



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Annual Comprehensive Financial Report

FISCAL YEAR
ENDED JUNE 30,
2024

Chino, CA





Montclair Basins



Annual Comprehensive Financial Report

**FISCAL YEAR ENDED
JUNE 30, 2024**

Prepared by
the Finance department

Acknowledgments

Special thanks to the IEUA employees who contributed photographs, articles and their expertise for this Annual Comprehensive Financial Report.

Agency Vision

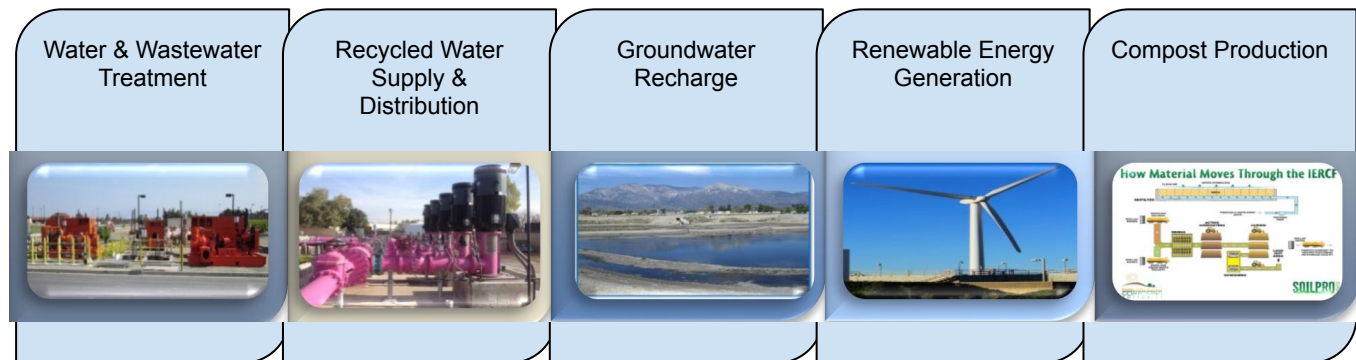
Inland Empire Utilities Agency will strive to become a world class leader in water management and environmental stewardship, including water quality, water-use efficiency, recycled water, and renewable energy, in order to enhance and preserve the quality of life throughout the region.

Agency Mission

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.

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.



Agency Values

Leading the way. Planning for the future. Protecting the resources of the communities we serve.

The 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.



TABLE OF CONTENTS

INTRODUCTORY

Letter of Transmittal	I
Certificate of Achievement for Excellence in Financial Reporting (COA) – GFOA	XXII
Organizational Chart	XXIII
Principal Officials	XXIV
Strive to Achieve Recognition Program	XXV
Employee of the Year	XXVI

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis (MD&A) (Required Supplementary Information)	4
Basic Financial Statements	21
Statement of Net Position	22
Statement of Revenues, Expenses, and Changes in Net Position	25
Statement of Cash Flows	26
Notes to Basic Financial Statements	31
Required Supplementary Information	78
CalPERS Miscellaneous Pension Plan Schedule of Contributions	78
Schedule of Changes in Net Pension Liability and Related Ratios	80
CalPERS Retiree Healthcare Plan Schedule of Contributions	82
Schedule of Changes in Net Other Postemployment Benefit (OPEB) Liability and Related Ratios	83
Supplementary Information	84
Combining Statement of Net Position – Non-Major Enterprise Funds	85
Combining Statement of Revenues, Expenses, and Changes in Net Position – Non-Major Enterprise Funds	87
Combining Statement of Cash Flows – Non-Major Enterprise Funds	88

STATISTICAL SECTION

Index of Statistical Section Schedules	93
Financial Trends	
Wastewater Revenue Program – Combined Statement of Revenues, Expenses, and Changes in Net Position	90
Combined Schedules of Revenues, Expenses, and Changes in Net Position – All Funds	92
Revenue Capacity	
Wastewater Capital Connection Deposits Held	95
Wastewater Revenue Funds' Capital Requirements	97
Regional Wastewater Funds – Service Charge Revenue and Rates by Contracting Agency	105
Debt Capacity	
Wastewater Revenue Funds' Coverage Ratio – with Ten Year Comparison	106
Wastewater Revenue Funds' Debt Coverage Ratio	108
Continuing Disclosure Compliance Report	110
Computation of Direct and Overlapping Bonded Debt	112
Operating Information	
Operating Indicators – Wastewater Facilities Design Capacity and Average Flow	114
Operating Indicators – Actual Wastewater Flow	115
Operating Indicators – Projected Wastewater Flow	116
Operating Indicators – Pipeline Systems by Program	117
Operating Indicators – FY 2023/24 Staffing Allocations	118
Operating Indicators – Budgeted Positions versus Staffing Actuals	119
Demographic and Economic Information	
Population and Personal Income Statistics with Ten Year Comparison	120
Area's Largest Public and Private Employers	122
Appropriation Limits	123





Introductory Section





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December 19, 2024
Inland Empire Utilities Agency
Chino, California

To the President of the Board of Directors, Members of the Board, Member Agencies, and Citizens of the Inland Empire Utilities Agency:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Inland Empire Utilities Agency (the Agency) for the fiscal year ended June 30, 2024. State law and local ordinances require the Agency to annually publish a comprehensive report of its financial condition and activities in compliance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board and audited in accordance with general accepted auditing standards in the United States of America by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the Agency. Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

Baker Tilly US, LLP (Baker Tilly), an independent public accounting firm, has issued an unmodified opinion on the Agency's financial statements for the fiscal year ended June 30, 2024. The independent auditors' report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the independent auditors' report.

Water Smart - Thinking in Terms of Tomorrow

Marco Tule
President

Jasmin A. Hall
Vice President

Steven J. Elie
Secretary/Treasurer

Michael Camacho
Director

Paul Hofer
Director

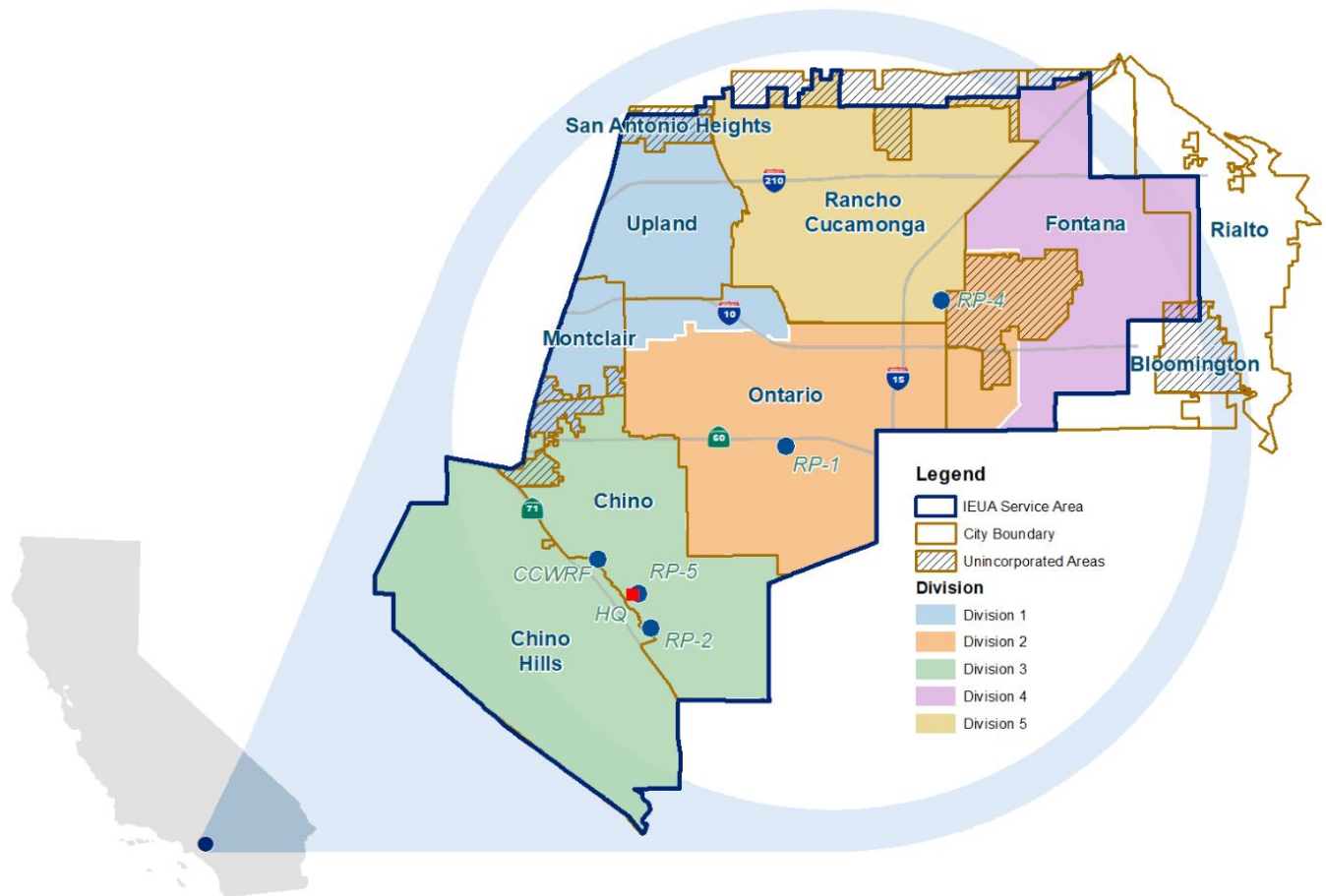
Shivaji Deshmukh
General Manager

Inland Empire Utilities Agency Profile

Up to the Present

The Agency was established by a majority vote in a special election on June 6, 1950 to bring supplemental imported water to a semi-arid region, and to meet domestic and agricultural needs for an original population of approximately 80,000 people. Until July 1, 1998, the Agency was known as Chino Basin Municipal Water District, named after the underlying Chino groundwater basin, and was organized as a California municipal corporation and a political subdivision of the State under the Municipal Water District Act of 1911. Once formed, in 1951 the Agency's electorate voted to annex to the Metropolitan Water District of Southern California. The original service area was 91.8 square miles. Land was added to the Agency through three subsequent annexations, bringing the Agency service area to its current total of 242 square miles. This service area includes the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Rancho Cucamonga, and Upland. From the west, the Agency extends from the Los Angeles County line to a point near the eastern boundary of the City of Fontana; and, from the north, it extends from the base of the San Gabriel Mountains to south of the Riverside County line and then southwest to the Orange County line.

IEUA Board of Directors Boundaries



Board of Directors

The Agency is governed by a five-member Board of Directors who are elected to staggered four-year terms by registered voters within their divisions. The Board of Directors as of June 30, 2024 are as follows:

Marco Tule, President, representing District 1

Jasmin A. Hall, Vice President, representing District 4

Steven J. Elie, Secretary/Treasurer, representing District 3

Michael Camacho, Director, representing District 5

Paul Hofer, Director, representing District 2

The Board of Directors set overall policies which are then implemented under the direction of the General Manager. The Agency budgeted 341 active full-time employees in FY 2023/24 under the administrative direction of appointed General Manager Shivaji Deshmukh and management staff.

Regularly scheduled Board meetings are held virtually and at the Agency headquarters on the 1st and 3rd Wednesday of the month. The Agency's headquarters are located at 6075 Kimball Ave., Chino, CA 91708.

Water Resources

The mission of the Agency was originally to distribute water imported from the Colorado River. Soon thereafter, that role expanded to include the distribution of water imported to Southern California through the State Water Project (SWP). In April 1984, due to high concentrations of total dissolved solids (TDS), otherwise known as high salt concentration, the Agency significantly reduced the importation of the Colorado River water. The final delivery from the Colorado River was received in April 1994. Since then, all MWD imported water is untreated water delivered through the SWP and accounts for approximately one fourth of the water used in the region.

For over 74 years, the Agency has been a leader in water supply planning and programs to protect the region's vital water supplies. As a wholesale provider of imported water, the Agency utilizes multiple wholesale sources of water, including imported water from MWD, and groundwater recharge from local recycled water produced in the Agency's water recycling treatment facilities. The Agency provides wholesale imported water to seven retail agencies: the cities of Chino, Chino Hills, Ontario, Upland, Cucamonga Valley Water District in the city of Rancho Cucamonga, Fontana Water Company in the city of Fontana, and Monte Vista Water District in the city of Montclair. In addition to wholesale supplies, local retail water agencies include sources of supply, including local groundwater, surface water, and desalted ground water.

Regional Wastewater System

The Agency began domestic wastewater collection during the mid-1960's and built the Southwest Chino Trunk Sewer for domestic wastewater transport. In 1973, the Agency completed lengthy negotiations on the Chino Basin Regional Sewage Service Contract (Regional Contract) with the cities of Chino, Fontana, Montclair, Ontario, and Upland, and with the Cucamonga Valley Water District as well as the County Service Area 70Q of the County of San Bernardino (later to become the City of Chino Hills).

Pursuant to that Regional Contract, the Agency agreed to purchase and operate three local wastewater treatment plants, and to plan and construct all new pipelines, regional interceptor sewer and treatment plants as needed to meet growing demand from new development.

The 50-year agreement expired in December 2022. In January 2023, the Agency began serving four customer agencies under a Regional Sewage Service Contract and three customer agencies under Ordinances 114 and 115. The Regional Sewage Service Contract's expiration date is January 2, 2074 and the Ordinances have no expiration date.

Currently the Agency owns and operates five water recycling treatment facilities, four of which produce recycled water.

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

The Agency's water recycling plants collectively take in an average of 51 million gallons of wastewater per day for treatment from its contracting member agencies. Several treatment processes contribute to providing high quality recycled water pursuant to Title 22 regulations set forth by the California Department of Health Services.

Non-Reclaimable Wastewater System

The Agency operates the Non-Reclaimable Wastewater System (NRWS) that provides for the treatment and disposal of industrial waste, which is too high in salts to be discharged into the Agency's water recycling plants. The NRWS transports non-reclaimable, salt-laden, industrial strength wastewater out of the Agency's service area to treatment plants located in Los Angeles and Orange counties, and eventual discharge to the Pacific Ocean.

The NRWS was conceived early in the Agency's history. In 1966, voters approved a \$16 million general obligation bond issuance to finance the purchase of treatment capacity and the construction of two major NRWS trunk lines. The non-reclaimable wastewater 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), managed by the Santa Ana Watershed Authority (SAWPA), serves the southern portion of the Agency's service area. The NRWS and EWL discharge the industrial wastewater into the Los Angeles County Sanitation Districts (LACSD) System and the IEBL to Orange County Sanitation District (OCSD).

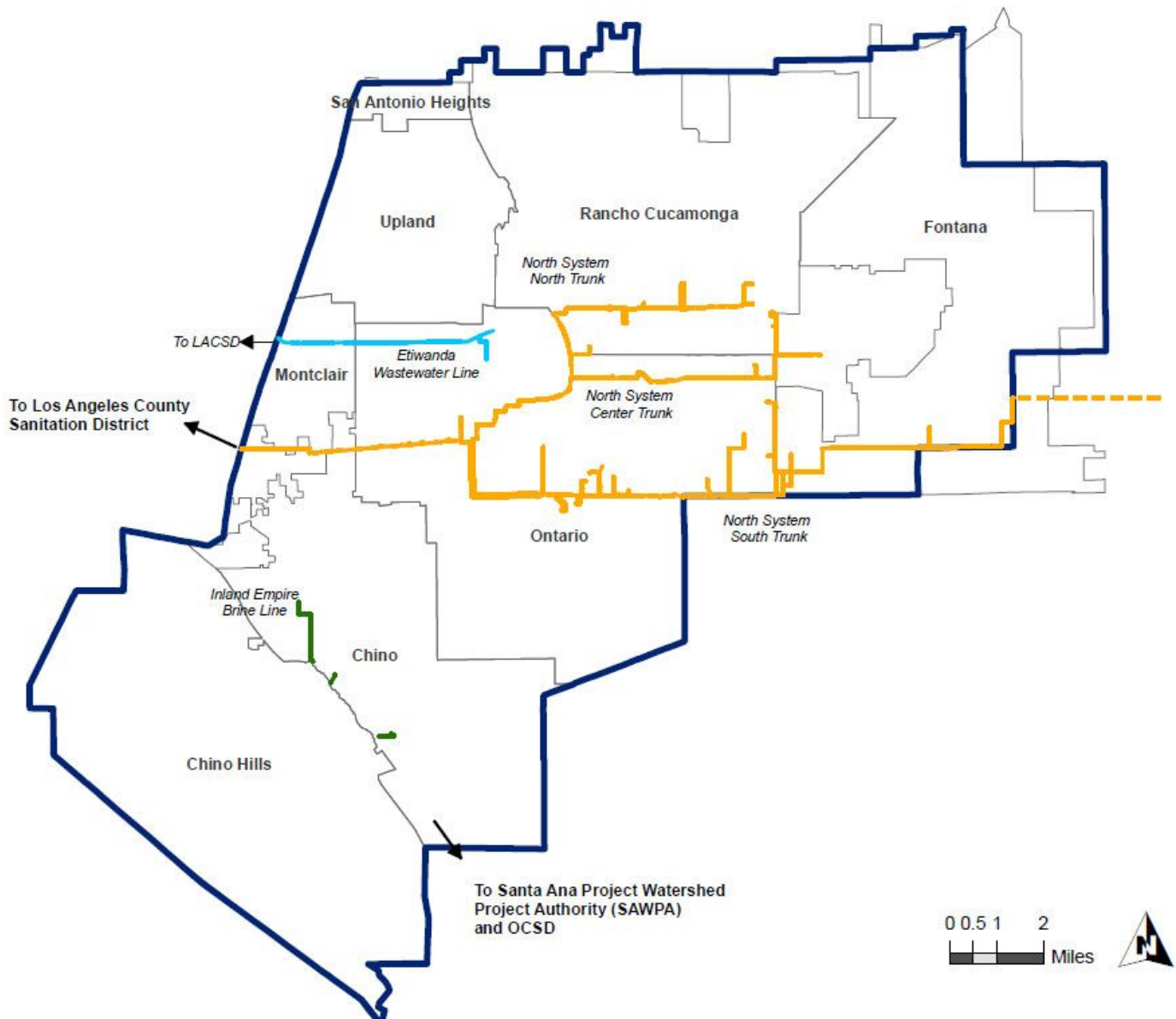
The NRW brine lines are physically separate from the Agency's Regional Sewage System (RSS). The use of separate non-reclaimable wastewater lines helps to ensure RSS compliance with State regulations related to environmental criteria; the RSS final effluent total dissolved solids (TSS) limit as required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

As of June 30, 2024, 51 industries were directly connected to the Agency's brine line system. The north NRWS serves 37 industries (including centrate from the Agency's Regional Water Recycling Plant No. 1) and two municipal groundwater treatment facilities. The EWL is exclusively utilized for two groundwater treatment plants operated by the City of Ontario and City of Chino/Monte Vista Water District. The IEBL serves thirteen industries, three indirect discharges that truck their wastewater to the Agency's dump discharge stations, and ten direct dischargers including the Chino Basin Desalter Authority No. 1 desalter facility.

The Agency's NRW program provides retail services that are billed directly to the industrial customers of the Agency, unlike the Agency's regional water and wastewater services which are essentially wholesale services provided to the Agency's contracting agencies.



NON-RECLAIMABLE WASTEWATER SYSTEM AND DISCHARGES



Recycled Water Distribution System

The Agency has been providing recycled water to its member agencies since formation of the Regional Sewage Service Contract in 1973. Initially, recycled water was a low-cost alternative water supply for large irrigation customers and was delivered to Whispering Lakes Golf Course and Westwind Park in the city of Ontario, as well as to Prado Regional Park and El Prado Golf Course in San Bernardino County. In the early 1990's, the Agency planned

and built the first phase of the Carbon Canyon Recycled Water Project, which now serves several customers in the cities of Chino and Chino Hills.

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 reliability in decline, the region committed to aggressively and proactively developing local water supplies. This set the path to development of the Agency’s regional recycled water system and implementation of a robust Recycled Water Program.

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 groundwater 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 95 miles of pipeline, four reservoir storage tanks with storage capacity between two and five million gallons, and multiple pump stations.

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. Since 2010, the rate of connections for direct use customers to the regional recycled water system has been stagnant primarily due to the economic recession and changes in land use from agriculture to residential and commercial. As a result, the Agency has shifted its planning for the Recycled Water Program towards pursuing additional regional groundwater recharge, direct injection, and eventually direct potable reuse.

Recycled Water Deliveries by Acre Foot (AF)

Type	Actual			Projected		
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Direct Use	19,260	16,401	16,604	19,952	20,869	21,350
GW Recharge	17,054	14,786	13,851	16,420	16,420	16,420
Total	36,314	31,187	30,455	36,372	37,289	37,770

Recycled water deliveries for direct use and groundwater recharge vary seasonally and annually based on a variety of factors, including rainfall intensity, climate conditions, long term water use efficiency, maintenance activities on recharge basins, and land use conversions.

The Agency’s Board adopted recycled water rates which include fixed and variable components. Based on the Rate Study, the rate structure provides revenue stability to support regional capital investments and helps to ensure the long-term sustainability of the Recycled Water Program by lessening the impact of reduced deliveries in years of high precipitation.

The use of recycled water increases the reliability of local water supplies. As a locally developed water supply, recycled water is a practical and essential resource in mitigating the effects of climate change.

Groundwater Recharge Basins

The Chino Basin Groundwater Recharge program (Recharge Water program) is designed to increase groundwater recharge in the Chino Basin using storm water, recycled water, and imported water as part of a long-term solution to the local water supply and water quality issues facing the greater Chino Basin. The Recharge Water Program has become a nationally acclaimed, award-winning program because it relies on local resources, natural organic cycles, innovative treatment techniques and energy-saving methods.

Jointly sponsored by the Chino Basin Watermaster (CBWM), the Chino Basin Water Conservation District (CBWCD), the San Bernardino Flood Control District (SBFCD) and the Agency, the Recharge Water program will assist in mitigating future water shortages caused by limitations of imported water supplies from the State Water Project (SWP) by enhancing the recharge capacity in the Chino Basin and increasing artificial groundwater recharge. Capturing greater quantities of high-quality water during wet years provides a subsurface reserve of groundwater for local use during periods of droughts and shortages of imported water.

In this way, the Recharge Water program enhances the current reliability and resiliency of regional groundwater supplies for the region's growing population and is an integral part of the Agency's regional water supply planning and supports the Optimum Basin Management Plan (OBMP). The OBMP, last updated in 2020, enabled expansion of the groundwater storage capacity throughout the Chino Basin.

The groundwater infrastructure consists of a network of pipelines that direct storm water run-off, imported water from the State Water Project (SWP) and recycled water produced by the Agency to recharge sites; most of which consist of multiple basins. These recharge sites, nineteen in total, are located throughout the Agency's service area and are designed to hold water so that it can percolate into the ground and replenish the alluvial aquifers and groundwater supply. Annually, the recharge capacity of the groundwater facilities includes up to 50,000 AF of imported water, up to 25,000 AF of stormwater, and up to 16,000 AF of recycled water. Annual recharge varies due to weather patterns and availability of supplemental water supplies (imported and recycled water).

In 2013, the Agency, CBWM, CBWCD, and their respective member agencies, through the Chino Basin Recharge Master Plan Update Steering Committee (Steering Committee), implemented an amendment to the 2010 Recharge Master Plan (2013 Recharge Master Plan Update or RMPU), per the direction of the Court. The RMPU is a comprehensive program of recharge projects developed to enhance water supplies and protect and enhance water quality in the Chino Basin.

The updated RMPU was approved concurrently by the Agency and CBWM in September 2018 and evaluated 27 potential capital projects. Of the 27 potential projects, the Steering Committee ultimately approved six projects for implementation. The approved projects are estimated to develop approximately 4,727 AF per year (AFY) of stormwater recharge and approximately 7,125 AFY of recycled water recharge. Costs for capital projects enhancing stormwater recharge, including related debt service costs, are fully funded by CBWM. Costs for capital projects enhancing recharge of recycled water, including related debt service costs, are equally shared by CBWM and the Agency. Operating expenses are funded by both CBWM and the Agency.

Groundwater Recharge Sources FY 2023/24

Groundwater Recharge Source	Recharge (AF)
Recycled Water	13,851
Stormwater and Dry Weather Flow	15,141
Imported Water	44,737
IEUA (MWD)	-
DYY Puts*	36,674
Other**	8,063
Total	73,729

*DYY Puts Exclude aquifer storage and recovery

** Supplies recharged that were delivered from outside the Agency's service area not including Agency purchases.

Total groundwater recharge delivered to the Chino Basin in FY 2023/24 was 73,729 AF. FY 2023/24 had a very high stormwater and Dry Weather Flow at over 15,141 AF. Heavy winter rainfall resulted in additional stormwater flows combined with extra Dry Year Yield (DYY) put by MWD, bringing recharge deliveries back to pre-drought levels.



DYY delivery to Montclair Basins

Joint Powers Authority

Chino Basin Desalter Authority

The Chino Basin Desalter Authority (CDA) was formed in 2001 as a joint powers authority (JPA) to manage the production, treatment, and distribution of highly treated potable water and to acquire all assets and liabilities of the Chino Basin Desalter and its operations from the Santa Ana Watershed Project Authority (SAWPA).



The CDA is comprised of the cities of Chino, Chino Hills, Ontario, Norco, as well as the Jurupa Community Services District (JCSD), the Santa Ana River Water Company, Western Municipal Water District, and the Agency as an ex-officio member. The CDA purifies brackish groundwater extracted from the lower Chino Basin with the Chino I and II Desalter facilities and produces over 35,000 AFY of high-quality drinking water that is delivered to its member agencies. The CDA facilities include two desalters, supply wells for each desalter, two reservoirs, raw water supplies, potable water distribution pipelines and pumping facilities, and pipelines for brine disposal.

The Desalter I facility located in the City of Chino began operation in 2000 and is managed by the Agency. The Desalter II facility located in Jurupa Valley began operation in 2006 and is managed by the JCSD.

Inland Empire Regional Composting Authority

In February 2002, the Agency entered into a Joint Powers Agreement with the Los Angeles County Sanitation Districts (LACSD) and formed the Inland Empire Regional Composting Authority (IERCA) to divert biosolids from their wastewater treatment facilities from landfill disposal and to beneficially reuse organic products generated from within the community.

The 445,275 square foot facility was transformed from a former IKEA warehouse into the nation's largest indoor biosolids composting facility located in Rancho Cucamonga, California. IERCA began operation in March 2007 and produces 240,000 cubic yards of wood-based, nutrient-rich compost annually. The Agency manages the day-to-day operations of the facility and safety and risk services supported by LACSD. The compost produced, marketed, and sold under the brand of SoilPro Premium Compost, is made from recycled green waste, biosolids, and horse stable bedding, and focuses on producing top quality compost under the guidelines outlined in the US Composting Council's Seal of Testing Assurance (STA) program. SoilPro is sold to landscapers and farmers around southern California to create healthy soils to save water.



Over the years, the IERCA has received various awards, including the Certification of Recognition 2010 for Complying with US Environmental Protection Agency (EPA), the Dave Hardy Leadership in Organics Award in July 2011, the US Composting Award in 2011 and 2012, the Governor's Environmental and Economic Leadership Award in 2013, EPA Pacific Region Environmental Award 2015, California Association of Sanitation Agencies Award of Excellence for Innovation and Resiliency 2019, and US Composting Council, Large Scale Compost Manufacturer of the Year 2021. In 2022, the facility received the Safety Plant of the Year Gold winner award from the California Water Environment Association. In addition, the IERCA staff has earned a Master Compost Certificate through the University of California Extension Riverside California.

Economic Condition and Outlook

The Agency is located approximately 35 miles east of Los Angeles in San Bernardino County in an area referred to as the Inland Empire (IE). The IE is accessibly connected to Los Angeles County, Orange County, San Bernardino County, and Riverside County through the major freeway systems: Interstate 10, State Route 60, State Route 71, State Route 91, State Route 210, and Interstate 15. The Agency's service area in San Bernardino County 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 region has a diverse economy, with significant contributions from industries such as logistics, healthcare, manufacturing, and hospitality. The IE has seen significant economic growth in recent years. The logistics industry has been a major driver of economic growth in the region. The region's proximity to the ports of Los Angeles and Long Beach has also made it an attractive location for logistics companies. The expansion of e-commerce and regional economic integration has fueled the sector's expansion. This hub has anchored the region's economic growth for over fifteen years. The IE is home to the largest distribution center in the world, which has attracted many businesses to the region.

The logistics industry, which consists of warehousing, transportation, and the wholesale industry, has been a major driver in employment. The booming labor market is reflected in the relatively low unemployment rate for the region.

Housing plays an important role in the IE economy. The low interest rate environment that prevailed for most of the last 20 years favored home buyers and builders alike, but interest rates have increased to their highest level in two decades, which has reduced home sales while creating new uncertainty for builders. The ultra-low rates that were characteristic of the last few years will not be returning soon. With high rates and limited supply, the housing market faces difficult years ahead.

Major Initiatives and Accomplishments

Major Initiatives for FY 2023/24

During FY 2023/24 the Agency, in collaboration with key stakeholders in the region, accomplished significant milestones and executed several planned initiatives throughout the year. Some key initiatives included: water reliability, environmental stewardship, fiscal responsibility, community outreach and education.

Human Resources

The Agency's recruitment, training, and workforce development initiatives yielded impressive outcomes, significantly contributing to our overall success. The Human Resources team successfully onboarded 37 new full-time employees, further strengthening and diversifying our workforce. Our internship program also thrived, bringing in 37 interns, with 5 transitioning to full-time roles and 1 securing a limited-term position, reinforcing our commitment to nurturing future talent.

The Agency made substantial strides in workforce development and long-term workforce planning. During the budget process, we implemented a comprehensive ten-year staffing plan, demonstrating our proactive approach to workforce development. In support of career growth, we introduced a career planning series designed to engage staff in their professional development, providing clear pathways through flex positions. Our continued use of the intern rotation program between operations and engineering not only exposes engineers to real-world challenges in the field but also ensures they can devise solutions that are practical and effective. Additionally, we launched a Career Fair event to engage community members in the field of wastewater, offering them the opportunity to interact with our highly skilled staff.

Education

The Agency invests in our future generations and provides a range of interactive programs offered to kindergarten through twelfth grade students. These offerings include Water Discovery Field Trips to the Chino Creek Wetlands and Educational Park and wastewater treatment facility, Water Scout Badge Program, Water is Life Poster Contest, and more. FY 2023/24 hosted over 3,600 K-12 students across the Agency's educational programs.

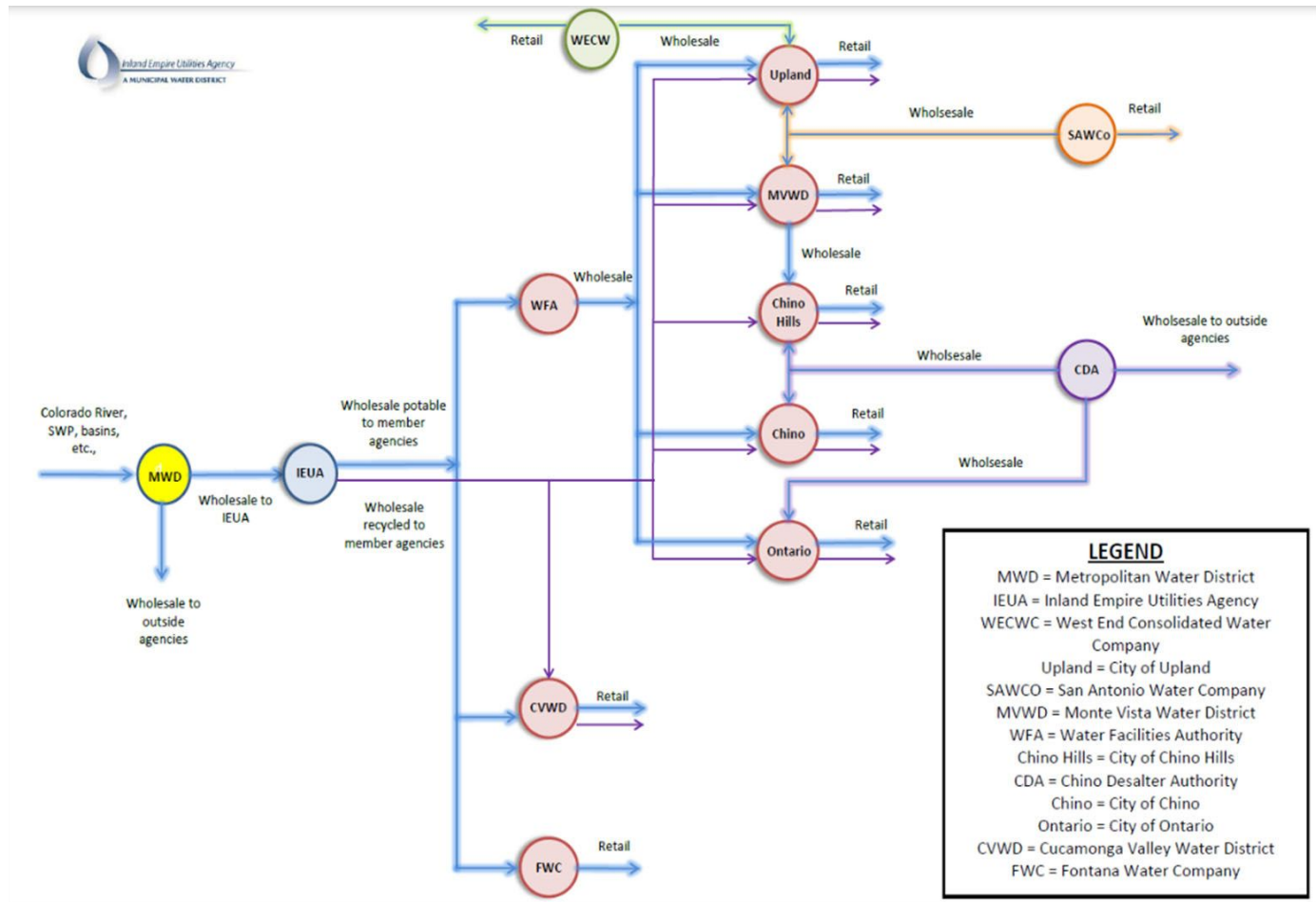
Water is Life Student Art Poster Contest

The Agency hosts an annual regional art poster contest called 'Water is Life' for K-12 students within their service area. Using the theme "Being water-wise is," students create art posters depicting various water uses and conservation topics. This contest allows students to showcase their art skills and explore water resources. In FY 2023/24, over 800 poster submissions were collected from schools across the Agency's service area. In spring 2024, 12 winners were submitted to the Metropolitan Water District (MWD) Annual Student Art Calendar contest for the K-5, 6-8, and 9-12 categories. The MWD's Annual Calendar contest features entries from multiple member agencies across their six-county service area, and the calendar is distributed to approximately 13,000 recipients.

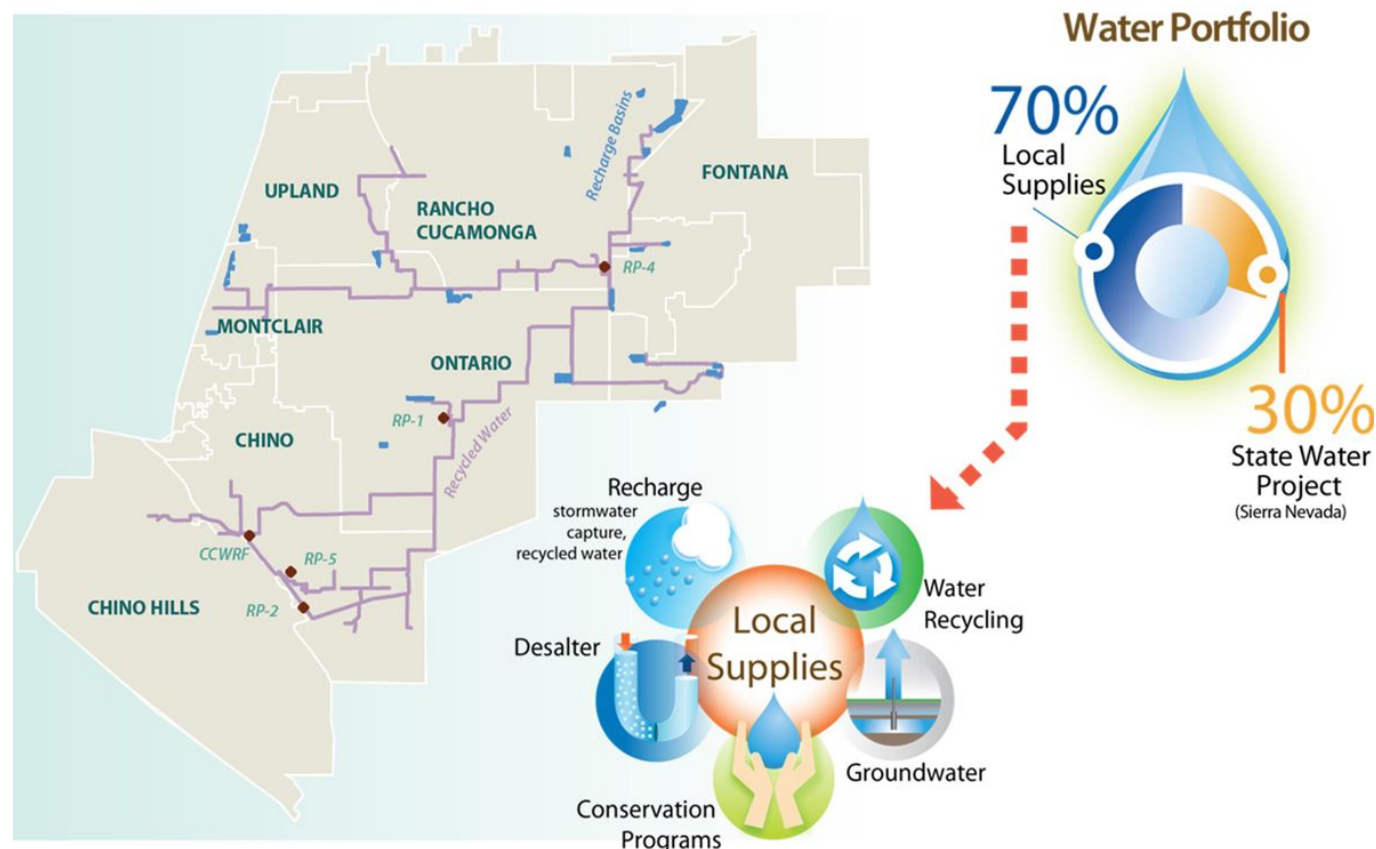
Water Reliability

The Agency is committed to investing in our water supply for today and tomorrow through fiscal responsibility, efficient business practices, water supply management, and environmental stewardship.

The Agency has been a leader in water supply planning and programs to protect the region's vital water supplies for over fifty years. As a wholesale provider of imported water to five cities and two special districts in the Agency's service area, the Agency utilizes multiple wholesale sources of water, including imported water through the Metropolitan Water District (MWD) and groundwater recharge from local recycled water.



In addition to wholesale supplies, local retail water agencies include sources of supply, including local groundwater, surface water, and desalted ground water.



Total water consumption within the Agency's service area for FY 2023/24 was approximately 177,831 AF which includes 161,227 AF potable usage and 16,604 AF recycled direct usage. This is roughly a 3 percent increase (6,008 AF) from FY 2022/23 consumption of 171,823 AF. This slight increase was the result of the shift in water availability during FY 2023/24.

Despite the increase, regional usage has not returned to pre drought usage levels seen in FY 2020/21. Regional water use includes all the utility provided water used in the Agency's service area including supplies imported from MWD, recycled water supplies made available in-region purple pipe direct use, and local water supplies like pumped groundwater and surface water.

A continuous focus on water use efficiency and per capita reductions, as required in SB X7-7, AB 1668, and SB 606 is anticipated to continue to reduce per capita water use and demands. Over the planning horizon, demands are not expected to exceed the peak 10-year demand reached during FY 2013/14 despite an increasing population.

The Agency also continued its close coordination with the local retail water agencies in the implementation of regional water use efficiency (WUE) programs. The WUE programs provide incentives for high efficiency appliances and devices including weather-based irrigation controllers, high efficiency sprinkler nozzles, turf removal, water tolerant landscape design and education on water conservation, and water use efficiency. In the last ten years, these efforts helped to decrease residential water usage by 50 percent.

Environmental Stewardship

The Agency incorporates solar, wind, and battery storage into its facilities to reduce demand on the electric grid. As part of these efforts, the Agency is a partner to a Power Purchase Agreement (PPA) and had 3.5 megawatts (MW) of solar panels installed at four of the Agency's facilities in 2008. In 2010, the Agency expanded its renewable energy portfolio by securing another PPA for a 1.0 MW wind turbine at Regional Water Recycling Plant No. 4 (RP-4)

in Rancho Cucamonga. The wind turbine was commissioned in early 2012. The Agency partnered with an energy firm to install 4.0 MW of advanced energy storage systems at Agency facilities and 1.5 MW of solar at the IERCA. In 2019, the Agency installed 70 kW of solar on the rooftop of the RP-5 lab building.

In FY 2023/24, California experienced drought relief as the El Niño climate patterns yielded steady rain, improving the Region's supplies. Despite the relief, the Agency continued on its path to prioritizing the Regional Water Use Efficiency Program as a mechanism to enhance supplies regardless of unexpected climate conditions and to meet upcoming reduction goals outlined in California legislation. The Regional Water Use Efficiency Program collectively encompasses all water-wise programs, education, outreach, and related support initiatives. Through a combination of rebates and direct install services, the Region has successfully deployed nearly 12,000 high-efficiency sprinkler nozzles, 3,000 high-efficiency toilets, 1,000 high-efficiency clothes washers, 2,000 weather-based irrigation controllers, and removal of over 1,000,000 sq. ft. of turf grass with climate-appropriate alternatives in FY 2023/24 alone. The Agency's water-use efficiency contributions have helped save the Region over 8,000 AF of water, which is enough to fill approximately 8,000 football fields with one foot of water each. The Agency continues to emphasize the importance of water-wise practices and resources to help support long-term water supply needs and meet upcoming state legislation and urban water supplier targets.

Fiscal Responsibility

The Agency's Board adopted recycled water rates which include both fixed and variable components. The rate structure provides revenue stability to support regional capital investments and helps to ensure the long-term sustainability of the Recycled Water Program by lessening the impact of reduced deliveries in years of high precipitation.

As part of the Agency's continual commitment to fiscal responsibility, the FY 2023/24 budget focuses on long-term planning. The Agency's staff will continue to monitor and report program costs on a regular basis, while adopted rates and fees ensure costs are recovered equitably and fairly from those benefiting from the service, and to provide revenue stability and rate predictability.

Community Outreach and Education



Chino Creek Wetlands and Educational Park (CCP)

The Agency also offers free scheduled tours of the headquarters, wetlands, and treatment plants. The Agency seeks to promote water-use efficiency through public education to enhance water supplies within the region and exceed state goals for reduction in per capita water use within the Agency's service area.



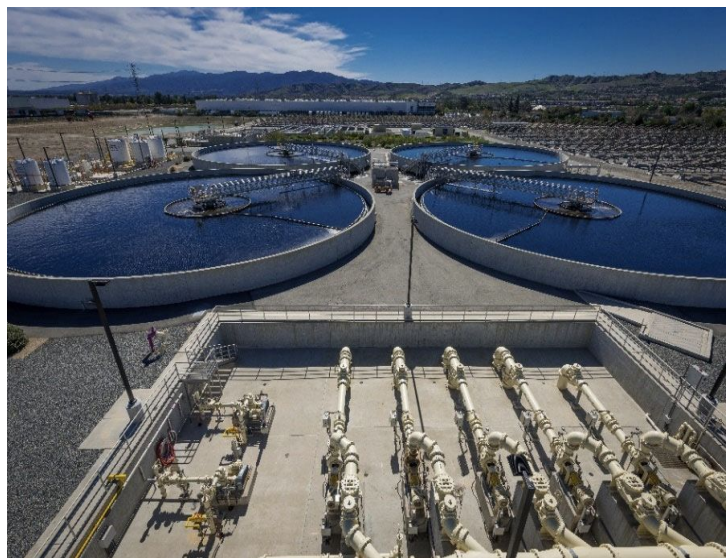
For tour requests, questions or more information, contact Tonia Bouyakzan at tbouyakzan@ieua.org.

Major Capital Construction Projects Underway in FY 2023/24

Major capital construction projects underway in FY 2023/24 included the RP-5 Expansion and Biosolids facility, planning of the Chino Basin Program, RP-1 Disinfection Pump Improvements, CCWRF Asset Management and Improvements Project, Wineville and Jurupa Force Main Project, and RP-1 SCADA Migration Project.

RP-5 Liquids Treatment and Solids Expansion

The RP-5 Expansion and Solids Expansion Project (RP-5 Expansion project) will increase the RP-5 hydraulic treatment capacity from 16.3 million gallons per day (MGD) to 22.5 MGD for liquid treatment and mechanical systems. The expansion will support expected growth in the southern section of the Agency's service area projected by the contracting member agencies. In addition, the RP-5 Expansion project will also construct a 30 MGD solid treatment facility to replace and relocate the aging RP-2 solids facility above the new "take-line" of Prado Dam. The project will include a membrane bioreactor, will utilize energy-efficient equipment, and meet all regulatory requirements. The project will produce public benefits by treating domestic wastewater to the U.S. Clean Water Act (CWA) required levels, provides improved water quality for the region, and generates an additional 7.5 MGD of recycled water to provide high quality recycled water to the service area at capacity. With a total budget of \$450 million, the RP-5 Expansion project is the largest project ever undertaken by the Agency. It is anticipated to be completed in 2027.

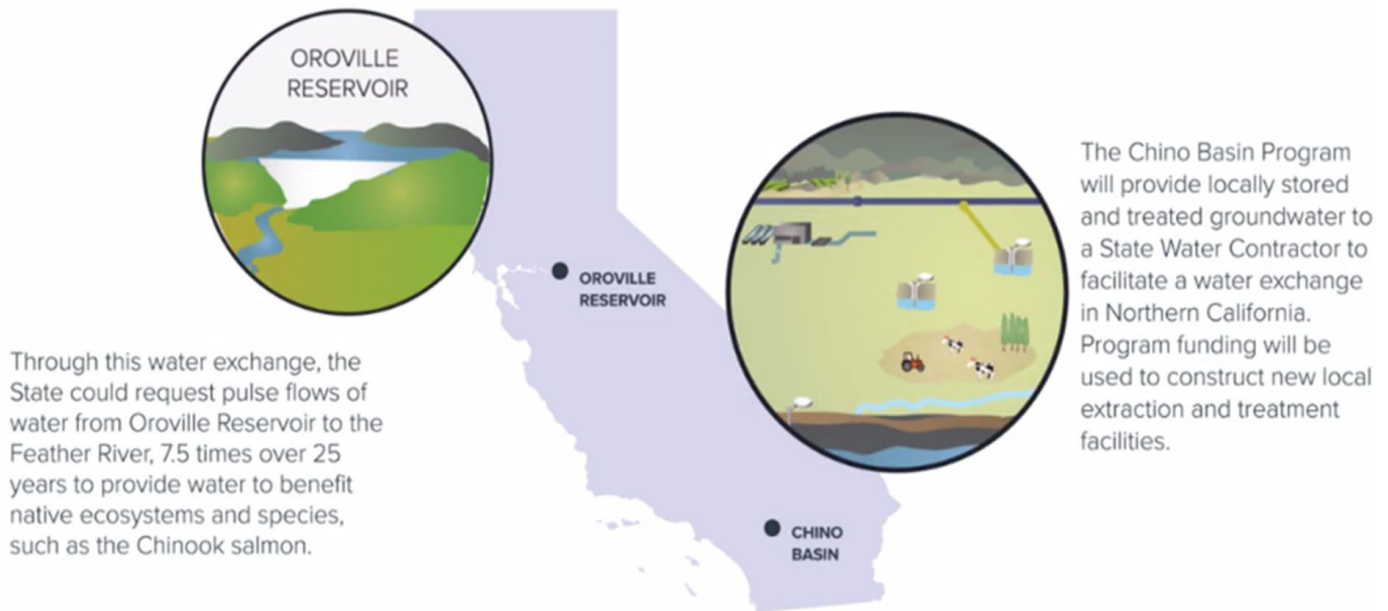


Chino Basin Program

In May 2019, the Agency, in partnership with 14 cities and agencies within the Chino Basin, approved an agreement for the Chino Basin Program (CBP). The CBP is a unique opportunity to optimize local water supplies, provide new levels of intra-basin water management flexibility, and reduce dependence on imported water.

Over the last 20 years, there has been a 30% increase in regional growth resulting in an increase in urban water demand. Climate change and longer, more frequent, drought conditions are expected to drive unmet water demands up to 21% by 2040. Developing sustainable, local water supplies is a vital strategy for the future of the region's water supply.

The Chino Basin Program is the first of its kind to deliver benefits to both the northern and southern parts of the state, through an innovative water exchange, new recycled water supply, and valuable new infrastructure and upgrades to treat up to 15,000 AF per year of advanced treated recycled water that will be stored in the Chino Basin. The CBP was conditionally awarded \$215 million from Proposition 1, a state water bond approved by voters in 2014 that provides funding for new and innovative water storage projects.



- Advanced Water Treatment facility
- New wellhead treatment and existing wellhead upgrades
- Intra-basin pipeline connection
- Potential to reduce TDS in local water supplies.

Once implemented, these projects will address the immediate needs of the region while unlocking the potential for additional storage and water recycling projects in the future. These projects also demonstrate significant benefits for state and local environmental and ecosystem health.

These investments will provide advanced treated recycled water stored in the Chino Groundwater Basin.



RP-1 Disinfection Pump Improvements

The RP-1 Disinfection Improvements Project includes the demolition of the existing sodium hypochlorite storage and metering facility and the construction of a new facility with enhanced storage tanks, metering pumps, and containment structures. Key upgrades include improvements to chemical dosing at the Old and New Effluent Structures, enhancements to the sodium bisulfite system for power outage response, and structural repairs to the sedimentation basin,

including concrete crack repairs, grout replacement, and pump repairs. Additionally, the project incorporates system integration upgrades and asphalt improvements to enhance reliability, provide redundancy, and ensure regulatory compliance. This project is anticipated to be completed in 2025.

CCWRF Asset Management and Improvements

The project involves critical improvements to multiple systems at the CCWRF. Headworks enhancements include replacing two screens in existing channels, installing new shaftless screw conveyors for discharge, and limited concrete rehabilitation. A new electrical building and bio-trickling filter odor control system will be added, replacing outdated odor control systems for the headworks and primary clarifiers. Aeration upgrades include replacing four blowers with preselected turbo blowers and installing an Ammonia-Based Aeration Control (ABAC) system. Tertiary system upgrades focus on replacing isolation gates and modernizing the traveling bridge crane system with new controls, sensors, and mechanical components to ensure reliable filtration system performance. This project has been awarded and is currently under construction with an estimated completion date of 2026.

Wineville and Jurupa Force Main Project

The groundwater improvements at Wineville, Jurupa, and RP-3 basins will improve storage and recharge capacity with new pumps and conveyance systems between basins as well as new diversion structures. The goal of the project is to add 2,921 AFY of stormwater and 2,905 AFY of recycled water for groundwater recharge. The estimated completion date is March 2026.



RP-1 SCADA Migration

This project will migrate the Agency's existing supervisory control and data acquisition (SCADA) system at RP-1 from an outdated Foxboro-Invensys DCS to a Rockwell Automation system. The overall project includes several phases of a SCADA migration, including systems at CCWRD, RP-1, RP-4, and RP-5. The scope for this project includes design, procurement, programming, and installation of a new SCADA system at RP-1. In doing this, several central control panels and equipment will be overhauled. The project will consist of several tasks including SCADA system design (physical and operator screens), procurement, installation, integration, and cutover testing of the upgrades to the network, supervisory control, director control, operations data management system, and reporting systems for all of the Agency's five major wastewater facilities. The construction for this project began in May 2023 and is planned to be completed by October 2026.

Major Accomplishments

Major Accomplishments for FY 2023/24

GRANTS/STATE LOANS

The Agency's grant and loan programs help to finance the Agency's essential water and wastewater capital programs. These programs reinforce the Agency's role as a regional supportive financial partner to secure low-cost financing for critical infrastructure projects.

Grants and loans provide the crucial link between the region's growing water demands, wastewater needs, and the Agency's ability to deliver high-quality, reliable services in a cost-effective manner.

The grant and loan funding supports projects across seven program areas: water storage; water recycling; wastewater treatment; groundwater recharge and surface water management; safe drinking water; water conservation; and renewable energy. It ensures long-term sustainability and resiliency of our infrastructure systems to withstand climate change impacts, population growth, and evolving regulatory requirements. This proactive approach ensures that infrastructure remains functional and dependable for generations to come.

SIGNIFICANT IMPACT OF AGENCY GRANTS AND LOANS ON THE PROJECT FUNDING

In FY 2023/24, the Agency was awarded a total of \$8.5 million dollars in grants and low-interest loans. The following table highlights these major accomplishments.

Grants/Loans Awarded			
	Grants	Loans	Total
United States Bureau of Reclamation (USBR) - Chino Basin Advanced Treated Recycled Water, Storage and Production	\$ 2,843,353	\$ -	\$ 2,843,353
California Water Commission (CWC) - Water Storage Investment Program (WSIP) - Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program /Chino Basin Program (CBP) Additional Funding	1,844,270	-	1,844,270
State Water Resources Control Board (SWRCB) Chino Basin Improvement and Groundwater Clean-Up Project - Proposition 1 NEW Additional Funding	246,032	-	246,032
State Water Resources Control Board (SWRCB) SRF Loan - Distribution System/Wineville/Jurupa/RP-3 Recharge Improvements Project Additional Funding	-	3,594,878	3,594,878
Total Grants and Loans Awarded			\$ 8,528,533

The grant and loan funding will provide several major benefits to the Agency, the region, and its ratepayers:

- The United States Bureau of Reclamation (USBR) awarded the Agency \$2.8 million in grant funding for the Chino Basin Advanced Treated Recycled Water, Storage and Production. The grant will provide funding for planning and pre-final design activities in support of the Chino Basin Project (CBP).
- The California Water Commission (CWC) Water Storage Investment Program (WSIP) awarded the Agency \$1.8 million early funding for the Chino Basin Project (CBP). The CBP is a groundbreaking initiative aimed at revolutionizing water resources management across local, regional, and statewide levels through strategic partnerships, innovative water exchanges, and the establishment of new critical infrastructure.
- The State Water Resources Control Board (SWRCB) extended a grant agreement for an additional \$246 thousand in Proposition 1 funding for the Chino Basin Improvement and Groundwater Clean-Up Project. The additional grant funding will help the ongoing design and construction of the two additional monitoring wells to help resolve groundwater issues in the Chino Groundwater Basin.
- In addition to the extra grant funding from the SWRCB, they have also extended an SRF Loan agreement for an increase of \$3.6 million for the Distribution System Wineville, Jurupa, and RP-3 Recharge Improvements Project. The additional loan funding will have multiple benefits including increased regional water supply and quality, improved local water reliability and a reduction in the region's dependence on imported water.

Securing low-cost financing through grants and loans enables the Agency to maintain fiscal responsibility. Grants do not require repayment, providing a cost-effective means of funding projects. Loans are obtained at favorable interest rates, offer manageable repayment terms, which minimizes financial strain on the organization. By leveraging these funding sources, the Agency can implement capital projects without compromising financial stability or burdening ratepayers with excessive costs.

In FY 2023/24, the Agency submitted a total of eleven grant and loan applications totaling \$26.3 million dollars. The following table shows the applications of seven grants that are in the technical and/or environmental review stage and are pending an award decision. Other grant applications not on the list were not awarded.

Applications Submitted/Pending Award Decision

	Grants Submitted	Grants Pending
Metropolitan Water District (MWD) - Future Supply Actions Funding Program - Chino Basin Advanced Water Purification Demonstration Facility	\$ 400,000	\$ 400,000
Metropolitan Water District (MWD) - Future Supply Actions Funding Program - Identifying and Removing PFAS Used in Well Drilling	298,500	298,500
Federal Community Project - Water Quality Lab Equipment	600,000	600,000
Federal Community Project - Advanced Water Purification Demonstration Facility	3,000,000	3,000,000
Metropolitan Water District (MWD) - Future Supply Actions (FSA), Identifying and Removing PFAS in Well Drilling	401,500	401,500
Federal Community Project - Community Project Request Identifying and Removing PFAS Used in Well Drilling Project	245,000	245,000
United States Bureau of Reclamation (USBR) - Large-Scale Water Recycling Program - Advanced Treatment of Recycled Water to Enhance Chino Basin Resiliency Project	10,800,000	10,800,000
Department Of Energy (DOE) ENERGYWERX - Industrial Assessment Center (IAC) Implementation Grant Program - Installation of Ammonia Based Aeration Controls (ABAC) at Carbon Canyon Water Recycling Facility (CCWRF)	78,959	78,959
Total	\$ 15,823,959	\$ 15,823,959

Future Years

Training, Development, and Succession Planning

Over the next few years, approximately 30 percent of the current workforce is eligible for retirement. During FY 2024/25 the Agency will continue to support succession planning by filling vacancies previously on hold to streamline operations and more effectively support staffing throughout the Agency.

Fiscal Responsibility

The Operating Budget for FY 2023/24 was the first year of the Agency's biennial budget. As part of the Agency's continual commitment to fiscal responsibility, the FY 2024/25 budget will focus on long-term planning and sustainability. The Agency's staff will continue to monitor and report program costs on a regular basis. Adopted rates and fees ensure costs are recovered equitably and fairly from those benefiting from the service, and provide revenue stability and rate predictability. The Agency will continue to implement sustainable costs and containment of expenditures within budgeted targets to ensure fiscal stability of the Agency into the future.

The Agency prepares long-term planning documents which outline the capital improvements necessary to support the Agency's operations and key initiatives. The Agency will continue to pursue low-cost financing and federal, state, and local grants to support the Agency's Ten-Year Capital Improvement Plan (TYCIP). Additionally, the Agency will advocate for local, state, and federal legislation that impacts the region.

Financial Information

Internal Controls

Management and staff at the Agency are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Agency are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the calculation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The Agency maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the Agency's Board. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the category level (i.e., capital and operating) within the Agency. The Agency maintains an encumbrance accounting system as an additional method of maintaining budgetary control. Encumbered amounts lapse at the end of the fiscal year. However, outstanding encumbrances are generally re-appropriated as part of the following fiscal year's budget following Board approval.

Other Information

Independent Audit

State statutes require an annual audit by independent certified public accountants. The Agency's Board appointed Baker Tilly US, LLP to perform the annual audit. In their opinion, the financial statements are presented fairly in all material aspects, and comply with applicable laws and regulations related to financial activities conducted by the Agency. Government Auditing Standards, issued by the Comptroller General of the United States, were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements, supplementary, and statistical schedules is included in the financial section of this report.

Awards

California Water Environment Association (CWEA) Awards

CWEA aims to encourage outstanding achievements within the water industry, improve the professional status of those working in the industry, and promote public awareness of the importance of wastewater treatment to public health and the water environment. The Agency was presented with several awards:

- Gimmicks and Gadgets Award – First Place: This award was presented to staff within the Agency's Maintenance and Asset Management units for the Digester Gas Mixer Condition Monitor and Thermal Protection Project. The award recognizes innovation and creativity in developing solutions for performing routine tasks or functions in maintenance, operations, or construction of wastewater collection systems.
- Safety Plant of the Year Award – Third Place: This award was given to Regional Water Recycling Plant No. 1. The criteria for this award include the number of injuries, lost-time accidents, record keeping, in-house training, emergency response, and program implementation.
- Collection System Person of the Year Award – Second Place: This award was presented to Collection System Operator III Edward Chavez. It recognizes an individual for their innovation and excellence in collection systems maintenance.
- Laboratory Person of the Year Award – Third Place: This award was given to Laboratory Scientist II Supriti Shrestha. It recognizes involvement in projects that advance the science of laboratory technology and an individual's contributions to CWEA.

The National Association of Clean Water Agency (NACWA) Peaks Performance Award

The NACWA recognizes member agency facilities for excellence in wastewater treatment as measured by their compliance with their National Pollutant Discharge Elimination System permit. Platinum awards recognize 100 percent compliance with permits over a consecutive five-year period. Platinum awards are given to facilities with a consistent record of full compliance for a consecutive five years at the Gold level. Gold awards are given to facilities with no permit violations for the entire calendar year. During FY 2023/24, Carbon Canyon Water Recycling Facility (CCWRF) and Regional Water Recycling Plant No. 5 (RP-5) received the Platinum Peak Performance Award, while Regional Water Recycling Plant No. 1 (RP-1) received the Gold Peak Performance Award.

National Environmental Achievement Award

The Agency received the National Environmental Achievement Award from NACWA for its Be Sewer Smart campaign. This campaign was launched during the COVID-19 pandemic to educate residents on proper disposal practices to protect the sewer system. The award recognizes the Agency's innovative approach to public education and its commitment to environmental protection.

WateReuse Association Award for Excellence

The Agency was honored with the WateReuse Award for Excellence by the WateReuse Association for its over 50-year commitment to water resiliency. The award recognizes the Agency's innovative use of recycled water for various purposes, including commercial operations, watershed restoration projects, irrigation, and indirect potable reuse. The Agency's efforts in developing and storing recycled water supplies have been instrumental in supporting local water supply reliability.

Government Finance Officers Association (GFOA) Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Agency for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the twenty-fifth consecutive year the Agency has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both U.S. GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Agency's Finance and Accounting Department. We also would like to express our appreciation to the other Agency departments for their cooperation, assistance, and support.

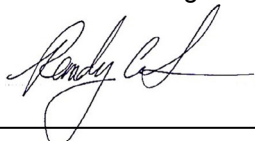
We further acknowledge the thorough and professional way our auditors, Baker Tilly US, LLP conducted the audit.

Additionally, we would like to acknowledge the Board of Directors for their continued support of the Agency's goal of sound accountable fiscal management, and for maintaining the highest standards of professionalism in the management of the Agency's finances. We genuinely appreciate their unfailing interest and support.

Respectfully submitted,



Shivaji Deshmukh, P.E.
General Manager



Randy Lee
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Inland Empire Utilities Agency
A Municipal Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

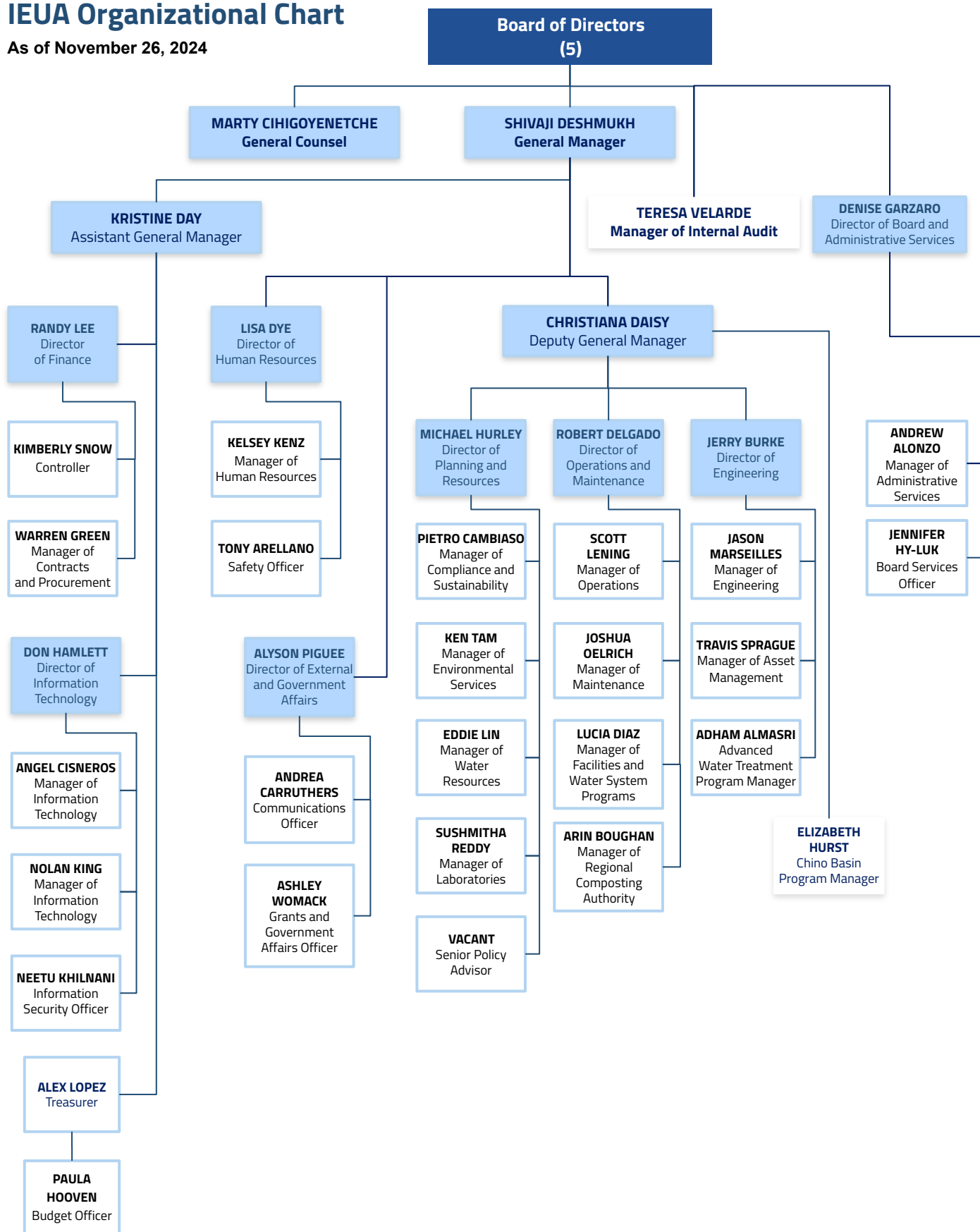
June 30, 2023

Christopher P. Morrell

Executive Director/CEO

IEUA Organizational Chart

As of November 26, 2024



Principal Officials

As of November 26, 2024

Board of Directors

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

Senior Leadership Team

Shivaji Deshmukh	General Manager
Christiana Daisy	Deputy General Manager
Kristine Day	Assistant General Manager
Jerry Burke	Director of Engineering
Robert Delgado	Director of Operations and Maintenance
Lisa Dye	Director of Human Resources
Denise Garzaro	Director of Board and Administrative Services
Don Hamlett	Director of Information Technology
Michael Hurley	Director of Planning and Resources
Randy Lee	Director of Finance
Alyson Piguee	Director of External and Government Affairs

Unit Staff

Adham Almasri	Advanced Water Treatment Program Manager
Andrew Alonzo	Manager of Administrative Services
Tony Arellano	Safety Officer
Arin Boughan	Manager of Regional Composting Authority
Pietro Cambiaso	Manager of Compliance and Sustainability
Andrea Carruthers	Communications Officer
Angel Cisneros	Manager of Information Technology
Lucia Diaz	Manager of Facilities and Water System Programs
Warren Green	Manager of Contracts and Procurement
Paula Hooven	Budget Officer
Elizabeth Hurst	Chino Basin Program Manager
Jennifer Hy-Luk	Board Services Officer
Kelsey Kenz	Manager of Human Resources
Neetu Khilnani	Information Security Officer
Nolan King	Manager of Information Technology
Scott Lening	Manager of Operations
Eddie Lin	Manager of Water Resources
Alex Lopez	Treasurer
Jason Marseilles	Manager of Engineering
Liza Munoz	Senior Engineer
Joshua Oelrich	Manager of Maintenance
Sushmitha Reddy	Manager of Laboratories
Kimberly Snow	Controller
Travis Sprague	Manager of Asset Management
Ken Tam	Manager of Environmental Services
Teresa Velarde	Manager of Internal Audit
Ashley Womack	Grants and Government Affairs Officer

Strive to Achieve Recognition (STAR) Program

The Agency Mission statement was specifically written to provide guidelines for the success of the Agency, its officials, and employees. The Board of Directors and employees of the Agency are responsible for fulfilling the mission and values by expecting and demonstrating:

Loyalty, professionalism, and ethical behavior.

Open and courteous communication with each other and with the communities served.

Prudent and cost-effective resource planning, management, and utilization.

Safety and integrity of the Agency's employees, services, facilities, and the environment.

Innovation in meeting the present and future needs of the Agency.

The STAR Program was conceived and based upon the concept of giving public recognition to employees who consistently perform their job duties diligently and superbly. Since its inception, the STAR Program has been considered an "employee" program. Candidates must be non-management employees who, based on leadership, creativity, performance, teamwork, and other individual outstanding characteristics, are nominated by their peers. Additionally, candidates are voted on by a Selection Committee, which is composed of the STAR recipients of the previous year. The STAR program has continued to gain acceptance, and the annual award for the Employee of the Year has become a much-anticipated event within the Agency.

For the purposes of the STAR Program, the Agency is divided into three categories: 1) Finance/Administration, 2) Engineering/Planning, and 3) Operations. Each of these categories has two representatives who serve on the Selection Committee (a total of six committee members) with the Employee of the Year recipient serving as the Committee Chair. Though the STAR program started as a quarterly program, it was modified in FY 1999/2000 to a semi-annual award, to encourage greater program participation. Accordingly, the prize award was increased to attract more employee appeal.

First Half FY 2023/24 Winners

Finance/Administration

Nicole Slavin

Engineering/Planning

Eddie Lin

Operations

Scott Sotello

Second Half FY 2023/24 Winners

Finance/Administration

Greg Dominguez

Engineering/Planning

Liza Munoz

Operations

Chris Ruff



Nicole Slavin exemplifies creativity, leadership, and an unwavering commitment to her colleagues and the Agency. Playing a pivotal role in the Agency's branding and external affairs, she led the development of the *The Time is Always Now* marketing campaign, which has elevated the Agency's messaging. Her innovation shines through in engaging social media initiatives, including the FOG (Fats, Oils, and Grease) and Wipes campaign videos and a memorable CWEA (California Water Environment Association) social media takeover featuring our very own Manager of Facilities and Water System Programs, Lucia Diaz, captivating audiences and showcasing the Agency's impact.

Nicole's contributions extend well beyond creative projects. She spearheads the planning of the Employee Summer and End-of-Year Celebrations, collaborating with staff across the Agency to foster engagement and camaraderie. Always willing to go above and beyond, she steps in whenever needed, such as volunteering on short notice to staff a weekend outreach event, demonstrating her compassion and team-first mindset. She not only supports the Agency's mission but also goes out of her way to uplift her colleagues during times of need.

In her role, she frequently highlights the outstanding work of Agency staff, capturing moments through photography and video that showcase the Agency's excellence. Her ability to make others feel comfortable and confident in front of the camera is unmatched. She has developed scripts and content for the *Coffee with the GM* series and brought fresh ideas to life with the new *Donuts with Daisy* series, which has been met with great enthusiasm.

Nicole is truly one of a kind. Her creative vision, compassionate leadership, and dedication to the Agency and her teammates have left an indelible mark on the Agency. While she often works behind the scenes to spotlight others, her exceptional contributions make her more than deserving of this recognition as STAR Employee of the Year.

Financial Section





Independent Auditors' Report

To the Board of Directors of
Inland Empire Utilities Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Inland Empire Utilities Agency (the Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Agency as of June 30, 2024 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



Madison, Wisconsin
December 19, 2024

Management Discussion and Analysis

The intent of Management's Discussion and Analysis (MD&A) is to provide highlights of the financial activities of the Agency for the fiscal year ended June 30, 2024. Readers are encouraged to read this section in conjunction with the transmittal letter and the accompanying basic financial statements.

Agency's Fund Financial Statement

Within the financial reports, funds are classified as either major funds or nonmajor funds. Major funds are funds whose revenues, expenses, assets, liabilities, deferred outflows, or deferred inflows are at least ten percent of corresponding totals for all funds and at least five percent of the aggregate amount for all funds. Funds that do not meet these criteria are classified as nonmajor funds.

Due to the nature of the Agency's business, all funds are classified as "Proprietary" funds using the full accrual method of accounting. The full accrual method recognizes transactions when they occur, regardless of when cash is exchanged.

The Agency's Operations - an Overview

As a municipal water district, the Agency engages in primarily enterprise operations in various separate and distinct activities. These activities are comprised of: 1) wholesaling of potable water, local water resources, and water use efficiency programs; 2) production and sale of recycled water and management of the regional recycled water distribution system; 3) collection and treatment of domestic wastewater and the acquisition, construction, expansion, and maintenance of conveyance and plant facilities; 4) organics management, digestion, and marketing; 5) operation of a brine line non-reclaimable wastewater system; and 6) generation of renewable energy through solar and wind.

Total revenues, including grants and subsidies, of \$326,901,558 for Fiscal Year (FY) 2023/24 reported an increase of \$35,048,755 compared to \$291,852,803 recorded for FY 2022/23. The overall increase includes: 1) a \$15,578,272 increase in operating revenues; 2) a \$22,758,300 increase in nonoperating revenues, partially reduced by; 3) a \$3,287,817 decrease in capital grants.

The increase in operating revenues of \$15,578,272 was primarily due to: 1) a \$9,564,227 increase in service charges resulting from an increase in the number of Equivalent Dwelling Units (EDUs) reported by contracting agencies and an increase in rates for FY 2023/24; 2) a \$4,802,289 increase in water sales because of an increase in water demand due to weather conditions and an increase in water rates for FY 2023/24; and 3) a \$1,211,756 increase in recycled water sales.

The net increase in nonoperating revenues of \$22,758,300 was primarily due to: 1) a \$7,314,181 increase in interest income because of a favorable interest rate environment; 2) a \$6,247,632 increase in property tax revenue due to an increase in the San Bernardino County apportionments of Tax Roll Revenues; 3) a \$1,418,355 increase in wastewater capital connection fees because of an increase in development and construction activities; 4) a \$848,400 increase in water connection fees because of an increase in development and construction activities; and 5) a \$6,929,732 increase in other nonoperating revenues due to a net unrealized gain on investments and increases in other miscellaneous revenues

Total expenses of \$226,456,224 for FY 2023/24 reported an increase of \$28,357,268 compared to \$198,098,956 recorded in FY 2022/23. The overall increase includes: 1) an increase in operating expenses of \$25,714,123; and 2) an increase in nonoperating expenses of \$2,643,145.

The increase in operating expenses was primarily due to: 1) a \$7,070,684 increase in water purchases due to higher demand and increase in water rates in FY 2023/24; 2) a \$4,447,615 increase in wastewater treatment costs; 3) a \$877,801 increase in wastewater collection costs; 4) a \$1,959,793 increase in wastewater disposal costs; 5) a \$8,073,097 increase in administration and general expenses; 6) a \$583,633 increase in operations and maintenance expenses, and; 7) a \$2,701,500 increase in depreciation and amortization. Increases in all operating expense categories were primarily due to increases in operating revenues, a higher demand for water, and an increase in development and construction activities.

The increase in nonoperating expenses was primarily due to: 1) a \$3,250,437 increase in other nonoperating expenses, which primarily consist of expenses related to administrative and operational support provided to Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), and the Chino Basin Watermaster (Watermaster), offset by; 2) a \$607,292 decrease in interest on long-term debt due to the repayment of existing debt obligations.

Financial Highlights

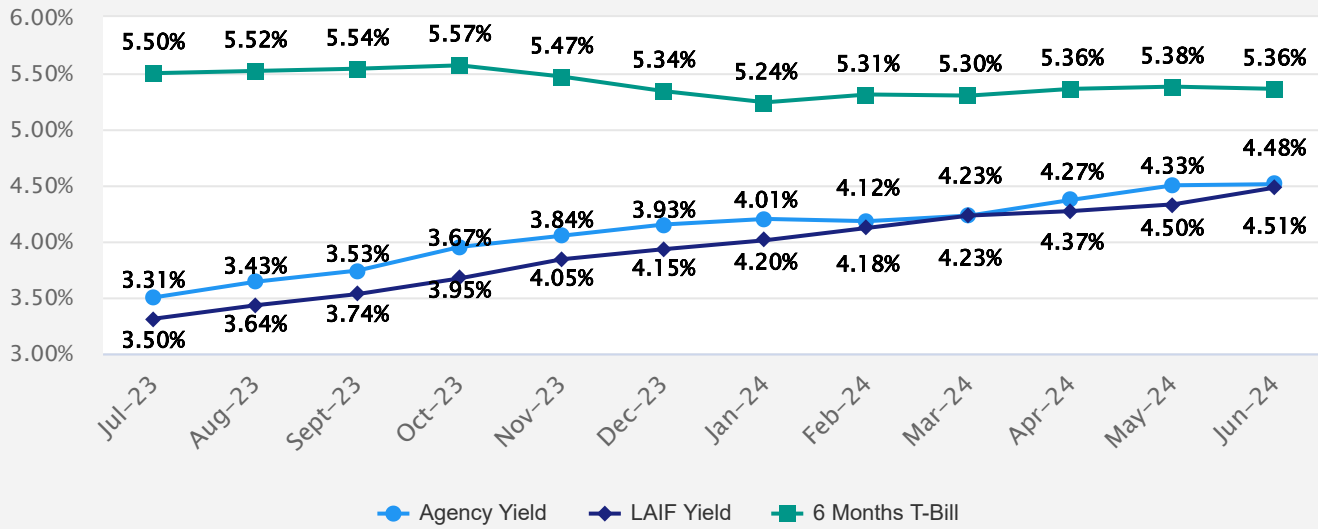
Cash and Investment Management

The Agency has a comprehensive cash and investment program subject to the California State Government Code (CSG) and bond covenants. These regulations are incorporated into the Agency's Investment Policy which identifies the authorized investment types and any restrictions. Consistent with the CSG, the Agency adopts an investment policy annually that is intended to safeguard the principal investments and minimize credit and market risks, remain sufficiently liquid to meet all reasonably anticipated operating requirements for six months, while maintaining a competitive yield on the overall portfolio. The Agency's cash management system is also designed to forecast revenues and expenditures in order to identify and invest idle funds to the fullest extent possible. During the fiscal year ended June 30, 2024, idle funds were invested in accordance with this policy. These investments primarily consisted of United States Government Securities/Instrumentalities, state issued municipal bonds, medium term notes, and deposits in pooled investment funds.

Investment Portfolio Performance

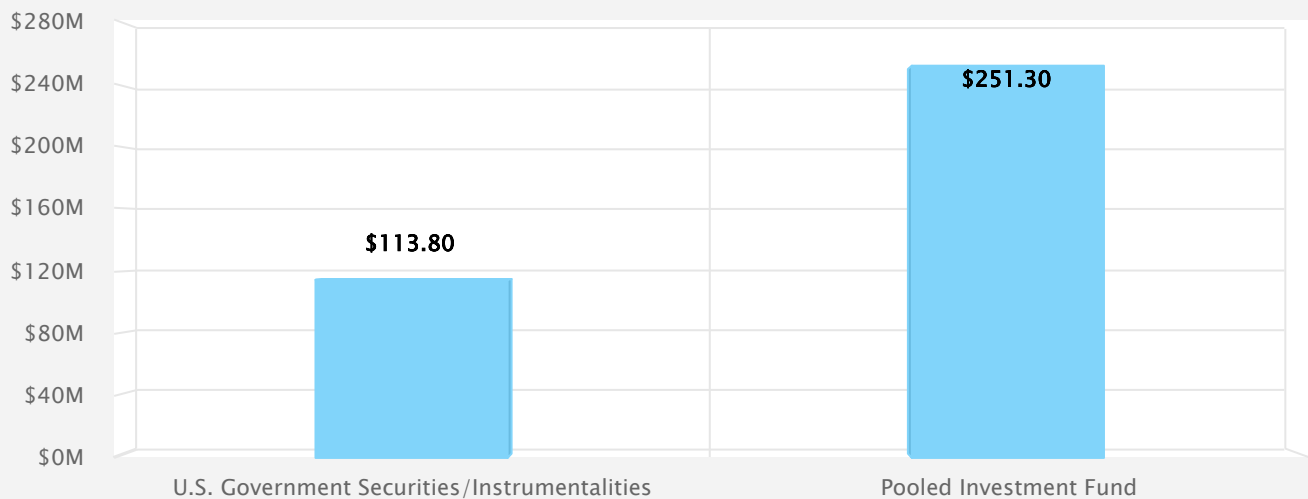
The Agency's overall portfolio rate of return increased from 3.46 percent in June 2023 to 4.51 percent as of June 30, 2024. Total interest income for FY 2023/24 was \$16,219,334, an increase of 82 percent compared to \$8,905,153 in FY 2022/23. The increase in interest income is primarily due to the higher interest rates during most of the fiscal year.

Treasurer's Report of Financial Affairs Yield Comparison for FY 2023/24



The Agency has followed a conservative approach in conducting its investment activities in accordance with the established Investment Policy. Agency staff and PFM Asset Management LLC successfully managed the investment portfolio to attain the Agency's investment objectives, which are in order of priority: safety, liquidity, and yield.

Unrestricted Investment Portfolio at Fair Value as of June 30, 2024 in \$ Millions \$365,108,441



The Agency's portfolio fair value for the fiscal years ended June 30, 2024, and 2023, were \$365,262,977 and \$256,972,587, respectively. Not included are restricted funds held in trust or by a custodian, such as deposits held by CalPERS to support the Agency's Other Postemployment Benefits (OPEB) unfunded accrued liability, 2020B Revenue Notes to support construction costs for the Regional Plant No. 5 (RP-5) Expansion Project, One Water connection reserves held in a separate pooled investment fund account, and the debt service accounts.

Chino Basin Desalter Operations

Under the provisions of the Operation and Maintenance Agreement between the Agency and the Chino Basin Desalter Authority (CDA), the Agency provides the appropriate personnel to manage the production, treatment, and distribution of the water produced at the Chino I Desalter.

Chino I Desalter pays for all expenses related to operations and maintenance directly except for labor and other small expenses. All expenses related to labor and other small expenses are recorded in the Agency's Administrative Services Fund. These expenses are billed to the CDA monthly and are reported as nonoperating revenue in the Statement of Revenue, Expenses, and Changes in Fund Net Position. In FY 2023/24, the total amount billed was \$1,512,035 compared to \$1,595,660 billed in FY 2022/23.

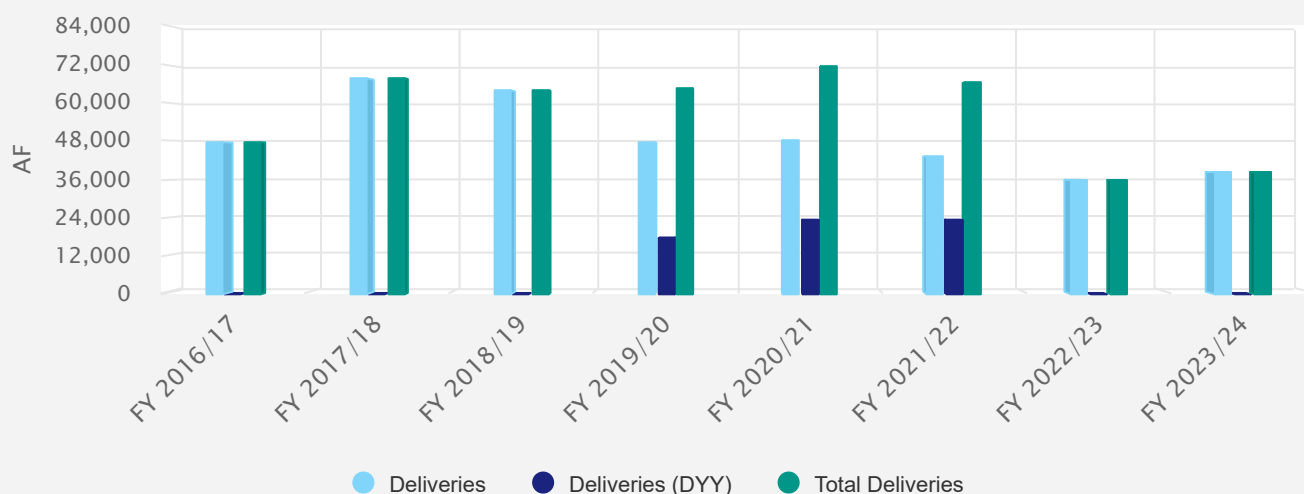
Imported Water Deliveries

Imported water deliveries for FY 2023/24 were 38,415 AF compared to 35,992 AF in FY 2022/23, an increase of 2,423 AF. The increase in imported water over the last fiscal year, as reported in the bar graph on the next page, is mainly due to the end of the drought conditions across the state of California, and no restrictions on water supply allocations from Metropolitan Water District of Southern California (MWD) during the fiscal year.

Total operating revenues in the Water Resources Fund increased by \$6,061,954 in FY 2023/24 to \$45,868,660 from \$39,806,706 in FY 2022/23. The increase is due to increased water deliveries due to favorable wet weather conditions. Service charge revenue increased to \$10,550,123 in FY 2023/24 from \$9,290,458 in FY 2022/23, due to new rates adopted by the Agency's Board for Meter Equivalent Units (MEUs) for FY 2023/24.

The total operating expenses in the Water Resources Fund increased by \$9,208,089 to \$49,268,003 in FY 2023/24 from \$40,059,914 in FY 2022/23. The increase was primarily due to increased water purchases.

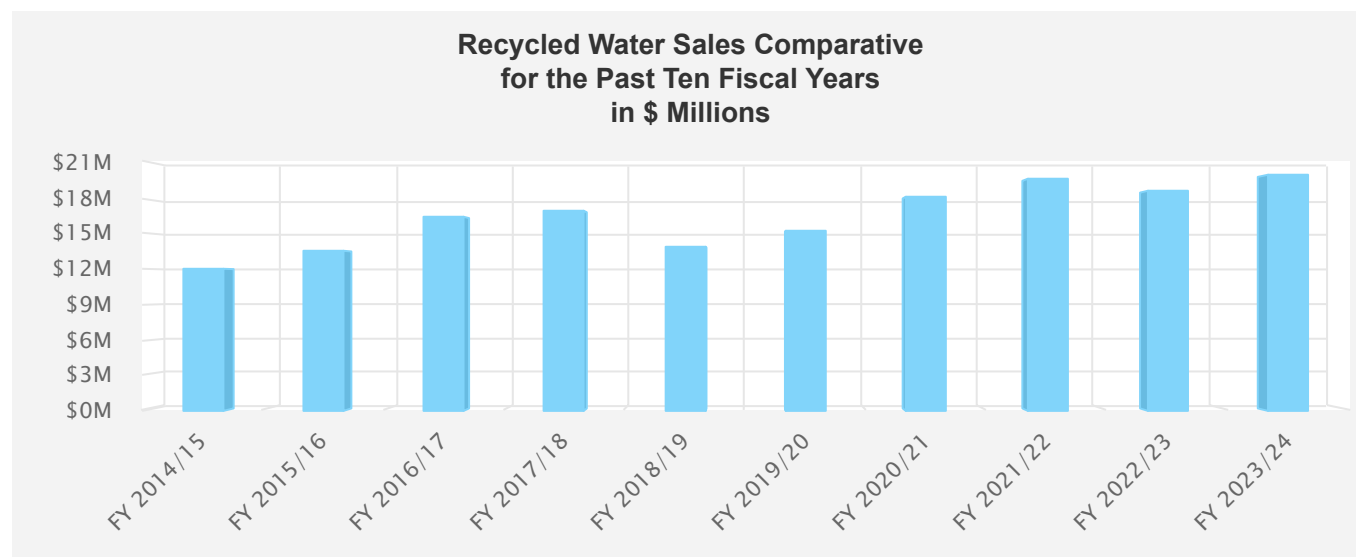
Comparative Acre Feet (AF) Deliveries
(Includes Conjunctive Dry Year Program Use (DYY) AF)



	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Deliveries	47,848	67,977	64,168	47,440	48,347	43,258	35,992	38,415
Deliveries (DYY)	-	-	-	17,395	23,000	22,929	-	-
Total Deliveries	47,848	67,977	64,168	64,835	71,347	66,187	35,992	38,415

Recycled Water Sales

Total recycled water sales increased by \$1,211,756 to \$19,904,866 in FY 2023/24, compared to \$18,693,110 in FY 2022/23.

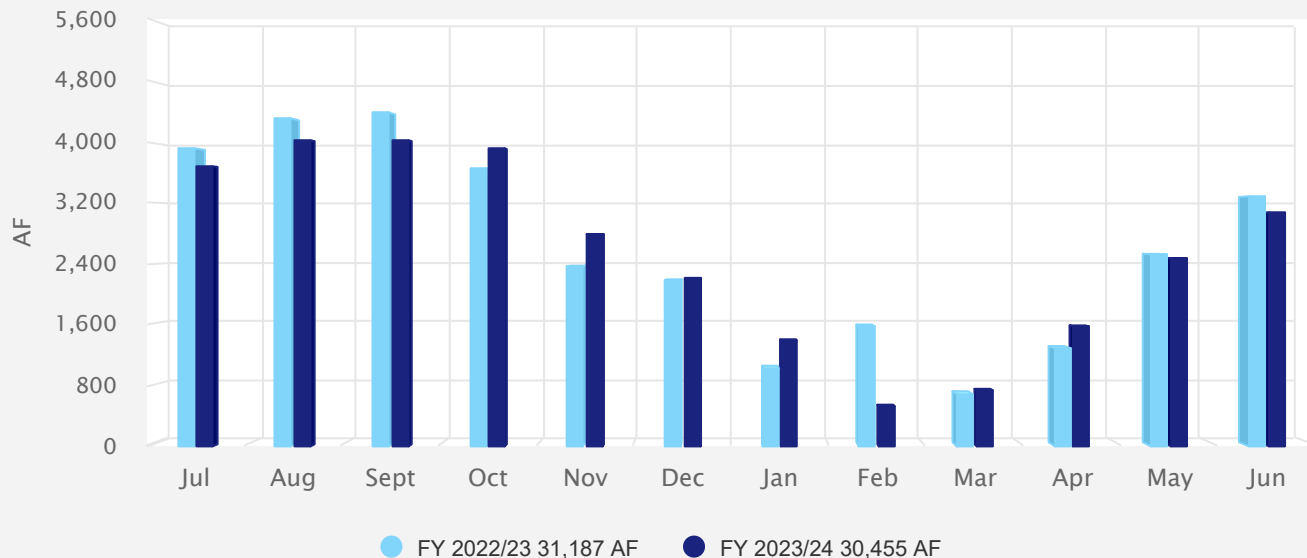


The increase in revenues was primarily due to the annual rate adjustments on the direct sale of recycled water and recycled water for groundwater recharge and an increase in the fixed cost recovery charge. The increase in rates was offset by a decrease in recycled water deliveries from 31,187 AF in FY 2022/23 to 30,455 AF in FY 2023/24 due to an abundance of rain in the winter months leading to reduced outdoor irrigation demands.

Total operating expenses in the Recycled Water Fund increased by \$2,037,191 to \$21,842,162 in FY 2023/24 from \$19,804,971 in FY 2022/23 due to increases in operations and maintenance expense, administration and general expense, and depreciation and amortization expense.

Total net position of the Recycled Water Fund as of June 30, 2024, was \$133,544,418, an increase of \$7,882,964 from \$125,661,454 on June 30, 2023. The increase was primarily due to nonoperating revenues received for water connection fees, property tax revenue, and interest income.

Recycled Water Monthly Deliveries Comparative by Acre Feet (AF)



Regional Wastewater Program Activities

The Regional Wastewater Program, comprised of the Regional Wastewater Capital Improvement (Wastewater Capital) and Regional Wastewater Operations and Maintenance (Wastewater Operations) funds, reported combined total operating revenues before capital grants and transfers of \$207,372,290 in FY 2023/24, an increase of \$15,412,621 over last fiscal year, which totaled \$191,959,669.

Revenues by Category – Regional Wastewater Program For the Fiscal Year Ended June 30, 2024 (With Comparative Totals for the Fiscal Year Ended June 30, 2023)

Revenue Category	FY 2023/24		FY 2022/23		Increase (Decrease) from FY 2022/23	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Service charges	\$ 83,768,751	40%	\$ 78,557,281	41%	\$ 5,211,470	7%
Interest income	9,966,151	5%	5,254,824	3%	4,711,327	90%
Property tax revenue	75,270,244	36%	69,774,663	36%	5,495,581	8%
Wastewater capital connection fees	27,962,837	14%	26,544,482	14%	1,418,355	5%
Other nonoperating revenues	10,404,307	5%	11,828,419	6%	(1,424,112)	(12%)
Total Revenues	\$ 207,372,290	100%	\$ 191,959,669	100%	\$ 15,412,621	8%

The Regional Wastewater Program's FY 2023/24 service charges for the monthly EDU rate were \$83,768,751 and are \$5,211,470 higher compared to FY 2022/23 total of \$78,557,281. The increase is primarily due to newly adopted rates by the Agency Board of Directors for FY 2023/24, and an increase in the number of billable EDUs to 3,565,846 in FY 2023/24 from 3,559,002 in FY 2022/23, as reported by sewer collection agencies.

Property tax revenues allocated to the Regional Wastewater Program increased \$5,495,581, from \$69,774,663 in FY 2022/23 to \$75,270,244 in FY 2023/24 primarily driven by an increase in the overall property taxes received by the Agency. Property taxes are the result of an increase in assessed property values, per the San Bernardino County Treasurer-Tax Collector.

Wastewater capital connection fees are held by regional sewerage agencies in a Capital Capacity Reimbursement Account (CCRA) on behalf of the Agency to support the improvement and expansion of the Regional Wastewater System and are receivables for the Agency. Wastewater capital connection fees increased by \$1,418,355 in FY 2023/24 to \$27,962,837 from \$26,544,482 in FY 2022/23, due to more development in the service area compared to the previous year. The total number of EDU connections reported by the sewer collection agencies in FY 2023/24 were 3,488 units compared to 3,462 units in FY 2022/23. Cucamonga Valley Water District and the cities of Ontario, Chino, Fontana, and Upland accounted for 98% of the total number of new wastewater connections.

The Regional Wastewater Program's other nonoperating revenues were \$10,404,307 in FY 2023/24 compared to \$11,828,419 in FY 2022/23, a decrease of \$1,424,112. The decrease is primarily due to realized investment losses charged to the Regional Wastewater Program in FY 2023/24.

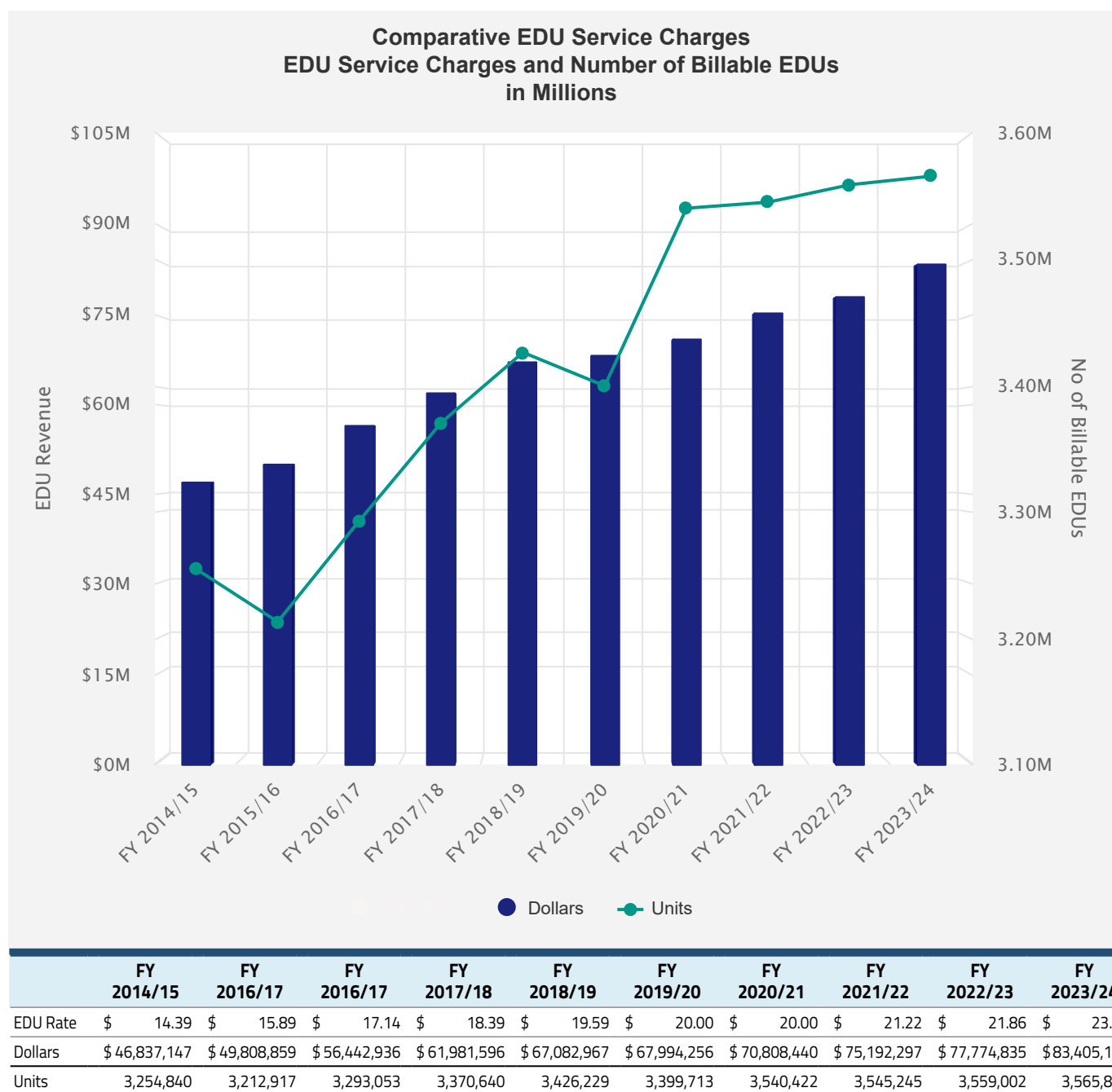
Interest income increased from \$5,254,824 in FY 2022/23 to \$9,966,151 in FY 2023/24 due to higher interest rates for most of the fiscal year, compared with FY 2022/23.

Expenses by Category – Regional Wastewater Program
For the Fiscal Year Ended June 30, 2024
(With Comparative Totals for the Fiscal Year Ended June 30, 2023)

Expense Category	FY 2023/24		FY 2022/23		Increase (Decrease) from FY 2022/23	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Wastewater Collection	\$ 1,809,521	1%	\$ 1,501,092	1%	\$ 308,429	21%
Wastewater Treatment	32,264,146	25%	27,816,531	25%	4,447,615	16%
Wastewater Disposal	10,062,292	8%	8,102,499	7%	1,959,793	24%
Total Wastewater Expenses	44,135,959	34%	37,420,122	33%	6,715,837	18%
Administration and General	43,973,238	35%	38,492,391	35%	5,480,847	14%
Depreciation and Amortization	23,886,781	19%	21,620,641	19%	2,266,140	10%
Interest on Long-Term Debt	10,242,202	8%	10,421,291	9%	(179,089)	(2%)
Other Nonoperating Expense	5,105,176	4%	4,069,587	4%	1,035,589	25%
Total Expenses	\$ 127,343,356	100%	\$ 112,024,032	100%	\$ 15,319,324	14%

Total expenses for the Regional Wastewater Program for FY 2023/24 were \$127,343,356, compared to \$112,024,032 in FY 2022/23. Total wastewater collection, treatment, and disposal costs increased by \$6,715,837 to \$44,135,959 in FY 2023/24. The increases were mainly due to increases in chemical, electricity, and biosolids disposal costs. Interest on long-term debt decreased by \$179,089 to \$10,242,202 in FY 2023/24 from \$10,421,291 in FY 2022/23. Administration and general expenses increased by \$5,480,847 to \$43,973,238 in FY 2023/24, compared to \$38,492,391 in FY 2022/23. The increase was primarily related to increases to Agency staffing levels and contractual services, program services regarding fiscal management allocations and the recording of pension expense compliance with GASB 68.

Total other nonoperating expenses of \$5,105,176 increased by \$1,035,589 in FY 2023/24 compared to \$4,069,587 reported in FY 2022/23. The increase is primarily related to expenses incurred for administrative and operational support provided to CDA.



Non-Reclaimable Wastewater Treatment

The Non-Reclaimable Wastewater System (NRWS) is a collection system which includes pipelines and a pump station to export the high-salinity industrial wastewater generated within the Agency's service area for treatment and eventual discharge to the Pacific Ocean. The NRWS is physically separated from the Agency's Regional Sewerage System (RSS), ensuring compliance with the California Regional Water Quality Control Board (RWQCB) and state regulations. By diverting high Total Dissolved Solids (TDS) wastewater to the NRWS and away from RSS, the quality of the recycled water produced from the treatment of municipal wastewater is improved for local use and helps ensure that the Agency complies with final effluent permit requirements. The NRWS is comprised of three independent collection systems: the North NRWS, the Etiwanda Wastewater Line (EWL), and the South NRWS, also known as the Inland Empire Brine Line (Brine Line). The NRWS and EWL convey wastewater to sewer lines owned and operated by the Los Angeles County Sanitation Districts (LACSD). Flows in the Brine Line are conveyed through pipelines operated by the Santa Ana Watershed Project Authority (SAWPA), to the Orange County Sanitation District

(OC SAN) wastewater treatment facilities. Both LACSD and OC SAN's wastewater treatment facilities ultimately discharge to the Pacific Ocean.

Pass-through rates are adopted annually for volumetric, capacity, and excessive strength charges to allow the Agency to recover costs from LACSD (for the North NRWS and EWL) and SAWPA (for the Brine Line). As a result, both the North NRWS, EWL, and Brine Line have different rate structures. The Agency's program costs to operate and manage the NRW systems are recovered as follows:

- North System – prorated based on the number of capacity units issued per customer.
- EWL and Brine Line – a fifty percent administrative surcharge is imposed on volumetric, capacity, and strength charges.

The NRW connections increased by 3 to 51 users in FY 2023/24 compared to connected 48 users in FY 2022/23, total annual flow increased by 6 million gallons to 1,416 million gallons compared to 1,410 million gallons in 2022/23 due to increased state-wide economic activities.

Total service charges in FY 2023/24 for the North and South systems increased by \$3,093,092 to \$16,697,340 compared to \$13,604,248 reported in FY 2022/23. The increase in revenues is primarily due to higher pass-through flow volume from LACSD compared to the prior fiscal year.

Total operating expenses for the Non-Reclaimable Wastewater Fund in FY 2023/24 increased by \$810,631 to \$13,272,922 compared to \$12,462,291 in FY 2022/23. The increase is due to higher operations and maintenance labor costs as a result of an increase in wastewater collection, disposal, and treatment to the IEBL.

The net position of the Non-Reclaimable Wastewater Fund as of June 30, 2024, increased by \$5,878,084 to \$48,273,193.

NRW Pass Through Rates For the Fiscal Year Ended June 30, 2024

Rate Description	FY 2023/24	FY 2022/23
North System		
Monthly Capital Improvement Fee	\$ 9.27	\$ 9.01
Operation and Maintenance Charge	29.79	22.52
Monthly Volumetric Fee	985.00	842.08
Total Suspended Solids (TSS)	477.40	402.50
Chemical Oxygen Demand (COD)	202.00	168.63
Peak Flow Fee	328.75	330.07
South System		
Monthly Capital Improvement Fee	\$ 90.00	\$ 90.00
Monthly Capacity Unit Fee	435.43	435.43
Monthly Volumetric Fee	1,073.00	1,049.00
Total Suspended Solids (TSS)	494.00	520.00
Biochemical Oxygen Demand (BOD)	394.00	353.00

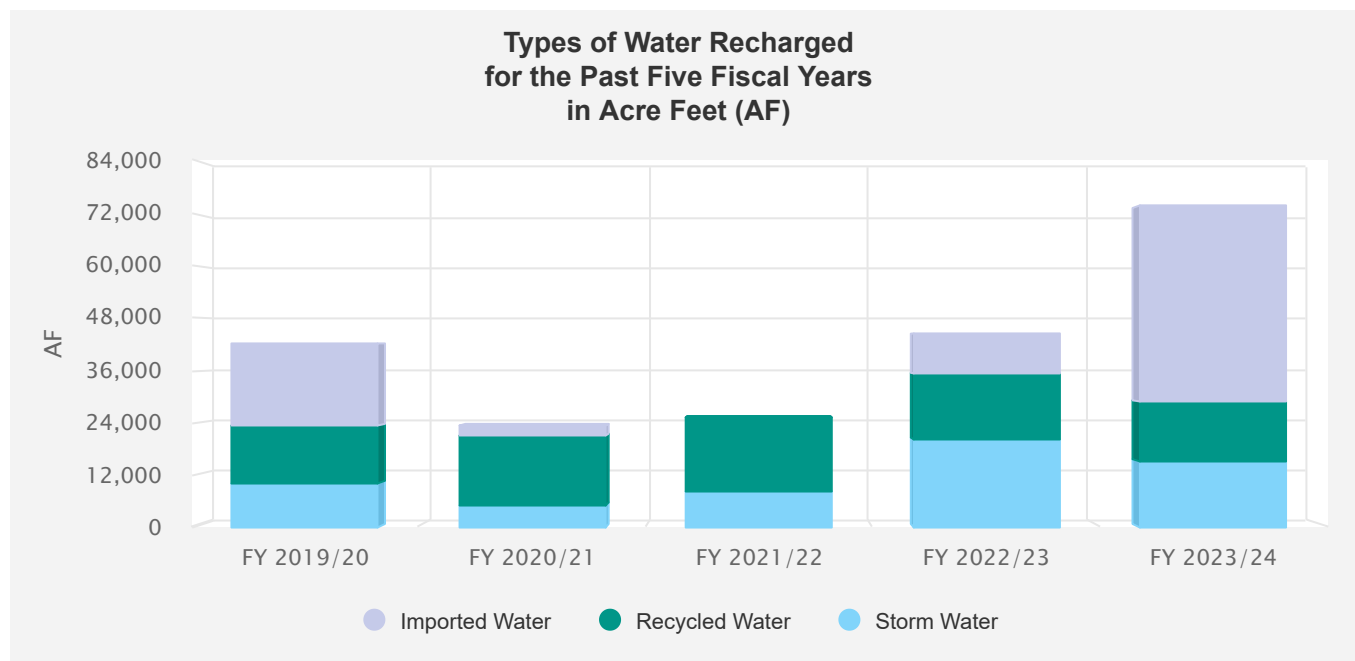
Recharge Water Fund

The Recharge Water Fund records the activities related to the operations and maintenance of nineteen groundwater recharge sites and pertinent facilities. Through the joint efforts of the Chino Basin Watermaster (CBWM), the Chino Basin Water Conservation District (CBWCD), and the San Bernardino County Flood Control District (SBCFCD), the Agency operates and maintains the basins and related facilities. The Agency takes the lead in the execution and financing of capital projects included in the 2016 Chino Basin Recharge Master Plan. Operating costs include general basin maintenance and restoration, groundwater administration, compliance reporting, environmental documentation and contracted services that are funded by CBWM and the Agency for its pro-rata share of costs based on recharged deliveries of recycled water.

Total operating expenses recorded in FY 2023/24 were \$3,347,063, an increase of \$181,488 compared to \$3,165,575 in FY 2022/23. The increase is mainly due to higher costs associated with materials and supplies.

Grant revenues decreased by \$3,971,160 to \$1,033,211 in FY 2023/24, compared to \$5,004,371 in FY 2022/23. Grant revenues can vary from year to year depending on the grants awarded based on capital project needs. The United States Bureau of Reclamation (USBR) grant awarded to the Agency was fully utilized in FY 2022/23. No new Federal grants were awarded in FY 2023/24. The State Water Resources Control Board (SWRCB) Proposition 1 Stormwater Grant was approximately 70% utilized going into the current fiscal year, leaving only approximately 30% available to draw during FY 2023/24.

As of June 30, 2024, total net position of the Recharge Water Fund was \$41,760,592 an increase of \$342,521 compared to \$41,418,071 in FY 2022/23.



Revenues

Combined revenues and other funding sources for the FY 2023/24 totaled \$326,901,558, an increase of \$35,048,755 compared to the prior FY 2022/23. The following table presents a comparison of revenues and other funding sources by category for FY 2023/24 and FY 2022/23.

Combined Revenues and Other Funding Sources by Category - All Funds For the Fiscal Year Ended June 30, 2024 (With Comparative Totals for the Fiscal Year Ended June 30, 2023)

Revenues and Other Funding Sources	FY 2023/24		FY 2022/23		Increase (Decrease) from FY 2022/23	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Operating Revenues						
Service Charges	\$ 111,016,214	34%	\$ 101,451,987	35%	\$ 9,564,227	9%
Water Sales	35,318,537	11%	30,516,248	10%	4,802,289	16%
Recycled Water Sales	19,904,866	6%	18,693,110	6%	1,211,756	6%
Total Operating Revenues	166,239,617	51%	150,661,345	52%	15,578,272	10%
Nonoperating Revenues						
Interest Income	\$ 16,219,334	5%	\$ 8,905,153	3%	7,314,181	82%
Property Tax Revenue	85,612,265	26%	79,364,633	27%	6,247,632	8%
Water Connection Fees	5,149,942	2%	4,301,542	1%	848,400	20%
Wastewater Capital Connection Fees	27,962,837	9%	26,544,482	9%	1,418,355	5%
Other Nonoperating Revenues	21,268,055	7%	14,338,323	5%	6,929,732	48%
Capital Grants	4,449,508	1%	7,737,325	3%	(3,287,817)	(42%)
Total Nonoperating Revenues	160,661,941	49%	141,191,458	48%	19,470,483	14%
Total Revenues Other Funding Sources	\$ 326,901,558	100%	\$ 291,852,803	100%	\$ 35,048,755	12%

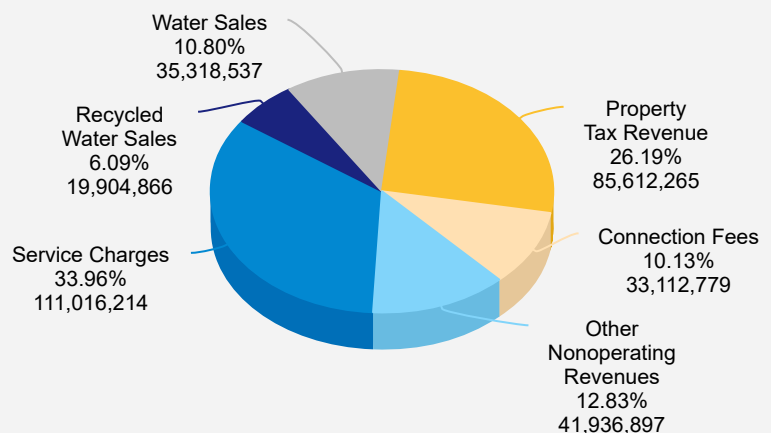
Water Sales Increase was due to higher water deliveries related to weather conditions.

Interest Income Increase was due to higher interest rates.

Water Connection Fees Water and Wastewater Capital Connection Fees Increase was due to higher new construction activities in the service area.

Capital Grants Grant revenues vary depending on the grants awarded/capital project needs. The United States Bureau of Reclamation (USBR) grant awarded to the Agency was fully utilized in FY 2022/23. The State Water Resources Control Board (SWRCB) Proposition 1 Stormwater Grant was approximately 70% utilized going into the current fiscal year, leaving only approximately 30% available to draw during FY 2023/24.

Combined Revenue and Other Funding Sources by Category - All Funds FY 2023/24 \$326,901,558



Expenses

Combined expenses for the fiscal year ended June 30, 2024, totaled \$226,456,224, an increase of \$28,357,268 compared to the prior fiscal year. The following table presents a comparison of expenses by category for FY 2023/24 and FY 2022/23.

Combined Expenses by Category - All Funds For the Fiscal Year Ended June 30, 2024 (With Comparative Totals for the Fiscal Year Ended June 30, 2023)

Expense Category	FY 2023/24		FY 2022/23		Increase (Decrease) from FY 2022/23	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Operating Expenses						
Water Purchases	\$ 37,586,932	17%	\$ 30,516,248	15%	\$ 7,070,684	23%
Wastewater Collection	12,234,182	5%	11,356,381	6%	\$ 877,801	8%
Wastewater Treatment	32,264,146	14%	27,816,531	14%	\$ 4,447,615	16%
Wastewater Disposal	10,062,292	4%	8,102,499	4%	\$ 1,959,793	24%
Operations and Maintenance	8,675,404	4%	8,091,771	4%	\$ 583,633	7%
Administration and General	66,914,331	30%	58,841,234	30%	\$ 8,073,097	14%
Depreciation and Amortization	36,132,092	16%	33,430,592	17%	\$ 2,701,500	8%
Total Operating Expenses	203,869,379	90%	178,155,256	90%	25,714,123	14%
Nonoperating Expenses						
Interest on Long-Term Debt	13,217,744	6%	13,825,036	7%	\$ (607,292)	(4%)
Other Nonoperating Expenses	9,369,101	4%	6,118,664	3%	\$ 3,250,437	53%
Total Nonoperating Expenses	22,586,845	10%	19,943,700	10%	2,643,145	13%
Total Expenses	\$ 226,456,224	100%	\$ 198,098,956	100%	\$ 28,357,268	14%

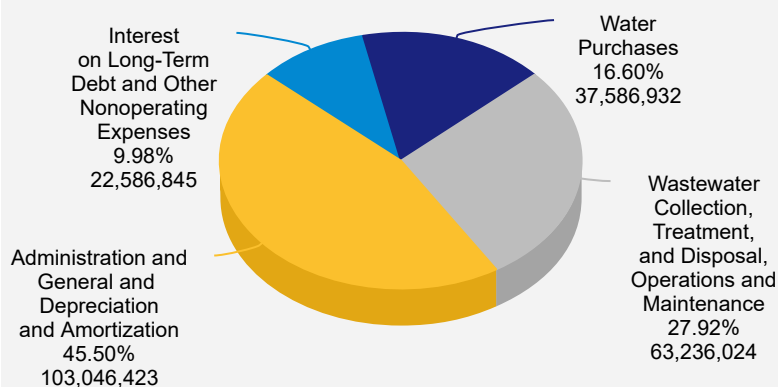
Water Purchases Increase was due to higher deliveries related to weather conditions.

Wastewater Collection, Treatment, and Disposal Increase was due to increases in chemical, electricity, and biosolids disposal costs.

Administration and General Increase was primarily due to increases in staffing levels.

Other Nonoperating Expenses Increase was primarily due to expenses related to administrative and operational support provided to Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), and the Chino Basin Watermaster (Watermaster), as well as other various nonoperating expense fluctuations.

Combined Expenses by Category - All Funds FY 2023/24 \$226,456,224



Changes in Financial Conditions of The Agency
Combined Net Position - All Funds
For the Fiscal Year Ended June 30, 2024
(With Comparative Totals for the Fiscal Year Ended June 30, 2023)

	FY 2023/24	FY 2022/23	Increase (Decrease) from FY 2022/23	
Assets				
Current assets	\$ 435,191,565	\$ 389,066,908	\$ 46,124,657	12%
Noncurrent assets				
Restricted assets	199,074,933	206,166,003	(7,091,070)	(3%)
Capital assets	1,053,338,927	974,002,909	79,336,018	8%
Other assets	61,970,235	77,739,844	(15,769,609)	(20%)
Total Assets	1,749,575,660	1,646,975,664	102,599,996	
Deferred Outflows of Resources				
Deferred outflow related to debt refunding	2,193,362	2,428,365	(235,003)	(10%)
Deferred outflow net other postemployment benefit liability	3,471,933	3,462,164	9,769	0%
Deferred outflow related to net pension liability	28,853,314	29,937,309	(1,083,995)	(4%)
Total deferred outflows	34,518,609	35,827,838	(1,309,229)	
Liabilities				
Current liabilities	70,136,404	64,508,773	5,627,631	9%
Noncurrent liabilities	537,517,911	545,267,618	(7,749,707)	(1%)
Total liabilities	607,654,315	609,776,391	(2,122,076)	
Deferred Inflows of Resources				
Deferred inflow net other postemployment benefit liability	4,644,590	1,650,013	2,994,577	181%
Deferred inflow related to net pension liability	18,949	46,018	(27,069)	(59%)
Total deferred inflows	4,663,539	1,696,031	2,967,508	
Net Position				
Net investment in capital assets	569,111,376	545,822,377	23,288,999	4%
Restricted	175,470,106	176,990,585	(1,520,479)	(1%)
Unrestricted	427,194,933	348,518,119	78,676,814	23%
Total Net Position	\$ 1,171,776,415	\$ 1,071,331,081	\$ 100,445,334	

Changes in FY 2023/24 compared to FY 2022/23 were:

- The \$46,124,657 increase in Current Assets is primarily due to a \$115,870,693 increase in Cash and Investments offset by a \$69,506,679 decrease in Accounts Receivable, Net.
- The \$7,091,070 decrease in Noncurrent Restricted Assets is primarily due to a decrease of \$40,048,990 in Restricted Investments and a decrease of \$7,030,252 in Investments Held with Trustee/Fiscal Agent. Decreases were partially offset by: 1) a \$2,915,712 increase in Deposits Held by Retention; 2) a \$27,962,837 increase in Wastewater Capital Connection Fee Receivable; 3) a \$3,643,069 increase in Net Other Postemployment Benefits and; 4) a \$5,466,554 increase in SRF Loan Debt Service.
- The \$79,336,018 increase in Capital Assets is due to the net increase to Jobs in Progress and Capital Assets of \$115,468,110, mainly comprised of the RP-5 Biosolids Facility and the RP-5 Expansion to 30.0 million gallons per day projects, offset by the FY 2023/24 increase to accumulated depreciation and amortization of \$36,132,092.

- Deferred Outflows of Resources decreased by \$1,309,229. The decrease was primarily due to a decrease in the Deferred Outflows of Resources Related to Net Pension Liability in the amount of \$1,083,995. The decrease in the Deferred Outflows of Resources Related to Net Pension Liability is primarily the result of a decrease due to change in assumptions of \$2,322,316 and a decrease in net differences between projected and actual earnings on plan investments of \$612,881. These decreases are partially offset by an increase in pension contributions subsequent to measurement date of \$385,709 and an increase in differences between actual and expected experience of \$1,465,493.
- The \$5,627,631 increase in Current Liabilities is primarily due to increases in: 1) accrued liabilities of \$316,439; 2) compensated absences of \$376,200; 3) retentions payable of \$1,155,372; 4) interest payable of \$1,295,057; 5) retention deposits and escrows of \$2,946,887, and; 5) net current portion of long-term debt of \$1,000,466. The increases are partially offset by a decrease in accounts payable of \$1,462,790.
- Noncurrent Liabilities decreased by \$7,749,707, primarily due to a decrease in advances from other funds of \$14,000,000. This decrease was partially offset by: 1) a net increase in long-term debt obligations of \$6,573,672; and 2) an increase in compensated absences of \$213,895.
- Deferred Inflows of Resources increased by \$2,967,508. The increase was primarily due to an increase in Deferred Inflow Related to Net Other Postemployment Benefit Liability in the amount of \$2,994,577. The decrease in the Deferred Inflows of Resources Related to Other Postemployment Benefit Liability is primarily the result of an increase in change in experience of \$3,047,121. The increase is partially offset by a decrease in change in assumptions of \$52,544.

Combined Schedule of Revenues, Expenses and Changes in Net Position - All Funds
For the Fiscal Year Ended June 30, 2024
(With Comparative Totals for the Fiscal Year Ended June 30, 2023)

Item Category	FY 2023/24		FY 2022/23		Increase (Decrease) from FY 2022/23	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Operating Revenues						
Service charges	\$ 111,016,214	34%	\$ 101,451,987	36%	\$ 9,564,227	25%
Water Sales	35,318,537	11%	30,516,248	11%	4,802,289	13%
Recycled water sales	19,904,866	6%	18,693,110	7%	1,211,756	3%
Total Operating Revenues	166,239,617	52%	150,661,345	53%	15,578,272	41%
Nonoperating Revenues						
Interest income	16,219,334	5%	8,905,153	3%	7,314,181	19%
Property tax revenue	85,612,265	27%	79,364,633	28%	6,247,632	16%
Water connection fees	5,149,942	2%	4,301,542	2%	848,400	2%
Wastewater capital connection fees	27,962,837	9%	26,544,482	9%	1,418,355	4%
Other nonoperating revenues	21,268,055	7%	14,338,323	5%	6,929,732	18%
Total Nonoperating Revenues	156,212,433	48%	133,454,133	47%	22,758,300	59%
Total Revenues	\$ 322,452,050	100%	\$ 284,115,478	100%	\$ 38,336,572	100%
Operating Expenses						
Water purchases	37,586,932	17%	30,516,248	15%	7,070,684	25%
Wastewater collection	12,234,182	5%	11,356,381	6%	877,801	3%
Wastewater treatment	32,264,146	14%	27,816,531	14%	4,447,615	16%
Wastewater disposal	10,062,292	4%	8,102,499	4%	1,959,793	7%
Operations and maintenance	8,675,404	4%	8,091,771	4%	583,633	2%

Combined Schedule of Revenues, Expenses and Changes in Net Position - All Funds (Continued)
For the Fiscal Year Ended June 30, 2024
(With Comparative Totals for the Fiscal Year Ended June 30, 2023)

Item Category	FY 2023/24		FY 2022/23		Increase (Decrease) from FY 2022/23	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Administration and general	66,914,331	30%	58,841,234	30%	8,073,097	28%
Depreciation and amortization	36,132,092	16%	33,430,592	17%	2,701,500	10%
Total Operating Expenses	203,869,379	90%	178,155,256	90%	25,714,123	91%
Nonoperating Expenses						
Interest on long-term debt	13,217,744	6%	13,825,036	7%	(607,292)	(2%)
Other nonoperating expenses	9,369,101	4%	6,118,664	3%	3,250,437	11%
Total Nonoperating Expenses	22,586,845	10%	19,943,700	10%	2,643,145	9%
Total Expenses	\$ 226,456,224	100%	\$ 198,098,956	100%	\$ 28,357,268	100%
Income (loss) before capital contributions and transfers	95,995,826	8%	86,016,522	8%	9,979,304	10%
Capital grants	4,449,508	-%	7,737,325	1%	(3,287,817)	(3%)
Change in net position	100,445,334	8%	93,753,847	9%	6,691,487	7%
Total net position - beginning	1,071,331,081	92%	977,577,234	91%	93,753,847	93%
Total net position - ending	\$ 1,171,776,415	100%	\$ 1,071,331,081	100%	\$ 100,445,334	100%

Capital Assets

The Agency had total net capital assets of \$1,053,338,927 in FY 2023/24, compared to \$974,002,909 in FY 2022/23. The \$79,336,018 increase is due to the net increase to jobs in progress and capital assets placed in service of \$115,468,110, mainly comprised of the RP-5 Biosolids Facility and the RP-5 Expansion to 30.0 million gallons per day projects, offset by the FY 2023/24 increase to accumulated depreciation and amortization of \$36,132,092.

Capital Asset Summary – All Funds
For the Fiscal Year Ended June 30, 2024
(With Comparative Totals for the Fiscal Year Ended June 30, 2023)

Asset Category	FY 2023/24		FY 2022/23		Increase (Decrease) from FY 2022/23	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Land	\$ 14,983,937		\$ 14,652,324		\$ 331,613	2%
Land Improvements	31,310,904		31,250,379		60,525	0%
Structures and Improvements	817,970,409		792,853,947		25,116,462	3%
Equipment	339,456,291		291,163,856		48,292,435	17%
Capacity Rights	14,826,587		14,826,587		-	-%
Water Rights	2,388,938		1,621,238		767,700	47%
Computer Software	16,244,359		15,908,336		336,023	2%
Right to Use Assets	111,093		227,816		(116,723)	(51%)
SBITAs	700,552		700,552		-	-%
Jobs in Progress	500,216,992		459,974,992		40,242,000	9%
Subtotal	1,738,210,062		1,623,180,027		115,030,035	7%
Less: Accumulated Depreciation and Amortization	(684,871,135)		(649,177,118)		(35,694,017)	5%
Net Capital Assets	\$ 1,053,338,927		\$ 974,002,909		\$ 79,336,018	8%

Refer to Note 7 of the Notes to the Basic Financial Statements for additional information.

Debt Management

As of June 30, 2024, the Agency had outstanding principal bond debt of \$94,742,045.

Bond Issue	Principal	Premium (Discount)	Outstanding at June 30, 2024
2017A Revenue Bonds	\$ 43,660,000	\$ 6,514,091	\$ 50,174,091
2020A Revenue Bonds	35,525,000	9,042,954	44,567,954
Total	\$ 79,185,000	\$ 15,557,045	\$ 94,742,045

Refer to Note 12 of the Notes to the Basic Financial Statements for detailed information.

Additionally, the Agency had outstanding Notes and Loans Payable as of June 30, 2024:

1. Various Clean Water State Revolving Fund (SRF) loans administered by the State Water Resources Control Board (SWRCB), with an outstanding principal balance of \$169,505,800.
2. A loan from the City of Fontana for the Agency's cost share of the San Bernardino Regional Lift Station and Force Main capital facilities investment with an outstanding principal balance of \$2,143,488.
3. An On-Bill Financing loan from Southern California Edison for installation of energy efficient lighting at Agency facilities with a total outstanding balance of \$176,827.
4. A Water Infrastructure Finance and Innovation Act Loan (WIFIA loan) with the United States Environmental Protection Agency for the Regional Wastewater System Improvements Program with a total outstanding balance of \$11,808,933.
5. The 2020B Revenue Notes issued to finance a portion of the construction costs of the RP-5 Expansion Project and to pay a portion of the capitalized interest with an outstanding principal balance of \$196,435,000 and unamortized premium of \$8,728,241, for a total of \$205,163,241, including capitalized interest of \$8,242,608.

The Agency's long-term debt credit rating was Aa2 from Moody's as of May 2024, and AA+ from Standard & Poor's as of March 2022.

Economic Factors and New Fiscal Year Budgets and Rates

Regional growth continues with sewer customer agencies projecting over 63,000 new equivalent dwellings unit (EDU) 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 Fiscal Year 2024/25, the Agency will have the capacity to meet this projected growth. The Agency also has included planning projects in the Ten-Year Capital Improvement Plan which will improve treatment processes at existing facilities, develop additional capacity at other regional plants, and focus on meeting anticipated regulatory compliance requirements.

The Agency's Fiscal Years 2024/25 and 2025/26 Biennial budgets are 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, and early recruitment of critical positions to support succession planning and new infrastructures.

The Agency intends to prepare a 5-year update to the existing rate schedule which is set to expire at the end of Fiscal Year 2024/25. To provide adequate time for retail/customer agencies to incorporate the rates through a Proposition 218 process, the rates must be delivered to the agencies by January 2025. The following rates to be included are: Monthly Wastewater Service Fee, Sewer Connection Fee, Regional Recycled Water Rates, Meter

Equivalent Unit (MEU) Rate, and Water Connection Fee. The new rates resulting from the cost-of-service study will be in effect July 1, 2025, to accommodate rising costs to operate and maintain the Agency's wastewater system.

Contacting the Agency's Financial Management

This financial report is designed to provide the Agency's elected officials, citizens, customers, investors, creditors, and regulatory agencies with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the revenues it receives. If you have any questions about this report or need additional financial information, please contact the Agency's Finance Department at departmentaccounting@ieua.org.





Basic Financial Statements



Basic Financial Statements

Overview

Financial Statements

The following Basic Financial Statements, along with the supplementary Notes to the Basic Financial Statements, convey a summary of the Agency's financial position as of June 30, 2024, and the results of operations and the cash flows of its proprietary fund types for the fiscal year then ended.

All individual enterprise funds are classified as either major or nonmajor funds. The Administrative Services Fund is used to monitor the general and administrative expenses of the Agency.

The Basic Financial Statements consist of:

- ◆ **Statement of Net Position** - the statement denotes the increase (decrease) of net assets of the Agency.
- ◆ **Statement of Revenues, Expenses and Changes in Net Position** - the statement shows all revenue and expense sources recorded for the period, and their effects on the net assets of the Agency.
- ◆ **Statement of Cash Flows** - the statement reflects the Agency's financial activities and their effect on cash. It also denotes the cash position of the Agency at the end of the fiscal period.
- ◆ **Notes to the Basic Financial Statements.**

Statement of Net Position June 30, 2024

	Enterprise Funds					Totals 2024	
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Non-Major		
ASSETS							
Current assets							
Cash and investments (note 3)	\$ 141,323,832	\$ 113,020,194	\$ 17,416,271	\$ 36,820,242	\$ 70,619,288	\$ 379,199,827	
Accounts receivable, net	6,807,740	10,474,701	5,337,087	11,660,654	12,444,229	46,724,411	
Interest receivable	2,609,646	190,071	525,536	59,253	2,500,317	5,884,823	
Taxes receivable	449,525	159,063	27,663	24,206	31,121	691,578	
Notes receivable, current portion (note 10)	197,775	-	293,470	-	-	491,245	
Other receivables	-	-	-	-	22,666	22,666	
Inventory	-	-	-	-	1,782,722	1,782,722	
Prepaid items	-	3,218	200,683	-	190,392	394,293	
Total current assets	151,388,518	123,847,247	23,800,710	48,564,355	87,590,735	435,191,565	
Noncurrent assets							
Restricted assets							
Deposits held by retentions (note 3)	14,476,627	-	-	-	885,592	15,362,219	
Wastewater capital connection fee receivable	135,677,216	-	-	-	-	135,677,216	
Restricted investments (note 3)	-	-	29,313,656	-	-	29,313,656	
Net other postemployment benefits (note 18)	493,261	3,107,884	528,413	315,606	567,516	5,012,680	
SRF loan debt service	1,447,481	1,046,416	2,972,657	-	-	5,466,554	
Investments held with trustee/fiscal agent (note 3)	8,242,376	24	167	-	41	8,242,608	
Total restricted assets	160,336,961	4,154,324	32,814,893	315,606	1,453,149	199,074,933	
Capital assets (note 7)							
Land	14,047,045	-	916,063	-	20,829	14,983,937	
Jobs in progress	407,185,793	33,872,905	6,527,549	13,439,427	39,191,318	500,216,992	
Capital assets, net of accumulated depreciation	215,315,996	90,665,074	158,892,017	15,015	63,642,021	528,530,123	
Intangible assets, net of accumulated amortization	5,305,412	1,705,401	1,012,785	-	1,584,277	9,607,875	
Total capital assets	641,854,246	126,243,380	167,348,414	13,454,442	104,438,445	1,053,338,927	
Other assets							
Investment in joint venture (note 11)	38,800,831	-	-	-	-	38,800,831	
Notes receivables (note 10)	454,593	-	1,350,018	71,743	-	1,876,354	

The accompanying notes are an integral part of the basic financial statements

Statement of Net Position (Continued)
June 30, 2024

	Enterprise Funds					Totals 2024
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Non-Major	
Advances to other funds (note 14)	15,605,000	-	4,933,000	-	-	20,538,000
Prepaid interest - SRF loans	325,016	-	430,034	-	-	755,050
Total other assets	55,185,440	-	6,713,052	71,743	-	61,970,235
Total noncurrent assets	857,376,647	130,397,704	206,876,359	13,841,791	105,891,594	1,314,384,095
Total assets	1,008,765,165	254,244,951	230,677,069	62,406,146	193,482,329	1,749,575,660
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow related to debt refunding	1,002,743	125,390	856,492	-	208,737	2,193,362
Deferred outflow net other postemployment benefit liability	315,329	2,205,145	335,885	189,958	425,616	3,471,933
Deferred outflow related to net pension liability	2,599,909	18,268,195	2,680,520	1,680,058	3,624,632	28,853,314
Total deferred outflows of resources	3,917,981	20,598,730	3,872,897	1,870,016	4,258,985	34,518,609
LIABILITIES						
Current liabilities						
Accounts payable	5,885,172	6,501,584	1,888,711	6,149,994	5,725,182	26,150,643
Accrued liabilities	21,400	20,427	-	151,783	2,184,547	2,378,157
Compensated absences	-	-	-	-	2,777,392	2,777,392
Retentions payable	1,177,471	361,904	85,148	-	204,499	1,829,022
Long-term debt, due within one year (note 12)	3,271,758	251,248	4,186,246	-	1,065,748	8,775,000
Notes payable, due within one year (note 12)	1,877,876	695,985	2,505,608	-	707,758	5,787,227
Lease payable, due within one year (note 16)	-	-	-	-	34,569	34,569
SBITA payable, due within one year (note 19)	-	-	-	-	158,570	158,570
Interest payable	1,543,475	162,142	4,189,673	-	957,140	6,852,430
Retention deposits and escrows	14,476,627	-	-	31,175	885,592	15,393,394
Total current liabilities	28,253,779	7,993,290	12,855,386	6,332,952	14,700,997	70,136,404
Noncurrent liabilities						
Compensated absences	-	-	-	-	4,119,480	4,119,480
Long-term debt, due in more than one year (note 12)	34,758,017	2,617,043	37,120,857	-	11,471,128	85,967,045
Notes payable, due in more than one year (note 12)	308,553,397	19,672,672	41,207,639	-	13,577,354	383,011,062
Arbitrage rebate obligation (note 13)	2,584,917	-	-	-	-	2,584,917

The accompanying notes are an integral part of the basic financial statements.

Statement of Net Position (Continued)
June 30, 2024

	Enterprise Funds					Totals 2024
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Non-Major	
Advances from other funds (note 14)	-	-	5,500,000	-	15,038,000	20,538,000
Lease payable, due in more than one year (note 16)	-	-	-	-	36,610	36,610
SBITA payable, due in more than one year (note 19)	-	-	-	-	216,101	216,101
Net pension liability (note 5)	3,732,360	26,018,419	3,841,134	2,367,349	5,085,434	41,044,696
Total noncurrent liabilities	349,628,691	48,308,134	87,669,630	2,367,349	49,544,107	537,517,911
Total liabilities	377,882,470	56,301,424	100,525,016	8,700,301	64,245,104	607,654,315
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow net other postemployment benefit liability	442,551	2,891,415	478,599	288,678	543,347	4,644,590
Deferred inflow related to net pension liability	2,116	11,753	1,933	1,085	2,062	18,949
Total deferred inflows of resources	444,667	2,903,168	480,532	289,763	545,409	4,663,539
NET POSITION						
Net investment in capital assets	296,442,495	100,455,793	82,540,045	12,955,318	76,717,725	569,111,376
Restricted for:						
Capital construction	135,677,216	-	29,313,656	-	-	164,990,872
SRF Loan debt service	1,447,481	1,046,416	2,972,657	-	-	5,466,554
Net other postemployment benefit	493,261	3,107,884	528,413	315,606	567,516	5,012,680
Total restricted	137,617,958	4,154,300	32,814,726	315,606	567,516	175,470,106
Unrestricted	200,295,556	111,028,996	18,189,647	42,015,174	55,665,560	427,194,933
Total net position	\$ 634,356,009	\$ 215,639,089	\$ 133,544,418	\$ 55,286,098	\$ 132,950,801	\$ 1,171,776,415

The accompanying notes are an integral part of the basic financial statements

Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Year Ended June 30, 2024

	Enterprise Funds					Totals 2024
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Non-Major	
OPERATING REVENUES						
Service charges	\$ -	\$ 83,768,751	\$ -	\$ 10,550,123	\$ 16,697,340	\$ 111,016,214
Water Sales	-	-	-	35,318,537	-	35,318,537
Recycled water sales	-	-	19,904,866	-	-	19,904,866
Total operating revenues	-	83,768,751	19,904,866	45,868,660	16,697,340	166,239,617
OPERATING EXPENSES						
Water purchases	-	-	-	37,586,932	-	37,586,932
Wastewater collection	-	1,809,521	-	-	10,424,661	12,234,182
Wastewater treatment	-	32,264,146	-	-	-	32,264,146
Wastewater disposal	-	10,062,292	-	-	-	10,062,292
Operations and maintenance	-	-	6,601,396	2,074,008	-	8,675,404
Administration and general	7,533,915	36,439,323	6,625,507	9,606,517	6,709,069	66,914,331
Depreciation and amortization	14,938,337	8,948,444	8,615,259	546	3,629,506	36,132,092
Total operating expenses	22,472,252	89,523,726	21,842,162	49,268,003	20,763,236	203,869,379
Operating income (loss)	(22,472,252)	(5,754,975)	(1,937,296)	(3,399,343)	(4,065,896)	(37,629,762)
NONOPERATING REVENUES (EXPENSES)						
Interest income	5,649,534	4,316,617	2,800,601	1,374,865	2,077,717	16,219,334
Property tax revenue	55,647,972	19,622,272	3,435,547	3,060,777	3,845,697	85,612,265
Water connection fees	-	-	5,149,942	-	-	5,149,942
Wastewater capital connection fees	27,962,837	-	-	-	-	27,962,837
Other nonoperating revenues	5,690,217	4,714,090	822,703	2,577,551	7,463,494	21,268,055
Interest on long-term debt	(9,680,857)	(561,345)	(2,396,823)	-	(578,719)	(13,217,744)
Other nonoperating expenses	(20,962)	(5,084,214)	(900,055)	(891,181)	(2,472,689)	(9,369,101)
Total nonoperating revenues (expenses)	85,248,741	23,007,420	8,911,915	6,122,012	10,335,500	133,625,588
Income (loss) before capital contributions and transfers	62,776,489	17,252,445	6,974,619	2,722,669	6,269,604	95,995,826
TRANSFERS AND CAPITAL CONTRIBUTIONS						
Transfers in (note 15)	1,035,604	2,561,186	2,737,289	588,625	4,348,180	11,270,884
Transfers out (note 15)	(7,964,404)	(1,352,313)	(1,828,944)	-	(125,223)	(11,270,884)
Capital grants	48,569	-	-	3,006,562	1,394,377	4,449,508
Change in net position	55,896,258	18,461,318	7,882,964	6,317,856	11,886,938	100,445,334
Total net position - beginning	578,459,751	197,177,771	125,661,454	48,968,242	121,063,863	1,071,331,081
Total net position - ending	\$ 634,356,009	\$ 215,639,089	\$ 133,544,418	\$ 55,286,098	\$ 132,950,801	\$1,171,776,415

The accompanying notes are an integral part of the basic financial statements.

Statement of Cash Flows For the Fiscal Year Ended June 30, 2024

	Enterprise Funds					Totals 2024
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Non-Major	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ -	\$ 88,231,281	\$ 20,097,452	\$ 40,901,461	\$ 16,108,094	\$ 165,338,288
Cash Received from Interfund Services Provided	-	-	-	-	39,589,592	39,589,592
Cash Payments to Suppliers for Goods and Services	(14,461,833)	(73,497,814)	(12,464,794)	(42,879,962)	(17,068,895)	(160,373,298)
Cash Payments to Employees for Services	(294,777)	(5,365,504)	(1,125,731)	(1,452,285)	(40,751,982)	(48,990,279)
Net Cash Provided by (Used for) Operating Activities	(14,756,610)	9,367,963	6,506,927	(3,430,786)	(2,123,191)	(4,435,697)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	1,035,604	2,561,186	2,737,289	588,625	4,348,180	11,270,884
Transfers out	(7,964,404)	(1,352,313)	(1,828,944)	-	(125,223)	(11,270,884)
Contract Reimbursement from Others	-	-	-	1,686,370	5,722,138	7,408,508
Tax Revenues	55,647,972	19,622,272	3,435,547	3,060,777	3,845,697	85,612,265
Collection of Notes Receivable	369,346	-	292,132	-	-	661,478
Cash Paid to Others	(882,822)	(396,589)	(853,071)	-	-	(2,132,482)
Investment in IERCA	(712,473)	-	-	-	-	(712,473)
Advances to Other Funds	8,000,000	-	3,000,000	-	-	11,000,000
Advances from Other Funds	-	-	(11,000,000)	-	-	(11,000,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	55,493,223	20,434,556	(4,217,047)	5,335,772	13,790,792	90,837,296
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(72,015,020)	(18,449,212)	(4,780,133)	(3,074,006)	(6,550,120)	(104,868,491)
Capital Grants Received	49,974,864	6,593,489	-	2,591,822	14,320,913	73,481,088
Water Connection Fees	-	-	5,149,942	-	-	5,149,942
Proceeds from SRF/WIFIA Loans	23,895,850	-	-	-	4,098,124	27,993,974
Principal Paid on SRF Loans	(1,871,487)	(743,260)	(2,490,128)	-	-	(5,104,875)
Principal Paid on Capital Debt	(3,116,263)	(239,243)	(4,054,242)	-	(1,278,949)	(8,688,697)
Interest Paid on Capital Debt	(1,708,148)	(130,776)	(1,320,695)	-	(577,403)	(3,737,022)
Interest Paid on SRF Loans	(7,995,794)	(436,830)	(462,009)	-	-	(8,894,633)
Principal Paid on Leases	-	-	-	-	(61,021)	(61,021)
Principal Paid on SBITAs	-	-	-	-	(164,004)	(164,004)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(12,835,998)	(13,405,832)	(7,957,265)	(482,184)	9,787,540	(24,893,739)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investments	6,125,043	4,375,609	2,517,827	1,402,292	1,245,086	15,665,857

The accompanying notes are an integral part of the basic financial statements

Statement of Cash Flows (Continued)
For the Fiscal Year Ended June 30, 2024

	Enterprise Funds					Totals 2024
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Non-Major	
Sale of Investments	27,880,570	70,724,931	22,691,239	17,448,663	11,551,691	150,297,094
Purchase of Investments	(13,038,595)	(13,180,194)	(4,592,917)	(2,568,127)	(13,823,888)	(47,203,721)
Net Cash Provided by (Used for) Investing Activities	20,967,018	61,920,346	20,616,149	16,282,828	(1,027,111)	118,759,230
Net Increase (Decrease) in Cash and Cash Equivalents	48,867,633	78,317,033	14,948,764	17,705,630	20,428,030	180,267,090
Cash and Cash Equivalents - Beginning of Year	74,661,678	228,873	23,680,706	12,922,994	32,017,835	143,512,086
Cash and Cash Equivalents - End of Year	\$ 123,529,311	\$ 78,545,906	\$ 38,629,470	\$ 30,628,624	\$ 52,445,865	\$ 323,779,176
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (22,472,252)	\$ (5,754,975)	\$ (1,937,296)	\$ (3,399,343)	\$ (4,065,896)	\$ (37,629,762)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Depreciation and Amortization	14,938,337	8,948,444	8,615,259	546	3,629,506	36,132,092
Changes in Assets and Liabilities						
(Increase) Decrease in						
Accounts Receivable, Net	-	4,462,530	192,586	(1,906,483)	(598,094)	2,150,539
Other Receivables	-	-	-	61	8,847	8,908
Inventory	-	-	-	-	(190,581)	(190,581)
Water Inventory	-	-	-	2,269,984	-	2,269,984
Prepaid Items	79,824	(3,218)	90,517	-	(11,629)	155,494
Increase (Decrease) in						
Deferred Outflow Related to Net Other Postemployment Benefit Liability	(728)	2,854	(8,094)	(5,597)	106,947	95,382
Deferred Outflow Related to Net Pension Liability	118,491	785,278	24,681	(8,340)	58,734	978,844
Accounts Payable	(7,264,108)	1,953,837	171,695	(350,584)	(1,758,481)	(7,247,641)
Accrued Liabilities	-	(858)	(589,298)	(7,500)	324,796	(272,860)
Compensated Absences	-	-	-	-	590,095	590,095
Net Other Postemployment Benefits Asset	(341,197)	(2,268,759)	(370,782)	(229,640)	(432,691)	(3,643,069)
Net Pension Liability	(92,835)	(587,836)	7,786	11,573	(3,185)	(664,497)
Deferred Inflow Related to Net Other Postemployment Benefit Liability	280,392	1,847,472	312,678	196,275	357,761	2,994,578
Deferred Inflow Related to Net Pension Liability	(2,534)	(16,806)	(2,805)	(1,738)	(139,320)	(163,203)
Net Cash Provided by (Used for) Operating Activities	\$ (14,756,610)	\$ 9,367,963	\$ 6,506,927	\$ (3,430,786)	\$ (2,123,191)	\$ (4,435,697)

The accompanying notes are an integral part of the basic financial statements.

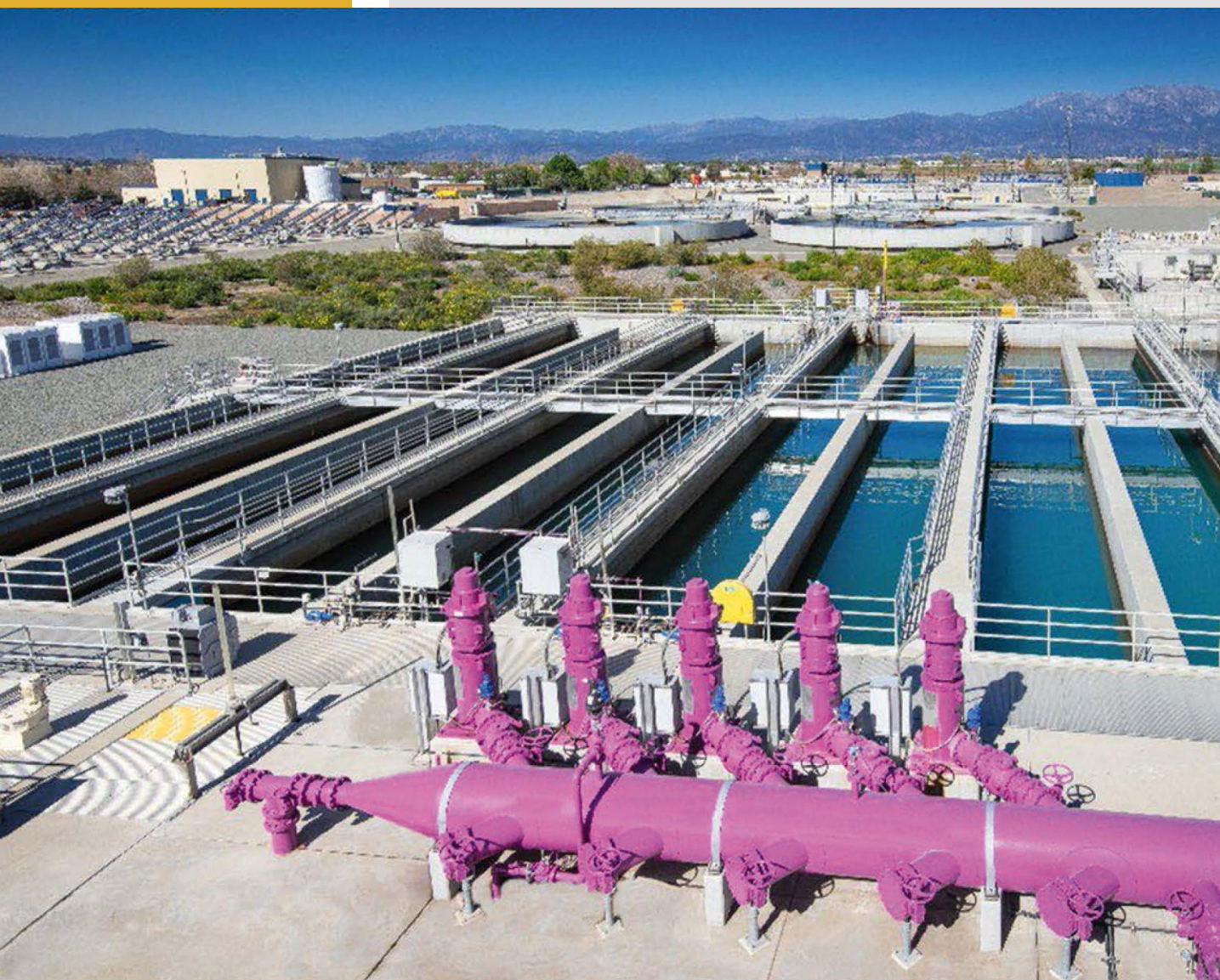
Statement of Cash Flows (Continued)
For the Fiscal Year Ended June 30, 2024

	Enterprise Funds					Totals 2024
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Non-Major	
Supplemental Disclosure of Non-Cash Capital and Related Financing and Investing Activities:						
Acquisition and Construction of Capital Assets in Accounts Payable	\$ 3,503,138	\$ 1,325,932	\$ 430,825	\$ 147,935	\$ 377,021	\$ 5,784,851
Acquisition and Construction of Capital Assets in Retention Payable	3,574,830	361,904	69,915	31,175	1,048,201	5,086,025
Connection Fees on Deposit in Accounts Receivable	27,962,837	-	-	-	-	27,962,837
SRF Loan Payable in Accounts Receivable	5,994,795	-	-	-	4,502,034	10,496,829
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:						
Cash and Short-Term Investments	\$ 141,323,832	\$ 113,020,194	\$ 17,416,271	\$ 36,820,242	\$ 70,619,288	\$ 379,199,827
Deposits Held by Retentions (Note 3)	14,476,627	-	-	-	885,592	15,362,219
Restricted Investments (Note 3)	1,447,481	1,046,416	32,286,313	-	-	34,780,210
Investments Held with Trustee/ Fiscal Agent (Note 3)	8,242,376	24	167	-	41	8,242,608
Less: Investments with Maturities Greater than Three Months	(41,961,005)	(35,520,728)	(11,073,282)	(6,191,618)	(19,059,056)	(113,805,689)
Cash and Cash Equivalents - End of Year	\$ 123,529,311	\$ 78,545,906	\$ 38,629,469	\$ 30,628,624	\$ 52,445,865	\$ 323,779,175





Notes to Basic Financial Statements



INLAND EMPIRE UTILITIES AGENCY
Index of Notes to Basic Financial Statements
June 30, 2024

Note 1.	Organization and Summary of Significant Accounting Policies	29
Note 2.	Stewardship, Compliance, and Accountability	37
Note 3.	Cash and Investments	37
Note 4.	Deferred Compensation	44
Note 5.	Defined Benefit Pension Plan	44
Note 6.	Risk Management	49
Note 7.	Changes in Capital Assets	51
Note 8.	Construction Commitments	55
Note 9.	Contingent Liabilities	58
Note 10.	Notes Receivable	58
Note 11.	Joint Ventures - Long-Term Agreements	59
Note 12.	Long-Term Debt and Notes Payable	63
Note 13.	Arbitrage Rebate Obligation	69
Note 14.	Advances to/from Other Funds	70
Note 15.	Interfund Transfers	70
Note 16.	Leases	72
Note 17.	Water Inventory	72
Note 18.	Defined Other Postemployment Benefit (OPEB) Plan	73
Note 19.	Subscription-Based Information Technology Arrangements	77
Note 20.	Subsequent Events	77

Summary of Significant Accounting Policies

Note 1. Organization and Summary of Significant Accounting Policies

Description of the Reporting Entity

The Inland Empire Utilities Agency, a municipal water district (hereafter referred to as the Agency), was authorized and established by the voters in an election held on June 6, 1950. The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board Statements. The Agency is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the Agency appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the Agency. The Agency has accounted for the Chino Basin Regional Financing Authority (the Authority) as a "blended" component unit. Despite being legally separate, this entity is so intertwined with the Agency that it is, in substance, part of the Agency's operations. Accordingly, these basic financial statements present the Agency and its component unit, the Chino Basin Regional Financing Authority (Authority). Separate financial information for the Authority may be obtained by contacting the Agency's Department of Finance and Accounting. The blended component unit has a June 30 year end.

The Authority was established on May 1, 1993 as a joint power authority (JPA) pursuant to California Government Code, Section 6500. The Authority was established to provide, through the issuance of debt, financing necessary for the acquisition, construction, and public capital improvements, working capital requirements, or insurance programs for JPA members, or other local agencies. A separate fund is not maintained for the Authority as principal and interest payments on debt issued by the Authority are paid directly by the Agency. The debt and associated payments are reported in the Regional Wastewater, Recycled Water, Non-Reclaimable Wastewater, and Recharge Water Funds.

Subject to the limitation imposed by the Constitution of California, and pursuant to its charter, all powers of the Agency are vested in a five-member Board of Directors. Each Director serves a four-year term and is elected by and represents the voters of a specific geographic area, identified as a Division within the Agency's boundaries. As of June 30, 2024, the Agency's staff is led by the General Manager who is appointed by the Board, along with the Deputy General Manager over Planning, Engineering, and Operations, and the Assistant General Manager over Finance and Information Technology. The Agency's staff consisted of 341 regular authorized positions, of which 309 were filled as of June 30, 2024. The Board also appoints legal counsel, internal auditors, and independent auditors.

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as they relate to governmental units (Special Districts). The Agency applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Fund Financial Statements

The accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflow of resources, liabilities, deferred inflow of resources, net position, revenues, and expenses, as appropriate. The Agency's resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled. The Agency accounts for its activities in Enterprise Funds. These funds are included in the financial statements and have been grouped into fund types described as "Proprietary Fund Types."

For financial reporting purposes, the Agency has the following major funds: Regional Wastewater Capital, Regional Wastewater Operations, Recycled Water, and Water Resources. The non-major funds are aggregated and reported in a separate column in the financial statements, and include the following funds: Non-Reclaimable Wastewater, Recharge Water, and Administrative Services.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing goods and services related to the fund's ongoing operations. The principal operating revenues of the Agency's enterprise funds include: service charges for the collection, treatment, and disposal of domestic wastewater flows based on equivalent dwelling units (EDUs) connected to the regional sewerage agencies local collection systems recorded in the Regional Wastewater Operations and Maintenance Fund; user charges for the export of high-salinity and industrial wastewater generated within the Agency's service area and eventual discharge to the Pacific Ocean recorded in the Non-Reclaimable Wastewater (NRW) Fund; revenues from the sale of recycled water to member agencies and commercial customers recorded in the Recycled Water Fund; and revenues from the sale of Metropolitan Water District of Southern California (MWD) imported water and meter equivalent unit (MEU) charge for the Agency's administrative and operational costs associated in providing water resources and water use efficiency programs within the Agency's service area recorded in the Water Resources Fund.

The Agency's principal operating expenses include: the costs associated with the collection of and primary, secondary and tertiary treatment of domestic wastewater delivered to the regional sewage system; treatment and export costs of industrial waste delivered to the NRW North and South systems; purchase of imported water from MWD; biosolids recycling; expenses associated with the operations; maintenance and capital improvements of the facilities that support the distribution of recycled water for direct use and groundwater recharge; and water use efficiency and conservation program costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Proprietary Funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included in the statement of net position. The reported fund equity (net fund position) is segregated into net investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in the total net position. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as needed.

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges.

Major Funds

Regional Wastewater Capital Improvement Fund

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.

Regional Wastewater Operations and Maintenance Fund

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 regional sewerage agencies to the Agency's regional interceptors and water recycling facilities. These costs are associated with the domestic wastewater delivered to the regional sewage system, which serves the residential, commercial, and industrial entities (with low salinity) within the Agency's 242 square-mile service area. The treatment process includes tertiary chlorination and dechlorination to remove excess chlorine residuals thus protecting the habitats in the receiving waters, as required by the Agency's National Pollutant Discharge Elimination System (NPDES) permits.

Recycled Water Fund

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 the Agency's water recycling plants. Also, the Recycled Water Fund records all costs associated with the construction and financing of recycled water capital projects. In response to the potential shortage and reduction of imported water supplies, the Agency adopted the Recycled Water Business Plan (RWBP) in December 2007. The RWBP was updated in 2015 with the Recycled Water Program Strategy (RWPS). The primary objective of the RWPS is to update supply, demand forecasts, and prioritize projects to maximize the beneficial use of recycled water throughout the year. The RWPS planning period is through 2035. Recycled water provides a cost effective and more reliable local water supply and is a key source to the Agency's goal of drought proofing its service area by 2030.

Water Resources Fund

The Water Resources Fund records the transactions 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, groundwater recharge, and storm water management.

Basis of Accounting

Basis of accounting refers to the timing when revenues and expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The Agency prepares its financial statements on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recognition of Wastewater Capital Connection Fees

The Agency records the Regional Wastewater Capital Connection Fees collected and held by contracting regional sewerage agencies, on behalf of the Agency, as revenue when the funds are received by each regional sewerage agency. Fees held by the regional sewerage agencies on behalf of the Agency are recorded as nonoperating revenue and receivable.

Operating and Nonoperating Revenues and Expenses

Operating revenues relate to the direct revenues generated from services performed or sale of commodities. Examples include domestic wastewater treatment and disposal service charges, sales of recycled water, and meter equivalent unit charges for potable water service. Nonoperating revenues do not directly relate to the Agency's core operations and include: 1) property tax receipts; 2) interest income; 3) regional capital connection fees; 4) water capital connections fees; and 5) reimbursement for contract services provided to Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), and Chino Basin Watermaster (Watermaster).

The Agency classifies the expense types based upon the goods and/or services directly related to the operations of the Agency in providing the core services and/or goods. Typical operating expenses include domestic wastewater treatment, biosolids disposal, delivery of recycled water, and depreciation of capital assets. In contrast, nonoperating expenses are not directly related to the Agency's core operations, such as costs related to capital projects, administrative and operational support provided to CDA, IERCA and Watermaster, interest expense and the cost of financial services.

Budgetary Policy and Control

The Agency's Board approves a biennial budget prior to the beginning of the new fiscal year. All amendments to the budget, or transfers of operating budget appropriations between the funds, require Board approval. The Agency is not required to present budget comparisons; therefore, budgetary data is not presented in the accompanying basic financial statements.

The Agency maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board and pursuant to the Agency's Fiscal Ordinance. All appropriations lapse at year-end.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Cash and Investments

Investments in short-term highly liquid debt instruments that have a remaining maturity at the time of purchase of one year or less, and nonparticipating interest earning investment contracts, are reported at amortized cost. All other investments are reported at fair value.

In accordance with GASB, for the purpose of the Statement of Cash Flows at June 30, 2024, and the Agency's cash and cash equivalents are considered to be petty cash, demand deposits, and savings accounts that are readily available on demand, as well as short-term highly liquid investments with an initial maturity of three months or less. All short-term cash surpluses are maintained in a cash and investment pool and allocated to each fund based on month-end cash and investment balances. For financial presentation purposes, cash is shown within cash, short-term investments, and restricted assets.

Interest Income Allocation Method

Interest income earned on pooled cash and investments is allocated quarterly to the funds, based on month-end cash and investment balances. Interest income from cash and investments in restricted accounts is credited directly to the related fund.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (current portion of interfund loans) or "advances to/from other funds" (the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The San Bernardino County Tax Assessor (the County) attaches liens on property as of January 1 and property taxes are levied annually on July 1. Property taxes are payable to the County in two installments on November 1 and February 1. The County is permitted by state law, (Article XIII A of the California Constitution, Proposition 13), to levy taxes at one percent of full market value (at the time of purchase) and can increase the property's value no more than two percent per year. The County bills and collects the property taxes and subsequently remits the amount due to the Agency in installments during the year. Annually in July, the County prepares a property tax year-end reconciliation and remits any unpaid taxes to the Agency generally within sixty days of the fiscal year end. Those taxes are accrued by the Agency and reflected as taxes receivable in the applicable funds at fiscal year-end. The Agency does not collect property taxes in advance; therefore, no deferred revenue is shown on the financial statements.

Wastewater connection fees represent the funds held by regional sewerage agencies in a Capital Capacity Reimbursement Account (CCRA) on behalf of the Agency to support the improvement and expansion of the Regional Wastewater System, in accordance with the Chino Basin Regional Sewage Service Contract.

Although the Agency extends credit to customers in the normal course of operations, uncollectible amounts are generally not significant. When an account is determined to be uncollectible, it is written off as bad debt expense in the period so determined, following Board approval, if required.

The Agency does accrue revenue beyond billing dates. The total value of accrued receivables as of June 30, 2024 is \$17,777, \$1,853,491, \$5,023,843, \$1,989,608, and \$4,502,034 with the Regional Operations, Recycled Water, Water Resources, Non-Reclaimable Water, and Recharge Water funds, respectively. The accrued receivables are recorded in accounts receivable.

Inventories and Prepaids

Inventory is valued at the weighted average cost of items on hand. Inventories of operating supplies are maintained and accounted for in the Administrative Services Non-Major Fund.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the fund financial statements.

Restricted Assets

Restricted assets represent deposits held in short-term investments with Trustee/Fiscal Agents.

Assets held with Trustee/Fiscal Agents include: (a) unspent debt proceeds available for capital construction payments; (b) proceeds from bonds, which are restricted to making payments for debt service; (c) deposits held by regional sewerage agencies for Regional Wastewater Capital Connection Fees collected on behalf of the Agency to fund capital construction expenditures; (d) Water Capital Connection Fees collected to fund capital construction expenditures; (e) construction contract retentions, which involve escrow agreements and deposits held in lieu of retentions, both of which require funds to be separately set aside for retention; (f) State Revolving Fund (SRF) loan debt service funded by SRF loans set aside to make up potential future deficiencies in debt service payments; and (g) Net Other Postemployment Benefit (OPEB) asset balance which must be used to fund employee benefits (see Note 18).

Capital Assets

Property, plant, and equipment are capitalized at cost. The cost of a capital investment includes purchase, rehabilitation, installation or construction costs, Agency labor for engineering, construction management, and administrative activities, as well as ancillary expenses necessary to make productive use of the assets. Current capitalization thresholds are reflected in the following table:

Type of Expenditure	Total Cost	Estimated Life
Office Equipment	>\$5,000	>1 Year
Computer Equipment	>\$1,000	>1 Year
Other Equipment	>\$5,000	>1 Year
Maintenance and Repair Expenditures	>\$5,000	>1 Year
Single Year Capital Projects	>\$5,000	>1 Year
Multi-Year Capital Projects	>\$15,000	>1 Year

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset useful lives are not capitalized. Improvements that increase the estimated life or enhance operating performance of the assets are capitalized and depreciated, as applicable, over the remaining useful life of the related capital assets. Donated capital assets, donated works of art and similar items, and capital assets in a service concession arrangement are recorded at acquisition value.

Estimated useful lives are:	Furniture, Machinery, and Equipment	3 - 15 Years
	Improvements	15 Years
	Interceptors, Buildings, and Plants	5 - 50 Years
	Intangible Capacity Rights	50 Years
	Computer Software	3 Years

Depreciation of capital assets has been provided on a straight-line basis. One-half year depreciation is recorded in the year of acquisition and disposal.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Agency has three items that qualify for reporting in this category. One is the deferred outflow of resources related to debt refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price, and the difference between the amount placed in escrow to repay the refunded bonds and the carrying amounts of the refunded bonds. This amount is deferred and amortized over the shorter-of-the-life of the refunded or refunding debt in this case, the 2017A bonds. The others are the deferred outflow of resources related to net other postemployment benefit liability and the deferred outflow of resources related to net pension liability.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Agency has two items that qualify for reporting in this category. They are the deferred inflow of resources related to net other postemployment benefit liability and the deferred inflow of resources related to net pension liability. Additional information on the

net pension liability and net other postemployment benefits deferred outflows and inflows of resources can be found in Notes 5 and 18, respectively.

Pensions

For purposes of measuring the net pension liability (asset) and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Agency's OPEB plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Compensated Absences

The Agency records a liability for vacation, sick leave, and compensatory leave earned but not used. Each employee earns vacation pay based on the length of employment. Upon termination, employees receive payment for accrued vacation pay. Employees continuously employed by the Agency for at least five years receive partial payment, upon termination, of accrued sick leave hours. The payment percentage is based upon the number of years of service.

A summary of compensated absence activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 6,306,777	\$ 15,570,282	\$ 14,980,187	\$ 6,896,872	\$ 2,777,392

Long-Term Obligations

In the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable fund statement of net position. Certain bond premiums and discounts are deferred and amortized over

the life of the bonds. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expenses as incurred.

Leases

The Agency determines if an arrangement is a lease at inception. Leases, for which the Agency is a lessee, are included in lease assets and lease liabilities in the statement of net position.

Lease assets represent the Agency's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Agency's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option.

The Agency recognizes payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Agency has elected to calculate the discount rate implicitly used to calculate the present value of expected lease payments.

The Agency accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the Agency treats the components as a single lease unit.

Currently, the Agency has no lease contracts for which it is a lessor.

Subscription-Based Information Technology Arrangements (SBITAs)

The Agency enters into a variety of arrangements for the purchase of information technology services, including Subscription-Based Information Technology arrangements (SBITAs) for the purchase of the right to use software. Most of the Agency's SBITAs are short-term in nature but a small number are for the right to use software for more than one year and such arrangements are accounted for in accordance with GASB 96, *Subscription-Based Information Technology Arrangements*.

The SBITA arrangements within the scope of GASB 96 are accounted for by recognizing a subscription liability for the present value of subscription payments expected to be made during the subscription term and a right-to-use asset. Variable payments have not been included in the calculation of the subscription liability as none of the variable payments depend on an index or rate (as defined in GASB 96) and none are fixed in substance. The number of variable payments made in the year ended June 30, 2024 was not material. No amounts were paid during the period related to termination penalties, nor were any impairment charges recorded. SBITA assets are amortized in a systematic and rational manner over the shorter subscription term or the useful life of the underlying IT assets.

Effect of New Accounting Standards on Current Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 101, *Compensated Absences*, Statement No. 102, *Certain Risk Disclosures*, Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 104, *Disclosure of Certain Capital Assets*. When they become effective, application of these standards may restate portions of these financial statements.

Stewardship**Note 2. Stewardship, Compliance, and Accountability****Encumbrances**

Encumbrance accounting is employed as an extension of formal budgetary integration in the Agency's enterprise funds.

Encumbrances (e.g., purchase orders, contracts, other commitments) outstanding at year end are reported as an unrestricted net position and do not constitute expenses or liabilities. Upon Board approval, these commitments are re-appropriated and honored during the subsequent fiscal year.

Detailed Notes on All Funds**Note 3. Cash and Investments**

The Agency follows the practice of pooling cash and investments of all funds, except for restricted funds generally held by outside custodians. Each fund's position in the pool is reported on the combined statement of net position as cash and investments.

Interest income earned on pooled cash and investments is allocated to those funds which are required by law, local ordinance, administrative action, or agreements to receive interest. Such allocation is made quarterly, at a minimum, based on the weighted average cash balances in each fund receiving interest. Interest income from cash and investments which are restricted is credited directly to the related fund.

Restricted assets held with trustee/fiscal agent include proceeds from the 2020B Revenue Notes issued on June 30, 2021 related to capitalized interest to support debt service costs, along with vendor escrow deposits in lieu of retention.

Cash and investments as of June 30, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$	379,199,827
Restricted Short-Term Investments		29,313,656
Restricted Assets Held with Trustee/Fiscal Agent		8,242,608
Restricted Assets SRF Loan Debt Service		5,466,554
Restricted Assets Held by Retentions		15,362,219
Total Cash and Investments	\$	437,584,864

Cash and investments as of June 30, 2024, consist of the following:

Cash on Hand (Petty Cash)	\$	2,233
Deposits with Financial Institutions		27,856,914
Investments		409,725,717
Total Cash and Investments	\$	437,584,864

Fair Value

The Agency reports its investments at fair value in the statement of net position. All investment income, including changes in fair value of investments, is recognized as nonoperating revenue in the statement of revenues, expenses, and changes in net position.

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies investment types authorized by the California Government Code Section 53601 and the Agency's investment policy (where more restrictive). The table also identifies certain provisions of the California Government Code or the Agency's investment policy that address maximum maturity, percentage of portfolio, and percentage of investment allowed.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities	5 Years	None	None
U.S. Instrumentalities (Supranational)	5 Years	20%	None
State Treasury Obligations	5 Years	10%	None
Local Agency Obligations	5 Years	None	None
Commercial Paper	270 Days	25%	10%
Negotiable/Placement Certificates of Deposits	5 Years	30%	None
Repurchase Agreements	90 Days	40%	None
Medium Term Notes	5 Years	30%	None
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund	N/A	\$75M	None
Local Agency Investment Pools	N/A	None	None
Bank Deposits	N/A	None	None

The table does not address investment of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code or the Agency's Investment Policy.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by the provisions of the Agency's debt agreements, rather than the general provision of the California Government Code or the Agency's Investment Policy.

The table on the following page identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address quality of risk, interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Minimum Rating	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None	None
U.S. Agency Securities	None	None	None	None
U.S. Instrumentalities (Supranational)	None	None	None	None
Money Market Funds	AAA	N/A	None	None
Certificates of Deposits	None	None	None	None
Investment Agreements	None	None	None	None
Commercial Paper	A-1 / Prime-1	270 Days	None	None
Bankers Acceptances	A-1 / Prime-1	1 Year	None	None
Repurchase Agreements	A	30 Days	None	None
Medium Term Notes	A	None	None	None
Local Agency Investment Fund	None	N/A	None	None
Local Agency Investment Pools	None	N/A	None	None

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Agency does not have any investments with fair values highly sensitive to interest rate fluctuations.

Investment Pool Oversight

Local Agency Investment Fund (LAIF)

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based on the Agency's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis and are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the Agency has sufficient amounts to meet the redemption request. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals in LAIF are made based on one dollar and not fair value. Accordingly, the Agency's investment in this pool is measured on uncategorized inputs not defined as Level 1, 2, or 3.

California Asset Management Program (CAMP)

The Agency is a voluntary participant in the California Asset Management Program (CAMP), a Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Code Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers. CAMP is not

registered with the Securities and Exchange Commission. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis, and are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the Agency has sufficient amounts to meet the redemption request.

Deposits

On June 30, 2024, the carrying amount of the Agency's deposits was \$27,856,914 and the bank balance was \$28,967,111. The \$1,110,197 difference represents outstanding checks.

The California Government Code requires California banks and savings and loan associations to secure public agencies deposits by pledging government securities with a value of 110 percent of a public agency's deposits. California law also allows financial institutions to secure an entity's deposits by pledging first mortgage notes having a value of 150 percent of the Agency's total deposits. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking.

The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank of San Francisco, California, as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agency of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are held for, and in the name of, the local government agency.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Beyond the Investment Policy, the Agency has no formal policy for managing risks.

Presented below is the minimum rating required by the Agency's investment policy, and the actual Moody's rating as of fiscal year ended June 30, 2024 for each investment type:

Investment Type	Amount	Minimum Legal Rating	Moody's Rating as of June 30, 2024				
			Aaa	Aa1 to Aa3	A1 to A3	Unrated	Exempt
U.S. Agency Securities	\$ 30,406,763	N/A	\$ 30,406,763	\$ -	\$ -	\$ -	\$ -
U.S. Instrumentalities (Supranational)	2,737,322	AA	-	2,737,322	-	-	-
Medium Term Notes	20,884,807	A	2,895,078	7,565,588	10,424,141	-	-
Municipal Bonds	1,265,945	A	-	1,073,206	192,739	-	-
LAIF	63,884,052	N/A	-	-	-	63,884,052	-
CAMP	223,638,997	N/A	-	-	-	223,638,997	-
Brokered Certificate of Deposit	1,085,632	N/A	-	1,085,632	-	-	-
Money Market	153,945	N/A	153,945	-	-	-	-
U.S. Treasury	57,425,219	N/A	-	-	-	-	57,425,219
Held by Bond Trustee:							
CAMP	8,242,608	N/A	-	-	-	8,242,608	-
Money Market Mutual Funds	427	N/A	-	-	-	427	-
Total	\$ 409,725,717		\$ 33,455,786	\$ 12,461,748	\$ 10,616,880	\$ 295,766,084	\$ 57,425,219

Concentration of Credit Risk

The Agency's investment policy contains several limitations on the amount that can be invested with any one issuer and type of investment as well as that stipulated by the California Government Code. As of the fiscal year ended June 30, 2024 no investments represent five percent or more of total investments.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Agency will not be able to recover the value of investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The fair value of the pledged securities in the collateral pool must equal 110 percent of the total amount deposited by public agencies.

California law also allows financial institutions to secure Agency deposits by pledging first deed mortgage notes having a value of 102 percent of the secured public deposits.

As of June 30, 2024, the Agency's deposits (bank balance) were insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000 and the remaining balances were collateralized under California law.

For investments identified as held by bond trustees, the trustee selects the investments under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the Agency.

Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing asset, due to variability of the interest rate of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Agency's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Agency's investment policy states that purchases of investments will be restricted to securities with a final stated maturity not to exceed five years unless the Board of Directors has granted express authority to make that investment either specifically or as part of a previous investment program no less than three (3) months prior to that investment. The Agency manages its exposure to interest rate risk by purchasing a combination of short-term and long-term investments. Investment maturities are spread to provide the cash flow and liquidity needed for operations. The Agency has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2024, the Agency had the following investments and original maturities:

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25 to 60 Months	
U.S. Agency Securities	\$ 4,934,316	\$ 3,886,809	\$ 21,585,638	\$ 30,406,763
U.S. Instrumentalities (Supranational)	-	-	2,737,322	2,737,322
Medium Term Notes	-	4,283,035	16,601,772	20,884,807
Municipal Bonds	382,172	883,773	-	1,265,945
Federal Agency Commercial Mortgage-				
LAIF	63,884,052	-	-	63,884,052
CAMP	223,638,997	-	-	223,638,997
Brokered Certificate of Deposit	-	-	1,085,632	1,085,632
Money Market	153,945	-	-	153,945
U.S. Treasury Note	946,658	29,571,839	26,906,722	57,425,219
Held by Bond Trustee:				
CAMP	8,242,608	-	-	8,242,608
Money Market Mutual Funds	427	-	-	427
Total	\$ 302,183,175	\$ 38,625,456	\$ 68,917,086	\$ 409,725,717

Fair Value Measurement (GASB 72)

Government Accounting Standards Board Statement No. 72 (GASB 72) *Fair Value Measurement and Application* requires an agency to use valuation techniques to measure fair value and requires disclosures to be made about investment fair value measurements, the level of fair value hierarchy, and valuation techniques.

The fair value hierarchy has three levels which are summarized below: Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date. Level 2 inputs are inputs - other than quoted prices - that are observable for identical assets or liabilities, either directly or indirectly; and Level 3 inputs are unobservable inputs for an asset or liability.

The Pools use the market approach as a valuation technique in the application of GASB 72. This method uses the prices and other relevant information generated by market transactions involving identical or comparable assets or groups of assets.

The information below shows the Agency's investments fair value measurements (market approach) as of June 30, 2024. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions.

Investments by Fair Value Level	As of June 30, 2024	Level 1 (A)	Level 2 (B)	Uncategorized
U.S. Agency Securities	\$ 30,406,763	\$ -	\$ 30,406,763	\$ -
U.S. Instrumentalities (Supranational)	2,737,322	-	2,737,322	-
Medium Term Notes	20,884,807	-	20,884,807	-
Municipal Bonds	1,265,945	-	1,265,945	-
LAIF	63,884,052	-	-	63,884,052
CAMP	223,638,997	-	-	223,638,997
Brokered Certificate of Deposit	1,085,632	1,085,632	-	-
Money Market	153,945	-	-	153,945
U.S. Treasury Notes	57,425,219	57,425,219	-	-
Held by Bond Trustee:				
CAMP	8,242,608	-	-	8,242,608
Money Market Mutual Funds	427	-	-	427
Total	\$ 409,725,717	\$ 58,510,851	\$ 55,294,837	\$ 295,920,029

(A) Level 1 - Quoted prices in active markets for identical assets

(B) Level 2 - Quoted prices in active markets for significant other observable inputs

Note 4. Deferred Compensation

The Agency established a Deferred Compensation Plan for employees in December 1977. Under this plan, employees may choose to defer income until retirement or termination. All deferred wages are credited to the participating employee accounts. Internal Revenue Code (IRC) Section 457 requires that plan assets be held in trust for the exclusive benefit of the participants and their beneficiaries. Investments in the Deferred Compensation Plan are held by a fiscal agent in investment options chosen by the participants. For calendar year 2024, each participant can contribute into their 457 deferred compensation account up to a maximum of \$22,500, or up to \$30,000 if age 50 or older. Effective July 1, 2018, the Agency started contributing twenty-five dollars (\$25) per pay period to the 457(b) account of each employee actively contributing to the plan. For FY 2023/24 the Agency's deferred compensation expense totaled \$164,530.

In fiscal year 1997/98, the Board of Directors adopted a resolution to establish another Deferred Compensation Plan that is a qualified plan under the IRC Section 401(a). Each participant can contribute a percentage of their employee's earnings up to a maximum of \$66,000 for calendar year 2024. All contributions are made with pre-tax income and are solely obtained from the employees' funds. An employee's election to participate in the plan is irrevocable and shall remain in force until the employee terminates employment. Under current Internal Revenue Service regulations, once an employee elects to participate in the plan, they cannot change their contribution amount or withdraw from the plan until they leave Agency employment.

Note 5. Defined Benefit Pension Plan

General Information About the Pension Plans

Plan Description

The Agency contributes to the CalPERS, an agent multiple-employer public employee defined benefit pension plan. The Agency's defined benefit pension plan is identified as the Miscellaneous Plan of the Inland Empire Utilities Agency (the Agency's Plan). CalPERS provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California.

Benefit provisions, and all other requirements, are established by State statutes within the Public Employees' Retirement Law and by the Public Employee's Pension Reform Act of 2013 (PEPRA). The Agency's Plan selects optional provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate annual comprehensive financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 "Q" Street - Sacramento, CA 95811.

Benefits Provided

The Agency is required to contribute the actuarially determined remaining amounts necessary to fund the retirement benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

The Plans' provisions and benefits in effect as of June 30, 2024 are summarized as follows:

Hire Date	Prior to January 1, 2012+	On or After January 1, 2012+	After January 1, 2013
Benefit Formula	2.5%@55	2%@55	2%@62
Final Average Compensation Period	1 Year	3 Years	3 Years
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Eligible Retirement Age	50 - 55+	50 - 63+	52 - 67+
Monthly Benefits as a Percentage of Eligible Compensation	2% - 2.5%	1.4% - 2.4%	1% - 2.5%
FY 2023/24 Required Employee Contribution Rates*	0.08	0.07	0.0675
FY 2023/24 Required Employer Contribution Rates	10.38%	10.38%	10.38%

+ Closed to new entrants to CalPERS

* Effective the first pay period of FY 2022/23 and FY 2023/24, limited-term and full-time employees, respectively, are fully funding the employee paid member contribution rate. Employees hired after January 1, 2013 pay for one-half (1/2) of their total normal cost rate, as determined by CalPERS.

Employees Covered

As of the June 30, 2024 (measurement date as of June 30, 2023) actuarial valuation, the following employees were covered by the Plans' terms:

Retired Members and Beneficiaries	329
Active Employees	302
Inactive Employees Entitled to, but Not Yet Receiving Benefits	230
Total	861

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Agency contribution rates may change if plan contracts are amended. Payments made by the Agency to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Total contributions made for the year ended June 30, 2024, is \$11,635,719.

Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2023 using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures.

A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial accounting valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increases	Varies by Entry Age and Service
Mortality ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Agency's Plan, which remained the same from the 6.90% used in the June 30, 2022 measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class (a)	New Strategic Allocation	Real Return 1, 2
Global Entity Cap-Weighted	30.00%	4.54%
Global Entity Non-Cap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.00%	

1) An expected price inflation of 2.30% is used for this period.

2) The figures are based on the 2021 Asset Liability Management study.

Changes in the Net Pension Liability

The changes in the net pension liability for the Agency's Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2022	\$ 266,015,091	\$ 224,169,763	\$ 41,845,328
Changes in the Year:			
Service Cost	5,526,660	-	5,526,660
Interest on Total Pension Liability	18,316,701	-	18,316,701
Differences Between Actual and Expected Experience	2,558,034	-	2,558,034
Changes in Assumptions	200,522	-	200,522
Contributions - Employer	-	11,228,392	(11,228,392)
Contributions - Employee	-	2,401,926	(2,401,926)
Net Investment Income	-	13,937,075	(13,937,075)
Benefit Payments	(12,155,061)	(12,155,061)	-
Administrative Expenses	-	(164,844)	164,844
Current Year Net Changes	14,446,856	15,247,488	(800,632)
Balance at June 30, 2023	\$ 280,461,947	\$ 239,417,251	\$ 41,044,696

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Miscellaneous Plan, (Agency Plan), calculated using the discount rate for each Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability	\$ 79,736,671	\$ 41,044,696	\$ 9,195,359

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expenses systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expenses.

The amortization period differs depending on the source of the gain or loss:

Difference Between Projected and Actual Earnings	5-Year Straight-Line Amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2024, the Agency recognized pension expense of \$11,870,395. As of June 30, 2024, the Agency has deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 11,635,717	\$ -
Differences Between Actual and Expected Experience	1,970,109	(18,949)
Change in Assumptions	4,412,402	-
Net Differences Between Projected and Actual Earnings on Plan Investments	10,835,086	-
Total	\$ 28,853,314	\$ (18,949)

Deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date of \$11,635,717 will be recognized as a reduction of net pension liability in the fiscal year ending June 30, 2025.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ending June 30:	Deferred Outflows (Inflows) of Resources
2024	\$ 4,995,746
2025	4,006,055
2026	7,883,777
2027	313,070

At June 30, 2024, the Agency had no outstanding number of contributions to the pension plan required for the year ended June 30, 2024.

Note 6. Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1985/86, the Agency chose to establish a risk management program for risks associated with all liability losses except workers' compensation losses. These risks are covered by commercial insurance purchased from independent third parties.

- General and auto liability, public officials and employees' error and omissions: The Agency retains the risk of loss for general liability, automobile liability, and errors and omissions claims of up to \$1,000,000 per person per occurrence.
- The Agency also retains the risk of loss for property damage, and boiler machinery claims of up to \$25,000.

In fiscal year 1993/94, the Agency adopted a self-insurance program for risks associated with workers' compensation to account for and finance uninsured workers' compensation losses. The Agency uses excess insurance agreements to reduce its exposure to large workers' compensation losses.

Excess insurance permits the recovery of a portion of losses from the excess insurers, although it does not discharge the primary liability of the fund as direct insurer of the risks.

- The Agency purchases commercial insurance coverage for that portion of workers' compensation claims exceeding the California statutory limits of \$1,000,000 per person per occurrence. The current commercial insurance provides coverage for workers' compensation claims up to \$25,000,000. The Agency does not report excess insurance risks as liabilities unless it is probable that those risks will not be covered by the excess insurance.

In addition to the above, the Agency has the following insurance coverage:

- Employee dishonesty coverage up to \$15,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages, and computer fraud; with a deductible of \$2,500 per occurrence.
- Property damage up to \$1,000,000,000 per occurrence coverage limit, subject to a \$25,000 deductible per occurrence. All other claims categories provide coverage up to \$800,000,000 on an annual aggregate basis.
- Boiler and machinery coverage for the replacement cost up to a shared limit of \$500,000,000, subject to various deductibles depending on the type of equipment.

Insurance premiums are paid into the Administrative Services Non-Major Fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the programs. The total is calculated using trends in actual claims experience. The allocation is based upon the percentage of each fund's current payroll as it relates to the total payroll of the Agency. These allocated interfund premiums are used to reduce the amount of claims expense reported in the Administrative Services Fund.

Settled claims from the risks discussed herein have not exceeded commercial insurance coverage in any of the last three fiscal years ending June 30, 2024, 2023, and 2022. Additionally, there have been no reductions in insurance coverage since the establishment of the risk management program.

Claim Liabilities

Claim liabilities of the Agency are reported when it is probable that a loss occurred, and the amount of the loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not reported (IBNRs). A negative amount reflects a current year change in the estimated unpaid claims balance at the beginning of the year. Claim liabilities are calculated considering effects of inflation, recent claim settlement trends (including frequency and number of payouts), and other economic and social factors. The liability for claims and judgments is reported in accrued liabilities.

Changes in the balances of workers' compensation and general liability claims during the past two fiscal years were as follows:

	Worker's Compensation		General Liability	
	FY 2023/24	FY 2022/23	FY 2023/24	FY 2022/23
Unpaid Claims - Beginning of Fiscal Year	\$ 799,159	\$ 750,662	\$ 344,224	\$ 1,112,000
Incurred Claims (Including IBNRs)	117,113	95,624	1,733,841	(336,829)
Claim Payments	(154,000)	(47,127)	(1,660,000)	(26,251)
Unpaid Claims - End of Fiscal Year	\$ 762,272	\$ 799,159	\$ 418,065	\$ 748,920

Note 7. Changes in Capital Assets

Jobs in Progress

As of the fiscal year ended June 30, 2024, the Agency had various jobs in progress designed to expand the Regional Wastewater System. Other significant projects are also underway to expand, improve, and refurbish the Agency's Regional Wastewater System and existing water recycling facilities, including the disposition of wastewater byproducts, and providing for ancillary facilities that support operating activities. The Agency had the following projects with incurred costs of at least \$1 million as of June 30, 2024:

RP-5 Biosolids Facility	\$ 199,379,144
RP-5 Expansion to 30 mgd	141,652,995
Recharge Master Plan Update	18,572,450
CCWRF Asset Management and Improvements	15,678,696
RP-1 Disinfection Pump Improvements	12,514,891
RP-1 Thickening Building and Acid Phase	12,083,891
Chino Basin Program	9,434,986
SCADA Enterprise System	8,945,201
RP-1 Flare Improvements	8,858,991
Recharge Master Plan Update	6,426,568
RP-1 Liquid Treatment Capacity Recovery	4,372,391
Regional Force Main Improvements	4,262,884
NSNT Sewer Siphon Replacement	4,097,586
Digester 6 and 7 Roof Repairs	4,027,290
Chino Basin Program - CWCO	3,967,377
Lower Day Basin Improvements (RMPU PID 1)	3,419,113
RP-1 Headworks Bar Screen System Improvements	3,325,277
RP-5 Expansion PDR	2,336,004
Philadelphia Lift Station Force Main Improvements	1,915,756
1299 Reservoir Paint/Coating Repairs and Upgrades	1,467,020
RP-1 Solids Treatment Expansion	1,302,112
RP-4 Process Improvements Phase II	1,204,486
Montclair Force Main Improvements	1,196,063
Heavy Equipment Replacement	1,182,481
Advanced Water Purification Facility	1,128,982
RP-4 Outfall Valve Replacement and Blow	1,029,104
Other Projects (less than \$1,000,000 each)	26,435,253
Total Jobs in Progress	\$ 500,216,992

The following is a summary of jobs in progress, property, plants, equipment, and intangible assets as of June 30, 2024:

Capital Assets

	Balance at June 30, 2023	Additions	Transfers and Retirements	Balance at June 30, 2024	Accumulated Depreciation and Amortization at June 30, 2024	Net Book Value at June 30, 2024
Capital Assets - Not Depreciated or Amortized:						
Land	\$ 14,652,324	\$ 331,613	\$ -	\$ 14,983,937	\$ -	\$ 14,983,937
Jobs in Progress	459,974,992	115,444,710	(75,202,710)	500,216,992	-	500,216,992
Total Capital Assets - Not Depreciated or Amortized	\$ 474,627,316	\$ 115,776,323	\$ (75,202,710)	\$ 515,200,929	\$ -	\$ 515,200,929
Capital Assets - Depreciated and Amortized:						
Interceptors, Trunk Lines and Inter-Ties	\$ 36,721,245	\$ 1,673,817	\$ -	\$ 38,395,062	\$ (17,582,067)	\$ 20,812,995
Office Facilities	14,885,479	107,484	(15,292)	14,977,671	(5,485,763)	9,491,908
Collection, Outfall, and Transmission Lines	132,723,273	2,126,852	-	134,850,125	(91,100,613)	43,749,512
Reservoirs, Settling Basins, Ponds, and Chlorination Stations	123,305,562	178,798	-	123,484,360	(53,614,610)	69,869,750
Recycled Water Distribution System	171,167,687	598,497	-	171,766,184	(52,820,714)	118,945,470
Treatment Plants, Pump Stations and Office Buildings	314,050,701	20,446,306	-	334,497,007	(168,320,836)	166,176,171
Equipment	291,163,856	48,598,493	(306,058)	339,456,291	(250,547,369)	88,908,922
Land Improvements	31,250,379	60,525	-	31,310,904	(20,735,509)	10,575,395
Intangible Assets	33,284,529	1,103,723	(116,723)	34,271,529	(24,663,654)	9,607,875
Total Capital Assets - Depreciated and Amortized	\$1,148,552,711	\$ 74,894,495	\$ (438,073)	\$1,223,009,133	\$ (684,871,135)	\$ 538,137,998

Capital Assets (Continued)

	Balance at June 30, 2023	Additions	Transfers and Retirements	Balance at June 30, 2024
Less: Accumulated Depreciation and Amortization for:				
Interceptors, Trunk Lines and Inter-Ties	\$ (16,728,415)	\$ (853,652)	\$ -	\$ (17,582,067)
Office Facilities	(5,156,645)	(344,410)	15,292	(5,485,763)
Collection, Outfall, and Transmission Lines	(89,079,221)	(2,021,392)	-	(91,100,613)
Reservoirs, Settling Basins, Ponds, and Chlorination Stations	(50,495,336)	(3,119,274)	-	(53,614,610)
Recycled Water Distribution System	(48,824,984)	(3,995,730)	-	(52,820,714)
Treatment Plants, Pump Stations and Office Buildings	(162,578,632)	(5,742,204)	-	(168,320,836)
Equipment	(233,023,114)	(17,830,313)	306,058	(250,547,369)
Land Improvements	(19,711,303)	(1,024,206)	-	(20,735,509)
Intangible Assets	(23,579,468)	(1,200,909)	116,723	(24,663,654)
Total Accumulated Depreciation and Amortization	\$ (649,177,118)	\$ (36,132,090)	\$ 438,073	\$ (684,871,135)
Total Capital Assets - Depreciated and Amortized, Net	\$ 499,375,593	\$ 38,762,405	\$ -	\$ 538,137,998
Total Capital Assets - Enterprise Funds, Net	\$ 974,002,909	\$ 154,538,728	\$ (75,202,710)	\$ 1,053,338,927

Intangible Assets

Intangible Assets	Balance at June 30, 2023	Additions	Transfers and Retirements	Balance at June 30, 2024	Accumulated Amortization at June 30, 2024	Net Book Value at June 30, 2024
Intangible Assets - Amortized:						
Computer Software	\$ 15,908,336	\$ 336,023	\$ -	\$ 16,244,359	\$ (13,786,727)	\$ 2,457,632
Wind Turbine Power Purchase Agreement	129,324	-	-	129,324	(61,427)	67,897
Metropolitan Water District Connections	198,891	-	-	198,891	(198,891)	-
Corps of Engineers - Cucamonga Creek	43,489	-	-	43,489	(40,738)	2,751
California Auto Club Speedway Water Rights	1,621,238	767,700	-	2,388,938	-	2,388,938
San Bernardino County Flood Control/Chino Road Barrier	48,076	-	-	48,076	(32,855)	15,221
Santa Ana Watershed Project Authority Capacity Rights	12,467,002	-	-	12,467,002	(9,073,006)	3,393,996
Right-to-Use Assets - Equipment	227,816	-	(116,723)	111,093	(50,687)	60,406
SBITAs	700,552	-	-	700,552	(459,452)	241,100
Organization and Master Planning	1,939,805	-	-	1,939,805	(959,871)	979,934
Total Intangible Assets - Amortized	\$ 33,284,529	\$ 1,103,723	\$ (116,723)	\$ 34,271,529	\$ (24,663,654)	\$ 9,607,875
Less: Accumulated Amortization for:						
Computer Software	\$ (13,221,603)	\$ (565,124)	\$ -	\$ (13,786,727)		
Wind Turbine Power Purchase Agreement	(61,427)	-	-	(61,427)		
Metropolitan Water District Connections	(198,891)	-	-	(198,891)		
Corps of Engineers - Cucamonga Creek	(33,402)	(7,336)	-	(40,738)		
San Bernardino County Flood Control/Chino Road Barrier	(31,252)	(1,603)	-	(32,855)		
Santa Ana Watershed Project Authority Capacity Rights	(8,775,422)	(297,584)	-	(9,073,006)		
Right-to-Use Assets - Equipment	(103,826)	(63,584)	116,723	(50,687)		
SBITAs	(225,112)	(234,340)	-	(459,452)		
Organization and Master Planning	(928,533)	(31,338)	-	(959,871)		
Total Accumulated Amortization	\$ (23,579,468)	\$ (1,200,909)	\$ 116,723	\$ (24,663,654)		
Total Intangible Assets - Enterprise Funds, Net	\$ 9,705,061	\$ (97,186)	\$ -	\$ 9,607,875		

For the fiscal year ended June 30, 2024, depreciation expense was \$34,931,183 and amortization expense was \$1,200,909 as follows:

Regional Capital	\$	14,938,337
Regional Operations		8,948,444
Recycled Water		8,615,259
Water Resources		546
Non-Major		3,629,506
Total Depreciation and Amortization	\$	36,132,092

Note 8. Construction Commitments

The Agency is committed to several significant construction contracts. Total outstanding obligations were \$100,948,403 as of June 30, 2024. Some of the contracts for ongoing projects at the Agency's regional plants are listed below:

RP-5 Liquids Expansion to 30 MGD - EN19001

The RP-5 Liquids Expansion and RP-5 Solids Treatment Facility projects will be completed concurrently, with construction started in FY 2022/23 and scheduled to be completed by FY 2024/25. Currently, the Regional Water Recycling Plant No. 5 (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. This project has an outstanding obligation of \$46,354,941.

RP-5 Solids Treatment Facility - EN19006

RP-5 is located immediately east of the Agency's Administrative Headquarters campus in the City of Chino and began operation in March 2004. It has a capacity rating of 16.3 MGD, which includes capacity for approximately 15 MGD of raw sewage and 1.3 MGD of solids processing return or recycled flows from the Regional Plant No. 2 (RP-2).

RP-5 does not currently have any solids treatment capacity. Waste sludge produced at RP-5 is pumped to the RP-2 solids handling facility. However, solids treatment at RP-5 will soon be necessary. RP-2 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. Construction of the new solids handling facility at RP-5 is necessary to meet the Agency's needs throughout the decommissioning of the RP-2 site. This project has an outstanding obligation of \$16,338,297.

Carbon Canyon (CCWRF) Asset Management and Improvements - EN17006

The Carbon Canyon Water Reclamation Facility was constructed in 1992 and the odor control equipment, backup generator, and aeration blowers are at the end of their useful life. At completion, this project will provide process improvements to the preliminary, primary, and secondary treatments, including replacement of the existing headworks, the odor control system, and the aeration blowers. The Carbon Canyon Asset Management and Improvement project has an outstanding obligation of \$13,181,624.

RP-1 SCADA Migration – EN13016.05

The completed *Facilities and Recycled Water SCADA Master Plans* identified the critical need for an Agency-Wide SCADA Enterprise System. The Agency relies heavily on SCADA for operation and compliance of the various facilities. The overall project will migrate the Agency's wastewater facilities from the Foxboro-Invensys Distributive Control System (DCS) to a Rockwell Automation SCADA Enterprise System. This project includes several phases of a SCADA migration for all facilities. The project will provide the infrastructure, tools, and information to enable Operations

to maintain regulatory compliance and meet their levels of service in an efficient manner. Migration to a uniform SCADA system will allow for the optimization of SCADA assets and maximize their lifecycle, better meet business needs, and mitigate disruptions to operational continuity. The Enterprise will minimize system delivery risk, reduce system variability, enhance system quality, and ensure that Agency staff members have the support to maintain the system post-commissioning.

The SCADA Enterprise System will eliminate the multi-vendor platforms currently operating as islands of automation. The design and construction of a highly-reliable, scalable, Enterprise SCADA system that enables the control of any facility from any location, unattended operations, integration with the Business system, and supports-wide, wastewater treatment, recycled water, and groundwater supply-demand management. The Enterprise will be a highly functional and user-friendly solution, consolidating data from all facilities and providing accessible information.

The scope for this project includes five phases and several tasks including, SCADA system design (physical and operator screens), procurement, installation, integration; and, cutover and testing of the upgrades to the network, supervisory control, direct control, Operations Data Management Systems, reporting, etc. for all the Agency's five major wastewater facilities. Project EN13016.05 is the SCADA implementation at Regional Plant No. 1 (RP-1). This project has an outstanding obligation of \$8,389,990.

Chino Basin Project – Exploratory Borings and Monitoring Wells – PL19005.01

On July 27, 2018, the California Water Commission (CWC) provided maximum conditional funding for the Chino Basin Project. To meet the funding requirements, the Agency initiated a Preliminary Design Report and a Programmatic Environmental Impact Report for the Chino Basin Project. Consulting services were solicited for the evaluation and preparation of the Chino Basin components and for the compliance requirements of the CWC Water Storage Investment Program (WSIP) Funding. The project includes 15,000 AF of advanced water treatment, groundwater recharge and injection, wellhead treatment, and pipeline distribution network, including connection to the MWD system. This project has an outstanding obligation of \$5,230,910.

Recharge Master Plan Update – Basin Improvements – RW15003.06

Per the approved 2013 amendment to the 2010 Recharge Master Plan Update (RMPU), Chino Basin Watermaster and the Agency agreed to implement seven projects recommended by the RMPU Steering Committee to enhance stormwater yield for nine groundwater recharge basins.

The scope of the work includes preliminary environmental review, design, permits, and construction. The RMPU project's scope includes groundwater basin improvements to the Wineville Basin, Jurupa Basin, Force Main System Basin, RP-3 Basin, CSI Basin, Victoria Basin, Turner Basin, Ely Basin, and Montclair Basin. This project has an outstanding obligation of \$2,782,409.

RP-4 Outfall Valve Replacement and Blow Off Upgrades – EN23123

During a recent line break on the RP-4 Outfall pipeline, two 42" butterfly valves were found broken. One butterfly valve was removed and replaced with a spool piece and the other was bypassed in the closed position with a 24" pipeline. Functional isolation valves are an important part of any distribution system. The RP-4 outfall only has one functional valve for its entire stretch from RP-1 to RP-4. Adding additional isolation valves will increase the efficiency of the system if future line breaks occur, allowing the pipeline to remain online in unaffected areas. The outfall is also bottlenecked at Airport Drive with the 24" bypass which is limiting the amount of recycled water (RW) that can be pumped from RP-1. Replacing these valves will allow for this bottleneck to be reduced. Finally, the existing blow offs are not functional from a maintenance standpoint. Upgrading to above ground hydrants will allow operations staff to properly flush the pipeline inverts and increase productivity. This project will include: installation of four new 42" butterfly valves (two at the aforementioned locations, one near RP-4, and the other

on Dupont Ave.), removal of the broken 42" butterfly valve on airport and replaced with spool, and upgrading 19 below grade blow offs to the above ground wharf hydrant style blow offs. This project has an outstanding obligation of \$1,648,886.

RP-1 Digester 6 & 7 Roof Repairs – EN17042

Project EN17042 addresses observed gas leaks on the top of digester 6 and 7. Patches have kept the leaks sealed, but patch repairs need to be addressed more frequently, and repair is needed on these digesters within two years due to compliance issues. Additionally, cracks may indicate more serious issues that may need urgent repairs. This work will include development of a performance standard and/or metric for "gas tightness" of tanks, pipes, and other components of the digester gas systems. The digesters will be completely cleaned and inspected from inside. Heavily corroded gas piping on the top of the digesters will also be replaced, and other piping will be coated. This project has an outstanding obligation of \$1,487,573.

Regional Force Main Improvements – EN19025

The force main pipelines of the Montclair Lift Station and the San Bernardino Lift Station need access/clean out vaults installed at certain intervals. These clean outs will allow the collections staff access to clean the lines so that flows are maintained, and to minimize the work that the upstream pumps must exert to overcome pipeline build up. In addition, any issues within the pipe can be detected through the collections staff routine video capture of the pipelines.

The scope of the work will include installation of access/clean out vaults every 1,000 feet on the regional force main pipelines; Montclair Lift Station (4,620 feet of 18-inch ductile iron pipe); installation of five access/cleanout vaults on the 18-inch force main; and San Bernardino Lift Station (9,000 feet each of 24-inch and 30-inch ductile iron pipe); installation of 18 access/cleanout vaults (9 inch per line) on the 24-inch and 30-inch force mains. Bypassing flows will be required to allow for construction of the access/cleanout vaults and cleaning of all lines by the contractor. The Regional Force Main Improvements project has an outstanding obligation of \$1,290,278.

RP-1 Disinfection Pump Improvements – EN11039.

The RP-1 disinfection conveyance piping is leaking. Piping in the bleach storage area is worn out and pumps are being repaired or replaced at a high frequency. This project will replace bleach pumps and underground piping, which is prone to failure, and provide a chemical containment system within the pump area. Additional work includes elevation of the sedimentation basin, one of the filter galleries, as well as power reliability for the SCADA system. The RP-1 Disinfection Pump Improvement project has an outstanding obligation of \$777,927.

Additionally, the Agency has twenty-one (21) ongoing projects, each with a remaining individual outstanding obligation of less than \$700,000.

EN20064	North Sewer North Trunk Sewer Siphon Replacement	\$	494,833
EN23111	RP-1 Headworks Bar Screen System Improvements		486,525
EN18006	RP-1 Flare Improvements		467,808
EN23066	Preserve Lift Station Improvements		366,390
AM23001	RP4 VFD Upgrades (Wastewater)		322,895
AM23001.01	RP4 VFD Upgrades (Wastewater)		293,100
AM23002	RP4 VFD Upgrades (Wastewater)		240,225
AM23002.01	RP4 VFD Upgrades (Wastewater)		217,100
EN23124	1630 East Pump Station VFD Installation		185,640
FM21005.01	Structural Agency Wide Roofing Phase III		78,044
EN23121	1299 Reservoir Paint/Coating Repairs and Upgrades		63,913
PA22003.01	RP-1 Septic Hauler Dump Station Paving Repairs		61,408
EN17006.01	CCWRF 12kV Backup Generator Control Circuit		54,476
EN23005	Preserve Lift Station Improvements		44,571
EN24030	Headquarters Building B - Additional Office Space		43,233
EN24064	RP-5 to RP-2 Sludge Line Repair		32,932
EN24042.03	RP-2 Utility Water Valve Installation		3,578
EN19028	NRW Manhole and Pipeline Condition Assessment		2,479
EN21042	RP-1 East Influent Gate Replacement		2,445
EN19024	Regional System Asset Management Assessment		2,243
EN24020.03	RP-1 Centrate Line Plug Valve Replacements		1,730

Note 9. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenses that may be disallowed by the grantor cannot be determined at this time, although the Agency expects such amounts, if any, to be immaterial.

As a condition of the Agency's contract for leasing land at the RP-2 site, the Agency may be liable for certain future land restoration costs. At this time, the amount of any potential liability cannot be determined.

At June 30, 2024, the Agency was a defendant in a number of lawsuits arising in the ordinary course of operations, which allege liability on the part of the Agency in connection with worker's compensation and general liability matters. Based on legal counsel's opinion, the potential losses and/or resolutions of these cases will not materially affect the financial condition of the Agency.

Note 10. Notes Receivable

Monte Vista Water District

On February 2, 2008, the Agency entered into an agreement with Monte Vista Water District (MVWD) for the construction of the regional recycled water distribution system that resides within the MVWD service area. MVWD agreed to reimburse the Agency \$1,068,418 for the construction costs, payable yearly beginning June 2009, plus

interest at an annual rate of 2.2 percent for twenty years. As of June 30, 2024, the long-term receivable amount is \$191,346 and the current portion is \$61,056. The Notes Receivable is recorded in the Recycled Water Fund.

Cucamonga Valley Water District

On November 24, 2009, the Agency entered into an agreement with Cucamonga Valley Water District (CVWD) for the design and construction of the Church Street Recycled Water Lateral that resides within the CVWD service area. CVWD agreed to reimburse the Agency \$690,648 for the construction costs, payable yearly beginning June 2011, plus interest at an annual rate of 0.74 percent for twenty years. As of June 30, 2024, the long-term receivable amount is \$173,580 and the current portion is \$34,639. The Notes Receivable is recorded in the Recycled Water Fund.

Auto Club Speedway

In November 2015, the Agency entered into an agreement with California Speedway Corporation, dba Auto Club Speedway (Speedway), to provide wastewater treatment and recycled water services to property owned, operated, managed, and controlled by Speedway. Speedway agreed to reimburse the Agency for the construction cost, the cost of connection, and other related costs to provide those services. This agreement includes the option of payment through the assignment of pumping rights to the Agency as full consideration for their share of capital cost and wastewater connection costs. The assignment shall have a term of sixty (60) years. As of June 30, 2024, the Agency has incurred \$1,835,235 in connections and permanent system costs and Speedway has assigned 2,246 acre-feet to the Agency. This leaves an outstanding long-term receivable of \$1,182,867 in the Recycled Water Fund for their portion of the Napa Lateral construction costs and \$652,368 in the Regional Wastewater Capital Fund for connection fees and improvements. Both the Recycled Water and Regional Wastewater Capital Funds have a current portion of \$197,775.

Dry Year Yield Conjunctive Use Program

Metropolitan Water District (MWD) entered into an agreement with Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD) to construct Service Connection OC-59 at the Rialto Reach of the Foothill Feeder for use by MWDOC to deliver replenishment water to OCWD. In 1978, OCWD paid all the construction costs which totaled \$1,066,397.

In May 2005, the Agency entered into an agreement with OCWD, MWDOC, Three Valleys Municipal Water District and Chino Basin Watermaster called the Joint Use Agreement. Per this agreement, the Agency will pay OCWD a surcharge of \$2.00 per acre-foot for each acre-foot of water purchased from MWD that was delivered through OC-59. These water purchases are to replenish the groundwater supplies within the Chino Basin area, which is part of the Dry Year Yield program. The \$2.00 per acre-foot surcharge that has been paid to OCWD is recorded as a long term receivable in the Water Resources Fund. The balance as of June 30, 2024 is \$71,743. The Agency will be reimbursed by MWD by way of a credit on MWD's invoice to the Agency once water is withdrawn from the Dry Year Yield account.

Note 11. Joint Ventures - Long-Term Agreements

The Agency participates in the following joint ventures with other districts and agencies for various water projects and operating facilities in Southern California.

Santa Ana Watershed Project Authority

The Santa Ana Watershed Project Authority (SAWPA) was formed under a joint exercise of power agreement (JPA) for the purpose of undertaking projects for water quality control and protection in the Santa Ana River Watershed.

SAWPA is composed of the five (5) water agencies within the watershed area: Eastern Municipal Water District, Orange County Water District, San Bernardino Valley Municipal Water District, Western Municipal Water District, and the Agency. Each participating agency appoints two commissioners to SAWPA to form an oversight committee of ten. Equal contributions are made by each member agency for administration and contributions based on capacity use rights for project agreements under which capital construction is accomplished. Special projects or studies are funded by equal contributions from each Agency based on the general or specific nature of the project or study. Financial data is available at the Agency's main office.

Significant agreements that the Agency entered into with SAWPA (and the related costs), which are classified as intangible assets, are as follows:

Non-Reclaimable Wastewater Brine Line Interceptor - In April 1972, the Agency entered into a contract with the Orange County Sanitation District (OCSAN) for the construction of a 30 million gallon per day (mgd) increment of capacity in a brine removal interceptor, constructed by OCSAN from Fountain Valley to the Orange/San Bernardino County line. SAWPA completed construction of the 30 mgd interceptor from that point through Prado Dam. Under Project Agreement #1, this 30 mgd capacity was assigned to SAWPA, with the Agency retaining rights to use up to 11.25 mgd of this capacity.

Over the course of time, the Agency has purchased capacity from SAWPA in the Santa Ana Regional Interceptor (SARI) System, now called Inland Empire Brine Line (IEBL). The IEBL is part of the Agency's Non-Reclaimable Wastewater System (NRWS) collections system that serves the southern portion of the Agency's service area. SAWPA pass through activity in FY 2024 was \$2,670,732.

SAWPA Brine Line Lease Capacity Pool Agreement - 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 member agencies of SAWPA could contribute pipeline and treatment capacity to a "Lease Pool." The contributed capacity will be marketed and made available for lease to new or existing customers, similar to the Los Angeles County Sanitation Districts (LACSD) agreement for the North NRWS.

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) - In June 2016, The Agency signed the SARCCUP Memorandum of Understanding (MOU) and SARCCUP MOU for Program Implementation, PA23. SARCCUP is the result of collaboration between the SAWPA member agencies (Parties) to identify large-scale water supply reliability and water use efficiency projects that could benefit the Santa Ana River Watershed. SARCCUP will initially include development of new infrastructure and incorporation of existing infrastructure to create 60,000 AF per year of wet year put and dry year take capacities for 180,000 AF of groundwater storage in the San Bernardino Area Basins, the San Jacinto Basins, the Chino Basin, and the Elsinore Basin.

Los Angeles County Sanitation Districts (LACSD)

The Agency and the LACSD entered into an agreement in 1966 wherein the LACSD agreed to accept the Agency's industrial wastewater flows from the North NRWS. The agreement which was set to expire in May 2018 was replaced by a new NRWS Wastewater Disposal Agreement between the Agency and LACSD that became effective July 1, 2014. The new Agreement resulted in pass-through rates from LACSD that are more stable and predictable. Under the new agreement, customers have the ability to acquire wastewater discharge rights as capacity units and acquire or lease discharge rights rather than make a mandatory acquisition as required under the prior agreement. LACSD pass through activity in FY 2024 was \$8,516,767. Key terms of the agreement include the following:

- 30-year term with up to four additional five-year extensions for a total of up to fifty years.

- 15,000 initial Baseline Capacity Units for allocation amongst current customers, was adjusted after June 30, 2018, to a current baseline of 15,286 Capacity Units. The Agency shall pay to LACSD a fee for the use of the system in excess of its annual baseline capacity.
- Replacement of East End flowmeter completed in FY 2021/22.

Chino Basin Desalter Authority

The Chino Basin Desalter Authority (CDA) was formed in September 2001 as a Joint Powers Authority (JPA) to acquire all assets and liabilities from SAWPA Project #14. The purchase was consummated in February 2002. The JPA is comprised of the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, the Santa Ana River Water Company, the Western Municipal Water District, and the Agency. The Agency serves as a non-voting member and provides grants administration support for the JPA, as well as operational support for the Desalter 1 facility (based on January 2002 operations and maintenance agreement which was amended June 2013).

As of June 30, 2024, Desalter 1 and Desalter 2 delivered a total of 35,515.23 AF of water. Financial data is available at the CDA's main office located at 3550 E. Philadelphia Street, Suite 170, Ontario, CA 91761.

Inland Empire Regional Composting Authority

In February 2002, the Agency entered into a JPA Agreement with the LACSD to form the Inland Empire Regional Composting Authority (IERCA). The purpose of the JPA is to build and operate a fully enclosed biosolids composting facility. The JPA Agreement calls for a 50/50 share of all costs related to the activities of the JPA.

Prior to the JPA Agreement, the two partners entered into a separate agreement in December 2001 to acquire real property for proposed joint use. As a result of this agreement, a piece of property and building in the City of Rancho Cucamonga, adjacent to the Agency's Regional Recycling Water Recycling Plant No. 4 (RP-4) was acquired in December 2001 at a cost of \$15,116,229. After the property acquisition, preliminary and final designs were launched to modify the building. The facility started operation in FY 2006/07 and is currently staffed by twenty-four full-time Agency employees who provide all operational activities, including production, maintenance, safety and industrial hygiene training, and sales and administration. The IERCA reimburses the Agency 100 percent of employment costs. A tipping fee is paid by JPA partners for biosolids deliveries to IERCA, to recover Operation and Maintenance (O&M) and Repair and Replacement (R&R) costs. The Agency records biosolids tipping fees in the Regional Wastewater Operation and Maintenance Fund.

As of June 30, 2024, the Agency's equity share is \$38,800,831 recorded in the Regional Wastewater Capital Improvement Fund. In 2024, the Agency made a capital contribution of \$750,000 to the project. There was an additional net write-down of \$1,462,473 (around fifty percent of the Agency's equity share) of the JPA's net position at June 30, 2024. This reduction is recorded in the nonoperating expenses on the statement of revenues, expenses, and changes in net position in the Regional Wastewater Capital Improvement Fund. The Agency records the JPA labor costs for operating the facility in the Regional Wastewater Operation and Maintenance Fund. IERCA financial data is available at the Agency's main office.

Santa Ana River Watermaster

The Santa Ana River Watermaster (Watermaster), was formally established on April 23, 1969 as part of a judgement resulting from a lawsuit by the Orange County Water District, filed with the Superior Court of California in the County of Orange, California. The Watermaster primarily administers the provisions of the judgment as well as develops and implements its own basin management plan. Each year, the Watermaster is required to issue a report to satisfy its' obligation to monitor and test water flows from the Upper Area to the Lower Area of the Santa Ana River.

The Watermaster is composed of a committee of five representatives from four water districts. Two representatives serve from Orange County Water District (OCWD) and one representative from the Agency, Western Municipal Water District (WMWD), and the San Bernardino Valley Municipal Water District (SBMWD). Representation is based on percentages as defined by adjudication of the Santa Ana River Watermaster.

Costs and expenses incurred by the individual representatives are reimbursed directly from their respective water districts. Collective Watermaster costs and expenses are budgeted and funded by contributions from the four water districts. Financial data is available at the Agency's main office. The Agency's share of assets, liabilities, fund equity and changes therein during the year is twenty percent.

Participants in the Watermaster make contributions, based upon their percentages as defined by adjudication of the Santa Ana River Watermaster, as follows:

Orange County Water District (OCWD)	40%
Inland Empire Utilities Agency (Agency)	20%
Western Municipal Water District (WMWD)	20%
San Bernardino Valley Municipal Water District (SBMWD)	20%
Total	100%

Santa Ana River Watermaster issues a separate Annual Financial Report. Copies of the report may be obtained upon request to 380 East Vanderbilt Way, San Bernardino, California 92408-3593.

Chino Basin Water Bank

The Chino Basin Water Bank (CBWB) was formally established on December 13, 2017 as a JPA to coordinate the development of groundwater storage within the Chino Basin. The JPA is comprised of the Cucamonga Valley Water District, the City of Ontario, Monte Vista Water District, and the Agency. The CBWB was established to create a comprehensive storage and recovery program under existing basin rules with a dedicated quantity of basin storage. Such a program could provide increased groundwater supplies, as well as improved groundwater levels and water quality.

Participants in the CBWB shall contribute to the Authority to pay their proportionate share of Board approved budgeted expenses, and any other expenses of the Authority based on the percentages below:

Cucamonga Valley Water District	25%
Monte Vista Water District	25%
City of Ontario	25%
Inland Empire Utilities Agency (Agency)	25%
Total	100%

Note 12. Long-Term Debt and Notes Payable

Long-Term Debt

A summary of changes in long-term debt for the fiscal year ended June 30, 2024 is as follows:

Bonds Payable	Balance at June 30, 2023	Additions	Reductions	Balance at June 30, 2024	Amounts Due Within One Year	Amounts Due After One Year
2017A Revenue Bonds (2008A Refinancing)	\$ 47,845,000	\$ -	\$ (4,185,000)	\$ 43,660,000	\$ 4,395,000	\$ 39,265,000
2020A Revenue Bonds (2008B, 2010A Refunding)	39,765,000	-	(4,240,000)	35,525,000	4,380,000	31,145,000
Subtotal	87,610,000	-	(8,425,000)	79,185,000	8,775,000	70,410,000
Bond Premium	17,431,862	-	(1,874,817)	15,557,045	-	15,557,045
Revenue Bonds	\$ 105,041,862	\$ -	\$ (10,299,817)	\$ 94,742,045	\$ 8,775,000	\$ 85,967,045

2017A Refunding Revenue Bonds

On February 2, 2017, the Chino Basin Regional Financing Authority (CBRFA) issued the Chino Basin Regional Financing Authority Refunding Revenue Bonds, Series 2017A in the amount of \$67,615,000.

- The bonds were issued to (i) refund the outstanding Chino Basin Regional Financing Authority (Inland Empire Utilities Agency) Revenue Bond Series 2008A (Inland Empire Utilities Agency Wastewater Facilities Improvement and Replacement Projects), and (ii) pay the costs of issuing the bonds.
- The bonds maturing through 2033 are payable in annual installments ranging from \$3,010,000 to \$4,920,000 with an interest rate from 2.00 percent to 5.00 percent per annum, payable semi-annually. The balance outstanding on June 30, 2024 is comprised of the principal amount of \$43,660,000 plus unamortized deferred bond premium of \$6,514,091 for a total of \$50,174,091.

2020A Refunding Revenue Bonds

On June 30, 2020, the CBRFA issued the Chino Basin Regional Financing Authority Refunding Revenue Bonds, Series 2020A in the amount of \$56,255,000.

- The bonds were issued to (i) refund the outstanding Chino Basin Regional Financing Authority (Inland Empire Utilities Agency) Revenue Bond Series 2008B, (ii) refund the outstanding Chino Basin Regional Financing Authority (Inland Empire Utilities Agency) Series 2010A, (iii) refund certain Clean Water State Revolving Fund Financing Agreements from the State Water Resources Control Board, and (iv) pay the costs of issuing the bonds.
- The bonds maturing through 2035 are payable in annual installments ranging from \$1,540,000 to \$8,610,000 with an interest rate of 5.00 percent per annum, payable semi-annually. The balance outstanding on June 30, 2024 is comprised of the principal amount of \$35,525,000, plus unamortized deferred bond premium of \$9,042,954 for a total of \$44,567,954.

Aggregate Long-Term Debt

As of June 30, 2024, the aggregate debt service requirements on bonded indebtedness to maturity are summarized as follows:

Fiscal Year Ending June 30	Principal	Interest Amortization	Total
2025	\$ 8,775,000	\$ 3,849,375	\$ 12,624,375
2026	8,365,000	3,405,000	11,770,000
2027	8,795,000	2,980,750	11,775,750
2028	7,715,000	2,572,625	10,287,625
2029	7,300,000	2,181,000	9,481,000
2030-2034	36,695,000	5,103,000	41,798,000
2035	1,540,000	77,000	1,617,000
Subtotal	79,185,000	20,168,750	99,353,750
Plus: Net Premium	15,557,045	-	15,557,045
Total Debt Service Payable	\$ 94,742,045	\$ 20,168,750	\$ 114,910,795

Debt Covenants

In accordance with bond covenants, net revenues pledged to fund bond debt service costs are comprised of all income, rates, charges, and connection fees (less the operations and maintenance costs), and property tax revenues, but excluding in all cases the Water Resources Fund. Property Taxes are distributed by the San Bernardino County Property Tax Disbursements Division in November through July annually. The Agency has covenanted that, to the fullest extent permitted by law, the Agency will fix and prescribe, at the commencement of each fiscal year, rates and charges reasonably expected to yield net revenue equal to 115 percent of debt service during each fiscal year.

If any event of default occurs, the Trustee may declare, at the written direction of the Owners of the major portion of the outstanding bond principal balance, the outstanding principal and accrued interest to be due and payable immediately. This declaration can be rescinded and annulled, and consequences waived if all moneys due have been deposited with the Trustee before the judgement or decree for payment of money's due has been obtained.

The Agency has no lines of credit. Management has determined that the Agency has complied with all covenants related to the outstanding debt issues as of June 30, 2024. *(Refer to the Agency System Total Debt Coverage Ratio Schedule included in the statistical section).*

Notes Payable

A summary of notes payable activity for the fiscal year ended June 30, 2024 is as follows:

Notes Payable	Balance at June 30, 2023	Additions	Reductions	Balance at June 30, 2024	Amounts Due Within One Year	Amounts Due After One Year
State Revolving Fund Loan	\$ 156,257,596	\$ 17,736,826	\$ (4,488,622)	\$ 169,505,800	\$ 5,231,051	\$ 164,274,749
City of Fontana	2,626,066	-	(482,578)	2,143,488	482,578	1,660,910
Southern California Edison	310,501	-	(133,674)	176,827	73,598	103,229
WIFIA Loan	-	11,808,933	-	11,808,933	-	11,808,933
2020B Revenue Notes	196,435,000	-	-	196,435,000	-	196,435,000
Subtotal	355,629,163	29,545,759	(5,104,874)	380,070,048	5,787,227	374,282,821
Note Premium	15,274,423	-	(6,546,181)	8,728,241	-	8,728,241
Total Notes Payable	\$ 370,903,586	\$ 29,545,759	\$ (11,651,055)	\$ 388,798,289	\$ 5,787,227	\$ 383,011,062

Notes Payable - Direct Borrowing

State Water Resources Control Board

- The RP-4 Pump Station, Pipeline and Reservoir projects (Phase III) were in part funded by a State Revolving Fund (SRF) loan. The three projects received \$10,862,198 of SRF funding, with a current balance as of June 30, 2024 of \$2,727,074. These are interest free loans with a principal due annually for twenty years beginning June 2011, one year after the completion of construction.
- The Recycled Water projects included in Phase IV were in part funded by SRF loans. The four projects received \$15,061,175 of SRF funding. Principal and interest are paid annually for twenty years beginning June 2011, one year after the completion of construction, at an annual interest rate ranging from 0.074 percent to 0.214 percent. The outstanding balance as of June 30, 2024, is \$5,325,034.
- The Recycled Water Project (Construction of 2 Monitoring Wells) in Phase V is also in part funded by a SRF loan. The project received \$999,024 of SRF funding. Principal and interest are paid annually for twenty years beginning June 2012, one year after completion of construction, at an annual interest rate of 1.0 percent. The outstanding balance at June 30, 2024, is \$320,706.

- The Recycled Water Project (Wineville Area) in Phase X is also partially funded by a SRF loan. Principal and interest are paid annually for thirty years beginning August 31, 2020, one year after completion of construction, at an annual interest rate of 1.0 percent. The outstanding balance at June 30, 2024 is \$20,366,788.
- The RP-1 Dewatering Facility Expansion project was in part funded by a SRF loan of \$27,546,972. This project was the first American Recovery and Reinvestment Act (ARRA) funded project in the state and as a "green project," qualified for an annual interest rate of 0.460 percent. Principal and interest are paid annually for twenty years beginning February 28, 2013, one year after completion of construction. The outstanding balance at June 30, 2024 is \$11,343,762.
- The Regional Water Quality Laboratory project was funded in part by the SRF. Principal and interest are paid annually for thirty years beginning February 28, 2020, one year after completion of construction, at an annual rate of 2.1 percent. The outstanding balance at June 30, 2024 is \$20,191,830.
- The Napa Lateral project was funded in part by the SRF. Principal and interest are paid annually for thirty years beginning December 31, 2020, one year after the completion of construction, at an annual interest rate of 1.8 percent. The outstanding balance at June 30, 2024 is \$3,159,177.
- The San Sevaine Basin Improvements project was funded in part by the SRF. Principal and interest are paid annually for thirty years beginning December 31, 2020, one year after the completion of construction, at an annual interest rate of 1.8 percent. The outstanding balance at June 30, 2024 is \$2,102,471.
- The Baseline Extension project was funded in part by the SRF. Principal and interest are paid annually for thirty years beginning October 31, 2021, one year after the completion of construction at an annual interest rate of 1.4 percent. The outstanding balance at June 30, 2024 is \$3,060,019.
- The RP-1 1158 Recycled Water Pump Station Upgrades project was funded in part by the SRF and part by Proposition 1 - the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Principal and interest on both funding sources are paid annually for thirty years beginning August 31, 2021, one year after the completion of construction at an annual interest rate of 1.4 percent. The outstanding balance at June 30, 2024 is \$4,674,114.
- The RP-5 Recycled Water Pipeline Bottleneck project was funded in part by the SRF and by Proposition 1 - the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Principal and interest on both funding sources are paid annually for thirty years beginning July 01, 2021, one year after the completion of construction at an annual interest rate of 1.4 percent. The outstanding balance at June 30, 2024 is \$1,977,864.
- The RP-5 Expansion Construction Project was funded in part by the SRF. Principal and interest on the SRF loan is paid annually for \$3,645,560, one year after the completion of construction at an annual interest rate of 0.80 percent. The outstanding balance at June 30, 2024 is \$79,971,848.
- The Montclair Basin Improvement Project was funded in part by the SRF. Principal and interest on the SRF loan is paid annually for \$17,374, one year after the completion of construction at an annual interest rate of 0.55 percent. The outstanding balance at June 30, 2024 is \$457,493.
- The Distribution System / Wineville / Jurupa / RP-3 Recharge Improvements Project was funded in part by the SRF. Principal and interest on the SRF loan is paid annually for \$619,041, one year after the completion of construction at an annual interest rate of 0.55 percent. The outstanding balance at June 30, 2024 is \$11,089,455.
- The Lower Day Basin Improvement Project was funded in part by the SRF. Principal and interest on the SRF loan is paid annually for \$157,794, one year after the completion of construction at an annual interest rate of 0.55 percent. The outstanding balance at June 30, 2024 is \$2,738,163.

As of June 30, 2024, the future payments for the remaining loan obligations by year are as follows:

Fiscal Year Ending June 30	Principal	Interest Amortization	Total
2025	\$ 5,231,051	\$ 997,273	\$ 6,228,324
2026	8,340,671	1,719,559	10,060,230
2027	8,347,874	1,537,061	9,884,935
2028	8,412,241	1,472,694	9,884,935
2029	8,477,332	1,407,603	9,884,935
2030 - 2034	40,597,896	6,049,075	46,646,971
2035 - 2039	27,902,823	4,359,287	32,262,110
2040 - 2044	29,179,363	2,813,261	31,992,624
2045 - 2049	31,016,532	988,883	32,005,415
2050 - 2053	2,000,017	30,378	2,030,395
Total SRF Loans	\$ 169,505,800	\$ 21,375,074	\$ 190,880,874

Water Infrastructure Finance and Innovation Act (WIFIA) Loans

- On May 27, 2020, the CBRFA and the Agency executed a Water Infrastructure Finance and Innovation Act loan (WIFIA loan) agreement with the United States Environmental Protection Agency for the RP-5 Expansion Project. The Agency has not drawn any amounts from the WIFIA loan as of June 30, 2024. The WIFIA loan amount up to \$196,436,445 will be drawn upon completion of the project to repay the 2020B Revenue notes. The WIFIA loan carries an annual interest of 1.36 percent and has a maturity on November 1, 2060, with principal and interest payments due one year after project substantial completion.
- On March 24, 2022, the CBRFA and the Agency executed a second Water Infrastructure Finance and Innovation Act loan (WIFIA II loan) agreement with the United States Environmental Protection Agency for the Regional Wastewater System Improvements Program. The Agency has drawn \$11,808,933 from this WIFIA II loan as of June 30, 2024. The WIFIA II loan amount up to \$120,000,000 will be drawn as needed. The WIFIA II loan carries an annual interest of 2.61 percent and matures on November 1, 2060, with principal and interest payments due one year after the project's substantial completion.

Southern California Edison

On January 27, 2017, the Agency entered into an On-Bill Financing Agreement with Southern California Edison (SCE) for zero-percent interest financing for the installation of energy efficient lighting at the RP-4 facility. The Agency received \$235,151 on April 24, 2017 to be paid in ninety-five installments added to the monthly SCE utility bill. The energy efficient lighting is estimated to save 230,192 kilowatt hours annually which is equivalent to \$29,802 in annual savings. Monthly savings are estimated at \$2,483. As of June 30, 2024, the balance of this note is \$22,351.

On October 30, 2017, the Agency entered into an On-Bill Financing Agreement with SCE for zero-percent interest financing of the installation of energy efficient lighting at the CCWRF facility. The Agency received \$180,300 on March 08, 2018 to be paid in 116 installments added to the monthly SCE utility bill. Energy efficient lighting is estimated to save 134,052 kilowatt hours annually which is equivalent to \$18,781 in annual savings. Monthly savings are estimated at \$1,565. As of June 30, 2024, the balance of this note is \$67,298.

On November 17, 2017, the Agency entered into an On-Bill Financing Agreement with SCE for zero-percent interest financing of the installation of energy efficient lighting at the RP-1 facility. The Agency received \$479,539 on March 08, 2018 to be paid in seventy-three installments added to the monthly SCE utility bill. The energy efficient lighting is estimated to save 629,988 kilowatt hours annually which is equivalent to \$78,938 in annual savings. Monthly savings are estimated at \$6,578. As of June 30, 2024, the balance of this note is \$13,156.

On November 22, 2017, the Agency entered into an On-Bill Financing Agreement with SCE for zero-percent interest financing of the installation of energy efficient lighting at the RP-5 facility. The Agency received \$105,500 on March 08, 2018 to be paid in 120 installments added to the monthly SCE utility bill. The energy efficient lighting is estimated to save 89,819 kilowatt hours annually which is equivalent to \$10,550 in annual savings. Monthly savings are estimated at \$879. As of June 30, 2024, the balance of this note is \$40,442.

On November 27, 2017, the Agency entered into an On-Bill Financing Agreement with SCE for zero-percent interest financing of the installation of energy efficient lighting at the Agency's headquarters. The Agency received \$87,600 on March 08, 2018 to be paid in 120 installments added to the monthly SCE utility bill. The energy efficient lighting is estimated to save 74,578 kilowatt hours annually which is equivalent to \$8,760 in annual savings. Monthly savings are estimated at \$730. As of June 30, 2024, the balance of this note is \$33,580.

As of June 30, 2024, the remaining note payable obligation is \$176,827.

Fiscal Year Ending June 30	Principal
2025	\$ 73,598
2026	38,091
2027	38,091
2028	27,047
Total SCE Loans	\$ 176,827

Notes Payable - Other Debt

2020B Revenue Notes

On June 30, 2020, the CBRFA issued the Chino Basin Regional Financing Authority Revenue Notes, Series 2020B in the amount of \$196,435,000.

- The notes were issued to (i) to finance, on an interim basis, a portion of the cost of the RP-5 Expansion Project, (ii) to pay a portion of the capitalized interest with respect to the Notes, and (iii) to pay the costs of issuing the Notes.
- On May 27, 2020, the CBRFA and the Agency executed a Water Infrastructure Finance and Innovation Act loan (WIFIA loan) agreement with the United States Environmental Protection Agency for \$196,436,445 to finance a portion of the RP-5 Expansion Project. The Agency expects to draw on the WIFIA loan to pay the principal of the 2020B Revenue Notes at maturity.
- The Notes mature and are payable on November 1, 2025. Interest payments are due semi-annually on November 1 and May 1 each year and range from \$2,640,959 to \$3,928,700 with an interest rate of 4 percent per annum. The balance outstanding on June 30, 2024, is comprised of the principal amount of \$196,435,000 plus unamortized deferred premium of \$8,728,241, for a total of \$205,163,241. This includes capitalized interest of \$8,242,608 to be used toward interest payments due. In the event of default, the entire principal amount of the unpaid installment payments and accrued interest thereon, are due and payable immediately.

Fiscal Year Ending June 30	Principal	Interest	Total
2025	\$ -	\$ 7,587,400	\$ 7,587,400
2026	196,435,000	3,928,700	200,363,700
Total Revenue Notes	\$ 196,435,000	\$ 11,516,100	\$ 207,951,100

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, to convey wastewater to the Agency's RP-4 regional water recycling facility, located south of San Bernardino Avenue. The City of Fontana received a SRF loan of \$9,577,747 from the State Water Resources Control Board, less \$1,596,323 in deferred interest charges for a net loan amount of \$7,981,424, for the cost of construction. The project was completed by June 30, 2010, and title and ownership of the regional lift station and force main were transferred to the Agency from the City of Fontana. The Agency is responsible for making repayments to the City of Fontana for payments made on this SRF loan.

As of June 30, 2024, the future payments for the remaining note payable obligation by year are as follows:

Fiscal Year Ending June 30	Principal	Interest Amortization	Total
2025	\$ 482,578	\$ 79,824	\$ 562,402
2026	482,578	79,824	562,402
2027	482,578	79,824	562,402
2028	482,578	79,824	562,402
2029	213,176	5,720	218,896
Total SRF Loans	\$ 2,143,488	\$ 325,016	\$ 2,468,504

Cucamonga Valley Water District

On August 21, 2002, the Agency entered into an agreement with Cucamonga Valley Water District (CVWD) to provide recycled water services, construct various system upgrades, apply for loans on behalf of CVWD, as well as other provisions. The agreement provides that revenues from the recycled water sales to customer Reliant Inc. which are in excess of the Agency's wholesale recycled water rate will be used to fund recycled water laterals within CVWD's service area or satellite water recycling plant for the exclusive recycled water service benefit of CVWD. These funds are held to fund future construction and other related expenditures due to CVWD as outlined in the agreement. As of June 30, 2024, the balance of this account is \$0.

Note 13. Arbitrage Rebate Obligation

Arbitrage rebate refers to the required payment to the U.S. Treasury of excess earnings received on tax exempt bond proceeds that are invested at a higher yield than the yield of the tax-exempt bond issue. Federal law requires that arbitrage liability, and cumulative excess arbitrage earnings, be calculated and remitted to the U.S. Treasury at the end of the fifth bond year, and every fifth year thereafter.

- The 2017A and 2020A Refunding Revenue Bonds and the 2020B Revenue Notes are subject to arbitrage limitations.
 - The arbitrage rebate on the 2017A Bonds was due in February 2018 and resulted in no arbitrage rebate due. The next installment computation date is February 2027.
 - The initial arbitrage rebate computation on the 2020A Bonds and the 2020B Notes was prepared in August 2021. The Agency has elected to have the arbitrage liability on this Bond issue to be calculated annually for the first five years, and the computation that was performed in August 2024 resulted in an arbitrage rebate due as of FY 2022/23. The next installment computation date is June 2025.

The Agency's arbitrage rebate liability is calculated by Willdan Financial Services, formerly MuniFinancial Inc. The arbitrage liability is included in "Other Noncurrent Liabilities" in the Regional Wastewater Fund and reflected on the Statement of Net Position as of June 30, 2024, as a combined total of \$2,584,917.

Note 14. Advances to/from Other Funds

The composition of balances in advances to/from other funds as of June 30, 2024, is as follows:

Funds	Advances to Other Funds		Total
	Recycled Water Fund	Recharge Water Fund	
Advances from Other Funds:			
Major Funds:			
Regional Wastewater Capital Improvement Fund	\$ 5,500,000	\$ 10,105,000	\$ 15,605,000
Recycled Water Fund	-	4,933,000	4,933,000
Total Advances	\$ 5,500,000	\$ 15,038,000	\$ 20,538,000

Regional Wastewater Capital Improvement Fund & Recycled Water Fund

As of June 30, 2024, the Regional Wastewater Capital Improvement Fund reported an advance to the Recycled Water Fund in the amount of \$15,605,000. This advance supported the capital construction expenditures related to the Regional Recycled Water Distribution System as part of the Agency's Recycled Water Business Program Strategy. Repayment is scheduled over several fiscal years from increased recycled water sales.

As of June 30, 2024, the Recycled Water Fund reported an advance to the Recharge Water Fund, in the amount of \$4,933,000. This advance supports the implementation of the Recharge Master Plan Updates projects that are included in the Recharge Water Fund. The Recharge Water Fund has outstanding receivables related to State loans and grants related to the Recharge Master Plan Update projects and will repay the interfund loan as soon as the Agency receives those proceeds.

Note 15. Interfund Transfers

In FY 2023/24, the Agency allocated interfund transfers of \$11,270,884 supporting debt service requirements, the Agency's pro-rata share of groundwater recharge O&M costs, capital and O&M/non-capital project costs based upon information defined in 2015 and 2020 Rate Studies.

Transfers In

The Regional Wastewater Capital Improvement Fund received a transfer in of \$1,035,604 from the Regional Wastewater Operations and Maintenance Fund to support the portion of the capital project costs for existing excess capacity in the Regional Wastewater System.

The Regional Wastewater Operations and Maintenance Fund received a transfer in of \$261,604 from the Regional Wastewater Capital Improvement Fund for Regional Wastewater System management, and to support its share of debt service costs for the Water Quality Laboratory SRF loan.

The Regional Wastewater Operations and Maintenance Fund received transfers in of \$2,299,582 in One Water Connection Fees from the Regional Wastewater Capital Improvement Fund to support Regional Wastewater System management and expansion.

The Recycled Water Fund received transfers in of \$2,661,247 from the Regional Wastewater Capital Improvement Fund for its share of the 2017A Refunding Revenue Bonds debt service costs and from the Regional Wastewater Operations and Maintenance Fund to support its share of debt service costs for the SCADA Enterprise project.

The Recycled Water Fund received transfers in of \$76,042 from the Recharge Water Fund for support of capital projects.

The Water Resources Fund received transfers in of \$588,625 in One Water Connection Fees from the Recycled Water Fund to support capital and O&M/non-capital project costs for water resource management, water expansion, and conservation projects.

Non-Major Enterprise funds received transfers in of \$4,348,180.

The Administrative Services Fund received transfers in of \$1,800,267 from the Regional Wastewater Capital Improvement Fund to support capital and O&M/ non-capital project costs; from the Regional Wastewater Operations and Maintenance Fund for O&M/non-capital project; from the Recycled Water Fund to support capital and O&M/ non-capital project costs; and from the Non-Major Non-Reclaimable Wastewater Fund to support O&M/non-capital costs.

The Non-Reclaimable Wastewater Fund received a transfer in of \$858,034 from the Regional Wastewater Capital Improvement Fund to support capital and O&M/non-capital project costs.

The Recharge Water Fund received transfers in of \$1,689,879 from the Regional Wastewater Capital Improvement Fund to support its share of the 2020A Refunding Revenue Bonds debt service costs; and from the Recycled Water Fund to support basin maintenance costs per Peace I and II agreements with Chino Basin Watermaster and for support of capital and O&M/non-capital projects.

Transfers Out

The Regional Wastewater Capital Improvement Fund sent transfers out of \$7,964,404 to the Regional Wastewater Operations and Maintenance Fund to support Regional Wastewater System management and expansion costs, and for debt service support; to the Recycled Water Fund for its share of the 2017A Refunding Revenue Bonds debt service costs; to the Administrative Services Fund, and the Non-Reclaimable Wastewater Fund to support capital project costs; and to the Recharge Water Fund for its share of the 2020A Refunding Revenue Bonds debt service costs.

The Regional Wastewater Operations and Maintenance Fund sent transfers out of \$1,352,313 to the Regional Wastewater Capital Improvement Fund to support its share of capital project costs for existing excess capacity in the Regional Wastewater System; to the Recycled Water Fund for its share of the SCADA Enterprise project costs; and to the Administrative Services Fund to support operating cost.

The Recycled Water Fund sent transfers out of \$1,828,944 to the Water Resources Fund to support water use efficiency and conservation project costs; to the Recharge Water Fund to support operations support and capital and O&M/non-capital projects; and to the Administrative Services Fund to support capital and O&M/non-capital projects and operating costs.

The Non-Reclaimable Wastewater Fund sent transfers out of \$49,181 to the Administrative Services Fund to support capital projects and operating costs.

The Recharge Water Fund sent transfers out of \$76,042 to the Recycled Water Fund for support of capital projects.

The following table reflects the interfund transfer balances in and out by fund as of June 30, 2024:

FY 2023/24 Summary of Transfers In and Transfers Out by Fund

Funds	Transfers in					Total
	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations and Maintenance Fund	Recycled Water Fund	Water Resources Fund	Non-Major Enterprise Funds	
Transfers Out:						
Regional Wastewater Capital Improvement Fund	\$ -	\$ 2,561,186	\$ 2,513,940	\$ -	\$ 2,889,278	\$ 7,964,404
Regional Wastewater Operations and Maintenance Fund	1,035,604	-	147,307	-	169,402	1,352,313
Recycled Water Fund	-	-	-	588,625	1,240,319	1,828,944
Non-Major Enterprise Funds	-	-	76,042	-	49,181	125,223
Total Transfers	\$ 1,035,604	\$ 2,561,186	\$ 2,737,289	\$ 588,625	\$ 4,348,180	\$ 11,270,884

Note 16. Leases

The Agency leases equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028.

Lease Payable	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Equipment	\$ 132,200	\$ -	\$ (61,021)	\$ 71,179	\$ 34,569
Total Lease Payable	\$ 132,200	\$ -	\$ (61,021)	\$ 71,179	\$ 34,569

Total future minimum lease payments under lease agreements are as follows:

Fiscal Year Ending June 30	Principal	Interest Amortization	Total
2025	\$ 34,569	\$ 538	\$ 35,107
2026	14,939	209	15,148
2027	12,661	109	12,770
2028	9,010	25	9,035
Total	\$ 71,179	\$ 881	\$ 72,060

Note 17. Water Inventory

On February 17, 2016, the Board approved the Water Storage Agreement between the Agency and the CVWD for the purchase of up to 5,000 AF of supplemental water. This agreement, effective March 1, 2016, will enable the Agency to purchase and store water in the Chino Basin as part of CVWD's storage account. As of June 30, 2024, zero AF are held in storage by CVWD on behalf of the Agency. The Agency sold its stored water during the fiscal year.

Note 18. Defined Other Postemployment Benefit (OPEB) Plan

General Information About the Other Postemployment Benefits (OPEB) Plan

Plan Description

The Agency contributes to the California Public Employees Retirement System (CalPERS) Public Employees Medical and Hospital Care Act (PEMHCA) health program, an agent multiple-employer defined benefit retiree healthcare plan. CalPERS provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the state of California.

Benefit provisions, and all other requirements, are established by State statutes within the Public Employees' Retirement Law. The Agency's Plan selects optional provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate annual comprehensive financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 "Q" Street - Sacramento, CA 95811.

Benefits Provided

In accordance with the Agency Memorandum of Understanding (MOU), the Agency provides monthly longevity benefits to each retiree minus the minimum PEMHCA contribution or \$149, whichever is greater. Each retiree who simultaneously retires from the Agency through CalPERS and who is a minimum age of fifty-five (55) receives the benefit, as shown in the chart below.

Hire Date	Retirement Date	Benefit Level	Minimum Years of Agency Service	Benefit
Before July 2, 1980	N/A	Employee and/or Eligible Dependent(s)	15	100% of Applicable Kaiser Rate
Before Jan. 1, 1992	N/A	Employee and/or Eligible Dependent(s)	20	50% of Applicable Kaiser Rate
After Dec. 31, 1991	N/A	Employee Only or Surviving Spouse	12	50% of Applicable Kaiser Rate

The longevity benefit is available to qualifying retirees whether they enroll in a CalPERS medical plan or not. The retiree will be reimbursed on a monthly basis for his/her retiree longevity benefit via direct deposit to the retiree's (or surviving spouse's) bank account, up to the maximum benefit provided. Retirees are responsible for any taxes that may be due on reimbursement of retiree longevity benefits.

Employees Covered

As of the June 30, 2024 (measurement date as of June 30, 2023) actuarial valuation, the following current and former employees were covered by the benefit terms under the Agency Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	196
Inactive Employees Entitled to, but Not Yet Receiving Benefits	-
Active Employees	229
Total	425

Contributions

The OPEB Plan and its contribution requirements are established by a Memorandum of Understanding with the applicable employee bargaining units and may be amended by agreements between the Agency and the bargaining

units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2024 the Agency's contributions were \$727,711.

Net OPEB Liability (Asset)

The Agency's net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2023, and based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.50%
Payroll Growth	2.75% per annum, in aggregate
Investment Rate of Return	6.25% (net of pension plan investment and administration expenses; includes inflation)
Mortality Rate ⁽¹⁾	Derived using CalPERS' Membership Data for all funds
Pre-Retirement Turnover ⁽²⁾	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	4.50%

Notes:

⁽¹⁾ Pre-retirement mortality information was derived from the 2021 Experience Study. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

⁽²⁾ The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2021 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation
CERBT	
Global Equity	40.00%
Global Debt Securities	43.00%
Inflation Assets	5.00%
Commodities	4.00%
REITs	8.00%
Total	100.00%

Long-term expected rate of return is 6.25%.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that Agency contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries.

Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the OPEB Asset

The changes in the net OPEB asset for the Agency's Plan are as follows:

	Total OPEB Liability (Asset)	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at June 30, 2023 (Measurement Date June 30, 2022)	\$ 18,652,535	\$ 20,022,147	\$ (1,369,612)
Changes in Current Year:			
Service Cost	558,138	-	558,138
Interest on the Total OPEB Liability	1,152,596	713,234	439,362
Contributions - Employer	-	980,151	(980,151)
Differences Between Projected and Actual Earnings on OPEB Plan Investment	(3,861,084)	-	(3,861,084)
Changes in Assumptions	194,929	-	194,929
Administrative Expenses	-	(5,738)	5,738
Benefit Payments, Including Refunds of Employee Contributions	(980,151)	(980,151)	-
Current Year Net Changes	(2,935,572)	707,496	(3,643,068)
Balance at June 30, 2024 (Measurement Date June 30, 2023)	\$ 15,716,963	\$ 20,729,643	\$ (5,012,680)

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the Agency Plan, calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Asset	\$(5,012,680)	\$(5,012,680)	\$(6,522,172)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB asset of the Agency if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	1% Decrease (4.00% HMO/4.00% PPO decreasing to 3.50% HMO/3.50% PPO)	Current Healthcare Cost Trend Rates (5.00% HMO/5.00% PPO decreasing to 4.50% HMO/4.50% PPO)	1% Increase (6.00% HMO/6.00% PPO decreasing to 5.50% HMO/5.50% PPO)
Net OPEB Asset	\$ (6,746,327)	\$ (5,012,680)	\$ (2,894,299)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expenses.

The recognition period differs depending on the source of the gain or loss:

Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5-Year Straight-Line Amortization
	Expected Average Remaining Service Lifetime (EARSL)
All Other Amounts	(5.0 Years at June 30, 2024)

For the fiscal year ended June 30, 2024, the Agency recognized OPEB expense of \$364,991. As of June 30, 2024, the Agency reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 727,711	\$ -
Change in Experience	421,883	(4,539,502)
Change in Assumptions	267,738	(105,088)
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	2,054,601	-
Total	\$ 3,471,933	\$ (4,644,590)

The \$727,711 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025.

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in future pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows (Inflows) of Resources
2025	\$ (95,096)
2026	(139,717)
2027	206,058
2028	(651,451)
2029	(609,135)
Thereafter	(611,027)

Note 19. Subscription-Based Information Technology Arrangements

The Agency has a variety of arrangements for the purchase of information technology services, including Subscription-Based Information Technology Arrangements (SBITAs) for the purchase of the right-to-use software. The subscriptions expire at various dates through 2028.

SBITAs Payable	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Subscription	\$ 538,675	\$ -	\$ (164,004)	\$ 374,671	\$ 158,570
Total SBITAs Payable	\$ 538,675	\$ -	\$ (164,004)	\$ 374,671	\$ 158,570

Total future minimum subscription payments under SBITAs are as follows:

Fiscal Years Ending June 30	Principal	Interest	Total
2025	\$ 158,570	\$ 9,226	\$ 167,796
2026	163,484	4,084	167,568
2027	46,863	558	47,421
2028	5,754	15	5,769
Total	\$ 374,671	\$ 13,883	\$ 388,554

Note 20. Subsequent Events

The Agency evaluated subsequent events through December 19, 2024, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

On October 16, 2024, the Board of Directors approved the dissolution of the Chino Basin Water Bank Planning Authority and approved an amendment terminating the Joint Powers Agreement.

On November 16, 2024, the Board of Directors approved construction contracts totaling \$160,893,000 for the RP-1 thickening project.

Required Supplementary Information

CalPERS Miscellaneous Pension Plan Schedule of Contributions

Schedule of Changes in Net Pension Liability and Related Ratios

CalPERS Retiree Healthcare Plan Schedule of Contributions

Schedule of Changes in Net Other Postemployment Benefit (OPEB) Liability and Related Ratios



CalPERS Miscellaneous Pension Plan
Schedule of Contributions
As of June 30, 2024
Last Ten Years

	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Actuarially Determined Contribution	\$ 7,135,719	\$ 6,750,008	\$ 6,474,472	\$ 6,192,868	\$ 5,751,862
Contributions in Relation to the Actuarially Determined Contributions	(11,635,719)	(11,250,008)	(10,974,472)	(10,692,868)	(10,251,862)
Contribution Deficiency (Excess)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)
Covered Payroll	\$ 37,385,978	\$ 34,260,811	\$ 31,560,357	\$ 30,559,735	\$ 29,615,605
Contributions as a Percentage of Covered Payroll	31.12%	32.84%	34.77%	34.99%	34.62%

Notes to Schedule:

Valuation Date June 30, 2022

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percentage of Payroll Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value of Assets
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.80%
Investment Rate of Return	6.90%, Net of Pension Plan Investment and Administrative Expense; Includes Inflation
Retirement Age	55 years (2.5%@55, 2%@55, and 2%@62)

Mortality

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

**CalPERS Miscellaneous Pension Plan
Schedule of Contributions (Continued)
As of June 30, 2024
Last Ten Years**

	FY 2018/19	FY 2017/18	FY 2016/17	FY 2015/16
Actuarially Determined Contribution	\$ 5,266,593	\$ 4,785,958	\$ 4,986,891	\$ 4,653,741
Contributions in Relation to the Actuarially Determined Contributions	(9,766,593)	(9,285,958)	(9,486,891)	(9,153,741)
Contribution Deficiency (Excess)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)
Covered Payroll	\$ 28,525,130	\$ 29,042,418	\$ 27,131,239	\$ 25,127,054
Contributions as a Percentage of Covered Payroll	34.24%	31.97%	34.97%	36.43%

CalPERS Miscellaneous Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Fiscal Years Ended June 30, 2024
Last Ten Years

	FY 2023/24 (Measurement Date June 30, 2023)	FY 2022/23 (Measurement Date June 30, 2022)	FY 2021/22 (Measurement Date June 30, 2021)	FY 2020/21 (Measurement Date June 30, 2020)	FY 2019/20 (Measurement Date June 30, 2019)
Total Pension Liability:					
Service Cost	\$ 5,526,660	\$ 5,434,679	\$ 4,811,976	\$ 4,763,123	\$ 4,618,250
Interest on Total Pension Liability	18,316,701	17,352,110	16,526,308	15,744,171	14,817,042
Differences Between Expected and Actual Experience	2,558,034	139,541	(100,156)	2,118,811	4,490,811
Changes in Assumptions	-	9,057,034	-	-	-
Changes in Benefits	200,522	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(12,155,061)	(11,068,468)	(9,938,530)	(9,046,642)	(8,272,800)
Net Change in Total Pension Liability	14,446,856	20,914,896	11,299,598	13,579,463	15,653,303
Total Pension Liability - Beginning of Year	266,015,091	245,100,195	233,800,597	220,221,134	204,567,831
Total Pension Liability - End of Year (a)	\$ 280,461,947	\$ 266,015,091	\$ 245,100,195	\$ 233,800,597	\$ 220,221,134
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 11,228,392	\$ 10,946,066	\$ 10,661,065	\$ 10,209,060	\$ 9,747,753
Contributions - Employee	2,401,926	2,234,169	2,223,360	2,265,833	2,207,304
Net Investment Income	13,937,075	(18,257,157)	44,239,171	9,174,676	11,107,508
Benefit Payments	(12,155,061)	(11,068,468)	(9,938,530)	(9,046,642)	(8,272,800)
Net Plan to Plan Resources Movement	-	-	-	-	-
Administrative Expense	(164,844)	(149,795)	(193,268)	(255,343)	(118,785)
Other Miscellaneous Income (Expense)	-	-	-	-	385
Net Change in Plan Fiduciary Net Position	15,247,488	(16,295,185)	46,991,798	12,347,584	14,671,365
Plan Fiduciary Net Position - Beginning of Year	224,169,763	240,464,948	193,473,150	181,125,566	166,454,201
Plan Fiduciary Net Position - End of Year (b)	\$ 239,417,251	\$ 224,169,763	\$ 240,464,948	\$ 193,473,150	\$ 181,125,566
Net Pension on Liability - End of Year (a) - (b)	\$ 41,044,696	\$ 41,845,328	\$ 4,635,247	\$ 40,327,447	\$ 39,095,568
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	85.37%	84.27%	98.11%	82.75%	82.25%
Covered Payroll	\$ 34,260,811	\$ 31,560,357	\$ 30,559,735	\$ 29,615,605	\$ 28,525,130
Net Pension Liability as Percentage of Covered Payroll	119.80%	132.59%	15.17%	136.17%	137.06%

Notes to Schedule:

Change in Assumptions: There were no changes in assumptions from FY June 30, 2023 to FY June 30, 2024.

Benefit Changes: There were no changes in benefits from FY June 30, 2023 to FY June 30, 2024.

Covered Payroll: From FY June 30, 2023 to FY June 30, 2024, the payroll growth rate increased from 2.75% to 2.80%.

CalPERS Miscellaneous Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Fiscal Years Ended June 30, 2024
Last Ten Years

	FY 2018/19 (Measurement Date June 30, 2018)	FY 2017/18 (Measurement Date June 30, 2017)	FY 2016/17 (Measurement Date June 30, 2016)	FY 2015/16 (Measurement Date June 30, 2015)	FY 2014/15 (Measurement Date June 30, 2014)
Total Pension Liability:					
Service Cost	\$ 4,646,509	\$ 4,454,352	\$ 3,749,410	\$ 3,685,630	\$ 3,768,503
Interest on Total Pension Liability	13,746,742	12,950,950	12,103,023	11,654,818	10,818,920
Differences Between Expected and Actual Experience	2,100,628	1,897,341	(3,516,255)	2,049,978	-
Changes in Assumptions	(1,453,107)	11,206,890	-	(2,979,771)	-
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(7,528,545)	(6,509,351)	(6,263,541)	(5,730,808)	(5,304,990)
Net Change in Total Pension Liability	11,512,227	24,000,182	6,072,637	8,679,847	9,282,433
Total Pension Liability - Beginning of Year	193,055,604	169,055,422	162,982,785	154,302,938	145,020,505
Total Pension Liability - End of Year (a)	\$ 204,567,831	\$ 193,055,604	\$ 169,055,422	\$ 162,982,785	\$ 154,302,938
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 9,461,289	\$ 9,481,188	\$ 9,014,122	\$ 8,330,807	\$ 3,733,583
Contributions - Employee	2,374,114	2,170,535	1,949,174	1,812,908	2,374,649
Net Investment Income	13,002,740	15,011,231	649,762	2,718,511	17,346,113
Benefit Payments	(7,528,545)	(6,509,351)	(6,263,541)	(5,730,808)	(5,304,990)
Net Plan to Plan Resources Movement	(385)	-	-	-	-
Administrative Expense	(233,464)	(191,729)	(75,929)	(140,237)	-
Other Miscellaneous Income (Expense)	(443,351)	-	-	-	-
Net Change in Plan Fiduciary Net Position	16,632,398	19,961,874	5,273,588	6,991,181	18,149,355
Plan Fiduciary Net Position - Beginning of Year	149,821,803	129,859,929	124,586,341	117,595,160	99,445,805
Plan Fiduciary Net Position - End of Year (b)	\$ 166,454,201	\$ 149,821,803	\$ 129,859,929	\$ 124,586,341	\$ 117,595,160
Net Pension on Liability - End of Year (a) - (b)	\$ 38,113,630	\$ 43,233,801	\$ 39,195,493	\$ 38,396,444	\$ 36,707,778
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	81.37%	77.61%	76.82%	76.44%	76.21%
Covered Payroll	\$ 29,042,418	\$ 27,131,239	\$ 25,127,054	\$ 23,007,322	\$ 23,082,763
Net Pension Liability as Percentage of Covered Payroll	131.23%	159.35%	155.99%	166.89%	159.03%

**CalPERS Retiree Healthcare Plan
Schedule of Contributions
As of June 30, 2024
Last Ten Years***

	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19	FY 2017/18
Actuarially Determined Contribution	\$ 1,025,696	\$ 1,051,267	\$ 980,151	\$ 607,966	\$ 593,115	\$ 608,943	\$ 561,354
Contributions in Relation to the Actuarially Determined Contributions	(727,710)	(684,611)	(724,738)	(661,074)	(1,637,271)	(2,608,943)	(2,561,354)
Contribution Deficiency (Excess)	\$ 297,986	\$ 366,656	\$ 255,413	\$ (53,108)	\$ (1,044,156)	\$ (2,000,000)	\$ (2,000,000)
Covered Payroll	\$ 5,073,165	\$ 4,404,218	\$ 4,335,613	\$ 4,216,543	\$ 4,008,335	\$ 3,737,662	\$ 3,788,381
Contributions as a Percentage of Covered Payroll	14.34%	15.54%	16.72%	15.68%	40.85%	69.80%	67.61%

Notes to Schedule:

Valuation Date June 30, 2023

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level Percentage of Payroll Over a Closed Rolling 15-Year Period
Asset Valuation Method	Market Value of Assets
Inflation	2.50%
Payroll Growth	2.75% per Annum, in Aggregate
Investment Rate of Return	6.25% (Net of OPEB Plan Investment and Administration Expenses; Includes Inflation)
Healthcare Cost-Trend Rates	4.50% HMO/6.50% PPO initial. Decreasing 0.5% per year to trend rate that reflects medical price inflation.
Retirement Age	55 years (2.5%@55, 2%@55, and 2%@62)
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

*Fiscal year 2017/18 was the first year of GASB 75 implementation, therefore only seven years of data is shown.

CalPERS Retiree Healthcare Plan
Schedule of Changes in the Net Other Postemployment Benefits (OPEB)
Liability and Related Ratios
Last Ten Years*

	FY 2023/24 (Measurement Date June 30, 2023)	FY 2022/23 (Measurement Date June 30, 2022)	FY 2023/22 (Measurement Date June 30, 2021)	FY 2020/21 (Measurement Date June 30, 2020)	FY 2019/20 (Measurement Date June 30, 2019)	FY 2018/19 (Measurement Date June 30, 2018)	FY 2017/18 (Measurement Date June 30, 2017)
Total OPEB Liability:							
Service Cost	\$ 558,138	\$ 543,200	\$ 477,604	\$ 464,821	\$ 534,995	\$ 520,676	\$ 491,205
Interest on Total OPEB Liability	1,152,596	1,108,983	1,218,216	1,186,978	1,068,735	1,005,737	954,618
Differences Between Expected and Actual Experience	(3,861,084)	-	(2,016,914)	-	1,476,597	-	-
Changes in Assumptions	194,929	-	167,989	(36,017)	(367,808)	(1,161,761)	-
Benefit Payments, Including Refunds of Employee Contributions	(980,151)	(943,554)	(893,863)	(878,603)	(731,819)	(666,542)	(580,077)
Net Change in the Total OPEB Liability	(2,935,572)	708,629	(1,046,968)	737,179	1,980,700	(301,890)	865,746
Total OPEB Liability - Beginning of Year	18,652,535	17,943,906	18,990,874	18,253,695	16,272,995	16,574,885	15,709,139
Total OPEB Liability - End of Year (a)	\$ 15,716,963	\$ 18,652,535	\$ 17,943,906	\$ 18,990,874	\$ 18,253,695	\$ 16,272,995	\$ 16,574,885
Plan Fiduciary Net Position:							
Contributions - Employer	\$ 980,151	\$ 943,554	\$ 893,863	\$ 1,878,603	\$ 2,731,819	\$ 2,666,542	\$ 2,580,077
Net Investment Income	713,234	1,431,664	1,244,592	1,152,203	1,015,006	551,142	372,066
Difference Between Expected and Actual Investment Income	-	(4,313,238)	2,520,839	(223,090)	-	-	-
Benefit Payments	(980,151)	(943,554)	(893,863)	(878,603)	(731,819)	(666,542)	(580,077)
Administrative Expense	(5,738)	(5,793)	(6,975)	(8,519)	(3,076)	(6,115)	(4,884)
Other Expense	-	-	-	-	-	(15,471)	-
Net Change in Plan Fiduciary Net Position	707,496	(2,887,367)	3,758,456	1,920,594	3,011,930	2,529,556	2,367,182
Plan Fiduciary Net Position - Beginning of Year	20,022,147	22,909,514	19,151,058	17,230,464	14,218,534	11,688,978	9,321,796
Plan Fiduciary Net Position - End of Year (b)	\$ 20,729,643	\$ 20,022,147	\$ 22,909,514	\$ 19,151,058	\$ 17,230,464	\$ 14,218,534	\$ 11,688,978
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ (5,012,680)	\$ (1,369,612)	\$ (4,965,608)	\$ (160,184)	\$ 1,023,231	\$ 2,054,461	\$ 4,885,907
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	131.89%	107.34%	127.67%	100.84%	94.39%	87.38%	70.52%
Covered Payroll	\$ 4,404,218	\$ 4,335,613	\$ 4,216,543	\$ 4,008,335	\$ 3,737,662	\$ 3,788,381	\$ 3,507,284
Net OPEB Liability as Percentage of Covered Payroll	113.82%	(31.59%)	(117.76%)	(4.00%)	27.38%	54.23%	139.31%

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

*Fiscal year 2017/18 was the first year of GASB 75 implementation, therefore only seven years of data is shown.

Supplementary Information

Supplementary Schedules

Non-Major Enterprise Fund Statements

Non-Reclaimable Wastewater Fund

The Non-Reclaimable Wastewater System (NRWS) Fund records the transactions for the acquisition, construction, expansion, replacement, and operations of the Agency's non-reclaimable wastewater sewer lines, interceptors, and appurtenant facilities. It also accounts for the revenues and operating costs directly related to providing collection services, wastewater conveyance/transport, and wastewater treatment.

Recharge Water Fund

The Recharge Water Fund accounts for the revenues and expenses associated with the groundwater recharge operations and maintenance through the joint effort of the Chino Basin Watermaster (CBWM), the Chino Basin Water Conservation District (CBWCD), the San Bernardino County Flood Control District (SBCFCD), and the Agency. Expenses include general basin maintenance or restoration costs, groundwater administration (e.g. labor, utilities, equipment, and tools), contracted services (e.g. weeding and vector control), as well as compliance reporting and environmental documentation for the program's Fish and Game Permit. The operations and maintenance budget is partially funded by the Chino Basin Watermaster (CBWM) and the Agency. Revenues include reimbursements from CBWM; the Agency's share is supported by fund transfer from the Recycled Water Fund, grant proceeds, and interest earnings on the program's reserve balance.

Administrative Services Fund

The Agency's employment costs and general and administrative expenses not specific to other Agency funds are initially budgeted in the Administrative Services Fund. These costs include capital acquisitions for Agency-wide use, purchases of non-capital and non-project related materials, supplies, tools, and contract services. Throughout the year, pertinent expenses such as staff labor, equipment, and facilities maintenance costs are allocated to the Agency's various programs, departments, and external clients on a cost reimbursement basis, based on either estimated staff work time, frequency of equipment usage, or full time equivalent (FTE) participation for specific programs or activities.

Combining Statement of Net Position June 30, 2024

	Non-Major Enterprise Funds			Totals 2024
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services	
ASSETS				
Current Assets				
Cash and investments (note 3)	\$ 26,753,648	\$ 12,004,619	\$ 31,861,021	\$ 70,619,288
Accounts receivable, net	4,494,277	6,080,545	1,869,407	12,444,229
Interest receivable	1,717,614	19,318	763,385	2,500,317
Taxes receivable	-	-	31,121	31,121
Other receivables	-	-	22,666	22,666
Inventory	-	-	1,782,722	1,782,722
Prepaid items	-	-	190,392	190,392
Total current assets	32,965,539	18,104,482	36,520,714	87,590,735
Noncurrent Assets				
Restricted assets				
Deposits held by retentions (note 3)	-	885,592	-	885,592
Net other postemployment benefits (note 18)	276,754	87,309	203,453	567,516
Investments held with trustee/fiscal agent (note 3)	41	-	-	41
Total restricted assets	276,795	972,901	203,453	1,453,149
Capital Assets				
Land	-	-	20,829	20,829
Jobs in progress	6,691,303	29,607,348	2,892,667	39,191,318
Capital assets, net of accumulated depreciation	15,710,152	32,500,227	15,431,642	63,642,021
Intangible assets, net of accumulated amortization	718,055	-	866,222	1,584,277
Total Capital Assets	23,119,510	62,107,575	19,211,360	104,438,445
Total Noncurrent Assets	23,396,305	63,080,476	19,414,813	105,891,594
Total Assets	56,361,844	81,184,958	55,935,527	193,482,329
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to debt refunding	208,737	-	-	208,737
Deferred outflow net other postemployment benefit liability	168,411	89,234	167,971	425,616
Deferred outflow related to net pension liability	1,401,494	815,527	1,407,611	3,624,632
Total Deferred Outflows of Resources	1,778,642	904,761	1,575,582	4,258,985
LIABILITIES				
Current Liabilities				
Accounts payable	2,657,005	273,452	2,794,725	5,725,182
Accrued liabilities	-	-	2,184,547	2,184,547
Compensated absences	-	-	2,777,392	2,777,392
Retentions payable	117,775	8,680	78,044	204,499
Long-term debt, due within one year (note 12)	418,258	647,490	-	1,065,748
Notes payable, due within one year (note 12)	-	707,758	-	707,758
Lease payable, due within one year (note 16)	-	-	34,569	34,569
SBITA payable, due within one year (note 19)	-	-	158,570	158,570
Interest payable	34,625	922,515	-	957,140

Combining Statement of Net Position (Continued) June 30, 2024

	Non-Major Enterprise Funds			Totals 2024
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services	
Retention deposits and escrows	-	885,592	-	885,592
Total Current Liabilities	3,227,663	3,445,487	8,027,847	14,700,997
Noncurrent liabilities				
Compensated absences	-	-	4,119,480	4,119,480
Long-term debt, due in more than one year (note 12)	4,356,649	7,114,479	-	11,471,128
Notes payable, due in more than one year (note 12)	-	13,577,354	-	13,577,354
Advances from other funds (note 14)	-	15,038,000	-	15,038,000
Lease payable, due in more than one year (note 16)	-	-	36,610	36,610
SBITA payable, due in more than one year (note 19)	-	-	216,101	216,101
Net pension liability (note 5)	2,037,022	1,056,757	1,991,655	5,085,434
Total Noncurrent Liabilities	6,393,671	36,786,590	6,363,846	49,544,107
Total Liabilities	9,621,334	40,232,077	14,391,693	64,245,104
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow net other postemployment benefit liability	244,727	96,852	201,768	543,347
Deferred inflow related to net pension liability	1,232	198	632	2,062
Total Deferred Inflows of Resources	245,959	97,050	202,400	545,409
NET POSITION				
Net investment in capital assets	18,173,441	39,883,926	18,660,358	76,717,725
Restricted for:				
Net other postemployment benefit	276,754	87,309	203,453	567,516
Total Restricted	276,754	87,309	203,453	567,516
Unrestricted	29,822,998	1,789,357	24,053,205	55,665,560
Total Net Position	\$ 48,273,193	\$ 41,760,592	\$ 42,917,016	\$ 132,950,801

Combining Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Year Ended June 30, 2024

	Non-Major Enterprise Funds			Totals 2024
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services	
OPERATING REVENUES				
Service charges	\$ 16,697,340	\$ -	\$ -	\$ 16,697,340
Total operating revenues	16,697,340	-	-	16,697,340
OPERATING EXPENSES				
Wastewater collection	10,424,661	-	-	10,424,661
Administration and general	1,765,443	2,205,960	2,737,666	6,709,069
Depreciation and amortization	1,082,818	1,141,103	1,405,585	3,629,506
Total operating expenses	13,272,922	3,347,063	4,143,251	20,763,236
Operating income (loss)	3,424,418	(3,347,063)	(4,143,251)	(4,065,896)
NONOPERATING REVENUES (EXPENSES)				
Interest income	962,277	267,234	848,206	2,077,717
Property tax revenue	-	-	3,845,697	3,845,697
Other nonoperating revenues	918,901	1,832,616	4,711,977	7,463,494
Interest on long-term debt	(214,387)	(348,345)	(15,987)	(578,719)
Other nonoperating expenses	(21,978)	(708,969)	(1,741,742)	(2,472,689)
Total nonoperating revenues (expenses)	1,644,813	1,042,536	7,648,151	10,335,500
Income (loss) before capital contributions and transfers	5,069,231	(2,304,527)	3,504,900	6,269,604
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Transfers in (note 15)	858,034	1,689,879	1,800,267	4,348,180
Transfers out (note 15)	(49,181)	(76,042)	-	(125,223)
Capital grants	-	1,033,211	361,166	1,394,377
Change in net position	5,878,084	342,521	5,666,333	11,886,938
Total net position - beginning	42,395,109	41,418,071	37,250,683	121,063,863
Total net position - ending	\$ 48,273,193	\$ 41,760,592	\$ 42,917,016	\$ 132,950,801

Combining Statement of Cash Flows For the Fiscal Year Ended June 30, 2024

	Non-Major Enterprise Funds				Totals 2024
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 15,891,888	\$ -	\$ 216,206	\$ 16,108,094	
Cash Received from Interfund Services Provided	-	-	39,589,592	39,589,592	
Cash Payments to Suppliers for Goods and Services	(12,377,408)	(2,325,017)	(2,366,470)	(17,068,895)	
Cash Payments to Employees for Services	(640,046)	(505,101)	(39,606,835)	(40,751,982)	
Net Cash Provided by (Used for) Operating Activities	2,874,434	(2,830,118)	(2,167,507)	(2,123,191)	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	858,034	1,689,879	1,800,267	4,348,180	
Transfers out	(49,181)	(76,042)	-	(125,223)	
Contract Reimbursement from Others	919,287	1,832,616	2,970,235	5,722,138	
Tax Revenues	-	-	3,845,697	3,845,697	
Advances to Other Funds	-	(3,000,000)	-	(3,000,000)	
Advances from Other Funds	3,000,000	-	-	3,000,000	
Net Cash Provided by (Used for) Noncapital Financing Activities	4,728,140	446,453	8,616,199	13,790,792	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(3,131,665)	(2,373,615)	(1,044,839)	(6,550,119)	
Capital Grants Received	-	13,130,729	1,190,184	14,320,913	
Proceeds from SRF/WIFIA Loans	-	4,098,124	-	4,098,124	
Principal Paid on Capital Debt	(464,693)	(814,256)	-	(1,278,949)	
Interest Paid on Capital Debt	(217,706)	(343,711)	(15,987)	(577,404)	
Principal Paid on Leases	-	-	(61,021)	(61,021)	
Principal Paid on SBITAs	-	-	(164,004)	(164,004)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	(3,814,064)	13,697,271	(95,667)	9,787,540	
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	858,494	247,916	138,676	1,245,086	
Sale of Investments	11,551,691	-	-	11,551,691	
Purchase of Investments	(3,313,560)	(3,050,348)	(7,459,980)	(13,823,888)	
Net Cash Provided by (Used for) Investing Activities	9,096,625	(2,802,432)	(7,321,304)	(1,027,111)	
Net Increase (Decrease) in Cash and Cash Equivalents	12,885,135	8,511,174	(968,279)	20,428,030	
Cash and Cash Equivalents - Beginning of Year	5,879,734	768,781	25,369,320	32,017,835	
Cash and Cash Equivalents - End of Year	\$ 18,764,869	\$ 9,279,955	\$ 24,401,041	\$ 52,445,865	

Combining Statement of Cash Flows (Continued) For the Fiscal Year Ended June 30, 2024

	Non-Major Enterprise Funds			
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services	Totals 2024
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 3,424,418	\$ (3,347,063)	\$ (4,143,251)	\$ (4,065,896)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation and Amortization	1,082,818	1,141,103	1,405,585	3,629,506
Changes in Assets and Liabilities (Increase) Decrease in				
Accounts Receivable, Net	(805,453)	-	207,359	(598,094)
Other Receivables	-	-	8,847	8,847
Inventory	-	-	(190,581)	(190,581)
Prepaid Items	-	-	(11,629)	(11,629)
Increase (Decrease) in				
Deferred Outflow Related to Net Pension Liability	(1,009)	2,190	57,553	58,734
Deferred Outflow Related to Net Other Postemployment Benefit Liability	63,902	42,429	616	106,947
Accounts Payable	(806,882)	(610,114)	(341,485)	(1,758,481)
Accrued Liabilities	-	-	324,796	324,796
Deferred Inflow Related to Net Pension Liability	(1,396)	(593)	(1,196)	(3,185)
Deferred Inflow Related to Net Other Postemployment Benefit Liability	156,561	66,301	134,899	357,761
Net Other Postemployment Benefits Liability	(187,845)	(82,316)	(162,530)	(432,691)
Net Pension Liability	(50,680)	(42,055)	(46,585)	(139,320)
Compensated Absences	-	-	590,095	590,095
Net Cash Provided by (Used for) Operating Activities	\$ 2,874,434	\$ (2,830,118)	\$ (2,167,507)	\$ (2,123,191)
Supplemental Disclosure of Non-Cash Capital and Related Financing and Investing Activities:				
Acquisition and Construction of Capital Assets in Accounts Payable	\$ 212,102	\$ 164,919	\$ 202,227	\$ 579,248
Acquisition and Construction of Capital Assets in Retentions Payable	106,321	894,272	47,608	1,048,201
SRF Loan Payable in Accounts Receivable	-	4,502,034	-	4,502,034
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:				
Cash and Short-Term Investments	\$ 26,753,648	\$ 12,004,619	\$ 31,861,021	\$ 70,619,288
Deposits Held by Retentions	-	885,592	-	885,592
Investments Held with Trustee/Fiscal Agent	41	-	-	41
Less: Investments with Maturities Greater than Three Months	(7,988,820)	(3,610,256)	(7,459,980)	(19,059,056)
Cash and Cash Equivalents - End of Year	\$ 18,764,869	\$ 9,279,955	\$ 24,401,041	\$ 52,445,865





Statistical Section





INLAND EMPIRE UTILITIES AGENCY

Index of Statistical Section Schedules

June 30, 2024

This part of Inland Empire Utilities Agency's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall financial health.

1. Financial Trends	90
These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being has changed over time.	
2. Revenue Capacity	95
These schedules contain information to help the reader assess the Agency's most significant revenue sources.	
3. Debt Capacity	106
These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and ability to issue additional debt in the future.	
4. Operating Indicators	114
These schedules contain service and infrastructure data to help the reader understand the information in the Agency's financial reports and how it relates to the services that IEUA provides and the activities it performs.	
5. Demographic and Economic Indicators	120
These schedules contain service and infrastructure data to help the reader understand the environment within which the Agency's financial activities take place.	
6. Appropriations Limit	123
This section shows the trend of the Agency's appropriations limit under the California Constitution Amendment XIII B. The Appropriations limit is adopted every year by Board Resolutions and represents the limit or "upper bound" of tax proceeds that can be spent in a fiscal year.	

Source: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

Financial Trends - Historical Operating Results
Wastewater Revenue Funds' Combined Statement of Revenues,
Expenses, and Changes in Net Position
(Excludes Water Resource Fund)
For the Fiscal Years Ended June 30, 2015 through 2024
(Dollars in Thousands)

	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Operating Revenues					
Service Charges	\$ 100,466	\$ 92,162	\$ 89,540	\$ 83,833	\$ 81,189
Recycled Water Sales	19,905	18,693	19,643	18,095	15,349
Total Operating Revenues	120,371	110,855	109,183	101,928	96,538
Operating Expenses					
Wastewater Collection	12,234	11,356	10,294	8,965	9,189
Wastewater Treatment	32,264	27,817	24,878	22,548	20,959
Wastewater Disposal	10,062	8,103	12,146	10,778	11,077
Operations and Maintenance	6,601	5,998	6,497	4,125	3,972
Administration and General	57,308	51,391	33,461	37,881	37,398
Depreciation and Amortization	36,132	33,430	35,090	36,817	37,610
Total Operating Expenses	154,601	138,095	122,366	121,114	120,205
Operating Income (Loss)	(34,230)	(27,240)	(13,183)	(19,186)	(23,667)
Nonoperating Revenues (Expenses)					
Interest Income	14,844	8,095	1,983	2,798	3,944
Property Tax Revenue	82,551	76,525	69,079	57,329	49,839
Wastewater Capital Connection Fees	5,150	26,544	37,705	36,732	24,259
Water Connection Fees	27,963	4,302	8,749	5,700	8,048
Other Nonoperating Revenues	18,691	14,142	12,244	6,056	15,679
Interest on Long-Term Debt	(13,218)	(13,825)	(14,048)	(13,884)	(7,629)
Other Nonoperating Expenses	(8,478)	(5,358)	(12,338)	(4,494)	(17,934)
Total Nonoperating Revenues (Expenses)	127,503	110,425	103,374	90,237	76,206
Income (Loss) Before Capital Contributions and Transfers	93,273	83,185	90,191	71,051	52,539
Capital Grants	1,443	5,006	5,007	22,544	4,373
Transfers (to Water Resource Fund)	(589)	(829)	(486)	(748)	(683)
Change in Net Position	\$ 94,127	\$ 87,362	\$ 94,712	\$ 92,847	\$ 56,229
Total Net Position - Beginning	1,022,363	936,795	842,083	749,236	693,007
Prior Period Adjustment	-	(1,794)	-	-	-
Total Net Position - Ending	\$ 1,116,490	\$ 1,022,363	\$ 936,795	\$ 842,083	\$ 749,236

Financial Trends - Historical Operating Results (Continued)
Wastewater Revenue Funds' Combined Statement of Revenues,
Expenses, and Changes in Net Position (Continued)
(Excludes Water Resource Fund)
For the Fiscal Years Ended June 30, 2015 through 2024
(Dollars in Thousands)

	FY 2018/19	FY 2017/18	FY 2016/17	FY 2015/16	FY 2014/15
Operating Revenues					
Service Charges	\$ 78,954	\$ 75,105	\$ 68,589	\$ 61,929	\$ 58,265
Recycled Water Sales	13,902	16,878	16,385	13,468	12,047
Total Operating Revenues	92,856	91,983	84,974	75,397	70,312
Operating Expenses					
Wastewater Collection	10,334	9,991	8,757	7,510	8,089
Wastewater Treatment	23,829	26,618	24,242	21,104	19,001
Wastewater Disposal	11,317	10,236	11,688	11,149	7,997
Operations and Maintenance	3,860	3,324	3,056	4,788	3,262
Administration and General	31,364	29,685	24,872	22,988	28,562
Depreciation and Amortization	36,298	35,698	37,108	36,851	34,108
Total Operating Expenses	117,002	115,552	109,723	104,390	101,019
Operating Income (Loss)	(24,146)	(23,569)	(24,749)	(28,993)	(30,707)
Nonoperating Revenues (Expenses)					
Interest Income	4,227	2,302	1,347	722	424
Property Tax Revenue	48,167	45,160	43,379	41,336	39,446
Wastewater Capital Connection Fees	22,914	32,850	30,508	24,910	15,074
Water Connection Fees	5,916	7,889	5,415	997	-
Other Nonoperating Revenues	11,484	10,331	6,196	8,735	7,405
Interest on Long-Term Debt	(6,333)	(5,999)	(7,947)	(9,142)	(9,593)
Other Nonoperating Expenses	(7,110)	(10,278)	(11,650)	(13,520)	(6,184)
Total Nonoperating Revenues (Expenses)	79,265	82,255	67,248	54,038	46,572
Income (Loss) Before Capital Contributions and Transfers	55,119	58,686	42,499	25,045	15,865
Capital Grants	1,946	5,889	12,144	6,137	5,353
Transfers (to Water Resource Fund)	(436)	(321)	(59)	(295)	-
Change in Net Position	\$ 56,629	\$ 64,254	\$ 54,584	\$ 30,887	\$ 21,218
Total Net Position - Beginning	636,378	577,870	523,286	493,606	513,805
Prior Period Adjustment	-	(5,746)	-	(1,207)	(41,417)
Total Net Position - Ending	\$ 693,007	\$ 636,378	\$ 577,870	\$ 523,286	\$ 493,606

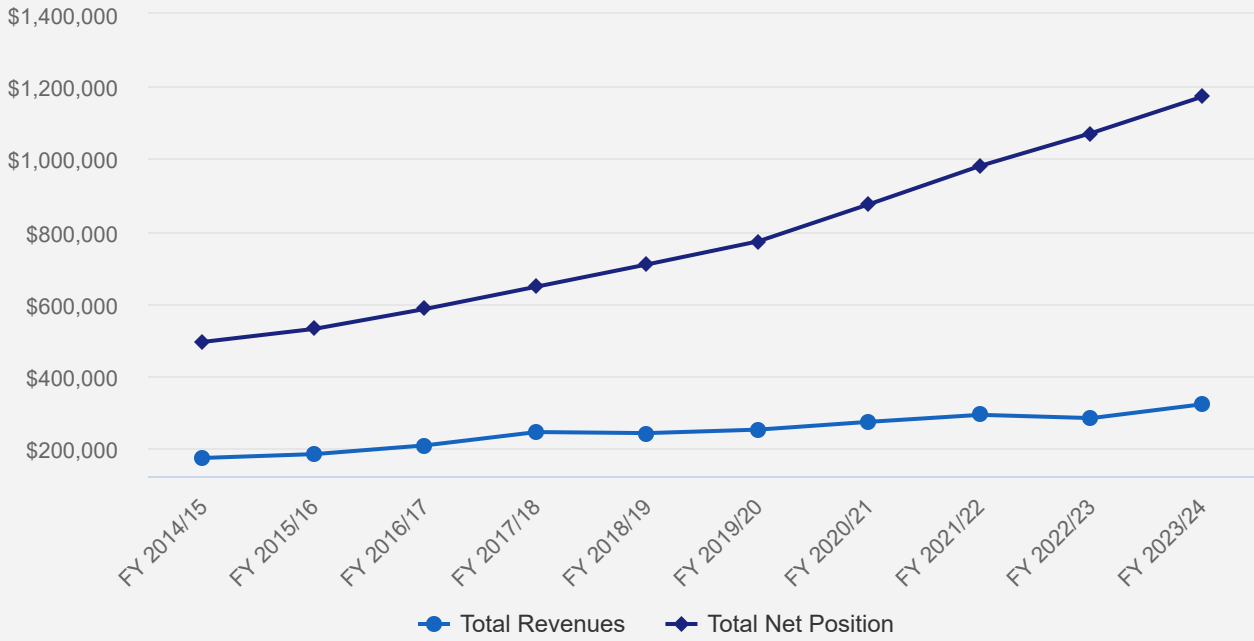
**Financial Trends - Combined Schedule of Revenues, Expenses, and
Changes in Net Position
All Funds
For the Fiscal Years Ended June 30, 2015 through 2024
(Dollars in Thousands)**

	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20
Operating Revenues					
Service Charges	\$ 111,016	\$ 101,452	\$ 97,825	\$ 91,325	\$ 88,034
Water Sales	35,319	30,516	42,976	45,561	40,768
Recycled Water Sales	19,905	18,693	19,643	18,095	15,349
Total Operating Revenues	166,240	150,661	160,444	154,981	144,151
Operating Expenses					
Water Purchases	37,587	30,516	42,937	45,561	40,480
Wastewater Collection	12,234	11,356	10,294	8,965	9,188
Wastewater Treatment	32,264	27,817	24,878	22,549	20,959
Wastewater Disposal	10,062	8,102	12,146	10,778	11,077
Operations and Maintenance	8,676	8,092	7,989	5,975	5,113
Administration and General	66,914	58,841	39,370	44,067	43,208
Depreciation and Amortization	36,132	33,431	35,091	36,819	37,615
Total Operating Expenses	203,869	178,155	172,705	174,714	167,640
Operating Income (Loss)	(37,629)	(27,494)	(12,261)	(19,733)	(23,489)
Nonoperating Revenues (Expenses)					
Interest income	16,219	8,905	2,153	3,011	4,230
Property Tax Revenue	85,612	79,365	71,585	67,135	55,613
Wastewater Capital Connection Fees	5,150	4,302	8,749	5,700	8,048
Water Connection Fees	27,963	26,544	37,705	36,732	24,259
Other Nonoperating Revenues	21,268	14,338	12,547	6,390	16,075
Interest on Long-Term Debt	(13,218)	(13,825)	(14,048)	(13,883)	(7,629)
Other Nonoperating Expenses	(9,369)	(6,119)	(13,061)	(5,331)	(18,886)
Total Nonoperating Revenues (Expenses)	133,625	113,510	105,630	99,754	81,710
Income (Loss) Before Capital Contributions and Transfers	95,996	86,016	93,369	80,021	58,221
Capital Grants	4,449	7,737	12,339	22,667	5,500
Change in Net Position (A)	\$ 100,445	\$ 93,753	\$ 105,708	\$ 102,688	\$ 63,721
Total Net Position - Beginning	1,071,331	980,869	875,161	772,473	708,752
Prior Period Adjustment	-	(3,291)	-	-	-
Total Net Position - Beginning, as Restated (B)	\$ 1,071,331	\$ 977,578	\$ 875,161	\$ 772,473	\$ 708,752
Net Position by Component:					
Net Investment in Capital Assets	569,111	545,822	427,838	339,651	453,236
Restricted	175,470	176,991	267,447	309,562	142,168
Unrestricted	427,195	348,518	285,584	225,948	177,069
Total Net Position - Ending (A)+(B)	\$ 1,171,776	\$ 1,071,331	\$ 980,869	\$ 875,161	\$ 772,473

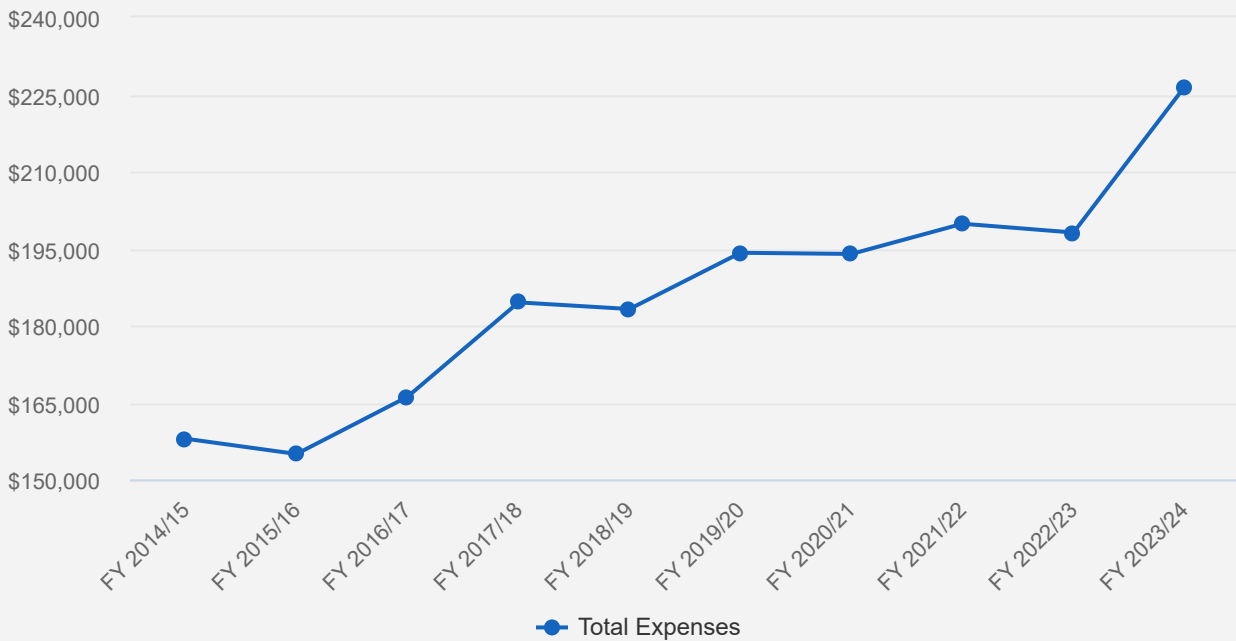
**Financial Trends - Combined Schedule of Revenues, Expenses, and
Changes in Net Position (Continued)**
All Funds
For the Fiscal Years Ended June 30, 2015 through 2024
(Dollars in Thousands)

	FY 2018/19	FY 2017/18	FY 2016/17	FY 2015/16	FY 2014/15
Operating Revenues					
Service Charges	\$ 85,220	\$ 80,449	\$ 73,384	\$ 67,243	\$ 63,956
Water Sales	45,519	45,999	29,897	18,654	34,147
Recycled Water Sales	13,902	16,878	16,385	13,468	12,047
Total Operating Revenues	144,641	143,326	119,666	99,365	110,150
Operating Expenses					
Water Purchases	45,519	45,999	29,897	18,654	34,147
Wastewater Collection	10,334	9,991	8,757	7,510	8,089
Wastewater Treatment	23,829	26,618	24,242	21,104	19,001
Wastewater Disposal	11,317	10,236	11,688	11,148	7,997
Operations and Maintenance	5,317	4,723	4,139	6,200	4,393
Administration and General	36,618	34,567	30,085	28,866	33,426
Depreciation and Amortization	36,303	35,704	37,114	36,856	34,113
Total Operating Expenses	169,237	167,838	145,922	130,338	141,166
Operating Income (Loss)	(24,596)	(24,512)	(26,256)	(30,973)	(31,016)
Nonoperating Revenues (Expenses)					
Interest income	4,453	2,402	1,399	762	436
Property Tax Revenue	53,040	48,413	45,674	45,631	40,946
Wastewater Capital Connection Fees	5,916	7,889	30,508	24,910	15,074
Water Connection Fees	22,914	32,850	5,415	997	-
Other Nonoperating Revenues	11,752	10,752	6,265	13,070	7,543
Interest on Long-Term Debt	(6,333)	(5,999)	(7,947)	(9,142)	(9,593)
Other Nonoperating Expenses	(7,628)	(10,658)	(12,231)	(15,481)	(7,179)
Total Nonoperating Revenues (Expenses)	84,114	85,649	69,083	60,747	47,227
Income (Loss) Before Capital Contributions and Transfers	59,518	61,137	42,827	29,774	16,211
Capital Grants	2,169	6,108	12,295	7,530	5,917
Change in Net Position (A)	\$ 61,687	\$ 67,245	\$ 55,122	\$ 37,304	\$ 22,128
Total Net Position - Beginning	647,065	585,716	530,594	494,708	517,421
Prior Period Adjustment	-	(5,896)	-	(1,418)	(44,841)
Total Net Position - Beginning, as Restated (B)	\$ 647,065	\$ 579,820	\$ 530,594	\$ 493,290	\$ 472,580
Net Position by Component:					
Net Investment in Capital Assets	441,827	394,965	373,886	325,406	333,274
Restricted	112,710	99,176	61,446	82,064	67,081
Unrestricted	154,215	152,924	150,384	123,124	94,353
Total Net Position - Ending (A)+(B)	\$ 708,752	\$ 647,065	\$ 585,716	\$ 530,594	\$ 494,708

**Operating and Nonoperating Revenues and Net Position Trends
Fiscal Years Ended June 30, 2015 through 2024**



**Operating and Nonoperating Expense Trends
Fiscal Years Ended June 30, 2015 through 2024**



**Revenue Capacity - Wastewater Capital Connection Deposits Held
For the Past Ten Fiscal Years
Table 1**

Fiscal Year	CVWD*	Chino	Chino Hills	Fontana
2014/15	\$ 7,149,423	\$ 11,203,738	\$ 2,905,891	\$ 6,502,473
2015/16	11,594,817	12,461,412	5,250,644	9,488,546
2016/17	3,305,358	4,095,005	6,136,173	4,703,455
2017/18	10,905,036	10,465,835	6,724,584	6,477,198
2018/19	11,280,117	10,665,100	6,275,501	9,363,869
2019/20	12,788,543	14,914,149	6,722,022	14,248,914
2020/21	11,578,030	12,540,351	4,892,678	20,217,464
2021/22	14,039,076	13,190,068	3,178,934	15,889,037
2022/23	14,664,298	14,426,452	3,454,378	24,168,430
2023/24	17,370,456	19,972,018	3,843,698	35,374,288
Percentage	12.80%	14.72%	2.83%	26.07%

*Cucamonga Valley Water District

Wastewater Capital Connection Fee Agreement

On April 12, 1984, an amendment was made to the Chino Basin Regional Sewage Service Contract (Regional Contract), wherein each contracting member agency agreed to contribute funds to the Agency for the improvement and expansion of the Regional Wastewater System. While the source of these funds is left to the discretion of the individual agencies, it is generally obtained by a connection fee assessment against new construction when connecting to the regional sewer system. Connection fees are restricted to finance capital acquisition, construction, equipment, and process improvement costs for the Agency's Regional Wastewater System.

Pursuant to Ordinance 111 Regional Sewerage Service, new connection fees are collected by each of the contracting member agencies and held in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or "called", by the Agency. Each contracting member agency must report monthly building (permit) activity and the ending monthly balance of funds in each respective CCRA to the Agency. The Agency must provide each contracting member agency: a) a semi-annual report concerning the level of CCRA reserves, b) regional wastewater capital improvement expenditures and, c) the identified and projected capital needs of the Agency over the ensuing nine months to call for funds from each contracting member agency. Capital calls are calculated based on the percentage of each contracting member agency's CCRA account balance relative to the aggregate amount.

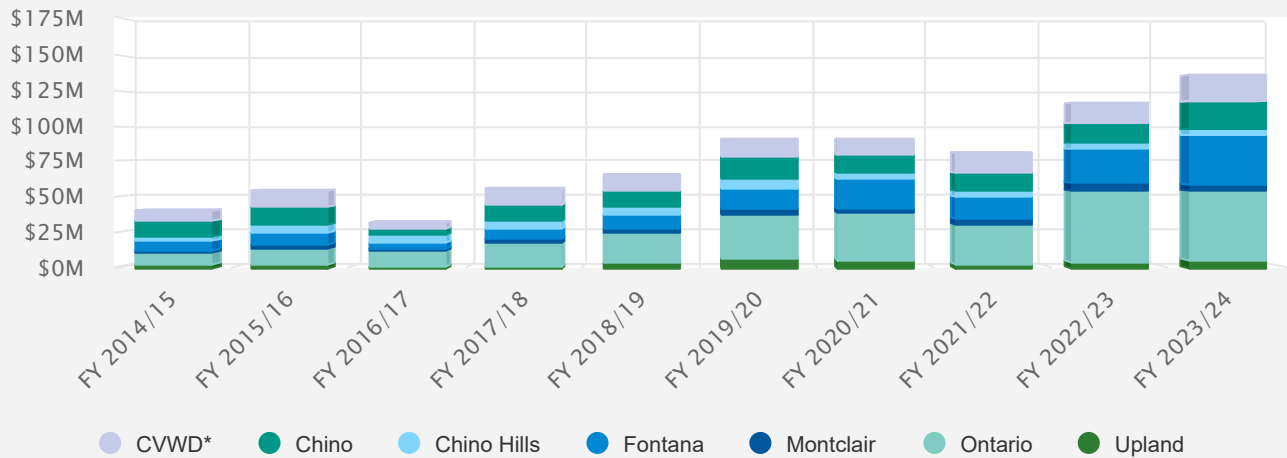
Tables 1 and 2 represent the connection fee balances reported in the respective contracting member agency's annual financial reports. Balances reported for FY 2023/24 are subject to further adjustment after audit.

Revenue Capacity - Wastewater Capital Connection Deposits For the Past Ten Fiscal Years (Continued)

Table 2

Fiscal Year	Montclair	Ontario	Upland	Total
2014/15	2,450,727	7,945,174	2,865,723	41,023,149
2015/16	2,406,672	10,579,795	3,419,549	55,201,435
2016/17	846,653	11,331,273	1,291,709	31,709,626
2017/18	2,287,904	16,603,065	2,095,916	55,559,538
2018/19	3,081,312	20,904,691	4,424,270	65,994,860
2019/20	4,137,040	31,200,345	6,721,632	90,732,645
2020/21	2,770,381	33,717,646	5,748,459	91,465,009
2021/22	3,867,909	27,532,572	3,472,301	81,169,897
2022/23	5,084,428	40,977,539	4,938,855	107,714,379
2023/24	5,184,277	48,295,801	5,636,678	135,677,216
Percentage	3.82%	35.61%	4.15%	100.00%

Contracting Agencies Wastewater Capital Connection Fee Deposits Held For the Past Ten Fiscal Years in \$ Millions



**Revenue Capacity - Regional Wastewater Program Capital Requirements
For the Ten Fiscal Years Ending June 30, 2034***

Project Description	Actual		Projected			
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Replacement Projects						
RP-1 Disinfection Pump Improvements	\$ 6,984,713	\$ 455,000	\$ -	\$ -	\$ -	\$ -
RP-1 Plant 3 Primary Cover Replacement	-	-	400,000	-	-	-
Collection System Upgrades 21/22	223	-	-	-	-	-
RP-1 Digester Area Utility Water (UW) Line Replacement	10,879	-	-	-	-	-
Collection System Upgrades 22/23	53,261	-	-	-	-	-
CCWRF RAS Header Replacement	189,275	250,000	-	-	-	-
CWRF HVAC System Upgrade	156,124	250,000	-	-	-	-
RP-1 Headworks Bar Screen System Improvements	2,758,739	900,000	-	-	-	-
RP-1 Utility Water Piping Asset Management Phase I	15,630	-	120,000	1,500,000	700,000	-
Collection System Upgrades FY 23/24	200,688	-	-	-	-	-
Collection System Upgrades FY 24/25	-	500,000	500,000	500,000	500,000	500,000
CCWRF Electrical Improvements	-	500,000	750,000	2,725,000	2,725,000	-
Montclair Diversion Structure Enhancements	-	-	-	250,000	250,000	-
North Major Facilities Repair/Replacement	98,531	-	-	-	-	-
RP-1 Operations Bldg HVAC System Upgrade	140,360	-	-	-	-	-
RP-4 HVAC System Upgrades (Various Locations)	120,243	-	-	-	-	-
Regional Sewer Manhole Procurement	72,438	-	-	-	-	-
New Guard Shack at RP-1	-	200,000	-	-	-	-
RP-4 Scissor Lift	-	70,000	-	-	-	-
Operation Technology Infrastructure for New Assets	-	105,000	105,000	105,000	105,000	105,000
SCADA Infrastructure Asset Replacement	-	450,000	450,000	450,000	450,000	450,000
Total Replacement Projects	\$ 10,801,104	\$ 3,680,000	\$ 2,325,000	\$ 5,530,000	\$ 4,730,000	\$ 1,055,000

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued)
For the Ten Fiscal Years Ending June 30, 2034*

Project Description	Projected					10 Year Projected Total
	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	
Replacement Projects						
RP-1 Disinfection Pump Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	455,000
RP-1 Plant 3 Primary Cover Replacement	-	-	-	-	-	400,000
Collection System Upgrades 21/22	-	-	-	-	-	-
RP-1 Digester Area Utility Water (UW) Line Replacement	-	-	-	-	-	-
Collection System Upgrades 22/23	-	-	-	-	-	-
CCWRF RAS Header Replacement	-	-	-	-	-	250,000
CWRF HVAC System Upgrade	-	-	-	-	-	250,000
RP-1 Headworks Bar Screen System Improvements	-	-	-	-	-	900,000
RP-1 Utility Water Piping Asset Management Phase I	-	-	-	-	-	2,320,000
Collection System Upgrades FY 23/24	-	-	-	-	-	-
Collection System Upgrades FY 24/25	500,000	500,000	500,000	500,000	500,000	5,000,000
CCWRF Electrical Improvements	-	-	-	-	-	6,700,000
Montclair Diversion Structure Enhancements	-	-	-	-	-	500,000
North Major Facilities Repair/Replacement	-	-	-	-	-	-
RP-1 Operations Bldg HVAC System Upgrade	-	-	-	-	-	-
RP-4 HVAC System Upgrades (Various Locations)	-	-	-	-	-	-
Regional Sewer Manhole Procurement	-	-	-	-	-	-
New Guard Shack at RP-1	-	-	-	-	-	200,000
RP-4 Scissor Lift	-	-	-	-	-	70,000
Operation Technology Infrastructure for New Assets	105,000	105,000	105,000	105,000	105,000	1,050,000
SCADA Infrastructure Asset Replacement	450,000	450,000	450,000	450,000	450,000	4,500,000
Total Replacement Projects	\$ 1,055,000	\$ 1,055,000	\$ 1,055,000	\$ 1,055,000	\$ 1,055,000	\$ 22,595,000

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued)
For the Ten Fiscal Years Ending June 30, 2034*

Project Description	Actual		Projected			
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Equipment Projects						
South Major Facilities Repair/Replacement	\$ 57,307	\$ -	\$ -	\$ -	\$ -	\$ -
Agency Wide Major Facilities O&M Repair/Replacement	678,679	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Heavy Equipment Replacement	727,055	-	-	-	-	-
GapVax Replacement	726,437	-	-	-	-	-
Control System Ent Historian Enhancement	93,028	741,725	-	-	-	-
SCADA Network Infrastructure Replacement	231,966	300,000	300,000	300,000	300,000	300,000
Operation Electronic Log Book	16,227	-	-	-	-	-
Operational AI and Machine Learning	-	-	-	-	-	300,000
Bioassay Room Incubator	13,693	-	-	-	-	-
Total Equipment Projects	\$ 2,544,392	\$ 2,041,725	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,600,000
Construction Projects						
Old VFD Replacement (Wastewater)	\$ 317,448	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -
SCADA Enterprise System	3,509,446	6,295,000	6,000,000	-	-	-
CCWRF Asset Management and Improvements	8,355,070	10,000,000	6,875,000	-	-	-
RP-1 Mechanical Restoration and Upgrades	16,202	-	-	-	-	-
RP-4 Process Improvements	88,331	-	-	-	-	-
Digester 6 and 7 Roof Repairs	3,937,285	2,200,000	-	-	-	-
RP-1 Flare Improvements	726,627	289,000	-	-	-	-
RP-1 Secondary System Rehabilitation	-	500,000	2,000,000	7,000,000	2,000,000	-
RP-1 Septage Dump Station and Bulk Mater	(2,310)	-	-	-	-	-
RP-5 Expansion to 30 mgd	18,243,636	28,000,000	7,000,000	10,000,000	-	-
RP-5 Biosolids Facility	35,357,269	17,000,000	2,000,000	2,000,000	-	-
RP-1 Septage Dump Station and Bulk Mater	83,250	1,000,000	500,000	-	-	-
Regional Force Main Improvements	1,611,900	500,000	-	-	-	-
RP-1 TP-1 Level Sensor Replacement	-	-	500,000	-	-	-
RP-1 MCB and Old Lab Building Rehab	139,955	1,404,000	860,000	-	-	-
RP-4 Process Improvements Phase II	827,142	2,200,000	4,300,000	2,800,000	-	-
RP-1 East Influent Gate Replacement	343,752	-	-	-	-	-
Montclair Force Main Improvements	403,058	4,903,000	4,800,000	-	-	-
RP-1 Old Effluent Structure Rehabilitati	343,049	450,000	1,450,000	-	-	-
RP-1 Evaporative Cooling for Aeration Blower Building	197,170	1,311,000	-	-	-	-
RO Asset Management	110,182	-	-	-	-	-
RC Asset Management	-	-	-	-	-	-
RP-1 Air Compressor Upgrades	589,787	1,500,000	2,700,000	-	-	-
RP-1 Repurpose Lab	145,625	1,500,000	754,000	-	-	-

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued)
For the Ten Fiscal Years Ending June 30, 2034*

Project Description	Projected					10 Year Projected Total
	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	
Equipment Projects						
South Major Facilities Repair/Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency Wide Major Facilities O&M Repair/Replacement	1,000,000	1,000,000	1,000,000	1,000,000	-	9,000,000
Heavy Equipment Replacement	-	-	-	-	-	-
GapVax Replacement	-	-	-	-	-	-
Control System Ent Historian Enhancement	-	-	-	-	-	741,725
SCADA Network Infrastructure Replacement	300,000	300,000	300,000	300,000	300,000	3,000,000
Operation Electronic Log Book	-	-	-	-	-	-
Operational AI and Machine Learning	300,000	-	-	-	-	600,000
Bioassay Room Incubator	-	-	-	-	-	-
Total Equipment Projects	\$ 1,600,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 300,000	\$ 13,341,725
Construction Projects						
Old VFD Replacement (Wastewater)	\$ -	\$ -	\$ -	\$ -	\$ -	1,100,000
SCADA Enterprise System	-	-	-	-	-	12,295,000
CCWRF Asset Management and Improvements	-	-	-	-	-	16,875,000
RP-1 Mechanical Restoration and Upgrades	-	-	-	-	-	-
RP-4 Process Improvements	-	-	-	-	-	-
Digester 6 and 7 Roof Repairs	-	-	-	-	-	2,200,000
RP-1 Flare Improvements	-	-	-	-	-	289,000
RP-1 Secondary System Rehabilitation	-	-	-	-	-	11,500,000
RP-1 Septage Dump Station and Bulk Mater	-	-	-	-	-	-
RP-5 Expansion to 30 mgd	-	-	-	-	-	45,000,000
RP-5 Biosolids Facility	-	-	-	-	-	21,000,000
RP-1 Septage Dump Station and Bulk Mater	-	-	-	-	-	1,500,000
Regional Force Main Improvements	-	-	-	-	-	500,000
RP-1 TP-1 Level Sensor Replacement	-	-	-	-	-	500,000
RP-1 MCB and Old Lab Building Rehab	-	-	-	-	-	2,264,000
RP-4 Process Improvements Phase II	-	-	-	-	-	9,300,000
RP-1 East Influent Gate Replacement	-	-	-	-	-	-
Montclair Force Main Improvements	-	-	-	-	-	9,703,000
RP-1 Old Effluent Structure Rehabilitati	-	-	-	-	-	1,900,000
RP-1 Evaporative Cooling for Aeration Blower Building	-	-	-	-	-	1,311,000
RO Asset Management	-	-	-	-	-	-
RC Asset Management	-	-	-	8,000,000	8,000,000	16,000,000
RP-1 Air Compressor Upgrades	-	-	-	-	-	4,200,000
RP-1 Repurpose Lab	-	-	-	-	-	2,254,000

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued)
For the Ten Fiscal Years Ending June 30, 2034*

Project Description	Actual		Projected			
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
RP-1 Intermediate Pump Station Electrica	\$ 390,425	\$ 500,000	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
RP-1/RP-4 Generator Control Panel Retrofit	25,672	-	-	-	-	-
RP-4 SCADA Performance Improvement	42,570	300,000	350,000	270,000	-	-
NFPA 70E Arc Flash Labels	3,603	-	-	-	-	-
RP-1 Aeration Basins Utility Water Syste	752,080	-	-	-	-	-
RP-4 Ammonia Analyzer and Support System	2,070	-	-	-	-	-
Agency Wide Chemical Containment Area Rehabilitation Phase 2	7,545	-	-	-	-	-
RP-1 Thickening Building & Acid Phase Digester	4,935,347	20,000,000	65,000,000	55,000,000	5,500,000	-
RP1 Device Net Replacement	480,401	1,000,000	1,000,000	-	-	-
CCWRF Aeration Basins 1-6 Drain Valves	177,023	766,000	250,000	600,000	185,000	-
CCWRF Filter Effluent Sodium Hypochlorite Modification	68,591	-	-	-	-	-
RP-1 TP-1 Stormwater Drainage Upgrades	28,836	57,000	300,000	904,500	6,416	-
Agency Power Monitoring	40	-	499,457	-	-	-
San Bernardino Ave Lift Station Reliability Improvements	239,009	500,000	2,300,000	-	-	-
CCWRF Influent Box Rehab at the Primary Clarifiers	190,981	480,000	-	-	-	-
RP-1 Instrumentation and Control Enhancements	86,809	-	200,000	1,000,000	-	-
RP-4 Headworks Utility Water Addition	12,578	-	-	-	-	-
RP-1 Liquid Treatment Capacity Recovery	3,443	-	-	-	-	3,000,000
RP-1 Solids Treatment Expansion	2,506	500,000	4,000,000	4,000,000	10,000,000	20,000,000
RP-1 Dewatering Centrate Pumps	393,966	1,550,000	-	-	-	-
IEUA SCADA Master Plan	-	750,000	-	-	-	-
RP-3 Regional Sewer Diversion Structure Rehab	23,191	635,000	-	-	-	-
RP 2 UW Valve Installations	60,914	-	-	-	-	-
Fall Protection and Prevention Solutions at specified wastewater locations	40,118	996,000	2,000,000	2,000,000	2,000,000	500,000
RP-1 Tertiary Asset Manager Phase I	56,287	-	500,000	2,500,000	989,000	-
Headquarter B additional Office Space	49,193	90,000	-	-	-	-
RP-4 Manhole Surcharge Remediation	-	600,000	-	-	-	-
RP-1 Primary Clarifier #1 and #10 Rehabilitation	235,488	1,210,000	1,000,000	-	-	-
Annular Seals	-	-	-	1,000,000	-	-
Etiwanda Interceptor Grade Break Sewer Protection/Relocation PDR	622	-	-	-	-	-
Sewer Improvements at Union Pacific Crossings	120,486	3,885,000	15,000	-	-	-
Chino Hills Trunk-014 Sewer Siphon CIPP Repair	66,963	1,000,000	150,000	-	-	-
RP-5 to RP-2 Sludge Line Repair	708,788	-	-	-	-	-
SSI Aeration Disk Replacement	-	-	100,000	550,000	200,000	1,200,000
CCWRF Primary Clarifier Coating	-	140,000	1,260,000	-	-	-
RSS - Collection System Pipe Rehabilitation and Lining	-	-	-	-	-	1,000,000
RP-1 Digester Cleaning Lagoon (DCL) Lining	-	-	-	-	-	-

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued)
For the Ten Fiscal Years Ending June 30, 2034*

Project Description	Projected					10 Year Projected Total
	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	
RP-1 Intermediate Pump Station Electrical	\$ -	\$ -	\$ -	\$ -	\$ -	6,500,000
RP-1/RP-4 Generator Control Panel Retrofit	-	-	-	-	-	-
RP-4 SCADA Performance Improvement	-	-	-	-	-	920,000
NFPA 70E Arc Flash Labels	-	-	-	-	-	-
RP-1 Aeration Basins Utility Water System	-	-	-	-	-	-
RP-4 Ammonia Analyzer and Support System	-	-	-	-	-	-
Agency Wide Chemical Containment Area Rehabilitation Phase 2	-	-	-	-	-	-
RP-1 Thickening Building & Acid Phase Digester	-	-	-	-	-	145,500,000
RP1 Device Net Replacement	-	-	-	-	-	2,000,000
CCWRF Aeration Basins 1-6 Drain Valves	-	-	-	-	-	1,801,000
CCWRF Filter Effluent Sodium Hypochlorite Modification	-	-	-	-	-	-
RP-1 TP-1 Stormwater Drainage Upgrades	-	-	-	-	-	1,267,916
Agency Power Monitoring	-	-	-	-	-	499,457
San Bernardino Ave Lift Station Reliability Improvements	-	-	-	-	-	2,800,000
CCWRF Influent Box Rehab at the Primary Clarifiers	-	-	-	-	-	480,000
RP-1 Instrumentation and Control Enhancements	-	-	-	-	-	1,200,000
RP-4 Headworks Utility Water Addition	-	-	-	-	-	-
RP-1 Liquid Treatment Capacity Recovery	12,000,000	15,000,000	15,000,000	35,000,000	50,000,000	130,000,000
RP-1 Solids Treatment Expansion	8,249,000	-	-	-	-	46,749,000
RP-1 Dewatering Centrate Pumps	-	-	-	-	-	1,550,000
IEUA SCADA Master Plan	-	-	-	-	-	750,000
RP-3 Regional Sewer Diversion Structure Rehab	-	-	-	-	-	635,000
RP 2 UW Valve Installations	-	-	-	-	-	-
Fall Protection and Prevention Solutions at specified wastewater locations	-	-	-	-	-	7,496,000
RP-1 Tertiary Asset Manager Phase I	-	-	-	-	-	3,989,000
Headquarter B additional Office Space	-	-	-	-	-	90,000
RP-4 Manhole Surge Remediation	-	-	-	-	-	600,000
RP-1 Primary Clarifier #1 and #10 Rehabilitation	-	-	-	-	-	2,210,000
Annular Seals	-	-	-	-	-	1,000,000
Etiwanda Interceptor Grade Break Sewer Protection/Relocation PDR	-	-	-	-	-	-
Sewer Improvements at Union Pacific Crossings	-	-	-	-	-	3,900,000
Chino Hills Trunk-014 Sewer Siphon CIPP Repair	-	-	-	-	-	1,150,000
RP-5 to RP-2 Sludge Line Repair	-	-	-	-	-	-
SSI Aeration Disk Replacement	-	250,000	1,200,000	-	-	3,500,000
CCWRF Primary Clarifier Coating	-	-	-	-	-	1,400,000
RSS - Collection System Pipe Rehabilitation and Lining	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
RP-1 Digester Cleaning Lagoon (DCL) Lining	-	-	100,000	600,000	-	700,000

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued)
For the Ten Fiscal Years Ending June 30, 2034*

Project Description	Actual		Projected			
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
REEP Return to Service Capital	\$ -	\$ 2,800,000	\$ 4,300,000	\$ 500,000	\$ -	\$ -
Regional Capital PDR FY 24/25	-	300,000	300,000	300,000	300,000	300,000
Asset Management Software	-	200,000	500,000	50,000	-	-
Regional Operation Project PDR's FY 24/25	-	200,000	200,000	200,000	200,000	200,000
CCWRF Bleach Pipeline Replacement	8,022	-	-	-	-	-
Agency Wide Remote Vibration Project	-	200,000	150,000	150,000	-	-
Caltrans IEUA Collections Sewer I-10 Relocation	-	75,000	130,000	1,580,000	200,000	-
CCWRF Process Improvements Phase II	-	200,000	325,000	400,000	1,500,000	5,750,000
Development and Early Design - Compliance for Wastewater Facilities	192,360	4,500,000	13,700,000	12,000,000	15,000,000	-
San Bernardino Lift Station Containment	-	150,000	250,000	-	-	-
Regional System Siphon Barrel Gate Improvements	-	-	325,000	610,000	-	-
Agency Wide VFD Upgrades (Wastewater) FY25/26	-	-	960,000	960,000	960,000	960,000
RP-1 Plant Air Expansion Tank Replacement	-	-	250,000	-	-	-
RP-1 Centrate Line Struvite Prevention	-	-	250,000	500,000	-	-
RP-4 Process Improvements Phase III	-	-	500,000	2,000,000	7,500,000	1,500,000
RP-5 Emergency Overflow Pond Lining	-	-	1,000,000	-	-	-
RP-5 Low Pressure DG holder	-	-	1,000,000	-	-	-
CCWRF Secondary Clarifier Weir Covers	-	-	1,050,000	-	-	-
Chino Interceptor Diversion Pipe Repair	-	-	-	500,000	2,100,000	500,000
RP-1 Centrate Treatment	16,670	-	-	-	1,600,000	3,300,000
Cucamonga Interceptor Pipe Repair	-	-	-	-	400,000	750,000
RP-2 Decommissioning	-	-	-	-	500,000	1,000,000
Advanced Water Purification Facility	-	-	-	-	12,000,000	20,000,000
RP5 O&M Building	-	-	-	-	3,000,000	20,000,000
Replace Aeration Basin Influent / RAS, Step feed Gates	-	-	3,800,000	-	-	-
RP-1 Dewatering Silos Levelers Relocation	-	-	-	-	-	500,000
RP-1 Equilization Basin #1 Access Ramp	-	-	-	-	-	35,000
RP-1 Operations and Maintenance Building Rehabilitation/Modernization	-	-	-	-	-	50,000
RP-1 Dump Station	-	-	-	-	-	-
Freeway Trunk Pipe Repair	-	-	-	-	-	-
Riverside Drive Trunk Pipe Repair	-	-	-	-	-	-
HQ Solar Photovoltaic Power Plants Ph. 2	-	-	-	300,000	1,100,000	-
Purchase Existing Solar Installation	-	-	-	3,500,000	-	-
Advanced Water Purification Facility	1,128,982	-	-	-	-	-
Total Construction Projects	\$ 85,895,453	\$ 123,736,000	\$ 150,653,457	\$ 116,174,500	\$ 67,240,416	\$ 80,545,000
Total Capital Projects	\$ 99,240,949	\$ 129,457,725	\$ 154,278,457	\$ 123,004,500	\$ 73,270,416	\$ 83,200,000

*Source: Projections were derived from the 2024/25 Agency Ten Year Forecast.

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued) For the Ten Fiscal Years Ending June 30, 2034*

Project Description	Projected					10 Year Projected Total
	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	
REEP Return to Service Capital	\$ -	\$ -	\$ -	\$ -	\$ -	7,600,000
Regional Capital PDR FY 24/25	300,000	300,000	300,000	300,000	300,000	3,000,000
Asset Management Software	-	-	-	-	-	750,000
Regional Operation Project PDR's FY 24/25	200,000	200,000	200,000	200,000	200,000	2,000,000
CCWRF Bleach Pipeline Replacement	-	-	-	-	-	-
Agency Wide Remote Vibration Project	-	-	-	-	-	500,000
Caltrans IEUA Collections Sewer I-10 Relocation	-	-	-	-	-	1,985,000
CCWRF Process Improvements Phase II	3,250,000	-	-	-	-	11,425,000
Development and Early Design - Compliance for Wastewater Facilities	-	-	-	-	-	45,200,000
San Bernardino Lift Station Containment	-	-	-	-	-	400,000
Regional System Siphon Barrel Gate Improvements	-	-	-	-	-	935,000
Agency Wide VFD Upgrades (Wastewater) FY25/26	960,000	960,000	960,000	960,000	960,000	8,640,000
RP-1 Plant Air Expansion Tank Replacement	-	-	-	-	-	250,000
RP-1 Centrate Line Struvite Prevention	-	-	-	-	-	750,000
RP-4 Process Improvements Phase III	-	-	-	-	-	11,500,000
RP-5 Emergency Overflow Pond Lining	-	-	-	-	-	1,000,000
RP-5 Low Pressure DG holder	-	-	-	-	-	1,000,000
CCWRF Secondary Clarifier Weir Covers	-	-	-	-	-	1,050,000
Chino Interceptor Diversion Pipe Repair	-	-	-	-	-	3,100,000
RP-1 Centrate Treatment	3,300,000	-	-	-	-	8,200,000
Cucamonga Interceptor Pipe Repair	-	-	-	-	-	1,150,000
RP-2 Decommissioning	1,500,000	1,500,000	4,500,000	8,000,000	8,000,000	25,000,000
Advanced Water Purification Facility	63,000,000	65,000,000	63,000,000	-	-	223,000,000
RP5 O&M Building	20,000,000	5,000,000	-	-	-	48,000,000
Replace Aeration Basin Influent / RAS, Step feed Gates	-	-	-	-	-	3,800,000
RP-1 Dewatering Silos Levelers Relocation	1,400,000	-	-	-	-	1,900,000
RP-1 Equilization Basin #1 Access Ramp	106,500	300,000	-	-	-	441,500
RP-1 Operations and Maintenance Building Rehabilitation/Modernization	450,000	1,000,000	8,000,000	7,000,000	-	16,500,000
RP-1 Dump Station	750,000	1,100,000	-	-	-	1,850,000
Freeway Trunk Pipe Repair	-	1,000,000	4,000,000	4,000,000	4,000,000	13,000,000
Riverside Drive Trunk Pipe Repair	-	1,000,000	1,850,000	1,400,000	-	4,250,000
HQ Solar Photovoltaic Power Plants Ph. 2	-	-	-	-	-	1,400,000
Purchase Existing Solar Installation	-	-	-	-	-	3,500,000
Advanced Water Purification Facility	-	-	-	-	-	-
Total Construction Projects	\$116,465,500	\$ 93,610,000	\$100,110,000	\$ 66,460,000	\$ 72,460,000	\$ 987,454,873
Total Capital Projects	\$119,120,500	\$ 95,965,000	\$102,465,000	\$ 68,815,000	\$ 73,815,000	\$ 1,023,391,598

*Source: Projections were derived from the 2024/25 Agency Ten Year Forecast.

Revenue Capacity - Regional Wastewater Funds

Monthly Sewer Service Charge Revenue and Rates by Contracting Agency

For the Fiscal Year Ended June 30, 2024

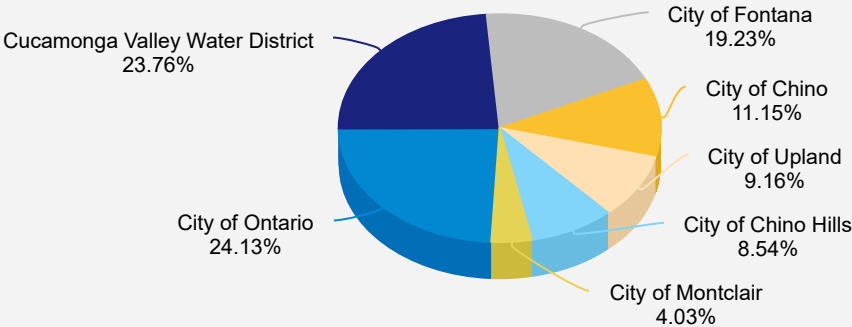
Through hard work, commitment, and discipline, the Agency provides wastewater and related utility services to the communities they live and work in at some of the lowest rates in the state. The following table displays data for FY 2023/24.

Contracting Agency	Total EDUs*	Rate*	Service Charge Revenue	% of Service Charge Revenue
Cucamonga Valley Water District	846,803	\$ 23.39	\$ 19,806,722	23.76%
City of Ontario	860,513	\$ 23.39	\$ 20,127,399	24.13%
City of Fontana	685,778	\$ 23.39	\$ 16,040,347	19.23%
City of Chino	397,536	\$ 23.39	\$ 9,298,367	11.15%
City of Upland	326,763	\$ 23.39	\$ 7,642,987	9.16%
City of Chino Hills	304,658	\$ 23.39	\$ 7,125,951	8.54%
City of Montclair	143,795	\$ 23.39	\$ 3,363,365	4.03%
Total Contracting Agency's Service Charge Revenue	3,565,846		\$ 83,405,138	100.00%

*EDU - Equivalent Dwelling Unit

Total Service Charge Revenue by Contracting Agency

For the Fiscal Year Ended June 30, 2024



Debt Capacity - Ratios of Outstanding Debt
For the Past Ten Fiscal Years

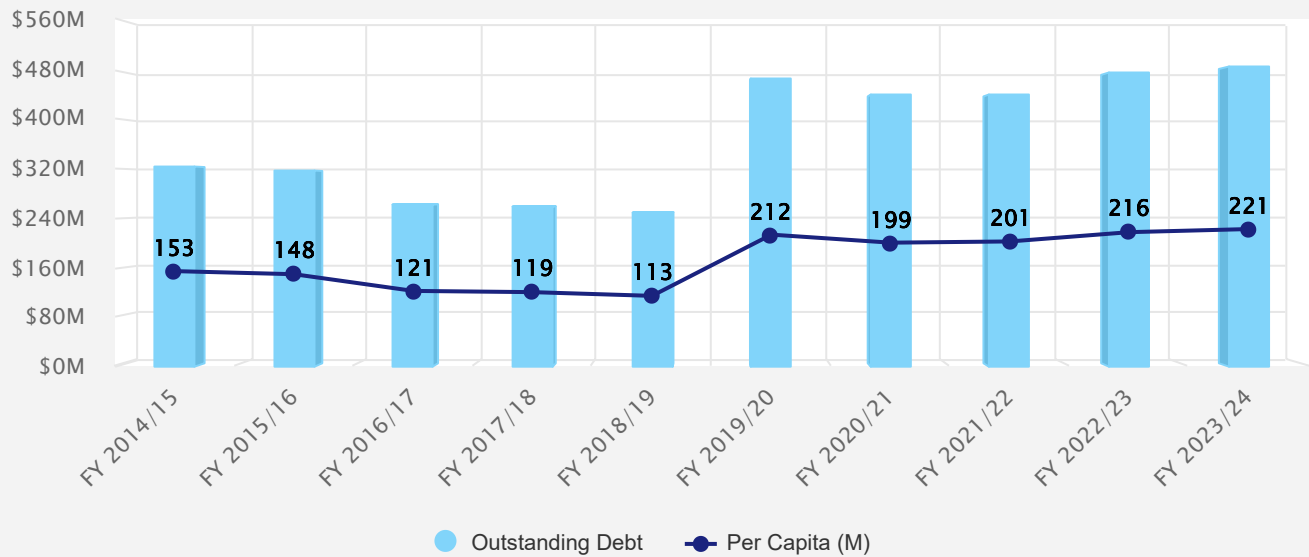
The following table and chart reflect the Agency’s outstanding debt ratio’s and percentage of personal income per capita for the past ten fiscal years.

Fiscal Year Ended	IEUA Revenue Bonds ⁽²⁾	State of California Loans ⁽²⁾	SDLAC Note ⁽²⁾	SAWPA Note ⁽²⁾	City of Fontana ⁽²⁾	Southern California Edison
2015	\$ 205,937,429	\$ 108,453,732	\$ 3,446,445	\$ 714,196	\$ 6,486,690	\$ -
2016	199,628,550	107,450,944	2,788,113	489,861	6,004,112	-
2017	143,571,309	110,195,651	2,114,640	252,064	5,521,535	230,963
2018	133,347,456	119,305,744	1,425,677	-	5,038,956	1,023,581
2019	122,843,604	119,330,235	720,868	-	4,556,378	880,846
2020	137,826,905	92,979,745	-	-	4,073,800	720,860
2021	123,811,493	88,663,779	-	-	3,591,222	595,973
2022	114,601,677	103,290,287	-	-	3,108,644	440,956
2023	105,041,863	156,257,596	-	-	2,626,066	310,501
2024	94,742,045	169,505,800	-	-	2,143,488	176,827

Debt Capacity - Ratios of Outstanding Debt (Continued) For the Past Ten Fiscal Years

Fiscal Year Ended	2020B Revenue Notes	WIFIA Loan	Lease	SBITA	Total Outstanding Debt ⁽²⁾	Per Capita ⁽¹⁾	Percentage of Personal Income ⁽¹⁾
2015	\$ -	\$ -	\$ -	\$ -	\$ 325,038,493	153	0.377%
2016	-	-	-	-	316,361,580	148	0.359%
2017	-	-	-	-	261,886,160	121	0.294%
2018	-	-	-	-	260,141,414	119	0.288%
2019	-	-	-	-	248,331,931	113	0.273%
2020	231,347,967	-	-	-	466,949,277	212	0.504%
2021	224,801,786	-	-	-	441,464,253	199	0.486%
2022	218,255,605	-	119,272	-	439,816,441	201	0.443%
2023	211,709,423	-	132,200	538,675	476,616,324	216	0.470%
2024	205,163,241	11,808,933	71,179	374,671	483,986,184	221	0.434%

Ratios of Outstanding Debt For the Past Ten Fiscal Years in Million Per Capita



(1) Statistical information derived from San Bernardino County demographics at California Department of Transportation and quick facts.

(2) Data Source: Inland Empire Utilities Agency - Finance and Accounting Department

Debt Capacity - Agency System Total Debt Coverage Ratio (Excludes Water Resources Fund)
For the Fiscal Year Ended June 30, 2024
(With Comparative Totals for the Fiscal Year Ended June 30, 2023)

	2024	2023
Revenues		
Service Charges	\$ 100,466,091	\$ 92,161,529
Recycled Water Sales	19,904,866	18,693,110
Interest Income	13,486,980	7,727,496
Property Tax Revenue	82,551,488	76,524,736
Water Connection Fees	4,561,317	4,301,542
Wastewater Capital Connection Fees	27,962,837	26,544,482
Desalter/Composter Services	5,945,610	5,423,038
Other Nonoperating Revenues	8,638,910	1,409,419
Total Revenues	\$ 263,518,099	\$ 232,785,352
Operation and Maintenance Costs		
Wastewater Collection	12,234,182	11,356,036
Wastewater Treatment	32,264,146	27,816,531
Wastewater Disposal	10,062,292	8,102,499
Operations and Maintenance	6,601,396	5,998,831
Administration and General	57,307,814	51,391,399
Desalter/Composter Services	5,945,610	5,399,878
Other Nonoperating Expenses	1,158,218	543,551
Total Operations and Maintenance Costs	\$ 125,573,658	\$ 110,608,725
Total Revenues Available to Pay Senior Debt Service	\$ 137,944,441	\$ 122,176,627
Senior Obligations		
2017 Installment Payments	6,472,625	6,143,750
Total Senior Obligation Debt Service	\$ 6,472,625	\$ 6,143,750
Senior Obligation Debt Service Coverage	21.31	19.89
Revenues Available to Pay Parity Debt Service	\$ 131,471,816	\$ 116,032,877
Parity Obligations		
State Revolving Fund Loan	5,547,424	5,517,517
2020A Installment Payments	6,228,250	6,214,500
2020B Revenue Notes	118,739	350,795
Total Parity Obligation Debt Service	\$ 11,894,413	\$ 12,082,812
Parity Obligation Debt Service Coverage	11.05	9.60
Revenues Available to Pay Subordinate Debt Service	\$ 119,577,403	\$ 103,950,065
Subordinate Obligations		
City of Fontana	482,578	482,578
SCE On-Bill Financing	67,892	150,234
Total Subordinate Obligation Debt Service	\$ 550,470	\$ 632,812
Subordinate Obligation Debt Service Coverage	217.23	164.27
Revenues Available After O&M Expenses	\$ 137,944,441	\$ 122,176,627
Total Debt Service	\$ 18,917,508	\$ 18,859,374
Total Debt Coverage Ratio	7.29	6.48

Debt Capacity - Agency System Total Debt Coverage Ratio (With Comparative Totals for the Fiscal Year Ended June 2023)

In July 2003, the Chino Basin Regional Financing Authority (CBRFA) issued Variable Rate Revenue Bonds, Series 2002A. In March 2008, CBRFA issued Variable Rate Demand Refunding Revenue Bonds, Series 2008B to refund all of the outstanding 2002A Bonds.

In February 2008, CBRFA issued Revenue Bonds, Series 2008A. The Bonds were primarily used for improvements to the wastewater, recycled water, and non-reclaimable wastewater facilities. In February 2017, CBRFA issued Refunding Revenue Bonds, Series 2017A to refund the outstanding 2008A Bonds, with a net of \$50 million of defeased amount.

In July 2010, CBRFA issued Refunding Revenue Bonds, Series 2010A. The Bonds were primarily used to refund the outstanding CBRFA Revenue Bond Series 1994.

In June 2020, CBRFA issued the Chino Basin Refunding Revenue Bonds, Series 2020A. The bonds were issued to (i) refund the outstanding CBRFA Variable Rate Demand Refunding Revenue Bond Series 2008B, (ii) refund the outstanding CBRFA Refunding Revenue Bonds Series 2010A, (iii) refund eight Clean Water State Revolving Fund Financing Agreements from the State Water Resources Control Board, and (iv) pay the costs of issuing the bonds.

In June 2020, CBRFA issued the Chino Basin Revenue Notes, Series 2020B. The revenue notes were issued to (i) pay for construction cost of RP-5 Expansion project, as interim financing, and (ii) pay the costs of issuing the revenue notes. The revenue notes will be paid off at the end of substantial completion of the project with proceeds from a Water Infrastructure Finance and Innovation Act loan (WIFIA loan) from the U.S. Environmental Protection Agency, signed in May 2020.

In addition, Agency funds are required to maintain operating reserves sufficient to cover four months of budgeted operating and maintenance expenses.

- The amended budget FY 2023/24 for operating and maintenance expenses for four months was \$45,899,734.
- As of June 30, 2024, the Agency had designated debt service reserve of \$8,242,608 which has been included in Net Investment in Capital Assets, and SRF Loan Debt Service of \$5,466,554 included in Restricted Net Position.

Debt Capacity - Continuing Disclosure Compliance Report

Audited Financial Statements	2017A Bond	2020A Bond	FY2023/24 ACFR Section
	Yes		Introductory Section
Debt Service Reserve Fund	Not Required		Statistical Section: Agency System Total Debt Coverage Ratio
Statement of the Reserve Requirement	"The Agency has covenanted that, to the fullest extent permitted by law, the Agency will fix and prescribe, at the commencement of each fiscal year, rates and charges reasonably expected to yield net revenue equal to 115 percent of debt service during each fiscal year."		Note 12: Long-Term Debt and Notes Payable/Debt Covenants
NRW Rates and Charges: North System: Volumetric Fee Chemical Oxygen Demand (COD) Total Suspended Solids (TSS) South System: Capacity Fee Volumetric Fee Biochemical Oxygen Demand (BOD) Total Suspended Solids (TSS)	\$985.00/mgd \$202.00/klb \$477.40/klb \$435.43/cu \$1,073.00/mgd \$394.00/klb \$494.00/klb		MD&A: Financial Highlights/Non-Reclaimable Wastewater Treatment States: NRW Pass Through Rates Table
NRW Revenues	\$16,697,340		MD&A: Financial Highlights/Non-Reclaimable Wastewater Treatment Individual Funds: Non-Reclaimable Wastewater Fund Statement of Revenues, Expenses, and Changes in Net Position, Statistical Section: Agency System Total Debt Coverage Ratio
Principal Amount of Bonds Outstanding	\$43,660,000	\$35,525,000	MD&A: Financial Highlights/Debt Management Note 12: Long-Term Debt and Notes Payable
Recycled Water Rates: Direct Delivery Groundwater Recharge Connection Fee	\$510.00/Acre Feet (AF) \$660.00/AF Varies by Meter Size		MD&A: Financial Highlights/Recycled Water Sales Introductory: Major Initiatives and Accomplishments/Other Agency Accomplishments
Recycled Water Revenues (AF, Sales, Connection Fee, MWD Rebates): Acre Feet (AF) Recycled Water Sales Water Connection Fee Less: Connection Fee Allotted to Water Fund Total	30,455 AF \$19,904,866 \$5,149,942 \$588,625 \$24,466,183		MD&A: Financial Highlights/Recycled Water Sales Individual Funds: Recycled Water Fund Schedule of Revenue, Expenses and Changes in Net Position Statistical Section: Agency System Total Debt Coverage Ratio
Assessed Valuation and Property Tax: Assessed Value of Service Area Property Tax Revenue Less: Allocation to Water Fund Net Property Tax Revenue	Yes \$85,612,265 \$3,060,777 \$82,551,488		MD&A: Financial Highlights/Revenues Statistical Section: Combined Statement of Revenue, Expenses, and Changes in Net Position Statistical Section: Agency System Total Debt Coverage Ratio
Wastewater Program Capital Requirements - Regional	\$99,240,949	Not Required	Statistical Section: Regional Wastewater Program Capital Requirements
Wastewater System Rates and Charges: Volumetric Fee per Month Wastewater Connection Fee	\$23.39/Equivalent Dwelling Unit (EDU) \$8,132/EDU		MD&A: Financial Highlights/Regional Wastewater Program Activities Statistical Section: Regional Wastewater Funds Service Charge Revenue and Rates by Contracting Agency

Debt Capacity - Continuing Disclosure Compliance Report (Continued)

Wastewater System Revenues:		MD&A: Financial Highlights/Regional Wastewater Program Activities
Service Charge	\$83,768,751	Individual Funds: Regional Wastewater Fund
Wastewater Capital Connection Fee	\$27,962,837	Statistical Section: Agency System Total Debt Coverage Ratio
Total	\$111,731,588	
Wastewater Facility Total EDU Usage	3,565,846	Statistical Section: Regional Wastewater Monthly Sewer Service Charge Revenue and Rates by Contracting Agency
Wastewater Production/Flow within the Agency's Services Area	52.4/mgd	Statistical Section: Operating Indicators - Wastewater Facilities Statistical Section: Operating Indicators - Actual Wastewater Flow

Debt Capacity - Computation of Direct and Overlapping Bonded Debt as of June 30, 2024

2023/24 ASSESSED VALUATION: \$161,076,974,310

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt June 30, 2024	% Applicable ⁽¹⁾	Agency's Share of Debt June 30, 2024
Metropolitan Water District	\$ 18,210,000	4.122%	\$ 750,616
Chaffey Community College District	278,160,000	98.328	273,509,165
San Bernardino Community College District	905,105,266	1.792	16,219,486
Chino Valley Unified School District	763,817,971	100.000	763,817,971
Colton Joint Unified School District	211,632,220	0.962	2,035,902
Fontana Unified School District	259,324,841	90.265	234,079,568
Rialto Unified School District	153,447,728	12.492	19,168,690
Upland Unified School District	76,996,428	99.788	76,833,196
Chaffey Union High School District	587,088,245	99.872	586,336,772
Alta Loma School District	54,375,585	99.863	54,301,090
Central School District	72,897,222	100.000	72,897,222
Etiwanda School District	102,038,083	99.820	101,854,414
Mountain View School District and School Facilities Improvement Distr 1/2	24,319,676	100.000	24,319,676
Ontario-Montclair School District	128,010,015	100.000	128,010,015
Inland Empire Utilities Agency	-	100.000	-
City of Chino Community Facilities Districts	223,255,000	100.000	223,255,000
City of Chino Hills Community Facilities Districts	14,650,000	100.000	14,650,000
Cucamonga School District Community Facilities District No 97-1	3,475,000	100.000	3,475,000
Etiwanda School District Community Facilities Districts	62,355,000	100.000	62,355,000
Upland Unified School District Community Facilities Districts	2,084,000	100.000	2,084,000
City of Fontana Community Facilities Districts	84,235,000	4.930-100.000	76,572,358
Mountain View School District Community Facilities Districts	304,000	100.000	304,000
San Bernardino County Community Facilities District No. 2002-1	14,100,000	100.000	14,100,000
City of Ontario Community Facilities Districts	220,935,000	100.000	220,935,000
City of Rancho Cucamonga Community Facilities Districts	49,964,000	100.000	49,964,000
City of Upland Community Facilities Districts	63,900,000	100.000	63,900,000
California Statewide Community Development Authority 1915 Act Bonds	807,000	100.000	807,000
San Bernardino County Assessment District No. 2018-1	5,292,611	100.000	5,292,611
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 3,091,827,752

TOTAL OVERLAPPING GENERAL FUND DEBT

San Bernardino County General Fund Obligations	\$ 131,565,000	50.742%	\$ 66,527,158
San Bernardino County Flood Control General Fund Obligations	37,295,000	50.566	18,858,590
Chaffey Community College District Certificates of Participation	23,835,000	98.328	23,436,479
Colton Joint Unified School District General Fund Obligations	5,715,443	0.962	54,983
Fontana Unified School District Certificates of Participation	17,145,000	90.265	15,475,934
Rialto Unified School District Certificates of Participation	6,599,537	12.492	824,414
Cucamonga School District Certificates of Participation	1,776,000	100.000	1,776,000
City of Fontana Certificates of Participation	49,425,000	81.407	40,235,410
City of Montclair General Fund Obligations	80,165,000	100.000	80,165,000
City of Ontario General Fund and Pension Obligation Bonds	480,924,584	100.000	480,924,584
City of Rialto General Fund Obligations	66,202,242	21.144	13,997,802

Debt Capacity - Computation of Direct and Overlapping Bonded Debt (Continued) as of June 30, 2024

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt June 30, 2024	% Applicable ⁽¹⁾	Agency's Share of Debt June 30, 2024
City of Upland General Fund Obligations	6,011,336	100.000	6,011,336
West Valley Vector Control District Certificates of Participation	1,491,876	99.986	1,491,667
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 749,779,357
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies): \$592,307,200 31.326-100% \$484,438,106			
DIRECT DEBT			\$ -
TOTAL OVERLAPPING DEBT			\$ 4,326,045,215
NET COMBINED TOTAL DEBT			\$ 4,326,045,215 ⁽²⁾
RATIOS TO 2023-24 ASSESSED VALUATION			
Direct Debt	0.00%		
Total Direct and Overlapping Tax and Assessment Debt	1.92%		
Combined Direct Debt	2.69%		
RATIOS TO REDEVELOPMENT SUCCESSOR AGENCIES INCREMENTAL VALUATION \$54,377,650,095			
Total Overlapping Tax Increment Debt	0.89%		

Footnotes:

⁽¹⁾ The percentage of overlapping debt applicable to the agency is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the agency divided by the district's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc.

Operating Indicators - Wastewater Facilities
Design Capacity and Average Flow
As of June 30, 2024

The Agency operates four water recycling plants: Regional Plant No. 1 (RP-1) located in the City of Ontario, Carbon Canyon Water Recycling Facility (CCWRF) located in the City of Chino, Regional Plant No. 4 (RP-4) located in the northeast service area in the City of Rancho Cucamonga and Regional Plant No. 5 (RP-5) located in the unincorporated area of the City of Chino.

The following table presents the design capacities and average flows of the Agency’s water recycling facilities as of June 30, 2024:

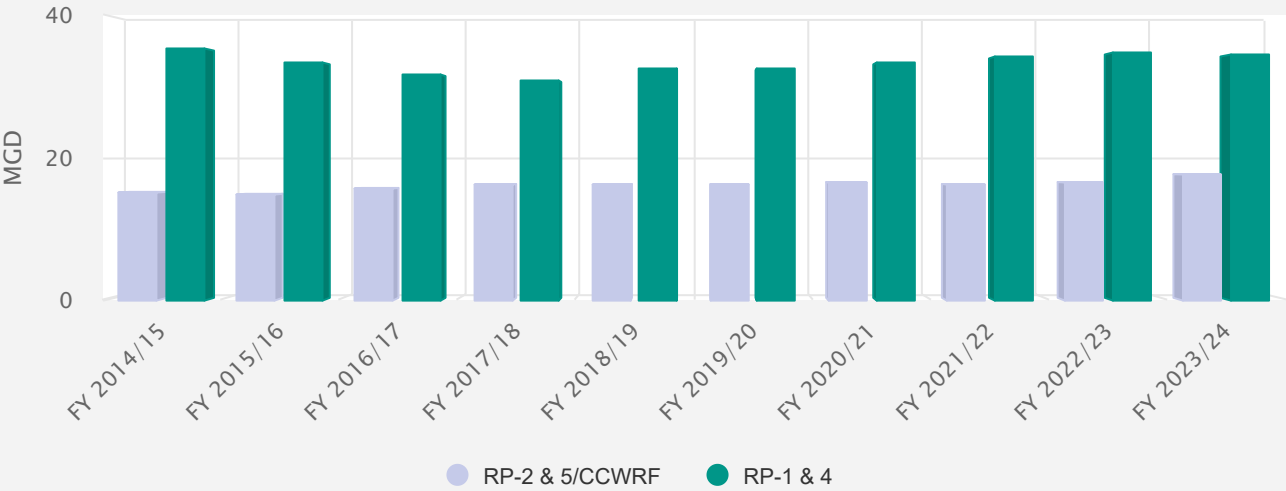
Facility	Design Capacity (MGD)*	Average Flow (MGD)*	Average Flow as % of Design Capacity
RP-1	44.0	25.7	58.41%
RP-4	14.0	8.9	63.57%
RP-5	16.3	9.4	57.67%
CCWRF	12.0	8.4	70.00%
Total	86.3	52.4	60.72%

*MGD = million gallons per day

Operating Indicators - Actual Wastewater Flow
For the Past Ten Fiscal Years
in MGD

Fiscal Year	RP-1 & 4 (MGD)	RP-2 & 5/CCWRF (MGD)	Total (MGD)
2014/15	35.6	15.1	50.7
2015/16	33.5	14.9	48.4
2016/17	31.9	15.8	47.7
2017/18	31.0	16.4	47.4
2018/19	32.7	16.4	49.1
2019/20	32.8	16.4	49.2
2020/21	33.6	16.7	50.3
2021/22	34.3	16.4	50.7
2022/23	35.0	16.7	51.7
2023/24	34.6	17.8	52.4

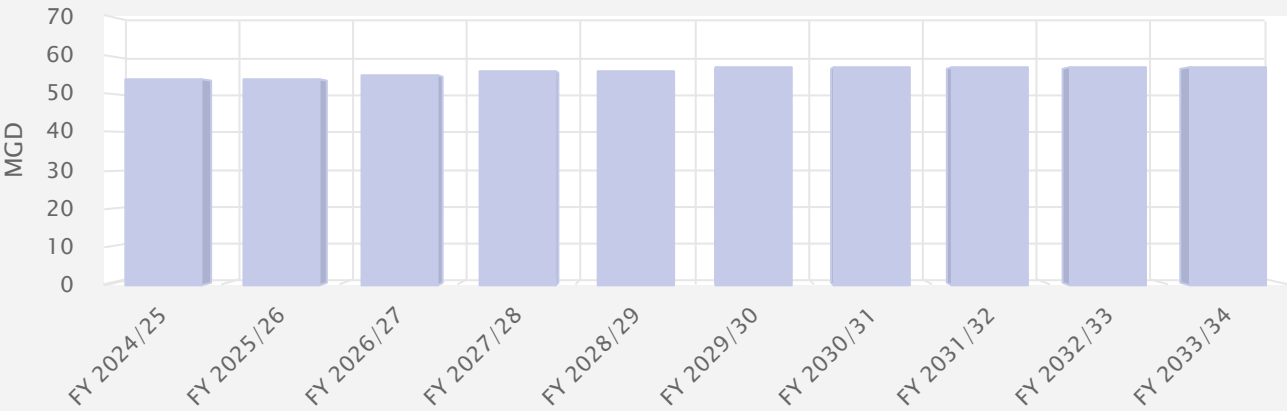
Actual Wastewater Flow
For the Past Ten Fiscal Years
in MGD



Operating Indicator - Projected Wastewater Flow
For the Ten Fiscal Years Ending June 30, 2025 through June 30, 2034*
in MGD

Fiscal Year	Total (MGD)
2024/25	54
2025/26	54
2026/27	55
2027/28	56
2028/29	56
2029/30	57
2030/31	57
2031/32	57
2032/33	57
2033/34	57

Projected Wastewater Flow
For the Ten Fiscal Years Ending
June 30, 2025 through June 30, 2034
in MGD



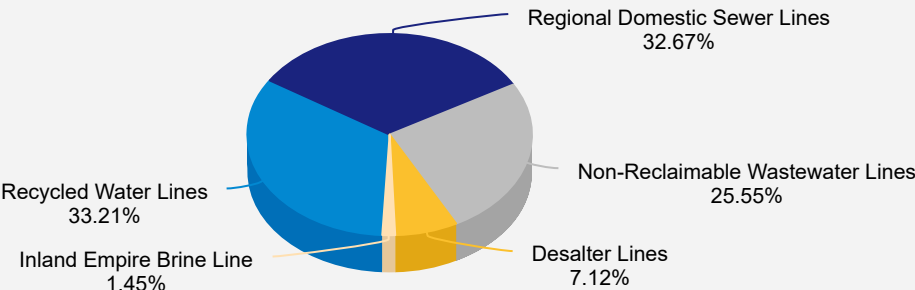
* Source: Statistics were provided by the Agency's Planning and Water Resources Department.

The Agency owns and operates four interconnected wastewater recycling plants. These plants function as a whole, and Agency staff use influent bypass and diversion facilities to route flows between regional plants in order to optimize capacity utilization, and minimize overall pumping and treatment costs. The Agency’s aggregate designed treatment capacity is 85 million gallons per day (mgd). Although historically wastewater recycling plant capacity has been limited by hydraulic capacity (mgd), solids treatment capacity is increasingly becoming the driving factor. Still, the volume of wastewater flows are expected to increase gradually as new housing development continues to increase in the Agency’s service area. The Agency will continue evaluating the impact of wastewater treatment capacity factors such as strength loading (BOD, TSS, Ammonia).

Operating and Capacity Indicators - Pipeline Systems by Program
as of June 30, 2024

Program	Miles of Pipeline	Percentage of Pipelines
Regional Domestic Sewer Lines	89.9	32.67%
Non-Reclaimable Wastewater Lines	70.3	25.55%
Inland Empire Brine Line	4.0	1.45%
Desalter Lines	19.6	7.12%
Recycled Water Lines	91.4	33.21%
Total Miles of Pipeline	275.2	100.00%

Total Pipeline Systems by Program
273.8 Miles of Pipeline
as of June 30, 2024



Source: the Agency's Information Technology Department

Operating Indicators - FY 2023/24 Staffing Allocations
as of June 30, 2024

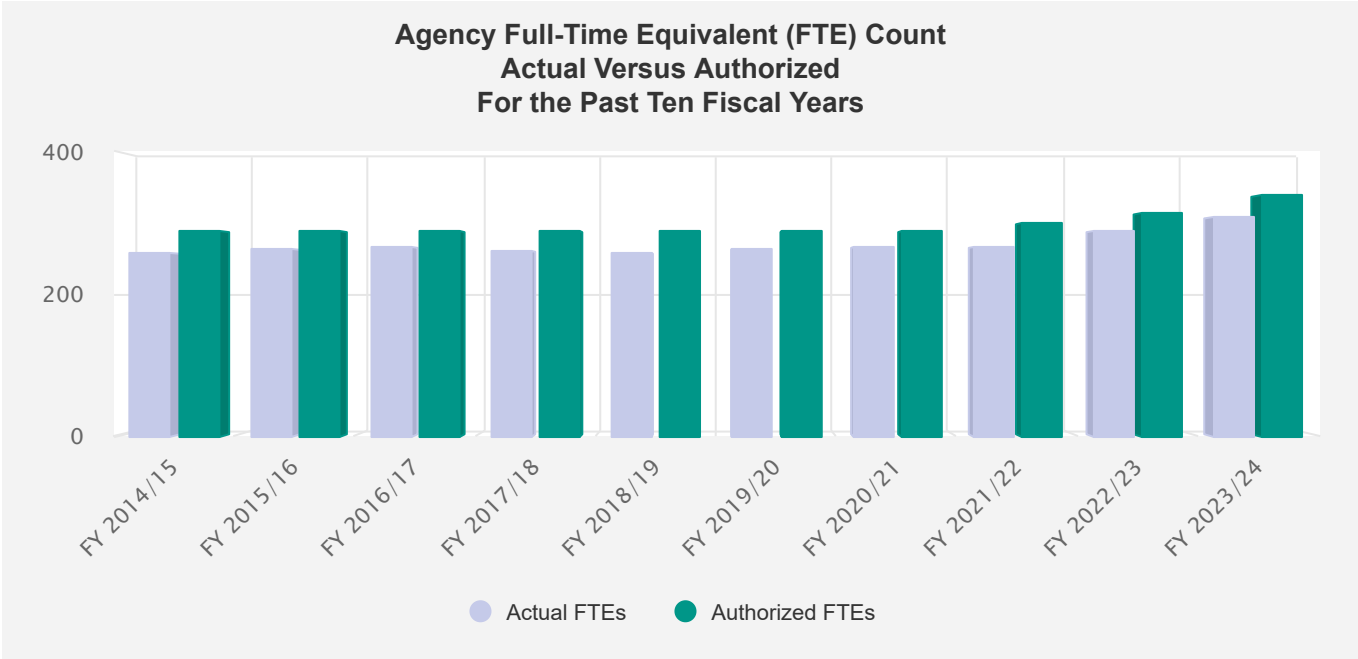
Actual staffing allocation by Agency Program	FTE*
Regional Wastewater Operations and Capital Programs	203.0
Recycled Water Programs	34.5
Inland Empire Regional Composting Authority Operations	22.0
Non-reclaimable Wastewater System Programs	16.4
Chino Basin Desalter Operations & Capital Programs	6.0
Recharge Water Programs	4.5
Water Resources Related Activities & Conservation Programs	18.1
General Administration	4.5
Total Filled FTE Count	309
Total Authorized FTE	341
Vacancy Factor Percentage	9.4%

Source: Agency June 2024 Position Control Report

*FTE- Full Time Equivalent

Operating Indicators - Budgeted Positions Versus Staffing Actuals
For the Past Ten Fiscal Years

Fiscal Year	Actual FTEs	Authorized FTEs
2014/15	258	290
2015/16	266	290
2016/17	267	290
2017/18	262	290
2018/19	260	290
2019/20	266	290
2020/21	267	290
2021/22	268	302
2022/23	291	316
2023/24	309	341

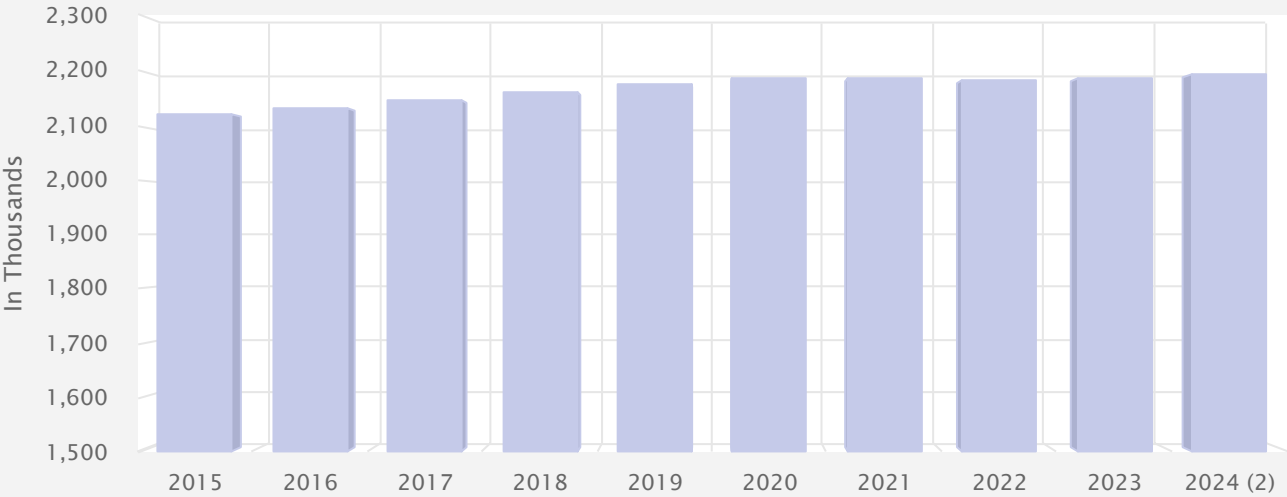


The chart and table above compares the number of authorized FTE positions to actual employees at the end of the fiscal year for the past ten years.

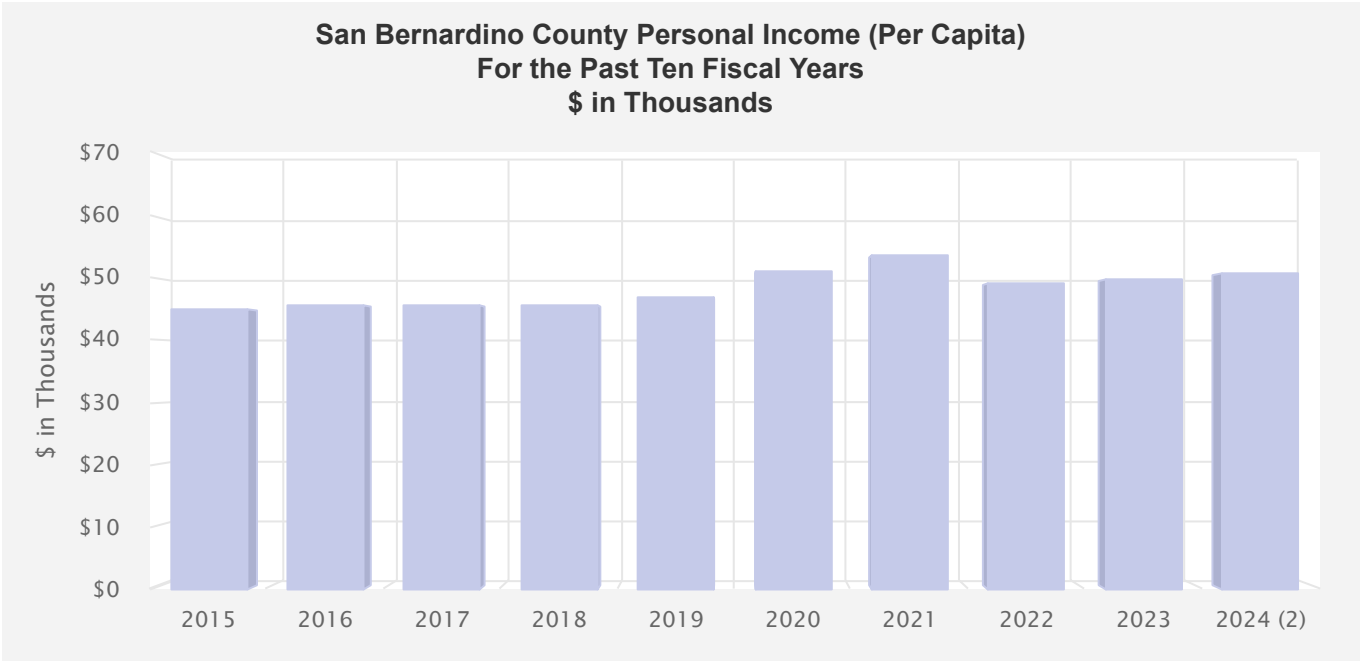
Demographic and Economic Statistics - Population and Personal Income Statistics
For the Past Ten Fiscal Years

San Bernardino County ⁽¹⁾			
Year	Population	Personal Income (Billions)	Personal Income (Per Capita)
2015	2,119,575	\$ 75	\$ 45,006
2016	2,132,121	78	45,729
2017	2,147,291	81	45,674
2018	2,160,036	84	45,587
2019	2,174,437	90	46,894
2020	2,185,997	99	50,898
2021	2,186,572	109	53,602
2022	2,182,824	107	49,211
2023	2,185,038	113	49,772
2024 ⁽²⁾	2,193,515	119	50,801

San Bernardino County Population
For the Past Ten Fiscal Years
in Thousands



Footnotes:
Source: San Bernardino County Economic Forecast 2023.
The County data is representative of the conditions and experience of the Agency’s service area.
⁽²⁾ Data for Year 2024 has been estimated.



Footnotes:
Source: San Bernardino County Economic Forecast 2023.
The County data is representative of the conditions and experience of the Agency's service area.
⁽²⁾ Data for Year 2024 has been estimated.

Demographic and Economic Statistics
Agency Service Area’s Largest Public and Private Employers

Firm	Location	Number of Employees
Ontario International Airport	Ontario	5,000-9,999
Chino Valley Unified School District	Chino	2,509
Kaiser Medical Center	Fontana	2,766
Ontario-Montclair School District	Montclair	1,000-4,999
San Antonio Community Hospital	Upland	1,000-4,999
Inland Empire Health Plan	Rancho Cucamonga	1,000-4,999
Primary Care Assoc Med Group	Ontario	1,000-4,999

Sources: State of California Employment Development Department, Champion Newspapers, and Goodbill



Ontario International Airport



San Antonio Regional Hospital



Inland Empire Health Plan



Kaiser Medical Center

Appropriations Limit
Fiscal Years Ended June 30, 2019 through 2024*

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
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	242,746,246	79,035,000

* Source: Board Resolution No. 2023-6-9



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