



Regional Sewerage Program Policy Committee Meeting

AGENDA

**Thursday, May 2, 2024
3:30 p.m.**

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

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

The public may participate and provide public comment during the meeting by joining in person or by calling the number provided above. Comments may also be submitted by email to the Board Secretary/Office Manager Denise Garzaro at dgarzaro@ieua.org prior to the completion of the Public Comment section of the meeting. Comments will be distributed to the Policy Members.

Call to Order

Roll Call

Flag Salute

Public Comment

Members of the public may address the Committee on any item that is within the jurisdiction of the Committee; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Comments will be limited to three minutes per speaker.

Additions to the Agenda

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

(Continued)

1. Technical Committee Report (Oral)

2. Action Items

- A. Approve minutes of April 4, 2024 Policy Committee Meeting
- B. Fiscal Year 2024/25 Extra Territorial Sewer Service Charges

3. Information Items

- A. Fiscal Year 2024/25 Proposed Budget for Regional Wastewater Programs
- B. Ten-Year Sewer Capital Forecast FY 2024/25 – FY 2033/34

4. Receive and File Item

- A. Building Activity Report

5. Other Business

- A. IEUA General Manager's Update
- B. Committee Member Requested Future Agenda Items
- C. Committee Member Comments
- D. Next Meeting – June 6, 2024

Adjourn

DECLARATION OF POSTING

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

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Denise Garzaro at (909) 993-1736 or dgarzaro@ieua.org, 48 hours prior to the scheduled meeting so that IEUA can make reasonable arrangements to ensure accessibility.

ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF THE APRIL 4, 2024 MEETING

CALL TO ORDER

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program Policy Committee was held on Thursday, April 4, 2024, at 6075 Kimball Avenue, Building A, Chino, California.

Chair Randall Reed/Cucamonga Valley Water District (CVWD) called the meeting to order at 3:30 p.m. Recording Secretary Jennifer Hy-Luk established a quorum was present. Chair Reed led the Pledge of Allegiance.

Committee Members Present:

Eunice Ulloa	City of Chino
Peter Rogers	City of Chino Hills <i>(Left at 3:51 p.m.)</i>
John Dutrey	City of Montclair <i>(Left at 4:22 p.m.)</i>
Debra Dorst-Porada	City of Ontario
Bill Velto	City of Upland
Randall Reed	Cucamonga Valley Water District (CVWD)
Marco Tule	Inland Empire Utilities Agency (IEUA)

Committee Member Absent:

Phillip Cothran	City of Fontana
-----------------	-----------------

Others Present:

Courtney Jones	City of Ontario
Chad Nishida	City of Ontario
Nicole deMoet	City of Upland
Amanda Coker	CVWD
Adham Almasri	IEUA
Jerry Burke	IEUA
Christiana Daisy	IEUA
Kristine Day	IEUA
Robert Delgado	IEUA
Lucia Diaz	IEUA
Elizabeth Hurst	IEUA
Jennifer Hy-Luk	IEUA

Others Present (continued):

Michael Larios	IEUA
Randy Lee	IEUA
Scott Lening	IEUA
Eddie Lin	IEUA
Alex Lopez	IEUA
Ryan Love	IEUA
Jason Marseilles	IEUA
Liza Munoz	IEUA
Agustin Nieto	IEUA
Alyson Piguee	IEUA
Sushmitha Reddy	IEUA
Sandra Salazar	IEUA
Teresa Velarde	IEUA

PUBLIC COMMENTS

There were no public comments.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

1. TECHNICAL COMMITTEE REPORT

Amanda Coker/CVWD stated that at the March 29 Technical Committee meeting, the Committee heard a presentation on the Ten-Year Capital Improvement Plan (TYCIP) & Ten-Year Sewer Capital Forecast FY 2024/25 – FY 2033/34. Ms. Coker stated that Committee members commented on the increased cost over the prior year and had questions regarding the funding sources. She stated that the Technical Committee requested more time to review the TYCIP. The Committee also received the Grants Semi-Annual Update.

2. ACTION ITEM**A. APPROVAL OF THE FEBRUARY 1, 2024 POLICY COMMITTEE MEETING MINUTES**

Motion: By Committee member Eunice Ulloa/City of Chino and seconded by Committee member Peter Rogers/City of Chino Hills to approve the meeting minutes of the February 1, 2024 Regional Policy Committee Meetings by the following vote:

Ayes: Dorst-Porada, Dutrey, Rogers, Ulloa, Velto, Reed

Noes: None

Absent: Cothran

Abstain: None

The motion passed by a vote of 6 ayes, 0 noes, 1 absent, and 0 abstain.

3. INFORMATION ITEMS**A. GRANTS SEMI-ANNUAL UPDATE**

Alyson Piguee/IEUA provided the presentation.

Committee member Peter Rogers/City of Chino Hills left the meeting at 3:51 p.m.

Committee member Debra Dorst-Porada/City of Ontario inquired about the Safe Drinking Water grants. Ms. Piguee stated that she will provide the Committee members with the requested information.

B. TEN-YEAR CAPITAL IMPROVEMENT PLAN & TEN-YEAR SEWER CAPITAL FORECAST FY 2024/25 – FY 2033/34

Sandra Salazar/IEUA provided the presentation.

Discussion ensued on the planned projects, the rate study, Chino Basin Project facilities and costs, inflation rates on the estimated target cost, public awareness of the cost of water, sources of funding, and drill down of educational components to be relatable to the constituents.

Committee member Marco Tule/IEUA requested more information on the All Other Capital Improvement Projects listed on slide 6.

Committee member Dorst-Porada inquired about where the adoption of rates falls on the schedule. Assistant General Manager Kristine Day/IEUA stated that rates were adopted last year for Fiscal Year (FY) 2024/25. Adoption of rates for FYs 2025/26 and 2026/27 will occur next year.

Committee member Eunice Ulloa/City of Chino inquired about the gap in funding. Ms. Day stated that any gap in funding will be covered by debt.

Discussion ensued on cost-of-living adjustments, revenue, and the impact on the Equivalent Dwelling Unit.

Committee member John Dutrey/City of Montclair left the meeting at 4:22 p.m.

4. RECEIVE AND FILE

Item 4A was received and filed by the Committee.

A. BUILDING ACTIVITY REPORT

5. OTHER BUSINESS

A. IEUA GENERAL MANAGER'S UPDATE

Deputy General Manager Christiana Daisy/IEUA stated that International Compost Awareness Week (ICAW) will be held from May 5-11, 2024, and is the largest and most comprehensive education initiative of the compost industry. It is celebrated nationwide and in other countries annually during the first full week of May. The goal of ICAW is to work together to raise public awareness on why we all should be composting organics and using compost to create healthier soil.

The Agency will be conducting a community compost giveaway in the parking lot of the Chino Headquarters on Wednesday, May 8 from 9:00 a.m. to 2:00 p.m. IERCA staff will be onsite to load SoilPro Compost bags into vehicles and answer any questions from the public.

DGM Daisy stated that staff did an excellent job managing the treatment facilities during the most recent storm event. Influent flows were particularly elevated on March 30 between the hours of 1:00 p.m. and 2:00 p.m. She stated that there were no impacts to treatment, compliance, or storage capacity at the facilities and there was a 36% agency-wide influent increase. On March 29, there was an influent flow of 69% MGD agency-wide, and on March 30, there was 100 MGD influent flow agency-wide.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

Committee member Dorst-Porada requested more information regarding the Safe Drinking Water grants.

The Committee requested sources of revenue, debt service, and rates. Ms. Day stated that there will not be a debt sale until FY 2026.

C. COMMITTEE MEMBER COMMENTS

Committee member Velto/City of Upland stated he is currently working with Chaffey College to develop a water treatment certification program locally. He requested support and information for the development of the program.

D. NEXT MEETING – MAY 2, 2024

ADJOURNMENT

Chair Reed adjourned the meeting at 4:37 p.m.

Prepared by:

Jennifer Hy-Luk, Recording Secretary

ACTION ITEM

2B



Date: April 25 & May 2, 2024
To: Regional Sewerage Technical and Policy Committees
From: Inland Empire Utilities Agency
Subject: FY 2024/25 Extra Territorial Sewer Service Charges

RECOMMENDATION

It is recommended that the Regional Technical and Policy Committees (Regional Committees) review and make a recommendation to the IEUA Board of Directors (Board) to approve the proposed FY 2024/25 Extra Territorial Sewer Service Charges.

Extra Territorial Rate Resolution for FY 2024/25

Alex Lopez

Treasurer

April 2024

Regional Wastewater FY 2024/25 Proposed Extra Territorial Sewer Service Charges

Extra-Territorial charges are the equivalent of property taxes for sewer services provided outside the Agency’s Service Area, in addition to the monthly Regional Sewer Service Rate.

- a. FY 2023/24 Assessed Value: \$158,403,356,828
- b. FY 2023/24 Projected monthly EDUs: 298,119

- c. Assessed Value per EDU (a) / (b) \$531,343
- d. Annual tax obligation factor: 0.000499

- e. Annual tax per EDU (c) x (d): \$265.14

FY 2023/24 Monthly tax per EDU (e/12): \$22.10

ACCT CODE	ACCT NAME	NET VALUE BEFORE RDA	RDA INCREMENT	NET VALUE AFTER RDA	HOME OWNERS EXEMPTION	TAX ROLL VALUE
PI163 22:13:54 SAN BERNARDINO COUNTY AUDITOR-CONTROLLER PROPERTY TAX DIVISION 10/26/23 PAGE 282 AGENCY NET VALUATIONS ROLL YEAR: 2023 AGENCY: WU08 INLAND EMPIRE UTILITIES AGENCY ADDRESS: P.O. BOX 9020 CHINO HILLS, CA 917090000						

GA03 GENERAL TAX LEVY MID-VLY						
LOCAL SECURED		90,195,100,088	28,129,055,236	62,066,044,852	341,656,000	61,724,388,852
SECURED UTILITY		1,544,981	0	1,544,981	0	1,544,981
UNSECURED		5,112,432,596	2,520,666,299	2,591,766,297	0	2,591,766,297

TOTAL		95,309,077,665	30,649,721,535	64,659,356,130	341,656,000	64,317,700,130

GA04 GENERAL TAX LEVY 1969 ANNEX						
LOCAL SECURED		49,620,859	0	49,620,859	42,000	49,578,859
SECURED UTILITY		0	0	0	0	0
UNSECURED		58,608	0	58,608	0	58,608

TOTAL		49,679,467	0	49,679,467	42,000	49,637,467

GA05 GENERAL TAX LEVY IMP C						
LOCAL SECURED		150,090,561,956	49,452,213,384	100,638,348,572	640,932,881	99,997,415,691
SECURED UTILITY		5,879,612	0	5,879,612	0	5,879,612
UNSECURED		8,306,915,260	3,900,935,272	4,405,979,988	0	4,405,979,988

TOTAL		158,403,356,828	53,353,148,656	105,050,208,172	640,932,881	104,409,275,291

FY 2024 /25 Extra Territorial (ET) Rate Resolution Approval Timeline

Month	Regional Policy	IEUA Committee	IEUA Board	Regional Technical
Apr 2024	-	4/10/24 <i>Informational Item</i>	4/17/24 <i>Informational Item</i>	4/25/24 <i>Recommend to Policy</i>
May 2024	5/2/24 <i>Recommend to IEUA Board</i>	5/08/2024 <i>Adopt ET Rate Resolution</i>	5/15/2024 <i>Adopt ET Rate Resolution</i>	-

Staff's Recommendation

It is requested that the Regional Committees recommend to the IEUA Board of Directors to Adopt Resolution No. 2024-5-1, Extra Territorial Sewer Service Charges effective July 1, 2024, and rescinding Resolution No. 2023-4-4 adopted in May 2023.

Amendment to the rate resolution for FY 2024/25 is consistent with the Agency's business goal of Fiscal Responsibility in funding and appropriation.

**INFORMATION
ITEM**

3A



Date: April 25 & May 2, 2024

To: Regional Sewerage Technical and Policy Committees

From: Inland Empire Utilities Agency

Subject: Fiscal Year 2024/25 Proposed Budget for Regional Wastewater Programs

RECOMMENDATION

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

BACKGROUND

A review of the proposed FY 2024/25 budget for the Regional Wastewater programs was presented as an information item at the IEUA Board of Directors meeting on April 17, 2024.

Fiscal Year 2024/2025 Proposed Budget

On June 21, 2023, the Board of Directors approved the Agency’s Biennial Budget for fiscal years (FYs) 2023/24 and 2024/25, and the Ten-Year Capital Improvement Plan (TYCIP) for FYs 2024-2033. As part of the biennial budget cycle, a review of the second budget year is done at the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions. Summarized below is the proposed budget recommended for total Sources and Uses of funds for FY 2024/25.

**Table 1: FY 2024/25 Proposed Budget (\$Millions)
Regional Wastewater Programs**

Consolidated FY 2024/25	Adopted	Proposed	Amount
Sources of Funds	\$307.9	\$262.8	(\$45.1)
Uses of Funds	(\$300.0)	(\$262.7)	\$37.3
Increase (Decrease) in Net Position	\$7.9	\$0.1	(\$7.8)

TOTAL SOURCES OF FUNDS

The \$45.1 million decrease to Sources of Funds is due to changes in the assumptions reflecting a decrease in proceeds from federal and state loans and proposed new debt. Partially offsetting the reduction are increases in the projected property tax receipts and interest income. The distribution by major category of the proposed Sources of Funds is shown below in Table 2.

**Table 2: FY 2024/25 Proposed to Sources of Funds (\$Millions)
Regional Wastewater Programs**

Sources of Funds	Adopted	Proposed	Amount
User Charges	\$88.5	\$88.5	\$0.0
Property Tax	70.7	72.2	1.5
Connection Fees	25.9	25.9	0.0
Federal and State Loans	35.5	13.4	(22.1)
Debt Proceeds	74.2	47.8	(26.4)
Cost Reimbursements	4.9	4.9	0.0
*Other Sources	8.2	10.1	1.9
Total	\$307.9	\$262.8	(\$45.1)

**Other Sources includes inter-fund loan receipts, capital contract cost reimbursements, interest income, and miscellaneous revenue.*

Property Tax: The projected \$1.5 million increase for property tax receipts can be attributed to projected growth assumptions. Property taxes continue to be a key funding source in support of the Agency’s debt service, pay-go portion of expansion and other projects to maintain compliance due to changing regulatory and safety requirements. No change to the allocation criteria for property taxes received by the Agency as adopted in the biennial budget for FYs 2023/24 and 2024/25. Property tax allocation by fund is reflected in Table 3 below.

Table 3: Property Tax Allocation

Fund	FY 2024/25
Regional Wastewater Capital	65.0%
Regional Wastewater Operations	23.0%
Recycled Water	4.0%
Administrative Services	4.5%
Water Resources	3.5%
Total	100.0%

Federal and State Loans: The decrease of \$48.5 million in federal and state loan reimbursements and projected new debt is primarily due to updated capital projections. Lower expenditures in the current fiscal year and changes to project timelines for projects such as the RP-1 Solids Thickening Building and Acid Phase Digester have contributed to the delay in loan reimbursements. Projected new debt issuance for several regional wastewater projects such as the RP-4 Process Improvements Phase II and RP-1 Intermediate Pump Station Electrical Improvement projects have been delayed until FY 2025/26.

Other Sources: The increase of \$1.9 million for interest income revenue is due to higher projected earnings yields on unrestricted reserve balances.

TOTAL USES OF FUNDS

The proposed amended budget for Uses of Funds is \$262.7 million, a reduction of \$37.3 million compared to the FY 2024/25 adopted budget of \$300.0 million. The reduction is primarily due to a decrease in capital project expenditure. The table below provides a summary by category of total Uses of Funds.

**Table 4: FY 2024/25 Proposed Uses of Funds (\$Millions)
Regional Wastewater Programs**

Uses of Funds	Adopted	Proposed	Amount
Capital Projects	\$175.5	\$131.0	(\$44.5)
Operations & Administration	105.0	108.6	3.6
Debt Service	9.4	9.4	0.0
Inter-Fund Transfers	10.1	13.7	3.6
Total	\$300.0	\$262.7	(\$37.3)

Capital Projects: The decrease is primarily due to changes in project scope and project execution timelines. Changes to the forecasted capital project costs are reflected in the Ten-Year Sewer Capital Forecast (TYSCF) FY 2024/25 report.

Operations & Administration: The increase in expenses for operations & administration is primarily due to inflationary cost increases for chemicals, energy, other operating fees, and increase in non-capital project costs as reflected in the TYSCF FY 2024/25 report.

Inter-fund Transfers: The increase is due to additional capital support required in the Administrative Services fund.

Adopted FY 2024/25 Rates

There is no change to the adopted Regional Wastewater rates for FY 2024/25. The rates and fees were adopted by the Board on April 19, 2023.

Table 5: Adopted Rate and Fees

Fund	FY 2020/21*	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Wastewater Connection Fees (EDU)	\$6,955	\$7,379	\$7,600	\$8,132	\$8,620
Monthly Sewer (EDU)	\$20.00	\$21.22	\$21.86	\$23.39	\$24.79

*On May 6, 2020, the Board approved deferring rate increases and maintain the rates unchanged for FY 2020/21.

Conclusion

In summary, the proposed FY 2024/25 budget reflects changes in funding assumptions and operational needs, resulting in a slight increase of \$0.1 million in the net position for the Regional Wastewater programs. The change in net position, as compared to the adopted FY 2024/25 budget, can be attributed to reductions in capital project expenditures and related Federal and State loan proceeds.

The proposed budget aligns with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices* to optimize investment earnings. This strategic approach ensures the continued financial stability and effectiveness of the Agency's programs in the coming fiscal years.



Date: April 17, 2024

To: The Honorable Board of Directors

From: Shivaji Deshmukh, General Manager

Committee: Finance & Administration

Staff Contact: Kristine Day, Assistant General Manager

Subject: Fiscal Year 2024/25 Proposed Budget Amendment for Regional Wastewater Programs
(Written/PowerPoint) (Finance & Admin)

Executive Summary:

On June 21, 2023, the Board of Directors approved the Agency’s Biennial Budget for fiscal years (FYs) 2023/24 and 2024/25 and the Ten-Year Capital Improvement Plan (TYCIP) for FYs 2024-2033. As part of the biennial budget cycle, a review of the second budget year is done prior to the end of the first year to determine whether any adjustments are needed to meet changes in assumptions or conditions.

For the Regional Wastewater programs, the Agency is projecting a reduction in spending of \$37.3 million compared to the FY 2024/25 adopted budget. The decrease is primarily due to changes in capital project costs in the Ten-Year Capital Improvement Plan. Offsetting the decrease in capital expense is an increase for chemical and energy costs, a result of current inflationary trends. Also projected is a reduction in sources of funds of \$45.1 million. The projected decrease of proceeds from federal and state loans is a result of the reduction of capital expenditures. If revenues and expenses occur as planned in the FY 2024/25 amended budget, it is estimated that combined fund reserves for these funds will increase by \$0.1 million.

The proposed amended budget will be presented to the Regional Committees in April/May.

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

Regional Sewerage *Technical Committee (Y/N): Y Technical Meeting*

Date: 04/25/2024

Policy Committee (Y/N): Y Policy Meeting Date: 05/02/2024

Prior Board Action:

On June 21, 2023, the Board of Directors approved the Agency's biennial budget for FYs 2023/24 and 2024/25.

Environmental Determination:

Not Applicable

Attachments:

Attachment 1 - [Background](#)

Attachment 2 - [PowerPoint](#)

Background

Subject: Fiscal Year 2024/25 Proposed Budget Amendment for the Regional Wastewater Program

Fiscal Year 2024/2025 Proposed Budget Amendments

On June 21, 2023, the Board of Directors approved the Agency’s Biennial Budget for fiscal years (FYs) 2023/24 and 2024/25, and the Ten-Year Capital Improvement Plan (TYCIP) for FYs 2024-2033. As part of the biennial budget cycle, a review of the second budget year is done at the end of the first year to determine whether any adjustments are needed to meet changes in certain assumptions or conditions. Summarized below are the proposed amendments recommended for total Sources and Uses of funds for FY 2024/25.

**Table 1: FY 2024/25 Proposed Budget Amendments (\$Millions)
Regional Wastewater Programs**

Consolidated FY 2024/25	Adopted	Proposed	Amendment Amount
Sources of Funds	\$307.9	\$262.8	(\$45.1)
Uses of Funds	(\$300.0)	(\$262.7)	\$37.3
Increase (Decrease) in Net Position	\$7.9	\$0.1	(\$7.8)

TOTAL SOURCES OF FUNDS

The \$45.1 million decrease to Sources of Funds is due to changes in the assumptions reflecting a decrease in proceeds from federal and state loans and proposed new debt. Partially offsetting the reduction are increases in the projected property tax receipts and interest income. The distribution by major category of the proposed Sources of Funds is shown below in Table 2.

**Table 2: FY 2024/25 Proposed Amendment to Sources of Funds (\$Millions)
Regional Wastewater Programs**

Sources of Funds	Adopted	Proposed	Amendment Amount
User Charges	\$88.5	\$88.5	\$0.0
Property Tax	70.7	72.2	1.5
Connection Fees	25.9	25.9	0.0
Federal and State Loans	35.5	13.4	(22.1)
Debt Proceeds	74.2	47.8	(26.4)
Cost Reimbursements	4.9	4.9	0.0
*Other Sources	8.2	10.1	1.9
Total	\$307.9	\$262.8	(\$45.1)

*Other Sources includes inter-fund loan receipts, capital contract cost reimbursements, interest income, and miscellaneous revenue.

Property Tax: The projected \$1.5 million increase for property tax receipts can be attributed to projected growth assumptions. Property taxes continue to be a key funding source in support of the Agency’s debt service, pay-go portion of expansion and other projects to maintain compliance due to changing regulatory and safety requirements. No change to the allocation criteria for property taxes received by the Agency as adopted in the biennial budget for FYs 2023/24 and 2024/25. Property tax allocation by fund is reflected in Table 3 below.

Table 3: Property Tax Allocation

Fund	FY 2024/25
Regional Wastewater Capital	65.0%
Regional Wastewater Operations	23.0%
Recycled Water	4.0%
Administrative Services	4.5%
Water Resources	3.5%
Total	100.0%

Federal and State Loans: The decrease of \$48.5 million in federal and state loan reimbursements and projected new debt is primarily due to updated capital projections. Lower expenditures in the current fiscal year and changes to project timelines for projects such as the RP-1 Solids Thickening Building and Acid Phase Digester have contributed to the delay in loan reimbursements. Projected new debt issuance for several regional wastewater projects such as the RP-4 Process Improvements Phase II and RP-1 Intermediate Pump Station Electrical Improvement projects have been delayed until FY 2025/26.

Other Sources: The increase of \$1.9 million for interest income revenue is due to higher projected earnings yields on unrestricted reserve balances.

TOTAL USES OF FUNDS

The proposed amended budget for Uses of Funds is \$262.7 million, a reduction of \$37.3 million compared to the FY 2024/25 adopted budget of \$300.0 million. The reduction is primarily due to a decrease in capital project expenditure. The table below provides a summary by category of total Uses of Funds.

**Table 4: FY 2024/25 Proposed Amendments to Uses of Funds (\$Millions)
Regional Wastewater Programs**

Uses of Funds	Adopted	Proposed	Amendment Amount
Capital Projects	\$175.5	\$131.0	(\$44.5)
Operations & Administration	105.0	108.6	3.6
Debt Service	9.4	9.4	0.0

Inter-Fund Transfers	10.1	13.7	3.6
Total	\$300.0	\$262.7	(\$37.3)

Capital Projects: The decrease is primarily due to changes in project scope and project execution timelines. Changes to the forecasted capital project costs are reflected in the Ten-Year Sewer Capital Forecast (TYSCF) FY 2024/25 report.

Operations & Administration: The increased in expenses for operations & administration is primarily due to inflationary cost increases for chemicals, energy, other operating fees, and increase in non-capital project costs as reflected in the TYSCF FY 2024/25 report.

Inter-fund Transfers: The increase is due to additional capital support required in the Administrative Services fund.

Adopted FY 2024/25 Rates

There is no change to the adopted Regional Wastewater rates for FY 2024/25. The rates and fees were adopted by the Board on April 19, 2023.

Table 5: Adopted Rate and Fees

Fund	FY 2020/21*	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Wastewater Connection Fees (EDU)	\$6,955	\$7,379	\$7,600	\$8,132	\$8,620
Monthly Sewer (EDU)	\$20.00	\$21.22	\$21.86	\$23.39	\$24.79

*On May 6, 2020, the Board approved deferring rate increases and maintain the rates unchanged for FY 2020/21.

Conclusion

In summary, the proposed FY 2024/25 budget amendment reflects changes in funding assumptions and operational needs, resulting in a slight increase of \$0.1 million in the net position for the Regional Wastewater programs. The change in net position, as compared to the adopted FY 2024/25 budget, can be attributed to reductions in capital project expenditures and related Federal and State loan proceeds.

The proposed amendment aligns with the IEUA Business Goals of *Fiscal Responsibility, Water Reliability, Wastewater Management, Environmental Stewardship, and Business Practices* to optimize investment earnings. This strategic approach ensures the continued financial stability and effectiveness of the Agency's programs in the coming fiscal years.

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


	2022/2023	2023/24	2023/24	2024/25	2024/25
	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ADOPTED BUDGET	AMENDED MID YEAR
REVENUES					
Interest Revenue	\$3,041	\$1,206	\$1,206	\$1,218	\$3,145
TOTAL REVENUES	\$3,041	\$1,206	\$1,206	\$1,218	\$3,145
OTHER FINANCING SOURCES					
Property Tax - Debt and Capital	\$51,587	\$51,373	\$51,373	\$52,195	\$53,348
Regional System Connection Fees	26,544	24,396	24,396	25,859	25,859
Debt Proceeds	0	25,500	25,500	45,764	47,764
State Loans	55,742	60,000	60,000	35,500	13,451
Other Revenues	78	1	1	1	1
Inter Fund Loan	2,000	6,000	6,000	5,500	5,500
TOTAL OTHER FINANCING SOURCES	\$136,008	\$167,270	\$167,270	\$164,819	\$145,923
EXPENSES					
Employment Expenses	\$3,714	\$4,769	\$4,769	\$5,186	\$5,186
Contract Work/Special Projects	188	136	136	16	340
Operating Fees	283	274	274	282	282
Professional Fees and Services	661	1,156	1,181	1,166	656
Other Expenses	1,361	2,362	2,362	2,426	2,426
TOTAL EXPENSES	\$6,208	\$8,698	\$8,723	\$9,075	\$8,890
CAPITAL PROGRAM					
Work In Progress	\$107,171	\$112,394	\$112,394	\$130,021	\$92,204
IERCA investment	800	750	750	250	250
TOTAL CAPITAL PROGRAM	\$107,971	\$113,144	\$113,144	\$130,271	\$92,454
DEBT SERVICE					
Financial Expenses	\$6	\$17	\$13	\$17	\$11
Interest	3,014	1,965	1,965	2,781	2,781
Principal	4,672	4,988	4,988	5,150	5,150
TOTAL DEBT SERVICE	\$17,842	\$6,970	\$6,966	\$7,948	\$7,942
TRANSFERS IN (OUT)					
Capital Contribution	\$990	\$2,513	\$870	\$779	(\$2,833)
Debt Service	(3,211)	(3,317)	(3,317)	(3,266)	(3,367)
Capital - Connection Fees Allocation	(2,406)	(5,074)	(5,074)	(5,280)	(8,521)
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$4,627)	(\$5,878)	(\$7,521)	(\$7,767)	(\$14,721)
FUND BALANCE					
Net Increase (Decrease)	\$2,402	\$33,785	\$32,122	\$10,975	\$25,060
Beginning Fund Balance July 01	264,255	244,503	148,235	278,288	180,357
ENDING FUND BALANCE AT JUNE 30*	\$266,656	\$278,288	\$180,357	\$289,263	\$205,417
RESERVE BALANCE SUMMARY					
Operating Contingency	\$2,069	\$2,899	\$2,908	\$3,025	\$2,963
Capital Construction	146,586	222,213	49,030	210,431	131,646
CCRA Capital Construction	107,714	41,962	117,110	57,822	52,822
Debt Service & Redemption	10,287	11,214	11,309	17,985	17,985
ENDING BALANCE AT JUNE 30	\$266,656	\$278,288	\$180,357	\$289,263	\$205,417

*Numbers may not tie due to rounding

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2024/25 MID YEAR BUDGET
REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2022/23	2023/24	2023/2024	2024/25	2024/25
	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ADOPTED BUDGET	AMENDED MID YEAR
REVENUES					
User Charges	\$78,855	\$83,142	\$83,142	\$88,529	\$88,529
Cost Reimbursement JPA	3,827	4,733	4,733	4,875	4,875
Contract Cost Reimbursement	21	206	206	5	5
Interest Revenue	2,214	1,400	1,400	1,400	1,400
TOTAL REVENUES	\$84,918	\$89,481	\$89,481	\$94,809	\$94,809
OTHER FINANCING SOURCES					
Property Tax Revenues - Debt/Capital/Reserves	\$18,188	\$18,178	\$18,178	\$18,469	\$18,877
State Loans	0	17,300	0	28,500	0
Other Revenues	223	80	80	80	80
TOTAL OTHER FINANCING SOURCES	\$18,411	\$35,558	\$18,258	\$47,049	\$18,957
EXPENSES					
Employment Expenses	\$36,373	\$42,349	\$42,349	\$46,055	\$46,055
Contract Work/Special Projects	3,956	6,793	12,651	5,235	6,231
Utilities	8,079	10,079	9,999	11,759	11,837
Operating Fees	2,332	2,654	2,654	2,848	3,504
Chemicals	8,757	9,681	9,681	10,975	12,294
Professional Fees and Services	3,446	3,859	4,643	3,972	4,491
Office and Administrative expenses	23	0	0	0	0
Biosolids Recycling	4,575	5,450	5,450	5,712	5,811
Materials & Supplies	2,402	2,590	2,490	2,704	2,823
Other Expenses	3,815	6,498	6,517	6,665	6,665
TOTAL EXPENSES	\$73,759	\$89,952	\$96,434	\$95,925	\$99,711
CAPITAL PROGRAM					
Capital Construction & Expansion (WIP)	\$8,169	\$33,566	\$34,467	\$45,247	\$38,513
TOTAL CAPITAL PROGRAM	\$8,169	\$33,566	\$34,467	\$45,247	\$38,513
DEBT SERVICE					
Interest	\$563	\$573	\$573	\$548	\$548
Principal	849	849	849	874	874
TOTAL DEBT SERVICE	\$1,412	\$1,422	\$1,422	\$1,422	\$1,422
TRANSFERS IN (OUT)					
Capital Contribution	(\$3,030)	(\$4,500)	(\$4,495)	(\$5,100)	(\$2,695)
Debt Service	114	114	114	114	114
Operation support	(197)	(528)	(708)	(400)	(848)
Capital - Connection Fees Allocation	1,088	2,865	2,865	2,997	4,389
TOTAL INTERFUND TRANSFERS IN (OUT)	(\$2,024)	(\$2,049)	(\$2,224)	(\$2,389)	\$961
FUND BALANCE					
Net Increase (Decrease)	\$17,964	(\$1,951)	(\$26,808)	(\$3,125)	(\$24,919)
Beginning Fund Balance July 01	92,273	95,612	110,237	93,661	83,429
ENDING FUND BALANCE AT JUNE 30	\$110,237	\$93,661	\$83,429	\$90,536	\$58,510
RESERVE BALANCE SUMMARY					
Operating Contingencies	\$23,311	\$28,407	\$30,567	\$30,350	\$31,612
Rehabilitation/Replacement	49,099	27,418	15,025	20,614	(0)
Debt Service	1,412	1,422	1,422	3,157	3,157
Sinking Fund	36,415	36,415	36,415	36,415	23,741
ENDING BALANCE AT JUNE 30	\$110,237	\$93,661	\$83,429	\$90,536	\$58,510

* Numbers may not tie due to rounding



FY 2024/25 Proposed Budget Amendments Regional Wastewater Programs

Alexander Lopez

Treasurer

April 2024

FY2024/25 Regional Wastewater Mid-Year Budget Amendment Assumptions

Sources of funds:

- No changes in adopted rate and fees for FY 2024/25
- Upward adjustment of property tax receipts
- Decrease in federal and state loan proceeds, consistent with the Ten-Year Sewer Capital Forecast (TYSCF) changes

Fund	Wastewater Operations	Wastewater Capital
As of July, 1	Monthly Sewer (EDU)	Wastewater Connection Fee (EDU)
FY 2023/24	\$23.39	\$8,132
FY 2024/25	\$24.79	\$8,620

Uses of funds:

- Reduction in the proposed TYSCF for FY 2024/25
 - *Changes in Project Scope and Project Execution Timelines*
- Inflationary price increases on chemicals, energy, and other operating costs



Summary: Regional Wastewater Programs

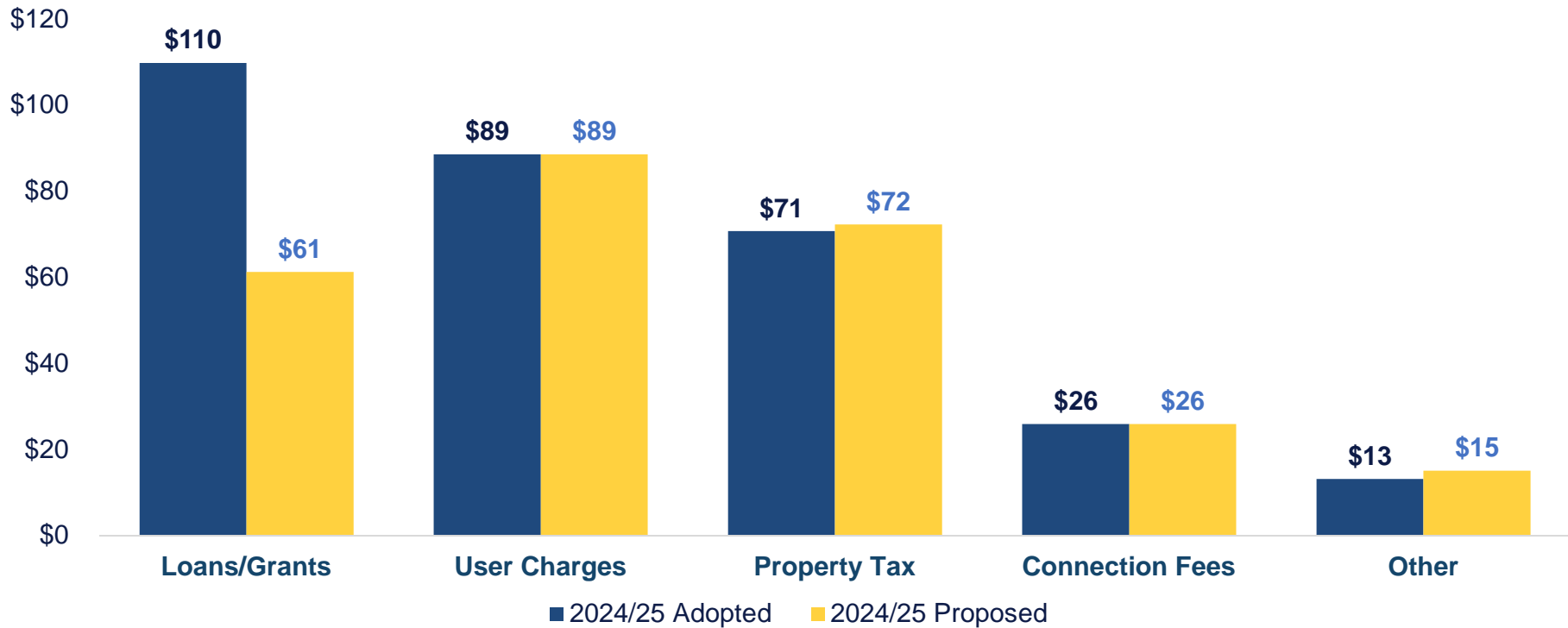
- \$45.1 million decrease in Sources of Funds from federal loans, state loans, and new debt related to capital projections
- \$37.3 million decrease in Uses of Funds primarily due to lower capital project expenditure

\$ Millions	FY 2024/25 Adopted	FY 2024/25 Proposed	Amendments
Total Sources of Funds	\$307.9	\$262.8	(\$45.1)
Total Uses of Funds	(\$300.0)	(\$262.7)	\$37.3
Increase (decrease) net position	\$7.9	\$0.1	(\$7.8)

Regional Wastewater SOURCES OF FUNDS



\$ Millions	FY 2024/25 Adopted	FY 2024/25 Proposed	Amendments
Total Sources of Funds	\$307.9	\$262.8	(\$45.1)

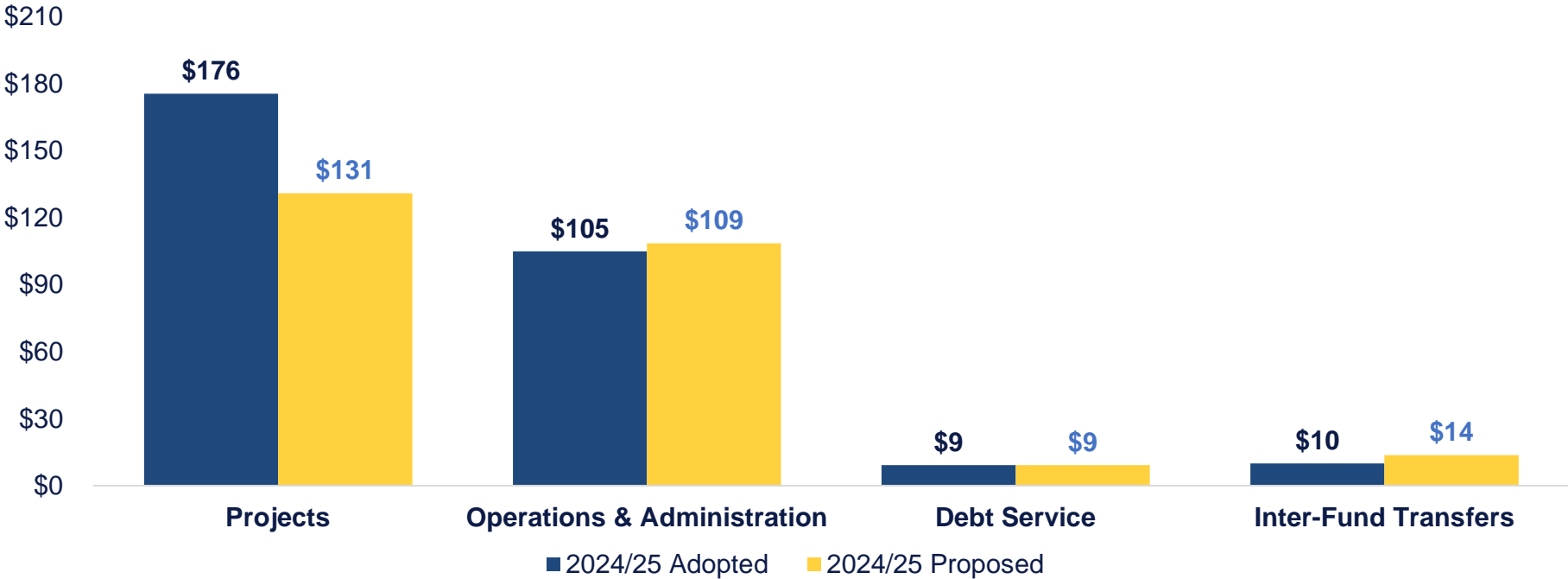


Numbers may not tie due to rounding

Regional Wastewater USES OF FUNDS



\$ Millions	FY 2024/25 Adopted	FY 2024/25 Proposed	Amendments
Total Uses of Funds	\$300.0	\$262.7	(\$37.3)



Numbers may not tie due to rounding

Mid Year Budget Review and Approval Timeline



Month	Budget Item	Regional Policy	IEUA Committee	IEUA Board	Regional Technical
April 2024	FY 2024/25 Regional Wastewater Program Budget Update <i>Information Item*</i>	-	*4/10/24	*4/17/24	*4/25/24
May 2024	FY 2024/25 Regional Wastewater Program Budget Update <i>Recommendation**</i>	*5/02/24	-	-	**5/30/24
June 2024	Adoption of FY 2024/25 Regional Wastewater Program Budgets and TYCIP	**6/6/24	6/12/24	6/19/24	-

**INFORMATION
ITEM**

3B

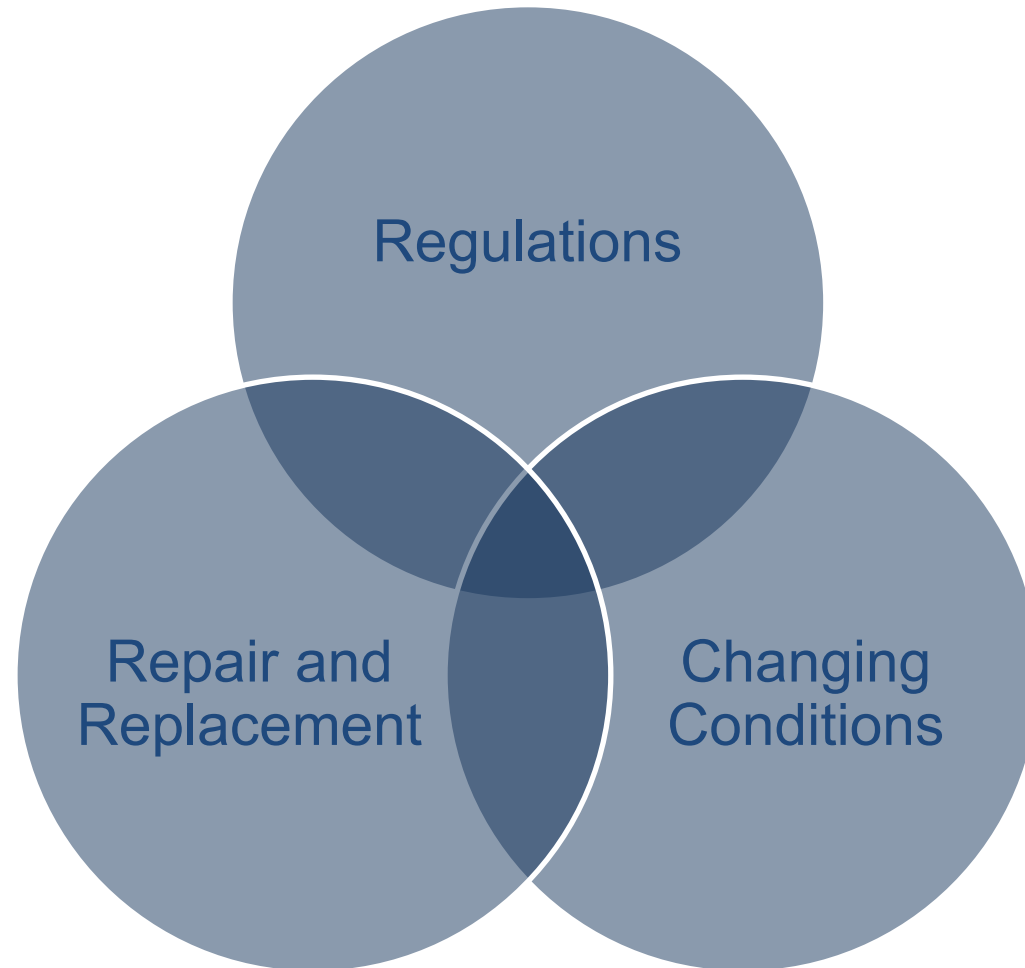
Ten-Year Sewer Capital Forecast FY 2024/25 - FY 2033/34

Travis Sprague, P.E.

Manager of Asset Management

April/May 2024

Capital Improvement Project Drivers

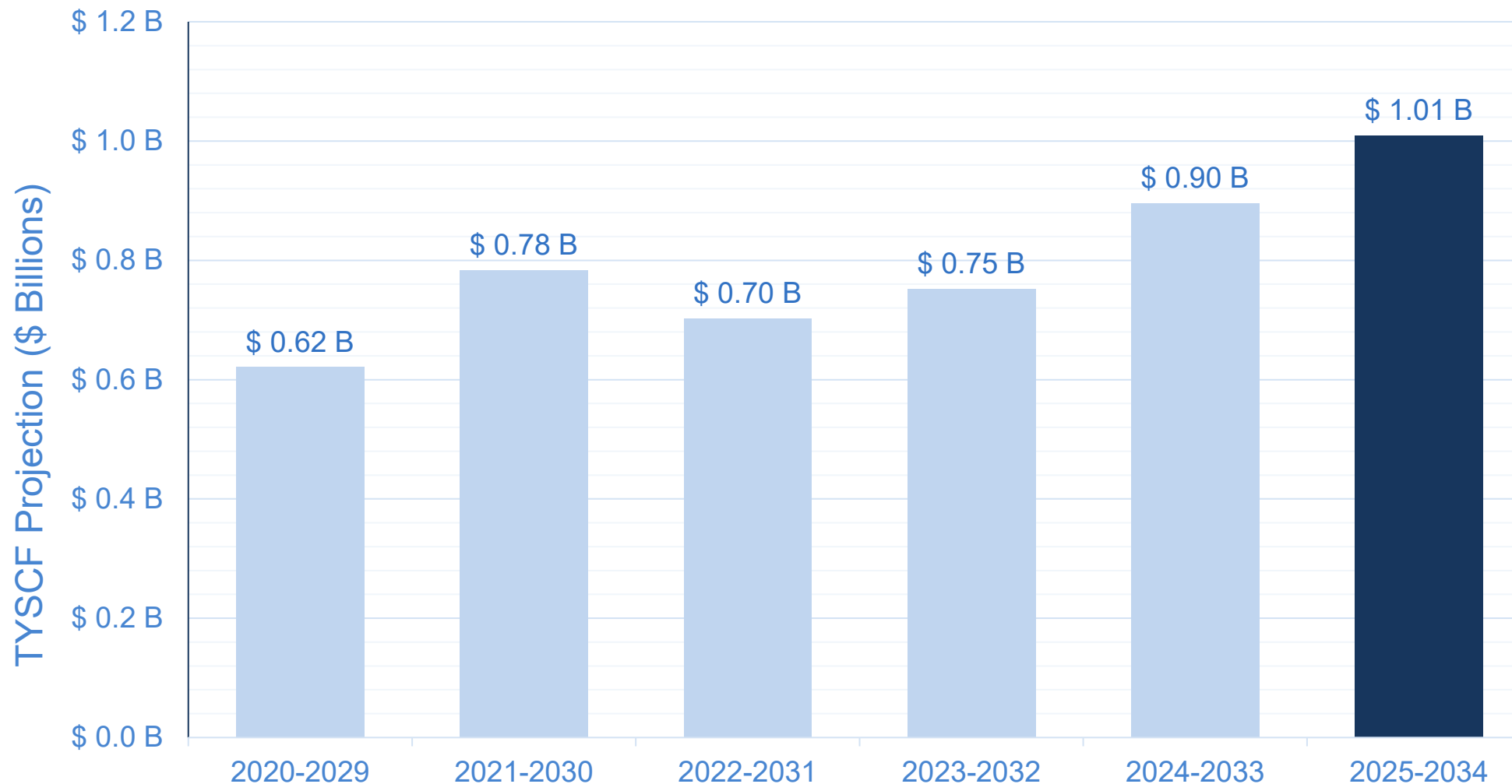


Ten-Year Sewer Capital Forecast (TYSCF)

- Ensures compliance with Regional Sewage Service Contract and Ordinance No. 114
- Planning document that lists capital projects planned over the next 10 years
 - Regional Wastewater Capital Improvement
 - Regional Wastewater Operations and Maintenance
- Contains supplemental wastewater information
- A subset of the Ten-Year Capital Improvement Program



Historical Capital Improvement Trend

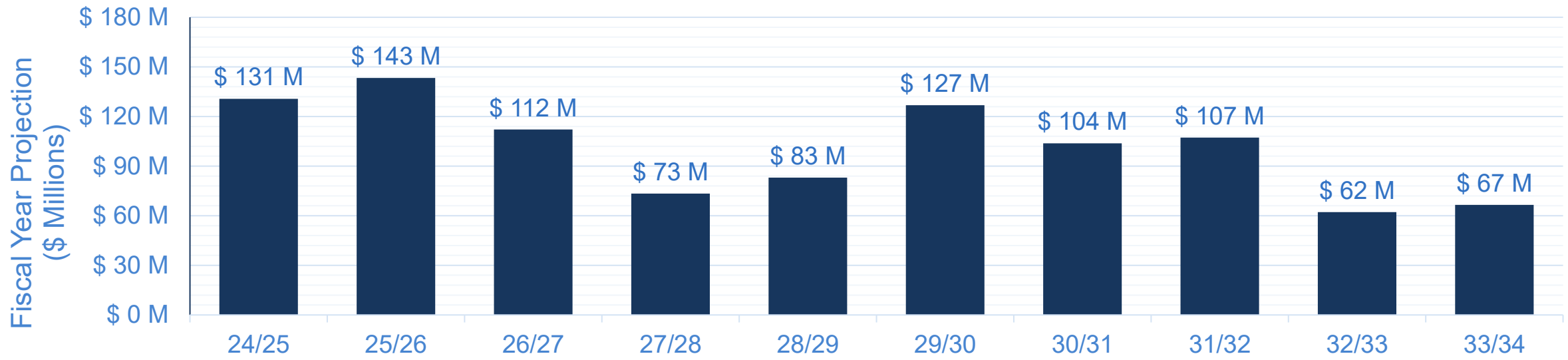
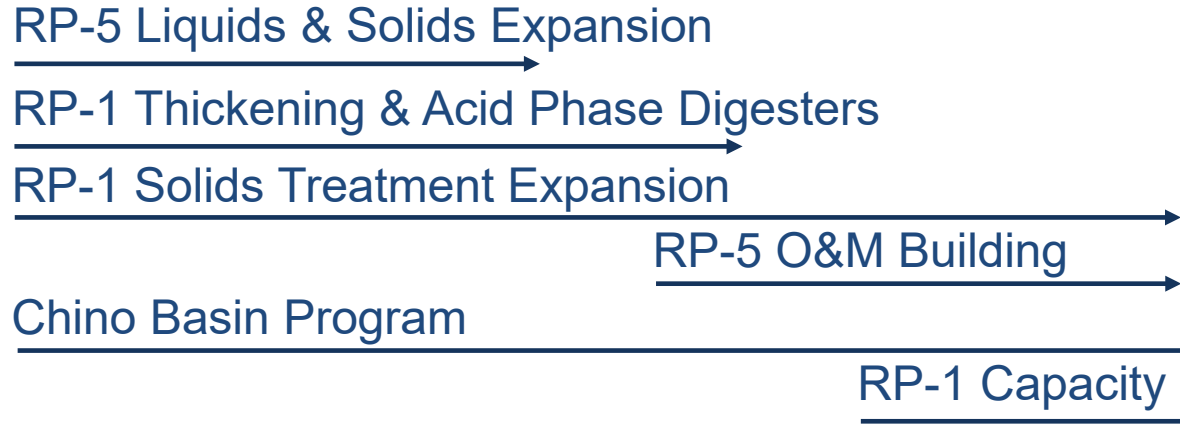


Ten-Year Sewer Capital Forecast

Fiscal Year 2024/25 through Fiscal Year 2033/34
(Total \$1.01 Billion)



Ten-Year Sewer Capital Forecast



Ten-Year Sewer Capital Forecast

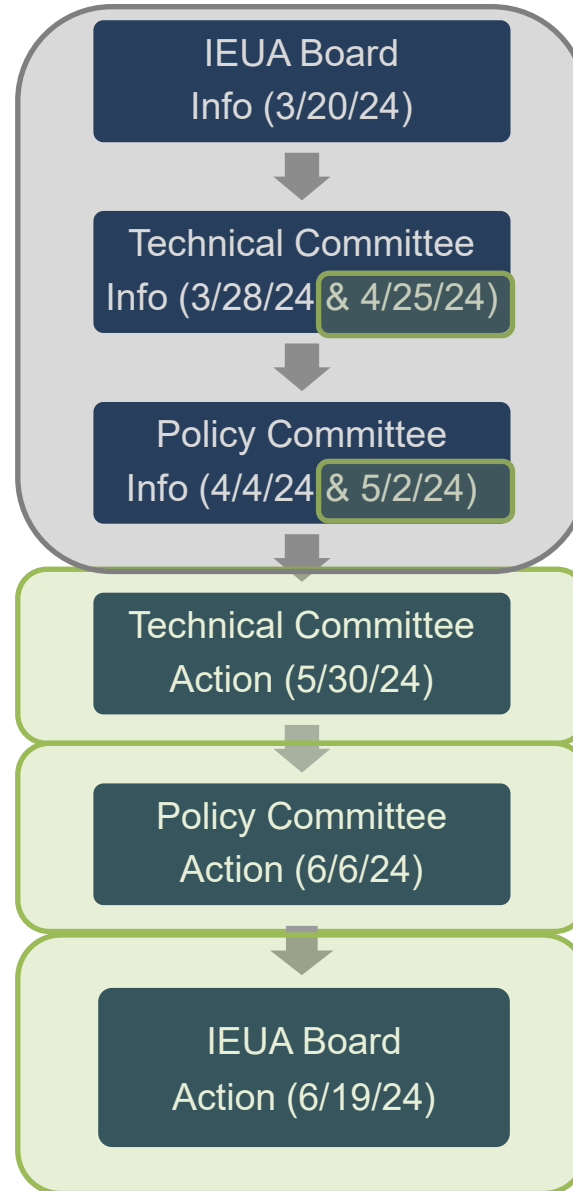
	Fiscal Year Projection (Millions of Dollars, \$)											
	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Total TYSCF	
Advanced Water Purification Facility Early Design - Compliance for Wastewater				12	20	63	65	63				223
	5	14	12	15								45
Chino Basin Program*	5	14	12	27	20	63	65	63				268
RP-1 Thickening & Acid Phase Digesters	20	65	55	6								146
RP-1 Liquid Treatment Capacity Recovery					3	12	15	15	35	50		130
RP-5 Expansion Project	50	9	4									63
RP-5 O&M Building				3	20	20	5					48
RP-1 Solids Treatment Expansion	1	4	4	10	20	8						47
All Other Capital Improvement Projects**	55	51	37	27	20	24	19	29	27	17		306
Fiscal Year Projection Total	131	143	112	73	83	127	104	107	62	67		1,009

*Chino Basin Program summarizes a portion of PUT Facilities only; TAKE Facilities not included.

**Total of 85 projects; individual total project budgets less than \$45 million

Schedule

TYSCF



Questions?

**RECEIVE AND
FILE**

4A

Building Activity Report - YTD Fiscal Year 2023/24



Legend

- Service Area
- Unincorporated

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

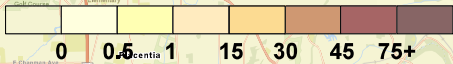
Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

- <=1.0
- 1.0 - 10.0
- >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected Total (EDUs)
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)		
Chino	95	0	151	246	404
Chino Hills	6	0	0	6	356
CVWD	74	0	3	77	2000
Fontana	30	0	646	676	1186
Montclair	11	0	0	11	338
Ontario	177	2	421	600	3382
Upland	6	0	32	38	112
Total	400	2	1253	1655	7778

