

Operating and Capital Program Budget

DRAFT

Fiscal Year 2023/24 and 2024/25



Search Instructions

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BOARD OF DIRECTORS

Marco Tule	President
Steven J. Elie	Vice President
Jasmin A. Hall	Secretary/Treasurer
Michael Camacho	Director
Paul Hofer	Director

SENIOR LEADERSHIP STAFF

Shivaji Deshmukh	General Manager
Christiana Daisy	Deputy General Manager
Kristine Day	Assistant General Manager
Randy Lee	Acting Director of Finance
Jean Cihigoyenetché	General Counsel



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For the Biennium Beginning

July 01, 2021

Christopher P. Morill

Executive Director

GENERAL MANAGER'S MESSAGE

The Honorable Board of Directors
Inland Empire Utilities Agency

June 21, 2023

I am pleased to submit the Inland Empire Utilities Agency (IEUA/Agency) Biennial Budget for Fiscal Years 2023/24 and 2024/25 (Budget) and the Ten-Year Capital Improvement Plan for Fiscal Years 2023/24 – 2032/33 (TYCIP). The Budget is a balanced plan to effectively address the opportunities and challenges ahead by prioritizing funding for cost-efficient operations, timely replacement and rehabilitation of aging assets, investment in expansion and improvement of facilities to meet anticipated growth and regulatory compliance requirements, and early recruitment of critical positions to support succession planning and new infrastructure. This budget has been built through a collaborative process to ensure the highest level of service to the communities the Agency serves and includes an evaluation and assessment of financial trends and relevant needs for the Agency's many programs, while addressing the challenges of increasing costs. The Budget and TYCIP reflect the Agency's vision and strategic priorities and are consistent with the Board-adopted Business Goals of fiscal responsibility, work environment, business practices, water reliability, wastewater management, and environmental stewardship.

FISCAL RESPONSIBILITY

Sustainable cost containment continues to be the foundation of the Fiscal Year 2023/24 and 2024/25 budgets with a total budget of \$410 million for FY 2023/24 and \$468 million for FY 2024/25, compared to the FY 2022/23 amended budget of \$415 million. Several inflationary factors including increased costs for chemicals and energy, increased construction project related expenses, and increased staffing to support the RP-5 facility expansion were key drivers in the Budget. The fiscal impact from the increase in staffing level is partly offset by recruitment of new hires at a lower compensation level and re-classification of vacated positions to a lower grade where it is practical to do so.

Over the two-year budget period, the total Uses of Funds increase is primarily a result of higher capital project expenditures. The drivers for the higher capital investments are the RP-5 Expansion project which is needed to support growth in the southern section of the Agency's service area and the RP-1 Solids Thickening Process Improvement project to provide redundancy and enhanced reliability in the northern service sector. Total Revenues and Other Funding Sources are projected to be \$429 million in FY 2023/24 and \$476 million in FY 2024/25, primarily driven by the RP-5 Expansion Project financing and new debt needed to support construction costs.

The Agency will continue to pursue the most cost-effective financing to implement the TYCIP, including U.S Environmental Protection Agency (EPA) for Water Infrastructure Finance and Innovation Act (WIFIA) loans, State Revolving Fund (SRF) loans, and any other federal and state grant and funding opportunities as part of the Agency's financing strategy.

WATER RELIABILITY

As a regional purveyor of imported water, ensuring water reliability and resiliency for the region is fundamental to the Agency's mission. Following historic drought conditions in 2022, the Agency is continuing efforts to advocate for projects and programs to enhance the reliability of its imported water

supplies as well as identify and develop new local supplies in support of the region's water supply portfolio. The Budget includes funds for the Water Use Efficiency Programs which promote conservation as well as water resource planning work to bring forward projects and programs such as the Chino Basin Program/Water Storage Investment Program (CBP/WSIP). This effort closely aligns with regional planning efforts, including the Chino Basin Watermaster's Optimum Basin Management Plan and the Agency's Integrated Water Resources Plan and is supported by a \$215 million grant in conditional funding awarded by the California Water Commission (CWC) in July 2018. Also included in the TYCIP is the completion of the Recharge Master Plan Update (RMPU) in collaboration with Chino Basin Watermaster. At the completion of the RMPU projects, the regional groundwater basin recharge capacity will increase stormwater capture by 4,727 acre-feet per year (AFY) and recycled water recharge by 7,125 AFY. The Agency has secured grants, low-interest loans and associated principal forgiveness grants to support the implementation of the RMPU projects.

WASTEWATER MANAGEMENT

Regional growth continues with sewer customer agencies projecting over 55,000 new equivalent dwellings unit connections over the next ten years. With the completion of the expansion project of the Agency's Regional Water Recycled Plant No.5 (RP-5) expected by FY 2024/25, the Agency will have the capacity to meet this projected growth. The Agency also has included planning projects in the TYCIP which will improve treatment processes at existing facilities, develop additional capacity at other regional plants, and focus on meeting anticipated regulatory compliance requirements.

ENVIRONMENTAL STEWARDSHIP

The Agency will continue to promote responsible and sustainable practices through community engagement and outreach programs. As environmental stewards, the Agency complies with all federal, state, and local regulations and laws at each Agency facility, controls odors as part of a good neighbor policy toward the local community, responds promptly and appropriately to citizen complaints, and demonstrates environmental responsibility.

Additionally, the Agency's Chino Creek Wetlands and Educational Park continues to serve as a valuable demonstration site for the community on how to improve local water supply, stormwater treatment, and water use efficiency, and provides educational opportunities to local schools as well as the community through events such as Earth Day.

WORK ENVIRONMENT

A high priority in the next two years will be to establish a long-range plan for our Agency's most important and valued asset, our staff, to ensure we have the appropriate level of staff needed to accomplish Agency objectives, serve the region, and optimize organizational development and effectiveness. Over the past fiscal year, their hard work and innovation has been recognized by several prominent organizations that bestowed awards to individuals and departments in each of the Agency's four divisions.

These awards include, and are not limited to:

GENERAL MANAGER'S MESSAGE

- The California Water Environment Association (CWEA) recognized the Agency at the state level for the Community Engagement and Outreach - Project of the Year (Small Budget) and for the Gimmicks and Gadgets Award.
- The Government Finance Officers Association (GFOA) awarded the Agency the Excellence in Financial Reporting for FY 2021/22-2022/23 Biennial Budget and for the FY 2020/21 Annual Comprehensive Financial Report.
- Excellence in Public Communication (EPIC) Award for the FY 2019/20 Annual Report from the California Association of Public Information Officials
- Laboratory Accreditation to Perform PFAS Analysis
- MyBCGE Project Award for the IEUA Water Quality Laboratory
- Operating Budget Excellence by the California Society of Municipal Finance Officers
- CWEA Supervisor of the Year Gold Award for Maintenance Supervisor
- CWEA Community Engagement & Outreach Project of the Year (Small Budget) Award for the 2021 Virtual Earth Week
- Special District Leadership Foundation (SDLF) Transparency Certificate of Excellence
- CWEA Safety Plant of the Year – Small Category Award Gold Winner

CONCLUSION

The Budget represents the Board priorities and serves as the Agency's roadmap to enhancing the quality of life in the Inland Empire by demonstrating the Agency's commitment to completing critical capital projects through responsible and sustainable financial planning, while continuing to provide high quality, essential services to our customers and the communities that we serve.

I would like to acknowledge the Board for their leadership and unwavering support of prudent fiscal management. I would also like to extend my appreciation to the Agency's employees for developing a budget that represents the Agency's policies and priorities established by the Board. And finally, I would like to commend our customer agencies for continuing to promote regional collaboration in support of enhancing water reliability, resource sustainability, and responsible wastewater management, for today and in the future.

Respectfully submitted,



Shivaji Deshmukh, P.E.
General Manager



RP-5 BOILER BUILDING INTERIOR

EXECUTIVE SUMMARY

FY 2023/24– 2024/25 BUDGET OVERVIEW

Total uses of funds budgeted at \$410.3 million in FY 2023/24 and \$467.8 million in FY 2024/25 include the operational, capital, and debt service expenditures for all Agency programs necessary to support the Agency's mission to provide reliable essential services in a regionally planned and cost-effective manner.

Total operating expenses are budgeted at \$203.1 million in FY 2023/24 and \$214.1 million budget for FY 2024/25. Some of the key drivers for the increase of \$18.9 million in FY 2023/24 compared to the \$184.2 million amended budget in FY 2022/23 include significant increases in electricity rates from Southern California Edison, higher chemical prices, increased staffing costs related to the RP5 expansion project, and an increase in imported water rates from Metropolitan Water District of Southern California (MWD). These increases are partly offset by lower non-capital project costs.

Total Other uses of funds were \$207.2 million in FY 2023/24 and \$253.7 million in FY 2024/25, comprised of debt service and capital improvement plan (CIP) expenditures. Debt service costs increased from \$25.2 million in FY 2022/23 to \$30 million in FY 2023/24 and \$30.1 million in FY 2024/25. The CIP is budgeted at \$177.3 million in FY 2023/24 and in FY 2024/25, the CIP is budgeted at \$223.5 million, a \$46.2 million increase from the prior year. The drivers for the capital budget over the next two years include the completion of the RP-5 Expansion project needed to support growth in the southern section of the Agency's service area, the RP-1 Solids Thickening Process Improvement project to provide redundancy and enhanced reliability in the northern sector, and improvements in the Carbon Canyon Recycling Water and RP-4 facilities. Funding for CIP includes a combination of pay-go, low interest Federal and State loans, grants, and contributions.

Total sources of funds of \$429.1 million in FYs 2023/24 and \$475.6 million in FY 2024/25 include operating revenues and other sources of funds.

Operating revenues are budgeted at \$199.2 million in FY 2023/24 and \$210.9 million in FY 2024/25. The increase is due to an increase in imported water rates from MWD and rate adjustments for the Regional Wastewater, Recycled Water, and Water Resources programs approved by the Board of Directors.

Other sources of funds of \$229.9 million in FY 2023/24 and \$264.7 million in FY 2024/25 include fees from new connections to the Agency's regional wastewater and regional water systems, property tax receipts, grants, and proceeds from low interest Federal and State loans.

The ending reserve balance is anticipated to increase from \$471.7 million in the FY 2022/23 projected actual to \$490.5 million at the end of FY 2023/24 and \$498.3 million projected at the end of FY 2024/25. Table 1-1 provides an overview of total funding sources, total uses of funds, and estimated ending fund balances.

TABLE 1-1: TOTAL SOURCES AND USES OF FUNDS AND FUND BALANCE (\$MILLIONS)

	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast
Operating Revenues	\$171.3	\$176.7	\$199.2	210.9	\$222.7	\$232.9	\$242.7
Other Sources	158.1	196.4	229.9	264.7	413.6	184.9	213.4
Total Funding Sources	329.5	373.1	429.1	475.6	636.3	417.8	456.1
Operating Expenses	147.0	169.0	203.1	214.1	223.5	236.8	251.3
Debt Service	36.4	31.9	30.0	30.1	223.6	37.2	35.7
Capital Program	146.4	178.3	177.2	223.5	176.8	139.0	100.7
Total Uses of Funds	329.8	379.2	410.3	467.8	623.9	413.0	387.7
Total Increase/(Decrease)	(0.4)	(6.1)	18.8	7.8	12.4	4.8	68.5
Beginning Fund Bal	478.2	477.8	471.7	490.5	498.3	510.7	515.5
Ending Fund Bal	\$477.8	\$471.7	\$490.5	\$498.3	\$510.7	\$515.5	\$584.0

Totals may not tie due to rounding.



RP-5 Main Odor Control Facility

EXECUTIVE SUMMARY

REVENUES AND OTHER FUNDING SOURCES HIGHLIGHTS

Total revenues and other funding sources are budgeted at \$429.1 million in FY 2023/24 and \$475.6 million in FY 2024/25. Table 1-2 highlights the major funding sources.

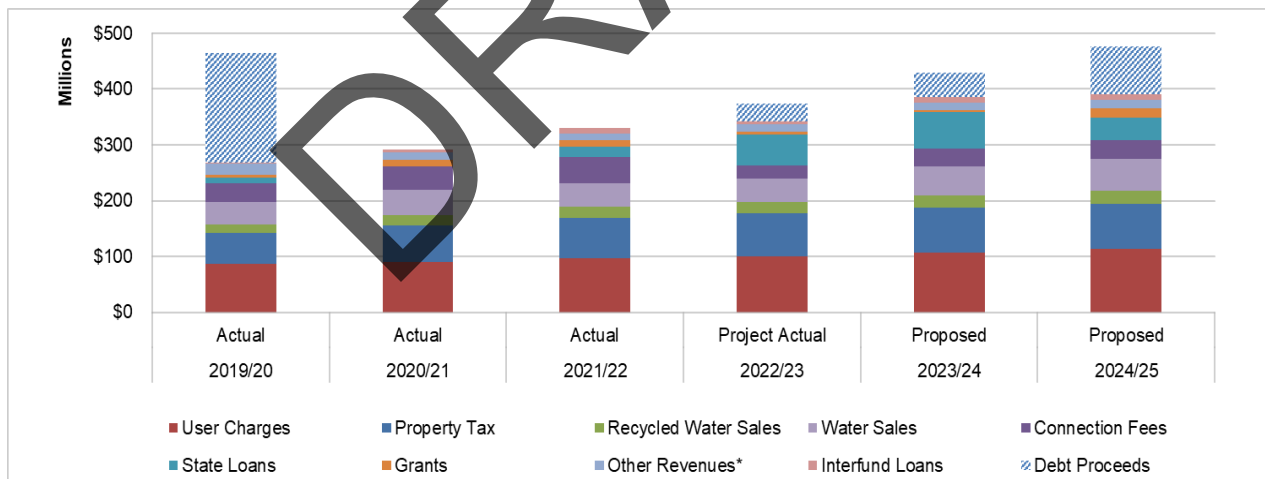
TABLE 1-2: TOTAL REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)

	ACTUAL	PROJECTED ACTUAL	BIENNIAL BUDGET	
Funding Sources	2021/22	2022/23	2023/24	2024/25
Operating Revenues	\$171.3	\$176.7	\$199.2	\$210.9
Other Sources of Funds	158.2	196.4	229.9	264.7
Total	\$329.5	\$373.1	\$429.1	\$475.6

Totals may not tie due to rounding.

Projected revenues for FYs 2023/24 and 2024/25 include additional Federal and State loans and grant funding to support improvement and expansion of Agency facilities and infrastructure needed to meet increased service demands from anticipated future growth. Figure 1-1 shows revenue trends from FYs 2019/20 to FY 2024/25.

FIGURE 1-1: TREND OF REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)



The primary sources of the \$429.1 million and \$475.6 million total revenues and other funding sources budgeted in FY 2023/24 and FY 2024/25 is summarized in Table 1-3:

TABLE 1-3: TOTAL REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)

Revenues	FY 2023/24	FY 2024/25	Description
User Charges	107.6	114.0	Regional Wastewater monthly sewer service charges; Non-Reclaimable Wastewater (NRW) pass-through volumetric, capacity and strength charges; Imported potable water rates.
State and Other Loans	108.6	127.2	State Revolving Fund (SRF) and Water Infrastructure Finance and Innovation Act (WIFIA) loan proceeds for Regional Wastewater, Recharge Water and Non-Reclaimable Wastewater projects.
Property Tax	79.0	80.3	San Bernardino County ad-valorem property taxes, pass-through incremental taxes, and extra territorial charges.
Grants	2.8	16.3	Federal, state, and local grants for recharge water projects, South Archibald TCE Plume Clean Up and support of water resource programs.
Recycled Water Sales	21.9	24.0	Direct and groundwater recharge recycled water sales.
Connection Fees	31.4	33.1	New connection fees for the Regional Wastewater and Regional Water systems.
Water Sales	53.0	56.7	Sales of pass-through MWD imported potable water budgeted at 60,000 acre-feet per year (AFY).
Other Revenues*	24.8	24.0	Reimbursements for operational and administration support from Chino Basin Watermaster (CBWM), Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), lease revenues, and interest earnings.
Total Revenues & Other Funding Sources	\$429.1	\$475.6	

Totals may not tie due to rounding.

**Includes reimbursement from Joint Powers Authorities (JPAs), Chino Basin Desalter Authority, Inland Empire Regional Composting Authority, and Chino Basin Watermaster for various joint recharge basin improvement projects, inter-fund loan reimbursement, interest, and lease revenues.*

EXECUTIVE SUMMARY

EXPENSES AND OTHER USES OF FUNDS HIGHLIGHTS

Total uses of funds are \$410.3 million in FY 2023/24 and \$467.8 million for FY 2024/25. A comparison of major uses of funds from FY 2021/22 to FY 2024/25 is shown on Table 1-4.

TABLE 1-4: TOTAL USES OF FUNDS (\$MILLIONS)

Uses of Funds	Actual 2021/22	Projected Actual 2022/23	Biennial Budget	
			2023/24	2024/25
Operational Expenses*	\$147.0	\$169.0	\$203.1	\$214.1
CIP	146.4	146.4	177.3	223.5
Debt Service**	36.4	36.4	29.9	30.1
Total	\$329.8	\$379.2	\$410.3	\$467.8

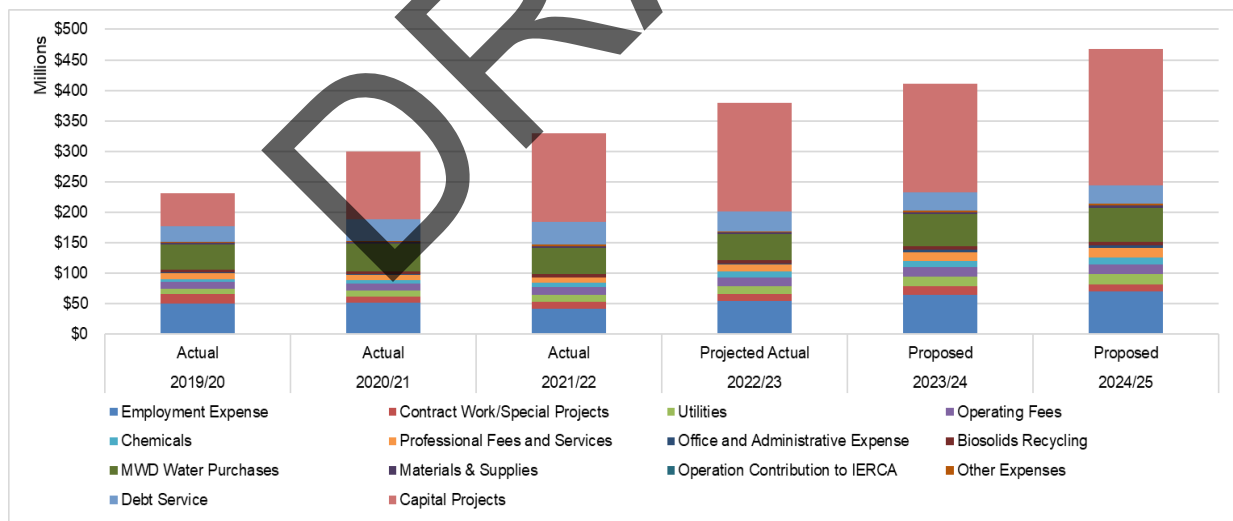
Totals may not tie due to rounding.

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

**Includes Inter-Fund Loan payments.

Expenses by major category from FYs 2019/20 to FY 2024/25 is shown in Figure 1-2.

FIGURE 1-2: TREND OF EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)



*Operating Expenses include utilities, chemicals, operating fees, biosolids recycling, and materials and supplies.

** Administrative and Other includes office and administration, and miscellaneous other non-operating expenses.

The major expenses and other uses of funds budgeted in FYs 2023/24 and 2024/25 is summarized on Table 1-5.

TABLE 1-5: TOTAL EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Expense Category	BIENNIAL BUDGET		Description
	2023/24	2024/25	
Employment Expenses	\$64.7	\$70.3	Includes wages and benefits, net of the Capital Improvement Plan (CIP) allocation and an increase in staffing beginning FY 2023/24 for the RP-5 Expansion projects and to allow for early recruitment of critical positions.
Utilities	15.1	17.6	Includes electricity, natural gas, telephone, potable water, and renewal energy costs.
Operating Fees	15.3	15.8	Includes pass-through charges from Los Angeles County Sanitation Districts (LACSD) and Santa Ana Watershed Project Authority (SAWPA) for volumetric charges, capacity, excess strength, and biochemical oxygen demand (BOD) / chemical oxygen demand (COD) for the Non-Reclaimable Wastewater System.
Chemicals	10.0	11.4	Chemicals for wastewater treatment process compliance and sustainment of the high-quality recycled water.
Professional Fees	15.3	15.4	Includes contract services such as legal, external auditing, training, landscaping, security, and janitorial services.
Biosolids Recycling	5.5	5.7	Includes hauling costs and Inland Empire Regional Composting Authority (IERCA) tipping fees for biosolids recycling.
MWD Water Purchase	53.0	56.7	Pass-through purchase of imported potable water from Metropolitan Water District of Southern California (MWD) budgeted at 60,000 AF per fiscal year.
Other Expenses	24.0	21.3	Includes non-capital (O&M) projects, office and administration expenses, contract services, and materials and supplies.
Capital Project	177.4	223.5	Capital improvement plan (CIP) expenditures consistent with the Ten-Year Capital Improvement Plan (TYCIP) and Agency's share of capital investments for the Inland Empire Regional Composting Authority.
Debt Service	30.0	30.1	Includes principal, interest and financial fees for outstanding bonds, State Revolving Fund (SRF) loans, notes payable and inter-fund loans.
Total Expenses and Other Uses of Funds	\$410.3	\$467.8	

Totals may not tie due to rounding.

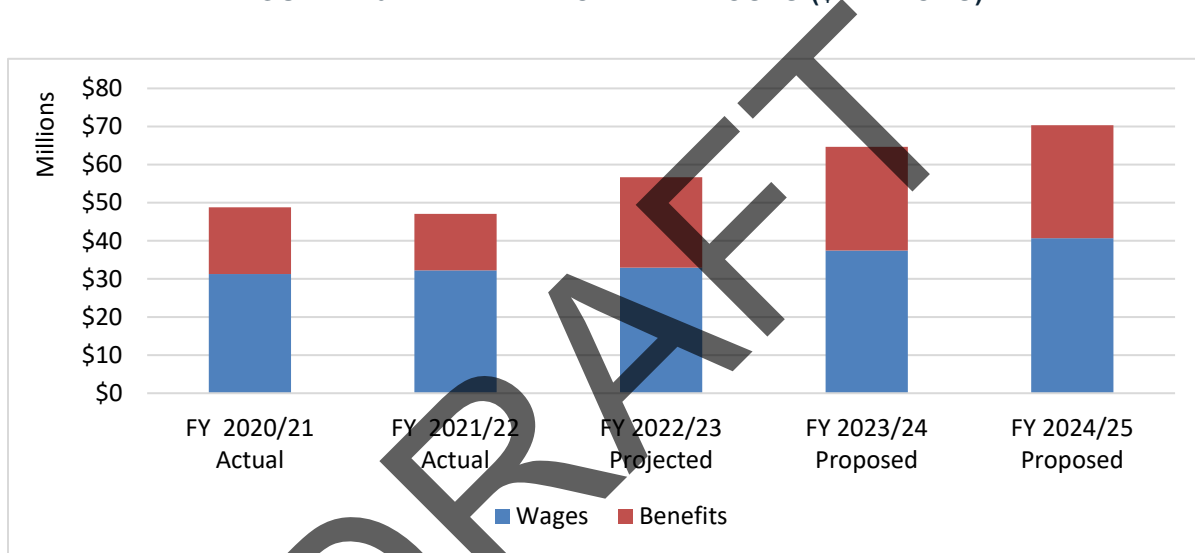
EXECUTIVE SUMMARY

EMPLOYMENT EXPENSES

Total employment expenses of \$64.7 million in FY 2023/24 and \$70.3 million in FY 2024/25 (net of labor allocation to CIP) make up approximately 32 percent of total operating expenses. Employment expenses include wages, benefits, and additional contributions to unfunded accrued liabilities for pension and other post-employment benefits (OPEB). Included in the FYs 2023/24 and 2024/25 employment budget with a three percent cost of living adjustment (COLA).

Total employment costs for FY 2023/24 are projected to be 14 percent, or \$7.9 million higher than projected actual for FY 2022/23. Employment costs allocated to support CIP activities are \$10.3 million in FY 2023/24 and \$10.9 million in FY 2024/25 and are included in total employment expenses shown in Figure 1-3.

FIGURE 1-3: NET EMPLOYMENT COSTS (\$MILLIONS)



Approximately 41 percent of the Agency's current workforce will be eligible for retirement in 2025. An increase in total staffing from 330 (315 FTEs + 15 LTs) to 345 (340 FTEs + 5 LTs) is proposed for FY 2023/24. In order to support the RP-5 expansion projects and secure certain critical positions to support preservation of essential skills and institutional knowledge transfer.

CAPITAL IMPROVEMENT PROGRAM (CIP)

FY 2024 – 2033 TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP)

The purpose of the capital improvement plan is to catalog and schedule capital improvement projects over a multi-year period to effectively and efficiently meet the service needs of the region, comply with statutory requirements, and appropriately maintain Agency assets. Each year, pursuant to the Regional Sewage Service Ordinance (Ordinance No. 111), customer agencies provide a ten-year forecast of expected growth in their area. The customer agencies forecast, updated in November 2022, estimated over 63,000 new connections over the next ten years.

Based on member agency forecasts, the Agency prepares a ten-year projection of capacity demands and identifies capital projects needed to meet the service demand from future growth. Pursuant to the Regional Contract, the Ten-Year Forecast (TYF), a subset of the Ten-Year Capital Improvement Plan (TYCIP) which includes capital investments planned for the Regional Wastewater and Recycled Water programs, is updated annually and presented to the Regional Technical and Policy Committees for review and comment, prior to approval by the Agency's Board of Directors.

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

- ◆ Wastewater Facilities Master Plan
- ◆ Recycled Water Program Strategy Update
- ◆ Energy Management Plan
- ◆ Regional Water Use Efficiency Business Plan
- ◆ Integrated Water Resources Plan

The proposed FY 2024 TYCIP capital costs of \$1,520 million continues to focus on two primary areas: timely execution of critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements and the improvement and expansion of existing facilities and infrastructure to meet future growth as forecasted by customer agencies. Major projects include the Regional Plant No. 1 Capacity Recovery project, and the expansion of Regional Plant No. 5. The TYCIP is funded by a combination of pay-go, low interest federal and state loans, grants, and contributions. A summary by fund is provided in Table 1-6.

TABLE 1-6: TEN YEAR CAPITAL IMPROVEMENT PLAN BY FUND (\$MILLIONS)

Fund (\$Millions)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29 through 2032/33	Total
Wastewater Capital*	\$112.5	\$130.0	\$95.5	\$46.2	\$18.1	\$119.9	\$522.2
Wastewater Operations**	40.3	50.5	34.9	39.4	29.1	264.0	458.2
Recycled Water	17.5	25.7	31.8	50.6	55.1	220.3	401.0
Non-Reclaimable Wastewater	5.8	16.3	12.1	2.1	2.1	10.8	49.2
Water Resources	6.7	3.7	2.7	2.7	2.1	10.3	28.2
Recharge Water	3.0	1.0	1.2	1.2	0.6	3.2	10.2
Administrative Services	4.9	6.8	9.7	8.8	4.9	15.8	50.9
Total	\$190.7	\$234.0	\$187.9	\$151.0	\$112.0	\$644.3	\$1,519.9

Totals may not tie due to rounding.

*Regional Wastewater Capital Improvement Fund (excludes \$8.5 million capital investment in the IERCA)

**Regional Wastewater Operations & Maintenance Fund

EXECUTIVE SUMMARY

A more detailed discussion on the CIP and major projects of the FY 2023/24 – 2032/33 TYCIP is provided in the Capital section of the budget document.

DEBT SERVICE COSTS

Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans, notes payable, and inter-fund loans. Debt service costs are primarily funded by property tax receipts, new connection fees and rates, consistent with the Agency's Debt Management Policy adopted by the Board of Directors in May 2016. Table 1-7 shows the estimated biennial debt service costs by program.

TABLE 1-7: DEBT SERVICE COSTS BY PROGRAM (\$MILLIONS)

Program Fund	2023/24	2024/25
Non-Reclaimable Wastewater	\$0.6	\$0.6
Regional Wastewater Capital	7.0	8.0
Regional Wastewater Operations	1.4	1.4
Recharge Water	5.8	5.7
Recycled Water	15.2	14.4
Total Debt Service Costs	\$30.0	\$30.1

Totals may not tie due to rounding.

Total outstanding debt, net of inter-fund loans and financial expense, at the end of FY 2023/24 is projected to be \$582.5 million and comprised of \$300.8 million in bonds, \$70.5 million of Water Infrastructure Finance and Innovation Act (WIFIA) loans, \$208.7 million in low interest SRF loans, and \$2.5 million in other notes payable. The Agency has secured a federal Water Infrastructure Finance and Innovation Act (WIFIA) loan in amount of \$196 million at a fixed interest rate of 1.36 percent from the U.S. Environmental Protection Agency (EPA) to finance a portion of the RP-5 Expansion project. Repayment of the WIFIA loan starts one year after substantial completion of the project which is currently slated for early 2025. To further reduce the financing costs, the Agency issued interim financing for the same amount of the WIFIA loan to support construction costs of the RP-5 Expansion project. Use of the WIFIA loan and interim financing at a fixed rate of 0.41 percent resulted in estimated present value cost savings of \$93 million over the life of the loan. The Agency continues to pursue a combination of additional low interest state and federal loans to support the execution of the TYCIP. The Agency's Letter of Interest (LOI) to the WIFIA program for its second round of funding was one of 55 projects across 20 states selected by EPA to submit a full application. This second WIFIA loan will provide financing for the Regional Wastewater Improvements Program, a suite of capital projects included in the TYCIP. The Agency is currently working with EPA in a master agreement that would allow to fund projects included in the TYCIP up to 49 percent of the project cost through a WIFIA loan.

Projections of total outstanding debt by type by fiscal year beginning FY 2021/22 is shown in Figure 1-4 and total outstanding debt (principal and interest) and annual debt service payments by fiscal year beginning FY 2018/19 Figure 1-5, respectively.

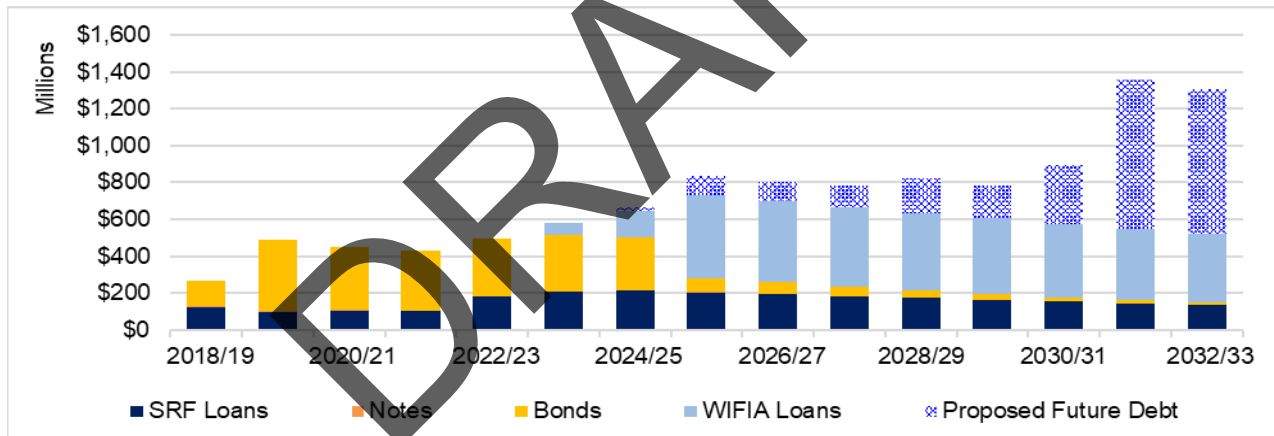
FIGURE 1-4: TOTAL OUTSTANDING DEBT BY TYPE (\$MILLIONS)

(Principal and Interest)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Bonds and Revenue Notes	\$326.3	\$313.6	\$300.8	\$287.1	\$75.0	\$63.2	\$52.9
SRF Loans ⁽¹⁾	101.7	180.9	208.7	236.3	240.1	228.7	217.3
Notes	3.6	3.0	2.5	1.9	1.3	0.8	0.2
WIFIA	0.0	0.0	70.5	141.1	449.7	439.4	429.1
Future Debt ⁽²⁾	0.0	0.0	0.0	0.0	71.1	68.7	86.3
Total	\$431.6	\$497.5	\$582.5	\$666.4	\$837.2	\$800.8	\$785.8

⁽¹⁾ Includes proposed future SRF Loans for the Regional Wastewater, Recycled Water, and Non-Reclaimable Wastewater programs.

⁽²⁾ Includes proposed debt for Regional and Non-Reclaimable Wastewater Improvement projects.

FIGURE 1-5: SUMMARY OF AGENCY'S OUTSTANDING PRINCIPAL & INTEREST DEBT (\$MILLIONS)



DEBT COVERAGE RATIO (DCR)

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

EXECUTIVE SUMMARY

The Agency's debt covenants require a legal DCR of at least i) 1.20 times maximum annual debt service for senior obligations; ii) 1.15 times maximum annual debt service for all system obligations; iii) 1.20 times maximum annual debt service for senior and parity obligations for the next five years; iv) 1.0 times maximum annual debt service for all system obligations for the next five years. A DCR of 1.20 means the Agency will generate a minimum of 1.20 times more (or 20 percent more) net operating cash flow than is required to pay annual debt service costs. Net operating cash flow is the amount remaining after payment of operating expenses. The Agency has no senior debt currently outstanding, nor any legal debt limits imposed by state legislation.

Annual variations of the DCR can be attributed to a combination of changes in system revenues, operating expenses, and debt service costs. It is estimated that beginning in FY 2025/26 debt service will begin for new debt issues needed to finance regional expansion and improvement projects. New debt is assumed to be low interest Federal and State loans and the corresponding annual debt service costs are included in the calculation of the DCR as shown in Table 1-8.

TABLE 1-8: DEBT COVERAGE RATIO PROJECTED TREND

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	<i>Projected</i>	<i>Biennial Budget</i>		<i>Forecast</i>		
DCR	5.51x	5.06x	4.97x	3.93x	2.92x	2.96x

INTER-FUND TRANSFERS

Inter-fund transfers account for the inflows and outflows of financial resources from one Agency fund to another and are reported as other financing sources and uses of funds. The Agency's inter-fund transfers included in each fund are needed to support operation, capital, and debt service costs and are approved by the Board of Directors as part of the fiscal year budget. Connection fees and property taxes are a primary source of funding. An overview of the proposed inter-fund transfers for FYs 2023/24 and 2024/25 is provided in the following discussion.

CAPITAL CONTRIBUTION

Capital contribution inter-fund transfers provide support for specific portions of the Agency's CIP. The Non-Reclaimable Wastewater, Regional Wastewater Capital, and Recycled Water funds support the Administrative Services Fund's agency-wide capital projects. Inter-fund transfers from the Recycled Water fund to the Recharge Water fund support the Agency's share of capital investments related to improvements and expansion of the groundwater basin recharge system. Inter-fund transfers from the Regional Wastewater Operations fund to the Regional Wastewater Capital fund supports its share for capital project expenditures for existing capacity. A summary of inter-fund transfers to support CIP is provided in Table 1-9.

TABLE 1-9: CAPITAL CONTRIBUTION INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2023/24		2024/25	
	In	Out	In	Out
Administrative Services	\$2.13	\$0	\$4.64	\$0
Non-Reclaimable Wastewater	-	(0.07)	-	(0.16)
Regional Wastewater Capital	9.06	(1.99)	9.06	(4.32)
Regional Wastewater Operations	-	(9.06)	-	(9.06)
Recharge Water	0.24	-	0.34	
Recycled Water	-	(0.31)		(0.50)
Total	\$11.43	(\$11.43)	\$14.04	(\$14.04)

DEBT SERVICE

Inter-fund transfers for debt service account for fund-specific portions of debt service costs related to the Agency's bonds and SRF loans used to support capital projects. The Regional Wastewater Capital fund supports the Agency's share of 2020A Bond debt service costs recorded in the Recharge Water fund, the 2017A bond debt service costs in the Recycled Water fund, and SRF Loan payments in the Regional Wastewater Operations fund. Inter-fund transfers from the Regional Wastewater Operations fund to the Recycled Water fund support its share of an SRF loan for Regional and Recycled Water projects. Table 1-10 provides a summary of the debt service inter-fund transfers.

TABLE 1-10: DEBT SERVICE INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2023/24		2024/25	
	In	Out	In	Out
Regional Wastewater Capital	\$0.00	(\$3.14)	\$0.00	(\$3.14)
Regional Wastewater Operations	0.26	(0.15)	0.26	(0.15)
Recharge Water	0.48	-	0.48	-
Recycled Water	2.55	-	2.55	-
Total	\$3.29	(\$3.29)	\$3.29	(\$3.29)

OPERATION SUPPORT

Operation support in the form of inter-fund transfers is provided to the Agency's Administrative Services fund for agency-wide non-capital projects from the Regional Wastewater Operations, Recycled Water, and Non-Reclaimable Wastewater funds. The Recharge Water fund receives operational support from the Recycled Water fund for the Agency's pro-rata share of groundwater basin maintenance and other costs not reimbursed by Chino Basin Watermaster. Inter-fund transfers related to operation support are detailed in Table 1-11.

EXECUTIVE SUMMARY

TABLE 1-11: OPERATION SUPPORT INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2023/24		2024/25	
	In	Out	In	Out
Administrative Services	\$0.60	-	\$0.40	-
Non-Reclaimable Wastewater	-	(0.05)	-	(0.01)
Regional Wastewater Operations	-	(0.50)	-	(0.37)
Recharge Water	1.60	-	1.30	-
Recycled Water	-	(1.65)	-	(1.32)
Total	\$2.20	(\$2.20)	\$1.70	(\$1.70)

CAPITAL – WASTEWATER CONNECTION FEES

Wastewater connection fees are collected to support the capital acquisition, construction, and expansion of the Agency's regional wastewater system. This revenue is recorded in the Regional Wastewater Capital fund and then distributed via inter-fund transfer to the Administrative Services, Non-Reclaimable Wastewater, and Regional Wastewater Operations funds proportionally to support growth-related projects. These transfers are outlined in Table 1-12.

TABLE 1-12: WASTEWATER CONNECTION FEES INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2023/24		2024/25	
	In	Out	In	Out
Administrative Services	\$1.2	-	\$1.7	-
Non-Reclaimable Wastewater	1.0	-	0.6	-
Regional Wastewater Capital	-	(5.1)	-	(5.3)
Regional Wastewater Operations	2.9	-	3.0	-
Total	\$5.1	(\$5.1)	\$5.3	(\$5.3)

ONE WATER CONNECTION FEES

One Water connection fees are collected to support the expansion of the Agency's regional water system and investment in integrated regional water resources. The connection fee revenue is recorded in the Agency's Recycled Water fund and then allocated via inter-fund transfer to the Administrative Services, Recharge Water, and Water Resources funds proportionally to support projects that contribute to the regional water system. The One Water connection fee inter-fund transfers are summarized in Table 1-13.

TABLE 1-13: ONE WATER INTER-FUND TRANSFERS (\$MILLIONS)

Fund	2023/24		2024/25	
	In	Out	In	Out
Administrative Services	\$1.0	-	\$0.1	-
Recharge Water	0.0	-	0.1	-

Fund	2023/24		2024/25	
	In	Out	In	Out
Recycled Water	-	(2.2)	-	(0.7)
Water Resources	1.2	-	0.5	-
Total	\$2.2	(\$2.2)	\$0.7	(\$0.7)

RESERVES

Reserves are a strong indicator of the Agency's financial health. Reserve balances are maintained at the Agency-wide level and at the individual fund level. The aggregate ending reserve fund balance in FY 2023/24 is estimated to be \$490.5 million, an increase of \$18.8 million compared to the projected ending balance of \$471.7 million for FY 2022/23 amended budget. The projected increase is primarily due to a higher beginning balance that reflects debt proceeds received in FY 2019/20 for the RP-5 Expansion project. The use of reserves to support CIP is projected to increase total reserves by \$18.8 million to \$490.5 at the end of FY 2024/25 as indicated in Table 1-14.

TABLE 1-14: RESERVE FUND BALANCE (\$MILLIONS)

Description	Actual	Projected	Biennial Budget	
	2021/22	2022/23	2023/24	2024/25
Net Increase (Decrease) in Fund Balance	(\$0.4)	(\$6.1)	\$18.8	\$7.8
Beginning Fund Balance, July 1	478.2	477.8	471.7	490.5
Ending Fund Balance, June 30	\$477.8	\$471.7	\$490.5	\$498.3

Totals may not tie due to rounding.

Table 1-15 provides an overview of estimated ending reserve balances by fund for FYs 2022/23 through 2024/25.

TABLE 1-15: ENDING RESERVE BALANCE BY FUND (\$MILLIONS)

Fund	Projected	Biennial Budget	
	2022/23	2023/24	2024/25
Administrative Services	\$14.0	\$14.3	\$14.3
Regional Wastewater Capital Improvement	244.5	278.3	289.3
Regional Wastewater Operations & Maintenance	95.6	93.7	90.5
Non-Reclaimable Wastewater	26.6	23.3	26.6
Recharge Water	8.3	10.6	6.7
Recycled Water	46.5	35.3	34.9
Water Resources	36.2	35.0	36.0
Total	\$471.7	\$490.5	\$498.3

Totals may not tie due to rounding.

EXECUTIVE SUMMARY

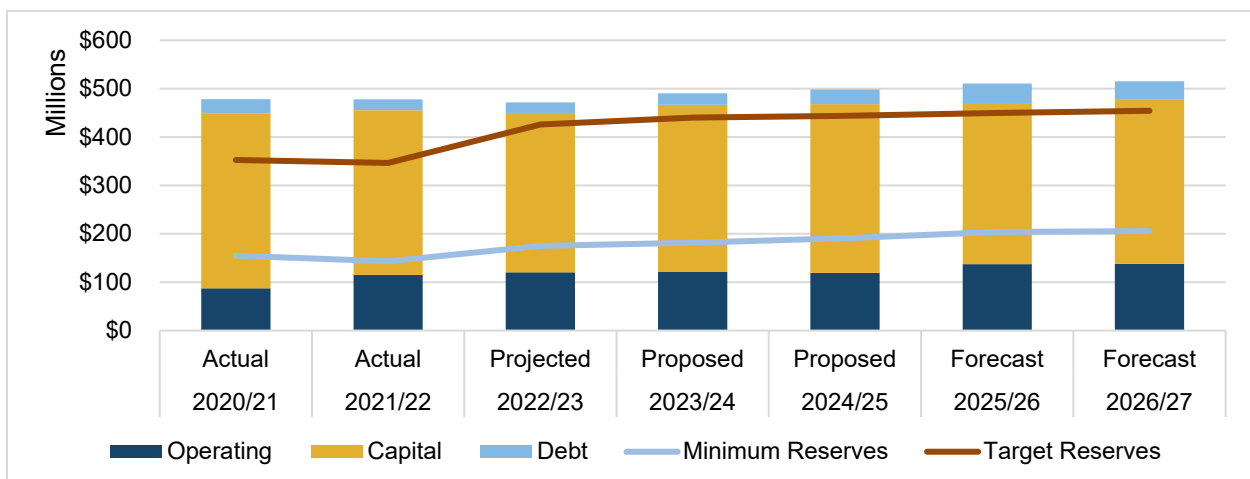
Fund reserves are designated for specific purposes, as defined in the Agency's Reserve Policy adopted by the Board of Directors in April 2021. The primary designations of reserves include:

- ◆ **Operating Contingency:** maintain a minimum of four months of operating expenses for the fiscal year and a target level of six months.
- ◆ **Debt Service:** minimum based on total debt service costs for the following fiscal year and a target level equal to highest annual debt service costs during the life of the obligations.
- ◆ **Capital Construction:** minimum is equal to the ten-year average of CIP pay-go costs and target level equal to three times the ten-year average of CIP pay-go costs as identified in the Ten-Year Capital Improvement Plan (TYCIP).
- ◆ **Replacement and Rehabilitation (R&R):** minimum is equal to the ten-year average of R&R costs and a target level equal to either a) three times the ten-year average of R&R costs or b) three times the ten-year average of R&R pay-go costs.
- ◆ **Self-Insurance Program:** equal to a minimum of \$3.0 million and a target level of \$6.0 million.
- ◆ **Employee Retirement Benefit:** with a minimum of \$6.0 million and a target level equal to the greater of the Annual Required Contribution based on the actuarial valuation report from CalPERS or \$6.0 million.

In addition, there are three other reserve categories that have no defined minimum or target level. These categories are the connection fee reserve, supplemental water resources, and sinking fund reserve.

A comparison of the Agency's actual and projected total fund reserves to the minimum and target levels from FY 2020/21 through FY 2026/27 is provided in Figure 1-6. FY 2021/22 debt reserves include debt proceeds from the interim financing issued to support construction costs for the RP-5 Expansion project. Beginning in FY 2023/24, replenishment of reserves to support major rehabilitation of aging infrastructure accounts for the projected increase.

FIGURE 1-6: TREND OF OPERATING, CAPITAL, AND DEBT RESERVE BALANCES (\$MILLIONS)

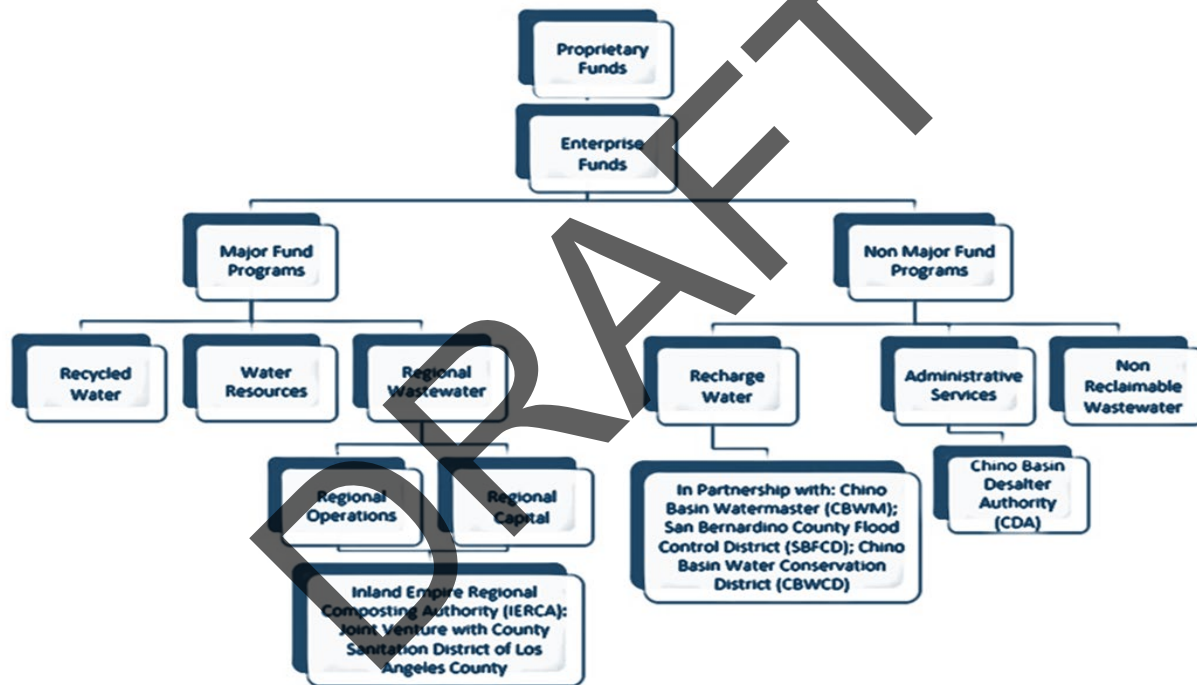


A forecast summary of the estimated fund balance is provided under the Programs/Fund section of this budget book. The criterion for each minimum and maximum target level by category varies by Agency fund and are further defined in the Agency's Board-adopted Reserve Policy included in the Appendix.

PROGRAMS

As a municipal water district, the Agency engages primarily in enterprise operations supported by user charges and fees, which are recorded in enterprise funds. In some cases, a program consists of a group of enterprise funds, such as the Regional Wastewater program comprised of the Regional Wastewater Operations & Maintenance (Regional Operations) and Regional Wastewater Capital Improvement (Regional Capital) funds and by extension the Inland Empire Regional Composting Authority. Figure 1-7 provides an overview of the Agency's fund structure.

FIGURE 1-7: INLAND EMPIRE UTILITIES AGENCY (IEUA) FUND STRUCTURE



Individual enterprise funds are classified in either a Major Fund or Non-Major Fund group. Each enterprise fund records cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Table 1-16 contains definitions of Major and Non-Major Fund groups. The definitions are consistent with the Agency's audited FY 2021/22 Annual Comprehensive Financial Report.

EXECUTIVE SUMMARY

TABLE 1-16: DEFINITION OF MAJOR AND NON-MAJOR FUND GROUPS

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

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



RP-5 Centrifuge Factory Testing

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET
SOURCES AND USES OF FUNDS - BY PROGRAM FUND (in Thousands)

	2020/2021	2021/2022	2022/2023	FY 2023/24 PROPOSED BUDGET							BUDGET
	ACTUAL	ACTUAL	PROJECTED ACTUAL	Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	
REVENUES											
User Charges	\$89,242	\$97,026	\$99,784	\$0	\$14,501	\$0	\$83,142	\$0	\$0	\$9,974	\$107,616
Property Tax - O&M	1,972	3,221	3,487	3,557	0	0	0	0	0	0	3,557
Cost Reimbursement from JPA	6,794	6,011	6,133	1,858	0	0	4,733	1,061	0	0	7,651
Contract Cost reimbursement	299	300	434	0	0	0	206	410	0	248	864
Interest Revenue	3,011	2,153	4,208	243	400	1,206	1,400	80	815	460	4,604
Recycled Water Sales	18,095	19,643	19,716	0	0	0	0	0	21,853	0	21,853
Water Sales	45,561	42,976	42,962	0	0	0	0	0	0	53,028	53,028
Gas Sales	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	\$164,975	\$171,331	\$176,724	\$5,658	\$14,901	\$1,206	\$89,481	\$1,551	\$22,668	\$63,710	\$199,173
OTHER FINANCING SOURCES											
Property Tax - Debt, Capital, Reserves	\$64,340	\$68,383	\$73,860	\$0	\$0	\$51,373	\$18,178	\$0	\$3,161	\$2,766	\$75,478
Connection Fees	42,432	46,454	23,326	0	0	24,396	0	0	7,015	0	31,411
Debt Proceeds	0	0	0	0	0	25,500	17,300	0	0	0	42,800
State Loans	0	19,098	55,496	0	0	60,000	0	5,765	0	0	65,765
Grants	11,969	11,816	5,112	0	0	0	0	2,443	309	10	2,762
Sale of Assets	0	0	0	0	0	0	0	0	0	0	0
Capital Contract Reimbursement	378	443	1,061	0	0	0	0	1,249	94	0	1,343
Other Revenues	969	1,936	559	2	300	1	80	0	0	0	383
Sale of Capacity	1,505	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	4,933	10,000	5,000	0	0	6,000	0	0	4,000	0	10,000
TOTAL OTHER FINANCING SOURCES	\$126,527	\$158,131	\$196,415	\$2	\$300	\$167,270	\$35,558	\$9,458	\$14,580	\$2,776	\$229,943
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$291,502	\$329,461	\$373,139	\$5,660	\$15,201	\$168,475	\$125,039	\$11,009	\$37,248	\$66,486	\$429,116
EXPENSES											
Employment Expense	\$50,781	\$41,643	\$54,395	\$2,181	\$3,409	\$4,769	\$42,349	\$986	\$7,168	\$3,818	\$64,681
Contract Work/Special Projects	11,232	10,585	11,325	717	620	136	6,793	902	1,845	3,161	14,175
Utilities	9,970	12,304	13,299	777	145	0	10,079	83	4,077	0	15,161
Operating Fees	11,351	12,736	13,393	43	8,019	274	2,654	8	10	4,301	15,310
Chemicals	5,527	6,488	10,057	0	350	0	9,681	0	0	0	10,031
Professional Fees and Services	8,070	8,422	12,005	7,316	205	1,156	3,859	1,099	1,081	574	15,289
Administrative and Operational Expense	1,100	1,300	1,834	3,277	25	0	0	16	8	4	3,331
Biosolids Recycling	4,634	5,013	4,423	0	23	0	5,450	0	0	0	5,474
Materials & Supplies	2,719	3,187	2,971	245	82	0	2,590	121	138	0	3,176
Operation Contribution to IERCA	0	0	0	0	0	0	0	0	0	0	0
MWD Water Purchases	45,561	42,937	42,962	0	0	0	0	0	0	53,028	53,028
Other Expenses	1,421	2,395	2,356	(8,413)	699	2,362	6,498	0	1,786	484	3,415
TOTAL EXPENSES	\$152,366	\$147,010	\$169,021	\$6,143	\$13,578	\$8,698	\$89,952	\$3,215	\$16,114	\$65,371	\$203,070
CAPITAL PROGRAM											
CSDLAC 4Rs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IERCA investment	\$250	\$500	\$800	0	0	750	0	0	0	0	750
RO Decommissioned Assets	0	0	0	0	0	0	0	0	0	0	0
Due from City of Ontario	0	0	0	0	0	0	0	0	0	0	0
Capital Construction & Expansion (WIP)	110,698	145,935	177,544	4,248	5,155	112,394	33,566	2,086	15,622	3,500	176,570
WIP Adjustment	0	0	0	0	0	0	0	0	0	0	0
Capital Project Related Labor Cost Alloc	0	0	0	0	0	0	0	0	0	0	0
Rehab & Replacement	0	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL PROGRAM	\$110,948	\$146,435	\$178,344	\$4,248	\$5,155	\$113,144	\$33,566	\$2,086	\$15,622	\$3,500	\$177,320
DEBT SERVICE											
Financial Expenses	\$1,362	\$271	\$38	\$20	\$6	\$17	\$1	\$1	\$5	\$0	\$50
Interest	13,985	14,132	14,148	0	218	1,965	573	506	2,628	0	5,889
Principal	16,376	12,031	12,674	0	398	4,988	849	1,233	6,544	0	14,012
Short Term Inter-Fund Loan	4,933	10,000	5,000	0	0	0	0	4,000	6,000	0	10,000
TOTAL DEBT SERVICE	\$36,657	\$36,433	\$31,861	\$20	\$622	\$6,970	\$1,422	\$5,739	\$15,178	\$0	\$29,951
TRANSFERS IN (OUT)											
Capital Contribution	\$0	\$0	\$0	\$2,132	(\$73)	\$2,513	(\$4,500)	\$127	(\$200)	\$0	\$0
Debt Service	0	0	0	0	0	(3,317)	114	528	2,675	0	0
Operation support	0	0	0	567	(19)	0	(528)	1,662	(1,682)	0	0
Capital - Connection Fees Allocation	0	0	0	1,219	990	(5,074)	2,865	0	0	0	0
One Water	0	0	0	1,047	0	0	0	16	(2,236)	1,173	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$0	\$0	\$0	\$4,965	\$898	(\$5,878)	(\$2,049)	\$2,333	(\$1,442)	\$1,173	\$0
FUND BALANCE											
Net Increase (Decrease)	(\$8,469)	(\$417)	(\$6,086)	\$213	(\$3,254)	\$33,785	(\$1,951)	\$2,302	(\$11,108)	(\$1,212)	\$18,775
Beginning Fund Balance July 01	486,716	478,246	477,829	14,048	26,554	244,503	95,612	8,344	46,451	36,230	471,743
ENDING BALANCE AT JUNE 30	\$478,246	\$477,829	\$471,743	\$14,262	\$23,300	\$278,288	\$93,661	\$10,646	\$35,343	\$35,018	\$490,518
RESERVE BALANCE SUMMARY											
Operating Contingency	\$37,060	\$35,613	\$43,560	\$3,071	\$4,526	\$2,899	\$28,407	\$1,072	\$5,371	\$7,017	\$52,363
Capital Construction	213,534	198,523	247,026	0	18,153	222,213	0	7,857	2,973	0	251,195
CCRA Capital Construction	91,465	81,170	24,079	0	0	41,962	0	0	0	0	41,962
Water Connection	19,472	24,230	21,731	0	0	0	0	0	16,044	0	16,044
Rehabilitation/Replacement	19,225	37,354	34,721	0	0	0	27,418	0	2,000	0	29,418
Water Resource Capital Reserve	21,444	30,597	30,574	0	0	0	0	0	0	28,001	28,001
Debt Service & Redemption	29,983	22,509	21,985	0	621	11,214	1,422	1,717	8,955	0	23,930
Self Insurance Program	3,582	5,418	5,653	5,190	0	0	0	0	0	0	5,190
Employee Retirement Benefit	6,000	6,000	6,000	6,000	0	0	0	0	0	0	6,000
Sinking Fund	36,482	36,415	36,415	0	0	0	36,415	0	0	0	36,415
ENDING BALANCE AT JUNE 30	\$478,246	\$477,829	\$471,743	\$14,262	\$23,300	\$278,288	\$93,661	\$10,646	\$35,343	\$35,018	\$490,518

*Numbers may not total due to rounding

EXECUTIVE SUMMARY

**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET
SOURCES AND USES OF FUNDS - BY PROGRAM FUND (in Thousands)**

FY 2024/25 PROPOSED BUDGET								
	Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	BUDGET
REVENUES								
User Charges	\$0	\$15,256	\$0	\$88,529	\$0	\$0	\$10,202	\$113,987
Property Tax - O&M	3,614	0	0	0	0	0	0	3,614
Cost Reimbursement from JPA	2,020	0	0	4,875	1,026	0	0	7,921
Contract Cost reimbursement	0	0	0	5	0	0	248	253
Interest Revenue	243	400	1,218	1,400	100	606	540	4,506
Recycled Water Sales	0	0	0	0	0	23,967	56,664	80,631
Water Sales	0	0	0	0	0	0	0	0
Gas Sales	0	0	0	0	0	0	0	0
TOTAL REVENUES	\$5,877	\$15,656	\$1,218	\$94,809	\$1,126	\$24,573	\$67,654	\$210,912
OTHER FINANCING SOURCES								
Property Tax - Debt , Capital, Reserves	\$0	\$0	\$52,195	\$18,469	\$0	\$3,212	\$2,811	\$76,687
Connection Fees	0	0	25,859	0	0	7,226	0	33,086
Debt Proceeds	0	11,523	45,764	28,500	0	0	0	85,787
State Loans	0	5,910	35,500	0	0	0	0	41,410
Grants	0	0	0	0	308	16,009	10	16,327
Sale of Assets	0	0	0	0	0	0	0	0
Capital Contract Reimbursement	0	0	0	0	1,483	96	0	1,579
Other Revenues	2	300	1	80	0	0	0	383
Sale of Capacity	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	0	0	5,500	0	0	3,933	0	9,433
TOTAL OTHER FINANCING SOURCES	\$2	\$17,733	\$164,819	\$47,049	\$1,792	\$30,476	\$2,821	\$264,692
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$5,879	\$33,389	\$166,037	\$141,858	\$2,918	\$55,049	\$70,475	\$475,604
EXPENSES								
Employment Expense	\$2,372	\$3,707	\$5,186	\$46,055	\$1,073	\$7,796	\$4,152	\$70,341
Contract Work/Special Projects	433	332	16	5,235	82	1,912	2,725	10,735
Utilities	853	149	0	11,759	88	4,687	0	17,535
Operating Fees	45	8,254	282	2,848	8	10	4,386	15,834
Chemicals	0	361	0	10,975	0	0	0	11,335
Professional Fees and Services	7,314	216	1,166	3,972	1,024	1,159	578	15,430
Office and Administrative Expense	3,657	25	0	0	16	8	4	3,712
Biosolids Recycling	0	25	0	5,712	0	0	0	5,737
Materials & Supplies	255	85	0	2,704	116	142	0	3,303
Operation Contribution to IERCA	0	0	0	0	0	0	0	0
MWD Water Purchases	0	0	0	0	0	0	56,664	56,664
Other Expenses	(8,641)	718	2,426	6,665	0	1,826	499	3,494
TOTAL EXPENSES	\$6,288	\$13,873	\$9,075	\$95,925	\$2,407	\$17,541	\$69,009	\$214,119
CAPITAL PROGRAM								
CSDLAC 4Rs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IERCA investment	0	0	250	0	0	0	0	250
RO Decommissioned Assets	0	0	0	0	0	0	0	0
Due from City of Ontario	0	0	0	0	0	0	0	0
Capital Construction & Expansion (WIP)	6,408	16,006	130,021	45,247	857	23,755	1,000	223,293
WIP Adjustment	0	0	0	0	0	0	0	0
Capital Project Related Labor Cost Alloc	0	0	0	0	0	0	0	0
Rehab & Replacement	0	0	0	0	0	0	0	0
TOTAL CAPITAL PROGRAM	\$6,408	\$16,006	\$130,271	\$45,247	\$857	\$23,755	\$1,000	\$223,543
DEBT SERVICE								
Financial Expenses	\$21	\$6	\$17	\$1	\$1	\$6	\$0	\$50
Interest	0	197	2,781	548	380	2,258	0	6,164
Principal	0	418	5,150	874	1,337	6,692	0	14,470
Short Term Inter-Fund Loan	0	0	0	0	3,933	5,500	0	9,433
TOTAL DEBT SERVICE	\$21	\$621	\$7,948	\$1,422	\$5,650	\$14,455	\$0	\$30,117
TRANSFERS IN (OUT)								
Capital Contribution	\$4,636	(\$158)	\$779	(\$5,100)	\$227	(\$385)	\$0	\$0
Debt Service	0	0	(3,266)	114	478	2,673	0	(0)
Operation support	400	(14)	0	(373)	1,299	(1,313)	0	0
Capital - Connection Fees Allocation	1,700	584	(5,280)	2,997	0	0	0	0
One Water	105	0	0	0	68	(724)	551	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$6,841	\$413	(\$7,767)	(\$2,362)	\$2,072	\$252	\$551	\$0
FUND BALANCE								
Net Increase (Decrease)	\$3	\$3,302	\$10,975	(\$3,098)	(\$3,924)	(\$451)	\$1,016	\$7,823
Beginning Fund Balance July 01	14,262	23,300	278,288	93,661	10,646	35,343	35,018	490,518
ENDING BALANCE AT JUNE 30	\$14,265	\$26,602	\$289,263	\$90,563	\$6,722	\$34,892	\$36,034	\$498,341
RESERVE BALANCE SUMMARY								
Operating Contingency	\$3,144	\$4,624	\$3,025	\$30,350	\$802	\$5,847	\$0	\$47,793
Capital Construction	0	21,356	209,715	0	4,175	4,953	7,292	247,492
CCRA Capital Construction	0	0	57,822	0	0	0	0	57,822
Water Connection	0	0	0	0	0	14,127	0	14,127
Rehabilitation/Replacement	0	0	0	22,376	0	2,000	0	24,376
Water Resource Capital Reserve	0	0	0	0	0	0	0	0
Debt Service & Redemption	0	622	18,701	1,422	1,744	7,965	28,742	59,196
Self Insurance Program	5,121	0	0	0	0	0	0	5,121
Employee Retirement Benefit	6,000	0	0	0	0	0	0	6,000
Sinking Fund	0	0	0	36,415	0	0	0	36,415
ENDING BALANCE AT JUNE 30	\$14,265	\$26,602	\$289,263	\$90,563	\$6,722	\$34,893	\$36,034	\$498,342

*Numbers may not total due to rounding



RP-5: MAJOR ACTIVITIES
GAS PHASE DIGESTERS

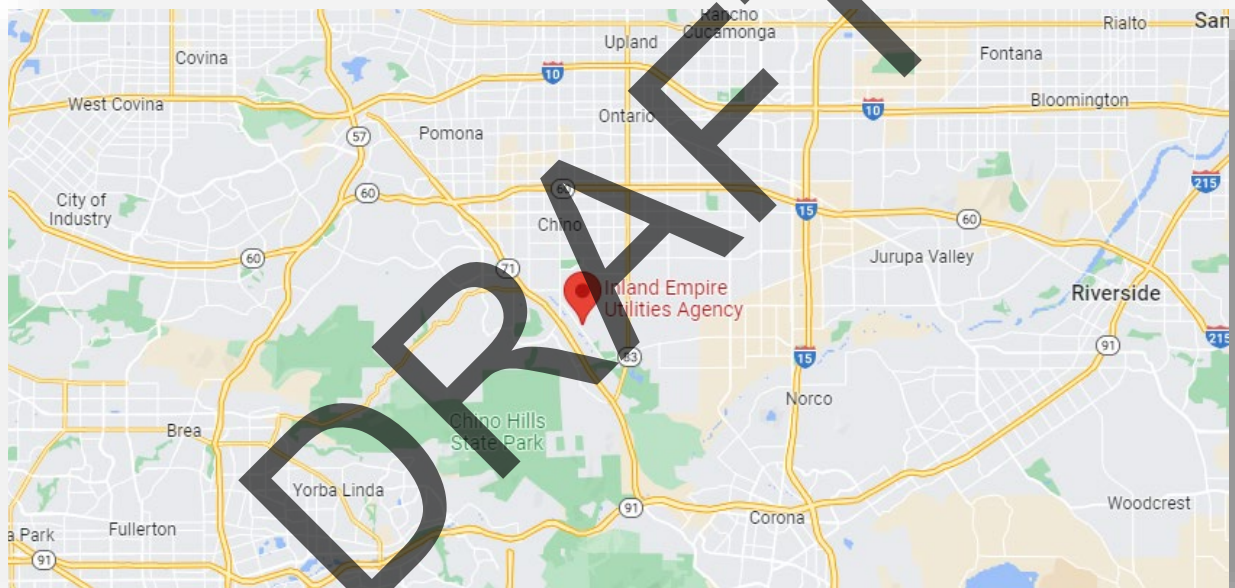
AGENCY PROFILE AND POLICY GOALS

AGENCY MILESTONES

AGENCY PROFILE REGION

Region: The Inland Empire Utilities Agency (IEUA), located in San Bernardino County, in an area referred to as the Inland Empire (IE) approximately 35 miles east of Los Angeles. The Agency's service area is settled in a well-developed transportation center consisting of three major transportation systems: the Metrolink Railway system, the Chino Airport, and the Ontario International Airport. The IE is within easy reach of four counties: Los Angeles County, Orange County, San Bernardino County, and Riverside County. Major freeway systems such as: Interstate 10 and 15, as well as State Routes 60, 71, 91, and 210, are all access points for the Inland Empire (Figure 2-1).

FIGURE 2-1: STATE ROUTES AND INTERSTATE FREEWAYS IN THE INLAND EMPIRE



The Riverside–San Bernardino–Ontario metropolitan area, is comprised of Riverside County and San Bernardino County California, covers more than 27,000 sq. miles and has a population of approximately 4.65 million according to The U.S. Census Bureau.

Since the 1950s, the area has changed from a rural to a suburban environment. The region is now comprised of numerous cities known as bedroom communities, which are suburban cities to Los Angeles, Orange County, and San Diego County. Due to the increased cost of living in the Los Angeles metropolitan area, the Inland Empire leads Southern California in population and job growth.

Year round the Inland Empire has moderate temperatures and low humidity. In winter, the average temperatures range from 45 to 70 degrees; the average temperature in summer hovers around ninety (90)

The Inland Empire Utilities Agency is governed by a five-member Board of Directors who are elected to four-year staggered terms by registered voters within their divisions as defined by the division boundary map.



AGENCY PROFILE AND POLICY GOALS

ORGANIZATION AND PURPOSE



ABOUT US

Inland Empire Utilities Agency (IEUA) is a wholesale distributor of imported water and wastewater treatment agency.

Agency is focused on three services:

1. Treating wastewater and developing recycled water, local water resources, and conservation programs to reduce the region's dependence on imported water supplies, thus enabling the service area to become drought-resilient.
2. Converting biosolids and waste products into a high-quality compost made from recycled materials.
3. Generating electrical energy from renewable sources.



MISSION

IEUA is committed to meeting the needs of the region by providing essential services in a regionally planned and cost-effective manner while safeguarding public health, promoting economic development and protecting the environment. Key areas of service:

- Securing and supplying imported water;
- Collecting and treating wastewater;
- Producing high-quality renewable products such as recycled water, compost, and energy;
- Promoting sustainable use of groundwater and development of local water supplies.



VISION

To become a world class leader in water management and environmental stewardship, including water quality, water-use efficiency, recycled water, and renewable energy, in order to enhance and preserve the quality of life throughout the region.



VALUES

Leading the way. Planning for the future. Protecting the resources of the communities we serve. The IEUA is committed to:

- Applying ethical, fiscally responsible, transparent and environmentally sustainable principles to all aspects of business and organizational conduct;
- Working with integrity as one team, while celebrating the region's diversity; and
- Staying in the forefront of the industry through education, innovation, efficiency, and creativity.

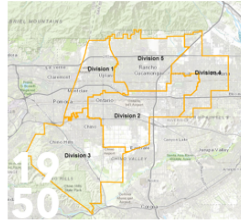
The Chino Basin Municipal Water District was established by a majority vote in a special election on June 6, 1950, for an original population of approximately 80,000 people. To more accurately identify both the current and future functions of the entity, the Board of Directors of the Chino Basin Municipal Water District

approved the name change to the Inland Empire Utilities Agency, otherwise known as "IEUA or Agency", effective July 1, 1998.

The Agency annexed to the Metropolitan Water District of Southern California (MWD), in 1951. The original boundaries of the Agency encompassed 92 square miles. With three subsequent annexations, the Agency added to its service area and currently serves 935,000 people over 242 square miles. The Agency service area includes the urban west end of San Bernardino County, immediately east of the Los Angeles County line and includes the cities of Ontario, Upland, Montclair, Chino, Chino Hills, Fontana, and Rancho Cucamonga. The Agency boundaries extend from the Los Angeles County line to a point near the eastern boundary line of the City of Fontana and from the base of the San Gabriel Mountains, south to the Riverside County line and west to the Orange County line.



Voters choose to purchase Metropolitan Water District of Southern California (MWD) to bring water to region from Colorado River Aqueduct.



County of Board supervisors passed a resolution to divide CBMWD into five districts.



CBMWD's first full-time General Manager, Chief Engineer Howard F. Clark.



Gov. Pat Brown signs the California Water Resources Development Bond Act, also known as the Burns-Porter Act, authorizing construction of the State Water Project.

When formed in 1950, the Agency operated a water system which delivered imported water from the Colorado River as a member of the Metropolitan Water District of Southern California. The Agency began a domestic sewage collection system (the Wastewater System) during the mid-1960s.



CBMWD completes the construction of 1st headquarters in Ontario.



Regional Water Recycling Plant (RP-2) begins operation. Presently the plant treats only solids.



Voters pass 16 million bond. Funds used to collect non-reclaimable waste and convey material to an outfall line west of the City of Pomona.



Chino Basin Water Users association and the CBMWD began developing a groundwater management plan.

To curtail groundwater pollution from existing industry and to provide for new industrial development within the Agency's service area, the Agency started construction of a non-reclaimable wastewater system (the NRW System) in 1969. In 1990, the Agency began the design and construction of a facility (the 1990 Co-Composter Facility) to co-compost the municipal sludge for the Agency's treatment plants together with dairy manure from the agricultural preserve, which is in the southeastern section of the City of Chino.

AGENCY PROFILE AND POLICY GOALS



CBMWD developed the Non-Reclaimable Wastewater System. It would provide treatment and disposal of industrial waste of non-reclaimable; salt-laden, industrial strength wastewater to Los Angeles and Orange county for treatment and discharge.



Regional Water Recycling Plant 1 (RP-1) was upgraded to treat a tertiary level. A pipe was installed from Ontario near the 60 freeway to Prado Basin, keeping high-level quality water and discharge in the Santa Ana River. This pipeline became the first recycled water backbone for the Agency.



CBMWD Water supply shifts from Colorado River to the State Water Project. The East Branch serves the Chino Basin through the Rialto Pipeline. It arrived just in time for an extreme drought.



Senator Ruben S. Ayala's Senate Bill 222 (SB 222) authorized an assessment levy for \$2 per AF of water per year for a period of three years to raise money to fund studies and start negotiations to implement a much-needed water management program. SB 222 became part of the Municipal Water District Law in Section 72140 of the California Water code. It was signed into Law by Gov Ronald Reagan and filed with the Secretary of State on June 28, 1975.

In the early 1970s, the Agency began producing recycled water as a low-cost alternative to potable water. In 2001, the Agency and the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, and the Santa Ana River Water Company, formed the Chino Basin Desalter Authority (CDA), a joint powers authority, to acquire all assets and liabilities from Santa Ana Watershed Project Authority (SAWPA) Project #14. Such acquisition was completed in February 2002. The Agency serves as a non-voting member and provides operational support for the CDA Desalter 1 facility. In August 2008, Western Municipal Water District was added as an additional member of CDA.



Chino Basin Watermaster held its first meeting. CBMWD's five-member board of Directors was chosen as the first Watermaster and represented its member agencies during the meeting.



Carbon Canyon Water Recycling was built. It was the first treatment plant designed and constructed primarily for the purpose of generating recycled water and distributing it to the cities of Chino, Chino Hills, Montclair, and Upland. The plant treats the liquid portion of an average influent wastewater flow of approximately seven million gallons per day.



RP-4 began operation. The plant serves areas of Fontana, Rancho Cucamonga, and San Bernardino County. The plant treats the liquids portion of an average influent wastewater flow of approximately 10 MGD.



CBMWD changes its name to the Inland Empire Utilities Agency (IEUA) to reflect the Agency's increased use of renewable energy in its projects and programs.

To construct a regional composting facility, the Agency, and the Los Angeles County Sanitation Districts (LACSD) formed the Inland Empire Regional Composting Authority (IERCA), a joint powers authority in 2002. The fully enclosed composting facility opened for operations in 2007 replacing the composter facility which had been in operation since 1990.

Also in 2002, IEUA along with the Chino Basin Watermaster, expanded the scope of operations by financing the design and construction of facilities to replenish the Chino Groundwater Basin by recharging potable water, storm water, and recycled water through regional conveyance systems and infrastructure.



2003
IEUA opened its new headquarters buildings in Chino, the first public agency to be LEED™ (Leadership in Energy and Environmental Design) Platinum Certified.



2004
RP-5 located in the city of Chino was built. The plant serves areas of Chino, Chino Hills, and Ontario. The plant treats the liquids portion of an average influent wastewater flow, including RP-2 returned flow, of approximately nine million gallons per day.



2016
IEUA and Advanced Microgrid Solutions launched a landmark water-energy project using Tesla battery technology to integrate solar, wind, biogas, and grid resources in order to optimize renewable generation, reduce demand on the electric grid and lower energy costs. This project is the first of its kind to integrate renewable resources and energy storage at a public water agency.



2020
IEUA dedicates award-winning state of the art Water Quality Laboratory.

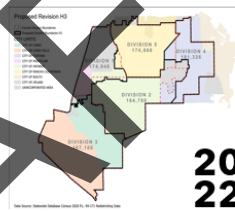
Further development of the regional recycled water system and related services have been the focus of the Agency over the past decade. In 2016, the final phase of a regional recycled water distribution backbone system was completed. IEUA was recognized in 2020 for the state-of-the-art Water Quality Laboratory.



2021
Four Water Agencies: Eastern Municipal Water District, San Bernardino Valley Municipal Water District, Western Municipal Water District, and Inland Empire Utilities Agency enter a partnership. The Inland Empire Clean Water Partnership (IECWP) was formed to combat the shared challenges in the region.



2021
State Water Project Allocation: Department of Water Resources announce the severity of the Colorado River drought. General Manager Shivaji Deshmukh message: "IEUA is continuing to proactively make investments that will diversify the area's water supply while addressing the resource needs of the region."



2022
As part of the California Water Code, municipal water districts are required to adjust division boundaries after each decennial U.S. census. The Inland Empire Utilities Agency (IEUA/Agency) began the redistricting process in November 2021 by holding several community workshops and public meetings. On April 6, 2022, the IEUA Board of Directors held a public hearing and adopted a resolution re-setting election division boundaries.



2022
The Inland Empire Utilities Agency (IEUA/Agency) Board of Directors (Board) took important action at the December 21, 2022 IEUA Board Meeting to extend the declaration of a Water Shortage Emergency Condition and elevate the Agency's Water Shortage Contingency Plan to a Level 6.

In 2021, the regional partnership between Eastern Municipal Water District, Inland Empire Utilities Agency, San Bernardino Valley Municipal Water District, and Western Municipal Water District was formed. The severity of the drought was felt throughout the region, and in late 2021, the Department of Water Resources announced the critical level the Colorado River has reached. In 2022, the division boundaries expanded to adjust to the growing need in the region as the population continues to grow. Most recently, in late 2022, the Agency had to adjust the Water Shortage Contingency Plan to level 6.

AGENCY PROFILE AND POLICY GOALS

Recycled water is produced at five regional water recycling plants (RWRP) as shown here:



Recycled water sales are estimated at 34,000 acre-feet (AF) in Fiscal Year 2023/24 for both direct use deliveries and groundwater recharge deliveries.

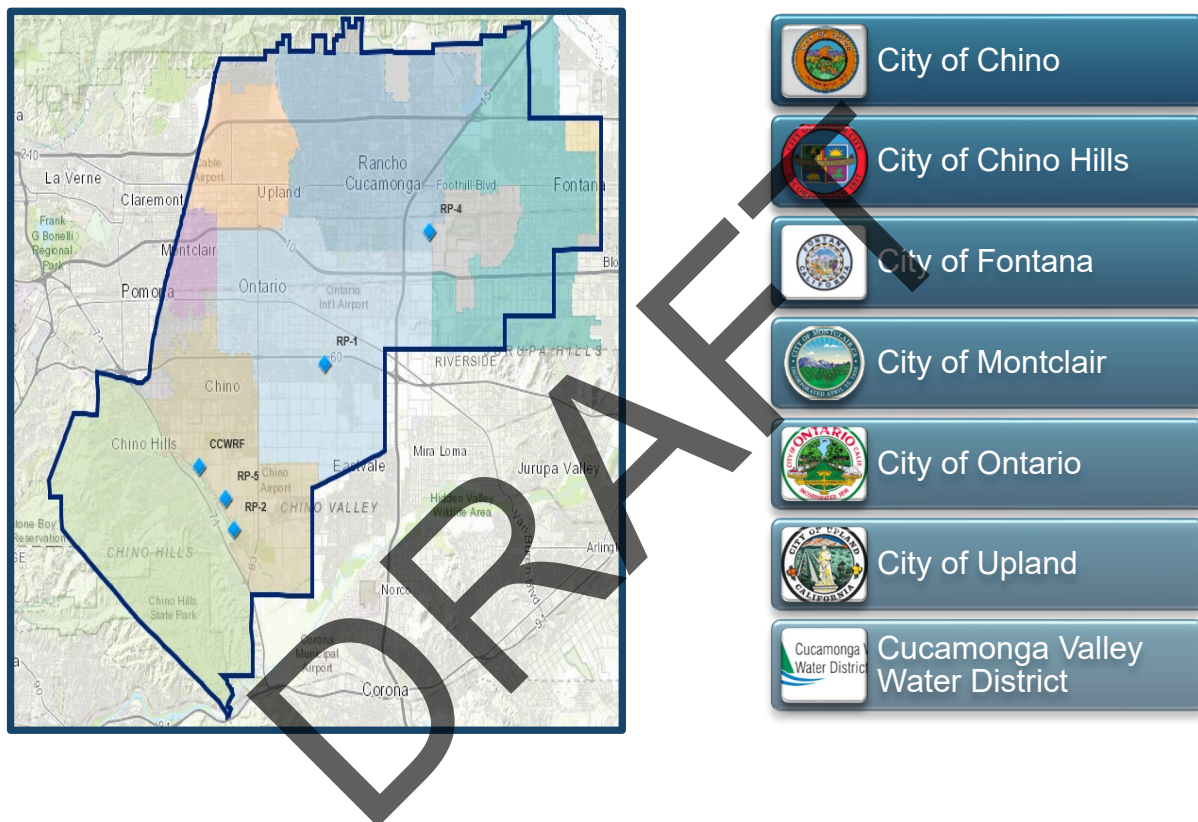
Additionally, the Agency has three facilities which handle biosolids produced at the water recycling plants: RP-1 Solids Handling Facility, RP-2 Solids Handling Facility, and the IERCA Composting Facility.

The Agency operates a non-reclaimable wastewater system to export high salinity industrial wastewater and is comprised of three independent industrial wastewater lines referred to as the North and South Systems. The NRW brine lines are physically separate from the Agency's Regional Sewerage System (RSS). The use of the NRW brine lines supports the Agency's water recycling program by removing salts (TDS) that would otherwise end up in the RSS. The North System is comprised of the Non-Reclaimable Wastewater System (NRWS) and the Etiwanda Wastewater Line (EWL), owned by the Los Angeles County Sanitation District (LACSD). The South System, the Inland Empire Brine Line (IEBL) serves the southern portion of the Agency's service area and is managed by the Santa Ana Watershed Project Authority (SAWPA). The IEBL conveys wastewater to the Orange County Sanitation Districts (OCSD) facility in Fountain Valley for treatment and eventual ocean discharge. The Agency works closely with both LACSD and SAWPA in addressing salinity issues, encouraging better use of groundwater resources, and expanding the ability to reclaim water.

CUSTOMER AGENCIES

IEUA coordinates its activities with customer agencies in the region to determine capital spending requirements needed to meet future wastewater service needs, and to set priorities for future water supplies, recycling, and wastewater capital projects. IEUA provides regional wastewater-related services to seven sewage collection agencies (SCAs), as shown on Figure 2-2.

FIGURE 2-2: SEWAGE COLLECTION AGENCIES AND SERVICE AREA



AGENCY PROFILE AND POLICY GOALS

ANTICIPATED GROWTH

The Agency's service area, located in the Inland Empire (IE), is considered as one of the fastest growing regions in the United States. According to the forecasting center at UC Riverside's School of Business, the share of homes purchased by investors is at an all-time high, tremendous increase of employment in the transportation and logistics industries, and population driven upwards due to affordability and increased job opportunities.

San Bernardino County, California



Population 2,193,656



**Median Household Income
\$70,287**



**Persons in Poverty
13.2%**



**Educational Attainment:
Percent High School Graduate
or Higher 81.1%**



Median Housing Value \$370,700



**Total Housing Units
735,979**

Source: <https://www.census.gov/quickfacts/sanbernardinocountycalifornia>

DEMOGRAPHICS



POPULATION

During 2022, San Bernardino and Riverside county populations increased 0.1 percent and 0.3 percent respectively. During the same period Los Angeles, Orange, and San Diego County populations contracted between 0.2 and 0.7 percent.

In an [article](#) from the *Press Enterprise*, Business Columnist, Jonathan Lansner, shares that the Inland Empire population growth in 2021 was the fifth largest in the United States with a net in-migration of 34,859. Meanwhile during the same period, regions of Los Angeles and Orange counties lost roughly 175,913 residents. With nearly 4.65 million residents in the Inland Empire as of July 2021, this made the IE 12th most populous metro area in the United States.

As shown on the Table 2-1, the estimated population in San Bernardino County slightly increases by nearly 1 percent from 2020 to 2021.

TABLE 2-1: SAN BERNARDINO COUNTY POPULATION ESTIMATES

	2021	2020
Total Population	2,194,710	2,162,532
Male	50.0%	49.8%
Female	50.0%	50.2%
0 to 19 years	28.7%	29.3%
20 to 64 years	59.2%	59.3%
65 years and older	12.1%	11.4%

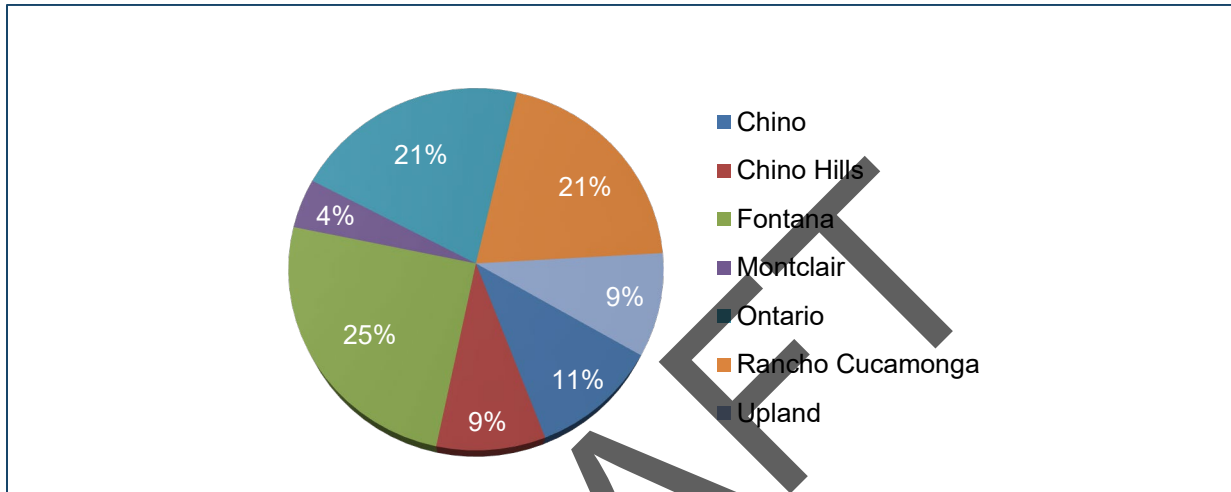
Source for 2021: [American Community Survey – 1 Year Estimates Comparison](#)

Source for 2020: [American Community Survey – 5 Year Estimates Comparison](#)

AGENCY PROFILE AND POLICY GOALS

According to the State's labor market information, the IE, along with the Central Valley, San Francisco Bay area, and greater Sacramento region are all expected to grow faster than the statewide average, increasing their share of the State population through 2060 by one to two percent. With that growth rate, the IE population may reach more than seven million by 2030. Reported as of January 01, 2022, the population and demographics within the service area are show on Figure 2-3 below.

FIGURE 2-3: SAN BERNARDINO COUNTY POPULATION ESTIMATES



Source: Department of Finance – [Population and Housing Estimates](#)

LOCAL ECONOMIC CONDITIONS AND OUTLOOK



HOUSING MARKET

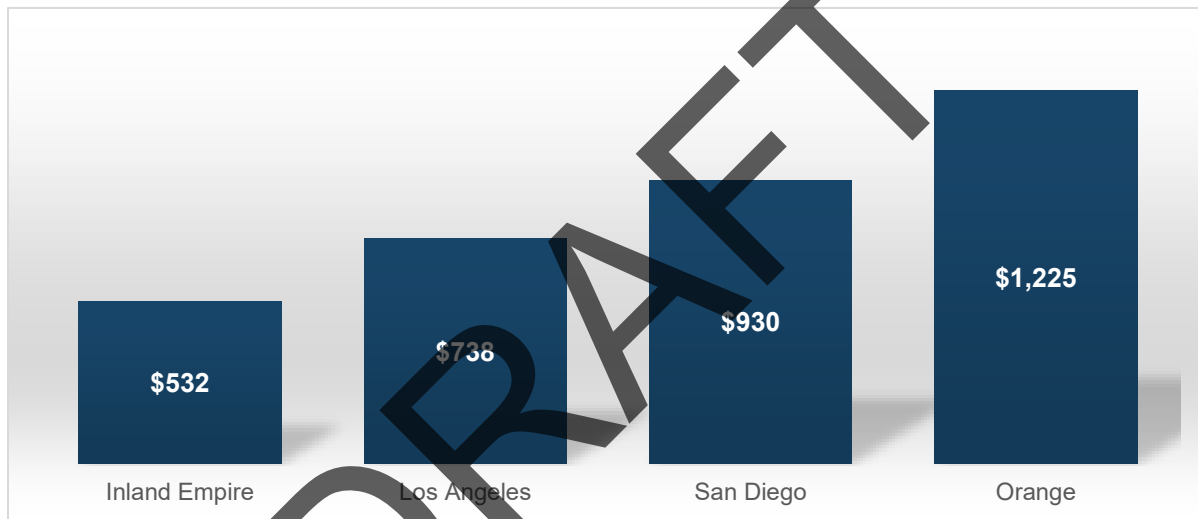
In a recent article from U.S. News regarding the Inland Empire Housing Market Forecast, through the first half of 2022, the housing market was at an all-time high and then declined due to inventory, bidding wars,

and rising prices. A balanced housing market includes three to six months of inventory (3.0-6.0); The housing supply in Riverside-San Bernardino-Ontario metropolitan statistical area reflected 1.24 months in March 2022 and increased to 4.08 months in November 2022. The market is still favoring sellers to buyers. By February 2023 both sales and median prices were beginning to rise again signaling incentives such as mortgage rate buydowns to help sell homes, which has attributed buyers migrating from Orange County, Los Angeles County, and San Diego County. With the area growing in popularity among warehousing and logistics, a region previously serving as farmland, has morphed into an economic machine.

Source: [U.S. News – Real Estate Market](#).

As shown in Figure 2-4, home value of existing homes is also growing with the new homes that are being built across the Inland Empire.

**FIGURE 2-4: SOUTHERN CALIFORNIA MEDIAN HOME PRICES BY COUNTY
(\$ THOUSANDS)**



Source: [Los Angeles Almanac – April 2023](#)

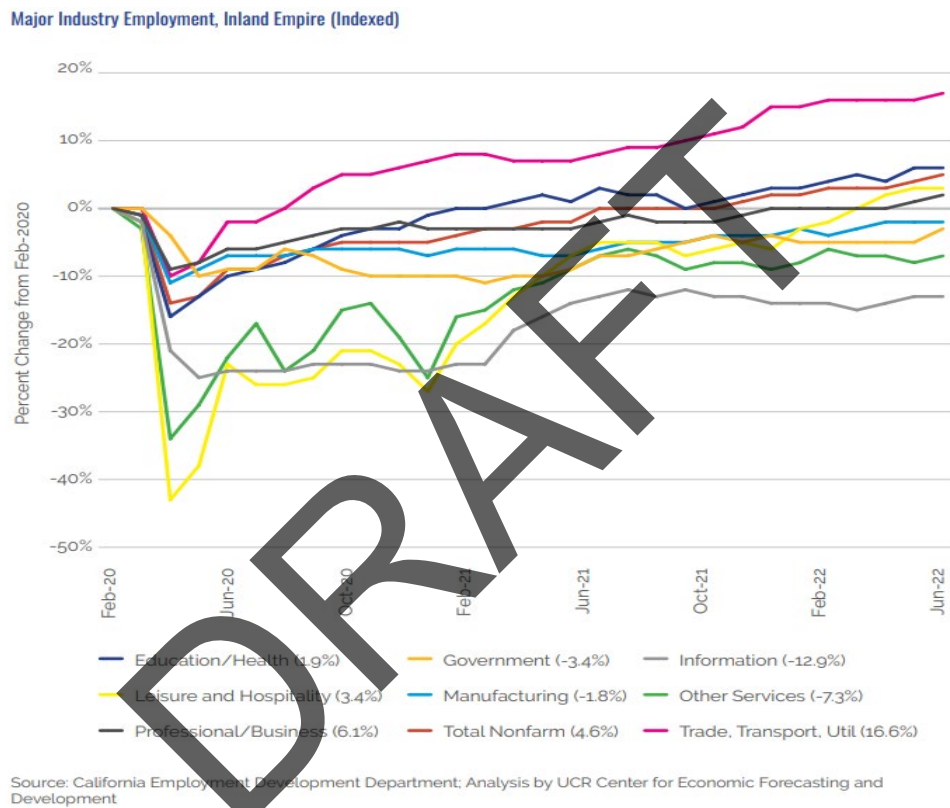


AGENCY PROFILE AND POLICY GOALS

EMPLOYMENT

As shown below in Figure 2-5, the largest job gains came from the distribution and transportation, professional/business, leisure and hospitality, and education and healthcare. Roughly sixteen percent of all jobs in the Inland Empire is in Transportation and Logistics. The Leisure and Hospitality sectors that were affected by Covid shutdowns are resurfacing and almost fully recovered. Professional and business sectors are also on the rise to accompany the large logistics and transport operations in the region.

FIGURE 2-5: SAN BERNARDINO COUNTY GROWING & DECLINING JOBS SECTORS



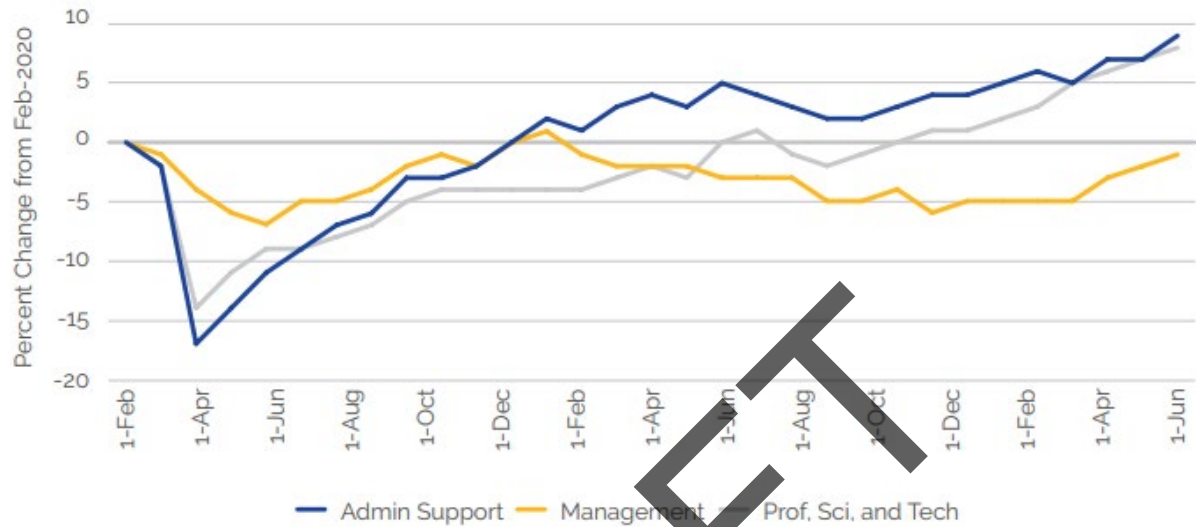
[Source: UC Riverside – 13th Annual Inland Empire Economic Forecast Conference](#)

Inland Empire offers a wide range of job growth from Professional, Scientific, and Tech job opportunities which diversifies the Inland Empire economy.

Figure 2-6 shows a detailed view of Profession and Business Services Jobs in the Inland Empire.

FIGURE 2-6: INLAND EMPIRE'S JOB TREND




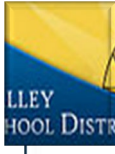


Detailed View of (Indexed) Professional and Business Services Jobs, Inland Empire



Source: California Employment Development Department, Analysis by UCB Center for Economic Forecasting and Development

Table 2-2 shows the region's principal employers (largest public and private employers).

TABLE 2-2: PRINCIPAL PUBLIC AND PRIVATE EMPLOYERS IN THE IEUA SERVICE AREA

 <p>Ontario International Airport • 5,000-9,999 staff</p>	 <p>Kaiser Fontana Hospital • 6,180 staff</p>
 <p>Fontana Unified School District • 4803 staff</p>	 <p>Chino Valley Unified District • 3,626 staff</p>
 <p>Ontario-Montclair School District • 2438 staff</p>	 <p>San Antonio Comm Hospital • 2,817 staff</p>

Source: [IEUA Annual Financial Report – Demographics and Economic Statistics](#)

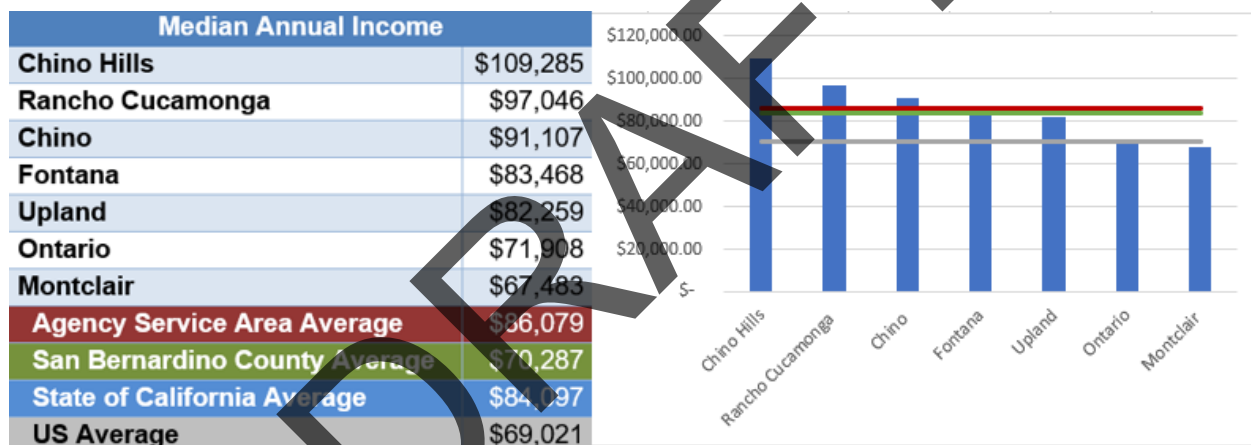
AGENCY PROFILE AND POLICY GOALS

MEDIAN INCOME

The Inland Empire median income has improved year after year, however; compared to the State of California, it is below California's average. Inland Empire 2022 median income for all households was \$70,287 with all cities except Montclair, which was above the United States average. The southern coastal counties including San Diego, Orange, Ventura, and Santa Barbara were at \$89,184. The expanded Bay Area from San Luis Obispo to Marin County across to Sacramento stood at \$104,958. Interestingly, when the lower housing costs in the inland counties are considered, the Inland Empire's net median income after housing costs stood above Los Angeles County.

Table 2-3 illustrates how the average annual incomes for the cities within the Agency's service area compare to the County, State, and Countries annual average.









TABLE 2-3: COMPARISON OF THE AVERAGE ANNUAL MEDIAN HOUSEHOLD INCOME FOR THE AGENCY'S SERVICE AREA TO THE COUNTY, STATE AND US ANNUAL AVERAGE (2022)



Source: [U.S. Census Bureau QuickFacts: Upland city, California](#); [Fontana city, California](#); [Chino city, California](#); [Rancho Cucamonga city, California](#); [Chino Hills city, California](#); [United States](#) and [U.S. Census Bureau QuickFacts: California](#); [San Bernardino County, California](#); [Montclair city, California](#); [Ontario city, California](#); [United States](#)

Table 2-4 shows the eight largest colleges and universities and their number of students, located within or near the IEUA service area.

**TABLE 2-4: COLLEGES AND UNIVERSITIES NEAREST TO IEUA
WITH OVER 2,000 STUDENTS ENROLLED IN FALL 2022**

	California State University - Fullerton 40,738 students		California State University - Pomona 29,456 students
	Mt. San Antonio College 25,540 students		University of California - Riverside 26,847 students
	Chaffey College 18,688 students		California State University - San Bernardino 19,514 students
	Fullerton College 17,813 students		Norco College 8,756 students

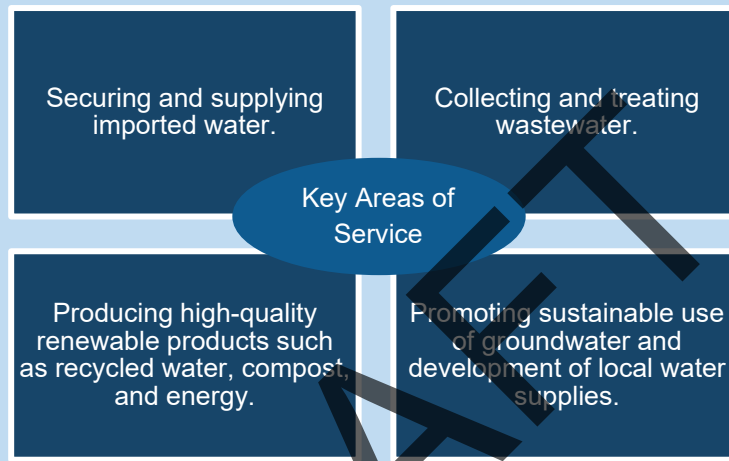
Source: National Center for Educational Statistics – www.nces.ed.gov/collegenavigator/

AGENCY PROFILE AND POLICY GOALS

STRATEGIC PLAN

MISSION STATEMENT:

Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost-effective manner while safeguarding public health, promoting economic development, and protecting the environment.



VISION:

To become a world class leader in water management and environmental stewardship, including water quality, water-use efficiency, recycled water, and renewable energy, in order to enhance and preserve the quality of life throughout the region.

VALUES:

Leading the way. Planning for the future. Protecting the resources of the communities we serve.
Inland Empire Utilities Agency is:

Committed to applying ethical, fiscally responsible, transparent, and environmentally sustainable principles to all aspects of business and organizational conduct.

Working with integrity as one team, while celebrating the region's diversity.

Staying in the forefront of the industry through education, innovation, efficiency, and creativity.

STRATEGIC GOALS

IEUA Business Goals align with the Agency's Mission, Vision, and Values which are defined by the needs of our stakeholders and the value provided to the community. Within each Business Goal category, several objectives have been established to support the Business Goal. These objectives ensure that current and future needs of the Agency and region are appropriately met. The Strategic Priorities outline what the Agency plans to accomplish in the biennial budget period.

The IEUA Business Goals are categorized into six primary areas:



AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
A. Fiscal Responsibility - IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long-term needs, while providing the best value for our customers.			
Key Objectives			
Funding and Appropriation – <i>IEUA will fund operations and capital investments by maintaining reasonable service rates and fees that fully support the costs of service.</i>	Budget Planning – <i>IEUA will plan for multi-year budgets and rate requirements in support of maintaining fiscal stability for IEUA and the member agencies.</i>	Reserves – <i>IEUA will maintain fund reserves, which can withstand significant changes to the economy and funding sources.</i>	Credit Worthiness – <i>IEUA will improve its credit rating, with the goal of reinstating the AAA rating, to reduce IEUA's future borrowing costs.</i>
Strategic Priorities			
1. Update rates to ensure full cost of service for the Wastewater and Non-Reclaimable Wastewater programs.			
2. Monitor the Agency's cost of service for key Agency programs to ensure rate efficiency related to Non-Reclaimable Wastewater (NRW) System, Regional Wastewater, Recycled Water, and Water Resources.			
3. Optimize the Agency's investment of surplus funds in accordance with the Agency's investment policy.			
4. Commit to sustainable cost containment for operating and capital budgets and monitor through budget variance analysis.			

IEUA Business Goal Overview

B. Work Environment - IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Key Objectives

Mission, Vision, & Values –

IEUA will adopt Business Goals and Objectives that support and advance the Agency's Mission, Vision and Values, ensuring the highest standard of conduct throughout the Agency by promoting values of leadership, integrity, collaboration, open communication, accountability, and respect for each other.

Agency Culture –

IEUA will foster a collaborative work environment that values communication, innovation, and work-life balance, adheres to the Agency's policies and procedures, and respects all aspects of diversity.

Training –

IEUA will maintain a highly skilled workforce to meet current and anticipated Agency and industry needs by facilitating and providing opportunities for staff to further their professional development.

Staff Safety –

IEUA will promote and ensure a safe and healthy work environment, exceeding industry best practices in support of achieving the Cal OSHA Star Voluntary Protection Program (CAL/VPP) certification.

Strategic Priorities

1. Promote a safe work environment by administering and monitoring required safety and regulatory trainings.
2. Establish a long-range staffing plan to ensure organizational effectiveness and Agency objectives are accomplished.
3. Develop and implement a plan to mentor and prepare the next generation of the IEUA team.
4. Ensure staff has access to professional development opportunities.
5. Promote inter-departmental collaboration and teamwork.

AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
C. Business Practices - IEUA will be ethical, cost-effective, and apply environmentally sustainable regional planning principles in all aspects of business and public service.			
Key Objectives			
Efficiency & Effectiveness – <i>IEUA will apply best industry practices in all processes to maintain or improve the quality and value of the services we provide to our member agencies and the public.</i>	Customer Service – <i>IEUA will provide outstanding service that supports our member agencies and region in a cost effective, efficient, and reliable manner.</i>	External Affairs and Government Relations – <i>IEUA will support effective public outreach and education, and advocate for the development of policies, legislation and regulations that benefit the region.</i>	Governance & Transparency
Strategic Priorities			
1. Identify opportunities to create operational efficiencies and streamlining of core business functions.			
2. Collaborate with and support local businesses and economic development in the region through regional programs.			
3. Provide excellent service to both external and internal customers.			
4. Promote the Agency through public outreach and education.			
5. Protect the Agency against cyber security threats.			

IEUA Business Goal Overview

C. Water Reliability - IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Key Objectives

Water Use Efficiency- <i>IEUA will promote water conservation, education, and incentive programs to assist the region in safeguarding water sustainability.</i>	Water Supplies- <i>IEUA will support the region with the development of reliable, resilient, and sustainable water supplies from diverse sources.</i>	Recycled Water <i>IEUA will maximize the use of recycled water to enhance regional water reliability.</i>	Groundwater Recharge- <i>IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships and development.</i>
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Strategic Priorities

1. Continue to develop resilient water supplies for the region to mitigate climate change and catastrophic infrastructure failures.
2. Develop innovative water resource management and wastewater treatment efforts.
3. Maintain water quality to meet customer needs, optimize recycled water availability, minimize service interruptions.
4. Execute previously identified opportunities to enhance the regional water supplies.
5. Maximize recharge of all sources of water.

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AGENCY PROFILE AND POLICY GOALS

IEUA Business Goal Overview			
E. Wastewater Management - IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.			
Key Objectives			
Water Quality- <i>IEUA will ensure that Agency systems are planned, constructed, and managed to protect public health, the environment, and meet anticipated regulatory requirements.</i>	Asset Management- <i>IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.</i>	Organics Management- <i>IEUA will manage organics to meet regulatory compliance standards in a fiscally prudent and environmentally sustainable manner.</i>	Energy Management- IEUA <i>will effectively manage energy resources including renewable energy initiatives and programs to achieve statewide environmental and renewable energy goals and stabilize future costs.</i>
Strategic Priorities			
1. Monitor treatment plant performance to meet regulatory requirements.			
2. Implement innovative techniques for cutting edge operations.			
3. Implement energy efficiencies into Agency facilities and equipment.			
4. Ensure timely state-of-the-art expansion of Agency facilities to prepare for anticipated regional growth.			
5. Develop and implement an Asset Management Plan.			

IEUA Business Goal Overview

F. Environmental Stewardship - IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

Key Objectives

Regulatory Compliance - <i>IEUA will comply with all federal, state, local, and environmental laws, and regulations.</i>	Good Neighbor Policy – <i>IEUA will foster positive relationships within the region and develop and implement projects that minimize impacts to the community and environment.</i>	Environmental Responsibility – <i>IEUA will provide regional leadership to implement environmentally sustainable business practices and promote the preservation of the region's cultural and ecological heritage.</i>	Regional Habitat Management – <i>IEUA will promote the preservation of regional habitat and implement the development and use of appropriate mitigation measures on all projects.</i>
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Strategic Priorities

1. Operate in compliance with all regulatory requirements.
2. Implement long- term projects in support of long-term renewable energy goals intended to minimize the Agency's carbon footprint.
3. Incorporate sustainable standards into the long-term maintenance and operation of facilities.
4. Conduct educational and outreach programs and activities related to the Agency's key areas of business.

AGENCY PROFILE AND POLICY GOALS

BUDGET PRIORITIES

The Fiscal Year 2023/24 and 2024/25 operating budgets were prepared using parameters included in the Agency's Business Goals and related strategic priorities and directives. Operating revenues in the biennial budget for Fiscal Years 2023/24 and 2024/25 are based on multi-year rates adopted by the Board of Directors in April 2023 for the Agency's Regional Wastewater program, July 2020 for Water Resources program, and June 2022 for the Recycled Water program. The biennial budget presents operating expenses for all Agency programs, and investment in Agency assets necessary to meet the demand of current and future growth projected by customer agencies. The biennial budget supports the Agency's Business Goal of fiscal responsibility by demonstrating sound financial planning. Key areas addressed in the development of the budget for Fiscal Years 2023/24 and 2024/25 are:

- ◆ **Staffing** – Ensure the Agency has the appropriate level of staff needed to accomplish objectives, serve the region, and optimize organizational development and effectiveness. The Agency will be supported by an increase to full time equivalent staffing, a reduction of the vacancy factor, and early recruitment of critical positions to support the RP-5 Expansion and to ensure successful continuity of operations.
- ◆ **Cost containment** – Cost containment is one of the key principles that serve as the foundation for the Agency's budget. In an effort of continued cost containment, the biennial budget was carefully evaluated to ensure expenditures are appropriate and essential to meet the Agency's levels of service and strategic priorities.
- ◆ **Cost of Service** – An important policy principle is the establishment of rates and fees that fully recover the cost of providing services.
- ◆ **Optimize low interest debt** – The practice of securing low-cost financing to fund capital expansion and improvement of Agency's facilities is essential to maximizing financial flexibility and reducing the upward pressure on rates and fees.
- ◆ **Upkeep of Agency Assets** – Timely upkeep of Agency facilities and infrastructure is necessary to support an increase in services required from projected future growth and to maintain compliance with changing regulatory and safety requirements.
- ◆ **Transparency** – The Agency is committed to the highest standards of communication and fiscal responsibility by providing a platform for transparent communication and timely reporting. This document serves as an important tool for understanding the Agency's policies, programs and activities, and short and long-term goals.

The biennial Operating Budget and the Ten-Year Capital Improvement Plan (TYCIP) demonstrate the Agency's commitment to deliver reliable, high quality essential services to its customers in a regionally planned, safe, and cost-effective manner. The projects included in the Agency's FY 2023/24 – 2032/33 TYCIP are necessary to accomplish the Agency's goals based on the and forecasted regional projections of water and wastewater needs, physical condition of assets, and regulatory compliance requirements.

FINANCIAL POLICIES

The Agency's practices are guided by the following budget and financial policies:

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
Operating Budget	Budget will be prepared based on a fiscal year. Beginning July 1 and ending on June 30.	FYs 2023/24 and 2024/25 Biennial Budget was adopted by the Board of Directors in June 2023.	A mid-cycle budget review and amendment, scheduled to begin in January 2024 with projected Board adoption of amendments in June 2024.
	The Agency will produce a budget document based on national best practices established by nationally recognized organizations, such as the Government Finance Officers Association (GFOA)	The Agency's FY 2021/22 and 2022/23 Biennial Budget received GFOA's Distinguished Budget Award for the fifteenth consecutive year.	Best practices and budget guidelines are continually reviewed, and any necessary changes are incorporated into the biennial budget document. The FY 2023/24 and 2024/25 Biennial Budget reflects new or changing requirements.
	The budget will be developed using an iterative and inclusive process that solicits input from all levels of the organization. The budget process will allow time for careful review and public participation before adoption.	A Budget calendar was distributed in October 2022. Agency wide budget trainings were held in November 2022. Workshops and budget review sessions were held with Agency departments, management, Board, and Regional Stakeholders January through May 2023.	All future operating and capital budgets will include input by departments, management, Board, and Regional Stakeholders.
Balanced Budget	The budget will be balanced with the current revenues equal to or greater than current expenses.	The FY 2023/24 and 2024/25 Biennial Budget was balanced using a combination of current revenues and reserves.	Future Agency budgets will be monitored regularly and adjusted as needed. A Budget Variance analysis report is prepared and presented to the Agency's Board of Directors quarterly.
	When operating or capital expenses exceed revenues the respective fund reserves will be used to meet the shortfall.	The use of reserves was necessary for FYs 2020/21 and 2021/22. Reserves are projected to be used for FY 2022/23.	Reserves will be used to balance any projected shortfall in net revenues for FY 2023/24 and 2024/25.

AGENCY PROFILE AND POLICY GOALS

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
Revenues	User fees and property taxes must be evaluated annually to ensure appropriate cost recovery and adequate delivery of services. The Agency strives for a stable and consistent revenue base without wide fluctuations from year to year.	Sewer Connection Fees and Monthly EDU Rates for FY 2023/24 and FY 2024/25 were adopted in April 2023. Multi-year rates, through FY 2024/25 have been adopted for the Water Resource and Recycled Water Programs.	The Agency will perform a comprehensive cost of service study upon the completion of the return to sewer study, slated for completion in early 2024, to help update the parameters defining an EDU in the Agency's service area. The ongoing evaluation of rates and rate structures for the Non-Reclaimable Wastewater program will support rate adjustments starting in FY 2024/25.
Debt Management	The Agency will manage its debt portfolio as part of an asset/liability matching strategy, in that context, debt amortization terms should match the useful life of the capital project funded; variable rate debt may be used if it is sufficiently hedged with cash reserves.	The Agency's second Water Infrastructure Finance and Innovation Act (WIFIA) loan agreement was approved by the Environmental Protection Agency (EPA) in April 2022. The loan will help fund the RP5 Expansion and Regional Wastewater and Non-Reclaimable Wastewater system improvement projects.	The Agency will continue to pursue low interest financing, grants, and rebates when applicable.
	Interest rate swaps and other derivative products will be considered when the risks are manageable as determined by staff, financial advisors, and the Board of Directors.	No interest rate swaps, or derivatives were considered in FYs 2021/22 or 2022/23.	Future use of interest rate swaps or other derivative products will be considered when appropriate.
Capital Planning	The Ten-Year Capital Improvement Plan (TYCIP) will be reviewed and adjusted annually.	The FY 2023/24 through FY 2032/33 TYCIP was adopted by the Board of Directors in June 2023.	The next planned TYCIP review and update to be presented to the Board for adoption is projected for June 2024.

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
	The Agency will support the TYCIP through various funding alternatives including bonds, low interest loans, interim financing, and grants.	The Agency has secured low interest long term federal and state loan financing to support the TYCIP	The Agency will continue to pursue low interest federal and state financing, grants and rebates when applicable.
	Operating, maintenance, and replacement costs associated with new capital improvements are forecasted and included in future year projected costs.	The FYs 2023/24 and 2024/25 Biennial budget includes operating impacts of significant non-routine projects with budgets over two million dollars in the Capital section of this document.	Operating and maintenance costs associated with capital projects are evaluated throughout project development. The impact on the operating budget is often an increase in utility or maintenance costs related to capital additions. The additional costs can also be offset by an increase in revenues related to increased capacity or a cost savings in comparison to current operating procedures.
Long Range Planning and Forecasting	Near term (1 to 10 years) and long term (up to 30 years) planning to forecast future revenues and expenditures considers long-term planning use trends, projected changes in population growth, service level needs, property value assessments, new development, and general economic conditions.	<p>The biennial budget and mid-year budget review includes a ten-year forecast of revenues, expense, operating, and capital project needs.</p> <p>The Agency's annual planning report provides a summary of historic trends, usage patterns, and future forecasts about the service area's potable water, recycled water, ground water, and wastewater.</p>	Included the Agency's strategic priorities for biennial budget period are implementation of projects to support long-term renewable energy goals, incorporation of sustainable standards for long-term maintenance and operation of Agency facilities and establishing a long-range staffing plan.
	The Long-Range Plan of Finance (LRPF) will be updated periodically. The operating budget is the short-term action plan for development and execution of the Agency's strategic plan consistent with the LRPF.	Annual and ongoing adjustments to the operating budget assure continual alignment of short-term budgetary goals with the long-term strategic plan.	The Long-Range Plan of Finance will be updated upon the completion of different Master Plan documents.

AGENCY PROFILE AND POLICY GOALS

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
Auditing, Accounting and Financial Reporting	The Agency will use widely recognized and accepted accounting standards including GAAP and guidance issued by the Government Accounting Standards Board (GASB). Practical guidance to enhance the quality of the Agency's accounting procedures will be sought from Publications such as the GAAFR as published by the GFOA.	The Agency received the GFOA Award for Excellence in Financial Reporting for the 24 th consecutive year for the fiscal year ended June 30, 2021, Annual Comprehensive Financial Report (ACFR).	Staff will attend various GFOA trainings throughout FY 2023/24. Staff will review and incorporate any comments received by GFOA into the FY 2023/24 ACFR and Budget documents.
	Regular reporting of financial results will be accomplished through issuance of an Annual Comprehensive Financial Report based on the guidelines as published by the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA) of the United States and Canada.	FY 2021/22 ACFR was approved by the Board of Directors December 21, 2022.	The Agency's ACFR preparation will begin July 2023 and will be presented for Board approval in December 2023.
	The Agency's Internal Audit Department will perform an annual quality control review of the Agency's Annual Comprehensive Financial Report to ensure industry standards and reasonable accuracy of reporting has been achieved prior to issuance of the Agency's annual ACFR.	Internal Audit provided a quality review of the draft ACFR for fiscal year ending June 30, 2022, in October/November 2022 prior to adoption by the Board of Directors and submission to GFOA and CSMFO.	The Internal Audit department will continue to provide review each year of the Agency's annual financial information. The next review is scheduled for November 2023.
	Annual audits from an independent firm in conformity with GAAP will be performed on all Agency financial records and those entities of the Agency for which the accounting and financial reporting services are	For fiscal year ended June 30, 2022, the Agency received an unmodified opinion from its external auditors. The annual financial statements were free of any material misstatement, are presented fairly in	An interim audit of financial information will be performed by an independent certified public accountant in May/June 2023. The final audit of financial information will be performed between September and

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
	provided. As part of the annual audit, a single audit in conformity with federal guidelines for all grant funded programs will be conducted.	conformity with generally accepted accounting principles. There was no finding of significant deficiencies or material weaknesses.	November 2023 for fiscal year ending June 30, 2023.
Fund Reserve Balances	The Agency will maintain fund reserves to ensure enough funding is available to meet its operating, capital, and debt service obligations, comply with legally mandated requirements, and has adequate resources to respond to unforeseen events.	The Agency's Reserve Policy was updated, reviewed, and adopted by the Board in April 2021.	The Reserve Policy is reviewed annually to ensure compliance with current regulations and alignment with Agency policies and strategic goals.
Debt Ratio	As required by Agency bond covenant, the Agency seeks to maintain a legally required debt coverage ratio (DCR) of at least 1.25 times debt service costs due in any given year.	Annual fluctuations in the DCR are primarily driven by changes in funding sources and/or debt service amounts. As of June 30, 2022, the Agency's DCR was 7.30x.	When needed the Agency will require a rate increase to cover both operating and maintenance (O&M), and debt service costs to maintain the legally required DCR.
	The Agency applies ceilings on the amount of long-term debt that can be issued, as these policies are designed to maintain the Agency's credit strength.	Before issuing debt, staff will perform analysis to compare projected net revenues (revenues after payment of O&M expense) to estimated annual debt service and estimated DCR.	Before engaging in any debt financing, the proposed debt obligation combined with existing debt must result in acceptable debt ratios.
Cash Management and Investment Policies	The Agency shall invest idle cash in a prudent manner according to established investment policy consistent with state laws and regulations, ensuring the Agency's cash flow requirements are met while meeting the objectives of safety, liquidity, and return on investment.	<p>The Agency's Investment Policy is updated annually. The Investment Policy for FY 2023/24 was presented for review and approval to the Board of Directors in April 2023.</p> <p>All FY 2021/22 and 2022/23 investments were made in conformity with Agency policy and within the guidelines of the California Government Code and applicable California law.</p> <p>Investment transactions, as well as cash and</p>	<p>All future investments will be monitored regularly and will conform with Agency policy and applicable state law.</p> <p>All investment transactions, as well as cash and Investment positions held by the Agency will be reported monthly to the Board of Directors, through the Financial Affairs report, in compliance with California Government Code.</p>

AGENCY PROFILE AND POLICY GOALS

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
		investment positions were reported monthly to the Board of Directors through the Financial Affairs report, in compliance with California Government Code.	
	The Agency will accelerate cash collections and carefully manage disbursements to maximize cash balances; disbursements will be timely to maintain public trust and productive relations with employees, contractors, suppliers, and other government entities.	<p>Accounts receivables are collected within an average 30-day billing cycle. Receivables are monitored regularly by staff. At any time if an account is deemed to be uncollectable the information is submitted to the Board for review and written off.</p> <p>Agency disbursements are submitted to the Board of Directors for review and approval monthly.</p> <p>Electronic payments are the Agency's preferred method of vendor remittance.</p>	Going forward these policies will continue to be adhered to. Receivables will be monitored regularly, and Agency disbursements will be submitted to the Board for approval monthly.
	Cash flow projections are updated daily accounting for all receipts and disbursements, this serves as the baseline for determining cash liquidity needs and funds available for investment; cash balances of the Agency's various funds will be pooled to maximize investment opportunities with interest earnings allocated in a rational manner consistent with generally accepted accounting principles.	Cash flows are maintained through collaborative efforts between the Financial Planning and Accounting departments. Cash flow projections are updated daily, a weekly cash management report is prepared for Agency management. Cash review meetings are held bi-weekly to discuss current cash position and investment opportunities.	Consistent with prior years, weekly cash flow reports will be prepared, and bi-weekly cash flow meetings are scheduled throughout FYs 2023/24 and 2024/25.

Policy Objective	Strategy	Actions Completed	In Progress/To be Done
Human Resource Management	The Agency will determine staffing levels consistent with budgetary authority, available resources, and operating needs; the Agency will strive to balance cost effectiveness, employee engagement and productivity.	340 full-time equivalent positions were authorized for FY 2023/24 and 352 full-time equivalent positions were authorized in 2024/25.	The Agency will continue the use of various organizational development strategies to facilitate succession planning and the timely recruitment of critical positions.
	Annual authorized staffing projections are based on production levels (i.e., annual flow projections), number of facilities, and number and duration of capital projects; temporary and contract staff will be used to meet peak demands.	In FY 2022/23, the Agency averaged 13 limited-term employees. The limited term positions were used to support grants administration, long-term planning initiatives, and execution of the Capital Improvement Plan.	Use of limited term employees is evaluated annually. In FYs 2023/24, 5 limited-term positions are budgeted and in FY 2024/25 4 limited-term positions are budgeted. Limited-term positions will provide support in execution of major capital improvement projects, grants administration, human resource, and long-term planning initiatives.
	The Agency will maintain a competitive compensation package in order to secure highly skilled and dedicated workforce. The various Memorandum of Understanding (MOU) will be negotiated in alignment with the Agency's current and anticipated economic conditions.	FY 2023/24 is the final year of a three-year MOU agreement with employee bargaining units.	The Agency will continue to evaluate its compensation package through classification studies of individual positions and by administering a benefits survey to staff. Complete negotiations with the five bargaining units for the implementation of new MOU's and Personnel Manuals by July 1, 2024.
Risk Management	Risk Management policies are designed to protect against losses that would affect Agency assets and its ability to provide ongoing services.	The Agency continuously provides employee safety and health management, high quality safety training, emergency response, and hazardous materials management, as well as assessing the Agency's Occupational and Environmental Health and Safety programs.	The Agency will continue to promote a safe, hazard free working environment. Progress will be monitored through the Agency's Safety programs and initiatives and policies that are designed to ensure compliance with all applicable local, state, and federal regulations governing the workplace and its employees.

BUDGET PROCESS

The budget is the primary performance tool used to measure accountability, transparency of public agencies uses of taxpayer dollars, service rates, and fees. The budget communicates to all stakeholders (i.e., elected officials, regional agencies, and the communities we serve) how investments will be used by providing detailed information on specific resource allocations and expenditures. Progress is monitored monthly, and revisions are made when necessary to meet demand or accommodate unplanned expenditures. This budget document is used as a benchmark to evaluate the Agency's accomplishments and challenges, as well as to assess compliance with fiscal accountability.



In June 2023, the Agency adopted its biennial operating budget for Fiscal Years (FYs) 2023/24 – 2024/25. Both the biennial budget and the Ten-Year Capital Improvement Plan (TYCIP) for FYs 2023/24 – 2032/2033 are guided by the Strategic Plan that identifies the major initiatives to be accomplished over a five-year period. The basis for the Agency's Strategic Plan is the IEUA Business Goals (Business Goals) which guide the Agency's decisions and actions in fulfilling its mission, vision, and values. The IEUA Business Goals and corresponding objectives are highlighted in the Agency Profile in the Strategic Priorities and Policy Goals section.

The IEUA Business Goals are integrated in the Agency's long-term planning documents, including the Asset Management Plan (AMP), Ten-Year Capital Improvement Plan (TYCIP), Long Range Plan of Finance (LRPF), and master plans such as: The Facilities General Master Plan, Recycled Water Program Strategy, Water-Use Efficiency Business Plan, Energy Management Plan, and Integrated Water Resources Plan. These strategic long-term planning documents provide a systemic and disciplined approach in mapping out

the Agency's service area growth, demand for future services needs and determining the financial requirements necessary to support these requirements. The financial requirements include establishing and maintaining rates to support the cost of service and capital improvement plan investments, sustaining reserve levels to safeguard the Agency's fiscal health, and upholding a debt coverage ratio that preserves market access and ensures a low cost of future borrowing.

BUDGET PREPARATION PROCESS AND TIMELINE

The preparation of the Operation and Maintenance (O&M) budget and Ten-Year Capital Improvement Plan (TYCIP) begins in October with the issuance of the General Manager's (GM) budget message. The GM's budget message will communicate guidelines, the Agency's key business goals, objectives for the preparation of the Five-Year Business Plan (Operation and Maintenance budget), and the TYCIP to all Department Managers and Supervisors.

On July 1, 2023, the Agency will be implementing its fifth biennial budget for FYs 2023/24 and 2024/25. In the Spring of 2024, a mid-cycle budget review process will determine whether any adjustments to the FY 2024/25 O&M budget or the TYCIP are necessary. Recommended changes to the FY 2024/25 O&M budget and TYCIP will be presented to the Board as budget amendments for review and approval in May/June 2024.

With support from the Board of Directors, Senior Leadership, Directors, Department Managers, and staff, the budget preparation process plays an important role in the Agency's strategic financial planning and adheres to the timeline reflected in Figure 3-1.

FIGURE 3-1: BUDGET PROCESS TIMELINE



BUDGET PROCESS

SENIOR LEADERSHIP RESPONSIBILITIES

During the budget preparation process, Senior Leadership meets with staff to review and evaluate both O&M and Capital budget requests to ensure they align with the Agency's goals and objectives. A key objective is sustaining high quality services while simultaneously aiming for greater operating efficiencies to minimize service rate impacts. Senior Leadership closely monitors fund balance reserves and key financial ratios to guarantee that the Agency's financial position can effectively withstand economic variability and unplanned events. In some cases, this means re-examining operating priorities and costs, streamlining procedures, consolidating or realigning resources, updating policies, and/or adjusting service rates and fees. Public budget workshops are held to inform the IEUA Board of Directors, customer agencies, and key stakeholders of the major drivers, objectives, budget assumptions, proposed rate structures, capital programs, and relevant policy issues.

Subsequently, the proposed budget and rates as recommended by Senior Leadership are presented to the Board's Finance and Administration Committee for review and recommendation in April and May.

The Regional Wastewater and Recycled Water Program budgets and their respective service rates are presented to the Regional Committees, which are comprised of representatives from the Agency's seven sewage collection agencies. Upon the Regional Committees' review and recommendation, in accordance with the Regional Sewage Service Ordinance 111, the Agency's Board of Directors approves and adopts the final budget document, rate resolutions, and TYCIP before June 30th of each year.

DEPARTMENT RESPONSIBILITIES

Each department is tasked with developing qualitative, quantitative, and justifiable departmental goals and objectives, key performance measures, staffing plans, capital budget requests, and O&M budget requests that are pertinent to the department's goal performances and consistent with the IEUA Business Goals and objectives.

BUDGET PREPARATION TRAINING

To assist Agency staff with the budget preparation process, Finance staff conducts a training session for key staff from other departments on the O&M and Capital budget in November and December; Open house sessions are also held to further assist staff in the budgeting and reporting process. Reference materials, such as labor rates, staffing plans, project lists, and instructions for budget preparation are posted on the Agency's intranet site. In addition, for staff who missed the training sessions, one-on-one sessions are offered by Finance staff, to ensure the required information is properly updated for the budget.

BALANCED BUDGET

The Agency's budget is aggregated from itemized budgets for each fund within each program. The budget is balanced with current revenues equal to or greater than current expenses using the following strategies: Improve work-flow efficiency; ensure effective pricing on materials and contracts; pursue federal and state grants and low interest financing to support capital projects; adjust user charges and service fees based on

cost of services and replacement and rehabilitation (R&R) requirements. In any fund, when capital costs exceed revenues, the respective fund reserves will be used to meet the shortfall.

The biennial O&M budget is balanced with a combination of service rates and fees, property taxes, grants, low interest loans, conservative expense forecasts that sufficiently support O&M costs, and fund reserves. The capital program is funded by regional connection fees, federal and state grants, low-interest loans, a portion of property taxes, and fund reserves.

BUDGETARY CONTROL

The Agency maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the IEUA Board. The Agency's Fiscal Control Ordinance establishes the Agency's basic principles of financial control and authorizes the General Manager (GM) and the Assistant General Manager to approve the transfer of appropriations among departments and expense categories within a single fund's budget. An increase in appropriation in any fund budget, whether accomplished through a change in anticipated revenues or increase in total project budget, requires Board approval. The only exception is the GM contingency account. Based on the Fiscal Ordinance, the GM is authorized to transfer GM Contingency account budget between funds within the operating budget as needed to support unplanned costs. Information on all budget transfers is presented to the Board as part of the quarterly variance reporting.

BUDGET VARIANCE MONITORING AND REPORTING

Budget-to-actual reports on O&M and capital activities are available on a real-time basis through the Agency's Enterprise Resource Planning (ERP) financial system. The financial system monitors budget consumption and notifies Department Managers and the Director of Finance or the Budget Officer via email of any budgetary control issues. In accordance with the budget variance guidelines, Department Managers are required to prepare and submit a budget variance analysis to their Divisional (Senior Leadership) Managers on a quarterly and specific reporting period basis. Subsequently, staff presents the Agency's quarterly budget-to-actual variances to the Finance and Administration Committee and the Board of Directors, along with a report on budgetary fund transfers and the status of departmental goals and objectives. The on-going budget review process is essential in monitoring year-to-date operational and capital expenditures. This proactive approach serves as an early warning mechanism to Department Managers of any substantial variance in actual spending compared to the budgeted amount.

If the overall adopted O&M Budget or Capital Budget appropriation needs to be amended, a presentation to the Finance and Administration Committee is required. The Board takes the Committee's recommendation into account as they consider the merits of the additional requested appropriation. A majority approval by the Board is required to amend the budgeted appropriation.

FINANCIAL POLICIES

The Agency's budget is guided and developed in accordance with the following financial policies and ordinances, which support the IEUA Business Goal of fiscal accountability on funding and appropriation, as well as in compliance with legal requirements.

BUDGET PROCESS

Debt Management Policy. This policy establishes the conditions for the use of debt and creates procedures and policies that minimize the Agency's debt service and issuance costs, retain a high-quality credit rating, and maintain full and complete financial disclosure and reporting. It provides comprehensive guidelines for the use of debt financing and prepayment or refunding of outstanding debt.

Investment Policy. This policy establishes procedures and guidelines by which surplus funds can be managed in a prudent and fiscally sound manner. It prioritizes the Agency's public funds management objectives of safety, liquidity, and yield and encompasses those funds over which the Agency exercises fiscal control. The policy stipulates allowable and unallowable investment alternatives and establishes parameters for selecting broker/dealers and financial institutions with which the Agency may do business. This policy is reviewed annually, or whenever there are recommended changes, whichever occurs first.

Reserve Policy. This policy establishes appropriate fund reserves by category. For each category, the policy identifies the purpose, sets the appropriate minimum and target levels, funding sources, and conditions for use and replenishment. The policy is consistent with sound, prudent fiscal practices, compliant with legal requirements, and essential to ensure that the Agency can effectively address economic and environmental variability. Periodic review of this policy is performed to ensure it remains relevant and aligns with Agency policies and strategic goals.

Fiscal Ordinance. This ordinance provides a system of financial administration, accounting, and fiscal budgetary control. It also defines the parameters of budget adjustments in operating and non-operating expenditures as well as the approval requirements. It is periodically reviewed and updated to reflect necessary changes in the IEUA Business Goals and supporting policies.

Procurement Ordinance. This ordinance establishes procurement thresholds, expenditure (approval) limits, delegated authority, solicitation requirements, and protocols to ensure adequate fiscal controls and transparency of the Agency's expenditures. This ordinance is reviewed and updated periodically to address changes in the procurement or contracting process, or authorization limit.

BUDGET BASIS

The Inland Empire Utilities Agency is a California Municipal Water District established in 1950 under the provisions of the Municipal Water District Act of 1911.

The Agency operates and reports all activities as proprietary funds (Enterprise funds), which are used to account for operations that are financed and operated in a manner like a private business enterprise. Enterprise funds account for operations that provide essential services on a continuous basis and are substantially financed by revenue derived from user charges and fees.

The budgets for all the Agency's proprietary funds are prepared using the accrual basis of accounting; Budgeted and actual revenues are recognized when earned, and expenses are recognized as they are incurred, conforming to the recommended best practices for budgeting according to the Government Finance Officers Association of the United States of America and Canada and consistent with the Agency's Annual Comprehensive Financial Report. The only exceptions are those listed below:

- Capital outlay is budgeted as an expenditure.
- Capitalized interest is budgeted as interest expense.
- Principal payments are shown as expenditures rather than reductions to liabilities and accounted for on a payment due date basis.
- Contributions toward the unfunded liabilities for CalPERS and other post-employment benefits are budgeted as part of the employment expenses.
- Debt proceeds are accounted for as other funding sources.
- Grant receipts are recorded as other funding sources rather than contributions in aid.
- Payments from long-term receivables are recorded as other funding sources.
- Proceeds from the sale of assets are recognized as other funding sources.
- Depreciation and amortization are not budgeted.
- Gains and losses from sale of assets are not budgeted.
- Deferred costs, such as debt issuance costs, are expensed over the duration of the related debt.

DRAFT

REVENUES AND OTHER FUNDING SOURCES

The Agency's total revenues and other funding sources for FY 2023/24 and FY 2024/25 are projected to be \$429.1 million and \$475.6 million, respectively. Included in total revenues are user charges, property tax receipts, pass-through sales of MWD imported water, water connection fees from new or upsized connections to the Regional Wastewater and Regional Water systems, recycled water sales from direct and groundwater recharge deliveries and fixed cost reimbursements, debt and grant proceeds, and other revenues, such as, interest earnings and reimbursements. Table 4-1 represents major revenues and funding sources trends by major categories for both fiscal years:

TABLE 4-1: TOTAL REVENUES AND OTHER SOURCES OF FUNDS* (\$MILLIONS)

Revenues	2023/24 Budget	2024/25 Budget	Description
User Charges	\$107.6	\$114.0	Regional Wastewater monthly sewer service charges; Non-Reclaimable Wastewater (NRW) pass-through volumetric, capacity and strength charges; and monthly water meter charges, and MWD readiness-to-serve (RTS) fees.
Property Tax	79.0	80.3	San Bernardino County ad-valorem property taxes, pass-through incremental taxes, and extra-territorial fees.
Water Sales	53.0	56.7	Sale of pass-through MWD imported potable water budgeted at 60,000 acre-feet per year (AFY).
Connection Fees	31.4	33.1	Fees new or upsized connections to the Regional Wastewater and Regional Water systems.
Recycled Water Sales	21.9	24.0	Recycled water sales for direct and groundwater recharge deliveries and fixed cost reimbursement.
Bonds, State and Other Loans	108.6	127.2	Debt proceeds to support capital project investments.
Grants	2.7	16.3	Federal, state, and local grants to support regional recycled water distribution system improvements basin recharge upgrades, and regional water use efficiency programs.
Other Revenues	24.9	24.0	Reimbursements for operational and administration support from Chino Basin Watermaster (CBWM), Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), lease revenues, interest earnings, inter-fund loan repayments, and other miscellaneous earnings.
Total	\$429.1	\$475.6	

* Excludes Inter-fund Transfers in and out which net to zero on a consolidated fund level.

Totals may not tie due to rounding

Table 4-2 shows FYs 2023/24 and 2024/25 revenues and funding sources by program fund, including inter-fund transfers and percent change relative to the prior fiscal year.

TABLE 4-2: TOTAL REVENUES AND FUNDING SOURCES BY PROGRAM (\$THOUSANDS)

Program	FY 2022/23 Projected Actual	FY 2023/24 Budget	% Change FY 2023/24 vs. FY 2022/23	FY 2024/25 Budget	% Change FY 2024/25 vs. FY 2023/24
Administrative Services					
Property Tax	\$3,487	\$3,557	2%	\$3,614	2%
Cost Reimbursement ⁽¹⁾	1,520	1,857	22%	2,020	9%
Other Revenue ⁽²⁾	193	245	27%	245	0%
Inter-fund Transfers In	4,142	4,965	20%	6,841	38%
Total	\$9,342	\$10,624	14%	\$12,720	20%
Non-Reclaimable Wastewater					
User Charges	\$12,684	\$14,501	14%	\$15,256	5%
Loans and Grants	0	0	0%	17,433	100%
Other Revenue ⁽²⁾	3,700	700	-81%	700	0%
Inter-fund Transfers In	702	990	41%	584	-41%
Total	\$17,086	\$16,191	-5%	\$33,973	110%
Regional Wastewater					
User Charges	\$77,810	\$83,142	7%	\$88,529	6%
Property Tax	68,187	69,551	2%	70,664	2%
Cost Reimbursement ⁽¹⁾	3,924	4,939	26%	4,880	-1%
Loans and Grants	83,500	102,800	23%	109,764	7%
Connection Fees	19,000	24,396	28%	25,859	6%
Other Revenue ⁽²⁾	4,678	8,686	86%	8,198	-6%
Inter-fund Transfers In	6,158	5,491	-11%	3,890	-29%
Total	\$263,257	\$299,005	14%	\$311,784	4%
Recharge Water					
Cost Reimbursement ⁽¹⁾	\$1,679	\$2,720	62%	\$2,510	-8%
Loans and Grants	7,398	8,209	11%	308	-96%
Other Revenue ⁽²⁾	100	80	-20%	100	25%
Inter-fund Transfers In	1,960	2,333	19%	2,072	-11%
Total	\$11,137	\$13,342	20%	\$4,990	-63%

REVENUES AND OTHER FUNDING SOURCES

Program	FY 2022/23 Projected Actual	FY 2023/24 Budget	% Change FY 2023/24 vs. FY 2022/23	FY 2024/25 Budget	% Change FY 2024/25 vs. FY 2023/24
Recycled Water					
Property Tax	\$2,961	\$3,161	7%	\$3,212	2%
Cost Reimbursement ⁽¹⁾	355	94	-74%	96	2%
Loans and Grants	0	309	100%	16,009	5081%
Connection Fees	4,326	7,015	62%	7,226	3%
Water Sales	19,716	21,853	11%	23,967	10%
Other Revenue ⁽²⁾	881	4,815	447%	4,539	-6%
Inter-fund Transfers In	2,546	2,675	5%	2,673	0%
Total	\$30,785	\$39,922	30%	\$57,722	45%
Water Resources					
User Charges	\$9,288	\$9,973	7%	\$10,202	2%
Property Tax	2,712	2,766	2%	2,811	2%
Cost Reimbursement	150	248	65%	248	0%
Loans and Grants	1,710	10	-99%	10	0%
Water Sales	42,962	53,028	23%	56,664	7%
Other Revenue ⁽²⁾	217	460	112%	540	17%
Inter-fund Transfers In	1,526	1,173	-23%	551	-53%
Total	\$58,565	\$67,658	16%	\$71,026	5%
All Funds Total ⁽³⁾	\$390,172	\$446,742	14%	\$492,215	10%

⁽¹⁾ Includes cost reimbursements from Joint Power Authorities, contract cost reimbursements, and capital contract reimbursements.

⁽²⁾ Includes interest revenue, other revenue, and inter-fund loan proceeds.

⁽³⁾ Includes inter-fund transfers of \$17.034 million FY 2022/23, \$17.627 million FY 2023/24, and \$16.611 million in FY 2024/25.

USER CHARGES

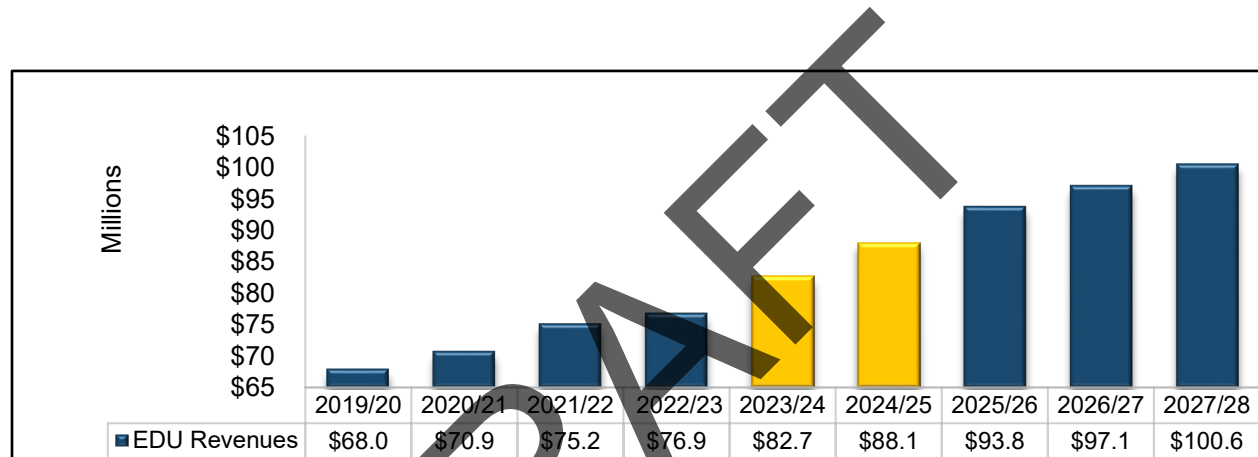
Equivalent Dwelling Units (EDU) monthly sewer fees paid by users discharging to the Agency's regional wastewater system, NRW fees paid by industrial and commercial users connected to the Agency's brine line system, and meter equivalent unit (MEUs) and Metropolitan Water District readiness-to-serve (RTS) charges paid by users connected to the potable water system are the primary user fees that make up the User charges.

EDU SERVICE CHARGES

Monthly sewer charges and new connections to the regional wastewater system are assessed on an Equivalent Dwelling Unit or EDU basis. An EDU is defined as the measurement of wastewater flow equivalent in quantity and strength to the daily discharge of an average single-family residential household. EDU monthly sewer service charges are recorded in the Regional Wastewater Operations & Maintenance (Wastewater Operations) fund and the funds support the operations and maintenance of the Regional Wastewater Program.

Total FYs 2023/24 and 2024/25 EDU service charges budgeted in the Wastewater Operations fund is estimated to be \$82.7 million and \$88.1 million respectively, as shown in Figure 4-1. EDU Service Charge revenues are based on adopted rates through FY 2024/25

FIGURE 4-1: TOTAL EDU SERVICE CHARGE REVENUES



The Board of Directors (the Board) adopted the monthly Wastewater Equivalent Dwelling Unit (EDU) Rate of \$23.39 and \$24.79 for Fiscal Years 2023/24 and 2024/25, respectively, on April 19, 2023.

Table 4-3 shows the adopted rates for FYs 2023/24 and 2024/25. The projected rates for FYs 2025/26 thru 2028/29 are subject to completion of the Return to Sewer Rate Study with expected completion of the flow and load sample study in early 2024. This will help update the parameters defining an EDU in the Agency service area. In the future years, an adjustment to the monthly EDU rate may be needed as Southern California Edison (SCE) electricity rates continue to rise, along with the increased human capital needs to ensure fulfillment of Agency objectives.

A key Board objective is to establish rates that fully recover the cost of providing the service. Pursuant to the Regional Contract, the monthly EDU rate supports O&M costs, repair and replacement of assets, and fund reserves.

REVENUES AND OTHER FUNDING SOURCES

TABLE 4-3: MONTHLY EDU VOLUMETRIC RATE

	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26*	2026/27*	2027/28*
Effective Date	7/01/22	7/01/23	7/01/24	To be updated based on sewer use evaluation results		
EDU Monthly Rate	\$21.86	\$23.39	\$24.79	TBD		

*Projected, subject to change.

A conservative annual growth rate of 0.50 percent in the number of billable EDUs is projected for FYs 2023/24 and 2024/25 as well as the ensuing fiscal years as shown below on Table 4-4.

TABLE 4-4: ESTIMATED GROWTH RATE IN THE NUMBER OF BILLABLE EDUs

	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26*	2026/27*	2027/28*
Growth Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Number of Billable Volumetric EDUs	3,517,745	3,535,334	3,553,011	3,570,776	3,588,630	3,606,573

*Projected, subject to change.

NRW USER CHARGES

Revenues for the Non-Reclaimable Wastewater (NRW) program consist of cost recovery and user fees in the form of pass-through charges, capital surcharges, and operating fees. This pass-through rate structure, first implemented in FY 2004/05, allows the Agency to fully recover capacity, volumetric, and strength fees billed by the Los Angeles County Sanitation Districts (LACSD) for the North system and the Santa Ana Watershed Project Authority (SAWPA) for the South system (Inland Empire Brine Line, or IEBL). Different rates apply to the NRWS and IEBL systems. The Pass-through rates for both systems are listed on Table 4-5.

TABLE 4-5: NRW NORTH AND SOUTH SYSTEMS PASS-THROUGH RATES

Rate Description	2022/23 Adopted	2023/24 Adopted
North System	13,362 CU	12,589 CU
Flow/mg	\$842.08	\$870.13
COD/klb	\$168.63	\$174.03
TSS/klb	\$402.50	\$416.19
Peak/gpm	\$330.07	\$340.95
CU Purchase	\$4,172.00	\$4,172.00
CU Lease	\$208.60/CU/Year	\$208.60/CU/Year
South System	2022/23 Adopted	2023/24 Adopted
Capacity/CU	\$435.43	\$435.43

Rate Description	2022/23 Adopted	2023/24 Adopted
Flow/mg	\$1,049.00	\$1,073.00
BOD/klb	\$353.00	\$394.00
TSS/klb	\$520.00	\$494.00

In addition to the pass-through rates, user charges include the Agency's operating and capital costs associated with the operations, maintenance, replacement, and improvement of the NRW system (NRWS). Agency program costs are recovered as follows:

- NRWS, North System – prorated based on the number of capacity units issued per customer.
- IEBL, South System – a 50 percent operating surcharge is imposed on volumetric, capacity, and strength charges.

Additional information on the Non-Reclaimable Wastewater program can be found in the Program section of this document.

METER EQUIVALENT UNITS (MEU) AND READINESS TO SERVE (RTS) COST RECOVERY CHARGES

On June 15, 2016, the Agency's Board of Directors adopted changes to the potable water rate structure to more sustainably support the Water Resources program, and provide for a more equitable recovery of costs. Table 4-6 shows the adopted FY 2023/24 and FY 2024/25 rates for the:

- Seven-year phased implementation of the MWD readiness-to-serve (RTS) direct charge to member agencies.
- Monthly meter equivalent unit (MEU) charges to support program costs based on meter size consistent with member water agency's structure.

TABLE 4-6: METER EQUIVALENT AND RTS COST RECOVERY CHARGES

	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26*	2026/27*	2027/28*
Effective Date	7/01/22	7/01/23	7/01/24	7/01/25	7/01/26	7/01/27
RTS Recovery	100%	100%	100%	100%	100%	100%
Meter Equivalent Units (MEU)	\$1.10	\$1.12	\$1.14	TBD		

**Projected rates to be updated based on cost-of-service study.*

The MWD RTS pass through charge to member agencies recovers costs associated with long-term reliability of emergency storage capacity and standby services needed to maintain water deliveries.

The MEU charges support a portion of the Water Resources fund program costs including the Agency's regional conservation and water use efficiency programs, employment costs, professional fees, and office and administration expenses.

REVENUES AND OTHER FUNDING SOURCES

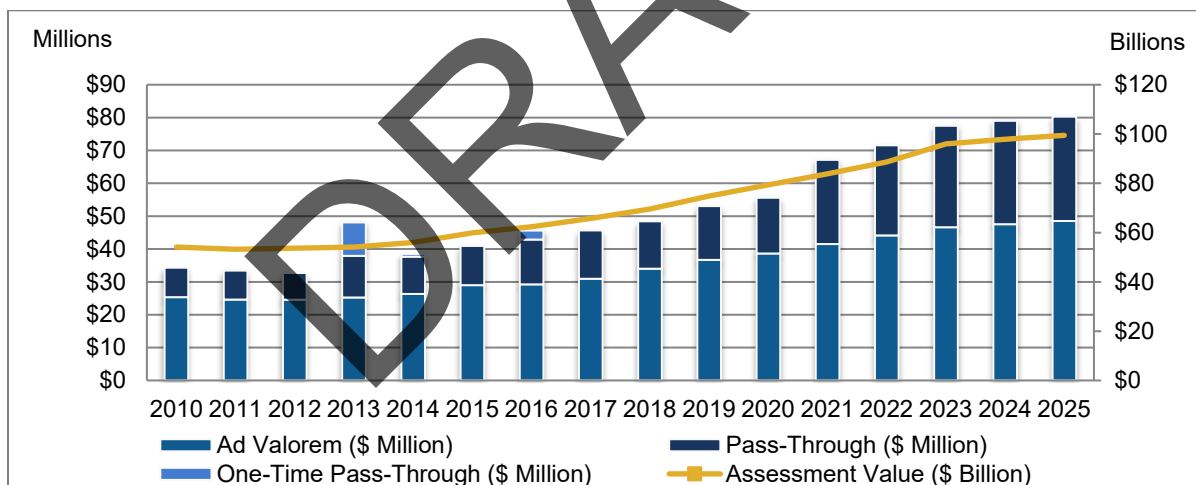
PROPERTY TAX RECEIPTS

The Agency receives an allocated share of the San Bernardino County one percent general property tax, pursuant to the California Revenues and Taxation Code. Payments from the County are regulated by the California Teeter Plan which allows taxing agencies to collect 100 percent of assessed taxes each year in lieu of receiving taxes as they are collected by the County.

A key assumption in the Agency's long-term planning is the continual receipt of property taxes. Although the significant improvement in the State's fiscal position and constitutional amendments has lessened the risk of a shift in local revenues to the State to support budget deficits, a significant downturn in economic conditions may once again trigger such a shift in the future. Given this uncertainty, the Board is committed to reducing reliance on property taxes to support operating costs and other recurring costs which are more appropriately supported by service charges and fees. A key objective for the Agency is to have full cost of service rates for all programs (Business Goal Fiscal Responsibility). The Board has prioritized the use of property taxes to support capital investments, debt service costs, and operating costs, in that order.

Figure 4-2 shows the historical trend of property tax receipts and assessed property values for the Agency service area.

FIGURE 4-2: COMPARATIVE OF PROPERTY TAX RECEIPTS (\$MILLIONS) AND ASSESSED PROPERTY VALUES (\$BILLIONS)



The Agency's apportionment of property tax proceeds from the County of San Bernardino includes:

- ◆ General – one percent of general property taxes applied to assessed property values within the Agency's service area and paid directly by the County Tax Assessor.
- ◆ "Pass Through" Taxes – As an affected taxing entity, the Agency receives a tax increment applied to the redevelopment areas covered under the pass-through agreement established prior to the passage of SB1290 (1994) between the Agency and the former Redevelopment Agencies (RDA) and upheld under ABX1 26 (RDA Dissolution Act).

The San Bernardino County Assessment Roll increased by 9.3 percent compared to the 2021 assessment roll. Primary reasons for the increase include the sustained recovery of real estate values, increased sales activity for residential and industrial construction, Proposition 13 inflationary adjustments, and the restoration of assessed values previously reduced under Proposition 8 decline in market value provisions.

The Agency projected a steady growth in property tax receipts for FYs 2023/24 and 2024/25 at two percent for general property taxes and one percent for pass through taxes based on projected receipts for FY 2022/23, followed by the same percent increase in the future years (Table 4-7). Property tax receipts are projected at \$79.0 million and \$80.3 Million in FYs 2023/24 and 2024/25, respectively.

TABLE 4-7: HISTORIC AND PROJECTED PROPERTY TAX GROWTH RATE

	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26*	2026/27*	2027/28*
General Property Taxes	2%	2%	2%	2%	2%	2%
Pass Through Taxes	1%	1%	1%	1%	1%	1%

*Projected, subject to change.

In 2016, the Board adopted an allocation of property taxes amongst Agency funds. Funding was needed at the time to support investments in regional water resources projects consistent with the Integrated Water Resources Plan (IRP) approved by the Board in November 2015 and developed in collaboration with regional customer agencies.

As summarized in Table 4.8, the property tax allocation remains unchanged. Property taxes continue to be a key funding source in support of the Agency debt service, the pay-go portion of expansion projects, future growth projects projected by sewage collection agencies, asset management for timely upkeep and improvement of aging assets, and to maintain compliance with changing regulatory and safety requirements.

Over the last five years, the property tax allocated to the Water Resources fund has helped to support various project costs, including some at the request of customer agencies:

- ◆ Seven-year phased recovery of the MWD Readiness-to-Serve (RTS) pass-through costs from customer agencies as part of the Water Resources program rate restructuring (FYs 2016/17 – 2022/23)
- ◆ Implementation of the Upper Santa Ana River Habitat Conservation Plan (SAR HCP) Water Benefits
- ◆ Purchase of supplemental water from Cucamonga Valley Water District, and
- ◆ Evaluation of the Chino Basin Program/Water Storage Investment Program (CBP/WSIP).

The completion of the RP-5 expansion project and key rehabilitation projects at RP-1 and RP-4 continues to be the primary focus over the next two fiscal years. The capital projects included in the TYCIP of \$1,386.6 million are needed to support an increase in services from future growth as projected by customer agencies, asset management for timely upkeep and improvement of aging assets, and to maintain compliance with changing regulatory and safety requirements. Nearly 52 percent of the proposed capital projects are planned for the first four years of the TYCIP. The financing plan for the TYCIP is supported by new debt

REVENUES AND OTHER FUNDING SOURCES

borrowings of 42 percent and pay-go of 36 percent which includes connection fees, rates, and property taxes. The remaining 22 percent is a conservative estimate of federal, state, and local grant funding.

Table 4-8 provides a summary of projected property tax allocation amongst Agency funds.

TABLE 4-8: PROPERTY TAX ALLOCATION BY FUND (\$MILLIONS)

Fund	Purpose	Current Allocation	FY 2023/24 Projection	FY 2024/25 Projection
Regional Wastewater Capital Improvement	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional wastewater facilities.	65%	\$51.4	\$52.2
Regional Wastewater Operations & Maintenance	Supports capital replacements and rehabilitation cost and any operation costs not fully recovered by rates.	23%	18.2	18.5
Recycled Water	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional recycled water facilities.	4.0%	3.1	3.2
Administrative Services	Supports agency-wide costs not allocated to other Agency funds.	4.5%	3.5	3.6
Water Resources	Supports regional water supply strategies.	3.5%	2.8	2.8
Total			\$79.0	\$80.3

REGIONAL WASTEWATER SYSTEM CONNECTION FEES

The Agency levies a fee on all new connections that connect to its regional sewer system. One EDU is equivalent to one new connection unit. Connection fees are restricted to finance capital acquisition, construction, equipment, and process improvement costs for the Agency's regional wastewater system. Pursuant to the Regional Sewage Service Ordinance 111, new EDU connection fees are collected by each of the Agency's sewage collection agencies and held in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or "called", by the Agency. Capital calls, or connection fee payments of CCRA funds, are based on the identified and projected capital needs of the Agency over the ensuing six months,

as calculated and reported by IEUA semiannually. Capital calls are calculated based on the proportionate share of each sewage collection agency's CCRA account balance relative to the aggregate amount.

Projected wastewater connection fees are subject to change pending results of the ongoing Return to Sewer Flow study and implementation of the new EDU methodology. Table 4-9 shows the adopted and projected multi-year fees.

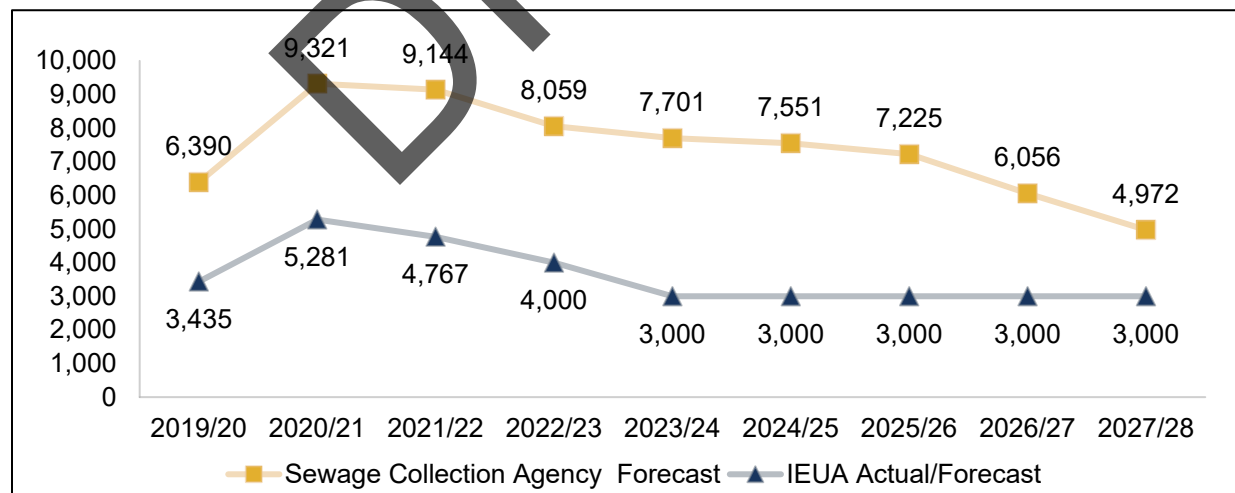
TABLE 4-9: MULTI-YEAR REGIONAL WASTEWATER CONNECTION FEES

	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26*	2026/27*	2027/28*
Effective Date	7/01/22	7/01/23	7/01/24	7/01/25	7/01/26	7/01/27
Wastewater Connection Fee / EDU	\$7,600	\$8,132	\$8,620	Projected rates to be updated based on cost-of-service study		

In FY 2023/24 connection fee revenues are projected to be approximately \$24.4 million with an estimated 3,000 new EDU connections at an adopted fee of \$8,132. FY 2024/25 budgeted revenues are estimated at \$25.9 million with a projected total of 3,000 new connections.

In accordance with the Ordinance 111, each year the Agency conducts a survey of sewage collection agencies to determine the number of new wastewater connections forecasted for the next ten years. While the Agency applies conservative assumptions in forecasting the number of new connections for budgeting purposes, sewage collection agency forecasts are used to validate internal projections for planning capacity expansion of existing facilities. Figure 4-3 shows a comparison of historical and forecasted new wastewater connections between FY 2019/20 and FY 2027/28 by IEUA and its sewage collection agencies.

**FIGURE 4-3: HISTORICAL AND PROJECTED WASTEWATER CONNECTIONS
FY 2019/20 TO FY 2027/28**



REVENUES AND OTHER FUNDING SOURCES

ONE WATER CONNECTION FEE

The One Water connection fee was established in 2015 to support capital improvement and expansion of the Agency's regional water system which is comprised of potable water, recycled water, and groundwater recharge facilities. The connection fee supports expansion of the Agency's regional water system and investment in integrated regional water resources in the Recycled Water, Recharge Water, and Water Resources programs with a portion transferred to the Administrative Services program to support Agency-wide capital projects.

One Water connection fees are set per meter equivalent unit (MEU). One MEU is equivalent to a 5/8" and 3/4" meter size (standard residential meter size). Table 4-10 shows adopted and projected fees through FY 2027/28. Rates through FY 2024/25, adopted in July 2020, were based on the 2020 Rate Study.

TABLE 4-10: MULTI-YEAR ADOPTED ONE WATER CONNECTION FEE

	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26	2026/27	2027/28
Effective Date	7/1/22	7/1/23	7/1/24	7/1/25	7/1/26	7/1/27
One Water Connection Fee / MEU	\$1,841	\$1,896	\$1,953	<i>Projected rates to be updated based on cost-of-service study.</i>		

FY 2023/24 One Water connection fee revenues are projected to be \$7.0 million with a projected 3,700 new meter equivalent unit (MEU) connections. In FY 2024/25 a total of 3,700 new MEU connections are projected with revenues budgeted at \$7.2 million.

RECYCLED WATER SALES

Recycled water volumetric rates support costs associated with operations, maintenance, capital investment, debt service costs, and fund reserves for the Agency's recycled water distribution and storage system. Projected recycled water deliveries for FYs 2023/24 and 2024/25 are 34,000-acre feet (AF) with direct use deliveries budgeted at 18,000 AF, and groundwater recharge deliveries budgeted at 16,000 AF. Total recycled water sales are estimated to be \$19.5 million in FY 2023/24 and \$19.0 million in FY 2024/25.

Recycled Water rates adopted in June 2022, introduced a fixed and variable component rate structure. The fixed component recovers debt service costs based on each customer's three-year rolling average of direct and recharge recycled water use. The fixed cost recovery budget for FY 2023/24 is \$2.4 million and \$5.0 million for FY 2024/25.

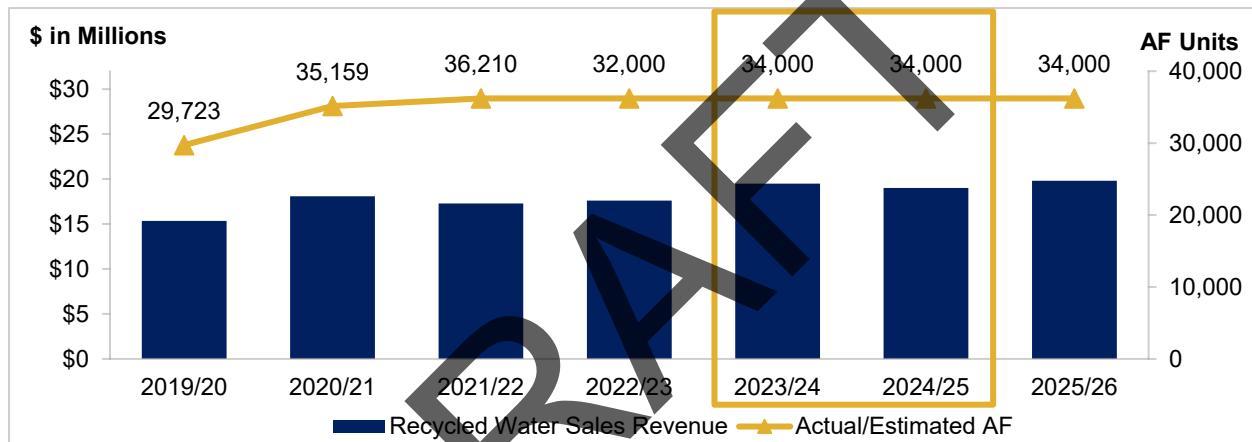
The recycled groundwater recharge rate includes a surcharge to support a portion of groundwater recharge basin maintenance and operation costs not reimbursed by Chino Basin Watermaster (CBWM). Recycled water volumetric and fixed rates are summarized in Table 4-11.

TABLE 4-11: RECYCLED WATER MULTI-YEAR RATES

	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26	2026/27	2027/28
Effective Date	7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	7/1/2027
Direct Delivery AF Rate	\$516	\$510	\$465	<i>Projected rates to be updated based on cost-of-service study.</i>		
Recharge Delivery AF Rate	\$616	\$660	\$665			
Fixed Cost Recovery	\$1.1M	\$2.4M	\$4.9M			

Figure 4-4 shows the historical, budgeted, and forecasted recycled water deliveries by AF and the respective revenues by fiscal year.

FIGURE 4-4: TOTAL RECYCLED WATER SALES BY FISCAL YEAR (\$MILLIONS)



STATE LOANS

The Clean Water State Revolving Fund (SRF) Program administered by the State Water Resources Control Board (SWRCB) provides low interest loans and other types of financial assistance for the construction of publicly owned wastewater treatment works and water reclamation facilities to promote the use of recycled water, water reuse, and water reclamation. SRF loans offer favorable financing terms making them a lower cost alternative to market debt.

Historically, the Agency has leveraged SRF loans, capital forgiveness, and grants to finance construction of the Regional Recycled Water Distribution System and other major regional wastewater projects. In FY 2023/24 proceeds from state loans are projected to be \$65.8 million and \$41.4 million in FY 2024/25. Budgeted loan proceeds are for projects related to the RP-5 Expansion project in the Regional Wastewater Capital Fund, the Recharge Master Plan Update (RMPU) projects in the Recharge Water fund.

Additional details of outstanding Agency SRF loans and debt service are provided in the Debt Management section.

REVENUES AND OTHER FUNDING SOURCES

GRANTS

As a municipal water district, the Agency is eligible to receive grant funding from various federal, state, and local grantors. Historically, the Agency has been very successful in securing grant funding to aid in the completion of major regional wastewater, recycled water, and groundwater recharge projects. In FYs 2023/24 and 2024/25 grant receipts are projected to be \$2.7 million and \$16.3 million, respectively.

The Agency's Grant Department is responsible for identifying, securing, and managing low-cost financing in support of IEUA's programs and business objectives. To ensure continuity of critical services, funding secured by the Grants Department supports the Agency's Ten-Year Capital Improvement Plan (TYCIP) which integrates long-term planning documents to execute the capital projects needed for the rehabilitation, replacement, and expansion of equipment, facilities, and infrastructure.

These funding sources support projects across key program areas, including regional collection and treatment of domestic wastewater; collection and disposal of industrial wastewater; water recycling; groundwater recharge and surface water management; conveyance of imported potable water supplies; regional water conservation; and production of renewable energy. These programs have been instrumental in fulfilling the Agency's responsibility as a "Steward of the Region" and enhancing the quality of life in the Inland Empire. The Agency also strives to be a supportive financial partner to its customer agencies in achieving regional commitments.

Table 4-12 below is a listing of grant revenues budgeted in FYs 2023/24 and FY 2024/25.

TABLE 4-12: PROJECTED GRANT RECEIPTS BY GRANTOR (\$MILLIONS)

Grantor	Fund	Project	Description	FY 2023/24	FY 2024/25
Metropolitan Water District	Recharge Water Fund	Recharge Water Master Plan Updates (RMPU)	Recharge basin stormwater capture, pumping, and conveyance system improvements	0.3	0.3
California Department of Resources Recycling and Recovery (CalRecycle)	Recharge Water Fund	Recharge Water Master Plan Updates (RMPU)	Recharge basin stormwater capture, pumping, and conveyance system improvements	0.3	0
State Water Resource Control Board	Recharge Water Fund	Recharge Water Master Plan Updates (RMPU)	Recharge basin stormwater capture, pumping, and conveyance system improvements	1.7	0

Grantor	Fund	Project	Description	FY 2023/24	FY 2024/25
	Recycled Water Fund	Recycled Water Connection to Jurupa Community Services District (JCSD)	Pipeline connection to JCSD recycled water supplies	0.3	2.3
Federal Emergency Management Agency	Recycled Water Fund	Interconnection to the City of Rialto	Pipeline connection to the City of Rialto's recycled water supplies	0	7.7
United States Bureau of Reclamation	Recharge Water Fund	Recharge Water Master Plan Updates (RMPU)	Recharge basin stormwater capture, pumping, and conveyance system improvements	0.1	0
	Recycled Water Fund	Large Scale Water Sustainability Projects	Multiple large-scale projects to develop local, drought resistant sources of water supply	0	6.0
Total Grant Funding:				\$2.7	\$16.3

INTER-FUND LOANS

Inter-fund loans are used as needed to supplement capital costs, debt service costs, or operating costs not supported by rates or fund reserves. Proceeds from inter-fund loan receipts are reported as part of other funding sources in the receiving fund, and as part of debt service cost in the issuing fund. Payments from the Recycled Water fund for outstanding inter-fund loans to the Regional Wastewater Capital fund began in FY 2022/23 with final repayment scheduled for FY 2024/25. Inter-fund loan repayment from the Recharge Water fund to the Recycled Water fund for the \$7.9 million of outstanding inter-fund loans is scheduled to begin in FY 2023/24 with final repayment the following fiscal year.

TABLE 4-13: REPAYMENT SCHEDULE OF INTER-FUND LOANS (\$MILLIONS)

Inter Fund Loan Issued	From	To	Loan Amount	Repayment Schedule
2007/08	Regional Wastewater Capital Fund	Recycled Water Fund	\$3.0	2022/23 - \$2.0 2023/24 - \$1.0 Total \$3.0
2014/15	Regional Wastewater Capital Fund	Recycled Water Fund	\$10.5	2023/24 - \$5.0 2024/25 - \$5.5 Total - \$10.5

REVENUES AND OTHER FUNDING SOURCES

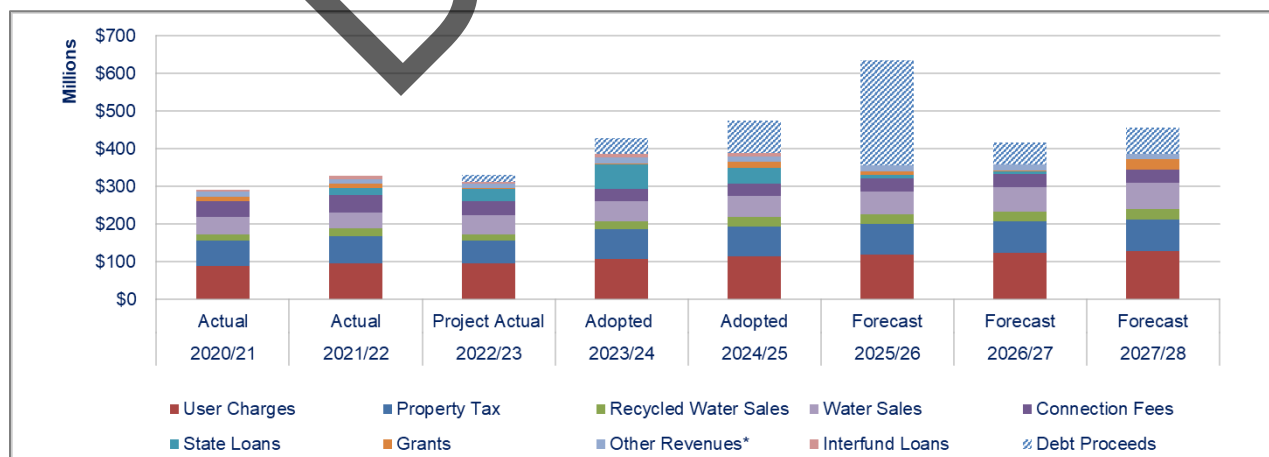
Inter Fund Loan Issued	From	To	Loan Amount	Repayment Schedule
2020/21	Recycled Water Fund	Recharge Water Fund	\$0.9	2024/25 - \$0.9 Total - \$0.9
2021/22	Recycled Water Fund	Recharge Water Fund	\$7.0	2023/24 - \$4.0 2024/25 - \$3.0 Total \$7.0
Grand Total			\$21.4	\$21.4

There are no new inter-fund loans budgeted in the next two fiscal years.

TOTAL REVENUES AND OTHER FUNDING SOURCES

Total revenue and other funding sources, as shown in Figure 4-5, are projected to steadily increase mainly due to a combination of the adopted and projected multi-year rates, projected growth in the number of monthly EDUs, continued pace of new connections to the Agency's regional wastewater and regional water systems, and steady increase in property tax receipts. The total revenues and funding sources are budgeted at \$429.1 million for FY 2023/24 and \$475.6 million for FY 2024/25. The FY 2023/24 projected revenue is approximately \$56.0 million, or fifteen percent, higher than the \$373.1 million projected actual for FY 2022/23. The increase is mainly due to additional federal, and state loan proceeds associated with major projects such as the Regional Water Recycling Plant No. 5 (RP-5) Solids and Liquid Treatment Expansion (RP-5 Expansion projects), the RP-1 Thickening Building & Acid Phase Digester, and the Advanced Water Purification and Replenishing Facilities.

FIGURE 4-5: HISTORIC AND PROJECTED TREND OF TOTAL REVENUES & OTHER FUNDING SOURCE BY TYPE (\$MILLIONS)



*Other revenues include reimbursements from JPAs, contract costs, or capital contracts, and interest revenue.

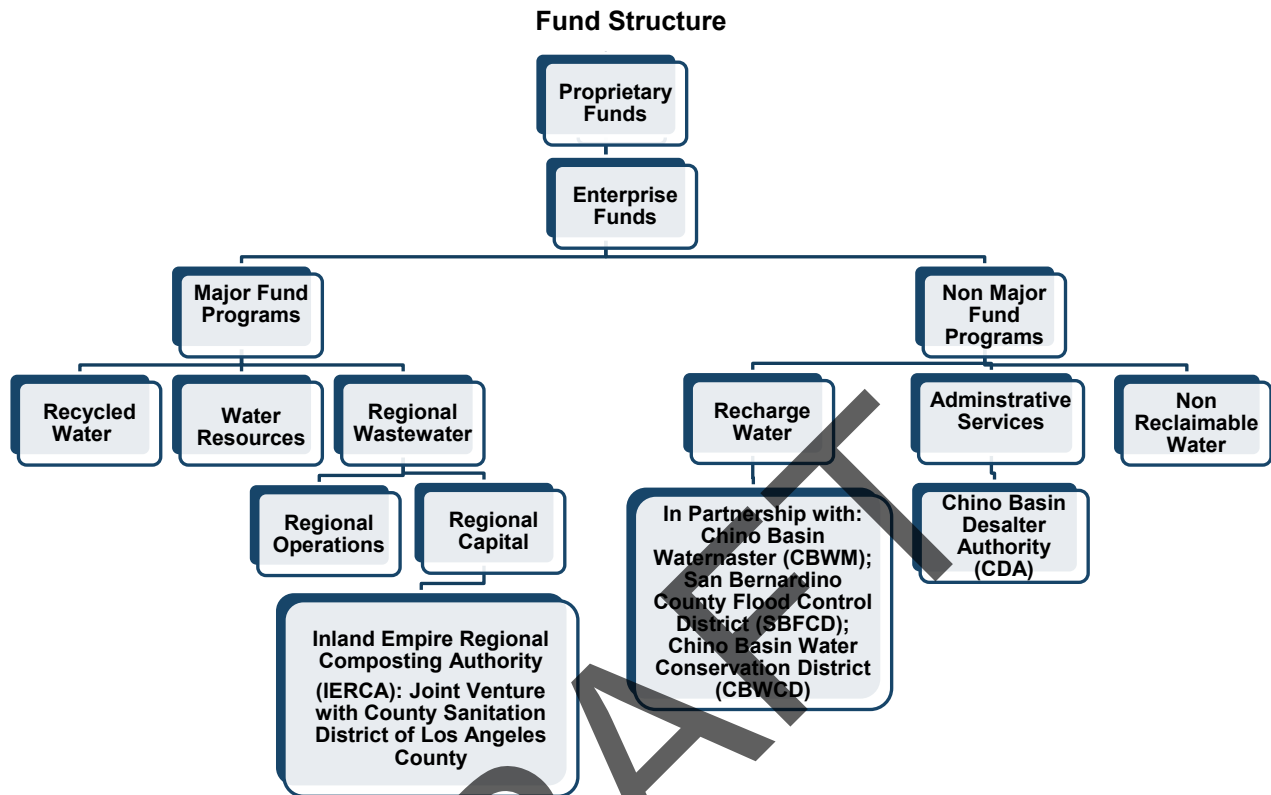


RP-5 FLYOVER

JANUARY 2023

FUND STRUCTURE

Figure 5-1: Inland Empire Utilities Agency (IEUA)



As a municipal water district, the Agency engages in enterprise operations in various separate and distinct activities as indicated in Figure 5-1, including:

- ◆ Wholesale distribution of imported potable water delivered by the Metropolitan Water District of Southern California (MWD) and regional planning, management, and execution of water use efficiency programs
- ◆ Collection and treatment of domestic wastewater and the construction, improvement, replacement, and repair of regional conveyance and water recycling plant facilities
- ◆ Purveyor of recycled water and construction of the Regional Recycled Water Distribution System, including support of the related retrofits and lateral construction
- ◆ Maintenance of regional groundwater recharge basins in collaboration with Chino Basin Watermaster (CBWM) to increase artificial groundwater recharge within the Chino Basin using storm water, recycled water, and imported water
- ◆ Organics management through effective operation of the Inland Empire Regional Composting Authority (IERCA) indoor composting facility designed to produce high-quality compost, in partnership with the Los Angeles County Sanitation Districts (LACSD). These costs are recorded in the Regional Wastewater Operations & Maintenance Fund.

- Ongoing expansion of the Agency's renewable energy portfolio to continue towards the goal of achieving peak energy independence through solar and wind renewable energy generation and implementation of a battery storage system.
- Operations and maintenance of the non-reclaimable wastewater system to export high-salinity industrial wastewater generated within the IEUA service area for discharge to the Pacific Ocean, and to protect the quality of the Agency's recycled water, and
- Operations and maintenance support of the Chino Desalter No. 1 facility and grants administration on behalf of the Chino Basin Desalter Authority (CDA). Reimbursements of related costs from CDA are recorded in the Administrative Services Fund.

The Agency's budget is organized based on enterprise funds, each of which is considered a separate budgetary and accounting entity and reported on a full accrual accounting basis, with the exceptions summarized in Budget Process, Section 3, pages 3-5. The Agency develops its sources and uses of funds estimates for the annual budget in a manner consistent with Generally Accepted Accounting Principles (GAAP). Financial resources are allocated to and accounted for in individual funds based upon the purposes of which they are to be spent and the means by which spending activities are controlled. In some cases, fund use will cross agency/organizational lines when resources from various areas are applied to, or support of a particular program or activity is necessary. All programs' (fund) budgets are appropriated upon approval and adoption of the annual budget by the Agency's Board of Directors.

Each enterprise fund includes both a capital and operating budget and is defined as a fiscal and accounting entity with a self-balancing set of accounts. Each enterprise fund records cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein and are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Each fund is classified as either a Major fund or Non-Major fund group as prescribed by Governmental Accounting Standards Board (GASB) 34. The following definitions of Major and Non-Major Funds are consistent with the Agency's audited Annual Comprehensive Financial Report (ACFR).

MAJOR FUNDS

The Regional Wastewater, Recycled Water, and Water Resources funds make up the major fund group. These funds account for the resources devoted to funding the capital and operating costs associated with the acquisition, construction, improvement, expansion, and operation of the Agency's domestic wastewater treatment facilities, the recycled water distribution system, the distribution of wholesale of potable water, the development and implementation of regional water conservation initiatives, and the planning for water resources.

NON-MAJOR FUNDS

The Non-Reclaimable Wastewater Program, Administrative Services, and Recharge Water funds are designated as the non-major funds. These funds record capital and operating costs associated with the acquisition, expansion, and construction of the interceptors and appurtenant facilities and treatment

FUND STRUCTURE

capacity of non-reclaimable wastewater processing plants, the administrative and overhead expenses for the various departments, the operational and administrative support for the Chino Basin Desalter, the purchase of common Agency assets, the operations and maintenance of ground water recharge basins.

Details on each program fund's initiatives, activities, and budget are provided in the individual program fund section. A summary of the Agency's various program budgets is provided in the following schedule, Sources and Uses of Funds – By Program Fund.



Photo credit to Brent Ritzinger

Storm Capture – Turner Basins

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET
SOURCES AND USES OF FUNDS - BY PROGRAM FUND (in Thousands)

2020/2021	2021/2022	2022/2023	FY 2023/24 ADOPTED BUDGET							2023/2024
ACTUAL	ACTUAL	PROJECTED ACTUAL	Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	BUDGET
REVENUES										
User Charges	\$89,242	\$97,026	\$99,784	\$0	\$14,501	\$0	\$83,142	\$0	\$0	\$9,974
Property Tax - O&M	1,972	3,221	3,487	3,557	0	0	0	0	0	3,557
Cost Reimbursement from JPA	6,794	6,011	6,133	1,858	0	0	4,733	1,061	0	7,651
Contract Cost reimbursement	299	300	434	0	0	0	206	410	0	864
Interest Revenue	3,011	2,153	4,208	243	400	1,206	1,400	80	815	4,604
Recycled Water Sales	18,095	19,643	19,716	0	0	0	0	21,853	0	21,853
Water Sales	45,561	42,976	42,962	0	0	0	0	0	53,028	53,028
Gas Sales	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	\$164,975	\$171,331	\$176,724	\$5,658	\$14,901	\$1,206	\$89,481	\$1,551	\$22,668	\$63,710
OTHER FINANCING SOURCES										
Property Tax - Debt, Capital, Reserves	\$64,340	\$68,383	\$73,860	\$0	\$0	\$51,373	\$18,178	\$0	\$3,161	\$2,766
Connection Fees	42,432	46,454	23,326	0	0	24,396	0	0	7,015	0
Debt Proceeds	0	0	32,000	0	0	25,500	17,300	0	0	42,800
State Loans	0	19,098	55,496	0	0	60,000	0	5,765	0	65,765
Grants	11,969	11,816	5,112	0	0	0	0	2,443	309	10
Sale of Assets	0	0	0	0	0	0	0	0	0	0
Capital Contract Reimbursement	378	443	1,061	0	0	0	0	1,249	94	1,343
Other Revenues	969	1,936	559	2	300	1	80	0	0	383
Sale of Capacity	1,505	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	4,933	10,000	5,000	0	0	6,000	0	0	4,000	10,000
TOTAL OTHER FINANCING SOURCES	\$126,527	\$158,131	\$196,415	\$2	\$300	\$167,270	\$35,558	\$9,458	\$14,580	\$22,776
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$291,502	\$329,461	\$373,139	\$5,660	\$15,201	\$168,475	\$125,039	\$11,009	\$37,248	\$66,486
EXPENSES										
Employment Expense	\$50,781	\$41,643	\$54,395	\$2,181	\$3,409	\$4,769	\$42,349	\$986	\$7,168	\$3,818
Contract Work/Special Projects	11,232	10,585	11,325	717	820	136	6,793	902	1,845	3,161
Utilities	9,970	12,304	13,299	777	145	0	10,079	83	4,077	0
Operating Fees	11,351	12,736	13,393	43	8,019	274	2,654	8	10	4,301
Chemicals	5,527	6,488	10,057	0	350	0	9,681	0	0	10,031
Professional Fees and Services	8,070	8,422	12,005	7,316	205	1,156	3,859	1,099	1,081	574
Office and Administrative Expense	1,100	1,300	1,834	3,277	25	0	0	16	8	4
Biosolids Recycling	4,634	5,013	4,423	0	23	0	5,450	0	0	5,474
Materials & Supplies	2,719	3,187	2,971	245	82	0	2,590	121	138	0
MWD Water Purchases	45,561	42,937	42,962	0	0	0	0	0	0	53,028
Other Expenses	1,421	2,395	2,356	(3,413)	999	2,362	6,498	0	1,786	484
TOTAL EXPENSES	\$152,366	\$147,010	\$169,021	\$8,143	\$13,578	\$8,698	\$89,952	\$3,215	\$16,114	\$65,371
CAPITAL PROGRAM										
CSDLAC 4Rs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IERCA investment	\$250	\$500	\$800	0	0	750	0	0	0	750
RO Decommissioned Assets	0	0	0	0	0	0	0	0	0	0
Due from City of Ontario	0	0	0	0	0	0	0	0	0	0
Capital Construction & Expansion (WIP)	110,698	145,935	177,544	4,248	5,155	112,394	33,566	2,086	15,622	3,500
WIP Adjustment	0	0	0	0	0	0	0	0	0	0
Capital Project Related Labor Cost Alloc	0	0	0	0	0	0	0	0	0	0
Rehab & Replacement	0	0	0	0	0	0	0	0	0	0
TOTAL CAPITAL PROGRAM	\$110,948	\$146,435	\$178,344	\$4,248	\$5,155	\$113,144	\$33,566	\$2,086	\$15,622	\$3,500
DEBT SERVICE										
Financial Expenses	\$1,362	\$271	\$38	\$20	\$6	\$17	\$1	\$1	\$5	\$0
Interest	13,985	14,132	14,148	0	218	1,965	573	506	2,628	0
Principal	16,376	12,031	12,674	0	398	4,988	849	1,233	6,544	0
Short Term Inter-Fund Loan	4,933	10,000	5,000	0	0	0	0	4,000	6,000	10,000
TOTAL DEBT SERVICE	\$36,657	\$36,433	\$31,861	\$20	\$622	\$6,970	\$1,422	\$5,739	\$15,178	\$0
TRANSFERS IN (OUT)										
Capital Contribution	\$0	\$0	\$0	\$2,132	(\$73)	\$2,513	(\$4,500)	\$127	(\$200)	\$0
Debt Service	0	0	0	0	0	(3,317)	114	528	2,675	0
Operation support	0	0	0	567	(19)	0	(528)	1,662	(1,682)	0
Capital - Connection Fees Allocation	0	0	0	1,219	990	(5,074)	2,865	0	0	0
One Water	0	0	0	1,047	0	0	0	16	(2,236)	1,173
Property Tax Transfer	0	0	0	0	0	0	0	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	\$0	\$0	\$0	\$4,965	\$898	(\$5,878)	(\$2,049)	\$2,333	(\$1,442)	\$1,173
FUND BALANCE										
Net Income (Loss)	(\$8,469)	(\$417)	(\$6,086)	\$213	(\$3,254)	\$33,785	(\$1,951)	\$2,302	(\$11,108)	(\$1,212)
Fund Balance Adj to CAFR	0	0	0	0	0	0	0	0	0	0
Beginning Fund Balance July 01	486,716	478,246	477,829	14,048	26,554	244,503	95,612	8,344	46,451	36,230
ENDING BALANCE AT JUNE 30	\$478,246	\$477,829	\$471,743	\$14,262	\$23,300	\$278,288	\$93,661	\$10,646	\$35,343	\$35,018
RESERVE BALANCE SUMMARY										
Operating Contingency	\$37,060	\$35,613	\$43,560	\$3,071	\$4,526	\$2,899	\$28,407	\$1,072	\$5,371	\$7,017
Capital Construction	213,534	198,523	247,026	0	18,153	222,213	0	7,857	2,973	0
CCRA Capital Construction	91,465	81,170	24,079	0	0	41,962	0	0	0	41,962
Water Connection	19,472	24,230	21,731	0	0	0	0	0	16,044	16,044
Rehabilitation/Replacement	19,225	37,354	34,721	0	0	0	27,418	0	2,000	0
Water Resource Capital Reserve	21,444	30,597	30,574	0	0	0	0	0	0	28,001
Debt Service & Redemption	29,983	22,509	21,985	0	621	11,214	1,422	1,717	8,955	0
Self Insurance Program	3,582	5,418	5,653	5,190	0	0	0	0	0	5,190
Employee Retirement Benefit	6,000	6,000	6,000	6,000	0	0	0	0	0	6,000
Sinking Fund	36,482	36,415	36,415	0	0	0	36,415	0	0	36,415
ENDING BALANCE AT JUNE 30	\$478,246	\$477,829	\$471,743	\$14,262	\$23,300	\$278,288	\$93,661	\$10,646	\$35,343	\$35,018

*Numbers may not total due to rounding

ADMINISTRATIVE SERVICES PROGRAM

PROGRAMMATIC OVERVIEW

The Administrative Services fund serves as the Agency's general fund. Expenses for employment; general and administrative services; capital acquisitions for items such as computers, printer copiers, pooled vehicles; and non-capital and non-project related materials, supplies, tools, and contract services, including landscaping, janitorial, external auditing, etc. are recorded in the Administrative Services fund.

Systematic allocations to other programs and departments are based on either direct staff participation in specific program activities or projects, frequency of equipment or service usage, or estimated number of resources needed to support overall program functions. Undistributed costs remain as expenses in the Administrative Services fund.

FUND DESCRIPTION

The primary funding sources for the Administrative Services fund are property tax receipts, reimbursement for services provided to the Chino Basin Desalter Authority (CDA), and inter-fund transfers from Regional Wastewater Capital Improvement, Regional Wastewater Operations and Maintenance, Recycled Water, and Non-Reclaimable Wastewater funds for capital and non-capital acquisition costs of general-use assets.

Table 5-1 shows total revenue, total expense, and beginning and ending fund balances for the Administrative Services program. Additional details on the revenues and expenses follow the table.

**TABLE 5-1: ADMINISTRATIVE SERVICES PROGRAM FUND SUMMARY
NET OF ALLOCATIONS (\$MILLIONS)**

	2022/23 Projected	2023/24	2024/25	2025/26	2026/27	2027/28
Total Revenue and Other Funding Sources	\$9.3	\$10.7	\$12.7	\$15.7	\$14.9	\$11.3
Total Expenses & Other Uses of Funds	8.6	10.4	12.7	15.5	15.0	11.2
Net Increase (Decrease)	0.7	0.3	0.0	0.2	(0.1)	0.1
Beginning Fund Balance	13.3	14.0	14.3	14.3	14.5	14.4
Ending Fund Balance	\$14.0	\$14.3	\$14.3	\$14.5	\$14.4	\$14.5

+/- Totals may not add due to rounding.

COST ALLOCATION

The Agency's general and administrative costs and 100 percent of employment costs are initially recorded in the Administrative Services fund. Throughout the year, pertinent expenses such as employment, general equipment, and facilities maintenance expenses are allocated to the Agency's various programs and projects. The Administrative Services fund retains approximately two percent of unallocated employment expenses, excluding reimbursable employment costs from the Chino Basin Desalter Authority (CDA), and approximately three percent of the Agency-wide expenses. An overview of the cost allocations from the Administrative Services fund is provided in Figure 5-2.

REVENUES AND OTHER SOURCES OF FUNDS

The FY 2023/24 Administrative Service fund budget projects \$10.7 million of total revenues and other funding sources which includes: property tax receipts of \$3.6 million, operations and labor cost reimbursement from the CDA of \$1.8 million, interest income \$0.3 million, and an inter-fund transfer of \$5.0 million from the Regional Wastewater, Non-Reclaimable Wastewater, and Recycled Water funds to support project costs. The FY 2023/24 total revenue and other funding sources are estimated at \$12.7 million. The increase is primarily due to higher inter-fund transfers for project contribution as a result of a higher capital improvement plan (CIP). Table 5-2 provides a summary of Administrative Service fund revenue and other funding sources, as well as budget assumptions.

TABLE 5-2: REVENUES & OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2023/24	2024/25	Key Assumptions
Property Tax	\$3.6	\$3.6	Fixed allocation amount to support general administrative costs
Cost Reimbursement from CDA	1.8	2.0	Operations and labor costs reimbursement from the CDA for operation of the Chino 1 Desalter
CIP Contribution	5.0	6.8	Inter-fund transfers from Regional Wastewater, Non-Reclaimable Wastewater, and Recycled Water funds to support Agency-wide capital and non-capital expenditures
Interest Revenue	0.3	0.3	Interest earned on reserve balance
Total	\$10.7	\$12.7	

The Agency provides contract services to other agencies in the form of financial, treasury and debt management, grants administration, accounts payable and accounts receivable processing, program/project management, and plant operations. Table 5-3 shows the projected costs reimbursements from other agencies for providing IEUA staff support and associated administrative expenses. Reimbursements from CDA for staff support are recorded in the Administrative Service fund. Other reimbursements from the Inland Empire Regional Composting Authority (IERCA) and the Chino Basin Watermaster (CBWM) are recorded in the Regional Wastewater Operations and Maintenance fund and Recharge Water fund, respectively.

ADMINISTRATIVE SERVICES PROGRAM

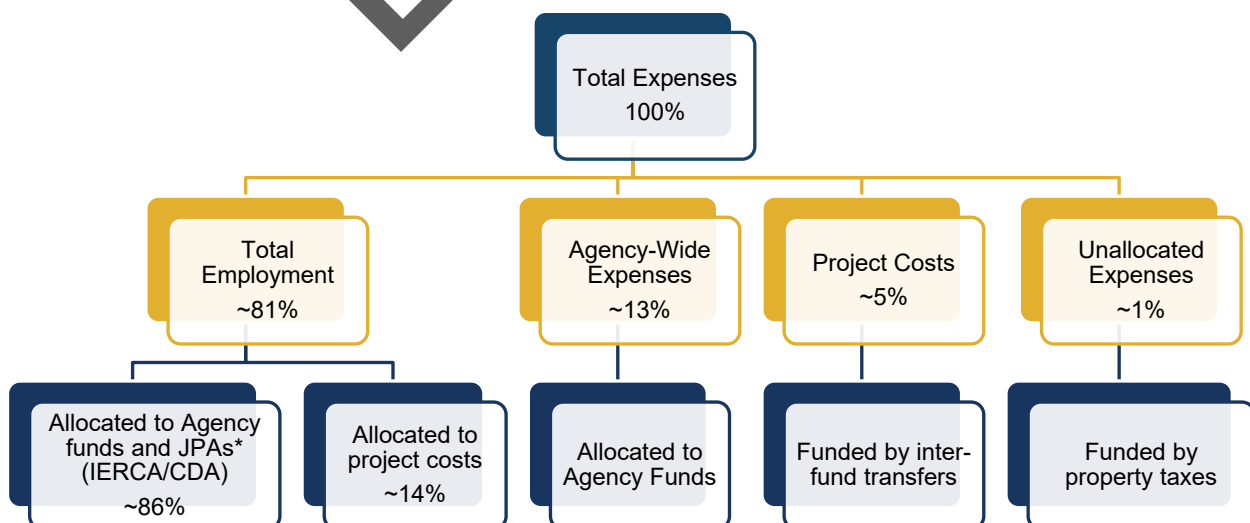
TABLE 5-3: COST REIMBURSEMENTS BY AGENCY (\$MILLIONS)

Agency	Expenses	2023/24	2024/25
Chino Basin Desalter Authority (CDA)	IEUA staff support for the operation & maintenance of the Chino Desalter Plant No. 1 located in Chino, CA, and administration for CDA grants. Labor cost reimbursement is recorded in Administrative Services fund.	\$1.8	\$2.0
Inland Empire Regional Composting Authority (IERCA)	IEUA staff labor and overall administrative support for the operation & maintenance of the composting facility in Rancho Cucamonga, CA. Labor cost reimbursement is recorded in Regional Wastewater Operations and Maintenance fund.	4.7	4.9
Chino Basin Watermaster (CBWM)	IEUA staff labor and administrative costs for the operation & maintenance of groundwater recharge basins and debt service costs associated with the certain improvements to groundwater recharge facilities. Labor cost reimbursement is recorded in the Recharge Water fund.	1.1	1.0
Total		\$7.6	\$7.9

EXPENSES AND OTHER USES OF FUNDS

A total of \$64.7 million in Agency-wide administrative and employment expenses are initially budgeted in the Administrative Service fund in FY 2023/24 and \$70.3 million if FY 2024/25. Approximately 96 percent, of total expenses are allocated to the other Agency funds, Joint Power Authorities (JPAs), and projects, as illustrated in Figure 5-2.

FIGURE 5-2: COST ALLOCATION OVERVIEW



*JPAs: Joint Power Authorities, Inland Empire Regional Composting Authority/Chino Basin Desalter Authority

The FY 2023/24 total net expenses and uses of funds in the amount of \$10.4 million include \$5.0 million in capital and non-capital projects that are fully supported by inter-fund transfers from the Regional Wastewater, Non-Reclaimable Wastewater, and Recycled Water funds, \$2.2 million of net employment cost, and \$3.2 million of administrative expenses. The FY 2024/25 total net expenses and uses of funds are estimated at \$12.7 million. The increase is mainly due to higher project costs, as shown in Table 5-4.

TABLE 5-4: EXPENSES & OTHER USES OF FUNDS (\$MILLIONS)

Expense Category	2023/24	2024/25	Key Assumptions
Administrative & Operations	\$6.2	\$6.3	Includes Agency employment, material & supplies, professional fees, utilities, and other operating costs, net of allocation to other agency programs and capital projects.
CIP Projects	4.2	6.4	Includes various capital information system projects, business network improvements, and replacement of aging fleet maintenance vehicles.
Total	\$10.4	\$12.7	

EMPLOYMENT EXPENSE

Total gross employment costs, comprised of wages and benefits, for FY 2023/24 and FY 2024/25 are projected to be \$74.9 million and \$81.2 million, respectively. Included in the biennial budget is an increase in the number of authorized full-time equivalent (FTE) positions from 330 to 356 by FY 24/25. The increase includes the addition of 26 new FTE positions mostly related to the RP-5 expansion projects. Approximately 41 percent of Agency employees are currently eligible to retire by 2025. Collectively, these employees have hundreds of years expertise and vast institutional knowledge that will take years to replace. The increase in staffing will also allow for early recruitment of critical positions to support preservation of critical skills and institutional knowledge transfer and ensure continuity of critical Agency operations.

An estimated \$10.3 million in FY 2023/24 and \$10.9 million in FY 2024/25 in employment costs is allocated to support the Agency's CIP and non-capital projects resulting in net employment costs of \$64.7 in FY 2023/24 and \$70.3 in FY 2024/25. The allocation of net employment costs by Agency funds and JPA's is shown in Table 5-5.

TABLE 5-5: TOTAL EMPLOYMENT COST (\$MILLIONS)

Programs	2023/24	2024/25
Regional Operations and Maintenance	\$37.6	\$41.2
Regional Capital Improvement	4.8	5.2
Recycled Water Program	7.2	7.8
Non-Reclaimable Wastewater Program	3.4	3.7
Recharge Water Program	1.0	1.1
Water Resources Program	3.8	4.1

ADMINISTRATIVE SERVICES PROGRAM

Programs	2023/24	2024/25
Administrative Services Program	0.3	0.4
Inland Empire Regional Composting Authority (IERCA) /JPA	4.7	5.1
Chino Basin Desalter Authority (CDA) / JPA	1.8	2.0
Subtotal Net of Allocations	64.7	70.3
Allocation to CIP and non-capital projects	10.2	10.9
Total Employments Costs	\$74.9	\$81.2

Table 5-6 shows the percent allocation of the employment costs, net of all CIP and non-capital project allocation, by Agency fund for fiscal years (FYs) 2022/23, 2023/24 and 2024/25. Net employment cost reflects the cost of employment to the Agency net of labor allocation to project costs. The Personnel section includes a more detailed discussion of the Agency's staffing plan and related cost analysis.

TABLE 5-6: NET EMPLOYMENT COSTS ALLOCATION BY FUND/PROGRAM

Program	Allocation Percentage		
	2022/23	2023/24	2024/25
Regional Wastewater ¹	72.9%	72.8%	72.8%
Recycled Water	11.0%	11.0%	11.0%
Administrative Services/Chino Basin Desalter Operations (CDA)	2.9%	3.5%	3.5%
Non-Reclaimable Wastewater System	5.8%	5.3%	5.3%
Water Resources	5.9%	5.9%	5.9%
Recharge Water	1.5%	1.5%	1.5%
Total	100%	100%	100%

¹Comprised of the Regional Wastewater Capital Improvement and Regional Wastewater Operations and Maintenance funds and includes the IERCA allocation.

UNFUNDED ACCRUED LIABILITIES FOR RETIREMENT AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Agency implemented Government Accounting Standard Board (GASB) Statement 68 Accounting and Financial Reporting for Pensions in FY 2014/15. The Agency implemented GASB 75 Accounting and Financial Reporting of Postemployment Benefits Other Than Pension in FY 2017/18. Under GASB 75, similarly to GASB 68, gains and losses related to changes in total liability and fiduciary net position are recognized as expense systematically over time. As of June 30, 2022, the Agency's pension unfunded accrued liability (UAL) was estimated to be \$4.6 million and for OPEB is fully funded.

Included in the employment budget for FYs 2023/24 and 2024/25 are additional annual contributions towards the Agency's UAL for pension and OPEB, as shown in Table 5-7, consistent with the funding plan approved by the Agency's Board of Directors in May 2014.

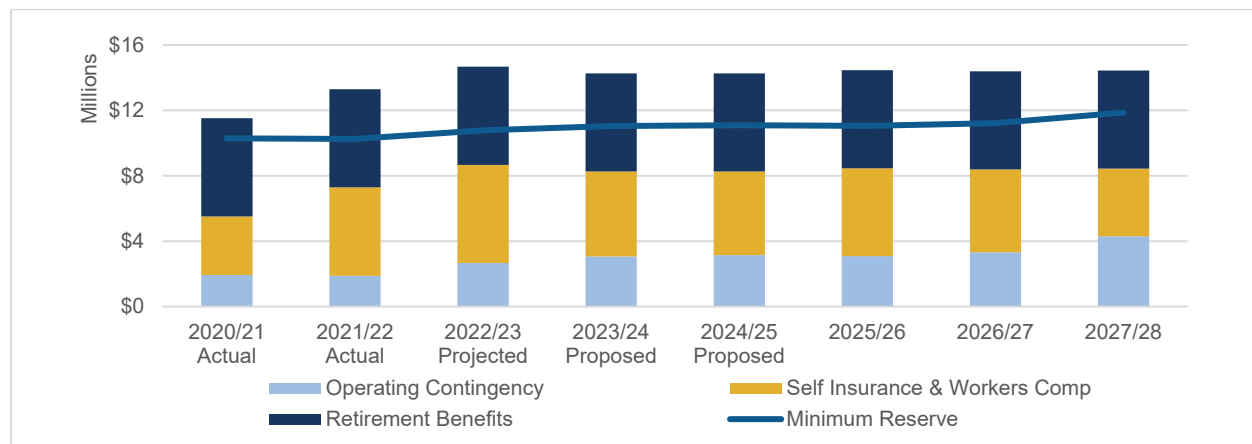
TABLE 5-7: FUNDING PLAN FOR OPEB AND PENSION UNFUNDED ACCRUED LIABILITIES (\$MILLIONS)

	FISCAL YEAR	OPEB	PENSION	ADDITIONAL FUNDING	AGGREGATE AMOUNT
PAID	2013/14	3.5	-	3.5	3.5
	2014/15	3.5	4.5	8.0	11.5
	2015/16	2.0	4.5	6.5	18.0
	2016/17	2.0	4.5	6.5	24.5
	2017/18	2.0	4.5	6.5	31.0
	2018/19	2.0	4.5	6.5	37.5
	2019/20	1.0	4.5	5.5	43.0
	2020/21	-	4.5	4.5	47.5
	2021/22	-	4.5	4.5	52.0
	2022/23	-	4.5	4.5	56.5
PLANNED	2023/24	-	4.5	4.5	61.0
	2024/25	-	-	-	61.0
	2025/26	-	-	-	61.0
	TOTAL	16.0	45.0	61.0	

FUND BALANCE

The Administrative Service fund maintains the Agency's reserves for employee retirement benefits, self-insurance programs, including general liability and worker's compensation, and operating contingency as mandated by bond covenants. The self-insurance program was established for risks associated with general liability, property and equipment, and worker's compensation. The respective reserve balance is adjusted annually per the estimated required level as determined by Risk Management. The estimated fund balance for FYs 2023/24 and 2024/25 is projected to be \$14.3 million and \$14.3 million, respectively. Figure 5-3 shows the historical, budgeted, and projected fund balance through FY 2027/28.

FIGURE 5-3: TREND OF ADMINISTRATIVE SERVICES ENDING FUND BALANCE (\$MILLIONS)



ADMINISTRATIVE SERVICES PROGRAM

FY 2025/26 TO FY 2027/28 FORECAST

For the three years following the biennial budget, the fund balance is projected to average \$14.4 million per year. The slight increase is due to the projected increase in property tax allocations as approved by the Board in June 2023.

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**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET
ADMINISTRATIVE SERVICES FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Property Tax	\$1,972	\$3,221	\$3,487	\$3,557	\$3,614	\$3,671	\$3,730	\$3,791
Cost Reimbursement from JPA	1316	1318	1520	1858	2020	2042	2201	2437
Interest Revenue	130	140	191	243	243	242	240	237
TOTAL REVENUES	\$3,418	\$4,679	\$5,198	\$5,658	\$5,877	\$5,955	\$6,171	\$6,465
OTHER FINANCING SOURCES								
Grants	\$0	\$12	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenues	34	293	2	2	2	2	2	2
TOTAL OTHER FINANCING SOURCES	34	306	2	2	2	2	2	2
EXPENSES								
Employment Expenses	\$1,647	\$1,041	\$1,975	\$2,181	\$2,372	\$2,398	\$2,584	\$2,861
Contract Work/Special Projects	76	580	358	717	433	433	433	2,215
Utilities	574	761	775	777	853	894	937	984
Operating Fees	16	21	16	43	45	46	47	49
Professional Fees and Services	3,245	3,265	4,745	7,316	7,314	9,054	9,459	9,824
Office and Administrative expenses	1,083	1,298	1,793	3,277	3,657	3,303	3,619	3,552
Materials & Supplies	576	560	465	245	255	157	156	163
Other Expenses	(3,341)	(3,764)	(5,336)	(8,413)	(8,641)	(10,108)	(10,587)	(11,041)
TOTAL EXPENSES	\$3,877	\$3,763	\$4,791	\$6,143	\$6,288	\$6,177	\$6,649	\$8,606
CAPITAL PROGRAM								
Capital Expansion & Construction	\$1,960	\$2,151	\$3,784	\$4,248	\$6,408	\$9,280	\$8,354	\$2,643
TOTAL CAPITAL PROGRAM	\$1,960	\$2,151	\$3,784	\$4,248	\$6,408	\$9,280	\$8,354	\$2,643
DEBT SERVICE								
Financial Expenses	\$24	\$19	\$18	\$20	\$21	\$22	\$22	\$23
Interest	0	3	0	0	0	0	0	0
TOTAL DEBT SERVICE	\$24	\$23	\$18	\$20	\$21	\$22	\$22	\$23
TRANSFERS IN (OUT)								
Capital Contribution	\$1,396	\$1,556	\$2,521	\$2,132	\$4,636	\$6,852	\$6,210	\$1,912
Operation support	56	569	297	567	400	400	400	1,689
Capital - Connection Fees Allocation	552	571	1,246	1,219	1,700	2,318	2,050	1,184
One Water	33	35	79	1,047	105	143	127	73
TOTAL INTERFUND TRANSFERS IN (OUT)	\$2,036	\$2,731	\$4,142	\$4,965	\$6,841	\$9,713	\$8,787	\$4,858
FUND BALANCE								
Net Income (Loss)	(\$372)	\$1,780	\$749	\$213	\$3	\$192	(\$66)	\$53
Beginning Fund Balance July 01	11,892	11,520	13,300	14,048	14,262	14,265	14,457	14,391
ENDING FUND BALANCE AT JUNE 30*	\$11,520	\$13,300	\$14,048	\$14,262	\$14,265	\$14,457	\$14,391	\$14,444
RESERVE BALANCE SUMMARY								
Operating Contingency	\$1,938	\$1,881	\$2,395	\$3,071	\$3,144	\$3,089	\$3,325	\$4,303
Self-Insurance Program	3,582	\$5,418	\$5,653	\$5,190	\$5,121	\$5,368	\$5,066	\$4,141
Employee Retirement Benefit	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
ENDING BALANCE AT JUNE 30	\$11,520	\$13,300	\$14,048	\$14,262	\$14,265	\$14,457	\$14,391	\$14,444

*Numbers may not total due to rounding

REGIONAL WASTEWATER PROGRAM

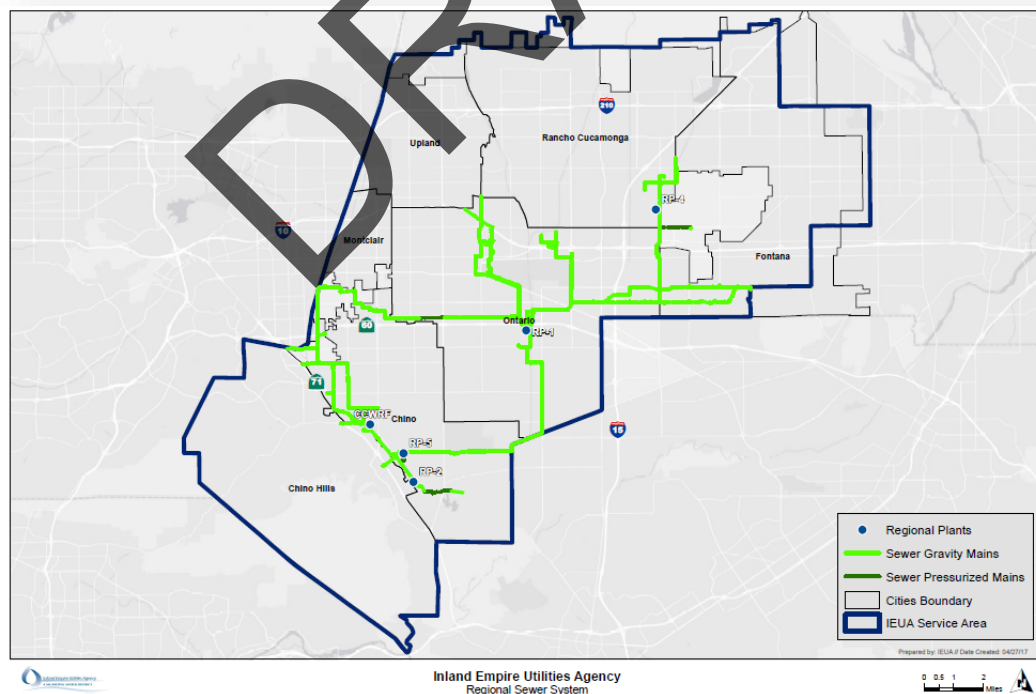
PROGRAMMATIC OVERVIEW

The Regional Wastewater program accounts for the collection, treatment, and disposal of municipal wastewater, as well as the acquisition, expansion, improvement, and upkeep of the regional wastewater system. On average the Agency collects, treats, and disposes of approximately sixty million gallons per day (MGD) of untreated municipal wastewater and with the Regional Plant No. 5 (RP-5) expansion, it will allow for more treatment per day. Several treatment processes contribute to providing high quality recycled water pursuant to Title 22 regulations set forth by the State Division of Drinking Water. The Agency operates five treatment facilities, four of which produce recycled water:

- ◆ Regional Water Recycling Plant No. 1 (RP-1) | Ontario, CA
- ◆ Regional Water Recycling Plant No. 2 (RP-2) | Chino, CA
- ◆ Regional Water Recycling Plant No. 4 (RP-4) | Rancho Cucamonga, CA
- ◆ Regional Water Recycling Plant No. 5 (RP-5) | Chino, CA
- ◆ Carbon Canyon Water Recycling Facility (CCWRF) | Chino, CA

The Agency's service area (see Figure 5-4) encompasses a 242-square mile area of the western San Bernardino County and is responsible for serving approximately 935,000 people throughout its seven sewage collection agencies (SCAs): which includes, the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District in the City of Rancho Cucamonga.

FIGURE 5-4: AGENCY WATER RECYCLING TREATMENT FACILITIES SERVICE AREA BOUNDARIES



The Agency receives significant benefits from by-products generated from its Regional Wastewater program:

- ◆ Recycled water – local water supply not directly impacted by the drought.
- ◆ Biosolids compost – a premium soil additive for wholesale and retail distribution in partnership with Los Angeles County Sanitation Districts (LACSD).
- ◆ Renewable energy – biogas used to generate power for the Agency's regional wastewater facilities.

PROGRAM FUND DESCRIPTION

the Regional Wastewater Program is comprised of two funds: Regional Wastewater Capital Improvement (Wastewater Capital) and Regional Wastewater Operations and Maintenance (Wastewater Operations). On December 21, 2022, The Board of Director's adopted Ordinance 111 "An Ordinance of the Board of Directors of Inland Empire Utilities agency, a municipal water district, establishing regulations governing the collection, treatment, and disposal of sewage to the regional sewerage system in the Inland Empire Utilities Agency, San Bernardino County, State of California".

Components of each fund are shown below in Table 5-8.

TABLE 5-8: REGIONAL WASTEWATER PROGRAM FUNDS

Description	Wastewater Capital	Wastewater Operations
Component Activities	Regional Wastewater Capital Improvement Fund records the transactions for the acquisition, construction, and expansion of the Agency's municipal wastewater treatment plants, large sewer interceptors, and appurtenant facilities.	The Regional Wastewater Operations and Maintenance Fund accounts for the revenues and operating expenses associated with the collection, treatment, and disposal of domestic wastewater delivered by the sewage collection agencies to the Agency's regional interceptors and water recycling facilities. The treatment process includes tertiary chlorination and dichlorination to remove excess chlorine residuals thus protecting the habitats in the receiving waters, as required by the Agency's National Pollution Discharge Elimination System (NPDES) permits.
Primary Revenues & Other Funding Sources	New EDU* connection fees, property taxes, debt proceeds, and grant receipts.	Monthly EDU* sewer rate, property taxes, and contract reimbursements.
Primary Expenses and Other Uses of Funds	Capital project costs, debt service, and program support.	O&M costs such as employment, chemicals, utilities, materials & supplies, and biosolids recycling. Capital replacement and rehabilitation cost.

*EDU = Equivalent dwelling unit: the estimated volumetric impact of a single residence.

REGIONAL WASTEWATER PROGRAM

Table 5-9 shows total revenue, total expense, and beginning and ending fund balances for the Regional Wastewater program. Additional detail on the revenues and expenses as shown at the table.

TABLE 5-9: CONSOLIDATED REGIONAL WASTEWATER PROGRAM FUND SUMMARY

(\$ Millions)	2022/23 Projected	2023/24	2024/25	2025/26	2026/27	2027/28
Total Revenue & Other Funding Sources	\$257.1	\$293.5	\$307.9	\$466.9	\$228.4	\$239.5
Total Expenses & Other Uses of Funds	260.2	261.7	300.0	460.0	231.5	195.8
Net Increase (Decrease)	(\$3.1)	\$31.8	\$7.9	\$6.9	(\$3.1)	\$43.7
Beginning Fund Balance	343.2	340.1	371.9	379.8	386.7	383.6
Ending Fund Balance	\$340.1	\$371.9	\$379.8	\$386.7	\$383.6	\$427.3

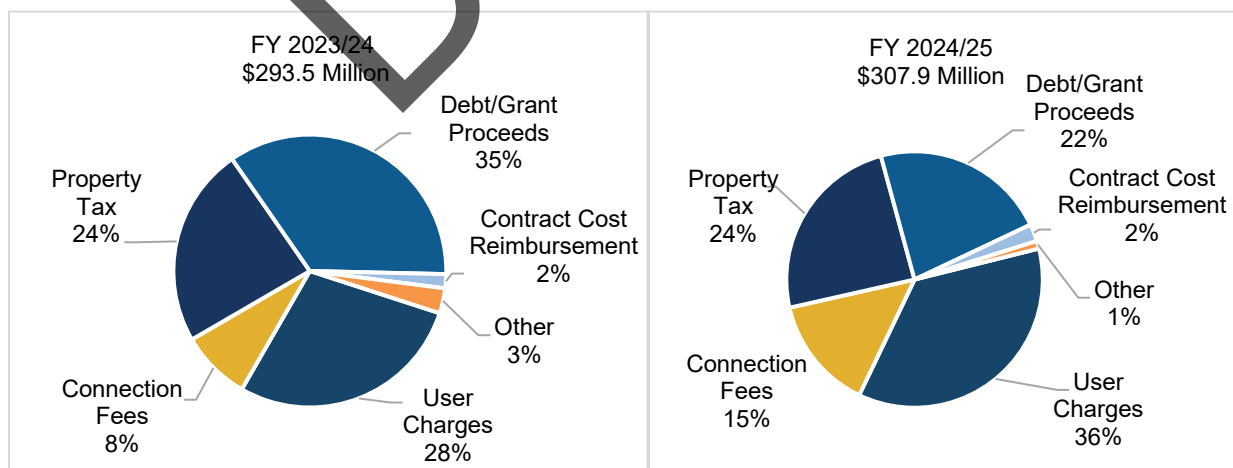
+/- Totals may not add due to rounding.

TOTAL REVENUES AND OTHER SOURCES OF FUNDS

Total revenue and funding sources for the Regional Wastewater program is budgeted at \$293.5 million in FY 2023/24 and \$307.9 million in FY 2024/25. This includes user charges, property tax receipts, connection fees, debt proceeds, and contract cost reimbursement from the Inland Empire Regional Composting Authority (IERCA), interest earnings, and other miscellaneous revenues.

Figure 5-5 below shows the percentage share of revenue and other funding sources by fiscal year.

FIGURE 5-5: REGIONAL WASTEWATER PROGRAM REVENUES & OTHER FUNDING SOURCES



The following sections discuss the primary revenues and other funding sources of the Regional Wastewater program.

CONNECTION FEES

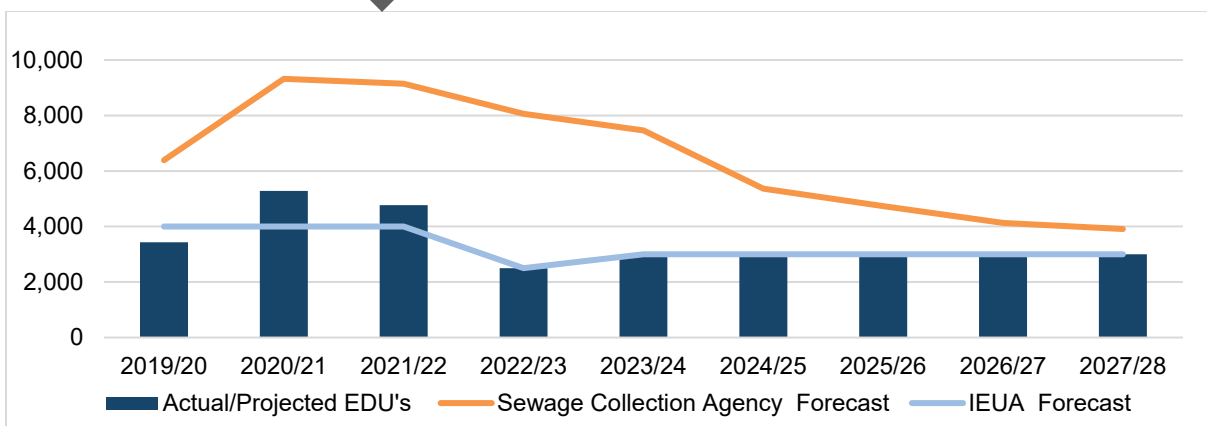
To connect to the Agency's regional wastewater system, the Agency levies a fee; these connection fees, like "development impact fees" levied by cities for new development, are collected by each of the Agency's sewage collection agencies, in accordance with the Regional Sewage Service Ordinance 111. Connection fees are restricted to finance capital acquisition, construction, equipment, and process improvement costs for the IEUA regional wastewater system. Each member agency holds these funds in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or "called", by the Agency. Capital calls, sewage collection agency payments of connection fees in their respective CCRA accounts, are based on the Agency's planned capital projects over the ensuing six months, as calculated and reported on a semiannual basis, on January 15 and July 15 of each fiscal year.

The Agency utilizes equivalent dwelling units (EDU) for measuring and forecasting the demand on district facilities equivalent to a typical single-family dwelling. An EDU means the unit of measure that is based on the flow characteristics of an average single-family residence in terms of sewage quantity and constituent quality. Pursuant to the Regional Sewage Service Ordinance 111, each year the Agency conducts a survey of sewage collection agencies to determine the number of new EDU connections expected for the next ten years. These forecasts are essential in planning facility and infrastructure expansion and improvements needed to support anticipated demand from future growth in the service area. The FY 2022/23 sewage collection agencies' forecast estimates nearly 56,000 new EDU connections over the next ten years.

It is IEUA's responsibility to ensure the regional wastewater and regional water systems' capacity is expanded in a timely and cost-effective manner to support future growth as IEUA is a regional provider of wastewater and water services.

Sewage collection agency forecasts typically represent the high end of future growth in their respective areas. While the Agency applies sewage collection agencies growth forecast to plan for future expansion of its facilities; a lower growth rate is applied to forecast connection fee revenue. This more conservative approach is illustrated in Figure 5-6, with the Agency's forecast of new connections for the next five years lower than those projected by the member agencies.

**FIGURE 5-6: TREND OF NEW EDU CONNECTIONS
FY 2019/20 TO FY 2027/28**



REGIONAL WASTEWATER PROGRAM

A key revenue assumption is the continued pace of new development in the Agency's service area projected at 3,000 new EDU wastewater connections for each budget year. Based on the FY 2023/24 rates adopted by the Board in April 2023, revenues from wastewater connection fees are estimated at \$24.4 million in FY 2023/24 and \$25.9 million in FY 2024/25.

Table 5-10 shows the adopted FY 2023/24 rate of \$8,132 per unit and for FY 2024/25 \$8,620 per unit. Future year rates will be determined during the next cost of service study.

TABLE 5-10: ADOPTED WASTEWATER CONNECTION FEES

Rate Description	2022/23	2023/24	2024/25	2025/26*	2026/27*	2027/28*
Wastewater Connection Fee	\$7,600	\$8,132	\$8,620	To be reviewed based on sewer use evaluation results		
Wastewater Connection Units	4,000	3,000	3,000	3,000	3,000	3,000

* Projected rates to be updated based on cost-of-service study.

PROPERTY TAXES

Property tax receipts for the Regional Wastewater program are budgeted at \$69.6 million in FY 2023/24 and \$70.7 million in FY 2024/25.

As summarized in Table 5-11, the annual fixed percentage allocated for property taxes set for the Regional Wastewater Capital Improvement (Wastewater Capital), the Regional Wastewater Operations and Maintenance (Wastewater Operations), the Recycled Water, Administrative Services, and the Water Resources funds remain unchanged. Over the last five years, the property tax allocated to the Water Resources fund has helped to support various project costs, including some at the request of customer agencies.

While regional water resource programs continue to be a key initiative, the expansion and upkeep of Agency regional wastewater facilities and infrastructure will be a primary focus over the next few years. The capital projects included in the FY 2023/24 Ten Year Capital Improvement Plan (TYCIP) of \$1,386.6 million are needed to support an increase in services from future growth as projected by sewage collection agencies, asset management for timely upkeep and improvement of aging assets, and to maintain compliance with changing regulatory and safety requirements.

The 65 percent property tax allocation to the Wastewater Capital fund will help support capital investments for the acquisition, construction, and improvement of wastewater facilities, and associated debt service costs. The 23 percent property tax allocation to the Wastewater Operations fund is to support the portion of capital replacement and rehabilitation (R&R) costs and O&M costs not fully recovered by rates.

Table 5-11: Property Tax Allocation by Fund (\$ Millions)

Fund	Purpose	Current Allocation	FY 2023/24 Projection	FY 2024/25 Projection
Regional Wastewater Capital Improvement	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional wastewater facilities.	65%	\$51.4	\$52.2
Regional Wastewater Operations & Maintenance	Supports capital replacements and rehabilitation cost and any operation costs not fully recovered by rates.	23%	18.2	18.5
Recycled Water	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional recycled water facilities.	4.0%	3.1	3.2
Administrative Services	Supports agency-wide costs not allocated to other Agency funds.	4.5%	3.5	3.6
Water Resources	Supports regional water supply strategies.	3.5%	2.8	2.8
Total			\$79.0	\$80.3

USER CHARGES

The Agency's wastewater monthly rates support the operations and maintenance of the regional wastewater system which includes the collection, treatment, and disposal of municipal wastewater flows. The Agency utilizes equivalent dwelling units (EDUs) as a billing unit. An EDU is defined as the measurement of wastewater flow equivalent in quantity and strength to the daily discharge of an average single-family residential household.

At the request of sewage collection agencies, and as unanimously recommended by the Regional Committees, the Board adopted the monthly Wastewater Equivalent Dwelling Unit (EDU) Rate of \$23.39 and \$24.79 for Fiscal Years 2023/24 and 2024/25, respectively on April 19, 2023.

Shown on Table 5-12 are the adopted rates for the FYs 2023/24 and 2024/25. Future rates are subject to completion of the Return to Sewer Rate Study and development of an updated EDU methodology which is the basis for the monthly sewer rates and wastewater connection fees. Based on the current timeline, completion of the flow and load sample study is expected in early 2024. Increasing electricity rates by Southern California Edison (SCE), higher prices for chemicals, and the increase in staffing to support early recruitment of critical positions to support the RP-5 Expansion projects are factors affecting this budget.

REGIONAL WASTEWATER PROGRAM

Based on current assumptions, an adjustment of 6 percent is projected for FY 2025/26 and an annual three percent forecasted adjustment thereafter to support higher operating costs as shown in Table 5-12.

TABLE 5-12: ADOPTED EDU MONTHLY RATES

Rate Description	2022/23 Adopted	2023/24 Adopted	2024/25 Adopted	2025/26*	2026/27*	2027/28*
EDU Monthly Rate	\$21.86	\$23.39	\$24.79	To be reviewed based on sewer use evaluation results		
Effective Date	7/01/22	7/01/23	7/01/24			

* Projected rates, to be updated based on cost-of-service study.

DEBT PROCEEDS

The Regional Wastewater program's expansion and improvements are traditionally funded by a combination of system revenues (pay-go basis), bonded debt, grants, and low interest loans. In FY 2019/20 the Agency secured a Water Infrastructure Finance and Innovation Act (WIFIA) loan in the amount of \$196.4 million for the RP-5 Liquid and Solids Treatment capacity expansion projects (RP-5 Expansion Project). The RP-5 Expansion Project is the largest capital construction projection undertaken by the Agency to date, at a total project budget of \$450 million. To further reduce the financing costs, the Agency issued the 2020B Revenue Notes as interim financing to support the RP-5 Expansion Project construction costs. At the completion of construction in 2026, the 2020B Revenue Notes will be paid in full with a draw from the WIFIA loan.

Additionally, the Agency acquired a low interest Clean Drinking Water State Revolving Fund (SRF) loan for \$101.5 million to support a portion of the RP-5 Expansion. The SRF loan proceeds are included in FY 2021/22; under the SRF loan program guidelines, repayment begins one year after the completion of construction. More details on the projected financing terms and debt service are provided in the Debt Management section of the budget.

In FY 2021/22, the Agency secured a second WIFIA loan in the amount of \$120 million to finance a portion of the RP-5 Expansion; RP-1 Solids Thickening, and the Carbon Canyon Water Recycling Facility (CCWRF).

EXPENSES AND OTHER USES OF FUNDS

The total Regional Wastewater program expenditures budget is \$261.7 million in FY 2023/24 and \$300.0 million in FY 2024/25. Expenses include operating expense, capital improvement plan (CIP) costs, debt service, and inter-fund transfers to the Recharge Water and Recycled Water funds support debt service costs, the Administrative Services fund to support capital and operating expenditures; and the Administrative Services and Non-Reclaimable Wastewater funds to support expansion projects. Total expenses and other uses of funds are summarized in Table 5-13. Operating costs are explained in more detail in the following sections.

TABLE 5-13: FYS 2023/24 AND 2024/25 REGIONAL WASTEWATER PROGRAM EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2023/24	2024/25	Key Assumptions
Operating Expenses	\$98.7	\$105.0	Includes labor, utilities, operating fees, chemicals, materials and supplies, non-capital projects, and other administrative costs to support the Regional Wastewater program
Capital Improvement Plan (CIP)	146.7	175.5	Includes capital project expenditures and investment in the IERCA. See Table 5-11 for summary of major capital projects
Debt Service Costs	8.4	9.4	Includes principal & interest for bonds, SRF loans and other notes payable
Inter-Fund Transfers	7.9	10.1	Capital, debt service, and operating support to other Agency funds
Total	\$261.7	\$300.0	

OPERATING EXPENSES

EMPLOYMENT EXPENSES

As one of the Agency's core programs, approximately 73 percent of total net employment costs (net of labor costs allocated to support the Agency's CIP) are allocated to the Regional Wastewater program. Employment expenses include wages, benefits, and additional contributions to the unfunded accrued liabilities for pension and other post-employment benefits (OPEB). Included in the Agency's FY 2023/24 and FY 2024/25 total net employment budget of \$64.7 million and \$70.3 million, respectively, is an increase in staffing to support the early recruitment of critical positions, additional full-time positions to support the operation and maintenance requirements after the go-live of the RP-5 expansion projects, and an annual cost of living adjustment (COLA) of three percent as negotiated with the various employee bargaining units. Included in the Wastewater Operations fund employment expenses are the 25 FTEs assigned to the Inland Empire Regional Composting Authority. Employment costs for operating the IERCA facility of approximately \$4.7 million in FY 2023/24 and \$4.9 million in FY 2024/25 are fully reimbursed to the Agency.

UTILITIES

Utilities represent the highest operating cost to the Regional Wastewater program after employment expenses. A total of \$10.1 million is budgeted for utilities in FY 2023/24, and \$11.8 million for FY 2024/25. Utility expense includes the purchase of electricity from Southern California Edison (or the grid), use of natural gas, and the purchase of renewable energy generated on site from solar and wind. In FY 2023/24, the rate for electricity is budgeted at \$0.224 per kilowatt hour (kWh).

In June 2016, the Agency became the first public agency to use the state-of-the-art battery storage technology installed at RP-5. A total of one megawatt hour of Tesla batteries was successfully integrated into the facility's electrical profile, which includes grid imports and on-site renewable generation in the form

REGIONAL WASTEWATER PROGRAM

of solar and wind. The project reduces dependency on the grid by optimizing distribution of on-site renewable power; achieves energy cost savings by reducing imported electricity during periods of high grid demand; provides relief to the grid by using stored energy during periods of high grid demand; and improves demand response (DR) capabilities by utilizing stored energy during DR events.

In December 2018, the Agency completed installation of an additional 1.50 kW and received the permit from Southern California Edison (SCE) to operate the Inland Empire Regional Composting Authority (IERCA) Energy Storage System and Solar Photovoltaic (PV) system. This system is the first of its kind as it will integrate the RP-4 1,500 kW/3,000 kWh battery storage system, the RP-4 wind turbine, and the expanding solar photovoltaic system from 1.0 kW to 2.5 kW.

The Agency is committed to the efficient use of utilities, as outlined in the Agency's Energy Management Plan developed in 2015. The Agency is committed to procuring 100 percent of its electricity needs from carbon neutral sources by the year 2030, as outlined in the Energy Management Plan.

CHEMICALS

The budget for chemical costs is developed by considering the current operating conditions and current unit costs (wastewater influent flow, chemical dose, compliance, contract price, and terms), as well forecasted flows, new project startups, and market trends.

Chemical costs represent approximately ten percent, or \$9.7 million, of total operating costs in the Regional Wastewater program for FY 2023/24.

Chemicals are essential in meeting regulatory requirements, treatment process performance goals, and sustainment of high-quality recycled water that meets Title 22 State of California requirements. The major chemicals used for wastewater treatment are:

- ◆ Polymer: may be added to the primary clarifier to enhance solids settling and to the sludge to enhance the thickening and dewatering process.
- ◆ Sodium Hypochlorite: used primarily for disinfection; also used for odor control, in primary, secondary treatment, and solids thickening to improve the process of performance.
- ◆ Ferric chloride: used to optimize treatment performance and meet compliance with South Coast Air Quality Management District (SCAQMD).

BIOSOLIDS RECYCLING

The cost of biosolids recycling is budgeted at \$5.5 million in FY 2023/24 and \$5.7 million in FY 2024/25. The biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. The Inland Empire Regional Composting Authority (IERCA) composter processes 100 percent of the Agency's biosolids generated from its water recycling facilities. The FY 2023/24 processing rate of \$62.50 per ton was adopted by the IERCA Board of Directors effective July 1, 2023. Although conservation and water use efficiency efforts have reduced wastewater flows, the amount of organic matter and suspended solid materials has remained unchanged.

CAPITAL PROJECTS

In FY 2023/24, the Regional Wastewater program capital budget is \$146.0 million and \$175.3 million for FY 2024/25. Capital projects in the Wastewater Capital fund focus on expansion and process improvements for the regional wastewater system and capital projects in the Wastewater Operations fund primarily focus on replacement and rehabilitation (R&R) of aging equipment and facilities.

Capital projects in the Regional Wastewater program account for \$895.5 million (excluding investment in the IERCA) of the Agency's \$1,386.6 million FYs 2024 – 2033 capital project forecast. Approximately 63 percent, or \$565.3 million, of the ten-year total Regional Wastewater Program capital project spending is scheduled in the first five fiscal years (FYs 2024 - 2028). Most of these capital projects support needed improvements and expansion of existing facilities and infrastructure to meet increases in service demands from projected growth in the region. Critical R&R projects necessary to meet reliability and regulatory requirements, remains a primary focus of the CIP for the Regional Wastewater program. Major capital projects for the Regional Wastewater program are listed in Table 5-14.

TABLE 5-14: MAJOR REGIONAL WASTEWATER PROGRAM PROJECTS (\$MILLIONS)

Project Title	FY 2023/24	FY 2024/25	FY 2025/26 to 2027/28	TYCIP Total
Advanced Water Purification Facility	\$0.6	\$2.5	\$54.7	\$165.5
RP-1 Thickening Building & Acid Phase Digester	15.0	45.0	92.0	152.0
RP-5 Expansion Construction	75.6	52.0	9.0	136.6
RP-1 Liquid and Solids Treatment Expansion	0.9	4.1	12.0	75.0
Regional Wastewater Capital Asset Management	0.3	2.4	24.0	66.7
RP-5 O&M Building	-	-	-	48.0
CCWRF ⁽¹⁾ Asset Management Improvements	8.8	13.0	3.0	24.8
SCADA ⁽²⁾ Enterprise System	6.8	7.4	4.5	18.7
RP-1 Operations and Maintenance Building Rehabilitation	-	-	-	16.5
Total	\$108.0	\$126.4	\$199.2	\$703.8

(1) CCWRF- Carbon Canyon Water Recycling Facility

(2) SCADA – Supervisory Control and Data Acquisition

A complete listing of projects and additional details on the Agency's capital program are available in the Capital section.

DEBT SERVICE

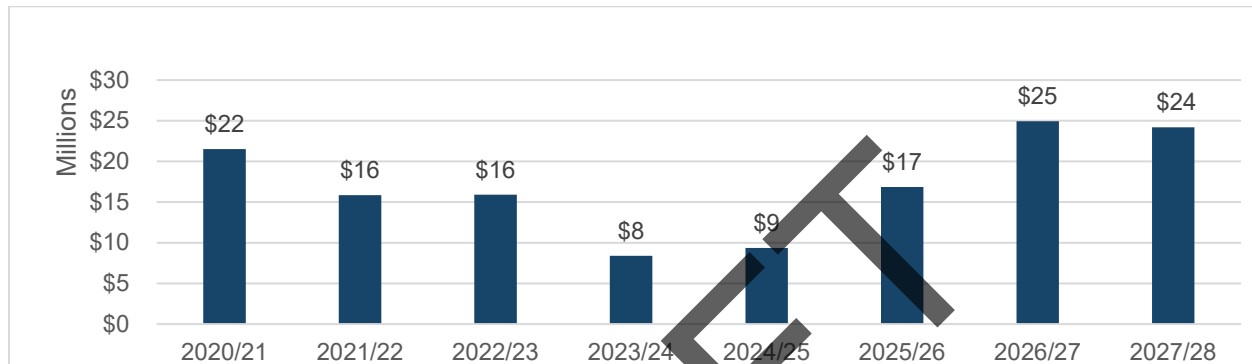
The Regional Wastewater program's FY 2023/24 and FY 2024/25 debt service payments are \$8.4 million and \$9.4 million, respectively. Debt service costs includes principal, interest, and financial expense related

REGIONAL WASTEWATER PROGRAM

to outstanding bonds, revenue notes, low interest State Revolving Fund (SRF) loans, and notes payable. Details for the Agency's outstanding debt can be found in the Debt Management section.

Figure 5-7 below represents historical and projected debt service expense through FY 2027/28. It is expected that the Agency will issue new debt to support major Regional Wastewater expansion projects necessary to meet service demand associated with the forecasted growth.

FIGURE 5-7: HISTORICAL AND PROJECTED ANNUAL DEBT SERVICE EXPENSE



INTER-FUND TRANSFERS

Wastewater connection fees are collected to support the capital acquisition, construction, and expansion of the Agency's regional wastewater system. This revenue is recorded in the Regional Wastewater Capital fund and then allocated to the Administrative Services, Non-Reclaimable Wastewater, and Regional Wastewater Operations funds proportionally to support growth-related projects. These inter-fund transfers are outlined in Table 5-15.

TABLE 5-15: WASTEWATER CONNECTION FEE INTER-FUND TRANSFERS FROM REGIONAL WASTEWATER CAPITAL FUND (\$MILLIONS)

Program	FY 2023/24 In	FY 2024/25 In
Administrative Services	\$1.2	\$1.7
Non-Reclaimable Wastewater	1.0	0.6
Regional Wastewater Operations	2.9	3.0
Total from Regional Wastewater Capital (Out)	\$5.1	\$5.3

INTER-FUND LOANS

Inter-fund loans are used as needed to support capital expenditures, debt service costs, or operating expense not fully supported by rates or fund reserves. They are recorded as loans to be repaid and subject

to interest. Inter-fund loan activities are reported as part of other funding sources by the receiving (borrower) fund and other uses of funds by the issuing (lender) fund.

The Wastewater Capital fund currently has two outstanding inter-fund loans totaling \$13.5 million due from the Recycled Water fund: \$3.0 million from FY 2007/08, and \$10.5 from FY 2014/15. Repayment of the outstanding inter-fund loans is scheduled over a three-year period starting in FY 2022/23 with the final payment planned in FY 2024/25. A summary of inter-fund loans and repayment schedules is provided in the Revenue and Debt Management sections.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)

The Inland Empire Regional Composting Authority (IERCA) was formed February 2002 as a Joint Power Authority (JPA) to divert organic solids from landfill disposal and to recycle organic products generated from within the community. The JPA was entered into by the Agency and the Los Angeles County Sanitation Districts (LACSD) to implement their shared goal of developing a sustainable biosolids management program.

In 2007, the two JPA agencies completed construction of the Inland Empire Regional Composting Facility (IERCF). The facility is located on approximately 22 acres of land in an industrial area adjacent to the Agency's Regional Water Recycling Plant No. 4 (RP-4) in the City of Rancho Cucamonga. As the nation's largest indoor biosolids composting facility, it consists of 445,275 square feet.

In 2013, IERCF was honored with the Governor's Environmental and Economic Leadership Award (GEELA) award for the design and construction of North America's largest, fully enclosed composting facility, which produces approximately 230,000 cubic yards (81,000 tons) per year of top-quality compost under the guidelines outlined in the US Composting Council's Seal of Testing Assurance (STA) program. The facility utilizes aerated static pile composting technology to process a mixture of biosolids, green waste, and wood waste to generate Class A exceptional quality compost for use in local agriculture and/or horticulture markets. The facility's emissions are processed through a biofilter to meet air quality requirements.

The Agency is responsible for the operational and administrative activities of the IERCF. The facility is staffed by 25 full-time Agency employees. Labor costs for Agency employees are recorded in the Agency's Regional Wastewater Operations and Maintenance fund and are fully reimbursable to the Agency.

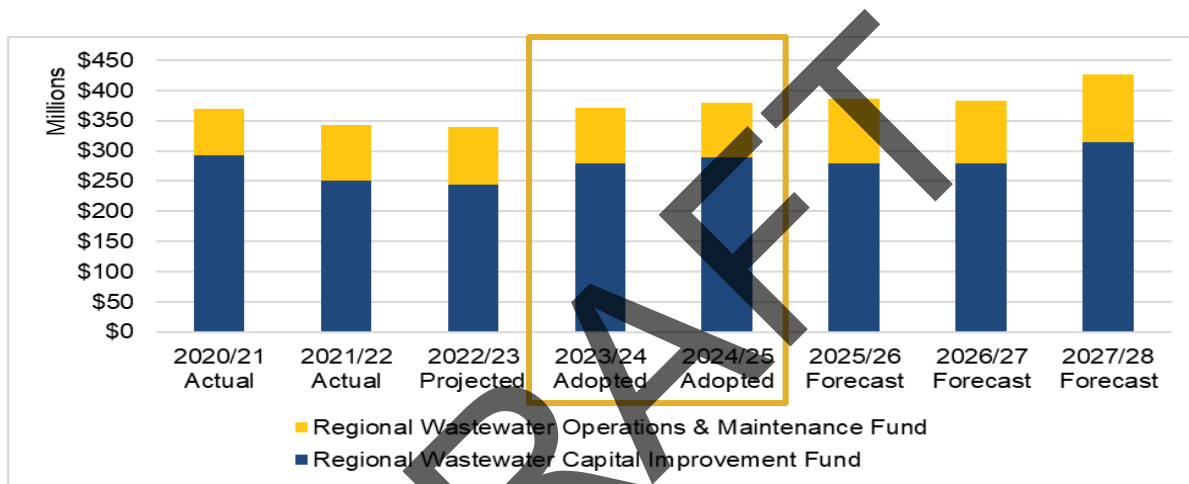
Starting in FY 2010/11, the IERCA Board implemented a tipping fee revenue base in lieu of partner contributions to cover operations and maintenance expenses for the IERCF. The tipping fee for FY 2023/24 will be at \$62.50 per wet ton of biosolids to support operating expenses and a portion of capital replacement and rehabilitation (R&R) costs. The fee is projected to generate revenue of \$9.3 million based on budgeted tonnage of 148,500. The Agency's share of the IERCA tipping fee revenue is budgeted in the Regional Wastewater Operations & Maintenance fund under biosolids recycling costs. The biosolids recycling budget of \$5.5 million for FY 2023/24 assumes 100 percent of the biosolids generated from the Agency's regional water recycling plants which will be transported to the IERCA composter for processing. Capital project expenditures are equally shared by the JPA partners.

REGIONAL WASTEWATER PROGRAM

REGIONAL WASTEWATER PROGRAM FUND BALANCE

The Regional Wastewater program projects an ending fund balance of \$371.9 million in FY 2023/24 and \$379.8 million in FY 2024/25. The estimated ending fund balance increase in the Wastewater Capital Fund is due to anticipated debt and grant proceeds to support the construction of the RP-1 Solids Thickening Building and the RP-5 Expansion projects. The projected change in the Wastewater Operations fund balance is due to the contributions (inter-fund transfers) to the Wastewater Capital fund to support the Wastewater Operations fund share of the RP-5 Expansion and planned R&R projects, such as the CCWRF Asset Management and improvements project costs as well as overall costs to operate and maintain the regional wastewater system facilities and infrastructure as shown in Figure 5-8.

FIGURE 5-8: TREND OF REGIONAL WASTEWATER PROGRAM FUND BALANCE



FY 2025/26 – FY 2026/27 FORECAST

One of the main drivers of the budget is the implementation of the capital program with the execution of critical projects, like the completion of the RP-5 Expansion project, supported with low interest federal and state loans as the primary financing strategy. During the budget period, the Agency will work to complete the Return to Sewer study to develop an updated EDU methodology which will serve as the basis for the monthly EDU rate and the new wastewater connection fee. The biennial budget also supports increased staffing to support the RP-5 Expansion projects and secure critical positions to support preservation of essential skills and institutional knowledge critical to Agency operations. Achieving these objectives will ensure the Agency is well positioned to meet its commitment to delivering essential high-quality services in a cost-effective manner, supporting the region's economic development, and maintaining the Agency's fiscal health.

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET
REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Interest Revenue	\$1,405	\$967	\$1,177	\$1,206	\$1,218	\$1,200	\$1,200	\$1,300
TOTAL REVENUES	\$1,405	\$967	\$1,177	\$1,206	\$1,218	\$1,200	\$1,200	\$1,300
OTHER FINANCING SOURCES								
Property Tax - Debt and Capital	\$43,638	\$46,550	\$50,365	\$51,373	\$52,195	\$53,033	\$53,885	\$54,752
Regional System Connection Fees	36,732	37,705	19,000	24,396	25,859	26,894	27,970	28,809
Debt Proceeds	0	0	32,000	25,500	45,764	233,516	0	0
State Loans	0	12,143	51,500	60,000	35,500	6,500	0	0
Other Revenues	57	95	1	1	1	1	1	1
Inter Fund Loan	0	0	2,000	6,000	5,500	0	0	0
TOTAL OTHER FINANCING SOURCES	\$80,427	\$96,492	\$154,866	\$167,270	\$164,819	\$319,944	\$81,856	\$83,562
EXPENSES								
Employment Expenses	\$3,944	\$2,859	\$4,180	\$4,768	\$5,186	\$5,243	\$5,649	\$6,253
Contract Work/Special Projects	350	519	0	136	16	16	16	16
Operating Fees	270	274	274	274	282	291	300	309
Professional Fees and Services	300	436	607	1,156	1,166	1,092	1,119	1,148
Other Expenses	926	1,125	1,675	2,362	2,426	2,834	2,967	3,094
TOTAL EXPENSES	\$5,790	\$5,213	\$6,735	\$8,698	\$9,075	\$9,476	\$10,051	\$10,820
CAPITAL PROGRAM								
Work In Progress	\$70,210	\$114,598	\$135,148	\$112,394	\$130,021	\$95,458	\$46,133	\$18,078
IERCA Investment	250	500	800	750	250	250	250	250
TOTAL CAPITAL PROGRAM	\$70,460	\$115,098	\$135,948	\$113,144	\$130,271	\$95,708	\$46,383	\$18,328
DEBT SERVICE								
Financial Expenses	\$1,325	\$214	\$11	\$17	\$17	\$17	\$17	\$11
Interest	9,756	9,979	9,857	1,965	2,781	6,789	8,232	7,991
Principal	9,007	4,271	4,672	4,988	5,150	205,066	13,267	12,852
TOTAL DEBT SERVICE	\$20,087	\$14,464	\$14,539	\$6,970	\$7,948	\$211,872	\$21,515	\$20,854
TRANSFERS IN (OUT)								
Capital Contribution	\$7,211	\$5,090	\$2,985	\$2,513	\$779	(\$5,087)	(\$4,788)	\$817
Debt Service	(3,118)	(3,128)	(3,215)	(3,317)	(3,266)	(3,266)	1,056	1,635
Capital - Connection Fees Allocation	(7,909)	(6,020)	(5,006)	(5,074)	(5,280)	(5,108)	(2,915)	(1,929)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$3,817)	(\$4,058)	(\$5,236)	(\$5,878)	(\$7,767)	(\$13,460)	(\$6,646)	\$522
FUND BALANCE								
Net Increase (Decrease)	(\$18,323)	(\$41,373)	(\$6,416)	\$33,785	\$10,975	(\$9,371)	(\$1,541)	\$35,382
Beginning Fund Balance July 01	310,615	292,292	250,919	244,503	278,288	289,263	279,892	278,351
ENDING FUND BALANCE AT JUNE 30*	\$292,292	\$250,919	\$244,503	\$278,288	\$289,263	\$279,892	\$278,351	\$313,733
RESERVE BALANCE SUMMARY								
Operating Contingency	\$1,455	\$1,738	\$2,245	\$2,899	\$3,025	\$3,159	\$3,350	\$3,607
Capital Construction	181,642	157,826	207,892	222,213	209,715	179,236	162,773	184,401
CCRA Capital Construction	91,465	81,170	24,079	41,962	57,822	72,716	88,685	102,494
Debt Service & Redemption	17,730	10,186	10,287	11,214	18,701	24,782	23,543	23,232
ENDING BALANCE AT JUNE 30	\$292,292	\$250,919	\$244,503	\$278,288	\$289,263	\$279,892	\$278,351	\$313,733

*Numbers may not tie due to rounding

REGIONAL WASTEWATER PROGRAM

INLAND EMPIRE UTILITIES AGENCY								
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET								
REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)								
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
User Charges	\$71,362	\$75,729	\$77,810	\$83,142	\$88,529	\$94,290	\$97,594	\$101,001
Cost Reimbursement JPA	4,175	3,580	3,718	4,733	4,875	5,021	5,172	5,327
Contract Cost Reimbursement	101	249	206	206	5	5	5	5
Interest Revenue	851	489	1,400	1,400	1,400	1,400	1,400	1,300
TOTAL REVENUES	76,489	80,047	83,134	89,481	94,809	100,716	104,171	107,633
OTHER FINANCING SOURCES								
Property Tax Revenues - Debt/Capital/Re	\$8,726	\$16,465	\$17,822	\$18,178	\$18,469	\$18,765	\$19,067	\$19,374
State Loans	-	-	-	17,300	28,500	26,200	22,000	27,500
Grants	-	90	-	-	-	-	-	-
Other Revenues	65	92	100	80	80	80	80	80
TOTAL OTHER FINANCING SOURCES	8,791	16,647	17,922	35,558	47,049	45,045	41,147	46,954
EXPENSES								
Employment Expenses	\$34,664	\$28,148	\$36,400	\$42,349	\$46,055	\$46,567	\$50,178	\$55,552
Contract Work/Special Projects	7,668	5,589	6,890	6,793	5,235	6,400	7,228	5,440
Utilities	6,762	7,003	7,857	10,079	11,759	12,114	12,479	12,856
Operating Fees	1,193	1,855	2,414	2,654	2,848	2,943	3,115	3,153
Chemicals	5,402	6,313	9,884	9,681	10,975	11,143	11,400	11,664
Professional Fees and Services	2,881	2,852	3,762	3,859	3,972	4,677	4,849	5,052
Office and Administrative expenses	-	1	19	0	0	0	0	0
Biosolids Recycling	4,611	5,013	4,415	5,450	5,712	5,923	6,098	6,273
Materials & Supplies	1,840	2,256	2,441	2,590	2,704	2,791	2,882	2,975
Other Expenses	2,589	3,241	4,623	6,498	6,665	7,765	8,128	8,473
TOTAL EXPENSES	67,612	62,271	78,407	89,952	95,925	100,323	106,357	111,439
CAPITAL PROGRAM								
Capital Construction & Expansion (WIP)	\$27,212	\$14,925	\$15,500	\$33,566	\$45,247	\$28,510	\$32,200	\$23,650
TOTAL CAPITAL PROGRAM	27,212	14,925	15,500	33,566	45,247	28,510	32,200	23,650
DEBT SERVICE								
Interest	\$674	\$608	\$565	\$573	\$548	\$522	\$1,883	\$1,832
Principal	761	784	806	849	874	900	1,545	1,511
TOTAL DEBT SERVICE	1,440	1,392	1,372	1,422	1,422	1,422	3,429	3,344
TRANSFERS IN (OUT)								
Capital Contribution	(\$8,511)	(\$6,540)	(\$5,335)	(\$4,500)	(\$5,100)	(\$1,300)	(\$1,000)	(\$2,599)
Debt Service	124	114	114	114	114	114	(4,209)	(4,209)
Operation support	(52)	(530)	(277)	(528)	(373)	(373)	(373)	(1,574)
Capital - Connection Fees Allocation	6,448	4,374	3,059	2,865	2,997	2,295	654	535
TOTAL INTERFUND TRANSFERS IN (OUT)	(1,991)	(2,582)	(2,438)	(2,049)	(2,362)	737	(4,927)	(7,847)
FUND BALANCE								
Net Increase (Decrease)	(\$12,974)	\$15,523	\$3,339	(\$1,951)	(\$3,098)	\$16,243	(\$1,595)	\$8,306
Beginning Fund Balance July 01	89,725	76,750	92,273	95,612	93,661	90,563	106,807	105,211
ENDING FUND BALANCE AT JUNE 30	76,750	92,273	95,612	93,661	90,563	106,807	105,211	113,518
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$21,145	\$18,606	\$24,604	\$28,407	\$30,350	\$31,767	\$33,728	\$35,371
Rehabilitation/Replacement	17,792	35,854	33,221	27,418	22,376	35,196	31,724	37,720
Debt Service	1,398	1,398	1,372	1,422	1,422	3,429	3,344	4,012
Sinking Fund	36,415	36,415	36,415	36,415	36,415	36,415	36,415	36,415
ENDING BALANCE AT JUNE 30	76,750	92,273	95,612	93,661	90,563	106,807	105,211	113,518
* Numbers may not tie due to rounding								

* Numbers may not tie due to rounding

NON-RECLAIMABLE WASTEWATER PROGRAM

PROGRAMMATIC OVERVIEW

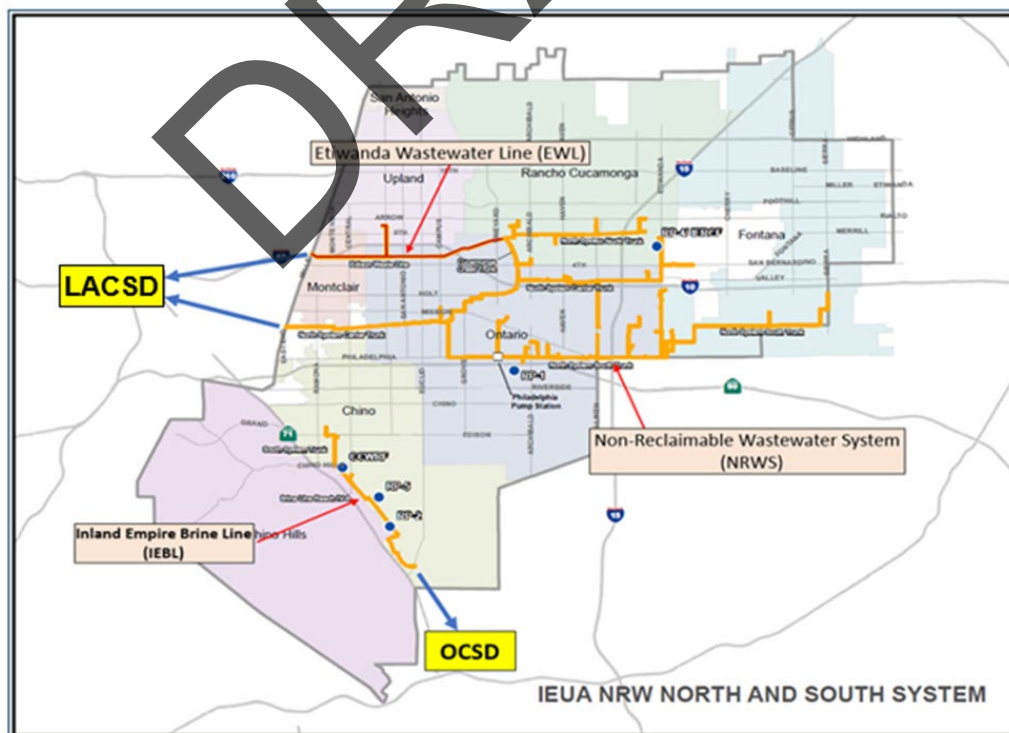
The Non-Reclaimable Wastewater Program accounts for the operating and capital expenses associated with an industrial wastewater collection system, known as the Non-Reclaimable Wastewater (NRW) brine lines, that conveys high-salinity (brine) industrial wastewater generated within the Agency's service area for treatment and eventual discharge to the Pacific Ocean.

The NRW lines operated by the Agency are comprised of three independent industrial wastewater lines. The Non-Reclaimable Wastewater System (NRWS) and the Etiwanda Wastewater Line (EWL) both serve the northern portion of the Agency's service area, and the Inland Empire Brine Line (IEBL) serves the southern portion of the Agency's service area.

The NRW brine lines are physically separate from the Agency's Regional Sewerage System (RSS). The use of separate NRW lines helps to ensure RSS compliance with State regulations related to environmental criteria; the RSS' final effluent total dissolved solids (TDS) limit as required under the National Pollutant Discharge Elimination System (NPDES) permits; and improves the quality of recycled water generated by the RSS for local beneficial use.

The use of the NRW brine lines supports the Agency's water recycling program by removing salts (TDS) that would otherwise end up in the RSS. Brine removal improves the quality of recycled water for direct use, groundwater recharge, and helps to prevent watershed degradation. The long-term goal of achieving salt balance within the region depends on the ability to remove salts from the watershed via the brine lines.

FIGURE 9: IEUA NRW NORTH AND SOUTH SYSTEM MAP



The NRWS, EWL, and IEBL Systems:

- ◆ The north NRWS serves approximately 37 industries (including centrate from the Agency's Regional Water Recycling Plant No. 1) and three municipal groundwater treatment facilities. The NRWS conveys non-reclaimable wastewater to the *Los Angeles County Sanitation Districts (LACSD)* treatment facility in Carson, where it is treated and discharged to the Pacific Ocean. The north system also has a smaller independent brine line known as the Etiwanda Wastewater Line (EWL) which is exclusively utilized for three groundwater treatment plants operated by the City of Ontario and Monte Vista Water District and is governed under a separate agreement with LACSD.
- ◆ The IEBL, managed by the Santa Ana Watershed Project Authority (SAWPA), currently serves nine industries, four indirect dischargers who deliver their wastewater via trucks, and the Chino Basin Desalter 1. Wastewater from the IEBL is conveyed to the Orange County Sanitation District's facility in Fountain Valley for further treatment and eventual discharge to the Pacific Ocean.

Agreement with LACSD:

The Agency and LACSD entered into an agreement in 1966 wherein the LACSD agreed to accept the Agency's industrial wastewater flows from the north NRWS. The 1966 agreement, set to expire in May 2018, was replaced by a new NRWS Wastewater Disposal Agreement effective July 1, 2014, for a 30-year term with up to four additional five-year extensions.

The new 2014 Agreement resulted in more stable and predictable rates and gives industries the option to acquire wastewater discharge rights as a capacity unit or lease discharge rights on an annual basis rather than make a mandatory acquisition as required under the prior agreement.

Agreement with SAWPA:

In addition to the current capacity agreement with SAWPA, in FY 2018/19 the Agency entered into a *Brine Line Lease Capacity Pool Agreement* with SAWPA and its member agencies for the IEBL in the southern service area. Under this agreement, the Agency and other SAWPA member agencies can contribute pipeline and/or treatment capacities to a "Lease Pool". Any contributed capacity is marketed and made available for lease to new or existing customers throughout the SAWPA service area. Key terms of the Lease Pool agreement include the following:

- ◆ Five-year initial term with the option to renew or extend at any time
- ◆ IEUA will initially commit 50,000 gallons per day (GPD) of capacity and treatment to the pool
- ◆ Lessee shall pay lease charge directly to SAWPA
- ◆ SAWPA shall distribute lease revenues in proportion to lease pool contributions

NON-RECLAIMABLE WASTEWATER PROGRAM

FUND DESCRIPTION

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

Table 5-16 shows total revenue, expense, beginning, and ending fund balances for the Non-Reclaimable Wastewater program. Additional program revenue and expense detail follow the table.

TABLE 5-16: CONSOLIDATED NON-RECLAIMABLE WASTEWATER PROGRAM FUND SUMMARY (\$MILLIONS)

	2022/23 Projected	2023/24	2024/25	2025/26	2026/27	2027/28
Total Revenue & Other Funding Sources	\$17.1	\$16.2	\$34.0	\$26.7	\$18.2	\$17.4
Total Expenses & Other Uses of Funds	16.2	19.5	30.7	26.9	19.4	19.9
Net Increase (Decrease)	\$0.9	(\$3.3)	\$3.3	(\$0.2)	(\$1.2)	(\$2.5)
Beginning Fund Balance	25.7	26.6	23.3	26.6	26.4	25.2
Ending Fund Balance	\$26.6	\$23.3	\$26.6	\$26.4	\$25.2	\$22.7

+/- Totals may not add due to rounding

REVENUES AND OTHER SOURCES OF FUNDS

The Non-Reclaimable Wastewater program has total budgeted revenues and other funding sources of \$16.2 million and \$34.0 million for FYs 2023/24 and 2024/25 (Table 5-17).

The primary funding source for the Non-Reclaimable Wastewater fund is pass through operating revenues generated for the Non-Reclaimable Wastewater System (NRWS) and the Etiwanda Wastewater Line (EWL) passed through from the Los Angeles County Sanitation Districts (LACSD) for the north system, and the Santa Ana Watershed Project Authority (SAWPA) for the south Inland Empire Brine Line (IEBL). Additional revenues include program charges and capacity fees (CIP), wastewater connection fees transferred from Regional Wastewater Capital Improvement fund, and interest income.

TABLE 5-17: REVENUES AND OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2023/24	2024/25	Key Assumptions
Volumetric Fees	\$2.2	\$2.3	Monthly pass-thru charges based on adopted fees and metered wastewater flow
Excess User Fees	4.9	5.0	Pass-thru fees for wastewater strength composition ⁽¹⁾
Agency Program Charges	6.8	7.4	Program support, operational, and capacity surcharges
Capacity Fees	0.9	0.9	Monthly fee charged to the holders of capacity rights in the southern system, the Agency's regional program, and CIP fees to cover debt service costs
Debt Proceeds	0.0	17.4	New debt, WIFIA ⁽²⁾ , and State loan proceeds for the Philadelphia Lift Station Force Main Improvements and Pump Station Upgrade projects
Contributions and Other	1.4	1.0	Wastewater connection fee transfer from the Regional Wastewater Capital fund and interest earned on reserve balances
Total	\$16.2	\$34.0	

(1) Strength charges are calculated on Total Suspended Solids (TSS), Chemical Oxygen Demand (COD), and Biochemical Oxygen Demand (BOD).

(2) Water Infrastructure Finance and Innovation Act loan secured from the U.S. Environmental Protection Agency.

The pass-through rate structure, implemented in FY 2004/05, allows the Agency to recover operating and capital fees billed by LACSD (north system) and SAWPA (south system). Pass through charges for the north are comprised of volumetric, capacity, peaking factor, and strength. Pass-through charges for the South include capacity, volumetric, and strength fees.

In addition to the pass-through rates described above, the Agency collects program charges based on the number of capacity units for the north system and a fifty percent operating surcharge for volumetric, capacity, and strength charges are added to the south system. NRW program charges and operating surcharges support Agency program costs. Different rates apply to the North and South Systems as noted in Table 5-18.

TABLE 5-18: SUMMARY OF NRW BILLING COMPONENTS

Type	NRWS (North)	EWL (North)	IEBL (South)
Volumetric	✓	✓	✓
Peak Flow	✓	-	-
Capacity	✓	✓	✓
BOD	-	-	✓

NON-RECLAIMABLE WASTEWATER PROGRAM

Type	NRWS (North)	EWL (North)	IEBL (South)
COD	✓	✓	-
TSS	✓	✓	✓
Imbalances	✓	✓	✓
NRW Program Charges			
IEUA O&M	✓	✓	✓
IEUA CIP	✓	✓	✓

NRW rates based on the current pass-through rate structure, effective July 1, 2023, are shown below in Table 5-19.

TABLE 5-19: NORTH AND SOUTH SYSTEM PASS-THROUGH RATES

Rate Description	FY 2022/23	FY 2023/24	Change
North System (NRWS)			
Capacity/CU ⁽¹⁾	13,362 CU	12,589 CU	
Flow/mg	\$842.08	\$870.13	3.3%
COD/klb	\$168.63	\$174.03	3.2%
TSS/klb	\$402.50	\$416.19	3.4%
Peak Flow/gpm	\$330.07	\$340.95	3.3%
CU Purchase	\$4,172.00	\$4,172.00	0%
CU Lease	\$208.60/CU/Year	\$208.60/CU/Year	
EWL			
Capacity/CU ⁽²⁾	\$84.00	\$84.00	0%
Flow/mg	\$821.16	\$850.72	3.6%
COD/klb	\$145.05	\$145.05	0%
TSS/klb	\$410.31	\$410.31	0%
CU Purchase	\$215,000/CU	\$215,000/CU	
South System (IEBL)			
Capacity/CU ⁽²⁾	\$435.43	\$435.43	0%
Flow/mg	\$1,049.00	\$1,073.00	2.3%
BOD/klb	\$353.00	\$394.00	11.6%
TSS/klb	\$520.00	\$494.00	-5.0%

- (1) Capacity Unit – Total NRW Capacity Unit (NRWSCU) allocated to North NRW industrial users is determined by a formula using flow, COD, and TSS as defined by LACSD.
- (2) Capacity Units in the IEBL and EWL are defined as the maximum instantaneous peak flow not-to-exceed fifteen (15) gallons per minute.

To promote the use of recycled water throughout the Agency's service area, NRWS users who use recycled water in their processes were provided a fifty percent discount on the Agency's direct recycled water rate. The Agency's FY 2014/15 direct recycled water rate of \$890.04 per million gallons (mg) served as the baseline with NRW recycled water users paying \$445.02 (mg) in that fiscal year. The discount amount decreases 5 percent each fiscal year until its sunset on June 30, 2024. The recycled water credit for FY 2023/24, the final year to receive discounted direct recycled water, is \$44.51 per million gallons (Table 5-20).

TABLE 5-20: NRW RECYCLED WATER CREDIT

Fiscal Year	% of Recycled Water Credit	Credit per mg (Base \$890.04)
2014/15	50%	\$445.02
2015/16	45%	\$400.52
2016/17	40%	\$356.02
2017/18	35%	\$311.52
2018/19	30%	\$267.02
2019/20	25%	\$222.51
2020/21	20%	\$178.01
2021/22	15%	\$133.51
2022/23	10%	\$89.01
2023/24	5%	\$44.51

EXPENSES AND OTHER USES OF FUNDS

The Non-Reclaimable Wastewater Program accounts for operating and capital expenses associated with the North and South Systems. Expenses include construction and acquisition of capital assets, equipment purchases, process modifications, upgrades necessary to comply with environmental and regulatory standards, and expenses related to system growth in the Agency's service area.

Total expenditures and other uses of funds are budgeted at \$19.5 million and \$30.7 million in FYs 2023/24 and 2024/25. As reported in Table 5-21, the major expenses in the Non-Reclaimable Wastewater fund are operating "pass-through" fees from LACSD and SAWPA and capital project expense.

TABLE 5-21: EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2023/24	2024/25	Key Assumptions
Operating Fees	\$8.0	\$8.3	LACSD and SAWPA pass through fees

NON-RECLAIMABLE WASTEWATER PROGRAM

Uses of Funds	2023/24	2024/25	Key Assumptions
Capital Projects	5.2	16.0	Capital project costs are listed below in Table 5-22 and in the capital section in this document
Administration & Operations	5.6	5.6	Employment, chemicals, materials & supplies, professional fees, utilities, and other operating costs
Debt Service	0.6	0.6	Principal, interest, and financial expense for the NRW programs share of the 2017A Revenue bonds
Contributions & Other	0.1	0.2	Inter-fund transfers to the Administrative Services fund to support Agency-wide capital and non-capital project costs
Total	\$19.5	\$30.7	

CAPITAL PROJECTS

FY 2023/24 budgeted capital project costs are \$5.2 million and \$16.0 million is budgeted in FY 2024/25 details shown below in (Table 5-22).

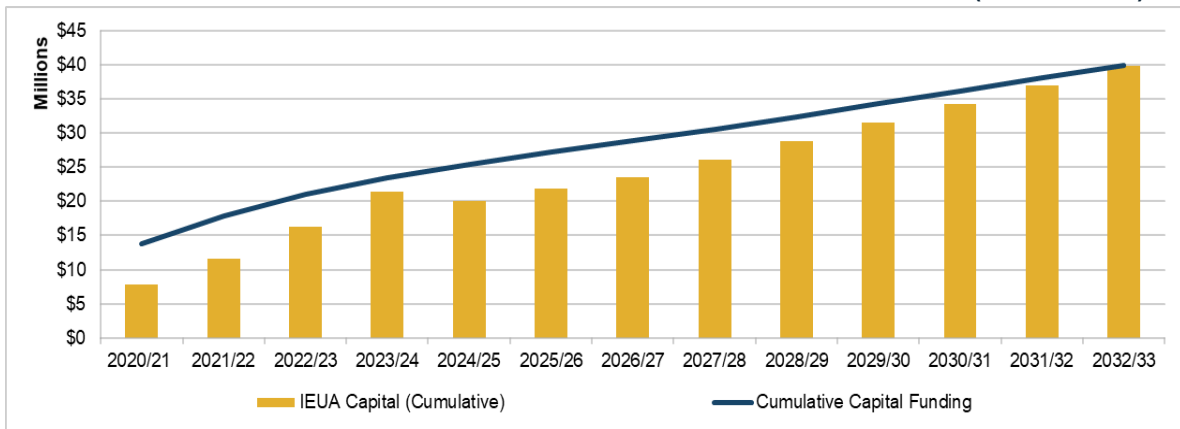
TABLE 5-22: CAPITAL PROJECTS (\$ MILLIONS)

Project Name	2023/24	2024/25
Philadelphia Lift Station Force Main Improvements	\$1.5	\$10.0
Philadelphia Lift Station Pump Upgrades	0.3	4.0
NSNT* Sewer Siphon Replacement	2.4	0.3
NRW Collection System Pipe Rehabilitation and Lining	0.5	1.0
All Other Projects	0.5	0.7
Total	\$5.2	\$16.0

*North System North Trunk (NSNT)

In FY 2015/16 the Agency began recovering previously deferred capital costs. The deferral and subsequent recovery of those costs was approved by the Board of Directors to mitigate the upward pressure on rate adjustments to NRWS customers. In addition to the capital recovery amounts received from NRW customers, connection fees transferred from the Regional Wastewater Capital fund, a portion of interfund loan receipts received from the Recycled Water fund, and reserves are also used to support capital project costs. Due to the projected increase of capital expenditures in FYs 2023/24 through 2025/26, full recovery of the Agency's capital cost is not projected to be reached in until FY 2032/33. Pass through recovery of capital expenditures is shown in Figure 5-10.

FIGURE 5-10: RECOVERY OF CUMULATIVE IEUA CAPITAL COSTS (\$MILLIONS)



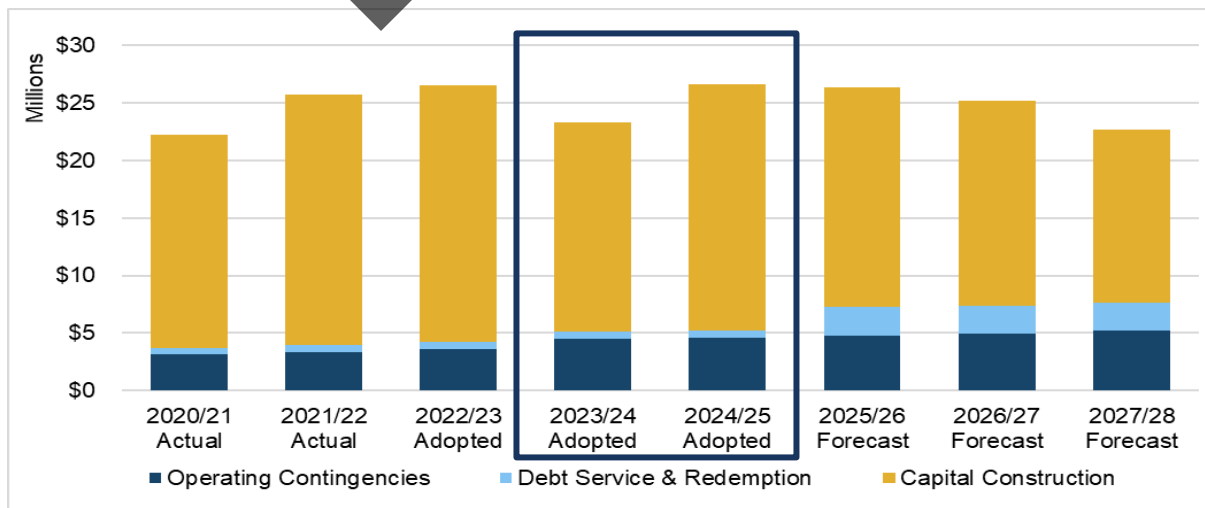
DEBT SERVICE

Debt service costs for the NRW fund includes principal, interest, and financial fees for a portion of the 2017A Refunding Revenue Bonds (2017A Bonds). In FYs 2023/24 and 2024/25 total debt service costs are \$0.6 million in each fiscal year. Debt service costs are recovered from both North and South system customers through Agency program charges.

FUND BALANCE

The Non-Reclaimable Wastewater ending fund balance for FY 2023/24 is projected to be \$23.3 million, and \$26.6 million in FY 2024/25. The FY 2023/24 decreased fund balance, when compared to the previous year, can be primarily attributed to capital project costs. In FY 2024/25 the higher fund balance can be attributed to debt proceeds required for major capital projects as shown in Figure 5-11.

FIGURE 5-11: TREND OF NRW PROGRAM ENDING FUND BALANCE (\$MILLIONS)



NON-RECLAIMABLE WASTEWATER PROGRAM

FY 2025/26-FY 2027/28 FORECAST

For the three years following the biennial budget reserves are expected to decline slightly, this is primarily due to increasing debt service costs and on-going maintenance, replacement, and upgrades of Non-Reclaimable Wastewater system. Continual improvement of the NRW system aids in meeting requirements of the Agency's *Sanitary Sewer Management Program (SSMP)*, a State mandated Order under the *Wastewater Discharge Requirements*.

DRAFT

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET
NON-RECLAIMABLE WASTEWATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST		
REVENUES								
User Charges	\$10,388	\$13,013	\$12,684	\$14,501	\$15,256	\$15,521	\$16,291	\$16,573
Interest Revenue	188	150	156	400	400	400	390	350
TOTAL REVENUES	\$10,576	\$13,162	\$12,841	\$14,901	\$15,656	\$15,921	\$16,681	\$16,923
OTHER FINANCING SOURCES								
Debt Proceeds	\$0	\$0	\$0	\$0	\$11,523	\$6,644	\$0	\$0
Other Revenues	580	799	\$543	\$300	\$300	\$300	\$300	\$300
Sale of Capacity	1,505	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	4,000	3,000	3,000	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$6,085	\$3,799	\$3,543	\$300	\$17,733	\$10,244	\$1,290	\$300
EXPENSES								
Employment Expenses	\$1,800	\$1,731	\$2,162	\$3,409	\$3,707	\$3,748	\$4,039	\$4,472
Contract Work/Special Projects	314	430	786	620	332	332	382	382
Utilities	98	107	127	145	149	154	159	164
Operating Fees	6,702	7,236	6,905	8,019	8,254	8,496	8,745	9,001
Chemicals	125	175	173	350	361	371	382	394
Professional Fees and Services	48	43	301	205	216	222	227	233
Office and Administrative expenses	0	0	0	25	25	25	25	25
Biosolids Recycling	23	0	6	23	25	26	27	28
Materials & Supplies	62	49	123	82	85	88	90	93
Other Expenses	273	332	280	699	718	839	879	916
TOTAL EXPENSES	\$9,444	\$10,103	\$10,861	\$13,578	\$13,873	\$14,301	\$14,955	\$15,707
CAPITAL PROGRAM								
Capital Expansion/Construction	\$3,334	\$3,759	4,702	5,155	16,006	11,730	1,730	1,730
TOTAL CAPITAL PROGRAM	\$3,334	\$3,759	\$4,702	\$5,155	\$16,006	\$11,730	\$1,730	\$1,730
DEBT SERVICE								
Financial Expenses	\$7	\$32	\$4	\$6	\$6	\$6	\$6	\$6
Interest	266	251	236	218	197	176	707	684
Principal	317	331	348	398	418	440	1,761	1,658
TOTAL DEBT SERVICE	\$590	\$613	\$588	\$622	\$621	\$622	\$2,473	\$2,348
TRANSFERS IN (OUT)								
Capital Contribution	(\$47)	(\$53)	(\$86)	(\$73)	(\$158)	(\$233)	(\$211)	(\$65)
Operation support	(2)	(19)	(10)	(19)	(14)	(14)	(14)	(57)
Property Tax Transfer	909	1,075	702	990	584	495	211	211
TOTAL INTERFUND TRANSFERS IN (OUT)	\$860	\$1,003	\$606	\$898	\$413	\$248	(\$14)	\$88
FUND BALANCE								
Net Income (Loss)	\$4,153	\$3,489	\$838	(\$3,254)	\$3,302	(\$238)	(\$1,201)	(\$2,473)
Beginning Fund Balance July 01	18,074	22,227	25,716	26,554	23,300	26,602	26,364	25,163
ENDING FUND BALANCE AT JUNE 30*	\$22,227	\$25,716	\$26,554	\$23,300	\$26,602	\$26,364	\$25,163	\$22,690
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$3,148	\$3,368	\$3,620	\$4,526	\$4,624	\$4,767	\$4,985	\$5,236
Capital Construction	18,491	21,760	22,312	18,153	21,356	19,124	17,831	15,093
Debt Service	588	588	622	621	622	2,473	2,348	2,362
ENDING BALANCE AT JUNE 30	\$22,227	\$25,716	\$26,554	\$23,300	\$26,602	\$26,364	\$25,163	\$22,690

* Numbers may not total due to rounding

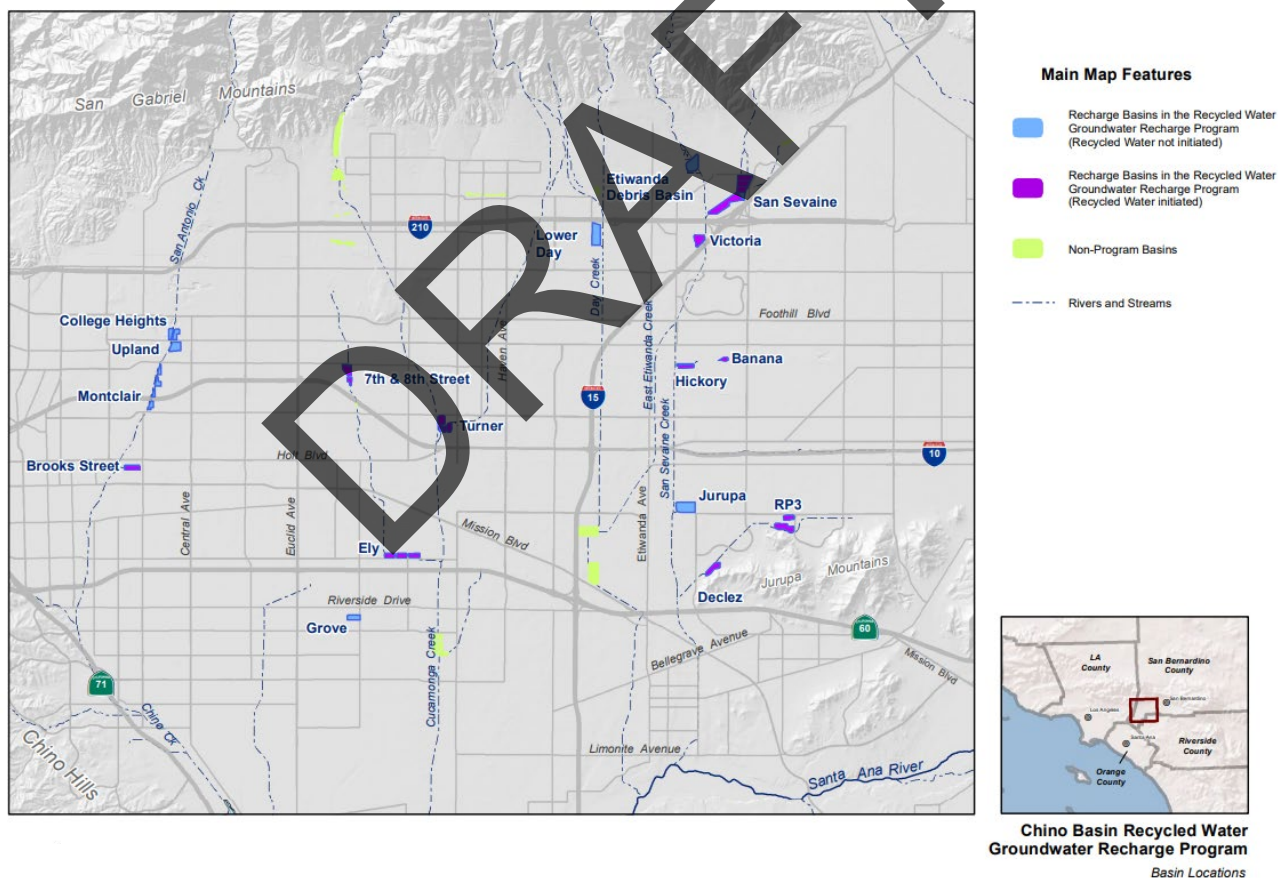
RECHARGE WATER PROGRAM

PROGRAMMATIC OVERVIEW

The Recharge Water program is a comprehensive program designed to increase artificial groundwater recharge within the Chino Basin using storm water, recycled water, and imported water. Through the development of increased recharge capacity in the Chino Basin, greater quantities of high-quality water can be captured, stored during wet years, and made available during drought years and times of imported water supply shortages.

The groundwater infrastructure consists of a network of pipelines that direct storm water run-off, imported water from the California State Water Project (SWP) and IEUA recycled water to recharge sites – most of which consist of multiple recharge basins. These recharge basins are located throughout the IEUA service area (approximately 242-square miles) and are designed to hold the water so that it can percolate into the ground and replenish the alluvial aquifers and groundwater supply. Figure 5-12 shows recharge basins in the Groundwater Recharge Program.

FIGURE 5-12: RECHARGE BASINS



The Chino Basin Groundwater Recharge (GWR) Program is jointly sponsored by the Chino Basin Watermaster (CBWM), the Chino Basin Water Conservation District (CBWCD), the San Bernardino Flood Control District (SBFCD) and IEUA. The GWR Program will assist in mitigating future water shortages in California caused by future limitations for importing water supplies from the California SWP and provides a subsurface reserve of groundwater for local use. The GWR Program enhances the current reliability and resiliency of regional groundwater supplies for a rapidly growing population and is an integral part of the regional water supply planning.

The FYs 2023/24 and 2024/25 biennial budget for GWR operations of the recharge basins and pertinent facilities is based on the costs to operate and maintain active recharge sites in the Chino Basin. The average recharge capacity of the GWR facilities includes up to 40,000 acre-feet (AF) of imported water, up to 10,000 AF of stormwater, and up to 17,000 AF of recycled water. Annual recharge varies due to weather patterns and the availability of supplemental water supplies (imported and recycled water). The actual amounts recharged per year may be more or less than the stated average capacity. An acre-foot of water is equal to 325,900 gallons of water, the equivalent of filling one acre one foot deep with water.

The recharge basin capacity projections assume:

- ◆ Minimal downtime during basin improvement projects.
- ◆ Average rainfall available for storm water capture.
- ◆ Continued development of basin enhancements to increase recharge capacity and reliability.

Reuse of recycled water for groundwater recharge is a critical component of the Optimum Basin Management Plan (OBMP) and water supply plans for the region as it will increase the reliability and resiliency of water supplies during dry years. The OBMP was put in place to enhance water supply reliability and improve drinking water quality throughout the greater Chino Basin region.

The GWR Program is an important part of the overall basin program and serves as a long-term solution to the water supply and water quality issues facing the greater Chino Basin. IEUA's recycled water production has been captured and recharged by downstream water agencies for decades. It is now being utilized by the IEUA customer agencies and is in accordance with requirements of court-approved basin management plans and Peace agreements.

In August 2016, a Cost Sharing Letter Agreement was entered into between IEUA, Cucamonga Valley Water District, City of Ontario, and Monte Vista Water District (CBWB Parties) to fund the initial steps in the formation of the Chino Basin Water Bank (CBWB). The CBWB's primary objective was to coordinate the development of groundwater storage within the Chino Basin. Studies for the CBWM have been completed and the concepts developed during the study are being reviewed for consideration in future storage and recovery programs.

TABLE 5-24: CHINO BASIN FY 2021/22 ANNUAL ACRE FEET RECHARGE

Recharge Sites	Acre Feet Recharged
7 th & 8 th Street Basins	3,211
Banana Basin	714
Brooks Basin	801

RECHARGE WATER PROGRAM

Recharge Sites	Acre Feet Recharged
College Heights Basins*	30
Declez Basins	1,291
Ely Basins	2,573
Etiwanda Debris Basin*	158
Grove Basin*	223
Hickory Basin	1,357
Lower Day Basin*	252
Jurupa*	332
Montclair Basins*	915
RP-3 Basins	4,957
San Sevaïne Basins	4,426
Turner Basins	2,149
Upland Basin*	373
Victoria Basin	2,378
Wineville Basin*	0
Total	26,140

*Basin not permitted for recycled water recharge.

FUND DESCRIPTION

The Recharge Water fund accounts for the revenues and expenses associated with groundwater recharge operations and maintenance through a joint effort of the Chino Basin Watermaster, the Chino Basin Water Conservation District, the San Bernardino County Flood Control District, and the Inland Empire Utilities Agency.

Expenses include general basin maintenance and restoration costs, groundwater administration (e.g., labor, utilities, equipment, and tools), contracted services (e.g., weeding and vector control), and compliance reporting and environmental documentation fees for the program's Fish & Game Permit. The operations and maintenance budget are funded by both Chino Basin Watermaster and the Agency. Additionally, the fund records costs related to capital construction and improvement, related revenues, and debt service.

Table 5-24 shows total revenue, total expense, and beginning and ending fund balances for the Recharge Water program. Additional details on the revenues and expenses follow the Table 5-24.

**TABLE 5-24: CONSOLIDATED RECHARGE WATER PROGRAM FUND SUMMARY
(\$MILLIONS)**

	2022/23* Projected	2023/24*	2024/25	2025/26	2026/27	2027/28
Total Revenue & Other Funding Sources	\$11.1	\$13.3	\$5.0	\$5.3	\$5.3	\$4.9
Total Expenses & Other Uses of Funds	14.0	11.0	8.9	5.3	5.4	5.0
Net Increase (Decrease)	(2.9)	2.3	(3.9)	(0.0)	(0.1)	(0.1)
Beginning Fund Balance	11.2	8.3	10.6	6.7	6.7	6.6
Ending Fund Balance	\$8.3	\$10.6	\$6.7	\$6.7	\$6.6	\$6.6

*FYs 2022/23 and 2023/24 revenue totals include grant and SRF loan proceeds related to the RMPU projects scheduled for completion in FY 2023/24.

REVENUES AND OTHER SOURCES OF FUNDS

FY 2023/24 and 2024/25 total budgeted revenues, other funding sources and inter fund contributions and support are \$13.3 million and \$5.0 million, as indicated in Table 5-25. The budget is comprised of reimbursements from CBWM for groundwater recharge facilities' O&M, capital project support, and debt service costs. Also included is a contribution from IEUA for its portion of capital and debt service (50/50 shared with CBWM), and pro-rata share of O&M cost.

TABLE 5-25: REVENUE AND OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2023/24	2024/25	Key Assumptions
Watermaster Operating Cost Reimbursement	\$1.5	\$1.0	Reimbursement of GWR O&M and facilities and a fifty percent share of non-capital project costs.
Watermaster Debt Service	1.3	1.5	Reimbursement for CBWM share of capital and debt service costs for the 2020A Refunding bonds and RMPU State Revolving Fund loans.
State Revolving Fund Loans	5.8	0.0	Loan proceeds to support Recharge Master Plan Update (RMPU) projects.
Grants	2.4	0.3	Grant proceeds to support RMPU projects.
Inter Fund Transfer/ Other Revenues	2.3	2.2	Interest revenue and Inter-fund transfer for the Agency's operating support for the pro-rata share of groundwater basin maintenance; capital projects; non-reimbursable labor; and debt service, from the Recycled Water and Wastewater Capital funds.
Total	\$13.3	\$5.0	

RECHARGE WATER PROGRAM

GROUNDWATER RECHARGE PRO-RATA COST SHARING METHODOLOGY

In 2008, a memorandum was issued to document the agreed upon administrative methodology for calculating pro-rata cost sharing for the groundwater recharge operations and maintenance (O&M) costs based upon Peace II Agreement language. This method of calculation was updated for the FY 2023/24 budget year. The updated methodology considers a 5-year rolling average of recharge sources as opposed to the single year value per the original calculation method. The rolling average calculation was developed to provide more stability in year-to-year cost-sharing projections. Additionally, the updated methodology includes new basins added to the program and changes in some basin functions.

Pro rata cost-sharing for basins recharged with recycled water is determined annually. IEUA's pro rata share of O&M costs is determined based on the proportion of recharged recycled water to the total water recharged in a basin in the prior fiscal year. Total water recharged is comprised of imported water, stormwater capture and recycled water.

EXPENSES AND OTHER USES OF FUNDS

Total GWR program expenses for FY 2023/24 are budgeted at \$11.0 million and \$8.9 million for FY 2024/25, as shown in Table 5-26 below. Key expense includes capital costs related to the RMPU projects, debt service costs, and groundwater operations and maintenance costs.

The FY 2023/24 and 2024/25 groundwater O&M expense budget includes utilities, general groundwater basin maintenance costs for infiltration restoration and slope repairs and weed and pest control for the groundwater basins, and specialty maintenance to address theft, vandalism, and repairs. The Agency's O&M pro-rata share for FYs 2023/24 and 2024/25 is estimated at \$868,000 and \$840,000, respectively.

TABLE 5-26: EXPENSES & OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2023/24	2024/25	Key Assumptions
Operating Expense	\$3.2	\$2.4	Program support and maintenance, utilities, *specialty O&M, CBWCD and SBCFCD costs, and IEUA's pro-rata share.
Debt Service	5.7	5.6	Principal, interest, and financial expense for the 2020A bonds and SRF loans, and inter-fund loan repayment to the Recycled Water fund.
Capital Projects	2.1	0.9	Capital project costs shared with Watermaster for RMPU projects.
Total	\$11.0	\$8.9	

*Specialty O&M includes contract labor and materials to address any instances of theft or vandalism, and all associated repairs.

CAPITAL PROJECTS

Capital project costs budgeted in the Recharge Water program for FY 2023/24 is \$2.1 million and \$0.9 million for FY 2024/25. Agency staff is taking the lead in the execution and administration of the updated CBWM Recharge Master Plan capital projects, completion of these projects is projected for FY 2023/24. Table 5-27 is a summary of major projects in the Recharge Water program and respective cost sharing ratio between IEUA and CBWM.

TABLE 5-27: RECHARGE PROGRAM CAPITAL PROJECTS (\$MILLIONS)

Capital Projects	2023/24	2024/25	IEUA Cost Share	CBWM Cost Share
Recharge Master Plan Update	\$1.8	\$0.3	0%*	100%
Asset Management	0.1	0.5	50%	50%
All Other Capital Projects	0.2	0.1	50%	50%
Total	\$2.1	\$0.9		

* IEUA is responsible for 9% of the Wineville, Jurupa, RP3 Basin Improvements, one of three active RMPU projects included here.

DEBT SERVICE

In January 2002, the Agency's Board of Directors approved the Recharge Master Plan Implementation Memorandum of Agreement encompassing CBWM, CBWCD, SBCFCD, and IEUA. The four agencies formed a Groundwater Recharge Coordinating Committee to implement an initial \$40-million program, entitled the Chino Basin Facilities Improvement Project (CBFIP) to develop recharge facilities from existing flood control basins. IEUA served as the lead agency for implementation (design, construction, operation, and maintenance) of this cooperative program. In the summer of 2005, Phase I CBFIP improvements were completed, and recharge operations commenced in the upgraded facilities.

To finance the CBFIP effort, the Agency issued a \$59 million revenue bond in July 2002. A portion of the net bond proceeds, \$19.7 million, combined with \$19 million Prop 13 grant provided most of the funding for the CBFIP. The 2002 Bond was refinanced in April 2008 by the issuance of a Variable Rate Demand Revenue Bond, Series 2008B for \$55.7 million set to mature in FY 2031/32 which was refinanced in June 2020 by the issuance of the 2020A Refunding Revenue Bonds for \$75 million. FYs 2023/24 and 2024/25 bond debt service expense are \$1.0 million per fiscal year for the 2020A Refunding Revenue Bond. Principal and interest expense is equally shared by CBWM and IEUA. The Agency's portion is supported by an inter-fund transfer from the Regional Wastewater Capital Improvement fund.

In addition to bond debt, debt service costs in the fund include three State Revolving Fund (SRF) loans to finance Recharge Master Plan Update (RMPU) projects. Debt service for these loans is primarily funded by CBWM.

Inter-fund loans have been a key source of interim funding for construction of the Recharge Master Plan Update projects. Inter-fund loans were necessary to support delayed State Revolving Fund loan

RECHARGE WATER PROGRAM

reimbursement of RMPU capital project costs. Table 5-28 summarizes the inter-fund loan repayment schedule for the Recharge Water fund outstanding as of June 30, 2023.

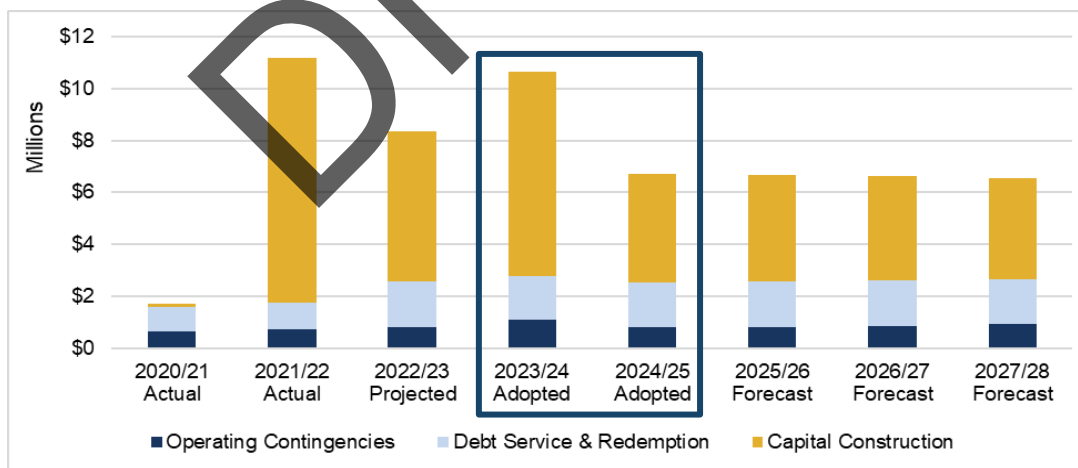
TABLE 5-28: RECYCLED WATER FUND REPAYMENT OF OUTSTANDING INTER-FUND LOANS (\$MILLIONS)

Inter-Fund Loan Issued	Due To	Outstanding Principal	Repayment Schedule
FY 2020/21	Recycled Water Fund	\$0.9	FY 2024/25 \$0.9
FY 2021/22	Recycled Water Fund	\$7.0	FY 2023/24 \$4.0 FY 2024/25 \$3.0 Total \$7.0
Total		\$7.9	

FUND BALANCE

The ending fund balance for FYs 2023/24 and 2024/25 is projected to be \$10.6 million and \$6.7 million. The FY 2024/25 lower fund balance as compared to the previous fiscal year, is mainly due to a reduction in grant and loan receipts and the inter-fund loan repayment to the Recycled Water fund. In the following years, program ending fund balances are estimated to average \$6.6 million based on current assumptions. Figure 5-13 shows the trend of ending fund balances through FY 2027/28.

FIGURE 5-13: TREND OF RECHARGE WATER PROGRAM ENDING FUND BALANCE (\$MILLIONS)



FY 2025/26-FY 2027/28 FORECAST

The recharge basins are not expected to require significant capital expense after completion of refurbishment at selected basins. Enhancements to existing facilities and development of additional recharge facilities will occur as opportunities arise.

**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET
RECHARGE WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST		
REVENUES								
Cost Reimbursement from JPA	\$1,303	\$1,113	\$895	\$1,061	\$1,026	\$1,057	\$1,089	\$1,122
Interest Revenue	2	0	100	80	100	90	80	70
TOTAL REVENUES	\$1,305	\$1,113	\$1,073	\$1,551	\$1,126	\$1,147	\$1,169	\$1,192
OTHER FINANCING SOURCES								
State Loans	\$0	\$6,956	\$3,996	\$5,765	\$0	\$0	\$0	\$0
Grants	1,155	4,143	3,402	2,443	308	0	0	0
Capital Contract Reimbursement	378	352	707	1,249	1,483	1,762	1,763	1,489
TOTAL OTHER FINANCING SOURCES	\$2,466	\$18,460	\$8,105	\$9,458	\$1,792	\$1,762	\$1,763	\$1,489
EXPENSES								
Employment Expenses	\$883	\$847	\$867	\$986	\$1,073	\$1,085	\$1,169	\$1,294
Contract Work/Special Projects	0	225	181	902	82	82	82	82
Utilities	62	53	85	83	88	90	93	96
Operating Fees	11	3	8	8	8	8	9	9
Professional Fees and Services	757	912	1,171	1,099	1,024	1,050	1,077	1,105
Materials & Supplies	133	148	109	121	116	120	123	127
TOTAL EXPENSES	\$1,859	\$2,189	\$2,436	\$3,215	\$2,407	\$2,452	\$2,570	\$2,731
CAPITAL PROGRAM								
Capital Expansion/Construction	\$3,149	\$8,425	\$10,383	\$2,086	\$857	\$1,093	\$1,097	\$550
TOTAL CAPITAL PROGRAM	\$3,149	\$8,425	\$10,383	\$2,086	\$857	\$1,093	\$1,097	\$550
DEBT SERVICE								
Financial Expenses	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Interest	392	398	530	506	380	350	313	273
Principal	519	559	634	1,233	1,337	1,393	1,431	1,467
Short Term Inter-Fund Loan	0	0	0	4,000	3,933	0	0	0
TOTAL DEBT SERVICE	\$912	\$958	\$1,164	\$5,739	\$5,650	\$1,744	\$1,744	\$1,740
TRANSFERS IN (OUT)								
Capital Contribution	\$0	\$144	\$112	\$127	\$227	\$421	\$422	\$212
Debt Service	456	479	555	528	478	478	478	477
Operation support	411	851	1,180	1,662	1,299	1,313	1,400	1,527
Water Connection	8	2	113	16	68	126	126	63
TOTAL INTERFUND TRANSFERS IN (OUT)	\$875	\$1,476	\$1,960	\$2,333	\$2,072	\$2,338	\$2,426	\$2,278
FUND BALANCE								
Net Income (Loss)	(\$1,274)	\$9,477	(\$2,847)	\$2,302	(\$3,924)	(\$42)	(\$52)	(\$63)
Beginning Fund Balance July 01	2,987	1,713	11,190	8,344	10,646	6,722	6,679	6,627
ENDING FUND BALANCE AT JUNE 30*	\$1,713	\$11,190	\$8,344	\$10,646	\$6,722	\$6,679	\$6,627	\$6,564
RESERVE BALANCE SUMMARY								
Operating Contingencies	\$620	\$730	\$812	\$1,072	\$802	\$817	\$857	\$910
Capital Expansion / Construction	135	9,432	5,793	7,857	4,175	4,118	4,029	3,908
Debt Service & Redemption	958	1,029	1,739	1,717	1,744	1,744	1,740	1,746
ENDING BALANCE AT JUNE 30	\$1,713	\$11,190	\$8,344	\$10,646	\$6,722	\$6,679	\$6,627	\$6,564

* Numbers may not total due to rounding

RECYCLED WATER PROGRAM

PROGRAMMATIC OVERVIEW

IEUA owns and operates five water recycling treatment facilities, four of which produce recycled water. These facilities receive an average of 50 million gallons per day (MGD) of wastewater from its customer contracting agencies which is treated to Title 22 regulations set forth by the California Department of Health Services. The use of recycled water provides a high-quality alternative water source to the Agency, its seven regional customer agencies (Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District), commercial customers, and recharge basins for groundwater storage which helps to improve the resiliency of the region's water supply.

IEUA began producing recycled water in the 1970's as a low-cost alternative water supply for large irrigation customers. In 2000, the region identified recycled water as a critical component in drought-proofing the region and essential to sustaining economic growth. With imported water rates increasing and its long-term supply reliability in decline, the region committed to aggressively and proactively developing local water supplies. This set the path for the development of a regional recycled water distribution system.

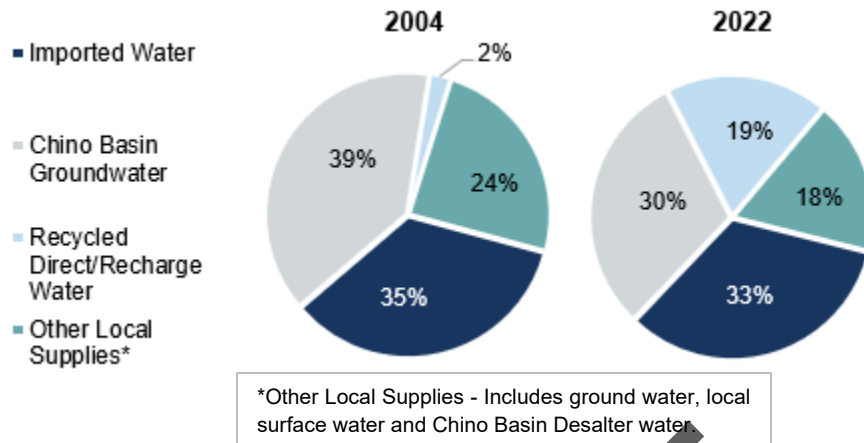
Based on a series of regional decisions since 2000, over \$350 million has been invested into the implementation of a robust Recycled Water Program. These investments, along with development of nineteen ground water recharge basins, ten of which accept recycled water, have significantly helped the Agency and its contracting agencies develop and maintain a reliable local water supply. The recycled water distribution system consists of over 93 miles of pipeline over six pressure zones, five storage reservoirs with storage capacity between two and five million gallons, and multiple pump stations.

IEUA's long-term planning documents continue to focus on development of the region's local water supplies. Major benefits of the regional Recycled Water program include:

- ◆ New water supply – delivery of over 30,000-acre feet per year of a local water supply
- ◆ Enhanced water quality – improves the quality of the Chino Basin aquifer
- ◆ Reliable supply – not directly impacted by drought or climate change and helps mitigate the impacts of regional and statewide water supply limitations
- ◆ Reduces greenhouse gas emissions by requiring less energy to deliver to customers than imported water

The use of recycled water increases the reliability of a local water supplies. Figure 5-14 illustrates the evolution of water supply by source in the region.

FIGURE 5-14: REGIONS WATER SUPPLY BY SOURCE



Recycled water is a cost effective, dependable, and environmentally friendly water supply that is safe for a variety of uses including landscape and agricultural irrigation, groundwater recharge, construction, and industrial process water. Figure 5-15 lists the Calendar Year (CY) 2022 recycled water demand use by type.

FIGURE 5-15: RECYCLED WATER DEMAND USE BY TYPE

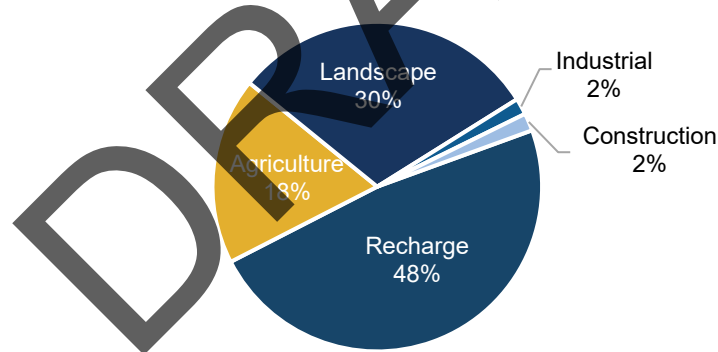


Table 5-29 shows the short-term demand (use by 2025) and long-term demand (use projection through 2040) of recycled water direct use and groundwater recharge.

TABLE 5-29: RECYCLED WATER DEMAND PROJECTION

Recycled Water User Type	Short-Term Demand (AFY)	Long-Term Demand (AFY)
Direct Use	20,870	27,850
Groundwater Recharge	16,420	16,420
Total Recycled Water Demand	37,290	44,270

RECYCLED WATER PROGRAM

Planning for the Recycled Water program is aimed toward the ability to adapt and provide beneficial use focused on strengthening the region's base water supply by shifting towards groundwater recharge, direct injection, and eventually direct potable reuse. This long-term strategy is necessary to effectively address the region's water resource priorities, including maintaining the water quality in the Chino Basin.

FUND DESCRIPTION

The Recycled Water fund records the revenues and expenses associated with the operations and maintenance of the facilities used to distribute recycled water supplied from Agency's four water recycling plants, and a portion of groundwater recharge operating expense not funded by Chino Basin Watermaster. Additionally, the Recycled Water fund records all revenues and costs related to capital construction, improvement, and financing of the recycled water distribution system.

Table 5-30 shows total revenue, total expense, and beginning and ending fund balances for the Recycled Water program. Additional revenue and expense detail follows in Tables 5-31 and 5-34.

**TABLE 5-30: CONSOLIDATED RECYCLED WATER PROGRAM FUND SUMMARY
(\$MILLIONS)**

	2022/23 Projected	2023/24	2024/25	2025/26	2026/27	2027/28
Total Revenue & Other Funding Sources	\$30.8	\$39.9	\$57.7	\$62.3	\$85.9	\$108.4
Total Expenses & Other Uses of Funds	32.8	51.0	58.1	58.8	78.5	83.2
Net Increase (Decrease)	(\$2.0)	(\$11.1)	(\$0.4)	\$3.54	\$7.4	\$25.2
Beginning Fund Balance	48.4	46.4	35.3	34.9	38.3	45.7
Ending Fund Balance	\$46.45	\$35.3	\$34.9	\$38.3	\$45.7	\$70.9

+/- Totals may not add due to rounding

REVENUES AND OTHER SOURCES OF FUNDS

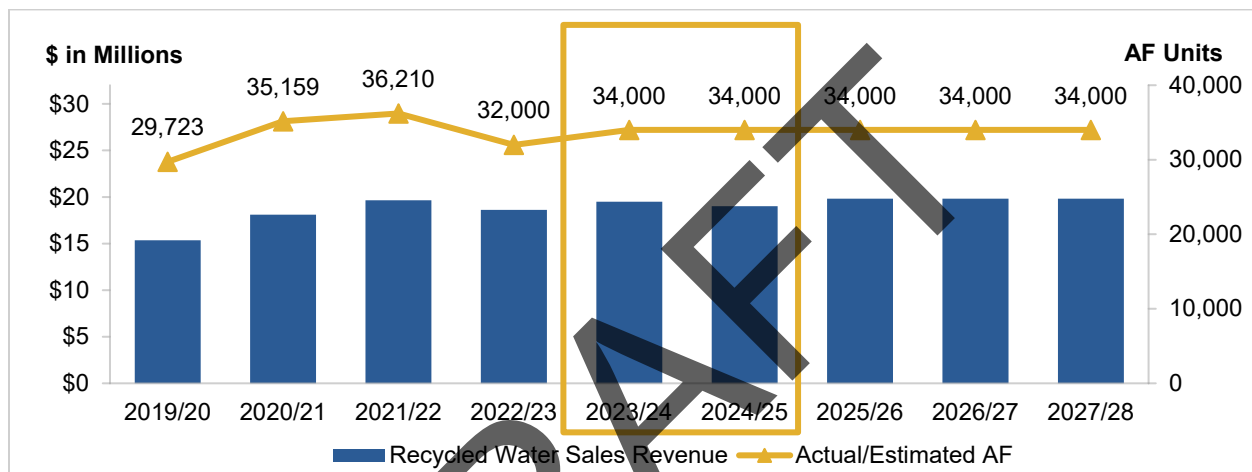
Total revenues and other funding sources of the Recycled Water fund are budgeted at \$39.9 million in FY 2023/24 and \$57.7 million in FY 2024/25. Revenues and other funding sources for the Recycled Water fund are shown in Table 5-31.

The Recycled Water fund generates operating revenue from the sale of recycled water to the Agency's customer agencies and other area industries. Recycled Water rates adopted in June 2022, introduced a fixed and variable component structure. The fixed component recovers debt service costs based on the customers three year rolling average of direct and recharge recycled water use. The fixed cost recovery revenue budget for FY 2023/24 is \$2.4 million and \$5.0 million for FY 2024/25.

The adopted recycled water AF delivery rate for FY 2023/24 is \$660 and \$665 for FY 2024/25. The AF delivery rate includes a groundwater recharge surcharge to support a portion of groundwater recharge basin operating and maintenance costs not covered by Chino Basin Watermaster, and the Agency's pro rata share of operating costs which is based on the proportion of recycled water to the total water recharged in the basin in the prior fiscal year. Recycled water sales revenue for FY 2023/24 is budgeted at \$19.5 million and FY 2024/25 projected revenue is \$19.0 million with deliveries projected at 18,000 AF of direct recycled water deliveries, groundwater recharge deliveries are budgeted at 16,000 AF, a total of 32,000 AF per fiscal year.

Figure 5-16 illustrates the trend of both historical and projected annual AF sales through FY 2027/28.

FIGURE 5-16: ACRE FEET SALES TREND BY FISCAL YEAR



The One Water connection fee, established in 2015, supports capital improvement and expansion of Agency's regional water system, which is comprised of potable water, recycled water, and groundwater recharge. A portion of these revenues is transferred to the Administrative Services, Recharge Water, and Water Resources funds to support capital projects that contribute to the improvement and expansion of the regional water system and water conservation and water use efficiency programs.

One Water connection fee revenue for FY 2023/24 is budgeted at \$7.0 million and \$7.2 million in FY 2024/25. Projections are based on 3,700 new meter equivalent unit (MEU) connections per fiscal year. One Water connection fee rates are set on a meter equivalent unit (MEU) basis. One MEU is equivalent to a 5/8" and 3/4" meter size (standard size of a residential water meter). The adopted rates for FYs 2023/24 and 2024/25 are \$1,896 and \$1,953.

TABLE 5-31: REVENUES AND OTHER FUNDING SOURCES (\$MILLIONS)

Sources of Funds	2023/24	2024/25	Key Assumptions
Recycled Water Sales	\$19.5	\$19.0	FY 2023/24 adopted direct rate of \$510/AF and Groundwater Recharge (GWR) rate of \$660/AF FY 2024/25 adopted direct rate is \$465/AF and the GWR rate is \$665/AF.

RECYCLED WATER PROGRAM

Sources of Funds	2023/24	2024/25	Key Assumptions
Fixed Cost Recovery	2.4	5.0	Fixed cost recovery revenues are based on each recycled water customers 3 year rolling average of recycled and groundwater use.
One Water Connection Fee	7.0	7.2	3,700 new MEU connections are projected for FYs 2023/24 and FY 2024/24.
Property Tax	3.1	3.2	Property tax allocation of 4% per year to support debt service costs.
Grant Proceeds	0.3	16.0	Federal and State grant receipts to support major capital projects.
Inter Fund Transfer/Other Revenues	7.6	7.3	Includes inter-fund loan repayment from the Recharge Water program, interest, miscellaneous other reimbursements, and inter-fund transfer for bond debt service support.
Total	\$39.9	\$57.7	

In addition to the water connection fee, a primary source of funding for Recycled Water program capital expenditures is State Revolving Fund (SRF) loans. The Recycled Water program has been using various forms of SRF loans and related grants since 2003, as well as other grant funding from various federal, state, and local sources. A complete listing of the Recycled Water program SRF loans is shown in Table 5-33.

TABLE 5-33: RECYCLED WATER SRF LOAN PROCEEDS (\$MILLIONS)

Service Areas	Fiscal Year Received/Expected	Phases	Received/Estimated ⁽¹⁾
<i>Awarded Funding</i>			
Southern, Central, and Northeastern Areas	FY 2000/01 thru FY 2010/11	Phases I - V	\$57.1
Southern Area	FY 2013/14 thru FY 2014/15	Phase VI	27.1
Central /Wineville Areas	FY 2014/15 thru FY 2016/17	Phase VII	22.8
Napa Lateral	FY 2017/18 thru FY 2019/20	n/a	3.3
San Sevaine Basin	FY 2017/18 thru FY 2019/20	n/a	2.3
Recycled Water Baseline Extension ⁽²⁾	FY 2019/20 thru FY 2020/21	n/a	3.3
RP-4 1158 Recycled Water Pump Station Upgrades ⁽²⁾	FY 2020/21	n/a	5.1

Service Areas	Fiscal Year Received/Expected	Phases	Received/ Estimated ⁽¹⁾
RP-5 Recycled Water Pipeline Bottleneck ⁽²⁾	FY 2020/21	n/a	2.3
Sub-Total			123.3
<i>Projected Funding</i>			
Interconnection to the City of Rialto	FY 2028/29	n/a	6.0 ⁽¹⁾
Sub-Total			6.0 ⁽¹⁾
Total Recycled Water SRF Loan Proceeds			\$129.3

⁽¹⁾ Loan amounts not final.

⁽²⁾ Loan amount are net of principal forgiveness grants of \$5.6 million.

EXPENSES AND OTHER USES OF FUNDS

Total Recycled Water fund expenses and other uses of funds are budgeted at \$51.0 million in FY 2023/24 and \$58.1 million in FY 2024/25 as noted in Table 5-34.

TABLE 5-34: EXPENSES AND OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2023/24	2024/25	Key Assumptions
Operations	\$7.9	\$9.0	Includes labor, utilities (pumping costs), chemicals and materials, and supplies.
Administrative	4.6	4.9	Includes contract labor, professional fees and services, and other allocated expenses
Ground Water Recharge	1.8	1.8	Includes Operations & Maintenance (O&M) costs not reimbursed by CBWM, and the Agency's pro-rata share of O&M costs for the proportion of recycled water recharged.
Capital Projects	15.6	23.7	A detailed listing of Recycled Water Capital Projects is included in the Capital section (Chapter 6).
Debt Service	15.2	14.4	Includes repayment of principal, interest, and financial fees, including inter-fund loan repayment to the Non-Reclaimable Wastewater and Regional Wastewater Capital funds.
Other	5.9	4.3	Includes non-capital project costs and inter-fund transfers for operating and capital support including water connection fees to support integrated regional water resource management capital investments.
Total	\$51.0	\$58.1	

Each year the Recycled Water provides support for other program costs through inter-fund transfers. Transfers to the Recharge Water fund support operating and capital costs not reimbursed by Chino Basin

RECYCLED WATER PROGRAM

Watermaster. Connection fee transfers to the Administrative Services, Recharge Water, and Water Resource funds support integrated regional water resource capital investments. These inter-fund transfers are included in “other” expenses reported in Table 5-34.

CAPITAL PROJECTS

Listed in Table 5-35 are recycled water capital projects budgeted in FYs 2023/24 and 2024/25. For a complete listing of projects and descriptions, refer to the Recycled Water project list in the Capital section of this document.

TABLE 5-35: RECYCLED WATER CAPITAL PROJECTS (\$MILLIONS)

Major Capital Projects	2023/24	2024/25
Etiwanda Interceptor Grade Break	\$2.8	\$1.3
RP-4 Contact Basin Cover Repair	2.3	2.7
Injection Facilities	2.5	3.5
1299 Reservoir Paint/Coating Repairs	1.7	0.2
6 Thousand Acre Feet per Year (TAFY) Advanced Water Purification Facility (AWPF)	0.5	1.6
Recycled Water Interconnection to the City of Rialto	0.7	7.0
All Other Projects	5.1	7.4
Total	\$15.6	\$23.7

DEBT SERVICE

Debt service costs are comprised of principal, interest, and financial fees. FY 2023/24 debt service costs are projected to be \$15.2 million, and \$14.4 million in FY 2024/25 as shown in Table 5-36. Bond totals shown below include the 2017A and 2020A Revenue bonds. Debt service costs for the 2017A Revenue bonds is supported by an inter-fund transfer from the Regional Wastewater Capital Improvement fund.

TABLE 5-36: TOTAL DEBT SERVICE COSTS BY FISCAL YEAR (\$MILLIONS)

(Principal and Interest)	2022/23 Projected	2023/24	2024/25	2025/26	2026/27	2027/28
Inter-Fund Loans	\$5.4	\$6.3	\$5.6	\$0.0	\$0.0	\$0.0
Bonds	5.8	5.9	5.8	5.0	5.0	4.4
SRF Loans ⁽¹⁾	3.0	3.0	3.0	3.0	3.0	3.0
Total	\$14.2	\$15.2	\$14.4	\$8.0	\$8.0	\$7.4

A key source of funding for the construction of the recycled water distribution system has been inter-fund loans. Inter-fund loans are used as needed to support capital and operating costs not recovered through the recycled water rates. The use of the inter-fund loans has helped to mitigate upward pressure on recycled water rates. Table 5-37 summarizes the repayment schedule for the Recycled Water fund inter-fund loans outstanding as of June 30, 2023.

TABLE 5-37: RECYCLED WATER FUND REPAYMENT OF OUTSTANDING INTER-FUND LOANS (\$MILLIONS)

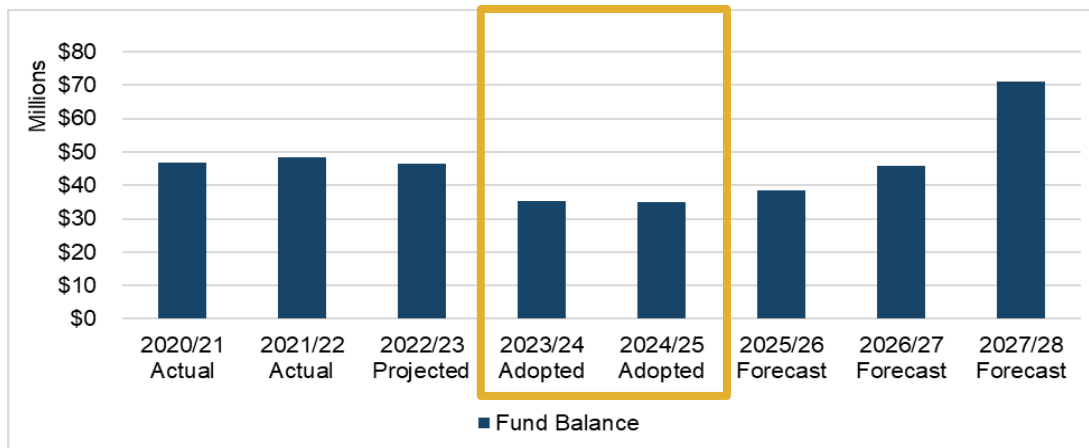
Inter Fund Loan Issued	Due to	Outstanding Principal Amount	Repayment Schedule
FY 2007/08	Regional Wastewater Capital Improvement Fund	\$2.0	2023/24 \$1.0 2024/25 \$1.0
FY 2014/15	Regional Wastewater Capital Improvement Fund	\$9.5	2023/24 \$5.0 2024/25 \$4.5
Total		\$11.5	

FUND BALANCE

The Recycled Water fund FY 2023/24 ending fund balance is estimated to be \$35.3 million with a slight decrease to \$34.9 million projected for the end of FY 2024/25. The FY 2023/24 decrease in fund balance compared to the prior year can be attributed to increased capital project expense with minimal offsetting funding sources. The decrease in fund balance for FY 2024/25 can again be attributed to increased capital expenditures somewhat offset by increased grant proceeds.

For the three years following the Biennial Budget, the fund balance is projected to increase, primarily due to receipt of debt and grant proceeds for major capital projects. Figure 5-17 shows historical and projected ending fund reserves.

FIGURE 5-17: TREND OF RECYCLED WATER FUND ENDING FUND RESERVE (\$MILLIONS)



RECYCLED WATER PROGRAM

FY 2025/26 – FY 2027/28 FORECAST

As a locally developed water supply, recycled water is a practical and essential resource in mitigating the effects of climate change. Over the next few years, the program will focus on major capital projects to create new water supplies and meet regulatory compliance objectives.

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**INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET
RECYCLED WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	ADOPTED BUDGET	ADOPTED BUDGET	FORECAST		
REVENUES								
Interest Revenue	\$222	\$237	\$967	\$815	\$606	\$654	\$793	\$902
Water Sales	18,095	19,643	19,716	21,853	23,967	25,224	26,513	27,281
TOTAL REVENUES	\$18,316	\$19,880	\$20,683	\$22,668	\$24,573	\$25,879	\$27,306	\$28,182
OTHER FINANCING SOURCES								
Property Tax - Debt/Capital	\$2,170	\$2,863	\$2,961	\$3,161	\$3,212	\$3,264	\$3,316	\$3,369
Connection Fees	5,700	8,749	4,326	7,015	7,226	7,371	7,518	7,668
Debt Proceeds	0	0	0	0	0	14,000	37,000	41,000
Grants	10,692	239	0	309	16,009	9,000	2,000	26,000
Capital Contract Reimbursement	0	92	355	94	96	97	98	100
Other Revenues	97	394	(87)	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$18,660	\$12,338	\$7,555	\$14,580	\$30,476	\$33,732	\$55,932	\$78,137
EXPENSES								
Employment Expenses	\$5,022	\$4,562	\$5,464	\$7,168	\$7,796	\$7,882	\$8,494	\$9,403
Contract Work/Special Projects	544	1,098	793	1,845	1,912	1,365	1,367	1,345
Operating Fees	5	0	5	10	10	11	11	11
Professional Fees and Services	464	649	1,078	1,081	1,159	1,244	1,266	1,289
Office and Administrative expenses	1	1	5	8	8	9	9	9
Materials & Supplies	107	174	134	138	142	147	151	155
Other Expenses	731	872	744	1,786	1,826	2,113	2,210	2,302
TOTAL EXPENSES	\$9,348	\$11,736	\$12,679	\$16,114	\$17,541	\$17,597	\$18,480	\$19,637
CAPITAL PROGRAM								
Work In Progress	\$3,626	\$649	\$2,826	\$15,622	\$23,755	\$30,465	\$49,250	\$53,750
TOTAL CAPITAL PROGRAM	\$3,626	\$649	\$2,826	\$15,622	\$23,755	\$30,465	\$49,250	\$53,750
DEBT SERVICE								
Financial Expenses	\$1	\$5	\$4	\$5	\$6	\$6	\$6	\$6
Interest	2,897	2,892	2,961	2,628	2,258	1,893	1,698	1,508
Principal	5,773	6,085	6,214	6,544	6,692	6,065	6,265	5,877
Short Term Inter-Fund Loan	4,933	10,000	5,000	6,000	5,500	0	0	0
TOTAL DEBT SERVICE	\$13,604	\$18,983	\$14,179	\$15,178	\$14,455	\$7,965	\$7,969	\$7,391
TRANSFERS IN (OUT)								
Capital Contribution	(\$47)	(\$197)	(\$198)	(\$200)	(\$385)	(\$654)	(\$633)	(\$277)
Debt Service	2,539	2,535	2,546	2,675	2,673	2,673	2,674	2,098
Operation support	(413)	(870)	(1,190)	(1,682)	(1,313)	(1,327)	(1,413)	(1,584)
Water Connection Allocation	(789)	(524)	(1,717)	(2,236)	(724)	(820)	(804)	(567)
TOTAL INTERFUND TRANSFERS IN (OUT)	\$1,290	\$944	(\$559)	(\$1,442)	\$252	(\$127)	(\$176)	(\$330)
FUND BALANCE								
Net Income (Loss)	\$11,688	\$1,794	(\$2,005)	(\$11,108)	(\$451)	\$3,456	\$7,363	\$25,212
Beginning Fund Balance July 01	34,974	46,662	48,456	46,451	35,343	34,893	38,349	45,712
ENDING BALANCE AT JUNE 30	\$46,662	\$48,456	\$46,451	\$35,343	\$34,893	\$38,349	\$45,712	\$70,924
RESERVE BALANCE SUMMARY								
Operating Contingency	\$3,116	\$3,912	\$4,226	\$5,371	\$5,847	\$5,866	\$6,160	\$6,546
Capital Construction	13,265	9,505	11,029	2,973	4,953	5,173	9,616	31,242
Water Connection	19,472	24,230	21,731	16,044	14,127	16,342	19,545	22,597
Rehabilitation/Replacement (R&R)	1,500	1,500	1,500	2,000	2,000	3,000	3,000	4,000
Debt Service	9,309	9,309	7,965	8,955	7,965	7,969	7,391	6,539
ENDING BALANCE AT JUNE 30	\$46,662	\$48,456	\$46,451	\$35,343	\$34,893	\$38,349	\$45,712	\$70,924

* Numbers may not total due to rounding

WATER RESOURCES PROGRAM

PROGRAMMATIC OVERVIEW

IEUA works in close coordination with local and regional stakeholders including Metropolitan Water District (Metropolitan/MWD), Chino Basin Watermaster (CBWM), Santa Ana Watershed Project Authority (SAWPA), Chino Basin Water Conservation District (CBWCD), local water agencies, municipalities, wastewater contractors, and regulatory agencies at the local, state, and federal levels to ensure that the customers in IEUA's service area have access to safe and reliable water supplies today and into the future.

Water demand within the Agency's service area has changed significantly over the past 30 years. As the Region has developed, water use has shifted from agricultural uses to urban (residential, commercial, industrial, and institutional). IEUA works collaboratively with local and regional stakeholders to plan for, develop, deliver, and preserve safe and reliable water supplies while employing technologies and activities that maintain and improve region-wide water use efficiencies and remaining in compliance with applicable state and federal requirements.

In the past two decades, water reliability has been strained due to a combination of more frequent "dry year" weather events, a growing population, and the disruption to imported water deliveries from the State Water Project (SWP) due to climate change, environmental regulations, and operational restraints. To better prepare the Region for these challenges, IEUA has developed a suite of policies, practices, and programs that promote the development and full utilization of local water resources, including recycled water production, groundwater recharge, storm-water capture, water-use efficiency programs and imported water delivery coordination with Metropolitan.

IEUA's regional water use efficiency program contributes towards managing demands and sustaining regional water supplies by leveraging funding from Metropolitan and grants to implement turnkey programs and studies incentivizing efficient water use. Total water consumption within the Agency's service area for FY 2021/22 was 196,552 acre-feet (AF). And while this represents a modest three percent decrease (6,224 AF) from FY 2020/21, per capita water use has seen significant reductions in the IEUA region over time. Since 2009, water use in IEUA's service area has reduced a remarkable 38 percent, from 257 gallons per capita per day (gpcd) to 160 gpcd in 2021.

Future forecasting of regional water demands, and the assessment of supply sufficiency is a core responsibility of the Water Resources program. In June 2021, the IEUA Board of Directors adopted IEUA's 2020 Urban Water Resources Plan (UWMP) and Water Shortage Contingency Plan (WSCP), as was required by law every five years. Long-range planning is an iterative process that builds off long-range planning from Metropolitan. While weather variability has always been a factor in resources planning, future planning is expected to factor in greater extremes due to climate change – dry periods will be drier and wet periods will be wetter. The impact these extremes will have on the IEUA's water demand and supply will need to be analyzed to ensure water continues to be a reliable resource for everyone.

In FY 2022/23, major initiatives implemented in the Water Resources Program include:

- Managed Regional Response to Historic Imported Water Shortages and Surpluses** – By Spring of 2022, supplemental water supplies from the Metropolitan Water District of Southern California (Metropolitan) had been reduced to historically low levels after three consecutive dry years. Metropolitan’s water in storage was nearly depleted and the situation triggered activation of Metropolitan’s allocation plan for six of its member agencies, including IEUA, that were dependent on just one of Metropolitan’s water supplies – the State Water Project (SWP). IEUA’s initial allocation required regional cutbacks of approximately 12 percent of Metropolitan’s supplies between May and December 2022, triggering the declaration of a “Level 3” drought response



By January 2023, drought conditions had worsened to the point where IEUA moved up to a Level 6 Drought status, which is the highest category reserved for catastrophic conditions. By the end of the month, however, weather conditions essentially flipped. A period of very wet weather ensued, resulting in record precipitation levels throughout California and the Colorado river basin. As a result, IEUA deactivated its drought allocation plan and pivoted towards strategies for storing water through Metropolitan’s Dry-Year Yield (DYY) Program. Working together with Metropolitan, the Chino Basin Water Master and Three Valleys Municipal Water District, the region plans to replenish groundwater supplies with up to 50 thousand acre-feet of imported water this calendar year.

Throughout this period of “extreme weather whiplash”, IEUA maintained close coordination with the leadership of its retail customer agencies and other regional stakeholders to develop effective advocacy strategies, communication campaigns, Board actions and program responses.

Inter-Agency Relations (IAR) Program: Metropolitan Water District – As one of Metropolitan’s 26 member agencies, IEUA is responsible for engaging productively with Metropolitan in various water resource programs, planning activities, and policy discussions. Often, this engagement requires obtaining and synthesizing data from IEUA’s customer agencies in order to represent a regional profile and narrative that best promotes outcomes benefitting the IEUA region. IAR engages in Metropolitan’s planning processes, tracks Board actions and policies, prepares briefing materials for the General Manager, and promotes productive relationship building opportunities.

WATER RESOURCES PROGRAM

In FY 2021-23, IEUA's engagement with Metropolitan Water District was dominated by drought and storage discussions. Staff participated in a series of 8 Drought Mitigation Planning workshops and advocated for inclusion of local programs and projects. Staff also summarizes monthly Metropolitan Board activities in a summary report submitted to the Watermaster and provides monthly internal briefings to staff.

- ◆ **Regulatory Tracking and Coordination** – IEUA is heavily regulated by an array of state and federal agencies, including the State Water Resources Control Board, Air Resources Control Board, Santa Ana Regional Water Quality Control Board, among others. The goal of the Regulatory Coordination program is to assure that IEUA subject matter experts (SMEs) are aware of regulatory proposals and are able to engage productively in the development of new regulatory rulemakings to effect beneficial outcomes for IEUA and its customer agencies. Monthly coordination meetings are held to share information and provide a bigger picture of regulatory activities among all SMEs. The section also maintains a record of formal engagement activities for the Agency, including comment letters and oral testimony. The section coordinates with External Affairs to assure that the Agency's state and federal advocates are aware of activities and can engage as appropriate.
- ◆ **20th Anniversary of IEUA's Water Use Efficiency Program** – In May 2023, IEUA celebrated the 20th anniversary of its regional WUE program. Combined IEUA, MWD and other investments of \$50 million during this period have sponsored the retrofit of inefficient devices and plant materials, including: 25,000 clothes washers, 50,000 toilets, 400,000 sprinkler nozzles, and the removal of 9 million square feet of turf that together result in an estimated lifetime savings of 150,000 AF.
- ◆ **IEUA Long-Term Water Use Efficiency Business Plan Update** – The recent update of the WUE Business Plan guides regional water use efficiency programs over a given period by implementing core initiatives that safeguard permanent water use reductions that meet or exceed goals and targets outlined in the State's new framework of "Making Water Conservation a California Way of Life" (SB 606/AB 1668). The Plan was developed by IEUA and its Customer Agencies and addressed concerns of regional equity, program flexibility, governance, supply reliability, accountability, and additional goals. As a result, the Region entered into a new Core-Flex program model, which will be implemented through FY 2022/23 and 2023/2024, to be evaluated for FY 2024/25 and beyond. Based on the updated Plan, the five-year water use reduction goal for IEUA's service area is 13,127 acre-feet by 2025, and 32,418 acre-feet lifetime savings from the new programmatic activities.
- ◆ **Water Use Efficiency Programs** – IEUA and its customer agencies will continue to allocate funds to targeted programs, such as residential, commercial, industrial, institutional, and landscaping, and seek grant funding opportunities whenever applicable to maintain and launch programs identified in the updated Water Use Efficiency Business Plan. IEUA will continue to offer a variety of programming options that sustain and increase demand reductions, while providing public awareness, education, and increased participation through the new core and flex program model. It will also consider programs to help its customer agencies meet the evolving State WUE framework. Further details regarding the water use efficiency program will be available in IEUA's FY 2022-2023 Regional Water Use Efficiency Annual Programs Report.

FUND DESCRIPTION

The Water Resources fund records fiscal activity associated with providing water resources and water use efficiency programs within the Agency's service area. These programs include management and distribution of imported water supplies, development and implementation of regional water use efficiency initiatives, water resource planning, and support for regional water supply programs including recycled water, groundwater recharge, and storm water management.

Within the Water Resources Program, the regional water use efficiency program receives dedicated funding, including a portion of the Meter Equivalent Unit (MEU) charge, one water connection allocation, and program grants and reimbursements from the state, federal, and local agencies.

REVENUES AND OTHER FUNDING SOURCES

Total funding sources for the Water Resources fund are \$67.7 million and \$71.0 million for FYs 2023/24 and 2024/25, respectively. The FY 2023/24 revenues are comprised of \$53.0 million, or seventy eight percent of the budget for the pass-through sales of MWD potable imported water, \$5.7 million or eight percent of the budget for the estimated Meter Equivalent Unit (MEU), \$4.2 million from MWD Readiness to Serve (RTS) pass through recovery costs, \$2.8 million in property tax allocation and regional water resources initiatives not supported by the adopted rates, \$1.2 million of inter-fund transfer of One Water Connection fees to support project costs, \$0.3 million in grant and reimbursements for water use efficiency and sustainability programs, and \$0.5 million of interest income.

The FY 2024/25 revenues are comprised of \$56.7 million, or eighty one percent of the budget for the pass-through sales of MWD potable imported water, \$5.8 million or eight percent estimated from the Meter Equivalent Unit (MEU), \$4.3 million MWD RTS pass through recovery costs, \$2.8 million in property tax allocation, \$0.6 million of inter-fund transfer of One Water Connection fees to support project costs, \$0.3 million in grant and reimbursements for water use efficiency and sustainability programs, and \$0.5 million of interest income. Table 5-38 provides a summary of Water Resources fund's revenues and other sources of funds, as well as budget assumptions.

TABLE 5-38: REVENUES & OTHER SOURCES OF FUNDS (\$MILLIONS)

Sources of Funds	2023/24	2024/25	Key Assumptions
Imported Water Sales	\$53.0	\$56.7	Pass through sales of MWD potable imported water at 60,000 Acre Feet per Fiscal Year
Meter Equivalent Units (MEU)	5.7	5.8	Estimated 424,539 MEU per month in FY 2023/24
MWD RTS pass through recovery	4.2	4.3	Seven-year phased implementation of the MWD readiness-to-serve ten year rolling average direct charge to member agencies. MWD RTS recovery is 100% as of FY 2022/23

WATER RESOURCES PROGRAM

Sources of Funds	2023/24	2024/25	Key Assumptions
Property Tax Allocation	2.8	2.8	Allocation of property tax receipts to support program costs
Grants/Reimbursements	0.3	0.3	Continue to leverage grants to support water use efficiency and sustainability projects.
One Water Connection Fees	1.2	0.6	Transfer of One Water connection fees from the Recycled Water fund to support water use efficiency projects.
Other	0.5	0.5	Interest and other reimbursements.
Total	\$67.7	\$71.0	

Summarized below are the adopted rates that best meet the key objectives of equity, cost/benefit nexus and revenue stability.

METER EQUIVALENT UNIT (MEU) RATE

The Meter Equivalent Unit (MEU) charges support the Water Resources fund program costs. These include the Agency's regional conservation and water use efficiency programs, employment costs, professional fees, and office and administration expenses. Shown on Table 5-39 are adopted rates for FYs 2022/23 thru 2024/25, and projected rates for the FYs 2024/25 thru FY 2027/28.

TABLE 5-39: MULTI-YEAR ADOPTED METER EQUIVALENT UNIT RATE

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Effective Date	7/01/2022	7/01/2023	7/01/2024	7/01/25	7/01/2026	7/01/2027
Meter Equivalent Units (MEU)	\$1.10	\$1.12	\$1.14	<i>Projected rates to be updated based on cost of service study</i>		

READINESS TO SERVE (RTS) RECOVERY RATE

MWD bills Readiness-to-Serve (RTS) based on water use over a ten-year rolling average. The Agency adopted this methodology as of October 2016 which shifted recovery of RTS pass through fees amongst the water member agencies.

To mitigate the fiscal impact of the changes in the water rate structure, the Board approved the member agencies request to phase-in the RTS recovery over seven (7) years in alignment with the implementation of the recycled water surcharge for use over entitlement. The RTS fees not recovered through direct charge

during the seven-year implementation period have been supported by property taxes. As of FY 2022/23, the RTS Recovery rate is at 100 percent. IEUA will continue to pass-through 100 percent of the net RTS recovery charge to the member agencies.

TABLE 5-40: RTS COST RECOVERY CHARGE

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Effective Date	7/01/2022	7/01/2023	7/01/2024	7/01/2025	7/01/2026	7/01/2028
RTS Recovery	100%	100%	100%	100%	100%	100%

EXPENSES AND OTHER USES OF FUNDS

Total expenditures in FYs 2023/24 and 2024/25 are projected to be \$68.9 and \$70.0 million, respectively. As summarized on Table 5-41, major expenses for the Water Resources fund are comprised of pass-through purchases of imported water, regional water use efficiency and sustainability projects, and program costs.

The FY 2023/24 expenses include \$53.0 million or seventy seven percent of budget for purchases of imported water, \$4.2 million or six percent for MWD readiness-to-serve pass through costs; \$6.7 million or ten percent of budget for projects; \$5.0 million or seven percent of budget for program support costs which include labor, professional fees and services, and office and administrative expenses.

The FY 2024/25 expenses include \$56.7 million or eighty one percent of budget for purchases of imported water, \$4.3 million or six percent for MWD readiness-to-serve pass through costs; \$3.7 million or five percent of budget for projects; \$3.7 million or five percent of budget for program support costs which include labor, professional fees and services, and office and administrative expenses.

TABLE 5-41: EXPENSES & OTHER USES OF FUNDS (\$MILLIONS)

Uses of Funds	2023/24	2024/25	Key Assumptions
Imported Water Purchases	\$53.0	\$56.7	Pass-through purchases of MWD imported water.
Operating Expense	5.0	5.3	Includes labor, professional fees and services, materials, and supplies.
Special and Capital Projects	6.7	3.7	See Table 5-32 for summary of major projects.
MWD Readiness to Serve	4.2	4.3	MWD Readiness to Serve obligation (pass through costs)
Total	\$68.9	\$70.0	

Total imported water deliveries projected at 60,000 acre-feet per year are budgeted in FYs 2023/24 and 2024/25. IEUA does not anticipate any replenishment water purchases in the next two years.

WATER RESOURCES PROGRAM

A total of \$28.2 million in project costs are proposed over the next ten years for the Water Resources program. Future projects are primarily driven by the Chino Basin Program/Water Storage Investment Program (CBP/WSIP), Local Supply Resiliency projects, and Water Use Efficiency (WUE) programs, which include landscape irrigation and residential retrofits programs, education and outreach, and water smart programs.

Total projects of \$6.7 million are projected in FY 2023/24 and \$3.7 million in FY 2024/25 as summarized in Table 5-42.

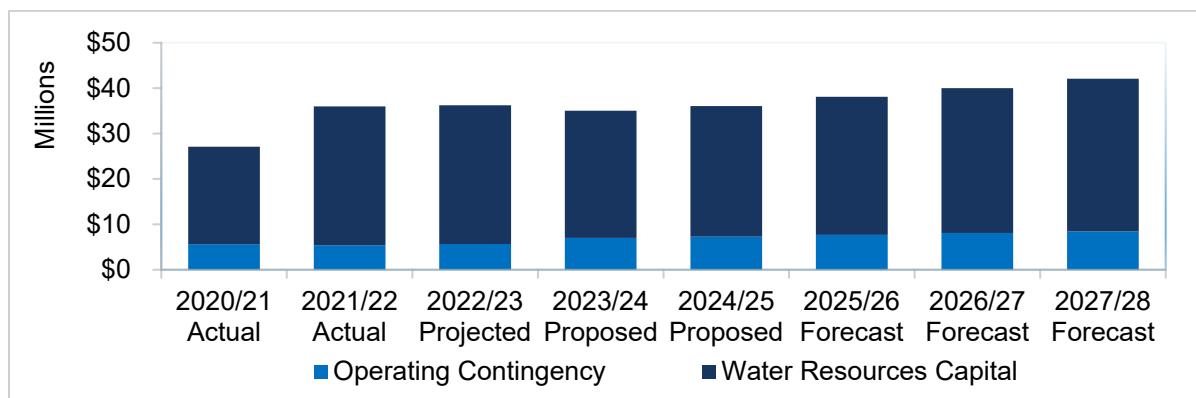
TABLE 5-42: MAJOR PROJECTS (\$ MILLIONS)

PROJECT	2023/24	2024/25
Chino Basin Program Planning	\$3.5	\$1.0
Water Use Efficiency and Reliability Programs	1.6	1.6
Upper Santa Ana River Habitat Conservation Plan Model Water Benefits	0.3	0.3
Water Resources Planning Documents	0.3	0.2
Chino Basin Water Bank	0.3	0.2
Regional Imported Supply Reliability Analysis	0.3	0.2
All other projects	0.4	0.2
Total Projects	\$6.7	\$3.7

FUND BALANCE

The estimated fund balances for FYs 2023/24 and 2024/25 are projected to be \$35.0 million and \$36.0 million, respectively. As shown in Figure 5-18, the fund balance is projected to slightly increase during the biennial budget years, a primary driver is the lower capital project. The Water Resources Capital reserve will fund capital investments based on the Agency's Ten-Year Capital Improvement Plan (TYCIP) and other long-term planning documents.

FIGURE 5-18: TREND OF WATER RESOURCES PROGRAM FUND BALANCE (\$MILLIONS)



FY 2023/24-FY 2024/25 FORECAST

The fund balance is projected to increase in FY 2025/26 due to increase in property tax and lower project expenditures.

Water supply across the state is a growing concern for the entire region. Overall, IEUA's service area has a well-developed water resource portfolio and is prepared to handle water demands in times of shortage or surplus. The Agency has implemented multiple actions to address the drought in our service area including enhancing the Water Use Efficiency Program as well as working collaboratively with customer agencies on water restrictions to best serve their communities.

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WATER RESOURCES PROGRAM

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2023/24 & 2024/25 BIENNIAL BUDGET
WATER RESOURCES FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
User Charges	\$7,492	\$8,285	\$9,289	\$9,974	\$10,202	\$10,377	\$10,524	\$10,705
Contract Cost reimbursement	198	51	150	248	248	248	248	248
Interest Revenue	213	170	217	460	540	560	590	620
Water Sales	45,561	42,976	42,962	53,028	56,664	60,660	64,848	69,480
TOTAL REVENUES	\$53,465	\$51,483	\$52,617	\$63,710	\$67,654	\$71,845	\$76,210	\$81,053
OTHER FINANCING SOURCES								
Property Tax - Debt and Capital	\$9,806	\$2,505	\$2,712	\$2,766	\$2,811	\$2,856	\$2,901	\$2,948
Grants	122	7,331	1,710	10	10	10	10	10
Other Revenues	136	252	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	\$10,065	\$10,089	\$4,422	\$2,776	\$2,821	\$2,866	\$2,911	\$2,958
EXPENSES								
Employment Expenses	\$2,823	\$2,455	\$3,347	\$3,818	\$4,192	\$4,198	\$4,524	\$5,009
Contract Work/Special Projects	2,279	2,143	2,319	3,161	2,725	2,725	2,728	2,100
Operating Fees	3,154	3,346	3,770	4,301	4,386	4,473	4,561	4,651
Professional Fees and Services	375	265	342	574	578	583	487	491
Office and Administrative expenses	3	0	1	4	4	4	4	5
MWD Water Purchases	45,561	42,937	42,962	53,028	56,664	60,660	64,848	69,480
Other Expenses	242	589	370	484	499	571	598	624
TOTAL EXPENSES	\$54,438	\$51,736	\$53,111	\$65,371	\$69,009	\$73,214	\$77,750	\$82,360
CAPITAL PROGRAM								
Capital Construction & Expansion	\$1,206	\$1,428	\$5,200	\$3,500	\$1,000	\$0	\$0	\$0
TOTAL CAPITAL PROGRAM	\$1,206	\$1,428	\$5,200	\$3,500	\$1,000	\$0	\$0	\$0
TRANSFERS IN (OUT)								
Water Connections	\$748	\$486	\$1,526	\$1,173	\$551	\$551	\$551	\$430
TOTAL INTERFUND TRANSFERS IN (OUT)	\$748	\$486	\$1,526	\$1,173	\$551	\$551	\$551	\$430
FUND BALANCE								
Net Increase (Decrease)	\$8,634	\$8,893	\$255	\$(1,212)	\$1,016	\$2,047	\$1,923	\$2,081
Beginning Fund Balance July 01	18,449	27,082	35,976	36,230	35,018	36,034	38,082	40,004
ENDING FUND BALANCE AT JUNE 30	\$27,082	\$35,976	\$36,230	\$35,018	\$36,034	\$38,082	\$40,004	\$42,086
RESERVE BALANCE SUMMARY								
Capital / Operation Contingencies	\$5,638	\$5,379	\$5,656	\$7,017	\$7,292	\$7,666	\$8,102	\$8,450
Water Resources Capital	21,444	30,597	30,574	28,001	28,742	30,416	31,903	33,635
ENDING BALANCE AT JUNE 30	\$27,082	\$35,976	\$36,230	\$35,018	\$36,034	\$38,082	\$40,004	\$42,086

* Numbers may not total due to rounding

CAPITAL IMPROVEMENT PROGRAM

Each year, the Agency develops a Capital Improvement Program (CIP) based on projected growth from member agencies, regulatory requirements, planning documents, asset management needs for timely replacement, rehabilitation and improvement of Agency assets, and recommendations from stakeholders. The CIP serves as the basis for the Agency's Ten-Year Capital Improvement Plan (TYCIP) which is updated annually. Pursuant to the Regional Sewage Service Ordinance 111, the Ten-Year Forecast, capital projects planned for the Regional Wastewater program are included in the TYCIP, that was presented to the Regional Technical and Policy Committees for review and recommendation, prior to the Agency's Board of Directors approval of the TYCIP.

Ordinance 111 also requires Sewage Collection Agencies (SCA) to provide a ten-year forecast of expected growth in their respective areas. The SCA forecast, which was presented to the Board of Directors in November 2022, estimated 63,000 new connections over the next ten years. Based on the SCA forecasts, the Agency prepares a ten-year projection of capacity demands and identifies capital projects needed to meet the service demand for future growth.

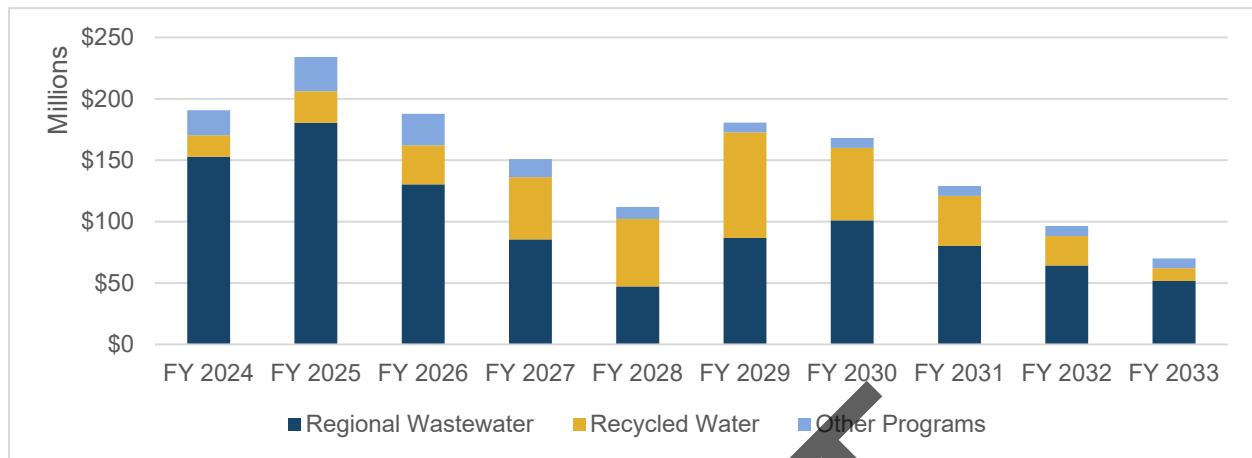
The replacement, rehabilitation, improvement, and expansion of the Agency's facilities continue to be the key drivers for the proposed Fiscal Years (FYs) 2023/24 and 2024/25 CIP. These drivers are consistent with the Agency's long-term planning documents approved by the Board of Directors, and amongst them are:

- ◆ Wastewater Facilities Master Plan
- ◆ Recycled Water Program Strategy Update
- ◆ Energy Management Plan
- ◆ Regional Water Use Efficiency Business Plan
- ◆ Integrated Water Resources Plan

The FY 2023/24 – FY 2032/33 TYCIP of \$1,386.6 million includes critical replacement & rehabilitation (R&R) of Agency assets necessary to meet reliability and regulatory requirements, as well as expansion of existing facilities and infrastructure to meet increased service demands from future growth projected by member agencies. Major projects include the completion of the RP-5 Expansion and Solids Handling Facility, RP-1 Thickening Building and Acid Phase Digester, Philadelphia Lift Station Force Main Improvement, Recycled Water Interconnection to the City of Rialto, SCADA Enterprise System, and Advanced Water Purification Facility (AWPF).

Also included is the RP-1 Liquid Treatment Capacity Recovery and RP-5 O&M building projects slated to begin construction in FY 2028/29. Beyond the 10-year horizon, long term planning documents include capital projects to expand RP-4 facilities and decommissioning of the RP-2 Solids Handling facility.

**FIGURE 6-1: FY 2023/24 – FY 2032/33 TEN YEAR CAPITAL IMPROVEMENT PROGRAM
\$1,386.6 MILLION**



The Capital Improvement Program for FY 2023/24 is \$176.6 million and the FY 2024/25 budget at \$223.3 million, the increase of \$46.7 million is primarily due to the RP-5 Expansion Facilities, RP-1 Thickening Building and Acid Phase Digester and the expansion of the recycled water program via replenishing facilities and new interconnections. In FY 2023/24, capital projects in the Regional Wastewater program accounted for 83 percent of the budget, Recycled Water program projects account for 8 percent, and the remaining 9 percent is spread among the other funds. Table 6-1 shows the FYs 2023/24 and 2024/25 CIP by fund.

TABLE 6-1: CAPITAL IMPROVEMENT PROGRAM BY FUND (\$MILLIONS)

Fund	FY 2023/24	Percentage of Total Budget	FY 2024/25	Percentage of Total Budget
Wastewater Capital	\$112.4	63.6%	\$130.0	58.2%
Wastewater Operations	33.7	19.1%	45.2	20.2%
Non-Reclaimable Wastewater	5.1	2.9%	16.0	7.2%
Recharge Water	2.1	1.2%	0.9	0.4%
Water Resources	3.5	2.0%	1.0	.04%
Recycled Water	15.6	8.8%	23.8	10.7%
Administrative Services	4.2	2.4%	6.4	2.9%
Total	\$176.6	100%	\$223.3	100%

Capital projects can vary significantly from year to year based on the size and scope of capital needs in the coming years. Other considerations that can have an impact on future revisions of the CIP include the ongoing Asset Management Plan, unexpected corrective repair and replacements, changes in regulatory requirements, and the possible implementation of the Chino Basin Program/Water Storage Investment Program (CBP/WSIP).

CAPITAL IMPROVEMENT PROGRAM

Project costs for the acquisition, improvement, and expansion of capital assets are primarily supported by connection fees, new debt, and property taxes. Project costs for replacement and rehabilitation (R&R) of capital assets are primarily funded by user charges (monthly sewer rate) and property taxes.

A key component of the Agency's CIP are critical R&R projects necessary to meet reliability and regulatory requirements. As reported in Tables 6-2 and 6-3, Equipment and R&R projects account for \$16.3 million of the total \$176.6 million CIP budget in FY 2023/24, and \$25.1 million of the \$223.3 million CIP budget in FY 2024/25.

**TABLE 6-2: FY 2023/24 CAPITAL IMPROVEMENT PROGRAM
BY PROJECT TYPE (\$MILLIONS)**

Fund	Construction	Equipment	Replacement & Rehabilitation	FY 2023/24 CIP Total
Wastewater Capital	\$107.0	\$0.3	\$5.1	\$112.4
Non-Reclaimable Wastewater	3.1	0.0	2.0	5.1
Wastewater Operations	29.6	0.8	3.2	33.6
Recharge Water	2.0	0.0	0.0	2.0
Water Resources	3.5	0.0	0.0	3.5
Recycled Water	12.8	0.0	2.9	15.7
Administrative Services	2.3	1.0	1.0	4.3
Total	\$160.3	\$2.1	\$14.2	\$176.6

**TABLE 6-3: FY 2024/25 CAPITAL IMPROVEMENT PROGRAM
BY PROJECT TYPE (\$MILLIONS)**

Fund	Construction	Equipment	Replacement & Rehabilitation	FY 2024/25 CIP Total
Wastewater Capital	\$128.3	\$0.3	\$1.4	\$130.0
Wastewater Operations	1.8	0.0	14.2	16.0
Recharge Water	43.9	0.9	0.5	45.3
Non-Reclaimable Wastewater	0.8	0.0	0.0	0.8
Recycled Water	1.0	0.0	0.0	1.0
Water Resources	19.0	0.0	4.8	23.8
Administrative Services	3.4	1.0	2.0	6.4
Total	\$198.2	\$2.2	\$22.9	\$223.3

In addition to the CIP, included in the biennial budget are non-capital operations and maintenance (O&M) projects that support reliability and regulatory requirements. These include projects that support the Agency's regional water use efficiency program which are fundamental in managing region-wide demand and have a significant impact to sustaining regional water supplies. As reported in Table 6-4, non-capital O&M projects account for \$14.1 million of the total project budget of \$190.7 million in FY 2023/24 and \$10.7 million of the total project budget of \$243.0 million in FY 2024/25.

**TABLE 6-4: FY 2023/24 AND 2024/25 NON-CAPITAL PROGRAM
BY PROJECT TYPE (\$MILLIONS)**

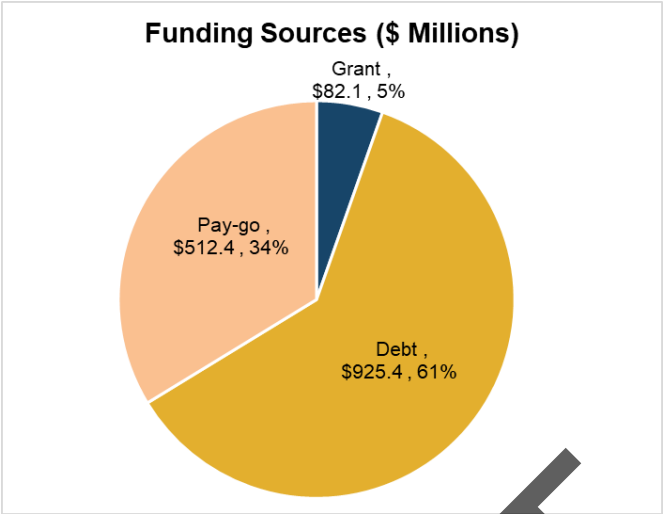
Fund	FY 2023/24 Non-Capital (O&M) Projects	FY 2024/25 Non-Capital (O&M) Projects
Wastewater Capital	\$0.1	\$0.1
Wastewater Operations	6.8	5.2
Recharge Water	0.9	0.1
Non-Reclaimable Wastewater	0.6	0.3
Recycled Water	1.8	1.9
Water Resources	3.2	2.7
Administrative Services	0.7	0.4
Total	\$14.1	\$10.7

The Agency's total project budget is funded by a combination of pay-go, low interest state and federal loans, grants, and contributions; 34 percent on a pay-go basis, 61 percent by debt including State Revolving Fund (SRF) loans and bond proceeds, and the remaining 5 percent by grants, contributions from member agencies, and joint power authorities (JPAs), as shown in Figure 6-2.

**FIGURE 6-2: FY 2023/24 – FY 2032/33 TOTAL PROJECT FUNDING SOURCES
\$1,519.9 MILLION**

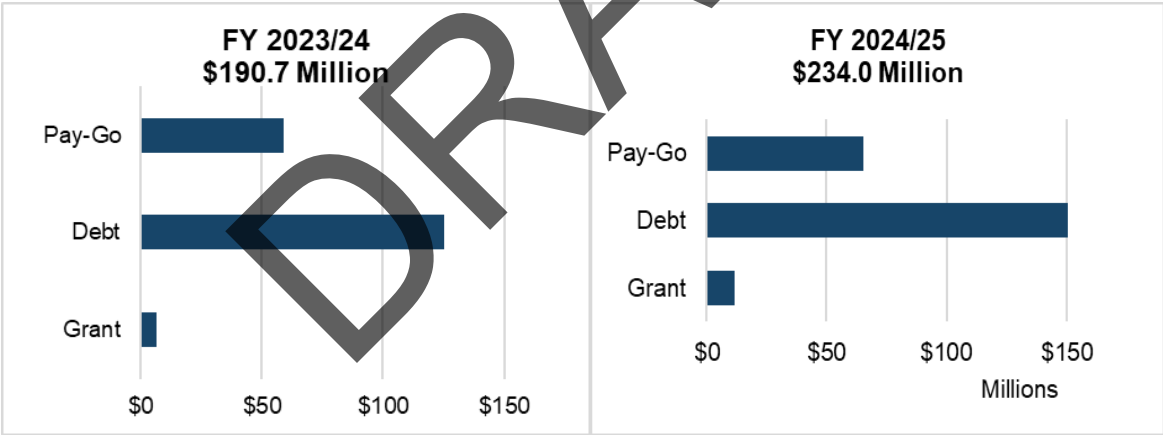
(Includes Ten-Year Capital Improvement Program and Non-Capital (O&M) Projects)

CAPITAL IMPROVEMENT PROGRAM



The breakdown of the funding sources for total project budget in FY 2022/24 and FY 2024/25 are shown in Figure 6-3. SRF loans and grants are leveraged as an important funding source of the Agency’s CIP in combination with pay-go (includes contributions from outside parties), comprised of connection fees, user charges, and property taxes.

FIGURE 6-3: TOTAL PROJECT FUNDING SOURCES (\$ MILLIONS)



The allocation of funds is based upon an analysis of available funding sources, as well as a review of project needs and priorities. Table 6-5 shows summary of the total project budget by Agency fund.

**TABLE 6-5: FY 2023/24 – FY 2032/33 TOTAL PROJECT BUDGET
FUNDING SOURCE AND SUMMARY OF PROJECT TYPES BY FUND (\$THOUSANDS)**

Contributions	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Total TYCIP
Debt	125,319	157,190	111,902	61,200	27,000	925,412
Paygo	59,130	65,283	61,882	66,646	59,201	512,356
Grant	6,296	11,556	14,104	23,154	25,780	82,090
Total Project Funding	190,745	234,029	187,888	151,000	111,981	1,519,858

Fund Program	Project Type	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Total TYCIP
Regional Wastewater Capital	CC	106,974	128,263	94,134	44,784	16,700	503,255
	EQ	300	300	324	350	378	4,046
	OM	136	16	16	16	16	280
	RP	5,120	1,458	1,000	1,000	1,000	14,578
Wastewater Capital Total		112,530	130,037	95,474	46,150	18,094	522,159
Regional Wastewater Operations & Maintenance	CC	29,577	43,987	28,240	32,200	23,650	368,100
	EQ	820	850	-	-	-	1,670
	OM	6,793	5,135	6,270	7,228	5,440	84,366
	RP	3,169	510	400	-	-	4,079
Wastewater Operations Total		40,359	50,482	34,910	39,428	29,090	458,215
Recharge Water	CC	2,046	767	1,000	1,000	500	7,812
	EQ	40	90	98	97	50	690
	OM	902	82	82	82	82	1,640
Recharge Water Total		2,988	939	1,175	1,179	632	10,142
Non-Reclaimable Wastewater	CC	3,135	1,826	1,550	550	550	15,611
	OM	620	332	332	382	382	3,958
	RP	2,020	14,180	10,180	1,180	1,180	29,640
Non-Reclaimable Total		5,775	16,338	12,062	2,112	2,112	49,209
Water Resources	CC	3,500	1,000	-	-	-	4,500
	OM	2,770	2,360	2,360	2,362	2,100	22,203
	RE	391	365	365	365	-	1,487
Water Resources Total		6,661	3,725	2,725	2,727	2,100	28,190
Recycled Water	CC	12,772	19,005	28,664	49,250	53,750	377,891
	OM	1,345	1,912	1,365	1,367	1,345	13,720
	RP	2,850	4,750	1,800	-	-	9,400
Recycled Water Total		17,467	25,667	31,829	50,617	55,095	401,011
Administrative Services	CC	2,245	3,425	6,925	6,725	1,075	25,770
	EQ	973	973	1,045	1,050	1,134	12,357
	OM	717	433	433	433	2,215	5,396
	RP	1,030	2,010	1,310	579	434	7,409
Administrative Services Total		4,965	6,841	9,713	8,787	4,858	50,932
Grand Total		190,745	234,029	187,888	151,000	111,981	1,519,858

Type: CC - Capital Construction; EQ - Equipment; RP = Replacement; RE - Reimbursable; OM - Operations and Maintenance

CAPITAL PROJECT HIGHLIGHTS

Included in the Capital Improvement Program (CIP) are sixteen non-routine capital projects with annual project budgets over \$2 million in FY 2023/24 and FY 2024/25. The majority of these significant non-routine capital projects are included in the Recycled Water and Regional Wastewater Programs.

These twenty-four projects account for \$141.2 million of the \$176.6 million budgeted in the CIP for FY 2023/24 and \$179.0 million of the \$223.3 budgeted in FY 2024/25. Many of these significant non-routine capital projects will have an impact not only on the capital budget with their annual appropriations but also on the Agency's operating budget after the project has been completed. The impact on the operating budget can often be classified as an increase in utility or maintenance costs related to capital additions. They can also be offset by an increase in revenues related to increased capacity or cost savings in comparison to current operating procedures. The operating impact that each of these significant projects will incur after completion are described in Table 6-6 below. The table also includes pertinent information for each project including project type, priority, timeline, and funding source. In the following pages of the document, projects budgeted for FY 2023/24 and FY 2024/25 are listed and description of each project is provided by program fund.

TABLE 6-6: HIGHLIGHTS AND OPERATING IMPACTS OF SIGNIFICANT NON-ROUTINE PROJECTS (\$THOUSANDS)

							Operating Budget Impact	
Project Number	Project Name	Project Type, Priority, Timeline	2023/2024 Adopted Budget	2024/2025 Adopted Budget	Total Project Budget	Funding Source	Annual Cost	Type of Impact
NON-RECLAIMABLE WASTEWATER FUND								
EN23002	Philadelphia Lift Station Force Main Improvement	CC; High; Feb 2018 - June 2028	\$1,500	\$10,000	\$23,109	SRF Loan	\$0	Increased maintenance costs due to new clean out vaults to be used for inspection and cleaning.
TOTAL NON-RECLAIMABLE WASTEWATER FUND			\$1,500	\$10,000	\$23,109		\$0	
RECYCLED WATER FUND								
EN21041	RP-4 Contact Basin Cover & Wet Well Pass	RP; Medium; June 2020 - June 2025	\$2,250	\$2,750	\$5,544	Pay-go	\$0	No significant operating impact
EN23037	Etiwanda Interceptor Grade Break RW Rel	CC; High; June 2022 - June 2025	\$2,835	\$1,315	\$4,300	Pay-go	\$0	The project will relocate/replace an existing asset at the same size and specifications. There will be no resulting O&M Impact
EN23119	RW SCADA Migration	RP; Medium; July 2022 - June 2026	\$600	\$2,000	\$4,815	Pay-go	\$0	No significant operating impact
WR23001	Replenishing Facilities	CC; High; July 2022 - June 2028	\$2,500	\$3,500	\$188,000	Pay-go	\$0	No significant operating impact
WR23002	RW Interconnection to the City of Rialto	CC; High; July 2022 - June 2026	\$700	\$7,000	\$59,200	Grants;Pay-go	\$0	No significant operating impact
TOTAL RECYCLED WATER FUND			\$8,885	\$16,565	\$261,859		\$0	
WATER RESOURCE FUND								
PL19005	Chino Basin Program	CC; High; June 2018 - June 2025	\$3,500	\$1,000	\$14,900	SRF loan; Grants; Pay-go	\$0	Increase utility, chemical, equipment and maintenance costs to provide treatment, pumping and pipeline distribution.
TOTAL WATER RESOURCE FUND			\$3,500	\$1,000	\$14,900		\$0	

Type: CC - Capital Construction; EQ - Equipment; RP = Replacement

							Operating Budget Impact	
Project Number	Project Name	Project Type, Priority, Timeline	2023/2024 Adopted Budget	2024/2025 Adopted Budget	Total Project Budget	Funding Source	Annual Cost	Type of Impact
REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUND								
EN13016	SCADA Enterprise System	CC; Critical; Sept 2012 - June 2026	\$8,800	\$7,400	\$38,000	Pay-go	\$0	No significant operating impact
EN17042	Digester 6 and 7 Roof Repairs	CC; High; Aug 2016 - June 2025	\$2,800	\$2,200	\$12,450	Pay-go	\$0	No significant operating impact
EN20057	RP-4 Process Improvements Phase II	CC; Low; July 2021 - June 2025	\$1,125	\$8,325	\$8,325	Pay-go	\$0	No significant operating impact
EN22031	RP-1 Intermediate Pump Station Electrical I	CC; High; July 2021 - June 2026	\$900	\$8,300	\$9,237	Pay-go	\$0	No significant operating impact
EN23000	RP-1 Device Net Replacement	CC; Medium; July 2022 - June 2026	\$1,200	\$2,000	\$4,246	Pay-go	\$0	No significant operating impact
EN23111	RP-1 Headworks Bar Screen System Impro	RP; Critical; July 2022 - June 2025	\$2,790	\$310	\$3,900	Pay-go	\$0	The Project will replace an existing asset and reduce the O&M impact.
EN24025	REEP Return to Service Capital	RP; Medium; July 2023 - June 2025	\$4,000	\$1,800	\$5,800	Pay-go	\$0	No significant operating impact
EN24029	RP-1 Tertiary Asset Manager Phase I	CC; High; July 2023 - June 2026	\$400	\$2,000	\$4,000	Pay-go	\$0	No significant operating impact
EN24032	RP-1 Primary Clarifier #1 and #10 Rehabilita	CC; High; July 2023 - June 2024	\$500	\$2,241	\$2,700	Pay-go	\$0	No significant operating impact
PL26001	Advanced Water Purification Facility	CC; Low; July 2024 - June 2032	\$800	\$2,500	\$165,500	SRF loan; Pay-go	\$0	No significant operating impact
TOTAL REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUND			\$21,115	\$33,076	\$254,158		\$0	
REGIONAL WASTEWATER CAPITAL FUND								
EN11039	RP-1 Disinfection Pump Improvements	RP; Low; Sept 2016 - June 2025	\$4,120	\$458	\$12,997	SRF loan	\$0	No significant operating impact
EN17006	CCWRF Asset Management and Improvements	CC; Medium; Jan 2016 - June 2026	\$8,775	\$12,975	\$31,750	SRF loan; WIFIA Loan	\$0	No significant operating impact. Project will provide process improvements to the primary and secondary treatments.
EN19001	RP-5 Expansion to 30 mgd	CC; Critical; Mar 2017 - Dec 2025	\$46,573	\$33,136	\$245,000	SRF loan; Bonds	\$3,892	Increase utility, chemical, equipment and maintenance costs due to expansion of treatment capacity.
EN19006	RP-5 Biosolids Facility	CC; Critical; Mar 2017 - Dec 2025	\$29,027	\$18,942	\$205,020	SRF loan; Bonds	\$1,358	Increase utility, chemical, equipment and maintenance costs due to expansion of treatment facility.
EN21045	Montclair Force Main Improvements	CC; Medium; July 2020 - June 2026	\$1,800	\$3,800	\$8,714	Pay-go	\$250	Increase utility, chemical, equipment and maintenance costs due to improvements of existing pipelines.
EN22044	RP-1 Thickening Building & Acid Phase Dig	CC; Critical; July 2021 - June 2028	\$15,000	\$45,000	\$160,566	SRF loan; WIFIA loan	\$0	No significant operating impact. The project is adding solids capacity to RP-1 as well as replacing aging infrastructure
EN24002	RP-1 Solids Treatment Expansion	RP; Low; July 2016 - June 2029	\$900	\$4,100	\$48,050	SRF loan	\$0	No significant operating impact
TOTAL REGIONAL WASTEWATER CAPITAL FUND			\$106,195	\$118,311	\$712,097		\$5,500	

Type: CC - Capital Construction; EQ - Equipment; RP = Replacement

Two significant capital projects that will be completed within FY 2023/24 – FY 2032/32 CIP are RP-5 Liquids Expansion (EN19001) and RP-5 Solids Treatment Facility (EN19006). These Regional Wastewater Capital Improvement projects involve the expansion of Regional Water Reclamation Plant No. 5 (RP-5) for the treatment of both solids and liquids.

Figure 6-4 below shows the site of the projects at the RP-5 facility.

CAPITAL PROJECT HIGHLIGHTS

FIGURE 6-4: EN19001 AND EN19006 PROJECT LOCATIONS



Currently, RP-5 has liquid treatment capacity of 15 million gallons per day (MGD). To meet the future projected wastewater flow for the Agency's service area, the plant capacity needs to increase to 30 MGD, and Project EN19001 will address that increase. RP-5 does not currently have any solids treatment capacity, however, solids treatment at RP-5 will soon be necessary. RP-2, another Agency facility, was deemed to be within the 100-year flood level by the U.S. Army Corps of Engineers, so the facility needs to be decommissioned by the year 2035. Having solids treatment availability at RP-5 will make up for the loss of capacity at RP-2, and this will be addressed through project EN19006.

The RP-5 Liquids Expansion and RP-5 Solids Treatment Facility projects will be completed by FY 2024/25. Because each of these projects will create additional or new service capacity at the plant, they will have a significant impact on the operating budget after the additions are operational. The impact, caused by increased utility and maintenance costs for the new facilities, are noted in the project list in Table 6-6 above.

FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS REGIONAL WASTEWATER OPERATIONS FUND

Table 6-7 shows the Capital and O&M projects budgeted in the Regional Wastewater Operations and Maintenance fund, followed by Table 6-8 which provides a description of each of the projects to be executed in FY 2023/24 and FY 2024/25.

**TABLE 6-7: REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUND
FY 2023/24 – FY 2032/33 PROJECTS (\$THOUSANDS)**

Project Number	Project Name	2023/2024 Adopted Budget	2024/2025 Adopted Budget	FY 2025/26	FY 2026/27	FY 2027/28	Total Ten Year CIP
Capital Construction							
AM23001	Old VFD Replacement (Wastewater)	\$ 340	\$ 400	\$ 600	\$ 500	\$ 500	4,840
EN13016	SCADA Enterprise System	6,800	7,400	4,500	-	-	18,700
EN17042	Digester 6 and 7 Roof Repairs	2,800	2,200	-	-	-	5,000
EN18025	RP-1 Secondary System Rehabilitation	-	500	2,000	7,000	2,000	11,500
EN19009	RP-1 Energy Recovery	1,500	1,500	-	-	-	3,000
EN20045	RP-1 TP-1 Level Sensor Replacement	-	-	500	-	-	500
EN20051	RP-1 MCB and Old Lab Building Rehab	972	979	-	-	-	1,951
EN20057	RP-4 Process Improvements Phase II	1,125	6,325	500	-	-	7,950
EN21042	RP-1 East Influent Gate Replacement	150	-	-	-	-	150
EN21053	RP-1 Old Effluent Structure Rehabilitation	1,350	750	-	-	-	2,100
EN21056	RP-1 Evaporative Cooling for Aeration Bl	760	400	-	-	-	1,160
EN22005	RO Asset Management	250	30	-	-	-	5,280
EN22025	RP-1 Dump Station	-	-	-	-	-	2,100
EN22027	RP-1 Repurpose Lab	1,237	1,137	-	-	-	2,374
EN22031	RP-1 Influent Pump Station Electrical Im	900	6,800	900	-	-	8,100
EN23000	RP-1 Device Net Replacement	1,280	2,000	500	-	-	3,700
EN23004	CCWRF Aeration Basins 1-6 Drain Valves	320	-	-	-	-	1,355
EN23024	RP-1 TP-1 Stormwater Drainage Upgrades	150	-	-	-	-	1,150
EN23036	San Bernardino Ave LS Reliability Improv	320	1,500	900	-	-	3,120
EN23074	CCWRF Influent Box Rehab at the Primary	324	-	-	-	-	324
EN24020	RP-1 Dewatering Centrate Pumps	500	250	-	-	-	750
EN24033	Annular Seals	380	-	-	-	-	1,380
EN25020	RP-1 Digester Cleaning Lagoon (DCL) Linl	-	-	-	-	-	700
EN27001	RP-1 Equilization Basin #1 Access Ramp	-	-	-	-	-	442
PL26001	Advanced Water Purification Facility	600	2,500	12,450	22,700	19,500	165,500
EN25002	SSI Aeration Disk Replacement	-	100	-	550	200	3,550
EN24010	RSS - Collection System Pipe Rehabilitation and Lining	500	1,000	1,000	-	-	6,700
EN24023	RP3 Regional Sewer Diversion Structure Rehab	200	635	-	-	-	835
EN29003	Replace Aeration Basin Influent RAS, Step feed Gates	-	-	-	-	-	4,100
EN30002	CCWRF Outfall Discharge Structure and Culvert Rehab	-	-	-	-	-	720
EN25006	CCWRF Primary Clarifier Coating	-	140	1,260	-	-	1,400
EN29004	CCWRF Secondary Clarifier Weir Covers	-	-	-	-	-	1,450
EN24025	REEP Return to Service Capital	4,000	1,800	-	-	-	5,800
EN29005	RPS O&M Building	-	-	-	-	-	48,000
EN29006	RP-1 Dewatering Silos Levelers Relocation	-	-	-	-	-	1,900
EN29007	RP-1 Operations and Maintenance Building Rehabilitation/Modern	-	-	-	-	-	16,500
EN24026	RP-2 UW Valve Installation	58	-	-	-	-	58
EN24029	RP-1 Tertiary Asset Manager Phase I	400	2,000	1,600	-	-	4,000
EN24032	RP-1 Primary Clarifier #1 and #10 Rehabilitation	500	2,241	-	-	-	2,741
EP24001	Agency Wide Major Facilities O&M Repair/Replacement	1,000	-	-	-	-	1,000
EP25001	Agency Wide Major Facilities O&M Repair/Replacement	-	1,000	1,000	1,000	1,000	9,000
FM24002	RP-1 Operations Bldg HVAC System Upgrades	210	-	-	-	-	210
FM24003	RP4 HVAC System Upgrades (various locations)	310	-	-	-	-	310
FM24004	RPS Central Plant HVAC System Upgrade	170	-	-	-	-	170
FM25001	Agency Wide Electric Fleet	-	150	150	200	200	1,950
IS28001	Operational AI and Machine Learning	-	-	-	-	-	600
EN24044	RO Project PDR's FY 23/24	250	250	250	250	250	3,750
Total Capital Construction		\$ 29,576	\$ 43,887	\$ 28,110	\$ 32,200	\$ 23,650	\$ 367,870
Capital Replacement							
EN20044	RP-1 Plant 3 Primary Cover Replacement	\$ -	\$ 200	\$ 400	\$ -	\$ -	600
EN23035	CCWRF RAS Header Replacement	180	-	-	-	-	180
EN23038	CCWRF HVAC System Upgrade	199	-	-	-	-	199
EN23111	RP1 Headworks Bar Screen System Improvem	2,790	310	-	-	-	3,100
FM23001	Heavy Equipment Replacement	670	-	-	-	-	670
IS20007	Control System Ent Historian Enhancement	150	850	-	-	-	1,000
Total Capital Replacement		\$ 3,989	\$ 1,360	\$ 400	\$ -	\$ -	\$ 5,749
Total Capital Project Costs		\$ 33,565	\$ 45,247	\$ 28,510	\$ 32,200	\$ 23,650	\$ 373,619

Project Number	Project Name	2023/2024 Adopted Budget	2024/2025 Adopted Budget	FY 2025/26	FY 2026/27	FY 2027/28	Total Ten Year CIP
Operations & Maintenance (O&M)							
EN20034	On-Call/Small Projects FY 19/20	\$ 88	\$ -	\$ -	\$ -	\$ -	88
EN22024	Asset Management Cleaning Services	-	-	500	2,000	2,000	18,500
EN23021	Agency Wide Infiltration and Inflow Study	300	-	-	-	-	300
EN23026	RO Assessment Projects	150	150	150	150	150	1,500
EN23066	Preserve Lift Station Improvements	698	200	-	-	-	898
EN23088	RO On-Call/Small Projects FY22/23	123	-	-	-	-	123
EN24019	RO Emergency O&M Projects FY 23/24	500	-	-	-	-	500
EN25019	RO Emergency O&M Projects FY 24/25	-	500	-	-	-	500
EN26019	RO Emergency O&M Projects FY 25/26	-	-	500	-	-	500
EN26025	RP2-Preliminary Design Report for Decomm	-	-	-	-	-	14,000
PA21002	Agency Wide Coatings	-	-	450	-	250	2,200
PA22003	Agency Wide Paving	300	-	-	-	-	2,300
PL21001	Flow & Loading Supplemental Study	350	100	-	-	-	450
PL23002	Preprint & Source Cntr Linko Database Upg	5	-	-	-	-	5
PL23004	Wastewater Flow and Loading Study	100	-	-	-	-	100
AM24002	REEP Return to Service Condition Assessment	500	-	-	-	-	500
AM24003	AM Planning Development and Documentation	200	200	200	200	200	2,000
AM24004	RO Asset Management TS Projects	1,000	1,000	1,000	1,000	1,000	10,000
AM24010	Agency Wide O&M Manual Update	100	1,000	1,000	2,000	-	4,100
EN30001	CCWRF Filter Inlet and Bypass Gates	-	-	-	-	-	1,150
EN25004	CCWRF Headworks Structure Concrete Repair	-	200	325	-	-	525
EN24024	CCWRF Filter Effluent Structure /Piping	50	-	-	-	-	700
EN25005	MLR Pump Station Condition Assessment and Repair	-	100	130	-	-	230
EN25007	CCWRF Primary Dewatering Wetwell Inlet Valves	-	30	230	-	-	260
EN25008	PE/RAS/MLR Concrete Structure Condition Assessment and Rep	-	100	250	-	-	390
EN25009	CCWRF Primary Scum Wetwell Inlet Valves	-	100	145	-	-	245
FM29001	Paint CCWRF Blower Air and MLR Pipes at Aeration Basins	-	-	-	-	-	500
FM24006	RP-2 Lagoon Vegetation Removal	400	-	-	-	-	400
FM25002	Agency Wide Painting Services for Bldgs.	-	150	150	150	150	1,350
PL24001	Chino Creek Surface Water Monitoring Program	160	35	90	38	-	323
PL24002	PFAS Investigation TPB Increase	250	180	50	-	-	480
PL24003	PL 24002 Planning Data Management and Billing Solutions	250	-	-	-	-	250
PL24006	PL 24007 RO Planning Documents	150	150	150	150	150	1,500
PL24007	PL 24008 Septic Conversions Investigation	80	-	-	-	-	80
EN24041	Regional Sewer-Hydraulic Modeling	40	40	40	40	40	400
EN27005	RO Emergency O&M Projects FY 23/24	-	-	-	500	500	4,750
EN24042	RO On-Call/Small Projects FY 23/24	300	500	500	500	500	6,250
EN24043	RO Safety On-Call/Small Projects FY 23/24	500	500	500	500	500	6,250
Total O&M Project Costs		\$ 6,794	\$ 5,235	\$ 6,400	\$ 7,228	\$ 5,440	\$ 84,597
TOTAL REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE FUNC		\$ 40,359	\$ 50,482	\$ 34,910	\$ 39,428	\$ 29,090	\$ 458,216

FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS REGIONAL WASTEWATER OPERATIONS FUND

**TABLE 6-8: REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE
FY 2023/24 AND FY 2024/25 PROJECT DESCRIPTIONS**

Project Number	Name	Description
Capital Construction		
AM23001	Old VFD Replacement	Project shall provide material and labor to support the replacement of VFDs that have reached the recommended 15 years of service life.
EN13016	SCADA Enterprise System	Procurement, installation, and programming of new hardware and software for the Supervisory Control and Data Acquisition (SCADA) system.
EN17042	RP-1 Digester 6 and 7 Roof Repairs	Repair of cracks to the roof of digesters 6 and 7 to stop and prevent leaking.
EN18025	RP-1 Secondary System Rehabilitations	Rehabilitate the concrete surfaces and recoat the metal components of the secondary clarifiers. Replace the above ground PVC sprayer piping and provide protection from UV rays.
EN19009	RP-1 Energy Recovery	Installation of energy recovery system for RP-1 which can use digester gas as a possible power source.
EN20045	RP-1 TP-1 Level Sensor Replacement	Replace existing bubbler level sensor system with new ultrasonic level sensors on 18 filters.
EN20051	RP-1 Main Control Building and Old Laboratory Building Rehabilitation	The condition assessment conducted concluded that the building shows signs of aging and need a rehabilitation to prevent further deterioration.
EN20057	RP-4 Process Improvements Phase II	Reconfigure influent pump station structure and update pumps and equipment; replace deteriorated gates; replace blowers and make electrical and control upgrades and improvements.
EN21042	RP-1 East Influent Gate Replacement	This project shall replace the existing gate with a new manual gate. The installation will require a bypass of the channel and the new gate does not need to be connected.
EN21053	RP-1 Old Effluent Structure Rehabilitation	Complete rehabilitation of structure and valves. Gates and stems are already severely corroded.
EN21056	RP-1 Evaporative Cooling for Aeration	Add an evaporative cooling or AC system to prevent the equipment inside the blowers building from failing due to overheating.
EN22005	Regional Operations Asset Management	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets within the Regional Wastewater O&M Systems.
EN22025	RP-1 Dump Station	Rehabilitate the headworks gate; place key fob for waste-haulers to gain entrance to headworks through the gate; place new concrete with wash station and related collection drains to the plant; and place removable, chain-link fence with through gate to plant. The project will isolate headworks and always allow entrance by waste-haulers through key fob. Camera, perimeter alarm, and other safety and security upgrades would also be made to make station usable 7-days and after 3:30 pm.
EN22027	RP-1 Repurpose Lab	Design, bid, and construction will be performed to allow the building to be used for a new use. It is anticipated this will include the relocation of source control from the Main Headquarter (HQ) to free up space and centralize this activity and provide add additional office space for Operations personnel.
EN22031	RP-1 Influent Pump Station Electrical Improvements	Replace MCC 6M and 8M with new Allen Bradley IntelCenter. Install new 18 pulse VFS for IPS pump motors.
EN23000	RP-1 DeviceNet Replacement	Evaluate the age and quality of MCC's with E3 overloads installed to determine if the MCC needs to be replaced or just the E3 overloads. Overloads that need to be replaced need to be replaced with E300 overloads. Used of the E300's need to included necessary wire modification and ethernet/IP network connectivity to the RP1 PRP network architecture. Upgrade of all DeviceNet devices and supported hardware to Ethernet/IP network protocol or possibly Modbus TCP/IP if Ethernet/IP is not possible.

Project Number	Name	Description
EN23004	CCWRF Aeration Basins 1-6 Drain Valve Replacements	Evaluating the drain sumps to verify the type of plug used to keep from potential backflow due to the drain valves not holding. Replace the existing 6" drain valves for aeration basin 1-6.
EN23024	RP-1 TP-1 Stormwater Drainage Upgrades	Repair the old discharge line and tie in a permanent pump or if unable to repair line will need to be replaced. A permanent pump and pipeline installation needs to be constructed. to minimize potential flooding and potential permit violation of spillover into the creek.
EN23036	San Bernardino Ave Lift Station Reliability Improvements	Install chopper pumps or other available technologies to alleviate ragging of the pumps; Pump Station bypass will be addressed under a separate future project; Install an access hatch(es) at the lift station wet well near the low point for maintenance and collection cleaning; Retain a consulting engineering firm for design and construction services; and pave the existing graveled area around the pumps and install a 20-ft wide apron at the entry location. This will require removing part of the existing fence. Also, the project will install a manway access to the wet well.
EN23074	CCWRF Influent Box Rehab at the Primary Clarifiers	Remove all existing coating materials from the splash zone and vapor space areas of concrete and remove all degraded concrete material in the splash zone. Restore all areas to the original nominal thickness using a structural repair mortar with an anti-corrosion bonding agent. Apply an acid/abrasion-resistant protective coating all concrete surfaces. Provide temporary pump by passing to perform the rehabilitation work. The existing aluminum gates will be replaced with 304 stainless steel gates.
EN24020	RP-1 Dewatering Centrate Pumps	Remove existing ESSCO pumps due to poor reliability and low performance. Install newer and more reliable pumps. Remove and replace existing railing system to accommodate new pumps.
EN24033	Annular Seals	Verification of each annular seal to determine replacement.
EN25020	RP-1 Digester Cleaning Lagoon (DCL) Lining	Place a liner material at the base and sidewalls of the DCL to prevent groundwater intrusion when the DCL is used to decant solids. The lining should be constructed to support heavy equipment entry into the basin. Equipment is used to remove solids from the basin, as necessary.
EN27001	RP-1 Equalization Basin Access Ramp	Design and construct an access ramp for lagoon access.
PL26001	Advanced Water Purification Facility	Design and install a new Advance Purification Facility to provide the effluent water quality necessary to meet permit limits.
EN25002	SSI Aeration Disk Replacement	Replace the aeration diffuser disks and manufacturer certification of the new diffusers.
EN24010	Regional Sewer System (RSS) Collection System Pipe Rehabilitation and Lining	Identify the most vulnerable sections of pipe in the collection system and yearly line each section until the entire collection system has been relined.
EN24023	RP-3 Regional Sewer Diversion Structure Rehab	Procurement of new gate valves, composite manhole rings and covers, removal of existing lining, sandblasting of concrete structure, repair of any structural damage, and new liner installation.
EN29003	Replace Aeration Basin Influent / RAS, Step feed Gates	Inspection of all Aeration Basin Influent gates and RAS gates and replace all gates that show signs of corrosion with gates constructed of a more durable material such as stainless steel.
EN30002	CCWRF Outfall Discharge Structure and Culvert Rehab	Repair and/or coat the outfall structure and effluent culvert concrete wall and floor to prevent any further deterioration.
EN25006	CCWRF Primary Clarifier Coating	Restore the concrete surface of both primary clarifiers to the original thickness, apply a protective coating system, replace or perform complete coating rehabilitation on all corroded metallic components within the clarifiers as well as on any corroded valves and outlet bodies on the walkway conduits.
EN29004	CCWRF Secondary Clarifier Weir Covers	Install secondary weir covers to block the sunlight and prevent algae growth.
EN24025	Renewable Energy Efficiency Project (REEP) Return to Service Capital	Capital purchase of auxiliary equipment and control upgrades to match current SCADA requirements and engineering guidelines.
EN29005	RP-5 O&M Building	New O&M building facility with workspace and office space to house assigned personnel in the Operations and Maintenance units. Shop area for equipment. Office space for showers, locker rooms, bathrooms and break rooms, and a parking space for fleet vehicles.

FY 2023/24 AND FY 2024/25

BUDGETED PROJECTS

REGIONAL WASTEWATER OPERATIONS FUND

Project Number	Name	Description
EN29006	RP-1 Dewatering Silos Levelers Relocation	Modification to the RP-1 Dewatering Silos levelers to lower the leveling screws to be able to spread the biosolids evenly throughout the silos and add an extra 30,000-40,000 lbs. of biosolids in each silo.
EN29007	RP-1 Operations and Maintenance Building Rehabilitation/Mode	Remodel/Upgrade 40-year-old worn out facility to a more modern design and features similar to HQ.
EN24026	RP-2 Utility Water Valve Installation	Installation of 2 valves in the facility and one butterfly valve.
EN24029	RP-1 Tertiary Asset Manager Phase I	Replacement of all 26 20-inch filter effluent valves, Replacement of the custom 16"x20" #4 Influent Tee. Rehabilitation of SBS Pump and modifications to the Sedimentation Basin Sludge Pump.
EN24032	RP-1 Primary Clarifier #1 and #10 Rehabilitation	Contractor to perform root-cause analysis and provide best fixes of the scum collection system and the influent channel flow distribution. Provide engineering report of contractor's findings and recommendations. And assess the current primary clarifier influent channel distribution.
EP24001	Agency Wide Major Facilities O&M Repair/Replacement	Replacement of aging infrastructure, safety enhancements to plant equipment and facilities and the purchase of critical spare equipment.
EP25001	Agency Wide Major Facilities O&M Repair/Replacement	Replacement of aging infrastructure, safety enhancements to plant equipment and facilities and the purchase of critical spare equipment.
FM24002	RP-1 Operations Bldg. HVAC System Upgrades	HVAC control system needs to be updated to Distech N4 Eclipse and replace chiller with new chiller.
FM24003	RP-4 HVAC System Upgrades (various locations)	Replace blower building HVAC unit with two ductless a/c systems, replace all HVAC units suing R-22 and/or over 10 years old, and PCCS wall mount a/c units need to be replaced with units installed on the ground and ducting installed to the existing building penetrations.
FM24004	RP-5 Central Plant HVAC System Upgrade	Replace the plant control system with Distech N4 Eclipse system software and hardware and installation of 40 ft. shipping container.
FM25001	Agency Wide Electric Fleet	Purchase of new vehicles to replace aging fleet vehicles with electric.
IS28001	Operational AI and Machine Learning	Research and pilot AI and machine learning systems and determine suitability and feasibility in Agency treatment application. The project will identify the best technology and possible return on investment form its application.
EN24044	Regional Operations Project PDR's FY 2023/24	Create preliminary design reports (PDR) for new project requests from Operations and Maintenance.
Capital Replacement		
EN20044	RP-1 Plant 3 Primary Cover Replacement	Design new services of primary clarifier covers which can be secured so they do not fly away in the wind but are user friendly to operations staff who must have the ability to open and move covers as needed for inspection and housekeeping.
EN23035	CCWRF RAS Header Replacement	Replace 3 16" connections points to the RAS main header, coming from the secondary clarifiers, along with approximately 22 ft of 36" coated steel pipe. There is a potential need for a bypass system since there is not one currently at CCWRF.
EN23038	CCWRF HVAC System Upgrade	Replace the Operations building chilled water air handlers, boilers, zoning, and controls.
EN23111	RP-1 Headworks Bar Screen System Improvement	Complete a 30% design for new influent bar screens with approximate spacing at RP-1 followed by a Design-Build to be advertised for design and construction services.
FM23001	Heavy Equipment Replacement	Purchase of replacement heavy equipment vehicle types to get ahead of the California Air Resources Board (CARB) requirements by 2024.
IS20007	Control System Enterprise Historian Enhancement	Predictive insights (PI) system access, manual data collection by Operations staff, and Universal Font Library (UFL) connector to import Foxboro historical data.
Operations and Maintenance		

Project Number	Name	Description
EN20034	Regional Operations On-Call/Small Projects FY 2019/20 Solids Handling Facility	Operations and Management on-call support for Engineering and Construction departments to maintain compliant and efficient operations.
EN22024	RP-1 Digester Cleaning Service Contract	Digesters to be cleaned periodically to avoid the build-up of solids in the tank that affect the dewatering process when proper cleaning/management of the solids is not performed.
EN23021	Agency Wide Infiltration and Inflow Study	Pipeline Analysis which is an engineering firm specializing in wastewater collection systems which will conduct field tests and monitoring.
EN23026	Regional Operations Assessment Projects (Facilities/Collections)	Structural and corrosion assessment of aging assets in order to develop a risk mitigation strategy.
EN23066	Preserve Lift Station Improvements	Installation of new pump to increase capacity and redundancy reliability.
EN23088	Regional Operations On-Call/Small Projects FY 2022/23	Operations and Maintenance (O&M) on-call support for Engineering and Construction departments to maintain compliant and efficient operations.
EN24019	Regional Operations Emergency O&M Projects FY 2023/24	Operations and Maintenance (O&M) emergency repairs to treatment facilities and collection system.
EN25019	Regional Operations Emergency O&M Projects FY 2024/25	Operations and Maintenance (O&M) emergency repairs to treatment facilities and collection system.
EN26019	Regional Operations Emergency O&M Projects FY 2025/26	Operations and Maintenance (O&M) emergency repairs to treatment facilities and collection system.
EN26025	RP-2 Preliminary Design Report for Decommissioning	To decommission the RP-2 plant to relocate to RP-5 without disrupting operations to the two facilities currently supplying solids to RP-2 Plant.
PA21002	Agency Wide Coating	Agency wide annual maintenance for process piping coatings.
PA22003	Agency Wide Paving	Repairing or replacing pavement, asphalt concrete, and hardscapes throughout the Agency.
PL21001	Flow & Loading Supplemental Study	Effluent flow and loading study to supplement existing data.
PL23002	Pre-Treatment and Source Control Linko Database Upgrade	Upgrade current pretreatment and source control database to allow for electronic reporting from the industries that IEUA manages.
PL23004	Wastewater Flow & Loading Study	Identify current wastewater flow and loading to IEUA Regional Water Recycling Plants through direct flow monitoring and sampling at several regional sewage interceptors' locations, and to forecast future wastewater flows and loading based on service area growth projections, and water conservation efforts.
AM24002	Renewable Energy Efficiency Project (REEP) Return to Service Condition Assessment	Assessment for Renewable Energy Efficiency Project (REEP) restart and capital purchase of auxiliary equipment and control upgrades to match current SCADA requirements and engineering guidelines.
AM24003	Asset Management Planning Development and Documentation	Consultant support in program and documentation development such as Condition Assessment Master Plan (CAMP), Strategic Asset Management Plan (SAMP), and Phase 2 of RP-4 Pilot Project.
AM24004	Regional Operations Asset Management TS Projects	Project to create an accounting mechanism to collect IEUA Asset Management staff's time being spent on Technical Support (TS) within Regional Wastewater Operations fund.
AM24010	Agency Wide O&M Manual Update	Consultant services to create an up-to-date O&M Manual for the RP-1, RP-4, and other wastewater treatment plants to meet NPDES permit requirements.
EN30001	CCWRF Filter Inlet and Bypass Gates	Evaluate the 60-inch gates and repair or replace as needed
EN25004	CCWRF Headworks Structure Concrete Repair	Removal and replacement of the headworks structure concrete. The project would eliminate potential safety issues.
EN24024	CCWRF Subsidence Monitoring	Obtain core samples at various locations to determine the quality and density of soils and leave monitoring equipment in place to calculate subsidence. Survey will be conducted over two years to determine subsidence.
EN25005	Mixed Liquor Return (MLR) Pump Station Condition Assessment and Repair	Asset Management to conduct a condition assessment of the structure and make necessary repairs to the pedestal structure.
EN25007	CCWRF Primary Dewatering Wet Well Inlet Valves	Evaluate the drain valves and replace as needed to increase efficiency.
EN25008	PE/RAS/MLR Concrete Structure Condition Assessment and Re	Asset Management to conduct a condition assessment of the structure and repair the concrete and equipment as needed.
EN25009	CCWRF Primary Scum Wet Well Inlet Valves	Replace inlet valves for both Scum Wet wells as needed.

FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS REGIONAL WASTEWATER OPERATIONS FUND

Project Number	Name	Description
FM29001	Paint CCWRF Blower Air and Mixed Liquor Return (MLR) Pipes at Aeration Basins	Clean the exterior of pipes located at the top of aeration basins and coat with appropriate paint.
FM24006	RP-2 Lagoon Vegetation Removal	Contractor activity to remove vegetation and haul away debris. It would involve the use of a crane, bucket and roll off dumpsters.
FM25002	Agency Wide Painting Services for Bldgs.	Painting services to improve the aesthetics of the Regional Plants throughout the Agency and ensure the buildings and structures for each facility is properly maintained.
PL24001	Chino Creek Surface Water Monitoring Program	Collaborate with Chino Basin Watermaster and Santa Ana Regional Water Quality Control Board and develop a surface water monitoring plan and a Quality Assurance Plan (QAP) for the Chino Creek. The surface water quality samples and flow measurements collected will be evaluated in support of the 303(d)-delisting process.
PL24002	PFAS Investigation	Identify the primary sources of PFAS in the Agency's water recycling facilities, implement a sewer shed scale analysis of PFAS compounds in stormwater, local runoff, wastewater from domestic, commercial, and industrial sewerage system users, and to determine the fate of PFAS compounds during the wastewater treatment processes.
PL24003	Planning Data Management and Billing Solutions	Provide an off the shelf utility billing solution that will integrate the agencies water connection, recycled water, and sewer connection billing system.
PL24006	Regional Operations Planning Documents	Develop individual report scopes will be developed to solicit proposals for document development. IEUA staff will manage the consultants to complete the needed planning documents.
PL24007	Septic Conversions Investigation	Identify opportunities for conversions of septic users in the service area for local sewer systems. And update feasibility study to include revised GIS maps and cost evaluations of impacts to the residential neighborhoods and local/regional agencies.
EN24041	Regional Sewer-Hydraulic Modeling	Annual hydraulic modeling needs.
EN27005	Regional Operations Emergency O&M Projects FY 2023/24	Operations and Maintenance emergency repairs to treatment facilities and collection system.
EN24042	Regional Operations On-Call/Small Projects FY 2023/24	Operations and Maintenance on-call support for Engineering and Construction departments to maintain compliant and efficient operations.
EN24043	Regional Operations Safety On-Call/Small Projects FY 2023/24	Maintaining and repairing Agency facilities to ensure a safe working environment.

FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND

Table 6-9 shows the Capital and O&M projects budgeted in the Regional Wastewater Capital Improvement fund, followed by Table 6-10 which provides a description of each of the projects to be executed in FY 2023/24 and FY 2024/25.

**TABLE 6-9: REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND
FY 2023/24 – FY 2032/33 PROJECTS (\$THOUSANDS)**

Project Number	Project Name	2023/2024 Adopted Budget	2024/2025 Adopted Budget	FY 2025/26	FY 2026/27	FY 2027/28	Total Ten Year CIP
Capital Construction							
EN17008	CCWRF Asset Management and Improvements	\$ 8,775	\$ 12,975	\$ 3,000	\$ -	\$ -	\$ 24,750
EN18008	RP-1 Flare Improvements	118	-	-	-	-	118
EN19001	RP-5 Expansion to 30 mgd	46,573	33,136	7,000	-	-	86,709
EN19008	RP-5 Biosolids Facility	29,027	18,842	2,000	-	-	49,869
EN19025	Regional Force Main Improvements	685	15	-	-	-	700
EN21045	Montclair Force Main Improvements	1,800	3,800	2,000	-	-	7,600
EN22006	RC Asset Management	250	2,400	8,000	8,000	8,000	66,650
EN22022	RP-1 Air Compressor Upgrades	1,440	2,860	660	-	-	4,960
EN22039	RP-4 SCADA Performance Improvement	250	750	-	-	-	1,000
EN22041	RP-1 Aeration Basins UW System Improvements	500	-	-	-	-	500
EN22044	RP-1 Thickening Building & Acid Phase Digester	15,000	45,000	65,000	26,500	500	152,000
EN23005	CCWRF Filter Effluent Sodium Hypochlorit	55	-	-	-	-	55
EN23025	Agency Power Monitoring	30	500	-	-	-	530
EN24001	RP-1 Liquid Treatment Capacity Recovery	-	-	-	-	-	54,000
EN24002	RP-1 Solids Treatment Expansion	900	4,100	4,000	4,000	4,000	21,000
EN24022	IEUA SCADA Master Plan	-	750	-	-	-	750
PL17002	HQ Solar Photovoltaic Power Plants Ph. 2	-	-	-	300	1,100	1,400
PL19001	Purchase Existing Solar Installation	-	-	-	3,500	-	3,500
EN25010	RP-1 Plant Air Expansion Tank Replacement	-	100	-	-	-	100
EN28002	RP-1 Centrate Treatment	-	-	-	-	1,800	8,200
EN24027	Fall Protection and Prevention Solutions at Specified Wastewater	300	1,000	1,000	1,000	1,000	9,600
EN24028	RP-1 Utility Water Piping Asset Management Phase I	213	335	984	984	-	2,516
EN24030	Headquarter B Additional Office Space	260	-	-	-	-	260
EN24031	RP-4 Manhole Surge Charge Remediation	200	600	-	-	-	800
IS24001	OT Infrastructure Asset New	100	600	-	-	-	700
EN24046	New Regional Project PDR's FY23/24	500	500	500	500	500	5,000
Total Capital Construction		\$ 106,974	\$ 128,263	\$ 94,134	\$ 44,784	\$ 16,700	\$ 503,255
Capital Replacement							
EN11039	RP-1 Disinfection Pump Improvements	\$ 4,120	\$ 458	\$ -	\$ -	\$ -	\$ 4,578
EN23015	Collection System Upgrades FY 22/23	500	500	500	500	500	5,000
IS22006	SCADA Network Infrastructure Replacement	300	300	324	350	378	4,046
EN24045	Collection System Upgrades FY 23/24	500	500	500	500	500	5,000
Total Capital Replacement		\$ 5,420	\$ 1,758	\$ 1,324	\$ 1,350	\$ 1,378	\$ 18,624
Total Capital Project Costs		\$ 112,394	\$ 130,021	\$ 95,458	\$ 46,134	\$ 18,078	\$ 521,879
Reimbursable Project							
EN19001	RP-5 Expansion to 30 mgd	\$ 60	\$ -	\$ -	\$ -	\$ -	\$ 60
EN19008	RP-5 Biosolids Facility	60	-	-	-	-	60
AM24009	RC Asset Management TS Projects	16	16	16	16	16	160
Total Reimbursable Project		\$ 136	\$ 16	\$ 16	\$ 16	\$ 16	\$ 280
TOTAL REGIONAL WASTEWATER CAPITAL FUND		\$ 112,530	\$ 130,037	\$ 95,474	\$ 46,150	\$ 18,094	\$ 522,159

FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND

**TABLE 6-10: REGIONAL WASTEWATER CAPITAL IMPROVEMENT
FY 2023/24 AND FY 2024/25 PROJECT DESCRIPTIONS**

Project Number	Name	Description
Capital Construction		
EN17006	Carbon Canyon Water Reclamation Facility (CCWRF) Assets Management and Improvements	Upgrade and replacement of odor control equipment that reached the end of their life at Carbon Canyon Wastewater Reclamation Facility (CCWRF).
EN18006	RP-1 Flare Improvements	Replace gas system and flares to meet air quality requirements set by the South Coast Air Quality Management District (SCAQMD).
EN19001	RP-5 Liquids Expansion	Expansion of existing Regional Plant No. 5 (RP-5) liquid treatment capacity from 15 to 30 million gallon per day (MGD) to meet the future flow projections and allow for flexibility when transferring sewage flows to and from adjacent treatment plants.
EN19006	RP-5 Solids Treatment Facility	Construction of new solids handling facility at RP-5 to then decommission the RP-2 solids facility.
EN19025	Regional Force Main Improvements	Installation of the clean outs for Montclair and San Bernardino Lift Stations and increasing the useful life of the pipelines.
EN21045	Montclair Force Main Improvements	Design and construction of new pipeline to increase the reliability and efficiency of the Montclair Force Main.
EN22006	Regional Capital Asset Management	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets within the Regional Wastewater Capital systems.
EN22022	RP-1 Air Compressor Upgrades	Design and construct a new centralized/consolidated air compressor and piping to replace the existing air compressors to provide flexibility and redundancy to the plant.
EN22039	RP-4 Supervisory Control and Data Acquisition (SCADA) Improvements	New control panel to be installed in server room, provide 2 new sets of redundant controllers to be installed in new control panel, existing Secondary redundant controller remains, tertiary redundant controller will be repurposed as the second Secondary redundant controller
EN22041	RP-1 Aeration Basins Utility Water (UW) System Improvements	The project shall replace the existing PVC utility water loop with stainless steel piping for service life longevity (consistent with other facilities at RP-4, RP-5). New water supply connections and hose bibs shall be added at strategic locations of the aeration basins to provide convenient water supply for cleaning and housekeeping purposes.
EN22044	RP-1 Thickening Building & Acid Phase Digester	The RP-1 Gravity Thickener does not have sufficient capacity to treat the raw solids produced at RP-1. In addition, the gravity thickening process is no longer effective at treating RP-1 primary solids as it contains WAS from RP-4.
EN23005	CCWRF Filter Effluent Sodium Hypochlorite Modification	Modification of the CCWRF sodium hypochlorite feed line to the tertiary filters for algae control in the filter effluent and optimize bleach usage to the filters.
EN23025	Agency Power Monitor (PM)	Purchase and install new power monitoring system on all renewable energy installation at Agency major facilities. Program new PM into existing SCADA system for each site to be use for monitoring and reporting.
EN24001	RP-1 Liquid Treatment Capacity Recovery	Evaluation of treatment options and provide design to upgrade treatment plant to 40 million gallon per day.
EN24002	RP-1 Solids Treatment Expansion	Expansion of treatment plant to match capacity of liquids treatment expansion.
EN24022	IEUA SCADA Master Plan	Recurring updates to PlantPax based on when updates are made available by Rockwell. This will allow other projects in construction to add to SCADA or make SCADA changes based on the current PlantPax version and make the SCADA system reliable and efficient to use for Operations.
PL17002	HQ Solar Photovoltaic Power Plants Phase 2	The Agency is requesting vendors propose alternate photovoltaic products, design, and mounting methodologies to install solar power at the Headquarters roof top and parking lot (car port).
PL19001	Purchase Existing Solar Installation	Evaluation of the economics of procuring the existing solar equipment at each IEUA facility to avoid electricity expenses for the energy generated from the panels moving forward.

Project Number	Name	Description
EN25010	RP-1 Plant Air Expansion Tank Replacement	Replace existing air expansion tanks that are near the end of their useful life and recondition any that are in good condition to extend their life of use,
EN28002	RP-1 Centrate Treatment	Design and construction of a brand new centrate treatment and equipment. By building and operating our own centrate treatment system, the agency will keep approximately 460 Acre Feet (AF) per year of recycled water in the service area and will reduce loading to Philadelphia Lift Station.
EN24027	Fall Protection and Prevention Solutions at Specified Wastewater	Evaluate various locations, configurations, and buildings for fall protection systems, tie-off points, tie-off equipment, and restraint systems to meet CAL/OSHA Regulatory Standards.
EN24028	RP-1 Utility Water Piping Asset Management Phase I	The project will replace all utility water piping in the digester area that have reached the end of life. New potable water pipelines will be built, and isolation valves will be added to increase productivity and efficiency.
EN24030	Headquarter B Additional Office Space	Convert the existing plan storage room to an office space with 7 cubicles. Install a new skyline at the ceiling and remove existing wall to install a new double door.
EN24031	RP-4 Manhole Surge Remediation	Engineering design consultant to provide design plans and specifications to eliminate the manhole surcharging and rehabilitate surcharge manholes located outside RP-4.
IS24001	Operation Technology (OT) Infrastructure Assets - New	Extend Wi-Fi coverage into process areas at treatment and operations facilities. Equipment purchase will include network infrastructure, switches, access points, and wireless controllers.
EN24046	New Regional Project PDR's FY 23/24	Create Preliminary Design Report (PDR) for new project request from Operations and Maintenance.
Capital Replacement		
EN11039	RP-1 Disinfection Pump Improvements	Replace bleach pumps and underground piping which is prone to failure and provide a chemical containment system within the pump area. It will also update SCADA for power loss.
EN23015	Collection System Upgrades FY 2022/23	Repairs to the manholes and lines. Once identified, the Engineering department will respond by creating projects, designing necessary repairs, and constructing.
IS22006	SCADA Network Infrastructure Replacement	Servers must be replaced every five years and network switches every 8 years to maintain performance and reliability.
EN24045	Collection System Upgrades FY 2023/24	Repairs to the manholes and lines. Once identified, the Engineering department will respond by creating projects, designing necessary repairs, and constructing.
Operations and Maintenance – Reimbursable Projects		
EN9001	RP-5 Liquids Expansion	Expansion of existing Regional Plant No. 5 (RP-5) liquid treatment capacity from 15 to 30 million gallon per day (MGD) to meet the future flow projections and allow for flexibility when transferring sewage flows to and from adjacent treatment plants.
EN19006	RP-5 Solids Treatment Facility	Construction of new solids handling facility at RP-5 to then decommission the RP-2 solids facility.
AM24009	Regional Capital Asset Management TS Projects	Project to create an accounting mechanism to collect IEUA Asset Management staff's time being spent on Technical Support (TS) within Regional Wastewater Capital fund.

FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS RECYCLED WATER FUND

Table 6-11 lists the Capital and O&M projects budgeted in the Recycled Water fund, followed by Table 6-12 which provides a description of each of the projects to be executed in FY 2023/24 and FY 2024/25.

**TABLE 6-11: RECYCLED WATER FUND FY 2023/24 – FY 2032/33 PROJECTS
(\$THOUSANDS)**

Project Number	Project Name	2023/2024 Adopted Budget	2024/2025 Adopted Budget	FY 2025/26	FY 2026/27	FY 2027/28	Total Ten Year CIP
Capital Construction							
AM23002	Old VFD Replacement (Recycled Water)	\$ 340	\$ 400	\$ 600	\$ 500	\$ 500	\$ 4,840
EN15002	1158 Reservoir Site Cleanup	200	500	-	-	-	700
EN18065	RW Connections to JCSD	500	1,500	1,000	9,250	16,000	42,950
EN22009	WC Asset Management Project	50	50	50	50	50	44,750
EN23037	Etiwanda Interceptor Grade Break RW	2,835	1,315	-	-	-	4,150
EN23041	Ely Monitoring Well Capital Project	71	-	-	-	-	71
EN23087	Hickory Basin Replacement Monitoring Wel	525	-	-	-	-	525
EN23121	1299 Reservoir Paint/Coating Repairs and Upgrades	1,701	190	-	-	-	1,891
EN23123	RP-4 Outfall Valve Replacement and Blow	1,450	800	-	-	-	2,250
EN23124	1630 East Pump Station VFD Installation	400	-	-	-	-	400
EN24005	1630 West Reservoir Paint/Coating Repair	-	-	-	-	50	1,550
EN24006	930 Reservoir Paint/Coating Repairs and Upgrades	-	-	-	-	50	2,050
WR23001	Replenishment Facilities	2,500	3,500	6,750	10,500	12,500	91,000
WR23002	RW Interconnection to the City of Rialto	700	7,000	7,000	11,500	11,500	59,200
EN24007	1299 RW PS Rehab	700	1,000	4,750	2,400	-	8,850
EN24008	930 RW Pipeline Blow Off Upgrade	200	1,000	100	-	-	1,300
EN25003	Install 2 RW Isolation Valves at Edison	-	60	365	-	-	415
EN24039	New Recycled Water Project PDR's FY 23/24	100	100	100	100	100	1,000
WR24002	6 TAFY AWWP	500	1,600	7,950	14,950	13,000	110,000
Total Capital Construction		\$ 12,772	\$ 19,065	\$ 28,665	\$ 49,250	\$ 53,750	\$ 377,892
Capital Replacement							
EN21041	RP-4 Chlorine Contact Basin Cover Repair	\$ 2,250	\$ 2,750	\$ -	\$ -	\$ -	\$ 5,000
EN23119	RW SCADA Migration	800	2,000	1,800	-	-	4,400
Total Capital Replacement		\$ 2,850	\$ 4,750	\$ 1,800	\$ -	\$ -	\$ 9,400
Total Capital Project Costs		\$ 15,622	\$ 23,755	\$ 30,465	\$ 49,250	\$ 53,750	\$ 387,292
Operations & Maintenance (O&M)							
EN18021	Prado Basin AMP Annual Monitoring	\$ 105	\$ 115	\$ 117	\$ 120	\$ 123	\$ 846
EN19030	WC Asset Management	100	100	100	100	100	910
EN20031	Recycled Water Program Strategy 2020	200	50	-	-	-	250
EN21051	Ely Monitoring Well	10	-	-	-	-	10
EN22028	Philly RW Gravity Line Abandonment	-	250	-	-	-	250
EN22055	WC On-Call/Small Projects FY 21/22	6	-	-	-	-	6
EN23090	WC On-Call/Small Projects FY 22/23	250	-	-	-	-	250
EN24017	WC Emergency O&M Projects FY 23/24	250	-	-	-	-	250
EN25017	WC Emergency O&M Projects FY 24/25	-	250	-	-	-	250
EN25031	Recycled Water Program Strategy 2025	-	250	-	-	-	250
EN26017	WC Emergency O&M Projects FY 25/26	-	-	250	-	-	250
PL18002	Basin Plan Amendment	144	-	-	-	-	144
WR16001	Water Softener Removal Rebate Program	100	75	75	75	50	475
WR20029	Upper SAR HCP & Int Model-Recycled Water Benefit	108	-	-	-	-	108
WR21029	Implement. of Upper SAR HCP - Recy Water	250	250	250	250	250	2,250
AM24008	WC (RW) Asset Management TS Projects	32	32	32	32	32	320
PL24005	WC Planning Documents	250	250	250	250	250	2,500
EN24040	WC Hydraulic Modeling FY 23/24	40	40	40	40	40	400
EN27003	WC Emergency O&M Projects FY 23/24	-	-	-	250	250	1,750
EN27004	WC On-Call/Small Projects FY 23/24	-	250	250	250	250	2,250
Total O&M Project Costs		\$ 1,845	\$ 1,912	\$ 1,364	\$ 1,367	\$ 1,345	\$ 13,719
TOTAL RECYCLED WATER FUND		\$ 17,467	\$ 25,667	\$ 31,829	\$ 50,617	\$ 55,095	\$ 401,011

TABLE 6-12: RECYCLED WATER FY 2023/24 AND FY 2024/25 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
AM23002	Old Variable Frequency Drive (VFD) Replacement (Recycled Water)	Project to provide material and labor to support the replacement of VFDs that have reached 15 years of service life.
EN15002	1158 Reservoir Site Cleanup Project	Removal of old piping associated with the oil tanks at 1158 Reservoir, which involves cutting and capping the lines, and draining and removing oil from the site to prevent any future leaks.
EN16065	Recycled Water Connections to JCSD	Recycled Water connections for Jurupa Community Services District (JCSD).
EN22009	Recycled Water Asset Management Project	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets within the Recycled Water Systems.
EN23037	Etiwanda Interceptor Grade Break Recycled Water Relocation	Removal of the existing 36-inch and installation of a new 4,800 linear feet of 42-inch recycled water line.
EN23041	Ely Monitoring Well Capital Project	This project intends to abandon the existing non-functional well in place and install a new 300 ft depth well with sampling pump, strainers, and controller. Access to the site will be through a chain-link fence with a new double drive gate to facilitate access for operation and maintenance.
EN23067	Hickory Basin Replacement Monitoring Well	The NRG closure has impacted the Recycled Water Groundwater Recharge (GWR) program by removing a monitoring well from use (the Reliant East Well). IEUA will need to replace that monitoring well with a new well for compliance.
EN23121	1299 Reservoir Paint/Coating Repairs and Upgrades	The project will consist of minor touch-up of delaminating, blistering, corroding or other defective coating and painting on interior and exterior surfaces by Power Tool Cleaning to Near White Metal (SSPC-SP11) or other surface preparation.
EN23123	RP-4 Outfall Valve Replacement and Blow	This project would include Installation of four new 42" butterfly isolation valves, removal of broken 42" butterfly valve on airport and replaced with spool, and upgrading 19 existing blow offs to above grade with wharf hydrants.
EN23124	1630 East Pump Station Variable Frequency Drive (VFD) Installation	Installation of a VFD for the 200 Horse-Power pump and develop and implement new programming to incorporate the new VFD motor.
EN24005	1630 West Reservoir Paint/Coating Repair	The project will consist of minor touch-up of delaminating, blistering, corroding or other defective coating and painting on interior and exterior surfaces by Power Tool Cleaning to Near White Metal (SSPC-SP11) or other surface preparation.
EN24006	930 Reservoir Paint/Coating Repairs and Upgrades	The project will consist of minor touch-up of delaminating, blistering, corroding or other defective coating and painting on interior and exterior surfaces by Power Tool Cleaning to Near White Metal (SSPC-SP11) or other surface preparation.
WR23001	Replenishment Facilities	Design and construction of approximately 8 miles of purified water pipelines from the Advanced Water Purification Facility at RP-4, 16 injection wells, and 4 monitoring wells.
WR23002	Recycled Water Interconnection to the City of Rialto	Design and construction of 11 miles of 24-inch pipeline, a pump station at Rialto's treatment plant, and connection to the IEUA recycled water system in the 1158 pressure zone.
EN24007	1299 Recycled Water Pump Station Rehabilitation	Procurement of new butterfly valves, and impellers. Replace isolation valves first, then send out tow pump/motor at a time for rehab, replacement impeller/motor and VFD's
EN24008	930 Recycled Water Pipeline Blow Off Upgrade	This project would include extending existing blow off lateral behind curb/sidewalk, bring blow off above grade with Wharf style hydrant, and provide 2ft x 2ft concrete pad and two protective bollards.
EN25003	Install 2 Recycled Water Isolation Valves Edison Ave.	Installation of two new 30" isolation valves on the Edison Avenue pipeline.
EN24039	New Recycled Water Project Preliminary Design Report (PDR) FY 2023/24	Create preliminary design reports for new project requests from Operations and Maintenance.
WR24002	6 Thousand Acre Feet per Year (TAFY) Advanced Water Purification Facility (AWPF)	Design and construction of an additional 6,000 acre-feet treatment capacity for the Advanced Water Purification Facility (AWPF) located at RP-4 and additional pumps for the AWPF pump station.

FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS RECYCLED WATER FUND

Project Number	Name	Description
Capital Replacement		
EN21041	RP-4 Chlorine Contact Basin Cover Repair	Replace the concrete covers to provide a safer means to access the top area of the basins while providing a covered system to the chlorinated treatment process.
EN23119	Recycled Water SCADA Migration	Migrate the Recycled Water SCADA application to plant Pax5.0 and upgrade necessary control hardware to support plant Pax5.0.
Operations and Maintenance		
EN18021	Prado Basin AMP Annual Monitoring	Cost Share effort with Chino Basin Watermaster, reporting of habitat health of lower Prado dam area.
EN19030	Recycled Water Asset Management	Staffing and consultants to forecast, budget, and replace and/or repair critical assets for recycled water fund projects.
EN20031	Recycled Water Program Strategy 2020	The Agency will provide the demands from its various sources that are updated and forecasted in the future. The Recycled Water model will be for variable scenarios and the results and model will be available for utilization.
EN21051	Ely Monitoring Well	Field monitoring from engineering firm specializing in geotechnical, subsidence and groundwater remodeling. The results will help identify critical impacts and develop a mitigation action plan.
EN22028	Philadelphia Recycled Water Gravity Line Abandonment	Remove the manhole structure and pipeline within the recharge basin and basin levee and seal the gravity pipeline at the manhole located outside the levee and remove the manhole structure.
EN22055	Recycled Water On Call/Small Projects FY 2021/22	Non-emergency repairs necessary for the recycled water system to maintain compliance and efficiency in operations.
EN23090	Recycled Water On Call/Small Projects FY 2022/23	Non-emergency repairs necessary for the recycled water system to maintain compliance and efficiency in operations.
EN24017	Recycled Water Emergency O&M Projects FY 2023/24	Supporting Engineering and Construction Management to fund emergency repairs to the recycled water system.
EN25017	Recycled Water Emergency O&M Projects FY 2024/25	Supporting Engineering and Construction Management to fund emergency repairs to the recycled water system.
EN25031	Recycled Water Program Strategy 2025	Planning document necessary to develop a program to maximize groundwater recharge.
EN26017	Recycled Water Emergency O&M Projects FY 2025/26	Supporting Engineering and Construction Management to fund emergency repairs to the recycled water system.
PL18002	Basin Plan Amendment	To amend the basic plan to reflect a more representative long-term averaging period for Total Dissolved Solids (TDS) and potentially other constituents in IEUA's permit.
WR16001	Water Softener Removal Rebate Program	The water softener removal program incentivizes residents to remove and dispose existing self-regenerating water softeners, removing tons of salt from the recycled water supply, and improving water quality in Chino Basin.
WR20029	Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) & Integrated Model Recycled Water Benefits	Project to identify conservation measures to support future water and recycled water projects as well as modelling surface flow and groundwater models along the Santa Ana River (SAR).
WR21029	Implementation of Upper Santa Ana River Habitat Conservation Plan	Implementation of the Santa Ana River Habitat Conservation Plan (HCP) will support existing groundwater recharge basin maintenance and Optimum Basin Management Plan implementation, increase recycled water use by minimizing discharges, and diverting dry weather flows to regional water recycling plants and increase water supplies.
AM24008	Recycled Water Asset Management Technical Support Projects	Project to create an accounting mechanism to collect IEUA Asset Management staff's time being spent on Technical Support within Recycled Water fund.
PL24005	Recycled Water Planning Documents	Develop individual report scopes will be developed to solicit proposals for document development. IEUA staff will manage the consultants to complete the needed planning documents.
EN24040	Recycled Water Hydraulic Modeling FY 2023/24	Hydraulic Modeling will allow hydraulic analyses of existing and future demands of existing and future facilities. The resulting information will be used for planning of required capital projects.
EN27003	Recycled Water Emergency O&M Projects FY 2023/24	Supporting Engineering and Construction Management to fund emergency repairs to the recycled water system.

Project Number	Name	Description
EN27004	Recycled Water On-Call/Small Projects FY 2023/24	Non-emergency repairs necessary for the recycled water system to maintain compliance and efficiency in operations.

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FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS WATER RESOURCES FUND

Table 6-13 is a list of O&M projects budgeted in the Water Resources fund, followed by Table 6-14 which provides a description of each of the projects that will be executed in FY 2023/24 and FY 2024/25.

**TABLE 6-13: WATER RESOURCES FUND FY 2023/24 – FY 2032/33 PROJECTS
(\$THOUSANDS)**

Project Number	Project Name	2023/2024 Adopted Budget	2024/2025 Adopted Budget	FY 2025/26	FY 2026/27	FY 2027/28	Total Ten Year CIP
Capital Construction							
PL19005	Chino Basin Program	\$ 3,500	\$ 1,000	\$ -	\$ -	\$ -	\$ 4,500
Total Capital Construction		\$ 3,500	\$ 1,000	\$ -	\$ -	\$ -	\$ 4,500
Operations & Maintenance (O&M)							
PL18001	Calif. Data Collab. WUE Data Analytics	\$ 10	\$ 10	\$ 10	\$ 12	\$ -	\$ 42
PL20003	Integrated Wtr Resources Plan (IRP) 2020	2	-	-	-	-	2
PL23003	Regional Water Resiliency Planning	80	-	-	-	-	80
PL23012	Reg Imported Supply Reliability Analysis	250	250	250	250	-	1,000
WR18024	SARCCUP	120	-	-	-	-	120
WR20027	Urban Water Management Plan 2020	100	-	-	-	-	100
WR20028	Upper SAR HCP & Int. Model-Water Benefits	108	-	-	-	-	108
WR21028	Implement. of Upper SAR HCP - Wtr Benefi	250	250	250	250	250	2,250
PL24004	WW Planning Documents	250	250	250	250	250	2,500
WU24001	WUE General Program Fund	5	5	5	5	5	50
WU24002	CBWCD Leap	30	30	30	30	30	300
WU24003	Landscape Training Classes	10	10	10	10	10	100
WU24004	Large Landscape Retrofit	160	160	160	160	160	1,600
WU24005	Residential Device Rebates	50	50	50	50	50	500
WU24006	CII Device Rebates	5	5	5	5	5	50
WU24007	National Theater for Children	40	40	40	40	40	400
WU24008	Sponsorships-Outreach	30	30	30	30	30	300
WU24009	Pilot Program	40	40	40	40	40	400
WU24010	PRV Program	80	80	80	80	80	800
WU24011	MA Administered Projects	290	290	290	290	290	2,900
WU24012	Small Site WBIC Upgrade Prog	350	350	350	350	350	3,500
WU24013	CII Turf Replacement	5	5	5	5	5	50
WU24014	Residential Turf Replacement	5	5	5	5	5	50
WU24015	Landscape Irrigation Tune-up	500	500	500	500	500	5,000
Total O&M Project		\$ 2,770	\$ 2,360	\$ 2,360	\$ 2,362	\$ 2,100	\$ 22,202
Reimbursable Project							
WR18028	Chino Basin Water Bank Planning Authority	\$ 276	\$ 250	\$ 250	\$ 250	\$ -	\$ 1,026
WR23004	Discover the Environment and Water (DEW)	115	115	115	115	-	461
Total Reimbursable Project		\$ 391	\$ 365	\$ 365	\$ 365	\$ -	\$ 1,487
TOTAL WATER RESOURCE FUND		\$ 6,661	\$ 3,725	\$ 2,725	\$ 2,727	\$ 2,100	\$ 28,189

TABLE 6-14: WATER RESOURCES FY 2023/24 AND FY 2024/25 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
PL19005	Chino Basin Project (CBP)	Preliminary Design Report and Programmatic Environmental Impact Report to begin implementation of the CBP.
Operations and Maintenance		
PL18001	California Data Collaborative Water Use Efficiency (WUE) Data Analytics	Assistance with the California Data Collaborative to pioneer a new water use efficiency (WUE) data infrastructure non-profit to support water managers in meeting their reliability objectives and serve the public good.
PL20003	Integrated Water resources Plan (IRP) 2020	The 2020 IRP will develop a strategy for long-term regional water resources management and help position the region for funding as opportunities and needs arise.
PL23003	Regional Water Resiliency Planning	Develop a regional plan that supports IEUA and its agencies in defining regional priorities and objectives and preparing a blueprint-type plan that outlines a project for a route to water supply resiliency.
PL23012	Regional Imported Supply Reliability Analysis	Long-term modeling and analysis to identify potential impacts to local water supply reliability and quality resulting from the reduction in imported supply reliability impacted by varying hydrologist, changing regulations, proposed new facilities, and changing demands.
WR16024	Santa Ana River Watershed Action Team Conjunctive Use Project (SARCCUP)	SARCCUP to utilize funds from SAWPA Prop 84 grants in conjunction with Eastern Municipal Water District, Western Municipal Water District, Orange County Municipal Water District, and San Bernardino Valley Municipal Water District to develop a watershed-scale conjunctive use program.
WR20027	Urban Water Management Plan 2020	The Urban Water Management Planning Act, requires every public and private urban water supplier that provides water for municipal purposes to prepare and adopt an urban water management plan every 5 years.
WR20028	Upper Santa Ana River Habitat Conservation Plan & Integrated Model	Model for surface and groundwater flow along the Santa Ana River from Yucaipa to Prado Dam.
WR21028	Implement of Upper Santa Ana River Habitat Conservation Plan – Water benefits	Implementation of the Santa Ana River Habitat Conservation Plan (HCP) is part of the Agency's long-term water resources and environmental permitting strategy for the groundwater recharge.
PL24004	Water Resources Planning Documents	Evaluation of potential water resources projects to augment water supply, such as supplies from Northern California or other neighboring agencies, as projects are identified.
WU24001	Water Use Efficiency (WUE) General Program Fund	Project to be used as an account to consolidate unspent WUE funds into one account.
WU24002	Chino Basin Water Conservation District Leap	Continuation of Regional Landscape Evaluation Program for residential and Commercial Institutional Industrial (CII) customers within service area.
WU24003	Landscape Training Classes	Funding for landscape instructors who teach residential landscape workshops with the service area.
WU24004	Large Landscape Retrofit	Direct installation and retrofit of existing non-weather-based irrigation controllers with Smart Controllers and high efficiency sprinkler nozzles.
WU24005	Residential Device Rebates	Supplemental funding to Municipal Water District's base rates to enhance rebate and increase public participation.
WU24006	Commercial Institutional Industrial (CII) Rebates	Supplemental funding to Municipal Water District's base rates to enhance rebate and increase public participation.
WU24007	National Theater for Children	Live theater performances for students in grades K-6 to educate them on efficient water use and environmental issues. Provides online teaching curriculum and student and teacher workbooks.
WU24008	Sponsorships & Outreach	Funding for water efficiency marketing, public outreach, membership dues, Support Grants, and special events.
WU24009	Pilot Program	The program allows IEUA and its customer agencies to implement new, regional small-scale projects to better understand activities, savings, and analyze the success of proposed programs for future large-scale implementation.
WU24010	Pressure Reducing Valve (PRV) Program	The program identifies residential customers who reside within high water pressure zones, free pressure reducing valve (PRV) assessments to determine efficient water pressure and repairs.

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Project Number	Name	Description
WU24011	Member Agency Administered Project	Program provides funding to IEUA member agencies for retail level locally implemented water use efficiency programs/projects.
WU24012	Small Site Weather Base Irrigation Controller (WBIC) Upgrade Program	Provides mandatory training class, onsite landscape evaluation, and upgrade of existing controllers with weather-based controllers for residential customer on a lot size smaller than 11,000 square feet.
WU24013	Commercial Institutional Industrial (CII) Turf Replacement	Commercial, industrial, and institutional customer incentives for turf replacement.
WU24014	Residential Turf Replacement	Supplemental funding to Municipal Water District's base rates to enhance rebate and increase public participation.
WU24015	Landscape Irrigation Tune-Up	Water efficiency program that provides residential customers with a landscape irrigation assessment, controller programming and scheduling.
Operations and Maintenance – Reimbursable Projects		
WR18028	Chino Basin Water Bank Planning Authority	Evaluation to understand institutional agreements and models that will have to be developed to understand how to implement a water bank in the Chino Basin.
WR23004	Discover the Environment and Water (DEW)	The new education facility will act as a visitor's center for the organized field trips and tours held within the Chino Creek Wetlands and Educational Park.

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FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS ADMINISTRATIVE SERVICES FUND

Table 6-15 shows the Capital and O&M projects budgeted in the Administrative Services fund, followed by Table 6-16 which provides a description of each of the projects to be executed in FY 2023/24 and FY 2024/25.

**TABLE 6-15: ADMINISTRATIVE SERVICES FUND FY 2023/24 – FY 2032/33 PROJECTS
(\$THOUSANDS)**

Project Number	Project Name	2023/2024 Adopted Budget	2024/2025 Adopted Budget	FY 2025/26	FY 2026/27	FY 2027/28	Total Ten Year CIP
Capital Construction							
EN21020	Oracle P6 Migration and Web Hosting	\$ 206	\$ 50	\$ -	\$ -	\$ -	256
EN22010	GG Asset Management Project	50	50	1,000	1,000	1,000	8,100
EN23034	Agencywide EV Charging Stations	800	-	-	-	-	800
EN23102	RP-1 New Parking Lot	100	-	600	800	-	1,200
FM21005	Structural Agency Wide Roofing Phase II	250	1,050	250	1,050	-	2,800
FM22005	Agency Wide HVAC Replacements	114	-	-	-	-	114
LB23001	Oil and Grease Extractor 2	100	100	100	-	-	300
EN24034	Agency Wide Roofing Phase IV at CCWRF	200	1,100	-	-	-	1,300
FM24001	Headquarters Server Rooms HVAC System Upgrade	310	-	-	-	-	310
FM24007	RP-1 Forklift for Warehouse	90	-	-	-	-	90
FM24008	FM HVAC Upgrades at Headquarters	150	-	-	-	-	150
EN24035	CIPO Enhancements FY 23/24	75	75	75	75	75	750
IS25004	ERP Implementation	-	1,000	5,000	4,000	-	10,000
Total Capital Construction		\$ 2,245	\$ 3,425	\$ 6,925	\$ 6,725	\$ 1,075	\$ 25,770
Capital Replacement							
EN23003	Central Plant Cooling Tower Replacement	\$ 420	\$ 1,700	\$ 800	\$ -	\$ -	2,920
EN28032	HQ Electric Cart Canopy Project	-	-	100	150	-	250
EP21004	Agency Wide Vehicle Replacement	80	80	180	179	184	1,438
FM20005	Agency Wide HVAC Replacement	250	250	250	250	250	2,500
IS22002	Wide Area Microwave Radio Upgrades	550	550	594	641	693	7,418
IS22003	IT Infrastructure Assets New	100	100	108	117	126	1,349
IS22004	IT Infrastructure Assets Replacement	250	250	270	292	315	3,372
LB21001	LCMSMS for PFAs and CEC Testing	73	73	73	-	-	219
EA24001	External Affairs New Education Facility for the Chino Creek Wetlands	300	-	-	-	-	300
Total Capital Replacement		\$ 2,003	\$ 2,983	\$ 2,355	\$ 1,629	\$ 1,568	\$ 19,766
Total Capital Project Costs		\$ 4,248	\$ 6,408	\$ 9,280	\$ 8,354	\$ 2,643	\$ 45,536
Operations & Maintenance (O&M)							
EN23079	GG Assessment Projects	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	500
FM20001	HQ Interior Replacements	204	-	-	-	1,782	1,986
AM24001	IEUA Asset Management Plan - Provide Consulting	200	200	200	200	200	1,000
AM24005	GG Asset Management TS Projects	63	63	63	63	63	630
FM24005	RP-1 Utility Carts	80	-	-	-	-	80
FM24009	Agency Wide Office Furniture & Appliance Replacements	120	120	120	120	120	1,200
Total O&M Project Costs		\$ 717	\$ 433	\$ 433	\$ 433	\$ 2,215	\$ 5,396
TOTAL ADMINISTRATIVE SERVICES FUND		\$ 4,965	\$ 6,841	\$ 9,713	\$ 8,787	\$ 4,858	\$ 50,932

TABLE 6-16: ADMINISTRATIVE SERVICES FY 2023/24 AND FY 2024/25 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
EN21020	Oracle P6 Migration and Web Hosting	Upgrade existing Primavera version to more current version and utilize collaboration components of Primavera.
EN22010	Administrative Services Asset Management Project	Replace and repair of existing Capital as needed, defined by the Asset Management Plan document.
EN23034	Agencywide Electrical Vehicle (EV) Charging Stations	This project is to support the Agency for the infrastructure in the proposed Mobile Source Electrification Regulations.
EN23102	RP-1 New Parking Lot	Parking is needed for Collections, ISS, and equipment to be moved to site after conversion of RP-1 Lab.
FM21005	Structural Agency Wide Roofing Phase II	Agency-wide annual maintenance of roofs is needed to maintain building integrity and usefulness. The repairs/replacement will occur over a five-year period.
FM22005	Agency Wide Heating, Ventilation and Air-Conditioning (HVAC) Replacements	Replace HVAC systems past their efficient life cycle throughout the Agency to provide adequate and safe environment.
LB23001	Oil and Grease Extractor 2	Purchase and Installation of oil and grease extractor.
EN24034	Agency Wide Roofing Phase IV at Carbon Canyon Water Recycling Facility (CCWRF)	Assessment and Design, Bid Award and Construction for replacement of CCWRF roofs with minimum 20-year warranty of polyvinyl chloride (PVC) and thermoplastic powder coated metal roofing system.
FM24001	Headquarters Server Rooms Heating Ventilation and Air-Conditioning (HVAC) System Upgrade	The server rooms A/C units control systems are obsolete and must be replaced for reliability. The components are no longer available.
FM24007	RP-1 Forklift for Warehouse	Purchase of a 2 nd forklift for the warehouse to ensure that the warehouse never goes without a viable piece of equipment if/when the primary forklift is out for service/repair.
FM24008	Heating Ventilation Air-Conditioning (HVAC) Upgrades at Headquarters	HVAC upgrades at headquarter for indoor air quality improvements due to COVID-19 concerns and staff working in the office.
EN24035	Construction Management Software Collaborate Improve Perform Optimize (CIPO) Enhancements FY 2023/24	Enhancements to the current system. An enhancement currently planned are the configuration from CIPO into Laserfiche during the project close out.
IS25004	Enterprise Resource Planning (ERP) Implementation	Implementation of a new Enterprise Resource Planning (ERP) software, support of existing System Analysis Program (SAP) ERP Central Component 6.0 version to end on 12/31/27.
Capital Replacement		
EN23003	Central Plant Cooling Tower Replacement	The existing cooling tower is severely worn, and a new cooling tower is needed to operate the absorption chillers and to support the HVAC system.
EN26032	Headquarter Electric Cart Canopy Project	Remove existing metal carport and install a new larger metal carport to protect equipment.
EP21004	Agency Wide Vehicle Replacement	Purchase new vehicles to replace aging fleet vehicles.
FM20005	Agency Wide Heating, Ventilation, and Air Conditioning (HVAC) Replacement	Replace HVAC systems past their efficient life cycle throughout the Agency to provide adequate and safe environment.
IS22002	Wide Area Microwave Radio Updates	Purchase, configure, and install new wide area microwave radio.
IS22003	Information Technology Infrastructure Assets New	Purchase, configure, and install new hardware. Retire old hardware as needed.
IS22004	Information Technology Infrastructure Assets Replacement	Purchase, configure, and install new hardware. Retire old hardware as needed.
LB21001	Liquid Chromatography Mass Spectrometry (LCMS/MS) for Per-and-polyfluoroalkyl-substances (PFAS) and Chemicals of Emerging Concerns (CEC) Testing	Purchase and installation of new equipment to maintain sample turnaround time and high-quality data for all IEUA samples.

Project Number	Name	Description
EA24001	External Affair New Education Facility for the Chino Creek Wetland	Purchase of new manufactured facility to provide space for field trips, storage for education program materials, and provide space for External Affairs education team.
Operations and Maintenance		
EN23079	Administrative Services Assessment Projects	Condition assessments.
FM20001	Headquarter Interior Replacements	Replacement project for the headquarter A & B interior carpeted areas. The carpet in the building's interior is over 15 years old.
AM24001	IEUA Asset Management Plan – Consulting	Consultant shall provide technical expertise, manpower, and service to maintain IEUA's AMP accurate and current.
AM24005	Administrative Services Asset Management Technical Support Projects	This project is to create an accounting mechanism to collect IEUA Asset Management staff's time being spent on Technical Support within Administrative Services.
FM24005	RP-1 Utility Carts	Replace 3 of the utility carts used by operations. The current carts are currently at the end of their useful life.
FM24009	Agency Wide Office Furniture & Appliance Replacements	Replacement of outdated, worn out, and damaged office furniture and appliances agency wide.

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FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS RECHARGE WATER FUND

Table 6-17 shows the Capital and O&M projects budgeted in the Recharge Water fund, followed by Table 6-18 which provides a description of each of the projects to be executed in FY 2023/24 and FY 2024/25.

**TABLE 6-17: RECHARGE WATER FUND FY 2023/24 – FY 2032/33 PROJECTS
(\$THOUSANDS)**

Project Number	Project Name	2023/2024 Adopted Budget	2024/2025 Adopted Budget	FY 2025/26	FY 2026/27	FY 2027/28	Total Ten Year CIP
Capital Construction							
EN21057	Recharge Basin Clean-up of Illegally Dumped Materials	\$ 146	\$ -	\$ -	\$ -	\$ -	\$ 146
EN22008	GWR Asset Management Project	100	500	500	500	500	4,600
EN22050	GWR Basin PLC Upgrades	-	-	500	500	-	1,000
RW15003	Recharge Master Plan Update Projects	1,800	267	-	-	-	2,067
Total Capital Construction		\$ 2,046	\$ 767	\$ 1,000	\$ 1,000	\$ 500	\$ 7,813
Capital Replacement							
EN22049	GWR-RW OIT Upgrades	\$ -	\$ 50	\$ 50	\$ 50	\$ -	\$ 150
IS22005	RW / GWR SCADA Infrastructure Replacement	40	40	43	47	50	539
Total Capital Replacement		\$ 40	\$ 90	\$ 93	\$ 97	\$ 50	\$ 689
Total Capital Project Costs		\$ 2,086	\$ 857	\$ 1,093	\$ 1,097	\$ 550	\$ 8,502
Operations & Maintenance (O&M)							
EN23113	RW/GWR Safety Work Improvements for Basins	\$ 820	\$ -	\$ -	\$ -	\$ -	\$ 820
EN23078	GWR Assessment Projects	50	50	50	50	50	500
AM24006	GWR Asset Management TS Projects	32	32	32	32	32	320
Total O&M Project Costs		\$ 902	\$ 82	\$ 82	\$ 82	\$ 82	\$ 1,640
TOTAL RECHARGE WATER FUND		\$ 2,988	\$ 939	\$ 1,175	\$ 1,179	\$ 632	\$ 10,142

TABLE 6-18: RECHARGE WATER FY 2023/24 AND FY 2024/25 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
EN21057	Recharge Basin Clean-up of Illegally Dumped Materials	Planning, permitting, designing, and constructing the new assets to effectively collect and dispose all solids waste debris that enter or exit the Turner, Ely, Jurupa, and RP-3 Basins.
EN22008	Groundwater Recharge Asset Management Project	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets within the Groundwater Recharge Systems.
EN22050	Groundwater Recharge Basin Programmable Logic Controller (PLC) Upgrades	Replace aging PLC at seventeen recharge locations. The current equipment will become obsolete and unsupported by the manufacturer within three years (estimated). The current equipment is planned to become unsupported by the manufacturer. A newer model is needed to ensure GWR staff has continued and reliable access to control/operate the remote basins reliably and safely.
RW15003	Recharge Master Plan Update Projects	Preparation of preliminary design reports for projects that are selected for implementation for the first phase of the Recharge Master Plan Update.
Capital Replacement		
EN22049	Groundwater Recharge (GWR)-Recharge Water (RW) Operator Interface Terminal (OIT) Upgrades	The project will fund the cost to purchase the required replacement. IEUA staff will install five new terminals once a year for three years to address the seventeen sites.
IS22005	Recharge Water/Groundwater Recharge Supervisory Control and Data Acquisition (SCADA) Infrastructure Replacement	Purchase two replacement servers and other network switch infrastructure that have reached the end of its life cycle.

FY 2017/18 AND FY 2018/19
BUDGETED PROJECTS
RECHARGE WATER FUND – RW

Project Number	Name	Description
Operations and Maintenance		
EN23113	Recharge Water/Groundwater Recharge Safety Work Improvements for Basin Gate Actuator Access	To construct a safe platform with safety railing and toe boards around the actuators. The platform will need to be accessible from a hinged and lockable gate.
EN23078	Groundwater Recharge Assessment Projects	Groundwater Recharge condition assessments project.
AM24006	Groundwater Recharge Asset Management Technical Support Projects	To create an accounting mechanism to collect IEUA Asset Management staff's time being spent on Technical Support within Groundwater Recharge fund.

DRAFT

FY 2023/24 AND FY 2024/25 BUDGETED PROJECTS NON-RECLAIMABLE WASTEWATER FUND

Table 6-19 shows the Capital and O&M projects included in the Non-Reclaimable Wastewater (NRW) fund, followed by Table 6-20 which provides a description of each of the projects to be executed in FY 2023/24 and FY 2024/25.

**TABLE 6-19: NON-RECLAIMABLE WASTEWATER FUND FY 2023/24 – FY 2032/33
PROJECTS (\$THOUSANDS)**

Project Number	Project Name	2023/2024 Adopted Budget	2024/2025 Adopted Budget	FY 2025/26	FY 2026/27	FY 2027/28	Total Ten Year CIP
Capital Construction							
EN20064	NSNT Sewer Siphon Replacement	\$ 2,386	\$ 276	\$ -	\$ -	\$ -	\$ 2,662
EN22007	NRW Asset Management Projects	200	500	500	500	500	4,700
EN24009	NRW Collection System Pipe Rehabilitation and Lining	500	1,000	1,000	-	-	7,500
EN24037	New NRW Project PDR's FY 23/24	50	50	50	50	50	750
Total Capital Construction		\$ 3,136	\$ 1,826	\$ 1,550	\$ 550	\$ 550	\$ 15,612
Capital Replacement							
EN22020	Philadelphia Lift Station Pump Upgrades	\$ 335	\$ 4,600	\$ 2,000	\$ -	\$ -	\$ 6,335
EN23002	Philadelphia Lift Station Force Main Imp	1,500	10,000	8,000	1,000	1,000	21,500
EN23014	NRW Manhole Upgrades FY 22/23	4	-	-	-	-	4
EN24036	NRW Manhole Upgrades FY 23/24	180	180	180	180	180	1,800
Total Capital Replacement		\$ 2,019	\$ 14,180	\$ 10,180	\$ 1,180	\$ 1,180	\$ 29,639
Total Capital Project Costs		\$ 5,155	\$ 16,006	\$ 11,730	\$ 1,730	\$ 1,730	\$ 45,251
Operations & Maintenance (O&M)							
EN23077	NRW Assessment Projects	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 500
EN24016	NRWS Emergency O&M Projects FY 23/24	150	-	-	-	-	150
EN25016	NRWS Emergency O&M Projects FY 24/25	-	150	-	-	-	150
EN26016	NRWS Emergency O&M Projects FY 25/26	-	-	150	-	-	150
PL21002	NRW Rate Study	288	-	-	-	-	288
AM24007	NRW Asset Management TS Projects	32	32	32	32	32	320
EN27002	NRW Emergency O&M Projects FY 26/27	-	-	-	200	200	1,400
EN24038	NRW On Call Small Projects FY 23/24	100	100	100	100	100	1,000
Total O&M Project Costs		\$ 620	\$ 332	\$ 332	\$ 382	\$ 382	\$ 3,958
TOTAL NON-RECLAIMABLE WASTEWATER FUND		\$ 5,775	\$ 16,338	\$ 12,062	\$ 2,112	\$ 2,112	\$ 49,209

TABLE 6-20: NON-RECLAIMABLE WASTEWATER FY 2023/24 AND FY 2024/25 PROJECT DESCRIPTIONS

Project Number	Name	Description
Capital Construction		
EN20064	North System North Trunk (NSNT) Sewer Siphon Replacement	Design and install a complete 21" sewer bypass to the double siphon at Cucamonga Channel and 8 th Street in Ontario, CA to reconnect the manholes to mitigate the odor issues.
EN22007	Non-Reclaimable Wastewater Asset Management Projects	As part of the Asset Management Program, the project funding will provide the resources in the form of IEUA staffing and specialized consultants or contractors to develop and gather the necessary condition of assets to forecast, budget, and implement the replacement and/or repair of critical assets within the Non-Reclaimable Wastewater System.
EN24009	Non-Reclaimable Wastewater Collection System Pipe Rehabilitation and Lining	The collection system infrastructure is approximately sixty plus years old and needs relining throughout the system. This project would address the most vulnerable sections of pipe in the system and eventually line each section for the entire collection system.
EN24037	New Non-Reclaimable Wastewater Project Preliminary Design Report for FY 2023/24	Create preliminary design reports for new project requests from Operations and Maintenance.
Capital Replacement		

Project Number	Name	Description
EN22020	Philadelphia Lift Station Pump Upgrades	Replace pumps with newer style non-clog dry pit submersible pumps provide higher efficiency and easier to service and maintain and consistent with the Montclair Lift Station.
EN23002	Philadelphia Lift Station Force Main Improvements	Replace and construct force mains, manholes for inspection, and cleanouts every five hundred feet to increase the capacity for the Philadelphia Lift Station.
EN23014	Non-Reclaimable Wastewater Manhole Upgrades FY 2022/23	Repairs and replacements to the NRW manhole system and lines identified by IEUA Collection crew.
EN23036	San Bernardino Ave Lift Station Reliability Improvements	Install new chopper pumps (or similar technologies) to alleviate ragging of the pumps.
Operations and Maintenance		
EN23077	Non-Reclaimable Wastewater Assessment Projects	Non-Reclaimable Wastewater condition assessments project.
EN24016	Non-Reclaimable Wastewater System Emergency O&M Projects FY 2023/24	Provision of funds for Engineering and Construction Management to facilitate such items such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year 2023/24.
EN25016	Non-Reclaimable Wastewater System Emergency O&M Projects FY2024/25	Provision of funds for Engineering and Construction Management to facilitate such items such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year 2024/25.
EN26016	Non-Reclaimable Wastewater System Emergency O&M Projects FY2025/26	Provision of funds for Engineering and Construction Management to facilitate such items such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year 2025/26.
PL21002	Non-Reclaimable Wastewater Rate Study	Consultant services for the completion of an evaluation on the rate structure for the Non-Reclaimable Wastewater Systems (NRWS). The evaluation will include a review of the current rate structure for each of the three Non-Reclaimable Wastewater Systems (North NRWS, Etiwanda Waste Line, and the Inland Empire Brine Line).
AM24007	Non-Reclaimable Wastewater Asset Management Technical Support Projects	To create an accounting mechanism to collect IEUA Asset Management staff's time being spent on Technical Support within Non-Reclaimable Wastewater fund.
EN27002	Non-Reclaimable Wastewater System Emergency O&M Projects FY2026/27	Provision of funds for Engineering and Construction Management to facilitate such items such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year 2026/27.
EN24038	Non-Reclaimable Wastewater On Call Small Projects FY 2023/24	Engineering and Construction Management to fund unforeseen NRW O&M repairs and modifications to projects that require immediate attention.



RP-5: MAJOR ACTIVITIES
INFLUENT PUMP STATION, POWER CENTER 9,
FINE SCREENS, GRIT CHAMBER,
PRIMARY CLARIFIERS

DEBT MANAGEMENT

OVERVIEW

The Agency issues debt to finance the acquisition, construction, and improvement of capital assets, as well as to refinance existing long-term debt that result in cost savings. The Agency applies a priority tiered financing strategy to ensure the lowest cost of borrowing while maximizing financial flexibility. This tiered financing strategy includes system revenues, grants, use of fund reserves, low interest Federal and State loans, and bonded debt prioritizing low-cost funds and approaching expensive funding sources last. Consistent with the IEUA Business Goal of Fiscal Responsibility to safeguard the Agency's creditworthiness, a key objective is to leverage low interest debt and pay down higher interest rate obligations. To accomplish this goal, the Agency has taken the following actions:



Over the years, the Agency has leveraged the low interest Clean Water State Revolving Fund (SRF) loan program administered by the State Water Resources Control Board (SWRCB) to finance regional capital investments, including construction of its Regional Plant No. 5 (RP-5) Expansion projects, regional recycled water distribution system, replacement of the Water Quality Laboratory, and replacement of the Dewatering Facility at Regional Plant No. (RP-1). As of June 30, 2023, the Agency has twenty SRF loans with an aggregate outstanding principal balance of \$158.1 million. Four of the loans included in the above totals are for projects in various stages of completion, with a potential of \$40.2 million of additional new principal debt.



The WIFIA program administered by the U.S. Department of Environmental Protection Agency (EPA) is a federal loan and guarantee program, established by The Water Infrastructure Finance and Innovation Act of 2014. A key objective of the WIFIA program is to accelerate investment in the nation's water infrastructure. WIFIA loans provide a low-cost alternative loan program to credit worthy borrowers by allowing repayment to be deferred a maximum of 5 years from substantial completion of the project.

The Agency's first WIFIA loan agreement was approved in May 2020 in the amount of \$196,436,445 at a fixed interest rate of 1.36 percent to finance a portion of the RP-5 Expansion project. The first draw from the 2020 WIFIA loan will be in FY 2025/26, the Agency will draw the full loan amount to repay the 2020B Revenue Notes that were issued as interim financing for the project to leverage historically low short term interest rates and further reduce the all-in cost of the WIFIA loan.

In March 2022, the Agency entered into a second WIFIA loan agreement with the EPA for \$120 million at a fixed interest rate of 2.61 percent to finance the Regional Wastewater System Improvements Program. The program consists of the following projects: a portion of the RP-5 Expansion; RP-1 Solids Thickening; and the Carbon Canyon Water Recycling Facility.

The Agency is currently working with EPA in a master agreement that would allow the Agency to finance with WIFIA loans up to 49 percent of project cost included in the Ten Years Capital Improvement Plan. The master agreement is expected to be completed in the first half of FY 2023/24.

OUTSTANDING DEBT

As of June 30, 2023, total outstanding debt (principal and interest), excluding financial expenses and inter-fund loans, is estimated at \$497.5 million. The FY 2023/24 outstanding debt total is projected to be \$582.5 million as reported in Table 7-1. In FY 2024/25, total outstanding debt is projected to increase to \$666.4

million primarily due to use of secured financing through 2022 WIFIA loan and new borrowing to support Wastewater and Recycled Water Replenishing Facilities, as well as other Regional, and Non-Reclaimable Wastewater improvement projects. New debt will be a combination of new bond debt and low interest federal and state loans. Annual debt service payments are projected to range between \$19 million to \$53 million per fiscal year over the next ten years.

TABLE 7-1: TOTAL OUTSTANDING DEBT BY TYPE (\$MILLIONS)

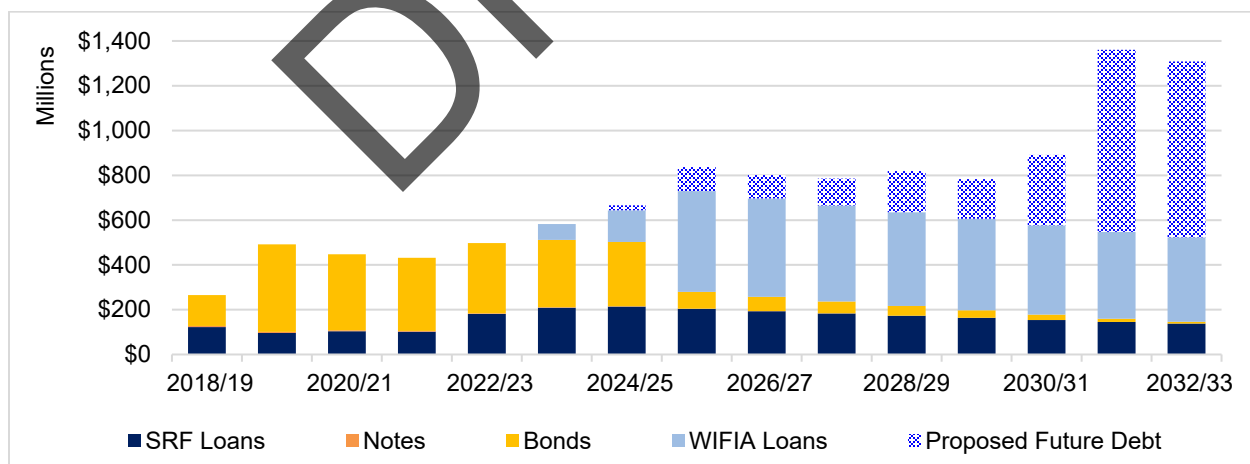
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
(Principal and Interest)							
Bonds and Revenue Notes	\$326.3	\$313.6	\$300.8	\$287.1	\$75.0	\$63.2	\$52.9
SRF Loans ⁽¹⁾	101.7	180.9	208.7	236.3	240.1	228.7	217.3
Notes	3.6	3.0	2.5	1.9	1.3	0.8	0.2
WIFIA	0.0	0.0	70.5	141.1	449.7	439.4	429.1
Future Debt ⁽²⁾	0.0	0.0	0.0	0.0	71.1	68.7	86.3
Total	\$431.6	\$497.5	\$582.5	\$666.4	\$837.2	\$800.8	\$785.8

(1) Includes proposed future SRF Loans for the Regional Wastewater, Recycled Water, and Non-Reclaimable Wastewater programs.

(2) Includes proposed debt for Regional and Non-Reclaimable Wastewater improvement projects.

Figure 7-1 below shows the estimated trend of outstanding debt from FY 2017/18 to FY 2032/33.

FIGURE 7-1: SUMMARY OF AGENCY'S OUTSTANDING PRINCIPAL & INTEREST DEBT (\$MILLIONS)



The Agency's Ten-Year Capital Improvement Plan (TYCIP) is funded by a combination of pay-go, low interest financing, grants, and reimbursements. Aggregate capital expenditures of \$1.4 billion (excluding non-capital (O&M) projects over the next 10 years will require new debt. New debt is assumed to be a combination of bonds and low interest loans as summarized in Table 7-2. The Agency will continue to

DEBT MANAGEMENT

aggressively pursue federal, state, and regional grants and incentives, including low interest state and federal loans and grants.

TABLE 7-2: ESTIMATED SOURCE OF NEW BORROWING (\$MILLIONS)

Fund	Projects	Fiscal Year	Estimate (Principal)
ASSUMED NEW DEBT			
Regional Wastewater Operation & Maintenance Fund	Various Wastewater Improvement Projects	2023/24	\$49.8
	SCADA Enterprise System	2023/24	18.7
	Advanced Water Purification Facility	2025/26	165.0
	RP-5 O&M Building	2028/29	48.0
Regional Wastewater Capital Fund	RP-1 Disinfection Improvements	2023/24	13.0
Recycled Water Fund	Six Thousand Acre Feet Advanced Water Purification Facility	2025/26	83.0
	Replenishing Facilities	2025/26	81.0
	Recycled Water Connection to Jurupa Community Services District	2026/27	33.0
	Recycled Water Interconnection to City of Rialto	2026/27	6.0
Non-Reclaimable Wastewater Fund	Philadelphia Lift Station Pump Upgrades	2024/25	10.7
	Philadelphia Lift Station Force Main improvements		6.3
TOTAL NEW DEBT PROCEEDS			\$514.5

The actual amount of new financing will be determined by the Agency success in securing federal and state grants, the level of other pay-go sources like property taxes or connection fees, and the pace of project execution.

DEBT SERVICE COSTS

Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans, notes, and inter-fund loans. Debt service costs are budgeted at \$29.9 million in FY 2023/24 and \$30.1 million in FY 2024/25, Table 7-3.

TABLE 7-3: SUMMARY OF AGENCY'S DEBT SERVICE PAYMENTS BY TYPE (\$MILLIONS)

By Type (Principal and Interest)	2023/24	2024/25
Bonds	\$12.8	\$13.7
SRF Loans	6.1	6.2
Notes Payable	0.6	0.6
Financial Expenses	0.04	0.04
Inter Fund Loans	10.4	9.6
Total	\$29.9	\$30.1

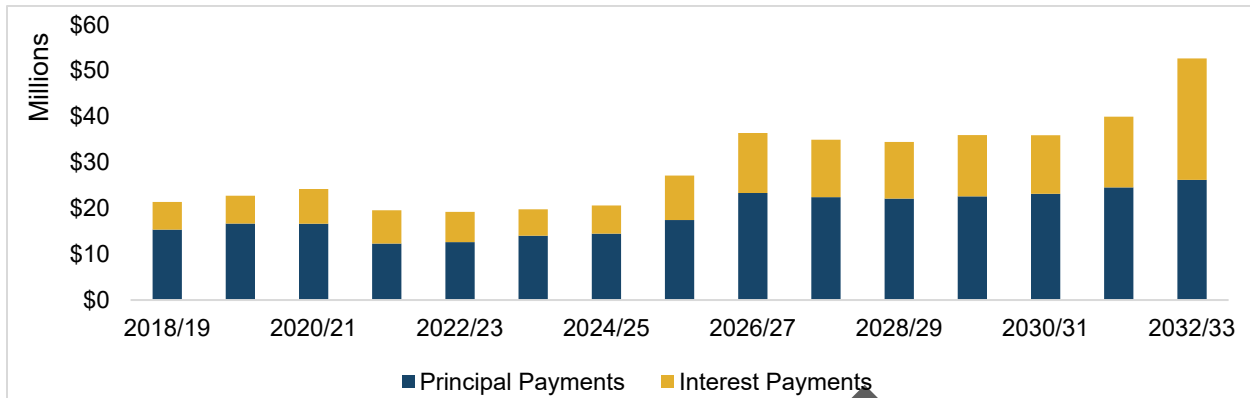
TABLE 7-4: SUMMARY OF AGENCY'S DEBT SERVICE PAYMENTS BY FUND (\$MILLIONS)

By Fund	2023/24		2024/25	
<i>(Excludes Fin. Exp. & Inter-fund Loan)</i>	Principal	Interest	Principal	Interest
Regional Wastewater Capital	\$5.0	\$2.0	\$5.1	\$2.8
Regional Wastewater O&M	0.9	0.6	0.9	0.5
Non-Reclaimable Wastewater	0.4	0.2	0.4	0.2
Recycled Water	12.5	2.6	12.2	2.3
Recharge Water	5.2	0.5	5.3	0.4
Debt Service	\$24.0	\$5.9	\$23.9	\$6.2

Figure 7-2 shows the debt service payment schedule for FY 2018/19 through FY 2032/33. This table excludes financial fees and inter-fund loan principal and interest payments (for the complete inter-fund loan repayment schedule see table 7-9 below).

DEBT MANAGEMENT

FIGURE 7-2: ANNUAL DEBT SERVICE PAYMENT SCHEDULE



Not reflected in FY 2025/26 is \$196.4 million payment of 2020B Revenue Notes to be paid with a draw from the WIFIA loan.

BONDS AND REVENUE NOTES

Bonded debt has been used to finance new construction, expansion, and improvement of existing facilities and infrastructure. In June of 2020, the Agency issued revenue notes to be used as interim financing to support construction costs of the RP-5 Expansion. The 2020B Revenue Notes, issued in June 2020, have a fixed interest rate of 4.0 percent and mature 5 years after issuance. The premium received for the 2020B Revenue Notes will be used to reduce interest payments until maturity in FY 2025/26. The 2020B Revenue Notes will be paid by a draw from the WIFIA loan secured to finance the RP-5 Expansion project. In FY 2023/24 and FY 2024/25 debt service costs for bonded debt and 2020B Revenue Notes is estimated to be \$12.8 million and \$13.7 million, respectively (Table 7-3).

Total outstanding balance for bonded debt and the 2020B Revenue Notes, including principal and interest, is estimated to be \$300.8 million as of June 30, 2024, and \$287.1 million as of June 30, 2025, as shown in Table 7-5.

TABLE 7-5: OUTSTANDING BOND AND REVENUE NOTES ISSUES (\$MILLIONS)

	Maturity Date	Ratings	Interest Rate	Bond Par Amount	2023/24 Bond Payments	Outstanding Balance As of 6/30/24	2024/25 Bond Payments	Outstanding Balance As of 6/30/25
2017A Revenue Bond (2008A Refinancing)	11/1/2033	AA+ S&P/ Aa2 Moody's	2%-5%	\$67.6	6.5	54.7	6.5	48.2
2020A Revenue Refunding Bonds *	8/1/2021		5%	56.3	6.2	44.6	6.1	38.5
2020B Revenue Notes	11/1/2025		4%	196.4	7.8	208.2	7.8	200.4
Capitalized Interest offset					(7.7)	(6.7)	(6.7)	(0.0)
Total				\$320.3	\$12.8	\$300.8	\$13.7	\$287.1

*Refunded 2008B Variable Rate, 2010A Revenue Bonds, and various SRF loans.

STATE REVOLVING FUND (SRF) LOANS

The outstanding SRF loan balance, including principal and interest, as of June 30, 2023, is estimated to be \$180.9 million. SRF loan payments (including principal and interest) for FYs 2023/24 and 2024/25 are projected to be \$6.1 million and \$6.2 million, respectively, as shown in Table 7-6.

TABLE 7-6: OUTSTANDING SRF LOANS DEBT SERVICE SCHEDULE (\$MILLIONS)

SRF Loans by Program	Interest Rate Range	SRF Loan Principal Amount	2023/24 SRF Debt Payments	Principal Outstanding As of 6/30/24	2024/25 SRF Debt Payments	Principal Outstanding As of 6/30/25
Recycled Water:						
Phase III (RP-4 Area)	0%	\$10.9	\$0.5	2.7	\$0.5	2.2
Phase IV (Northeast Area)	0.074%-0.214%	15.1	0.8	5.3	0.8	4.6
Phase V (Northeast Area)	1.0%	1.0	0.1	0.3	0.1	0.2
Central Wineville	1.0%	23.1	0.9	20.3	0.9	19.7
San Sevaine/Napa Lateral	1.8%	5.9	0.3	5.3	0.3	5.1
Baseline Extension	1.4%	3.3	0.1	3.1	0.1	3.0
1158 Recycled Water Pump Station	1.4%	5.1	0.2	4.7	0.2	4.5
RP-5 Recycled Water Pipeline Bottleneck	1.4%	2.2	0.1	2.0	0.1	1.9
Subtotal – Recycled Water		\$66.6	\$3.0	\$43.7	\$3.0	\$41.2
SRF Loans by Program	Interest Rate Range	SRF Loan Principal Amount	2023/24 SRF Debt Payments	Principal Outstanding As of 6/30/24	2024/25 SRF Debt Payments	Principal Outstanding As of 6/30/25
Regional Wastewater:						
RP-5 Expansion* ⁽¹⁾	0.80%	103.9	0	93.6	0	103.9
RP-1 Dewatering Facility Expansion	0.46%	27.5	1.4	11.4	1.4	9.9
Water Quality Laboratory	2.1%	23.1	1.0	20.2	1.0	19.6
RP-1 Disinfection Improvements ⁽²⁾	4.0%	13.0	0	0	0	13.0
Subtotal – Regional Wastewater		\$167.5	\$2.4	\$125.2	\$2.4	\$146.4

DEBT MANAGEMENT

SRF Loans by Program	Interest Rate Range	SRF Loan Principal Amount	2023/24 SRF Debt Payments	Principal Outstanding As of 6/30/24	2024/25 SRF Debt Payments	Principal Outstanding As of 6/30/25
Recharge Water:						
Wineville, Jurupa, RP-3 Basins⁽¹⁾	0.55%	10.6	0.5	10.1	0.6	9.6
Lower Day Basin Improvement⁽¹⁾	0.55%	2.9	0.1	2.8	0.1	2.7
Montclair Basin Improvement⁽¹⁾	0.55%	1.3	0.1	1.2	0.1	1.1
Subtotal – Recharge Water		\$14.8	\$0.7	\$14.1	\$0.8	\$13.4
Grand Total		\$248.9	\$6.1	\$183.0	\$6.2	\$201.0

Totals may not tie due to rounding

*Includes projected capitalized interest

⁽¹⁾ Pending final loan amounts and amortization schedules.

⁽²⁾ Pending final loan approval, amount, and amortization schedules.

Repayment of principal for each of the respective SRF loans is amortized over a 20 or 30-year period at fixed interest rates ranging from 0.0 to 4.0 percent with payments commencing one year after the completion of construction. State Water Resources Control Board (SWRCB) offers various financing options:

- ◆ Standard Interest Rate - ½ of the most recent General Obligation (GO) Bond rate at time of funding approval
- ◆ Financing Term - Up to 30 years or the useful life of the project
- ◆ Financing Amount - No maximum funding limit and no maximum disbursement limit
- ◆ Repayment - Begins 1 year after completion of construction

The SWRCB can offer additional assistance in the form of grants for various projects. SWRCB grant funds can be received in conjunction with SRF loans receipts during the pre-construction and construction phases of the project, however not every loan qualifies for grant funding. The Agency has been successful in securing SWRCB and SRF loan related grants and other non-repayment financing in support of regional and recycled water capital projects.

Over the next two years, the Agency will continue to submit reimbursements for eligible projects associated with currently approved SRF loans and proactively submit applications for projects that can be funded by the SRF loan program.

NOTES PAYABLE

The Agency has one outstanding note payable to the City of Fontana:

- ◆ On October 18, 2005, the Agency entered into a reimbursement agreement with the City of Fontana for the design and construction of the San Bernardino Avenue lift station and force main. The City of Fontana received a \$9.5 million, 20-year note, payable from the SWRCB. The project was

completed in June 2010 and title and ownership of the regional lift station and force main was transferred to the Agency from the City of Fontana.

FY 2023/24 and FY 2024/25 note payable payments are estimated to be \$0.6 million per year, including principal and interest as shown on Table 7-8.

TABLE 7-8: OUTSTANDING NOTES PAYABLE DEBT SERVICE SCHEDULE (\$MILLIONS)

Notes Payable	Note Principal Amount	Outstanding Notes as of June 30, 2023	2023/24 Debt Service Costs	Outstanding Notes as of June 30, 2024	2024/25 Debt Service Costs	Outstanding Notes as of June 30, 2025
City of Fontana	\$9.5	\$2.6	\$0.6	\$2.1	\$0.6	\$1.7
Total	\$9.5	\$2.6	\$0.6	\$2.1	\$0.6	\$1.7

INTER-FUND LOANS

Inter-fund loans between Agency programs help to support funding gaps in debt service, operating, and capital requirements. Table 7-9 summarizes total Agency inter-fund loans and annual repayment amounts due from the Recycled Water fund to the Regional Wastewater Capital fund and due from Recharge Water fund to the Recycled Water fund.

Inter-fund loan payment (principal) for FY 2023/24 is projected to be \$10.0 million and for FY 2024/25 inter-fund loan payment is projected to be \$9.4 million. It is anticipated that all inter-fund loans will be paid in full by June 30, 2025. There are no new inter-fund loans budgeted for the biennial budget years.

TABLE 7-9: INTER-FUND LOAN PAYMENTS FROM THE RECYCLED WATER FUND (\$MILLIONS)

Loans Issued	Due to	Loan Amount (\$Millions)	Outstanding as of June 30, 2023	2023/24 Loan Payment	Outstanding as of June 30, 2024	2024/25 Loan Payment	Outstanding as of June 30, 2025
FY 2007/08	Regional Wastewater Capital Improvement Fund	3.0	\$1.0	\$1.0	\$0.0	\$0.0	\$0.0
FY 2014/15	Regional Wastewater Capital Improvement Fund	10.5	\$10.5	5.0	5.5	5.5	0.0
FY 2020/21	Recycled Water Fund	0.9	0.9	0.0	0.9	0.9	0.0
FY 2021/22	Recycled Water Fund	7.0	7.0	4.0	3.0	3.0	0.0
Total	Grand Total	\$21.4	\$19.4	\$10.0	\$9.4	\$9.4	\$0.0

DEBT MANAGEMENT

DEBT COVERAGE RATIO

The Debt Coverage Ratio (DCR) is the measurement of an entity's ability to generate enough cash to cover debt payments (principal and interest). DCR serves as a critical financial indicator in determining the Agency's overall credit rating, its ability to refinance existing debt, issue new debt, and Agency accessibility to lower rates for future borrowing costs.

Credit agencies, such as Moody's Investor Services (Moody's) and Standard & Poors (S&P), assign credit ratings to organizations and specific debt issues to reflect their credit worthiness and serve as a notable reference to the investment community. The DCR is one of the financial ratios applied in the evaluation of an organization's overall credit rating that can affect market accessibility and the cost of future borrowings.

The Agency's debt covenants require a legal DCR of at least i) 1.20 times maximum annual debt service for senior obligations; ii) 1.15 times maximum annual debt service for all system obligations; iii) 1.20 times maximum annual debt service for senior and parity obligations for the next five years; iv) 1.0 times maximum annual debt service for all system obligations for the next five years. A DCR of 1.20 means the Agency will generate a minimum of 1.20 times more (or 20 percent more) net operating cash flow than is required to pay annual debt service costs. The Agency has no legal debt limits imposed by state legislation.

The Agency is projecting to maintain a favorable DCR as indicated in Table 7-10 below. Annual fluctuations of the DCR can be attributed to a combination of higher system revenues and increasing debt service costs for improvements to the regional wastewater, recycled, and recharge water programs. It is estimated that beginning in FY 2026/27 debt service will begin for new debt issues needed to finance regional expansion and non-reclaimable wastewater improvement projects. New debt is assumed to be low interest state loans and bonds. The corresponding annual debt service costs are included in the calculation of the DCR.

TABLE 7-10: TOTAL DEBT COVERAGE RATIO BASED ON CURRENT ASSUMPTIONS

	Projected 2022/23	Budget 2023/24	Budget 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28
DCR*	5.51x	5.06x	4.97x	3.93x	2.92x	2.96x

* Projected, Budget, and Forecasts based on current assumptions

**Chino Basin Regional Financing Authority
(Inland Empire Utilities Agency)**

**Refunding Revenue Bonds, Series 2017A
(Parity Debt)**

Principal Issue Amount: \$67,615,000
Issue Date: January 1, 2017
Maturity Date: November 1, 2033
Rating: Standard & Poors AA+

Purpose: The Bonds are issued (i) to provide money, which together with certain other moneys, will refund all of the outstanding Chino Basin Regional Financing Authority Revenue Bonds,, Series 2008A (Inland Empire Utilities Agency) (the "2008A Bonds"), and (ii) to pay the costs of issuing the Bonds. To finance the cost of certain replacements of the Agency's wastewater facilities and certain improvements to the wastewater, recycled water and non-reclaimable wastewater facilities of the Agency.

Security: Pursuant to the 2017A Installment Purchase Agreement, the 2017A Installment Purchase Payments are payable by the Agency solely from Net Revenues, excluding revenues recorded in the Water Resources Fund. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Principal	Interest	Total Payment
2016/17	\$0	\$782,050	\$782,050
2017/18	3,010,000	3,133,250	6,143,250
2018/19	3,090,000	3,056,800	6,146,800
2019/20	3,200,000	2,946,450	6,146,450
2020/21	3,330,000	2,815,850	6,145,850
2021/22	3,480,000	2,662,250	6,142,250
2022/23	3,660,000	2,483,750	6,143,750
2023/24	4,185,000	2,287,625	6,472,625
2024/25	4,395,000	2,073,125	6,468,125
2025/26	4,620,000	1,847,750	6,467,750
2026/27	4,860,000	1,610,750	6,470,750
2027/28	3,595,000	1,399,375	4,994,375
2028/29	3,830,000	1,213,750	5,043,750
2029/30	4,025,000	1,017,375	5,042,375
2030/31	4,235,000	810,875	5,045,875
2031/32	4,500,000	592,500	5,092,500
2032/33	4,680,000	363,000	5,043,000
2033/34	4,920,000	123,000	5,043,000
	\$67,615,000	\$31,219,525	\$98,834,525

Principal due annually, November .

Interest due semi-annually, May 1 and November 1.

Fiscal Year: 12 month period starts from July 1 through June 30.

DEBT MANAGEMENT

Chino Basin Regional Financing Authority (Inland Empire Utilities Agency)

Refunding Revenue Bonds, Series 2020A (Parity Debt)

Principal Issue Amount: \$56,255,000
Issue Date: June 24, 2020
Maturity Date: June 1, 2035
Rating: Standard & Poors AA+

Purpose: The Bonds are issued to provide moneys, together with certain other moneys (1) to refund all of the outstanding Chino Basin Regional Financing Authority Variable Rate Demand Refunding Bonds, Series 2008B, (ii) to refund all of the outstanding Chino Basin Regional Financing Authority Revenue Bonds, Series 2010A, (iii) to refund certain Clean Water State Revolving Fund Financing Agreements from the California State Water Resources Control Board, and (iv) to pay the costs of issuing the Bonds.

Security: Pursuant to the 2020A Installment Purchase Agreement, the 2020A Installment Purchase Payments are payable by the Agency solely from Net Revenues of the Agency System on a subordinate basis to the obligation of the Agency to make \$58.315 million aggregate principal amount of 2017A Installment Payments pursuant to the 2017A Installment Purchase Agreement and on a parity with the obligation of the Agency to make \$193,436,445 aggregate principal amount of WIFIA Installment Payments pursuant to the WIFIA Installment Purchase Agreement and \$85,926,49 aggregate principal amount of payments to the State of California Regional Water Quality Control Board under Revolving Fund Loans not being refunded with proceeds of the Bonds.

Fiscal Year	Principal	Interest	Total Payment
2020/21	\$8,610,000	\$2,586,167	\$11,196,167
2021/22	3,855,000	2,382,250	6,237,250
2022/23	4,025,000	2,189,500	6,214,500
2023/24	4,240,000	1,988,250	6,228,250
2024/25	4,380,000	1,776,250	6,156,250
2025/26	3,745,000	1,557,250	5,302,250
2026/27	3,935,000	1,370,000	5,305,000
2027/28	4,120,000	1,173,250	5,293,250
2028/29	3,470,000	967,250	4,437,250
2029/30	3,640,000	793,750	4,433,750
2030/31	3,825,000	611,750	4,436,750
2031/32	4,010,000	420,500	4,430,500
2032/33	1,395,000	220,000	1,615,000
2033/34	1,465,000	150,250	1,615,250
2034/35	1,540,000	77,000	1,617,000
	\$56,255,000	\$18,263,417	\$74,518,417

Principal due annually, June.

Interest due semi-annually, June 1 and December 1.

Fiscal Year: 12 month period starts from July 1 through June 30.

**Chino Basin Regional Financing Authority
(Inland Empire Utilities Agency)**

**Interim Financing Revenue Notes, Series 2020B
(Parity Debt)**

Principal Issue Amount: \$196,435,000
Issue Date: June 15, 2020
Maturity Date: November 1, 2025
Rating: Standard & Poors AA+

Purpose: The Bonds are issued to finance, on an interim basis, a portion of the cost of certain Projects defined at the Installment Purchase Agreement.

Security: Pursuant to the 2020B Installment Purchase Agreement, the 2020B Installment Purchase Payments are payable by the Agency solely from all revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of the Installments Payments and the Revenues shall not be used for any other purpose while any of the Installments Payment remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted.

Fiscal Year	Principal	Interest	Total Payment
2020/21	\$0	\$6,569,659	\$6,569,659
2021/22	0	7,857,400	7,857,400
2022/23	0	7,857,400	7,857,400
2023/24	0	7,857,400	7,857,400
2024/25	0	7,857,400	7,857,400
2025/26	196,435,000	3,928,700	200,363,700
	\$196,435,000	\$41,927,959	\$238,362,959

Principal due annually, November .

Interest due semi-annually, May 1 and November 1.

Fiscal Year: 12 month period starts from July 1 through June 30.

PERSONNEL

The Agency regards employees as its most valuable asset and promotes a dynamic work environment that values continuous learning and improvement, integrity, collaboration, open communication, accountability, and respect for each other. The Agency is committed to providing a safe, equitable and inclusive workplace that empowers employees to reach their full potential and contribute to the Agency.

During FYs 2023/24 and 2024/25, the Agency will continue to support the achievement of the workplans outlined in the IEUA Business Goals identified under Workplace Environment. Key objectives include assessing safety programs, implementing personnel policies that align with the Agency's commitment to diversity, equity, and inclusion, promoting consistent application of policy and practice, promoting the highest ethical principles and standards, and aligning employee performance with Agency goals and objectives.

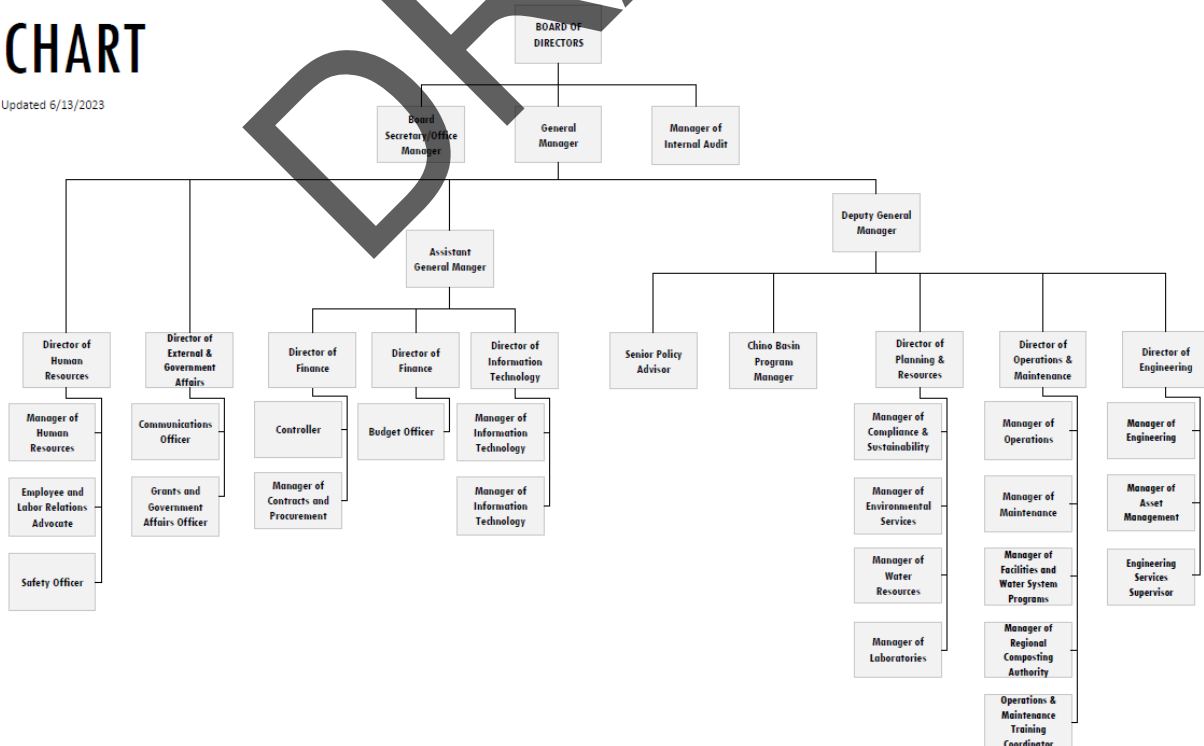
Like many water/wastewater organizations, the Agency continues to proactively plan for impending retirements. The Agency will continue to provide ongoing leadership in support of the organization's succession planning efforts. These efforts include evaluating staffing levels, implementing a comprehensive talent acquisition plan, developing staff competencies, and promoting a workplace culture where employees feel engaged, included, valued, and successful.

The following Agency-wide organizational chart (Figure 8-1) provides an overview of the Agency's current organizational structure by division and department.

FIGURE 8-1: AGENCY-WIDE ORGANIZATIONAL CHART

IEUA ORGANIZATION CHART

Updated 6/13/2023



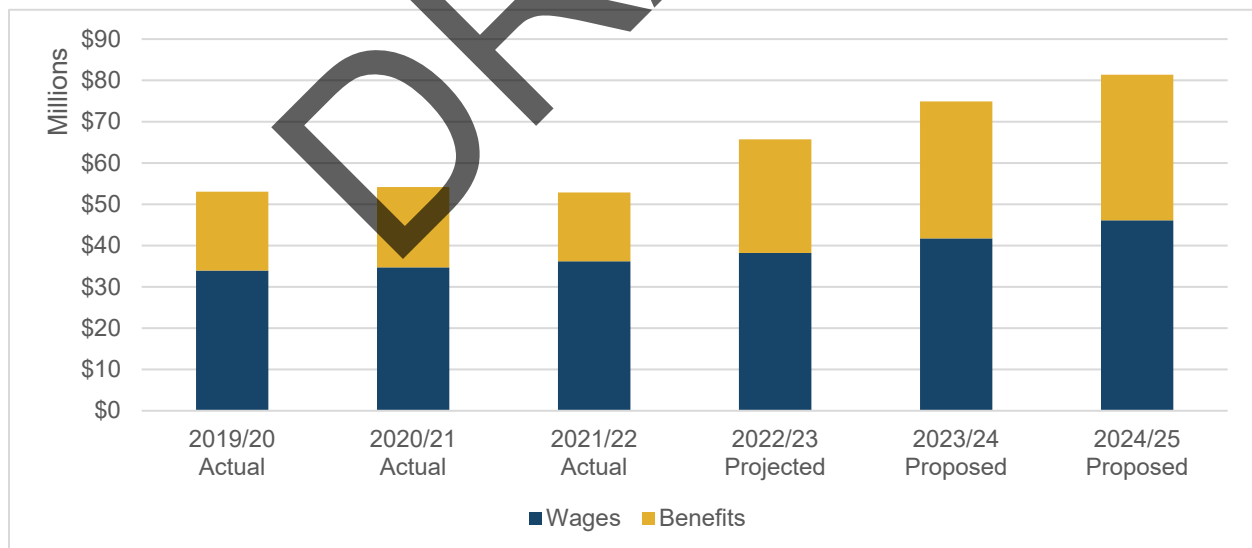
STAFFING PLAN

Over the next few years, approximately forty one percent of the current workforce is eligible for retirement. During FY 2023/24 the Agency will continue to support succession planning by filling vacancies previously on hold to streamline operations, and more effectively support the areas of technology, finance, and administration.

The Agency has increased the full time equivalent (FTE) authorized employment from 330 to 345 positions (340 authorized full time and 5 limited term employees) for FY 2023/24 and 356 positions (342 full time and 4 limited term employees) for FY 2024/25. The proposed staffing will allow for early recruitment of critical positions in support of the operations of the new and expanded RP-5 facilities coming on-line over the next two fiscal years, ensuring sustainable operations and services to our communities. An average of approximately \$10.5 million in total employment costs annually are allocated to support capital improvement plan (CIP) activities.

Total employment costs for FY 2023/24 are budgeted at \$74.9 million and for FY 2024/25 at \$81.4 million, as shown in Figure 8-2. Included in the proposed FY 2023/24 and FY 2024/25 employment budget is a cost-of-living adjustment (COLA) of three percent and six percent in benefits reflecting the estimated increases in the California Public Employees Retirement System (CalPERS) rates and health insurance benefits. Employment cost also includes \$8.1 million for each fiscal year in contributions toward the unfunded accrued liabilities for CalPERS pension and other post-employment benefits (OPEB). Fiscal years 2023/24 is the third of the three-year Memorandums of Understanding (MOUs) negotiated with the various employee bargaining units in 2021.

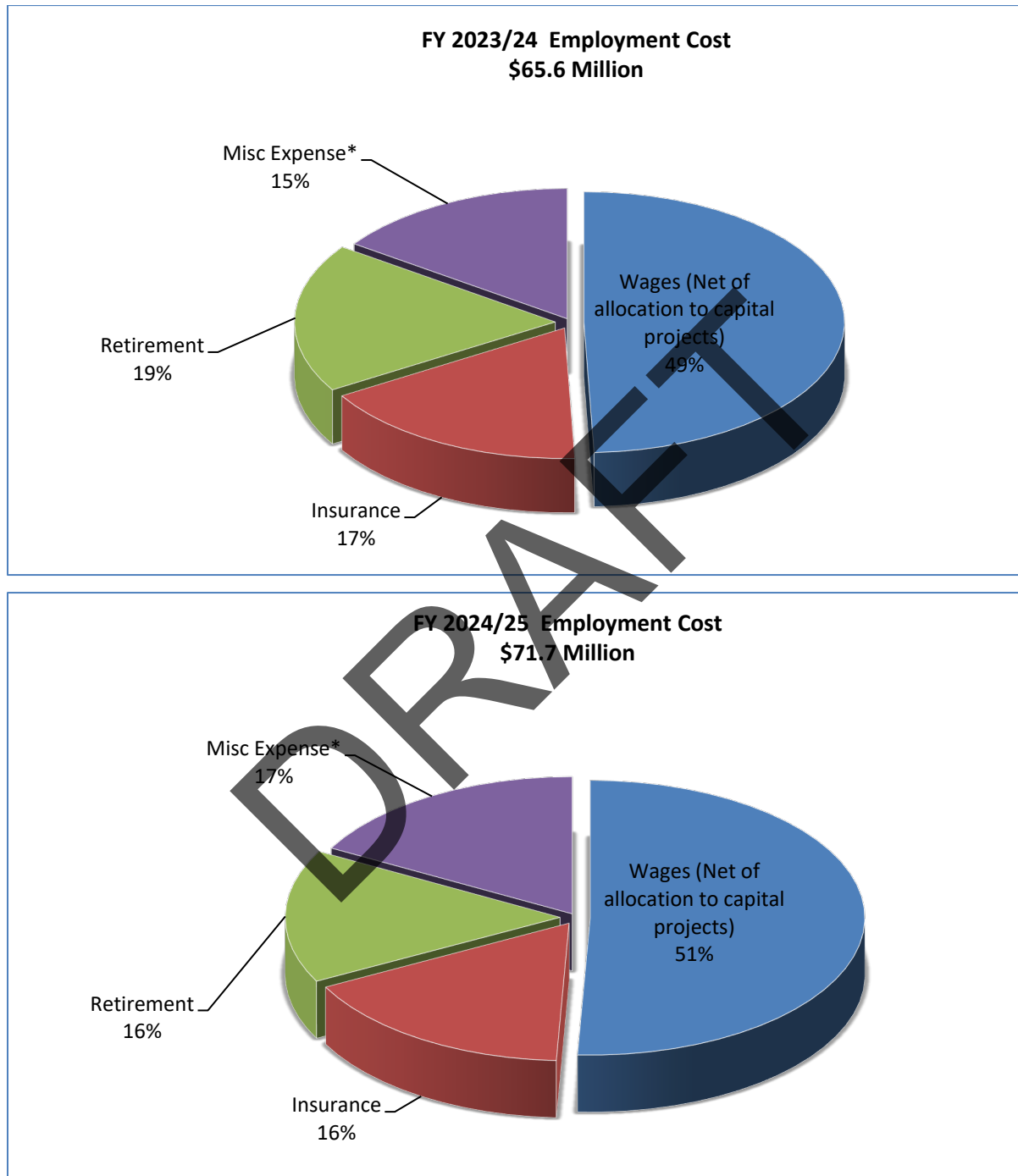
FIGURE 8-2: TOTAL GROSS EMPLOYMENT COSTS (\$MILLIONS)



PERSONNEL

Total net employment costs as indicated in Figure 8-3, inclusive of wages and benefits, are budgeted at \$65.6 million (net of allocation to capital projects) in FY 2023/24 and \$71.7 million in FY 2024/25.

FIGURE 8-3: NET EMPLOYMENT COSTS



* Misc. Expense includes state unemployment taxes, directors' fees, auto allowance, and other benefits.

Table 8-1 provides the change in number of positions for each department from FY 2022/23 to FY 2024/25.

TABLE 8-1: STAFFING PLAN

Position Type		ACTUAL FY 2022/23	AUTHORIZED FY 2022/23	PROPOSED FY 2023/24	PROPOSED FY 2024/25
Full Time	Agency Management & Board Office Unit	11	12	12	12
	Chino Basin Program Section	2	2	2	2
	Engineering Department	37	39	47	48
	External & Government Affairs Department	13	10	11	12
	Finance Department	29	33	31	31
	Human Resources Department	13	13	14	14
	Information Technology Department	26	26	30	31
	Internal Audit Unit	3	3	3	3
	Operations & Maintenance Department	141	140	152	161
	Planning and Resources Department	33	32	38	38
	Policy and Intra-Agency Relation Section	4	5	0	0
Full Time Total		312	315	340	352
Limited Term	Agency Management & Board Office Unit	1	1	0	0
	Chino Basin Program Section	0	0	0	0
	Engineering Department	3	3	0	0
	External & Government Affairs Department	3	2	1	0
	Finance Department	1	1	0	0
	Human Resources Department	2	2	2	2
	Information Technology Department	2	2	0	0
	Internal Audit Unit	0	0	0	0
	Operations & Maintenance Department	1	2	1	1
	Planning and Resources Department	2	2	1	1
	Policy and Intra-Agency Relation Section	1	0	0	0
Limited Term Total		16	15	5	4
Intern	Agency Management & Board Office Unit	2	2	2	2
	Chino Basin Program Section	0	0	1	1
	Engineering Department	13	16	15	15
	External & Government Affairs Department	6	6	6	6
	Finance Department	6	6	7	7
	Human Resources Department	3	3	3	3
	Information Technology Department	1	1	5	5
	Internal Audit Unit	0	1	1	1
	Operations & Maintenance Department	26	29	19	19
	Planning and Resources Department	9	9	10	10
	Policy and Intra-Agency Relation Section	2	2	0	0
Intern Total		68	75	69	69
Grand Total		396	405	414	425

PERSONNEL COSTS BY PROGRAM

Total employment cost, comprised of wages and benefits, is initially recorded in the Administrative Services (GG) fund. These costs are then allocated to other Agency programs, capital projects, and other agencies and Joint Power Authorities (JPAs) based on their level of support. Employment costs for staff assigned to

PERSONNEL

support other agencies, such as Chino Basin Desalter Authority (CDA) and the Inland Empire Regional Composting Authority (IERCA), are reimbursed to the Agency based on contractual agreements. As indicated in Table 8-2, the employment cost allocation for each fund varies each year, as determined by the anticipated level of staff work for the respective programs.

TABLE 8-2: NET EMPLOYMENT COSTS ALLOCATION BY PROGRAM

Program	Allocation Percentage		
	2022/23 \$52.3 million	2023/24 \$54.5 million	2024/25 \$56.8 million
Regional Wastewater⁽¹⁾	72.9%	72.8%	72.8%
Recycled Water	11.0%	11.0%	11.0%
Administrative Services/Chino Basin Desalter Operations ⁽²⁾	2.9%	3.5%	3.5%
Non-Reclaimable Wastewater System	5.8%	5.3%	5.3%
Water Resources	5.9%	5.9%	5.9%
Recharge Water	1.5%	1.5%	1.5%
Total	100%	100%	100%

⁽¹⁾Inland Empire Regional Composting Authority (IERCA) labor costs are 100 percent reimbursable from the IERCA and are reported in the Regional Wastewater Operations fund.

⁽²⁾Chino Desalter Authority (CDA) JPA labor costs are 100 percent reimbursable from CDA and are reported in the Administrative Services fund.

Total employment cost reimbursements due from other agencies/JPAs and are estimated to be \$6.5 million in FY 2023/24 and \$7.1 million in FY 2024/25 which includes: \$4.7 million of employment costs for FY 2023/24 and \$5.1 million for FY 2024/25 from IERCA for operation of the facility which are recorded in the Regional Wastewater Operations and Maintenance fund, and \$1.8 million of employment costs for FY 2023/24 and \$2.0 million for FY 2024/25 from CDA for operations and program support of the CDA facility which is recorded in the Administrative Services fund. The Chino Basin Watermaster (CBWM) partially reimburses labor costs of approximately \$751,970 in FY 2023/24 and \$763,587 in FY 2024/25 for recharge water basin maintenance recorded in the Recharge Water fund.

BENEFITS

In FY 2023/24, total benefit costs are budgeted at \$33.2 million and make up approximately 42 percent of the total gross employment costs. The costs increase to \$35.3 million in FY 2024/25. These benefits are comprised of:

- ◆ Insurance (i.e., health, dental, vision, life, long term disability, and workers' compensation).
- ◆ Paid leave (e.g., holiday pay, sick leave, vacation leave, executive leave, floating holidays, etc.).

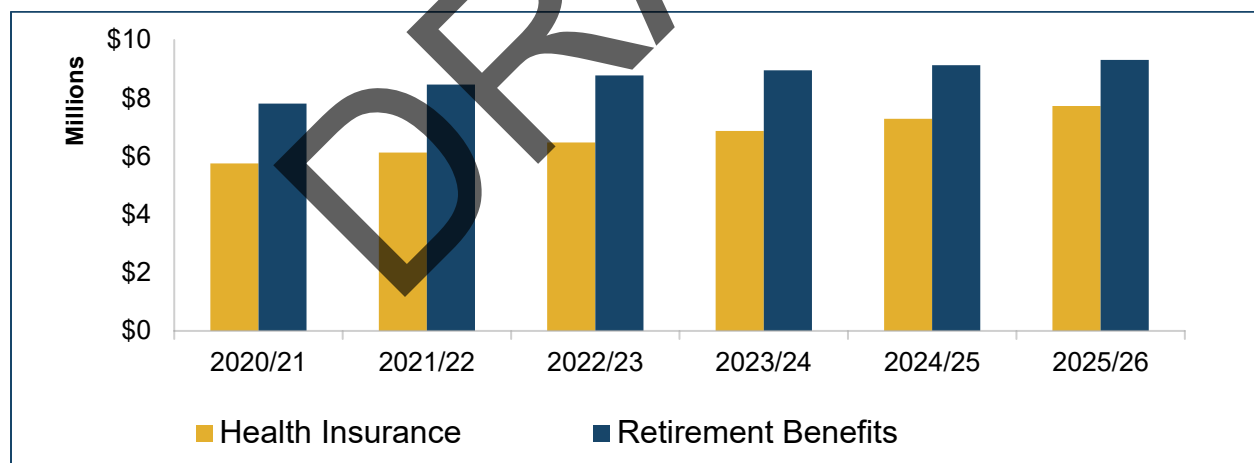
- Retirement benefits in the form of participation in the California Public Employees' Retirement System (CalPERS) and Social Security.
- Contribution towards retirement Unfunded Accrued Liabilities (UAL) and Other Post-Employment Benefits (OPEB).

The CalPERS employer contribution rate projected for FY 2022/23 and FY 2023/24 are 22.15 percent and 21.69 percent of total “persable” wages, respectively. As of July 1, 2017, all Agency employees pay 100 percent of the employer paid member contributions (EPMC). Employment cost also includes \$6.5 million for each fiscal year in contributions toward the unfunded accrued liabilities for CalPERS retirement and other post-employment benefits.

Figure 8-4 reflects a combined increase of approximately eight percent in health and retirement benefit costs in FY 2021/22 over the prior year's amended budget. Effective January 1, 2015, the agency is capped to pay up to 6.5 percent of the medical health rate increase per calendar year and anything in excess of the 6.5 percent will be paid the employee.

The budget for FY 2023/24 includes approximately eight percent increase in the Agency's CalPERS employer contribution rate and health insurance costs. In December 2016, the CalPERS Board of Administration voted to lower the discount rate incrementally from 7.5 percent in FY 2017/18 to 7.0 percent and remains the same for FY 2020/21 based on actuarial valuation report reflects statutory changes, regulatory changes, and CalPERS Board actions through January 2020. Any subsequent changes or actions are not reflected. Lowering the discount rate means employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities.

FIGURE 8-4: BENEFITS COST TREND (\$MILLIONS)



SAFETY

The Agency strives to provide a safe and healthy work environment for all employees and is dedicated to reducing injuries and accidents while ensuring regulatory compliance through a comprehensive Occupational Health and Safety program. The Agency delivers high-quality training and performs comprehensive workplace evaluations and inspections in support of employee safety.

PERSONNEL

Employee safety is an important component of the Agency's cultural. Management actively encourages and empowers all employees to recognize and evaluate risks and take proactive steps to ensure the safest work environment possible. Employee safety is everyone's responsibility, and the Agency's commitment to employee wellbeing includes exceeding OSHA standards, implementing best practices, and reinforcing safety as a core value.

WORKFORCE DEVELOPMENT

The Agency is committed to maximizing its human capital in support of accomplishing established business goals, resulting in improved customer satisfaction. Organizational development interventions are used by the Agency to maximize both individual and organizational performance in the delivery of key initiatives.

To ensure continuity of critical Agency functions, the Agency has deployed a series of organizational interventions that strengthen the Agency's ability to carry out essential functions, both now and in the future. These workforce development interventions have included identifying and eliminating single points of failure, identifying retirement risk by department and implementing measures to preserve institutional knowledge, implementing a classification structure that supports career development and the establishment of internal talent pipelines, delivering quality learning and development curriculum to upskill the Agency's workforce, implementing stay interviews, and creating external talent pipelines including increased public outreach and participation in IEWorks, a regional consortium dedicated to strengthening the water/wastewater workforce within the Inland Empire.



RP-5 THICKENING BUILDING

AGENCY MANAGEMENT DIVISION

MISSION STATEMENT

To provide a safe, equitable, and inclusive workplace that empowers employees to reach their full potential and contribute to the Agency. The Division is committed to managing the activities of the Agency by providing leadership and guidance on Agency strategic initiatives, projects, and programs to effectively serve the region. Through effective communication and collaboration, the Division also seeks to promote Agency initiatives and priorities to enhance engagement with the community and showcase the work of IEUA employees. Additionally, the Agency Management Division is responsible for identifying and securing new sources of revenue through grants and low-interest loans to advance projects that will benefit the region.

DEPARTMENTS

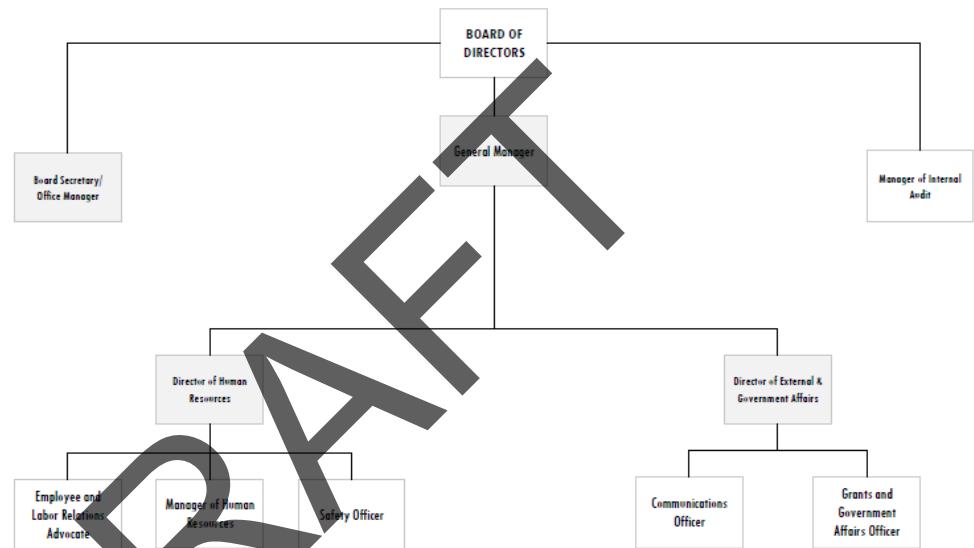
- Agency Management Department
 - Board Office Unit
 - Records Management Unit
- External and Government Affairs Department
 - External Affairs Unit
 - Grants Unit
- Human Resources Department
 - Human Resources Unit
 - Safety Unit
- Internal Audit Unit

EXECUTIVE SUMMARY

The Agency Management Division is responsible for establishing effective governance, delivering human capital management programs that promote a transparent and engaging work environment and for the management and administration of all Agency activities. Its purpose is to establish the IEUA business goals; administer Agency programs; organize efficient delivery of the Agency's services; implement Agency policies pursuant to the direction of the Board of Directors; ensure effective collaboration and communication with Agency customers, partners, and stakeholders; identify resources to support Agency projects and priorities; and promote a workplace culture of respect, safety, accountability, collaboration, engagement, efficiency, continuous learning and improvement, and coaching for performance. The Division provides management services on all matters pertaining to the business of the Agency. Total division staffing is budgeted at thirty-nine full time equivalent (FTE) positions for FYs 2023/24 and forty-one FTEs for 2024/25.

ORGANIZATIONAL CHART

AGENCY MANAGEMENT DIVISION



BOARD OFFICE & AGENCY MANAGEMENT

MISSION STATEMENT

To manage the activities of the Agency by providing leadership and guidance on all Agency strategic initiatives, projects, planning, programs, legislation, and funding.

DESCRIPTION AND PURPOSE

Agency Management is responsible for the overall policy direction and day-to-day management of the Inland Empire Utilities Agency. Under the general direction of the General Manager, the Agency is responsible for providing a high-quality, reliable water supply to the region while enhancing water resource management throughout the Chino Basin, the wholesale distribution of water and recycled water, regional wastewater treatment, industrial and municipal wastewater collection, biosolids recycling, and other related utility services. Agency Management includes the Board Office and Records Management Units.

The Board Office supports the Board of Directors, the General Manager, the Deputy General Manager, and the Assistant General Manager while ensuring adherence to established policies and procedures, and acts as a liaison with other Agency staff, outside agencies, and the public.

Records Management manages and maintains the Agency's records management program.

MAJOR PRIORITIES

- Provide information and support on Board and Committee meeting processes
- Timely preparation of Board and Committee meeting agenda packages
- Ensure open, timely, and transparent governance
- Continue to promote employee engagement, achievement, and retention
- Process all requests for information pursuant to the California Public Records Act
- Records retention compliance
- Continuous Agency-wide training on records management best practices

POSITION SUMMARY

In FY 2023/24 one limited term Records Specialist position will be converted to a full-time equivalent position to address increased workloads.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Agency Management				
General Manager	1	1	1	1
Total Agency Management	1	1	1	1

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Board Office				
Board Secretary/Office Manager	1	1	1	1
Executive Assistant	2	3	3	3
Administrative Assistant II	1	1	1	1
Office Assistant	1	1	1	1
Total Board Office	5	7	6	6
Records Management				
Records Management Supervisor	1	1	1	1
Records Specialist I/II	1	2	2	2
Total	2	3	3	3
Limited Term				
Records Specialist	1	-	-	-
Total	1	0	0	0
Total Records Management	3	3	3	3
Total FTE and Limited Term	9	10	10	10

GOALS AND OBJECTIVES

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Ensure staff has access to professional development opportunities.	Provide opportunities for continued career development through participation in training courses and cross-training opportunities.	<ul style="list-style-type: none"> Track the number of trainings and conferences attended by staff 	Ongoing FY 2023/24 and FY 2024/25
Promote inter-departmental collaboration and teamwork.	Provide communication and support to all Departmental Units regarding Board and Committee meeting processes.	<ul style="list-style-type: none"> Obtain feedback at bi-monthly Agency-wide Administrative Team meetings 	Ongoing FY 2023/24 and FY 2024/25
	Facilitate training for Agency staff to promote records management best practices and records compliance.	<ul style="list-style-type: none"> Utilize internal databases and sign in sheets to track attendance. 	Monthly FY 2023/24 and FY 2024/25

BOARD OFFICE & AGENCY MANAGEMENT

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Identify opportunities to create operational efficiencies and streamlining of core business functions.	Continue to transition from hard copy to electronic records.	<ul style="list-style-type: none"> Track the number of records scanned into the Laserfiche system and the number of records destroyed. 	Quarterly FY 2023/24 and FY 2024/25
Provide excellent service to both external and internal customers.	Provide high quality customer service to internal and external stakeholders by providing responses to internal requests and Public Records Requests and litigation matters in a timely manner.	<ul style="list-style-type: none"> Record the number of external and internal records requests. 	Quarterly FY 2023/24 and FY 2024/25

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Provide communication and support to all Departmental Units regarding Board and Committee meeting processes.	Number of Agency-wide administrative team meetings held each year.	5	4	5	5
	Number of Board/Committee Packages Prepared.	54	55	55	55
	Number of completed Statements of Economic Interest (Form 700) timely filed and reviewed.	56	52	50	50
Provide high quality customer service to internal and external stakeholders by providing responses to internal requests and Public Records Requests and litigation matters in a timely manner.	Number of Public Records Requests per year.	124	155	130	115
Facilitate training for Agency staff to promote records management best practices and records compliance.	Number of Agency staff trained per year.	381	305	150	160

EXPENSES

Employment includes wages and benefits. Administrative and operating costs budgeted include agency-wide expenses for legal, memberships, contributions, and sponsorships. FY 2022/23 administrative expense projected actual includes director election expense which is budgeted every other year.

Expense	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Employment	\$1,213,274	\$1,357,023	\$1,961,016	\$5,090,603
Administrative	400,532	545,015	942,702	1,091,775
Operating	1,164,487	1,199,339	1,578,443	1,581,583
Total	\$2,778,293	\$3,846,583	\$4,482,161	\$4,706,930

DRAFT

EXTERNAL & GOVERNMENT AFFAIRS

MISSION STATEMENT

The External Affairs Unit seeks to establish and strengthen relations with the media, elected officials, businesses, civic organizations, member agencies, educators, and general members of the public to enhance public awareness of the Agency's programs, projects, and services. External Affairs also seeks to facilitate programs and communication initiatives that align with the Agency's business goals and objectives.

The Grants Unit seeks to maximize Federal and State grants and low-interest loan funding by identifying and securing funding opportunities, to cost-effectively support the future regional groundwater management, wastewater, recycled water, and energy management needs through enhanced partnerships with various regional stakeholders in pursuing grants and loans and to promote and monitor Agency programs as they relate to grant funding, by maintaining compliance with all applicable Federal, State, and local environmental regulations and requirements while minimizing Agency liability.

DESCRIPTION AND PURPOSE

External Affairs is a liaison between the Agency and its stakeholders and supports the following functions and activities:

- Responsible for developing and directing the Agency's community relations, public outreach, and education programs.
- Manages numerous education programs that benefit the community, including the Chino Creek Wetlands and Educational Park's Water Discovery Field Trip, Garden in Every School®, Solar Cup, and the Water Is Life Poster Contest programs.
- Responsible for developing regional campaigns, digital and print communication, social media management, and website design and maintenance.
- Facilitates internal and external communication through branding awareness, newsletter development and publication production, and video development to highlight Agency programs, processes, and staff.
- Responsible for internal and external large-scale Agency events, including Leadership Breakfasts, Earth Day, dedications, groundbreakings, and employee recognition events.

The Grants Unit proactively identifies and seeks out grant opportunities in conjunction with management to fund capital projects throughout the Agency, oversees the entire lifecycle of the Agency's grants administration activities, and provides centralized Agency grants management oversight to IEUA and joint power authorities to ensure regulatory compliance, cost eligibility, and accurate and timely reporting for each grant award in accordance with grantor compliance requirements.

MAJOR PRIORITIES

The External Affairs Unit's major priorities for FYs 2023/24 and 2024/25 are as follows:

- ◆ Implement communication strategies and tactics that enhance relationships with member agencies, stakeholders, and the community (i.e., regional communication toolkits, social media partnerships, community-based learning academy, etc.).
- ◆ Continue to transition education programs based on need and accessibility parameters.
- ◆ Develop communication methods and tactics that align with current trends.
- ◆ Work with regional agencies to develop messaging, addressing current and/or potential water supply issues (i.e., PFAS, drought, Fats, Oils, and Grease (FOG)/Wipes, etc.).
- ◆ Adjust ad campaigns based on readership, demand, platform, and need.
- ◆ Maintain Agency external website to provide updated information, "ease-of-use" for visitors, and update per Unit's communication needs and goals.

The Grants Unit's major priorities for FYs 2023/24 and 2024/25 are as follows:

- ◆ Submit a Water Infrastructure Finance and Innovation Act (WIFIA) application for a Master Agreement for the IEUA Ten-Year Capital Improvement Program (TYCIP).
- ◆ Prepare and submit an application to the US Bureau of Reclamation for the Large-Scale Water Recycling Program in support of the construction costs associated with the Chino Basin Program.
- ◆ Track ongoing infrastructure legislation at the state and federal levels to identify potential new funding opportunities that will support cost-effective implementation of the Agency's capital program.

POSITION SUMMARY

Due to the FY 2022/23 Agency reorganization, three positions related to Grants Accounting were moved out of the Grants Unit and into the Accounting Unit, additionally the Grants Manager position was reclassified to Grants and Government Affairs Officer, and one limited term Grants Administrator position was converted to a Full-Time Equivalent position due to increased workload demands. In FY 2023/24 the Grants Administrator positions are reclassified to Grants Analyst and one Legislative Analyst is added.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Director of External and Gov't Affairs	1	1	1	1
Total	1	1	1	1
External Affairs				
Communications Officer	1	1	1	1
Senior External Affairs Specialist	-	1	1	1

EXTERNAL & GOVERNMENT AFFAIRS

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
External Affairs Analyst	1	1	1	1
External Affairs Specialist I/II	2	2	3	3
Total	4	5	6	6
Limited Term Positions				
External Affairs Specialist I	1	2	1	1
Total	1	2	1	1
Total External Affairs	5	7	7	7
Grants and Government Affairs				
Grants and Gov't Affairs Officer	-	1	1	1
Manager of Grants	1	-	-	-
Grants Analyst I/II	-	-	3	3
Grants Administrator	2	3	-	-
Senior Accountant	1	-	-	-
Accountant I/II	1	-	-	-
Legislative Analyst	-	-	-	1
Total	5	4	4	5
Limited Term Positions				
Grants Administrator	1	1	-	-
Total	1	1	0	0
Total Grants and Government Affairs	6	5	4	5
Total FTE and Limited Term	12	13	12	13

GOALS AND OBJECTIVES

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long-term needs while providing the best value for our customers.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Commit to sustainable cost containment for operating and capital budgets and monitor through budget variance analysis.	Collaborate with Agency Units that have project funding needs to assess the feasibility of pursuing funding opportunities to reduce capital and operating costs including reviewing the Ten-year Capital Improvement Plan (TYCIP); identifying key priorities that	<ul style="list-style-type: none"> Proactively support the Chino Basin Program (CBP) by researching funding opportunities and collaborating with CBP partners to pursue opportunities that fit the projects components including preparing and submitting application 	Ongoing FY 2023/24 and FY 2024/25

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long-term needs while providing the best value for our customers.

	align with grant and low-interest loan program funding criteria; researching and analyzing funding opportunities; and working with appropriate Agency partners to develop applications and letters of interest.	<p>to the US Bureau of Reclamation Large Scale Water Recycling Grant Program for the Chino Basin Program and promote effective advocacy efforts to obtain support from the IEUA legislative delegation</p> <ul style="list-style-type: none"> • Advocate for changes that streamline and simplify to the application and compliance processes for grant and low-interest loan programs at the State and Federal level such as the State Revolving Fund program and the FEMA BRIC program to make programs more accessible and operationally feasible • In collaboration with the Finance and Engineering Departments, plan and implement a new Master Agreement for a WIFIA loan for all the Agency projects identified in the TYCIP • Pursue at least one project each year for funding through the State Budget and through the Federal Community Project Request processes 	<p>July – December 2023</p> <p>October – February FY 2023/24 And FY 2024-25</p>
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Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Promote inter-departmental collaboration and teamwork.	Assess, prepare, and submit quarterly, bi-annual, and annual progress reports and project completion reports as	<ul style="list-style-type: none"> • Establish regular meetings with project managers and Engineering leadership 	Ongoing FY 2023/24 and FY 2024/25

EXTERNAL & GOVERNMENT AFFAIRS

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.			
	required by the State or Federal funder on time and with the information required by the funding agency to ensure compliance with funding requirements. Additionally, submit extension requests as needed within the required timeframe based on IEUA project status and timeline.	to assess and ensure projects will be completed within the funding timeframe <ul style="list-style-type: none"> Identify and implement a new internal tracking system to manage and track workload across Agency departments more effectively to ensure responsiveness, thoroughness, and compliance 	Fall 2023
Promote a safe work environment by administering and monitoring required safety and regulatory trainings	Develop new and update current safety policies focused on Water Discovery field trips and tours, including wildlife instructions, transportation purchases, education center planning.	<ul style="list-style-type: none"> Hold quarterly safety meetings to address any updates or changes to policies needed as well as discuss safety needs among programs, including meetings with Safety. Finalize and implement policies through the Agency's Intranet AIM. Purchase/refurbish golf cart for efficiency, safety, and transportation for Water Discovery Field Trip and programs. Implement Discover the Environment and Water (DEW) grant to retain new education trailer for education and program facilitation especially during weather concerns. 	Quarterly FY 2023/24 and FY 2024/25

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.			
Strategic Priority	Unit Goal	Unit Objective	Timetable
Provide excellent service to both external and internal customers.	Develop partnerships with regional agencies to identify outreach needs and approach on implementation (Inland Empire Water	<ul style="list-style-type: none"> Work with outreach consultants to facilitate a minimum of 10 CBP specific presentations. Develop media plan and outreach goals with the 	Ongoing FY 2023/24 and FY 2024/25

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

	Partnership (IEWP) Chino Basin Program, etc.).	Inland Empire Water Partnership and implement as needed <ul style="list-style-type: none"> • Develop additional collateral and messaging for new PFAS regulations 	
Promote the Agency through public outreach and education.	Work with Units to recognize Agency and employee efforts and achievements through multiple media channels; Highlight Agency achievements to educate on the Agency's services and mission.	<ul style="list-style-type: none"> • Develop analytic summaries for weekly staff meetings based on engagement, earned media, participation, survey feedback, etc. • Develop press releases as needed for Agency accomplishments • Develop a minimum of five "Day in the Life" videos and promote on social platforms • Develop digital video for Agency Annual Report • Develop highlight reel for yearly achievements 	Ongoing FY 2023/24 and FY 2024/25
	Facilitate education programs to promote Agency goals and services and core foundations (i.e., environmental stewardship, sustainability, etc.)	<ul style="list-style-type: none"> • Establish a plan for the DEW program funded in part by a grant from the CA Department of Parks and Recreation, including enhancing curriculum to include lab tours and high school focused Science, Technology, Engineering, Arts, and Math (STEAM) standards • Develop plan to acquire education trailer including interior design plan for program facilitation • Acquire golf cart for program facilitation efficiency • Develop new outreach method for poster contest • Enhance Earth Day event by adding 	Ongoing FY 2023/24 and FY 2024/25

EXTERNAL & GOVERNMENT AFFAIRS

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

		additional activities, tours, etc. • Start planning phase for community-based learning academy.	
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Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Develop innovative water resource management and wastewater treatment efforts.	Enhance relationships with customer and partner agencies to identify potential funding opportunities to advance regional projects and support customer agency pursuit of funding opportunities that align with IEUA priorities	<ul style="list-style-type: none"> Establish regular communication channels with customer and partner agencies on potential funding opportunities Meet regularly with customer and partner agencies to identify projects that may be a good fit for joint funding applications such as the Chino Basin Program “take” facilities through the USBR Large Scale Water Recycling program 	Ongoing FY 2023/24 and FY 2024/25

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Collaborate with Agency Units that have project funding needs to assess the feasibility of pursuing funding opportunities to reduce capital and operating costs.	Number of applications and letters of interest submitted; # of grants and low-interest loans obtained	N/A	6 / 1	6 / 1	6 / 1
Enhance relationships with customer and partner agencies to identify potential funding opportunities to advance regional projects and support customer agency pursuit of funding	Number of applications submitted	N/A	2	2	2
	Coordinate Agency sponsored events - Number of events	6	5	5	5
	Number of press releases	32	17	20	20

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
opportunities that align with IEUA priorities.	Increase social media following (IG, FB, Twitter, LinkedIn) - Number of followers	5,280	6,300	6,800	7,000
Assess, prepare, and submit quarterly, bi-annual, and annual progress reports and project completion reports as required by the State or Federal funder on time and with the information required by the funding agency to ensure compliance with funding requirements.	Percent of progress reports, bi-annual, and annual reports submitted on time	N/A	100%	100%	100%
Facilitate education programs to promote Agency goals and services and core foundations.	Number of participants (field trips, poster contest, Solar Cup, etc.)	3,000	4,000	3,000	3,500

EXPENSES

Employment expense includes wages and benefits. Administrative expenses include Agency-wide costs for printing, advertisements, and contributions and sponsorships. Operating expense includes professional fees and services, materials and supplies, and leases and rentals. Agency-wide expense included in this category is for Earth Day events, lobbying, video campaigns, and graphic services.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$2,141,176	\$1,811,235	\$1,902,753	\$2,040,085
Administrative	107,802	204,091	357,565	364,966
Operating	416,993	536,429	531,144	530,073
Total	\$2,665,971	\$2,551,755	\$2,791,462	\$2,935,124

HUMAN RESOURCES

MISSION STATEMENT

It is the mission of the Human Resources Department to serve as a strategic and collaborative partner in the development, implementation and support of initiatives that maximize individual and organizational potential while reducing injuries, accidents, and environmental impacts. The Human Resources Department is committed to delivering human resources programs that are safe, equitable, informed, efficient and compliant and that positively contribute to the workplace experience of the Agency's most valued asset – its employees.

DESCRIPTION AND PURPOSE

Human Resources serves as a catalyst to empower employees to reach their full potential and contribute to the success of the Agency. We are committed to continuous improvement and learning, integrating technology into the human resources experience, providing consistent, timely, and dependable information, and promoting progressive practices in talent acquisition, talent management, learning and development, total compensation, policy administration, employee safety and health management, employee and labor relations, and performance management. We deliver equitable human capital management programs, high quality safety training, comprehensive workplace evaluation, emergency response, and hazardous materials management in alignment with the Agency's Strategic Plan and in support of a work environment where employees feel engaged, included, valued, and successful.

MAJOR PRIORITIES

Departmental priorities for FYs 2023/24 and 2024/25 include assessing the Agency's Occupational and Environmental Health and Safety Programs, developing and implementing a comprehensive talent acquisition plan, and establishing and implementing a plan to develop employee competencies.

POSITION SUMMARY

In FY 2023/24 one Safety Analyst position will be added to contribute the enhancement of the Agency's safety program.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Director of Human Resources	1	1	1	1
Manager of Human Resources	1	1	1	1
Human Resources Officer	1	2	2	2
Employee and Labor Relations Advocate	1	1	1	1
Human Resources Analyst I/II	2	4	4	4
Human Resource Specialist	-	-	2	2
Human Resources Technician	1	-	-	-
Risk Manager	-	-	-	1

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Safety Officer	1	1	1	1
Safety Analyst	2	2	2	2
Administrative Assistant II Confidential	-	1	1	1
Total	10	13	15	16
Limited Term Positions				
Human Resource Analyst I/II	3	-	-	-
Human Resource Specialist	-	2	-	-
Total	3	2	0	0
Total FTE and Limited Term	13	15	15	16

GOALS AND OBJECTIVES

Business Goal - Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Promote a safe work environment by administering and monitoring required safety and regulatory trainings.	Promote a culture of safety by ensuring regulatory compliance and continuous improvement. Assess the Agency's Occupational and Environmental Health and Safety Programs to ensure regulatory compliance requirements and continuous improvement.	<ul style="list-style-type: none"> • Identification of risks • Implementation of a training plan to reduce risk and prevent incidents and injuries • Completion of the updated Hazard Mitigation Plan 	June FY 2024/25
Establish a long-range staffing plan to ensure organizational effectiveness and Agency objectives are accomplished.	Engage in workforce planning by developing and implementing a plan to lengthen the Agency's talent pipeline. Develop and implement a comprehensive talent acquisition plan.	<ul style="list-style-type: none"> • Establishment of the Agency's talent acquisition objectives • Establishment of a career outreach strategy that aligns with the Agency's talent acquisition objectives • Implementation of the career outreach strategy 	June FY 2024/25
Develop and implement a plan to mentor and prepare the next	Establish and implement a plan to develop staff competencies.	<ul style="list-style-type: none"> • Development of an approved list of competencies needed by staff to meet Agency objectives 	June FY 2024/25

HUMAN RESOURCES

Business Goal - Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

generation of the IEUA team.		<ul style="list-style-type: none"> Establishment of a plan to develop staff competencies Implementation of a plan to develop staff competencies 	
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PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Assess the Agency's Occupational and Environmental Health and Safety Programs to ensure regulatory compliance requirements and continuous improvement.	Number of new workers comp claims	3	3	2	2
Develop and implement a comprehensive talent acquisition plan.	Number of applicants	4031	3908	4500	4700

EXPENSES

Employment expense includes wages and benefits, included in this category are Agency-wide benefit expense related life and disability insurances. Administrative expense includes office and administrative costs. Operating expense includes professional fees and services and materials and supplies. Agency-wide expense pertaining to benefits, recruitment, legal (labor related), and training expense are included in the categories below.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/2024 Budget	FY 2024/25 Budget
Employment	\$2,139,385	\$3,207,658	\$4,929,374	\$5,090,603
Administrative	154,530	230,200	455,150	467,125
Operating	179,215	878,697	1,129,213	1,134,571
Total	\$2,473,129	\$4,316,555	\$6,513,737	\$6,692,299

INTERNAL AUDIT

MISSION STATEMENT

The Internal Audit (Internal Audit) Unit seeks to improve the operations of the Agency by providing unbiased and objective assessments to ensure Agency resources are efficiently and effectively managed to achieve Agency goals and objectives. The Internal Audit Unit will help the Agency achieve its goals and objectives, improve operations, and instill confidence among its employees and the citizens it serves by providing independent, objective assurance and consulting services and provide management and the Board of Directors with recommendations to:

- Promote a sound control environment.
- Provide independent, objective assurance and consulting services.
- Improve Agency risk management, control, and governance.
- Promote the Agency's vision and mission with a high degree of professionalism.
- Assist the Board of Directors and senior management achieve organizational goals and objectives.

DESCRIPTION AND PURPOSE

The purpose of Internal Audit is to assist the Board of Directors and the Audit Committee in fulfilling their oversight responsibilities for financial reporting, internal controls, compliance with legal and regulatory requirements applicable to Agency operations, and to provide objective assurance about the Agency's operations. Additionally, the purpose of Internal Audit is to provide, as a service to management and as a way of adding value to improve the operations of the Agency, consulting services, analyses, recommendations, and information concerning IEUA operations. Internal Audit assists management and staff in achieving their objectives by providing recommendations based on an analysis of the Agency's processes, procedures, governance, internal controls, financial reporting, and compliance with applicable laws and regulations. The Board approved the Charter which establishes the authority and responsibilities of the Internal Audit Unit.

Internal Audit (IA) performs audits and abides by the *International Standards for the Professional Practice of Internal Auditing* and the Code of Ethics issued by the Institute of Internal Auditors (IIA). Internal Audit adopted four values which form the foundation for its purpose: independence, integrity, professionalism, and collaboration.

Internal Audit reports to the Board of Directors through the Audit Committee and is an independent function from management and this is consistent with best practices recommendations to ensure independence. The authority and responsibilities of the Internal Audit Unit are specifically defined in the Internal Audit Department Charter approved by the Board.

MAJOR PRIORITIES

- Promote a strong internal control environment
- Conduct objective and independent evaluations and assessments
- Provide audit recommendations to improve processes and comply with policies and procedures

- Provide audit recommendations to foster collaboration among the Agency Units
- Provide audit recommendations to make processes more effective and efficient
- Assist management in the achievement of organizational goals and objectives
- Assist the Audit Committee in fulfilling their oversight responsibilities
- Fulfill the requirements of the Board-approved Internal Audit Department Charter.
- Continuously reassess audit priorities and make needed updates to the Annual Audit Plan of proposed audit projects

POSITION SUMMARY

There are no departmental staffing changes proposed for the FY 2023/24 and FY 2024/25 budget years.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Manager of Internal Audit	1	1	1	1
Senior Internal Auditor	2	1	1	1
Internal Auditor	-	1	1	1
Total	3	3	3	3

GOALS AND OBJECTIVES

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Promote a safe work environment by administering and monitoring required safety and regulatory trainings.	Perform internal audits where the focus includes areas related to safe work environment and compliance with Agency policies.	<ul style="list-style-type: none"> Completion of approved audit projects 	By June FY 2023/24
	Ensure Internal Audit staff follows Agency policies and procedures related to safety and compliance.	<ul style="list-style-type: none"> Completion of all required Agency Safety Tailgate Topics policies 	By June FY 2023/24
Establish a long-range staffing plan to ensure organizational effectiveness and Agency objectives are accomplished.	Perform internal audits of operations where the focus includes analyzing financial transactions, evaluating cost containment opportunities, effectiveness and efficiency of operations and resources to assist the Agency in achieving its objectives related to organizational effectiveness.	<ul style="list-style-type: none"> Completion of approved audit projects 	By June FY 2023/24

INTERNAL AUDIT

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.			
	Evaluate staffing within Internal Audit and determine expertise needed to ensure an effective audit team.	<ul style="list-style-type: none"> Annually with the completion of the Annual Audit Plan 	June FY 2023/24
Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Promote employee engagement, achievement, and retention by providing training and leadership opportunities through continuous education, certificate programs and leading audit projects.	<ul style="list-style-type: none"> A minimum twenty hours of continuous professional education related to audit practices is necessary 	June FY 2023/24 and FY 2024/25
Ensure staff has access to professional development opportunities.	Maintain professional, skilled, knowledgeable, and experienced audit staff and promote continuous professional development, professional certifications, and higher education to stay abreast of developing trends.	<ul style="list-style-type: none"> A minimum twenty hours of continuous professional education related to audit practices is necessary 	June FY 2023/24 and FY 2024/25
Promote inter-departmental collaboration and teamwork.	Maintain professional, collaborative working relationships with internal and external staff at all times and ensure open, transparent, and timely communication.	<ul style="list-style-type: none"> Feedback is provided each quarter 	June FY 2023/24 and FY 2024/25

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.			
Strategic Priority	Unit Goal	Unit Objective	Timetable
Identify opportunities to create operational efficiencies and streamlining of core business functions.	Perform independent, objective internal audit of Agency operations where the focus is to evaluate business operations, transactions and processes and identify opportunities to improve operational efficiencies and effectiveness, use of resources and processes to assist the Agency in achieving its objectives.	<ul style="list-style-type: none"> Completion of Board approved audits 	June FY 2023/24 and FY 2024/25

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Provide excellent service to both external and internal customers.	Complete audit projects that focus on improving operations. Involve the audited business units in setting the audit objectives and final recommendations to help them improve their processes.	<ul style="list-style-type: none"> Quarterly feedback from the Audit Committee and annual feedback from the Board of Directors 	June FY 2023/24 and FY 2024/25
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Business Goal – Environmental Stewardship: IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Conduct educational and outreach programs and activities related to the Agency's key areas of business.	Provide various specific audit training and awareness to internal and external groups as well as through professional associations and to the local colleges.	<ul style="list-style-type: none"> Annually 	June FY 2023/24 and FY 2024/25

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Perform independent, objective internal audits of Agency operations where the focus is to evaluate business operations, transactions and processes and identify opportunities to improve operational efficiencies and effectiveness, use of resources and processes to assist the Agency in achieving its objectives.	Prepare an Annual Audit Plan with proposed audit projects and present to the Board.	1	1	1	1
	Number of completed and documented audit reports presented to the Audit Committee	4	4	4	4
	Complete follow up reviews and document reports	4	4	4	4
	Complete special projects and requests and document updates to the Audit Committee	1	1	1	1
Perform internal audit of operations where the	Complete a quality control review of the	1	1	1	1

INTERNAL AUDIT

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
focus includes analyzing financial transactions, evaluating cost containment opportunities, effectiveness and efficiency of operations and resources to assist the Agency in achieving its objectives related to organizational effectiveness.	Agency's Comprehensive Annual Financial Report				
	Audits completed within budgeted time frames. Compare actual time reported to budgeted staff time.	4	4	4	4

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs. Operating costs include professional fees and services. Agency-wide expense budgeted here include external auditing services.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$1,150,998	\$677,836	\$550,881	\$573,369
Administrative	3,011	1,684	10,000	10,000
Operating	45,710	83,206	107,000	79,000
Total	\$1,199,719	\$762,726	\$667,881	\$662,369

ADMINISTRATION DIVISION

MISSION STATEMENT

The mission of the Administration Division is to provide innovative, sustainable technical solutions, and financial support to increase productivity, reduce costs, and minimize risks. We are proactively working to meet the evolving needs of departments and to promote financial efficiencies within the Agency. We are implementing technology that is user-friendly, powerful, and functional to our needs, and we are dedicated to acquiring and retaining talent within our division to provide outstanding service to those we serve. Services provided include contracts and procurement support, fiscal accountability and financial regulatory compliance, internal and external financial reporting, budgetary analysis and preparation, cash and debt management, and information technology management. The total division staffing plan is budgeted at sixty-two Full Time Employees (FTE) for FY 2023/24 and sixty-three FTEs for FY 2024/25.

DEPARTMENTS

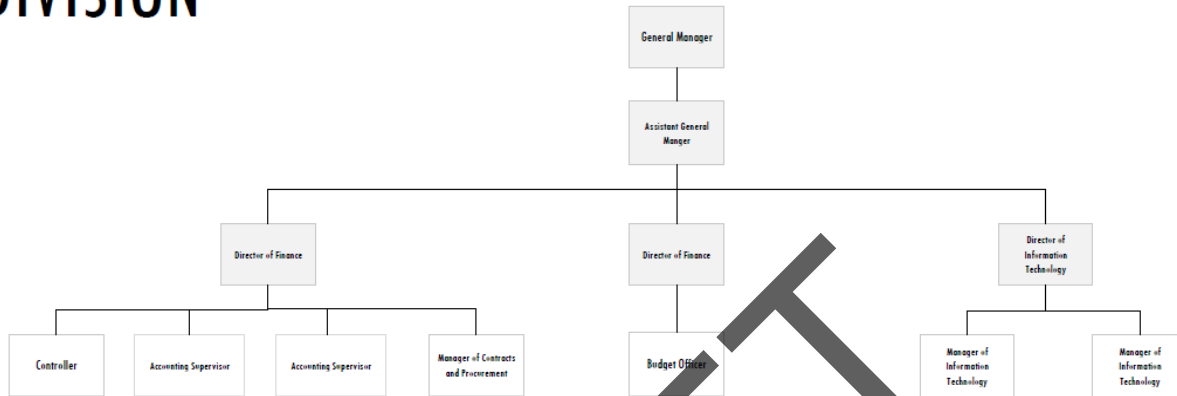
- Finance Department
 - Finance Unit
 - Accounting Unit
 - Contracts and Procurement Unit
- Information Technology Department
 - Operations Technology Unit
 - Information Services Unit

EXECUTIVE SUMMARY

The Administration Division is the administrative core of the organization. The division provides essential services in support of effective and efficient integration of innovation and technology into daily practices and operations and is responsible for transparent management of Agency funds.

ORGANIZATIONAL CHART

ADMINISTRATION DIVISION



EXPENSES

The Assistant General Manager's employment expense includes both wages and benefits. Administrative expenses include office and administrative costs. Operating expenses includes professional fees and services, agency-wide expense for outside consulting services, and financial advisory services to support the Agency's long-term financial planning and debt obligations is included in this category. The Assistant General Manager position was vacant for a majority of FY 2021/22.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$81,160	\$323,604	\$356,917	\$371,342
Administrative	1,681	14,974	11,850	11,850
Operating	54,499	65,590	125,000	125,000
Total	\$137,340	\$404,168	\$493,767	\$508,192

FINANCE & ACCOUNTING

MISSION STATEMENT

Provide accurate, reliable, clear, and timely financial budgeting and reporting of Agency programs and activities to the public, elected officials, Agency personnel, customers, regulatory agencies, grantors, investors, and other stakeholders. Provide strategic planning and identification of financial resources to meet the Agency's long-range financial needs; evaluate financing options to effectively meet future capital requirements, including securing the lowest borrowing; prudently manage the Agency's investments to secure the safety of principal and optimize earnings; and provide timely and cost-effective quality customer service to the Agency and its constituents while practicing responsible stewardship of Agency resources.

DESCRIPTION AND PURPOSE

The Finance and Accounting Units are responsible for recording and maintaining the Agency's financial information and provide the following services:

- Manage Agency payroll, billing, revenue collection, cash application, accounts payable, project and fixed asset accounting, internal and external annual financial reporting, and various other financial analysis and reports.
- Oversee the administration of the Agency's budget to ensure appropriations comply with those approved by the Board of Directors; support the enhancement of SAP financial and budget applications that facilitate the planning, monitoring, and reporting of the Agency's biennial budget and long-range plan of finance (LRPF).
- Prepare the Annual Comprehensive Financial Report based on the guidelines as published by the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA) of the United States and Canada.
- Collaborate with financial investment advisors to manage the Agency's investment portfolio to ensure the safety of principal, while optimizing investment earnings; monitor daily cash activities to fund operating requirements in a timely manner and sustain the Agency's high-quality credit standing.
- Administer outstanding debt to ensure timely payment and compliance with respective bond covenants and continuing disclosures; evaluate different financing options to maximize Federal and State grants and low-interest loan funding to fund future investments in capital construction, replacement, and improvement consistent with the Agency's long-term planning documents.
- Support Agency-wide financial analysis and evaluation of rate studies, capital projects, and prequalification of vendors and contractors.

MAJOR PRIORITIES

- Provide exceptional customer service
- Timely and accurate monthly/quarterly/annual financial reporting

- Timely monitoring and reporting of budget to actual activities
- Timely preparation of Agency payroll, customer billing, and vendor payments
- Timely debt service administration and compliance reporting
- Efficient business practices
- Professional development through education, mentorship, and teamwork

POSITION SUMMARY

In FY 2022/23 two acting positions were added to the department: an Acting Director of Finance and an Acting Accounting Supervisor. The addition of the Acting positions allowed for more direct oversight of accounting related functions, accounts payable, payroll, and fixed assets. A Director position focused on finance related activities, including budget, debt management, and investment portfolio management. The acting positions will be eliminated for the biennial budget years. Additionally, an Accounting Technician position was added to Accounts Payable.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Director of Finance	1	1	1	1
Acting Director of Finance	-	1	-	-
Total	1	2	1	1
Accounting				
Controller	1	1	1	1
(Acting)/Accounting Supervisor	3	4	3	3
Senior Accountant	2	3	3	3
Accountant II	3	5	5	5
Accounting Technician I/II	3	4	4	4
Total	12	17	16	16
Limited Term				
Accounting Technician I	1	1	1	1
Total	1	1	1	1
Total Accounting FTE and Limited Term	13	18	17	17
Finance				
Budget Officer	1	1	1	1
Senior Financial Analyst	2	2	2	2
Financial Analyst I/II	2	2	2	2
Administrative Assistant II	1	1	1	1
Total Finance	6	6	6	6
Total FTE and Limited Term	19	24	24	24

FINANCE & ACCOUNTING

GOALS AND OBJECTIVES

<i>Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.</i>			
Strategic Priority	Unit Goal	Unit Objective	Timetable
Update rates to ensure full cost of service (COS) for the Wastewater and Non-Reclaimable Wastewater,	Support the completion of COS Studies for all programs and establish rates for FY 2025/26 based on those studies.	<ul style="list-style-type: none"> Rate and fees submitted for Board adoption by third quarter of FY 2024/25 	March 2025
Optimize the Agency’s investment of surplus funds in accordance with the Agency’s investment policy.	Invest idle cash in a prudent manner according to established investment policy ensuring the Agency’s cash flow requirements are met while meeting the objectives of safety, liquidity, and return on investment.	<ul style="list-style-type: none"> Ensure investments are made in conformity with Agency policy and within the guidelines of the California Government Code. Report cash and investments monthly to the Board of Directors 	Ongoing FY 2023/24 and FY 2024/25
	Support grant applications, low interest federal and state loans	<ul style="list-style-type: none"> Amendment to 2022 WIFIA loan EPA master agreement for Water Infrastructure Finance and Innovation Act (WIFIA) loans Secure funding prior to the execution of critical projects 	August 2023 December 2023 Ongoing FY 2023/24 and FY 2024/25
Commit to sustainable cost containment for operating and capital budgets and monitor through budget variance analysis.	Through the mid-year review process, prepare and recommend amendment of the FY 2024/25 budget.	<ul style="list-style-type: none"> Board adoption of amended mid-year budget 	June 2024
	Prepare the FY 2025/26 and FY 2026/27 biennial budget document and recommend Board adoption.	<ul style="list-style-type: none"> FYs 2025/26-2026/27 biennial budget adopted by June 30, 2025 	FY 2024/25

Business Goal – Workplace Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Succession planning to ensure continuity, identify gaps in critical positions, understand the unit's competency levels and workforce development.	<ul style="list-style-type: none"> Completion of Cross training and assignment rotation. 	Ongoing FY 2023/24 and FY 2024/25
Ensure staff has access to professional development opportunities.	Support professional development, promoting training, and networking opportunities for staff.	<ul style="list-style-type: none"> Staff to attended at least 3 training events in each fiscal year 	Ongoing FY 2023/24 and FY 2024/25

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Identify opportunities to create operational efficiencies and streamlining of core business functions.	Implementation of the new banking contract.	<ul style="list-style-type: none"> Complete transition to new banking services provider 	October 2024

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Implementation of the new banking contract.	Sign contract	N/A	May 2023	N/A	N/A
	Hardware/Software conversion complete	N/A	N/A	July 2023	N/A
	Staff training complete	N/A	N/A	September 2023	N/A
Support the new EPA master agreement for WIFIA loan	New contract signed	N/A	N/A	December 2023	N/A
Adoption of new rates for all programs based on cost-of-service studies	Adoption of new rates	N/A	N/A	N/A	March 2025

FINANCE & ACCOUNTING

EXPENSES

Employment expense includes wages and benefits. Employment expense in FY 2019/20 includes Agency pension and retiree medical benefits adjustments related to GASB 68 and GASB 75 actuarial reports. Administrative expense includes office and administrative costs, and other non-operating expense for agency-wide member agency contributions. Operating expense includes professional fees and services, and materials and supplies. Interest and financial expenses include the Agency's outstanding debt service. For more information regarding the Agency's outstanding debt, see the Debt Management section of this document.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$2,358,182	\$3,475,862	\$3,347,967	\$3,169,426
Administrative	548,778	385,558	444,040	442,967
Operating	137,897	129,982	329,600	488,985
Interest and Financial*	7,543,730	6,769,586	5,932,284	6,208,156
Total	\$10,588,587	\$10,760,988	\$10,053,891	\$10,309,534

*Interest and Financial expense are net of capitalized interest.

CONTRACTS & PROCUREMENT

MISSION STATEMENT

Provide cost-effective, responsive, and responsible environmentally friendly customer service and support to all Agency Units in a professional and ethical manner with respect to Agency-wide contract administration and purchasing, and risk.

DESCRIPTION AND PURPOSE

The Contracts and Procurement (CAP) Unit is responsible for a diverse scope of services and responsibilities. CAP administers the acquisition of equipment, materials, supplies, and services. This is accomplished through business practices as outlined in the Board adopted Procurement Ordinance as well as associated resolutions, policies, and procedures. Ensure ethics and compliance guidelines in support of meeting the many State and Federal government contracting and procurement codes that have been established are adhered to in conducting business on behalf of the Agency. Additionally, risk services are provided to ensure protection of the Agency's business, employees, and assets, as well as the public, by ensuring appropriate insurance policies and procedures are in place.

MAJOR PRIORITIES

- Providing professional guidance and outstanding customer service in compliance with Agency and regulatory procurement standards
- Providing training and information on Agency procurement and risk programs

POSITION SUMMARY

No staff changes are proposed for the biennial budget years.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Manager of Contracts & Procurement	1	1	1	1
Contracts and Procurement Supervisor	1	2	2	2
Contracts Administrator I/II	4	4	4	4
Procurement Specialist I/II	1	1	1	1
Risk Specialist	1	1	1	1
Total	8	9	9	9
Limited Term				
Procurement Specialist I	1	-	-	-
Total	1	0	0	0
Total FTE and Limited Term	9	9	9	9

GOALS AND OBJECTIVES

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Commit to sustainable cost containment for operating and capital budgets and monitor through budget variance analysis.	Ensure compliance with federal, state, and Agency procurement requirements in support of competitive and cost-efficient procurement.	<ul style="list-style-type: none"> Identify the number of competitively let solicitations on a quarterly basis. 	Ongoing FY 2023/24 and FY2024/25

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Collaborate with staff to ensure the completion and compliance with Agency safety training requirements.	<ul style="list-style-type: none"> Quarterly monitoring of Safety Tailgate Tracker and completed topics. 	Quarterly FY 2023/24 and FY2024/25
Establish a long-range staffing plan to ensure organizational effectiveness and Agency objectives are accomplished.	Evaluate Unit staffing levels against future Agency programs and projects to ensure optimal performance and support to Agency Units.	<ul style="list-style-type: none"> Review number of solicitations, purchase orders, contracts completed, including those for the Ten-Year Capital Improvement Plan (TYCIP). 	Ongoing FY 2023/24 and FY2024/25
Ensure staff has access to professional development opportunities.	Encourage staff to participate in professional organizations and training opportunities.	<ul style="list-style-type: none"> Provide membership to California Association of Public Procurement Officials (CAPPO) and National Institute of Government Purchasing (NIGP). Provide monthly training opportunities via webinars, etc. for contracts and procurement topics. 	Ongoing FY 2023/24 and FY2024/25
Promote inter-departmental collaboration and teamwork.	Increase awareness of Agency procurement requirements.	<ul style="list-style-type: none"> Monthly training sessions on SAP, Agency procurement and best practices. 	Monthly FY 2023/24 and FY2024/25

CONTRACTS & PROCUREMENT

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Identify opportunities to create operational efficiencies and streamlining of core business functions.	Increase the efficiencies in Enterprise Resource Planning (ERP) procurement related transactions.	<ul style="list-style-type: none"> Regular meetings with Information Technology and Other Agency Departments and Units. 	Ongoing FY 2023/24 and FY2024/25
Collaborate with and support local businesses and economic development in the region through regional program.	Increase CAP outreach and engagement through the attendance and hosting of public events, distribution of information through the Agency's social media platforms, as well as online bidding system.	<ul style="list-style-type: none"> Attend local Chamber of Commerce meetings, Host "Doing Business with IEUA" events. Distribute future Agency project information and Agency requirements through PlanetBids and social media platforms. 	Ongoing FY 2023/24 and FY 2024/25
Provide excellent service to both external and internal customers.	Ensure the duties of CAP are consistently executed with outstanding customer service and professionalism.	<ul style="list-style-type: none"> Solicit regular feedback from Agency Departments and Units through monthly outreach and planning meetings. 	Ongoing FY 2023/24 and FY 2024/25

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Ensure compliance with federal, state and Agency procurement requirements in support of competitive and cost-efficient procurement.	Number of Solicitations posted to PlanetBids	72	70	77	85
Ensure the duties of CAP are consistently executed with outstanding customer service and professionalism.	Number of Purchase Orders processed annually	2399	1700	1500	1400

EXPENSES

Employment expense includes wages and benefits and includes Agency-wide expense for employment related insurances. Administrative expense includes office and administrative costs. Operating expense includes professional fees and services, materials and supplies, leases, and utilities. The Contracts and Procurement Units annual budget includes agency-wide expense for insurance, security services, cell phone expense (FY 2021/22 only), and equipment lease expense.

Expense	FY 2021/22 Actual	FY 20202/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$1,140,103	\$1,245,026	\$1,751,175	\$1,827,463
Administrative	76,062	53,388	43,650	44,185
Insurance	1,425,148	1,561,477	2,185,000	2,385,000
Operating	501,822	481,005	75,000	40,000
Total	\$3,143,135	\$3,340,896	\$4,054,825	\$4,296,648

DRAFT

INFORMATION TECHNOLOGY

MISSION STATEMENT

To deliver secure, innovative, and value-driven technology services and partner with stakeholders to support the Agency's Mission, Vision, and goals. To be service-oriented and forward-thinking. A strategic partner to Agency staff, stakeholders, and customers. To become a world-class information and operational technology partner to stakeholders and support the Agency's leadership in water management, environmental stewardship, water quality, recycled water, and renewable energy.

DESCRIPTION AND PURPOSE

Information Technology provides enterprise technology services and is comprised of two units, Operations Technology (OT) and Information Services (IS).

The Operations Technology (OT) Unit supports and enhances the Agency's Supervisory Control and Data Acquisition (SCADA) and Distributed Control System (DCS) which includes Human Machine Interface (HMI's), Historians, Programmable Logic Controllers (PLCs), Input/output (I/O) communication, data analytics and reporting services. The OT team also enhances and supports the Agency's network and communications infrastructure, including Email, Network Communications, Cloud Services, and Wireless services. Working closely with the Information Security Officer, the OT Unit provides strong cyber security detection, protection, response, and recovery capabilities for the Agency's critical infrastructure services.

The Information Services (IS) Unit supports and enhances the Agency's business system solution, including enhancement and support of the Agency's core enterprise applications, such as Enterprise Resource Planning (ERP), Computerized Maintenance Management System (CMMS) Geographic Information Services (GIS), and Enterprise Content Management System (ECMS). The IS Unit supports business process improvement and efficiency through collaboration with departments, units, and stakeholders to develop custom applications, reports, dashboards, and integration with new and innovative solutions. The IS Unit maintains the Agency's user technology and provides user technical support and training.

MAJOR PRIORITIES

Information Technology is committed to the following:

- Providing innovative solutions
- Provide exceptional customer service
- Efficient business processes
- Operational excellence
- Reliable, cost-effective technology
- Secure and resilient operation
- Information Security
- Diversity, Equity, and Inclusion
- Professional development through education, mentorship, trust, and teamwork

POSITION SUMMARY

In FY 2023/24 Operations Technology will add two Control Systems Analysts and one additional in FY 2024/25. In 2023/24, Information Services will add one Business Systems Analyst and convert one GIS Specialist from limited term to a Full Time Equivalent position.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Director of Information Technology	1	1	1	1
Total	1	1	1	1
Operations Technology				
Manager of Information Technology	1	1	1	1
Information Security Officer	-	1	1	1
Process Automation & Control Supervisor	-	1	1	1
Network Administrator	4	3	3	3
Control Systems Analyst I/II	8	8	10	11
Office/Administrative Assistant	1	1	1	1
Total Operations Technology	15	15	17	18
Information Services				
Manager of Information Technology	1	1	1	1
Business Systems Supervisor	1	1	1	1
Business Systems Analyst I/II	4	3	4	4
Information Systems Analyst I/II	2	2	2	2
Technology Specialist I/II	2	3	3	3
GIS Specialist	-	-	1	1
Total	10	10	12	12
Limited Term Positions				
Technology Specialist I	1	1	-	-
GIS Specialist	1	1	-	-
Total	2	2	0	0
Total Information Services	12	12	12	12
Total FTE and Limited Term	28	28	30	31

GOALS AND OBJECTIVES

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Promote inter-department collaboration and teamwork.	Leverage cloud technology to support a remote and agile workforce.	<ul style="list-style-type: none"> Transition all staff to OneDrive by the end of FY 2023/24. Transition all Units to Teams and SharePoint for collaboration and file sharing by the end of FY 2024/25. 	<p>June FY 2023/24</p> <p>June FY 2024/25</p>

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Identify opportunities to create operational efficiencies and streamline of core business functions.	Complete the ERP Assessment	<ul style="list-style-type: none"> Complete Assessment Report by end of FY 2023/24. 	June FY 2023/24
	Complete the ERP selection process	<ul style="list-style-type: none"> Completed the RFP process and select Vendor by end of FY 2024/25. 	June FY 2024/25
Protect the Agency from Cyber Security Threats	Maintain, practice, and update cybersecurity incident response plans for relevant threat scenarios.	<ul style="list-style-type: none"> Completed four exercises 	Quarterly FY 2023/24 and FY 2024/25
	Meet Cybersecurity & Infrastructure Security Agency (CISA) recommended sector-specific Cybersecurity Performance Goals	<ul style="list-style-type: none"> Implementation of all Key Controls 	Ongoing FY 2023/24 and FY 2024/25

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Implement innovative techniques for cutting-edge operations.	Develop a roadmap for the use of Artificial Intelligence (AI) and Machine Learning (ML). Once complete develop a project to pilot AI/ML at a treatment facility.	<ul style="list-style-type: none"> Workshop with Operation and Maintenance Identify use case for AI & ML Completed AI/ML roadmap. 	June FY 2024/25

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Unit Goal	Unit Objective	Timetable
		<ul style="list-style-type: none"> Submit new project request to Pilot AI/ML 	

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Leverage cloud technology to support a remote and agile workforce.	Transition all staff to OneDrive by the end of FY 2023/24.	10%	30%	100%	N/A
	Transition all Agency Units to Teams and SharePoint for collaboration and file sharing by the end of FY 2024/25.	10%	CAP	Agency Mgmt. & IT/Finance Division	Technical Services Division
Complete the ERP Assessment	Complete Assessment Report by end of FY 2023/24.	N/A	20%	100%	N/A
Complete the ERP selection process	Complete RFP process Select Vendor by end of FY 2024/25.	N/A	N/A	RFP complete	Selection Complete
Maintain, practice, and update cybersecurity incident response plans for relevant threat scenarios.	Complete one exercise per quarter	1	1	4	4

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administration expense and other non-operating costs. Operating expense includes agency wide expenses for materials and supplies, professional fees, and fees for items such as internet service, computer maintenance, software support services, and utilities.

Expense	FY 2021/22 Actual	FY 2022/23 Amended	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$3,544,831	\$3,764,485	\$4,548,056	\$4,913,887
Administrative	59,798	65,294	351,730	366,642
Operating	1,747,520	1,933,314	3,771,542	3,695,226
Total	\$5,352,149	\$5,763,093	\$8,671,328	\$8,975,755



RP-5 ODOR CONTROL

TECHNICAL RESOURCES DIVISION

MISSION STATEMENT

To identify, plan and implement strategies for assuring regional water supply reliability and to meet all regulatory requirements. Additionally, the Division is responsible for producing safe compliant water, recycled water, renewable energy, compost, and designing/constructing facilities to meet Agency needs in a cost-effective and environmentally responsible manner.

DEPARTMENTS

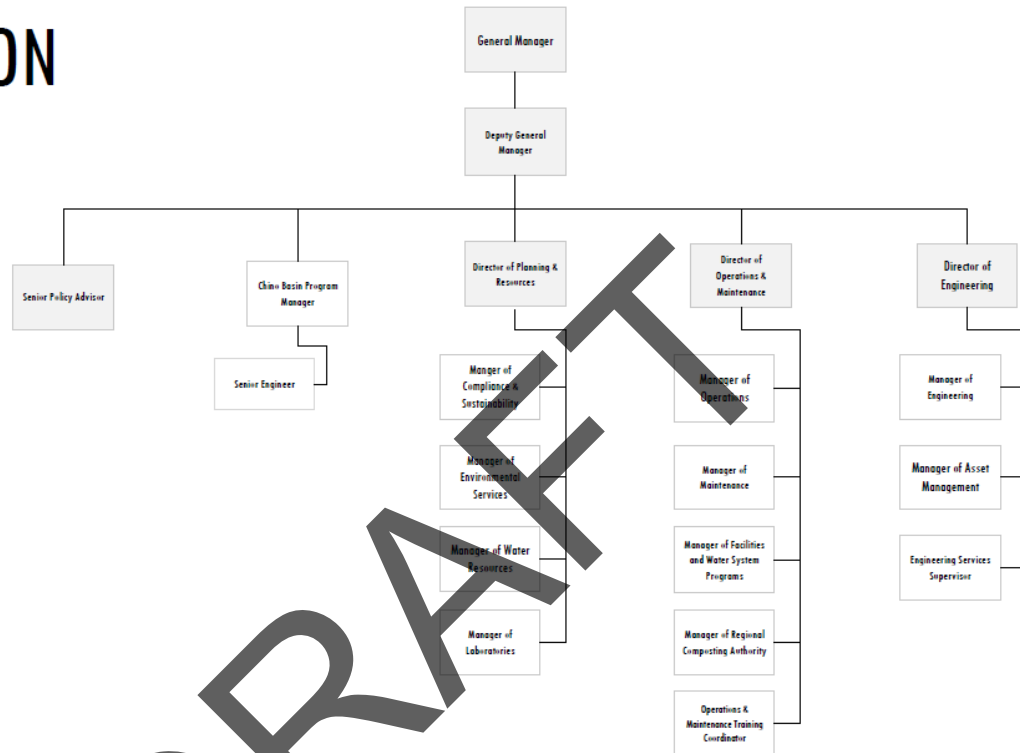
- Engineering Department
 - Engineering & Construction Management Unit
 - Asset Management Unit
 - Materials Management Warehouse Unit
- Planning & Resources Department
 - Compliance & Sustainability Unit
 - Water Resources Unit
 - Environmental Services Unit
 - Laboratory Unit
- Chino Basin Program Unit
- Operations & Maintenance Department
 - Operations Unit
 - Maintenance Unit
 - Facilities & Water System Programs Unit
 - Inland Empire Regional Composting Facility Unit
 - Operation & Maintenance Training Unit

EXECUTIVE SUMMARY

This Division works collaboratively with its customer agencies, the Metropolitan Water District of Southern California (MWD), Chino Basin Watermaster, and other stakeholders to provide regional wastewater and water resources planning, MWD program support, cost of service evaluations for the Agency's programs, engineering, construction, asset management, warehouse, laboratory services, implement regional water-use efficiency programs and oversee the development of an agency-wide asset management program. Additionally, the Division assures Agency compliance with environmental regulations. Its purpose is to plan, engineer, and construct projects and Agency programs to effectively meet the growing needs of the region in a regulatory-compliant and cost-effective manner. Furthermore, the Division is responsible for supporting the Operations and Maintenance Department in operating and maintaining the Agency's facilities and activities to meet regulatory requirements, protect the public's health and preserve its assets. The total division staffing budget for FY 2023/24 is two-hundred thirty-nine full-time equivalent positions (FTE) and two-hundred forty-seven FTEs for FY 2024/25.

ORGANIZATIONAL CHART

TECHNICAL RESOURCES DIVISION



POSITION SUMMARY

Beginning FY 2021/22, the Deputy General Manager's cost center includes two additional positions, the Chino Basin Program Manager and a Senior Engineer, these positions will be included in the Deputy General Managers cost center during the planning and development phase of the Chino Basin Program. The Chino Basin Program is a unique opportunity to optimize local water supplies, provide new levels of intra-basin water management flexibility and reduce dependence on imported water.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Deputy General Manager	1	1	1	1
Chino Basin Program Manager	1	1	1	1
Senior Engineer	1	1	1	1
Total FTE	3	3	3	3

EXPENSES

Employment expense consists of wages and benefits. Administrative expense includes office and administrative costs and travel and training expenses. Operating expense includes material and supplies.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$1,089,068	\$829,757	\$820,087	\$853,487
Administrative	7,842	9,201	26,300	26,300
Operating	0	434	0	0
Total	\$1,096,910	\$839,392	\$846,387	\$879,787

DRAFT

ENGINEERING & CONSTRUCTION MANAGEMENT

MISSION STATEMENT

To engineer and construct state of the art facilities and infrastructure to meet the dynamic and growing needs of recycled water demand, wastewater collection, treatment and disposal needs of the Agency's service area, and to implement and manage the capital improvement program (CIP) with cost effective solutions.

DESCRIPTION AND PURPOSE

The Engineering and Construction Management (ECM) Unit provides design, administration, and construction management services for water, wastewater, and energy projects that implement the Agency's CIP. The Unit integrates the latest and most cost-effective technologies into the IEUA service area. A total of thirty-five personnel (thirty-five full-time equivalent and zero limited-term positions) contributes to the success of the Unit, providing many diversified tasks such as:

- ◆ Plan, budget, design, and construct capital facilities.
- ◆ Design and construct projects through efficient project management to ensure projects are completed on schedule and on budget.
- ◆ Coordinate the capital project process to produce the Ten-Year Capital Improvement Plan.
- ◆ Administer grants, permits, and environmental compliance reports.
- ◆ Plan, design, and coordinate the standardization of the Agency's Supervisory Control & Data Acquisition system (SCADA).
- ◆ Provide engineering and construction management support to the Agency's Operations and Maintenance Units.
- ◆ Provide in-house design services including development of plans and specifications for the bid process.
- ◆ Prepare Requests-for-Proposals and replies to project information requests from prospective consultants and contractors.
- ◆ Review and check design reports, proposals, and specifications submitted by consulting engineers and subsequent management of those consultant services.
- ◆ Provide construction management support for construction work in progress, including field inspections, to ensure compliance with approved plans, specifications, and standards.
- ◆ Develop and maintain Computer Aided Design (CAD) drawings for the Agency, including in-house design, as-builts, mylars, site maps, distribution system maps, and 3D modeling of facility sites and projects.

MAJOR PRIORITIES

The Engineering & Construction Management Unit's major priorities for FYs 2023/24 and 2024/25 are as follows:

- Create a culture where staff feel challenged to grow and develop their skills.
- Build a reputation for delivering practical projects on time, with state-of-the-art proven technology.

POSITION SUMMARY

In FY 2023/24 three limited term positions are converted to FTE and three additional positions are added to the unit.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Director of Engineering	1	1	1	1
Manager of Engineering	1	1	1	1
CBP Implementation Manager	-	-	1	1
Principal Engineer	3	3	3	3
Engineering Services Supervisor	1	1	1	1
Process Automation Control Supervisor	-	-	1	1
Senior Engineer	5	5	6	6
Senior Project Manager	1	1	1	1
Project Manager II	1	1	1	1
Construction Project Inspector	2	2	-	-
Senior Inspector	-	-	2	2
Control Systems Analyst II	1	1	1	1
Senior Associate Engineer, PE	-	3	4	6
Senior Associate Engineer	1	1	3	3
Associate Engineer	4	3	4	2
CAD Designer	1	1	1	1
Assistant Engineer	1	1	-	-
Engineering Services Analyst	1	1	1	1
Administrative Assistant I/II	2	3	3	3
Total	26	29	35	35
Limited Term Positions				
Associate Engineer	2	2	-	-
Administrative Assistant I	-	1	-	-
Total	2	3	0	0

ENGINEERING & CONSTRUCTION MANAGEMENT

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Total FTE and Limited Term	28	32	35	35

GOALS AND OBJECTIVES

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency’s fiscal health to effectively support short term and long- term needs, while providing the best value for our customers.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Commit to sustainable cost containment for operating and capital budgets and monitor through budget variance analysis.	The amount spent against the FY Budget should be ≥80% (Actual vs Budget) and FY actual expenditures should be equal to or greater than 80% of forecasted expenditures	<ul style="list-style-type: none"> Goal ≥ 80% Amount spent vs. FY budget and amount forecasted vs. actuals expenditures. 	Quarterly FY 2023/24 and FY 2024/25

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Implement a succession and staff training plan by assessing the Engineering workforce through increased communication with staff and providing increased opportunities for training and short term promotional acting roles.	<ul style="list-style-type: none"> The number of succession planning training opportunities should be once every month for a total of twelve for each year. 	Ongoing FY 2023/24 and FY 2024/25

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service

Strategic Priority	Unit Goal	Unit Objective	Timetable
Collaborate with and support local businesses and economic development in the region through regional program.	Increase the number of bids and proposals received as well as expand the pool of quality contractors and consultants to choose from.	<ul style="list-style-type: none"> Provide outreach to contractors and consultants on a monthly basis. 	Ongoing FY 2023/24 and FY 2024/25

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
The amount spent against the FY Budget should be ≥80% (Actual vs Budget). FY actual expenditures should be equal to or greater than 80% of forecasted expenditures	Actual compared to budgeted expenditures	65%	67%	80%	80%
	Actual expenditures equal to or greater than 80% of the forecasted project expense	87%	72%	80%	80%
Implement a succession and staff training plan by assessing the Engineering workforce through increased communication with staff and providing increased opportunities for training and short term promotional acting rolls.	The number of succession planning training opportunities should occur once each month for a total of twelve per year.	N/A	N/A	12	12
Increase the number of bids and proposals received as well as expand the pool of quality contractors and consultants to choose from.	On a monthly basis, perform outreach to contractors and consultants.	N/A	N/A	12	12

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative expense. Operating expense includes permits, licenses, materials and supplies, and professional fees and services. Agency-wide costs included in this category are for 'dig safe' and professional engineer services. Additional biennial budget in this category includes project development, labor compliance, and project management fees.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$4,665,141	\$4,866,543	\$6,859,008	\$7,183,694
Administrative	70,070	78,384	125,490	125,490
Operating	540,470	641,931	1,173,750	1,103,750
Total	\$5,275,681	\$5,586,858	\$8,158,248	\$8,412,934

ASSET MANAGEMENT

MISSION STATEMENT

Improve reliability.

DESCRIPTION AND PURPOSE

Asset Management (AM) seeks to continually improve reliability to reduce risk and costs while improving efficiency and eliminating waste. The overall strategy will focus on three things: people, processes, and assets. The Department will work cross functionally to implement proven, best practice techniques and standardize processes.

MAJOR PRIORITIES

The Asset Management Unit's major priorities for FYs 2023/24 and 2024/25 are as follows:

- ◆ Maintain a culture of improvement
- ◆ Update Asset Management Plan
- ◆ Manage the Ten-Year Capitol Improvement Process for the Agency
- ◆ Support the Operations and Maintenance Department as their Technical Resource
- ◆ Optimize the Warehouse to serve the Agency's needs
- ◆ Maintain the Condition Assessment Program

POSITION SUMMARY

During FY 2023/24, Asset Management will add two additional staff, a Senior Operations Specialist and a Senior Associate Engineer, PE. In FY 2024/25, the unit will add one Senior Associate Engineer, PE.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Asset Management				
Manager of Asset Management	1	1	1	1
Senior Project Manager	1	1	1	1
Senior Management Analyst	1	1	1	1
Senior Operations Specialist	-	-	1	1
Senior Engineer	1	1	1	1
Senior Associate Engineer PE	1	1	2	3
Senior Associate Engineer	1	-	-	-
Associate Engineer	-	1	1	1
Total Asset Management	6	6	8	9
Materials Management				
Warehouse Supervisor	1	1	1	1

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Warehouse Technician I/II	3	3	3	3
Administrative Assistant I	1	-		
Total Materials Management	5	4	4	4
Total FTE	11	10	12	13

GOALS AND OBJECTIVES

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Implement a succession and staff training plan by assessing the Engineering workforce through increased communication with staff and providing increased opportunities for training and short term promotional acting rolls.	<ul style="list-style-type: none"> The number of succession planning training opportunities should be one every month for a total of twelve per year. 	<p>June FY 2023/24</p> <p>June FY 2024/25</p>

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Identify opportunities to create operational efficiencies and streamlining of core business functions.	Accuracy of inventory at RP1 Warehouse not to exceed 5% error rate (or 95% accuracy) annually.	<ul style="list-style-type: none"> Physical cycle counts of inventory Goal \geq 95% 	<p>June FY 2023/24</p> <p>June FY 2024/25</p>

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Implement innovative techniques for cutting edge operations.	Increase Safety and Reliability of Agency's critical assets through research and application of modern technology.	<ul style="list-style-type: none"> Research safety and Reliability initiatives that align with Agency goals 	<p>June FY 2023/24</p> <p>June FY 2024/25</p>

ASSET MANAGEMENT

Develop and implement an Asset Management Plan.	Keep Asset Management Plan (AMP) up to date.	<ul style="list-style-type: none"> Manage the information in the plan through meetings with customers. 	June FY 2023/24 June FY 2024/25
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PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Implement a succession and staff training plan by assessing the Engineering workforce through increased communication with staff and providing increased opportunities for training and short term promotional acting rolls.	Actual training and short term promotional acting rolls	N/A	N/A	12	12
Keep Asset Management Plan (AMP) up to date.	Manage the information in the plan through meetings with stakeholders	N/A	N/A	4	4
Increase Safety and Reliability of Agency's critical assets through research and application of modern technology.	Implement safety and reliability initiatives that align with Agency goals	N/A	N/A	4	4
Accuracy of inventory at RP1 Warehouse not to exceed 5% error rate (or 95% accuracy) annually.	Physical cycle counts	95%	97%	95%	95%

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative expense. Operating costs includes materials, supplies, and professional fees and services. Administrative budget in FYs 2023/24 and 2024/25 includes funds for obsolete and scrap inventory, the full budget may not be utilized as actual costs vary from year to year. Additional Operating for the biennial budget years includes professional fees and services for major asset condition assessments and development fees.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$1,445,285	\$1,394,896	\$2,030,962	\$2,174,667
Administrative	110,498	43,846	65,100	80,073
Operating	30,030	233,818	435,500	436,370
Total	\$1,585,813	\$1,672,560	\$2,531,562	\$2,691,110

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PLANNING & RESOURCES

MISSION STATEMENT

The Planning & Resources (PAR) Department plans and implements regional projects and programs to meet current and future water/wastewater needs and regulatory requirements. PAR also establishes and strengthens relationships with local, regional, and statewide stakeholders to ensure access to potable and non-potable water supplies, and to explore related institutional efficiencies such as energy management.

DESCRIPTION AND PURPOSE

PAR proactively collaborates with IEUA's Customer Agencies and stakeholders, as appropriate, to address local, regional, and statewide challenges and support the following functions and activities:

Evaluate the need for regional water programs to ensure the reliability and resiliency of water supplies in the IEUA service area.

- ◆ Develop feasibility reports, master plans, and environmental reports.
- ◆ Administer the Agency's federally approved regional pretreatment program. The pretreatment program protects the Agency's Regional Water Recycling Plants and collection systems, its workers and public safety by working with industries and Sewage Collection Agencies (SCAs) to assure compliance with local, state, and federal discharge requirements. The program also monitors pollutant concentrations from significant industrial dischargers, so treatment plant operations are not impacted, and most importantly ensures the protection of the Agency's recycled water, groundwater recharge and biosolids programs.
- ◆ Administer the Agency's Non-Reclaimable Wastewater System (NRWS) pretreatment programs. The NRWS pretreatment programs consist of two separate collection systems (North NRWS) that discharges industrial brine wastewater to Los Angeles County Sanitation Districts (LACSD) for the northern portion of the service area and the Inland Empire Brine Line (Brine Line) that discharges industrial brine wastewater to Orange County Sanitation Districts (OC San) for the southern portion of the service area. The Agency serves as delegated control authority with an approved pretreatment program for the northern NRWS. For the Brine Line, the Agency collaborates with Santa Ana Watershed Project Authority's as OC San's delegated control authority to administer the pretreatment program.
- ◆ Maintain and develop cooperation and coordination with local and regional stakeholders including Metropolitan Water District (MWD), Chino Basin Watermaster (CBWM), Santa Ana Watershed Project Authority (SAWPA), local water agencies, municipalities, wastewater contractors, and regulatory agencies at the local, state, and federal levels.
- ◆ Ensure transparent and timely environmental monitoring and reporting for the Agency's water and wastewater facilities, air pollution control systems, and biosolids treatment and composting facilities to ensure compliance with all local, state, and federal regulations governing Publicly Owned Treatment Works (POTW). The group is also responsible for planning and implementing the regulatory permitting needs for the long-term operation of facilities and construction of new facilities.

- ◆ Provide exceptional customer service for the establishment of new water connections and water-use efficiency programs
- ◆ Provide strategic support to other Units in developing Agency fees/rates, Preliminary Design Reports (PDRs), environmental studies, grant activities, political strategy development, energy projects implementation and coordination with the utilities.
- ◆ Administer grants, permits, and environmental compliance reports.
- ◆ Manage various energy agreements to ensure contractual requirements and performance expectations are met.

MAJOR PRIORITIES

- ◆ Complete evaluation of feasibility of the Water Storage Investment Program (WSIP) / Chino Basin Program (CBP) PDR for the Advanced Water Purification Facility (AWPF), economic evaluation, and Board decision
- ◆ Complete the negotiation of Regional Sewage Service Contract with the SCAs.
- ◆ Complete comprehensive annual water, wastewater, recycled water reports
- ◆ Complete the annual Water Use Efficiency report
- ◆ Complete the annual Energy report
- ◆ Upgrade wholesale imported, local, and recycled water databases
- ◆ Provide timely compliance support to Engineering and Operations & Maintenance by preparing and submitting to the Regulatory Agencies compliance reports and as needed, permit applications
- ◆ Perform technical reviews, analyze, and interpret the impacts of proposed federal, state, and local legislation and regulations on the Agency's operations and programs
- ◆ Complete toxicity, asset management and climate change action plan to comply with the National Pollutant Discharge Elimination System (NPDES) permit
- ◆ Continue to provide timely and courteous customer service for water connection fee program
- ◆ Continue collaboration with the SCAs to track and administer the regional sewer connection fees via the monthly Building Activity Report process.
- ◆ Complete the evaluation of Agency Collection System Program Rate Studies: Non-Reclaimable Wastewater System and Regional Sewage System,
- ◆ Work with the Santa Ana Regional Water Quality Control Board (RWQCB) towards amending the Santa Ana Regional Basin Plan
- ◆ Continue to administer the Regional, NRWS, and Brine Line pretreatment programs in compliance with the local, state, and federal requirements
- ◆ Participate in SAWPA's Brine Line Pretreatment Program Coordination Meetings
- ◆ Support and actively participate in CBWM discussions regarding the Optimum Basin Management Program Update (OBMPU), Peace Agreements, Safe-yield recalculation, Prado Basin Habitat Sustainability program, and basin modeling efforts
- ◆ Coordinate with MWD regarding service connections, Rialto Pipeline long-term reliability, imported water deliveries Dry Year Yield (DYY) performance, and long-term planning efforts
- ◆ Obtain the environmental approvals for the Upper Santa Ana River Habitat Conservation Plan which allows for the long-term water resources planning within the Santa Ana River Watershed

PLANNING & RESOURCES

POSITION SUMMARY

In FY 2022/23, due to an Agency wide reorganization, the Inter-Agency Relations Unit (IAR) merged with the Planning & Water Resources Unit. In FY 2023/24 the Environment and Sustainability Unit gains one Associate Engineer

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Planning and Water Resources Unit				
Director of Planning & Resources	1	1	1	1
Manager of Compliance & Sustainability	-	1	1	1
Manager of Water Resources	-	1	1	1
Senior Policy Advisor	-	1	1	1
Deputy Mgr. of Strategic Planning & Resources	1	-	-	-
Senior Engineer	1	2	1	1
Assistant Engineer	1	-	-	-
Senior Water Resource Analyst	-	2	1	1
Environmental Resource Planner I/II	-	2	2	2
Administrative Assistant II	1	2	2	2
Total Planning & Water Resources	5	12	10	10
Policy and Inter-Agency Relations Unit				
Senior Policy Advisor	1	-	-	-
Senior Water Resource Analyst	2	-	-	-
Total	3	0	0	0
Limited Term				
Environmental Resource Planner I	1	-	-	-
Total	1	0	0	0
Total Policy and Inter-Agency Relations	4	0	0	0
Compliance and Sustainability Unit				
Senior Environmental Resources Planner	2	2	2	2
Associate Engineer	1	1	2	2
Total Compliance and Sustainability	3	3	4	4
Environmental Services Unit				
Manager of Environmental Services	1	1	1	1

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Senior Engineer	1	-	1	1
Senior Associate Engineer	1	1	1	1
Senior Pre-Treatment & Source Control Inspector	1	1	1	1
Environmental Resource Planner II	2	1	2	2
Environmental Resource Planner I	-	1	-	-
Pretreatment & Source Control Inspector II	2	2	2	2
Pretreatment & Source Control Inspector I	1	1	1	1
Total Environmental Services	9	8	9	9
Total FTE and Limited Term	21	23	23	23

GOALS AND OBJECTIVES

Business Goal – Fiscal Responsibility: IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long-term needs, while providing the best value for our customers.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Update rates to ensure full cost-of-service (COS) for the Wastewater and Non-Reclaimable Wastewater programs.	Work in collaboration with the Finance Dept. to ensure the rate structure for Regional Sewer System and Non-Reclaimable Wastewater System Programs recover full cost-of-service.	<ul style="list-style-type: none"> Ensure Cost-of-Service studies are completed before the current adopted rates expire. 	June 2024
	Support the renewed MEU Rate Cost-of-Service Study.	<ul style="list-style-type: none"> Provide technical analysis and facilitation services to update the Cost-of-Service Study for the MEU rate 	FY 2023/24 and FY 2024/25

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Continue to develop resilient water supplies for the region to mitigate climate change and catastrophic infrastructure failures.	Evaluate the impacts of declining flows on wastewater systems.	<ul style="list-style-type: none"> Partner with CASA to complete a declining flow study. 	June 2025
	Develop analysis and modeling of the reliability of	<ul style="list-style-type: none"> Complete State Water Project (SWP) reliability 	September 2024

PLANNING & RESOURCES

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Unit Goal	Unit Objective	Timetable
	the imported water supplies (State Water Project) under a range of scenarios incorporating climate change, demands, potential new facilities, and potential regulatory changes.	analysis in time to support integrated regional planning. Develop an RFP for additional regional reliability analysis to consider SWP water quality impacts, local supplies, and climate change	
	Begin collaboration with customer agencies to develop the 2025 Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP). Assist the member agencies with the development and submittal of their Water Use Objectives (WUO) to State Agencies.	<ul style="list-style-type: none"> Provide consultant resources through Water Use Efficiency (WUE) programs to assist with WUO preparation efforts. 	Ongoing FYs 2023/24 and FY 2024/25
Develop innovative water resource management and wastewater treatment efforts.	PAR will develop and build upon tracking tools and metrics to monitor water resources.	<ul style="list-style-type: none"> Data tool online for internal use by June 2025 	Phase 1 Complete by June 2025

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Ensure timely state-of-the-art expansion of Agency facilities to prepare for anticipated growth.	Collaborate with customer agencies to develop representative regional growth forecast.	<ul style="list-style-type: none"> Transition to Regional Land Use Demand Growth Forecast Model anticipated to be used in FY 2024/25 for the development of the Agency's 2025 UWMP. 	Complete Analysis June 2025

Business Goal – Environmental Stewardship: IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region’s heritage.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Implement long-term projects in support of long-term renewable energy goals intended to minimize the Agency’s carbon footprint.	Develop a Climate Change Action Plan (CCAP) as required by the National Pollutant Discharge Elimination System (NPDES).	<ul style="list-style-type: none"> Complete and submit CCAP to RWQCB to address the requirements set by the National Pollutant Discharge Elimination System (NPDES) permit. The CCAP will identify impacts to IEUA Water Recycling Facilities; propose projects to reduce greenhouse gas emissions, and estimate financing needed to pay for proposed actions. 	February 2024
Conduct educational and outreach programs and activities related to the Agency’s key areas of business.	<p>WUE and IEUA will collaborate on outreach to encourage water-saving behaviors and increase customer participation in regional WUE programs and rebates.</p> <p>WUE will implement water education programming for students K-12.</p>	<ul style="list-style-type: none"> Through the Core+Flex Program, provide resources to customer agencies to implement these actions. 	June 2025

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Develop a Climate Change Action Plan (CCAP) as required by the National Pollutant Discharge Elimination System (NPDES).	Submit CCAP to the Regional Water Quality Control Board.	N/A	N/A	February 2024	N/A

PLANNING & RESOURCES

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative and other non-operating expense. Operating expense includes materials and supplies, professional fees and services, operating fees, chemicals, utilities, and pass-through Metropolitan Water District (MWD) Readiness-to-Serve (RTS) fees. Agency-wide expenses in this category includes consultant fees for analysis, research, and special studies, pass-through MWD RTS fees, and Non-reclaimable Wastewater (NRW) operating fees. NRW fees are passed through to the industries who utilize the NRW system.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$3,493,484	\$3,616,392	\$3,519,601	\$3,663,893
Administrative	59,260	86,609	127,960	131,960
Operating	13,309,180	13,599,584	16,878,957	17,417,325
Total	\$16,861,924	\$17,302,585	\$20,398,558	\$21,081,218

DRAFT

LABORATORY

MISSION STATEMENT

To provide high quality, reliable, analytical support to the Agency in its efforts to protect the public's health and environment in accordance with Environmental Laboratory Accreditation Program (ELAP) Quality Assurance/ Quality Control requirements.

DESCRIPTION AND PURPOSE

The Laboratory Unit provides the analytical support to allow efficient operation of the Agency's four recycling facilities: Regional Water Recycling Plant No. 1 (RP-1) in Ontario, Carbon Canyon Water Recycling Facility (CCWRF) and Regional Water Recycling Plant No. 5 (RP-5) located in Chino, and Regional Water Recycling Plant No. 4 (RP-4) located in Rancho Cucamonga. The Unit also provides support for groundwater recharge monitoring efforts and verification of their compliance with state and federal discharge limits. The Agency Water Quality Laboratory is a full-service laboratory certified by the State of California Environmental Laboratory Accreditation Program (ELAP) for wastewater and drinking water testing. The Laboratory follows the strict guidelines to produce quality results required by the Environmental Protection Agency (EPA) and State Water Resources Control Board Unit of Drinking Water. On average the Laboratory analyzes approximately eighteen thousand samples and performs sixty-four thousand various tests per year.

MAJOR PRIORITIES

The Laboratory Unit's major priorities for FYs 2023/24 and 2024/25 are as follows:

- Complete the implementation of the TNI (NELAP (National Environmental Laboratory Accreditation Program) Institute) standard
- Maintain laboratory accreditation through California
- Complete annual internal audits of all laboratory operations.
- Complete biennial laboratory assessments using state approved accessors
- Complete annual performance evaluation testing for all accredited parameters

POSITION SUMMARY

FY 2023/24 one Lab Coordinator position is added to the unit and one limited term Chemist is converted to a full time equivalent.

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Manager of Laboratories	1	1	1	1
Laboratory Supervisor	2	2	2	2
Chemist	2	2	3	3
Laboratory Coordinator	-	-	1	1
Laboratory Scientist II	3	3	3	3
Laboratory Scientist I	5	5	5	5

Position	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Laboratory Assistant	1	1	1	1
Total	14	14	16	16
Limited Term				
Chemist	1	1	-	-
Laboratory Scientist I	1	1	1	1
Total	2	2	1	1
Total FTE and Limited Term	16	16	17	17

GOALS AND OBJECTIVES

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.			
Strategic Priority	Unit Goal	Unit Objective	Timetable
Promote a safe work environment by administering and monitoring required safety and regulatory trainings.	Update Laboratory Chemical Hygiene Plan (CHP)	<ul style="list-style-type: none"> Prepare updated CHP 	FY 2023/24 and FY 2024/25
Establish a long-range staffing plan to ensure organizational effectiveness and Agency objectives are accomplished.	Stay in compliance with ELAP's new standard with the TNI Institute standard minus 2	<ul style="list-style-type: none"> Acceptable Assessment through ELAP approved vendor Annual Internal Audits 	December 2023 December 2024
Promote inter-departmental collaboration and teamwork.	Collaborate with operations, compliance, and source control in support of compliance reporting, process optimization monitoring, and investigation studies.	<ul style="list-style-type: none"> Turnaround Time (TAT) and zero missed holding time (HT) 	Ongoing FY 2023/24 and FY 2024/25

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.			
Strategic Priority	Unit Goal	Unit Objective	Timetable
Monitor treatment plant performance to meet regulatory requirements.	Meet sample turnaround time in support of the agency's compliance with GWR, NPDES, and industry permits.	<ul style="list-style-type: none"> Meet Turnaround times – within a day for routine process samples; deliver data within the agreed time frame 	Ongoing FY 2023/24 and FY 2024/25

LABORATORY

Business Goal –Environmental Stewardship: IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region’s heritage.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Operate in compliance with all regulatory requirements.	Ensure compliance with California’s regulations for laboratory accreditation.	<ul style="list-style-type: none"> Renew California accreditation 	November 2024

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Meet sample turnaround time in support of the agency’s compliance with GWR, NPDES, and industry permits.	Turnaround time (TAT)	16 days for compliance 1-day for process	< 18 days for compliance 1-day for process	< 18 days for compliance 1-day for process	< 18 days for compliance 1-day for process
Collaborate with operations, compliance, and source control in support of compliance reporting, process optimization monitoring, and investigation studies	< 1% missed sample hold time. Samples processed within the mandated time frame	< 1%	< 1%	< 1%	< 1%
Ensure compliance with California’s regulations for laboratory accreditation.	Laboratory must repeat the annual Performance Evaluation (PE) for any sample result that is outside of the test criteria	1	2	0	0

EXPENSES

Employment expense includes wages and benefits. Administrative expense includes office and administrative expense, and other non-operating expense. Operating expense includes professional fees and services, permits, licenses, and materials and supplies. Agency-wide expense included in this category are outside lab services, permits, and instrument servicing contracts.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$2,373,147	\$2,560,854	\$2,541,313	\$2,765,653
Administrative	7,341	15,236	33,608	34,617
Operating	700,915	895,662	1,171,085	1,230,904
Total	\$3,081,403	\$3,471,752	\$3,746,006	\$4,031,174

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OPERATIONS & MAINTENANCE

MISSION STATEMENT

Operations Division is committed to:

- ◆ Producing safe, cost effective, compliant water, recycled water, renewable energy, and compost while ensuring all assets are operating at optimum efficiency and reliability
- ◆ Maximizing groundwater recharge while meeting recycled water customer demands
- ◆ Maintaining a highly trained, motivated, friendly, and knowledgeable workforce that utilizes industry best practices
- ◆ Delivering a safe and hospitable work environment for all staff and visitors
- ◆ Providing staff with secure and up-to-date operational and business information technologies that meets industry cybersecurity requirements and the needs of the Agency.

DESCRIPTION AND PURPOSE

The Agency currently owns and/or operates, and maintains five water recycling facilities, one hundred sixty miles of sewer collection system, a potable water facility, nineteen supply water well sites, four sewage lift stations, a recycled water distribution and storage system, nineteen groundwater recharge sites, a four hundred thousand square foot indoor composting facility, and a sixty-six thousand square foot headquarters building.

The Operations group is responsible for:

- ◆ Potable water treatment and distribution.
- ◆ Wastewater collection and treatment.
- ◆ Distribution of recycled water for groundwater recharge and irrigation including agricultural crops, municipal parks and landscaping, and other types of water reuse.
- ◆ Maximization of the production of biogas as a fuel source for energy generation through digestion of biosolids.
- ◆ Biosolids dewatering for subsequent recycling and production of high-quality compost.
- ◆ Utilization of modern condition monitoring tools to effectively maintain equipment reliability; and to
- ◆ Provide proactive maintenance for all facilities, collection systems, lift stations, water supply wells, recharge basins, and recycled water distribution and storage systems.

MAJOR PRIORITIES

The major priorities for the Operations and Maintenance Department for FYs 2023/24 and 2024/25 are as follows:

- Maintain a safe work environment
- Maintain environmental permit compliance
- Maintain asset reliability
- Commission electronic logbooks
- Attain one hundred percent Sewer System Management Program (SSMP) goals for Closed Circuit Television (CCTV) and inspection
- Maintain a highly motivated and trained workforce
- Send all Agency biosolids to Inland Empire Regional Composting Authority (IERCA) estimated at seventy thousand wet tons per year and sell all compost produced, approximately two hundred and thirty thousand cubic yards per year
- Maintain optimal staffing levels through succession planning

POSITION SUMMARY

An increase of eleven FTE positions in the Operations and Maintenance Department for FYs 2023/24 and 2024/25 is necessary to support succession planning efforts and continue to provide high quality critical services to our customers and the communities we serve. It is necessary and expected that positions may shift between plants during the fiscal year.

Operations Administration Unit	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Director of Operations & Maintenance	1	1	1	1
Manager of Facilities and Water Systems	1	1	1	1
Operations & Maint. Training Coordinator	1	1	1	1
Executive Assistant	1	-	-	-
Administrative Assistant II	-	1	1	1
Total Operations Administration	4	4	4	4

Facilities Management, Sewer Collections and Groundwater Recharge Units	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Facilities Program Supervisor	1	1	1	1
Facilities Program Coordinator	1	1	1	1
Facilities Technician I/II/III	-	1	1	2
Facilities Specialist	1	1	1	1
Facilities Specialist - Landscape	1	1	1	1
HVAC Technician	1	1	1	1
Mechanic I	1	1	1	1

OPERATIONS & MAINTENANCE

Facilities Management, Sewer Collections and Groundwater Recharge Units	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Electrical & Instrumentation Technician III	1	-	-	-
Total	7	7	7	8
Limited Term Positions				
Facilities Specialist	-	1	1	1
Total	0	1	1	1
Total Facilities Management	7	8	8	9
Collection System Supervisor	1	1	1	1
Collection System Operator III	2	2	2	2
Collection System Operator II	4	4	5	5
Collection System Operator I	1	1	2	2
Total Sewer Collections	8	8	10	10
Acting Deputy Manager of Maintenance	1	1	1	1
Groundwater Recharge Supervisor	-	1	1	1
Recycled Water Distribution Operator	2	2	2	2
Recycled/Groundwater Recharge Operations & Maintenance Specialist	1	1	1	1
Recycled/Groundwater Recharge Maintenance Technician	1	1	1	1
Hydrogeologist	-	-	1	1
Senior Associate Engineer - PE	1	-	-	-
Total Groundwater Recharge	6	6	7	7
Total FTE and Limited Term	21	22	25	26

North Maintenance RP-1 and South Plant Maintenance RP-5 Units	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Maintenance Supervisor	1	1	1	1
Electrical & Instrument Tech IV	1	1	1	1
Electrical & Instrument Tech III	7	7	11	11
Electrical & Instrument Tech II	1	1	1	1
Total North Maintenance RP-1	10	10	14	14
Maintenance Supervisor	1	1	1	1
Electrical & Instrument Tech IV	1	1	1	1
Electrical & Instrument Tech III	3	3	6	7
Electrical & Instrument Tech II	3	3	3	3

North Maintenance RP-1 and South Plant Maintenance RP-5 Units	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Total South Plant Maintenance RP-5	8	8	11	12
Total	18	18	25	26

O&M North and South Administration, RP-1, RP-2, RP-4, and RP-5 Operations, Carbon Canyon Water Recycling Plant (CCWRP), and Desalter Operations Units	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Manager of Operations	1	1	1	1
Manager of Maintenance	1	1	1	1
Deputy Manager of Maintenance	2	2	2	2
Maintenance Supervisor	2	2	2	2
Maintenance Planner/Scheduler	2	2	2	2
Mechanic IV	3	3	2	2
Mechanic III	7	5	7	11
Mechanic II	5	6	6	6
Mechanic I	-	1	1	1
Administrative Assistant II	2	2	2	2
Total O&M North and South Administration	25	25	26	30
Deputy Manager of Operations	3	3	3	3
Operations Supervisor	5	5	5	5
Senior Associate Engineer – PE	-	1	2	2
Associate Engineer	1	1	-	-
Senior Wastewater Treatment Plant Operator	7	7	6	6
Wastewater Treatment Plant Operator V	5	4	4	5
Wastewater Treatment Plant Operator IV	2	2	2	2
Wastewater Treatment Plant Operator III	11	8	12	12
Wastewater Treatment Plant Operator II	3	4	4	4
Wastewater Treatment Plant Operator I	1	1	1	1
Senior Water Plant Operator	1	1	1	1
Water Plant Operator IV	-	2	2	2
Water Plant Operator III	3	2	2	2
Water Plant Operator II	2	1	1	1
Wastewater Treatment Plant Opr. in Training	4	6	1	1
CDA Title TBD	-	1	-	-
Total RP-1, RP-2, RP-4, RP-5, CCWRP, and Desalter Operations	48	49	46	51

OPERATIONS & MAINTENANCE

O&M North and South Administration, RP-1, RP-2, RP-4, and RP-5 Operations, Carbon Canyon Water Recycling Plant (CCWRP), and Desalter Operations Units	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Total	73	74	72	77

Organics Management Unit	2021/22 Actual	2022/23 Projected	2023/24 Budget	2024/25 Budget
Manager of Regional Compost Authority	1	1	1	1
Compost Facility Supervisor	2	1	2	2
Compost Sales Representative	1	1	1	1
Senior Compost O&M Technician	3	3	2	2
Maintenance Planner/Scheduler	1	1	1	1
Mechanic III	4	4	5	5
Electrical & Instrument Technician II	1	1	1	1
Compost Operator	9	8	7	7
Compost Worker	1	2	3	3
Administrative Assistant II	1	1	1	1
Office Assistant	1	1	1	1
Total Organics Management	25	24	25	25

GOALS AND OBJECTIVES

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.			
Strategic Priority	Unit Goal	Unit Objective	Timetable
Promote a safer work environment by administering and monitoring required safety and regulatory trainings.	Strive to maintain lower recordable incidents than industry incident rate averages.	<ul style="list-style-type: none"> Number of recordables versus industry incident rate 	Quarterly FY 2023/24 and FY 2024/25
Develop and implement a plan to mentor and prepare the next generation of the IEUA team.	Continue with Trades Internship Program (TIP) and continue to hire prior to retirement Full Time Equivalents (FTE) to maintain a smooth transition.	<ul style="list-style-type: none"> Onboard at least two trade participants per year. Include in quarterly updates to the Board. 	Quarterly FY 2023/24 and FY 2024/25
Ensure staff has access to professional development opportunities.	Utilizing the Operations & Maintenance Training Coordinator to help identify	<ul style="list-style-type: none"> Develop and execute a twelve-month training plan. Report actual 	Quarterly FY 2023/24 and FY 2024/25

Business Goal – Work Environment: IEUA is committed to providing a dynamic work environment with a highly skilled and dedicated workforce.

Strategic Priority	Unit Goal	Unit Objective	Timetable
	and support ongoing professional development. Provide opportunities for staff to attend industry conferences and seminars.	trainings versus targeted quarterly amounts.	

Business Goal – Business Practices: IEUA will be ethical, cost-effective and apply environmentally sustainable regional planning principles in all aspects of business and public service.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Identify opportunities to create operational efficiencies and streamlining of core business functions.	Implement two operational efficiencies to reduce time spent on data extraction and increase data visibility.	<ul style="list-style-type: none"> Utilize Electronic Logbooks for all sites and Chemical Dashboards for Polymer and Sodium Hypochlorite. 	<p>June FY 2023/24</p> <p>January FY 2023/24</p>

Business Goal – Water Reliability: IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Continue to develop resilient water supplies for the region to mitigate climate change and catastrophic infrastructure failures.	Continue to support the Chino Basin Program – Groundwater Recharge to meet National Pollution Discharge Elimination System (NPDES) Recycled Water Title 22 permit requirements for reservoir management.	<ul style="list-style-type: none"> Meet 100% compliance goals. 	Quarterly FY 2023/24 and FY 2024/25
Maximize recharge of all sources of water.	Groundwater Recharge - ensure optimization of transmission and capture systems.	<ul style="list-style-type: none"> Preparation of monthly basin recharge volume report. 	Monthly FY 2023/24 and FY 2024/25

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.

Strategic Priority	Unit Goal	Unit Objective	Timetable
Monitor treatment plant performance to meet regulatory requirements.	Operations to monitor and optimize treatment plant	<ul style="list-style-type: none"> >90% Key Performance Indicator Attainment on forty-eight units process 	Quarterly FY 2023/24 and

OPERATIONS & MAINTENANCE

Business Goal – Wastewater Management: IEUA is committed to meeting regional demands in an environmentally responsible and cost-effective manner.			
Strategic Priority	Unit Goal	Unit Objective	Timetable
	performance to meet regulatory requirements.	parameters centered around safety, compliance, and efficiency.	FY 2024/25
Implement innovative techniques for cutting edge operations.	Increase industry knowledge by participating in on quarterly technical advisor group meetings with Isle Utility.	<ul style="list-style-type: none"> Participate in tours of other related districts and agencies to collaborate and share knowledge. 	Quarterly FY 2023/24 and FY 2024/25

PERFORMANCE MEASURES

Unit Goal	Measure Description	2021/22 Actual	2022/23 Projected	2023/24 Target	2024/25 Target
Continue with Trades Internship Program (TIP), continue to hire prior to Full Time Equivalents (FTE) retirements to maintain a smooth transition.	Fill >75% of the nine available TIP internship positions	5	9	7	7
Promote a safer work environment by administering and monitoring required safety and regulatory trainings and increase field presence of Safety staff.	Maintain lower recordables than previous year	7	6	5	4
Operations to monitor and optimize treatment plant performance to meet regulatory requirements.	Maintain 100% permit compliance	4	0	0	0
	Maintain 90% of YTD budget	87%	90%	90%	90%

EXPENSES

Employment expense includes wages and benefits for Operations Administration, Facilities & Water Systems, Operations and Maintenance, and Organics Management Units (fifty percent of Organics Management wages and benefits are reimbursed by Los Angeles County Sanitation District). Administrative expense includes office and administrative and other non-operating expense. Operating expense includes materials and supplies, professional fees and services, leases and rentals, chemicals, operating and biosolids fees, and utilities. All expense categories include costs for Agency-wide operations. Operating expense increases can be attributed to significant increases for chemical and utility expense in FYs 2022/23 through 2024/25.

Expense	FY 2021/22 Actual	FY 2022/23 Projected	FY 2023/24 Budget	FY 2024/25 Budget
Employment	\$18,229,950	\$20,756,732	\$23,257,572	\$25,268,064
Administrative	304,590	503,418	630,344	664,392
Operating	29,499,271	31,511,281	37,973,949	42,174,179
Total	\$48,033,811	\$52,771,431	\$61,861,865	\$68,106,635

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APPENDICES

INLAND EMPIRE UTILITIES AGENCY FY 2023/24 and FY 2024/25 ADOPTED RATES

		IMPLEMENTED RATES FY 2022/23	ADOPTED RATES FY 2023/24	ADOPTED RATES FY 2024/25
REGIONAL WASTEWATER PROGRAM-Resolution 2023-4-3				
Regional Wastewater Connection Fee	per equivalent dwelling unit (EDU)	\$7,600.00 Effective 7/1/22	\$8,132.00 Effective 7/1/23	\$8,620.00 Effective 7/1/24
Resolution 2023-4-5				
Total Volumetric (EDU) Fee	per EDU per month	\$21.86 Effective 7/1/22	\$23.39 Effective 7/1/23	\$24.79 Effective 7/1/24
Resolution 2023-4-4				
Fontana Extra-Territorial Sewer Service Charge	per EDU per month	\$18.85 Effective 7/1/22	\$20.47 Effective 7/1/23	To be determined next fiscal year
RECYCLED WATER PROGRAM-Resolution 2022-5-5				
Wholesale Rates				
Direct Sale (All Tertiary Plants)	per million gallons (MG) per acre foot (AF)	Effective 7/1/22 \$1,583.54 \$516.00	Effective 7/1/23 \$1,565.13 \$510.00	Effective 7/1/24 \$1,427.03 \$465.00
Groundwater Recharge Sale (All Tertiary Plants)	per MG per AF	\$1,890.43 \$516.00	\$2,025.47 \$660.00	\$2,040.81 \$665.00
Annual Recycled Water Fixed Cost Recovery		\$1,106,000.00	\$2,362,600.00	\$4,957,400.00
IMPORTED (MWD) POTABLE WATER -Resolution 2023-6-5				
Full Service Untreated Water				
Tier 1 1/1/22 - 12/31/22	per acre foot (AF)	\$799.00		
Tier 1 1/1/23 - 12/31/23	per AF	\$855.00	\$855.00	
Tier 1 1/1/24 - 12/31/24	per AF		\$903.00	\$903.00
Tier 2 1/1/22 - 12/31/22	per AF	\$841.00		
Tier 2 1/1/23 - 12/31/23	per AF	\$1,064.00	\$1,064.00	
Tier 2 1/1/24 - 12/31/24	per AF		\$1,102.00	\$1,102.00
Ground Water Storage Program				
Replenishment Water Untreated				
1/1/22 - 12/31/22	per AF	No Rate Available		
1/1/23 - 12/31/23	per AF		No Rate Available	
1/1/24 - 12/31/24	per AF			No Rate Available
Capacity Meter Charge	per diameter inch of meter per month			
Capacity Reservation Charge				
1/1/22 - 12/31/22	per cubic foot per second (cfs)	\$12,200.00		
1/1/23 - 12/31/23	per cubic foot per second (cfs)	\$10,600.00	\$10,600.00	
1/1/24 - 12/31/24	per cubic foot per second (cfs)		\$11,200.00	\$11,200.00
Industrial Connection Min. Charge				
7/1/22 - 6/30/23	per connection per month	\$1,000.00		
Resolution 2020-7-12				
Readiness to Serve Recovery Charge		100% of MWD RTS Charge Effective 7/1/22	100% of MWD RTS Charge	100% of MWD RTS Charge
Meter Equivalent Unit (MEU)	per MEU per month	\$1.10 Effective 7/1/22	\$1.12 Effective 7/1/23	\$1.14 Effective 7/1/24
WATER CONNECTION FEE - Resolution 2021-6-11				
Connection Fee to all potable and recycled water connections and upgrades		Effective 7/1/22	Effective 7/1/23	Effective 7/1/24
Meter Sizes				
5/8"		\$1,841.00	\$1,896.00	\$1,953.00
3/4"		\$1,841.00	\$1,896.00	\$1,953.00
1"		\$4,603.00	\$4,740.00	\$4,883.00
1.5"		\$9,205.00	\$9,480.00	\$9,765.00
2"		\$14,728.00	\$15,168.00	\$15,624.00
3"		\$32,218.00	\$33,180.00	\$34,178.00
4"		\$57,992.00	\$59,724.00	\$61,520.00
6"		\$128,870.00	\$132,720.00	\$136,710.00
8"		\$220,920.00	\$227,520.00	\$234,360.00
10"		\$276,150.00	\$284,400.00	\$292,950.00
12"		\$322,175.00	\$331,800.00	\$341,775.00

INLAND EMPIRE UTILITIES AGENCY FY 2023/24 and FY 2024/25 ADOPTED RATES

			IMPLEMENTED RATES FY 2022/23	ADOPTED RATES FY 2023/24	ADOPTED RATES FY 2024/25
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) ⁽¹⁾					
NRWS NORTH SYSTEM - LOS ANGELES COUNTY SANITATION DISTRICTS (LACSD) - 2023-6-3					
Acquisition of Wastewater Discharge Right					Not Currently Available
Refer to Resolution 2023-6-3 Section 1 (See Formula)					
Purchase Rate to discharge one NRWSCU (NRW System Capacity Unit)			\$4,172.00	\$4,172.00	
Option- Annual Lease Rate for right to discharge one NRWSCU			\$208.60	\$208.60	
Volumetric Fee					
Direct Line Deliveries	per million gallons (MG)		\$842.08	\$870.13	
Strength Charges					
Chemical Oxygen Demand (COD)	per 1,000 pounds (dry weight)		\$166.63	\$174.03	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)		\$402.50	\$416.19	
Peak Flow					
	per MG		\$330.07	\$340.95	
Operations Fee					
O&M Charges	per NRWSCU per month		\$22.52	\$29.79	
Capital Improvement Program (CIP) Charges	per NRWSCU per month		\$9.01	\$9.27	
Recycled Water Usage Credit					
	per MG of recycled water used		\$89.00	\$44.51	
NRWS SOUTH SYSTEM - SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) - 2023-6-4					
Initial Capacity Charge					Not Currently Available
Purchase of Agency Capacity Rights	per capacity unit (CU)		\$215,000.00	\$215,000.00	
Monthly Capital Improvement Program (CIP) Fee					
	per CU		\$90.00	\$90.00	
Monthly Capacity Unit Fee					
	per CU		\$435.43	\$435.43	
Volumetric Fee					
Direct Line Deliveries	per million gallons (MG)		\$1,049.00	\$1,073.00	
Minimum Volumetric Charge			\$104.90	\$107.30	
Strength Charges					
Biochemical Oxygen Demand (BOD)	per 1,000 pounds (dry weight)		\$353.00	\$394.00	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)		\$520.00	\$494.00	
Recycled Water Usage Credit					
	per MG of recycled water used		\$89.00	\$44.51	
Truck Station Deliveries					
<u>Schedule</u>	<u>BOD or TSS Concentration (Up to 5,000 gallon)</u>				
Brine	Less than 100 mg/l		\$316.90	\$325.84	
	Incremental above 5,000 gallons \$/gal		\$0.016	\$0.016	
Non Brine	100 mg/l and higher		\$316.90	\$325.84	
	Incremental above 5,000 gallons \$/gal		\$0.016	\$0.016	
Non Brine Strength Charges	BOD Charge \$/lb		\$0.780	\$0.780	
	TSS Charge \$/lb		\$0.745	\$0.745	

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APPENDICES

INLAND EMPIRE UTILITIES AGENCY FY 2023/24 and FY 2024/25 ADOPTED RATES

		IMPLEMENTED RATES FY 2022/23	ADOPTED RATES FY 2023/24	ADOPTED RATES FY 2024/25
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS)⁽¹⁾				
NRWS WASTEWATER HAULERS - 2023-6-1				
Domestic Wastewater Haulers to the Regional System:				Not Currently Available
Initial Permit Application Fee	initial charge	\$250.00	\$274.00	
Permit Renewal Fee	renewal fee	\$125.00	\$137.00	
Trucked Waste Volumetric Fee	per load up to 2,000 gallons	\$82.07	\$90.97	
	per load over 2,000 gallons	\$0.041 per one (1) gallon	\$0.045 per one (1) gallon	
Excessive Biochemical Oxygen Demand and Suspended Solids:				
Biochemical Oxygen Demand in excess of 410 milligrams per liter	per 1,000 lb. dry weight	\$318.41	\$422.80	
Suspended Solids in excess of 373 milligrams per liter	per 1,000 lb. dry weight	\$383.89	\$479.07	
Non-Compliance	Reinsate elapsed or expired Insurance requirements	\$150.00	\$164.00	
NRWS ETIWANDA WASTEWATER LINE (EWL) - 2023-6-2				
Initial Capacity Charge				Not Currently Available
Purchase of Agency Capacity Rights	per capacity unit (CU)	\$215,000.00	\$215,000.00	
Monthly Capacity Charge				
	per Etiwanda Wastewater Line CU	\$84.00	\$84.00	
Monthly Capital Improvement Program (CIP) Fee				
	per CU	\$90.00	\$90.00	
Volumetric Fee				
Direct Line Deliveries	per million gallons (MG)	\$760.00	\$850.72	
Minimum Volumetric Charge		\$76.00	\$85.07	
		<= 100,000 gallons per month per capacity unit		
Strength Charges				
Chemical Oxygen Demand (COD)	per 1,000 pounds (dry weight)	\$145.05	\$145.05	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$410.31	\$410.31	
Recycled Water Usage Credit				
	per million gallons of recycled water used	\$89.00	\$44.51	

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INLAND EMPIRE UTILITIES AGENCY FY 2023/24 and FY 2024/25 ADOPTED RATES

	IMPLEMENTED RATES FY 2022/23	ADOPTED RATES FY 2023/24	ADOPTED RATES FY 2024/25
NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS)⁽¹⁾			
NRWS - ALL REGIONAL WASTEWATER SYSTEMS			
Application Fees:			
Capacity Right/Capacity Option agreement per agreement	\$250.00	\$274.00	Not Currently Available
Initial Wastewater Discharge Permit Application Fees:			
For Wastewater Generators who discharge directly through the pipeline connection to the Brine Line			
Categorical Industrial User	\$4,375.00	\$4,796.00	
with Combined Waste Stream Formula, add	\$1,063.00	\$1,165.00	
with Production Based Standards, add	\$563.00	\$617.00	
with Multiple Categories, add	\$2,125.00	\$2,330.00	
Non-Categorical, Significant, Industrial User	\$3,188.00	\$3,495.00	
Non-Categorical, Non-Significant Industrial User	\$2,625.00	\$2,878.00	
Permit Renewal Fees:			
For Wastewater Generators who discharge directly through the pipeline connection to the Brine Line			
Categorical Industrial Users	\$3,250.00	\$3,563.00	
with Combined Waste Stream Formula, add	\$563.00	\$617.00	
with Production Based Standards, add	\$313.00	\$343.00	
with Multiple Categories, add	\$1,063.00	\$1,165.00	
Non-Categorical, Significant, Industrial User	\$813.00	\$891.00	
Non-Categorical, Non-Significant Industrial User	\$663.00	\$617.00	
Initial Wastewater Discharge Permit Fees:			
For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRW sewer system			
Categorical Industrial User	\$2,750.00	\$3,015.00	
with Combined Waste Stream Formula, add	\$1,063.00	\$1,165.00	
with Production Based Standards, add	\$563.00	\$617.00	
with Multiple Categories, add	\$2,125.00	\$2,330.00	
Non-Categorical, Significant, Industrial User	\$1,625.00	\$1,782.00	
Non-Categorical, Non-Significant Industrial User	\$1,063.00	\$1,165.00	
Permit Renewal Fees:			
For Wastewater Generators whose wastewater is hauled away and discharged into the Regional or NRW sewer system			
Categorical Industrial Users	\$2,250.00	\$2,467.00	
with Combined Waste Stream Formula, add	\$563.00	\$617.00	
with Production Based Standards, add	\$313.00	\$343.00	
with Multiple Categories, add	\$1,063.00	\$1,165.00	
Non-Categorical, Significant Industrial User	\$813.00	\$891.00	
Non-Categorical, Non-Significant Industrial User	\$563.00	\$617.00	
Initial Wastewater Hauler Permit Application & Permit Fees (NRWS):			
Permit Application for Wastewater Hauler	\$250.00	\$274.00	
Permit Renewal for Wastewater Hauler	\$125.00	\$137.00	
Major Permit Modification /Facility Expansion Fee			
Major Permit Modification	\$1,625.00	\$1,782.00	
Facility Expansion	\$1,625.00	\$1,782.00	
Minor Permit Modification Fees:			
Changes of Equipment Maintenance or Monitoring Requirements/Changes of Discharge Limits	\$813.00	\$891.00	
Business Name Change/Owner Name Change	\$250.00	\$274.00	
Change of Limits/Evaluation of Toxic Organic Management Plan Processing	No Charge	No Charge	
<i>(Refer to respective rate resolutions for details)</i>			
<i>(1) FY 2023/24 NRW Rates are adopted on an annual basis based on LACSD and SAWPA annual pass-through rate adoption</i>			

APPENDICES

RESOLUTION NO. 2023-4-1

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, DECLARING ITS INTENT TO ADOPT BUDGETS FOR THE REGIONAL SEWAGE, RECYCLED WATER, NON-RECLAIMABLE WASTEWATER, AND WATER RESOURCES PROGRAMS AND FIXING TIME AND PLACE OF HEARING THEREON

WHEREAS, pursuant to the provisions of the Regional Sewage Service Ordinance No. 111, this Board of Directors shall adopt its resolution of intent to adopt budgets for its Regional Sewage Program and fix a time and place of hearing thereon.

WHEREAS, this Board of Directors shall also adopt its resolution to hold a public hearing to receive public comments on the proposed Fiscal Years 2023/24 and 2024/25 budget for the Recycled Water, Non-Reclaimable Wastewater, and Water Resources Programs.

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

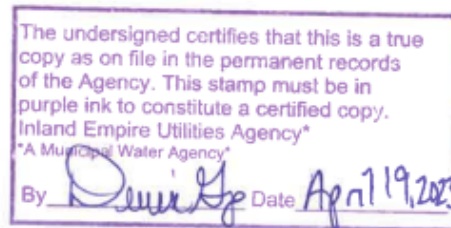
Section 1: That the Board of Directors hereby declares its intent to adopt Regional Sewage and said proposed budgets for Fiscal Years 2023/24 and 2024/25,

Section 2: That the Board of Directors hereby fixes a time and place for hearing on said proposed budgets as follows:

Date	Time	Place
June 21, 2023	10:00 a.m.	Office of the Agency 6075 Kimball Ave. Chino, CA 91708


Section 3: That the Secretary is hereby authorized and directed to distribute copies of this resolution. The draft program budget of the Regional Sewage, Recycled Water, Non-Reclaimable Wastewater, and Water Resources will be distributed following review by the Board of Directors.

Section 4: Upon adoption of this resolution, Resolution No. 2021-4-4 is hereby rescinded in its entirety.




Resolution No. 2023-4-1
Page 2 of 3

ADOPTED this 19th day of April 2023.



Marco Tule
President of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

ATTEST:



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

(SEAL)

* A Municipal Water District

DRAFT

APPENDICES

Resolution No. 2023-4-1

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STATE OF CALIFORNIA)
COUNTY OF)SS
SAN BERNARDINO)

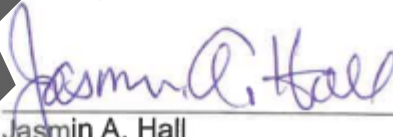
I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2023-4-1 was adopted at
a regular Board Meeting on April 19, 2023 of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None



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. 2023-6-8

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AND ADOPTING ITS BUDGET FOR FISCAL YEARS 2023/24 and 2024/25.

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

Section 1. That this Board of Directors hereby approves and adopts the biennial budget for Fiscal Years 2023/24 and 2024/25, subject to any regulatory reform, or action of the State legislature that would have negative impact on the Agency's revenues and expenditures.

Section 2. Upon adoption of this resolution, Resolution No. 2021-6-15 is hereby rescinded in its entirety.

ADOPTED this 21st day of June 2023.

Marco Tule
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

APPENDICES

Resolution No. 2023-6-8
Page 2 of 2

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. 2023-6-8 was adopted
at a regular meeting on June 21, 2023, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2023-4-5

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN
BERNARDINO COUNTY, CALIFORNIA, REVISING THE
ESTABLISHED SERVICE RATE FOR IMPROVEMENT
DISTRICT "C" FOR FISCAL YEAR 2023/24 AND FISCAL
YEAR 2024/25**

WHEREAS, pursuant to the Regional Sewage Service Ordinance 111, the Sewage Collection Agencies (SCAs) Advisory Committees have received and reviewed the Regional Wastewater Program Budget with an associated rate for Fiscal Year 2023/24 and Fiscal Year 2024/25;

WHEREAS, the SCA Advisory Committees have reviewed service rate for Fiscal Year 2023/24 and Fiscal Year 2024/25 and recommended approval;

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1st of each fiscal year on the equivalent dwelling unit (EDU) rates:

Section 1. Effective July 1, 2023, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$23.39 per equivalent dwelling unit (EDU) per month.

Section 2. Effective July 1, 2024, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$24.79 per equivalent dwelling unit (EDU) per month.

Section 3. The provisions of the Regional Sewage Service Ordinance 111 and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 4. That upon the effective date of this Resolution, Resolution No. 2022-5-3 is hereby rescinded.


The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

By Dennis Gyo Date April 19, 2023


APPENDICES

Resolution No. 2023-4-5
Page 2 of 3

ADOPTED this 19th day of April 2023.


Marco Tule,
President of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

ATTEST:


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

* A Municipal Water District

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Resolution No. 2023-4-5
Page 3 of 3

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. 2023-4-5 was adopted at a
Board Meeting on April 19, 2023, of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None


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

(SEAL)

* A Municipal Water District

APPENDICES

RESOLUTION NO. 2022-5-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING RATES COVERING THE SALE OF RECYCLED WATER TO SUPPORT OPERATIONS AND MAINTENANCE OF IEUA'S REGIONAL RECYCLED WATER SYSTEM FOR FISCAL YEARS 2022/23 THROUGH 2024/25

WHEREAS, Ordinance 69 regulates the availability and use of recycled water within the Inland Empire Utilities Agency service area and authorizes the Board of Directors to set and adopt rates as a routine task during budget preparation.

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

Section 1. That effective July 1, 2022, the direct sale of recycled water that is available to Contracting Agencies from the Tertiary Treatment Plants shall be \$1,583.54 per million gallons or \$516.00 per acre foot.

Section 2. That effective July 1, 2022, the sale of recycled water for groundwater recharge use that is available to Contracting Agencies from the Tertiary Treatment Plants shall be \$1,890.43 per million gallons or \$616.00 per acre foot.

Section 3. That effective July 1, 2023, the direct sale of recycled water that is available to Contracting Agencies from the Tertiary Treatment Plants shall be \$1,565.13 per million gallons or \$510.00 per acre foot.

Section 4. That effective July 1, 2023, the sale of recycled water for groundwater recharge use that is available to Contracting Agencies from the Tertiary Treatment Plants shall be \$2,025.46 per million gallons or \$660.00 per acre foot.

Section 5. That effective July 1, 2024, the direct sale of recycled water that is available to Contracting Agencies from the Tertiary Treatment Plants shall be \$1,427.03 per million gallons or \$465.00 per acre foot and remain in effect until rescinded by a new resolution.

Section 6. That effective July 1, 2024, the sale of recycled water for groundwater recharge use that is available to Contracting Agencies from the Tertiary Treatment Plants shall be \$2,040.81 per million gallons or \$665.00 per acre foot and remain in effect until rescinded by a new resolution.

Section 7. That a Fixed Cost Recovery charge shall be allotted monthly to each Contracting Agency based on each Contracting Agency's three-year rolling average of direct and groundwater recharge recycled water purchases from IEUA.

Resolution No. 2022-5-5
Page 2 of 4

- a. That effective July 1, 2022 for FY 2022/23, the annual recycled water Fixed Cost Recovery amount shall be \$1,106,000.
- b. That effective July 1, 2023 for FY 2023/24, the annual recycled water Fixed Cost Recovery amount shall be \$2,362,600.
- c. That effective July 1, 2024 for FY 2024/25, the annual recycled water Fixed Cost Recovery amount shall be \$4,957,400.

Section 8. Upon the effective date of this Resolution, Resolution No. 2020-7-9 is hereby rescinded in their entirety.

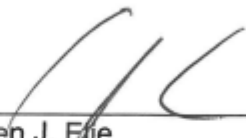
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APPENDICES

Resolution No. 2022-5-5

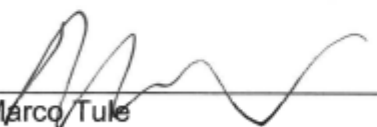
Page 3 of 4

ADOPTED this 18th day of May 2022.



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

ATTEST:



Marco Tule
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

* A Municipal Water District


DRAFT

Resolution No. 2022-5-5
Page 4 of 4

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Marco Tule, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2022-5-5, was adopted
at a regular meeting on May 18, 2022, of said Agency* by the following vote:

AYES: Camacho, Elie, Hal, Hofer, Tule
NOES: None
ABSTAIN: None
ABSENT: None


Marco Tule
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPENDICES

RESOLUTION NO. 2023-4-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING THE REIMBURSEMENT PAYMENT FOR FISCAL YEAR 2023/24 AND FISCAL YEAR 2024/25.

WHEREAS, the Finance, Legal, and Administration Committee and the Board of Directors have reviewed and recommended the adjustments to the Reimbursement Payment;

WHEREAS, the financing of the Ten-Year Forecast requires that the Reimbursement Payment will be \$8,132 per Equivalent Dwelling Unit (EDU) effective July 1, 2023; and \$8,620 per EDU effective July 1, 2024;

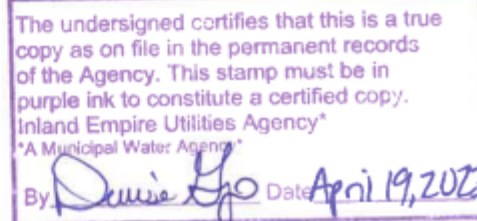
NOW THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER the following to be effective on the dates shown, and remain in effect until rescinded by a new resolution:

Section 1. Effective July 1, 2023 the Reimbursement Payment for the Sewage Customer Agencies shall be \$8,132 per EDU.

Section 2. Effective July 1, 2024 the Reimbursement Payment for the Sewage Customer Agencies shall be \$8,620 per EDU.

Section 3. That the provisions of the Regional Sewage Service Ordinance 111 are hereby applicable and will remain in full force and effect.

Section 4. That upon the effective date of this Resolution, Resolution No. 2022-5-2 is hereby rescinded.




RESOLUTION NO. 2023-4-3
Page 2 of 3

ADOPTED this 19th day of April 2023



Marco Tule
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

DRAFT

APPENDICES

RESOLUTION NO. 2023-4-3
Page 3 of 3

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. 2023-4-3 was adopted at a
regular Board Meeting on April 19, 2023, of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None



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

*A Municipal Water District

RESOLUTION NO. 2020-7-11

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING THE WATER CONNECTION FEE FOR FISCAL YEARS 2020/21 THROUGH 2024/25

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

WHEREAS, the Board of Directors establishes a fee from each new connection or upsized connection within IEUA's service area as a condition of receiving water deliveries from any source provided by IEUA including, but not limited to, Metropolitan supplies, recycled water, and groundwater; and

WHEREAS, the Board of Directors has determined that each new connection is subject to fees based upon the meter size; and

WHEREAS, the Board of Directors has determined that the levy of a one-time connection fee charge be imposed on any new retail water connection or upsized connection to any water system within the Agency's service area in order to recover growth related costs incurred by the Agency and defined in Ordinance 104.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS** the following to be effective, July 1 of each fiscal year, and remain in effect until rescinded by a new resolution:

Section 1. Customers subject to payment of water capacity charges for new connections shall pay the charges in accordance with the following table:

Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
Effective Date	7/1/2020	7/1/2021	7/1/2022	7/1/2023	7/1/2024
5/8"	\$1,684	\$1,787	\$1,841	\$1,896	\$1,953
3/4"	\$1,684	\$1,787	\$1,841	\$1,896	\$1,953
1"	\$4,211	\$4,466	\$4,603	\$4,740	\$4,883
1.5"	\$8,420	\$8,933	\$9,205	\$9,480	\$9,765
2"	\$13,472	\$14,282	\$14,728	\$15,168	\$15,624
3"	\$29,471	\$31,265	\$32,218	\$33,180	\$34,178
4"	\$53,047	\$56,277	\$57,992	\$59,724	\$61,520
6"	\$117,880	\$125,059	\$128,870	\$132,720	\$136,710
8"	\$202,080	\$214,387	\$220,920	\$227,520	\$234,360
10"	\$252,600	\$267,983	\$276,150	\$284,400	\$292,950
12"	\$294,700	\$312,647	\$322,175	\$331,800	\$341,775

APPENDICES

Resolution No. 2020-7-11
Page 2 of 3

ADOPTED this 15th day of July, 2020.



Kati Parker
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District


DRAFT

Resolution No. 2020-7-11
Page 3 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2020-7-11 was adopted at a regular
meeting on July 15, 2020, of said Agency* by the following vote:

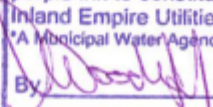
AYES: Camacho, Elie, Hofer, Hall, Parker
NOES: None
ABSTAIN: None
ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.	
Inland Empire Utilities Agency*	
A Municipal Water Agency	
By 	Date <u>7/15/2020</u>

APPENDICES

RESOLUTION NO. 2020-7-12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING METER EQUIVALENT UNIT (MEU) RATES AND THE READINESS-TO-SERVE (RTS) TEN YEAR ROLLING AVERAGE (TYRA) PASS_THROUGH

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency (IEUA) establishes, from time to time, rates to support the readiness-to-serve charges from Metropolitan Water District of Southern California (MWD), program costs incurred for the regional water resources program.

WHEREAS, the Board of Directors of IEUA shall establish an annual Readiness to serve (RTS) pass-through charge, based on a Ten Year Rolling Average (TYRA) MWD methodology.

WHEREAS, the Board of Directors shall establish an annual Meter Equivalent Unit (MEU) charge rate to yield revenues sufficient to recover the regional water resources program costs.

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

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS that the following to be effective on the rates shown below, and remain in effect until rescinded by a new resolution:

Section 1.A That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass-through shall be charged to the Local Agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority), to recover their share of total RTS charge imposed by MWD, and will be phased-in over a period of - seven (7) years as follows:

- a. October 1, 2016 through June 30, 2017 of Fiscal Year 2016/17, the RTS TYRA charge shall be 15% of the MWD RTS charge
- b. July 1, 2017 for Fiscal Year 2017/18, the RTS TYRA charge shall be 30% of the MWD RTS charge.
- c. July 1, 2018 for Fiscal Year 2018/19 the RTS TYRA charge shall be 45% of the MWD RTS charge.
- d. July 1, 2019, for Fiscal Year 2019/20 the RTS TYRA charge shall be 60% of the MWD RTS charge.

Resolution No. 2020-7-12
Page 2 of 4

- e. July 1, 2020 for Fiscal Year 2020/21 the RTS TYRA charge shall be 75% of the MWD RTS charge.
- f. July 1, 2021, for Fiscal Year 2021/22 the RTS TYRA charge shall be 90% of the MWD RTS charge.
- g. July 1, 2022, for Fiscal Year 2022/23 the RTS TYRA charge shall be 100% of the MWD RTS charge.

Section 1.B That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass through shall be charged to Non Local Agencies to recover 100% of their share of total RTS charge imposed by MWD, effective October 1, 2016.

Section 2. That the Meter Equivalent Unit (MEU) rate, shall be charged to the Local Agency effective July 1, 2020:

- a. July 1, 2020 for Fiscal Year 2020/21, that the rate for each active retail water meter shall be \$1.04 per meter equivalent unit per month.
- b. July 1, 2021 for Fiscal Year 2021/22, that the rate for each active retail water meter shall be \$1.08 per MEU per month.
- c. for Fiscal Year 2022/23, that the rate for each active retail water meter shall be \$1.10 per MEU per month.
- d. for Fiscal Year 2023/24, that the rate for each active retail water meter shall be \$1.12 per MEU per month.
- e. for Fiscal Year 2024/25, that the rate for each active retail water meter shall be \$1.14 per MEU per month.

Section 3. In the event of any delinquent payments for bills related to MEU or other charges, the Agency will apply Division III, Part I, Section 107 of Ordinance No. 104

Section 4. That upon the effective date of this Resolution, Resolution No. 2016-6-7 is hereby rescinded in its entirety.

APPENDICES

Resolution No. 2020-7-12

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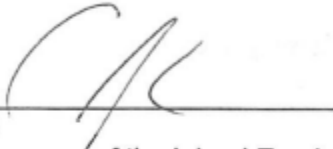
ADOPTED this 15th day of July 2020.



Kati Parker

President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:



Steven J. Elie

Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*a Municipal Water District

DRAFT

The undersigned certifies that this is a true
copy as on file in the permanent records
of the Agency. This stamp must be in
purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency

By  Date 7/15/2020

Resolution No. 2020-7-12
Page 4 of 4

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2020-7-12, was adopted at a regular
meeting on July 15, 2020, of said Agency* by the following vote:

AYES: Camacho, Elie, Hofer, Hall, Parker

NOES: None

ABSTAIN: None

ABSENT: None



Steven J. Elie
Secretary/Treasurer

(SEAL)

* A Municipal Water District _____

APPENDICES

RESOLUTION NO. 2023-6-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA WATERSHED PROJECT AUTHORITY FOR FISCAL YEARS 2023/24 AND 2024/25

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

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

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Inland Empire Utilities Agency hereby approves SAWPA's Fiscal Year (FY) 2023/24 and Fiscal Year 2024/25 Budgets, directs the Board Secretary/Office Manager to send a certified copy of this Resolution to SAWPA, and authorizes payment to SAWPA of the member agency contribution for \$461,655 (FY 2023/24) and \$452,282 (FY 2024/25).

ADOPTED this 21st day of June 2023.

Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

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

*A Municipal Water District

Resolution No. 2023-6-10
Page 2 of 2

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. 2023-6-10 was adopted
at a regular meeting on June 21, 2023, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

DRAFT

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

*A Municipal Water District

(SEAL)

* A Municipal Water District

APPENDICES

RESOLUTION NO. 2023-6-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2023/24.

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

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

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 109, may establish said service rates by resolution.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2023, and remain in effect until rescinded by a new resolution:

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

Initial Permit Application Fee	\$274.00
Permit Renewal Fee	\$137.00

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

For each load up to 2,000 gallons	\$90.97
Loads in excess of 2,000 gallons	\$0.045 per one (1) gallon

Resolution No. 2023-6-1
Regional Rates
Page 2 of 5

Section 3 That a rate schedule effective July 1, 2023, for delivery of domestic and industrial wastewater to regional plants with excessive biochemical oxygen demand and suspended solids is hereby established as follows:

<u>Quantity</u>	<u>Rate</u>
Biochemical Oxygen Demand (BOD) in excess of 410 mg/L	\$ 422.80 per 1,000 lb (dry weight)
Suspended Solids (SS) in excess of 373 mg/L	\$ 479.07 per 1,000 lb (dry weight)

Section 4 A Non-Compliance fee of \$164.00 shall be assessed to reinstate elapsed or expired insurance requirements.

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

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

Categorical Industrial User	\$4,796.00
with Combined Waste Stream Formula, add	\$1,165.00
with Production Based Standards, add	\$617.00
with Multiple Categories, add	\$2,330.00
Non-Categorical, Significant Industrial User	\$3,495.00
Non-Categorical, Non-Significant Industrial User	\$2,878.00

Permit Renewal Fees:

Categorical Industrial User	\$3,563.00
with Combined Waste Stream Formula, add	\$617.00
with Production Based Standards, add	\$343.00
with Multiple Categories, add	\$1,165.00
Non-Categorical, Significant Industrial User	\$891.00
Non-Categorical, Non-Significant Industrial User	\$617.00

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

APPENDICES

Resolution No. 2023-6-1

Regional Rates

Page 3 of 5

Initial Wastewater Discharge Permit Application Fees:

(Ownership Change with Process Changes included)

Categorical Industrial User	\$3,015.00
with Combined Waste Stream Formula, add	\$1,165.00
with Production Based Standards, add	\$617.00
with Multiple Categories, add	\$2,330.00
Non-Categorical, Significant Industrial User	\$1,782.00
Non-Categorical, Non-Significant Industrial User	\$1,165.00

Permit Renewal Fees:

Categorical Industrial User	\$2,467.00
with Combined Waste Stream Formula, add	\$617.00
with Production Based Standards, add	\$343.00
with Multiple Categories, add	\$1,165.00
Non-Categorical, Significant Industrial User	\$891.00
Non-Categorical, Non-Significant Industrial User	\$617.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$1,782.00

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

Section 8 That for change of business name with no process changes shall be: \$274.00

That Permit Addendum fees shall be: \$891.00

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

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

Resolution No. 2023-6-1
Regional Rates
Page 4 of 5

inspection activity charges, etc.

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

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

Section 12 That upon the effective date of this Resolution, Resolution No. 2022-6-1 is hereby rescinded in its entirety.

ADOPTED this 21st day of June 2023

Marco Tule
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

APPENDICES

Resolution No. 2023-6-1
Regional Rates
Page 5 of 5

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*,
DO HEREBY CERTIFY that the foregoing Resolution being No. 2023-6-1 as adopted at
a regular Board meeting on June 21, 2023, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

DRAFT

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2023-6-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR (FY) 2023/24.

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

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

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

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

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

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

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

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2023, and remain in effect until rescinded by a new resolution:

APPENDICES

Resolution No. 2023-6-2
EWL Rates
Page 2 of 6

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

(A) CAPACITY RIGHT ACQUISITION RATE

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

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

(A) CAPACITY CHARGES

For discharge to the EWL, which reaches the jurisdiction of the CSDLAC, the monthly Capacity Charge is \$84.00 per month per each EWLCU.

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

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

(C) VOLUMETRIC CHARGES

The Volumetric Charge for EWL is \$850.72 per Million Gallons. The minimum Volumetric Charge for discharge of 100,000 gallons or less per each EWLCU per month is \$85.07 per month per each EWLCU.

(D) STRENGTH CHARGES

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

<u>PARAMETER</u>	<u>RATE</u>
COD	\$145.05 per 1,000 pounds (dry weight)
TSS	\$410.31 per 1,000 pounds (dry weight)

Strength charges for the EWL discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

Resolution No. 2023-6-2
EWL Rates
Page 3 of 6

(E) AGENCY CIP AND O&M CHARGES

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

(F) RECYCLED WATER USAGE CREDIT

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

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate and shall decline at 5% intervals per year through FY 2023/24.

For Fiscal Year 2023/24, the Recycled Water Usage Credit is \$44.51 per million gallons of recycled water used.

Section 3 OTHER CHARGES

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

Section 4 That Application fees for an EWL Capacity Right Agreement shall be: \$274.00

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

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

Categorical Industrial User	\$4,796.00
with Combined Waste Stream Formula, add	\$1,165.00
with Production Based Standards, add	\$617.00
with Multiple Categories, add	\$2,330.00
Non-Categorical, Significant Industrial User	\$3,495.00
Non-Categorical, Non-Significant Industrial User	\$2,878.00

APPENDICES

Resolution No. 2023-6-2

EWL Rates

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Permit Renewal Fees:

Categorical Industrial User	\$3,563.00
with Combined Waste Stream Formula, add	\$617.00
with Production Based Standards, add	\$343.00
with Multiple Categories, add	\$1,165.00
Non-Categorical, Significant Industrial User	\$891.00
Non-Categorical, Non-Significant Industrial User	\$617.00

Section 6 That Permit Revision or Facility Expansion fees shall be: \$1,782.00

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

Section 7 That for change of business name with no process changes shall be: \$274.00

That Permit Addendum fees shall be: \$891.00

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

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

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

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

Section 11 That upon the effective date of this Resolution, the Resolution No. 2022-6-2 pertaining to the EWL is hereby rescinded in its entirety.

Resolution No. 2023-6-2

EWL Rates

Page 5 of 6

ADOPTED this 21st day of June 2023

Marco Tule
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

DRAFT

APPENDICES

Resolution No. 2023-6-2
EWL Rates
Page 6 of 6

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. 2023-6-2 as adopted at
a regular Board meeting on June 21, 2023, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2023-6-3

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR (FY) 2023/24

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

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

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

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

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Volumetric, Chemical Oxygen Demand (COD), and NRWSCU discrepancies at East End monitoring facility as determined by the preceding fiscal year's monitoring data;

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

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

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

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2023, and remain in effect until rescinded by a new resolution:

APPENDICES

Resolution No. 2023-6-3
NRWS Rates
Page 2 of 7

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

(A) NRWSCU ACQUISITION RATES

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

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

Where:

gpd = gallons per day

ppd = pounds per day

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

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

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

(A) VOLUMETRIC CHARGES

For discharge to the NRWS, the monthly volumetric charge is \$870.13 per million gallons of discharge.

(B) PEAK FLOW CHARGES

For discharge to the NRWS, the monthly Peak Flow (PF) Charge shall be \$340.95 per million gallons of volumetric discharge.

Resolution No. 2023-6-3
NRWS Rates
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(C) STRENGTH CHARGES

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

<u>PARAMETER</u>	<u>RATE</u>
COD	\$174.03 per 1,000 pounds (dry weight)
TSS	\$416.19 per 1,000 pounds (dry weight)

Strength charges for the NRWS discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(D) AGENCY O&M Charge

The Agency's O&M charge shall be \$29.79 per NRWSCU per month.

(E) AGENCY CIP CHARGE

The Agency's capital improvement program charge shall be \$9.27 per NRWSCU per month.

(F) RECYCLED WATER USAGE CREDIT

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

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate and shall decline at 5% intervals per year through FY 2023/24.

For Fiscal Year 2023/24, the Recycled Water Usage Credit is \$44.51 per million gallons of recycled water used.

Section 3 IMBALANCE CHARGES

(A) SOLIDS DISCREPANCY CHARGES for NRWS

Solids Discrepancy Charge for an industry (SDC_i) shall be calculated on a monthly basis and invoiced on a quarterly basis. The charge shall be

APPENDICES

Resolution No. 2023-6-3

NRWS Rates

Page 4 of 7

calculated by multiplying the individual industry's *Fractional Solids Discrepancy* (FSD_i) by the Total Solids Discrepancy at East End monitoring facility (TSD_{EE}) and by TSS rate:

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

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

$$FSD_i = 0.090 \times \left[\frac{Alk_i}{Alk_T} \right] + 0.589 \times \left[\frac{BOD_i}{BOD_T} \right] + 0.060 \times \left[\frac{Ca_i}{Ca_T} \right] + 0.261 \times \left[\frac{Flow_i}{Flow_T} \right]$$

Where:

FSD_i = Fractional Solids Discrepancy for individual discharger (i)

Alk_i = Individual dissolved alkalinity loading to the NRWS for discharger (i)

Alk_T = Combined dissolved alkalinity loading from all dischargers to the NRWS

BOD_i = Individual BOD_5 loading to the NRWS for discharger (i)

BOD_T = Combined BOD_5 loading from all dischargers to the NRWS

Ca_i = Individual dissolved calcium loading to the NRWS for discharger (i)

Ca_T = Combined dissolved calcium loading from all dischargers to the NRWS

$Flow_i$ = Individual flow contribution to the NRWS from discharger (i)

$Flow_T$ = Combined flow from all dischargers to the NRWS

(B) OTHER IMBALANCE CHARGES

IEUA will pass to NRWS dischargers any other charges from CSDLAC invoiced to the Agency as a result of imbalance in the NRWS, including volumetric, COD, and NRWSCU imbalance charges. The charges shall be calculated on pro rata share for each component and invoiced on a quarterly basis.

Section 4 OTHER CHARGES

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

Section 5 That Application fee for a NRWS Capacity Unit Purchase or Annual Lease shall be: \$274.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Resolution No. 2023-6-3
NRWS Rates
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Initial Wastewater Discharge Permit Application Fees:
(Ownership Change with Process Changes included)

Categorical Industrial User	\$4,796.00
with Combined Waste Stream Formula, add	\$1,165.00
with Production Based Standards, add	\$617.00
with Multiple Categories, add	\$2,330.00
Non-Categorical, Significant Industrial User	\$3,495.00
Non-Categorical, Non-Significant Industrial User	\$2,878.00

Permit Renewal Fees:

Categorical Industrial User	\$3,563.00
with Combined Waste Stream Formula, add	\$617.00
with Production Based Standards, add	\$343.00
with Multiple Categories, add	\$1,165.00
Non-Categorical, Significant Industrial User	\$891.00
Non-Categorical, Non-Significant Industrial User	\$617.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$1,782.00

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

Section 8 That for change of business name with no process changes shall be: \$274.00

That Permit Addendum fees shall be: \$891.00

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

Section 9 Toxic Organic Management Plan (TOMP) Processing No Charge

APPENDICES

Resolution No. 2023-6-3
NRWS Rates
Page 6 of 7

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

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

Section 12 That upon the effective date of this Resolution, the Resolution No. 2022-6-3 pertaining to the NRWS is hereby rescinded in its entirety.

ADOPTED this 21st day of June 2023.

Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:

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

*A Municipal Water District

Resolution No. 2023-6-3
NRWS Rates
Page 7 of 7

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. 2023-6-3 as adopted at
a regular Board meeting on June 21, 2023, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPENDICES

RESOLUTION NO. 2023-6-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE INLAND EMPIRE BRINE LINE (BRINE LINE) FOR FISCAL YEAR (FY) 2023/24.

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

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

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

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

WHEREAS, the Board of Directors of the Agency, pursuant to Ordinance No. 106, may establish said fees and charges by Resolution;

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2023, and remain in effect until rescinded by a new resolution:

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

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

(A) **CAPACITY CHARGES:**

For discharge to the Brine Line, which reaches jurisdiction of the Santa Ana Watershed Project Authority (SAWPA), the monthly Capacity Charge is \$435.43 per CU.

Resolution No. 2023-6-4
IEBL Rates
Page 2 of 7

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

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

(C) VOLUMETRIC CHARGES

For discharge to the Brine Line, the monthly Volumetric Charge is \$1,073.00 per Million Gallons of discharge. The minimum Volumetric Charge for discharge of 100,000 gallons or less per CU per month is \$107.30 per CU per month.

(D) STRENGTH CHARGES

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

<u>QUANTITY</u>	<u>RATE</u>
BOD	\$394.00 per 1,000 pounds (dry weight)
TSS	\$494.00 per 1,000 pounds (dry weight)

Strength charges for the Brine Line discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a monthly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(E) AGENCY ADMINISTRATIVE CHARGES

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

(F) RECYCLED WATER USAGE CREDIT FOR BRINE LINE

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

Recycled Water Users, including contracting agencies, shall be given a monetary credit based on the actual amount of RW used. The RW credit shall start at 50% of the IEUA's FY 2014/15 recycled water direct sale rate and shall decline at 5% intervals per year through FY 2023/24.

APPENDICES

Resolution No. 2023-6-4

IEBL Rates

Page 3 of 7

For FY 2023/24, the Recycled Water Usage Credit is \$44.51 per million gallons of recycled water used.

(G) Other Charges

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

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

Table 1 – Brine Line Tiered Rate Schedule for Trucks

Tiered Schedule	BOD / TSS Concentration	Volumetric Charge Up to 5,000 gallons	Incremental Charge above 5,000 gallons, \$ per one (1) gallon	Concentrations over 100 mg/L	
				BOD Charge \$ per lb	TSS Charge \$ per lb
Brine	BOD and TSS Less than 100 mg/L	\$325.84	\$0.016		
Non-Brine	BOD or TSS 100 mg/L and higher	\$325.84	\$0.016	\$0.780	\$0.745

Section 4 That Application fees for a Capacity Right Agreement shall be: \$274.00

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

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

Categorical Industrial User	\$4,796.00
with Combined Waste Stream Formula, add	\$1,165.00
with Production Based Standards, add	\$617.00
with Multiple Categories, add	\$2,330.00
Non-Categorical, Significant Industrial User	\$3,495.00
Non-Categorical, Non-Significant Industrial User	\$2,878.00

Resolution No. 2023-6-4
IEBL Rates
Page 4 of 7

Permit Renewal Fees:

Categorical Industrial User	\$3,563.00
with Combined Waste Stream Formula, add	\$617.00
with Production Based Standards, add	\$343.00
with Multiple Categories, add	\$1,165.00
Non-Categorical, Significant Industrial User	\$891.00
Non-Categorical, Non-Significant Industrial User	\$617.00

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

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

Categorical Industrial User	\$3,015.00
with Combined Waste Stream Formula, add	\$1,165.00
with Production Based Standards, add	\$617.00
with Multiple Categories, add	\$2,330.00
Non-Categorical, Significant Industrial User	\$1,782.00
Non-Categorical, Non-Significant Industrial User	\$1,165.00

Permit Renewal Fees:

Categorical Industrial User	\$2,467.00
with Combined Waste Stream Formula, add	\$617.00
with Production Based Standards, add	\$343.00
with Multiple Categories, add	\$1,165.00
Non-Categorical, Significant Industrial User	\$891.00
Non-Categorical, Non-Significant Industrial User	\$617.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$1,782.00

APPENDICES

Resolution No. 2023-6-4

IEBL Rates

Page 5 of 7

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

Section 8 That for change of business name with no process changes shall be: \$274.00

That Permit Addendum fees shall be: \$891.00

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

Section 9 Toxic Organic Management Plan (TOMP) Processing No Charge

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

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

Section 12 That upon the effective date of this Resolution, the Resolution No. 2022-6-4 pertaining to the Inland Empire Brine Line (also known as South NRWS) is hereby rescinded in its entirety.

Resolution No. 2023-6-4
IEBL Rates
Page 6 of 7

ADOPTED this 21st day of June 2023.

Marco Tule
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

DRAFT

APPENDICES

RESOLUTION NO. 2023-6-7

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY ANALYSES FOR FISCAL YEAR 2023/24

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

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

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS, that, effective July 1, 2023, the single item prices for laboratory analyses are as shown on Exhibit 1 attached hereto, and remain in effect until rescinded by a new resolution:

Upon the effective date of this Resolution, Resolution No. 2022-6-7 is hereby rescinded in its entirety.

DRAFT

Resolution No. 2023-6-4
IEBL Rates
Page 7 of 7

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. 2023-6-4 as adopted at
a regular Board meeting on June 21, 2023, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPENDICES

Resolution No. 2023-6-7
Laboratory Fees
Page 2 of 4

ADOPTED this 21st day of June 2023.

Marco Tule
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

DRAFT

Resolution No. 2023-6-7
Laboratory Fees
Page 3 of 4

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. 2023-6-7, was adopted at
a regular meeting on June 21, 2023, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPENDICES

Resolution No. 2023-6-7

Laboratory Fees

Page 4 of 4

INLAND EMPIRE UTILITIES AGENCY

LABORATORY PRICES - FY 2023/24

Inorganic Chemistry		
Test	Method	Price
Alkalinity, Total	SM 2320B	\$17.00
Ammonia as Nitrogen	EPA 350.1	\$17.00
Anion Sum	SM 1050	\$2.90
BOD, Soluble	SM 5210	\$49.50
BOD, Total	SM 5210	\$43.90
Bromide	EPA 300.0	\$12.30
Cation Sum	SM 1050	\$2.90
Chlorate	EPA 300.0	\$53.50
Chloride	EPA 300.0	\$10.70
Chlorite	EPA 300.0	\$53.50
COD	SM 5220D	\$37.70
Color	SM 2120B	\$11.20
Conductivity	SM 2510	\$10.70
Corrosivity	SM 2330B	\$47.90
<i>If Alkalinity, Ca, EC, or pH are requested on the sample, Corrosivity cost is reduced by their respective prices.</i>		
Cyanide, Available	EPA OIA-1677	\$56.20
Cyanide, Free	ASTM D7237	\$31.50
Cyanide, Total	ASTM D7284	\$34.90
Dissolved Organic Carbon	SM 5310B	\$45.00
Dissolved Organic Carbon	SM 5310C	\$39.40
Dissolved Oxygen	EPA 360.1	\$14.10
Fluoride	EPA 300.0	\$10.70
Fluoride	SM 4500-F-C	\$19.10
Hardness, Total (Calculation)	EPA 200.7	\$25.30
<i>If Ca and Mg is requested, calculation is reduced by their respective prices.</i>		
Hardness, Total	SM 2340C	\$20.90
Mercury	EPA 245.2	\$45.00
Metals Digestion (liquid)		\$19.10
Metals Digestion (solid)		\$50.70
Metals by ICP	EPA 200.7	\$11.20
Metals by ICP/MS	EPA 200.8	\$11.20
Nitrate as Nitrogen	EPA 300.0	\$10.70
Nitrite as Nitrogen	EPA 300.0	\$10.70
Nitrogen, Organic	Various	\$73.20
Oil & Grease, Polar (FOG)	EPA1664B	\$84.50
Oil & Grease, Non-polar	EPA1664B	\$45.00
Oil & Grease, Total	EPA1664B	\$39.40
pH	SM 4500-H+ B	\$6.80
Phosphorus, Ortho	EPA 300.0	\$10.70
Phosphorus, Total	EPA 200.7	\$11.20

Inorganic Chemistry		
Test	Method	Price
Silica	EPA 200.7	\$11.20
Sulfate	EPA 300.0	\$10.70
Sulfide, Dissolved	SM 4500-S D	\$22.50
Sulfide, Total	SM 4500-S D	\$18.00
Surfactants (MBAS)	SM 5540C	\$56.20
TDS	SM 2540C	\$17.00
TDS, Fixed/Volatile	SM 2540E	\$25.30
TKN	EPA 351.2	\$45.00
TOC	SM 5310B	\$39.40
TOC	SM 5310C	\$33.80
Total Solids	SM 2540B	\$13.00
TSS	SM 2540D	\$17.00
Turbidity	EPA 180.1	\$10.20
Uranium pCi/L	EPA 200.8	\$31.50
Volatile Solids	SM 2540E	\$18.50
Volatile Suspended Solids	SM 2540E	\$25.30

Bioassay/Microbiology		
Test	Method	Price
Breassay, C. Dubia, Chronic	EPA 1002	\$1,350.60
Coliform, Colilert P/A	SM 9223 B	\$11.20
Coliform, Colilert Total Enumeration	SM 9223 B	\$22.50
Coliform, Fecal	SM 9221E	\$28.20
Coliform, Total (15 Tube)	SM 9221B	\$28.20
Heterotrophic Plate Count	SM 9215B	\$22.50

Organic Chemistry		
Test	Method	Price
1,4-Dioxane	EPA 624	\$84.50
Acrolein & Acrylonitrile	EPA 624	\$84.50
MTBE	EPA 524.2	\$112.60
Pesticides	EPA 608	\$281.40
Pesticides w/ PCBs	EPA 608	\$365.80
PCBs	EPA 608	\$281.40
Semi-Volatiles (Short list DW)	EPA 525	\$365.80
Semi-Volatiles (Acid Extractables)	EPA 625	\$253.40
Semi-Volatiles (Base/Neutrals)	EPA 625	\$253.40
Semi-Volatiles (BNA)	EPA 625	\$337.60
Tert-Butyl Alcohol (TBA)	EPA 524.2 MOD	\$168.80
Thiobencarb	EPA 525	\$337.60
Volatiles, DW	EPA 524.2	\$168.80
Volatiles, WW	EPA 624	\$213.80

RESOLUTION NO. 2023-4-4

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EXTRA-TERRITORIAL SEWER SERVICE CHARGE FOR SYSTEM USERS OUTSIDE THE AGENCY'S BOUNDARIES FOR FISCAL YEAR (FY) 2023/24

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

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

WHEREAS, these taxes are to be the portion of taxes received from the Agency service area plus the portion of the Agency's General Taxes applied each year to the Regional Wastewater Systems and the General Administrative expenditures for the Regional Wastewater Systems; and

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

NOW, THEREFORE, the Board of Directors hereby RESOLVE, DETERMINE, AND ORDER the following to be effective July 1, 2023, and remain in effect until rescinded by a new resolution:

Section 1. That the extra-territorial monthly sewer service rate be determined based on the Agency-wide assessed valuation for FY 2022/23 as reported by the San Bernardino County Auditors Property Tax Division and the estimated number of billed EDU's listed in the Agency's FY 2023/24 Regional Wastewater Operations and Maintenance fund budget, as shown in Exhibit 1; and

Section 2. That the extra-territorial monthly sewer service charge should be set at a rate of \$20.47 per month per Equivalent Dwelling Unit (EDU) in addition to the FY 2023/24 adopted monthly EDU rate of \$23.39.

Section 3. That upon the effective date of this Resolution, Resolution No. 2022-5-4 is hereby rescinded in its entirety.

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.
Inland Empire Utilities Agency*
A Municipal Water Agency
By Dennis Goo Date April 19, 2023

APPENDICES

Resolution No. 2023-4-4
FY 2023/24 Extra Territorial Sewer Service Charge
Page 3 of 4

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

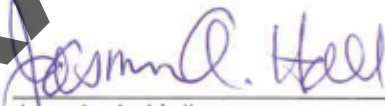
I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2023-4-4 was adopted at a Board
Meeting on April 19, 2023, of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None



Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

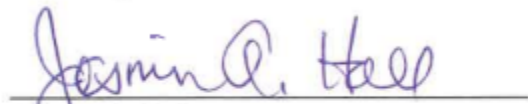
Resolution No. 2023-4-4
FY 2023/24 Extra Territorial Sewer Service Charge
Page 2 of 4

ADOPTED this 19th day of April 2023



Marco Tule
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

DRAFT

APPENDICES

Resolution No. 2023-4-4
FY 2023/24 Extra Territorial Sewer Service Charge
Page 4 of 4

AVERAGE VALUE OF AN EDU FOR FISCAL YEAR 2023/2024 CITY OF FONTANA MONTHLY EXTRA-TERRITORIAL USER SURCHARGE

The information utilized includes the EDU projections identified in the Regional Wastewater Operations and Maintenance Fund budget and the San Bernardino County Auditors' report which lists the Agency's assessed valuation for FY 2022/23. Based on this information the estimated average value of an EDU within the Agency is as follows:

FY 2022/23 Agency Assessed Value	=	\$145,038,088,700
FY 2022/23 Projected number of EDU's within Agency	=	294,611 EDU per month
<i>\$145,038,088,700 divided by 294,611</i>	=	<i>\$492,303</i>
Annual tax obligation is calculated by:		
<i>\$492,303 multiply by 0.000499</i>	=	<i>\$245.66 per year</i>
<i>(adjusted Agency tax rate)</i>	=	<i>\$20.47 per month</i>

RESOLUTION NO. 2023-6-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING IMPORTED WATER RATES AND THE READINESS-TO-SERVE (RTS) TEN YEAR ROLLING AVERAGE (TYRA) PASS_THROUGH.

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency* (Agency) annually updates established rates and charges to cover the current cost of water purchased by Local Retail Agencies within the portions of their service areas that are eligible** for wholesale water deliveries from the Metropolitan Water District of Southern California (MWD);

WHEREAS, the Board of Directors of the Agency establishes rates for delivery of MWD's water supplies; and the rates are based on the biennial budget, rates and charges that were approved and adopted by the MWD Board on April 12, 2022; and

WHEREAS, the Board of Directors of IEUA shall establish an annual Readiness to serve (RTS) pass-through charge, based on a Ten-Year Rolling Average (TYRA) MWD methodology.

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS the following to be effective July 1, 2023, and January 1, 2024, and to remain in effect until rescinded by a new resolution:

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

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

01/1/2023 – 12/31/2023 \$855.00 per acre foot
01/1/2024 – 12/31/2024 \$903.00 per acre foot

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

01/1/2023 – 12/31/2023 \$1,064.00 per acre foot
01/1/2024 – 12/31/2024 \$1,102.00 per acre foot

Section 2. That IEUA will impose any MWD rates and charges, applicable to each service connection, if invoiced by MWD to IEUA during FY 2023/24 and FY 2024/2025.

APPENDICES

Resolution No. 2023-6-5

Page 2 of 4

Section 3. The MWD levied total Readiness-to-Serve (RTS) Charge shall be as follows:

01/1/2023 – 12/31/2023	\$ 154,000,000
01/1/2024 – 12/31/2024	\$ 167,000,000

IEUA shall be charged by MWD a percentage of the annual total RTS Charge based on a Ten-Year Rolling Average of use by IEUA and any agencies to which IEUA serves MWD imported water. IEUA's share of the total RTS Charge has been calculated by MWD to be as follows:

01/1/2023 – 12/31/2023	3.93%
01/1/2024 – 12/31/2024	3.87%

Section 4. That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass-through shall be charged by IEUA to the Local Agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority) and any other agencies purchasing MWD imported water, to recover 100% of total RTS charges imposed by MWD.

07/01/2023 – 06/30/2024	\$ 6,258,986
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Section 5. The MWD levied estimated Standby Charge for the year for IEUA shall be as follows:

07/01/2023 – 06/30/2024	\$ 2,009,525
-------------------------	--------------

The RTS Charge levied on IEUA by MWD shall be reduced by an equivalent amount of the total Standby Charge.

Section 6. That the MWD levied Capacity Charge (\$/cfs) shall be as follows:

01/1/2023 – 12/31/2023	\$ 10,600 per cubic foot per second (cfs)
01/1/2024 – 12/31/2024	\$ 11,200 per cubic foot per second (cfs)

Section 7. To the extent that MWD offers financial incentives as credits on their monthly invoices for participation in applicable MWD-sponsored water resources programs (such as the Dry-Year-Yield recharge program, Conservation Credits Program, or Local Resources Program), IEUA will pass the credit onto the invoice(s) of the applicable Local Agency(ies), unless IEUA is the designated recipient.

Section 8. In the event of any delinquent payments for bills related to imported water or other charges, the Agency will apply Division III, Part I, Section 107 of Ordinance No. 104

Section 9. That upon the effective date of this Resolution, Resolution No. 2022-6-5 is hereby rescinded in its entirety.

ADOPTED this 21st day of June 2023.

Resolution No. 2023-6-5
Page 3 of 4

Marco Tule
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

**In order to be eligible for supplemental water provision from MWD, parcels must have been annexed into the service areas of both MWD and the Agency

DRAFT

APPENDICES

Resolution No. 2023-6-5
Page 4 of 4

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. 2023-6-5, was adopted at a regular
meeting on June 21, 2023, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

RESOLUTION NO. 2023-6-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR FISCAL YEAR 2023/2024.

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

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS that the rates for equipment rental are as shown in Exhibit 1 attached hereto and are effective July 1, 2023, and remain in effect until rescinded by a new resolution:

Upon the effective date of this Resolution, Resolution No. 2022-6-6 is hereby rescinded in its entirety.

DRAFT

APPENDICES

Resolution No. 2023-6-6

Equipment Rental

Page 2 of 4

ADOPTED this 21st day of June 2023.

Marco Tule
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

DRAFT

Resolution No. 2023-6-6
Equipment Rental
Page 3 of 4

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. 2023-6-6 was adopted at a regular
meeting on June 21, 2023, of said Agency* by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

DRAFT

Jasmin A. Hall
Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPENDICES

Resolution No. 2023-6-6
Equipment Rental
Page 4 of 4

EXHIBIT 1

INLAND EMPIRE UTILITIES AGENCY* MAINTENANCE EQUIPMENT RENTAL RATES FISCAL YEAR 2023/24

GOVERNMENTAL AGENCIES WITHIN IEUA SERVICE BOUNDARIES

		RATE IN FORCE
CCTV Camera Equipment Truck		
With one operator	per hour portal-to-portal	\$107.44
With two operators	per hour portal-to-portal	\$189.97
Gap Vactor Truck 20		
With one operator	per hour portal-to-portal	\$111.15
With two operators	per hour portal-to-portal	\$193.68
Gap Vactor Truck 06		
With one operator	per hour portal-to-portal	\$117.01
With two operators	per hour portal-to-portal	\$199.54
Safety Van		
With one operator	per hour portal-to-portal	\$89.10
With two operators	per hour portal-to-portal	\$171.63
Water Truck		
With one operator	per hour portal-to-portal	\$90.18
With two operators	per hour portal-to-portal	\$172.71

Resolution No. 2023-6-9
Page 2 of 6

Section 3. Appropriations Limit. That pursuant to Section 7910 of the Government Code, the Board of Directors does hereby establish the following Appropriations Limit for Fiscal Year 2023/24 is \$242,746,245.

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

Section 5. Filing. That after a 15-day period to allow for public review and comment, the Board Secretary is hereby authorized and directed to file a certified copy of this Resolution with the State Auditor Controller.

Section 6. That upon adoption of this Resolution, Resolution No. 2022-6-8 is hereby rescinded in its entirety.

ADOPTED this 21st day of June 2023

Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:

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

(SEAL)

*A Municipal Water District

APPENDICES

RESOLUTION NO. 2023-6-9

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023/24

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

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

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

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

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

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

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

WHEREAS, except for data on non-residential assessed valuation due to new construction (since 1986/87), data concerning per capita personal income and population changes necessary for determining the Fiscal Year 2023/24 Appropriation Limits are now available.

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

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

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

Resolution No. 2023-6-9
Page 3 of 6

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. 2023-6-9, was adopted at a regular meeting on June 21, 2023, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall

Secretary/Treasurer

(SEAL)

* A Municipal Water District

APPENDICES

Resolution No. 2023-6-9
Page 4 of 6

EXHIBIT I

APPROPRIATIONS LIMIT

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

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

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

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

The legislation also requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. The Inland Empire Utility Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for Fiscal Year 2023/24 are the change in the State of California per capita personal income, and the change in the San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last five years and for FY 2023/24. The change in the limit is based upon population change of 0.12% within the county and a per capita personal income change of 4.44%, as provided by the State Department of Finance.

Resolution No. 2023-6-9
Page 5 of 6

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2017/18	\$178,006,894	\$ 46,046,000
2018/19	\$186,293,115	\$ 47,887,800
2019/20	\$195,207,240	\$ 52,364,002
2020/21	\$203,521,116	\$ 53,934,900
2021/22	\$215,549,215	\$ 57,486,000
2022/23	\$232,148,660	\$ 74,017,999
2023/24	\$242,746,245	\$ 79,035,000

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

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APPENDICES

Resolution No. 2023-6-9
Page 6 of 6

EXHIBIT II

INLAND EMPIRE UTILITIES AGENCY Proposed Budget Fiscal Year 2023/24 Appropriations Limit Calculation

	Agency Total
2022/23 Appropriations Limit	\$232,148,659
2023/24 Change in Per Capital Personal income @ 1.0444	
2023/24 Change in Population @ 1.0012	
Ratio of Change (1.0444 x 1.0012)	1.04565
2023/24 APPROPRIATIONS LIMIT	\$242,746,245
	Agency Total
Total Expenses	\$203,069,905
Net Change in Capital Outlay	177,320,175
Debt Service	<u>29,950,941</u>
Subtotal of Appropriations	\$410,341,021
Increase/(Decrease) in Working Capital Reserves	<u>18,775,229</u>
Total Appropriations	\$429,116,250
Less: Non-Tax Proceeds	<u>-350,081,250</u>
APPROPRIATIONS SUBJECT TO LIMITATION	\$79,035,000

GLOSSARY of GENERAL TERMS

A

ACRE-FOOT (AF) – A unit of measurement equivalent to 325,900 gallons of water, which meets the need of two average families in and around the home for one year.

ACCRUAL BASIS ACCOUNTING – Under this accounting method, transactions are recognized when occurred, regardless of the timing of related cash receipts and disbursements.

AD VALOREM TAX – A levy upon the assessed valuation of property from the 1% rate and voter approved debt.

ADMINISTRATIVE SERVICES FUND – Serves as the Agency's general fund. Accounts for Agency-wide goods and services such as employment, landscaping, and janitorial expense.

ADOPTED BUDGET – The IEUA Board approves the plan for the Agency's operations, which includes an estimate of expenditures and revenues for a given fiscal year

AERATED STATIC PILE (ASP) – A composting method that processes 150,000 wet tons of biosolids into high-quality compost annually.

THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – The American Recover and Reinvestment Act (ARRA) of 2009 is a stimulus bill that was signed into law by President Barack Obama on February 17, 2009, which will provide approximately \$787 billion of funding to both state and local governments, sub-allocated by the states. Many of the funds will be distributed only for "shovel ready" projects and must be obligated within a specific time period. In addition, the ARRA sets forth some other broad requirements. First, no funds may be allocated for zoos, aquariums, golf courses, swimming pools, or casinos. Second, contractors and subcontractors working on projects funded by the ARRA must be paid the prevailing wage rate, as set forth in the Davis Bacon Act. Finally, the new law requires that a preference be given to American-made goods in construction and infrastructure projects financed by the Act.

AMORTIZATION – The process of spreading out a loan into a series of fixed payments over time; paying off the loan's interest and principal in different amounts each month, although the total payment remains equal each period.

APPLICANT - any person, firm, corporation, association, or agency that applies for recycled water service as provided in accordance with Ordinance 112.

APPROPRIATION – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ASSET – A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

ASSET MANAGEMENT – Asset management is a strategic, comprehensive approach that involves systematic data collection and the analysis to provide IEUA with a framework for making sound decisions each fiscal year. Asset managers must make decisions on when and how to inspect, maintain, repair, renew, and replace a diverse set of existing equipment in a cost-effective manner.

A

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – ACWA was founded in 1910, representing and providing key services to members has been ACWA's most important charge. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California's public water agencies. ACWA's involvement at the state and federal level has helped shape laws and policies that affect ACWA customer agencies and their constituents.

AUTHORIZED REPRESENTATIVE - a person, group, firm, partnership, corporation, association, or agency that, pursuant to written permission, from the owner of a property, has the responsibility for establishing recycled water service for a given property.

AUDIT – An official inspection of an individual's or organization's accounts, typically by an independent body

B

BALANCED BUDGET – A budget in which revenues are equal to expenditures. Thus, neither a budget deficit nor a budget surplus exists. More generally, it is a budget that has no budget deficit, but could possibly have a budget surplus.

BIENNIAL BUDGET - The practice of preparing and adopting budgets for two-year periods.

BIOSOLIDS RECYCLING – Removal of sludge from treatment plants for composting.

BOND – A written promise to pay a specified sum of money (called principal or face value), at a specified date or dates in the future (called maturity date(s)) along with periodic interest paid at a specified interest rate.

BOND COVENANT – A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution, or indenture. (Example: pledged revenues).

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period, and the proposed means of financing them. Used without any modifier, the term usually indicated a financial plan for a single fiscal year.

BUDGETARY CONTROL – The control or management of a government in accordance with an approved budget to keep expenses within the limitations of available appropriations and available revenues.

BUDGET CALENDAR – The schedule of key dates, which the Agency follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

BUDGET MESSAGE – A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

GLOSSARY of GENERAL TERMS

C

CalPERS – California Public Employees Retirement System. An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

CALIFORNIA ASSOCIATION OF SANITATION DISTRICTS (CASA) – CASA is a non-profit organization whose members are public agencies involved in wastewater collection, treatment, and disposal.

CALIFORNIA URBAN WATER CONSERVATION COUNCIL (CUWCC) – The CUWCC was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

CAPACITY DEMAND - the volume and strength (i.e., biochemical oxygen demand and suspended solids) of sewage discharged from the Community Sewer System of a SCA into the Regional Sewerage System.

CAPITAL CAPACITY REIMBURSEMENT ACCOUNT (CCRA) – Accounts that are established and maintained by the contracting agencies, to which connection fees are deposited or credited, pursuant to the Regional Sewage Service Contract.

CAPITAL CAPACITY REIMBURSEMENT PAYMENT - a deposit or credit made to the Capital Capacity Reimbursement Account of a Sewage Collection Agency (SCA) for new connections to its Community Sewer System.

CAPITAL OUTLAY – Expenditures resulting in the acquisition of or addition to fixed assets having a useful life greater than one year.

CAPITAL PROJECT – Major construction, acquisition, or renovation which increases the useful life and value of the asset. It also includes non-routine capital expenditures (maintenance and repair) greater than or equal to \$5,000 which extends the asset's estimated useful life and capabilities. It is also sometimes referred to as capital expenditure.

CAPITAL IMPROVEMENT FUND – A fund used to account for costs incurred in acquisition, construction, and expansion of major capital facilities. It also includes expenditures for meeting the debt service obligations and the associated administrative costs.

CENTRATE – A product of biosolids dewatering; the water leaving a centrifuge after most of the solids have been removed.

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) – A Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies. Even those not contracted with CalPERS health benefits can prefund future retiree benefits such as health, vision, dental, and life insurance.

By joining this trust fund, California public agencies can help finance future costs in large part from investment earnings provided by CalPERS. Since its launch in 2007, more than 575 California public employers choose CERBT as their OPEB trust fund.

C

CHINO BASIN PROGRAM/WATER INVESTMENT STORAGE PROGRAM (CBP/WSIP) - The Chino Basin Program/Water Investment Storage Program (CBP/WSIP) was awarded a conditional funding award of \$206.9 million through the Proposition 1 Water Storage Investment Program in 2018. In exchange for The State's investment in the program, the CBP, as currently envisioned, will construct an advanced recycled water treatment facility that would store up to 15,000 acre-feet per year of water in the Chino groundwater basin for up to 25 years (total of 375,000 AF) as well as infrastructure to extract, treat, and deliver 50,000 AF to a State Water Contractor in exchange for deliveries to the Delta ecosystem during dry and critically dry years (maximum of 7.5 deliveries of 50,000 AF over the 25 year term). Workshops are being conducted with partnering agencies to identify project options and determine program operations and feasibility.

CHINO BASIN – An area which is underlain by the Chino and Cucamonga groundwater basins and portions of the Claremont Heights groundwater basins within San Bernardino County.

CHINO BASIN DESALTER AUTHORITY (CDA) – A joint power authority (JPA) formed in September 2001, which is comprised of the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, the Santa Ana River Water Company, and Inland Empire Utilities Agency (IEUA). IEUA serves as a non-voting member and operates the Chino Desalter I facility, as well as grant administration functions for the JPA. Its main purpose is to manage the production, treatment, and distribution of water produced by the desalination facilities.

CHINO BASIN WATER BANK (CBWB) - IEUA entered a cost-sharing letter agreement between IEUA, the Cucamonga Valley Water District, the City of Ontario, and Monte Vista Water District (CBWB Parties) in August 2016 to fund the initial steps in the formation of the Chino Basin Water Bank (CBWB). The CBWB's primary objective is to coordinate the development of groundwater storage within the Chino Basin. The agreement is consistent with the Agency's Business Goal of increasing Water Reliability by meeting the region's need to develop reliable, drought-proof and diverse local water resources to reduce dependence on imported water supplies.

CHINO BASIN WATER CONSERVATION DISTRICT (CBWCD) – An agency whose goal is the protection of the Chino Basin in order to guarantee that current and future water needs will be met. The agency's service area includes the cities of Chino, Chino Hills, Montclair, Ontario, Rancho Cucamonga, and Upland.

CHINO BASIN WATERMASTER (CBWM) – A court created entity to account for and implement the management of the Chino Basin. Water rights in the Chino Basin are allotted amongst three pools of Chino Basin Water users: agricultural users (AG), industrial users (non-AG), and water municipalities (appropriative pool).

CLEAN WATER ACT (CWA) - is the primary federal law in the United States governing water pollution. Its objective is to restore and maintain the chemical, physical, and biological integrity of the nation's waters by preventing point and nonpoint pollution sources, providing assistance to publicly owned treatment works for the improvement of wastewater treatment, and maintaining the integrity of wetlands.

CLEAN WATER STATE REVOLVING FUND (CWSRF) – Established in 1987 by the Clean Water Act, the program is part of the United States Environmental Protection Agency's Office of Wastewater Management and administered in California by the State Water Resources Control Board. The fund serves to finance "construction-ready" water and wastewater infrastructure projects.

CONTROL ENVIRONMENT – sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal controls, providing discipline and structure.

GLOSSARY of GENERAL TERMS

C

COMMERCIAL UNIT - a building, establishment, or premises where businesses selling goods or providing professional or other services to the public or governmental offices are or will be located.

COMMUNITY SEWER SYSTEM - means all facilities owned, controlled or operated by a Sewage Collection Agency for the purpose of collecting and conducting sewage to a delivery point, including collector sewers conducting sewage from the originating premises, trunk sewers conducting sewage from tributary collector sewers or other trunk sewers and any facilities appurtenant to the foregoing

COMPOST – A product resulting from the decomposition and sanitation of organic materials through processes that involve the reactions between controlled aerobic conditions (that require oxygen), temperature, moisture, microbial activity, and time. In this process, microbes (microorganisms which usually include types of bacteria and fungi) break down organic materials into smaller, more usable substances.

COLA – Cost of living adjustments to employee wages.

CONJUNCTIVE USE – The planned use of groundwater in conjunction with surface water in overall management to optimize total water resources.

CONTINGENCY – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

COST CONTAINMENT STRATEGY – An action plan to identify sustainable cost reduction opportunities across the Agency by major expense categories and capital expenditures. Progress is monitored and reported as part of the budget to actual variance process.

D

DEBT SERVICE – Payment of current year portion of interest and principal costs incurred on long-term debt issued by the Agency.

DELIVERY POINT - the transfer point at which Sewage is delivered from a Community Sewer System into the Regional Sewerage System.

DEMAND DEFICIT - the difference between the aggregate total Forecasted Demand of a SCA and the total aggregate Equivalent Dwelling Units connected to its Community Sewer System during an eight-year period commencing with the fifth fiscal year preceding the fiscal year for which IEUA is at the time of the determination of such difference preparing a Ten-Year Sewer Capital Forecast, and including the initial three fiscal years of such Ten-Year Sewer Capital Forecast

DEPARTMENT – A basic organizational unit of government dealing with a specific subject. A department may be grouped into divisions, programs, activity groups, and/or activities. Also referred to as Business Area.

D

DEPARTMENT OF WATER RESOURCES (DWR) – DWR operates and maintains the State Water Project, including the California Aqueduct. The department also provides dam safety and flood control services, assists local water districts in water management and conservation activities, promotes recreational opportunities, and plans for future statewide water needs.

DISPOSE OR DISPOSAL - any process or method for the elimination or beneficial use of Sewage and any Effluent or solid waste residuals thereof, including exportation from the Chino Basin.

DISASTER RECOVERY PLAN – A written plan that describes how to recover systems and/or services in the event of a disaster.

E

EFFLUENT – Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

ENERGY MANAGEMENT PLAN -The Agency's the Energy Management Plan (EMP) was adopted by the Board of Directors in March 2017. Primarily it is to benchmark the Agency's current energy performance and greenhouse gas emissions baseline, forecast future demands, and explore measures for a reliable and sustainable energy infrastructure to achieve the objectives set forth in IEUA's Business Goals. The major initiatives included in the EMP are peak power independence, grid interdependence, organics diversion, and carbon neutrality.

ENTERPRISE FUND – A fund that provides goods or services to the public for a fee that makes the entity self-supporting. It basically follows GAAP as does a commercial enterprise. An example is a government-owned utility.

EQUIVALENT DWELLING UNIT (EDU) – EDU is a numerical value designation where 1 EDU represents the sewage flow from a single-family residential household and is measured as 270 gallons per day of sewage discharge pursuant to the Regional Sewerage Service Contract.

ESKER – a global cloud platform built to unlock strategic value for finance and customer service professionals while strengthening collaboration between companies automating the cash conversion cycle.

EXPANSION - the acquisition or construction of new facilities for the Regional Sewerage System and the making of any replacements, betterments, additions or extensions of the Regional Sewerage System.

EXPENSES – Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charged presumed to benefit the current fiscal period.

F

FACILITIES - any pipelines, buildings, structures, works, improvements, fixtures, machinery, equipment, or appliances and any real property, or interests therein, necessary or convenient for the construction, maintenance and operation of any of the Regional Sewerage System.

GLOSSARY of GENERAL TERMS

F

FISCAL YEAR – A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position and the results of its operation. Inland Empire Utilities Agency operates on a fiscal year from July 1, through June 30.

FISCAL CONTROL ORDINANCE – Provide a system of financial administration, accounting, and fiscal and budgetary control which conforms to generally accepted accounting principles and practices.

FORECASTED DEMAND - the yearly forecasted or estimated volume and strength of sewage discharged from the Community Sewer System of a SCA into the Regional Sewerage System as set forth in a Ten-Year Sewer Capital Forecast.

FULL TIME EQUIVALENT (FTE) – The conversion of a part-time, temporary, or volunteer position to a decimal equivalent of a full-time position based on an annual amount of 2,080 hours worked.

FUND – A fiscal and accounting entity with a self-balancing set of accounts in which assets are recorded and segregated to carry on specific activities.

FUND BALANCE - used to describe the net position of the Agency's funds calculated in accordance with generally accepted accounting principles (GAAP). The Agency has historically maintained fund balance reserves to ensure sufficient funding is available to meet its operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events. Fund balance are designated for specific purposes, as defined in the Agency's Reserve Policy.

FUND TRANSFER – Fund transfer required to maintain a given level of fund balance in accordance with Board policies and bond covenants.

G

GASB 34 – Statement No. 34 issued by the Governmental Accounting Standards Board (GASB) that was implemented by the Commission in FY 2001/02. GASB 34 established new financial standards for state and local governments. Under the new financial reporting model, governmental financial statements include basic financial statements that present both government-wide and fund financial statements and require supplementary information, including Management's Discussion and Analysis.

GASB 45 – This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

G

GASB 67 - The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, FINANCIAL REPORTING FOR DEFINED BENEFIT PENSION PLANS AND NOTE DISCLOSURES FOR DEFINED CONTRIBUTION PLANS, and No. 50, PENSION DISCLOSURES, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB 68 - The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions in regards to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

GASB 87 – Establishes a single model for the accounting of leases based on the principle that leases are financings of the right to use the underlying asset. This new standard was deemed necessary to ensure that reporting of lease agreements is consistent with the conceptual framework of assets and liabilities.

GASB 96 – This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The GASB is the primary authoritative accounting and financial reporting standard-setting body on the application of GAAP to state and local governments.

GOALS AND OBJECTIVES – Specific projects and programs to be undertaken utilizing allocated financial resources and are designed to further the achievement of the Agency's vision, mission, and IEUA Business Goals.

GRANTS MANAGEMENT – The management of contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

GROUNDWATER – Water that occurs beneath the land surface and fills partially or wholly pore spaces of the alluvium, soil, or rock formation in which it is situated. It does not include water which is being produced with oil in the production of oil and gas or in a bona fide mining operation.

GROUNDWATER BASIN – A groundwater reservoir defined by the entire overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of successively deeper aquifers may differ and make it difficult to define the limits of the basin.

GROUNDWATER RECHARGE - The action of increasing groundwater storage by natural conditions or by human activity.

GLOSSARY of GENERAL TERMS

I

INDUSTRIAL UNIT - a building, establishment, or premises where manufacturing, fabrication or assembly operations or industrial or chemical processes are conducted.

INDUSTRIAL WASTE - any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operations of whatever nature as more particularly defined, from time to time, by any federal, state, or regional agency authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA) – A joint power authority (JPA) established by IEUA and the Los Angeles County Sanitation Districts (LACSD) in February 2002 for recycling biosolids.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY (IERCF) – A fully enclosed, nuisance and odor free composting facility owned by the IERCA, for processing and recycling biosolids, which is located in Rancho Cucamonga, California.

INLAND EMPIRE UTILITIES AGENCY (IEUA) – a municipal water district.

INTEREST – Revenue derived from the investment of idle cash and/or reserves.

INTEREST RATE SWAP – A contractual agreement between two parties who agree to exchange (swap) certain cash flows for a defined period of time. The swap is designed to generate a new change in the interest rate cash flow related to an asset or liability, but neither impacts the principal of that asset or liability nor results in the creation of any new principal.

INTER-FUND LOAN – Loan between Agency program funds to support a shortfall in debt service, operating, and/or capital requirements, and the establishment of a promissory note between the borrower and lender, providing payment terms and a repayment timeline. This transaction requires approval by the Agency Board.

INSTITUTE OF INTERNAL AUDITORS (IIA) – Established in 1941 as an international professional association and recognized as the internal audit profession's leader in certification, education, and technical guidance.

INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) – The Integrated Regional Water Management planning process is a local water management approach preferred by the Governor, the State Department of Water Resources, and the State Water Resources Control Board. It is aimed at securing long-term water supply reliability within California by first recognizing the inter-connectivity of water supplies and the environment and then pursuing projects yielding multiple benefits for water supplies, water quality, and natural resources.

L

LEAN – A production practice that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful, and thus a target for elimination.

LIABILITY – Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer assets or provide service to other entities in the future as a result of a past transaction or event.

L

LONG RANGE PLAN OF FINANCE – A report that summarizes the results of a comprehensive financial planning model built to provide a clear funding strategy for the Agency to meet capital and operating requirements.

LOS ANGELES COUNTY SANITATION DISTRICTS (LACSD) – A special district created within Los Angeles County to treat residential and industrial wastewater discharge.

M

MAJOR FUND – Those funds whose revenues, expenditures/expenses, assets or liabilities are at least ten percent of the total for their fund category (governmental or enterprise) and five percent of the aggregate of all governmental and enterprise funds in total.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD) – MWD is one of the world's largest water agencies. It imports almost 60 percent of the water used by more than 15 million people in urban Southern California. MWD wholesales water to its 27 customer agencies, including IEUA. Metropolitan is governed by a 51-member Board of Directors representing its customer agencies.

METER EQUIVALENT UNIT (MEU) – a measurement expressed in terms of a ratio of rated meter capacity for each meter size relative to the size of a standard residential meter.

MILLION GALLONS PER DAY (MGD) – MGD is the term used to represent million gallons per day of sewage discharged to IEUA wastewater treatment facilities.

MUNICIPAL STORM WATER SEWER SYSTEM (MS4) – An MS4 is a conveyance or system of conveyance that is; Owned by a state, city, town, village, or other public entity that discharges to waters of the U.S.; Designed or used to collect or convey storm water (including storm drains, pipes, ditches, etc.); Not a combined sewer; and Not part of a Publicly Owned Treatment Works (sewage treatment plant).

N

NO DRUGS DOWN THE DRAIN (NDDD) – Program to discourage residents from flushing expired drugs.

NON-DOMESTIC WASTE - waste or wastewater discharged into the Community Sewer System of a SCA which has a greater concentration of total dissolved solids or biochemical oxygen demand or any other constituents limited by IEUA than the waste or wastewater discharged from the typical single family domestic household in the SCA's Service Area.

NON-RECLAIMABLE WASTEWATER – Any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operation of whatever nature as defined by federal, state, or regional agencies authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin.

GLOSSARY of GENERAL TERMS

N

NON-RECLAIMABLE WASTEWATER PROGRAM – The activities of the NRW System, which is owned and operated by the Agency and provides for the export of high-salinity and industrial wastewater generated within the Agency's service area to the Pacific Ocean.

O

ONE WATER ON WATERSHED PROGRAM (OWOW) – A new and innovative planning process being developed within the Santa Ana Watershed. Through collaborative strategic partnerships and building upon the successful watershed planning in the past, the next generation of integrated regional watershed planning is under development to solve problems on a regional scale and give all water interests a voice in the planning process.

OPEB – Benefits (other than pensions) that U.S. state and local governments provide to their retired employees. These benefits principally involve health care benefits, but also may include life insurance, disability, legal, and other services.

OPERATION AND MAINTENANCE BUDGET (OPERATING BUDGET) – Plans of current expenses and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

OPERATING EXPENSES – Proprietary fund expenses related directly to the fund's primary activities.

OPTIMUM BASIN MANAGEMENT PLAN (OBMP) – A comprehensive plan to increase artificial groundwater recharge within Chino Basin using storm water, recycled water, and imported water.

ORANGE COUNTY SANITATION DISTRICT (OC San) – A public agency located in Fountain Valley, Orange County providing wastewater treatment services for 21 cities and 3 sanitation districts in the Orange County.

ORDINANCE – A law set forth by a governmental or legislative body.

ORGANICS MANAGEMENT PROGRAM – The activities for processing treated water, methane gas, and biosolids into useable, marketable products, i.e.: recycled water, renewable energy, and high-quality compost.

P

PAY-AS-YOU-GO (PAYGO) – The practice of funding construction expenditures from current revenue or existing revenue in lieu of using debt proceeds.

PEACE II – Approved by the Court on December 2007 as part of the Chino Basin Watermaster's Optimum Basin Management Plan (OBMP) and provides for the "re-operation" and attainment of "hydraulic control" in the groundwater basins.

P

PROGRAM - Group activities, operations, or organizational units directed to attaining specific purposes or objectives.

PROGRAM BUDGET – A budget wherein expenses are based primarily on the functions or activities of a government rather than based on specific items of cost, or specific departments.

PROPOSITION 1 FUNDING - In July 2018, the California Water Commission approved \$206.9 million, the full funding of IEUA's Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program (Chino Basin Project). Funding for the project comes from Proposition 1, a state water bond approved by voters in 2014, to invest \$2.7 billion for investments in new water storage projects. Projects were evaluated, ranked, scored, and offered funding based on their ability to increase statewide resiliency under climate change and other uncertainties; technical environmental, economic, and financial feasibility which have a low implementation risk; the ability to provide environmental value in alignment with the State's ecosystem and water quality priorities; and strong public benefits. The Chino Basin Project involves the construction of an advanced water treatment facility and distribution system that will treat and store up to 15,000 acre-feet per year of recycled water for 25 years in the Chino Basin Water Bank, creating a new local water supply. In partnership with an existing State Water Project Contractor, this water would be exchanged in blocks of up to 50,000 acre-feet per year towards ecosystem benefits north of the Delta.

PROPOSITION 1A – The proposition is intended to protect revenues collected by local governments from being transferred to the California state government for statewide use. The provisions may be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature approves the suspension.

PROPRIETARY FUND – A business-like fund in governmental accounting of a state or local government. Examples of proprietary funds include enterprise funds and internal service funds. Enterprise funds provide goods or services to the general public for a fee.

PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS) – An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

PUBLICLY OWNED TREATMENT WORKS (POTWs) – Members of the Southern California Alliance of Publicly Owned Treatment Works (SCAP). See SCAP definition.

Q

QUALITY IMPROVEMENT PROGRAM – Identify high impact or recurring issues and develop corrective action plans.

R

READINESS-TO-SERVE (RTS) CHARGE – A Metropolitan Water District charge to its customer agencies. The charge is designated to provide firm revenue for the MWD's capital improvement program (CIP) and debt service to meet the reliability and quality needs of existing users.

GLOSSARY of GENERAL TERMS

R

READINESS TO SERVE TEN YEAR ROLLING AVERAGE (RTS TYRA) - A pass through charge to the local customer agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority), to recover their share of total RTS charge imposed by MWD and phased-in over a period of seven (7) years, effective October 1, 2016.

RECHARGE – The physical process where water naturally percolates or sinks into a groundwater basin.

RECHARGE BASIN – A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

RECHARGE WATER PROGRAM – The activities for development of increased recharge capacity within the Chino Basin region using storm water, recycled water, and imported water.

RECYCLED WATER – Effluent that goes through a process or method for altering its quality to standards superior to those prescribed for treatment.

RECYCLED WATER BUSINESS PLAN (RWBP) – Developed to accelerate the implementation of the 2005 Regional Recycled Water Implementation Plan with a goal of increasing the demand for recycled water connections to 50,000-acre foot per year (AFY).

RECYCLED WATER PROGRAM – The activities for the use of recycled water to meet Southern California's water demand. Recycled water is a proven technology and implementing its use will provide a more dependable local supply of water, as well as, reduce the likelihood of water rationing during droughts.

RECYCLED WATER PROGRAM STRATEGY (RWPS) – The primary objective of the RWPS is to update supply and demand forecasts and prioritize projects to maximize the beneficial use of recycled water throughout the year. This is necessary as changes in the region's water resource priorities occur and increased water efficient landscape measures are adopted.

RECYCLING – A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term "recycled water" to reclaimed water.

REDEVELOPMENT AGENCY (RDA) – A government subdivision created to improve blighted, depressed, deteriorated economically depressed areas. RDAs were officially dissolved in February 2012.

REGIONAL COMPOSTING AUTHORITY (RCA) – (See Inland Empire Regional Composting Authority)

REGIONAL INTERCEPTOR - includes, but is not limited to, pipelines, facilities and appurtenances which receive sewage from the most downstream trunk or collector sewer of a Community Sewer System, or a portion thereof, for the purpose of transmitting the sewage to a Regional Treatment Plant or to any other point of disposal, and any facilities appurtenant thereto, or any sewer which is utilized for the transmission of the sewage of two or more SCAs to such a plant or point of disposal.

REGIONAL POLICY COMMITTEE - advises IEUA of the needs and views of the SCAs concerning IEUA's policies and activities in the financing, acquisition, construction, maintenance and operation of the Regional Sewerage System, to make reports and recommendations with respect thereto, and to inform the SCAs concerning such policies and activities.

R

REGIONAL SEWERAGE SYSTEM - all facilities owned, controlled, or operated by IEUA and any interest or capacity rights of IEUA in facilities owned, controlled, or operated by others, for the purpose of transmitting, treating and/or disposing of Sewage, including interceptor sewers, sewage treatment and disposal plants, facilities for the Disposal of Effluent and solid waste residuals and any facilities appurtenant to the foregoing. The Regional Sewerage System does not include the recycled water system which is owned, operated, managed, and maintained by IEUA. The Regional Sewerage System shall include all other disposal facilities which are required to meet the requirements of the National Pollutant Discharge Elimination System Permit or permits or Waste Discharge Requirements issued to IEUA by the Regional Water Quality Control Board, Santa Ana Region, for the operation of the Regional Treatment Plants.

REGIONAL TECHNICAL COMMITTEE - advises the Regional Policy Committee on technical matters related to the Regional Sewerage System. Participation shall be voluntary. The members and alternate members of the Regional Technical Committee shall be appointed by their respective SCAs and IEUA shall be entitled to appoint one member and alternate members with the same right of participation as other members. The committee shall hold regular meetings quarterly or as needed in the determination of IEUA. Appointments and the number of alternates shall be determined in the sole discretion of each SCA and IEUA as applicable.

REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - the fund of IEUA into which is deposited all Supplemental Capital Outlay Funds received by IEUA from the SCAs for the acquisition, construction, improvement, and expansion of the Regional Sewerage System

REGIONAL WASTEWATER PROGRAM – The activities associated with the primary, secondary, and tertiary treatments of domestic wastewater delivered by the contracting agencies to the Agency's interceptors and wastewater treatment facilities.

RENEWABLE ENERGY – Energy that is produced from clean renewable sources such as solar power, wind power, and natural gas produced from the decomposition of organic materials.

REQUEST FOR PROPOSAL (RFP) – An early stage in a procurement process, issuing an invitation for vendors, often through a bidding process, to submit a proposal on a project.

RESERVE – An account used to indicate that a portion of fund equity is restricted for a specific purpose, or not available for appropriation and subsequent spending.

RESIDENTIAL UNIT - a single-family residence, a condominium unit, an apartment unit or other such structure or portion thereof which is equipped and suitable for human habitation or a mobile home space in a mobile home park, not including, however, transient lodging rooms in motels or hotels which are considered to be commercial units.

RESOLUTION – A special or temporary order of a legislative body requiring less formality than a statute or ordinance. Resolutions typically become effective upon their adoption by the IEUA Board of Directors.

REVENUE – Income generated by taxes, user charges, connection fees, investment income, bonds, and leases.

GLOSSARY of GENERAL TERMS

S

SALINITY – Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids – TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

SANTA ANA REGIONAL INTERCEPTOR (SARI) – Underground regional wastewater interceptor line owned by the Santa Ana Watershed Project Authority.

SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) – A Joint Exercise of Powers Agency created to implement the regional components for water quality management as set forth in the adopted water quality control plan for the Santa Ana River Watershed. Customer agencies include: Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, and Eastern Municipal Water District.

SANTA ANA RIVER WATERSHED ACTION TEAM CONJUNCTIVE USE PROJECT (SARCUP) – This project is to develop a watershed-scale conjunctive use program.

SB-272 - The California Public Records Act: local agencies: inventory - This bill requires each local agency, except a local educational agency, in implementing the California Public Records Act, to create a catalog of enterprise systems, as defined, to make the catalog publicly available upon request in the office of the person or officer designated by the agency's legislative body, and to post the catalog on the local agency's Internet Web site.

SBITA – a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

SERVICE AREA – The territory served by IEUA for sewage collection and treatment operations. IEUA territory covers 242 square miles, encompassing the urban west end of San Bernardino County, immediately east of the Los Angeles County line, and including the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Rancho Cucamonga.

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT (SBCFCD) – An agency whose goal is to intercept and convey flood flows through and away from the major developed areas of the County by a system of facilities, including dams, conservation basins, channels, and storm drains.

SECONDARY TREATMENT – Generally, a level of treatment that produces 85 percent removal efficiencies for biological oxygen demand and suspended solids.

SERVICE AREA - all territory now or hereafter served by the Community Sewer System owned, controlled or operated by any SCA. The IEUA service area includes the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and the Cucamonga Valley Water District.

SEWAGE - any liquid waste and water borne solid waste resulting from residential, commercial, industrial, or institutional activities or uses.

SEWAGE COLLECTION AGENCY (SCA) - any county, city or special district, other than IEUA, which is located in whole or in part within the IEUA Service Area and which is authorized to own, control and operate a Community Sewer System. The current agencies served by IEUA include the Cities of Chino, Chino Hills, Upland, Montclair, Ontario, Fontana, and Cucamonga Valley Water Districts as part of the Regional Sewerage System Ordinance No. 111.

S

SEWER - any pipeline conducting sewage, either by gravity or by pressure, and any facilities appurtenant thereto

SEWER SYSTEM MANAGEMENT PLAN (SSMP) – The plan was adopted by the Board in April 2009 to comply with the State Water Resources Control Board Order No. 2007-003. This Order established the General Waste Discharge Requirements (WDR) for all public entities that own or operate sanitary sewer systems greater than one mile in length of sewer line within the state of California to prevent and minimize sanitary sewer overflows (SSO).

SEWER USER CHARGE - any charge, fee, rental, or rate, excluding property taxes and Capital Capacity Reimbursement Payments, which is imposed on and collected from the owner, lessee, or occupant of property for providing services and facilities of any Community Sewer System or the Regional Sewerage System, or both

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) – This is an air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside, and San Bernardino counties.

SOUTHERN CALIFORNIA ALLIANCE OF PUBLICLY OWNED TREATMENT WORKS (SCAP) – SCAP is a non-profit corporation organized to help ensure that regulations affecting Publicly Owned Treatment Works (POTWs) and collection systems are reasonable and in the public's best interest and to provide leadership, technical assistance and timely information to promote regulations that focus on the sustainable protection of the environment and public health. As of December 2010, 86 of its 106 POTW members were public wastewater agencies located in seven counties. Collectively, the POTWs members provide over 1 billion gallons per day of wastewater treatment to more than 18 million people in Southern California and produce over 1.4 million wet tons of biosolids per year.

SPECIAL PROJECTS – Special projects are a collection of operation and maintenance expenses that are incurred by the Agency in pursuit of very specific goals and objectives that are consistent with the Agency's mission. They are, by their nature, a unique form of cost accounting. Special projects may consist of direct labor, materials and supplies, and outside consultant fees, but they may not contain any expenditure for any type of capital asset, such as construction or equipment costs. Example of a special project: a long-term planning or feasibility study that would involve the efforts of several different departments or in partnership with other agencies over a protracted period of time.

STATE REVOLVING FUND (SRF) – The Federal Clean Water Act amendments of 1997 authorized the use of federal money to create an SRF loan program to replace the Federal Clean Water Grant program. SRF loans are used for the construction and upgrade of publicly owned treatment works. SRF loans can also be used to support reclamation nonpoint source pollution, storm drainage, and estuary projects.

STATE WATER RESOURCES CONTROL BOARD (SWRCB) – This is a joint authority of water allocation and water quality protection that provides comprehensive protection for California's waters, enforcing the many uses of water, including the needs of industry, agriculture, municipal districts, and the environment. The SWRCB also administers SRF loans and grants.

SUPERVISORY CONTROL and DATA ACQUISITION (SCADA) - Is a system operating with coded signals over communication channels so as to provide control of remote equipment (using typically one communication channel per remote station).

SUPPLEMENTAL CAPITAL OUTLAY FUNDS - contributions by a SCA from its Capital Capacity Reimbursement Account reserves to IEUA to supplement the funding of the planning, design and construction of Regional Sewerage System capital improvement projects.

GLOSSARY of GENERAL TERMS

S

SYSTEM APPLICATION and PRODUCTS (SAP) – The Agency's Enterprise Resource Planning (ERP) system which stands for increased efficiency, streamlining the supply-chain network and overhauling the entire business process of the organization. This ERP system provides transparency that follows – real-time visibility across the entire enterprise and is not limited to management or staff.

T

TAXES – Compulsory charges levied by a government to finance services performed for the common benefit.

TEETER PLAN – California Legislature enacted an alternative method for the distribution of secured property taxes to local agencies.

TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP) - Volume II of the Agency's annual budget, this report is prepared each year to identify capital spending requirements, forecasted capacity demands and long-term programs.

TERTIARY TREATMENT – The treatment of wastewater beyond the secondary or biological stage. Normally implies to the removal of nutrients, such as phosphorous and nitrogen, and a high percentage of suspended solids.

TITLE 22 – Regulations set forth by the California Department of Health Services. Required to ensure water quality standards are being met.

TRANSMIT OR TRANSMISSION - the conducting (i) of Sewage from any Delivery Point to a Regional Treatment Plant or other point of Disposal or (ii) of Effluent from a Regional Treatment Plant to a point of Disposal.

TREAT OR TREATING OR TREATMENT - any process or method for altering the quality of Sewage and/or Effluent to meet applicable regulatory standards for Disposal or beneficial reuse.

U

UNITED STATES BUREAU OF RECLAMATION (USBR) – A public agency whose primary goal is to manage, develop, and protect water as well as related resources in an environmentally and economically sound manner in order to meet the increasing water demands of the Western States.

URBAN WATER MANAGEMENT PLAN – Describes all water supplies and demands within IEUAs service area in accordance with California State Law.

V

VADOSE ZONE – Region of earth between the land surface and the top of the water table.

VOLUMETRIC FEES – Fees charged to customers for their metered wastewater flows.

W

WATER CONNECTION FEE – It is also called "One Water Connection Fee," a fee to connect to the IEUA regional water system comprised of potable water, recycled water, and groundwater recharge. The fee will support future expansion of the regional water system, which is comprised of potable water, recycled water, and groundwater recharge.

WASTEWATER – Water that has been previously used by a municipality, industry, or agriculture and has suffered a loss of quality as a result of use.

WASTEWATER CONNECTION FEE – A fee to connect to the IEUA regional sewer system. The fee is restricted to support capital acquisition, construction, equipment, and process improvement costs for the regional sewer system.

WASTEWATER FACILITIES MASTER PLAN (WFMP) – The primary policy guiding the development of the Agency's Ten-Year Capital Improvement Plan. Used to coordinate an integrated water resources planning framework.

WATER FACILITIES AUTHORITY (WFA) – A public agency that treats and supplies approximately 40,000 acre-feet of imported water each year. This imported water serves as a supplemental source of water for approximately 450,000 residents in the west end of San Bernardino County.

WATER RESOURCES PROGRAM – The activities to support integrated water resource management and regional conservation programs to increase the resiliency of existing water supplies and reduce reliance on imported water purchase.

WATER REUSE ASSOCIATION (WaterReuse) – The Water Reuse Association is a nonprofit organization whose mission is to advance the beneficial and efficient use of water resources through education, sound science, and technology using reclamation, recycling, reuse, and desalination for the benefit of our members, the public, and the environment.

WATER USE EFFICIENCY PLAN (WUE) – Plan designed to supplement existing surface water and groundwater supplies.

WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT (WIFIA) – Administered by the Environmental Protection Agency, the federal credit program provides long term, low-interest funding for regionally and nationally significant water and wastewater infrastructure projects.

ACRONYMS

	4Rs	Repair, Relocation, Reconstruction, and Rehabilitation
A	ACFR	Annual Comprehensive Financial Report
	ACH	Automated Clearing House
	ACWA	Association of California Water Agencies
	AF	Acre-Feet
	AFY	Acre-Feet per Year
	AMP	Asset Management Plan
	AQMD	Air Quality Management District
	ARMA	Association of Records Managers and Administrators (now expanded to ARMA International)
	ARRA	American Recovery Rehabilitation Act
	ASA	Adaptive Security Appliance
B	BMP	Best Management Practice
	BOD	Biochemical Oxygen Demand
C	CalPERS	California Public Employees Retirement System
	CAL/VPP	Cal OSHA Star Voluntary Protection Program
	CAPPO	California Associations of Public Procurement Officials
	CASA	California Association of Sanitation Districts
	CBFIP	Chino Basin Facilities Improvement Project
	CBP/WSIP	Chino Basin Program/Water Investment Storage Program
	CBWB	Chino Basin Water Bank
	CBWCD	Chino Basin Water Conservation District
	CBWM	Chino Basin Watermaster
	CCMP	Chino Creek Master Plan
	CCMS	Computerized Maintenance Management System
	CCRA	Capital Capacity Reimbursement Account
	CCTV	Closed Circuit Television
	CCW	Carbon Canyon Wastewater
	CCWRF	Carbon Canyon Wastewater Reclamation Facility
	CCWRP	Carbon Canyon Water Recycling Plant
	CDA	Chino Basin Desalter Authority
	CDPH	California Department of Public Health
	CEC	California Energy Commission
	CEMS	Continuous Emission Monitoring System
	CEQA	California Environmental Quality Act

C	CERBT	California Employers' Retiree Benefit Trust
	CFS	Cubic Feet per Second
	ChaRM	Charge & Request Management
	CHP	Combined Heat and Power
	CIA	Cash in Advance
	CII	Commercial, Industrial, and Institutional
	CIM	California Institute for Men
	CIP	Capital Improvement Program
	CIW	California Institute for Women
	CM	Construction Management
	CMMS	Computerized Maintenance Management System
	COBRA	Consolidated Omnibus Budget Reconciliation Act
	COD	Chemical Oxygen Demand
	COLA	Cost of Living Adjustment
	COS	Cost of Service
	CPE	Continuing Professional Education
	CPI	Consumer Price Index
	CPUC	California Public Utilities Commission
	CSI	California Solar Incentive
	CSMFO	California Society of Municipal Finance Officers
	CUPA	Certified Public Utilities Commission
	CUWCC	California Urban Water Conservation Council
	CWA	Clean Water Act
	CWEA	California Water Environment Association
	CWSFR	California Clean Water State Revolving Fund
D	DAFT	Dissolved Air Flotation Thickener
	DCR	Debt Coverage Ratio
	DCS	Distribution Control System
	DF&G	Department of Fish and Game
	DFT	Don't Flush Trouble
	DHS	California Department of Health Services
	DOE	Department of Energy
	DWR	Department of Water Resources
	DYY	Dry Year Yield
E	E&I	Electrical and Instrumentation
	EC	Emerging Constituents
	ECM	Electronic Content Management
	ECMS	Electronic Content Management System
	ECOP	Environmental Compliance Operations Program
	EDU	Equivalent Dwelling Unit
	EEO	Equal Employment Opportunity
	EE&CM	Engineering, Energy, & Construction Management
	ELAP	Environmental Laboratory Accreditation Program
	EP	Energy Production
	EPA	Environmental Protection Agency

ACRONYMS

E	EMPC	Employer Paid Member Contribution
	ERP	Enterprise Resources Planning
	ESS	Employee Self-Service
F	FEMA	Federal Emergency Management Agency
	FMLA	Family Medical Leave Act
	FOG	Fats, Oils, and Grease
	FTE	Full Time Equivalent
	FY	Fiscal Year
G	GAAP	Generally Accepted Accounting Principles
	GASB	Governmental Accounting Standards Board
	GCMS	Gas Chromatograph/Mass Spectrometer
	GEELA	Governor's Environmental and Economic Leadership Award
	GFOA	Government Finance Officers Association
	GG	Administrative Services Program
	GIS	Geographic Information System
	GIES	Garden in Every School
	GHG	Greenhouse Gas
	GM	Grants Management
	GPCD	Gallons per Capita per Day
	GPM	Gallons per Minute
	GUI	Graphical User Interface
	GWR	Groundwater Recharge
	GWRMP	Groundwater Recharge Master Plan
H	H2S	Hydrogen Sulfide
	HCM	Human Capital Management
	HCMP	Hydraulic Control Monitoring Program
	HECW	High-Efficiency Clothes Washers
	HET	High-Efficiency Toilet
	HQ	Headquarters
	HR	Human Resources
	HTFC	High Temperature Fuel Cell
	HVAC	Heating/Ventilation/Air Conditioning
I	I&C	Instrumentation & Control
	IAD	Internal Audit Department
	ICE	Internal Combustion Engine
	ICP	Inductively Coupled Plasma
	IDC	Improvement District "C"
	IE	Inland Empire
	IEBL	Inland Empire Brine Line

I	IERCA	Inland Empire Regional Composting Authority
	IERCF	Inland Empire Regional Composting Facility
	IEUA	Inland Empire Utilities Agency
	IIA	Institute of Internal Auditors
	IPS	Intrusion Prevention System
	IRP	Integrated Water Resources Plan
	IRWMP	Integrated Regional Water Management Plan
	IS	Information Services
	IT	Information Technology
J	JCSD	Jurupa Community Service District
	JPA	Joint Powers Authority
K	KPI	Key Performance Indicators
	KSA	Knowledge, Skills, and Abilities
	KVM	Keyboard/Video/Mouse
	kWh	Kilowatt hour
L	LACSD	Los Angeles County Sanitation Districts (LACSD)
	LAN	Local Area Network
	LC-MS/MS	Liquid Chromatography Mass Spectrometry
	LEED	Leadership in Energy and Environmental Design
	LF	Linear Feet
	LIBOR	London Inter-Bank Offered Rate
	LID	Low Impact Development
	LIMS	Laboratory Information Management System
	LOI	Letter of Interest
	LPP	Local Projects Program
	LRP	Local Resources Program
	LRPF	Long Range Plan of Finance
	LS	Lift Station
	LT	Limited Term
M	MCC	Microbial Culture Collection
	MG	Million Gallons
	Mg/L	Milligrams per liter
	MGD	Million Gallons per Day
	MEU	Meter Equivalent Unit
	MPC	Milk Producer's Council
	MOU	Memorandum of Understanding
	MS4	Municipal Storm Water Sewer System
	MSDS	Material Safety Data Sheets
	MSS	Manager Self-Service
	MVV	Mission, Vision, and Values
	MVWD	Monte Vista Water District

ACRONYMS

M	MW	Megawatts
	MWD	Metropolitan Water District of Southern California
N	NAC	Network Access Control
	NC	Non-Reclaimable Wastewater Program
	NDDD	No Drugs Down the Drain
	NDMA	Nitrosodimethylamine
	NFPA	National Fire Protection Association
	NPDES	National Pollution Discharge Elimination System
	NPI	National Purchasing Institute
	NRW	Non-Reclaimable Wastewater
	NRWS	Non-Reclaimable Wastewater System
	NRWSCU	Non-Reclaimable Wastewater System Capacity Unit
	NTC	National Theatre for Children
	NWRA	National Water Resources Association
O	O&M	Operations & Maintenance
	OBMP	Optimum Basin Management Plan
	OC San	Orange County Sanitation District
	OCWD	Orange County Water District
	OE	Office Engineering
	OES	Office of Emergency Services
	OFA	Office of Finance and Administration
	OM	Organics Management Program
	OP	Obligation Payment Fund, Wastewater Program, Debt Services
	OT	Operations Technology
	OPEB	Other Post-Employment Benefits
	ORC	Organic Rankine Cycle
	ORP	Oxidation Reduction Potential
	OTDR	Optical Time Domain Reflectometer
	OWOW	One Water One Watershed
P	PAYGO	Pay-As-You-Go
	P&ID	Piping and Instrumentation Diagrams
	PD	Positive Displacement
	PDR	Preliminary Design Report
	PE	Perkin Elmer
	PEIR	Preliminary Environmental Impact Report
	PERS	Public Employee Retirement System
	PFAS	Per- and Polyfluorinated Substances
	PIER	Public Interest Energy Research
	PIO	Public Information Officer
	PLCs	Programmable Logic Controllers
	PLPs	Personal Learning Plans
	PM	Plant Maintenance
	PMT	Plant Maintenance Technician

P	POTWs	Publicly Owned Treatment Works
	PPA	Power Purchase Agreement
	PROP 1	Proposition 1
	PRV	Pressure Reducing Valve
	PS	Pump Station
	PTSC	Pretreatment and Source Control
	PZ	Pressure Zone
Q	QA/QS	Quality Assurance/Quality Control
R	RAS	Return Activated Sludge
	RATA	Relative Accuracy Test Audit
	RC	Regional Capital Improvement (Wastewater) Program
	RCA	Regional Composting Authority
	RDA	Redevelopment Agency
	REEP	Renewable Energy Efficiency Project
	RFI	Request for Information
	RFP	Request for Proposal
	RMPU	Recharge Master Plan Update
	RO	Regional Operations and Maintenance (Wastewater) Program
	ROI	Return on Investment
	RP-1	Regional Water Reclamation Facility (Plant) in the City of Ontario
	RP-2	Regional Water Reclamation Facility (Plant) in the City of Chino
	RP-4	Regional Water Reclamation Facility (Plant) in the City of Rancho Cucamonga
	RP-5	Regional Water Reclamation Facility (Plant) in the City of Chino
	R&R	Replacement and Rehabilitation
	RRWDS	Regional Recycled Water Distribution System
	RTS	Readiness-to-Serve
	RTS TYRA	Readiness-to-Serve Ten Year Rolling Average
	RW	Recharge Water Program
	RWBP	Recycled Water Business Plan
	RWC	Recycled Water Contribution
	RWPL	Recycled Water Pipeline
	RWPS	Recycled Water Program Strategy
	RWQCB	Regional Water Quality Control Board
	RWRP	Regional Water Recycling Plants
S	SAC	San Antonio Channel
	SAN	Storage Area Network
	SAP	Systems Applications and Products
	SAP GUI	Systems Application and Products Graphical User Interface
	SARCCUP	Santa Ana River Conservation and Conjunctive Use Program
	SARDA	Santa Ana River Dischargers Association
	SARI	Santa Ana River Interceptor
	SAWA	Santa Ana Watershed Association
	SAWPA	Santa Ana Watershed Project Authority
	SAWCO	San Antonio Water Company

ACRONYMS

S	SB-272	Senate Bill Relating to Public Records
	SBCFCD	San Bernardino County Flood Control District
	SCA	Sewage Collection Agency
	SCADA	Supervisory Control and Data Acquisition
	SCAP	Southern California Alliance of Publicly Owned Treatment Works
	SCAQMD	South Coast Air Quality Management District
	SCE	Southern California Edison
	SCWC	Southern California Water Committee
	SE	Sterling Engine
	SEIR	Subsequent Environmental Impact Report
	SIU	Significant Industrial User
	SKU	Stock Keeping Unit
	SLO	Service Level Operator
	SOP	Standard Operating Procedures
	SRF	State Revolving Fund
	SRWS	Self-Regenerating Water Softener
	SSMP	Sewer Systems Management Plan
	SSO	Sanitary Sewer Overflows
	STA	United States Composting Council's Seal of Testing Assurance
	SWRCB	State Water Resources Control Board
	SWP	State Water Project
T	TCE	Trichloroethylene
	TDS	Total Dissolved Solids
	TEAMS	Technical Enhancement and Management Succession
	TYCIP	Ten-Year Capital Improvement Plan
	TYF	Ten-Year Forecast
	TIN	Total Inorganic Nitrogen
	TKN	Total Kjeldahl Nitrogen
	TM	Technical Memorandum
	TMDL	Total Maximum Daily Load
	TMECC	Testing Methods for Evaluating Compost and Compost Products
	TMP	Technology Master Plan
	TO	Wastewater Program – Tertiary Operations & Maintenance
	TOC	Total Organic Carbon
	TP	Tertiary Plant
	TSS	Total Suspended Solids
	TWAS	Thickened Waste Activated Sludge
	TYCIP	Ten Year Capital Improvement Plan
	TYRA	Ten Year Rolling Average
U	UA	Unauthorized Activities
	ULFT	Ultra Low-Flush Toilets
	UPC	Unit Production Cost
	UPCP	Unit Process Control Procedure
	UPS	Uninterruptible Power Supply

U	USACE	US Army Core of Engineers
	USBR	United States Bureau of Reclamation
	UV	Ultra-Violet
	UWMP	Urban Water Management Plan
	UWRF	Urban Water Reclamation Facility
V	VFD	Variable Frequency Drives
	VOC	Volatile Organic Compound
W	WAN	Wide Area Network
	WaterReuse	Water Reuse – the use of treated wastewater or reclaimed water for beneficial purposes such as irrigation
	WC	Recycled Water Program
	WDR	Wastewater Discharge Requirement
	WEF	Water Environment Federation
	WEFTEC	Water Environment Federation Annual Technical Exhibition and Conference
	WEWAC	Water Education Water Awareness Committee
	WFA	Water Facilities Authorities
	WFMP	Wastewater Facilities Master Plan
	WIFIA	Water Infrastructure Finance and Innovation Act
	WM	Chino Basin Watermaster
	WRCWRA	Western Riverside County Regional Wastewater Authority
	WS	Workstation
	WSAP	Water Supply Allocation Plan
	WUE	Water Use Efficiency
	WW	Water Resources Program
Y	YCF	Youth Correctional Facility



RP-5 GAS PHASE DIGESTER PIPE BRIDGE

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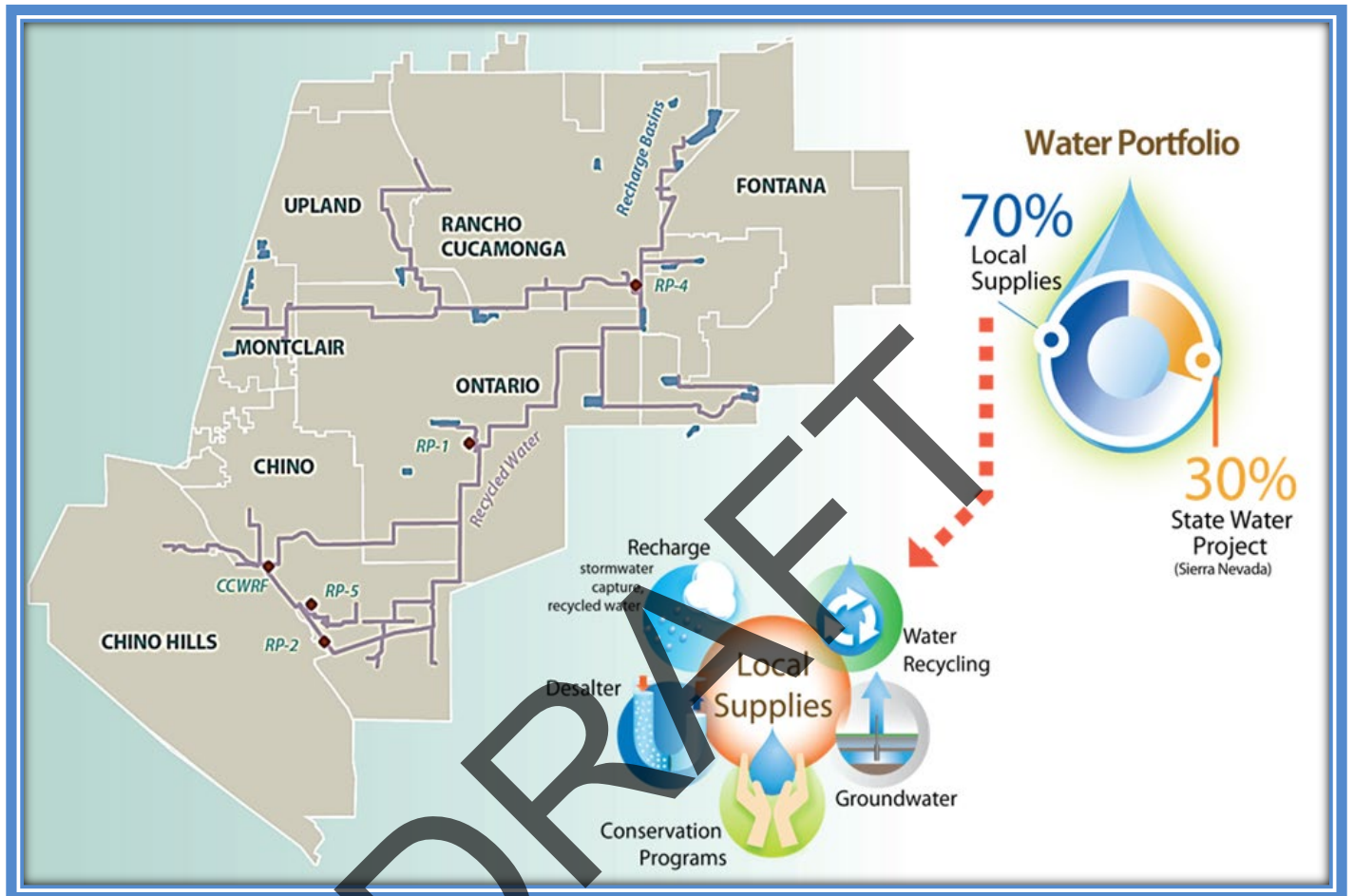
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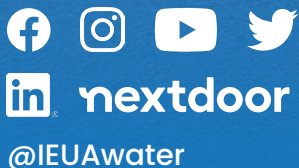
Inland Empire Utilities Agency

The Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost-effective manner while safeguarding public health, promoting economic development, and protecting the environment.

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