expenses were \$64.0 million through the end of the third quarter. Actual costs included \$50.0 million paid towards the refinancing of the 2008A bonds, other bond and loan principal payments were \$7.5 million and \$6.5 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 third quarter. Unfavorable variance in this category is due to annual contributions-in-aid to the Santa Ana Watershed Project Authority of \$288 thousand, which was paid in full in July, and unforeseen reimbursements to Federal Emergency Management Agency for prior year grant receipts.

Capital Expense

Capital Costs , 29.7%

Capital expenditures through the end of third quarter were \$17.9 million or 29.7% when compared to the amended budget of \$60.3 million. The amended budget includes encumbrances of \$4.5 million of budget carried forward from the 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 third quarter were \$13.7 million and \$37.0 million, respectively. Recycled water capital projects accounted for \$2.2 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 March 31, 2017

Capital Projects		Amended FY 2016/17	YTD Expenditure	Budgeted Amount Remaining
EN15008	Water Quality Laboratory The scope of the project is the construction of a new, state of the art, 17,000 sq. laboratory and expansion of the 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. The project is now in the construction phase. During site excavation and grading, an archeologist/paleontologist monitored activities and concluded that no significant cultural findings were observed.	7,000,000	5,951,077	1,048,923
EN19006	RP-5 Solids Handling Facility 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 the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility has been scheduled for May 2017.	3,125,000	8,050	3,116,950
RW15003	Recharge Master Plan Update Projects 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 \$2.1 million.	3,100,000	614,341	2,485,659
EN13001	San Sevaine Basin Improvements 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.	3,085,000	199,536	2,885,464
O&M & Reimbursable Projects		Amended FY 2016/17	YTD Expenditure	Budgeted Amount Remaining
EN16021	Chino Basin Groundwater Wells This project involves the remediation of the South Archibald Trichlorethylene 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 this accounts for the higher than budgeted expense.	7,481,073	8,061,176	(580,102)
PA17006	Agency-Wide Aeration Panel Replacements The project scope 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. Currently developing an RFP to panel manufacturers and proceeding with 85% design.	2,339,000	956,927	1,382,073
WR16024	SARCCUP 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. A Decision Support Model to help understand facility needs and operating costs is in the final stages and modeling efforts are currently evaluating alternative projects for consideration. The Environmental Impact Report is being developed and is scheduled to be final by the end of June 2017.	1,854,492	287,812	1,566,680

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2016/17
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Third Quarter Ended March 31, 2017

	Adopted FY 2016/17 Annual Budget	Amended FY 2016/17 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
<u>OPERATING REVENUES</u>					
User Charges	\$71,875,415	\$71,872,436	\$53,267,852	(\$18,604,584)	74.1%
Recycled Water	15,735,000	15,734,996	10,317,622	(5,417,374)	65.6%
MWD Water Sales	28,670,598	28,670,598	20,027,753	(8,642,845)	69.9%
MWD LPP Rebates	2,079,000	2,079,000	1,721,583	(357,417)	82.8%
Property Tax - O&M	1,972,200	1,972,200	1,188,830	(783,370)	60.3%
Cost Reimbursement from JPA	5,913,343	5,913,343	4,013,196	(1,900,147)	67.9%
Interest Revenue	609,405	609,405	825,067	215,662	135.4%
TOTAL OPERATING REVENUES	\$126,854,961	\$126,851,978	\$91,361,903	(\$35,490,075)	72.0%
<u>NON-OPERATING REVENUES</u>					
Property Tax - Debt, Capital, Reserves	\$42,732,600	\$42,732,600	\$25,758,946	(\$16,973,654)	60.3%
Connection Fees	20,068,020	20,068,020	20,046,803	(21,217)	99.9%
Grants	10,715,255	10,715,256	10,404,451	(310,805)	97.1%
SRF Loan Proceeds	17,293,399	17,293,399	0	(17,293,399)	0.0%
Project Reimbursements	7,292,963	7,292,963	896,748	(6,396,215)	12.3%
Other Revenue	874,540	874,540	674,626	(199,914)	77.1%
TOTAL NON OPERATING REVENUES	\$98,976,777	\$98,976,778	\$57,781,574	(\$41,195,204)	58.4%
TOTAL REVENUES	\$225,831,738	\$225,828,756	\$149,143,477	(\$76,685,279)	66.0%
<u>ADMINISTRATIVE and OPERATING EXPENSES</u>					
EMPLOYMENT EXPENSES					
Wages	\$23,690,863	\$22,966,307	\$18,758,643	\$4,207,664	81.7%
Benefits	19,635,154	19,635,154	13,638,424	5,996,730	69.5%
TOTAL EMPLOYMENT EXPENSES	\$43,326,017	\$42,601,461	\$32,397,067	\$10,204,394	76.0%
ADMINISTRATIVE EXPENSES					
Office & Administrative	\$1,767,847	\$2,722,305	\$1,126,295	\$1,596,010	41.4%
Insurance Expenses	840,500	840,498	498,985	341,513	59.4%
Professional Fees & Services	9,793,857	11,360,602	4,680,343	6,680,259	41.2%
O&M Projects	23,219,025	33,088,380	12,044,883	21,043,497	36.4%
Reimbursable Projects	490,272	490,272	217,317	272,955	44.3%
TOTAL ADMINISTRATIVE EXPENSES	\$36,111,501	\$48,502,057	\$18,567,823	\$29,934,234	38.3%

INLAND EMPIRE UTILITIES AGENCY
Fiscal Year 2016/17
CONSOLIDATED BUDGET VARIANCE ANALYSIS REPORT
Third Quarter Ended March 31, 2017

	Adopted FY 2016/17 Annual Budget	Amended FY 2016/17 Annual Budget	YTD Actual	YTD Variance	YTD % Budget Used
OPERATING EXPENSES					
Material & Supplies/Leases	\$2,866,883	\$3,543,361	\$2,064,962	\$1,478,399	58.3%
Biosolids Recycling	4,469,101	4,418,405	2,846,717	1,571,688	64.4%
Chemicals	4,674,015	4,996,015	3,142,994	1,853,021	62.9%
MWD Water Purchases	31,856,220	31,856,220	20,027,753	11,828,467	62.9%
Operating Fees/RTS Fees/Exp. Alloc.	11,790,850	11,439,343	8,245,975	3,193,368	72.1%
Utilities	11,608,046	11,114,046	5,661,157	5,452,889	50.9%
TOTAL OPERATING EXPENSES	\$67,265,115	\$67,367,390	\$41,989,558	\$25,377,832	62.3%
TOTAL ADMINISTRATIVE and OPERATING EXPENSES	\$146,702,633	\$158,470,908	\$92,954,448	\$65,516,460	58.7%
<u>NON-OPERATING EXPENSES</u>					
CAPITAL OUTLAY	\$60,387,558	\$60,291,393	\$17,930,182	\$42,361,211	29.7%
FINANCIAL EXPENSES					
Principal, Interest and Financial Expenditures	22,001,426	22,016,968	64,026,364	(42,009,396)	290.8%
OTHER NON OPERATING EXPENSES	1,651,931	341,300	342,515	(1,215)	100.4%
TOTAL NON-OPERATING EXPENSES	\$84,040,915	\$82,649,661	\$82,299,061	\$350,600	99.6%
TOTAL EXPENSES	\$230,743,548	\$241,120,569	\$175,253,509	\$65,867,060	72.7%
REVENUES IN EXCESS/ (UNDER) EXPENSES	(\$4,911,810)	(\$15,291,813)	(\$26,110,032)	(\$10,818,219)	
FUND BALANCE SUMMARY					
Beginning Balance, July 01	\$160,207,357	187,114,440	\$187,114,440	\$0	
Surplus/ (Deficit)	(4,911,810)	(15,291,813)	(26,110,032)	(10,818,219)	
ENDING BALANCE, June 30	\$155,295,547	\$171,822,627	\$161,004,408	(\$10,818,219)	

Business Goals & Objectives Report By Department

FY 2016/17

EXHIBIT B

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
Department: ALL														
Report Month: January, February, March : Year: 2017														
Agency Management														
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	May	2017	On Schedule		New board letter template will be launched in July 2017.
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	May	2017	On Schedule		New board letter template will launch in July 2017
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	May	2017	On Schedule		Ongoing - First draft to be completed 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	May	2017	On Schedule		First draft to be completed May 31, 2017.
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	May	2017	On Schedule		On going - Completing training for new staff members.
Business Information Services														
249	FY 2016/17	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Release new enhancements to Agency's various software applications at fixed intervals (every 4 months).	Ongoing by June 2016	100% of enhancements released plus or minus two calendar weeks from scheduled release date	Kanes Pantayatiwong	March	2017	On Schedule		BIS implemented the SAP Single Sign-On (SSO) to provide ease of use by eliminating the need to log on to SAP once user already logged on to a PC. Today, users of ESS/MSS and SAP GUI are no longer required to log in. BIS also deployed a dashboard for goods issue to monitor warehouse movements with respect to work orders. Enhanced the Water Connection Fee dashboard as well as the program for entering the Water Connection Fee billing - mass update.
251	FY 2016/17	Monthly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Implement recommended disaster plan per TMP.	Ongoing	BIS to lead the Business Continuity / Disaster Recover Subcommittee	Kanes Pantayatiwong	March	2017	On Schedule		Secured a contract for disaster recovery by having continuous off-site backup as well as a facility where a team can operate remotely. The contract was for 2 years and with options for extension. Periodically executed the remote testing and on-premise testing.
39	FY 2016/17	Quarterly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Implement recommended disaster plan per TMP	Per TMP schedule	Plan adoption and in place	Kanes Pantayatiwong	March	2017	On Schedule	No	Working with ISS, secured a contract for disaster recovery by having continuous off-site backup as well as a facility where a team can operate remotely. The contract was for 2 years and with options for extension. Coordinated with ISS and implemented security improvements and updates to all enterprise servers (e.g., SAP, GIS, etc.)

5/10/2017

Business Goals & Objectives Report By Department

FY 2016/17

EXHIBIT B

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
177	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	Determine requirements for new SAP enhancement that improves cost tracking for projects that qualify for multiple grants – Timeline 15/16 reads: Establish baseline date; develop requirements; implement prototype	Ongoing	< 3 systems in use	Kanes Pantayatiwong	March	2017	On Schedule	No	BIS secured a professional service contract with a SAP Grant consultant and arranged for a meeting with grant staff to review the near-term and long-term needs. A follow up meeting was set for other staff (e.g., finance, engineering, etc.) that is involved with the overall grant administration processes. BIS assisted accounting with preparing payroll processing training material and documentation to help onboarding a new payroll person.
178	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	Evaluate potential improvements to budgeting process, if appropriate, through enhancing SAP functionality	Ongoing	< 3 systems in use	Kanes Pantayatiwong	March	2017	On Schedule	No	BIS is working with Records Management group to implement the new ECMS (Laserfiche) to replace the legacy system - LibertyNET. The project team's for this quarter was on migrating content from Liberty to Laserfiche, preparing the integration of Laserfiche to SAP and GIS. BIS was also heavily involved in setting SAP to work with the US Bank Payment Plus program.
179	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	Assess challenges with Agency's financial processes: develop RFP for long term modifications	Ongoing	< 3 systems in use	Kanes Pantayatiwong	March	2017	On Schedule	No	No change from previous quarter due to lack of resource. Key business analyst for this project was temporarily reassigned to provide payroll support while the Agency was in search for replacement.
180	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	Reduce the number of external spreadsheets utilized to address NRW rate questions	Ongoing	< 3 systems in use	Kanes Pantayatiwong	March	2017	On Schedule	No	This project will be driven by business process owner (Planning Department). At this time, there is no active activity.
Contracts and Facilities Services														
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	May	2017	On Schedule	No	CAP staff perform regular analysis on procurements, solicitations, etc., offering recommendations to staff and ensuring the best cost, value to the Agency.
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	May	2017	On Schedule	No	Staff has conducted several training sessions for various departments, including open house sessions related to contracts and procurement related activities.
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	May	2017	On Schedule	No	Staff continues to provide service in accordance with the desired level of customer service. Review of dashboard, SAP cues, and MPN reports keep staff on track with service activities.
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	May	2017	On Schedule	No	The majority of staff are members of NCMA, CAPPO, and other organizations related to our profession. Several members of staff serve as Officials in the local chapters of these organizations.
176	FY 2015/16	Quarterly	Finance and Administration	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.	Ensure all current and future landscaping, as well as new facilities, are in cooperation with current LEED and water-efficiency programs and advancements	complete by June 2016	Increase educational signage for Agency facilities where accessible by the public by 15%.	Warren Green	May	2017	On Schedule	No	Facilities Management was moved into the Operations Division under the Maintenance group.

Business Goals & Objectives Report By Department

FY 2016/17

EXHIBIT B

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 recors 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	May	2017	On Schedule		Due to increase in staff, substantial progress has been made on the inventory project. Approximately 60% completed. Department taxonomy completed. Legal hold process will be implemented at Laserfiche system "Go-Live" June 2017
243	FY 2016/17	Annual	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public recors 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	May	2017	On Schedule		The use of email distribution of PO's has been implemented for Home Depot, Grainger and a few other vendors. The EDI requirement creates programming issues with vendors.
244	FY 2016/17	Annual	Finance and Administration	C	Replace the legacy Document Management System to ensure it meets Agency-wide and regulatory public recors 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	May	2017	On Schedule		An additional catalog was set up with Amazon. There are numerous catalogs set up through SAP that support business users.
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	May	2017	On Schedule		Staff continues to evaluate the dashboard, SAP cues and the MPR report to ensure service levels are being met.
113	FY 2015/16	Quarterly	Finance and Administration	F	Complete a performance assessment of the Platinum LEED rated headquarters and develop a plan to ensure performance, as appropriate, to the platinum standard	Evaluate the current standards for LEED qualifications and develop a plan for the Agency's HQ to maintain the ranking.	June-2016	Cross reference existing qualifications against new standards.	Warren Green	May	2017	On Schedule	No	Facilities Management task that was moved into the Operations Division under Maintenance.
Engineering														
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	May	2017	On Schedule	No	As of April 30th the project is the in the 100% design phase and we are awaiting submittal.
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	May	2017	On Schedule	No	As of April 30th the project is the in the 100% design phase and we are awaiting submittal.
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	May	2017	Behind Schedule		For projects that finish construction during or after FY1617 the overall percentage is 13.75% 9 of 65 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	May	2017	Behind Schedule		FY Budget = \$65M; Projected spending = \$41M Overall projection = 62%. As of 3/31/17. Engineering had 15 projects representing \$15M in budget variance. Please see our May 2017 GM report for detail variances for the 15 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	May	2017	On Schedule		Conducted 3 Lesson Learned in April 2017; CCWRF Air Duct Repair Drainage Issues of Underground Vault, Water Quality Laboratory Project, RP-1 Mixed

Business Goals & Objectives Report By Department

FY 2016/17

EXHIBIT B

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
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	May	2017	On Schedule	No	Liquor Return Pumps Pre-selection of the Long Lead Equipment 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
External Affairs														
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	May	2017	On Schedule	No	Presented at Chino Valley Chamber of Commerce meeting
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	May	2017	On Schedule	No	Continued outreach and promotion of our education programs, which has resulted in an increase in fieldtrips from last year. We have increased our use of social media to promote agency activities including educational programs and events. New water conservation campaigns have been developed and will be shown in movie theaters throughout the region.
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	May	2017	On Schedule	No	No activity for the 3rd quarter.
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	May	2017	On Schedule		The workgroup updated the Agency-wide work plans to better related to the recently updated Agency business goals. The updated work plans are now being used to updated goals for FY 17/18 & FY 18/19 budget.
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	May	2017	On Schedule		Continue to monitor the IEUA website to provide up to date/current information.
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	May	2017	On Schedule		Regional drought campaign throughout the service area continues. Marketing is adjusted to reflect the current season.
229	FY 2016/17	Quarterly	Agency Management	D	Complete water softnere 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	May	2017	On Schedule		Auditing of "big box" stores has continued. Three cities within IEUA's service area have not yet passed ordinances.
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,	By June 2016 and ongoing	FY2015/16 will continue to increase number of events attended in order to	Kathryn Besser	May	2017	On Schedule		External Affairs has continued to increase the use of social media as a communication tool to reach out to stakeholders, businesses, and

Business Goals & Objectives Report By Department

FY 2016/17

EXHIBIT B

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
						including all community members, businesses, and stakeholders.		reach the entire service area						community members throughout the region. Continuing to work with the consultant and operations on the new brochures and technical illustrations, expected to be printed by the end of FY 16/17.
Finance and Accounting														
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	May	2017	On Schedule		Allocated property taxes based on the FY 2016/17 adopted budget assumptions. For example, allocated property tax receipts to Water Resources fund to support the Metropolitan Water District readiness to serve (RTS) fees and regional water resources initiatives not covered through the Agency's 7 year phased implementation RTS rate.
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	May	2017	On Schedule	No	The refunding of 2008A (issued as 2017A) was completed successfully due to favorable ratings assessed by rating Agency. Staff will continue to monitor the bond rating
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	May	2017	On Schedule	No	Successfully completed the 2017A bond refunding in January 2017 in collaboration with Agency's staff, management, financial advisor, bond counsel, and underwriter, resulting in gross savings of \$129 million and net present value savings of \$36.8 million through the life of the bonds.
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	May	2017	On Schedule	No	Staff attended all required safety trainings. Based on employee request, adjustable desk was purchased to provide employee an ergonomic friendly working environment.
Grants														
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	May	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 and were awarded.
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	May	2017	On Schedule	No	Major new grant applications and pre-applications were submitted to the State Water Resources Control Board and USBR, and a Letter of Interest was submitted to the EPA. Opportunities through local programs, and the state Prop 1 grant program and Federal WaterSMART program are continually being reviewed and applied for.
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	May	2017	On Schedule	No	Collaborating internally with Accounting & Fiscal Management, External Affairs, Planning, Engineering, Construction Management, and Operations, and externally with CBWM, CDA, and member agencies on preparing, submitting and monitoring grant and SRF loan applications to support agency and regional investment.

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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	May	2017	On Schedule		Collaborating with Planning, Engineering, Construction Management, and Operations on preparing, submitting and monitoring grant and SRF loan applications for eligible TYCIP 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	May	2017	On Schedule		Collaborated with member agencies and other local agencies on preparing, submitting and monitoring grant and SRF loan applications for eligible projects. Will continue to locate opportunities to coordinate with others for regional benefits.
Human Resources														
33	FY 2016/17	Quarterly	Finance and Administration	B	Draft a new consolidated Personnel Rules and Regulations for the Agency across all bargaining units, thereby streamlining individual Unit MOUs by July 2016	Draft a new consolidated Personnel Rules and Regulations	July-2016	Prepare a first draft for review by April 2016	Sharmeen Bhojani	March	2017	On Schedule	No	Categorized and grouped proposed changes as financial and non-financial items for all MOUs. Completed draft revisions for two units.
40	FY 2016/17	Quarterly	Finance and Administration	B	Prepare and implement a Disaster Preparedness Plan and conduct periodic emergency response drills by July 2017	Work with all Agency departments to institute a holistic Disaster Preparedness Plan; coordinate table top exercises for disaster drills for all Managers and Supervisors on an annual or biennial basis	July-2017	Distribute a draft plan for review to all departments by January 2016	Sharmeen Bhojani	March	2017	Behind Schedule	No	The Disaster Drill has been delayed until September per Operations request.
57	FY 2016/17	Quarterly	Finance and Administration	B	Review and revise the Emergency Preparedness Plan by July 2017	Enhance current Emergency Preparedness Manual by adding department action plans and ensure coordination with the Disaster Preparedness Plan; review and revise the manual on an annual basis	July-2017	Distribute a draft plan for review to all departments by January 2016	Sharmeen Bhojani	March	2017	On Schedule	No	The Agency's Emergency Manual is reviewed periodically and near calendar year end. As this is a living document, it continues to be revised as necessary.
187	FY 2016/17	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Assist in the development of the cross-training program by providing guidance, coordination, and administrative skills in the program design, course content development, marketing and evaluation with various stakeholders and subject matter experts	Ongoing June 2015???	Survey and employee feedback/ Number of on-site visits, lunch and learns and other educational sessions held	Sharmeen Bhojani	March	2017	On Schedule	No	No new update to report.
188	FY 2016/17	Quarterly	Finance and Administration	B	Implement strategies and recruitment practices that provide flexible and responsive solutions to assist the Agency in filling positions in a timely and effective manner	Draft a new consolidated Personnel Rules and Regulations	Ongoing	Track the average number of weeks it takes to complete the recruitment process from beginning to end	Sharmeen Bhojani	March	2017	On Schedule	No	Average number of weeks is 7 weeks.
262	FY 2016/17	Semi-Annual	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Promote a positive work environment that holds managers, supervisors and employees accountable for	Ongoing	Survey and employee feedback	Sharmeen Bhojani	March	2017	On Schedule		Supervisors and managers attended 3 LCW workshop in January and March, 2017. The training topics covered were on Preventing Workplace Harassment,

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						creating and maintaining positive work relationships.								Workplace Bullying, and Public Sector Employment Law Update. The human resources staff attended the LCW Annual Public Sector Employment Law conference in February.
263	FY 2016/17	Quarterly	Finance and Administration	B	Ensure staff understands and upholds their role in achieving the Agency's Mission, Vision, and Values	Develop creative communication methods and continue education of employee benefits to increase knowledge of benefit programs and services including visiting and scheduling appointments with employees at other facilities, holding continuous lunch and learn sessions and other educational workshops/presentations.	Ongoing	Number of onsite visits, lunch and learns, and other educational sessions held	Sharmeen Bhojani	March	2017	On Schedule		ICMA 457 on site visit (2/8), CalPERS 457 on site visit (3/1); New Hire Tour 2/1 & 2/8; Longevity Health Screening onsite 2/14 & 2/21; HR staff traveled to Agency locations w/ Root Beer Floats: RP1 3/15, IERCF RP4 3/22
264	FY 2016/17	Quarterly	Finance and Administration	B	Develop and implement plan to mentor and prepare the next generation of Agency leaders by July 2017	Develop a process to identify potential leaders within the Agency; utilize the Leadership Academy and other training opportunities to enhance existing talent.	Leadership Academy January – June 2016	Number of employee participants in the Academy and other training programs. Percentage of internal promotions	Sharmeen Bhojani	March	2017	On Schedule		Five Agency management level employees are participating in the Southern California Local Government Leadership Academy from February - July 2017. Updated Agency retirement risk by employee spreadsheet for 3rd quarter.
265	FY 2016/17	Semi-Annual	Finance and Administration	B	Develop a plan to conduct a feedback study to measure employee satisfaction.	Create and distribute an employee satisfaction survey	Employee Climate Survey by June 2016	Conduct an Employee Climate Survey after Class and Comp Study implementation	Sharmeen Bhojani	March	2017	On Schedule		Selected vendor and designing survey to be conducted in June, 2017.
266	FY 2016/17	Quarterly	Finance and Administration	B	Develop a plan to conduct a feedback study to measure employee satisfaction.	Identify strategies to increase employee morale and promote employee retention.	Ongoing	Surveys and employee feedback/Retention of employees	Sharmeen Bhojani	March	2017	On Schedule		February/March - Met and worked w/Maintenance management team and GU unit to finalize the testing requirement to allow eligible members of the unit in the classifications of Mechanic and E & I to demonstrate proficiency to advance/flex to a higher level. Approx. 40 members are eligible to advance/flex to a higher level.
268	FY 2016/17	Annual	Finance and Administration	B	Review and update the STAR Award program to more effectively recognize outstanding performance	Change the format of the STAR Award Program to ensure more employees have an opportunity to receive the award	Review and recommendation by June 2016	Updated Agency Policy A-79.	Sharmeen Bhojani	March	2017	On Schedule		ongoing - exploring non monetary recognition for employees.
269	FY 2016/17	Quarterly	Finance and Administration	B	Achieve a Cal Star Award certification from OSHA by June 2019	Research requirements needed to obtain the award/certification by OSHA; work with Maintenance and Operations to develop a plan that ensures commendable safety and risk management practices.	Schedule meetings with Operations and Maintenance to review requirements and develop an action plan by June 2016	Prepare applications submittal(s) by November 2016.	Sharmeen Bhojani	March	2017	On Schedule		Departments continue to take steps toward a safer work environment. In doing so, requirements on the Cal-Star checklist are being managed and the Agency continues to work toward the goal of certification. An application cannot be submitted until all areas are compliant and in place for a full year.
Internal Audit														
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	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	Teresa Velarde	May	2017	On Schedule		On-going. This is a requirement of the profession of internal auditing as well as a Board-approved Charter requirement, therefore, always completed and on schedule. All three auditors in the department are preparing for the

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231	FY 2016/17	Monthly	Agency Management	A	Continue commitment to cost containment for operating and capital costs.	<p>areas and providing recommendations for cost containment, effectiveness and efficiency in operations and opportunities to improve and areas of cost containment</p> <p>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</p>	On-going and through the audits approved by the Audit Committee and the Board during the Annual Audit Plan presentation	<p>Audit Committee Meetings and exit meeting</p> <p>Completed planned and scheduled audits approved through the Annual Audit Plan. Comments and discussions during Audit Committee Meetings and exit meeting</p>	Teresa Velarde	May	2017	On Schedule		<p>certification. All three plan to complete the certification requirements by December 2016. All three auditors already have a higher professional designation and regularly attend continuous professional development to stay abreast of best practices.</p> <p>Internal Audit is required to complete audits approved through the Board approved Annual Audit Plan. Internal Audit recommendations are provided and communicated to those that can implement the recommendations. Each audit project provides opportunities to improve processes, contain costs, consider methods to complete work in a more effective and efficient manner. By completing operational audits, this objective is realized each and every time. The items revealed through the audit are discussed in detailed during the regularly scheduled Audit Committee meetings as well as prior to the AC meeting with management and line supervisors. Recommendations are provided to 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.</p>
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	<p>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 to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical</p>	On-going follow-up review or additional evaluation as needed or requested by Management or the Board	<p>Completion. Comments and discussions during Executive Management Meetings, Audit Committee Meetings and exit meetings</p>	Teresa Velarde	May	2017	On Schedule		<p>Completed and Closed out. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board 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.</p>

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Committees														
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 to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees	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	May	2017	On Schedule		Completed and Closed out. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board 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.
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 to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees	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	May	2017	On Schedule		Completed. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board 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.

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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
						Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees								
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 to determine if these meet the intent and requirements of the contract. And provide workshops for the Board of Directors and the Regional Policy and Technical Committees, and provide workshops for the Board of Directors and the Regional Policy and Technical Committees	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	May	2017	On Schedule		Completed. Completed the audits of the 7 member agencies, discussed the results with the contracting agencies and the Audit Committee and the Board 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.
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	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	May	2017	On Schedule		Completed and On-Going. The Internal Audit Department must complete projects proposed through the Board-approved Annual Audit Plan and any amendments if any. IAD completes are projects proposed and assigned and provides recommendations for the improvement of Agency processes and procedures. Any changes to the plans are communicated to the Audit Committee and the Board. In addition to scheduled projects, IA maintains a list of on-going and potential audit projects. The list of potential/proposed audit projects is a list of items that can be evaluated and audited should the risk increase or IA is directed to accelerate the planned and proposed projects.

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						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								
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	May	2017	On Schedule		The Internal Audit Department documented IA SOP -006 Business Continuity and Disaster Recovery in 2013 and is reviewed for any needed updates, annually, as required by the Charter. This SOP requires that IA assist any critical mission of the Agency first, before continuing with audit assignments, when and in the event of an emergency/disaster. Additionally, the Manager has recently attended FEMA training and is assigned the Communications Liaison. Other members of the IAD are on the Safety Committee and also are responsible for ensuring the department completes are required Safety Tailgate topics. Additional training will be provided by the Agency to all Agency staff.
241	FY 2016/17	Monthly	Agency Management	C	Leverage private/public partnership 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	May	2017	On Schedule		Achieved. This is achieved through every audit project while working closely with the auditees and other Agency staff. becomes an opportunity to promote friendly, helpful customer service, build the business networks and provide any assistance or information necessary. Internal Audit works well with others and at all levels.
Laboratory														
197	FY 2015/16	Quarterly	Engineering, Planning and Science	B	Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Complete a Review/Update of the Laboratory Chemical Hygiene Plan annually. (CHP)	Complete by December 2015		Nel Groenveld	May	2017	On Schedule	No	Review to be completed by June 2017

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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 Groenveld	May	2017	On Schedule		Ongoing, Lab staff continue to work with Construction Management on the Water Quality Lab Project.
301	FY 2016/17	Annual	Engineering, Planning and Science	A	Continue commitment to cost containment for operating and capital costs	Maintain Laboratory certification for all current analysis performed, add certification if justified to reduce cost of contracting out some analysis	December 2016	Annually obtain 100% acceptable results on PE samples	Nel Groenveld	May	2017	On Schedule		Annual performance evaluation samples will be analyzed in June
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 Groenveld	May	2017	On Schedule		Ongoing, safety meetings have been completed as required for the quarter
303	FY 2016/17	Annual	Engineering, Planning and Science	F	Annually review and update Key Performance Indicators (KPIs) to monitor and comply with all regulatory requirements	Annually review and update monitoring and analysis protocols to reflect any new regulatory requirements	December 2016	Ongoing review of approved test methods	Nel Groenveld	May	2017	On Schedule		Ongoing
<u>Maintenance</u>														
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	May	2017	On Schedule		Maintenance training based on the Class & Comp has been completed. Proficiency exams for advancement to begin the end of May.
309	FY 2016/17	Annual	Operations	E	Ensure reliability of Agency assets by annually implementing the asset management monitoring and assessment program (Asset Management Plan)	Conduct major condition assessments annually.	By June 30, 2017	Complete condition assessments of RP-5 and CCWRF	Randy Lee	April	2017	On Schedule		Condition assessment of RP-5 Primary Clarifier, splitter box and influent, effluent pipelines is scheduled for July 2017.
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	May	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. To date a total of 275 support tickets have been completed.
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	May	2017	On Schedule		Educational Signage for Regional Plant No. 5 will be installed by the end of the fiscal year, June 2017.
<u>Operations</u>														
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	April	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	Maintain peak demand management readiness	Ongoing through June 2016		Andy Campbell	May	2017	On Schedule	No	Weekly demand management meetings will be resumed in May 2017.

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200	FY 2016/17	Quarterly	Operations	D	water use efficiency and the value of water by July 2015 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	May	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	water use efficiency and the value of water by July 2015 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	May	2017	On Schedule	No	Weekly demand management meetings will be resumed in May 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	May	2017	On Schedule	No	Declez Basin start-up is complete; start-up report will be completed in fourth quarter.
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	April	2017	On Schedule	No	During February and March 2017 both RP-1 and CCWRF had permit exceedances. However these deviations did not impact RW deliveries.
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	April	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	May	2017	On Schedule	No	Hickory and Banana basins will be cleaned in May and June 2017. RP3, Delclez and Victoria were cleaned Fall 2016. Will continue to develop cleaning strategies and implement cleaning projects to maintain peak basin infiltration capacity.
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	May	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.
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	April	2017	On Schedule	No	A project has been identified to convert the RP-1 centrifuge oil coolers from potable water to utility water.
143	FY 2016/17	Annual	Operations	B	Review and revise the Emergency Preparedness Plan by July 2017	Support Human Resources in the development of an Emergency Preparedness Plan for the Operations Division.	FY 2014/15	Not applicable	Chander Letulle	April	2017	On Schedule	No	The Operations Interim Emergency Response Plan is continually being reviewed to ensure accuracy and availability of the latest information.
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	April	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	April	2017	On Schedule		All Agency biosolids have been sent to the IERCF, processed into compost and sold into landscape and agricultural markets.

Business Goals & Objectives Report By Department

FY 2016/17

EXHIBIT B

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
Planning and Environmental Compliance														
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	May	2017	On Schedule		Staff is actively participating in meetings, workshops, conferences, task forces, and attending seminars to track issues as they relate to the Agency's short- and long-term 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	May	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	May	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	May	2017	On Schedule		Participating in SB County stormwater management plan, including projects that promote LID.
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	May	2017	On Schedule		Staff is drafting a report to present information collected
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	May	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, WaterReuse, SCAP.	Sylvie Lee	May	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	May	2017	Behind Schedule		SAR HCP schedule has been prolonged through July 2018 for draft; 2019 for final adoption. Activity impact assessment and discussions about how to establish the mitigation sites are underway.
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	May	2017	On Schedule	No	Project lists, including sites identified in RMPU, are being updated in IRP Phase 2.
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	May	2017	On Schedule	No	ACOE is drafting public notice comment letters
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	May	2017	On Schedule	No	IEUA Board of Directors certified the final PEIR on 3/15/17

Business Goals & Objectives Report By Department

FY 2016/17

EXHIBIT B

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
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	May	2017	On Schedule	No	Project lists, including sites identified in RMPU, are being updated in IRP Phase 2.
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	May	2017	On Schedule	No	Researching current direct potable reuse projects, and participating in workshops with 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	May	2017	On Schedule	No	Phase 2 of the IRP is developing a Regional Projects List and Regional Single-Line Schematic as part of the initial effort. The Projects List will help project the long-term resiliency of the regions water supplies. The schematic will be expanded to model the ability to move water in the region.
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	May	2017	On Schedule		A scope of work has been developed for Phase 2 of the Feasibility Study for the RW Intertie Project with Pomona, MVWD and IEUA. Additional alternatives will be explored, as well as groundwater modeling for the potential locations.
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	May	2017	On Schedule		The department is preparing a list of potential Title XVI projects for Water Reclamation & Reuse for long-term grant planning.

**Inland Empire Utilities Agency
Inter-Departmental / Division Transfers FY 2016/2017
Budget Transfer**

Fund	Date	O&M Transfer From	Category	Amt Transfer Out	O&M Transfer To	Category	Amount Transfer In	Description	QTR
10200	1/16/17	512010	Office Supplies - Gen	\$500	512610	Office Equipment	\$500	Transfer to cover adj. height desk for Financial Analyst II.	3
10200	1/18/17	520213	Legal - Labor	\$30,000	521010	Contract Labor	\$30,000	Transfer needed for temporary employee support in the Records Mgmt Group.	3
10200	2/1/17	512010	Office Supplies - Gen	\$250	512610	Equip-Off <\$5,000	\$250	Transfer for ergonomic office equipment.	3
10200	3/15/17	521010	Contract Labor	\$17,000	512351	Courier/Shipping	\$17,000	Transfer to cover courier services through the remainder of the year. Increase in lab courier services pushed the contract amount over the budgeted fund amount.	3
10600	1/4/17	521220	Lab Services - Outside	\$10,000	512160	Lab Supplies	\$10,000	Transfer needed for analysis the agency is now able to perform in-house, transferring from RW contract lab svcs as samples will no longer be sent for that test.	3
10800	1/9/17	521080	Other Contract Svcs	\$1,000	519310	Operating Permits & Lic	\$1,000	Transfer for certification application fee for Magnolia Channel. Due to updated fees, there were not enough funds available in the account.	3
10800	3/28/17	519010	GM Contingency	\$110,000	520210	Legal Fees	\$110,000	Transfer from GM Contingency to legal fees to cover unforeseen general legal expenses	3
10800	3/29/17	521080	Other Contract Svcs	\$12,000	512140	Uniforms/Rugs	\$12,000	To cover the costs of uniforms for OIT volunteers and interns	3
			Total O&M Transfers Out	\$180,750		Total O&M Transfers In	\$180,750		

Fund	Date	Project	Project Description	Amt Transfer Out	Project	Project Description	Amt Transfer In	Justification	QTR
10600	1/4/17	EN17020	FY 16/17 WC On-Call Support O & M	\$33,000	EN17039	8th St. Basin RW Turnout Dischg Retrofit	\$33,000	Transfer required for the design consultant cost and labor cost through June 30th.	3
			Total Project Transfers Out	\$33,000		Total Project Transfers In	\$33,000		

**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
3/28/2016	Transfer to cover unforeseen general legal expenses	RO Fund	10800-112100-501000-519010	A. Woodruff		\$110,000	\$180,000
RO Fund GM Contingency					\$400,000	\$220,000	\$180,000
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
GG Fund GM Contingency					\$300,000	\$12,600	\$287,400
GM CONTINGENCY GRAND TOTAL					\$700,000	\$232,600	\$467,400

cc: Joe Grindstaff, Christina Valencia

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
10200	Capital	2/23/17	Yes	Yes	No	IS17018	HyperV Host Server	\$23,500	\$0	\$23,500	(\$4,000)	\$19,500	\$23,500	(\$4,000)	\$19,500	IS17021	Transfer to supply funds for purchase of adapters for servers to connect to Keyboard/Video/Monitor.
						IS17021	Keyboard/Video/Monitor	\$6,485	\$0	\$6,485	\$4,000	\$10,485	\$6,485	\$4,000	\$10,485	(IS17018)	
Subtotal Administration (GG):								\$29,985				\$29,985	\$29,985		\$29,985		
10800	Capital	1/5/17	Yes	Yes	Yes	IS15020	Process Automation and Control IT Improvement	\$500,000	(\$264,000)	\$236,000	(\$17,000)	\$219,000	\$500,000	\$0	\$500,000	IS17038	Transfer from IS15020 to create new project, IS17038, to implement an Ironport appliance in the SCADA network to eliminate a single point of failure for outbound plant alarms delivery over the Internet.
						IS17038	SCADA Network Redundancy	\$0	\$0	\$0	\$17,000	\$17,000	\$0	\$0	\$0	(IS15020)	
	Capital	2/21/17	Yes	Yes	Yes	IS17024	Invensys/Foxboro RP-5	\$254,500	\$0	\$254,500	(\$50,000)	\$204,500	\$254,500	(\$50,000)	\$204,500	IS17039	Transfer from IS17024 to create new project, Microwave Communications Power Reliability, to install a redundant central power source for the communications radios and new network switches to prevent loss of communications during power failures and during UPS maintenance.
						IS17039	Microwave Communications Power Reliability	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000	(IS17024)	
	Capital	2/22/17	Yes	Yes	Yes	EN14012	RP-2 Drying Beds Rehabilitation	\$1,818,400	\$0	\$1,818,400	(\$50,000)	\$1,768,400	\$350,000	(\$50,000)	\$300,000	EN17072	Transfer from EN14012 to create new project, EN17072, to provide grading and drainage improvements at CCWRF to eliminate the ongoing issue with run off accumulation.
						EN17072	CCWRF Airduct Modifications	\$0	\$0	\$0	\$50,000	\$50,000	\$0	\$50,000	\$50,000	(EN14012)	
	Capital	3/1/17	Yes	Yes	Yes	EN14012	RP-2 Drying Beds Rehabilitation	\$1,818,400	(\$50,000)	\$1,768,400	(\$15,000)	\$1,753,400	\$300,000	(\$15,000)	\$285,000	EN17082	Transfer from EN14012 to create new project, EN17082, to assist in the maintenance of the digestion system and limit the amount of clogging material in the digesters and associated piping.
						EN17082	RP-1 Mechanical Restoration and Upgrades	\$0	\$0	\$0	\$15,000	\$15,000	\$0	\$15,000	\$15,000	(EN14012)	
	Capital	3/15/17	Yes	Yes	No	EN17059	RP-1 Iron Sponges Installation	\$0	\$300,000	\$300,000	\$200,000	\$500,000	\$300,000	\$0	\$300,000	RO Reserves	Board approved amendment to the total project budget of EN17059 to cover the cost of the design-build contract with W.A. Rasic.
Subtotal Regional Operations (RO):								\$4,391,300				\$4,577,300	\$1,704,500		\$1,704,500		
10900	Capital	2/15/17	Yes	No	No	EN14018	RP-4 Process Improvements	\$2,391,345	\$0	\$2,391,345	\$284,400	\$2,675,745	\$1,000,000	\$0	\$1,000,000	(RC Reserves)	Board approved amendment to the the total project budget of EN14018 to cover cost of relocating the chemical disinfection facility to a centralized location within RP-4.
	Capital	3/1/17	Yes	No	Yes	EN17021	RC On-Call Operation and Maintenance	\$250,000	\$0	\$250,000	(\$25,000)	\$225,000	\$250,000	(\$25,000)	\$225,000	EN17077	Transfer to create new project, EN17077, to perform a condition assessment with the design recommendations for constructing emergency diversion at the San Bernardino Lift Station.
						EN17077	San Bernardino Lift Station Emergency Diversion System	\$0	\$0	\$0	\$25,000	\$25,000	\$0	\$25,000	\$25,000	(EN17021)	

**Inland Empire Utilities Agency
Changes in Total Project Budgets: Inter-Departmental/Division Transfers FY 2016/17**

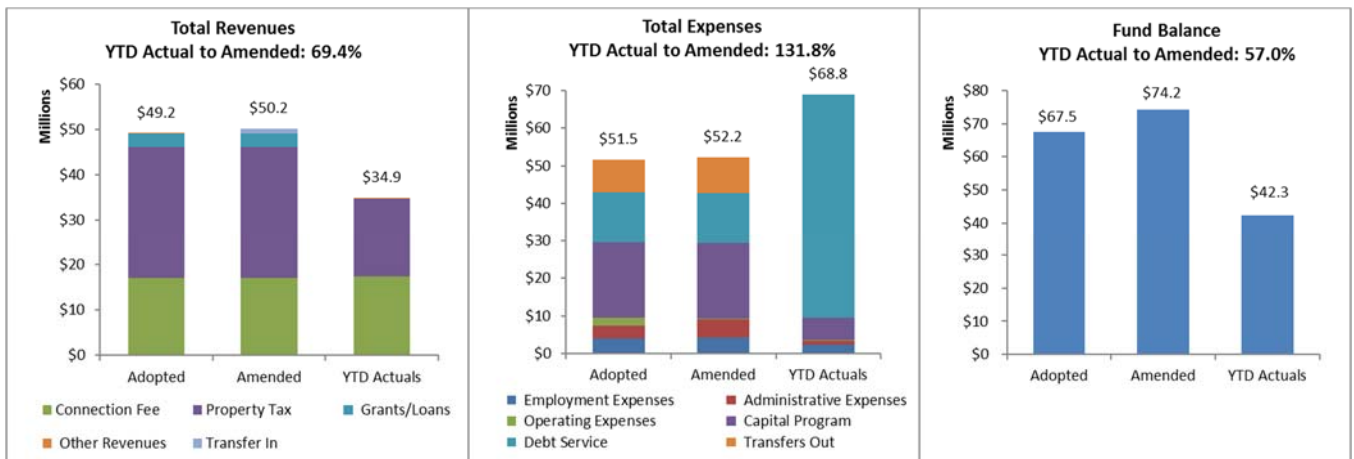
Fund	Capital or Spec Proj?	Request Date	Total Proj Budget Change (Y/N)?	Annual Proj Budget Change (Y/N)?	New Proj? (Y/N)	Project Number	Project Title	Adopted Total Project (TP) Budget	Prior TP Changes in Current FY	Current Total Project Budget	Amt. of Transfer In / (Out)	New TP Budget	Annual Project Budget	Annual Proj. Budget Change	New Annual Project Budget	Project Transferred To/(From)	Justification	
Capital	3/1/17	Yes	No	Yes	EN15055	1630 W Recycled Water Pump Station Surge Tank Installation	\$1,410,000	\$0	\$1,410,000	(\$10,000)	\$1,400,000	\$1,160,000	(\$10,000)	\$1,150,000	EN17080	Transfer to create new project, EN17080, to repair existing and construct new cathodic protection and monitoring test stations on the following recycled water distribution segments: Bickmore Ave pipeline, CCWRF pipeline, Edison Ave Main A and B pipelines, Jurupa pipeline, North Etiwanda Ave pipeline, San Antonio Channel Segment A pipeline, RP-4 West Extension Phase 1 & 2 pipelines, and 1158 reservoirs.		
					EN17080	RW System Cathodic Protection Improvements	\$0	\$0	\$0	\$10,000	\$10,000	\$0	\$10,000	\$10,000	(EN15055)			
Subtotal Regional Capital (RC):							\$4,051,345			\$4,335,745	\$2,410,000	\$2,410,000	\$2,410,000					
							Capital Total Project Budget		Capital Total Project Budget		Total Annual Capital Budget							
							Adopted	Adopted	Adopted	Adopted	Adopted	Adopted	Adopted	Adopted				
							\$8,472,630	\$8,943,030	\$4,144,485	\$4,144,485								
10800	O&M Proj	2/14/17	Yes	Yes	No	PA15006	Aeration Systems Rehabilitation	\$2,565,000	\$0	\$2,565,000	(\$139,000)	\$2,426,000	\$600,829	(\$139,000)	\$461,829	PA17006	Transfer from PA15006 to PA17006 to support the ongoing aeration projects throughout the Agency during FY 2016/17.	
						PA17006	Agency-wide Aeration Panel Replacement	\$2,400,000	(\$200,000)	\$2,200,000	\$139,000	\$2,339,000	\$2,200,000	\$139,000	\$2,339,000	(PA15006)		
Subtotal Regional Operations (RO):							\$4,965,000			\$4,765,000	\$2,800,829	\$2,800,829	\$2,800,829					
							O&M Total Project Budget		O&M Total Project Budget		Total Annual O&M Project Budget							
							Adopted	Adopted	Adopted	Adopted	Adopted	Adopted	Adopted					
							\$4,965,000	\$4,765,000	\$2,800,829	\$2,800,829								

Total Capital and O&M Project Transfers:	\$310,000
Total Project Budget Change - Capital:	\$484,400
Total Project Budget Change - O&M Proj:	\$0
Total Project Budget - Net Change:	\$484,400

Financial Overview of Agency's Programs FY 2016/17 quarter ended March 31, 2017 Total Revenues, Expenses, and Fund Balance

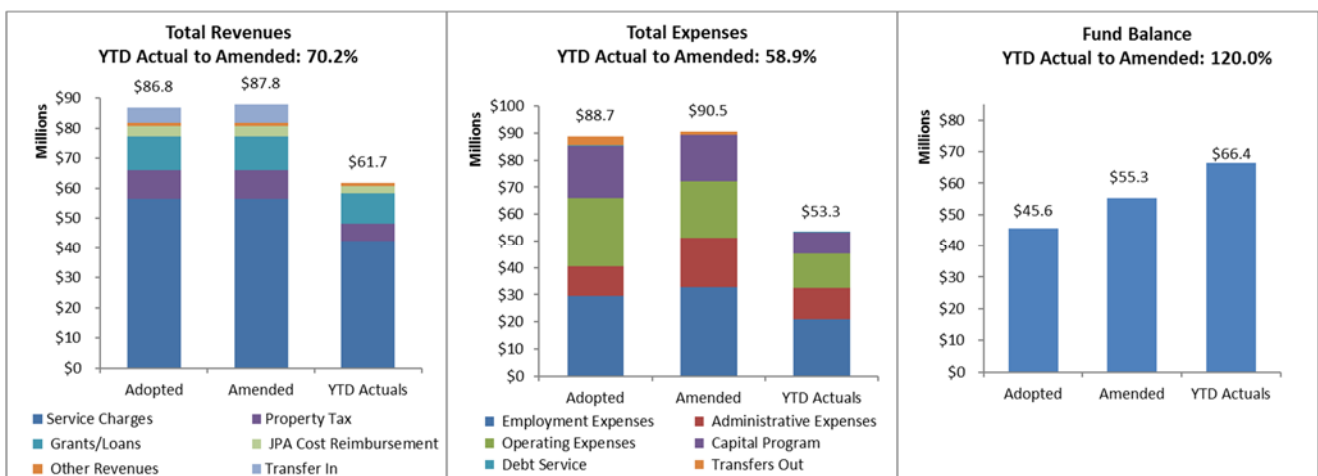
Regional Wastewater Capital Improvement (RC) Fund

Actual revenues through the third quarter were \$34.9 million and actual expense was \$68.8 million. Actual revenues were \$15.3 million lower than the amended budget and actual expense was \$16.6 million higher than amended budget, the aggregate change of \$31.9 million is reflected in the year to date actual fund balance decrease of \$31.9 million as compared to the amended budget. The third quarter decrease was mainly due to the \$50 million partial refunding of the 2008A bonds in January 2017, and was slightly offset by higher connection fee revenues and reduced capital project and administrative spending.



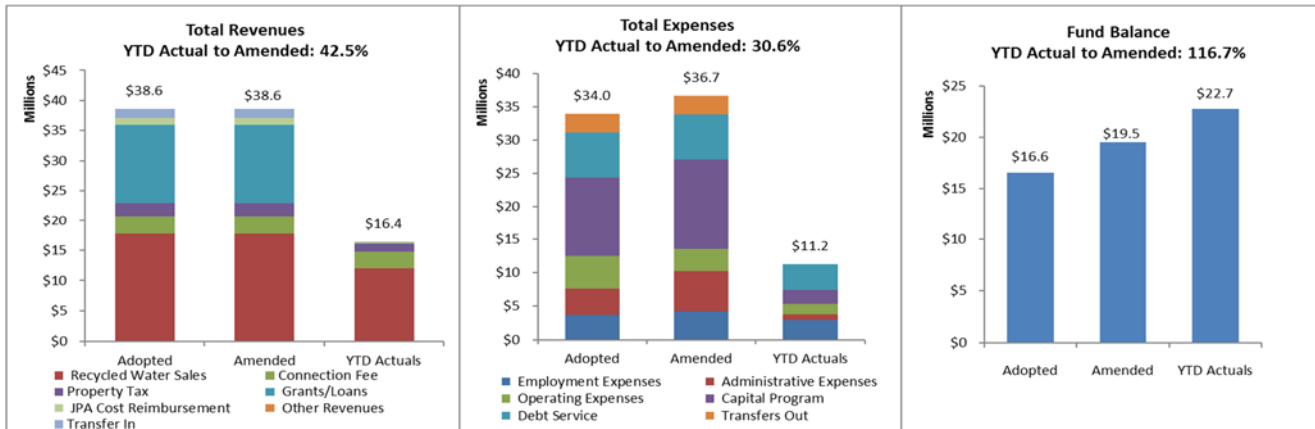
Regional Wastewater Operations and Maintenance (RO) Fund

Actual revenues through the third quarter were \$61.7 million and actual expense was \$53.3 million. Actual revenues were \$26.1 million lower than the amended budget and actual expense was \$37.2 million lower than amended budget, the aggregate change of \$11.1 million is reflected in the year to date actual fund balance increase of \$11.1 million as compared to the amended budget. The third quarter increase was mainly due to the timing of execution of O&M and capital replacement and rehabilitation projects.



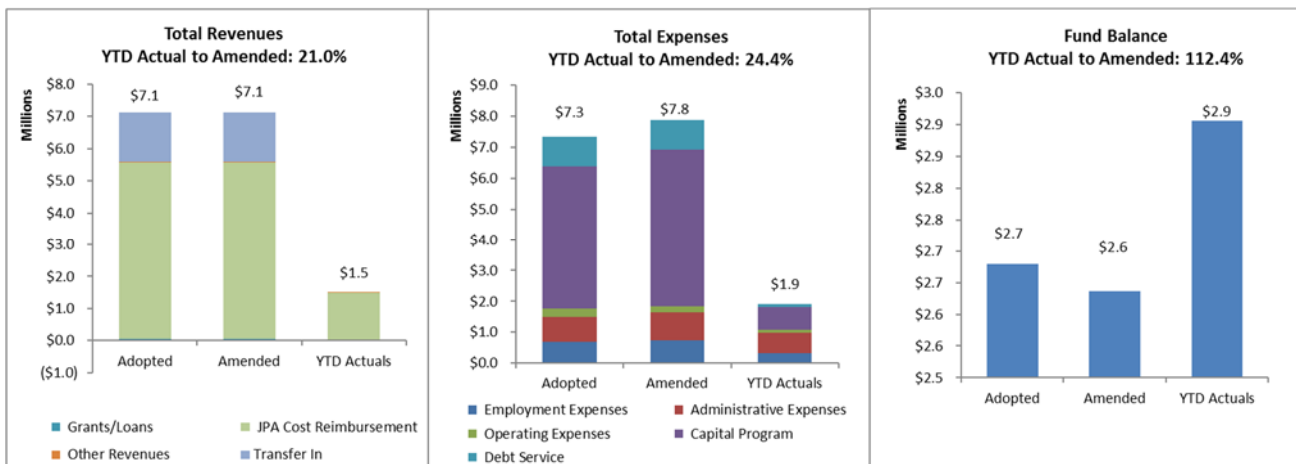
Recycled Water (WC) Fund

Actual revenues through the third quarter were \$16.4 million and actual expense was \$11.2 million. Actual revenues were \$22.2 million lower than the amended budget and actual expense was \$25.5 million lower than amended budget, the aggregate change of \$3.2 million is reflected in the year to date actual fund balance increase of \$3.2 million as compared to the amended budget. The third quarter increase was mainly due to favorable connection fee receipts, low administrative expenses, and delayed capital project expense.



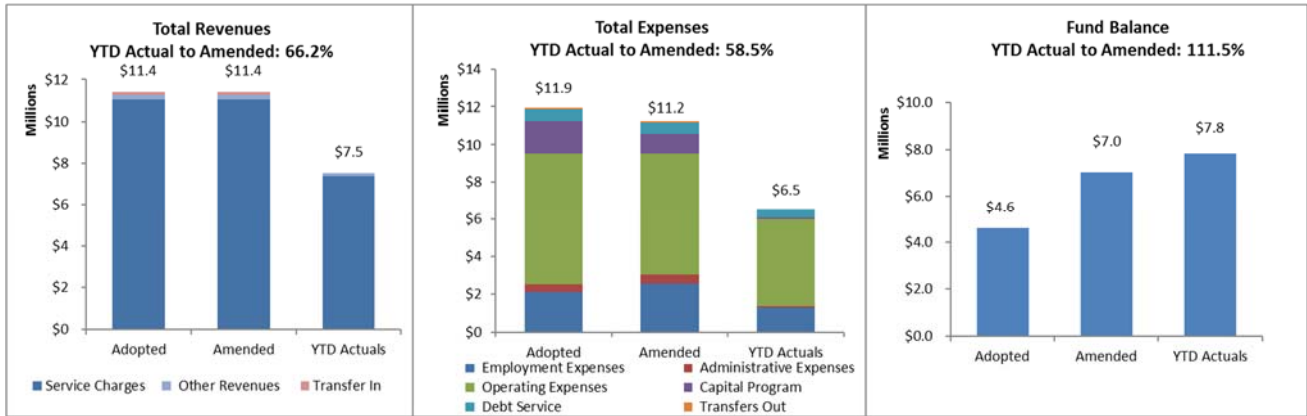
Recharge Water (RW) Fund

Actual revenues through the third quarter were \$1.5 million and actual expense was \$1.9 million. Actual revenues were \$5.6 million lower than the amended budget and actual expense was \$5.9 million lower than amended budget, the aggregate change of \$0.3 million is reflected in the year to date actual fund balance increase of \$0.3 million as compared to the amended budget. The third quarter increase was mainly due to low operational spending & delays in capital project execution.



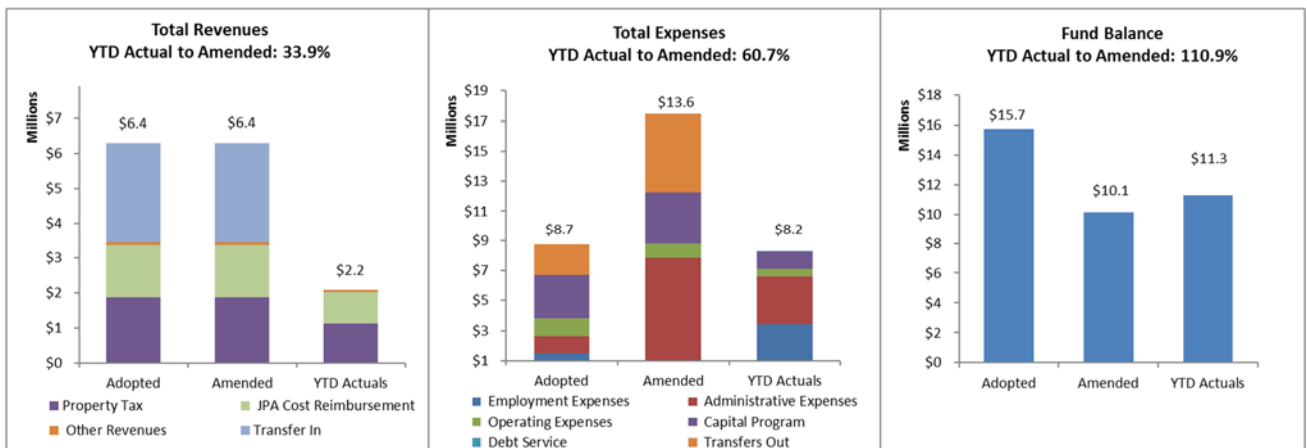
Non-Reclaimable Wastewater (NRW) Fund

Actual revenues through the third quarter were \$7.5 million and actual expense was \$6.5 million. Actual revenues were \$3.9 million lower than the amended budget and actual expense was \$4.7 million lower than amended budget, the aggregate change of \$0.8 million is reflected in the year to date actual fund balance increase of \$0.8 million as compared to the amended budget. The third quarter increase was mainly due to lower employment and administrative expense, and lower capital project expenditures.



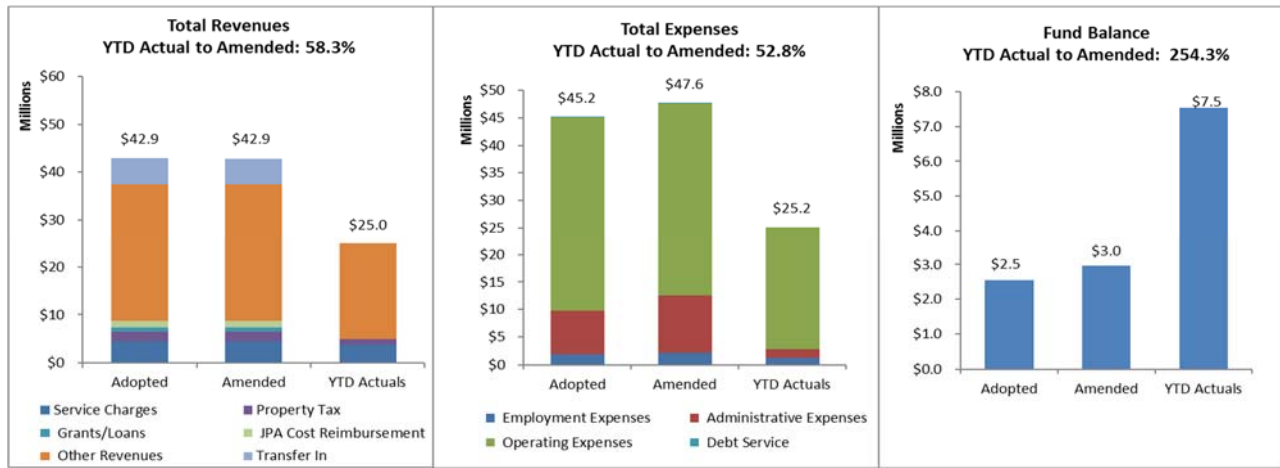
Administrative Services (GG) Fund

Actual revenues through the third quarter were \$2.2 million and actual expense was \$8.2 million. Actual revenues were \$4.2 million lower than the amended budget and actual expense was \$5.4 million lower than amended budget, the aggregate change of \$1.2 million is reflected in the year to date actual fund balance increase of \$1.2 million as compared to the amended budget. The third quarter increase was mainly due to lower administrative and capital spending.



Water Resources (WW) Fund

Actual revenues through the third quarter were \$25.0 million and actual expense was \$25.2 million. Actual revenues were \$17.9 million lower than the amended budget and actual expense was \$22.4 million lower than amended budget, the aggregate change of \$4.5 million is reflected in the year to date actual fund balance increase of \$4.5 million as compared to the amended budget. The third quarter increase was mainly due to lower spending for water efficiency projects.



FY 2016/17 Budget Variance Report 3rd Quarter ended March 31, 2017

Board Meeting



Sources of Funds Variance Highlights

YTD* Actuals vs. Amended Annual Budget

On track

- Wastewater/Water Connection Fees: YTD Actual; \$20.0M, vs. \$20.1M annual budget
 - 3,002 new EDU connections vs. 3,000 budgeted
 - 3,176 new water connections vs. 2,730 budgeted

Behind

- Grants and Loans: \$10.4M, vs. \$25.1M annual budget
 - Delays in grant and loan reimbursable projects
- Recycled Water, \$10.3M, vs. \$17.8M annual budget
 - 21,306 acre feet vs. 37,100 budgeted
 - Reduced demand due to wet winter season

*YTD – Fiscal Year to Date

Uses of Funds Variance Highlights

YTD Actuals vs. Amended Annual Budget

Behind

- Capital Projects: \$17.9M, vs. \$60.3M annual budget
 - Delayed project execution primarily due to changes in project schedules
- Professional Fees & Services: \$4.7M, vs, \$11.4M annual budget
 - Delays or deferral of contract materials & service execution

Above and On Track

- Financial Expenses: \$64.0M, vs annual budget of \$22.0M
 - Includes \$50.0M payment for 2008A bond refinancing. Payment was authorized by the Board in January 2017
- Employment Expenses: \$32.4M, vs. \$42.6M annual budget
 - Includes \$5.2M contribution to other post-employment benefits and retirement unfunded accrued liability

Project Budget Updates

- Total Project Budget Change in Third Quarter
 - \$310,000 transferred between 14 projects within the same funds*
 - \$171,000 transferred between capital projects
 - \$139,000 transferred between O&M projects
 - \$484,400 net increase in appropriated budget for FY 2016/17
 - \$200,000 Board approved amendment to project EN17059
 - \$284,400 Board approved amendment to project EN14018

*Transfer details provided in Exhibit D.

FY 2016/17 Q3 Consolidated Fund Balance

(\$ in Millions)			
Consolidated	FY 2016/17 Amended Budget	Third Quarter Ended 3/31/17	Actual % of Amended Budget
Total Sources of Funds	\$225.8	\$149.1	66.0%
Total Uses of Funds	\$241.1	\$175.2	72.7%
Total Net Increase/(Decrease)	(\$15.3)	(\$26.1)	
Beginning Fund Balance	\$187.1	\$187.1	
Ending Fund Balance	\$171.8	\$161.0	

Questions?

The budget variance analysis report is consistent with the Agency's business goal of fiscal responsibility


**INFORMATION
ITEM**


3B



Date: June 21, 2017

To: The Honorable Board of Directors

Through: Finance and Administration Committee (06/14/17)

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

RECOMMENDATION

The Treasurer's Report of Financial Affairs for the month ended April 30, 2017 is an informational item for the Board of Director's review.

BACKGROUND

The Treasurer's Report of Financial Affairs for the month ended April 30, 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), with one noted exception. The exception noted for medium term note investments was approved by the Board of Directors on May 17, 2017.

The March report included an exception to the criteria established in the Agency's Investment Policy: the share of the medium-term notes as a percentage of surplus funds portfolio was 11.2 percent, which is above the 10 percent defined in the Investment Policy, but below the 30 percent threshold established under the California Government Code (CGC). On May 17, 2017, the Board of Directors approved the Treasurer's Report of Financial Affairs for the month ended March 31, 2017, including the staff recommendation to approve medium-term investments as of March 31, 2017 and to allow for those investments to be held until maturity.

Staff will continue to monitor the medium-term note ratio and the expected portfolio outcome. Staff expects the fluidity of cash flow activities will evolve in a manner that will warrant gradual decrease in the medium-term note ratio until the 10 percent allowable threshold is achieved. Consistent with the Agency's Investment Policy, staff seeks to maintain the preservation of capital,

liquidity and attain return on investment when investing. As of April 30, 2017, the medium-term notes represent 10.3 percent of the surplus funds portfolio.

For the month of April, total cash, investments, and restricted deposits of \$164,157,848 reflects an increase of \$12,430,012 compared to the total reported for March 2017. The increase was attributed to property tax receipts and State Revolving Fund (SRF) loan reimbursement for the water quality laboratory. As a result, the average days of cash on hand for the month ended April 30, 2017 increased from 278 days to 300 days due to increased unrestricted cash available. 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 in April 2017 was 1.027%, a slight decrease of 0.014% compared to the average yield of 1.041% reported in March 2017. The minor change in yield is due to timing of receipts mentioned above.

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

On May 17, 2017, the Board of Directors approved the Treasurer' Report of Financial Affairs for the month ended March 31, 2017.

IMPACT ON BUDGET

The interest earned on the Agency's investment portfolio increases the Agency's reserves.

Attachment: April 2017 Treasurer's Report of Financial Affairs

TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended April 30, 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
April 30, 2017

	<u>April</u>	<u>March</u>
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>	<u>\$942,505</u>	<u>\$898,780</u>
<u>Investments</u>		
Citizens Business Bank (CBB) Repurchase (Sweep)	\$18,688,931	\$9,383,403
Local Agency Investment Fund (LAIF)	28,108,664	28,053,985
CalTrust	16,114,893	16,099,820
California Asset Management Program (CAMP)	18,138,805	18,124,469
Certificates of Deposit	3,385,000	3,385,000
Municipal Bonds	997,074	996,971
Commercial Paper	1,990,969	1,988,852
Medium Term Notes	13,601,753	13,604,412
U.S. Treasury Notes	1,990,708	1,990,342
U.S. Government Sponsored Entities	28,427,368	28,427,021
Total Investments	<u>\$131,444,165</u>	<u>\$122,054,275</u>
Total Cash and Investments Available to the Agency	<u>\$132,386,670</u>	<u>\$122,953,055</u>
<u>Restricted Deposits</u>		
Debt Service Accounts	\$3,333,708	\$2,551,435
CCRA Deposits Held by Member Agencies	18,573,252	16,502,928
OPEB (CERBT) Account	9,616,271	9,518,507
Escrow Deposits	247,947	201,911
Total Restricted Deposits	<u>\$31,771,178</u>	<u>\$28,774,781</u>
Total Cash, Investments, and Restricted Deposits	<u><u>\$164,157,848</u></u>	<u><u>\$151,727,836</u></u>

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2017

Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Offset by CBB Sweep Balance)	\$368,193
CBB Workers' Compensation Account	56,599
Bank of America (BoFA) Payroll Account	48,652
BoFA Payroll Taxes Account	409,472
Subtotal Demand Deposits	<u>\$882,916</u>

Other Cash and Bank Accounts

Petty Cash	<u>\$2,250</u>
Subtotal Other Cash	\$2,250

US Bank Pre-Investment Money Market Account

\$57,339

Total Cash and Bank Accounts

\$942,505

Investments

CBB Repurchase (Sweep) Investments

Freddie Mac	<u>18,688,931</u>
Subtotal CBB Repurchase (Sweep)	\$18,688,931

Local Agency Investment Fund (LAIF)

LAIF Non-Restricted Fund	<u>\$28,108,664</u>
Subtotal Local Agency Investment Fund	\$28,108,664

CalTrust

Short Term	\$10,146,364
Medium Term - Restricted	<u>5,968,529</u>
Subtotal CalTrust	\$16,114,893

California Asset Management Program (CAMP)

Pool	<u>\$18,138,805</u>
Subtotal CAMP	\$18,138,805

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2017

Investments Continued

Certificates of Deposit

Brokered Certificates of Deposit	\$3,385,000
Subtotal Certificates of Deposit	\$3,385,000

Commercial Paper

Natixis NY Branch	\$1,990,969
Subtotal Commercial Paper	\$1,990,969

Municipal Bonds

State and Local Municipal Bonds	\$997,074
Subtotal State Municipal Bonds	\$997,074

Medium Term Notes

John Deere Capital Corp.	1,000,372
Toyota Motor Credit Corp.	2,000,000
JP Morgan Chase & Co.	999,633
Johnson & Johnson	2,015,372
Microsoft	2,064,942
Exxon Mobil	2,511,028
Wells Fargo Bank N.A.	3,010,406
Subtotal Medium Term Notes	\$13,601,753

U.S. Treasury Notes

Treasury Note	\$1,990,708
Subtotal U.S. Treasury Notes	\$1,990,708

U.S. Government Sponsored Entities

Fannie Mae Bank	\$3,749,610
Freddie Mac Bank	8,484,464
Federal Farm Credit Bank	13,195,193
Federal Home Loan Bank	2,998,101
Subtotal U.S. Government Sponsored Entities	\$28,427,368

Total Investments \$131,444,165

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2017

Restricted Deposits

Debt Service Reserves

08B Debt Service Accounts	\$2,544,955
10A Debt Service Accounts	16
17A Debt Service Accounts	788,737
Subtotal Debt Service Reserves	<u>\$3,333,708</u>

CCRA Deposits Held by Member Agencies

City of Chino	\$2,825,881
Cucamonga Valley Water District	2,642,608
City of Fontana	2,445,681
City of Montclair	657,285
City of Ontario	4,795,368
City of Chino Hills	4,652,469
City of Upland	553,960
Subtotal CCRA Deposits Held by Member Agencies	<u>\$18,573,252</u>

CalPERS

OPEB (CERBT) Account	<u>\$9,616,271</u>
Subtotal CalPERS Accounts	\$9,616,271

Escrow Deposits

Kemp Brothers Construction	<u>\$247,947</u>
Subtotal Escrow Deposits	\$247,947

Total Restricted Deposits

\$31,771,178

Total Cash, Investments, and Restricted Deposits as of April 30, 2017

\$164,157,848

Total Cash, Investments, and Restricted Deposits as of 04/30/17	\$164,157,848
Less: Total Cash, Investments, and Restricted Deposits as of 03/31/17	<u>151,727,836</u>
<i>Total Monthly Increase (Decrease)</i>	<u><u>\$12,430,012</u></u>

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	April Amortization	April Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Cash, Bank Deposits, and Bank Investment Accounts													
Citizens Business Bank (CBB)													
Demand Account*					\$368,193	\$368,193	N/A	N/A	\$368,193		N/A	N/A	\$368,193
Workers' Compensation Account					56,599	56,599	N/A	N/A	56,599		N/A	N/A	56,599
Subtotal CBB Accounts					<u>\$424,792</u>	<u>\$424,792</u>			<u>\$424,792</u>				<u>\$424,792</u>
Bank of America (BofA)													
Payroll Checking					\$48,652	\$48,652	N/A	N/A	\$48,652		N/A	N/A	\$48,652
Payroll Tax Checking					409,472	409,472	N/A	N/A	409,472		N/A	N/A	409,472
Subtotal B of A Accounts					<u>\$458,124</u>	<u>\$458,124</u>			<u>\$458,124</u>		N/A		<u>\$458,124</u>
US Bank (USB)													
Federated Automated MMA					\$57,339	\$57,339	N/A	N/A	\$57,339		0.16%	N/A	\$57,339
Subtotal USB Account					<u>\$57,339</u>	<u>\$57,339</u>			<u>\$57,339</u>		0.16%		<u>\$57,339</u>
Petty Cash					<u>\$2,250</u>	<u>\$2,250</u>	N/A	N/A	<u>\$2,250</u>		N/A	N/A	<u>\$2,250</u>
Total Cash, Bank Deposits and Bank Investment Accounts					<u>\$942,505</u>	<u>\$942,505</u>			<u>\$942,505</u>				<u>\$942,505</u>
<i>*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance</i>													
Investments													
CBB Daily Repurchase (Sweep) Accounts													
FHLMC					\$18,688,931	\$18,688,931	N/A	N/A	\$18,688,931		0.50%	N/A	\$18,688,931
Subtotal CBB Repurchase Accounts					<u>\$18,688,931</u>	<u>\$18,688,931</u>			<u>\$18,688,931</u>		0.50%		<u>\$18,688,931</u>
LAIF Accounts													
Non-Restricted Funds					\$28,108,664	\$28,108,664	N/A	N/A	\$28,108,664		0.884%	N/A	\$28,108,664
Subtotal LAIF Accounts					<u>\$28,108,664</u>	<u>\$28,108,664</u>			<u>\$28,108,664</u>		0.884%		<u>\$28,108,664</u>
CALTRUST Accounts													
Short-Term					\$10,146,364	\$10,146,364	N/A	N/A	\$10,146,364		1.06%	N/A	\$10,146,364
Medium-Term (Self Insurance Reserves)					5,968,529	5,968,529	N/A	N/A	5,968,529		1.23%	N/A	5,968,529
Subtotal CalTrust Accounts					<u>\$16,114,893</u>	<u>\$16,114,893</u>			<u>\$16,114,893</u>		1.123%		<u>\$16,114,893</u>
CAMP Accounts													
Short-Term					\$18,138,805	\$18,138,805	N/A	N/A	\$18,138,805		0.96%	N/A	\$18,138,805
Subtotal CAMP Accounts					<u>\$18,138,805</u>	<u>\$18,138,805</u>			<u>\$18,138,805</u>		0.96%		<u>\$18,138,805</u>

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	April Amortization	April Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Investments (continued)													
Brokered Certificates of Deposit (CDs)													
Comenity Capital Bank	N/A				\$240,000	\$240,000	731		\$240,000	1.15%	1.15%	07/13/17	\$240,115
Discover Bank	N/A				240,000	240,000	552		240,000	1.15%	1.15%	07/17/17	240,199
Medallion Bank	N/A				240,000	240,000	733		240,000	1.20%	1.20%	07/17/17	240,118
Sallie Mae Bank	N/A				248,000	248,000	743		248,000	1.15%	1.15%	11/06/17	248,379
Key Bank National Association	N/A				248,000	248,000	732		248,000	1.10%	1.10%	11/13/17	248,397
Capital One Bank	N/A				240,000	240,000	916		240,000	1.35%	1.35%	01/16/18	240,634
Goldman Sachs Bank USA	N/A				240,000	240,000	916		240,000	1.39%	1.40%	01/16/18	240,717
BMW Bank of North America	N/A				240,000	240,000	915		240,000	1.39%	1.40%	01/17/18	240,717
American Express Bank	N/A				240,000	240,000	1097		240,000	1.69%	1.70%	07/16/18	240,766
American Express Centurion	N/A				240,000	240,000	1097		240,000	1.69%	1.70%	07/16/18	240,766
Ally Bank	N/A				243,000	243,000	722		243,000	1.45%	1.45%	03/11/19	242,893
Wells Fargo Bank	N/A				242,000	242,000	729		242,000	1.55%	1.55%	03/15/19	242,322
HSBC Bank USA, NA Step	N/A				244,000	244,000	1827		244,000	1.25%	2.51%	07/29/20	244,222
Synchrony Bank	N/A				240,000	240,000	1827		240,000	2.22%	2.25%	10/02/20	242,945
Subtotal Brokered CDs					\$3,385,000	\$3,385,000		\$0	\$3,385,000		1.50%		\$3,393,190
US Treasury Note													
US Treasury Note					\$2,000,000	\$1,990,000	808	366	\$1,990,708	1.13%	1.35%	05/31/19	\$1,993,360
Subtotal US Treasuries					\$2,000,000	\$1,990,000		\$366	\$1,990,708		1.35%		\$1,993,360
U.S. Government Sponsored Entities													
Federal Farm Credit Bank (<i>Sinking Fund Reserves 2/15</i>)	AA+	Aaa			\$5,195,000	\$5,199,431	447	(293)	\$5,196,327	0.75%	0.68%	09/13/17	\$5,191,052
Federal Home Loan Bank	AA+	Aaa			1,000,000	1,000,380	713	(16)	1,000,330	1.25%	1.23%	01/18/19	998,630
Federal Farm Credit Bank	AA+	Aaa			3,000,000	3,000,000	1,079		3,000,000	1.15%	1.15%	02/22/19	2,984,940
Freddie Mac Bond	AA+	Aaa			1,000,000	1,003,132	1,023	(92)	1,002,094	1.25%	1.14%	03/15/19	999,490
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,411	720	24	1,499,438	1.40%	1.42%	03/27/19	1,499,775
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,400	720	25	1,499,428	1.40%	1.42%	03/27/19	1,499,775
Federal Home Loan Bank	AA+	Aaa			2,000,000	1,997,600	801	89	1,997,771	1.38%	1.43%	05/24/19	2,000,880
Freddie Mac Bond	AA+	Aaa			2,000,000	2,000,000	798		2,000,000	1.55%	1.55%	06/06/19	2,001,820
Federal Farm Credit Bank	AA+	Aaa			2,000,000	2,000,000	1,460		2,000,000	1.52%	1.52%	06/24/19	2,005,920
Freddie Mac Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	1.15%	1.15%	07/26/19	1,479,765
Fannie Mae Step Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	0.89%	1.33%	07/26/19	1,488,435
Fannie Mae Bond	AA+	Aaa			900,000	899,460	1,153	14	899,610	1.25%	1.25%	08/23/19	891,945
Fannie Mae Bond	AA+	Aaa			1,350,000	1,350,000	1,157		1,350,000	1.25%	1.25%	08/26/19	1,337,553
Freddie Mac Bond	AA+	Aaa			3,000,000	2,972,928	1,359	598	2,982,370	1.25%	1.50%	10/02/19	2,983,740
Freddie Mac Bond	AA+	Aaa			1,000,000	1,000,000	1,093		1,000,000	1.63%	1.63%	01/28/20	1,000,020
Subtotal U.S. Gov't Sponsored Entities					\$28,445,000	\$28,421,742		\$349	\$28,427,368		1.24%		\$28,363,740

(As of August 2011, all US GSE's have been downgraded to AA+ Rating by S&P)

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	April Amortization	April Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Commercial Paper													
Natixis NY Branch	A-	A2			\$2,000,000	\$1,986,877	182	2,117	\$1,990,969	1.29%	1.31%	09/05/17	\$1,991,040
Subtotal Commercial Paper					\$2,000,000	\$1,986,877			\$1,990,969		1.31%		\$1,991,040
Municipal Bonds													
San Diego Redevelopment Agency	AA	N/R			\$1,000,000	\$996,800	934	\$103	\$997,074	1.63%	1.75%	09/01/19	\$990,650
Subtotal State and Local Municipal Bonds					\$1,000,000	\$996,800		\$103	\$997,074		1.75%		\$990,650
Medium Term Notes													
John Deere Capital Corp	A	A2			\$1,000,000	\$1,004,000	1,754	(68)	\$1,000,372	1.20%	1.11%	10/10/17	\$1,000,290
Wells Fargo Bank	AA-	Aa3			1,500,000	1,502,565	301	(251)	1,502,231	1.65%	1.44%	01/22/18	1,502,400
Toyota Motor Credit Corp	AA-	Aa3			2,000,000	2,000,000	1,045		2,000,000	1.10%	1.10%	04/25/18	1,983,700
JP Morgan Chase & Co	A-	A3			1,000,000	999,000	1,037	29	999,633	1.63%	1.66%	05/15/18	1,000,310
Johnson & Johnson	AAA	Aaa			2,000,000	2,027,480	1,044	(790)	2,015,372	1.64%	1.16%	12/05/18	2,010,480
Microsoft	AAA	Aaa			2,050,000	2,076,691	1,045	(766)	2,064,942	1.63%	1.16%	12/06/18	2,059,635
Exxon Mobil	AA+	Aaa			1,000,000	1,005,750	763	(226)	1,005,049	1.71%	1.43%	03/01/19	1,002,340
Exxon Mobil	AA+	Aaa			1,500,000	1,506,285	712	(262)	1,505,979	1.82%	1.59%	03/15/19	1,507,725
Wells Fargo Bank	AA-	Aa2			1,500,000	1,511,655	1,061	(325)	1,508,175	1.75%	1.48%	05/24/19	1,496,535
Subtotal Medium Term Notes					\$13,550,000	\$13,633,426		(2,659)	\$13,601,753		1.32%		\$13,563,415
Total Investments					\$131,431,293	\$131,465,138			\$131,444,165				\$131,346,688
<i>(Source of Investment Market Value: US Bank)</i>													
Restricted Deposits													
Debt Service and Arbitrage Accounts													
08B Debt Service Accounts					\$2,544,955	\$2,544,955	N/A	N/A	\$2,544,955		0.10%		\$2,544,955
10A Debt Service Accounts					16	16	N/A	N/A	16		0.13%		16
17A Debt Service Accounts					788,737	788,737	N/A	N/A	788,737		0.15%		788,737
Total Debt Service Accounts					\$3,333,708	\$3,333,708			\$3,333,708		0.11%		\$3,333,708

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	April Amortization	April Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
CCRA Deposits Held by Member Agencies													
City of Chino					\$2,825,881	\$2,825,881	N/A	N/A	\$2,825,881		N/A	N/A	\$2,825,881
Cucamonga Valley Water District					2,642,608	2,642,608	N/A	N/A	2,642,608		N/A	N/A	2,642,608
City of Fontana					2,445,681	2,445,681	N/A	N/A	2,445,681		N/A	N/A	2,445,681
City of Montclair					657,285	657,285	N/A	N/A	657,285		N/A	N/A	657,285
City of Ontario					4,795,368	4,795,368	N/A	N/A	4,795,368		N/A	N/A	4,795,368
City of Chino Hills					4,652,469	4,652,469	N/A	N/A	4,652,469		N/A	N/A	4,652,469
City of Upland					553,960	553,960	N/A	N/A	553,960		N/A	N/A	553,960
<i>Subtotal CCRA Deposits Held by Member Agencies</i>					<u>\$18,573,252</u>	<u>\$18,573,252</u>			<u>\$18,573,252</u>				<u>\$18,573,252</u>
<i>Reported total as of March 2017, net of received capital call proceeds from Montclair.</i>													
CalPERS Deposits													
OPEB (CERBT) Account					\$9,000,000	\$9,000,000	N/A	N/A	\$9,616,271		N/A	N/A	\$9,616,271
Subtotal CalPERS Deposits					<u>\$9,000,000</u>	<u>\$9,000,000</u>			<u>\$9,616,271</u>				<u>\$9,616,271</u>
Escrow Deposits													
Kemp Brothers Construction Escrow					\$247,947	\$247,947	N/A	N/A	\$247,947		N/A	N/A	\$247,947
Subtotal Escrow Deposits					<u>\$247,947</u>	<u>\$247,947</u>			<u>\$247,947</u>				<u>\$247,947</u>
Total Restricted Deposits					<u>\$30,366,170</u>	<u>\$30,366,170</u>			<u>\$31,771,178</u>				<u>\$30,982,441</u>
Total Cash, Investments, and Restricted Deposits as of April 30, 2017					<u>\$162,739,968</u>	<u>\$162,773,813</u>			<u>\$164,157,848</u>				<u>\$163,271,634</u>

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
April 30, 2017

April Purchases

No.	Date	Transaction	Investment Security	Type	Par Amount Purchased	Investment Yield
<i>None</i>						
Total Purchases					<u>\$</u>	<u>-</u>

April Investment Maturities, Calls & Sales

No.	Date	Transaction	Investment Security	Par Amount Matured/Sold	Investment Yield to Maturity
<i>None</i>					
Total Maturities, Calls & Sales				<u>\$</u>	<u>-</u>

INLAND EMPIRE UTILITIES AGENCY

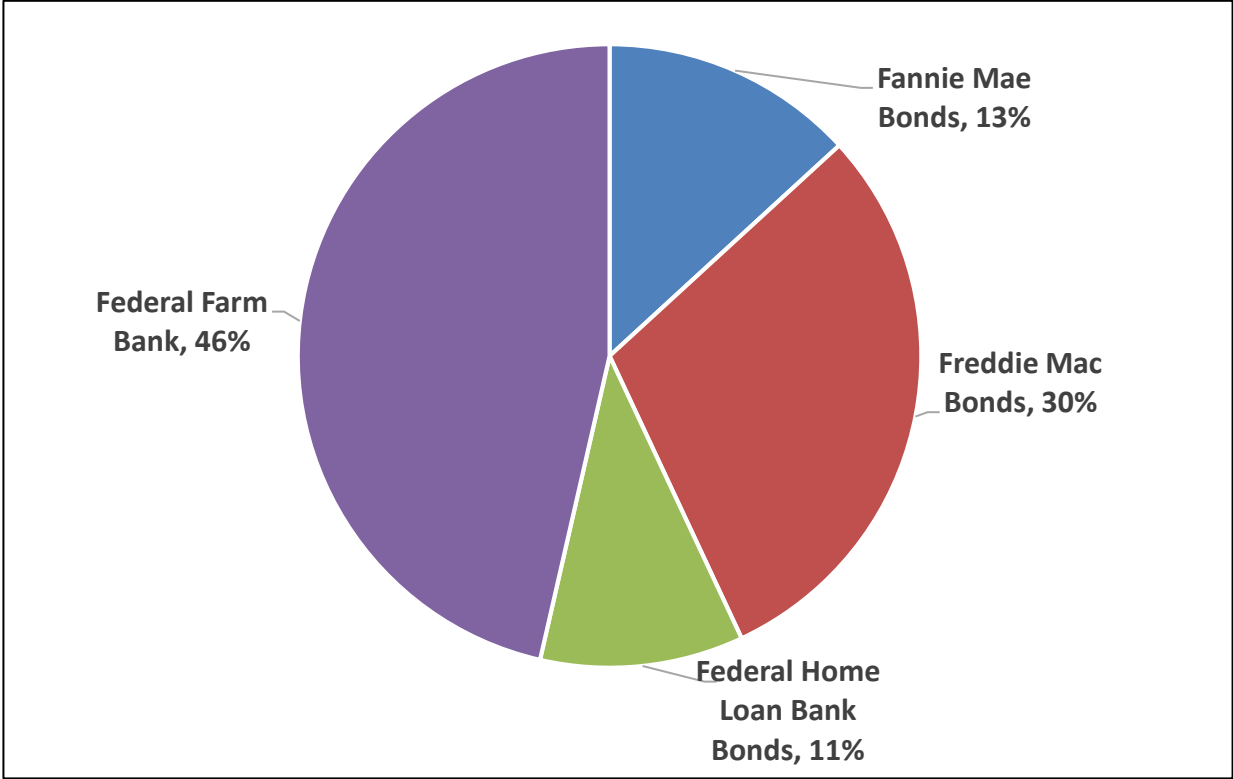
Cash and Investment Summary

Month Ended
April 30, 2017

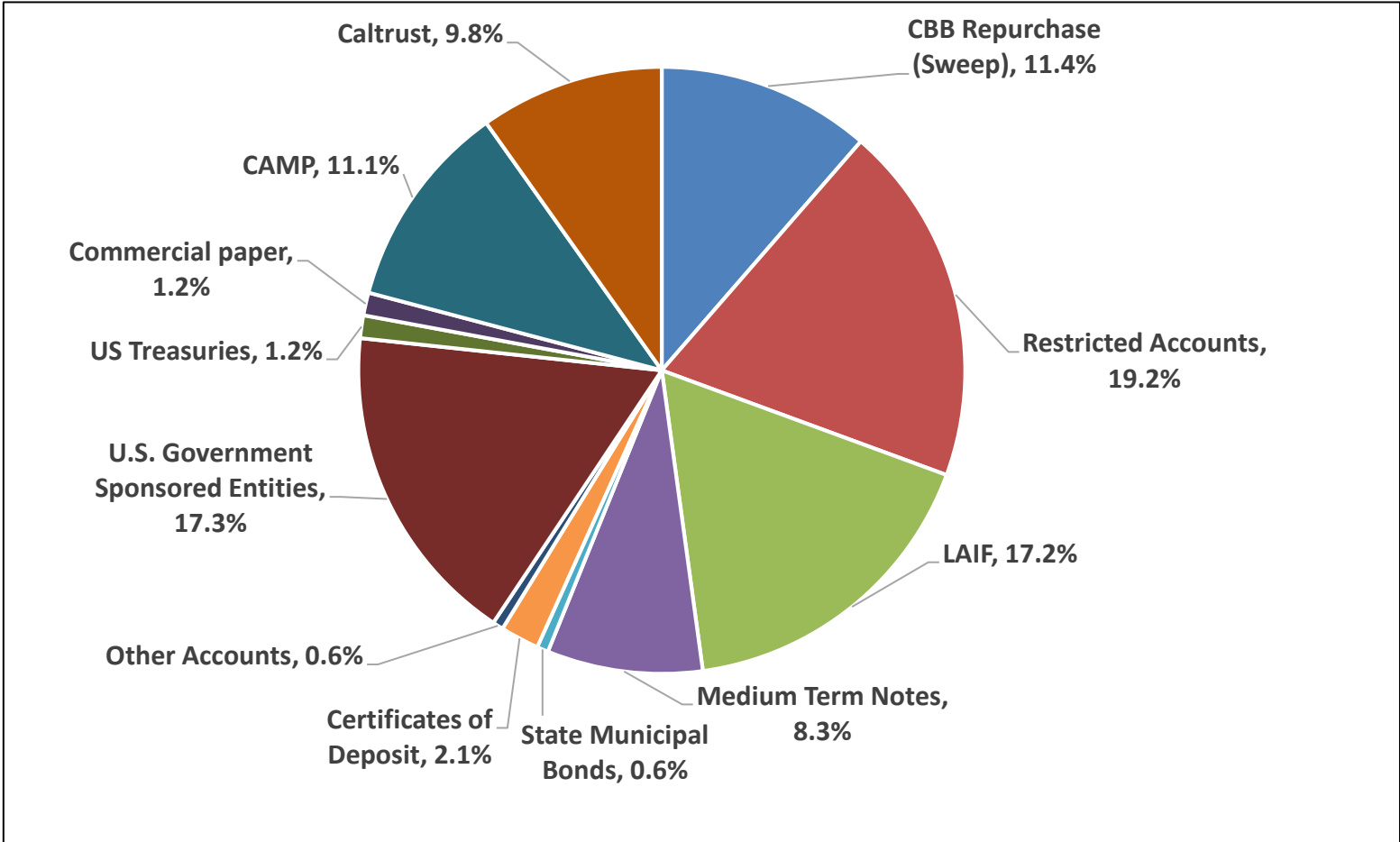
<u>Directed Investment Category</u>	<u>Amount Invested</u>	<u>Yield</u>
CBB Repurchase (Sweep)	\$18,688,931	0.500%
LAIF	28,108,664	0.884%
CalTrust	16,114,893	1.123%
CAMP	18,138,805	0.960%
Medium Term Notes	13,601,753	1.319%
Municipal Bonds	997,074	1.753%
Commercial Paper	1,990,969	1.307%
US Treasury Notes	1,990,708	1.352%
U.S. Government Sponsored Entities	28,427,368	1.240%
	\$128,059,165	1.015%
Bank Deposit and Investment Accounts		
Various Banks - Brokered Certificates of Deposit	\$3,385,000	1.503%
	\$3,385,000	1.503%
Total Investment Portfolio		\$131,444,165
Investment Portfolio Rate of Return		1.027%
Restricted/Transitory/Other Accounts		
CCRA Deposits Held by Member Agencies	\$18,573,252	N/A
CalPERS OPEB (CERBT) Account	9,616,271	N/A
US Bank - 2008B Debt Service Accounts	2,544,955	0.100%
US Bank - 2010A Debt Service Accounts	16	0.130%
US Bank - 2017A Debt Service Accounts	788,737	0.150%
US Bank - Pre-Investment Money Market Account	57,339	0.160%
Citizens Business Bank - Demand Account	368,193	N/A
Citizens Business Bank - Workers' Compensation Account	56,599	N/A
Other Accounts*	460,374	N/A
Escrow Account	247,947	N/A
	\$32,713,683	
Total Restricted/Transitory/Other Accounts		
Average Yield of Other Accounts		0.147%
Total Agency Directed Deposits	\$164,157,848	

* Note: Bank of America Payroll Deposits used as compensating balances for bank services.

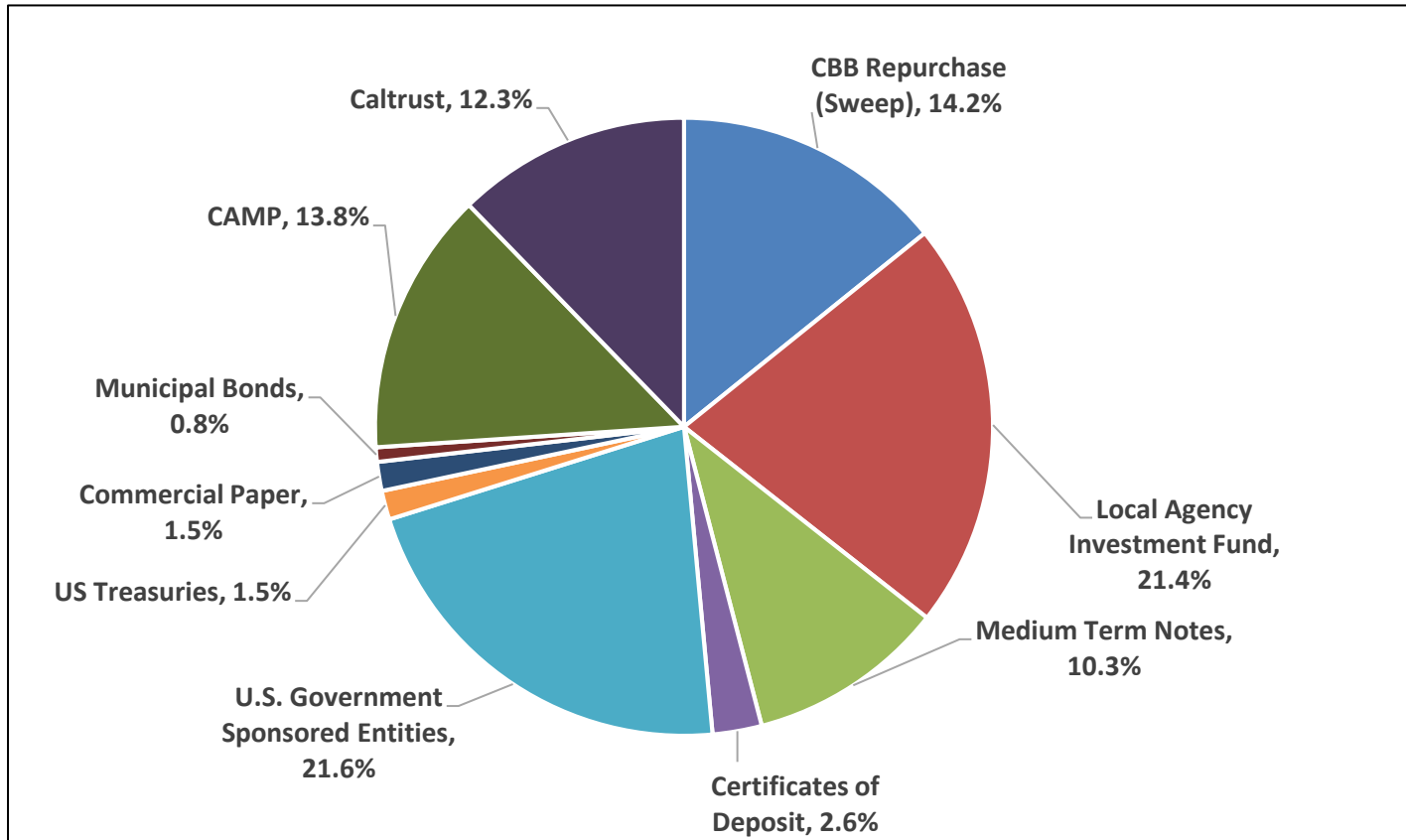
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended April 30, 2017
U.S. Government Sponsored Entities Portfolio
\$28,427,368



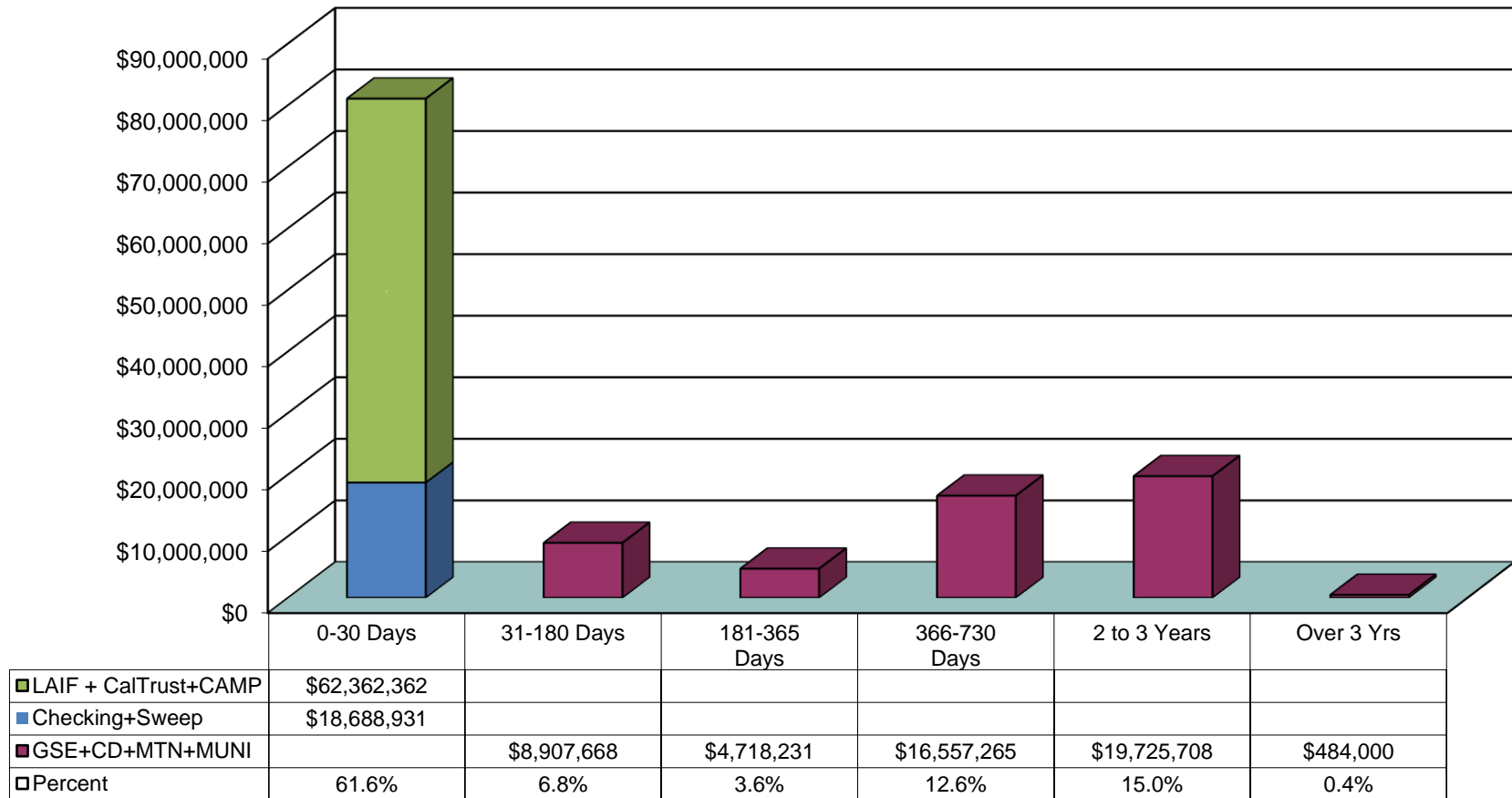
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended April 30, 2017
Agency Investment Portfolio (Net of Escrow Accounts)
\$163,909,901



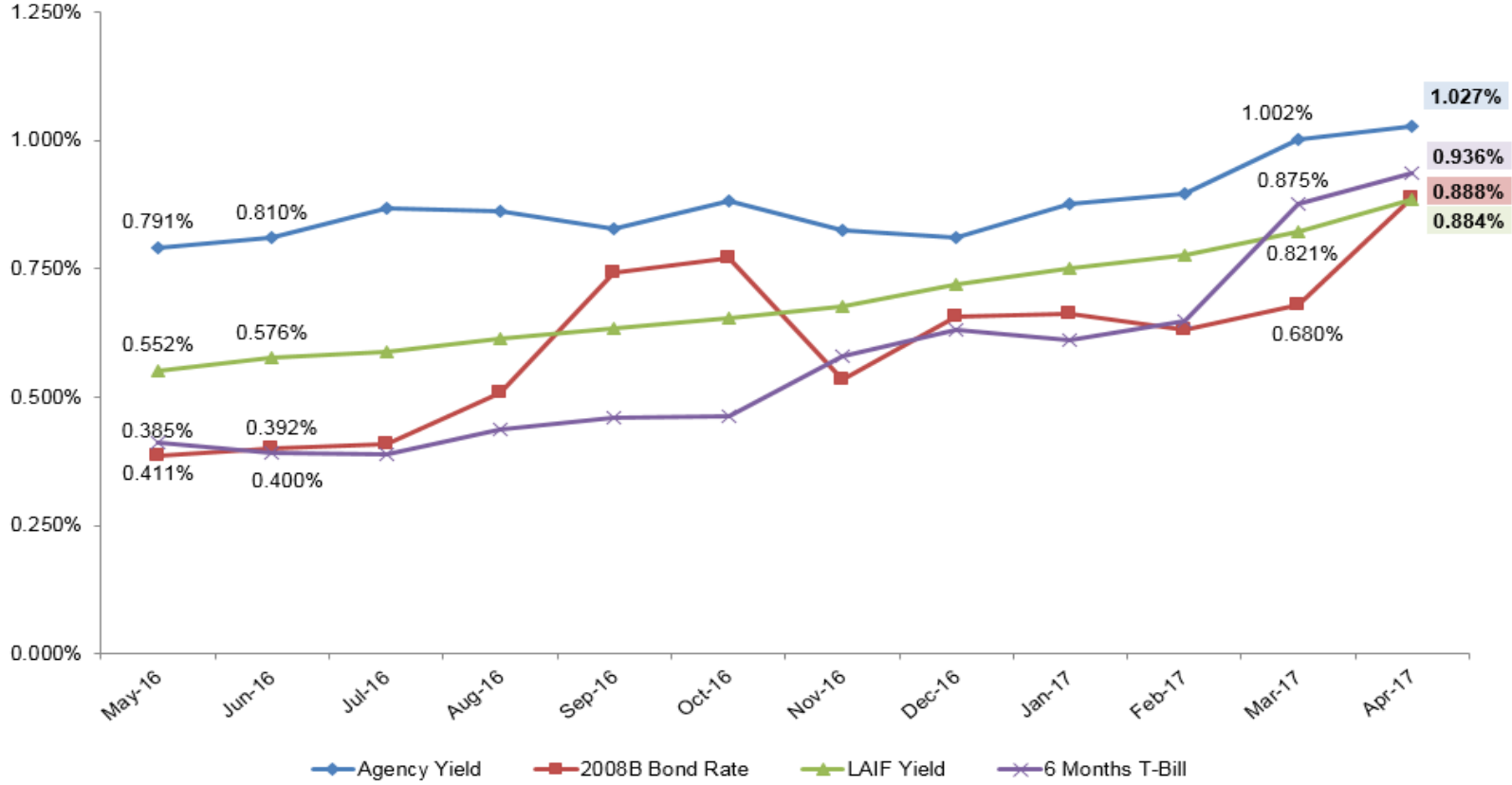
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended April 30, 2017
Unrestricted Agency Investment Portfolio
\$131,444,165



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended April 30, 2017
Agency Investment Portfolio Maturity Distribution (Unrestricted)
\$131,444,165



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended April 30, 2017
Agency Investment Portfolio Yield Comparison



Treasurer's Report of Financial Affairs for April 30, 2017

Board Meeting



Report of Financial Affairs

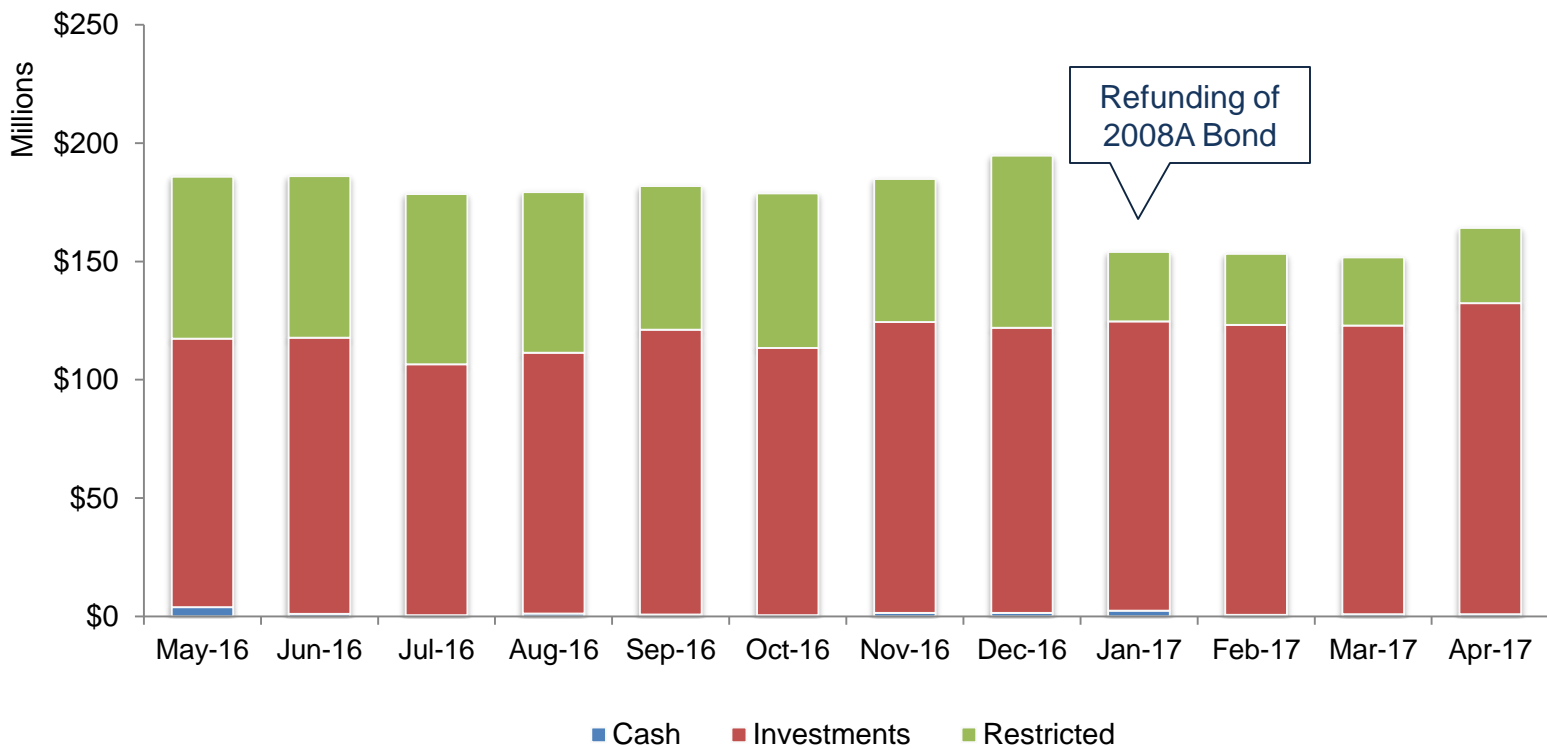
Liquidity

Description	April 2017 (\$ million)	March 2017 (\$ million)	Increase (Decrease) (\$ million)
Total Cash, Investments, and Restricted Deposits	\$164.1	\$151.7	\$12.4
Total Investment Portfolio (Unrestricted)	\$131.4	\$122.1	\$9.3
Investment Portfolio Yield	1.027%	1.041%	(0.014%)
Weighted Average Duration (years)	0.93	0.98	(0.05)
Average Cash on Hand (days)	300	278	22

Portfolio

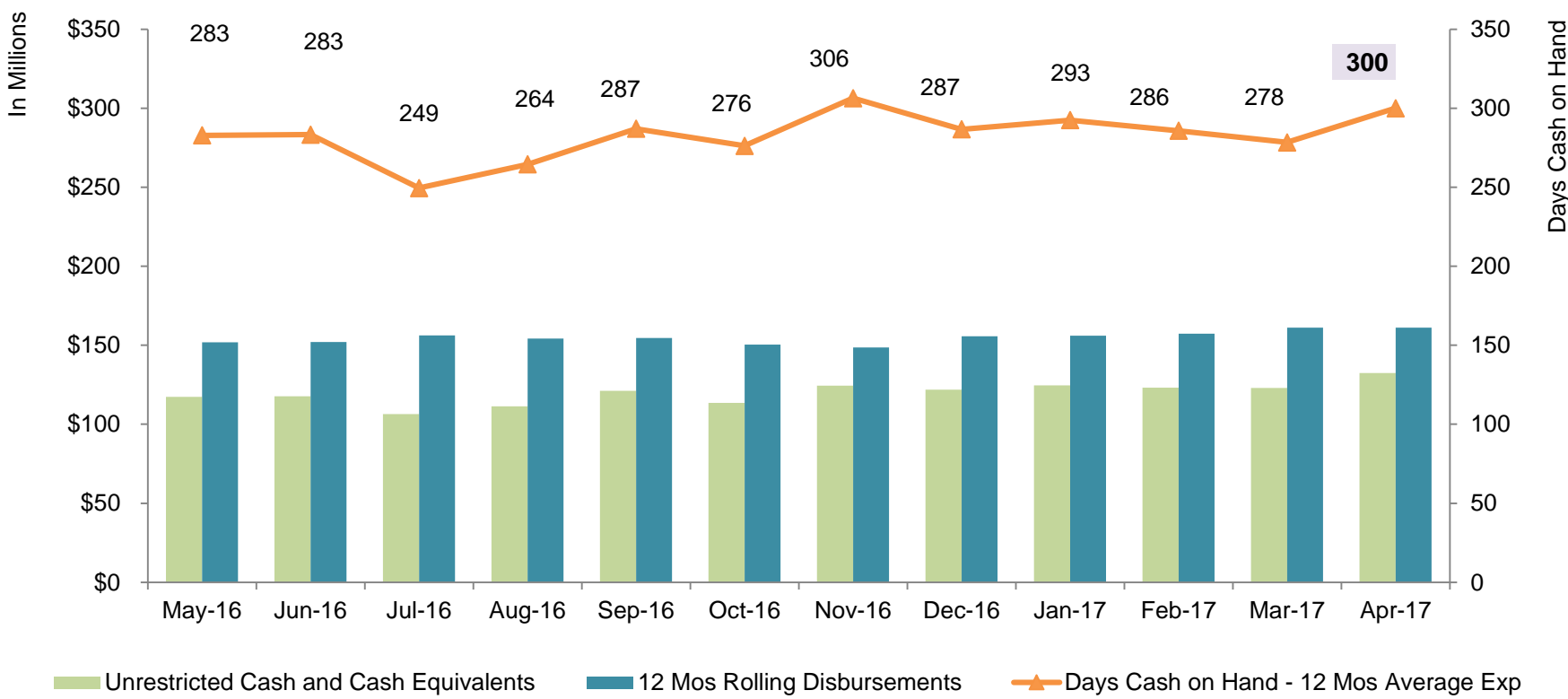
Authorized Investments	Allowable Threshold (\$ million or %)	Investment Value as of April 30, 2017				Average Yield	Portfolio % (Unrestricted)
		Under 1 Year	1 – 3 Years	Over 3 Years	Total		
LAIF	\$65	\$28.1			\$28.1	0.884%	21.4%
CalTrust	\$20	\$10.1	\$ 6.0		\$16.1	1.12%	12.3%
CAMP	\$20	\$18.1			\$18.1	0.96%	13.8%
Citizens Business Bank - Sweep	40%	\$18.7			\$18.7	0.50%	14.2%
Brokered CD's	30%	\$ 1.9	\$ 1.0	\$0.5	\$ 3.4	1.50%	2.6%
Commercial Paper	25%	\$ 2.0			\$ 2.0	1.31%	1.5%
Medium Term Notes	10%	\$ 4.5	\$ 9.1		\$13.6	1.32%	10.3%
Municipal Bond	10%	\$ 1.0			\$ 1.0	1.75%	0.8%
US Treasury Note	n/a		\$ 2.0		\$ 2.0	1.35%	1.5%
US Government Securities	n/a	\$ 5.2	\$23.2		\$28.4	1.24%	21.6%
Total		\$89.6	\$41.3	\$0.5	\$131.4	1.027%	100%

Cash, Investments, and Restricted Deposits

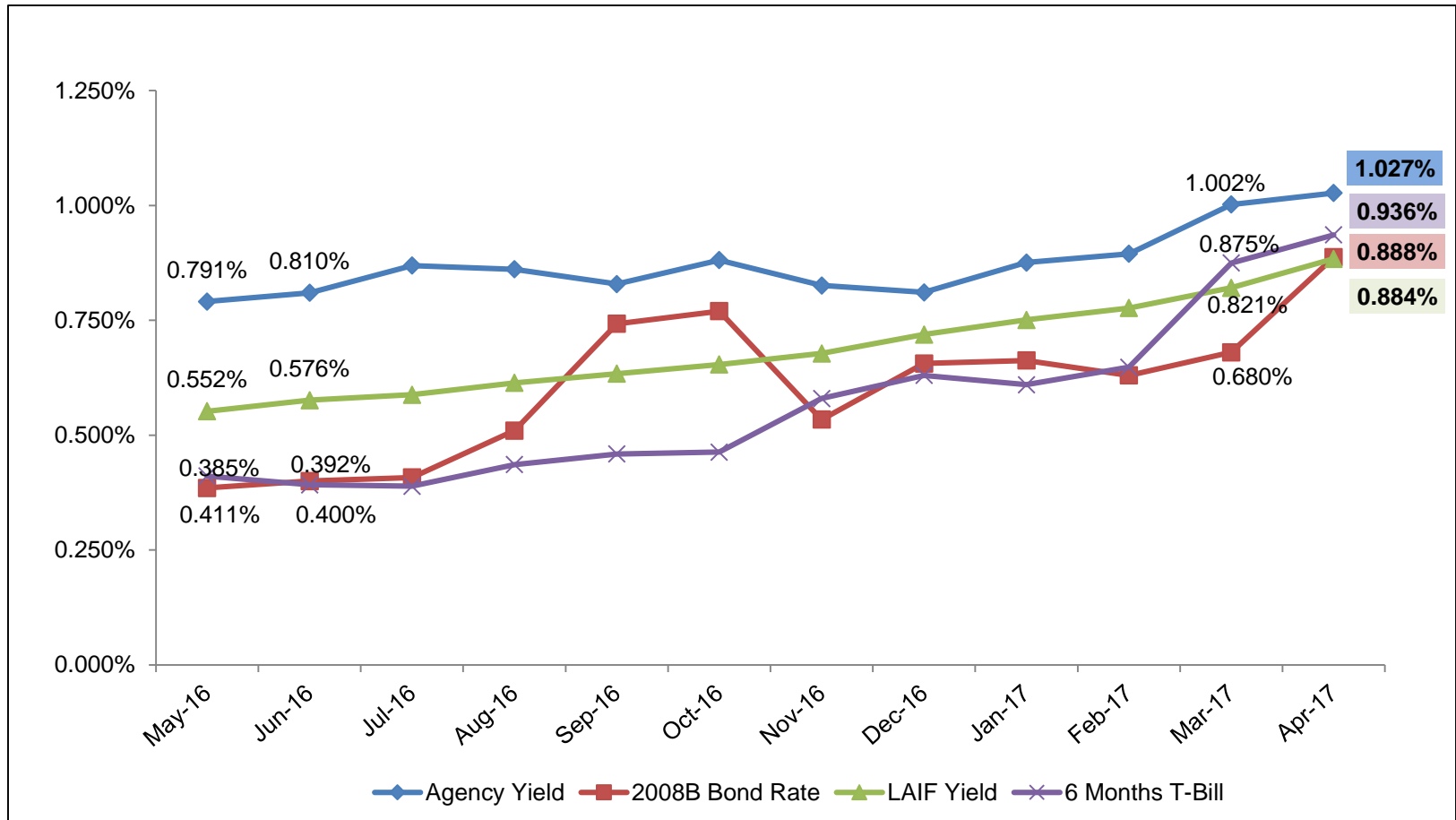


Days Cash on Hand

12 Months Rolling Average



Month End Portfolio Yield Composition





Questions?

The Treasurer's Report of Financial Affairs is consistent with the Agency's business goal of fiscal responsibility