



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

**WEDNESDAY, FEBRUARY 14, 2018
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 Special Finance and Administration Committee meeting minutes of December 13, 2017.

B. REPORT ON GENERAL DISBURSEMENTS

Staff recommends that the Committee/Board approve the total disbursements for the month of December 2017, in the amount of \$32,982,821.50.

2. **ACTION ITEMS**

A. **ADOPTION OF RESOLUTIONS APPROVING AN APPLICATION TO THE STATE WATER RESOURCES CONTROL BOARD FOR THE RP-1/RP-5 CONSTRUCTION EXPANSION PROJECT**

Staff recommends that the Committee/Board:

1. Adopt Resolution No. 2018-2-1, authorizing the General Manager to sign and file the State Revolving Fund (SRF) loan application with the SWRCB for construction for projects in the RP-1/RP-5 Construction Expansion Project (Project);
2. Adopt Resolution No. 2018-2-2, dedicating certain revenues in connection with the construction of the Project SRF financing from the SWRCB;
3. Adopt Resolution No. 2018-2-3, establishing the Agency's intention to apply for and be reimbursed for expenditures related to the construction of the Project; and
4. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

B. **ADOPTION OF RESOLUTION FOR THE USBR WATERSMART DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FOR FISCAL YEAR 2018**

Staff recommends that the Committee/Board:

1. Adopt Resolution No. 2018-2-4, authorizing the Agency to enter into a financial assistance agreement with the U.S. Department of Interior – Bureau of Reclamation for the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018; and
2. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

C. **ADOPTION OF RESOLUTION NO. 2018-2-5 TO UPDATE THE AGENCY'S INVESTMENT POLICY**

Staff recommends that the Committee/Board adopt Resolution No. 2018-2-5, approving the update of the Agency's Investment Policy.

3. **INFORMATION ITEMS**

RECEIVE AND FILE INFORMATION ITEM

A. **INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)
FISCAL YEAR (FY) 2016/17 AUDITED ANNUAL FINANCIAL REPORT
(WRITTEN)**

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

4. **GENERAL MANAGER'S COMMENTS**

5. **COMMITTEE MEMBER COMMENTS**

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

7. **ADJOURN**

*A Municipal Water District

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

Proofed by: 

DECLARATION OF POSTING

I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of the agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Ave., Building A, Chino, CA on Thursday, February 8, 2018.



April Woodruff

**CONSENT
ITEM**

1A



MINUTES

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

**WEDNESDAY, DECEMBER 13, 2017
9:00 A.M.**

COMMITTEE MEMBERS PRESENT

Jasmin A. Hall, Chair
Paul Hofer

STAFF PRESENT

Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Jerry Burke, Deputy Manager of Engineering
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Warren Green, Manager of Contracts & Procurement
Jason Gu, Grants Officer
Elizabeth Hurst, Water Resources Planner
Sally Lee, Executive Assistant
Suresh Malkani, Principal Accountant
Jason Marseilles, Senior Engineer
Liza Munoz, Senior Engineer
John Scherck, Senior Project Manager
Travis Sprague, Senior Associate Engineer
Shaun Stone, Manager of Engineering
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

Travis Hickey, Audit Committee Advisor
Adam Odom, LSL
Mike Puccio, Brown & Caldwell
Steve Rohrer, Brown & Caldwell
Leticia White, Innovative Federal Strategies
Shavi Winters, Innovative Federal Strategies

The meeting was called to order at 9:07 a.m. There were no public comments received or additions to the agenda.

CONSENT CALENDAR ITEMS

The Committee:

- ◆ Approved the Finance and Administration Committee meeting minutes of November 8, 2017.
- ◆ Recommended that the Board approve the total disbursements for the month of October 2017, in the amount of \$15,532,023.67.

ACTION ITEMS

The Committee:

- ◆ Recommended that the Board:
 1. Award a consultant contract for the RP-1 Capacity Recovery, Project Nos. EN24001 and EN24002, to Carollo Engineers Inc., for the not-to-exceed amount of \$13,637,633; and
 2. Authorize the General Manager to execute the consultant contract subject to non-substantive changes;

as a Consent Calendar Item on the December 20, 2017 Board meeting agenda.

- ◆ Recommended that the Board:
 1. Award a construction contract for the RP-5 Aeration Diffuser Replacement, Project No. PA17006.02, to Genesis Construction in the amount of \$2,987,654; and
 2. Authorize the General Manager to execute the contract;

as a Consent Calendar Item on the December 20, 2017 Board meeting agenda.

- ◆ Recommended that the Board:
 1. Award a construction contract for the Headquarters Buildings Roofing Replacement, Project No. CP16003, to Best Contracting Services Inc., in the amount of \$1,024,070;
 2. Approve a project budget reclassification in the amount of \$1,311,000 in the Administration Services (GG) Fund from O&M to Capital Project; and
 3. Authorize the General Manager to execute the contract and budget reclassification;

as a Consent Calendar Item on the December 20, 2017 Board meeting agenda.

- ◆ Recommended that the Board:
 1. Approve the Single Audit Report for FY 2016/17; and
 2. Direct staff to distribute the report, as appropriate, to the State Controller's

Office, the Federal Audit Clearing House, and other interested parties;
as a Consent Calendar Item on the December 20, 2017 Board meeting agenda.

◆ Recommended that the Board:

1. Award Contract No. 4600002440 to PFM Asset Management LLC for an initial three-year period with two, one-year options to extend, for investment advisory and management services;
2. Pursuant to the Agency's Risk Management Ordinance, Section 8, approve PFM's Self-Insured Retention (SIR) for Professional Liability Insurance in the amount of \$1,000,000; and
3. Authorize the General Manager to execute the consultant contract subject to non-substantive changes;

as a Calendar Consent Item on the December 20, 2017 Board meeting agenda.

◆ Recommended that the Board:

1. Approve the Inland Empire Utilities Agency Comprehensive Annual Financial Report for fiscal year ended June 30, 2017; and
2. Direct staff to distribute the report as appropriate, to the various federal, state, and local agencies, financial institutions, bond rating agencies, and other interested parties;

as a Calendar Consent Item on the December 20, 2017 Board meeting agenda.

INFORMATION ITEMS

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

- ◆ Fiscal Year 2017/18 First Quarter Budget Variance, Performance Goal Updates, and Budget Transfers
- ◆ Treasurer's Report of Financial Affairs

GENERAL MANAGER'S COMMENTS

Executive Manager of External Affairs & Policy Development/AGM Kathy Besser stated that General Manager Halla Razak and General Manager Emeritus P. Joseph Grindstaff were in Sacramento presenting the Proposition 1 application to the California Water Commission.

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 10:18 a.m.

Finance and Administration Committee
December 13, 2017
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Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

**A Municipal Water District*

APPROVED: FEBRUARY 14, 2018

**CONSENT
ITEM**

1B

Date: February 21, 2018

To: The Honorable Board of Directors

Committee: Finance & Administration

From: Halla Razak, General Manager

#4R

02/14/18

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Report on General Disbursements

Executive Summary:

Total disbursements for the month of December 2017 were \$32,982,821.50. Disbursement activity included check payments of \$6,893,686.00 to vendors and \$8,129.13 for worker's compensation related costs. Electronic payments included Automated Clearing House (ACH) of \$16,149,499.47 and wire transfers (excluding payroll) of \$8,199,725.68. Total payroll was \$1,726,015.10 for employees and \$5,766.12 for the Board of Directors.

The electronic ACH remittance of \$16,149,499.47 includes the SWRCB, Drinking Water Division (formerly the California Department of Public Health (CDPH) - CDA Phase III Expansion Project Grant Invoice #13 (Agreement #50124B01) in the amount of \$13,832,083.64 received by IEUA December 18, 2017, and remitted as a pass-through to the Chino Basin Desalter Authority.

Staff's Recommendation:

Approve the total disbursements for the month of December 2017, in the amount of \$32,982,821.50.

Budget Impact *Budgeted* (Y/N): N *Amendment* (Y/N): N *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

None.

Environmental Determination:

Not Applicable

Business Goal:

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.

Attachments:

Attachment 1 - Background

Attachment 2 - Details of General Disbursements

Background

Subject: Report on General Disbursements

Table 1 summarizes the disbursements detailed in each of the six attachments affixed to this letter. Table 2 lists the disbursements in excess of an aggregated \$500,000 per vendor, and is presented in largest to smallest dollar value.

Table 1: Disbursement Details

Attachment	Payment Type	Amount
1	Vendor Checks	\$6,893,686.00
2	Workers' Comp Checks	\$8,129.13
3	Vendor ACHs	\$16,149,499.47
4	Vendor Wires (excludes Payroll)	\$8,199,725.68
5	Payroll-Net Pay-Directors	\$5,766.12
6	Payroll-Net Pay-Employees	\$1,726,015.10
Total Disbursements		\$32,982,821.50

Table 2: Disbursements in Excess of \$500,000 per Vendor

Vendor	Amount	Description
CHINO BASIN DESALTER	\$13,832,083.64	CDPH-Chino III Expansion Projects Inv#13-G
MWD	\$6,898,223.25	OCTOBER 2017 Water Purchase
SWRCB	\$1,839,740.01	SRF Repayment #3 – C065319-110 SRF Repayment#13 – C064846-160
CSDLAC	\$1,182,539.78	FY17/18 2Q Wastewater Treatment Surcharge
KEMP BROS CONSTR INC	\$1,063,875.51	EN15008- Water Quality Laboratory- Pay Estimate #15
IRS	\$675,873.72	P/R 25, 26; Dir 011 Pyrl Taxes

Attachment 2A

Vendor Checks

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

ONTARIO CA 917610000

Check

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
221804	2200087274	12/07/2017	USD	100.58	ACOSTA-GRIJALVA, SHARON CHINO HILLS CA	12/12/2017
221805	2200087192	12/07/2017	USD	58.00	AEROTEK INC ATLANTA GA	12/12/2017
221806	2200087205	12/07/2017	USD	1,540.00	ALLIANCE FOR WATER EFFICIENCY CHICAGO IL	12/18/2017
221807	2200087211	12/07/2017	USD	16,587.57	ALLIED UNIVERSAL SECURITY SERVCONSHOHOCKEN PA	12/13/2017
221808	2200087175	12/07/2017	USD	395.40	AMERICAN COMPRESSOR CO SANTA FE SPRINGS CA	12/12/2017
221809	2200087238	12/07/2017	USD	9,408.00	AMERICAN LOCKER DALLAS TX	12/12/2017
221810	2200087178	12/07/2017	USD	262.00	AMERICAN WATER WORKS ASSOC DALLAS TX	12/14/2017
221811	2200087169	12/07/2017	USD	766.20	APPLEONE EMPLOYMENT SERVICES GLENDALE CA	12/12/2017
221812	2200087267	12/07/2017	USD	404.78	ARAMBULA, BLANCA CHINO HILLS CA	12/12/2017
221813	2200087166	12/07/2017	USD	1,400.32	ARIZONA INSTRUMENT LLC CHANDLER AZ	12/12/2017
221814	2200087214	12/07/2017	USD	29.60	ASAP INDUSTRIAL SUPPLY FONTANA CA	12/12/2017
221815	2200087195	12/07/2017	USD	261.00	ATMAA INC CALABASAS CA	01/03/2018
221816	2200087273	12/07/2017	USD	86.18	BOUGHAN, ARIN CHINO HILLS CA	12/12/2017
221817	2200087183	12/07/2017			voided by KMCCHRIS - Check not needed	01/08/2018
221818	2200087248	12/07/2017	USD	141.00	BURRTEC WASTE INDUSTRIES INC FONTANA CA	12/13/2017
221819	2200087152	12/07/2017	USD	19,282.00	CALIFORNIA ASSOCIATION OF SACRAMENTO CA	12/13/2017
221820	2200087220	12/07/2017	USD	15,871.76	CALIFORNIA WATER TECHNOLOGIES,PASADENA CA	12/12/2017
221821	2200087153	12/07/2017	USD	1,588.68	CALTROL INC LOS ANGELES CA	12/13/2017
221822	2200087268	12/07/2017	USD	182.54	CAMACHO, MICHAEL CHINO HILLS CA	12/14/2017
221823	2200087260	12/07/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	12/19/2017
221824	2200087181	12/07/2017	USD	23,038.40	CAROLLO ENGINEERS WALNUT CREEK CA	12/21/2017
221825	2200087170	12/07/2017	USD	7,987.50	CDM SMITH INC BOSTON MA	12/11/2017
221826	2200087264	12/07/2017	USD	385.06	CHAGOYEN-LAZARO, JAVIER CHINO CA	12/11/2017
221827	2200087173	12/07/2017	USD	12,448.38	CHINO BASIN WATERMASTER RANCHO CUCAMONGA CA	12/12/2017
221828	2200087202	12/07/2017	USD	7,979.52	CINTAS CORPORATION LOC#150 PHOENIX AZ	12/19/2017
221829	2200087188	12/07/2017	USD	1,385.85	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	12/13/2017
221830	2200087258	12/07/2017	USD	404.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	12/14/2017
221831	2200087241	12/07/2017	USD	4,854.27	CITY OF CHINO CHINO CA	12/12/2017
221832	2200087154	12/07/2017	USD	3,220.52	COLE FARMER INSTRUMENT CO CHICAGO IL	12/11/2017
221833	2200087155	12/07/2017	USD	29.80	COUNTY SANITATION DISTRICTS OFWHITTIER CA	12/13/2017
221834	2200087242	12/07/2017	USD	506.86	CUCAMONGA VALLEY WATER DISTRICTLOS ANGELES CA	12/12/2017
221835	2200087206	12/07/2017	USD	953.29	CUMMINS PACIFIC LLC LOS ANGELES CA	12/11/2017
221836	2200087221	12/07/2017	USD	9,801.59	D & H WATER SYSTEMS INC OCEANSIDE CA	12/12/2017
221837	2200087215	12/07/2017	USD	11,615.60	DAVID T WARDEN INC RIVERSIDE CA	12/18/2017
221838	2200087213	12/07/2017	USD	500.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	12/13/2017
221839	2200087172	12/07/2017	USD	9,713.85	DELL MARKETING L P PASADENA CA	12/11/2017
221840	2200087234	12/07/2017	USD	22,434.10	DORGAN LEGAL SERVICES LLP PASADENA CA	12/14/2017
221841	2200087228	12/07/2017	USD	5,337.22	DXP ENTERPRISES INC DALLAS TX	12/11/2017
221842	2200087218	12/07/2017	USD	2,558.14	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	12/13/2017
221843	2200087225	12/07/2017	USD	880.00	ENVIRONMENTAL CONCEPTS COMP INMISSION VIEJO CA	12/15/2017
221844	2200087224	12/07/2017	USD	9,850.00	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	12/13/2017
221845	2200087156	12/07/2017	USD	4,219.21	FISHER SCIENTIFIC LOS ANGELES CA	12/13/2017
221846	2200087167	12/07/2017	USD	245.27	FLW INC HUNTINGTON BEACH CA	12/13/2017
221847	2200087168	12/07/2017	USD	9.08	FONTANA HERALD NEWS FONTANA CA	12/12/2017

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Bank Key		122234149					
Acct number		CHECK		231167641			
Check							
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void	
221848	2200087245	12/07/2017	USD	865.65	FONTANA WATER COMPANY FONTANA CA	12/13/2017	
221849	2200087257	12/07/2017	USD	238.39	FRANCHISE TAX BOARD SACRAMENTO CA	12/20/2017	
221850	2200087261	12/07/2017	USD	2,494.54	FRESQUEZ, ADRIAN CHINO HILLS CA	12/15/2017	
221851	2200087249	12/07/2017	USD	2,351.25	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	12/15/2017	
221852	2200087179	12/07/2017	USD	3,978.92	GEORGE YARDLEY CO INC SANTA ANA CA	12/12/2017	
221853	2200087232	12/07/2017	USD	465.00	GILLIS + PANICHAPAN ARCHITECTSCOSTA MESA CA	12/20/2017	
221854	2200087271	12/07/2017	USD	9.22	GRINDSTAFF, PHILIP JOSEPH CHINO HILLS CA	12/18/2017	
221855	2200087174	12/07/2017	USD	1,813.75	HI-WAY SAFETY RENTALS INC CHINO CA	12/12/2017	
221856	2200087187	12/07/2017	USD	300.00	INDUSTRIAL HEARING & PULMONARYUPLAND CA	12/12/2017	
221857	2200087208	12/07/2017	USD	436.39	INDUSTRIAL RUBBER & SUPPLY INCSAN BERNARDINO CA	12/13/2017	
221858	2200087253	12/07/2017	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	12/20/2017	
221859	2200087157	12/07/2017	USD	1,760.01	INLAND VALLEY DAILY BULLETIN COVINA CA	12/13/2017	
221860	2200087197	12/07/2017	USD	8,000.00	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	12/18/2017	
221861	2200087164	12/07/2017	USD	378.45	INTERSTATE BATTERY SYSTEM ALTA LOMA CA	01/02/2018	
221862	2200087210	12/07/2017	USD	2,300.00	JB'S POOLS & PONDS INC UPLAND CA	12/12/2017	
221863	2200087177	12/07/2017	USD	529.45	KONICA MINOLTA BUSINESS SOLUTIPASADENA CA	12/12/2017	
221864	2200087237	12/07/2017	USD	6,500.00	KRD MANAGEMENT CONSULTING LLC TEMECULA CA	12/13/2017	
221865	2200087275	12/07/2017	USD	112.00	LEE, SALLY H CHINO HILLS CA	12/08/2017	
221866	2200087265	12/07/2017	USD	154.62	LETULLE, CHANDER CHINO HILLS CA	12/13/2017	
221867	2200087226	12/07/2017	USD	5,114.46	MANAGED MOBILE INC PLACENTIA CA	12/13/2017	
221868	2200087263	12/07/2017	USD	1,117.65	MARSEILLES, JASON CHINO HILLS CA	12/12/2017	
221869	2200087186	12/07/2017	USD	97.37	MCO - THE MICROFILM CO CORONA CA	01/11/2018	
221870	2200087219	12/07/2017	USD	2,300.00	MICROAGE PHOENIX AZ	12/12/2017	
221871	2200087184	12/07/2017	USD	345.85	MIDPOINT BEARING ONTARIO CA	12/11/2017	
221872	2200087278	12/07/2017	USD	144.80	MONFORE, KENNETH CHINO HILLS CA	12/22/2017	
221873	2200087277	12/07/2017	USD	74.97	MYKITA, RICK CHINO HILLS CA	12/21/2017	
221874	2200087193	12/07/2017	USD	533.90	NATIONAL BUSINESS INVESTIGATIONMURRIETA CA	12/12/2017	
221875	2200087200	12/07/2017	USD	1,417.90	NATIONAL CONSTRUCTION RENTALS PACOIMA CA	12/12/2017	
221876	2200087207	12/07/2017	USD	777.46	NESTLE WATERS NORTH AMERICA LOUISVILLE KY	12/15/2017	
221877	2200087231	12/07/2017	USD	5,083.22	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	12/11/2017	
221878	2200087191	12/07/2017	USD	214.50	OLSON HAGEL & FISHBURN LLP SACRAMENTO CA	12/12/2017	
221879	2200087189	12/07/2017	USD	1,969.20	PALM AUTO DETAIL INC COLTON CA	12/12/2017	
221880	2200087259	12/07/2017	USD	430.50	PATRICK W HUNTER PHELAN CA	12/14/2017	
221881	2200087269	12/07/2017	USD	894.42	POMPA, JESSE CHINO HILLS CA	12/08/2017	
221882	2200087240	12/07/2017	USD	30,250.24	PRUFTECHNIK INC PITTSBURGH PA	12/13/2017	
221883	2200087201	12/07/2017	USD	2,047.54	RAM FIBERGLASS INC CHINO CA	12/11/2017	
221884	2200087239	12/07/2017	USD	160.00	RANCHO DEL CHINO ROTARY OPERATCHINO CA		
221885	2200087266	12/07/2017	USD	734.33	SCHERCK, JOHN CHINO HILLS CA	12/18/2017	
221886	2200087160	12/07/2017	USD	255.00	SMART & FINAL LOS ANGELES CA	12/18/2017	
221887	2200087217	12/07/2017	USD	753.07	SNAP GRAPHICS & DESIGN RANCHO CUCAMONGA CA	12/12/2017	
221888	2200087243	12/07/2017	USD	53,392.75	SO CALIF EDISON ROSEMEAD CA	12/12/2017	
221889	2200087244	12/07/2017	USD	136.17	SO CALIF GAS MONTEREY PARK CA	12/15/2017	
221890	2200087194	12/07/2017	USD	10,000.00	SO CALIF SALINITY COALITION FOUNTAIN VALLEY CA	12/14/2017	
221891	2200087165	12/07/2017	USD	2,631.19	SOUTH COAST AQMD DIAMOND BAR CA	01/04/2018	

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
221892	2200087161	12/07/2017	USD	2,771.94	SOUTHWEST ALARM SERVICE UPLAND CA	12/12/2017
221893	2200087198	12/07/2017	USD	18,205.96	STANTEC CONSULTING INC CHICAGO IL	12/12/2017
221894	2200087176	12/07/2017	USD	450.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	12/14/2017
221895	2200087199	12/07/2017	USD	22,728.00	THE AUSTIN COMPANY CLEVELAND OH	12/12/2017
221896	2200087209	12/07/2017	USD	1,500.00	TOTALFUNDS BY HASLER TAMPA FL	12/15/2017
221897	2200087223	12/07/2017	USD	3,840.00	TRIEPEI SMITH AND ASSOCIATES, IRVINE CA	12/13/2017
221898	2200087203	12/07/2017	USD	12,005.05	U S BANK ST LOUIS MO	12/15/2017
221899	2200087190	12/07/2017	USD	228.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	12/14/2017
221900	2200087162	12/07/2017	USD	453.85	UNDERGROUND SERVICE ALERT/SC CORONA CA	12/15/2017
221901	2200087229	12/07/2017	USD	11,113.97	UNITED LABORATORIES INC ST CHARLES IL	12/13/2017
221902	2200087255	12/07/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	12/19/2017
221903	2200087222	12/07/2017	USD	212.00	V3IT CONSULTING INC NAPERVILLE IL	12/13/2017
221904	2200087227	12/07/2017	USD	2,558.29	VANTAGE TECHNOLOGY CONSULTING EL SEGUNDO CA	12/14/2017
221905	2200087236	12/07/2017	USD	1,639.02	VECTOR USA TORRANCE CA	12/12/2017
221906	2200087185	12/07/2017	USD	11,776.67	VERIZON WIRELESS DALLAS TX	12/13/2017
221907	2200087216	12/07/2017	USD	8,307.13	XYLEM WATER SOLUTIONS USA INC CHICAGO IL	12/12/2017
221908	2200087262	12/07/2017	USD	349.34	ZIEGENBEIN, JEFF CHINO HILLS CA	12/21/2017
221909	2200087292	12/11/2017	USD	100.00	CALIFORNIA BAPTIST UNIVERSITY RIVERSIDE CA	01/08/2018
221910	2200087291	12/11/2017	USD	9,700.00	ELECTRIC SERVICE & SUPPLY PASADENA CA	12/18/2017
221911	2200087293	12/11/2017	USD	2,000.00	HIGHLANDER EDUCATIONAL FOUNDATUPLAND CA	12/18/2017
221912	2200087296	12/11/2017	USD	5.05	MYKITTA, RICK CHINO HILLS CA	12/21/2017
221913	2200087290	12/11/2017	USD	20,830.00	POWER ENGINEERING SERVICES INCBREA CA	12/29/2017
221914	2200087288	12/11/2017	USD	4,909.95	POWER SYSTEMS SERVICES INC CHINO CA	12/29/2017
221915	2200087294	12/11/2017	USD	193,209.70	SO CALIF EDISON ROSEMEAD CA	12/15/2017
221916	2200087295	12/11/2017	USD	1,438.15	SO CALIF GAS MONTEREY PARK CA	12/19/2017
221917	2200087287	12/11/2017	USD	14,251.00	TETRA TECH INC DENVER CO	12/18/2017
221918	2200087289	12/11/2017	USD	6,621.10	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	12/18/2017
221919	2200087339	12/14/2017	USD	58.00	AEROTEK INC ATLANTA GA	12/19/2017
221920	2200087393	12/14/2017	USD	115.00	AGUILAR, JOSHUA CHINO HILLS CA	12/28/2017
221921	2200087325	12/14/2017	USD	813.69	AIRGAS WEST INC PASADENA CA	12/18/2017
221922	2200087350	12/14/2017	USD	1,098.46	AMERICAN PRINTING & PROMOTIONSCHINO CA	12/26/2017
221923	2200087357	12/14/2017	USD	2,970.28	ASAP INDUSTRIAL SUPPLY FONTANA CA	12/19/2017
221924	2200087364	12/14/2017	USD	178.10	AUTOZONE INC ATLANTA GA	12/20/2017
221925	2200087390	12/14/2017	USD	316.95	BERCH, CHRISTOPHER CHINO HILLS CA	01/03/2018
221926	2200087358	12/14/2017	USD	618.09	BIG SKY ELECTRIC INC UPLAND CA	12/19/2017
221927	2200087327	12/14/2017	USD	246.59	BLAZE CONE COMPANY PORTLAND OR	12/26/2017
221928	2200087398	12/14/2017	USD	80.25	BOUGHAN, ARIN CHINO HILLS CA	12/21/2017
221929	2200087382	12/14/2017	USD	6,000.00	BRI COMMUNICATIONS SEATTLE WA	12/21/2017
221930	2200087365	12/14/2017	USD	17,341.79	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	12/18/2017
221931	2200087386	12/14/2017	USD	7,110.82	HURRTEC WASTE INDUSTRIES INC FONTANA CA	12/20/2017
221932	2200087328	12/14/2017	USD	95.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	12/22/2017
221933	2200087352	12/14/2017	USD	16,000.00	CALIFORNIA STRATEGIES LLC SACRAMENTO CA	12/27/2017
221934	2200087367	12/14/2017	USD	44,858.47	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	12/18/2017
221935	2200087395	12/14/2017	USD	267.03	CAMACHO, MICHAEL CHINO HILLS CA	12/22/2017

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221937	2200087369	12/14/2017	USD	1,207.50	CAMET RESEARCH, INC. GOLETA CA	12/29/2017
221938	2200087333	12/14/2017	USD	262,327.89	CAROLLO ENGINEERS INC SALT LAKE CITY UT	12/19/2017
221939	2200087377	12/14/2017	USD	3,384.88	CHEMTRADE CHEMICALS US LLC DETROIT MI	12/19/2017
221940	2200087349	12/14/2017	USD	5,701.73	CINTAS CORPORATION LOC#150 PHOENIX AZ	12/26/2017
221941	2200087326	12/14/2017	USD	1,100.82	CITY OF CHINO CHINO CA	12/21/2017
221942	2200087368	12/14/2017	USD	5,304.06	CIVILTEC ENGINEERING, INC. MONROVIA CA	01/05/2018
221943	2200087362	12/14/2017	USD	22,585.47	CONSERV CONSTRUCTION INC MENIFEE CA	12/18/2017
221944	2200087355	12/14/2017	USD	705.00	CORPERO COMPANIES INC DALLAS TX	12/19/2017
221945	2200087353	12/14/2017	USD	600.00	CRB SECURITY SOLUTIONS WESTMINSTER CA	12/19/2017
221946	2200087342	12/14/2017	USD	2,528.34	CS-AMSCO HUNTINGTON BEACH CA	12/22/2017
221947	2200087378	12/14/2017	USD	8,272.00	CSI SERVICES INC SANTA CLARITA CA	01/08/2018
221948	2200087384	12/14/2017	USD	55.20	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA	12/19/2017
221949	2200087332	12/14/2017	USD	220.00	DEPT OF CONSUMER AFFAIRS SACRAMENTO CA	12/26/2017
221950	2200087345	12/14/2017	USD	397.91	DETECTION INSTRUMENTS CORP PHOENIX AZ	01/03/2018
221951	2200087359	12/14/2017	USD	290.72	DOWNES ENERGY CORONA CA	12/19/2017
221952	2200087363	12/14/2017	USD	3,100.00	EPI-USE AMERICA INC ATLANTA GA	12/28/2017
221953	2200087346	12/14/2017	USD	61,641.88	FAIRVIEW FORD SAN BERNARDINO CA	12/20/2017
221954	2200087372	12/14/2017	USD	29,693.54	FERRERA COASTAL CONSTRUCTION BRANCHBURG NJ	12/19/2017
221955	2200087388	12/14/2017	USD	4,015.05	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	12/22/2017
221956	2200087347	12/14/2017	USD	6,762.50	GEI CONSULTANTS INC BOSTON MA	12/22/2017
221957	2200087360	12/14/2017	USD	11,993.65	GHD PASADENA CA	12/20/2017
221958	2200087389	12/14/2017	USD	61.87	HAMLETT, DONALD CHINO HILLS CA	12/21/2017
221959	2200087400	12/14/2017	USD	300.00	HO, QUINN RANCHO CUCAMONGA CA	12/26/2017
221960	2200087322	12/14/2017	USD	1,684.73	HOME DEPOT CREDIT SERVICES DES MOINES IA	01/05/2018
221961	2200087344	12/14/2017	USD	849.67	I D SYSTEMS & SUPPLIES CO CARSON CA	12/20/2017
221962	2200087361	12/14/2017	USD	2,913.25	ICE CUBE INC GREENSBURG PA	12/19/2017
221963	2200087336	12/14/2017	USD	40.84	INDUSTRIAL SUPPLY COMPANY ONTARIO CA	12/20/2017
221964	2200087341	12/14/2017	USD	8,322.28	INNOVATIVE FEDERAL STRATEGIES WASHINGTON DC	01/02/2018
221965	2200087348	12/14/2017	USD	5,107.50	INTEGRATED DESIGN SERVICES INC IRVINE CA	01/08/2018
221966	2200087401	12/14/2017	USD	300.00	JAMISON, JAMILLA FONTANA CA	12/18/2017
221967	2200087331	12/14/2017	USD	3,556.23	KONICA MINOLTA PASADENA CA	12/19/2017
221968	2200087330	12/14/2017	USD	3,187.40	KONICA MINOLTA BUSINESS SOLUTIONS PASADENA CA	12/20/2017
221969	2200087338	12/14/2017	USD	42,024.20	LEE & RO INC CITY OF INDUSTRY CA	12/19/2017
221970	2200087387	12/14/2017	USD	883.18	LEVEL 3 COMMUNICATIONS LLC DENVER CO	12/20/2017
221971	2200087371	12/14/2017	USD	1,445.42	LINDSAY ENGINEERING, INC. CAMARILLO CA	12/20/2017
221972	2200087370	12/14/2017	USD	190.00	LITTLE SISTER'S TRUCK WASH, INBONSALL CA	12/19/2017
221973	2200087379	12/14/2017	USD	4,911.70	LOCAL GOVERNMENT COMMISSION SACRAMENTO CA	12/19/2017
221974	2200087375	12/14/2017	USD	4,380.00	MANAGED MOBILE INC PLACENTIA CA	12/18/2017
221975	2200087335	12/14/2017	USD	1,557.91	MIDPOINT BEARING ONTARIO CA	12/22/2017
221976	2200087399	12/14/2017	USD	174.36	MONFORE, KENNETH CHINO HILLS CA	12/19/2017
221977	2200087356	12/14/2017	USD	480.00	MULTY INDUSTRIES PRECISION MACONTARIO CA	12/22/2017
221978	2200087397	12/14/2017	USD	32.64	NANGIA, SAPNA CHINO HILLS CA	01/02/2018
221979	2200087351	12/14/2017	USD	844.53	NESTLE WATERS NORTH AMERICA LOUISVILLE KY	

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221980	2200087383	12/14/2017	USD	1,027.41	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	12/18/2017
221981	2200087323	12/14/2017	USD	175.85	P L HAWN COMPANY INC HUNTINGTON BEACH CA	12/18/2017
221982	2200087392	12/14/2017	USD	84.11	PANTAYATIWONG, KANES CHINO HILLS CA	12/20/2017
221983	2200087381	12/14/2017	USD	4,935.00	PIPE TEC INC IRWINDALE CA	12/28/2017
221984	2200087396	12/14/2017	USD	146.16	PIVOVAROFF, JASON CHINO HILLS CA	12/21/2017
221985	2200087340	12/14/2017	USD	9,309.60	RACO MANUFACTURING & ENGINEERING MERYVILLE CA	12/22/2017
221986	2200087324	12/14/2017	USD	3,879.07	RAMONA TIRE & SERVICE CENTERS HEMET CA	12/27/2017
221987	2200087374	12/14/2017	USD	6,785.00	RESA POWER SOLUTIONS FAIRFIELD CA	12/22/2017
221988	2200087394	12/14/2017	USD	68.48	RUSSO, EFRAIN CHINO HILLS CA	12/26/2017
221989	2200087329	12/14/2017	USD	108.84	SIGMA-ALDRICH INC ATLANTA GA	12/19/2017
221990	2200087366	12/14/2017	USD	77.14	SIGNATURE SCUBA RANCHO CUCAMONGA CA	12/22/2017
221991	2200087385	12/14/2017	USD	243,383.09	SO CALIF EDISON ROSEMEAD CA	12/21/2017
221992	2200087334	12/14/2017	USD	335,713.00	STATE WATER RESOURCES CNTRL BRSACRAMENTO CA	12/29/2017
221993	2200087402	12/14/2017	USD	300.00	STROPE, KELLEY UPLAND CA	12/21/2017
221994	2200087343	12/14/2017	USD	1,839,740.01	SWRCB ACCOUNTING OFFICE SACRAMENTO CA	12/20/2017
221995	2200087373	12/14/2017	USD	120.00	THE SHREDDERS LOS ANGELES CA	12/29/2017
221996	2200087376	12/14/2017	USD	31,313.90	TONY PAINTING GARDEN GROVE CA	12/18/2017
221997	2200087380	12/14/2017	USD	194.68	TRANSENE COMPANY INC DANVERS MA	12/26/2017
221998	2200087403	12/14/2017	USD	300.00	ITSENG, WILLY ONTARIO CA	12/18/2017
221999	2200087337	12/14/2017	USD	145.61	U S HOSE INC ONTARIO CA	12/20/2017
222000	2200087404	12/14/2017	USD	1,697.21	YAMASAKI, LORRAINE RANCHO CUCAMONGA CA	01/02/2018
222001	2200087354	12/14/2017	USD	273.83	YRC PASADENA CA	12/18/2017
222002	2200087412	12/14/2017	USD	3,159.97	WORLDWIDE EXPRESS ALBANY NY	12/19/2017
222003	2200087417	12/14/2017	USD	1,140.94	BERLIN PACKAGING LLC CHICAGO IL	12/22/2017
222004	2200087420	12/14/2017	USD	3,484.33	CHEMTRADE CHEMICALS US LLC DETROIT MI	12/22/2017
222005	2200087415	12/14/2017	USD	1,619.08	CS-AMSCO HUNTINGTON BEACH CA	12/26/2017
222006	2200087418	12/14/2017	USD	29,693.55	FERREIRA COASTAL CONSTRUCTION BRANBURG NJ	12/26/2017
222007	2200087413	12/14/2017	USD	540.91	HOME DEPOT CREDIT SERVICES DES MOINES IA	
222008	2200087419	12/14/2017	USD	91,224.00	INDUSTRIAL COATING AND RESTORACEANSIDE CA	12/19/2017
222009	2200087416	12/14/2017	USD	5,536.80	KAESER COMPRESSORS FREDERICKSBURG VA	12/22/2017
222010	2200087414	12/14/2017	USD	145.00	NATIONAL BUSINESS INVESTIGATION MURRIETA CA	12/22/2017
222011	2200087589	12/21/2017	USD	350.00	AGUILAR, JOSHUA CHINO HILLS CA	12/28/2017
222012	2200087608	12/21/2017	USD	220.75	ASPRER, KEVIN CHINO HILLS CA	12/22/2017
222013	2200087575	12/21/2017	USD	224.95	BATONGMALAQUE, CHARLIE L CHINO HILLS CA	12/26/2017
222014	2200087606	12/21/2017	USD	1,767.27	BHOJANI, SHARMEEN CHINO HILLS CA	12/26/2017
222015	2200087611	12/21/2017	USD	329.95	BURKE, JERRY CHINO HILLS CA	12/22/2017
222016	2200087594	12/21/2017	USD	175.00	CHAVEZ, NESTOR C CHINO HILLS CA	12/26/2017
222017	2200087586	12/21/2017	USD	259.98	CHEN, TING CHINO HILLS CA	12/29/2017
222018	2200087574	12/21/2017	USD	350.00	DELGADO-ORAMAS III, JOSE M CHINO HILLS CA	12/28/2017
222019	2200087573	12/21/2017	USD	197.09	DELZER, HARLAN CHINO HILLS CA	
222020	2200087578	12/21/2017	USD	350.00	GARCIA, PAUL CHINO HILLS CA	
222021	2200087581	12/21/2017	USD	178.00	HAMLETT, DONALD CHINO HILLS CA	
222022	2200087593	12/21/2017	USD	350.00	HANSON, MATTHEW CHINO HILLS CA	12/26/2017
222023	2200087600	12/21/2017	USD	199.94	HAWES, STEPHANIE CHINO HILLS CA	12/22/2017

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222024	2200087583	12/21/2017	USD	149.95	HEIN, DAVID CHINO HILLS CA	12/28/2017	
222025	2200087605	12/21/2017	USD	96.00	HULL, KURT CHINO HILLS CA	12/28/2017	
222026	2200087585	12/21/2017	USD	150.00	JACKSON, PAT CHINO HILLS CA	12/26/2017	
222027	2200087612	12/21/2017	USD	190.00	JAHN, JERRY CHINO HILLS CA	12/26/2017	
222028	2200087580	12/21/2017	USD	350.00	KREIMEYER, CARL CHINO HILLS CA	12/22/2017	
222029	2200087599	12/21/2017	USD	77.47	LENING, SCOTT CHINO HILLS CA	12/22/2017	
222030	2200087609	12/21/2017	USD	238.25	MANTILLA, LAURA CHINO HILLS CA	12/26/2017	
222031	2200087576	12/21/2017	USD	350.00	MEDEIROS, SHAWN CHINO HILLS CA	12/22/2017	
222032	2200087596	12/21/2017	USD	230.66	MORGAN-PERALES, LISA CHINO HILLS CA		
222033	2200087603	12/21/2017	USD	350.00	MROCHEK, STEVEN CHINO HILLS CA	01/08/2018	
222034	2200087602	12/21/2017	USD	179.94	NGUYEN, ROSE CHINO HILLS CA	12/27/2017	
222035	2200087582	12/21/2017	USD	350.00	Q'DEA, KRISTINE CHINO HILLS CA	12/29/2017	
222036	2200087577	12/21/2017	USD	18.47	OAKDEN, SCOTT CHINO HILLS CA	12/29/2017	
222037	2200087579	12/21/2017	USD	229.95	POESKE, MATTHEW CHINO HILLS CA	01/08/2018	
222038	2200087607	12/21/2017	USD	219.94	REED, MICHELLE CHINO HILLS CA	12/26/2017	
222039	2200087590	12/21/2017	USD	154.45	RESECK-FRANCIS, CHEYANNE CHINO HILLS CA	12/27/2017	
222040	2200087587	12/21/2017	USD	179.94	REYES, RAYMOND CHINO HILLS CA	12/26/2017	
222041	2200087595	12/21/2017	USD	346.00	RUSSO, EFRAIN CHINO HILLS CA	12/26/2017	
222042	2200087598	12/21/2017	USD	350.00	SARMIENTO, JESSICA CHINO HILLS CA	12/26/2017	
222043	2200087601	12/21/2017	USD	249.90	SCHERCK, JOHN CHINO HILLS CA	12/26/2017	
222044	2200087588	12/21/2017	USD	52.91	SOLIS, RACHAEL CHINO HILLS CA	12/22/2017	
222045	2200087604	12/21/2017	USD	350.00	TE, GARY CHINO HILLS CA	12/26/2017	
222046	2200087592	12/21/2017	USD	350.00	TOMLINSON, BILL CHINO HILLS CA	12/28/2017	
222047	2200087584	12/21/2017	USD	350.00	VALENCIA, CHRISTINA CHINO HILLS CA		
222048	2200087597	12/21/2017	USD	219.45	VASQUEZ, RUBEN CHINO HILLS CA		
222049	2200087591	12/21/2017	USD	323.24	WELBORN, ROCKY CHINO HILLS CA	12/27/2017	
222050	2200087610	12/21/2017	USD	149.75	WOMACK, ASHLEY CHINO HILLS CA	12/26/2017	
222051	2200087704	12/21/2017	USD	445.00	ADVANCED CHEMICAL TECHNOLOGY IRANCHO CUCAMONGA CA	12/27/2017	
222052	2200087674	12/21/2017	USD	116.00	AEROTEK INC ATLANTA GA	12/29/2017	
222053	2200087628	12/21/2017	USD	908.01	AIRGAS WEST INC PASADENA CA	12/26/2017	
222054	2200087709	12/21/2017	USD	1,159.19	ALTA FOODCRAFT COFFEE LONG BEACH CA	01/03/2018	
222055	2200087697	12/21/2017	USD	6,640.00	AMP MECHANICAL INC COSTA MESA CA	12/29/2017	
222056	2200087640	12/21/2017	USD	3,670.20	APPLBONE EMPLOYMENT SERVICES GLENDALE CA	12/27/2017	
222057	2200087742	12/21/2017	USD	100.00	ARMENDAREZ III, JESUS M FONTANA CA		
222058	2200087711	12/21/2017	USD	50.32	ASAP INDUSTRIAL SUPPLY FONTANA CA	12/28/2017	
222059	2200087718	12/21/2017	USD	154.90	AUTOZONE INC ATLANTA GA	01/02/2018	
222060	2200087672	12/21/2017	USD	450.00	BABCOCK LABORATORIES, INC RIVERSIDE CA	12/28/2017	
222061	2200087706	12/21/2017	USD	1,630.61	BAM GRAPHICS N LAS VEGAS NV	12/28/2017	
222062	2200087737	12/21/2017	USD	55,993.45	BANNER BANK SACRAMENTO CA	12/28/2017	
222063	2200087651	12/21/2017	USD	410.24	BEN MEADOWS CO CHICAGO IL	12/26/2017	
222064	2200087690	12/21/2017	USD	100.00	BOWMAN, JIM W ONTARIO CA	12/27/2017	
222065	2200087753	12/21/2017	USD	183.34	BREIG, ANNA VICTORVILLE CA	01/05/2018	
222066	2200087723	12/21/2017	USD	346.47	BRIGHTVIEW LANDSCAPE SERVICES LOS ANGELES CA	12/26/2017	
222067	2200087731	12/21/2017	USD	11,052.57	BUSINESS CARD WILMINGTON DE	12/27/2017	

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222068	2200087646	12/21/2017	USD	100.00	CALIF WATER ENVIRONMENT ASSOC OAKLAND CA	01/12/2018
222069	2200087725	12/21/2017	USD	24,084.36	CALIFORNIA WATER TECHNOLOGIES PASADENA CA	12/26/2017
222070	2200087614	12/21/2017	USD	31,654.09	CALTROL INC LOS ANGELES CA	12/26/2017
222071	2200087678	12/21/2017	USD	686.27	CAPITOL ENQUIRY SOUTH LAKE TAHOE CA	01/09/2018
222072	2200087671	12/21/2017	USD	1,250.00	CAREERS IN GOVERNMENT INC LOS ANGELES CA	01/02/2018
222073	2200087763	12/21/2017	USD	147.63	CARL H TAYLOR III CRYSTAL RIVER FL	12/27/2017
222074	2200087659	12/21/2017	USD	22,994.70	CAROLLO ENGINEERS INC SALT LAKE CITY UT	12/27/2017
222075	2200087642	12/21/2017	USD	111,740.24	CDM SMITH INC BOSTON MA	01/03/2018
222076	2200087664	12/21/2017	USD	4,453.19	CDW GOVERNMENT INC CHICAGO IL	12/27/2017
222077	2200087739	12/21/2017	USD	3,268.53	CHEMTRADE CHEMICALS US LLC DETROIT MI	
222078	2200087647	12/21/2017	USD	675.00	CHINO BASIN WATER CONSERVATIONMONTCLAIR CA	01/02/2018
222079	2200087692	12/21/2017	USD	8,057.42	CINTAS CORPORATION LOC#150 PHOENIX AZ	01/03/2018
222080	2200087669	12/21/2017	USD	91.43	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	01/04/2018
222081	2200087761	12/21/2017	USD	414.50	CITY EMPLOYEES ASSOCIATES LONG BEACH CA	12/28/2017
222082	2200087747	12/21/2017	USD	643.33	CITY OF CHINO CHINO CA	12/26/2017
222083	2200087637	12/21/2017	USD	404.00	CITY OF ONTARIO ONTARIO CA	01/10/2018
222084	2200087615	12/21/2017	USD	51.22	CITY RENTALS INC ONTARIO CA	12/28/2017
222085	2200087715	12/21/2017	USD	986.00	CIVIC PUBLICATIONS INC LA VERNE CA	12/29/2017
222086	2200087667	12/21/2017	USD	138.00	COUNTY OF SAN BERNARDINO SAN BERNARDINO CA	01/05/2018
222087	2200087616	12/21/2017	USD	1,182,509.98	COUNTY SANITATION DISTRICTS OFWHITTIER CA	12/29/2017
222088	2200087685	12/21/2017	USD	1,102.26	CS-AMSCO HUNTINGTON BEACH CA	
222089	2200087638	12/21/2017	USD	12,820.50	CUCAMONGA VALLEY WATER DISTRICTRANCHO CUCAMONGA CA	01/09/2018
222090	2200087726	12/21/2017	USD	1,867.44	D & H WATER SYSTEMS INC OCEANSIDE CA	12/28/2017
222091	2200087710	12/21/2017	USD	1,150.00	DAVID WHEELER'S PEST CONTROL, NORCO CA	12/28/2017
222092	2200087745	12/21/2017	USD	14,000.00	DECISIONWISE LLC SPRINGVILLE UT	01/02/2018
222093	2200087645	12/21/2017	USD	8,848.06	DELL MARKETING L P PASADENA CA	12/26/2017
222094	2200087629	12/21/2017	USD	2,167.50	DEPT OF TOXIC SUBSTANCES CONTRSACRAMENTO CA	
222095	2200087673	12/21/2017	USD	4,360.50	DUDEX & ASSOCIATES INC ENCINITAS CA	01/05/2018
222096	2200087708	12/21/2017	USD	2,800.00	E NOR INNOVATIONS INC LONG BEACH CA	01/11/2018
222097	2200087652	12/21/2017	USD	7,500.00	EASTERN MUNICIPAL WATER DIST PERRIS CA	12/29/2017
222098	2200087717	12/21/2017	USD	3,174.00	ELECTRO-CHEMICAL DEVICES, INC ANAHEIM CA	12/27/2017
222099	2200087720	12/21/2017	USD	4,668.48	ENVIRONMENTAL SCIENCE ASSOCIATSAN FRANCISCO CA	12/29/2017
222100	2200087716	12/21/2017	USD	5,720.00	EUROPINS EATON ANALYTICAL, INCGRAPEVINE TX	12/27/2017
222101	2200087689	12/21/2017	USD	61,641.88	FAIRVIEW FORD SAN BERNARDINO CA	12/28/2017
222102	2200087729	12/21/2017	USD	4,111.60	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	12/28/2017
222103	2200087730	12/21/2017	USD	6,403.49	FERREIRA COASTAL CONSTRUCTION BRANCHBURG NJ	12/28/2017
222104	2200087618	12/21/2017	USD	4,433.83	FISHER SCIENTIFIC LOS ANGELES CA	12/26/2017
222105	2200087631	12/21/2017	USD	2,743.55	FLUID METERING INC ATLANTA GA	12/27/2017
222106	2200087639	12/21/2017	USD	156.64	FONTANA HERALD NEWS FONTANA CA	12/27/2017
222107	2200087760	12/21/2017	USD	674.62	FRANCHISE TAX BOARD SACRAMENTO CA	01/08/2018
222108	2200087752	12/21/2017	USD	1,936.86	FRONTIER COMMUNICATIONS CORP CINCINNATI OH	01/03/2018
222109	2200087696	12/21/2017	USD	155.91	GALCO INDUSTRIAL ELECTRONICS IMADISON HEIGHTS MI	12/27/2017
222110	2200087633	12/21/2017	USD	102.38	GRAINGER PALATINE IL	12/27/2017
222111	2200087634	12/21/2017	USD	113.36	GRAINGER PALATINE IL	12/27/2017

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Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
222112	2200087680	12/21/2017	USD	21,944.18	HACH COMPANY CHICAGO IL	12/26/2017
222113	2200087656	12/21/2017	USD	974.22	HAWTHORNE LIFT SYSTEMS LOS ANGELES CA	12/27/2017
222114	2200087756	12/21/2017	USD	499.68	HOBBS, DIANA APPLE VALLEY CA	12/28/2017
222115	2200087754	12/21/2017	USD	499.68	HORNE, WILLIAM YUCCA VALLEY CA	12/26/2017
222116	2200087681	12/21/2017	USD	795.00	INLAND EMPIRE MAGAZINE RIVERSIDE CA	01/03/2018
222117	2200087758	12/21/2017	USD	51.00	INLAND EMPIRE UNITED WAY RANCHO CUCAMONGA CA	12/26/2017
222118	2200087654	12/21/2017	USD	72,785.42	J F SHEA CONSTRUCTION INC WALNUT CA	12/27/2017
222119	2200087655	12/21/2017	USD	100,593.74	J F SHEA CONSTRUCTION INC WALNUT CA	12/27/2017
222120	2200087650	12/21/2017	USD	2,311.09	KONICA MINOLTA BUSINESS SOLUTIPASADENA CA	12/27/2017
222121	2200087764	12/21/2017	USD	576.00	MARIA PRESQUEZ N LAS VEGAS NV	01/03/2018
222122	2200087668	12/21/2017	USD	269.38	MCO - THE MICROFILM CO CORONA CA	01/11/2018
222123	2200087721	12/21/2017	USD	3,400.00	MICROAGE PHOENIX AZ	12/28/2017
222124	2200087660	12/21/2017	USD	1,327.69	MIDPOINT BEARING ONTARIO CA	12/26/2017
222125	2200087755	12/21/2017	USD	826.04	MILLER, ELMER L BLUE JAY CA	12/29/2017
222126	2200087643	12/21/2017	USD	1,701.69	MISCO WATER FOOTHILL RANCH CA	12/28/2017
222127	2200087682	12/21/2017	USD	252.11	MITECH CONTROLS INC YORBA LINDA CA	12/29/2017
222128	2200087740	12/21/2017	USD	3,100.00	MSDSOONLINE INC CHICAGO IL	01/09/2018
222129	2200087738	12/21/2017	USD	128,147.69	NEW MILLENNIUM CONSTRUCTION CHINO HILLS CA	12/26/2017
222130	2200087695	12/21/2017	USD	22,060.74	NEW YORK BLOWER COMPANY WILLOWBROOK IL	01/02/2018
222131	2200087648	12/21/2017	USD	58.64	O RINGS & THINGS FONTANA CA	01/09/2018
222132	2200087617	12/21/2017	USD	38.57	OFFICE DEPOT PHOENIX AZ	01/03/2018
222133	2200087641	12/21/2017	USD	1,300.00	ONTARIO FIRE EXTINGUISHER CO ONTARIO CA	01/08/2018
222134	2200087748	12/21/2017	USD	5,208.97	ONTARIO MUNICIPAL UTILITIES COONTARIO CA	12/27/2017
222135	2200087620	12/21/2017	USD	586.16	P L HAWN COMPANY INC HUNTINGTON BEACH CA	12/26/2017
222136	2200087734	12/21/2017	USD	4,361.90	PACIFIC COURIERS INC ORANGE CA	01/05/2018
222137	2200087676	12/21/2017	USD	1,969.94	PANTHER PROTECTION ORANGE CA	01/03/2018
222138	2200087762	12/21/2017	USD	430.50	PATRICK W HUNTER PHELAN CA	12/26/2017
222139	2200087619	12/21/2017	USD	73.53	PATTON SALES CORP ONTARIO CA	12/27/2017
222140	2200087630	12/21/2017	USD	1,374.14	PETE'S ROAD SERVICE FULLERTON CA	12/29/2017
222141	2200087632	12/21/2017	USD	877.63	PETTY CASH EXPENDITURES CHINO CA	12/21/2017
222142	2200087691	12/21/2017	USD	3,068.73	POLLARDWATER.COM BOSTON MA	12/27/2017
222143	2200087679	12/21/2017	USD	235.62	PONTON INDUSTRIES INC YORBA LINDA CA	01/08/2018
222144	2200087735	12/21/2017	USD	31,143.19	PRIORITY BUILDING SERVICES LLCBREA CA	12/28/2017
222145	2200087666	12/21/2017	USD	157.91	PUMP ENGINEERING SANTA FE SPRINGS CA	12/27/2017
222146	2200087621	12/21/2017	USD	1,778.04	RAMONA TIRE & SERVICE CENTERS HEMET CA	01/02/2018
222147	2200087622	12/21/2017	USD	221.00	RAYNE WATER CONDITIONING COVINA CA	12/26/2017
222148	2200087712	12/21/2017	USD	2,242.69	RDO TRUST # 80-5800 LAKESIDE CA	12/28/2017
222149	2200087662	12/21/2017	USD	433.49	RED WING SHOE STORE UPLAND CA	12/28/2017
222150	2200087684	12/21/2017	USD	13,604.00	RMC WATER AND ENVIRONMENT WALNUT CREEK CA	01/02/2018
222151	2200087693	12/21/2017	USD	100.00	ROGERS, PETER J CHINO HILLS CA	01/03/2018
222152	2200087623	12/21/2017	USD	5,017.11	ROYAL WHOLESALE ELECTRIC LOS ANGELES CA	01/02/2018
222153	2200087688	12/21/2017	USD	3,132.78	RSD LAKE FOREST CA	12/26/2017
222154	2200087705	12/21/2017	USD	261.99	RUSSELL SIGLER INC LOS ANGELES CA	12/26/2017
222155	2200087700	12/21/2017	USD	2,205.00	RUTAN & TUCKER LLP COSTA MESA CA	12/26/2017

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222156	2200087698	12/21/2017	USD	260.50	SAFE-ENTRY TECHNICAL INC RANCHO CUCAMONGA CA	12/28/2017
222157	2200087636	12/21/2017	USD	5,092.97	SAN BERNARDINO VALLEY MWD SAN BERNARDINO CA	01/02/2018
222158	2200087714	12/21/2017	USD	1,437.50	SCHEEVEL ENGINEERING LLC ANAHEIM CA	12/26/2017
222159	2200087744	12/21/2017	USD	5,570.68	SCHWEITZER ENGINEERING LABS INPULLMAN WA	12/27/2017
222160	2200087757	12/21/2017	USD	19.80	SHERIFF'S COURT SERVICES SAN BERNARDINO CA	01/10/2018
222161	2200087686	12/21/2017	USD	506.05	SKALAR INC BUFORD GA	01/02/2018
222162	2200087749	12/21/2017	USD	345.13	SO CALIF EDISON ROSEMEAD CA	12/29/2017
222163	2200087750	12/21/2017	USD	215.12	SO CALIF GAS MONTEREY PARK CA	01/02/2018
222164	2200087741	12/21/2017	USD	4,024.00	SOFTWAREONE INC WAUKESHA WI	12/27/2017
222165	2200087724	12/21/2017	USD	100.00	STONE, DEBRA KAYE UPLAND CA	
222166	2200087732	12/21/2017	USD	510.63	SUPERIOR ELECTRIC MOTOR SERVICVERNON CA	12/28/2017
222167	2200087675	12/21/2017	USD	657.00	SYSTEMS SOURCE INC IRVINE CA	12/26/2017
222168	2200087687	12/21/2017	USD	4,073.00	THE AUSTIN COMPANY CLEVELAND OH	12/28/2017
222169	2200087727	12/21/2017	USD	1,612.42	THERMO ELECTRON NORTH AMERICA ATLANTA GA	12/27/2017
222170	2200087702	12/21/2017	USD	3,277.35	THOMAS HARDER & CO INC ANAHEIM CA	12/28/2017
222171	2200087661	12/21/2017	USD	20.00	THREE VALLEYS MWD CLAREMONT CA	
222172	2200087719	12/21/2017	USD	100.00	TIEGS, KATHLEEN ALTA LOMA CA	01/11/2018
222173	2200087665	12/21/2017	USD	13,022.70	TOM DODSON & ASSOCIATES SAN BERNARDINO CA	01/03/2018
222174	2200087736	12/21/2017	USD	126,823.10	TONY PAINTING GARDEN GROVE CA	12/22/2017
222175	2200087701	12/21/2017	USD	1,566.59	TOTALFUNDS BY HASLER TAMPA FL	12/29/2017
222176	2200087743	12/21/2017	USD	196.40	TRANSENE COMPANY INC DANVERS MA	12/29/2017
222177	2200087657	12/21/2017	USD	150.00	TRI STATE ENVIRONMENTAL SAN BERNARDINO CA	12/28/2017
222178	2200087728	12/21/2017	USD	770.25	TRIPEPI SMITH AND ASSOCIATES, IRVINE CA	01/09/2018
222179	2200087670	12/21/2017	USD	5,408.00	U S HEALTHWORKS MEDICAL GROUP LOS ANGELES CA	12/26/2017
222180	2200087663	12/21/2017	USD	282.35	U S HOSE INC ONTARIO CA	12/29/2017
222181	2200087658	12/21/2017	USD	1,818.63	ULTRA SCIENTIFIC NORTH KINGSTOWN RI	12/29/2017
222182	2200087624	12/21/2017	USD	349.90	UNDERGROUND SERVICE ALERT/SC CORONA CA	12/29/2017
222183	2200087713	12/21/2017	USD	7,124.47	UPS PROTECTION INC ANAHEIM CA	12/27/2017
222184	2200087703	12/21/2017	USD	9,631.01	US BANK VOYAGER FLEET SYSTEMS KANSAS CITY MO	12/27/2017
222185	2200087759	12/21/2017	USD	243.33	US DEPARTMENT OF EDUCATION ATLANTA GA	01/02/2018
222186	2200087722	12/21/2017	USD	11,372.50	UTILIQUBST LLC ATLANTA GA	12/26/2017
222187	2200087751	12/21/2017	USD	457.79	VERIZON BUSINESS ALBANY NY	12/27/2017
222188	2200087733	12/21/2017	USD	100.00	VINCENT, TRISHA LYNN MONTECLAIR CA	
222189	2200087625	12/21/2017	USD	31.08	VISTA PAINT CORP FULLERTON CA	12/27/2017
222190	2200087746	12/21/2017	USD	7,787.00	VISTAGE WORLDWIDE INC LOS ANGELES CA	12/26/2017
222191	2200087626	12/21/2017	USD	795.85	VWR INTERNATIONAL LLC PITTSBURGH PA	12/28/2017
222192	2200087677	12/21/2017	USD	331,163.86	W A RASIC CONSTRUCTION CO INC LONG BEACH CA	12/29/2017
222193	2200087653	12/21/2017	USD	228.81	WASTE MANAGEMENT OF LOS ANGELES CA	12/27/2017
222194	2200087635	12/21/2017	USD	9,630.00	WATEREUSE ASSOCIATION ALEXANDRIA VA	01/04/2018
222195	2200087627	12/21/2017	USD	5,337.18	WEST VALLEY MOSQUITO AND ONTARIO CA	01/03/2018
222196	2200087694	12/21/2017	USD	29,483.00	WESTECH ENGINEERING INC SALT LAKE CITY UT	12/28/2017
222197	2200087699	12/21/2017	USD	29,554.26	WESTIN ENGINEERING INC RANCHO CORDOVA CA	01/03/2018
222198	2200087649	12/21/2017	USD	500.00	WILLDAN FINANCIAL SERVICES TEMECULA CA	12/27/2017
222199	2200087707	12/21/2017	USD	6,900.00	WORKFORCE SAFETY MURRIETA CA	12/27/2017

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Check						
Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
222200	2200087683	12/21/2017	USD	523.99	WORLDWIDE EXPRESS ALBANY NY	12/27/2017
222201	2200087644	12/21/2017	USD	339.80	YALE CHASE EQUIPMENT AND SERVILOS ANGELES CA	12/26/2017
222202	2200087774	12/21/2017	USD	236,318.20	CDM CONSTRUCTORS INC BOSTON MA	01/09/2018
222203	2200087773	12/21/2017	USD	290.93	KONICA MINOLTA PASADENA CA	01/08/2018
222204	2200087775	12/21/2017	USD	123.51	SO CALIF EDISON ROSEMEAD CA	01/05/2018
* Payment method Check			USD	6,893,686.00		

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	6,893,686.00		

Attachment 2B

Workers' Comp Checks

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

Checks created manually

Check number from to	Payment	Pmnt date	Crcy	Amount paid (PC)	Recipient/void reason code	Enca./void
04853	2200087780	12/06/2017	USD	411.72	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/14/2017
04854	2200087781	12/06/2017	USD	63.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04855	2200087782	12/06/2017	USD	9.41	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04856	2200087783	12/06/2017	USD	46.88	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04857	2200087784	12/06/2017	USD	21.04	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04858	2200087785	12/06/2017	USD	16.58	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04859	2200087786	12/06/2017	USD	7.10	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/13/2017
04860	2200087787	12/13/2017	USD	3,256.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/19/2017
04861	2200087788	12/13/2017	USD	810.90	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/18/2017
04862	2200087789	12/13/2017	USD	147.60	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/18/2017
04863	2200087790	12/13/2017	USD	2,345.14	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/19/2017
04864	2200087791	12/13/2017	USD	543.14	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/15/2017
04865	2200087792	12/20/2017	USD	31.57	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/05/2018
04866	2200087793	12/20/2017	USD	146.57	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/26/2017
04867	2200087794	12/20/2017	USD	12.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/26/2017
04868	2200087795	12/20/2017	USD	12.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/26/2017
04869	2200087796	12/20/2017	USD	145.00	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	12/26/2017
94869	2200087797	12/27/2017	USD	103.48	YORK RISK SERVICES GROUP INC RANCHO CUCAMONGA CA	01/08/2018
* Payment method Checks created manually			USD	8,129.13		

Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	8,129.13		

Attachment 2C

Vendor ACHs

Check	Payee / Description	Amount
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ACH	ICMA RETIREMENT TRUST 457 P/R 25 12/8 Deferred Comp Ded	HR 0063300	13,327.43
	ICMA RETIREMENT TRUST 457	\$	13,327.43
ACH	LINCOLN NATIONAL LIFE INS CO P/R 25 12/8 Deferred Comp Ded	HR 0063300	15,498.96
	LINCOLN NATIONAL LIFE INS CO	\$	15,498.96
ACH	ICMA RETIREMENT TRUST 401 P/R 25 12/8 Exec Deferred Comp	HR 0063300	6,224.10
	ICMA RETIREMENT TRUST 401	\$	6,224.10
ACH	NAPA GENUINE PARTS COMPANY Truck Battery f/Veh 609,Core Chg Stone Piston Hones	4584-238751 4584-238752	165.66 36.81
	NAPA GENUINE PARTS COMPANY	\$	202.47
ACH	SANTA ANA WATERSHED October 2017 Service	9185	126,692.33
	SANTA ANA WATERSHED	\$	126,692.33
ACH	UNIVAR USA INC TP1-14,024 Lbs Sodium Bisulfite TP1-12,177 Lbs Sodium Bisulfite	LA587596 LA580703	3,028.26 2,629.35
	UNIVAR USA INC	\$	5,657.61
ACH	FLUID COMPONENTS INTERNATIONAL Thermal Flow Switch	1114377	3,226.82
	FLUID COMPONENTS INTERNATIONAL	\$	3,226.82
ACH	WESTERN MUNICIPAL WATER DISTRI FY17/18 Free Spronkler Nozzle Program Fe IN9273		12,000.00
	WESTERN MUNICIPAL WATER DISTRI	\$	12,000.00
ACH	MCMaster-CARR SUPPLY CO U-Bolts,Nuts,Adapters,Conduit Liquid Powered Jet Pump Liquid Powered Jet Pump	51119626 50234813 50156194	692.97 1,425.87 1,425.87
	MCMaster-CARR SUPPLY CO	\$	3,544.71
ACH	INLAND EMPIRE REGIONAL 10/17 Biosolids	90021065	259,301.28
	INLAND EMPIRE REGIONAL	\$	259,301.28
ACH	OLIN CORP CCWRP-3,034 Gals Sodium Hypochlorite RP4-1,976 Gals Sodium Hypochlorite RP4-2,008 Gals Sodium Hypochlorite	2409513 2409045 2408784	1,790.06 1,165.84 1,184.72

Check	Payee / Description	Amount
	RP4-2,002 Gals Sodium Hypochlorite 2406911	1,181.18
	OLIN CORP \$	5,321.80
ACH	KAMBRIAN CORPORATION ISS-1Yr Lic-OfficePro Plus-APK OLV D ACQ 16431	4,409.00
	KAMBRIAN CORPORATION \$	4,409.00
ACH	JC LAW FIRM	
	10/17 General Legal 00360	24,885.00
	10/17 Watermaster 00364	970.00
	10/17 IEUA vs Spicer-EN17018 00363	3,000.00
	10/17 Regional Contract 00361	1,685.00
	10/17 SAWPA General 00362	4,180.00
	JC LAW FIRM \$	34,720.00
ACH	US BANK - PAYMENT PLUS	
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200086328	472.07
	100163 J G TUCKER & SON INC 2200086329	3,899.28
	101706 CALOLYMPIC SAFETY 2200086330	111.52
	104896 WESTERN WATER WORKS SUPPLY CO 2200086331	8,556.40
	101706 CALOLYMPIC SAFETY 2200086554	52.12
	100150 HARRINGTON INDUSTRIAL PLASTICS LL 2200086670	3,654.13
	101706 CALOLYMPIC SAFETY 2200086787	51.94
	101945 FLORENCE FILTER CORP 2200086788	870.37
	US BANK - PAYMENT PLUS \$	17,667.83
ACH	AMAZON BUSINESS	
	ISS-Toner Cartridges 1GVP-CMP4-CMN	105.98
	ExtAffs-Mabel Award Apron 143C-JVMC-7TM	20.76
	RP1Ops-Compact Upright Freezer 1CPD-9W7G-FVC	131.07
	RP1/RP2-Shckprf Hrd Crryng Cse f/Elctrc 143C-ND7D-JKX	71.91
	ExtAffs-Bsnss Crd Rldx,Rfl1bl Nt Bk,Inkj 17PL-9HXJ-YLG	56.84
	CCWRP-Condenser Pads-24x36x3 19MJ-KTC4-CDC	88.24
	RP2-LED Security Flood Lights 1M3N-LMQR-QQF	119.98
	AgncyMgt-Rotary Business Card File,Refil 1VDH-LTWN-CG6	38.35
	AgncyMgt-Expandable Self-Seal Envelopes 1FM1-JNFH-14L	86.33
	RP1-Rain Bird F4-PC Sprinklers 144H-PM6D-MK3	371.40
	HQB-Battery Backup & Surge Protector 1K6W-7RQH-L37	114.29
	ExtAff-Cellophane Bags 1F6P-9HX3-MR6	37.42
	CCWRP-Plastic Condensing Unit Pad-30x30x 1GGG-NNDJ-JPK	53.03
	SS Wall Plate 1KXD-WR3W-YLH	53.20
	AMAZON BUSINESS \$	1,348.80
ACH	SOLAR STAR CALIFORNIA V LLC	
	CCWRP/TP/RWPS-10/1-10/31 14950 Telephone M0613-1482853	12,202.38
	RP5/TP5/HQA/B-10/1-10/31 6075 Kimball Av M0614-1482854	21,343.11
	RP1-10/1-10/31 2450 Phila St M0615-1482855	17,037.44
	RP1-10/1-10/31 2450 Phila St M0616-1482856	3,093.36
	SOLAR STAR CALIFORNIA V LLC \$	53,676.29
ACH	FOUNDATION HA ENERGY GENERATIO	
	RP4/RWPS-10/1-10/31 12811 6th St-Wind Po 2240	5,521.74

Check	Payee / Description	Amount
	FOUNDATION HA ENERGY GENERATIO\$	5,521.74
ACH	IEUA EMPLOYEES' ASSOCIATION	
	P/R DIR 12 12/8 Employee Ded HR 0063000 12.00	
	P/R 25 12/8 Employee Ded HR 0063300 177.00	
	IEUA EMPLOYEES' ASSOCIATION \$ 189.00	
ACH	IEUA SUPERVISORS UNION ASSOCIA	
	P/R 25 12/8 Employee Ded HR 0063300 345.00	
	IEUA SUPERVISORS UNION ASSOCIA\$ 345.00	
ACH	IEUA GENERAL EMPLOYEES ASSOCIA	
	P/R 25 12/8 Employee Ded HR 0063300 1,231.60	
	IEUA GENERAL EMPLOYEES ASSOCIA\$ 1,231.60	
ACH	IEUA PROFESSIONAL EMPLOYEES AS	
	P/R 25 12/8 Employee Ded HR 0063300 520.00	
	IEUA PROFESSIONAL EMPLOYEES AS\$ 520.00	
ACH	DISCOVERY BENEFITS INC	
	P/R 25 12/8 Cafeteria Plan HR 0063300 3,020.46	
	DISCOVERY BENEFITS INC \$ 3,020.46	
ACH	ELIE, STEVE	
	Elie,S-ExpRpt-11/28-11/30/17 ACWA 11/28/17 ACWA 212.75	
	MlgReim-11/17 Meetings-Elie,S MLG 11/17 107.91	
	ELIE, STEVE \$ 320.66	
ACH	HALL, JASMIN	
	MlgReim-11/17 Meetings-Hall,J MLG 11/17 96.30	
	Hall,J-ExpRpt-11/15-11/17/17 AWWE 11/15/17 AWWE 513.07	
	HALL, JASMIN \$ 609.37	
ACH	PARKER, KATI	
	MlgReim-11/17 Meetings-Parker,K MLG 11/17 77.95	
	PARKER, KATI \$ 77.95	
ACH	AQUA BEN CORPORATION	
	RP2-18,400 Lbs Polymer 748E 36649 20,321.65	
	AQUA BEN CORPORATION \$ 20,321.65	
ACH	NAPA GENUINE PARTS COMPANY	
	License Plate Screw 4584-239191 4.91	
	Cylinder Hone Stones 4584-239170 32.72	
	NAPA GENUINE PARTS COMPANY \$ 37.63	
ACH	MCMaster-CARR SUPPLY CO	
	Folding Guard,Belt Barriers 51640906 1,969.99	
	5 Brass Hex Head Screws 50467155 75.38	

Check	Payee / Description	Amount
	Railing, Guard, Hose Reel, Rope, Probe, Belt 51459982	6,992.82
	MCMaster-CARR SUPPLY CO \$	9,038.19
ACH	ALFA LAVAL INC Upper Belt 277059790	4,912.88
	ALFA LAVAL INC \$	4,912.88
ACH	GK & ASSOCIATES INC 46-2054-10/17 Prof Svcs 17-085	20,496.00
	46-2054-10/17 Prof Svcs 17-087	23,851.00
	GK & ASSOCIATES INC \$	44,347.00
ACH	DAVE'S PLUMBING 5 Water Softener Removal 10/23/17 5171	1,225.00
	1 Water Softener Removal 10/23/17 5169	250.00
	DAVE'S PLUMBING \$	1,475.00
ACH	EPI-USE LABS LLC 12/23/17-12/22/18 HCM Annual Maintenance INV-US3897	2,201.83
	EPI-USE LABS LLC \$	2,201.83
ACH	ARCADIS U.S., INC. WR18028-7/24-8/31/17 Professional Servic 0868357	17,970.53
	WR18028-9/1-10/31/17 Professional Servic 0871901	78,117.35
	ARCADIS U.S., INC. \$	96,087.88
ACH	AMAZON BUSINESS 5 Snap Hook Self Locking Key Tags 1PCJ-6FGL-QJL	86.25
	Return 3 Cable Weights 1RLV-P6NM-4DK	48.03
	Maint Planning & Scheduling Handbook 19VT-QCND-33Q	74.10
	Outdoor Convex Security Mirror 11KL-VXJH-N6W	133.56
	2 Varidesk, 2 Comfort Floor Mats 11KL-VXJH-RWT	1,196.02
	Milwaukee Bare Pad, Straight Bar Hasp 14TH-3MWX-MWG	148.46
	On The Job-Accuform Signs 1KXD-WR3W-W73	218.39
	On The Job-Accuform Signs 1CXR-YHNJ-CCQ	218.39
	Franklin Day Planner 1QHV-1CJQ-QQG	58.95
	1 Varidesk, 2 Comfort Floor Mats, 1 Moni 1PCJ-6FGL-DTT	1,012.85
	AMAZON BUSINESS \$	3,098.94
ACH	AMERICAN OFFICE PROFESSIONALS Service HP LJ 600 M601 1241	89.95
	Service HP Color LJ CP6015 1287	89.95
	AMERICAN OFFICE PROFESSIONALS \$	179.90
ACH	SHELL ENERGY NORTH AMERICA LP 10/17 Gas Cmmnty-Core, 8/17 Adj 1100002880410	932.43
	SHELL ENERGY NORTH AMERICA LP \$	932.43
ACH	HALL, JASMIN Hall, J-ExpRpt-11/28-12/1/17 ACWA-Anaheim 11/28/17 ACWA	885.97

Check	Payee / Description	Amount
	HALL, JASMIN	\$ 885.97
ACH	ICMA RETIREMENT TRUST 457 P/R 26 12/22/17 Deferred Comp Ded HR 0064200	11,323.53
	ICMA RETIREMENT TRUST 457	\$ 11,323.53
ACH	LINCOLN NATIONAL LIFE INS CO P/R 26 12/22/17 Deferred Comp Ded HR 0064200	16,145.30
	P/R 26 12/22/17 Deferred Comp Ded P/R 26 ADJUST	319.03
	LINCOLN NATIONAL LIFE INS CO	\$ 16,464.33
ACH	ICMA RETIREMENT TRUST 401 P/R 26 12/22/17 Exec Deferred Comp HR 0064200	5,976.54
	ICMA RETIREMENT TRUST 401	\$ 5,976.54
ACH	ESTRADA, JIMMIE J Reim Monthly Health Prem HEALTH PREM	499.68
	ESTRADA, JIMMIE J	\$ 499.68
ACH	LICHTI, ALICE Reim Monthly Health Prem HEALTH PREM	183.34
	LICHTI, ALICE	\$ 183.34
ACH	MORASSE, EDNA Reim Monthly Health Prem HEALTH PREM	183.34
	MORASSE, EDNA	\$ 183.34
ACH	NOWAK, THEO T Reim Monthly Health Prem HEALTH PREM	499.68
	NOWAK, THEO T	\$ 499.68
ACH	SONNENBURG, ILSE Reim Monthly Health Prem HEALTH PREM	183.34
	SONNENBURG, ILSE	\$ 183.34
ACH	DYKSTRA, BETTY Reim Monthly Health Prem HEALTH PREM	183.34
	DYKSTRA, BETTY	\$ 183.34
ACH	TORRES, ROBERT G Reim Monthly Health Prem HEALTH PREM	183.34
	TORRES, ROBERT G	\$ 183.34
ACH	MUELLER, CAROLYN Reim Monthly Health Prem HEALTH PREM	183.34
	MUELLER, CAROLYN	\$ 183.34

Check	Payee / Description	Amount
ACH	GRIFFIN, GEORGE Reim Monthly Health Prem HEALTH PREM GRIFFIN, GEORGE \$	183.34 --- 183.34
ACH	CANADA, ANGELA Reim Monthly Health Prem HEALTH PREM CANADA, ANGELA \$	183.34 --- 183.34
ACH	CUPERSMITH, LEIZAR Reim Monthly Health Prem HEALTH PREM CUPERSMITH, LEIZAR \$	183.34 --- 183.34
ACH	DELGADO-ORAMAS JR, JOSE Reim Monthly Health Prem HEALTH PREM DELGADO-ORAMAS JR, JOSE \$	316.34 --- 316.34
ACH	GRANGER, BRANDON Reim Monthly Health Prem HEALTH PREM GRANGER, BRANDON \$	158.17 --- 158.17
ACH	GADDY, CHARLES L Reim Monthly Health Prem HEALTH PREM GADDY, CHARLES L \$	158.17 --- 158.17
ACH	BAKER, CHRIS Reim Monthly Health Prem HEALTH PREM BAKER, CHRIS \$	25.17 --- 25.17
ACH	WEBB, DANNY C Reim Monthly Health Prem HEALTH PREM WEBB, DANNY C \$	133.00 --- 133.00
ACH	HUMPHREYS, DEBORAH E Reim Monthly Health Prem HEALTH PREM HUMPHREYS, DEBORAH E \$	158.17 --- 158.17
ACH	MOUAT, FREDERICK W Reim Monthly Health Prem HEALTH PREM MOUAT, FREDERICK W \$	158.17 --- 158.17
ACH	MORGAN, GARTH W Reim Monthly Health Prem HEALTH PREM MORGAN, GARTH W \$	133.00 --- 133.00
ACH	ALLINGHAM, JACK Reim Monthly Health Prem HEALTH PREM ALLINGHAM, JACK \$	25.17 --- 25.17

Check	Payee / Description	Amount
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ACH	MAZUR, JOHN Reim Monthly Health Prem	HEALTH PREM	491.57
	MAZUR, JOHN	\$	491.57
ACH	RUDDER, LARRY Reim Monthly Health Prem	HEALTH PREM	25.17
	RUDDER, LARRY	\$	25.17
ACH	HAMILTON, MARIA Reim Monthly Health Prem	HEALTH PREM	133.00
	HAMILTON, MARIA	\$	133.00
ACH	PICENO, TONY Reim Monthly Health Prem	HEALTH PREM	183.34
	PICENO, TONY	\$	183.34
ACH	RAMOS, CAROL Reim Monthly Health Prem	HEALTH PREM	25.17
	RAMOS, CAROL	\$	25.17
ACH	FISHER, JAY Reim Monthly Health Prem	HEALTH PREM	133.00
	FISHER, JAY	\$	133.00
ACH	KING, PATRICK Reim Monthly Health Prem	HEALTH PREM	25.17
	KING, PATRICK	\$	25.17
ACH	HOWARD, ROBERT JAMES Reim Monthly Health Prem	HEALTH PREM	25.17
	HOWARD, ROBERT JAMES	\$	25.17
ACH	DIETZ, JUDY Reim Monthly Health Prem	HEALTH PREM	133.00
	DIETZ, JUDY	\$	133.00
ACH	DAVIS, GEORGE Reim Monthly Health Prem	HEALTH PREM	25.17
	DAVIS, GEORGE	\$	25.17
ACH	MONZAVI, TAGHI Reim Monthly Health Prem	HEALTH PREM	25.17
	MONZAVI, TAGHI	\$	25.17
ACH	PETERSEN, KENNETH Reim Monthly Health Prem	HEALTH PREM	183.34

Check	Payee / Description	Amount
	PETERSEN, KENNETH	\$ 183.34
ACH	TRAUTERMAN, HELEN Reim Monthly Health Prem	HEALTH PREM 183.34
	TRAUTERMAN, HELEN	\$ 183.34
ACH	TIEGS, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 959.04
	TIEGS, KATHLEEN	\$ 959.04
ACH	DIGGS, GEORGE Reim Monthly Health Prem	HEALTH PREM 499.68
	DIGGS, GEORGE	\$ 499.68
ACH	HAYES, KENNETH Reim Monthly Health Prem	HEALTH PREM 499.68
	HAYES, KENNETH	\$ 499.68
ACH	HUNTON, STEVE Reim Monthly Health Prem	HEALTH PREM 158.17
	HUNTON, STEVE	\$ 158.17
ACH	RODRIGUEZ, LOUIS Reim Monthly Health Prem	HEALTH PREM 158.17
	RODRIGUEZ, LOUIS	\$ 158.17
ACH	VARBEL, VAN Reim Monthly Health Prem	HEALTH PREM 642.70
	VARBEL, VAN	\$ 642.70
ACH	CLIFTON, NEIL Reim Monthly Health Prem	HEALTH PREM 509.70
	CLIFTON, NEIL	\$ 509.70
ACH	DELGADO, FRANCOIS Reim Monthly Health Prem	HEALTH PREM 133.00
	DELGADO, FRANCOIS	\$ 133.00
ACH	WELLMAN, JOHN THOMAS Reim Monthly Health Prem	HEALTH PREM 642.70
	WELLMAN, JOHN THOMAS	\$ 642.70
ACH	SPEARS, SUSAN Reim Monthly Health Prem	HEALTH PREM 25.17
	SPEARS, SUSAN	\$ 25.17
ACH	TROXEL, WYATT Reim Monthly Health Prem	HEALTH PREM 183.34

Check	Payee / Description	Amount
	TROXEL, WYATT	\$ 183.34
ACH	CORLEY, WILLIAM Reim Monthly Health Prem	HEALTH PREM 491.57
	CORLEY, WILLIAM	\$ 491.57
ACH	CALLAHAN, CHARLES Reim Monthly Health Prem	HEALTH PREM 345.53
	CALLAHAN, CHARLES	\$ 345.53
ACH	LESNIAKOWSKI, NORBERT Reim Monthly Health Prem	HEALTH PREM 183.34
	LESNIAKOWSKI, NORBERT	\$ 183.34
ACH	VER STEEG, ALLEN J Reim Monthly Health Prem	HEALTH PREM 478.53
	VER STEEG, ALLEN J	\$ 478.53
ACH	HACKNEY, GARY Reim Monthly Health Prem	HEALTH PREM 479.52
	HACKNEY, GARY	\$ 479.52
ACH	CAREL, LARRY Reim Monthly Health Prem	HEALTH PREM 25.17
	CAREL, LARRY	\$ 25.17
ACH	TOL, HAROLD Reim Monthly Health Prem	HEALTH PREM 183.34
	TOL, HAROLD	\$ 183.34
ACH	BANKSTON, GARY Reim Monthly Health Prem	HEALTH PREM 533.80
	BANKSTON, GARY	\$ 533.80
ACH	ATWATER, RICHARD Reim Monthly Health Prem	HEALTH PREM 133.00
	ATWATER, RICHARD	\$ 133.00
ACH	FIESTA, PATRICIA Reim Monthly Health Prem	HEALTH PREM 491.57
	FIESTA, PATRICIA	\$ 491.57
ACH	DIGGS, JANET Reim Monthly Health Prem	HEALTH PREM 632.68
	DIGGS, JANET	\$ 632.68
ACH	CARAZA, TERESA	

Check	Payee / Description	Amount
	Reim Monthly Health Prem	188.35
	HEALTH PREM	
	CARAZA, TERESA	\$ 188.35
ACH	ANDERSON, JOHN	
	Reim Monthly Health Prem	499.68
	HEALTH PREM	
	ANDERSON, JOHN	\$ 499.68
ACH	SANTA CRUZ, JACQUELYN	
	Reim Monthly Health Prem	866.84
	HEALTH PREM	
	SANTA CRUZ, JACQUELYN	\$ 866.84
ACH	HECK, ROSELYN	
	Reim Monthly Health Prem	25.17
	HEALTH PREM	
	HECK, ROSELYN	\$ 25.17
ACH	SOPICKI, LEO	
	Reim Monthly Health Prem	316.34
	HEALTH PREM	
	SOPICKI, LEO	\$ 316.34
ACH	HERNANDEZ, BENJAMIN	
	Reim Monthly Health Prem	358.57
	HEALTH PREM	
	HERNANDEZ, BENJAMIN	\$ 358.57
ACH	GOSE, ROSEMARY	
	Reim Monthly Health Prem	133.00
	HEALTH PREM	
	GOSE, ROSEMARY	\$ 133.00
ACH	KEHL, BARRETT	
	Reim Monthly Health Prem	133.00
	HEALTH PREM	
	KEHL, BARRETT	\$ 133.00
ACH	RITCHIE, JANN	
	Reim Monthly Health Prem	133.00
	HEALTH PREM	
	RITCHIE, JANN	\$ 133.00
ACH	LONG, ROCKWELL DEE	
	Reim Monthly Health Prem	509.70
	HEALTH PREM	
	LONG, ROCKWELL DEE	\$ 509.70
ACH	FATTAHI, MIR	
	Reim Monthly Health Prem	133.00
	HEALTH PREM	
	FATTAHI, MIR	\$ 133.00
ACH	VERGARA, FLORENTINO	
	Reim Monthly Health Prem	316.34
	HEALTH PREM	
	VERGARA, FLORENTINO	\$ 316.34

Check	Payee / Description	Amount
ACH	WARMAN, RALPH Reim Monthly Health Prem	HEALTH PREM 183.34
	WARMAN, RALPH	\$ 183.34
ACH	ROGERS, SHIRLEY Reim Monthly Health Prem	HEALTH PREM 183.34
	ROGERS, SHIRLEY	\$ 183.34
ACH	WALL, DAVID Reim Monthly Health Prem	HEALTH PREM 321.35
	WALL, DAVID	\$ 321.35
ACH	CHUNG, MICHAEL Reim Monthly Health Prem	HEALTH PREM 158.17
	CHUNG, MICHAEL	\$ 158.17
ACH	ADAMS, PAMELA Reim Monthly Health Prem	HEALTH PREM 183.34
	ADAMS, PAMELA	\$ 183.34
ACH	BLASINGAME, MARY Reim Monthly Health Prem	HEALTH PREM 509.70
	BLASINGAME, MARY	\$ 509.70
ACH	ANDERSON, KENNETH Reim Monthly Health Prem	HEALTH PREM 158.17
	ANDERSON, KENNETH	\$ 158.17
ACH	MOE, JAMES Reim Monthly Health Prem	HEALTH PREM 25.17
	MOE, JAMES	\$ 25.17
ACH	POLACEK, KEVIN Reim Monthly Health Prem	HEALTH PREM 835.51
	POLACEK, KEVIN	\$ 835.51
ACH	ELROD, SONDRAL Reim Monthly Health Prem	HEALTH PREM 321.35
	ELROD, SONDRAL	\$ 321.35
ACH	FRAZIER, JACK Reim Monthly Health Prem	HEALTH PREM 200.40
	FRAZIER, JACK	\$ 200.40
ACH	HOAK, JAMES Reim Monthly Health Prem	HEALTH PREM 133.00
	HOAK, JAMES	\$ 133.00

Check	Payee / Description	Amount
ACH	DEZHAM, PARIVASH Reim Monthly Health Prem	HEALTH PREM 200.40
	DEZHAM, PARIVASH	\$ 200.40
ACH	FOLEY III, DANIEL J. Reim Monthly Health Prem	HEALTH PREM 188.35
	FOLEY III, DANIEL J.	\$ 188.35
ACH	CLEVELAND, JAMES Reim Monthly Health Prem	HEALTH PREM 133.00
	CLEVELAND, JAMES	\$ 133.00
ACH	LANGNER, CAMERON Reim Monthly Health Prem	HEALTH PREM 666.86
	LANGNER, CAMERON	\$ 666.86
ACH	HAMILTON, LEANNE Reim Monthly Health Prem	HEALTH PREM 188.35
	HAMILTON, LEANNE	\$ 188.35
ACH	HOOSHMAND, RAY Reim Monthly Health Prem	HEALTH PREM 133.00
	HOOSHMAND, RAY	\$ 133.00
ACH	SCHLAPKOHL, JACK Reim Monthly Health Prem	HEALTH PREM 133.00
	SCHLAPKOHL, JACK	\$ 133.00
ACH	POOLE, PHILLIP Reim Monthly Health Prem	HEALTH PREM 188.35
	POOLE, PHILLIP	\$ 188.35
ACH	ADAMS, BARBARA Reim Monthly Health Prem	HEALTH PREM 158.17
	ADAMS, BARBARA	\$ 158.17
ACH	RUESCH, GENECE Reim Monthly Health Prem	HEALTH PREM 539.33
	RUESCH, GENECE	\$ 539.33
ACH	VANDERPOOL, LARRY Reim Monthly Health Prem	HEALTH PREM 533.80
	VANDERPOOL, LARRY	\$ 533.80
ACH	AMBROSE, JEFFREY Reim Monthly Health Prem	HEALTH PREM 642.70

Check	Payee / Description	Amount
	AMBROSE, JEFFREY	\$ 642.70
ACH	MERRILL, DIANE Reim Monthly Health Prem	HEALTH PREM 478.53
	MERRILL, DIANE	\$ 478.53
ACH	HOUSER, ROD Reim Monthly Health Prem	HEALTH PREM 636.70
	HOUSER, ROD	\$ 636.70
ACH	RUSSO, VICKI Reim Monthly Health Prem	HEALTH PREM 188.35
	RUSSO, VICKI	\$ 188.35
ACH	HUSS, KERRY Reim Monthly Health Prem	HEALTH PREM 509.70
	HUSS, KERRY	\$ 509.70
ACH	BINGHAM, GREGG Reim Monthly Health Prem	HEALTH PREM 702.51
	BINGHAM, GREGG	\$ 702.51
ACH	CHARLES, DAVID Reim Monthly Health Prem	HEALTH PREM 133.00
	CHARLES, DAVID	\$ 133.00
ACH	YEBOAH, ERNEST Reim Monthly Health Prem	HEALTH PREM 133.00
	YEBOAH, ERNEST	\$ 133.00
ACH	ALVARADO, ROSEMARY Reim Monthly Health Prem	HEALTH PREM 346.52
	ALVARADO, ROSEMARY	\$ 346.52
ACH	BARELA, GEORGE Reim Monthly Health Prem	HEALTH PREM 133.00
	BARELA, GEORGE	\$ 133.00
ACH	FETZER, ROBERT Reim Monthly Health Prem	HEALTH PREM 835.51
	FETZER, ROBERT	\$ 835.51
ACH	SPAETH, ERIC Reim Monthly Health Prem	HEALTH PREM 188.35
	SPAETH, ERIC	\$ 188.35
ACH	DAVIS, MARTHA Reim Monthly Health Prem	HEALTH PREM 188.35

Check	Payee / Description	Amount
	DAVIS, MARTHA	\$ 188.35
ACH	BRULE, CHRISTOPHER Reim Monthly Health Prem	HEALTH PREM 188.35
	BRULE, CHRISTOPHER	\$ 188.35
ACH	ROOS, JAMES Reim Monthly Health Prem	HEALTH PREM 509.70
	ROOS, JAMES	\$ 509.70
ACH	MULLANEY, JOHN Reim Monthly Health Prem	HEALTH PREM 321.35
	MULLANEY, JOHN	\$ 321.35
ACH	VALENZUELA, DANIEL Reim Monthly Health Prem	HEALTH PREM 509.70
	VALENZUELA, DANIEL	\$ 509.70
ACH	PACE, BRIAN Reim Monthly Health Prem	HEALTH PREM 509.70
	PACE, BRIAN	\$ 509.70
ACH	KING, JOSEPH Reim Monthly Health Prem	HEALTH PREM 133.00
	KING, JOSEPH	\$ 133.00
ACH	VILLALOBOS, HECTOR Reim Monthly Health Prem	HEALTH PREM 188.35
	VILLALOBOS, HECTOR	\$ 188.35
ACH	BAXTER, KATHLEEN Reim Monthly Health Prem	HEALTH PREM 321.35
	BAXTER, KATHLEEN	\$ 321.35
ACH	PENMAN, DAVID Reim Monthly Health Prem	HEALTH PREM 509.70
	PENMAN, DAVID	\$ 509.70
ACH	ANGIER, RICHARD Reim Monthly Health Prem	HEALTH PREM 509.70
	ANGIER, RICHARD	\$ 509.70
ACH	MERRILL, DEBORAH Reim Monthly Health Prem	HEALTH PREM 358.57
	MERRILL, DEBORAH	\$ 358.57
ACH	O'DEA, KRISTINE	

Check	Payee / Description		Amount
	Reim Monthly Health Prem	HEATH PREM	158.17
	O'DEA, KRISTINE	\$	158.17
ACH	OAKDEN, LISA Reim Monthly Health Prem	HEATH PREM	866.84
	OAKDEN, LISA	\$	866.84
ACH	AQUA BEN CORPORATION RP1-16,100 Lbs Polymer 750A RP1-4,600 Lbs Polymer 748E	36492 36491	21,608.36 4,064.33
	AQUA BEN CORPORATION	\$	25,672.69
ACH	UNIVAR USA INC RP5-12,989 Lbs Sodium Bisulfite PradoLS-14,019 Lbs Sodium Bisulfite CCWRP-13,204 Lbs Sodium Bisulfite RP5-14,041 Lbs Sodium Bisulfite RP5-14,052 Lbs Sodium Bisulfite PradoLS-12,211 Lbs Sodium Bisulfite RP5-12,230 Lbs Sodium Bisulfite TP1-14,052 Lbs Sodium Bisulfite PradoLS-12,812 Lbs Sodium Bisulfite CCWRP-12,827 Lbs Sodium Bisulfite TP1-12,127 Lbs Sodium Bisulfite	LA595041 LA585758 LA582208 LA585759 LA590906 LA580282 LA580281 LA592496 LA596237 LA593855 LA594630	2,804.81 3,027.08 2,980.72 3,031.83 3,034.20 2,636.67 2,640.84 2,796.05 2,766.44 2,769.76 2,618.63
	UNIVAR USA INC	\$	31,107.03
ACH	PACIFIC PARTS & CONTROLS Ethernet/IP Option Card	I415661	466.23
	PACIFIC PARTS & CONTROLS	\$	466.23
ACH	ENVIRONMENTAL RESOURCES ASSOC Total Cyanide Ceriodaphnia Dubia, Cyanide & Phenol	846481 845101	132.29 397.74
	ENVIRONMENTAL RESOURCES ASSOC	\$	530.03
ACH	WESTERN MUNICIPAL WATER DISTRI WR16011-9/1/17-9/30/17 425 Sprinkler Noz IEUA-1486		1,487.50
	WESTERN MUNICIPAL WATER DISTRI	\$	1,487.50
ACH	MCMaster-CARR SUPPLY CO Copper Tubing, Lever Handles Shrink Tubing Printer 4 5 Gallon White Carboy Foam Insulation, Paint, Roller Foam Insulation	52143323 52143322 52143321 51826079 51915007	45.66 322.31 147.44 110.81 42.20
	MCMaster-CARR SUPPLY CO	\$	668.42
ACH	AGRICULTURAL RESOURCES 1/18 Wtr Quality Consult	1/18 WTR QLTY	3,500.00
	AGRICULTURAL RESOURCES	\$	3,500.00

Check	Payee / Description	Amount
ACH	CHINO BASIN DESALTER AUTHORITY CDPH-Chino III Expnasion Prjcts Inv#13-G 378	13,832,083.64
	CHINO BASIN DESALTER AUTHORITY\$	13,832,083.64
ACH	ALFA LAVAL INC Lower Belt 277064023	2,390.45
	ALFA LAVAL INC \$	2,390.45
ACH	SCHNEIDER ELECTRIC SYSTEMS INC Calibration Plugs 93665510	2,838.67
	SCHNEIDER ELECTRIC SYSTEMS INC\$	2,838.67
ACH	PEST OPTIONS INC October 2017 GWR Weed Abatement Services 287332	6,034.32
	October 2017 Weed Abatement Services 287209	3,064.95
	PEST OPTIONS INC \$	9,099.27
ACH	SUNGARD AVAILABILITY SERVICES 1/18 Disaster Recovery Svc 152670565	4,152.00
	12/17 Disaster Recovery Svc 152668261	4,152.00
	11/17 Disaster Recovery Svc 152667226	4,152.00
	SUNGARD AVAILABILITY SERVICES \$	12,456.00
ACH	OLIN CORP CCWRP-4,940 Gals Sodium Hypochlorite 2416312	2,914.60
	RP4-2,002 Gals Sodium Hypochlorite 2421870	1,181.18
	RP4-1,992 Gals Sodium Hypochlorite 2427759	1,175.28
	RP4-3,342 Gals Sodium Hypochlorite 2417841	1,971.78
	TP1-4,944 Gals Sodium Hypochlorite 2418284	2,916.96
	TP1-4,934 Gals Sodium Hypochlorite 2418285	2,911.06
	RP4-1,994 Gals Sodium Hypochlorite 2418450	1,176.46
	CCWRP-4,902 Gals Sodium Hypochlorite 2419455	2,892.18
	TP1-4,970 Gals Sodium Hypochlorite 2420156	2,932.30
	RP5-4,902 Gals Sodium Hypochlorite 2420157	2,892.18
	TP1-4,856 Gals Sodium Hypochlorite 2421152	2,865.04
	CCWRP-2,896 Gals Sodium Hypochlorite 2421153	1,708.64
	RP4-2,012 Gals Sodium Hypochlorite 2421494	1,187.08
	TP1-4,930 Gals Sodium Hypochlorite 2421871	2,908.70
	CCWRP-3,000 Gals Sodium Hypochlorite 2422389	1,770.00
	TP1-4,952 Gals Sodium Hypochlorite 2422951	2,921.68
	RP5-4,892 Gals Sodium Hypochlorite 2422952	2,886.28
	RP4-2,024 Gals Sodium Hypochlorite 2422953	1,194.16
	TP1-4,756 Gals Sodium Hypochlorite 2424177	2,806.04
	TP1-4,990 Gals Sodium Hypochlorite 2424584	2,944.10
	RP4-2,002 Gals Sodium Hypochlorite 2424734	1,181.18
	TP1-4,938 Gals Sodium Hypochlorite 2425043	2,913.42
	RP4-2,004 Gals Sodium Hypochlorite 2425657	1,182.36
	TP1-4,846 Gals Sodium Hypochlorite 2426282	2,859.14
	RP5-4,864 Gals Sodium Hypochlorite 2426283	2,869.76
	TP1-4,904 Gals Sodium Hypochlorite 2427402	2,893.36
	CCWRP-4,500 Gals Sodium Hypochlorite 2427403	2,655.00
	RP5-4,880 Gals Sodium Hypochlorite 2427404	2,879.20
	RP4-1,992 Gals Sodium Hypochlorite 2419454	1,175.28

Check	Payee / Description	Amount
TP1-4,942	Gals Sodium Hypochlorite	2416747 2,915.78
RP5-4,874	Gals Sodium Hypochlorite	2416748 2,875.66
TP1-4,968	Gals Sodium Hypochlorite	2417349 2,931.12
CCWRP-2,984	Gals Sodium Hypochlorite	2417840 1,760.56
TP1-4,780	Gals Sodium Hypochlorite	2427760 2,820.20
TP1-4,982	Gals Sodium Hypochlorite	2427761 2,939.38
TP1-4,762	Gals Sodium Hypochlorite	2428256 2,809.58
RP5-4,966	Gals Sodium Hypochlorite	2429435 2,929.94
RP4-1,970	Gals Sodium Hypochlorite	2429436 1,162.30
TP1-4,908	Gals Sodium Hypochlorite	2429437 2,895.72
CCWRP-2,500	Gals Sodium Hypochlorite	2430102 1,475.00
TP1-4,970	Gals Sodium Hypochlorite	2430103 2,932.30
RP4-4,972	Gals Sodium Hypochlorite	2430104 2,933.48
TP1-4,966	Gals Sodium Hypochlorite	2430105 2,929.94
RP4-1,996	Gals Sodium Hypochlorite	2430474 1,177.64
TP1-4,912	Gals Sodium Hypochlorite	2430783 2,898.08
RP5-4,904	Gals Sodium Hypochlorite	2430784 2,893.36
CCWRP-3,014	Gals Sodium Hypochlorite	2431471 1,778.26
RP4-2,006	Gals Sodium Hypochlorite	2431472 1,183.54
TP1-4,902	Gals Sodium Hypochlorite	2432050 2,892.18
RP5-4,902	Gals Sodium Hypochlorite	2432051 2,892.18
RP4-2,004	Gals Sodium Hypochlorite	2432755 1,182.36
TP1-4,908	Gals Sodium Hypochlorite	2433386 2,895.72
TP1-4,690	Gals Sodium Hypochlorite	2433759 2,767.10
RP4-2,034	Gals Sodium Hypochlorite	2433760 1,200.06
CCWRP-3,000	Gals Sodium Hypochlorite	2433882 1,770.00
TP1-4,892	Gals Sodium Hypochlorite	2434203 2,886.28
	OLIN CORP	\$ 131,492.12
ACH	GK & ASSOCIATES INC 46-2054-10/17 Prof Svcs	17-086 16,016.00
	GK & ASSOCIATES INC	\$ 16,016.00
ACH	YORK RISK SERVICES GROUP INC 10/17-12/17 W/C Adm Fee - 4Q17 7/17-9/17 W/C Adm Fee - 3Q17	500016514 4,623.50 500016268 4,623.50
	YORK RISK SERVICES GROUP INC	\$ 9,247.00
ACH	ROGER BRYENTON & ASSOCIATES 5 Rubber Dam Inspections	2017-001 5,400.00
	ROGER BRYENTON & ASSOCIATES	\$ 5,400.00
ACH	TRIBOLOGIK CORPORATION Oil Analysis Oil Analysis Oil Analysis Oil Analysis Oil Analysis Oil Analysis Oil Analysis	36942 60.00 36943 240.00 36944 60.00 37202 120.00 37473 60.00 37472 90.00 37471 330.00
	TRIBOLOGIK CORPORATION	\$ 960.00
ACH	KEMP BROS CONSTRUCTION INC EN15008-11/17 Pay Est 15	PE 15-EN15008 1,063,875.51

Check	Payee / Description	Amount
	KEMP BROS CONSTRUCTION INC	\$ 1,063,875.51
ACH	JC LAW FIRM 11/17 IEUA vs Mwembu	00372 2,760.00
	JC LAW FIRM	\$ 2,760.00
ACH	AMAZON BUSINESS Varidesk, Comfort Mat	1T7H-GKR1-XYK 598.01
	3 Cable Weights	1GHW-JCNP-KLC 48.03
	1.1 Cubic Feet Upright Freezer	16MG-K9JY-DVK 196.43
	Return 1.1 Cubic Feet Upright Freezer	13QK-G794-NPK 196.43
	Return-RP1Ops-Compact Upright Freezer	11KL-VXJH-TD9 131.07
	20 - 3v Lithium Batteries	1L33-H9VR-KPQ 7.47
	ExtAffs-RTV-Refillable Notebook Covers	19MR-47QC-4Y9 20.40
	Power Cords	1JFY-7JQK-XRL 269.80
	Acct-Varidesks, Anti-Fatigue Mats	143C-ND7D-DT3 1,196.02
	HQMnt-Mange for Success Books	1DQY-DPP4-3TX 479.76
	RP5-Workplace Communications Books	1CJP-RFYF-4NV 215.02
	HQMnt-Uptime Elements TM Dictionary Ldrs	1DQY-DPP4-T3D 14.98
	AMAZON BUSINESS	\$ 2,677.62
ACH	AMERICAN OFFICE PROFESSIONALS 5 HP M506DN Printers	1359 4,504.73
	AMERICAN OFFICE PROFESSIONALS	\$ 4,504.73
ACH	SHELL ENERGY NORTH AMERICA LP CCWRP/TP/RWP-11/1-11/30 14950 Tlphn 8/1- 2046 11/17	35,884.47
	CCWRP/TP/RWP-11/1-11/30 14950 Tlphn 8/1- 2044 11/17	7,557.23
	RP1-11/1-11/30 2450 Phila St 8/1-8/31 Ad 2042 11/17	115,473.41
	SHELL ENERGY NORTH AMERICA LP	\$ 158,915.11
ACH	FOUNDATION HA ENERGY GENERATIO RP4/RWPS-11/1-11/30 12811 6th St-Wind Po 2246	208.56
	FOUNDATION HA ENERGY GENERATIO\$	208.56
ACH	IEUA EMPLOYEES' ASSOCIATION P/R 26 12/22/17 Employee Ded	HR 0064200 177.00
	IEUA EMPLOYEES' ASSOCIATION	\$ 177.00
ACH	IEUA SUPERVISORS UNION ASSOCIA P/R 26 12/22/17 Employee Ded	HR 0064200 345.00
	IEUA SUPERVISORS UNION ASSOCIA\$	345.00
ACH	IEUA GENERAL EMPLOYEES ASSOCIA P/R 26 12/22/17 Employee Ded	P/R 26 ADJUST 25.00
	P/R 26 12/22/17 Employee Ded	HR 0064200 1,131.60
	IEUA GENERAL EMPLOYEES ASSOCIA\$	1,156.60
ACH	IEUA PROFESSIONAL EMPLOYEES AS P/R 26 12/22/17 Employee Ded	HR 0064200 520.00

Check	Payee / Description	Amount
	IEUA PROFESSIONAL EMPLOYEES ASS	520.00
ACH	DISCOVERY BENEFITS INC P/R 26 12/22/17 Cafeteria Plan	3,020.45
	DISCOVERY BENEFITS INC	3,020.45

Grand Total Payment Amount: \$ 16,149,499.47

Attachment 2D

Vendor Wires
(excludes Payroll)

Check Payee / Description Amount

Wire STATE BOARD OF EQUALIZATION
 11/17 Sales Tax Deposit 23784561 11/1 7,833.00
 STATE BOARD OF EQUALIZATION \$ 7,833.00

Wire PUBLIC EMPLOYEE'S RETIREMENT S
 P/R 25 12/8 Deferred Comp Ded HR 0063300 16,644.65
 PUBLIC EMPLOYEE'S RETIREMENT S\$ 16,644.65

Wire EMPLOYMENT DEVELOPMENT DEPARTM
 P/R 25 12/8 Taxes HR 0063300 64,882.30
 P/R 125 Sick Buy Back 12/8 Taxes HR 0062900 9,327.80
 P/R 125 Sick Buy Back 12/8 Taxes HR 0062900 998.10
 P/R DIR 12 12/8 Taxes HR 0063000 412.98
 P/R 25 12/8 Taxes HR 0063300 7,264.03
 EMPLOYMENT DEVELOPMENT DEPARTM\$ 82,885.21

Wire INTERNAL REVENUE SERVICE
 P/R 25 12/8 Taxes HR 0063300 327,799.68
 P/R 125 Sick Buy Back 12/8 Taxes HR 0062900 54,990.22
 P/R DIR 12 12/8 Taxes HR 0063000 2,562.95
 INTERNAL REVENUE SERVICE \$ 385,352.85

Wire STATE DISBURSEMENT UNIT
 P/R 25 12/8 HR 0063300 198.00
 STATE DISBURSEMENT UNIT \$ 198.00

Wire PUBLIC EMPLOYEES RETIREMENT SY
 P/R 25 12/22/17 PERS Adjustment PR 25 ADJUSTM 66.45
 P/R 25 12/8 PERS HR 0063300 172,527.32
 PUBLIC EMPLOYEES RETIREMENT SY\$ 172,593.77

Wire PUBLIC EMPLOYEES' RETIREMENT S
 12/17 Health Ins-Board 15124531 12/1 5,414.96
 12/17 Health Ins-Retirees, Employees 15124529 12/1 260,613.82
 PUBLIC EMPLOYEES' RETIREMENT S\$ 266,028.78

Wire STATE DISBURSEMENT UNIT
 P/R 26 12/22/17 HR 0064200 198.00
 P/R 26 12/22/17 HR 0064200 2,290.12
 STATE DISBURSEMENT UNIT \$ 2,488.12

Wire EMPLOYMENT DEVELOPMENT DEPARTM
 P/R 26 12/22/17 Taxes P/R 26 ADJUST 162.11
 P/R 26 12/22/17 Taxes HR 0064200 5,966.67
 P/R 26 12/22/17 Taxes HR 0064200 55,233.76
 EMPLOYMENT DEVELOPMENT DEPARTM\$ 61,362.54

Wire INTERNAL REVENUE SERVICE
 P/R 26 12/22/17 Taxes P/R 26 ADJUST 1,104.70

Check	Payee / Description	Amount
	P/R 26 12/22/17 Taxes	289,416.17
	INTERNAL REVENUE SERVICE	290,520.87
Wire	PUBLIC EMPLOYEE'S RETIREMENT S	
	P/R 26 12/22/17 Deferred Comp Ded Adjust P/R 26 ADJUST	1,000.00
	P/R 26 12/22/17 Deferred Comp Ded HR 0064200	14,594.64
	PUBLIC EMPLOYEE'S RETIREMENT S\$	15,594.64
Wire	METROPOLITAN WATER DISTRICT	
	October 2017 Water Purchase 9175	6,898,223.25
	METROPOLITAN WATER DISTRICT \$	6,898,223.25

Grand Total Payment Amount: \$ 8,199,725.68

Attachment 2E

Payroll-Net Pay-Directors

INLAND EMPIRE UTILITIES AGENCY

RATIFICATION OF BOARD OF DIRECTORS

PAYROLL FOR DECEMBER 8, 2017
PRESENTED AT BOARD MEETING ON FEBRUARY 21, 2018

DIRECTOR NAME	GROSS PAYROLL	NET PAYROLL
MICHAEL CAMACHO	\$4,156.54	\$1,579.67
STEVEN J. ELIE	\$4,525.72	\$1,504.43
JASMIN HALL	\$3,099.92	\$1,952.46
KATHERINE PARKER	\$2,449.29	\$729.56
TOTALS	\$14,231.47	\$5,766.12

TOTAL EFTS PROCESSED	3
BEGINNING CHECK NO.	110153
ENDING CHECK NO.	110153
TOTAL CHECKS PROCESSED	1

IEUA DIRECTOR PAYSHEET

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-06-17	IEUA Board Workshop	Yes	\$247.50
12-07-17	Southern Coalition/Inland Caucus	Yes	\$247.50
12-07-17	CBWM Reception to Welcome IEUA's New General Manager Halla Razak	Yes (same day)	\$-0-
12-13-17	Engineering, Ops. & Water Resources Committee meeting	Yes	\$247.50
12-20-17	IEUA Board Meeting	Yes	\$247.50
12-20-17	IEUA Holiday Luncheon and STAR Awards Presentations	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$1,237.50
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			7
Total No. of Meetings Paid			5

DIRECTOR
SIGNATURE



 Approved by:


 Steven J. Elie
 President, Board of Directors

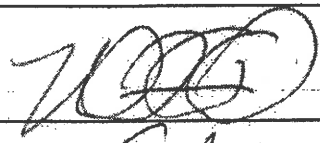
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON REGIONAL POLICY COMMITTEE (ALTERNATE)**

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

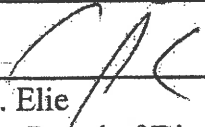
DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-17	Regional Policy Committee Meeting.	No	\$-0-
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17.) IEUA pays Regional Policy Committee members (total amount of \$247.50, should reflect on timesheet)			\$-0-
Total No. of Meetings Attended			0
Total No. of Meetings Paid			0

**DIRECTOR
SIGNATURE**



Approved by:



Steven J. Elie
President, Board of Directors

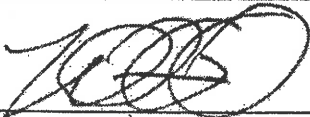
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON MWD BOARD**

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-11-17	MWD Standing Committee	Yes	\$247.50
12-12-17	MWD Standing Committee Meetings and Board Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17).			\$495.00
Total No. of Meetings Attended			2
Total No. of Meetings Paid			2

DIRECTOR
SIGNATURE



Approved by:



Steven J. Elie
President, Board of Directors

IEUA DIRECTOR PAYSHEET

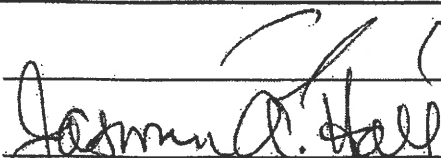
STEVEN J. ELIE
 EMPLOYEE NO. 1175
 ACCOUNT NO. 10200 110100 100000 501010

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-17	Facility tour for Assembly Member Phillip Chen	Yes	\$247.50
12-02-17	Chino Hills Tree Lighting Ceremony	Yes	\$247.50
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-05-17	WaterNow Alliance--Call with CEO Cynthia Koehler	Yes	\$247.50
12-06-17	IEUA Board Meeting	Yes	\$247.50
12-07-17	CBWM Reception to Welcome new General Manager Halla Razak	Yes	\$247.50
12-11-17	IEUA Audit Committee	Yes	\$247.50
12-11-17	Meeting w/General Manager Halla Razak	Yes (staff)	\$-0-
12-12-17	NWRI Operations meeting (via telecon)	Yes	\$247.50
12-19-17	WaterNow Alliance Steering Committee telecon	Yes	\$247.50
12-20-17	IEUA Board Meeting	Yes	\$247.50
12-20-17	IEUA Holiday Luncheon and STAR Awards presentation	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$2,475.00
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff: 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			12
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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-28-17	CBWM Board Meeting	No (cancelled)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance. (i.e., \$122.50 – difference between Watermaster \$125.00 and Agency meetings \$247.50 (eff. 7/01/17). 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. <u>Record full amount on timesheet for attendance by alternates</u>			
Total No. of Watermaster Meetings Attended			0
Total No. of Watermaster Meetings Paid			0

***Decline IEUA portion**

DIRECTOR
SIGNATURE _____

Approved by: _____

Jasmin A. Hall
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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-7-17	CDA Board Meeting	No	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$97.50 – difference between CDA (\$150.00 and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. CDA pays directly to IEUA. Record full amount on timesheet.			
Total No. of CDA Meetings Attended			0
Total No. of CDA Meetings Paid			0

DIRECTOR SIGNATURE _____
 Approved by: Jasmin Hall
 Jasmin Hall
 Secretary/Treasurer

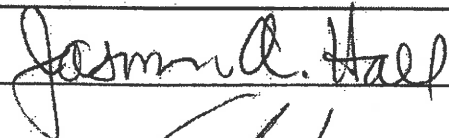
IEUA DIRECTOR PAYSHEET

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

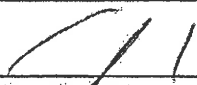
DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-01-17	ACWA Fall Conference	No (3 day max pymt on conf.)	\$-0-
12-01-17	CASA Federal Legislative Committee Conference Call	Yes	\$247.50
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-06-17	IEUA Board Meeting	Yes	\$247.50
12-07-17	BIA Baldy View Chapter Holiday Gala	Yes (same day)	\$-0-
12-09-17	Fontana Holiday Parade	Yes	\$247.50
12-11-17	ASBCSD Dinner Meeting	Yes	\$247.50
12-13-17	IEUA Special Finance & Administration Committee	Yes	\$247.50
12-14-17	Supervisor Janice Rutherford Holiday Reception	Yes	\$247.50
12-20-17	IEUA Board Meeting	No	\$-0-
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			\$1,732.50
Total No. of Meetings Attended			8
Total No. of Meetings Paid			7

DIRECTOR
SIGNATURE



Approved by:


 Steven J. Elie, President, Board of Directors

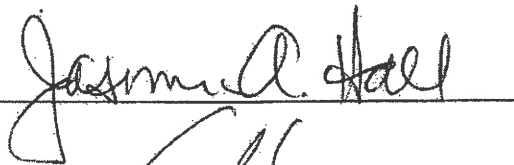
DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-05-17	SAWPA Commission Workshop	Yes	\$47.50
12-05-17	Welcome Reception for IEUA new General Manager Halla Razak	Yes (same day)	\$-0-
12-18-17	OWOW Disadvantage and Tribal Communities Pillars	Yes	\$47.50
12-19-17	SAWPA Reg. Commission Meeting	No	\$-0-
TOTAL REIMBURSEMENT			\$95.00
Up to 10 days of service per month per Ordinance No. 105), i.e., \$47.50 – difference between SAWPA (\$200.00 (eff. 5/01/17) and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.			
Total No. of SAWPA Meetings Attended			2
Total No. of SAWPA Meetings Paid			2

DIRECTOR
SIGNATURE



Approved by:

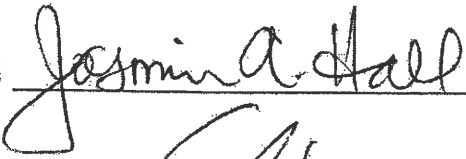

Steven J. Elie
President, Board of Directors

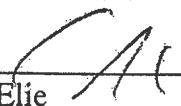
**DIRECTOR PAYSHEET FOR IEUA REPRESENTATIVE
ON CHINO DESALTER AUTHORITY**

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-17	CDA Board Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT			\$247.50
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 7/01/17). Chino Desalter Authority will pay \$150.00 per meeting directly to the Agency. Record full amount on timesheet. CDA pays both primary and alternate for attendance			
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

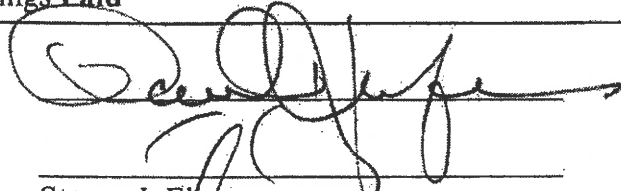
IEUA DIRECTOR PAYSHEET

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-06-17	IEUA Board Meeting	Yes	\$-0-
12-07-17	CBWM Reception to Welcome new General Manager Halla Razak	Yes	\$-0-
12-13-17	IEUA Special Finance and Administration Committee	Yes	\$-0-
12-20-17	IEUA Board Meeting	Yes	\$-0-
TOTAL REIMBURSEMENT Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			\$-0-
Total No. of Meetings Attended			4
Total No. of Meetings Paid			0

DIRECTOR
SIGNATURE



Approved by:

 Steven J. Elle
 President, Board of Directors

Director Hofer has waived all stipend payments.

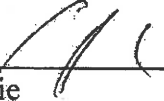
IEUA DIRECTOR PAYSHEET

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-04-17	Mandatory Harassment Training	Yes	\$247.50
12-06-17	IEUA Board Meeting	Yes	\$247.50
12-07-17	CBWM Reception for new General Manager Halla Rezak	Yes (same day)	\$-0-
12-11-17	IEUA Audit Committee	Yes	\$247.50
12-13-17	Engineering, Operations & Water Resources Committee	Yes	\$247.50
12-14-17	Meeting with new General Manager Halla Rezak	Yes (staff)	\$-0-
12-18-17	Meeting with Facilitator from Kearns & West - Regional Contract	Yes	\$247.50
12-20-17	IEUA Board Meeting	Yes	\$247.50
12-20-17	IEUA Holiday Luncheon and STAR Award presentation	Yes (same day)	\$-0-
TOTAL REIMBURSEMENT			\$1,485.00
Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17). IEUA pays both primary and alternate for attendance.			
Total No. of Meetings Attended			9
Total No. of Meetings Paid			6

DIRECTOR SIGNATURE 

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

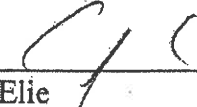
DIRECTOR PAYSHEET FOR IEUA
ON SAWPA COMMISSION (ALTERNATE)

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-05-17	SAWPA Commission Workshop	Yes	\$47.50
12-19-17	SAWPA Regular Commission Meeting	Yes	\$47.50
TOTAL REIMBURSEMENT			\$95.00
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$47.50 – difference between SAWPA (\$200.00 (eff. 5/01/17) and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. SAWPA pays both primary and alternate for attendance, including mileage.			
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


DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-07-17	Regional Policy Committee Meeting	Yes	\$247.50
TOTAL REIMBURSEMENT (Up to 10 days of service per month per Ordinance No. 105, including MWD meetings at \$247.50 (eff. 07/01/17.) IEUA pays Regional Policy Committee members (total amount of \$247.50, should reflect on timesheet))			\$247.50
Total No. of Meetings Attended			1
Total No. of Meetings Paid			1

**DIRECTOR
SIGNATURE**



Approved by:



Steven J. Elje
President, Board of Directors

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

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

DECEMBER 2017

DATE	TYPE OF MEETING	ATTENDANCE	TOTAL COMPENSATION
12-28-17	CBWM Board Meeting	No (cancelled)	\$-0-
TOTAL REIMBURSEMENT			\$-0-
Up to 10 days of service per month per Ordinance No. 105 (i.e., \$122.50 – difference between Watermaster \$125.00 and Agency meetings \$247.50 (eff. 7/01/17), including MWD meetings. 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. Record full amount on timesheet for attendance by alternates			
Total No. of Watermaster Meetings Attended			0
Total No. of Watermaster Meetings Paid			0

DIRECTOR SIGNATURE Kati Parker

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

Attachment 2F

Payroll-Net Pay-Employees

	Period 25	Period 25	Sick Cashout	Sick Cashout	Period 26	Period 26	
Non-Board Member	Checks	EFTs	Checks	EFTs	Checks	EFTs	December
NET PAY to Employees	\$0.00	\$815,930.06	\$152,694.58	\$0.00	\$0.00	\$757,390.46	\$1,726,015.10

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR DECEMBER 8, 2017

PRESENTED AT BOARD MEETING ON FEBRUARY 21, 2018

GROSS PAYROLL COSTS	\$1,414,404.16
DEDUCTIONS	\$598,474.10
NET PAYROLL	\$815,930.06
CHECKS USED	0
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	361
TOTAL PAYROLL PROCESSED	361

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR DECEMBER 8, 2017

PRESENTED AT BOARD MEETING ON FEBRUARY 21, 2018

GROSS PAYROLL COSTS	\$205,147.99
DEDUCTIONS	\$52,453.41
NET PAYROLL	\$152,694.58
TOTAL EFTS PROCESSED	0
BEGINNING CHECK NO.	110014
ENDING CHECK NO.	110152
TOTAL CHECKS PROCESSED	139

INLAND EMPIRE UTILITIES AGENCY

PAYROLL FOR DECEMBER 22, 2017

PRESENTED AT BOARD MEETING ON FEBRUARY 21, 2018

GROSS PAYROLL COSTS	\$1,317,792.07
DEDUCTIONS	\$560,401.61
NET PAYROLL	\$757,390.46
CHECKS USED	0
TOTAL CHECKS PROCESSED	0
PAYROLL DIRECT DEPOSIT PROCESSED	368
TOTAL PAYROLL PROCESSED	368

**ACTION
ITEM**

2A

Date: February 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Finance & Administration

HA R
02/14/18

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Adoption of Resolutions Approving an Application to the State Water Resources Control Board for the RP-1/RP-5 Construction Expansion Project

Executive Summary:

The State Water Resources Control Board (SWRCB) administers the Clean Water State Revolving Fund (CWSRF) Program for water recycling, wastewater treatment and non-point sources projects. IEUA has filed an application for CWSRF construction program funds to support the RP-1/RP-5 Construction Expansion Project. The CWSRF loan application requires three mandatory resolutions: 1) authorizing resolution, 2) pledging resolution, and 3) reimbursement resolution.

The proposed project will construct the RP-1 Liquids Capacity Recovery, RP-1 Solids Capacity Recovery, RP-5 Liquids Treatment Expansion, and the RP-5 Solids Treatment Facility to promote state planning priorities by utilizing existing infrastructure located at both RP-1 & RP-5. Additional facilities will be required to meet the expanded treatment capacity at both RP-1 and RP-5 to comply with the waste discharge requirements. The project protects all watersheds and parks adjacent to the project sites and supports population growth within IEUA's service area.

Staff's Recommendation:

1. Adopt Resolution No. 2018-2-1, authorizing the General Manager to sign and file the State Revolving Fund (SRF) loan application with the SWRCB for construction for projects in the RP-1/RP-5 Construction Expansion Project (Project);
2. Adopt Resolution No. 2018-2-2, dedicating certain revenues in connection with the construction of the Project SRF financing from the SWRCB;
3. Adopt Resolution No. 2018-2-3, establishing the Agency's intention to apply for and be reimbursed for expenditures related to the construction of the Project; and
4. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

EN24001/ RP-1 Liquids Capacity Recovery, EN24002/ RP-1 Solids Capacity Recovery,
EN19001/ RP-5 Liquids Expansion and EN19006/RP-5 Solids Treatment Facility

Fiscal Impact (explain if not budgeted):

The proposed project has a total project cost of \$533,350,000 in IEUA's Ten-Year Capital Improvement Plan (TYCIP). This application will request \$533,350,000 in CWSRF funding as a contribution to these total costs. Upon approval by SWRCB, the TYCIP and annual appropriations will be revised to align with the new SRF loan, grant, and total project budget.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

On December 20, 2017, the Board of Directors approved an award for a consultant contract for the RP-1 Capacity Recovery, Project Nos. EN24001 and EN24002 to Carollo Engineers Inc., for the not-to-exceed amount of \$13,637,633.

On May 17, 2017 the Board of Directors approved the amendment to Parsons for final design in the amount of \$17,993,681.

On March 15, 2017, the Board of Directors approved the Planning/Design Report of the Project

Environmental Determination:

Program Environmental Impact Report (Finding of Consistency)

Staff is currently completing a Finding of Consistency with IEUA's Program Environmental Impact Report and a CEQA Plus evaluation for SRF Loan Funding.

The State Water Resources Control Board will review IEUA's environmental package before funding is awarded as a requirement of SRF Loan Funding.

Business Goal:

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.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - Resolution No. 2018-2-1

Attachment 4 - Resolution No. 2018-2-2

Attachment 5 - Resolution No. 2018-2-3

Background

Subject: Adoption of Resolutions for a State Water Resources Control Board SRF Loan

The RP-1 Liquids Capacity Recovery, RP-1 Solids Capacity Recovery, RP-5 Liquids Treatment Expansion, and RP-5 Solids Treatment Facility Project promotes state planning priorities by utilizing existing infrastructure located at both RP-1 & RP-5. The project protects all watersheds and parks adjacent to the project sites and supports population growth within IEUA's service area. Additional facilities will be required to meet the expanded treatment capacity at both RP-1 and RP-5 to comply with the waste discharge requirements. The facilities, with a total estimated cost of \$533,350,000, are described below:

RP-1 Liquids Capacity Recovery Project

The RP-1 Liquids Capacity Recovery Project will consist of the following major components:

1. Replace the mechanical course screening equipment including rag conveyor and rag compactor systems.
2. Replace all primary clarifier sludge pumps, scum pumps, and flight drive components.
3. Provide new primary clarifier covers for the Plant No. 2 clarifiers including odor control.
4. Expand the Intermediate Pump Station.
5. Convert the existing conventional activated sludge secondary system to a membrane bio-reactor (MBR) system consistent with RP-5 Liquids Treatment Expansion.
6. Modify Lagoon No. 3 to allow for secondary effluent equalization eliminating the requirement to expand the tertiary treatment process.
7. Replace the existing odor control system with a new two-stage Bioscrubber with carbon polishing system.

RP-1 Solids Capacity Recovery Project

The RP-1 Solids Capacity Recovery Project will consist of the following major components:

1. Replace the existing solids thickening systems with new rotary drum thickeners to improve solids thickening.
2. Construct three new smaller acid phase digesters to improve operational performance.
3. Add recuperative thickening to the digestion process to increase performance and eliminate the need to construct one additional digester.
4. Make minor modifications to the existing dewatering system.
5. Replace the existing solids odor control system with a new two-stage Bioscrubber with carbon polishing system.

The project costs for the RP-1 Capacity Recovery Projects are provided in the tables below.

RP-1 Liquids Capacity Recovery Project Cost

Major Systems	Estimated Cost
Headworks & Primary	\$10,250,000
Secondary	\$118,100,000
Tertiary	\$800,000
Odor Control	\$10,250,000
Estimated Construction Cost	\$139,400,000
Design & Project Management (20%)	\$27,900,000
Total Project Cost	\$167,300,000

RP-1 Solids Capacity Recovery Project Cost

Major Systems	Estimated Cost
Thickening	\$20,150,000
Digestion	\$11,450,000
Dewatering	\$700,000
Odor Control	\$3,950,000
Estimated Construction Cost	\$36,250,000
Design & Project Management (20%)	\$7,250,000
Total Project Cost	\$43,500,000

Therefore, the total project cost for the RP-1 Capacity Recovery Projects is approximately **\$212,000,000**.

RP-5 Liquids Treatment Expansion Project

The RP-5 Liquids Treatment Expansion Project will consist of the following major components:

1. Expand the Influent Pump Station.
2. Provide Headworks improvements including: bar screens, vortex grit chamber, fine screens for MBR, and a screenings/grit building.
3. Two primary clarifiers and new primary clarifier covers.
4. Provide improvements to the existing aeration basin including new aeration diffusers, mixed liquor pumps, and air headers.
5. Demolish two secondary clarifiers and construct a 30 MGD MBR system for improved water quality.
6. Construct a UV disinfection system for improved water quality.
7. Construct a centralized odor control system for Solids and Liquids to meet the objectives of the IEUA's Business Goals.

8. Provide an emergency overflow and storm water system.
9. Construct the new Mountain Avenue Lift Station and modify the City of Chino Hills Butterfield Ranch Pump Station.

RP-5 Solids Treatment Facility

The RP-5 Solids Treatment Facility will consist of the following major components:

1. Construct a rotary drum thickening building for primary and secondary solids thickening.
2. Provide phased digestion including acid phase digesters and methane digesters.
3. Provide digested sludge storage.
4. Construct a centrifuge dewatering building, biosolids cake storage, and centrate equalization.
5. Provide digester gas treatment, digester gas flaring and emissions control systems for the existing REEP engines.
6. Construct a food waste receiving station and digestate transfer pump station at RP-5 Solids Handling Facility.

The project costs for the RP-5 Liquids Expansion & RP-5 Solids Treatment Facility are provided in the tables below.

RP-5 Liquids Expansion Project Cost

Major Systems	Estimated Cost
Influent Pump Station	\$6,750,000
Headworks & Primary	\$21,500,000
Secondary	\$61,250,000
Tertiary	\$15,000,000
Odor Control	\$9,850,000
Emergency Overflow and Storm Water System	\$5,500,000
Permanent and Standby Power System Expansion	\$9,100,000
Offsite Facilities (does not include RP-2 Decommissioning)	\$4,000,000
Estimated Construction Cost	\$132,950,000
Design & Project Management (20%)	\$26,600,000
Total Project Cost	\$159,550,000

RP-5 Solids Treatment Facility Project Cost

Major Systems	Estimated Cost
Thickening	\$9,850,000
Digestion	\$51,650,000
Dewatering	\$42,950,000
Odor Control	\$1,900,000
Digester Gas Treatment, Flaring, and Emissions Controls	\$10,000,000
Permanent Power System Expansion	\$2,100,000
Site Work	\$7,900,000
Food Waste System	\$9,450,000
Estimated Construction Cost	\$135,800,000
Design & Project Management (20%)	\$27,200,000
Total Project Cost	\$163,000,000

Therefore, the total project cost for the RP-5 Liquids Expansion and RP-5 Solids Treatment Facility is approximately **\$325,000,000**.

Project Schedule**RP-1 Expansion:**

Project Phase	Date
Design Engineering Services Contract Award	December 2017
RP-1 Liquids & Solids Treatment Expansion 30% Design Completion	December 2018
RP-1 Liquids & Solids Treatment Expansion Final Design Completion	TBD
Construction Contract Award	TBD
Construction Completion	TBD

RP-5 Expansion:

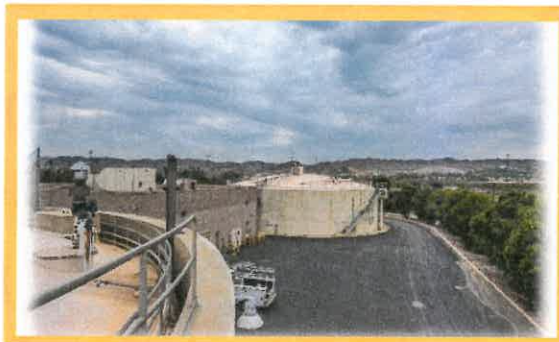
Project Phase	Date
Design Engineering Services Contract Award	May 2017
RP-5 Liquids Expansion & RP-5 Solids Treatment Facility Design Completion	June 2019
Construction Contract Award	December 2019
Construction Completion	December 2022

Additional Prior Board Actions:

On January 20, 2016, the Board of Directors approved the consulting engineering services contract award for the RP-1/RP-5 Expansion PDR to Parsons Water & Infrastructure Inc.

On November 18, 2015, the Board of Directors approved Resolution No. 2015-11-6, authorizing the General Manager to enter into a financial assistance agreement with SWRCB for the RP-1/RP-5 Expansion Preliminary Design Report.

RP-1/RP-5 Expansion Project Loan Application



Clean Water State Revolving Fund (SRF) Loan Program
State Water Resources Control Board (SWRCB)

Grant Funding and Proposed Project

- State Wastewater Discharge Requirements
 - Preliminary Design Report
 - RP-1/RP-5 Expansion Project
 - Estimated Cost \$533,350,000
1. RP-1 Liquids Capacity Recovery (EN24001)
 2. RP-1 Solids Capacity Recovery (EN24002)
 3. RP-5 Liquids Treatment Expansion (EN19001)
 4. RP-5 Solids Treatment Facility (EN19006)



Project Cost, Budget and Schedule

Project Name/Project Number	Requested Funding Amount	Total Project Budget	Construction Starting
RP-5 Liquids Expansion (EN19001)	\$159,550,000	\$175,000,000	December 2020
RP-5 Solids Treatment Facility (EN19006)	\$163,000,000	\$165,000,000	December 2020
RP-1 Liquids Capacity Recovery (EN24001)	\$167,300,000	\$182,050,000	TBD
RP-1 Solids Capacity Recovery (EN24002)	\$43,500,000	\$48,050,000	TBD
Total	\$533,350,000	\$570,100,000	

Recommendation

1. Adopt Resolution No. 2018-2-1, authorizing the General Manager to sign and file the State Revolving Fund (SRF) loan application with the SWRCB for construction for projects in the RP-1/RP-5 Construction Expansion Project (Project);
2. Adopt Resolution No. 2018-2-2, dedicating certain revenues in connection with the construction of the Project SRF financing from the SWRCB;
3. Adopt Resolution No. 2018-2-3, establishing the Agency's intention to apply for and be reimbursed for expenditures related to the construction of the Project; and
4. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

This action supports the Agency's mission to increase sustainability through the development of reliable local water supplies and is consistent with the Agency's mission of pursuing grants and low-interest financing.

RESOLUTION NO. 2018-2-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO SIGN AND FILE ON BEHALF OF THE AUTHORITY, FINANCIAL ASSISTANCE APPLICATIONS AND AGREEMENTS WITH THE STATE WATER RESOURCES CONTROL BOARD, FOR THE RP-1/RP-5 EXPANSION PROJECT

BE IT RESOLVED, by the Board of Directors of the Inland Empire Utilities Agency*(Agency) that the General Manager is hereby authorized and directed to sign and file, on behalf of the Agency, a Financial Assistance Application for financing agreements from the State Water Resources Control Board (SWRCB) for the construction of all projects related to the RP-1/RP-5 Expansion Project (Project); and

BE IT RESOLVED, that the Board of Directors hereby agrees and further does authorize the General Manager to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the SWRCB and any amendments and any amendments or changes thereto; and

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

ADOPTED this 21st day of February 2018.

Steven J. Elie, President of the Inland Empire Utilities Agency* and 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. 2018-2-1 was adopted at a regular meeting
on February 21, 2018, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

(Seal)

*A Municipal Water District

RESOLUTION NO. 2018-2-2

THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, DEDICATING CERTAIN REVENUES IN CONNECTION WITH THE RP-1/RP-5 EXPANSION PROJECT FOR THE CLEAN WATER STATE REVOLVING FUND FINANCING FROM THE STATE WATER RESOURCES CONTROL BOARD

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

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency (IEUA) has authorized the IEUA's General Manager to apply for and execute the RP-1/RP-5 Expansion Project Clean Water State Revolving Fund (CWSRF) loan with the SWRCB; and

WHEREAS, the IEUA has applied for a SRF loan from SWRCB for the construction of the RP-1/RP-5 Expansion Project; and

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

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors that the IEUA hereby dedicates and pledges net revenues of the Enterprise Fund of IEUA to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the RP-1/RP-5 Expansion Project, CWSRF Project #8173-210. The IEUA commits to collecting such revenues and maintaining such funds(s) throughout the term of such financing and until the IEUA has satisfied its repayment obligation thereunder, unless modification or change is approved in writing by the SWRCB. So long as the financing agreements are outstanding, the IEUA pledge hereunder shall constitute a lien in favor of the SWRCB on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreements are outstanding, the IEUA commits to maintaining the funds and revenues at levels sufficient to meet its obligations under the financing agreements.

ADOPTED this 21st day of February 2018.

Steven J. Elie, President of the Inland Empire Utilities Agency* and 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. 2018-2-2 was adopted at a regular meeting
on February 21, 2018 of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

(SEAL)

*A Municipal Water District

RESOLUTION NO. 2018-2-3

THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING ITS INTENTION TO BE REIMBURSED FOR EXPENDITURES RELATED TO THE CONSTRUCTION OF PUBLIC FACILITIES AND IMPROVEMENT RELATED TO THE RP-1/RP-5 EXPANSION PROJECT

WHEREAS, the Inland Empire Utilities Agency (the “Agency”) desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities and other infrastructure (the “Project”); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys (Project Funds) provided by the State of California, acting by and through the State Water Resources Control Board (SWRCB); and

WHEREAS, the SWRCB may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”); and

WHEREAS, prior to either the issuance of the Obligations or the approval by the SWRCB of the Project Funds, the Agency desires to incur certain capital expenditures (the “Expenditures”) with respect to the Project from available monies of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay to the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

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

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the SWRCB of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$533,350,000.00

SECTION 3. This Resolution is being adopted no later than 60 days after the date on which the Agency will expend the moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditures will be a type of properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This Resolution is adopted as an official intent of the Agency in order to comply with Treasure Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

ADOPTED this 21st day of February 2018.

Steven J. Elie, President of the Inland Empire
Utilities Agency* and 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. 2018-2-3 was adopted at a regular meeting
on February 21, 2018, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

(Seal)

*A Municipal Water District

**ACTION
ITEM**

2B

Date: February 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Finance & Administration

4 HR
02/14/18

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Adoption of Resolution for the USBR WaterSMART Drought Response Program:
Drought Resiliency Projects for Fiscal Year 2018

Executive Summary:

The U.S. Department of Interior - Bureau of Reclamation (USBR) announced the 2018 WaterSMART Drought Response Grant Program in November 2017. The grant supports projects in 17 western states to build long-term resiliency to drought through cost sharing with non-federal agencies on projects that increase the reliability of water supplies, improving water management and reducing the need for emergency response actions to be taken. This grant program offers \$750,000 maximum per project and will be available for projects over a three-year period. A resolution is mandatory for the WaterSMART Grant Program application.

The joint IEUA and Chino Basin Watermaster (CBWM) project for the Wineville Basin, Jurupa Basin Improvements and Pumping and Conveyance System Project will construct stormwater facilities at Wineville and Jurupa Basins, and will build a conveyance system to transport stormwater and dry-weather runoff from the Wineville Basin to the Jurupa Basin and to the RP-3 Basin for groundwater recharge, which will capture 2,796 AFY stormwater as new and reliable water supply. This project has a total estimated cost of \$15.8 million and will be completed by February 2020. IEUA and CBWM jointly propose the Project for \$750,000 federal grant funding.

Staff's Recommendation:

1. Adopt Resolution No. 2018-2-4, authorizing the Agency to enter into a financial assistance agreement with the U.S. Department of Interior - Bureau of Reclamation for the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018; and
2. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

This project is part of the Recharge Master Plan Update (RMPU) project included in the FY2017/18 TYCIP under Project No. EN18007 (RMPU Construction). Wineville, Jurupa Basin Improvements, Pumping and Conveyance System project name is for the grant application only.

Fiscal Impact (explain if not budgeted):

Project No. EN18007 has an approved budget of \$38,622,500 in IEUA's Ten-Year Capital Improvement Plan (TYCIP). This application will request \$750,000 in grant funding as a contribution to these total costs. Upon approval by USBR, the TYCIP and annual appropriations will be revised to align with the new grant and total project budget.

Full account coding (internal AP purposes only): - - - Project No.:

Prior Board Action:

On February 15, 2017, Board of Directors adopted Resolution No. 2017-2-1, approving the application submitted under the WaterSMART: Drought Resiliency Grant Program.

On April 20, 2016, IEUA's Board of Directors adopted Resolution No. 2016-4-1 and 2, approving the applications submitted under both the WaterSMART: Drought Contingency and Drought Resiliency Grant Programs respectively.

Environmental Determination:

Program Environmental Impact Report (Finding of Consistency)

Staff is currently completing a Finding of Consistency with IEUA's Program Environmental Impact Report. The USBR will review IEUA's environmental package before funding is awarded.

Business Goal:

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.

Attachments:

- Attachment 1 - Background
- Attachment 2 - PowerPoint
- Attachment 3 - Resolution No. 2018-2-4

Background

Subject: Adoption of Resolution for the USBR WaterSMART Drought Response Program:
Drought Resiliency Projects for Fiscal Year 2018

USBR Drought Resiliency Implementation Grant:

In November 2017, the U.S. Department of the Interior - Bureau of Reclamation (USBR) announced the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018 to fund projects that will build long-term resiliency to drought and reduce the need for emergency response actions by leveraging funds and resources through cost sharing on projects that will: increase the reliability of water supply; improve water management; and provide benefits for fish, wildlife, and the environment to mitigate impacts caused by drought. This grant program offers \$750,000 maximum per project and will be available for projects over a three-year period.

The Wineville Basin, Jurupa Basin Improvements and Pumping and Conveyance Project, part of the Chino Basin Recharge Master Plan Update (RMPU) Project 23a, includes construction at two stormwater facilities: Wineville Basin and Jurupa Basin. The project will also build a pumping and conveyance system to transport stormwater and dry-weather runoff from the Wineville Basin to the Jurupa Basin and to the RP-3 Basin for groundwater recharge. The project will capture 2,796 acre-feet per year (AFY) stormwater as new and reliable local water supply. The project has an estimated cost of \$15.8 million. The project will be completed by December 31, 2019.

IEUA and Chino Basin Watermaster jointly propose the RMPU Project 23a for the 2018 WaterSMART Drought Response Grant. The grant application is seeking \$750,000 in federal funding.

In January 2018, IEUA proposed the Wineville Basin, Jurupa Basin Improvements and Pumping and Conveyance Project for the Drought Resiliency Implementation Grant under the USBR's WaterSMART Drought Response Program.

This project combines two of the priority projects identified in the 2013 Recharge Master Plan Update (RMPU) and provides benefits to both IEUA and Chino Basin Watermaster.

Prior Board Actions:

On February 15, 2017, IEUA's Board of Directors adopted Resolution No. 2017-2-1, approving the application submitted under the WaterSMART: Drought Resiliency Project Grants with the U.S. Department of Interior - Bureau of Reclamation (USBR) for the Recharge Master Plan Update (RMPU) Jurupa Basin Improvements Project.

On May 18, 2016, the Board adopted Resolution Nos. 2016-5-4 and 2016-5-5, approving the application and dedicating certain revenues in connection with the Preliminary Design Planning for Recharge Master Plan Update (RMPU) State Revolving Fund (SRF) loan with the SWRCB.

On April 20, 2016, IEUA's Board of Directors adopted Resolution No. 2016-4-1, approving the application submitted under the WaterSMART: Drought Contingency Planning Grants for FY 2016 with the U.S. Department of Interior - Bureau of Reclamation (USBR), and

On April 20, 2016, IEUA's Board of Directors adopted Resolution No. 2016-4-2, approving the application submitted under the WaterSMART: Drought Resiliency Project Grants with the U.S. Department of Interior - Bureau of Reclamation (USBR) for the Recharge Master Plan Update (RMPU) Project No. 23a Wineville, Jurupa and RP-3 Basin Improvements Project.

On October 16, 2013, the RMPU Plan was approved by the Board.

Wineville & Jurupa Basin Improvements and Conveyance System Project Grant Application

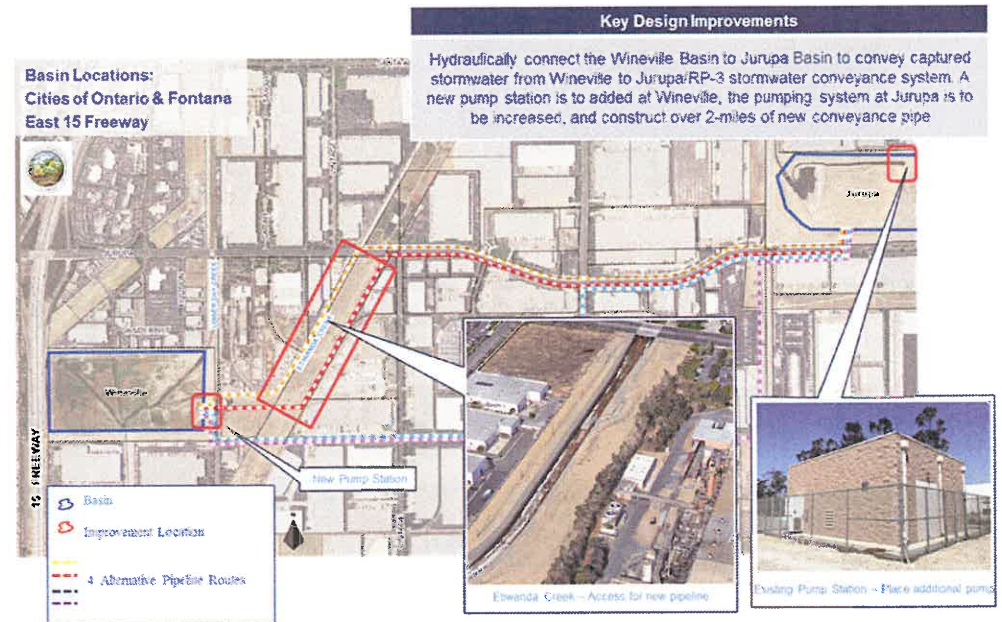


2018 WaterSMART Drought Resiliency Grant Program
U.S. Department of Interior, Bureau of Reclamation (USBR)

Grant Funding and Proposed Project

- 2018 USBR Drought Resiliency Grant Program (\$750,000 per project)
- Increase the reliability of water supply
- Improve regional water management

Project: Wineville & Jurupa Basin Improvements and Conveyance System Project
Cost: \$15,866,646
Benefit: 2,796 AFY
Completion: 2/28/2020
Requesting: \$750,000



Project Benefit, Cost and Grant Funding

Project	Storm Water Yield (AFY)	Prop 1 Grant Award (50%)	SRF Loan Application (45%)	USBR Grant Application (5%)	Estimated Capital Cost (100%)
Wineville Basin	2,796	\$1,794,000	\$1,624,399	\$169,601	\$3,588,000
Jurupa Basin		\$1,147,223	\$1,038,767	\$108,456	\$2,294,446
Conveyance System		\$4,992,100	\$4,520,157	\$471,943	\$9,984,200
Total	2,796	\$ 7,933,323	\$ 7,183,323	\$ 750,000	\$ 15,866,646

Recommendation

1. Adopt Resolution No. 2018-2-4, authorizing the Agency to enter into a financial assistance agreement with the U.S. Department of Interior - Bureau of Reclamation for the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018; and
2. Authorize the General Manager to execute the financial assistance agreement, any amendments, and any grant related documents thereto.

This action supports the Agency's mission to increase sustainability through the development of reliable local water supplies and is consistent with the Agency's mission of pursuing grants and low-interest financing.

RESOLUTION NO. 2018-2-4

THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE INLAND EMPIRE UTILITIES AGENCY TO ENTER INTO A FINANCIAL ASSISTANCE AGREEMENT UNDER THE WATERSMART: DROUGHT RESPONSE PROGRAM: DROUGHT RESILIENCY PROJECTS FOR FISCAL YEAR 2018 WITH THE U.S. DEPARTMENT OF INTERIOR - BUREAU OF RECLAMATION AND DESIGNATING A REPRESENTATIVE TO EXECUTE THE FINANCIAL ASSISTANCE AGREEMENT, AND ANY AMENDMENTS THERETO

WHEREAS, the United States Department of the Interior, Bureau of Reclamation under the WaterSMART: Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018 will make funding available to qualifying applicants; and

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency* has approved a project that exemplifies the objectives of the WaterSMART Drought Response Program: Drought Resiliency Project Grants FY 2018 No. BOR-DO-18-F008; and

WHEREAS, that the Inland Empire Utilities Agency* is authorized to enter into a financial assistance agreement under the WaterSMART: Drought Response Program: Drought Resiliency Projects for Fiscal Year 2018; and

WHEREAS, the General Manager has reviewed and supports the application being submitted; and

WHEREAS, that the Inland Empire Utilities Agency, along with project partner Chino Basin Watermaster are capable of providing the amount of funding and/or in-kind contributions specified in the grant application funding plan; and

WHEREAS, that the Inland Empire Utilities Agency will work with the Bureau of Reclamation to meet established deadlines for entering into a cooperative agreement.

BE IT RESOLVED, that the Board of Directors hereby agrees and further does authorize the General Manager to provide the assurances, certifications and commitments required for the financial assistance applications, including executing a financial assistance agreement from the USBR and any amendments or changes thereto; and

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

ADOPTED this 21st day of February 2018.

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)
COUNTY OF) SS
SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2018-2-4, was adopted at a regular
Board Meeting on February 21, 2018, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

(SEAL)

*A Municipal Water District

**ACTION
ITEM**

2C

Date: February 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

#4R

Committee: Finance & Administration

02/14/18

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Adoption of Resolution No. 2018-2-5 to Update the Agency's Investment Policy

Executive Summary:

On December 20, 2017, the Board awarded PFM Asset Management LLC (PFM) a contract to provide advisory services and day to day management of the Agency's investment portfolio. The Agency's Investment Policy (Policy) mandates an annual review and Board approval of the Policy, or whenever there are significant changes. Engagement of an investment advisor requires changes to various sections of the Policy, including updating roles and responsibilities, the use of authorized broker/dealers, and monitoring credit of investment securities. Based on the recommended investment strategy jointly developed by staff and PFM, changes to certain authorized investments and corresponding thresholds are also being proposed. One example is an increase in the threshold for medium term notes from 10 percent to 30 percent. The higher threshold is consistent with the California Government Code and will allow more effective leverage of investment opportunities for these securities. A detailed list of the proposed changes is shown in Attachment 8. The initial amount of investment portfolio to be managed by PFM will be between \$80 and \$100 million. Staff will continue to manage approximately \$50 million in highly liquid assets to support the Agency's cash flow needs.

Staff's Recommendation:

Adopt Resolution No. 2018-2-5, approving the update of the Agency's Investment Policy.

Budget Impact *Budgeted (Y/N):* N *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

On April 19, 2017, the Board of Directors adopted Resolution No. 2017-4-1, approving the Agency's Investment Policy for Fiscal Year 2017/18.

Environmental Determination:

Not Applicable

Business Goal:

The amendments to the investment policy are consistent with the Agency's Business Goal of Fiscal Responsibility in optimizing the Agency's investment of surplus funds in accordance with the Agency's Investment Policy.

Attachments:

- Attachment 1- Background
- Attachment 2 - PowerPoint
- Attachment 3 - PFM PowerPoint Presentation
- Attachment 4 - PFM PowerPoint Supplemental Only
- Attachment 5 - PFM Memorandum
- Attachment 6 - Resolution 2018-2-5
- Attachment 7 - Agency Investment Policy
- Attachment 8 - Blacklined or Tracked Changes to 2017/18 Investment Policy

Attachment 1

Background

Subject: Adoption of Resolution No. 2018-2-5 to Update the Agency's Investment Policy

The FY 2017/18 Investment Policy (Policy) establishes procedures and guidelines by which surplus funds can be managed in a prudent and fiscally-sound manner. The Policy encompasses those funds over which the Agency exercises fiscal control, stipulates allowable and unallowable investment alternatives, establishes parameters for selecting broker/dealers and financial institutions with which the Agency may do business and prioritizes the Agency's public funds management objectives of safety, liquidity, and yield. The Policy also mandates a review and approval by the Board be done annually, or whenever there are significant changes. The Policy was updated and approved in April 2017.

On December 20, 2017, the Board awarded a contract to PFM Asset Management LLC (PFM), to provide investment advisory services and day to day management of the Agency's portfolio consistent with the Agency's Investment Policy Section 5. As part of their due diligence, PFM reviewed the Policy and is recommending changes to better align with best investment practices of public agencies nationwide, and California in particular. The review focused on four key policy elements: compliance, comprehensiveness, balance, and clarity.

Overall, PFM found the Policy to be comprehensive, well written and in compliance with the California Government Code (CGC) Section 53600.

The recommended changes are summarized below and detailed changes are shown under Attachment 8 and have been incorporated in the proposed FY 2018/19 Investment Policy.

- (1) Clarify the role and functions of investment advisor.
 - o Delegation of Authority
 - o Authorized Financial Institutions, Brokers and Dealers
 - o Trading of Securities
 - o Monitoring Credit Ratings
 - o Performance Standards

- (2) Section 11 – Diversification - To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type, with the exception of U.S. Treasuries, federal agencies, supranationals, and pooled investments such as Local Agency Investment Fund (LAIF), money market funds, and local government investment pools.

- (3) Authorized & Suitable Investment Section 8.G – Negotiable Certificates of Deposit (NCD) - revise the requirements for NCD to permit purchases limited to securities rated in a rating category of "A" "and/or "A-1" or their equivalents or better by a Nationally Recognized Statistical Ratings Organization. The language used is consistent with the credit language used for medium-term notes, as the investment advisor evaluate the credit worthiness of the NCD as they would with corporate securities.

- (4) Authorized & Suitable Investment Section 8.M – Medium Term Notes - increase the percent holding limit from ten percent to thirty percent to enhance the risk and reward profile of the portfolio and increase diversification.
- (5) Authorized & Suitable Investment Section 8.N – Supranational – increase the percent holding from ten percent to twenty percent.

Attachment 2

Investment Policy & Strategy Update



Investment Policy



Purpose: Establishes procedures & guidelines by which surplus funds are to be managed



Dec. 2017 – Awarded contract to PFM Asset Management, LLC to provide investment advisory services



Policy mandates annual approval, or whenever there are significant changes, by the Board of Directors

Proposed Significant Changes



INVESTMENT ADVISOR

- Delegation of Authority
- Brokers and dealers
- Trading
- Monitoring
- Performance standards



AUTHORIZED INVESTMENTS

- Negotiable Certificates of Deposit
- Medium Term Notes
- Supranational



DIVERSIFICATION

- 5% limit invested in the securities of any one issuer

Investment Strategy & Performance

Size of managed portfolio and investment strategy development

Performance benchmark ~ 1-5 Year US Treasury Index

Cashflow analysis to ensure portfolio provides liquidity

Periodic review and reporting

PFM Presentation

Engagement Manager:
Sarah Meacham, Managing Director



Relationship Manager:
Richard D. Babbe, Senior Managing Consultant



Recommendation

- Adopt Resolution No. 2018-2-5, approving the update of the Agency's Investment Policy.

The amendments to the investment policy are consistent with the Agency's Business Goal of Fiscal Responsibility in optimizing the Agency's investment of surplus funds in accordance with the Agency's Investment Policy.

Attachment 3



Inland Empire Utilities Agency

Finance Committee Presentation

Sarah Meacham, Managing Director

Richard Babbe, Senior Managing Consultant

February 14, 2018

PFM Asset
Management LLC

601 South Figueroa
Suite 4500
Los Angeles, CA 90017

(213) 489-4075
pfm.com

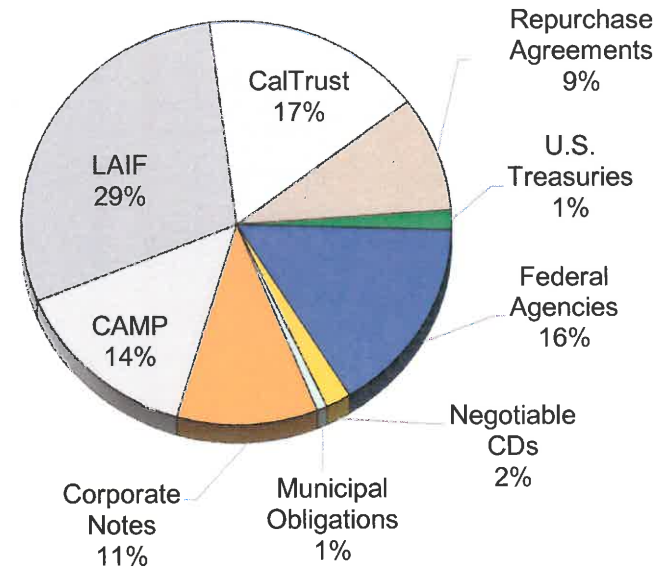


Review of the IEUA's Portfolio

Strategy Recommendations

1. Reduce excess liquidity
2. Utilize full range of permitted sectors
3. Capitalize on current market opportunities
4. Implement a disciplined long-term investment strategy with a related benchmark

Portfolio Composition



Portfolio Statistics

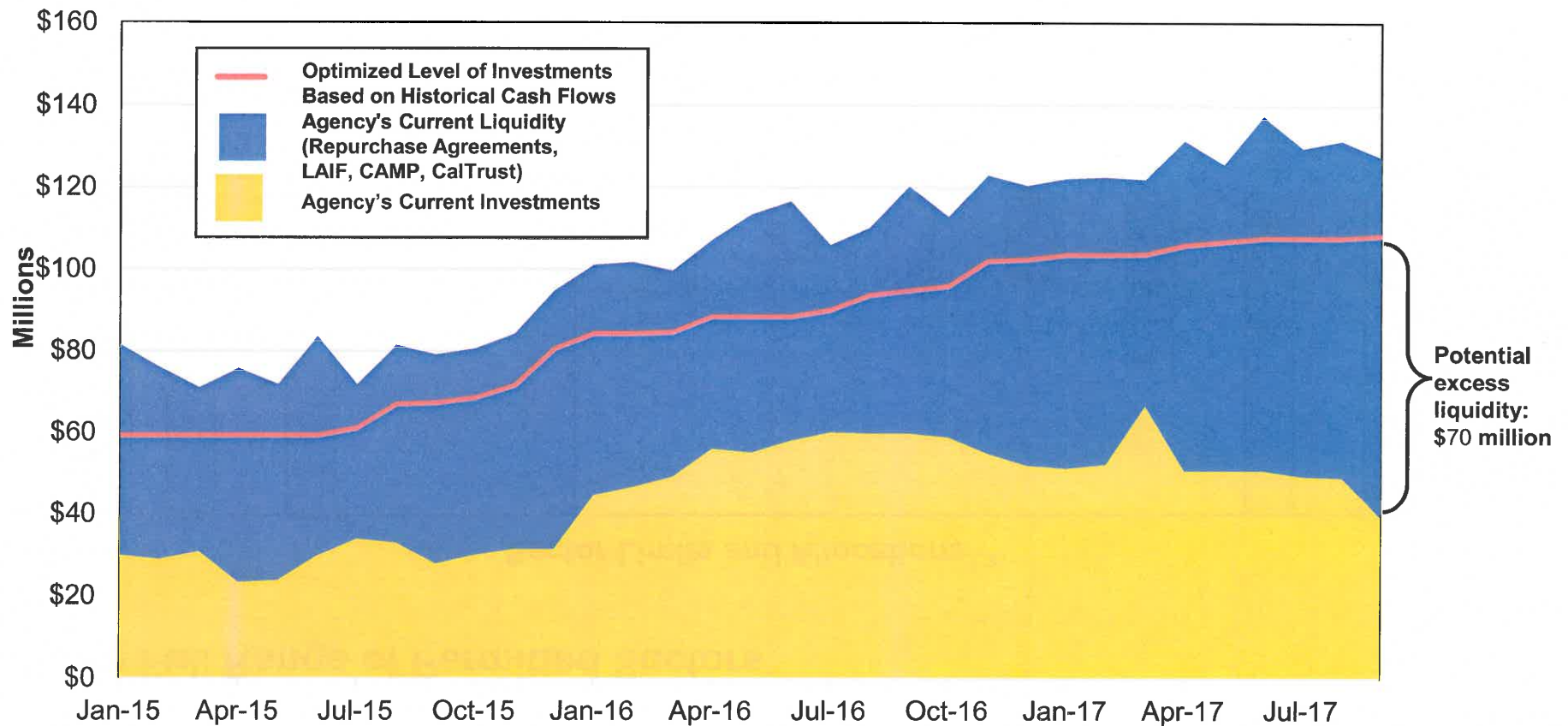
Par Amount Invested	\$127,542,897
Duration	0.41 years
Average Maturity	0.43 Years
Average Market Yield	1.14%
Average Credit Quality*	AA

Source: Bloomberg, portfolio data as of 9/30/17.
 * Ratings by S&P



Reduce Excess Liquidity

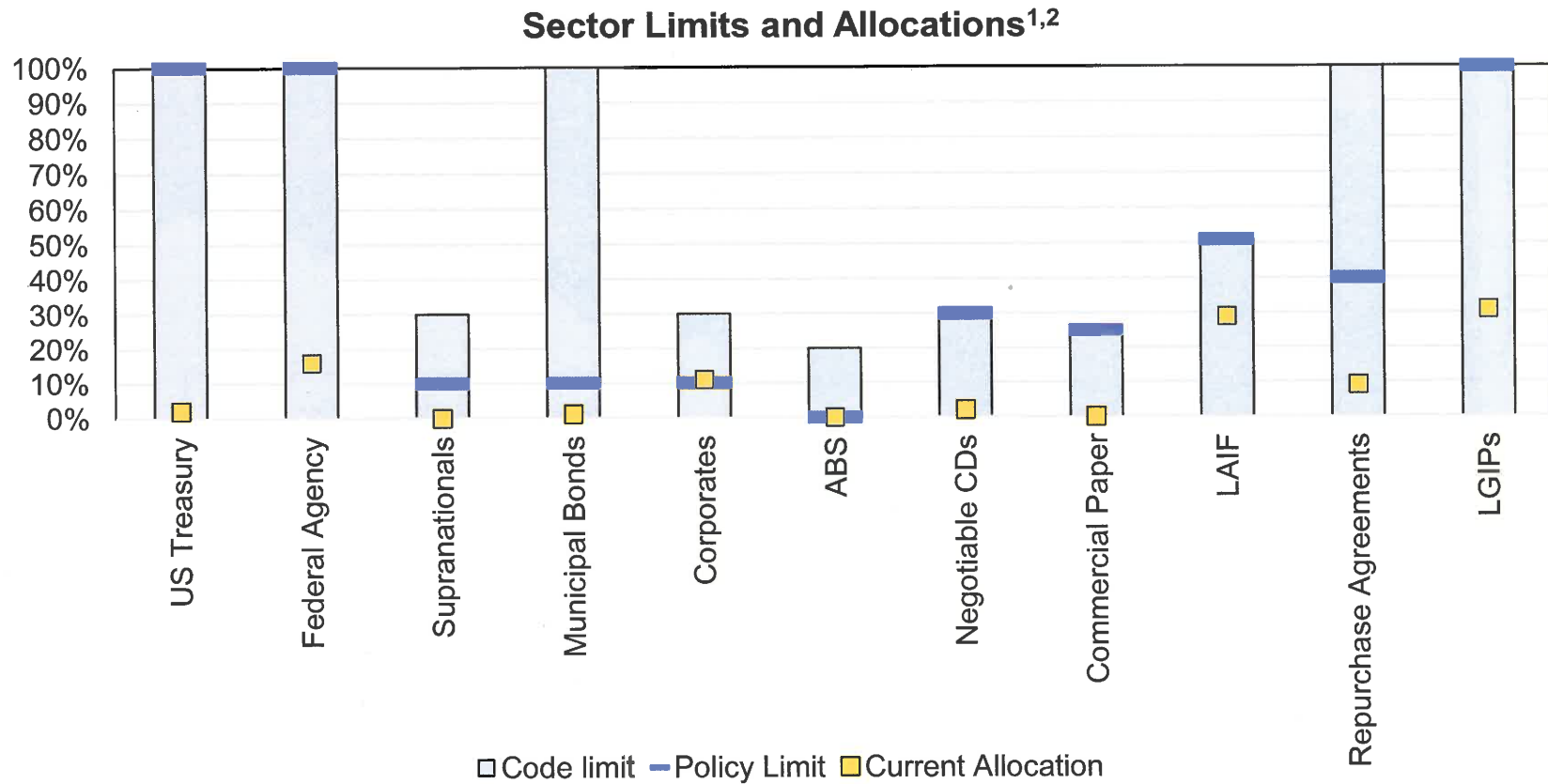
- Based on historical cash flows, we estimate that the Agency's allocation to its longer-term investment portfolio could prudently be increased by \$60+ million to capitalize on higher interest rates.
- Cash flow analysis suggests an optimized core portfolio size of approximately \$100 million.



Suggested split based on monthly historical balances from 1/31/15 through 9/30/17. Assumes a 15% liquidity cushion.



Utilize Full Range of Permitted Sectors



Source: Agency Investment Policy for Fiscal Years 2017-18 and 2018-19. Agency's September 2017 Investment Report. California Government Code Section 53601. Policy limit for LAIF based on maximum \$65 million permitted by State Treasurer as a percentage of Agency's total portfolio value.

1. LGIP refers to the CalTrust and CAMP investment.

2. Repurchase agreements refer to the Agency's sweep account.



Capitalize on Current Market Opportunities

Yield Environment as of January 31, 2018

Maturity	Treasury	Federal Agency	AA Corporate	A Corporate
1-Year	1.89%	1.74%	2.05%	2.16%
2-Year	2.15%	2.15%	2.33%	2.45%
3-Year	2.31%	2.34%	2.53%	2.66%
4-Year	2.41%	2.46%	2.68%	2.81%
5-Year	2.51%	2.58%	2.83%	2.96%

Source: Bloomberg, MarketAxess, and PFM Asset Management LLC As of 1/31/18.



Benefit of Proposed Investment Strategy

- The table below compares the average yield on IEUA's portfolio with the average yield on PFM's 1-3 and 1-5 Year Composites for the third quarter and the past 1 and 3 year periods.
- For each \$10 million invested in the 1-5 Year Composite over the past year, the portfolio could have generated \$72,000 in additional earnings. On a net basis after fees, the earnings could have been \$64,000 higher.

Historical Yield Comparison for Periods Ending September 30, 2017

	3Q17	1 Year	3 Year
IEUA's Portfolio	1.14%	0.92%	0.73%
PFM 1–3 Year Composite	1.57%	1.45%	1.05%
PFM 1–5 Year Composite	1.71%	1.64%	1.28%

Source: IEUA yield provided by the Agency. PFM Composite Yield data is Yield to Maturity at Market as of 9/30/17. PFM 1-3 and 1-5 Composites can be found as attachments to the presentation. A full list of composite descriptions can be available upon request. The firm's policies for valuing portfolios, calculating performance, and preparing compliance presentations are also available upon request. Past performance does not guarantee future performance. Earnings calculations are hypothetical and based on each \$10 million invested.



Strategy Implementation Recommendations

- Invest funds needed for liquidity in pooled investments.
- With rates at highest level since 2008, implement a “core” portfolio of approximately \$100 million.
- Invest in securities with maturities up to five years, but maintain an average duration for the core portfolio of approximately 2.6 years.
- Utilize the full-range of investment options permitted by Code to further diversify the portfolio and enhance returns while managing risk.
- Actively manage portfolio duration and sector weightings to capture best relative value in a dynamic investment environment.
- Measure core portfolio total return performance against the 1-5 year U.S. Treasury Index to evaluate risk-adjusted performance.



Disclaimer

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

Attachment 4



Inland Empire Utilities Agency

Finance Committee: Supplemental Materials

Sarah Meacham, Managing Director

Richard Babbe, Senior Managing Consultant

February 14, 2018

PFM Asset
Management LLC

601 South Figueroa
Suite 4500
Los Angeles, CA 90017

(213) 489-4075
pfm.com



PFM Asset Management LLC

- ◆ 35 years of public sector experience
- ◆ Significant resources and economies of scale
 - **\$79 billion discretionary assets under management**
 - **\$17 billion for California public agencies**
- ◆ Strong track record of success
 - Safety
 - Strong investment performance relative to benchmarks
 - Servicing client needs

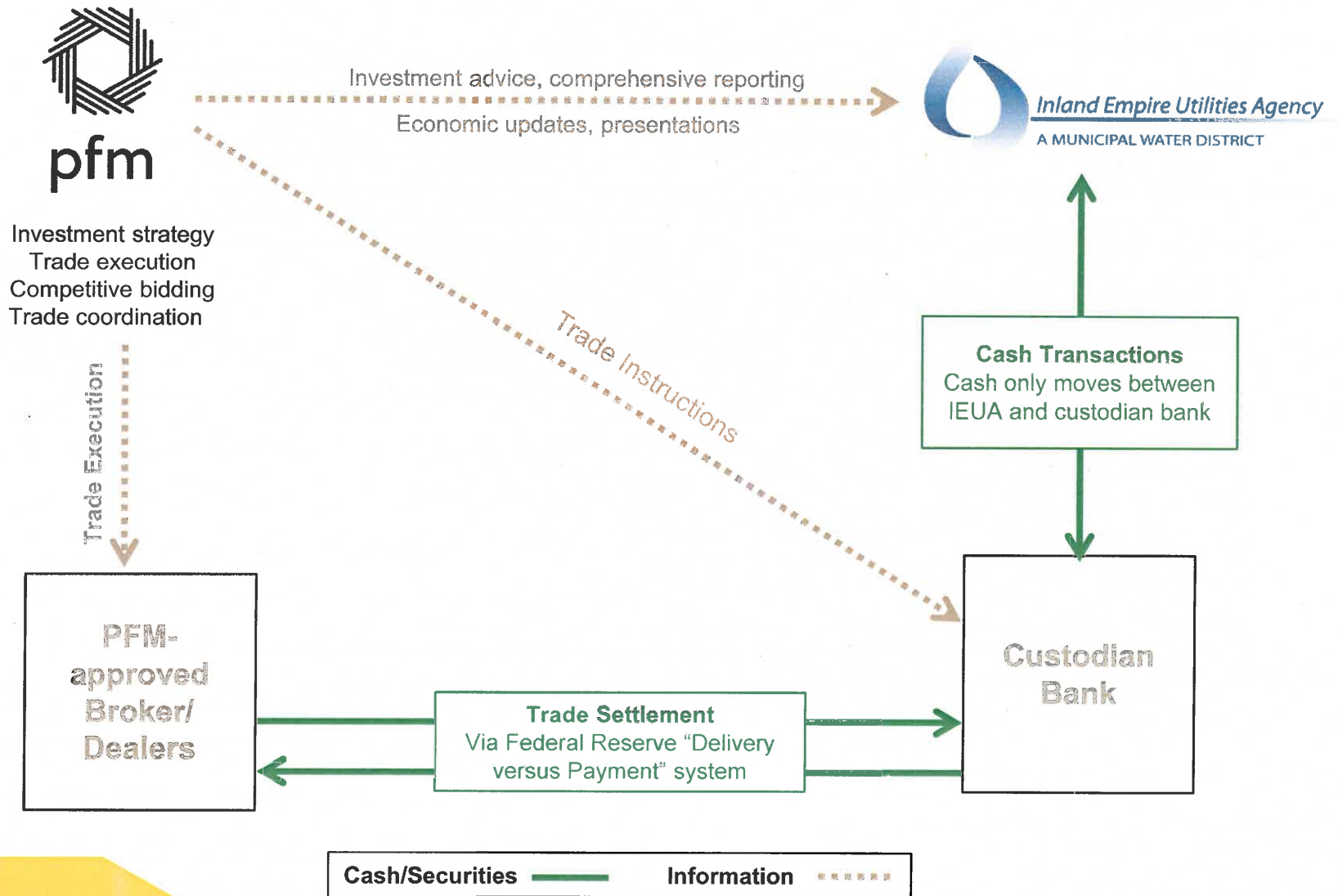
All data is as of September 30, 2017 unless otherwise noted. Clients shown were selected based on similarity to IEUA and/or other non-performance based criteria. This list is provided for informational purposes only and does not represent an endorsement of PFM Asset Management LLC or its services. It is not known whether these clients approve or disapprove of the services of PFM's asset management business. A full client list is available upon request.

Representative California Public Agency Clients

- Coachella Valley Water District
- Contra Costa Water District
- Cucamonga Valley Water District
- Merced Irrigation District
- Modesto Irrigation District
- San Bernardino Valley MWD
- San Bernardino MWD
- Turlock Irrigation District
- Padre Dam MWD
- San Bernardino County
- City of Arcadia
- City of Lake Elsinore
- City of Rancho Mirage
- City of Vista
- California Earthquake Authority
- Golden Gate Bridge
- San Bernardino County Trans. Auth.



Trade Execution Process





Investment Universe vs. California Government Code

		Overnight	180 Days	270 Days	1 Year	5 Years	Beyond 5 Years	
"Conventional" Fixed-Income	U.S. Treasuries	Permitted					Requires Approval	
	Federal Agencies	Permitted					Requires Approval	
	Municipal Securities	Permitted					Requires Approval	
	Negotiable Certificates of Deposit	Permitted					Requires Approval	
	Commercial Paper	Permitted			Prohibited			
	Bankers' Acceptances	Permitted		Prohibited				
	Medium-Term Corporate Notes ("A" or Better)	Permitted					Prohibited	
	Asset-Backed Securities (ABS)	Permitted					Prohibited	
	Supranationals ("AA" or Better)	Permitted					Prohibited	
	Repurchase Agreements	Permitted			Prohibited			
	Money Market Funds/Bond Mutual Funds	Permitted		Prohibited				
Local Government Investment Pools	Permitted		Prohibited					
Broader Fixed-Income	Foreign Sovereign	Prohibited					Prohibited	
	Fixed-Income ETFs	Prohibited					Prohibited	
	High-Yield Bonds	Prohibited					Prohibited	
	Private Placements	Prohibited					Prohibited	
	Convertibles	Prohibited					Prohibited	
	Non-U.S. Dollar Investment Grade	Prohibited					Prohibited	
	Emerging Markets Debt	Prohibited					Prohibited	
	Bank Loans	Prohibited					Prohibited	
Equities	Domestic Equities (Large Cap, Mid-Cap, Small Cap)	Prohibited					Prohibited	
	International Equities (Large Cap, Mid-Cap, Small Cap)	Prohibited					Prohibited	
	Emerging Markets	Prohibited					Prohibited	
	Preferred Stock	Prohibited					Prohibited	
	Equity Mutual Funds and ETFs	Prohibited					Prohibited	
Alternatives	Commodities	Prohibited					Prohibited	
	Real Estate	Prohibited					Prohibited	
	Hedge Funds	Prohibited					Prohibited	
	Private Equity	Prohibited					Prohibited	
	Venture Capital	Prohibited					Prohibited	
	Tangible Assets	Prohibited					Prohibited	
	Complex Derivatives, Futures and Options	Prohibited					Prohibited	

Source: California Government Code Section 53601



Historical Return Comparison

Comparison of Benchmark Options 10 Years Ended September 30, 2017

	Duration	Current Yield	Annualized Total Return	Cumulative Value of \$10 Million	Incremental Earnings over the 1-Year UTST Index
1-Year U.S Treasury Index	0.91	1.36%	1.05%	\$11,105,000	-
0-3 Year U.S Treasury Index	1.38	1.40%	1.39%	\$11,479,000	\$374,000
1-3 Year U.S Treasury Index	1.82	1.48%	1.70%	\$11,839,000	\$734,000
0-5 Year U.S Treasury Index	2.15	1.53%	1.99%	\$12,178,000	\$1,073,000
1-5 Year U.S Treasury Index	2.62	1.61%	2.36%	\$12,633,000	\$1,528,000

Source: Bloomberg.



Benefits of Diversification

Potential Incremental Annual Earnings

	Yield	Estimated Additional Annual Earnings over Comparable U.S. Treasuries per \$10 Million Invested
1–5 Years U.S. Treasury Index	1.61%	-
1–5 Years Supranational Index	1.92%	\$31,000
1–5 Years AAA-A Corporate Index	2.16%	\$55,000
0–5 Years Mortgage-Backed Securities Index	2.38%	\$77,000
2-Year U.S. Treasury Index	1.47%	-
2-Year Negotiable Certificate of Deposit	1.83%	\$36,000
9-Month U.S. Treasury	1.23%	-
9-Month Commercial Paper	1.55%	\$32,000

Source: Bloomberg as of 9/30/17.



Status Update

1. Reviewed strategy/benchmark recommendations with IEUA
2. Portfolio completed internal PFM compliance review process
3. Portfolio approved to trade
4. Provided Policy recommendations to enhance portfolio management given additional investment resources
5. Interest rates at highest level since 2008 provide increased investment opportunities in individual securities

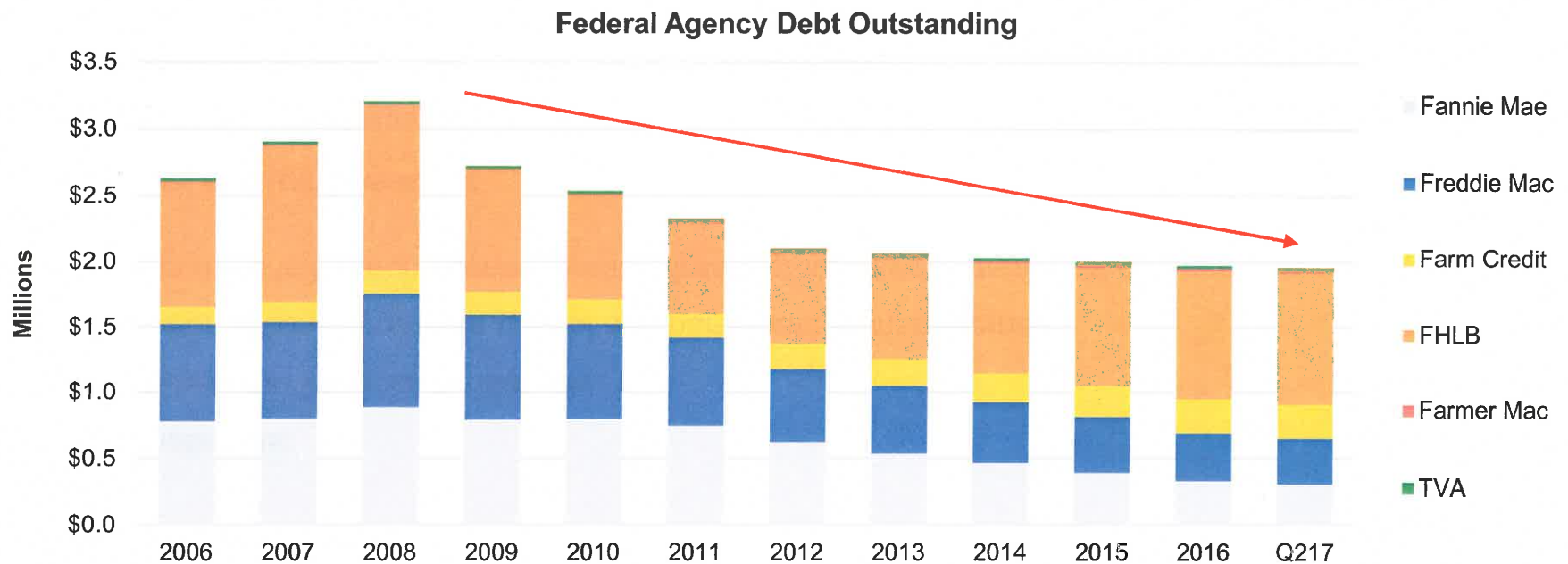


Supranational Obligations



Supply of Federal Agency Debt Shrinking Sharply

- ◆ Fannie Mae and Freddie Mac were mandated to reduce their issuance of debt
- ◆ Less supply and their conservatorship status has resulted in significantly lower yield spreads over Treasuries



Source SIFMA, as of June 2017.



What Are Supranationals

- ◆ Supranationals:
 - Multi-national financial institutions
 - Member nations contribute capital and participate in management
 - Loans used to finance economic and infrastructure development around the globe
- ◆ Financial strength based on:
 - Diversified, sovereign shareholders
 - Substantial liquidity
 - Consistent profitability
 - Strong capitalization
 - Conservative risk management
 - Quality loan portfolio
- ◆ Local agency purchases are limited to specific issuers





Used by California Public Agencies

- LAIF has been permitted to invest in supranationals since before 1999. §16430(l) “Obligations issued, assumed, or guaranteed by the **International Bank for Reconstruction and Development**, the **Inter-American Development Bank**, the **Asian Development Bank**, the **African Development Bank**, the **International Finance Corporation**, or the **Government Development Bank of Puerto Rico**.”
- In 2015, AB 1933 added subsection (q) to §53601 allowing local agencies to invest in the senior debt obligations of three specific “supranationals”
- § 53601 (q) reads: United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the **International Bank for Reconstruction and Development**, **International Finance Corporation**, or **Inter-American Development Bank**, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated “AA” or better by an NRSRO and shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section.
- The issuers CA agencies can buy are AAA rated by both Standard & Poor’s and Moody’s

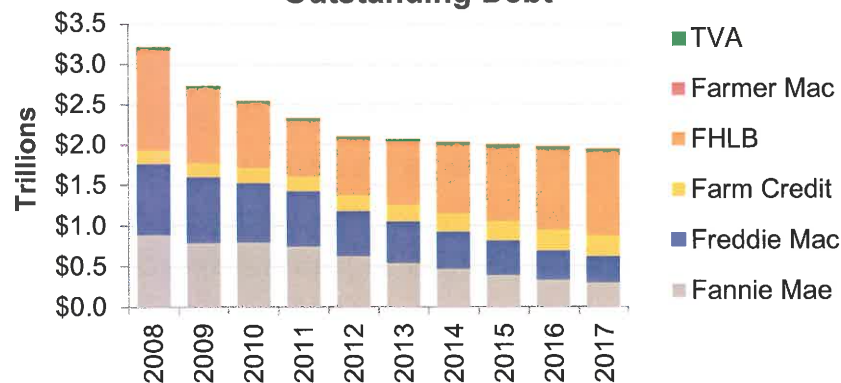


Supras Provide Attractive Alternative

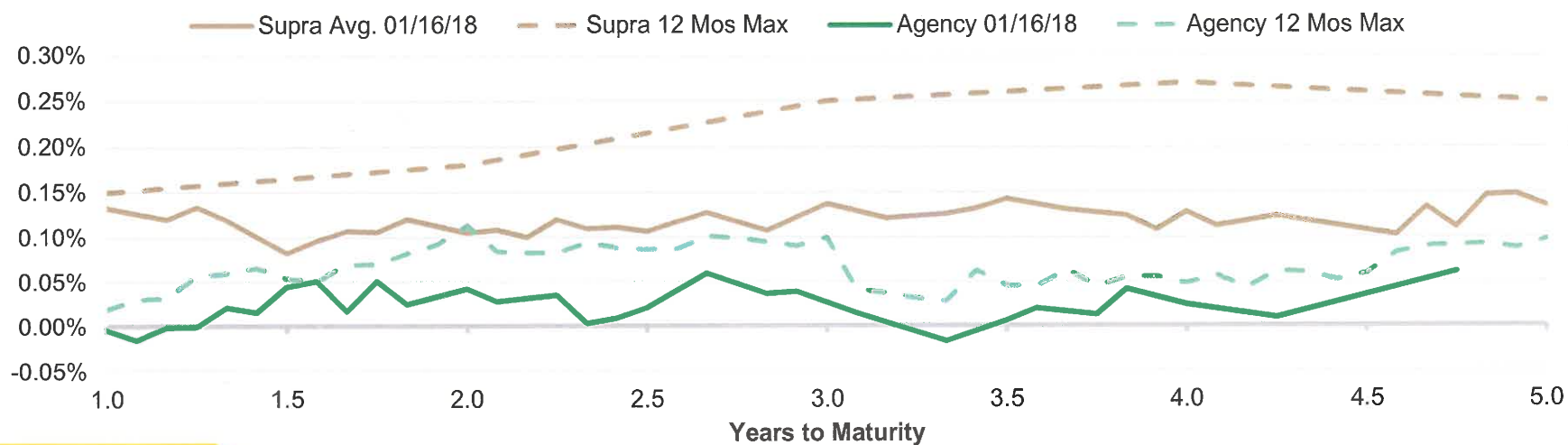
Federal Agency Excess Returns

Index	Duration	Yield	1-Year	3-Year	5-Year
1-5 Yr Agency	2.17	2.17%	0.33%	0.21%	0.19%
1-5 Yr Supra	2.56	2.42%	0.80%	0.37%	0.39%

Total Federal Agency Outstanding Debt



Agency vs Supra G-Spread¹





Why Invest in Supranationals

- ◆ Have been allowed by Code for a number of years
- ◆ Excellent credit quality: triple-A rated by both S&P and Moody's
- ◆ Alternative to shrinking quantity of U.S. Agencies
- ◆ Provides for additional diversification into another high-quality investment
- ◆ Potential for enhanced return safely



Asset-Backed Securities



What is an Asset-Backed Security (ABS)?

- Securities issued by a sponsoring company and backed by pools of assets. The sponsoring company creates a separate trust to ensure investors have access to the cash flows from the assets held as collateral.

Characteristics	
Issuer:	Sponsoring company/trust
Credit:	Rated by Nationally Recognized Statistical Ratings Organizations (NRSROs) Minimum "AA" rating by Code
Credit Enhancements:	Some combination of subordination and credit tranching, over-collateralization, reserve accounts, excess spread, letter of credit, and insurance
Maturity:	Typically up to 10 years (limited to 5 years by Code)
Liquidity:	Moderate
Yield:	Higher than U.S. Treasuries and Federal Agency obligations

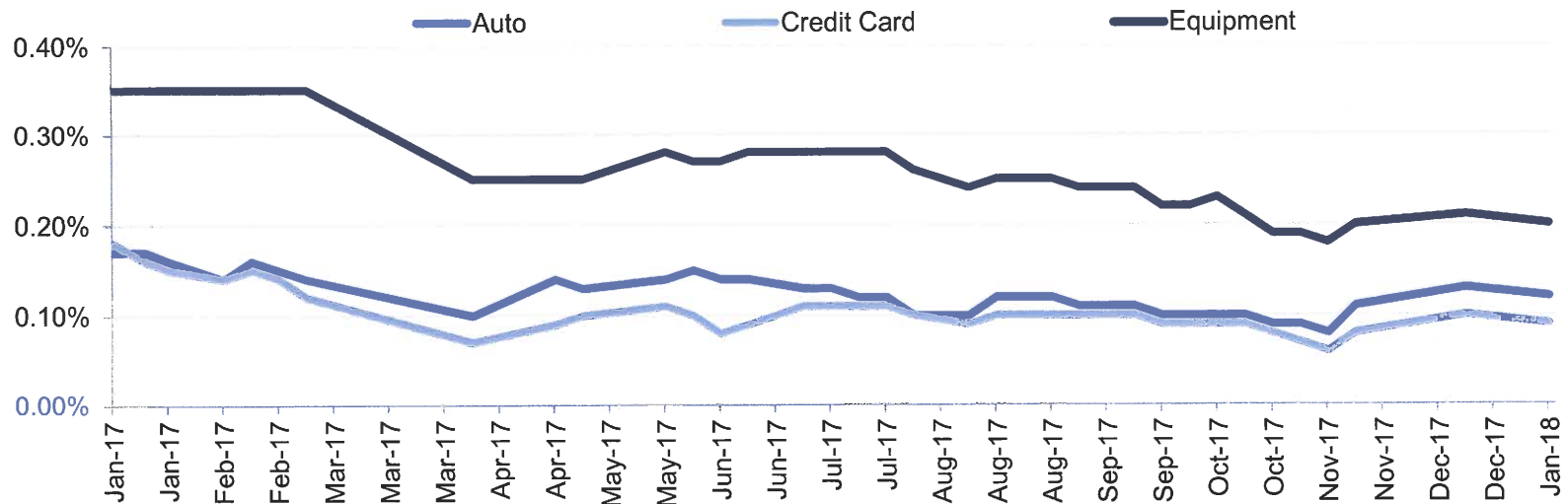


ABS Offers Further High-Quality Diversification

ABS Excess Returns

Index	Duration	Yield	1-Year	3-Year	5-Year
ABS (0-3 yr)	1.21	2.21%	0.79%	0.65%	0.52%
ABS (0-5 yr)	1.46	2.27%	0.85%	0.70%	0.57%
ABS (Master)	1.56	2.29%	0.87%	0.72%	0.58%

ABS Spreads: 2-Year AAA





PFM's Credit Review and Monitoring Process

- PFMAM's Approval Guidelines and Procedures:
 - ABS sub-committee
 - Permitted issuers/sponsors
 - Permitted structures
- Purchase Criteria:
 - Permitted by Policy
 - Meet PFMAM's approval criteria
 - Suitability
 - Assessment of value
- Monitoring Procedures:
 - Credit ratings
 - Deal and collateral performance
 - Credit support metrics
 - Sector performance

PFM has specific approval and monitoring procedures for ABS.

Approval is deal specific.

Dependent on complete structure review



Why Invest in Asset-Backed Securities

- Have been allowed by Code for a number of years
- Excellent credit quality: most ABS we purchase are triple-A rated by either S&P and Moody's. The Code requires a minimum "AA" rating
- Provides for additional diversification into another high-quality investment class
- Potential to prudently enhance returns
- Problems encountered with ABS during the financial crisis were often the result of poor understanding of the specific securities. Our purchase of ABS are supported by our extensive credit process and evaluation of the specific securities



Disclaimer

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some but not all of which are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

Attachment 5



January 30, 2018

Memorandum

To: Christina Valencia, CFO/AGM
Inland Empire Utilities Agency

From: Sarah Meacham, Managing Director
Richard Babbe, Senior Managing Consultant
PFM Asset Management LLC

Re: 2018 Investment Policy Review

At your request, we reviewed the Inland Empire Utilities Agency's (the "IEUA") Investment Policy (the "Policy"). As part of our review, we developed a variety of recommendations for the IEUA's consideration. Our comments are not intended to imply that there is anything imprudent or incorrect with the current Policy, but rather they are intended to provide options for the IEUA's consideration. The IEUA should evaluate the adoption of these recommendations within the context of the IEUA's own investment objectives and preferences.

There are four key elements we considered in our review:

- **Compliance.** While the IEUA may impose additional Policy requirements based upon its own investment objectives, risk preferences, and investment resources, the Policy must, at a minimum, comply with the requirements of the California Government Code.
- **Comprehensiveness.** The Policy should be comprehensive enough to ensure that the key aspects of the investment program are adequately addressed and understood by relevant parties.
- **Clarity.** The Policy should express the IEUA's investment objectives and preferences with sufficient clarity so that both the individuals responsible for implementing the investment program and other interested parties (e.g., broker/dealers, the public) clearly understand the Policy's intent.
- **Balance.** The Policy should provide a balance between investment restrictions, which can help protect the IEUA's assets, and investment flexibility, which can help to enhance the portfolio's performance and risk management in a dynamic market environment. The investment resources available to IEUA should also be considered when determining investment limits.

Our recommendations are summarized below by Policy section and are intended to be read along with the revised version of the Policy.

Global Comments. For consistency of usage, we recommend capitalizing the term "Investment Policy" throughout the Policy whenever it is referring specifically to the IEUA's Policy. We also recommend that the term "IEUA" be used throughout the Policy when referring to the Inland Empire Utilities Agency.



4.0.C. Objectives – Return on Investments. We recommend deleting the reference to yield in the description of this objective as yield is a narrow measure of a portfolio's performance. We also recommend deleting the references as to when a security may be sold as this is a process requirement that does not necessarily align with the stated investment objective. In addition to the reasons listed in the Policy, there may be other reasons why a security might be sold while still remaining consistent with the IEUA's overall investment objectives.

5.0. Delegation of Authority. While it is not necessary to explicitly list every Code requirement in the Policy, we recommend incorporating the requirement from Code Section 53607 that requires that the delegation of authority be completed annually to ensure that this requirement is not overlooked.

As the IEUA will be using an investment advisor to assist with its investment program, we recommend adding a provision to this section that explicitly states that an investment advisor may never take possession of the IEUA's cash or assets. This is a recommended best investment practice (PFM never takes possession of a client's cash or assets).

To limit redundancy and avoid potential inconsistencies, we also recommend deleting the reference to the trading of securities by the investment advisor in this section, as this is already addressed in Section 12.0 Trading of Securities.

7.0. Authorized Financial Institutions, Brokers, and Dealers. We recommend adding a provision to this section that allows investment advisors to use their own list of permitted financial firms and issuers when executing trades on the IEUA's behalf. One of the benefits of using an investment advisor is enhanced access to the capital markets through the investment advisor's purchasing power. This Policy change will enable the IEUA to take full advantage of the advisor's investment capabilities.

As a related change, we recommend revising this section such that the IEUA staff would not be required to maintain its own list of approved institutions unless the IEUA was planning to execute trades on its own behalf. As the investment advisor would be executing trades using their own list of approved firms, there would be no need for the IEUA to maintain its own approved list.

8.0.G. Authorized and Suitable Investments – Negotiable Certificates of Deposit. As negotiable certificates of deposit are essentially another type of corporate security, we recommend revising this section to bring the credit rating requirements for negotiable certificates of deposit in line with the Policy's rating requirements for other types of corporate securities. However, credit ratings would not be required for negotiable certificates of deposit that are fully insured by federal deposit insurance, as they would be backed by a government guarantee to protect IEUA's funds.



8.0.I. Authorized and Suitable Investments – Commercial Paper. As a minor revision, we recommend revising the holding limits language used in this section to match the structure used elsewhere in the Policy. We are not recommending any changes to the actual limits.

8.0.N. Authorized and Suitable Investments – Supranationals. With the reduction of Federal Agency issuance, we recommend increasing the percentage of supranationals allowed by Policy to 20% from the current 10% to enable the IEUA to make greater use of this important government sector (the Code's limit is 30%). Supranationals are a high quality investment option (all of the issuers permitted by Code are rated "AAA"). While offering excellent credit quality, the yields on these supranational issuers are often modestly higher than comparable maturity Federal Agency issuers.

11.0. Diversification. We recommend incorporating a new provision to this section that would limit the amount invested in any one issuer to 5% of the overall portfolio to encourage diversification and limit the IEUA's potential exposure to any one issuer. Investments in U.S. Treasuries, federal agencies, supranational securities, and pooled investments such as LAIF, money market funds, and local government investment pools would be excluded from this limit as they are either government-backed securities or already represent pools of diversified investments.

12.0. Trading of Securities. We recommend adding a provision to this section that acknowledges that the investment advisor may execute trades on the IEUA's behalf based on its own trade processes, but that all trades made by the advisor must be made in compliance with the IEUA's Policy and any other written directions provided by the IEUA.

15.0. Monitoring Credit Ratings. We recommend revising the monitoring requirements in this section to require that the investment advisor monitor the creditworthiness of the investments under its management on a day-to-day basis and require that they provide the IEUA with notice if the credit rating of an investment falls below the rating category required for purchase.

18.0. Performance Standards. As the IEUA will be using an investment advisor to manage a portion of its overall portfolio, we recommend adding a provision to this section that the advisor's performance be compared to an appropriate benchmark to enable the IEUA to evaluate the effectiveness of the advisor's management on an ongoing basis.

Glossary of Terms. For simplicity and to avoid potential inconsistencies, we recommend limiting the terms listed in the glossary to the terms used elsewhere in the Policy.

Please let us know if you have any questions or if you would like to discuss our recommendations in more detail.

Attachment 6

RESOLUTION NO. 2018-2-5

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

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

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

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

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

Section 1. The revisions, if any, to the Inland Empire Utilities Agency* Investment Policy dated February 21, 2018 are to be adopted.

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

Section 3. Upon adoption of this resolution, Resolution No. 2017-4-1 is hereby rescinded in its entirety.

ADOPTED this 21st day of February 2018

ATTEST:

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

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. 2018-2-5, was adopted at
a regular Board Meeting on February 21, 2018, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

** a Municipal Water District*

(SEAL)

Attachment 7



6075 Kimball Avenue Chino CA 91708 909 993 1600 www.ieua.org

INVESTMENT POLICY

**INLAND EMPIRE UTILITIES AGENCY
INVESTMENT POLICY
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INLAND EMPIRE UTILITIES AGENCY INVESTMENT POLICY

1.0 POLICY

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

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

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

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

2.0 SCOPE

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

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

- Monies held in Deferred Compensation Accounts
- Monies held in Capital Capacity Reimbursement Accounts
- Bond funds pursuant to bond documents

Pooling of funds

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

3.0 PRUDENCE

The standard of prudence to be used by designated investment signatories shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of IEUA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Designated investment signatories, acting in accordance with written procedures, this Investment Policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

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

- A. *Safety*: Safety of principal is the foremost objective of the investment program. Investments made by IEUA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent any potential loss on any individual security or depository from exceeding the income generated from the remainder of the portfolio.
- B. *Liquidity*: The investment portfolio will remain sufficiently liquid to enable IEUA to meet all operating requirements which might be reasonably anticipated.
- C. *Return on Investments*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed.

5.0 DELEGATION OF AUTHORITY

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

The EMFA/AGM and/or GM may engage the services of one or more external investment advisors to assist in the management of the IEUA's investment portfolio in a manner consistent with this Investment Policy and the Agency's investment objectives and any written directions provided by the EMFA/AGM or GM. Furthermore, the advisors may not take possession of IEUA's cash or securities. Such investment advisors must be registered under the Investment Advisers Act of 1940.

6.0 ETHICS AND CONFLICTS OF INTEREST

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

7.0 AUTHORIZED FINANCIAL INSTITUTIONS, BROKERS AND DEALERS

If IEUA plans to initiate investment transactions on its own behalf, excluding bank deposits and investments made directly with an issuer, the EMFA/AGM or the GM shall maintain a list of approved and authorized financial institutions selected based on credit-worthiness, financial strength, experience, and capitalization.

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

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

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

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

If IEUA has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, *brokers/dealers and financial institution* to conduct transaction on the IEUA's behalf.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

IEUA's investments are governed by Government Code. Within the investments permitted by the Government Code, IEUA seeks to further restrict eligible investments to the investments listed below. In the event an apparent discrepancy is found between this Investment policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the date an investment is purchased. Credit ratings, as shown, specify the minimum credit rating category required at the point of purchase.

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- C. State Municipal Securities – Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency, or authority of any of the 50 states. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Short-term municipal securities eligible for investment shall be rated at or above the following credit agencies investment grade ratings; Sp-1 by Standard & Poor's, F-1 by Fitch, and MIG-1 by Moody's. These ratings for short term municipal securities signify the issuer's strong capacity to pay principal and interest. Not more than 10 percent of IEUA's funds shall be invested in state and local municipal securities.
- D. California Local Agency Municipal Securities – Bonds, notes, warrants or other evidence of indebtedness of a local agency or municipality located within the State of California, including debt securities issued by the IEUA. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO.
- E. Bank deposits, including demand deposit accounts, savings account, and market rate accounts, time deposits, and certificates of deposit in financial institutions located in California. Bank deposits are required to be collateralized as specified under Government Code § 53630 et. seq. Agreements allowing for the waiver of the collateral requirement for that amount of deposit covered by the Federal Deposit Insurance Corporation may be implemented provided the remainder of the deposit is secured by collateral as required by the Government Code.
- F. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCD) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to securities rated in a rating category of "A" (long-term) and/or "A-1" (short-term) or their equivalents or better by a NRSRO. NCD for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30 percent of the portfolio may be invested in this category. The maximum investment maturity will be restricted to five years.
- G. Placement Service Deposits (PSD). Funds may be placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States (CGC § 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each PSD shall at all times be insured by federal deposit insurance. The maximum portfolio exposure to Placement Service Deposits is limited to 30 percent. The maximum investment maturity will be restricted to five years.
- H. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
- (1) The entity meets the following criteria:
 - (a) Is organized and operating in the United States as a general corporation;
 - (b) Has total assets more than five hundred million dollars (\$500,000,000);
 - (c) Has debt other than commercial paper, if any, that is rated in category of "A" or its equivalent or better by a NRSRO.

(2) The entity meets the following criteria:

- (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company;
- (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond;
- (c) Has commercial paper that is rated in a rating category of "A-1" or better, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. A maximum of 25 percent of the portfolio may be invested in this category with no more than 10 percent of the outstanding commercial paper of any single issuer.

I. Local Agency Investment Fund (LAIF) investment pool is a voluntary program created by statute as an investment alternative for California's local governments and special districts and is under the administration of the State Governor of California. All securities purchased by LAIF are under the authority of Government Code §16429 and 16480.4. As part of the Pooled Money Investment Account (PMIA), LAIF has oversight by the Pooled Money Investment Board (PMIB), and an in-house Investment Committee. LAIF also has oversight by the Local Agency Investment Advisory Board and is audited by the Bureau of State Audits on an annual basis. Investment in California LAIF cannot exceed the maximum deposit per agency limit as set by the Local Agency Investment Fund.

J. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code § 6509.7. To be eligible for purchase, the pool must meet the requirements of CGC § 53601(p).

Whenever the IEUA has any fund invested in a LGIP, the CFO/AGM or the GM shall maintain on file a copy of the pools' current information statement to be reviewed on a periodic basis. Investment in LGIPs cannot exceed the maximum deposit limit as set by each LGIP.

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

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

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

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

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

- M.** Medium Term Notes (MTN): MTNs defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases in this category shall not exceed 30 percent of the portfolio and must be rated in a rating category of "A" or its equivalent, or better by a NRSRO.
- N.** U.S. Instrumentalities (Supranational). United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Purchases are limited to securities that are rated in a rating category of "AA" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO). A maximum of 20 percent of the portfolio may be invested in United States Instrumentalities.

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

9.0 AUTHORIZED INVESTMENTS FOR BOND FUNDS

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

10.0 SAFEKEEPING AND CUSTODY

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

11.0 DIVERSIFICATION

The Board of Directors recognize that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed to minimize these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type; except for U.S. Treasuries, federal agencies, supranational, and pooled investments such as LAIF, money market funds, and local government investment pools.

The Board of Directors acknowledges that from time to time certain situations may arise during which strict adherence to an inflexible investment policy may be overly restrictive. On a case by case basis, the Board of Directors may consider any pertinent information of such situations and may, by minute action, modify or waive, within the constraints of CGC §53601 et seq., any of the provisions and/or restrictions of this Investment Policy.

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

12.0 TRADING OF SECURITIES

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

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

If the Agency has contracted with an investment advisor to provide investment service, the trading of the funds managed by the investment advisor will be performed by the investment advisor based on their established policies and procedure to evaluate and monitor the firms' credit worthiness, as well as their ability to perform the duties necessary for efficient trade execution. All trading activity conducted by the investment advisor shall be made in accordance with this Investment Policy and any written directions provided by the EMFA/AGM and/or GM.

13.0 MAXIMUM MATURITIES

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

14.0 PORTFOLIO DURATION LIMITATION

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

15.0 MONITORING CREDIT RATINGS

The EMFA/AGM or the GM or the investment advisor shall monitor the ratings of all investments in their portfolios on a continuous basis. If an existing investment's rating drops below the minimum credit rating required for new investments made pursuant to this Investment Policy, the EMFA/AGM or the GM shall make a written recommendation to the Board as to whether this security should be held or sold prior to maturity.

16.0 REPORTING

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

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

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

17.0 INTERNAL CONTROLS

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

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

18.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. To determine whether market rate of return is being achieved, the EMFA/AGM or the GM shall identify comparable benchmark(s) to the portfolio investment duration, (e.g. 90-day US Treasury Bill, 6-month US Treasury Bill, average LAIF yield rate).

If the Agency has contracted with an investment advisor to provide investment service, the investment performance of the managed funds shall be evaluated and compared to an appropriate benchmark to assess the success of the investment program relative to IEUA's safety, liquidity, return objectives.

This comparative analysis is included in investment report presented to the Board of Directors monthly.

19.0 POLICY REVIEW

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

20.0 STATE LAW

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

21.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the Board of Directors of IEUA (A Municipal Water District). Moreover, the Policy shall be reviewed whenever there are recommended changes or annually, whichever occurs first, and modifications must be approved by the Board of Directors.

ADOPTED AND APPROVED:

Name: Steven J. Elie
Title: President, Board of Directors
Date:

APPENDIX: GLOSSARY OF CASH MANAGEMENT TERMS

BOND PROCEEDS:

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

BROKER:

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

CERTIFICATE OF DEPOSIT (CD):

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

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):

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

COLLATERAL:

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

COMMERCIAL PAPER:

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

CREDIT RISK:

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

CUSTODIAN:

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

DEALER:

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

DELIVERY OF SECURITIES:

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

DIVERSIFICATION:

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

DURATION:

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

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits.

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):

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

INTEREST ONLY STRIPS:

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

INTEREST RATE RISK:

The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

INVERSE FLOATER:

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

INVESTMENT POLICY:

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

INVESTMENT PORTFOLIO:

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

LIQUIDITY:

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

LOCAL AGENCY INVESTMENT FUND (LAIF):

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

MARKET VALUE:

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

MASTER REPURCHASE AGREEMENT:

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

MATURITY:

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

MEDIUM-TERM NOTES (MTNs):

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

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):

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

NEGOTIABLE CERTIFICATES OF DEPOSIT:

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

PAR VALUE:

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

PORTFOLIO:

The collection of securities held by an individual or institution.

PRIMARY DEALER:

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

PRINCIPAL:

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

PRUDENT PERSON RULE:

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

RANGE NOTES:

Securities that accrue interest during an interest period at a fixed or variable rate if a specified index is within a specified range during a designated period or at a point in time. A Range Note may not bear interest if the specified index is outside the specified range.

RATE OF RETURN:

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

REPURCHASE AGREEMENT (RP OR REPO):

A holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the Agency) with an agreement to repurchase them at a fixed date. The security "buyer" (e.g. the Agency) in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the "buyer" for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO):

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

SAFEKEEPING:

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

SECURITIES:

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

SECURITIES AND EXCHANGE COMMISSION (SEC):

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

SECONDARY MARKET:

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

SUPRANATIONALS:

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

TOTAL RETURN:

Total return, when measuring performance, is the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realized over a given period.

TREASURY SECURITIES:

Securities issued as direct obligations of the U.S. Government and backed by the full faith and credit of the federal government.

WEIGHTED AVERAGE MATURITY (WAM):

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

YIELD:

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

**INLAND EMPIRE UTILITIES AGENCY
OFFICE OF THE EXECUTIVE MANAGER OF FINANCE & ADMINISTRATION/AGM
OR GENERAL MANAGER
INVESTMENT ADVISOR**

The following investment advisor is authorized to provide investment services to the IEUA, in accordance with the IEUA's Investment Policy:

1. PFM Asset Management LLC – Contract Number 4600002440 Approved 12/20/2017

Exhibit B

**INLAND EMPIRE UTILITIES AGENCY
OFFICE OF THE EXECUTIVE MANAGER OF FINANCE & ADMINISTRATION/AGM
OR GENERAL MANAGER
Authorized Brokers/Dealers**

NONE

Attachment 8



FY 2017/18

INVESTMENT POLICY

BLACKLINED/CHANGES

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

Website: www.ieua.org

INLAND EMPIRE UTILITIES AGENCY

FY 2017/18 INVESTMENT POLICY

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INLAND EMPIRE UTILITIES AGENCY

FY 2017/18 INVESTMENT POLICY

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INLAND EMPIRE UTILITIES AGENCY INVESTMENT POLICY

1.0 POLICY

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

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

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

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

2.0 SCOPE

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

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

- Monies held in Deferred Compensation Accounts
- Monies held in Capital Capacity Reimbursement Accounts
- Bond funds pursuant to bond documents

Pooling of funds

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

3.0 PRUDENCE

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

4.0 OBJECTIVES

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

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

5.0 DELEGATION OF AUTHORITY

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

The GM and/or EMFA CFO /AGM may engage the services of one or more external investment advisor to assist in the management of the Agency's investment portfolio in a manner consistent with this policy and the Agency's investment objectives and any written directions provided by the EMFA/AGM or GM. Furthermore, the advisors may not take possession of IEUA's cash or securities. Such external advisors may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such investment advisors must be registered under the Investment Advisers Act of 1940.

6.0 ETHICS AND CONFLICTS OF INTEREST

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

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

If IEUA plans to initiate investment transactions on its own behalf, excluding bank deposits and investments made directly with an issuer, the EMFA CFO /AGM or the GM shall maintain a list of approved and authorized financial institutions and brokers/dealers, selected on the basis of credit-worthiness, financial strength, experience, and capitalization.

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

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

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

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

If IEUA has contracted with an investment advisor to provide investment services, the investment advisor may use their own list of approved issuers, brokers/dealers and financial institution to conduct transaction on the IEUA's behalf.

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

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

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

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

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

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

IEUA's investments are governed by Government Code. Within the investments permitted by the Government Code, IEUA seeks to further restrict eligible investments to the investments listed below. In the event an apparent discrepancy is found between this Investment policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the date an investment is purchased. Credit ratings, as shown, specify the minimum credit rating category required at the point of purchase.

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- NC. U.S. Instrumentalities (Supranational). United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Purchases are limited to securities that are rated in a rating category of "AA" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO). A maximum of ~~twenty~~ ten percent of the portfolio may be invested in United States Instrumentalities.
- CD. State Municipal Securities – Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency, or authority of any of the 50 states. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Short-term municipal securities eligible for investment shall be rated at or above the following credit agencies investment grade ratings; Sp-1 by Standard & Poor's, F-1 by Fitch, and MIG-1 by Moody's. These ratings for short term municipal securities signify the issuer's strong capacity to pay principal and interest. Not more than 10 percent of IEUA's funds shall be invested in state and local municipal securities.
- DE. California Local Agency Municipal Securities – Bonds, notes, warrants or other evidence of indebtedness of a local agency or municipality located within the State of California, including debt securities issued by the IEUA. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO.

- EF.** Bank deposits, including demand deposit accounts, savings account, and market rate accounts, time deposits, and certificates of deposit in financial institutions located in California. Bank deposits are required to be collateralized as specified under Government Code § 53630 et. seq. Agreements allowing for the waiver of the collateral requirement for that amount of deposit covered by the Federal Deposit Insurance Corporation may be implemented provided the remainder of the deposit is secured by collateral as required by the Government Code.
- FG.** Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCD) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. A minimum Industry Standard Definition (IDC) rating of 165 (Excellent) is required. Purchases are limited to securities rated in a rating category of "A" (long-term) and/or "A-1" (short-term) or their equivalents or better by a NRSRO. NCD for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30 percent of the portfolio may be invested in this category. All purchases shall not exceed the FDIC Insured Limit. The current FDIC Negotiable CD insured limit is \$250,000 (principal and interest). A maximum of 30 percent of the portfolio may be invested in this category Negotiable Certificates of Deposit. The maximum investment maturity will be restricted to five years.
- GH.** Placement Service Deposits (PSD). Funds may be placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States (CGC § 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each PSD shall at all times be insured by federal deposit insurance. The maximum portfolio exposure to Placement Service Deposits is limited to 30 percent. The maximum investment maturity will be restricted to five years.
- HI.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
- (1) The entity meets the following criteria:
 - (a) Is organized and operating in the United States as a general corporation;
 - (b) Has total assets in excess of five hundred million dollars (\$500,000,000);
 - (c) Has debt other than commercial paper, if any, that is rated in rating category of "A" or its equivalent or better by a NRSRO.
 - (2) The entity meets the following criteria:
 - (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company;

- (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond;
- (c) Has commercial paper that is rated in a rating category of "A-1" or better, or the equivalent, by a NRSRO.

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

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

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

JK. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code § 6509.7. To be eligible for purchase, the pool must meet the requirements of CGC § 53601(p).

Whenever the IEUA has any funds invested in a LGIP, the CFO/AGM or the GM shall maintain on file a copy of the pools' current information statement to be reviewed on a periodic basis. Investment in LGIPs cannot exceed the maximum deposit limit as set by each LGIP.

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

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

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

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

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

MN. Medium Term Notes (MTN): MTNs defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases in this category shall not exceed ~~30~~ 40 percent of the portfolio and must be rated in a rating category of “A” or its equivalent, or better by a NRSRO.

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

9.0 AUTHORIZED INVESTMENTS FOR BOND FUNDS

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

10.0 SAFEKEEPING AND CUSTODY

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

11.0 DIVERSIFICATION

The Board of Directors recognize that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to minimize these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, as a way to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. To promote diversification, no more than 5% of the portfolio may be invested in the securities of any one issuer, regardless of security type; except for U.S. Treasuries, federal agencies, supranational, and pooled investments such as LAIF, money market funds, and local government investment pools. Further, financial institutions which hold funds, deposited as investments, shall be subject to an investment limitation.

The Board of Directors acknowledges that from time to time certain situations may arise during which strict adherence to an inflexible investment policy may be overly restrictive. On a case by case basis, the Board of Directors may consider any pertinent information of such situations and may, by minute action, modify or waive, within the constraints of CGC §53601 et seq., any of the provisions and/or restrictions of this Investment Policy.

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

12.0 TRADING OF SECURITIES

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

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

If the Agency has contracted with an investment advisor to provide investment service, the trading of the funds managed by the investment advisor will be performed by the investment advisor based on their established policies and procedure to evaluate and monitor the firms' credit worthiness, as well as their ability to perform the duties necessary for efficient trade execution. All trading activity conducted by the investment advisor shall be made in accordance with this Investment Policy and any written directions provided by the EMFA/AGM and/or GM.

13.0 MAXIMUM MATURITIES

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

14.0 PORTFOLIO DURATION LIMITATION

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

15.0 MONITORING CREDIT RATINGS

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

16.0 REPORTING

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

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

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

17.0 INTERNAL CONTROLS

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

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

18.0 PERFORMANCE STANDARDS

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

If the Agency has contracted with an investment advisor to provide investment service, the investment performance of the managed funds shall be evaluated and compared to an appropriate benchmark to assess the success of the investment program relative to IEUA's safety, liquidity, return objectives.

This comparative analysis is included in investment report presented to the Board of Directors on a monthly basis.

19.0 POLICY REVIEW

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

20.0 STATE LAW

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

21.0 INVESTMENT POLICY ADOPTION

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

ADOPTED AND APPROVED:

Name: Steven J. Elie
Title: President, Board of Directors
Date: April 19, 2017

** A Municipal Water District*

APPENDIX 1: GLOSSARY OF CASH MANAGEMENT TERMS

ASK PRICE:

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

BASIS POINT:

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

BOND PROCEEDS:

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

BOOK VALUE:

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

BROKER:

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

CALLABLE BOND:

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

CALTRUST:

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

CERTIFICATE OF DEPOSIT (CD):

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

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):

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

COLLATERAL:

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

COMMERCIAL PAPER:

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

CREDIT RISK:

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

CUSTODIAN:

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

DEALER:

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

DELIVERY OF SECURITIES:

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

DIVERSIFICATION:

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

DURATION:

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

FACE VALUE:

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

FAIR VALUE:

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

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):

A federal agency that insures bank deposits.

FEDERAL FARM CREDIT BANK (FFCB):

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

FEDERAL FUNDS RATE:

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

FEDERAL HOME LOAN BANKS (FHLB):

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

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

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

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

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or Fannie Mae):

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

FEDERAL RESERVE SYSTEM:

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

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):

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

INTEREST ONLY STRIPS:

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

INTEREST RATE RISK:

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

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

INVERSE FLOATER:

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

INVESTMENT POLICY:

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

INVESTMENT PORTFOLIO:

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

LIQUIDITY:

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

LOCAL AGENCY INVESTMENT FUND (LAIF):

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

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

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

MASTER REPURCHASE AGREEMENT:

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

MATURITY:

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

MEDIUM-TERM NOTES (MTNs):

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

~~**MODIFIERS:**~~~~Credit rating agencies use modifiers to denote major rating categories. Moody's append modifiers 1, 2, and 3 to each generic rating. The modifier 1 indicates that the obligation ranks in the higher end; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Standard & Poor's append modifiers with (+) or minus (-) sign to show relative standing within the major rating categories.~~**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):**

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

NEGOTIABLE CERTIFICATES OF DEPOSIT:

Time deposits issued by Federal Deposit Insurance Corporation (FDIC) insured banks and are underwritten by the Financial Industry

Regulatory Authority (FINRA) registered Broker/Dealers. Also known as “DTC Eligible CDs” or “Brokered Deposits”, this type of deposit is offered to investors by issuing institutions looking to raise liquidity and funding through the wholesale and institutional markets.

OPEN MARKET OPERATIONS:

~~Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the Federal Open Market Committee, (FOMC), in order to influence the volume of money and credit in the economy. Purchases inject reserves into the banking system and stimulate growth of money and credit. Sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.~~

PAR VALUE:

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

PORTFOLIO:

The collection of securities held by an individual or institution.

PRIMARY DEALER:

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

PRINCIPAL:

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

PRUDENT PERSON RULE:

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

RANGE NOTES BONDS:

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

RATE OF RETURN:

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

REPURCHASE AGREEMENT (RP OR REPO):

A holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the Agency) with an agreement to repurchase them at a fixed date. The security “buyer” (e.g. the Agency) in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate the “buyer” for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO):

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

SAFEKEEPING:

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

SECURITIES:

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

SECURITIES AND EXCHANGE COMMISSION (SEC):

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

SECONDARY MARKET:

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

SPREAD:

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

SUPRANATIONALS:

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

SWAP:

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

TOTAL RETURN:

Total return, when measuring performance, is the actual rate of return of an investment or a pool of investments over a given evaluation period. Total return includes interest, capital gains, dividends and distributions realized over a given period.

TREASURY BILLS:

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

TREASURY BONDS:

Long-term U. S. Treasury securities.

TREASURY NOTES:

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

TREASURY SECURITIES:

Securities issued as direct obligations of the U.S. Government and backed by the full faith and credit of the federal government.

UNDERWRITER:

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

U.S. TREASURY OBLIGATIONS:

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

WEIGHTED AVERAGE MATURITY (WAM):

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

YIELD:

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



YIELD CURVE:

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

ZERO-INTEREST BOND

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

CERTIFICATION OF UNDERSTANDING

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

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

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

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

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

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

FIRM NAME _____

PRINTED NAME: _____

SIGNATURE: _____ DATE _____

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

Please fill out form and return to Inland Empire Utilities Agency

1. Name of Firm _____

2. Address _____

(Local) _____

(National Headquarters) _____

3. Telephone No. _____

4. Primary Representatives:
Name _____

Telephone _____

Years in institutional sales _____

Years with firm _____

Manager/Partner In Charge:

Name _____

Telephone _____

Years in institutional sales _____

Years with firm _____

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

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

7. Are you a Broker instead of a Dealer?

i.e., You DO NOT own positions of Securities? Yes No

8. What is the net capitalization of your firm? _____

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

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

11. Please provide your wiring and delivery instructions. _____

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

T Bills Treasury Notes/Bonds Discount Notes NCD's

Agencies (specify) _____

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

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

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

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

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

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

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

19. ~~If yes, explain.~~ _____

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

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

22. ~~Attach proof of California Department of Securities Registration.~~

23. ~~Attach proof of Securities and Exchange Commission registration.~~

24. ~~Attach proof of adequate insurance coverage.~~

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

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

Please fill out form and return to Inland Empire Utilities Agency

1. Name of Firm _____

2. Address _____

(Local)

(National Headquarters)

3. Telephone No. _____

4. Primary Representatives:
Name _____

Manager/Partner In Charge:
Name _____

Title _____

Title _____

Telephone _____

Telephone _____

5. What are the total assets of the Bank/Savings and Loan? _____

6. What is the current net worth ratio? _____

7. What is the net worth ratio for the previous years? _____

8. What are your required capital ratios? _____

A. Tangible capital ratios? _____

B. Core capital ratio? _____

C. Risk based capital ratio? _____

9. What is the date of your fiscal year end? _____

A. Has there been a year during the past three years in which the Bank/Savings and loan did not make a profit? _____

10. Have you read the California Government Code §53630 through §53686 pertaining to all of the State's requirements governing the deposit of monies by local agencies?

Yes No

11. Amounts above the FDIC insurance coverage must be collateralized with Government Securities. Where is the collateral for time deposits of the Bank/Savings and Loan held?

~~12. Has there been a period during the past five years when time deposits of the Bank/Savings and Loan have not been fully collateralized? If yes, explain~~

~~_____~~

~~13. What is the education level of the primary contact(s)? _____~~

~~14. How many years of related experience does the primary contact(s) have?~~

~~_____~~

~~15. What other banking services would you be interested in providing Inland Empire Utilities Agency? _____~~

~~16. What transaction documents and reports would we receive? _____~~

~~_____~~

~~17. What information would you provide to our Chief Financial Officer/AGM or General Manager? _____~~

~~18. Describe the precautions taken by your Bank/Savings and Loan to protect the interest of the public when dealing with government agencies as depositors of investors.~~

~~_____~~

~~_____~~

~~19. Please provide your Contract of Deposit of Monies pre signed and sealed by your institution, as well as any signature cards that you may require.~~

~~20. Please provide your wiring instructions. _____~~

~~_____~~

~~_____~~

~~21. Please provide your Bank/Savings and Loan most current audited financial statements. (Copy of Published Financial Statement).~~

~~22. Please attach biographical information for your representative.~~

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

Authorized Brokers/Dealers

NONE

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

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

**INFORMATION
ITEM**

3A

Date: February 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HR

Committee: Finance & Administration

02/14/18

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Inland Empire Regional Composting Authority (IERCA) Fiscal Year (FY) 2016/17
Audited Annual Financial Report

Executive Summary:

The IERCA Annual Financial Report for fiscal year ended June 30, 2017, was prepared in conformity with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and audited by the Lance, Soll & Lunghard, LLP (LSL), the Agency independent audit firm. Based on their audit and test-work results, LSL found the financial statements present fairly, in all material respects as of June 30, 2017, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). LSL issued an unmodified opinion. The IERCA Annual Financial Report was approved by the IERCA Board on February 5, 2018.

Financial Highlights:

Operating Revenues at \$8.5 million were just under 1 percent of \$8.6 million reported in the prior fiscal year. Operating Expenses at \$10.0 million were about 7 percent higher due to an increase in operating materials and supplies and depreciation expense. Net Position decreased by \$1.5 million to \$88.9 million primarily due to depreciation expense.

Staff's Recommendation:

Review the Inland Empire Regional Composting Authority Annual Financial Report for fiscal year ended June 30, 2017.

Budget Impact *Budgeted (Y/N):* N *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

Not Applicable

Fiscal Impact *(explain if not budgeted):*

As of June 30, 2017, the Agency's equity share is \$44,435,019 recorded in the Regional Wastewater Capital Improvement Fund. There was an additional write-down of \$732,495 (50 percent of the Agency's equity share) of the JPA's net position at June 30, 2017.

Full account coding (internal AP purposes only):

- - -
- - -

Project No.:

Prior Board Action:

No Action

Environmental Determination:

Not Applicable

Business Goal:

The IERCA FY 2016/17 Annual Financial Report is consistent with the Agency's Business Goal of Fiscal Responsibility in providing transparent communication of the Fiscal Year activity and the net position of the different programs of the Agency.

Attachments:

Exhibit A - IERCA FY 2016/17 Audited Annual Financial Report along with the IERCA Board letter.

Exhibit B - IERCA Annual Financial Report for FY 2016/17 PowerPoint Presentation

Exhibit C - Key Highlights of Financial Statements to IERCA Board

Exhibit A

Annual Financial Report



**Fiscal Year Ending
June 30, 2017**

Rancho Cucamonga, CA

A regional, cost-effective approach to sustainable organics management

Annual Financial Report

Fiscal Year Ended
June 30, 2017

Prepared by
Inland Empire Utilities Agency
Finance and Accounting Department

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

12645 Sixth Street
Rancho Cucamonga, CA 91739

P.O. Box 2470
Chino Hills, CA 91709

tel 909.993.1500
fax 909.993.1510
www.ierca.org

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY
Annual Financial Report
For the Fiscal Year Ended June 30, 2017

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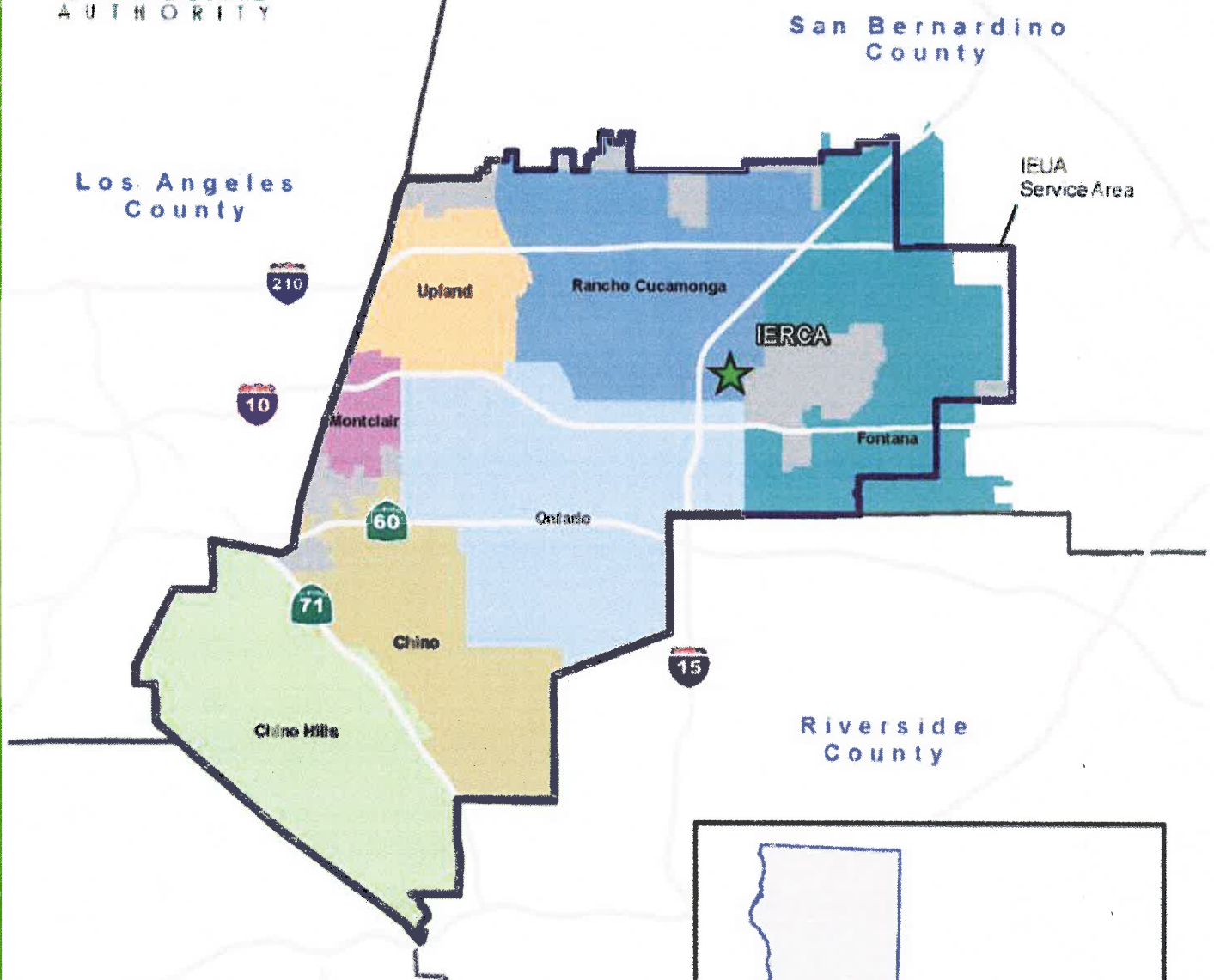
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INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY LOCATION



Prepared by: IEUA/Date Created: 1/31/2017



12645 6th Street, Rancho Cucamonga, CA 91739
PO Box 2470 Chino Hills, CA 91709
Phone: (909) 993-1500 Fax: (909) 993-1510
www.ierca.org

Quality Products for Healthy Soil

February 05, 2018

To the Chairperson of the Inland Empire Regional Composting Authority Board, Members of the Board, and Joint Powers Authority members of the Inland Empire Regional Composting Authority.

The Annual Financial Report of the Inland Empire Regional Composting Authority (IERCA or the Authority) is hereby submitted for the Fiscal Year ended June 30, 2017. State and local ordinances and statutes require the Authority to annually publish a report of its financial condition and activities, audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Accounting principles generally accepted in the United States of America requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Management Responsibility for Financial Information

The Finance and Accounting Department of Inland Empire Utilities Agency (IEUA) prepared this report. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Authority's and IEUA's management. To the best of management's knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Authority. Disclosures are presented to enable the reader to gain an understanding of the Authority's financial activities.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY PROFILE

Up to the Present

The IERCA was formed February 27, 2002 as a Joint Powers Authority (JPA) to divert organic solids from landfill disposal and to recycle organic products generated from within the community. IEUA and Sanitation District No. 2 of Los Angeles County (SDLAC) entered into the JPA to implement the shared goal to develop a sustainable biosolids management project.

The Authority is governed by a six member Board, comprised of two governing board members from each JPA member agency and their respective General Manager. The Executive Manager of Finance & Administration/Assistant General Manager of IEUA serves as the Treasurer of the Authority.

In March 2007, the two joint powers agencies completed construction of the Inland Empire Regional Composting Facility (IERCF). As the nation's largest indoor biosolids composting facility, it consists of 445,275 square feet. The IERCA focuses on producing top quality compost under the guidelines outlined in the US Composting Council's Seal of Testing Assurance (STA) program.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY PROFILE (continued):

Up to the Present (continued):

Operations at the facility began in April 2007, and reached full capacity in December 2008. At full capacity, the IERCF receives and processes over 200,000 wet tons of biosolids and wood waste from local communities, and produces approximately 230,000 cubic yards (90,000 tons) of high-quality compost each year.



Succulent flower

The facility is staffed by twenty-five full-time IEUA employees, and one part time employee from SDLAC. The employees are onsite seven days per week, and conduct all operational activities including production, maintenance, safety and industrial hygiene training, sales and administration.

The IERCA produces compost using the aerated static pile (ASP) composting method by mixing together organic material in large piles instead of in traditional windrows. Aeration occurs as air is pushed or pulled through the ASP. IERCF pulls air directly from the piles and sends the air to a biofilter along with air exchange through the composting building. The biofilter is 50,000 cubic yards of a special blend of wood chips that treats all of the air by removing odors and other regulated compounds before it is exhausted to the atmosphere.

The entire composting process at the IERCF takes approximately 60 days. Active composting lasts approximately 22 days before the pile is moved into curing. The material is stabilized in curing for 30 to 38 days. After curing, the compost is screened and is then ready for distribution and use.

The composted product, which is marketed as SoilPro Premium Compost, has been sold as a soil conditioner which helps improve water retention resulting in better plant growth and water savings. Compost products are also proven to produce direct benefits to soils and crops in both horticulture (lawns and gardens) and agriculture (vegetables, fruits, nuts, and hay crops).

In order to produce recycled products year-round, the IERCA completed the compost storage facility in 2010 to allow compost storage during the winter season.

Additionally, the Authority entered into a Power Purchase Agreement (PPA) with Sunpower, Inc. in 2010 for the installation of 1 megawatt of solar panels on the rooftop of the facility. The solar panel system is currently providing about half of the facility's required electrical power during operating hours.



MAJOR INITIATIVES and ACCOMPLISHMENTS

During the fiscal year ended June 30, 2017, the IERCF staff focused on expanding the compost marketing program and working with farmers to develop sales in the agricultural marketplace. The agricultural market has the potential to purchase and use all of the compost produced at the IERCF. There are approximately 140 customers who purchase SoilPro products for a variety of applications throughout the year.

A tiered pricing system was initiated offering incentives to customers who purchase large volumes of compost in exchange for pricing discounts. The system successfully increased sales. The new tiered compost pricing structure is shown in Table 1.

Table 1:

Tier	Cubic Yards (CYDs)/Month	Premium (Cubic Yard)
1 (will call)	<499	\$5.00
2	500-999	\$4.00
3	≥1,000	\$3.50

Major Initiatives for FY 2017/2018

In May, the facility celebrated 10 years in operation and over 2 million cubic yards of compost sales. The IERCA continues to see positive results from the “Give Back” program and extended it through fiscal year 2017/2018. The program offers SoilPro compost at no charge to cities and municipalities affiliated with IEUA and SDLAC. Staff had zero loss time incidents and perfect environmental compliance, and met all budgeted targets.

Staff will continue to focus on projects to increase the safety and efficiency of the composting facility. These projects include: 1) IERCF trommel screen improvements to replace, or overhaul one of the two screens including an upgrade of the drive and drum system; 2) IERCF transition air duct improvements to modify transition air duct, ensure air is contained and the structure is sound; and 3) ventilation perfections to improve air removal from conveyance sections to have healthy work environment and ensure safe working conditions.



Scale house with living wall

MAJOR INITIATIVES and ACCOMPLISHMENTS (continued):

Major Initiatives for FY 2017/2018 (continued):

◆ ***Trommel Screen Improvement***

- Replace and repair trommel screens including a new drive system, frame overhaul and new drum;
- Make sure the screening system works safely and efficiently.

◆ ***IERCF Transition Air Duct Improvement***

- Modify transition air duct to ensure air is contained and the structure is sound;
- Significant repairs have secured the duct, and keep the facility in a safety working environment.

Major Accomplishments for FY 2016/2017

◆ ***IERCF Capital Replacement:***

- Increased energy savings, higher performance, and improved safety;
- Replaced telescopic boomlift;
- Replaced high speed rollup door;
- Improved amendment hopper augers;
- Improved hopper head pulley conveyor;
- Improved air quality



John Anderson Plaque

FINANCIAL INFORMATION

Internal Controls

The Management of the Authority is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America.

The internal control structure is designed to provide reasonable rather than absolute assurance the financial statements will be free from material misstatement and that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not outweigh the benefits likely to be derived; and, the valuation of costs and benefits requires estimates and judgments by management.

As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Budgetary Controls

The Authority maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the Authority's Board of Directors. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is set at the category level (i.e., Capital and Operating) within the Authority. The Authority maintains an encumbrance accounting system as an additional method of maintaining budgetary control. Encumbered amounts lapse at year-end. However, outstanding encumbrances are generally re-appropriated as part of the following fiscal year's budget following Board approval.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The Authority's Board of Directors appointed the firm of Lance, Soll & Lunghard, LLP to perform the annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2017 are free of any material misstatement. As part of the independent audit, reviews on a test basis were made to determine the adequacy of internal controls, and to ensure compliance with applicable laws and regulations related to all financial activities conducted by the Authority. Generally accepted auditing standards, issued by the Controller General of the United States of America, were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements is included in the financial section of this report.

The independent audit concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the Inland Empire Regional Composting Authority's financial statements for the year ended June 30, 2017 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

FINANCIAL INFORMATION (continued):

Cash and Investment Management

The Authority has a comprehensive cash and investment program subject to California Government Code Sections 53601, 53607, 53635, 53638, 53646, 53652, and 53653. These regulations are incorporated into the Authority's Investment Policy, which identifies the types of investments that are authorized and indicates any restrictions.

Consistent with Government Code Section 53646, the Authority annually adopts an investment policy that requires the IERCA to invest funds in a manner which will provide: (i) the maximum security; (ii) the funds necessary to meet the daily cash flow demands of the Authority; and (iii) the highest investment return while conforming to all statutes governing the investment of Authority funds within the constraints of the investment policy. By adoption of the policy, it is the intent of the Authority to minimize credit and market risks, while maintaining a competitive yield on its overall portfolio.

The Authority's cash management system is also designed to forecast revenues and expenses accurately, and to invest idle funds to the fullest extent possible. During the Fiscal Year ended June 30, 2017, idle funds were invested in accordance with this policy. These investments consisted primarily of deposits in a pooled investment fund administered by the Los Angeles County Investment Officer.

In order of priority, the Authority's objectives when investing, reinvesting, purchasing, acquiring, selling, enhancing and managing public funds are as follows:

1. **Safety:** *Safety of principal is the foremost objective of the investment program. Investments made by the Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent any potential loss on any individual security or depository from exceeding the income generated from the remainder of the portfolio.*

2. **Liquidity:** *The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements that might be reasonably anticipated.*

3. **Return on Investments:** *The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to safety and liquidity objectives described above. The core investment is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:*

- A. *A security with declining credit may be sold to minimize loss of principal.*
- B. *A security swap that would improve quality, yield, or target duration in the portfolio.*
- C. *Liquidity needs of the portfolio that require the security to be sold.*

February 05, 2018
To the Chairperson and Members of
The Board of The Inland Empire Regional Composting Authority

FINANCIAL INFORMATION (continued):

Cash and Investment Management (continued):

All cash and investment transactions are conducted in accordance with the Authority's resolutions and Investment Policy. While management recognizes that investment risks may result from issuer defaults, market price changes or various technical complications leading to temporary liquidity, portfolio diversification is employed as a way to minimize these risks.

Acknowledgements

We acknowledge the thorough and professional manner in which the external auditors, Lance, Soll & Lunghard, LLP, conducted the audit. Additionally, we would like to acknowledge the staffs from the member agencies of the Authority for their cooperation and contribution in providing the necessary information to complete this report.

Respectfully submitted,



Christina Valencia, Treasurer

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Principal Officials

June 30, 2017

BOARD OF DIRECTORS

Jon Blickenstaff, *Chairperson*
Jasmin A. Hall, *Vice-Chairperson*
Grace Robinson Hyde *Director*
Margaret Finlay, *Director*
Paul Hofer, *Director*
P. Joseph Grindstaff, *Director*

OFFICERS OF THE AUTHORITY

Jeffrey Ziegenbein, *Project Manager*
Ann Heil, *Assistant Project Manager*
Christina Valencia, *Treasurer*

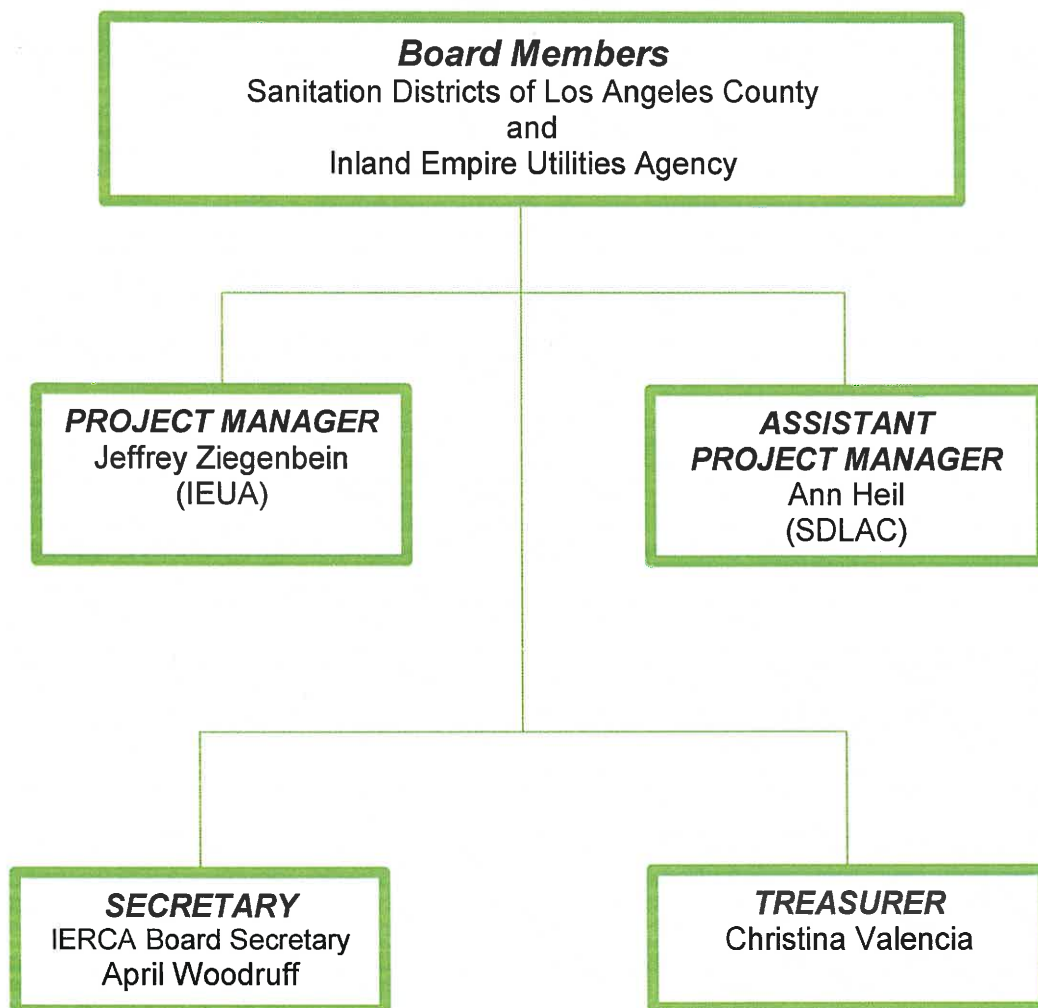
LEGAL COUNSEL

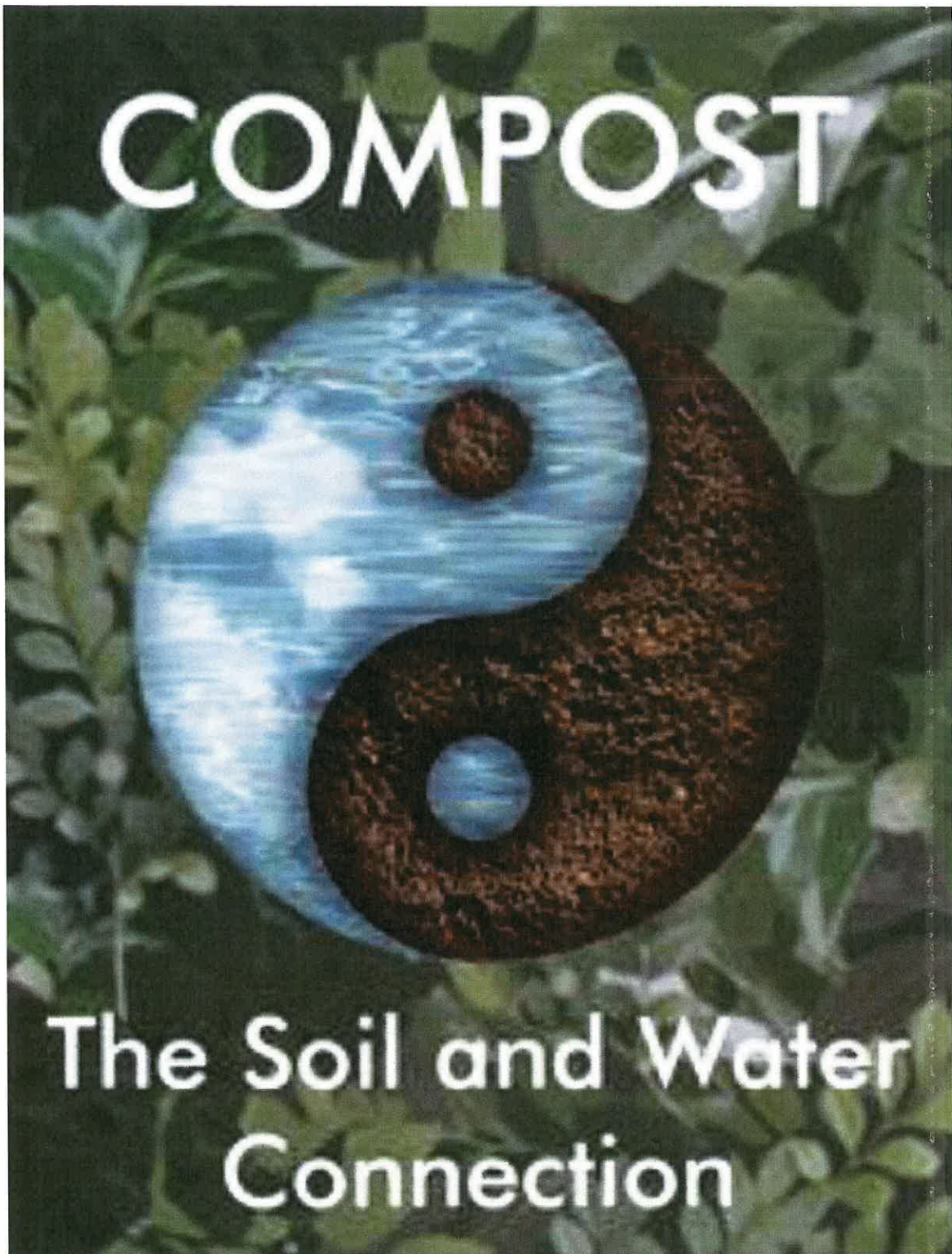
JC Law Firm
Jean Cihigoyenette, APC
Chino Hills, California

Inland Empire Regional Composting Authority

Organizational Chart

June 30, 2017





Poster artwork by Yessi Budisari of West Indonesia
Winner of the U.S. Composting Council's 2017 International Composting Awareness Week Poster Contest

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Inland Empire Regional Composting Authority
Rancho Cucamonga, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Inland Empire Regional Composting Authority, (the "Authority") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special District. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Inland Empire Regional Composting Authority, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



CPAs AND ADVISORS

To the Board of Directors
Inland Empire Regional Composting Authority
Rancho Cucamonga, California

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2017, from which such partial information was derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2018 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Loughard, LLP".

Brea, California
January 8, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The intent of the management's discussion and analysis is to provide highlights of the Authority's financial activities for the fiscal year ended June 30, 2017. Readers are encouraged to read this section in conjunction with the transmittal letter and the accompanying basic financial statements.

The Authority's Operations – an Overview

As a Joint Powers Authority, the Inland Empire Regional Composting Authority (IERCA or the Authority) owns a composting facility on approximately 22 acres of land in Rancho Cucamonga. The property is ideally situated in an industrial area adjacent to Regional Water Recycling Plant No. 4 (RP-4), a wastewater recycling treatment plant owned and operated by Inland Empire Utilities Agency (IEUA). The proximity of the facility to RP-4 provides opportunities to improve staffing options and optimize energy usage.

The 445,275-square foot composting facility is a fully enclosed biosolids processing plant that processes approximately 144,000 tons of biosolids and 54,000 tons of wood and green waste into 252,000 cubic yards (98,800 tons) of high quality compost.

The facility utilizes aerated static pile composting technology to process a mixture of biosolids, greenwaste and woodwaste to generate Class 'A' Exceptional Quality compost for use in local agriculture and horticulture markets. All of the facility's emissions are treated with a biofilter to meet air quality requirements. In FY 2016/2017, a total of 198,506 tons of feedstock, equal to 95% of permitted capacity, was received by the facility.

As of June 30, 2017, the IERCF had sold 2.12 million cubic yards of high-quality compost to various customers in Southern California, Arizona, and Nevada and processed nearly 1.9 million tons of recycled materials.



John Anderson – Acorn tree plague

For comparison, 2.12 million cubic yards can:

- ☀ Fill the Rose Bowl, in Pasadena, CA to the top 5 times
- ☀ Load 42,400 semi-trucks
- ☀ Increase soil health and water retention for 73,807 football fields

The Authority's Operations – an Overview (continued):

Throughout the last ten years of operation, the IERCF has operated continuously in full compliance with applicable permits, rules and regulations, and has maintained an excellent safety record. As of June 30, 2017, the IERCF has logged 2,300 days without a lost-time incident exceeding six years.

Projects such as the IERCF Capital Replacement Project and IERCF Receiving Pit and Drainage Project were completed in FY2016/2017. The projects will improve safety and efficiencies in areas such as:

- Repair, replace, improve, and upgrade IERCF and equipment immediately as needed, to keep them in the best condition and give employees a safe work environment.
- Drainage and Pumping System remove water from the receiving pit and fan corridors that increase the compost process, make work more efficient and reduce the damage on equipment to improve safety at work.

Ten Years Anniversary Celebration

The IERCF reached its 10th year of operations in April 2017. That also corresponds closely with 2,000,000 cubic yards of compost sold. There was a celebration held on May 4, 2017 at the IERCF to commemorate this anniversary and International Compost Awareness Week.

Future Goals

Over the next year, outreach efforts will expand through increased consulting on IEUA's Garden in Every School program, attending local agriculture shows, and giving tours and talks about the IERCF. IERCF will remain a leader in outreach and education stressing the importance of healthy soils and the vital role compost plays in water conservation and groundwater protection.

The sales team remains committed to promoting the many advantages of SoilPro, including increased water savings, ability to sequester carbon, and the use in correcting unproductive soils through healthy and natural processes. IERCF sales staff continues to monitor market conditions to ensure the best value for our compost products.

Basic Financial Statements

The basic financial statements present a summary of the Authority's financial position as of June 30, 2017. The Authority uses full accrual accounting, which recognizes transactions when they occur, regardless of when cash is exchanged.

The Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year end June 30, 2017 reflects the tenth year of operations for the IERCF. Total operating revenues were \$8,522,688, a 1% decrease from prior year, while total operating expenses increased by 7% as compared to the prior year for a total of \$10,038,004, which included \$2,901,696 of depreciation and amortization expense on capitalized assets.

FINANCIAL HIGHLIGHTS

	FY2016/17	FY2015/16	Increase (Decrease) from FY2015/16	
Current assets	\$5,782,691	\$5,049,771	\$732,920	14.51%
Capital & Intangible assets	84,418,376	86,731,986	(2,313,610)	-2.67%
Total Assets	90,201,067	91,781,757	(1,580,690)	-1.72%
Current liabilities	1,225,648	1,341,349	(115,701)	-8.63%
Total Liabilities	1,225,648	1,341,349	(115,701)	-8.63%
Net investment in capital assets	84,418,376	86,731,986	(2,313,610)	-2.67%
Unrestricted	4,557,043	3,708,422	848,621	22.88%
Total net position	\$88,975,419	\$90,440,408	(\$1,464,989)	-1.62%
Operating revenues	\$8,522,688	\$8,602,959	(80,271)	-0.93%
Operating expenses	(10,038,004)	(9,350,468)	(687,536)	7.35%
Net operating income (loss)	(1,515,316)	(747,509)	(767,807)	102.72%
Other Non-operating revenues	43,757	22,339	21,418	95.88%
Other Non-operating expenses	(3,500)	(144,876)	141,376	-97.58%
Net nonoperating revenues (expenses)	40,257	(122,537)	162,794	-132.85%
Net income (loss) before capital contributions	(1,475,059)	(870,046)	(605,013)	69.54%
Capital Grant	10,070	50,000	(39,930)	0.00%
Total change in net position	(1,464,989)	(820,046)	(644,943)	78.65%
Total net position-beginning	90,440,408	91,260,454	(820,046)	-0.90%
Total net position- ending	\$88,975,419	\$90,440,408	(\$1,464,989)	-1.62%

Changes in Financial Conditions of the Authority

- The net increase of \$732,920 in current assets includes an increase of \$799,082 in cash and investments due to a decrease in operating costs offset by a decrease of \$67,835 in customer receivables.

FINANCIAL HIGHLIGHTS (continued):

Changes in Financial Conditions of the Authority (continued):

- The decrease in Capital and Intangible assets of \$2,313,610 is primarily due to an increase of \$2,901,696 in accumulated depreciation and amortization.
- The decrease of \$80,271 in operating revenues is primarily due to the decrease of \$80,634 in Sale of Compost revenue.
- The \$687,536 increase in operating expenses is due to an increase of \$407,873 in materials and supplies, and an increase of \$360,240 in depreciation expense.
- The \$10,700 grant was the solar incentive rebate received from Southern California Edison for the lights improvement throughout the facility.

As of June 30, 2017, contributed capital from SDLAC and IEUA was \$83,364,402 equally split between the partners. Additionally, the JPA partners contributed a total of \$15,116,229 for the original property, which resulted in a total contribution of \$98,480,631. In FY 2016/17, each JPA member was charged \$55 per ton tipping fee for bio-solids deliveries. The total net position at June 30, 2017 was \$88,975,419 compared to \$90,440,408 in FY 2015/16.

Capital & Intangible Assets

At June 30, 2017, the Authority had total capital and intangible assets, net of depreciation and amortization, of \$84,418,376. Jobs in progress of \$461,702 include the cost of all design and construction work, and rehabilitation and replacement (R & R) need to maintain and improve the facility. Please refer to Note #3 to the basic financial statements for additional information regarding capital asset balances.

Investment Summary

The Authority's investment portfolio is administered by the IEUA staff. The investment strategy continues to take a conservative approach consistent with the Authority's approved Investment Policy.

Interest earnings for FY 2016/2017 totaled \$27,786, for an average yield of 0.95%. The Authority's short-term investment fund balance for the fiscal year ended June 30, 2017 was \$4,491,283 comprised of \$1,154,122 in Sweep Investment Fund with Citizens Business Bank and \$3,337,155 in the Los Angeles County Pooled Surplus Investing Fund (LAC PSIF) and \$6 in the Local Agency Investment Agency Fund (LAIF). Please see Note #2 of the basic financial statements for additional information regarding investment balances.

Contacting the Authority's Financial Management

This financial report is prepared to provide the Authority's members, our citizens, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the revenues it receives. If you have questions about this report or need additional financial information, please contact the Inland Empire Utilities Agency, Finance and Accounting Department, P.O. Box 9020, Chino Hills, California, 91709.

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY
BASIC FINANCIAL STATEMENTS
OVERVIEW**

Financial Statements

The following Basic Financial Statements, along with the Supplementary Notes to the Basic Financial Statements, present a summary of the Authority's financial position at June 30, 2017, and the results of operations and the cash flows of its proprietary fund type for the fiscal year then ended.

The Basic Financial Statements consist of:

- 1) Statement of Net Position – the statement denotes the increase/(decrease) of net position of the Authority.
- 2) Statement of Revenues, Expenses and Changes in Net Position – the statement shows all revenue and expense sources recorded for the period, and their effects on the net position of the Authority.
- 3) Statement of Cash Flows – the statement reflects the Authority's financial activities and their effect on cash. It also denotes the cash position of the Authority at the end of the fiscal period.
- 4) Notes to the Basic Financial Statements.

Inland Empire Regional Composting Authority
Statement of Net Position
June 30, 2017
(With Comparative Total for June 30, 2016)

	Totals	
	2017	2016
ASSETS		
Current assets		
Cash & Investments (Note 2)	\$5,003,295	\$4,204,213
Accounts receivable	775,903	843,738
Interest receivable	3,493	1,820
Total current assets	<u>5,782,691</u>	<u>5,049,771</u>
Capital assets (Note 3)		
Land	4,285,096	4,285,096
Jobs in progress	461,702	2,078,169
Capital assets, net of accumulated depreciation	78,700,007	79,373,141
Intangible assets, net of accumulated amortization	971,571	995,580
Total capital assets	<u>84,418,376</u>	<u>86,731,986</u>
Total noncurrent assets	<u>84,418,376</u>	<u>86,731,986</u>
Total assets	<u>\$90,201,067</u>	<u>\$91,781,757</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$1,224,476	\$1,340,641
Accrued liabilities other	1,172	708
Total current liabilities	<u>1,225,648</u>	<u>1,341,349</u>
NET POSITION		
Net investment in capital assets	84,418,376	86,731,986
Unrestricted	4,557,043	3,708,422
Total net position	<u>\$88,975,419</u>	<u>\$90,440,408</u>

The accompanying notes are an integral part of the basic financial statements

Inland Empire Regional Composting Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2017
(With Comparative Total for June 30, 2016)

	<u>Totals</u>	
	<u>2017</u>	<u>2016</u>
Operating revenues		
Biosolids Recycling Tipping Fees	\$8,022,805	\$8,051,029
Sale of compost	470,942	551,576
Energy Rebates	<u>28,941</u>	<u>354</u>
Total operating revenues	<u>8,522,688</u>	<u>8,602,959</u>
Operating expenses		
Operations and maintenance	6,333,262	5,925,389
Administration and general	803,046	883,623
Depreciation and amortization	<u>2,901,696</u>	<u>2,541,456</u>
Total operating expenses	<u>10,038,004</u>	<u>9,350,468</u>
Operating income (loss)	<u>(1,515,316)</u>	<u>(747,509)</u>
Nonoperating revenues (expenses)		
Interest income	27,786	14,766
Other nonoperating revenues	15,971	7,573
Other nonoperating expenses	<u>(3,500)</u>	<u>(144,876)</u>
Net nonoperating revenues (expenses)	<u>40,257</u>	<u>(122,537)</u>
Income (loss) before capital contributions	<u>(1,475,059)</u>	<u>(870,046)</u>
Capital contributions:		
Capital Grant	<u>10,070</u>	<u>50,000</u>
Change in net position	(1,464,989)	(820,046)
Total net position - beginning	<u>90,440,408</u>	<u>91,260,454</u>
Total net position - ending	<u>\$88,975,419</u>	<u>\$90,440,408</u>

The accompanying notes are an integral part of the basic financial statements

Inland Empire Regional Composting Authority
Statement of Cash Flows
Year Ended June 30, 2017
(With Comparative Totals for June 30, 2016)

	Totals	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$8,590,523	\$8,488,888
Cash payments to suppliers for goods and services	(3,602,557)	(3,403,447)
Cash payments for contract labor	(3,649,451)	(3,378,753)
	<u>1,338,515</u>	<u>1,706,688</u>
Net cash provided (used) by operating activities		
Cash flows from noncapital financing activities:		
Contract reimbursement from other (Other Non Op Rev)	15,971	7,573
Cash paid to others (Other Non Op Exp)	(3,500)	(132,368)
	<u>12,471</u>	<u>(124,795)</u>
Net cash provided by (used for) noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(588,085)	(807,929)
Capital grants	10,070	50,000
Changes in contractor deposits/retentions	0	(170,811)
	<u>(578,015)</u>	<u>(928,740)</u>
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	26,111	16,420
	<u>26,111</u>	<u>16,420</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	799,082	669,573
Cash and cash equivalents - beginning	4,204,213	3,534,640
Cash and cash equivalents - ending	<u>\$5,003,295</u>	<u>\$4,204,213</u>

The accompanying notes are an integral part of the basic financial statements

Inland Empire Regional Composting Authority
Statement of Cash Flows
Year Ended June 30, 2017
(With Comparative Totals for June 30, 2016)

	Totals	
	2017	2016
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED FOR (USED BY) OPERATING ACTIVITIES		
Operating income (loss)	(\$1,515,316)	(\$747,509)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	2,901,696	2,541,456
(Increase) decrease in operating assets		
Accounts receivable	67,835	(114,071)
Increase (decrease) in operating liabilities		
Accounts payable	(116,165)	26,778
Other accrued liabilities	465	34
Net cash provided (used) by operating activities	<u>\$1,338,515</u>	<u>\$1,706,688</u>
RECONCILIATION OF CASH & CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash	\$512,012	\$563,731
Short-term investments	<u>4,491,283</u>	<u>3,640,482</u>
Total cash, short-term investments and restricted cash	<u>\$5,003,295</u>	<u>\$4,204,213</u>

The accompanying notes are an integral part of the basic financial statements

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Index of Notes to the Basic Financial Statements

JUNE 30, 2017

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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

(1) Reporting Entity and Summary of Significant Accounting Policies:

Description of the Reporting Entity

The Inland Empire Regional Composting Authority, a Joint Powers Authority (JPA), was formed in February of 2002. The JPA consists of two partners, Inland Empire Utilities Agency (IEUA), a municipal water district in California, and Sanitation District No. 2 of Los Angeles County (SDLAC), a special district organized and operating pursuant to the County Sanitation District Act, Health and Safety Code Section 4700, et seq. All capital contribution investments related to the JPA are shared equally by both partners. Beginning FY 2009/2010 the Authority implemented a cost of service rate (tipping fees) to support the operational costs. Tipping fees paid by each JPA partner are based on the tonnage of biosolids shipped to the facility for recycling. As defined by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the Authority as the primary government. The Authority has no legally separate component units that require blended or discrete presentation.

Subject to the limitations imposed by the Constitution of California, and pursuant to its charter, all powers of the Authority not defined are vested in a six-member Board of Directors. For the purposes of transacting business of the Board, a quorum shall consist of four of the six members of the Board, provided that there are a minimum of two Board members from each partner. The principal office of the Authority is established by resolution of the Board. The Authority has appointed a Secretary, a Treasurer and a Project Manager. The appointed officers come from the membership of the Authority.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they relate to governmental units. The Authority applies all relevant GASB pronouncements.

Fund Accounting

The accounts of the Authority are organized on the basis of funds. All transactions are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses, as appropriate, the Authority's accounts for its activities in an "Enterprise Fund". An Enterprise Fund is grouped and presented in the financial statements as a "Proprietary Fund Type".

Proprietary Fund Types

A Proprietary Fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on the statement of net position. Their reported fund equity (net position) is segregated into capital assets (net of related debt) and restricted and unrestricted net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

(1) Reporting Entity and Summary of Significant Accounting Policies (continued):

Proprietary Fund Types (continued):

Enterprise Funds

An Enterprise Fund is used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting

Basis of accounting refers to the timing when revenues and expenses are recognized in the accounts, and reported in the financial statements, regardless of the measurement focus applied. The Authority prepares its financial statements on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred regardless of when the related cash flows take place.

Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Operating and Non-Operating Revenues and Expenses

Operating revenues relate to revenue transactions generated as a direct result of the core business in which the Authority is engaged. These transactions can be repetitive in nature within the normal business cycle. Examples include biosolids recycling, compost delivery services, compost sales and the sale of renewable energy credits. Non-operating revenues are transactions incurred infrequently, during the course of the Authority's business. These types of transaction are generally not directly related to the general business of the Authority, such as 1) interest income; 2) gain on sales of assets; and 3) miscellaneous other revenues.

The Authority classifies expense types based upon the goods and/or services directly related to the operations of the Authority. Typically, operating expenses include such items as operations, maintenance, and administrative costs. In contrast, non-operating expenses are not directly related to the Authority's core operations, such as interest expense and the cost of financial services.

Budgetary Policy and Control

The Authority's Board approves each year's budget submitted by the Treasurer prior to the beginning of the new fiscal year. The Authority is not required to present budget comparisons; therefore budgetary data is not presented in the accompanying financial statements.

The Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board. All appropriations which are not obligated, encumbered, or expended at the end of the fiscal year lapse at year-end, except for multi-year capital appropriations. Any encumbrance and commitments needed to support ongoing projects or activities are carried forward to the following fiscal year following Board approval.

(1) Reporting Entity and Summary of Significant Accounting Policies (continued):

Cash and Investments

Investments in short-term highly liquid debt instruments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Investments are carried at fair value.

For financial presentation purposes, cash and cash equivalents are shown within cash and short-term investments.

Receivables and Payables

All receivables are shown net of an allowance for uncollectible accounts. The Authority extends credit to customers in the normal course of operations. Management has evaluated the accounts and approved a write-off an allowance of \$3,500 for accounts deemed uncollectible for FY2016/2017. Also in FY2016/2017, the Board approved a write off \$16,300. The ending balance of the allowance for uncollectible accounts, after the write off \$16,300, are \$17,401 for the fiscal year ended of June 30, 2017. When an account is determined to be uncollectible, it is written off against the allowance following Board approval.

Capital Assets

Property, plant and equipment are stated at cost. The cost of a capital investment includes purchase, rehabilitation or construction costs, Authority labor for engineering, construction management and administrative activities, as well as ancillary expenses necessary to make productive use of the assets. Current capitalization thresholds are reflected in the following table:

Type of Expenditure	Total Cost	Estimated Life	Increases Estimated Life	Enhances Performance
Office Equipment	≥ \$5,000	> 1 Year	N/A	N/A
Computer Equipment	≥ \$1,000	> 1 Year	N/A	N/A
Other Equipment	≥ \$5,000	> 1 Year	N/A	N/A
Single Year Capital Projects	≥ \$5,000	≥ 3 Years	N/A	N/A
Multi Year Capital Projects	≥ \$15,000	≥ 3 Years	N/A	N/A

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset useful lives are not capitalized.

Improvements are capitalized and depreciated, as applicable, over the remaining useful life of the related capital assets. Donated capital assets are recorded at acquisition value.

(1) Reporting Entity and Summary of Significant Accounting Policies (continued):

Capital Assets (continued):

Depreciation of capital assets has been provided on a straight-line basis. One-half year depreciation is recorded in the year of acquisition and disposal.

Estimated useful lives are:	Ω Furniture, machinery and equipment	5 - 10 years
	🏠 Improvements	15 years
	🏢 Buildings and plants	5 - 50 years
	📄 Intangible Assets	30 - 50 years

Comparative Data

The basic financial statements include certain prior years summarized comparative information in total but not at the level of detail required for a presentation in accordance with Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2016 from which the summarized was derived.

Risk Management

The Authority is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and, natural disasters. The Authority secures liability, boiler and machinery insurance to protect itself from any risk exposure, relative to its business operations. Since the Authority has no employees and the operations and management of its facility is contracted out to IEUA, worker's compensation insurance is carried by IEUA.

- General and auto liability, public officials and employees' error and omissions: The Authority retains the risk of loss for general liability, and, errors and omissions claims of up to \$1,000,000 per person per occurrence; with an aggregate amount of \$2,000,000, subject to a \$10,000 deductible per occurrence.

In addition to the above, the Authority has the following insurance coverage:

- Property damage has an \$99,292,000 per occurrence coverage limit, subject to a \$100,000 deductible per occurrence.

Settled claims from the risks discussed herein have not exceeded commercial insurance coverage in any of the last three fiscal years ending June 30, 2017, 2016, and 2015. Additionally, there have been no reductions in insurance coverage.



IERCF Event Tent

(2) Cash and Investments

Cash Deposits

The Authority's cash accounts are maintained with financial institutions that provide deposit protection for the account balance through participation in the Federal Deposit Insurance Corporation (FDIC). The California Government Code (CGC§53652 and 53667) requires banks and savings and loan associations to secure local agency deposits by placing appropriate and adequate securities as collateral with an approved trustee.

For deposits in commercial banks, the California Government Code allows the Authority to waive the proceeding requirement for that portion of each deposit insured pursuant to the FDIC regulations; with the remainder of the deposit being secured by collateral (U. S. Government Securities) with a market value of at least ten percent (10%) greater than that remaining amount. The Authority has chosen to enter into these agreements.

In addition, the Authority investment policy requires financial institutions to meet other minimum criteria. Financial institutions must: (a) have been in business for at least three years; have total assets in excess of ten (\$10) billion dollars; and, a core capital/asset ratio of five percent (5%) or better; or, (b) have total assets in excess of five hundred million dollars (\$500,000,000); and a core capital/asset ratio of six percent (6%) or better. State statutes, and the Authority's investment policy, authorize the Authority to maintain cash deposits in demand accounts, savings accounts, and in certificates of deposit.

The custodial credit for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than as required for the California Government Code for deposits.

The investment in the Repurchase Agreement is uninsured with the collateral for the repurchase agreement held in the name of Citizens Business Bank but not in the name of the Authority.

The bank balance reflects the amount credited by a financial institution to the Authority's account as opposed to the Authority's own ledger balance for the account. The carrying value reflects the ledger balance, which includes checks written by the Authority that have not cleared the bank as of June 30, 2017.

Investments

In FY 2016/2017, the Authority invested in the Los Angeles County Pooled Surplus Investment Fund (LAC PSIF), which is also managed by Los Angeles County Investment Officer. The Authority invests in the Local Agency Investment Fund (LAIF), which is an investment pool managed by the Treasurer of the State of California. The Authority's investments are reported at amortized cost in the balance sheet. The market value of the Authority's investments constitutes one hundred percent (100%) of investments, and equals the net realizable value of the Authority's share of LAIF and LAC PSIF. LAIF and LAC PSIF are authorized by California statutes to enter into investments on behalf of municipalities within California.

State statutes and the Authority's investment policy also allows the Authority to invest (short-term and long-term) in U.S. Treasury Obligations, U.S. agency issues and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Records, negotiable certificate of deposit, LAIF, and medium-term notes.

(2) Cash and Investments (continued):

Cash and Investments

Cash and investments as of June 30, 2017 are classified in the accompanying financial statements as follows:

	<u>2017</u>	<u>2016</u>
Statement of Net Position:		
Cash & Investments	<u>\$5,003,295</u>	<u>\$4,204,213</u>
Total Cash and Investments	<u>\$5,003,295</u>	<u>\$4,204,213</u>

Investments Authorized by the California Governmental Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the Authority's investment policy. The table also identifies certain provisions of the Authority's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
State Treasury Obligations	5 years	10%	None
Local Agency Obligations	5 years	None	None
Commercial Paper	270 days	20%	10%
Negotiable/Placement Certificates of Deposits	5 years	30%	None
Repurchase Agreements	90 days	40%	None
Medium-Term Notes	5 years	10%	None
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund	N/A	\$65M	None
Local Agency Investment Pools	N/A	\$20M/Acct	None
Bank Deposits	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

(2) Cash and Investments (continued):

Disclosures Relating to Interest Rate Risk (continued):

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investment by maturity:

<u>Investment Type</u>	<u>Remaining Maturity (In Months)</u>	
	<u>Fair Value</u>	<u>12 or Less</u>
Los Angeles County Investment Pooled Investment Fund	\$ 3,337,155	\$ 3,337,155
Repurchase Agreement	1,154,122	1,154,122
Local Agency Investment Fund	6	6
Total	\$ 4,491,283	\$ 4,491,283

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the Authority's investment policy, and the actual Standard and Poor's rating as of fiscal year ended June 30, 2017 for each investment type:

<u>Investment Type</u>	<u>Value</u>	<u>Minimum</u>	
		<u>Legal Rating</u>	<u>Unrated</u>
Los Angeles County Investment Pooled Investment Fund	\$ 3,337,155	N/A	\$ 3,337,155
Repurchase Agreement	1,154,122	N/A	1,154,122
Local Agency Investment Fund	6	N/A	6
Total	\$ 4,491,283		\$ 4,491,283

Fair Value Measurement (GASB 72)

The information below shows the Authority's investments fair value measurements (market approach) as of June 30, 2017. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions.

<u>Investments by Fair Value Level</u>	<u>June 30, 2017</u>	<u>Level 1 ^(A)</u>	<u>Level 2 ^(B)</u>	<u>Level 3 ^(C)</u>
Los Angeles County Investment Pooled Investment Fund	\$ 3,337,155		\$ 3,337,155	
Repurchase Agreement	1,154,122		1,154,122	
Local Agency Investment Fund	6		6	
Total	\$ 4,491,283	\$ -	\$ 4,491,283	\$ -

^(A) Level 1 - Quoted prices in active markets for identical assets

^(B) Level 2 - Quoted prices in active markets for significant other observable inputs

^(C) Level 3 - Quoted prices in active markets for significant unobservable inputs

(3) Changes in Capital Assets

The following is a summary of capital assets, jobs in progress and intangible assets at June 30, 2017:

Capital assets	Balance at 6/30/2016	Additions	Transfers, Sales & Retirements	Balance at 6/30/2017
Capital assets, not being depreciated:				
Land	\$4,285,096	\$0	\$0	\$4,285,096
Jobs in progress	2,078,169	588,085	(2,204,552)	461,702
Total capital assets, not being depreciated	\$6,363,265	\$588,085	(\$2,204,552)	\$4,746,798
Capital assets, being depreciated:				
Facility	10,831,133	0	0	10,831,133
Structures & improvements	70,742,192	601,556	0	71,343,748
Operations equipment	15,621,338	1,602,996	0	17,224,334
Total capital assets, being depreciated	\$97,194,663	\$2,204,552	\$0	\$99,399,215
Less accumulated depreciation for:				
Facility	(1,841,293)	(216,623)	0	(2,057,916)
Structures & improvements	(11,828,648)	(1,439,474)	0	(13,268,122)
Operations equipment	(4,151,582)	(1,221,589)	0	(5,373,171)
Total accumulated depreciation	(\$17,821,523)	(\$2,877,686)	\$0	(\$20,699,209)
Total capital assets, being depreciated, net	\$79,373,141	(\$673,134)	\$0	\$78,700,007
Intangible assets, being amortized:				
Capacity rights	1,143,472	0	0	1,143,472
Total intangible assets, being amortized	\$1,143,472	\$0	\$0	\$1,143,472
Less accumulated amortization for:				
Capacity rights	(147,891)	(24,009)	0	(171,900)
Total accumulated amortization	(\$147,891)	(\$24,009)	\$0	(\$171,900)
Total capital assets, being amortized, net	\$995,580	(\$24,009)	\$0	\$971,571
Total capital assets, net	\$86,731,986	(\$109,058)	(\$2,204,552)	\$84,418,376

In FY 2016/2017, IERCF acquired \$588,085 in assets; accumulated depreciation and amortization increased by \$2,901,695. The ending balance of accumulated depreciation and amortization for all capital assets has been adjusted for rounding to the Statement of Net Position for FY 2016/17.

(3) Changes in Capital Assets (continued):

Jobs in Progress

At Fiscal Year ended June 30, 2017, the Authority had seven modification and improvement projects and sub-projects in progress.

IERCF Duct Work Phase II	\$	9,066
IERCF Fire Sprinkler Improvements		50,054
IERCF Transition Air Duct Improvements		18,950
IERCF UPS Replacement		2,993
IERCF Capital Replacement		378,160
IERCF S70 Bobcat		480
IERCF Computer Hardware		1,999
Total Jobs in Progress	\$	461,702

(4) Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through February 5, 2018, the date financial statements were available to be issued, and found no subsequent event.



IERCF Team SoilPro

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www.ierca.org



Date: February 5, 2018
To: Honorable Board of Directors
From: Christina Valencia
Treasurer
Subject: Annual Financial Report for the Fiscal Year Ended June 30, 2017

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Inland Empire Regional Composting Authority (IERCA/Authority) Annual Financial Report for the Fiscal Year ended June 30, 2017, as presented; and
2. Direct staff to distribute the report as appropriate, to the various federal, state, and local agencies, financial institutions, and other interested parties.

BACKGROUND

The Authority's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017 was prepared in conformity with generally accepted accounting principles in the United States of America (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). As required by state law, Lance, Soll & Lunghard, LLP (LSL), the Authority's independent audit firm, performed the annual financial audit. LSL issued an unmodified ("clean") opinion over the financial statements for the Fiscal Year ended June 30, 2017, indicating that the financial statements are presented fairly and in accordance with GAAP and free of material misstatements. LSL found no material deficiency in internal controls over financial reporting. A review was also conducted by Internal Audit department of the Inland Empire Utilities Agency Internal. A copy of their report is attached.

FY 2016/17 Financial Highlights

IERCA continues to operate at full capacity as it reached its tenth year of operations in April 2017. Total revenue in FY 2016/17 reflects a slight decrease from \$8.6 million to \$8.5 million reported in the prior fiscal year. This decrease is primary due to a slight drop in compost sales revenues. Total expenses of \$10 million reported an increase of \$0.5 million compared to last fiscal year. This increase is primarily due to higher operating expenses of \$0.4 million and depreciation of \$0.3 million.

The total ending net position decreased by \$1.5 million to \$89.0 million as of June 30, 2017, of which approximately \$84.4 million has been invested in capital assets. The remaining \$4.6 million is working capital designated to support operating contingencies, self-insurance liability costs, and capital replacement and construction investment. No call was made against the \$1 million capital call budgeted in FY 2016/17.

PRIOR BOARD ACTION

The Board approved the budget for FY 2016/17 in February 2017.

IMPACT ON BUDGET

There is no impact on the Authority's FY 2017/18 budget.

Exhibit B



**ANNUAL FINANCIAL REPORT FOR THE
FISCAL YEAR ENDED JUNE 30, 2017**

FEBRUARY 5, 2018



FY 2016/17 Highlights



- Tipping fee was increased from \$54/ton to \$55
- \$59k decrease in total revenues primarily due to a slight drop in compost sales
- \$546K increase in total expenses primarily due to higher operating material and supplies, and depreciation expense
- Staffing level maintained at 25 full time positions
- No capital call needed to support capital projects



FY 2016/17 Statement of Revenue, Expense, and Change in Net Position



(\$ Millions)	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2017	Change %
Total Revenue	\$8.6	\$8.6	0.0%
Total Expenses*	(9.5)	(10.0)	5.3%
Net Profit (Loss)	(\$0.9)	(\$1.4)	55.6%
Beginning Net Position, July 1	\$91.3	\$90.4	1.0%
Ending Net Position, June 30	\$90.4	\$89.0	(1.5%)

*Includes depreciation expense of \$2.9M (2017) and \$2.5M (2016)



FY 2016/17

Statement of Net Position

(\$ Millions)	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2017	Change %
Assets			
Current Assets	\$5.0	\$5.8	16.0%
Net Capital & Intangible Assets	86.7	84.4	(2.7%)
Total Assets	\$91.7	\$90.2	(1.6%)
Liabilities			
Current Liabilities	\$1.3	\$1.2	(7.7%)
Total Liabilities	\$1.3	\$1.2	(7.7%)
Invested in Capital Assets	\$86.7	\$84.4	(2.7%)
Unrestricted	3.7	4.6	24.3%
Total Net Position	\$90.4	\$89.0	(1.5%)



FY 2017/18 Mid-Year Statement of Revenue, Expenses, and Change in Fund Balance

(\$Millions)	FY 2017/18 Amended Budget	FY 2017/18 Actual As of 12/31/17	Projected Mid-Year vs. Budget
Revenue*	\$8.6	\$4.4	51%
Expenses	7.9	3.3	42%
Capital	3.0	0.3	10%
Net Profit (Loss)	(\$2.3)	\$0.8	

* Excludes budget of \$1 million for capital contribution.



QUESTIONS?

Exhibit C

Inland Empire Regional Financing Authority

Memorandum

TO: IERCA Board of Directors **DATE:** January 3, 2018

COPIES TO: Jeff Ziegenbein **FROM:** Christina Valencia
 Javier Chagoyen-Lazaro

SUBJECT: FY 2016/17 Financial Statements

The IERCA reached its 10th year of operations in April 2017. The financial statements for fiscal year ended June 30, 2017 reflect another year of sound performance as summarized below:

- Operating Revenues at \$8.5 million were just under 1% of \$8.6 million reported in the prior fiscal year.
- Operating Expenses at \$10.0 million were about 7% higher due to an increase in operating materials and supplies and depreciation expense.
- Net Position decreased by \$1.5 million to \$88.9 million primarily due to depreciation expense of \$2.9 million.

\$Thousands

Description	FY 2015/16	FY 2016/17	Change	
			Amount	%
Operating Revenues	8,603.00	8,523.00	80.00	0.93
Operating Expenses	(9,350.00)	(10,038.00)	688.00	(7.36)
Net Operating Activities	(747.00)	(1,515.00)	768.00	(102.81)
Non-Operating Revenues	72.00	54.00	18.00	25.00
Non-Operating Expenses	(145.00)	(3.00)	(142.00)	97.93
Net Non-Operating Activities	(73.00)	51.00	(124.00)	169.86
Total Increase (Decrease) in Net Position	(820.00)	(1,464.00)	644.00	(78.54)
Beginning Net Position	91,260.00	90,440.00	820.00	
Ending Net Position	90,440.00	88,976.00	696.00	0.77

Please do not hesitate to contact me at (909) 993-1673 / cvalencia@ieua.org or Jeff at (909) 993-1981 / jziegenbein@ieua.org if you have any questions.

Thank you.

**INFORMATION
ITEM**

3B

Date: February 21, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HHR

Committee: Finance & Administration

02/14/18

Executive Contact: Christina Valencia, Executive Manager of Finance & Administration/AGM

Subject: Treasurer's Report of Financial Affairs

Executive Summary:

The Treasurer's Report of Financial Affairs for the month ended December 31, 2017 is submitted in a format consistent with the State requirement.

For the month of December 2017, total cash, investments, and restricted deposits of \$202,571,986 reflects an increase of \$22,657,509 compared to the total of \$179,914,477 reported in November 2017. The increase was primarily due to property tax receipts of \$21.2 million and State Revolving Fund loan receipts for the Water Quality Laboratory project of \$2.6 million that were partially offset by a debt service payment of \$1.8 million related to recycled water State Revolving Fund loans. As a result the average days of cash on hand for the month ended December 31, 2017 increased from 247 days to 290 days.

The Agency's investment portfolio yield in December 2017 was 1.186%, a decrease of 0.087% compared to the November yield of 1.273%. The decrease was primarily due to a lower yield in the CalTrust investments account from 1.791% to 1.549% which was partially offset by the LAIF investment yield increase to 1.239% from 1.172% in November.

Staff's Recommendation:

The Treasurer's Financial Affairs Report for the month ended December 31, 2017 is an informational item for the Board of Director's review.

Budget Impact *Budgeted* (Y/N): N *Amendment* (Y/N): N *Amount for Requested Approval:*

Account/Project Name:

Fiscal Impact *(explain if not budgeted):*

Interest earned on the Agency's investment portfolio increases the Agency's overall reserves.

Prior Board Action:

On January 17, 2018, the Board of Directors approved the Treasurer's Financial Affairs Report for the month ended November 30, 2017.

Environmental Determination:

Not Applicable

Business Goal:

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.

Attachments:

Attachment 1 - Background

Attachment 2 - PowerPoint

Attachment 3 - December 2017 Financial Affairs Report

Background

Subject: Treasurer's Report of Financial Affairs

The Treasurer's Report of Financial Affairs for the month ended December 31, 2017 is submitted in a format consistent with State requirements. The monthly report denotes investment transactions that have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2017-4-1).

Agency total cash, investments, and restricted deposits for the month ended December 31, 2017 was \$202.6 million, an increase of \$22.7 million over the \$179.9 million reported for the month ended November 30, 2017. The increase was primarily due to property tax receipts of \$21.2 million and State Revolving Fund loan receipts of \$2.6 million for the Water Quality Laboratory project that were partially offset by a debt service payment of \$1.8 million relating to recycled water State Revolving Fund loans.

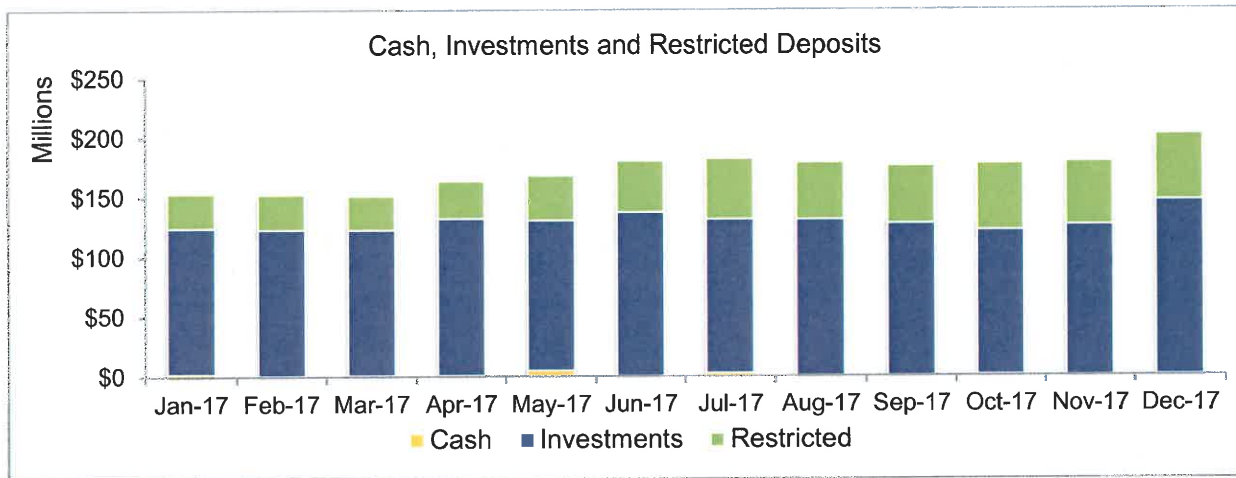
Table 1 represents the Agency portfolio, by authorized investment and duration, total portfolio amount was \$146.3 million. The Agency portfolio excludes restricted deposits in the amount of \$55.5 million held by member agencies and with fiscal agent.

Table 1: Agency Portfolio

Authorized Investments	Allowable Threshold (\$ million or %)	Investment Value as of November 30, 2017 (\$ million)				Average Yield	Portfolio % (Unrestricted)
		Under 1 Year	1-3 Years	Over 3 Years	Total		
LAIF	\$65	\$32.27			\$32.27	1.24%	22.06%
CalTrust	n/a	\$15.24	\$6.00		\$21.24	1.55%	14.52%
CAMP	n/a	\$18.28			\$18.28	1.29%	12.49%
Citizens Business Bank – Sweep	40%	\$36.78			\$36.78	0.70%	25.14%
Brokered CD's	30%	\$1.20	\$0.48	\$0.24	\$1.92	1.60%	1.32%
Medium Term Notes	10%	\$8.57	\$4.01		\$12.58	1.34%	8.60%
Municipal Bonds	10%		\$1.00		\$1.00	1.75%	0.68%
US Treasury Notes	n/a		\$2.00		\$2.00	1.35%	1.36%
US Gov't Securities	n/a		\$20.23		\$20.23	1.33%	13.83%
Total		\$112.34	\$33.72	\$0.24	\$146.30	1.19%	100.00%

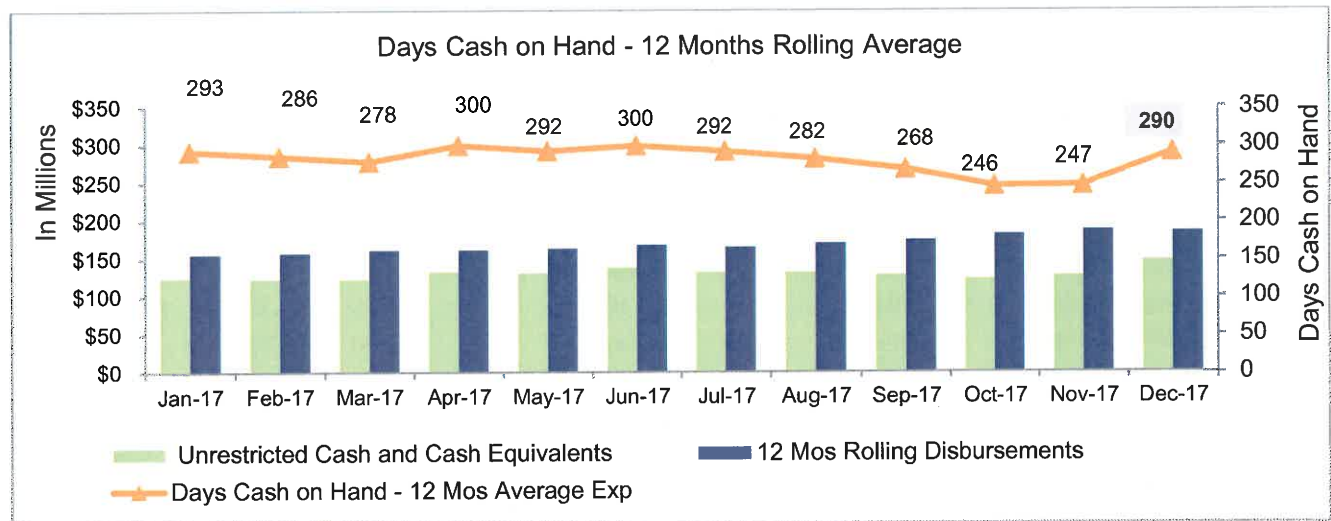
For the month of December 2017, total cash, investments, and restricted deposits reflects an increase of \$22.7 million compared to the November 2017 total, as reported in Figure 1.

Figure 1: Cash, Investments, and Restricted Deposits



Average days 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. The increase in total cash, investment, and restricted deposits resulted in an increase in the Average Days Cash on Hand from 247 days at the end of November to 290 days at the end of December as shown in Figure 2.

Figure 2: Days Cash on Hand – 12 Month Rolling Average



Treasurer's Report of Financial Affairs for December 31, 2017

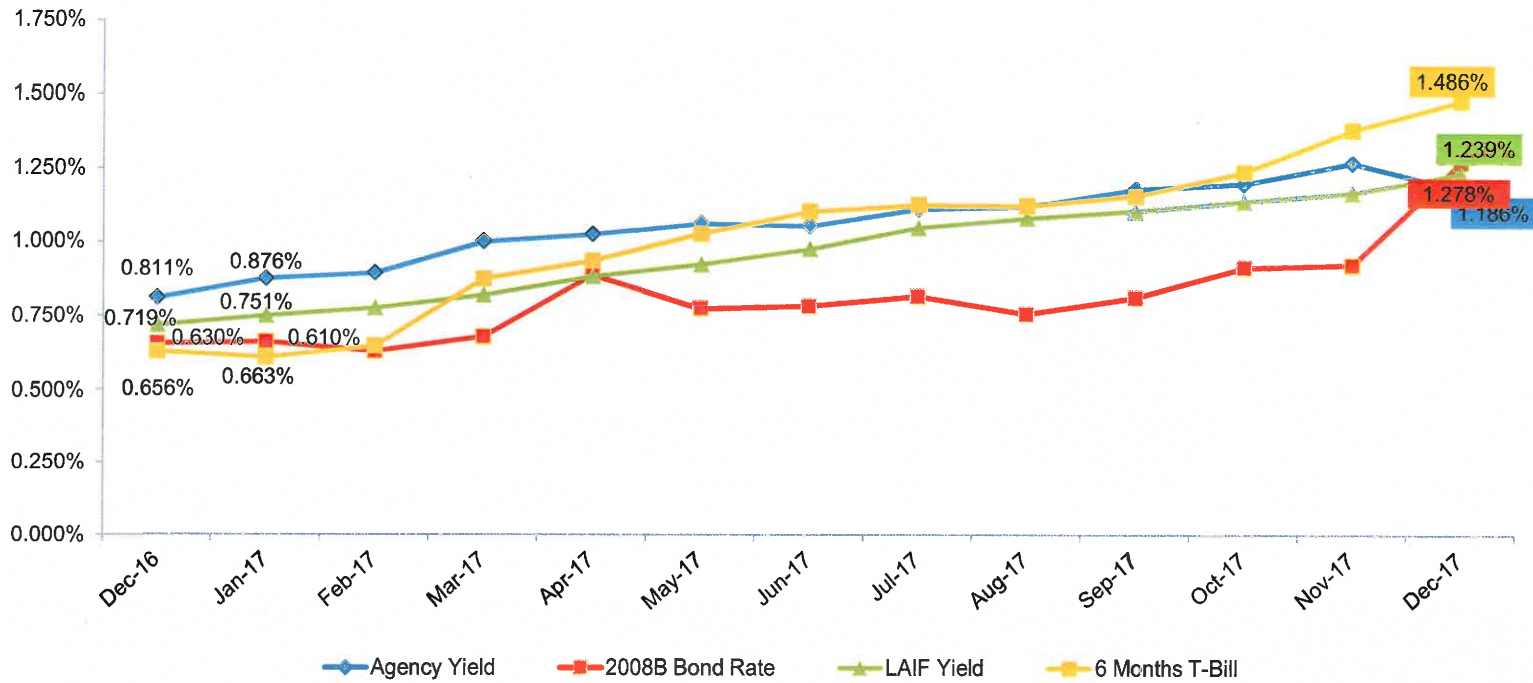


Agency Liquidity

- Increase in total portfolio mainly due to \$21.2M of property tax receipts
- Decrease in total portfolio yield is attributed to a reduction in CalTrust short term investment yield
- Increase in average cash on hand as a result of increase in total cash, investment, and deposits

Liquidity			
Description	December (\$ million)	November (\$ million)	Increase (Decrease) (\$ million)
Total Cash, Investments, and Restricted Deposits	\$202.6	\$179.9	\$22.7
Total Investment Portfolio	\$146.3	\$126.3	\$20.0
Investment Portfolio Yield	1.186%	1.273%	(0.087%)
Weighted Average Duration (years)	0.71	0.75	(0.04)
Average Cash on Hand (days)	290	247	43

Month End Portfolio Yield Composition



Questions



The Treasurer's Report of Financial Affairs is consistent with the Agency's business goal of fiscal responsibility

TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Month Ended December 31, 2017



All investment transactions have been executed in accordance with the criteria stated in the Agency's Investment Policy (Resolution No. 2017-4-1) adopted by the Inland Empire Utilities Agency's Board of Directors during its regular meeting held on April 19, 2017.

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
 December 31, 2017

	December	November
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>	\$811,276	\$115,084
<u>Investments</u>		
Citizens Business Bank (CBB) Repurchase (Sweep)	\$36,784,350	\$16,854,979
Local Agency Investment Fund (LAIF)	32,268,927	32,268,927
CalTrust	21,236,878	21,219,208
California Asset Management Program (CAMP)	18,277,539	18,257,513
Certificates of Deposit	1,925,000	1,925,000
Municipal Bonds	997,913	997,807
Medium Term Notes	12,580,220	12,582,897
U.S. Treasury Notes	1,993,700	1,993,321
U.S. Government Sponsored Entities	20,236,280	20,235,618
Total Investments	\$146,300,807	\$126,335,270
Total Cash and Investments Available to the Agency	\$147,112,083	\$126,450,354
<u>Restricted Deposits</u>		
Debt Service Accounts	\$2,552,397	\$2,551,262
CCRA Deposits Held by Member Agencies	39,962,389	38,181,904
OPEB (CERBT) Account	12,305,591	12,147,500
Escrow Deposits	639,526	583,457
Total Restricted Deposits	\$55,459,903	\$53,464,123
Total Cash, Investments, and Restricted Deposits	\$202,571,986	\$179,914,477

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
 December 31, 2017

Cash, Bank Deposits, and Bank Investment Accounts

CBB Demand Account (Negative offset by CBB Sweep Balance)	\$588,110
CBB Workers' Compensation Account	66,107
Subtotal Demand Deposits	<u>\$654,217</u>
Other Cash and Bank Accounts	
Petty Cash	\$2,250
Subtotal Other Cash	<u>\$2,250</u>
US Bank Pre-Investment Money Market Account	
	\$154,809
Total Cash and Bank Accounts	<u>\$811,276</u>

Investments

CBB Repurchase (Sweep) Investments	
FNMA	\$36,784,350
Subtotal CBB Repurchase (Sweep)	<u>\$36,784,350</u>
Local Agency Investment Fund (LAIF)	
LAIF Fund	\$32,268,927
Subtotal Local Agency Investment Fund	<u>\$32,268,927</u>
CalTrust	
Short Term	\$15,240,766
Medium Term - Restricted	5,996,112
Subtotal CalTrust	<u>\$21,236,878</u>
California Asset Management Program (CAMP)	
Pool	\$18,277,539
Subtotal CAMP	<u>\$18,277,539</u>

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
December 31, 2017

Investments Continued		
Brokered Certificates of Deposit		\$1,925,000
Brokered Certificates of Deposit		\$1,925,000
Subtotal Brokered Certificates of Deposit		
Municipal Bonds		
State and Local Municipal Bonds		\$997,913
Subtotal Municipal Bonds		\$997,913
Medium Term Notes		
John Deere Capital Corp.		\$1,500,184
Toyota Motor Credit Corp.		999,870
JP Morgan Chase & Co.		2,008,923
Johnson & Johnson		2,058,684
Microsoft		1,003,203
Exxon Mobil		3,009,356
Wells Fargo Bank N.A.		2,000,000
Subtotal Medium Term Notes		\$12,580,220
U.S. Treasury Notes		
Treasury Note		\$1,993,700
Subtotal U.S. Treasury Notes		\$1,993,700
U.S. Government Sponsored Entities		
Fannie Mae Bank		\$3,749,723
Freddie Mac Bank		5,488,595
Federal Farm Credit Bank		7,999,265
Federal Home Loan Bank		2,998,697
Subtotal U.S. Government Sponsored Entities		\$20,236,280
Total Investments		\$146,300,807

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
December 31, 2017

Restricted Deposits

Debt Service

08B Debt Service Accounts	\$2,551,633
10A Debt Service Accounts	155
17A Debt Service Accounts	609
Subtotal Debt Service	\$2,552,397

CCRA Deposits Held by Member Agencies

City of Chino	\$6,371,773
Cucamonga Valley Water District	3,666,266
City of Fontana	6,518,248
City of Montclair	1,105,870
City of Ontario	13,789,913
City of Chino Hills	6,921,323
City of Upland	1,588,996
Subtotal CCRA Deposits Held by Member Agencies	\$39,962,389

CalPERS

OPEB (CERBT) Account	\$12,305,591
Subtotal CalPERS Accounts	\$12,305,591

Escrow Deposits

Kemp Brothers Construction	\$639,526
Subtotal Escrow Deposits	\$639,526

Total Restricted Deposits

Subtotal Restricted Deposits	\$55,459,903
Total Cash, Investments, and Restricted Deposits as of December 31, 2017	\$202,571,986

Total Cash, Investments, and Restricted Deposits as of 12/31/17
Less: Total Cash, Investments, and Restricted Deposits as of 11/30/17

Total Monthly Increase (Decrease)

Total Monthly Increase (Decrease)	\$22,657,509
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INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
December 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	December Amortization	December 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*					\$588,110	\$588,110	N/A	N/A	\$588,110		N/A	N/A	\$588,110
Payroll Checking					0	0	N/A	N/A	0		N/A	N/A	0
Workers' Compensation Account					66,107	66,107	N/A	N/A	66,107		N/A	N/A	66,107
Subtotal CBB Accounts					\$654,217	\$654,217			\$654,217				\$654,217
US Bank (USB)													
Federated Automated MMA					\$154,809	\$154,809	N/A	N/A	\$154,809		0.77%	N/A	\$154,809
Subtotal USB Account					\$154,809	\$154,809			\$154,809		0.77%		\$154,809
Petty Cash					\$2,250	\$2,250	N/A	N/A	\$2,250		N/A	N/A	\$2,250
Total Cash, Bank Deposits and Bank Investment Accounts					\$811,276	\$811,276			\$811,276				\$811,276
<i>*Negative demand checking balance is offset by the Daily Repurchase (Sweep) Account balance</i>													
Investments													
CBB Daily Repurchase (Sweep) Accounts													
FNMA					\$36,784,350	\$36,784,350			\$36,784,350		0.70%		\$36,784,350
Subtotal CBB Repurchase Accounts					\$36,784,350	\$36,784,350			\$36,784,350		0.70%		\$36,784,350
LAIF Accounts													
Non-Restricted Funds					\$32,268,927	\$32,268,927	N/A	N/A	\$32,268,927		1.239%	N/A	\$32,268,927
Subtotal LAIF Accounts					\$32,268,927	\$32,268,927			\$32,268,927		1.239%		\$32,268,927
CALTRUST Accounts													
Short-Term					\$15,240,766	\$15,240,766	N/A	N/A	\$15,240,766		1.43%	N/A	\$15,240,766
Medium-Term (Self Insurance Reserves)					5,996,112	5,996,112	N/A	N/A	5,996,112		1.85%	N/A	5,996,112
Subtotal CalTrust Accounts					\$21,236,878	\$21,236,878			\$21,236,878		1.549%		\$21,236,878
CAMP Accounts													
Short-Term					\$18,277,539	\$18,277,539	N/A	N/A	\$18,277,539		1.29%	N/A	\$18,277,539
Subtotal CAMP Accounts					\$18,277,539	\$18,277,539			\$18,277,539		1.29%		\$18,277,539

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
December 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	December Amortization	December Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Investments (continued)													
Brokered Certificates of Deposit (CDs)													
Capital One Bank	N/A				240,000	240,000	916		240,000	1.35%	1.35%	01/16/18	240,012
Goldman Sachs Bank USA	N/A				240,000	240,000	916		240,000	1.40%	1.40%	01/16/18	240,019
BMW Bank of North America	N/A				240,000	240,000	915		240,000	1.40%	1.40%	01/17/18	240,019
American Express Bank	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	239,938
American Express Centurion	N/A				240,000	240,000	1097		240,000	1.70%	1.70%	07/16/18	239,938
Ally Bank	N/A				243,000	243,000	722		243,000	1.45%	1.45%	03/11/19	242,021
Wells Fargo Bank	N/A				242,000	242,000	729		242,000	1.55%	1.55%	03/15/19	241,293
Synchrony Bank	N/A				240,000	240,000	1827		240,000	2.25%	2.25%	10/02/20	240,612
Subtotal Brokered CDs					\$1,925,000	\$1,925,000		\$0	\$1,925,000		1.60%		\$1,923,852
US Treasury Note													
US Treasury Note					\$2,000,000	\$1,990,000	808	379	\$1,993,700	1.125%	1.35%	05/31/19	\$1,980,000
Subtotal US Treasuries					\$2,000,000	\$1,990,000		\$379	\$1,993,700		1.35%		\$1,980,000
U.S. Government Sponsored Entities													
Federal Home Loan Bank	AA+	Aaa			1,000,000	1,000,380	713	(16)	1,000,201	1.25%	1.23%	01/18/19	994,180
Federal Farm Credit Bank	AA+	Aaa			3,000,000	3,000,000	1,079		3,000,000	1.15%	1.15%	02/22/19	2,968,650
Federal Home Loan Bank	AA+	Aaa			1,000,000	1,003,132	1,023	(95)	1,001,344	1.25%	1.14%	03/15/19	992,910
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,411	720	25	1,499,636	1.40%	1.42%	03/27/19	1,492,110
Federal Farm Credit	AA+	Aaa			1,500,000	1,499,400	720	25	1,499,629	1.40%	1.42%	03/27/19	1,492,110
Federal Home Loan Bank	AA+	Aaa			2,000,000	1,997,600	801	92	1,998,496	1.375%	1.43%	05/24/19	1,987,100
Federal Farm Credit Bank	AA+	Aaa			2,000,000	2,000,000	1,460		2,000,000	1.52%	1.52%	06/24/19	1,989,740
Freddie Mac Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	1.15%	1.15%	07/26/19	1,482,840
Fannie Mae Step Bond	AA+	Aaa			1,500,000	1,500,000	1,080		1,500,000	1.00%	1.33%	07/26/19	1,486,395
Fannie Mae Bond	AA+	Aaa			900,000	899,460	1,153	14	899,723	1.25%	1.27%	08/23/19	886,284
Fannie Mae Bond	AA+	Aaa			1,350,000	1,350,000	1,157		1,350,000	1.25%	1.25%	08/26/19	1,335,730
Freddie Mac Bond	AA+	Aaa			3,000,000	2,972,928	1,359	618	2,987,251	1.25%	1.50%	10/02/19	2,964,270
Subtotal U.S. Gov't Sponsored Entities					\$20,250,000	\$20,222,311		\$663	\$20,236,280		1.33%		\$20,072,319

(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
December 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	December Amortization	December Value	% Coupon	% Yield to Maturity	Maturity Date	Market Value
	S&P	Moody's	S&P	Moody's									
Municipal Bonds													
San Diego Redevelopment Agency	AA	N/R			\$1,000,000	\$996,800	934	\$106	\$997,913	1.625%	1.75%	09/01/19	\$986,060
Subtotal State and Local Municipal Bonds					\$1,000,000	\$996,800		\$106	\$997,913		1.75%		\$986,060
Medium Term Notes													
Wells Fargo Bank	AA-	Aa2			1,500,000	1,502,565	301	(259)	1,500,184	1.65%	1.44%	01/22/18	1,499,700
Toyota Motor Credit Corp	AA-	Aa3			2,000,000	2,000,000	1,045		2,000,000	1.10%	1.10%	04/25/18	1,991,740
JP Morgan Chase & Co	A-	A3			1,000,000	999,000	1,037	30	999,870	1.625%	1.66%	05/15/18	999,350
Johnson & Johnson	AAA	Aaa			2,000,000	2,027,480	1,044	(816)	2,008,923	1.65%	1.16%	12/05/18	1,995,560
Microsoft	AAA	Aaa			2,050,000	2,076,691	1,045	(792)	2,058,684	1.625%	1.16%	12/06/18	2,046,105
Exxon Mobil	AA+	Aaa			1,000,000	1,005,750	763	(233)	1,003,203	1.708%	1.43%	03/01/19	997,660
Exxon Mobil	AA+	Aaa			1,500,000	1,506,285	712	(271)	1,503,837	1.819%	1.59%	03/15/19	1,497,600
Wells Fargo Bank	AA-	Aa2			1,500,000	1,511,655	1,061	(336)	1,505,519	1.75%	1.48%	05/24/19	1,491,660
Subtotal Medium Term Notes					\$12,550,000	\$12,629,426		(2,677)	\$12,580,220		1.34%		\$12,519,375
Total Investments					\$146,292,694	\$146,331,231			\$146,300,807				\$146,049,300

(Source of Investment Market Value: US Bank)

Restricted Deposits

Debt Service and Arbitrage Accounts

08B Debt Service Accounts					\$2,551,633	\$2,551,633	N/A	N/A	\$2,551,633		0.76%		\$2,551,633
10A Debt Service Accounts					155	155	N/A	N/A	155		0.20%		155
17A Debt Service Accounts					609	609	N/A	N/A	609		0.20%		609
Total Debt Service Accounts					\$2,552,397	\$2,552,397			\$2,552,397		0.76%		\$2,552,397

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
December 31, 2017

	Credit Rating @ Purchase		CHANGES IN Credit Rating		Par Amount	Cost Basis Amount	Term (Days)	December Amortization	December 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					\$6,371,773	\$6,371,773	N/A	N/A	\$6,371,773		N/A	N/A	\$6,371,773
City of Chino Hills					6,921,323	6,921,323	N/A	N/A	6,921,323		N/A	N/A	6,921,323
Cucamonga Valley Water District					3,666,266	3,666,266	N/A	N/A	3,666,266		N/A	N/A	3,666,266
City of Fontana					6,518,248	6,518,248	N/A	N/A	6,518,248		N/A	N/A	6,518,248
City of Montclair					1,105,870	1,105,870	N/A	N/A	1,105,870		N/A	N/A	1,105,870
City of Ontario					13,789,913	13,789,913	N/A	N/A	13,789,913		N/A	N/A	13,789,913
City of Upland					1,588,996	1,588,996	N/A	N/A	1,588,996		N/A	N/A	1,588,996
<i>Subtotal CCRA Deposits Held by Member Agencies</i>					\$39,962,389	\$39,962,389			\$39,962,389				\$39,962,389
<i>Reported total as of November 2017</i>													
CalPERS Deposits													
OPEB (CERBT) Account					\$11,000,000	\$11,000,000	N/A	N/A	\$12,305,591		N/A	N/A	\$12,305,591
Subtotal CalPERS Deposits					\$11,000,000	\$11,000,000			\$12,305,591				\$12,305,591
As of September 30th, the 1 year net return is 4.30%													
Escrow Deposits													
Kemp Brothers Construction Escrow					\$639,526	\$639,526	N/A	N/A	\$639,526		N/A	N/A	\$639,526
Subtotal Escrow Deposits					\$639,526	\$639,526			\$639,526				\$639,526
Total Restricted Deposits					\$54,153,703	\$54,153,703			\$55,459,903				\$55,459,903
Total Cash, Investments, and Restricted Deposits as of December 31, 2017					\$201,257,673	\$201,296,210			\$202,571,986				\$202,319,870

INLAND EMPIRE UTILITIES AGENCY
Cash and Investment Summary

Month Ended
 December 31, 2017

December Purchases						
No.	Date	Transaction	Investment Security	Type	Par Amount Purchased	Investment Yield
			<i>None</i>			
					<u>\$ -</u>	

December Investment Maturities, Calls & Sales						
No.	Date	Transaction	Investment Security		Par Amount Matured/Sold	Investment Yield to Maturity
			<i>None</i>			
					<u>\$ -</u>	

INLAND EMPIRE UTILITIES AGENCY

Cash and Investment Summary

Month Ended
December 31, 2017

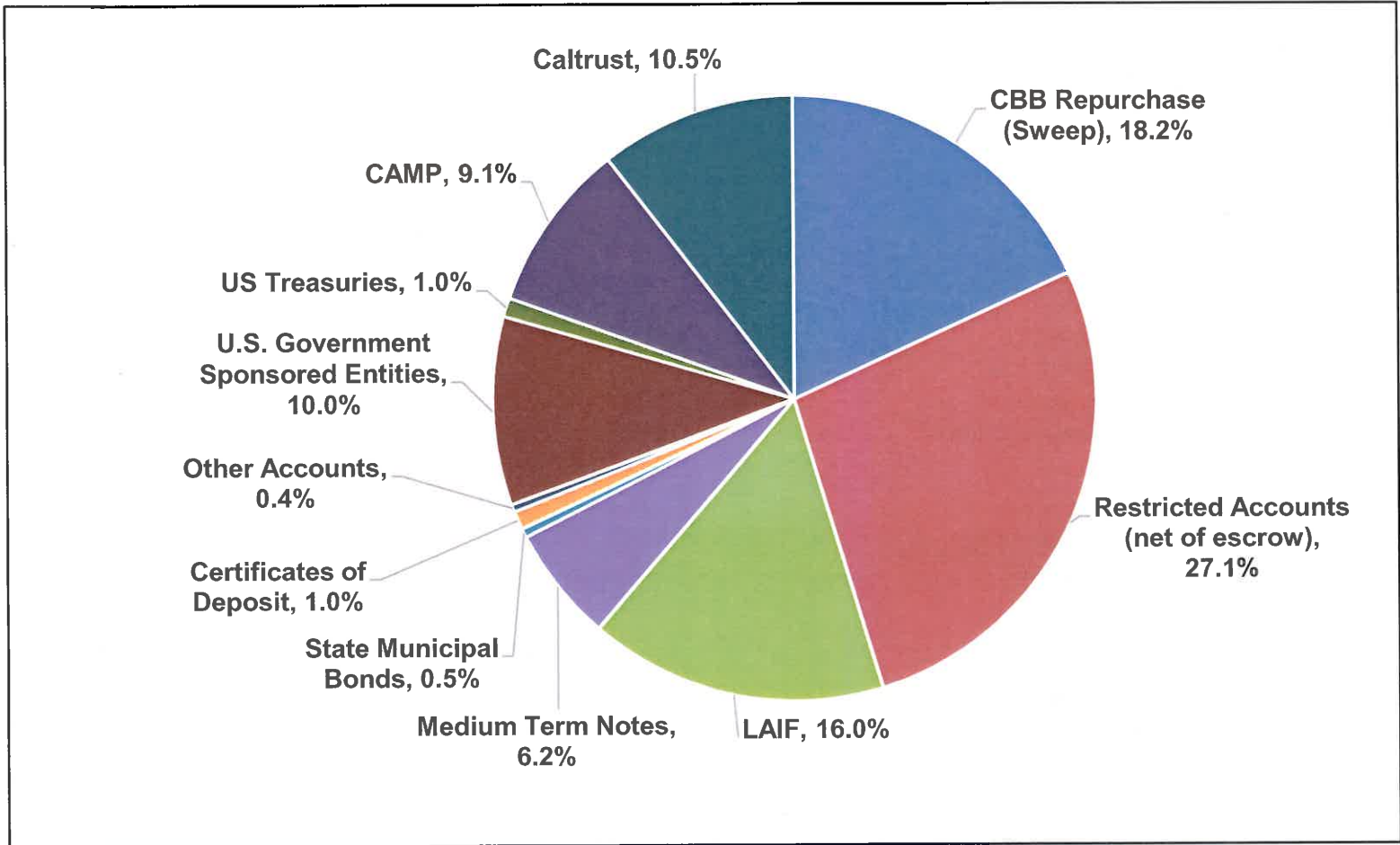
<u>Directed Investment Category</u>	<u>Amount Invested</u>	<u>Yield</u>
CBB Repurchase (Sweep)	\$36,784,350	0.700%
LAIF	32,268,927	1.239%
CalTrust	21,236,878	1.549%
CAMP	18,277,539	1.290%
Brokered Certificates of Deposit	1,925,000	1.600%
Medium Term Notes	12,580,220	1.336%
Municipal Bonds	997,913	1.753%
US Treasury Notes	1,993,700	1.352%
U.S. Government Sponsored Entities	20,236,280	1.335%
Total Investment Portfolio	\$146,300,807	1.186%

Investment Portfolio Rate of Return

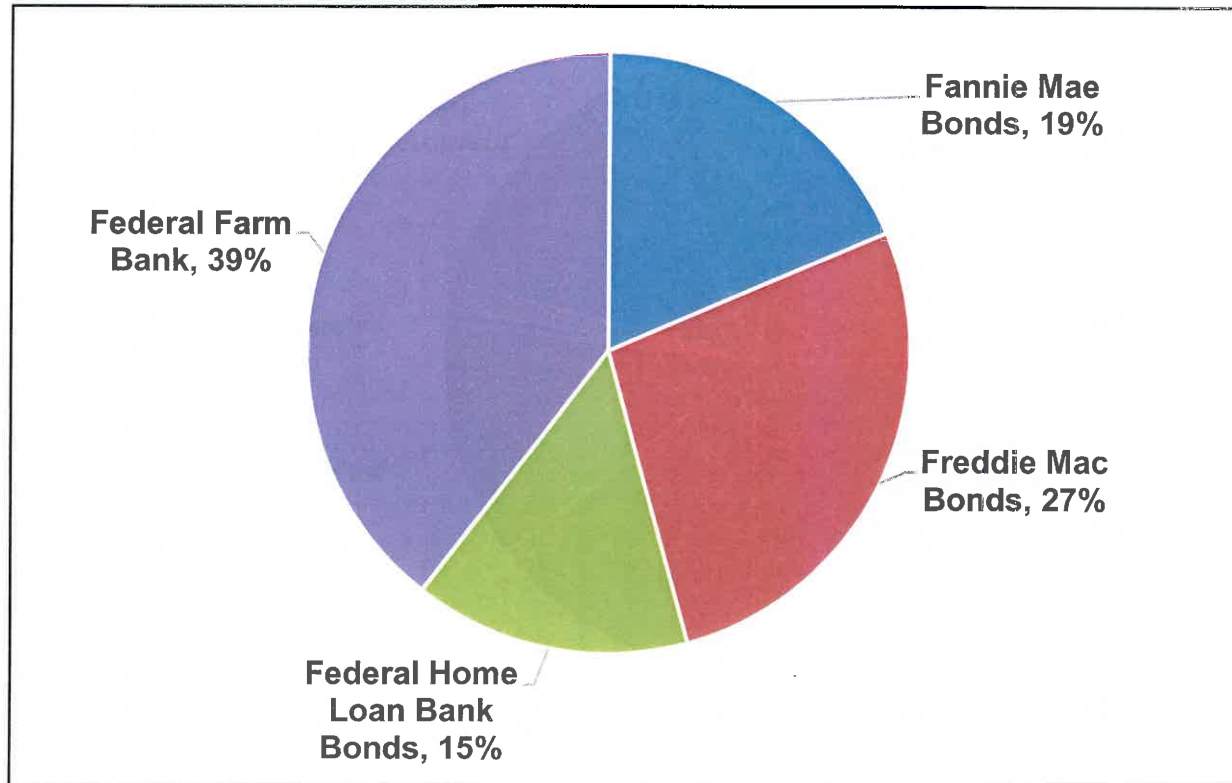
<u>Restricted/Transitory/Other Accounts</u>	<u>Amount Invested</u>	<u>Yield</u>
CCRA Deposits Held by Member Agencies	\$39,962,389	N/A
CalPERS OPEB (CERBT) Account	\$12,305,591	N/A
US Bank - 2008B Debt Service Accounts	\$2,551,633	0.760%
US Bank - 2010A Debt Service Accounts	\$155	0.200%
US Bank - 2017A Debt Service Accounts	\$609	0.200%
US Bank - Pre-Investment Money Market Account	\$154,809	0.770%
Citizens Business Bank - Demand Account	\$588,110	N/A
Citizens Business Bank - Workers' Compensation Account	\$66,107	N/A
Other Accounts*	\$2,250	N/A
Escrow Account	\$639,526	N/A
Total Restricted/Transitory/Other Accounts	\$56,271,179	0.761%
Average Yield of Other Accounts		
Total Agency Directed Deposits	\$202,571,986	

*Petty Cash

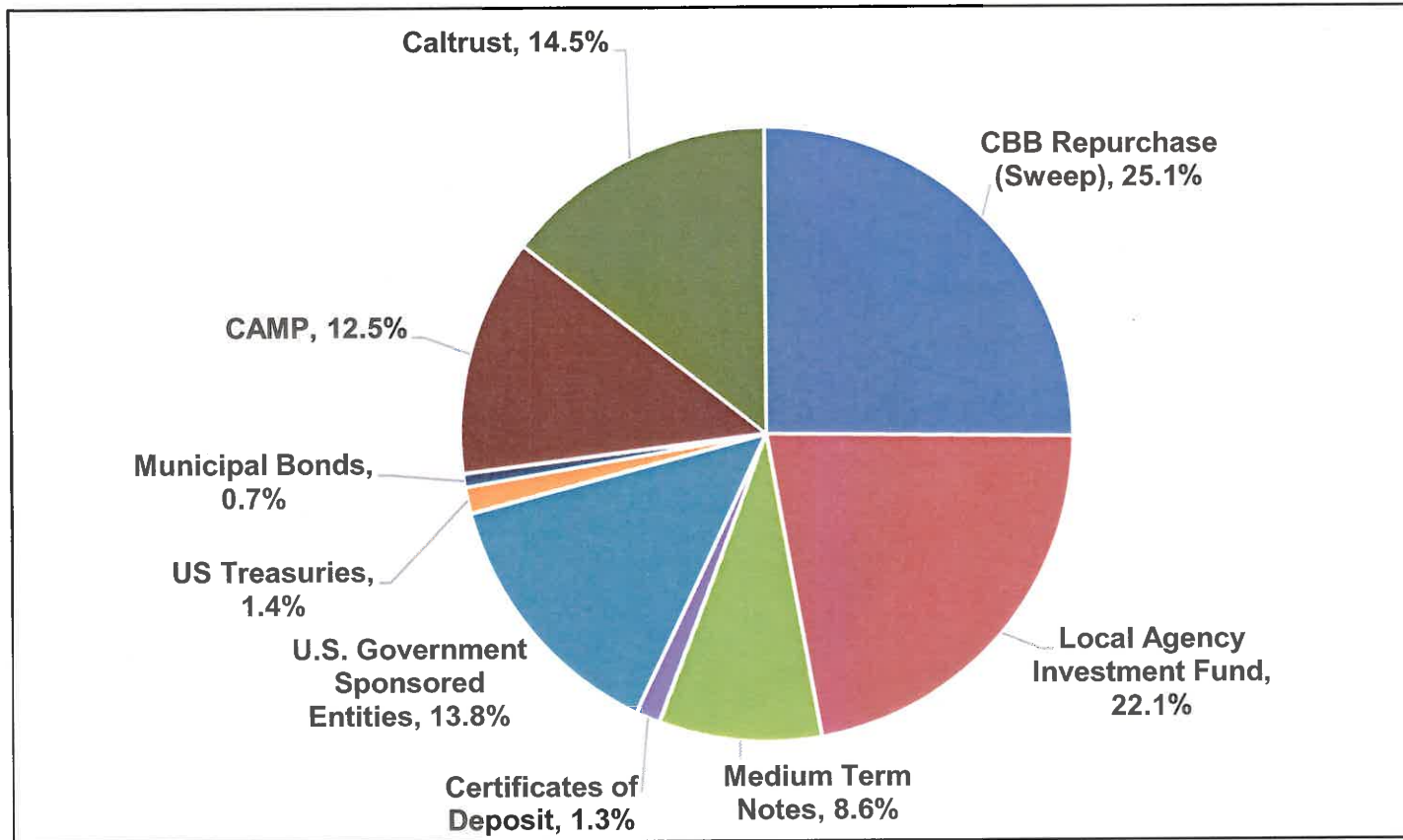
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
 For the Month Ended December 31, 2017
 Agency Investment Portfolio (Net of Escrow Accounts)
\$201,932,460



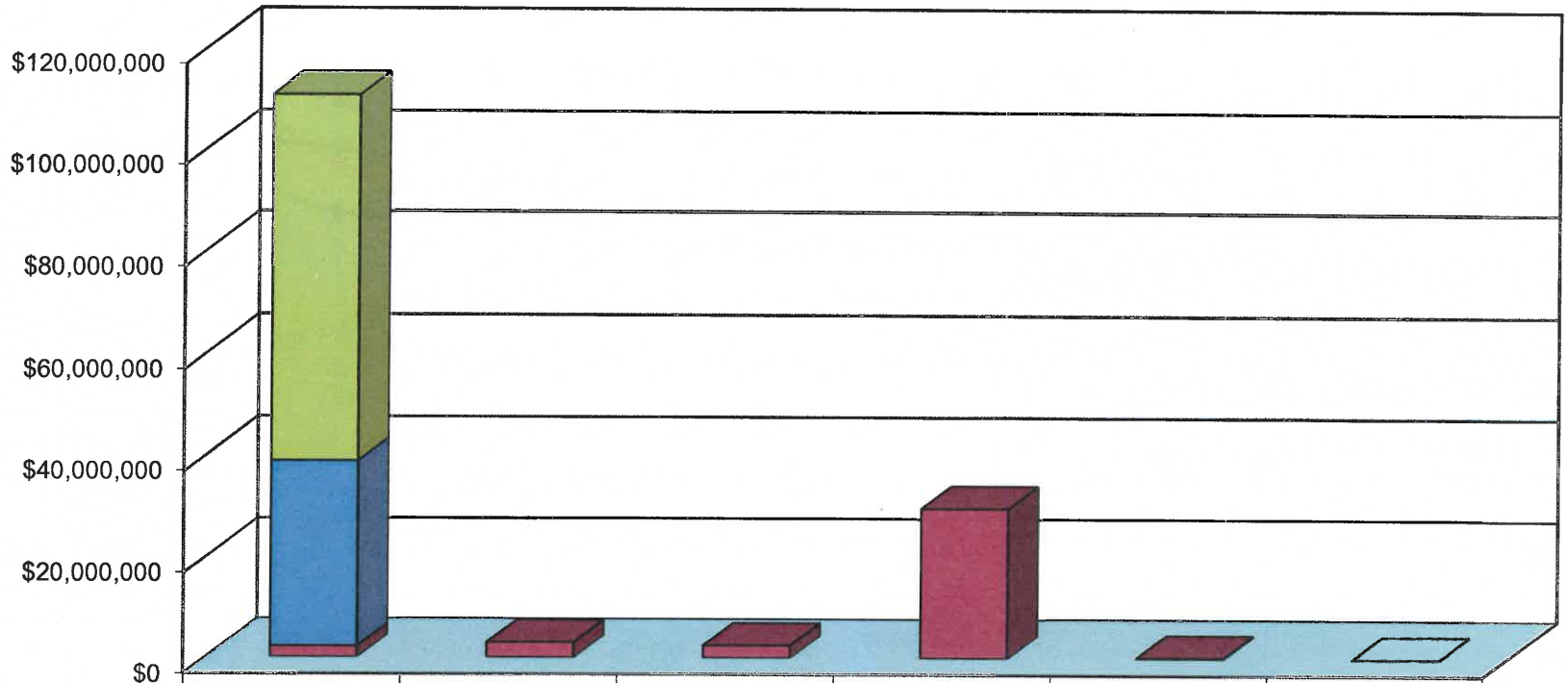
Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended December 31, 2017
U.S. Government Sponsored Entities Portfolio
\$20,236,280



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
For the Month Ended December 31, 2017
Unrestricted Agency Investment Portfolio
\$146,300,807



Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
 For the Month Ended December 31, 2017
Agency Investment Portfolio Maturity Distribution (Unrestricted)
\$146,300,807



	0-30 Days	31-180 Days	181-365 Days	366-730 Days	2 to 3 Years	Over 3 Yrs
■ LAIF+CalTrust+CAMP	\$71,783,344					
■ CBB Repurchase (Sweep)	\$36,784,350					
■ GSE+CD+MTN+MUNI	\$2,220,184	\$2,999,870	\$2,488,923	\$29,784,136	\$240,000	
□ Percent	75.6%	2.1%	1.7%	20.4%	0.2%	0.0%

Inland Empire Utilities Agency
Treasurer's Report of Financial Affairs
 For the Month Ended December 31, 2017
 Agency Investment Portfolio Yield Comparison

