



## **Regional Sewerage Program Policy Committee Meeting**

### **AGENDA**

**Thursday, November 7, 2024  
3:30 p.m.**

**Agency Headquarters – Board Room  
6075 Kimball Avenue, Building A  
Chino, CA 91708**

**Telephone Access: (415) 856-9169/Conf ID: 960 375 500#**

The public may participate and provide public comment during the meeting by joining in person or by calling the number provided above. Comments may also be submitted by email to the Recording Secretary Jennifer Hy-Luk at [jhyluk@ieua.org](mailto:jhyluk@ieua.org) prior to the completion of the Public Comment section of the meeting. Comments will be distributed to the Policy Members.

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**Call to Order**

**Roll Call**

**Flag Salute**

**Public Comment**

**Members of the public may address the Committee on any item that is within the jurisdiction of the Committee; 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. Comments will be limited to three minutes per speaker.**

**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.**

*(Continued)*

**1. Technical Committee Report (Oral)**

**2. Action Items**

- A. Approve minutes of June 6, 2024 Policy Committee Meeting
- B. Recommend the IEUA Board of Directors Award Construction Contract for the RP-1 Solids Thickening Project

**3. Information Items**

- A. Sewer Collection Fees Overview (PowerPoint)
- B. Semi-Annual Grants Update (Written)

**4. Receive and File Item**

- A. Building Activity Report (Written)

**5. Other Business**

- A. IEUA General Manager's Update
- B. Committee Member Requested Future Agenda Items
- C. Committee Member Comments
- D. Next Meeting – December 5, 2024

**Adjourn**

**DECLARATION OF POSTING**

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I, Jennifer Hy-Luk, Board Services Officer of the Inland Empire Utilities Agency, a Municipal Water District, hereby certify that per Government Code Section 54954.2, a copy of this agenda has been posted at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA and on the Agency's website at [www.ieua.org](http://www.ieua.org) at least seventy-two (72) hours prior to the meeting date and time above.

**In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Jennifer Hy-Luk at (909) 993-1727 or [jhyluk@ieua.org](mailto:jhyluk@ieua.org) 48 hours prior to the scheduled meeting so that IEUA can make reasonable arrangements to ensure accessibility.**

**ACTION ITEM**

**2A**



## Regional Sewerage Program Policy Committee Meeting

### MINUTES OF THE JUNE 6, 2024 MEETING

**CALL TO ORDER**

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program (RSP) Policy Committee was held on Thursday, June 6, 2024, at 6075 Kimball Avenue, Building A, Chino, California.

Chair Randall Reed/Cucamonga Valley Water District (CVWD) called the meeting to order at 3:35 p.m. Recording Secretary Jennifer Hy-Luk established a quorum was present. Chair Reed led the Pledge of Allegiance.

**Committee Members Present:**

Peter Rogers	City of Chino Hills
John Dutrey	City of Montclair <i>arrived at 4:30 p.m.</i>
Bill Velto	City of Upland
Randall Reed	Cucamonga Valley Water District (CVWD)
Marco Tule	Inland Empire Utilities Agency (IEUA)

**Committee Members Absent:**

Eunice Ulloa	City of Chino
Phillip Cothran	City of Fontana
Debra Dorst-Porada	City of Ontario

**Others Present:**

Hye Jin Lee	City of Chino
Courtney Jones	City of Ontario
Chad Nishida	City of Ontario
Nicole deMoet	City of Upland
Amanda Coker	CVWD
Adham Almasri	IEUA
Jerry Burke	IEUA
Christiana Daisy	IEUA
Kristine Day	IEUA
Lucia Diaz	IEUA
Elizabeth Hurst	IEUA
Michael Larios	IEUA

**Others Present (continued):**

Scott Lening	IEUA
Eddie Lin	IEUA
Alex Lopez	IEUA
Ryan Love	IEUA
Jason Marseilles	IEUA
Liza Munoz	IEUA
Alyson Piguee	IEUA
Sushmitha Reddy	IEUA
Sandra Salazar	IEUA
Ken Tam	IEUA

**PUBLIC COMMENTS**

There were no public comments.

**ADDITIONS TO THE AGENDA**

There were no additions to the agenda.

**1. TECHNICAL COMMITTEE REPORT**

Amanda Coker/CVWD stated that at the May 30 Technical Committee meeting, the Committee unanimously approved two Action Items: Recommend the IEUA Board of Directors Adopt Fiscal Year 2024/25 Regional Wastewater Mid-Year Budget and Recommend the IEUA Board of Directors Approve the Ten-Year Sewer Capital Forecast. Ms. Coker stated that the Technical Committee also heard the Construction Change request by the City of Fontana for a Regional Connection to the Fontana Regional Sewer, Connection # F-33 and the BAR Subcommittee Report.

**2. ACTION ITEMS****A. APPROVAL OF THE MAY 2, 2024 POLICY COMMITTEE MEETING MINUTES**

**Motion:** By Committee member Bill Velto/City of Upland and seconded by Committee member Peter Rogers /City of Chino Hills to approve the meeting minutes of the May 2, 2024 Regional Policy Committee Meeting, by the following vote:

Ayes: Dutrey, Rogers, Velto, Reed  
 Noes: None  
 Absent: Cothran, Dorst-Porada, Ulloa  
 Abstain: None

The motion passed by a vote of 4 ayes, 0 noes, 3 absent, and 0 abstain.

**B. RECOMMEND THE IEUA BOARD OF DIRECTORS ADOPT FISCAL YEAR 2024/25 REGIONAL WASTEWATER MID-YEAR BUDGET**

Kristine Day/IEUA provided the presentation.

**Motion:** By Committee member Peter Rogers/City of Chino Hills and seconded by Committee member Bill Velto/City of Upland to review and recommend to the IEUA Board of Directors to approve the proposed Fiscal Year 2024/25 Regional Wastewater Mid-Year Budget for the Agency’s Regional Wastewater Capital Improvement and Regional Wastewater Operations and Maintenance programs, by the following vote:

Ayes: Dutrey, Rogers, Velto, Reed  
 Noes: None  
 Absent: Cothran, Dorst-Porada, Ulloa  
 Abstain: None

The motion passed by a vote of 4 ayes, 0 noes, 3 absent, and 0 abstain.

**C. RECOMMEND THE IEUA BOARD OF DIRECTORS APPROVE THE TEN-YEAR SEWER CAPITAL FORECAST**

Travis Sprague/IEUA provided the presentation. Discussion ensued regarding funding sources and the schedule and projects included in the rate study.

**Motion:** By Committee member John Dutrey/City of Montclair and seconded by Committee member Peter Rogers/City of Chino Hills to recommend to the IEUA Board of Directors to approve the Fiscal Year (FY) 2025 through FY 2034 Ten-Year Sewer Capital Forecast, by the following vote:

Ayes: Dutrey, Rogers, Velto, Reed  
 Noes: None  
 Absent: Cothran, Dorst-Porada, Ulloa  
 Abstain: None

The motion passed by a vote of 4 ayes, 0 noes, 3 absent, and 0 abstain.

**3. RECEIVE AND FILE**

*Item 4A was received and filed by the Committee.*

**A. BUILDING ACTIVITY REPORT**

**4. OTHER BUSINESS**

**A. IEUA GENERAL MANAGER’S UPDATE**

General Manager Shivaji Deshmukh/IEUA stated that Moody’s recently affirmed IEUA’s Aa2 rating, confirming a stable outlook that debt service coverage of all outstanding obligations will remain strong and confidence that financed projects will be completed as planned. GM Deshmukh reiterated that the credit ratings assist with keeping IEUA’s borrowing rate low and competitive.

GM Deshmukh added that during a training event held on May 9, the Agency highlighted the individuals from the Mutual Aid Partnership who supported the Agency and answered the call to assist in the El Prado Road Sludge spill clean-up efforts. Staff from the cities of Chino, Ontario, Chino Hills, and CVWD received a challenge coin as a thank you from IEUA.

GM Deshmukh noted that there were no sanitary spills for the month of May.

GM Deshmukh stated that the RP-5 Expansion Project began the transition of the relocation of the RP-5 Southern California Edison power feed. He stated that IEUA headquarters was currently on generator power and expressed his gratitude to staff, contractor WM Lyles, sub-contractor Helix, and IEUA's Construction Management consultant Arcadis, for the dedication and hard work to plan and execute the work.

**B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING**

There were no Committee member requested agenda items for the next meeting.

**C. COMMITTEE MEMBER COMMENTS**

There were no Committee member comments.

**D. NEXT MEETING – JULY 4, 2024; AUGUST 1, 2024**

The July 4, 2024 Policy Committee meeting will be cancelled due to a lack of business transactions. The next scheduled meeting is August 1, 2024 with Committee member Peter Rogers/City of Chino Hills as Chair.

**ADJOURNMENT**

Chair Reed adjourned the meeting at 4:04 p.m.

Prepared by:

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Jennifer Hy-Luk, Board Services Officer

**ACTION ITEM**

**2B**





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Date: October 31, 2024 & November 7, 2024

To: Regional Sewerage Technical and Policy Committees

From: Inland Empire Utilities Agency

Subject: Recommend the IEUA Board of Directors Award Construction Contract for the RP-1 Solids Thickening Project

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### **RECOMMENDATION**

Staff's recommendation is that the Regional Committees make a recommendation to the IEUA Board of Directors to award the construction contract for the RP-1 Solids Thickening, Project No. EN22044, to W.M. Lyles Co. in the amount of \$147,718,400.

### **BACKGROUND**


In 2015, the Wastewater Facilities Master Plan was developed and provided high-level recommendations on the future expansion requirements for Regional Water Recycling Plant No. 1 (RP-1), Regional Water Recycling Plant No. 4 (RP-4), and Regional Water Recycling Plant No. 5 (RP-5). In 2019, the RP-1 Capacity Recovery Project preliminary design report was completed, detailing the necessary expansion projects to reach the ultimate treatment capacity, replacing and rehabilitating aging infrastructure, and improving important treatment processes throughout the facility. The RP-1 Solid Thickening Project, the first phase of the RP-1 Capacity Recovery Project, will expand the solids treatment capacity by constructing three new acid phase digesters, a new solid thickening building with rotary drum thickening units, a new odor control system, rehabilitation of the existing Dissolved Air Flootation Thickeners 1 and 2, and replacing the Primary Clarifier Sludge Pumps.

In November 2023, IEUA prequalified four contractors: Filanc, J.F. Shea, Kiewit, and W.M. Lyles. Following the completion of the design in early 2024, the project was posted for bid on May 21, 2024, and bids were received on September 26, 2024. W.M. Lyles was the lowest responsive, responsible bidder with a bid amount of \$147,718,400. The engineer's estimate was \$161,000,000.

### **Attachments:**

Attachment 1 – PowerPoint





# Recommend the IEUA Board of Directors Award Construction Contract for the RP-1 Solids Thickening Project

Project No. EN22044

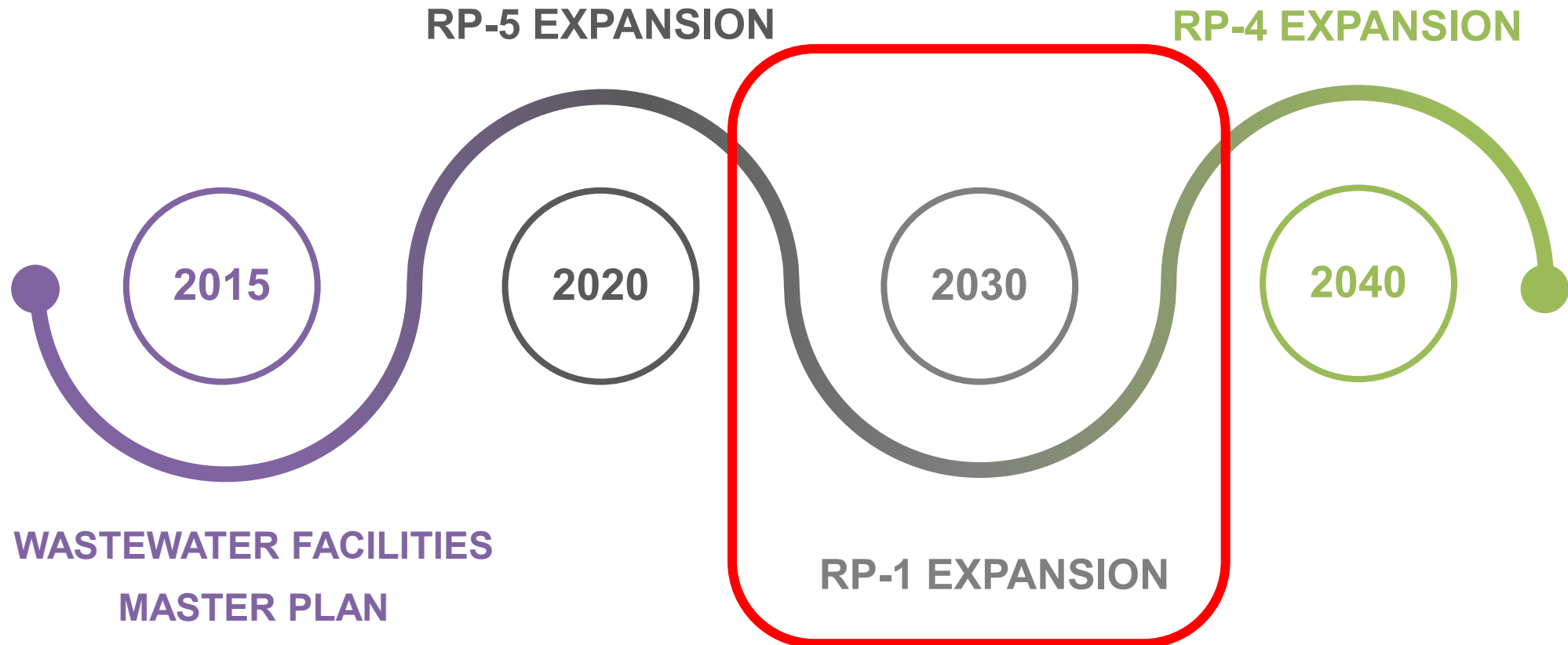
Jason Marseilles P.E.

Brian Wilson P.E., CCM

October/November 2024



# 2015 Wastewater Facilities Master Plan



# RP-1 Expansion Projects

## Planning Documents

- 2017 – Preliminary Design Report
  - High level rehabilitations, replacements, systems, and new facilities
- 2019 – Design Intent Memos
  - Detailed solutions, system selections, and recommended projects groups

## RP-1 Solids Thickening Project

- Design: Complete
- Construction: 2024 to 2029

## RP-1 Solid Treatment Expansion

- Design: 2025 to 2027
- Construction: 2027 to 2030

## RP-1 Liquid Treatment Capacity Recovery

- Design: 2028 to 2030
- Construction: 2030 to 2035



# RP-1 Solids Thickening Project - EN22044

## New Construction

- Three (3) Acid Phase Digesters
- Solids Thickening Building
- Solids Odor Control System

## Rehabilitation/Replacement

- Dissolved Air Flotation Thickening (DAFT) 1 & 2
- Primary Clarifier Pumps

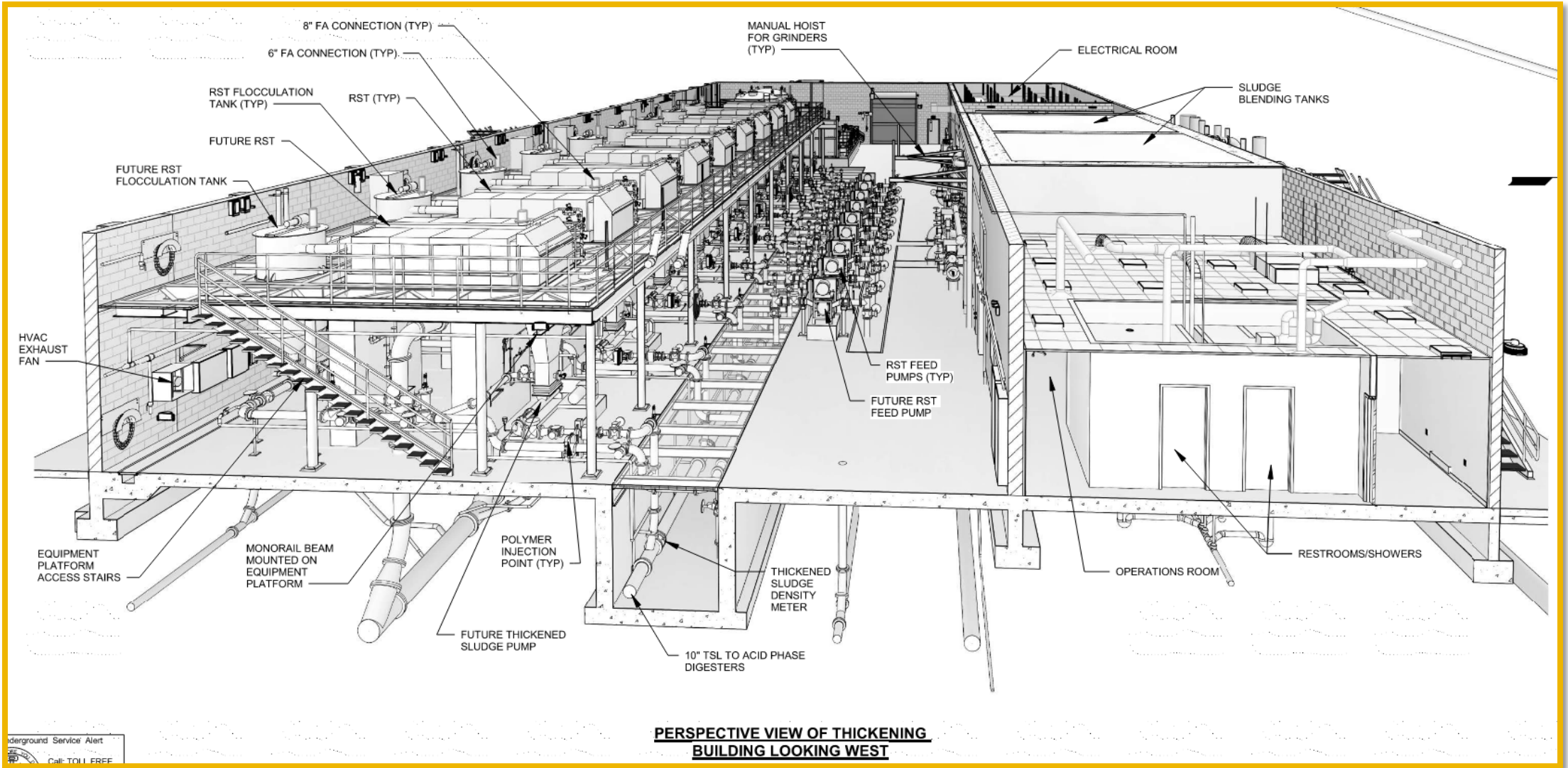
## Demolition

- Gravity thickeners
- DAFT 3
- Boneyard
- Biofilters

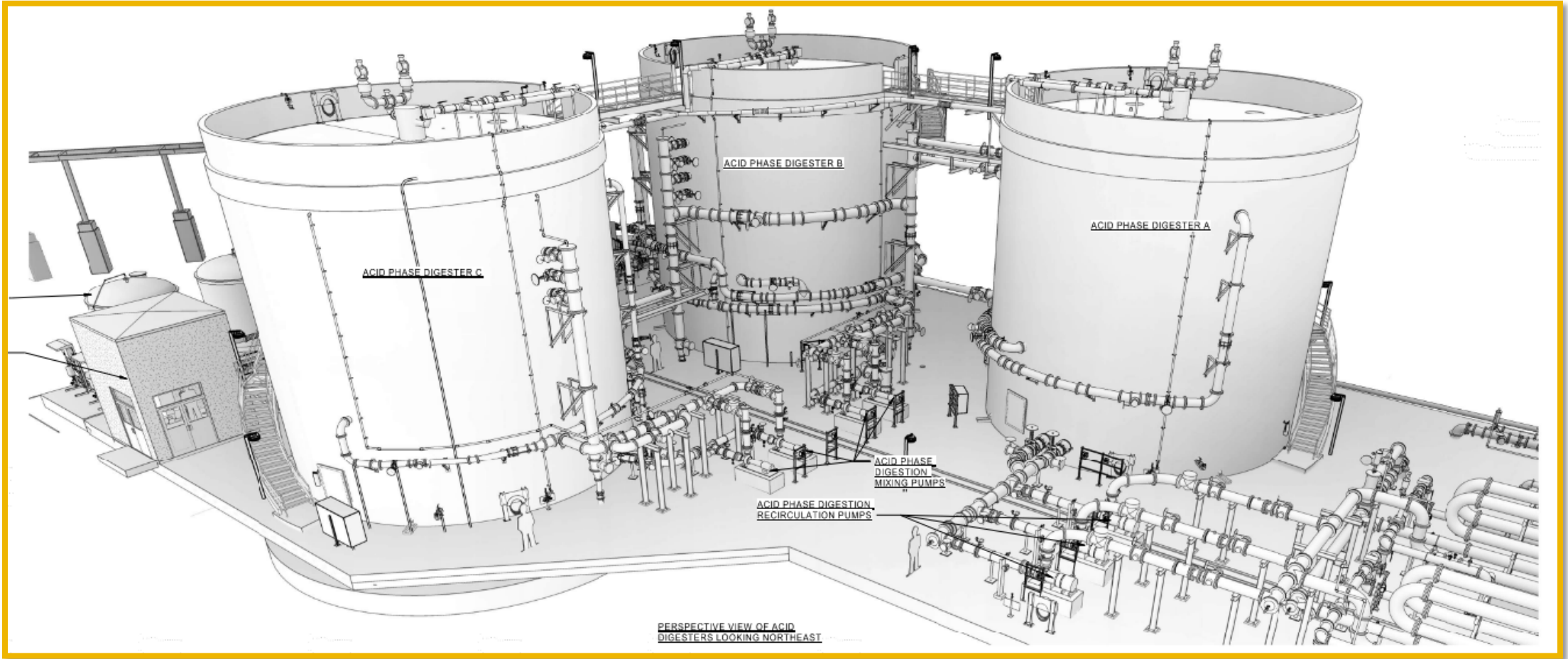




# RP-1 Solids Thickening Building



# RP-1 Acid Phase Digesters





# Final Project Rendering





# Prequalification & Bid Phase

- July 2023: Request for Qualifications for General Contractors
- November 2023: Prequalified General Contractors
  - Filanc
  - J.F. Shea
  - Kiewit
  - W.M. Lyles
- May 21, 2024: Posted for Bid

Bid Period Items	Total
Pre-Bid Job Walks	11
Bidders Questions	574
Addendums	24
Revised Specification	61
Revised Drawings	376



# Contractor Bid Results

September 26, 2024: Bid Opening

Bidder	Bid Amount
W.M. Lyles	\$147,718,400
Kiewit	\$168,528,000
J. F. Shea	\$171,250,000
<b>Engineer's Estimate</b>	<b>\$161,000,000</b>



# Project Budget and Schedule

EN22044 Description	Construction Cost Amount
<b>Design Services</b>	<b>\$12,198,378</b>
Design Consultant Contract	\$7,698,378
IEUA Design Support	\$4,500,000
<b>Construction Services</b>	<b>\$29,517,641</b>
Engineering Services During Construction	\$11,696,210
Construction Management Services	\$11,821,431
IEUA & Other Construction Services	\$6,000,000
<b>Construction</b>	<b>\$166,283,981</b>
Portable Skid Mounted RDT Trailer	\$765,952
RP-1 Portable Thickener Site Improvement EN22044.01	\$483,592
RP-1 Solar Decommissioning EN22044.02	\$443,727
IEUA Daft Pumps Procurement	\$137,895
RP-1 Solids Thickening SCADA Intergrator EN22044.03	\$1,853,465
Construction Contract RP-1 Solids Thickening Project EN22044	\$147,718,400
Contingency	\$14,880,950
<b>Total Project Cost:</b>	<b>\$208,000,000</b>
<b>Total Project Budget:</b>	<b>\$240,000,000</b>

Project Milestone	Date
<b>Construction</b>	
Construction Contract Award	November 20, 2024
Construction Completion	February 22, 2029

# Staff's Recommendation

- For the Regional Committees to make a recommendation to the IEUA Board of Directors to award the construction contract for the RP-1 Solids Thickening, Project No. EN22044, to W.M. Lyles Co. in the amount of \$147,718,400;

**INFORMATION  
ITEM**

**3A**



# Sewer Connection Fees Overview

Alex Lopez, Treasurer

Ken Tam, Manager of Environmental Services

November 7, 2024

# Topics of Discussion

- IEUA funding sources overview
- What are the sewer connection fees used for?
- How are the fees calculated?
- Sewer connection fees history
- Fee collection process & Building Activity Reporting Subcommittee

# IEUA Revenue is Divided into Three General Categories for Operation & Maintenance and Capital Expenses

## Property Tax

- San Bernardino County Ad-valorem Property Taxes
- Pass-through Incremental Taxes
- Extraterritorial Fees

## Debt Proceeds, Loans, & Other

- Bonds, State and Other Loans
- Grants
- Other Revenues

## Rates and Fees

- User Charges
- Connection Fees
- Recycled Water Sales



# Wastewater Capacity and Connection Fee

## What is it?

- The Wastewater Capacity and Connection Fee is a fee on new or expanded connections to the regional wastewater collection, treatment and discharge system.

## What does it support?

- This fee allows development to purchase capacity within the existing regional wastewater system and fund regional projects to meet forecasted growth and changing demands.
- It does not cover operation and maintenance of the regional wastewater collection, treatment and discharge system.

## How is it Calculated?

Recovery of capital costs related to IEUA's existing wastewater capacity  
+  
Recovery of capital costs for building new capacity for forecasted growth  
=  
Wastewater Capacity and Connection Fee

# Sewer Connection Fee Supports Acquisition, Construction, Improvement, and Expansion of Regional Sewerage System

- IEUA formed Improvement District “C” (IDC) in 1973 after the adoption of the original Regional Contract
- Proposition 13 in 1978 capped the amount of property taxes to 1% of assessed values
- One-time sewer connection fees was established in 1984
- Sewer connection fee is not a Development Impact Fee (DIF)
  - DIF are broader charges on new developments that cover roads, schools, parks, and etc.

# Regional Document (Exhibit J) is Used Regionally to Calculate Fees

- Exhibit J is the regional document that defines sewer connection fees
  - Amended in 2013
  - Adopted as part of new Regional Contract and Ordinance No. 114
- Sewer connection fees calculated by the Equivalent Dwelling Unit (EDU) Equation
  - Flow, Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS) are considered
- Three Categories of Facilities – Residential, Commercial, and Industrial
  - Residential – 1 EDU ↔ 1 household
  - Commercial – Sewer factors and fixture units
  - Industrial – Flow and Loading

# Sewer Connection Fees are Collected by SCAs & BAR Subcommittee Established as a Regional Forum

- Each SCA maintains a Capital Capacity Reimbursement Account (CCRA)
  - IEUA sewer connection fee is for new connections and for change in use
  - Interest from CCRA is kept by each SCA
- Monthly Reports on building activity are reported to IEUA
  - Reports are uploaded into IEUA's BAR Database
  - Monthly activity shared with Tech Committee
- Building Activity Reports (BAR) Subcommittee
  - Monthly forum for IEUA and SCAs to meet & review processes for region wide consistency
  - Future topics - flow and loading studies & updated forecasting methods

**INFORMATION  
ITEM**

**3B**



Date: October 31, 2024 and November 7, 2024  
To: Regional Sewerage Technical and Policy Committees  
From: Inland Empire Utilities Agency  
Subject: Semi-Annual Grants Update

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### **RECOMMENDATION**

This item is provided to the Regional Committees as an informational item.

### **BACKGROUND**

Since the year 2000, IEUA has secured various sources of funding for its wastewater treatment projects, including federal and state loans and grants. The total amount of funding generated by IEUA for wastewater treatment projects is \$487M, which consists of \$316.4M from the U.S. Environmental Protection Agency (EPA) Water Infrastructure Financing and Innovation Act (WIFIA) program, \$152.3M from the California State Water Resources Control Board (SCWRB) Clean Water State Revolving Fund Program (CWSRF) program, and \$18.3M from California state grants.

#### **Open/Active Wastewater Grants and Low-Interest Loans**

IEUA is currently managing the Regional Plant-5 (RP-5) Expansion Project, which is a major upgrade of the RP-5 that will increase its capacity and efficiency.

The project is funded by the following mechanisms:

1. EPA WIFIA Loan #1: \$196,436,445
2. EPA WIFIA Loan #2: \$24,500,000
3. SWRCB CWSRF Loan: \$101,530,000
4. CA State Treasurer's Office (CAEATFA): Sales Tax Exclusion on applicable equipment.

Additionally, the EPA WIFIA Loan #2 includes loan funding for two additional wastewater projects:

1. Carbon Canyon Water Recycling Facility Improvements: Loan amount \$16,170,000
2. RP-1 Solids Thickening: Loan amount \$79,233,000

#### **Potential Wastewater Funding Opportunities**

IEUA is exploring and monitoring a variety of funding options to capitalize on any funding opportunities for its wastewater projects, including the following:

- **Inflation Reduction Act.** The grants team is working closely with engineering, finance, our financial advisors, PFM, and our bond counsel on an opportunity to capitalize on funds from the Inflation Reduction Act for energy savings that will occur with the RP-5 Expansion Project. Public agencies can benefit from the “direct pay” provision, which allows them to receive a payment equivalent to the tax credit, even though they don’t pay federal taxes.
- **California Proposition 4.** If Proposition 4 passes, the climate bond may provide future funding opportunities for projects that address climate change impacts and resilience. IEUA is monitoring this bond measure.
- **EPA WIFIA.** IEUA is exploring entering into a master agreement for the Agency’s Ten-Year Capital Improvement Program, which will allow for funding flexibility for future projects. IEUA is in the process of exploring submitting a letter of intent for this master agreement.
- **United States Bureau of Reclamation (USBR) Water and Energy Efficiency Grant.** The grants team is exploring a project submission for Supervisory Control and Data Acquisition (SCADA) Improvement Project. The grant application is due November 2024 and if awarded, this grant will positively impact wastewater monitoring services.

**RECEIVE AND  
FILE**

**4A**



# Building Activity Report - YTD Fiscal Year 2024/25



## Legend

- Service Area
- Unincorporated

## Residential

- <=1.0
- 1.0 - 10.0
- >10.0

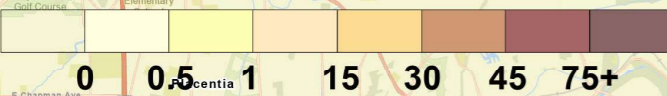
## Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

## Industrial

- <=1.0
- 1.0 - 10.0
- >10.0

## HALF MILE GRID: TOTAL EDU's (YTD)



## TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)		
Chino	0	0	0	0	0
Chino Hills	11	0	23	33	559
CVWD	0	0	176	177	1033
Fontana	7	0	64	71	1297
Montclair	0	0	0	0	77
Ontario	20	29	106	155	2400
Upland	0	0	0	0	59
<b>Total</b>	<b>40</b>	<b>29</b>	<b>369</b>	<b>438</b>	<b>5425</b>

