

## APRIL 2004 RECYCLED WATER SUMMARY

# Capital Projects Summary

### Phase I - Projects Under Construction

■ RP-1/RP-4 Pump Station (Budget \$7,718,000)

The pump station will deliver recycled water from RP-1 to RP-4 to meet the demand in the RP-4 service area. The project also includes a pump station at RP-4 to pressurize the distribution system northward. The construction contract was awarded in March 2003. Construction will be completed by July 2004.

■ RP-1 Chlorination Tank (Budget \$4,817,000)

TP-1 Outfall line, over time, has been used for chlorine contact time. The chlorination tank will increase the availability of the TP-1 Outfall line as a transmission main to deliver recycled water to farmers and dairies plus businesses and residential developments along the pipeline. The construction contract was awarded in March 2003. Construction will be completed by July 2004.

■ Pine Avenue Intertie (Budget—Phase I & II \$1,066,000) **COMPLETE**

■ Wineville Pipeline (Budget \$2,307,200) **COMPLETE**

Inland Paperboard Packaging will begin taking recycled water in Summer 2004.

■ Reliant Pipeline (Budget \$1,115,476) **COMPLETE**

■ Philadelphia Pipeline (Budget \$3,591,400)

The Philadelphia Pipeline will deliver recycled water to the Ely Basins for groundwater recharge and for irrigation water to the new Kaiser Hospital facility and to other smaller customers. The portion of the pipeline in front of the Kaiser facility is completed. The original alignment of the pipeline from RP-1 has been redesigned to go along the parameter of the existing golf course due to the City of Ontario's termination of development of the planned soccer field. Construction will be completed in July 2004.

■ Whittram Pipeline (Budget \$3,620,000)

The Whittram Pipeline will serve recycled water to the Banana and Hickory Basins. Project was bid March 11, contract will be approved April 21, with state approval by April 28, 2004. Construction is scheduled for completion by December 2004.

■ RP-4 West Branch (Budget \$9,849,000)

Design for the RP-4 West Branch is complete. The pipeline will serve recycled water to Turner Recharge Basins and Empire Lakes Golf Course as well as other customers in Ontario and CVWD. Bid was opened on March 11, 2004 and will be awarded on May 10, 2004. The project will be completed by Spring 2005.

**Total Budget—Active Projects—\$34,084,276**

### Phase II - Engineering Design

RFP for the Phase II of Regional Recycled Water Distribution System was circulated on March 10, 2004 and includes:

1. Recycled Water Master Plan Update
2. RP-4 Area 2 MG Regional Recycled Water Reservoir, Pipeline and Pump Station
3. North Etiwanda Regional Water Pipeline and Pump Station
4. Etiwanda Avenue 3 MG Regional Recycled Water Reservoir
5. RP-1 South Regional Recycled Water Pump Station
6. West Edison Recycled Water Pipeline

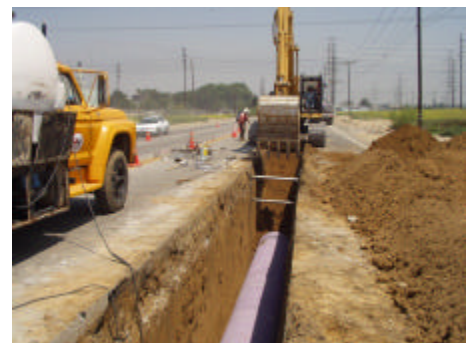
**Total Budget—\$28,000,000**



RP-1 Chlorine Contact Basin

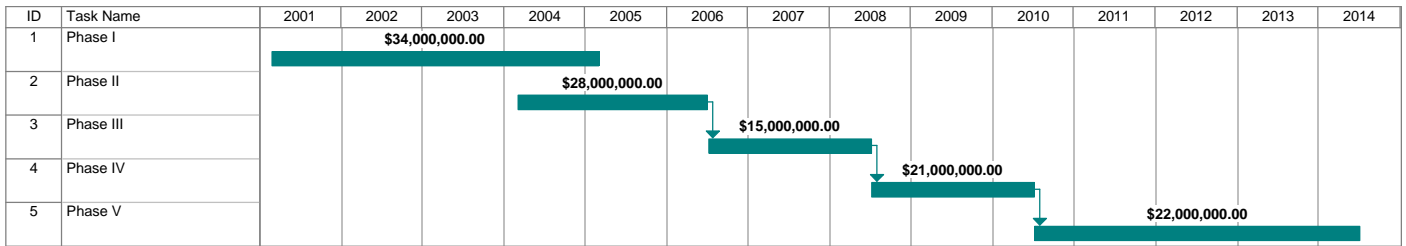


RP-1 New Pump Station



Phase I Etiwanda Recycled Water Pipeline

## Total Implementation Plan



## Phase I Implementation Plan

| ID | Task Name              | Budget      | Actual      | Remaining   | 03             |     |     |     |     |     |     |     |     |     |     |     | 2004 |     |     |     |     |     |     |  |  |  |  |  |
|----|------------------------|-------------|-------------|-------------|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|--|--|--|--|--|
|    |                        |             |             |             | Jul            | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul  | Aug | Sep | Oct | Nov | Dec | Jan |  |  |  |  |  |
| 1  | RP-1/RP-4 Pump Station | \$7,718,000 | \$4,367,631 | \$3,350,369 | [Progress bar] |     |     |     |     |     |     |     |     |     |     |     |      |     |     |     |     |     |     |  |  |  |  |  |
| 2  | RP-1 Chlorination Tank | \$4,817,200 | \$3,211,025 | \$1,606,175 | [Progress bar] |     |     |     |     |     |     |     |     |     |     |     |      |     |     |     |     |     |     |  |  |  |  |  |
| 3  | Pine Avenue Intertie   | \$1,066,000 | \$998,848   | \$67,152    | [Progress bar] |     |     |     |     |     |     |     |     |     |     |     |      |     |     |     |     |     |     |  |  |  |  |  |
| 4  | Wineville Pipeline     | \$2,307,200 | \$1,239,098 | \$1,068,102 | [Progress bar] |     |     |     |     |     |     |     |     |     |     |     |      |     |     |     |     |     |     |  |  |  |  |  |
| 5  | Reliant Pipeline       | \$1,115,476 | \$371,207   | \$744,269   | [Progress bar] |     |     |     |     |     |     |     |     |     |     |     |      |     |     |     |     |     |     |  |  |  |  |  |
| 6  | Philadelphia Pipeline  | \$3,591,400 | \$688,295   | \$2,903,105 | [Progress bar] |     |     |     |     |     |     |     |     |     |     |     |      |     |     |     |     |     |     |  |  |  |  |  |
| 7  | Whittram Pipeline      | \$3,620,000 | \$458,387   | \$3,161,613 | [Progress bar] |     |     |     |     |     |     |     |     |     |     |     |      |     |     |     |     |     |     |  |  |  |  |  |
| 8  | RP-4 West Branch       | \$9,849,000 | \$450,013   | \$9,398,987 | [Progress bar] |     |     |     |     |     |     |     |     |     |     |     |      |     |     |     |     |     |     |  |  |  |  |  |

## Financing Plan

### Program Financing Plan:

- Regional Capital Fund 20-25%
- SWRCB Grants 10-15%
- DWR Grant 5%
- Federal Grants 20%
- SWRCB Loans 20-35%

### Annual Revenue:

- MWD LPP (Loan Repayment) \$2 Million
- Recycled Water Sales \$4-6 Million

### Funding Phase I

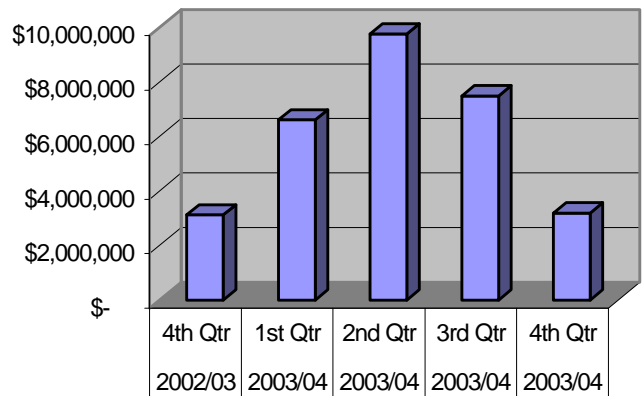
- Regional Capital Fund \$7,000,000
- SWRCB Recycling Grant \$5,000,000
- SWRCB Recycling Loan \$22,000,000

### Funding Phase II

- Regional Capital Fund \$3,000,000
- SWRCB Recycling Grant\* \$5,000,000
- SWRCB Loan\* \$20,000,000

\*SWRCB Funding application submitted in September 2003 and funding expected in July 2004.

## Regional Recycled Water Phase I—Projected Cash Flow



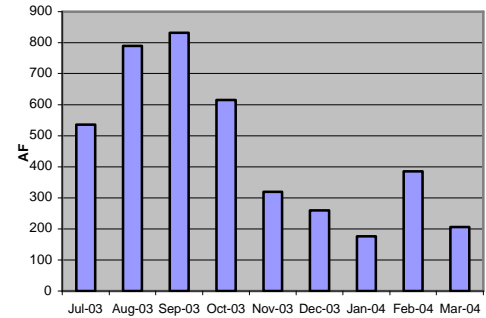
# Activity Summary

## New Customers in 2003

- 13 new recycled water customers were connected:

|                                       | Expected Usage (AF) |
|---------------------------------------|---------------------|
| CW Farm (former Arthur Farms)         | 1,000               |
| Lewis Homes Corporation               | 120                 |
| Big League Dreams                     | 100                 |
| Fairfield Ranch Neighborhood Park     | 20                  |
| Higgins Brick                         | 5                   |
| Engelsma Dairy                        | 150                 |
| DBRS Medical System                   | 1                   |
| Central Chino Business Park           | 10                  |
| Artesian HOA                          | 5                   |
| Reliant Energy                        | 1,000               |
| Fairfield Ranch Business park Phase I | 5                   |
| Macro-Z Technology                    | 1                   |
| Industrial Real Estate Development    | 3                   |
| <b>Total</b>                          | <b>2,420</b>        |

## Recycled Water Sales



| Delivery Period | FY 2002-03 | FY 2003-04   |
|-----------------|------------|--------------|
| March           | 142        | 206          |
| Year to Date    | 646        | 769          |
| FY Total        | 3,433      | 4,087        |
| <b>Budget</b>   |            | <b>6,950</b> |

## New Customers in 2004

- Fairfield Ranch Business Park Phase II**  
Received an approval for the engineer's report from DHS. Needs to complete the cross-connection test prior to using recycled water.
- New Chino Hills High School and elementary school**  
The school board has accepted to use recycled water on the school ground. The City of Chino Hills is in the process of preparing the engineer's report.
- Quetico II**  
Started to use recycled water in February
- Sterling & Pinnacle Apartment in Chino Hills**  
Submitted the engineer's report to DHS
- Inland Paper Board**  
In the process of negotiating with Inland Paper Board to use recycled water.
- Kaiser Hospital**  
In the process of preparing the engineer's report. With the completion of Philadelphia pipeline in June, Kaiser will start to use recycled water.

## Operation & Planning

- RP-4 Outfall line repair was completed on March 12, 2004 after many rain delays.

## Potential Customers in 2005

- City of Chino**  
CIM (CalPoly & Laundry facility), OLS Energy, College Park (2,500 homes, 2 schools, extension of Ayala Park over 435 acre), Paradise Textile, and Mission Linen
- City of Chino Hills**  
Oak Crest Golf Course
- City of Ontario**  
Ontario Mills, Crothall Laundry, and Agricultural customers
- City of Rancho Cucamonga**  
Empire Lakes Golf Course



DBRS Medical System in Chino

## Customer Development

■ Agricultural customers along the TP-1 Outfall line

Once the RP-1 chlorine contact basin is completed, many agricultural customers and other outfall customers could be served as early as early summer 2004. In the process of preparing priority list of customers now.

■ Focused Customer Marketing

Large customers with annual usage over 100 AFY will be targeted. Other smaller customers will be added along the way. IEUA staff is working closely with the retail agencies to develop and update the customer list and to coordinate marketing effort. IEUA's recycled water marketing database was distributed to the Cities of Chino, Chino Hills, Ontario, and Cucamonga Water District to aid with the customer and recycled water use tracking.

■ Targeted Major Customers in 2004

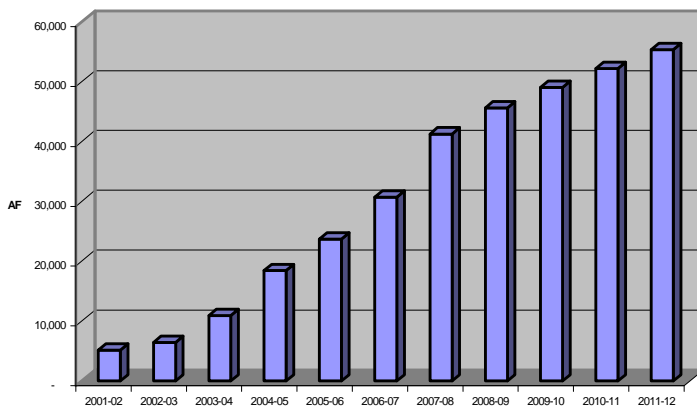
|   |           |
|---|-----------|
| 1. Empire Lakes Golf Course                   | 800 AFY   |
| 2. Additional Farms on Outfall                | 5,000 AFY |
| 3. Ontario Center Owners Association          | 260 AFY   |
| 4. California Co-generation                   | 250 AFY   |
| 5. Oak Crest Golf Course                      | 500 AFY   |
| 6. CIM (Farming Operation & Laundry Facility) | 1,500 AFY |



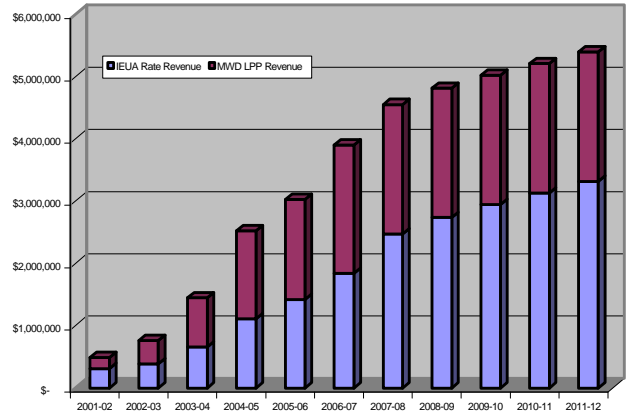
Rincon Park in Chino Hills

## Projected Sales & Revenue

Projected Recycled Water Sales



Projected Recycled Water Revenue



## Regulatory/Permits

- CEQA—PEIR Certified June, 2002
- CBWM Article X—Approved May, 2002
- SARWQCB Basin Plan—Approved January, 2004
- DHS Title 22 Report (Recharge) June, 2004
- SARWQCB Discharge Permit Summer, 2004



Construction of Oak Crest Golf Course in Chino Hills