

Inland Empire Utilities Agency's Chino Basin Program



Board of Directors
June 9, 2021

Chino Basin Program (CBP) Timeline

July 2018

- IEUA Receives \$207M Conditional State Funding from Water Storage Investment Program (WSIP)
- Now increased to \$212M

December 2018

- IEUA Forms CBP Workgroup

April 2019

- IEUA Enters into CBP MOUs with 14 Agencies

February 2021

- Retail Agency Cost-Share Agreement for Wastewater and Recycled Water Regulatory Compliance Review

May 2021

- City of Ontario Concludes CBP MOU

By December 2021

- IEUA Formal Action on Final State Funding Award

IEUA Board of Directors May 2021 Workshop



CBP/WSIP Concept

○ Components

- 15,000 AFY Advanced Treated Recycled Water Stored in Chino Basin
- Up to 50,000 AFY Exported to State for Northern California Ecosystem Benefits
- 375,000 AF Total Transfer to State (25 years)

○ Benefits

- \$212M State Grant Funding
- Local Infrastructure/Capacity after 25 Years
- Groundwater Quality Improvement

○ Costs

- \$650M Capital
- \$18M/Year Operations & Maintenance (O&M)
- \$1.1B Total Project (30-year capital financing, O&M)
- \$240M Value of Exported Water

CBP/WSIP Revised Concept

○ Components

- 15,000 AFY Advanced Treated Recycled Water Stored in Chino Basin
- Up to **40,000** AFY Exported to State for Northern California Ecosystem Benefits
- **300,000** AF Total Transfer to State (over 25 years)

○ Benefits

- \$212M State Grant Funding
- Local Infrastructure/Capacity after 25 Years
- Groundwater Quality Improvement
- **Extraction of Water w/o MWD Charges**

○ Costs

- \$650M Capital
- \$18M/Year Operations & Maintenance (O&M)
- \$1.1B Total Project (30-year capital financing, O&M)
- \$240M Value of Exported Water

Staff Concerns

Source of Water

- Wastewater Contracting Agency Entitlements
- External Sources

Sources of Local Funds

- \$438M + \$18M/Year O&M
- **\$3M/Year Estimated Cost to MVWD Ratepayers**

Basin Storage

- Competition for Storage Space
- “Broad Mutual Benefits”

Cost of Water

- \$565/AF to State
- \$640/AF to MVWD (current)

Risks

- Increased Reliance on Imported Water
- New Water Quality Regulations

Regional Water Policy and Management Memorandum of Understanding Joint Effort: Advanced Wastewater Treatment Alternatives



Participants

City of Chino
City of Chino Hills
City of Fontana
City of Montclair
City of Ontario
City of Upland
Cucamonga Valley WD
Jurupa CSD
Monte Vista WD



Scope

Salt Management
Need/Timeframe
Optimized Project
Grant Opportunities
Direction to
Regional Partners



Cost per Agency

Total Cost:
\$150,000
MVWD Share:
\$4,783
IEUA Expenditures
on CBP/WSIP
to Date:
\$4.9 million

Next Steps

Board of Directors

- Conclude CBP MOU with IEUA
- Participate in Joint Board and Policy Committee Workshop (July)

Staff

- Notify IEUA of Board action
- Participate in IEUA workshops
- Participate in Stetson Study

Staff Recommendation

It is recommended that the Board of Directors authorize the general manager to conclude the Chino Basin Program Memorandum of Understanding with the Inland Empire Utilities Agency.

MONTE VISTA WATER DISTRICT



ANNUAL OPERATING & CAPITAL IMPROVEMENT BUDGET

Fiscal Year Ending June 30, 2022

FYE 2022 Budget Assumptions

- **Economic uncertainty; concerns of inflation**
- **No proposed increase for board compensation**
- **Proposed COLA increase 1.9%**
- **Cafeteria Plan allowance increases to \$1,900/mo**
- **PERS Employer Contribution (10.02%)**

💧 Staffing Changes

Classifications	2021 Adopted Positions	2022 Proposed Positions
Accountant	1	1
Accounting Supervisor	1	1
Administrative Assistant	1	1
Assistant General Manager/CFO	1	1
Community Affairs Coordinator	1	1
Community Affairs Manager	1	1
Cross-Connection Control Coordinator	1	1
Customer Service & IT Manager	0	1
Customer Service Representative II	2	2
Customer Service Supervisor	1	0
Director of Engineering, Operations & Maintenance	1	1
Engineering/GIS Technician	1	1
Executive Assistant I	1	1
Facilities Maintenance Technician	1	1
General Manager	1	1
Human Resources Assistant	0	1
Human Resources & Risk Administrator	1	1
Maintenance Superintendent	1	1

Classifications	2021 Adopted Positions	2022 Budgeted Positions
Meter Technician I	1	1
Meter Technician II	1	1
Part-Time Meter Technician	0	0.5
Projects Assistant	1	1
Senior Customer Service Representative	1	1
Senior Meter Technician	1	1
Senior Utility Coordinator/Inspector	1	1
Senior Utility Service Worker	3	3
Utility Service Worker	4	4
Utility Service Worker II	2	2
Water Systems Operator II	0	0
Water Systems Operator III	3	3
Water Systems Superintendent	1	1
Water Use Efficiency Analyst	1	1
District Interns	1.5	1.5
Total Authorized/Proposed Positions	38.5	40

FYE 2022 Budget Assumptions

- ◆ **District Rate Increase on 1/1/2022**
- ◆ **Increase in MWD “Tier 1” Rate (\$777 to \$799/AF)**
- ◆ **MVWD Retail Production of 9,881 AF**
- ◆ **Chino Hills Wholesale Demand of 6,800 AF**
- ◆ **Operating Transfer to Fund Capital (\$1.5m)**
- ◆ **Lifeline Assistance Program for FYE 2022 provides up to \$224,000 in financial assistance for water utility payments**

FYE 2022 Budget Overview

Total Revenues		<u>\$ 31.9m</u>
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Operating Revenues	\$ 25.3m	
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Capital Revenues	\$ 6.6m	
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Total Expenses		<u>\$42.1m</u>
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Operating Expenses	\$ 19.8m	
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Debt Service	\$ 2.8m	
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Capital Improvement	\$ 19.5m	
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FYE 2022 Projected Revenues

<u>Operating Revenue</u>		\$25.3m
Retail Water Deliveries	\$10.1m	
Commercial Revenue	\$4.5m	
Residential Revenue	\$5.6m	
Readiness to Serve Fee	\$4.5m	
Recycled Water Sales	\$288k	
Wholesale Water Sales	\$5.2m	
Capacity Maint Charge	\$4.7m	
<u>Capital Revenue</u>		\$6.6m
Tax Revenue	\$2.0m	
Developer Fees	\$644k	
Other Agencies	\$575k	
Grant Bond Proceeds	\$3.4m	
<u>Total Revenue</u>		\$31.9m

FYE 2022 Budget Overview

Total Revenues **\$ 31.9m**

Operating Revenues \$ 25.3m

Capital Revenues \$ 6.6m

Total Expenses **\$42.1m**

Operating Expenses \$ 19.8m

Debt Service \$ 2.8m

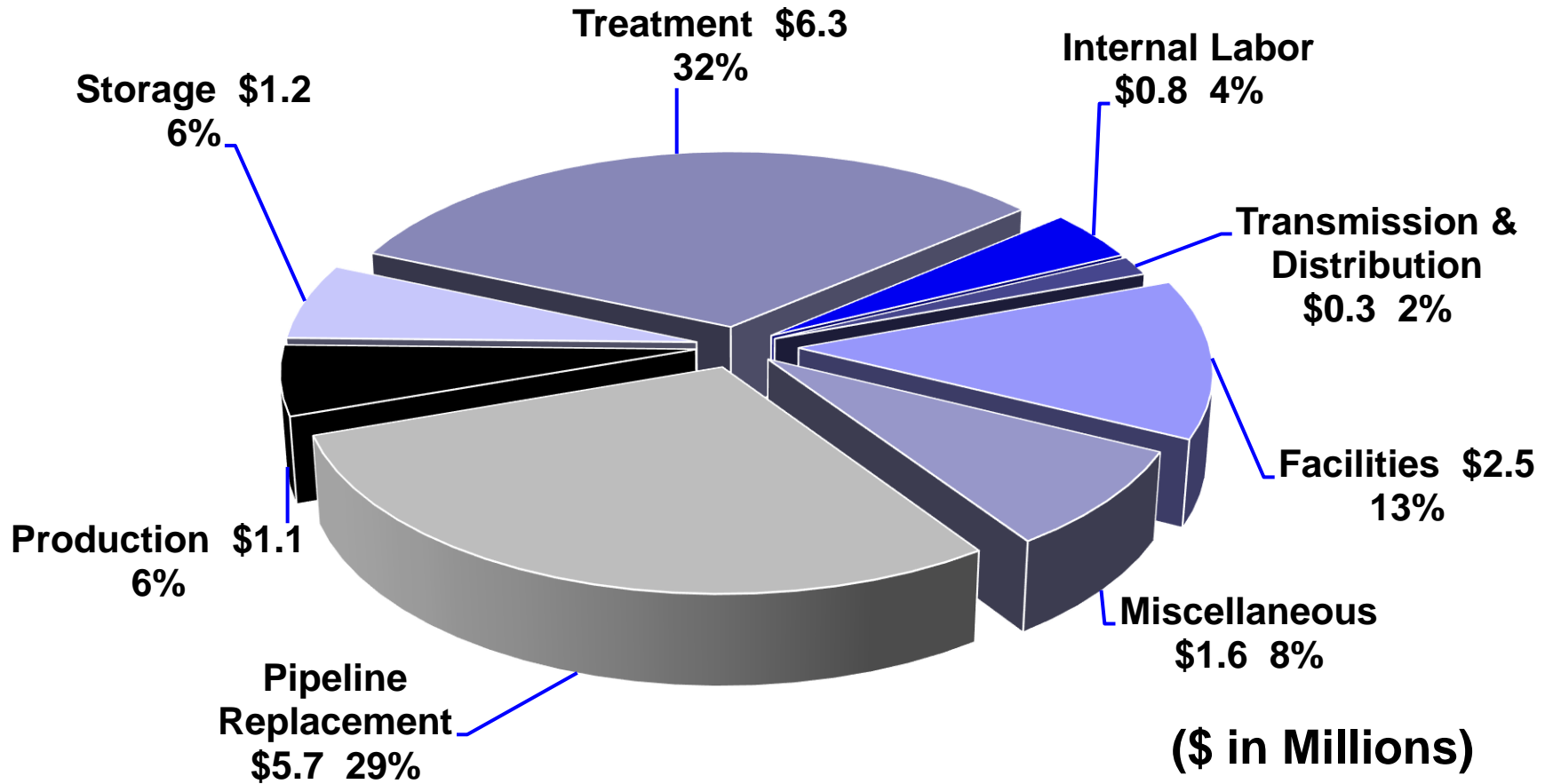
Capital Improvement \$ 19.5m

FYE 2022 Projected Expenses

<u>Operating Expenses</u>		\$19.8m
Production	\$12.2m	
Distribution	\$1.6m	
Conservation	\$353k	
Administration	\$5.7m	
<u>Debt Service</u>		\$2.8m
<u>Capital Improvement</u>		\$19.5m
<u>Total Expenses</u>		\$42.1m

FYE 2022 Capital Projects \$19.5m

(by Category)



FYE 2022 Capital Projects \$19.5m

(major categories)

💧 **32% or \$6.3m for Treatment:**

- **Construct Plant 30 Wellhead Treatment** (\$5.8m)
- **Design Plant 34 Wellhead Treatment** (\$550k)



💧 **29% or \$5.7m for Pipeline Replacement:**

- **Bandera-San Bernardino** (\$1.4m)
- **Pipeline Ave** (\$300k)
- **State Street** (\$4.0m)



💧 **13% or \$2.5m for Facilities:**

- **Main Office Site Renovation** (\$2.5m)



FYE 2022 Capital Projects \$19.5m

Other Capital Projects:

Pipeline Ave Bridge Project

1-10 Fwy Widening Project

Reservoir Repair & Recoating

Reservoir 16 Rehabilitation

Well 19 Sand Intrusion Investigation/Pump Repair

Enterprise Resource Planning Software Upgrade

FYE 2022 Working Capital

♦ Projected FYE 2021 Balance		<u>\$ 52.0m</u>
Plus: Operating Revenues	\$ 25.3m	
Capital Revenues	<u>\$ 6.6m</u>	
	<i>Total</i>	<i>\$ 31.9m</i>
Less: Operating Expenses	\$ 19.8m	
Debt Service Expense	\$ 2.8m	
Capital Improvement	<u>\$ 19.5m</u>	
	<i>Total</i>	<i>\$ 42.1m</i>
♦ Projected FYE 2022 Balance		<u>\$ 41.7m</u>

FYE 2022 Working Capital

3-Year Trend

Projected

Reserve Funds	2021	2022	2023
Debt Service Reserve (trustee)	\$286k	\$286k	\$286k
Capital Replacement	41.3m	30.0m	16.8m
Growth	2.7m	2.8m	2.9m
Emergency	455k	472k	472k
Local Water Resources Development	500k	500k	500k
Annual Debt Service	2.1m	2.1m	2.1m
Water Banking	609k	599k	620k
Operating	4.1m	5.0m	5.2m
<i>Total Working Capital</i>	<i>\$52.0m</i>	<i>\$41.7m</i>	<i>\$28.9m</i>

Staff Recommendation

- ◆ It is recommended that the Board of Directors adopt Resolution 790-21, adopting the proposed Fiscal Year Ending 2022 Operating Budget, Capital Improvement Budget, Staffing Plan Document, and Salary Grade Wage Table.