



## **Regional Sewerage Program Policy Committee Meeting**

### **AGENDA**

**Thursday, May 1, 2025  
3:30 p.m.**

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

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

The public may participate and provide public comment during the meeting by joining in person or by calling the number provided above. Comments may also be submitted by email to the Recording Secretary Yvonne Taylor at [ytaylor@ieua.org](mailto:ytaylor@ieua.org) prior to the completion of the Public Comment section of the meeting. Comments will be distributed to the Policy Members.

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#### **Call to Order**

#### **Roll Call**

#### **Flag Salute**

#### **Public Comment**

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

#### **Additions to the Agenda**

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

*(Continued)*

# Regional Sewerage Program Policy Committee Meeting Agenda

May 1, 2025

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## **1. Technical Committee Report (Oral)**

## **2. Action Item**

- A. Approve minutes of April 3, 2025 Policy Committee Meeting

## **3. Information Items**

- A. Ten-Year Sewer Capital Forecast Fiscal Year 2025/26 – Fiscal Year 2026/27 (Written)
- B. Review of Proposed Biennial Budget for Fiscal Years 2025/26 and 2026/27 for Regional Wastewater Programs (Written/PowerPoint)

## **4. Receive and File Item**

- A. Building Activity Report (Written)

## **5. Other Business**

- A. IEUA General Manager's Update
- B. Committee Member Requested Future Agenda Items
- C. Committee Member Comments
- D. Next Meeting – June 5, 2025

## **Adjourn**

### **DECLARATION OF POSTING**

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

**In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Yvonne Taylor at (909) 993-1626 or [ytaylor@ieua.org](mailto:ytaylor@ieua.org) 48 hours prior to the scheduled meeting so that IEUA can make reasonable arrangements to ensure accessibility.**

**ACTION ITEM**

**2A**



## Regional Sewerage Program Policy Committee Meeting

### MINUTES OF THE APRIL 3, 2025 MEETING

#### **CALL TO ORDER**

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program (RSP) Policy Committee was held on Thursday, April 3, 2025, at 6075 Kimball Avenue, Building A, Chino, California.

Chair Peter Rogers/City of Chino Hills called the meeting to order at 3:31 p.m. Recording Secretary Yvonne Taylor established a quorum was present. Chair Rogers led the Pledge of Allegiance.

#### **Committee Members Present:**

Curtis Burton	City of Chino
Peter Rogers	City of Chino Hills
Phillip Cothran	City of Fontana
John Dutrey	City of Montclair
Paul Leon (Alternate)	City of Ontario
Bill Velto	City of Upland
Randall Reed	Cucamonga Valley Water District (CVWD)
Steven J. Elie	Inland Empire Utilities Agency (IEUA)

#### **Others Present:**

Greg Baird	Black & Veatch
Ann Bui	Black & Veatch
Hye Jin Lee	City of Chino
Ben Orosco	City of Chino
Courtney Jones	City of Ontario
Nicole deMoet	City of Upland
Amanda Coker	CVWD
Chris Robles	Fair Ontario
Kevin Alexander	IEUA
Jerry Burke	IEUA
Marty Cihigoyenette	IEUA
Robert Delgado	IEUA
Lucia Diaz	IEUA
Lisa Dye	IEUA



**Others Present (continued):**

Don Hamlett	IEUA
Elizabeth Hurst	IEUA
Jennifer Hy-Luk	IEUA
Kelsey Kenz	IEUA
Michael Larios	IEUA
Randy Lee	IEUA
Eddie Lin	IEUA
Alex Lopez	IEUA
Alyson Piguee	IEUA
Travis Sprague	IEUA
Yvonne Taylor	IEUA
Marco Tule	IEUA
Justin Scott-Coe	Monte Vista Water District
Todd Priest	Consultant
Ray Smith	Unknown

**PUBLIC COMMENTS**

Chris Robles, Fair Ontario addressed the Policy Committee expressing concerns about the level of questioning by the City of Ontario regarding the transparency of the rate increase process and the lack of public workshops in Ontario. He suggested that customer agencies go into communities to explain rate increases.

Carlos Rodriguez, Building Industry Association of Southern California addressed the Policy Committee expressing gratitude to IEUA and the customer agencies for their continued collaboration with the construction industry.

**ADDITIONS TO THE AGENDA**

General Manager (GM) Shivaji Deshmukh suggested that the Committee consider reordering the agenda to hear Information Item 3B, the Ten-Year Sewer Capital Forecast presentation, prior to consideration of Action Item 2B.

The Committee discussed and approved the change to the agenda.

**1. TECHNICAL COMMITTEE REPORT**

Hye Jin Lee/City of Chino provided an update on the March 27 Technical Committee meeting, noting the various updates the Committee heard and indicated that the Committee did not take action on the Proposed Rates.

**2. ACTION ITEM****A. APPROVE MINUTES OF THE MARCH 6, 2025 POLICY COMMITTEE MEETING**

**Motion:** By Committee member John Dutrey/City of Montclair and seconded by Committee member Bill Velto/City of Upland, the Committee approved the meeting minutes of the March 6, 2025 Regional Policy Committee Meeting by the following vote:

Ayes: Burton, Cothran, Dutrey, Leon, Reed, Rogers, Velto

Noes: None  
Absent: None  
Abstain: None

The motion passed by a vote of 7 ayes, 0 noes, and 0 absent.

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### **3. INFORMATION ITEM**

#### **B. TEN-YEAR SEWER CAPITAL FORECAST FISCAL YEAR 2025/26 – FISCAL YEAR 2026/27 (POWERPOINT)**

Travis Sprague/IEUA provided the presentation.

Committee member Randall Reed/CVWD inquired how much would be spent at each facility. He stated that RP-1's thickening building and acid phase digester represents changing conditions and service growth.

Committee member Dutrey inquired if the ten-year plan included all of the improvements needed at Agency facilities or if there were additional improvements needed within the next ten years that were not included. Mr. Sprague confirmed that all known improvements have been included.

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### **2. ACTION ITEM**

#### **B. RECOMMEND THE IEUA BOARD OF DIRECTORS APPROVE THE PROPOSED RATES AND FEES FOR THE REGIONAL WASTEWATER PROGRAM**

Randy Lee/IEUA and Ann Bui/Black & Veatch provided the presentation.

Committee member Velto inquired if the Agency could determine how much tax revenue is being contributed by each city or agency.

Discussion ensued regarding the allocation of property tax revenue. Committee member Velto inquired about why the Agency was not billing residents directly. GM Deshmukh responded that the equivalent dwelling unit (EDU) rates are applied through the Agency's sewer collection and then incorporated into the EDU rate.

Discussion ensued regarding the rate study, and that their staff have not had adequate time to fully review the study.

Committee member Velto inquired about the original date the rate study was to be received. GM Deshmukh replied that two years ago, the same schedule for the rate increase recommendations was conducted, and the process is currently the same now.

Committee member Elie/IEUA commented on the rate setting process and the role of the IEUA Board.

Committee member Cothran/City of Fontana noted that the City of Fontana needs to receive the approved rates by May 1, 2025, to place the rate increase on the property tax bills. However, he would like the process to be fully vetted before a decision is made.

Committee member Dutrey moved to recommend to the IEUA Board of Directors to approve the proposed fiscal years 2025/26 and 2026/27 rates and fees for the Regional Wastewater Program. The motion failed for the lack of a second.

### **3. INFORMATION ITEM**

#### **A. GRANTS SEMI-ANNUAL UPDATE (WRITTEN)**

Alyson Piguee/IEUA provided the update.

### **4. RECEIVE AND FILE ITEM**

*Item 4A was received and filed by the Committee.*

#### **A. BUILDING ACTIVITY REPORT**

### **5. OTHER BUSINESS**

#### **A. IEUA GENERAL MANAGER'S UPDATE**

GM Deshmukh reiterated IEUA's commitment to supporting the customer agency's through their Proposition 218 process and offered to attend their Council and Board meetings to speak about IEUA.

GM Deshmukh noted that IEUA staff has been notified that several committee members will not be available for the next regularly scheduled meeting on May 1. He asked others to confirm their attendance and suggested that the Committee discuss rescheduling the meeting.

#### **B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING**

Committee member Velto noted that the Agency was reviewing the possibility of switching to direct customer billing and requested an update on the review.

GM Deshmukh responded that the presentation addressing the concepts of direct billing or adding charges directly to the property tax bills could be presented again to the Policy committee. Committee member Elie requested an update on this item within the next six months.

#### **C. COMMITTEE MEMBER COMMENTS**

Committee member Cothran asked to adjourn the meeting in honor of Deputy Hector Cuevas Jr. who was a resident of the region.

Committee member Burton/City of Chino thanked GM Deshmukh and Committee member Elie for taking the time to meet with him and City staff on the proposed rates.

Committee member Dutrey expressed his gratitude to GM Deshmukh and IEUA Board President Marco Tule for taking the time to meet with him and the City Manager.

**D. NEXT MEETING – MAY 1, 2025**

**ADJOURNMENT**

Chair Rogers adjourned the meeting at 5:29 p.m. in memory of San Bernardino County Sheriff Deputy Hector Cuevas Jr.

Prepared by:

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Yvonne Taylor, Executive Assistant

DRAFT

**INFORMATION  
ITEM**

**3A**

Date: April 24, 2025 and May 1, 2025

To: Regional Sewerage Technical and Policy Committees

From: Inland Empire Utilities Agency

Subject: Ten-Year Sewer Capital Forecast FY 2025/26 – FY 2034/35

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### **RECOMMENDATION**

This is an information item.

### **BACKGROUND**

Pursuant to Section 9A of the Regional Sewage Service Contract and Ordinance No. 114, Inland Empire Utilities Agency (IEUA) will submit a subset of the Ten-Year Capital Improvement Plan, the Ten-Year Sewer Capital Forecast (TYSCF), to the Regional Technical Committee and Policy Committee (Committees) for recommendation. The TYSCF long-term financial planning document includes wastewater flow forecasts, a description of planned wastewater capital projects, plant capacities, and proposed capital project spending in the Regional Wastewater Programs; more specifically, the Regional Wastewater Capital Improvement (RC) and the Regional Wastewater Operations (RO) funds. Capital projects include the acquisition, improvement, construction, and expansion of the Regional System.

TYSCF ensures continued operational efficiency and sustainability. It is a tool for IEUA to anticipate and address future needs, such as aging infrastructure rehabilitation and replacement, more stringent environmental regulations, and service area growth. These primary drivers guide the decision-making process. To take advantage of a diverse array of funding and financing options, a long-term financial plan is required: options range from new debt issuance, low-interest state and federal loans, and grant programs. Additionally, the Agency leverages revenue streams such as development connection fees, property taxes, and rates to fund capital projects.

The Committees' review and recommendation authority applies to the Regional Wastewater Programs that affect future demands. The TYSCF will be presented once again to the Committees for recommendation in May/June 2025.

The proposed TYSCF for FY2025/26 through FY2034/35 is \$1.14 Billion.

### **Attachments:**

Attachment 1 – PowerPoint

Attachment 2 – Ten-Year Sewer Capital Forecast FY 2025/26 – FY 2034/35



*Inland Empire Utilities Agency*

A MUNICIPAL WATER DISTRICT

2026

# IEUA's Ten-Year Sewer Capital Forecast

**TEN-YEAR SEWER CAPITAL FORECAST PROJECT LIST**

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TYSCF CAPITAL PROJECTS LIST - REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE AND REGIONAL WASTEWATER CAPITAL IMPROVEMENT

Project Number	Project Name	Project Scope	Project Location	Project Drivers	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	Total TYSCF FY 2026-2035	Total Project Budget
Regional Wastewater Operations and Maintenance Fund																
EN13016	SCADA Enterprise System	Design, install, and program a new SCADA system across five wastewater facilities, overhauling control panels, operator interfaces, and data management for improved network integration and reliability.	Agencywide	Aging Infrastructure	\$ 5,000,000	\$ 3,600,000									\$ 8,600,000	\$ 39,700,000
EN18025	RP-1 Secondary System Rehabilitation	Rehabilitate secondary clarifiers' concrete surfaces, recoat metal parts, replace aboveground PVC sprayer piping, and add UV protection for extended service life.	RP-1	Aging Infrastructure	\$ 1,000,000	\$ 3,000,000	\$ 5,000,000	\$ 2,000,000							\$ 11,000,000	\$ 11,500,000
EN19009	RP-1 Energy Recovery	Engage consultant to analyze digester gas use, exploring injection, cogeneration, or microgrid solutions, including financial viability, regulatory compliance, and subsequent design-build implementation.	RP-1	Changing Conditions	\$ 750,000	\$ 1,500,000									\$ 2,250,000	\$ 4,330,000
EN20057	RP-4 Process Improvements Phase II	Reconfigure influent pump station, replace deteriorated gates, upgrade blowers, and make electrical/control improvements to enhance reliability.	RP-4	Aging Infrastructure	\$ 3,000,000	\$ 5,000,000	\$ 5,000,000	\$ 1,000,000							\$ 14,000,000	\$ 18,770,000
EN21053	RP-1 Filter Effluent Structure #2 Rehabilitation	Rehabilitate structure and valves, addressing severely corroded gates and stems for improved performance and reliability.	RP-1	Aging Infrastructure	\$ 700,000	\$ 1,000,000	\$ 1,000,000								\$ 2,700,000	\$ 3,570,000
EN21056	RP-1 Evaporative Cooling for Aeration Blower Building	Install evaporative or AC cooling to prevent blower building equipment failures due to overheating.	RP-1	Aging Infrastructure	\$ 750,000										\$ 750,000	\$ 2,750,000
EN22027	RP-1 Repurpose Lab	Redesign and construct to relocate source control from headquarters, freeing space and adding new operations offices.	RP-1	Changing Conditions	\$ 1,250,000										\$ 1,250,000	\$ 5,390,000
EN22031	RP-1 Intermediate Pump Station Electrical Improvements	Replace MCC 6M/8M with Allen Bradley IntelCenter, install 18-pulse VFDs, and improve electrical reliability at the intermediate pump station.	RP-1	Aging Infrastructure	\$ 2,000,000	\$ 5,000,000	\$ 2,800,000								\$ 9,800,000	\$ 11,120,000
EN23000	RP1 Device Net Replacement	Evaluate MCCs with E3 overloads, replace or upgrade to E300 with Ethernet/IP or Modbus TCP/IP, and transition DeviceNet hardware for enhanced connectivity.	RP-1	Aging Infrastructure	\$ 1,000,000	\$ 250,000									\$ 1,250,000	\$ 3,180,000
EN23004	CCWRF Aeration Basins 1-6 Drain Valves	Replace six-inch drain valves to prevent backflow in aeration basins 1–6, ensuring reliable drainage.	CCWRF	Aging Infrastructure	\$ 250,000	\$ 2,000,000	\$ 2,500,000								\$ 4,750,000	\$ 5,600,000
EN23035	CCWRF RAS Header Replacement	Replace three 16-inch connections to RAS header and about 22 feet of 36-inch pipe, potentially adding bypass.	CCWRF	Aging Infrastructure	\$ 750,000	\$ 350,000									\$ 1,100,000	\$ 1,450,000
EN23036	San Bernardino Ave Lift staion Reliability Improvements	Install chopper pumps, add wet well access hatch, pave around pumps, and engage consultant for design/construction services.	Regional Sewer System	Aging Infrastructure			\$ 1,250,000	\$ 3,000,000	\$ 2,000,000						\$ 6,250,000	\$ 6,820,000
EN23038	CWRW HVAC System Upgrade	Replace chilled water air handlers, boilers, zoning, and controls at operations building for improved climate management.	CCWRF	Aging Infrastructure	\$ 1,000,000	\$ 2,000,000									\$ 3,000,000	\$ 3,760,000
EN23074	CCWRF Influent Box Rehab at the Primary Clarifiers	Remove degraded coating, restore concrete thickness, apply protective coating, and replace aluminum gates with stainless steel for long-term influent box integrity.	CCWRF	Aging Infrastructure	\$ 2,000,000	\$ 1,000,000									\$ 3,000,000	\$ 3,360,000
EN23114	RP-1 Instrumentation and Control Enhancements	Assess PCN requests, design and install electrical/control infrastructure, and finalize SCADA migration for comprehensive RP-1 upgrades.	RP-1	Changing Conditions			\$ 250,000	\$ 750,000	\$ 250,000						\$ 1,250,000	\$ 1,410,000
EN24020	RP-1 Dewatering Centrate Pumps	Remove unreliable ESSCO pumps, install more dependable units, and adjust railing to accommodate new equipment.	RP-1	Aging Infrastructure	\$ 600,000										\$ 600,000	\$ 3,140,000
EN24023	RP3 Regional Sewer Diversion Structure Rehab	Replace gate valves, rings, covers, sandblast concrete, repair structural damage, and install new liner to restore diversion structure.	Regional Sewer System	Aging Infrastructure	\$ 800,000	\$ 300,000									\$ 1,100,000	\$ 1,660,000
EN24029	RP-1 Tertiary Asset Management Phase 1	Replace 26 filter effluent valves, custom tee, rehabilitate SBS pump station, modify sedimentation basin sludge pumps, and ensure long-term tertiary asset reliability.	RP-1	Aging Infrastructure				\$ 500,000	\$ 2,000,000	\$ 1,500,000					\$ 4,000,000	\$ 4,010,000
EN24032	RP-1 Primary Clarifier #1 Through #10 Rehabilitation	Investigate scum collection issues, clarify influent flow distribution, propose best repairs, and provide engineering report for clarifiers 1–10.	RP-1	Aging Infrastructure	\$ 2,000,000	\$ 3,000,000	\$ 6,000,000	\$ 3,750,000							\$ 14,750,000	\$ 16,240,000
EN24033	Annular Seals	Verify each annular seal's condition and replace as necessary.	Agencywide	Aging Infrastructure			\$ 50,000								\$ 50,000	\$ 1,380,000
EN24059	Chino Hills Trunk-014 Sewer Siphon CIPP Repair	Conduct flow monitoring, design a bypass-based CIPP repair for both siphon barrels, and provide engineering services during construction.	Regional Sewer System	Aging Infrastructure	\$ 150,000										\$ 150,000	\$ 1,300,000
EN25002	SSI Aeration Disk Replace RP1_RP4_RP5	Replace aeration diffuser disks and secure manufacturer certification for new diffusers at RP-1, RP-4, and RP-5.	Agencywide	Aging Infrastructure	\$ 200,000	\$ 1,100,000	\$ 400,000	\$ 2,400,000		\$ 500,000	\$ 2,450,000	\$ 250,000	\$ 500,000		\$ 7,800,000	\$ 7,800,000
EN25006	CCWRF Primary Clarifier Coating	Restore concrete surfaces, apply protective coating, and rehabilitate corroded metal parts and valves in both primary clarifiers.	CCWRF	Aging Infrastructure	\$ 1,000,000	\$ 200,000									\$ 1,200,000	\$ 1,400,000
EN25010	RSS - Collection System Pipe Rehabilitation	Replace or refurbish failing air expansion tanks to extend their service life in the regional sewer system.	Regional Sewer System	Aging Infrastructure				\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		\$ 6,000,000	\$ 6,000,000
EN25044	Asset Management Software	Develop and implement software for tracking, managing, and optimizing assets throughout their lifecycle.	Agencywide	Aging Infrastructure	\$ 500,000	\$ 150,000	\$ 50,000								\$ 700,000	\$ 750,000
EN25045	CCWRF Electrical Improvements	Assess and replace major electrical gear—12kV switchgear, MCCs, transformers, panels, and more—throughout CCWRF for system reliability.	CCWRF	Aging Infrastructure	\$ 700,000	\$ 500,000	\$ 3,000,000	\$ 2,000,000							\$ 6,200,000	\$ 6,700,000
EN26004	Agency Wide VFD Upgrades Wastewater FY25/26	Coordinate to replace VFDs over 15 years old at southern wastewater facilities, ensuring consistent reliability agency-wide.	Agencywide	Aging Infrastructure	\$ 50,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 9,050,000	\$ 9,050,000
EN26046	RP-1 Headworks Influent Channel Rehabilitation	Rehabilitate unlined influent channel concrete, repair manhole openings, replace framing, covers, and gate frames, addressing identified leaks.	RP-1	Aging Infrastructure	\$ 300,000	\$ 1,500,000	\$ 2,000,000	\$ 200,000							\$ 4,000,000	\$ 4,000,000
EN28018	Recurring RSS Manhole Lining Project	Remove failed liners, apply chemical grouting if needed, and restore manhole interiors to prevent infiltration and maintain structural integrity.	Regional Sewer System	Aging Infrastructure			\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 800,000	\$ 1,000,000
EN28020	RP-1 Digester Gas Carbon Canister Installation	Install carbon canisters and PRVs for digester gas, ensuring proper flare operation and SCAQMD compliance, with consultant-led design and construction.	RP-1	Environmental Regulations			\$ 150,000	\$ 850,000							\$ 1,000,000	\$ 1,000,000
EN28022	CCWRF Filter Inlet and Bypass Gates Replacement	Replace inlet and bypass gates for reliable filter flow control at CCWRF.	CCWRF	Aging Infrastructure			\$ 500,000	\$ 1,000,000	\$ 400,000						\$ 1,900,000	\$ 1,900,000
EN28023	RP-1 Motor Control Center 9M Replacement	Replace MCC 9M with a new IntelCenter, possibly integrating VFDs, and coordinate temporary power, ensuring updated remote control and equipment status.	RP-1	Aging Infrastructure			\$ 500,000	\$ 2,000,000	\$ 2,400,000						\$ 4,900,000	\$ 4,900,000
EN28027	Agencywide Paving	Evaluate and address asphalt repair and replacement needs across the Agency with annual maintenance funding.	Agencywide	Aging Infrastructure			\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 3,200,000	\$ 3,200,000
EN29003	Replace Aeration Basin Influent /RAS, Step Feed Gates	Inspect and replace corroded aeration basin influent and RAS gates with stainless steel for improved durability.	CCWRF	Aging Infrastructure							\$ 800,000	\$ 2,000,000	\$ 1,000,000		\$ 3,800,000	\$ 4,100,000
EN29010	Agencywide Air Relief Valves Upgrade and Replacement	Standardize air/vacuum relief valves with A.R.I. models, add check and isolation valves, and improve pipeline maintenance safety.	Agencywide	Aging Infrastructure			\$ 200,000	\$ 1,000,000	\$ 300,000						\$ 1,500,000	\$ 1,500,000
EN30007	RP-1 Ammonia Analyzer Improvements	Remove six Hach analyzers, install six Horiba units, and ensure SCADA integration for continuous ammonia monitoring.	RP-1	Changing Conditions					\$ 100,000	\$ 500,000					\$ 600,000	\$ 600,000
EN31003	RP-1 New Parking Lot	Convert existing garden area near Old New Lab into large parking with electrical hookups, supporting larger vehicles and clear traffic flow.	RP-1	Changing Conditions						\$ 250,000	\$ 850,000				\$ 1,100,000	\$ 1,100,000
EN34001	Prado Dechlorination Motor Control Center Replacement	Replace MCC-1 at Prado Dechlorination, coordinating temporary power and ensuring updated equipment reliability.	Agencywide	Aging Infrastructure									\$ 500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000
EP26001	Agency Wide Major Facilities Repair/Replacement	Upgrade aging infrastructure, improve safety in wastewater plants, and purchase critical spare equipment agency-wide.	Agencywide	Aging Infrastructure	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 10,000,000	\$ 10,000,000
FM26003	Recurring Regional Sewer Manhole Procurement	Obtain new manhole lids for future projects, emergencies, and contractor installations within the service area.	Regional Sewer System	Aging Infrastructure	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,000	\$ 1,000,000
IS20007	Control System Enterprise Historian Enhancement	Enable predictive insights, manual data collection, and Foxboro data imports with a Universal Font Library connector for improved operational visibility.	Agencywide	Aging Infrastructure	\$ 250,000	\$ 250,000									\$ 500,000	\$ 1,000,000
IS26016	SCADA Infrastructure Asset Replacement	Purchase new servers, network switches, workstations, and UPS systems to replace outdated SCADA infrastructure and ensure reliable performance.	Agencywide	Aging Infrastructure	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 5,500,000	\$ 5,500,000
IS28001	Operational AI and Machine Learning	Study and pilot AI/ML solutions in treatment applications, evaluating feasibility, potential benefits, and return on investment.	Agencywide	Changing Conditions					\$ 300,000	\$ 300,000					\$ 600,000	\$ 600,000

**TYSFC CAPITAL PROJECTS LIST - REGIONAL WASTEWATER OPERATIONS AND MAINTENANCE AND REGIONAL WASTEWATER CAPITAL IMPROVEMENT**

Project Number	Project Name	Project Scope	Project Location	Project Drivers	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	Total TYSCF FY 2026-2035	Total Project Budget
Total					\$ 27,650,000	\$ 34,350,000	\$ 33,600,000	\$ 23,800,000	\$ 12,600,000	\$ 7,500,000	\$ 8,250,000	\$ 6,400,000	\$ 6,150,000	\$ 4,650,000	\$ 164,950,000	\$ 225,540,000
Regional Wastewater Capital Improvement Fund																
AM26007	Failure Analysis Equipment Procurement	Solicit vendors for condition-based monitoring equipment, replacing or upgrading end-of-life assets.	Agencywide	Aging Infrastructure	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 100,000	\$ 100,000
AM26008	RP-5 Spare Part Storage Building Improvements	Install lighting, security systems, racking, workstation, and forklift at RP-5 Spare Part Storage, assessing fire protection needs.	RP-5	Changing Conditions	\$ 150,000	\$ 100,000									\$ 250,000	\$ 250,000
EN11039	RP-1 Disinfection Pump Improvements	Replace bleach pumps and vulnerable underground piping, add chemical containment, and update SCADA for power-loss alerts.	RP-1	Aging Infrastructure	\$ 15,000										\$ 15,000	\$ 14,000,000
EN17006	CCWRF Asset Management and Improvements	Improve CCWRF preliminary, primary, and secondary treatments by replacing headworks, odor control, and aeration blowers.	CCWRF	Aging Infrastructure	\$ 6,000,000	\$ 2,900,000									\$ 8,900,000	\$ 34,610,000
EN18006	RP-1 Flare Improvements	Update RP-1 flare systems to meet SCAQMD regulations for cleaner gas management.	RP-1	Environmental Regulations	\$ 15,000										\$ 15,000	\$ 9,750,000
EN19001	RP-5 Expansion to 30 mgd	Double RP-5 liquid capacity from 15 to 30 MGD for future flows and flexible sewage transfers among plants.	RP-5	Changing Conditions	\$ 22,500,000	\$ 13,000,000	\$ 13,000,000								\$ 48,500,000	\$ 245,030,000
EN19006	RP-5 Biosolids Facility	Construct new RP-5 solids facility, allowing RP-2 solids decommissioning.	RP-5	Changing Conditions	\$ 13,500,000	\$ 7,000,000	\$ 6,000,000								\$ 26,500,000	\$ 242,320,000
EN19025	Regional Force Main Improvements	Add cleanouts, extend pipeline life for Montclair/San Bernardino Lift Stations, and improve force main reliability.	Regional Sewer System	Aging Infrastructure	\$ 15,000										\$ 15,000	\$ 6,410,000
EN21045	Montclair Force Main Improvements	Design and build new Montclair Force Main pipeline for improved efficiency and reliability.	Regional Sewer System	Aging Infrastructure	\$ 3,000,000	\$ 4,000,000	\$ 4,000,000	\$ 1,000,000							\$ 12,000,000	\$ 14,360,000
EN22022	RP-1 Air Compressor Upgrades	Consolidate air compressors at RP-1 with new centralized piping to increase flexibility and redundancy.	RP-1	Aging Infrastructure	\$ 2,500,000	\$ 2,500,000	\$ 900,000								\$ 5,900,000	\$ 7,750,000
EN22039	RP-4 SCADA Performance Improvement	Install a control panel in RP-4 server room, adding two new redundant controllers, repurposing existing tertiary controller.	RP-4	Aging Infrastructure			\$ 500,000	\$ 250,000							\$ 750,000	\$ 1,010,000
EN22044	RP-1 Thickening Building & Acid Phase Digester	Expand RP-1 thickening building capacity and optimize acid phase digestion, addressing WAS from RP-4.	RP-1	Changing Conditions	\$ 25,000,000	\$ 35,000,000	\$ 55,000,000	\$ 45,000,000	\$ 13,000,000						\$ 173,000,000	\$ 240,000,000
EN24001	RP-1 Liquid Treatment Capacity Recovery	Evaluate and design upgrades to increase RP-1 liquid treatment capacity to 40 MGD.	RP-1	Changing Conditions					\$ 1,500,000	\$ 3,500,000	\$ 5,000,000	\$ 35,000,000	\$ 70,000,000	\$ 80,000,000	\$ 195,000,000	\$ 199,390,000
EN24002	RP-1 Solids Treatment Rehabilitation	Rehabilitate RP-1 digesters, piping, and utility water systems; replace pumps, valves, boilers; automate clarifiers and complete condition assessments.	RP-1	Aging Infrastructure	\$ 3,000,000	\$ 4,000,000	\$ 10,000,000	\$ 20,000,000	\$ 10,000,000	\$ 2,500,000					\$ 49,500,000	\$ 51,310,000
EN24022	IEUA SCADA Master Plan	Provide recurring Rockwell PlantPax updates, ensuring SCADA remains current and optimized for ongoing projects.	Agencywide	Aging Infrastructure						\$ 250,000	\$ 500,000				\$ 750,000	\$ 1,090,000
EN24027	Fall Protection and Prevention Solutions	Evaluate locations for CAL/OSHA-compliant fall protection systems, equipment, and restraint measures.	Agencywide	Changing Conditions	\$ 900,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000			\$ 7,900,000	\$ 9,600,000
EN24028	RP-1 Utility Water Piping Asset Management	Replace aged digester-area utility piping and install new potable water lines, isolation valves, and improved infrastructure at RP-1.	RP-1	Aging Infrastructure					\$ 500,000	\$ 1,500,000	\$ 1,000,000				\$ 3,000,000	\$ 3,020,000
EN24052	BonView Sewer Jacked Casing Union Pacific	Prepare a PDR to protect sewers under Union Pacific at BonView, identify necessary permits, design scope, and budget.	Regional Sewer System	Aging Infrastructure	\$ 15,000										\$ 15,000	\$ 1,330,000
EN25025	REEP Return to Service Capital	Purchase auxiliary components and SCADA upgrades to restart the REEP, enabling power production from digester gas.	RP-5	Aging Infrastructure	\$ 500,000	\$ 3,000,000	\$ 3,000,000	\$ 500,000							\$ 7,000,000	\$ 9,750,000
EN25064	Agency Wide Remote Vibration Project	Buy and install remote vibration sensors, instrumentation, and networking to enhance asset monitoring.	Agencywide	Aging Infrastructure	\$ 250,000	\$ 150,000									\$ 400,000	\$ 610,000
EN25067	Caltrans IEUA Collections Sewer I-10 Relocation	Conduct planning and capacity study, then relocate I-10 sewer for improved service-area flow and crew safety.	Regional Sewer System	Aging Infrastructure	\$ 300,000							\$ 500,000	\$ 1,000,000	\$ 400,000	\$ 2,200,000	\$ 2,200,000
EN25069	CCWRF Process Improvements Phase II	Install aeration basin moisture purge lines, update drop-legs and diffusers, replace pumps, contain chemicals, and paint piping at CCWRF.	CCWRF	Aging Infrastructure		\$ 550,000	\$ 1,425,000	\$ 4,000,000	\$ 4,500,000	\$ 2,000,000					\$ 12,475,000	\$ 12,640,000
EN25070	Compliance for Wastewater Facilities	Complete 60% design of full-scale AWWP using collaborative delivery, plus demonstration AWWP design and construction.	RP-4	Environmental Regulations	\$ 13,700,000	\$ 17,000,000	\$ 10,000,000								\$ 40,700,000	\$ 45,200,000
EN25071	San Bernardino Lift Station Containment	Develop containment solutions for potential large or small leaks at San Bernardino Lift Station, exploring nearby drainage options.	Regional Sewer System	Aging Infrastructure					\$ 500,000						\$ 500,000	\$ 590,000
EN25075	Regional Sewer System Critical Manhole Replacement	Replace around 180 critical manhole covers/frames, designing and constructing repairs for the collection system.	Regional Sewer System	Aging Infrastructure	\$ 1,630,000										\$ 1,630,000	\$ 1,630,000
EN26003	Regional System Siphon Barrel Gate Improvements	Plan, design, and build siphon barrel gate improvements with consultant support, reducing sewer system risks.	Regional Sewer System	Aging Infrastructure			\$ 325,000	\$ 650,000							\$ 975,000	\$ 980,000
EN26010	RP-4 Process Improvements Phase III	Integrate ammonia control valves, remove/replace MLR valves, fix biofilter lining, upgrade grit chamber, reconfigure pumps, and resize piping at RP-4.	RP-4	Aging Infrastructure								\$ 2,500,000	\$ 5,000,000	\$ 4,000,000	\$ 11,500,000	\$ 11,500,000
EN26012	RP-5 Emergency Overflow Pond Lining	Line RP-5 Emergency Overflow Pond with HDPE or concrete, adding underdrains or pumps to manage groundwater.	RP-5	Aging Infrastructure		\$ 500,000	\$ 1,000,000	\$ 2,500,000	\$ 1,000,000						\$ 5,000,000	\$ 5,000,000
EN26013	RP-5 Low Pressure DG holder	Construct a low-pressure digester gas holder at RP-5 per 2018 technical memo for enhanced gas management.	RP-5	Aging Infrastructure									\$ 500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000
EN26055	Regional Sewer System Manhole Upgrades FY 25/26	Address identified manhole upgrades, creating sub-projects for design and construction as needed.	Regional Sewer System	Aging Infrastructure	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,000,000	\$ 5,000,000
EN26058	RP-2 Maintenance Trailers and Showers Installation	Purchase portable office and shower trailers for 22 field staff at RP-2, providing adequate facilities, utilities, and storage.	RP-2	Changing Conditions	\$ 500,000	\$ 1,000,000									\$ 1,500,000	\$ 1,500,000
EN27006	Chino Interceptor Diversion Pipe Repair	Plan, design, and construct Chino Interceptor repairs through public bidding, lowering pipeline risk.	Regional Sewer System	Aging Infrastructure			\$ 500,000	\$ 2,100,000	\$ 500,000						\$ 3,100,000	\$ 3,100,000
EN28005	Cucamonga Interceptor Pipe Repair	Plan, design, and construct Cucamonga Interceptor repairs with consultant-led design and public works execution.	Regional Sewer System	Aging Infrastructure			\$ 400,000	\$ 750,000							\$ 1,150,000	\$ 1,150,000
EN28006	RP-2 Decommissioning	Decommission RP-2 by demolishing facilities to ten feet below grade, filling structures, obtaining permits, and restoring site per USACOE requirements.	RP-2	Changing Conditions		\$ 500,000	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 4,500,000	\$ 8,000,000	\$ 8,000,000			\$ 25,000,000	\$ 25,000,000
EN28007	Advanced Water Purification Facility	Build a 15 MGD AWWP at RP-4, using MF, RO, UV-AOP, booster pumps, chemical storage, and purified water stabilization.	RP-4	Environmental Regulations			\$ 12,000,000	\$ 20,000,000	\$ 63,000,000	\$ 65,000,000	\$ 63,000,000				\$ 223,000,000	\$ 223,000,000
EN28008	RP-5 O&M Building	Construct an O&M building at RP-5 with offices, shop area, showers, lockers, and parking for operational needs.	RP-5	Aging Infrastructure		\$ 500,000	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 15,000,000	\$ 20,000,000	\$ 9,500,000			\$ 50,000,000	\$ 50,000,000
EN28024	Etiwanda Interceptor Grade-Break Sewer Protection/Relocation	Draft pre-design for maintaining or relocating the Etiwanda Trunk Sewer, determining cost and permitting.	Regional Sewer System	Changing Conditions			\$ 200,000								\$ 200,000	\$ 200,000
EN28025	Preserve Lift Station Level Redundancy Improvements	Hardwire redundant level switches for Preserve Lift Station pumps, adding a bypass switch for high-rag scenarios.	Regional Sewer System	Changing Conditions			\$ 75,000	\$ 325,000							\$ 400,000	\$ 400,000
EN28026	Collection System Upgrades	Develop and build collection system repairs identified by Engineering.	Regional Sewer System	Aging Infrastructure		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 4,000,000	\$ 4,000,000
EN29009	RP-1 Operations and Maintenance Building Rehabilitation	Renovate RP-1 O&M building: update breakrooms, restrooms, conference areas, electrical systems, lighting, flooring, doors, and lab space.	RP-1	Aging Infrastructure				\$ 50,000	\$ 450,000	\$ 1,000,000	\$ 8,000,000	\$ 7,000,000			\$ 16,500,000	\$ 16,500,000
EN31001	Freeway Trunk Pipe Repair	Plan, design, and bid Freeway Trunk Pipe repairs, awarding to lowest responsible bidder for public works construction.	Regional Sewer System	Aging Infrastructure						\$ 500,000	\$ 1,000,000	\$ 3,000,000	\$ 6,000,000	\$ 2,500,000	\$ 13,000,000	\$ 13,000,000
EN31002	Riverside Drive Trunk Pipe Repair	Fix Riverside Drive trunk pipe issues, coordinating traffic, bypasses, and odor notifications, ensuring minimal community disruption.	Regional Sewer System	Aging Infrastructure			\$ 1,000,000	\$ 1,850,000	\$ 1,400,000						\$ 4,250,000	\$ 4,250,000
EN33001	CCWRF Paving Replacement	Assess and replace paving, concrete, and vaults at CCWRF while accommodating deliveries and emergencies.	CCWRF	Aging Infrastructure								\$ 100,000	\$ 600,000		\$ 700,000	\$ 700,000
EN33002	RP-4 Emergency Storage Lagoon Pump System Improvement	Add redundant pumps to RP-4 emergency lagoon system and optimize controls for increased flow capacity.	RP-4	Changing Conditions								\$ 200,000	\$ 300,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000
EN33003	RP-5 Vactor Dump Station Construction	Build a new septic dump station near RP-5 EOP with odor control per AQMD standards, guided by consultant design.	RP-5	Changing Conditions								\$ 500,000	\$ 1,500,000	\$ 3,000,000	\$ 5,000,000	\$ 5,000,000
EN34002	CCWRF Emergency Storage Basin Lining and Pump Station Improvement	Redesign CCWRF emergency storage basin pump station with two pumps, flow meter, SCADA control, and optional lining or landscaping.	CCWRF	Aging Infrastructure									\$ 250,000	\$ 750,000	\$ 1,000,000	\$ 1,000,000
PL17002	HQ Solar Photovoltaic Power Plants Phase II	Seek proposals for solar panel installations at HQ rooftop and parking areas, exploring design and mounting options.	HQ	Changing Conditions		\$ 300,000	\$ 1,100,000								\$ 1,400,000	\$ 1,400,000
PL19001	Purchase Existing Solar Installation	Evaluate purchasing existing solar panels at IEUA facilities to reduce long-term electricity costs.	Agencywide	Changing Conditions					\$ 3,500,000						\$ 3,500,000	\$ 7,500,000
Total					\$ 94,000,000	\$ 92,510,000	\$ 121,935,000	\$ 100,535,000	\$ 107,410,000	\$ 83,660,000	\$ 100,010,000	\$ 78,810,000	\$ 103,660,000	\$ 94,660,000	\$ 977,190,000	\$ 1,538,130,000

**INFORMATION  
ITEM**

**3B**

Date: April 24, 2025 and May 1, 2025

To: Regional Technical and Policy Committees

From: Inland Empire Utilities Agency

Subject: Review of Proposed Biennial Budget for Fiscal Years 2025/26 and 2026/27 for Regional Wastewater Programs

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## **RECOMMENDATION**

This is an information item for the Regional Technical and Policy Committees to review the proposed Biennial Budget for Fiscal Years 2025/26 and 2026/27 for the Regional Wastewater Programs.

## **BACKGROUND**

### **Fiscal Years (FYs) 2025/26 and 2026/27 Proposed Biennial Budget**

The proposed Biennial Budget for the Regional Wastewater programs and the Ten-Year Capital Improvement Plan (TYCIP) align with the Agency's long-term planning documents and the Agency's adopted Strategic Plan. The Regional Wastewater program proposed rates are based on the preliminary budget and the rate study prepared by Black and Veatch. The proposed rates were presented to the Board of Directors March 5, 2025, a rate workshop with the customer agencies on March 12, 2025, and Regional Policy and Technical committees in March and April 2025.

Staff is proposing the implementation of two-year rates for the Regional Wastewater Program. This approach will provide sufficient time for the completion of the California Association of Sanitation Agencies (CASA) flow and load study, to update the assumptions that define an Equivalent Dwelling Unit (EDU). The CASA study findings will directly impact both the monthly EDU rates and wastewater connection fees. Additionally, the two-year rates will allow for a thorough evaluation of construction costs and supply chain impacts, and uncertainties related to environmental regulations and federal funding which have a direct impact on the TYCIP. The next comprehensive cost of service study for the Regional Wastewater programs will set rates and fees effective FY 2027/28 and subsequent years.

The proposed EDU connection fee will remain unchanged for FYs 2025/26 and 2026/27. The monthly EDU rate reflects an increase of nine percent for each of the fiscal years. These rate adjustments are necessary to support the rising costs of operations, refurbishment of critical assets and infrastructure, and enhancements in cyber security related to the Regional Wastewater Capital and Regional Wastewater Operations & Maintenance funds. Table 1 below summarizes the proposed rates and their effective dates.

**Table 1: Proposed Regional Wastewater EDU Volumetric and EDU Connection Fee Rates**

Program	Rate Description	FY 2024/25 Current	FY 2025/26 Proposed	FY 2026/27 Proposed
Effective Date		07/01/2024	07/01/2025	07/01/2026
Regional Wastewater Capital	Wastewater Connection Fee	\$8,620	\$8,620	\$8,620
Regional Wastewater Operations & Maintenance	Monthly EDU	\$24.79	\$27.02	\$29.45

**FY 2025/26 and 2026/27 Key Budget Assumptions****Property Tax Re-Allocation**

The current property tax allocation was approved by the Board of Directors in 2021. This allocation between programs was designed with the primary objective of expanding and maintaining Agency facilities and infrastructure. A fixed percentage was allocated to the Regional Wastewater Capital Improvement (Wastewater Capital), Regional Wastewater Operations & Maintenance (Wastewater Operations), Recycled Water, Administrative Services, and Water Resources funds, as detailed in Table 2.

As summarized in Table 2, The 65% allocation for Wastewater Capital will remain unchanged, with fixed annual amounts designated for the other funds. For FY 2025/26, proposed adjustments include a property tax shift, which reduces the allocation from the Water Resources fund from 3.5% to 1.5%, while increasing the allocation to the Recycled Water program from 4% to 6%. This adjustment is intended to help keep rates low for the Recycled Water program. Any amounts received in excess of the fixed allocations will be directed to the Recycled Water fund to support project and debt service costs associated with the replacement and expansion of regional recycled water facilities.

**Table 2: Property Tax Allocation by Fund (\$ Millions)**

Fund	Purpose	Current Allocation	FY 2024/25 Projection	Proposed Re-Allocation	FY 2025/26 Proposed	FY 2026/27 Proposed
Regional Wastewater Capital Improvement	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional wastewater facilities	65.00%	\$53.3	65.00%	\$60.1	\$62.2
Regional Wastewater Operations & Maintenance	Supports capital replacements and rehabilitation cost and any operation costs not fully recovered by rates	23.00%	\$20.6	23.00%	\$21.3	\$22.0

<b>Administrative Services</b>	Supports agency-wide costs not allocated to other Agency funds	4.50%	\$4.0	4.50%	\$4.1	\$4.3
<b>Recycled Water</b>	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional recycled water facilities	4.00%	\$3.6	6.00%	\$5.5	\$5.7
<b>Water Resources</b>	Supports regional water supply strategies	3.50%	\$3.1	1.50%	\$1.4	\$1.4
<b>Total</b>		<b>100%</b>	<b>\$84.6</b>	<b>100%</b>	<b>\$92.4</b>	<b>\$95.6</b>

### Agency Workforce

The Agency has developed a long-term staffing plan to ensure it maintains the appropriate staffing levels needed to achieve the Agency objectives, serve the region, and optimize organizational development and effectiveness.

The Agency-wide staffing plan proposes 375 positions (373 authorized full-time and two limited term employees) for FY 2025/26 and 387 positions (386 full time and one limited term employee) for FY 2026/27. The proposed increase in staffing levels is crucial for the Agency's continued success and ability to meet the growing demands of our operations. This increase will allow for the recruitment of positions essential in advancing Agency initiatives such as wastewater treatment and supply, planning and project management, cyber security and safety, and workforce development. The plan aligns with the Agency's strategic goals, ensuring effective resource management and delivering high-quality services to the expanding region.

### Regional Wastewater Program

In accordance with the Regional Sewage Service Ordinance No. 114 and the Regional Sewage Service Contract, the Regional Wastewater Program consists of two funds; the Regional Wastewater Capital Improvement (Wastewater Capital) fund and the Regional Wastewater Operations and Maintenance (Wastewater Operations) fund, components of each fund are shown below in Table 3.

**Table 3: Regional Wastewater Program Components**

Description	Wastewater Capital	Wastewater Operations
The Agency's regional wastewater system purpose	Acquisitions, construction, improvement, and expansion.	Collection, treatment, and disposal of domestic sewage treatment, capital replacement and rehabilitation costs, and organics management.
Primary Revenues & Other Funding Sources	New EDU* connection fees, property taxes, debt proceeds, and grant receipts.	Monthly EDU* sewer rate, property taxes, debt proceeds, and contract reimbursements.

Primary Expenses and Other Uses of Funds	Capital project costs, debt service, and program support.	O&M costs include employment, chemicals, utilities, materials & supplies, and Replacement & Rehabilitation project costs.
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\*EDU = Equivalent dwelling unit is the estimated discharge from a single-family residence.

### Regional Wastewater Capital Improvement Fund (Wastewater Capital Fund)

Total revenues and other funding sources in the Wastewater Capital fund are projected to be \$364.2 million for FY 2025/26 and \$137.2 million for FY 2026/27. For FY 2025/26, debt proceeds include \$17.0 million of State Revolving Fund (SRF) loan proceeds and \$249.9 million in Water Infrastructure Finance and Innovation Act (WIFIA) loan proceeds. This amount includes \$196.4 million draw from WIFIA to refund the 2020B Revenue Notes. An additional, \$53.5 million in WIFIA proceeds will be used to support the construction of the RP-1 Solids Thickening Building & Acid Phase Digester, RP-5 Expansion, and Carbon Canyon Water Recycling Facility Improvements. WIFIA proceeds for FY 2026/27 are \$35.0 million. Table 4 summarizes the major funding sources for the Regional Wastewater Capital Improvement Fund.

New equivalent dwelling unit (EDU) connections are projected to be 3,200 for FY 2025/26 and 3,100 for FY 2026/27. These projections are lower than the sewage customer agencies forecast of 9,046 and 8,349 units for FY 2025/26 and FY 2026/27, respectively. While the Agency applies to sewage customer agencies growth forecasts to plan for future expansion of its facilities, a lower growth forecast is applied to revenue forecasts. This conservative approach ensures facilities are ready to meet the increased service demands from future growth and provides flexibility in financing options. Revenues from wastewater connection fees are estimated at \$27.6 million in FY 2025/26, and \$26.7 million in FY 2026/27. Projected connections and rates are shown in Appendix Table A2.

Property tax receipts allocated to the Wastewater Capital fund help to support annual debt service costs and capital project expenditures. Property tax revenue projections for the biennial budget years assume an annual increase of 3.0 percent each fiscal year based on prior year actual receipts. Revenues are estimated at \$60.1 million in FY 2025/26, and \$62.1 million in FY 2026/27.

**Table 4: Wastewater Capital Fund Major Funding Sources**

Major Funding Sources (\$Millions)	FY 2025/26 Proposed	FY 2026/27 Proposed	Key Assumptions
Wastewater Connection Fees	\$27.6	\$26.7	No change to the EDU connection fee of \$8,620 for FYs 2025/26 and 2026/27. Projected new EDU connections are 3,200 and 3,100, respectively.
Property Tax	60.1	62.1	No change to the 65% annual allocation of total property taxes to the Wastewater Capital fund for both fiscal years.
Debt and Grant Proceeds	267.0	35.0	SRF and WIFIA loan proceeds for the RP-1 Solids Thickening Building, RP-5 Expansion, and various other projects.



Major Funding Sources (\$Millions)	FY 2025/26 Proposed	FY 2026/27 Proposed	Key Assumptions
Inter-Fund Transfers and Other	9.5	13.4	Interfund loan repayment from the Recharge Water fund, inter-fund transfers from the Wastewater Operations & Maintenance fund for its share of the RP-5 Expansion, RP-1 Solids Treatment Rehabilitation, and the CCWRF* Asset Management Improvement projects, and interest revenues.
<b>Total</b>	<b>\$364.2</b>	<b>\$137.2</b>	

\*CCWRF- Carbon Canyon Water Recycling Facility

Total expenses and other uses of funds are \$331.3 and \$139.9 for FY 2025/26 and FY 2026/27, respectively. Capital projects in the Ten-Year Capital Improvement Plan represent approximately 70 percent of the proposed budget for each fiscal year (the \$196.4 of 2020B Revenue Note debt service in FY 2025/26 is excluded from the total for this calculation), with \$94.0 million in capital project costs budgeted in FY 2025/26 and \$92.5 million in FY 2026/27. Table 5 summarizes the major uses of funds for both fiscal years.

**Table 5: Wastewater Capital Fund Major Expenses and Other Uses of Funds**

Major Uses of Funds (\$Millions)	FY 2025/26 Proposed	FY 2026/27 Proposed	Key Assumptions
Program Support	\$11.0	\$12.0	Includes employment, professional services, and operating fees in support of CIP.
Capital Improvement Plan (CIP)	94.0	92.5	Major capital projects as summarized in Table 6.
Debt Service	207.2	17.2	Includes principal and interest for the 2017A, and 2020A bonds, 2020B Revenue Notes and various SRF loans.
Investment in IERCA	1.1	0.3	Includes the Agency's share of capital investment in the Inland Empire Regional Composting Authority (IERCA).
Other	18.0	17.9	Inter-fund transfers for capital and debt service support to other funds.
<b>Total</b>	<b>\$331.3</b>	<b>\$139.9</b>	

Table 6 includes major projects for FY 2025/26 and 2026/27 as well as future years per the Agency's Ten-Year Capital Improvement Plan.



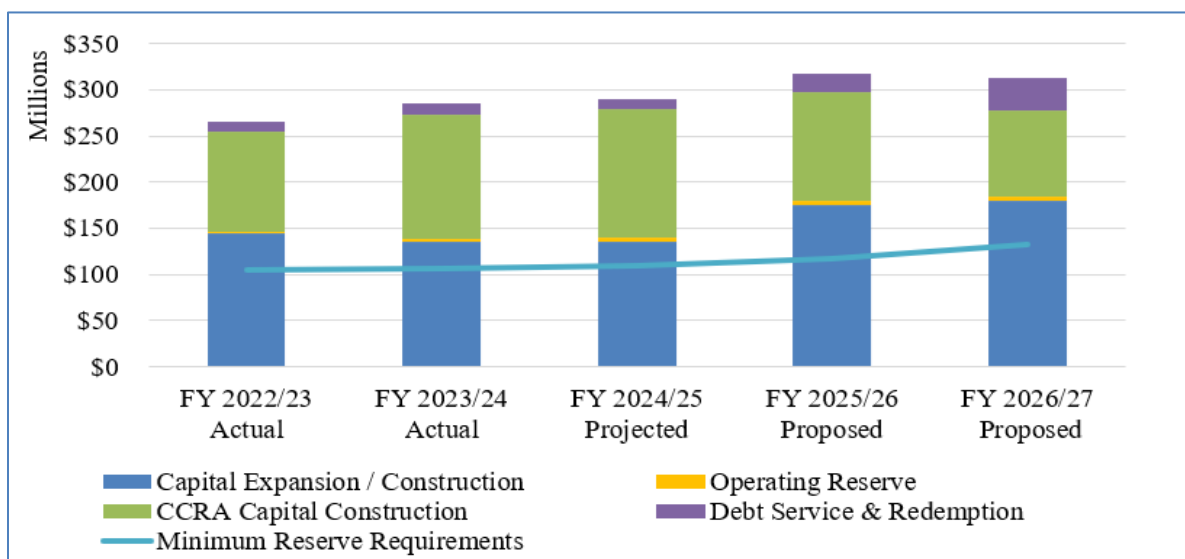
**Table 6: Wastewater Capital Fund Major Capital Projects**

Major Projects (\$Millions)	FY 2025/26 Proposed	FY 2026/27 Proposed	FY 2027/28 to FY 2034/35	TYCIP Total
RP-1 Solids Thickening Building & Acid Phase Digester	\$25.0	\$35.0	\$113.0	\$173.0
RP-5 Expansion Construction	22.5	13.0	13.0	48.5
Asset Management Improvements	6.0	2.9	0.0	8.9
RP-1 Solids & Liquid Treatment Expansion	3.0	4.0	237.5	244.5
*CCWRF Asset Management Improvements	0.0	0.6	11.9	12.5
All Other Capital Projects	37.5	37.0	415.3	489.8
<b>Total Capital Projects</b>	<b>\$94.0</b>	<b>\$92.5</b>	<b>\$790.7</b>	<b>\$977.2</b>

\*CCWRF- Carbon Canyon Water Recycling Facility

### ***Wastewater Capital Fund Balance***

The Wastewater Capital Fund ending fund balance for FY 2025/26 is estimated at \$330.6 million, and \$328.0 million for FY 2026/27 as shown in Figure 1. The estimated increase for FY 2025/26 is due to anticipated debt proceeds to support the construction of the RP-5 Expansion and the RP-1 Solids Thickening Building & Acid Phase Digester projects. The estimated decrease in FY 2026/27 can be attributed to increased debt service as payments for the first of two WIFIA loans begin.

**Figure 1: Wastewater Capital Fund Reserve by Type**

## Regional Wastewater Operations & Maintenance Fund (Wastewater Operations)

Total revenues and other funding sources in the Wastewater Operations & Maintenance fund are estimated to be \$131.2 million and \$229.5 million for FYs 2025/26 and 2026/27, respectively. FY 2026/27 includes \$89.2 million of anticipated debt proceeds. The proposed new debt will fund major capital projects such as the RP-1 Primary Clarifier Rehabilitation, RP-1 Headworks Influent Channel Rehabilitation, and the RSS Collection System Pipe Rehabilitation projects.

There is no change to the property tax allocation of 23 percent in the biennial budget period. Property tax receipts will support replacement and rehabilitation projects not covered by current rates. Due to inflationary cost increases, primarily for utilities and chemicals, a rate increase of nine percent is necessary for FY 2025/26 and FY 2026/27. The proposed monthly sewer rates are shown in Appendix Table A3. Table 7 summarizes the Wastewater Operations & Maintenance fund proposed major revenues and other funding sources.

**Table 7: Wastewater Operations Fund Major Revenues and Other Funding Sources**

Major Funding Sources (\$Millions)	FY 2025/26 Proposed	FY 2026/27 Proposed	Key Assumptions
Monthly EDU	\$98.1	\$107.4	Based on proposed EDU rate of \$27.02 in FY 2025/26 and \$29.45 in FY 2026/27.
Property Tax	21.3	22.0	Annual allocation of property taxes of 23% of total property tax receipts for both fiscal years.
Debt Proceeds	0.0	89.2	Debt proceeds for the RP-1 Primary Clarifier Rehabilitation, RP-4 Process Improvements Phase II, SCADA Enterprise System, and various other projects.
Cost Reimbursement from IERCA*	5.0	5.3	Reimbursement of IERCA* labor costs.
Other	6.8	5.6	Includes interfund transfers from wastewater connection fees to support capital projects; interest revenue, contract cost reimbursement, and lease revenue.
<b>Total</b>	<b>\$131.2</b>	<b>\$229.5</b>	

*\*Inland Empire Regional Composting Authority*

Total expenses and other uses of funds are \$140.5 million in FY 2025/26 and \$163.7 million in FY 2026/27. Major expenses in the Wastewater Operations fund include operating and maintenance (O&M) expenses, capital Replacement & Rehabilitation (R&R) project costs, organic management activities, and debt service costs.

O&M expenses include employment costs based on the proposed staffing plan, inflation-driven increases for chemicals, and anticipated increases in electricity costs due to the new membrane bioreactor process at Regional Plant 5. Table 8 displays the proposed expenses and uses of funds for FYs 2025/26 and 2026/27.

**Table 8: Wastewater Operations Fund Major Expenses & Other Uses of Funds**

Major Uses of Funds (\$Millions)	FY 2025/26 Proposed	FY 2026/27 Proposed	Key Assumptions
Operations & Maintenance (O&M)	\$102.2	\$111.9	Includes employment, chemicals, utilities, professional fees and contract labor costs, and other O&M costs.
O&M project costs	6.7	5.7	Includes repairs to treatment facilities and collection systems.
Capital Replacement & Rehabilitation (R&R) project costs	27.7	34.4	Major capital projects are summarized in Table 9.
Debt Service	1.4	1.4	Includes principal and interest expense for the 2017A bonds and water quality laboratory SRF loan.
Other	2.5	10.3	Inter-fund transfers for capital and debt service support to the Administrative Services, Regional Wastewater Capital, and Recycled Water funds.
<b>Total</b>	<b>\$140.5</b>	<b>\$163.7</b>	

A total of \$27.7 million in capital project costs is budgeted for FY 2025/26 and \$34.4 million is projected for FY 2026/27. Major capital projects are listed below in Table 9.

**Table 9: Wastewater Operations Fund Major Capital Projects**

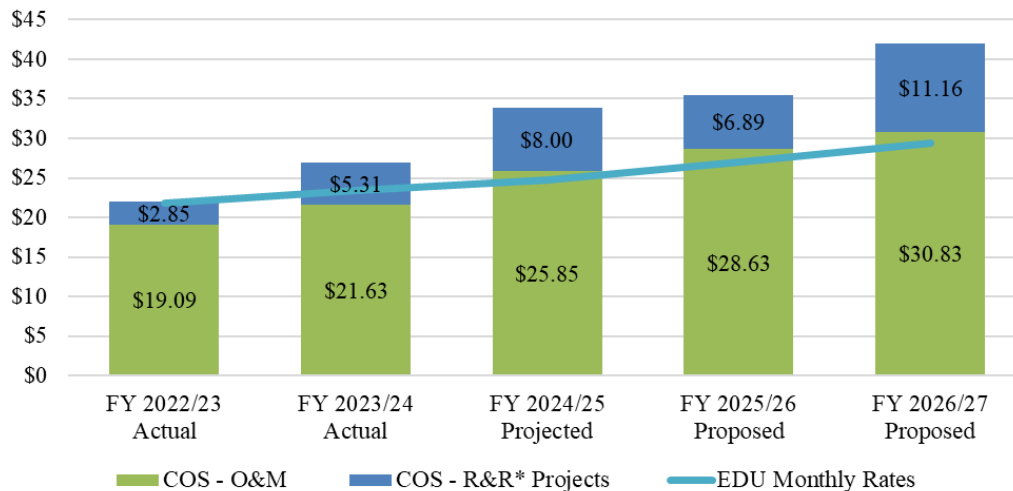
Major Projects (\$Millions)	FY 2025/26 Proposed	FY 2026/27 Proposed	FY 2027/28 to FY 2034/35	TYCIP Total
RP-4 Process Improvements Phase II	\$3.0	\$5.0	\$6.0	\$14.0
RP-1 Primary Clarifier #1-10 Rehabilitation	2.0	3.0	9.8	14.8
RP-1 Intermediate Pump Station Electrical Improvements	2.0	5.0	2.8	9.8
RP-1 Secondary System Rehabilitations	1.0	3.0	7.0	11.0
Agency Wide Major Facilities Repair/Rehabilitation	1.0	1.0	8.0	10.0
All Other Capital Projects	18.7	17.4	69.3	105.4
<b>Total</b>	<b>\$27.7</b>	<b>\$34.4</b>	<b>\$102.9</b>	<b>\$165.0</b>

### Cost of Service

A key objective of the IEUA Board of Directors is to establish rates that fully recover the cost of providing service. Pursuant to the Regional Sewage Service Contract and Ordinance 114, the monthly EDU rate is to support O&M costs, repair and replacement of assets, and fund reserves.

Figure 2 shows the cost of service for the Wastewater Operations fund. Cost-of-service components include operations & maintenance, replacement and rehabilitation (R&R) projects, and debt service expenses. Any cost of service not covered by the monthly EDU rate will be supported by property taxes and the utilization of reserves.

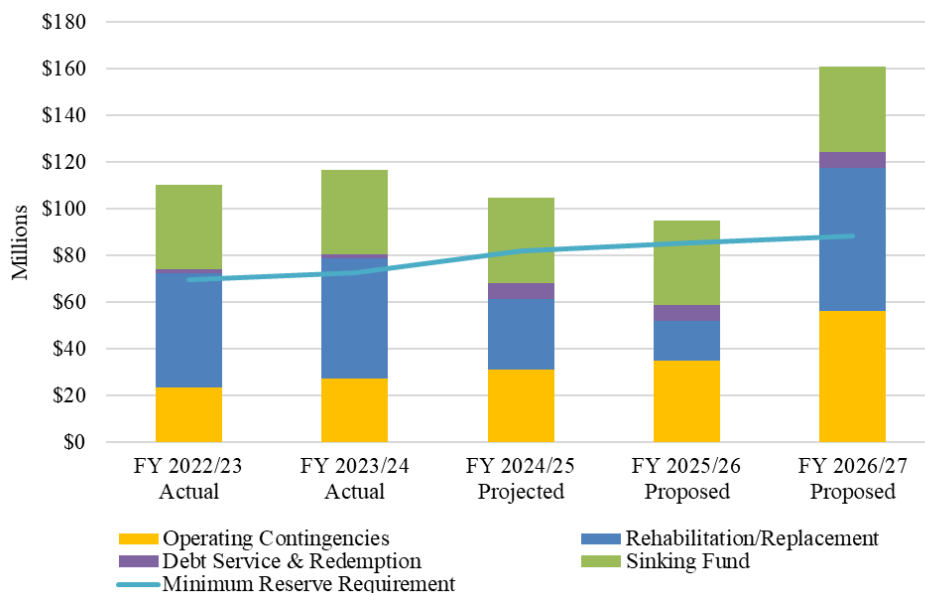
**Figure 2: Monthly EDU Sewage Cost of Service**



### Wastewater Operations Fund Balance

The projected ending balance for the Wastewater Operations fund is estimated to be \$95.0 million for FY 2025/26 and \$160.7 million for FY 2026/27. The significant increase in fund balance for FY 2026/27 is primarily attributed to the proposed new debt issuance for major capital projects. Figure 3 illustrates the trend in reserves for the Wastewater Operations Fund.

**Figure 3: Wastewater Operations Fund Reserves by Type**



## **Conclusion**

The proposed biennial budget for FY 2025/26 and FY 2026/27 Regional Wastewater program is in alignment with IEUA's Strategic Plan, which prioritizes Fiscal Responsibility, Water Supply Reliability, Public and Environmental Health, and a commitment to fostering a Culture of Excellence. The biennial budget for the Regional Wastewater programs has been developed to reflect the Agency's strategic goals, focusing on the prudent management of financial resources and ensuring the reliability and sustainability of water and wastewater services. This budget also addresses inflation-driven increases in operating expenses, particularly for utilities and chemicals, while supporting regional growth, asset management, and regulatory compliance.

Throughout the biennial budget period, the Agency will continue to work towards the completion of the RP-5 Expansion and other major projects. The proposed budget also focuses on strengthening human capital to support the achievement of the Agency's strategic goals and enhance organizational effectiveness. By achieving these objectives, the Agency will maintain its commitment to delivering essential high-quality services in a cost-effective manner, support the region's economic development, and preserve its fiscal health. Additionally, the Agency will focus on financing the Ten-Year Capital Improvement Plan through low-interest debt while actively pursuing grant opportunities.

## **Additional Background Information**

Appendix A – Sources and Uses of Funds: Regional Wastewater Capital, and Regional Wastewater O&M funds

Appendix Table A1 – Key assumptions for FYs 2025/26 and 2026/27 budget

Appendix Table A2 – Wastewater connection fees

Appendix Table A3 – EDU monthly rates

Appendix Table A4 – Inter-fund loan repayment schedule

## Appendix A

**INLAND EMPIRE UTILITIES AGENCY  
FISCAL YEAR 2025/26 & 2026/27 BIENNIAL BUDGET  
REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
<b>REVENUES</b>								
Interest Revenue	\$3,041	\$5,650	\$3,509	\$3,500	\$4,000	\$5,000	\$6,000	\$5,000
<b>TOTAL REVENUES</b>	<b>\$3,041</b>	<b>\$5,650</b>	<b>\$3,509</b>	<b>\$3,500</b>	<b>\$4,000</b>	<b>\$5,000</b>	<b>\$6,000</b>	<b>\$5,000</b>
<b>OTHER FINANCING SOURCES</b>								
Property Tax - Debt and Capital	\$51,587	\$55,648	\$53,348	\$60,089	\$62,143	\$63,647	\$65,190	\$66,216
Regional System Connection Fees	26,544	27,963	33,032	27,584	26,722	26,636	26,520	25,432
Debt Proceeds	-	11,809	10,951	249,952	35,000	195,724	-	-
State Loans	55,742	12,085	5,091	17,029	-	-	-	-
Grants	-	49	-	-	-	5,400	-	-
Capital Contract Reimbursement	57	-	-	-	-	-	-	-
Other Revenues	78	70	12	1	1	1	1	1
Inter Fund Loan	-	8,000	10,500	5,105	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$134,008</b>	<b>\$115,623</b>	<b>\$112,933</b>	<b>\$359,759</b>	<b>\$123,866</b>	<b>\$291,408</b>	<b>\$91,711</b>	<b>\$91,649</b>
<b>EXPENSES</b>								
Employment Expenses	\$3,714	\$4,260	\$5,179	\$6,084	\$6,676	\$7,117	\$7,387	\$7,749
Contract Work/Special Projects	188	274	916	900	900	900	800	900
Operating Fees	283	274	278	282	291	299	308	317
Professional Fees and Services	661	841	510	643	727	660	701	746
Office and Administrative expenses	-	1	-	-	-	-	-	-
Other Expenses	1,361	1,922	2,661	3,114	3,424	3,777	4,022	4,296
<b>TOTAL EXPENSES</b>	<b>\$6,208</b>	<b>\$7,573</b>	<b>\$9,545</b>	<b>\$11,024</b>	<b>\$12,017</b>	<b>\$12,753</b>	<b>\$13,218</b>	<b>\$14,009</b>
<b>CAPITAL PROGRAM</b>								
Work In Progress	\$107,171	\$79,087	\$69,473	\$94,000	\$92,510	\$121,935	\$100,535	\$107,410
IERCA investment	800	750	1,463	1,125	250	250	250	250
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$107,971</b>	<b>\$79,837</b>	<b>\$70,936</b>	<b>\$95,125</b>	<b>\$92,760</b>	<b>\$122,185</b>	<b>\$100,785</b>	<b>\$107,660</b>
<b>DEBT SERVICE</b>								
Financial Expenses	\$6	\$5	\$13	\$9	\$8	\$5	\$6	\$6
Interest	3,014	1,942	2,789	5,438	7,235	16,275	15,813	15,404
Principal	4,672	4,988	5,150	201,757	9,924	15,609	15,759	15,945
Short Term Inter-Fund Loan	10,105	-	-	-	-	-	-	-
<b>TOTAL DEBT SERVICE</b>	<b>\$17,797</b>	<b>\$6,935</b>	<b>\$7,951</b>	<b>\$207,204</b>	<b>\$17,167</b>	<b>\$31,889</b>	<b>\$31,579</b>	<b>\$31,355</b>
<b>TRANSFERS IN (OUT)</b>								
Capital Contribution	\$990	(\$143)	(\$7,811)	(\$5,767)	\$120	\$5,240	\$3,651	(\$543)
Debt Service	(3,211)	(3,295)	(3,250)	(3,266)	(2,639)	(944)	(966)	(964)
Capital - Connection Fees Allocation	(2,406)	(3,490)	(3,863)	(8,004)	(6,029)	(3,297)	(4,415)	(4,558)
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$4,627)</b>	<b>(\$6,929)</b>	<b>(\$14,924)</b>	<b>(\$17,037)</b>	<b>(\$8,547)</b>	<b>\$1,000</b>	<b>(\$1,730)</b>	<b>(\$6,065)</b>
<b>FUND BALANCE</b>								
Net Increase (Decrease)	\$447	\$19,999	\$13,085	\$32,870	(\$2,625)	\$130,581	(\$49,601)	(\$62,440)
Beginning Fund Balance July 01	264,255	264,701	284,701	297,786	330,656	328,030	458,611	409,010
<b>ENDING FUND BALANCE AT JUNE 30*</b>	<b>\$264,701</b>	<b>\$284,701</b>	<b>\$297,786</b>	<b>\$330,656</b>	<b>\$328,030</b>	<b>\$458,611</b>	<b>\$409,010</b>	<b>\$346,570</b>
<b>RESERVE BALANCE SUMMARY</b>								
Operating Contingency	\$2,069	\$2,524	\$3,182	\$3,675	\$4,006	\$4,251	\$4,406	\$4,670
Capital Construction	144,631	135,286	143,852	188,978	195,156	349,167	\$323,092	\$257,588
CCRA Capital Construction	107,714	135,677	139,985	117,569	94,290	70,926	47,446	42,878
Debt Service & Redemption	10,287	11,214	10,767	20,434	34,578	34,267	34,066	41,434
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$264,701</b>	<b>\$284,701</b>	<b>\$297,786</b>	<b>\$330,656</b>	<b>\$328,030</b>	<b>\$458,611</b>	<b>\$409,010</b>	<b>\$346,570</b>

\*Numbers may not tie due to rounding

**INLAND EMPIRE UTILITIES AGENCY**  
**FISCAL YEAR 2025/26 & 2026/27 BIENNIAL BUDGET**  
**REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)**

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	ACTUAL	ACTUAL	PROJECTED ACTUAL	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
<b>REVENUES</b>								
User Charges	\$78,855	\$83,769	\$89,452	\$98,081	\$107,394	\$111,140	\$115,031	\$119,068
Cost Reimbursement JPA	3,827	4,415	4,875	5,057	5,282	5,440	5,548	6,006
Contract Cost Reimbursement	21	151	45	5	5	5	5	5
Interest Revenue	2,214	4,317	1,750	2,200	2,400	2,900	1,900	1,750
<b>TOTAL REVENUES</b>	<b>\$84,918</b>	<b>\$92,651</b>	<b>\$96,122</b>	<b>\$105,343</b>	<b>\$115,081</b>	<b>\$119,484</b>	<b>\$122,484</b>	<b>\$126,829</b>
<b>OTHER FINANCING SOURCES</b>								
Property Tax Revenues - Debt/Capital/Reserves	\$18,188	\$19,622	\$20,560	\$21,262	\$21,989	\$22,521	\$23,067	\$23,430
Debt Proceeds	-	-	-	-	89,250	-	-	-
Other Revenues	223	122	98	80	80	80	80	80
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$18,411</b>	<b>\$19,744</b>	<b>\$20,658</b>	<b>\$21,342</b>	<b>\$111,319</b>	<b>\$22,601</b>	<b>\$23,147</b>	<b>\$23,510</b>
<b>EXPENSES</b>								
Employment Expenses	\$36,373	\$40,539	\$46,055	\$50,772	\$55,791	\$59,480	\$61,678	\$64,999
Contract Work/Special Projects	3,956	5,393	7,467	6,655	5,643	4,742	4,744	4,346
Utilities	8,079	9,560	9,783	12,357	14,394	15,495	15,960	16,439
Operating Fees	2,332	2,226	2,633	3,238	3,400	3,516	3,700	3,768
Chemicals	8,757	10,678	11,764	13,995	14,877	15,323	15,783	16,256
Professional Fees and Services	3,446	3,640	4,099	4,503	4,624	4,820	5,050	5,417
Office and Administrative expenses	23	7	13	-	-	-	-	-
Biosolids Recycling	4,575	5,263	5,646	6,035	6,539	6,741	6,949	7,164
Materials & Supplies	2,402	3,083	2,676	2,972	3,098	3,223	3,354	3,492
Other Expenses	3,815	5,272	7,309	8,385	9,216	10,163	10,823	11,559
<b>TOTAL EXPENSES</b>	<b>\$73,759</b>	<b>\$85,660</b>	<b>\$97,445</b>	<b>\$108,912</b>	<b>\$117,583</b>	<b>\$123,503</b>	<b>\$128,041</b>	<b>\$133,440</b>
<b>CAPITAL PROGRAM</b>								
Capital Construction & Expansion (WIP)	\$8,169	\$20,081	\$29,000	\$27,650	\$34,350	\$33,600	\$23,800	\$12,600
<b>TOTAL CAPITAL PROGRAM</b>	<b>\$8,169</b>	<b>\$20,081</b>	<b>\$29,000</b>	<b>\$27,650</b>	<b>\$34,350</b>	<b>\$33,600</b>	<b>\$23,800</b>	<b>\$12,600</b>
<b>DEBT SERVICE</b>								
Financial Expenses	-	-	-	\$1	\$1	\$1	\$1	\$1
Interest	563	563	548	517	490	4,480	4,390	4,296
Principal	849	849	874	900	927	2,331	2,424	2,518
<b>TOTAL DEBT SERVICE</b>	<b>\$1,412</b>	<b>\$1,411</b>	<b>\$1,421</b>	<b>\$1,417</b>	<b>\$1,417</b>	<b>\$6,812</b>	<b>\$6,815</b>	<b>\$6,815</b>
<b>TRANSFERS IN (OUT)</b>								
Capital Contribution	(\$3,030)	(\$1,036)	(\$1,753)	(\$939)	(\$8,732)	(\$9,917)	(\$7,800)	(\$4,095)
Debt Service	114	114	114	114	(514)	(1,630)	(1,630)	(1,630)
Operation support	(197)	(169)	(1,946)	(1,404)	(827)	(309)	(280)	(263)
Capital - Connection Fees Allocation	1,088	2,300	2,432	4,217	2,874	1,387	2,529	2,906
<b>TOTAL INTERFUND TRANSFERS IN (OUT)</b>	<b>(\$2,024)</b>	<b>\$1,209</b>	<b>(\$1,153)</b>	<b>\$1,989</b>	<b>(\$7,199)</b>	<b>(\$10,469)</b>	<b>(\$7,181)</b>	<b>(\$3,082)</b>
<b>FUND BALANCE</b>								
Net Increase (Decrease)	\$17,964	\$6,451	(\$12,240)	(\$9,305)	\$65,851	(\$32,299)	(\$20,207)	(\$5,598)
Beginning Fund Balance July 01	92,273	110,237	116,688	104,448	95,143	160,994	128,695	108,488
<b>ENDING FUND BALANCE AT JUNE 30</b>	<b>\$110,237</b>	<b>\$116,688</b>	<b>\$104,448</b>	<b>\$95,143</b>	<b>\$160,994</b>	<b>\$128,695</b>	<b>\$108,488</b>	<b>\$102,890</b>
<b>RESERVE BALANCE SUMMARY</b>								
Operating Contingencies	\$23,311	\$27,082	\$30,857	\$34,618	\$56,150	\$39,355	\$40,831	\$42,478
Rehabilitation/Replacement	49,099	51,775	30,364	17,295	61,611	46,111	24,425	17,182
Debt Service	1,412	1,417	6,812	6,815	6,817	6,815	6,817	6,815
Sinking Fund	36,415	36,415	36,415	36,415	36,415	36,415	36,415	36,415
<b>ENDING BALANCE AT JUNE 30</b>	<b>\$110,237</b>	<b>\$116,688</b>	<b>\$104,448</b>	<b>\$95,143</b>	<b>\$160,994</b>	<b>\$128,695</b>	<b>\$108,488</b>	<b>\$102,890</b>

\* Numbers may not tie due to rounding

**Appendix Table A1: Key Assumptions for FYs 2025/26 and 2026/27 Budget**

Revenues and Other Funding Sources	Expenses and Other Uses of Funds
Propose a 9% increase in EDU monthly rate in FY 2025/26 and FY 2026/27, applied over 3.6 million annual EDU at 0.50% annual growth.	Supports Replacement and Rehabilitation projects costs, operating costs, and debt service.
No change to the Wastewater Connections fee rate of \$8,620 in FY 2025/26 and FY 2026/27. Revenues based on 3,200 and 3,100 new EDU connections, respectively.	Supports construction of new capital projects and debt service costs.
Capital Improvement Plan (CIP) is partially dependent upon Federal Loans, low interest State Revolving Fund Loans and proposed new debt.	Debt, loan, and grants to support major construction projects such as the construction of RP-1 Thickening and completion of RP-5 Expansion projects.
3% average growth in property tax receipts for FY 2025/26 and 2026/27.  Maintaining allocation among funds for: Regional Wastewater Capital 65%, Regional Wastewater O&M 23%, Administrative Services Fund 4.5%.  A proposed change in allocation to: Recycled Water Fund from 4% to 6% Water Resources Fund from 3.5% to 1.5%.	Proposed staffing allows for the recruitment of critical positions to support wastewater treatment facility expansion, operational efficiency, long term planning and project management efforts, cyber security, emergency preparedness and safety, and workforce development aimed at maintaining sustainable and reliable services to our communities.
Capital Improvement Plan (CIP) is partially dependent upon Federal Loans, low interest State Revolving Fund Loans and proposed new debt.	Debt, loan, and grants to support major construction projects such as the construction of RP-1 Thickening Building and Acid Phase Digester and completion of RP-5 Expansion projects.

**Appendix Table A2: Wastewater Connection Fees**

Rate Description	FY 2024/25 Adopted	FY 2025/26 Proposed	FY 2026/27 Proposed	FY 2027/28 Projected	FY 2028/29 Projected
Projected New Connections	3,400	3,200	3,100	3,000	2,900
Wastewater Connection Fee	\$8,620	\$8,620	\$8,620	\$8,879	\$9,145
Rate change	6%	0%	0%	To be updated based on rate study results	
Effective Date	7/01/24	7/01/25	7/01/26		


**Appendix Table A3: Monthly EDU Sewage Rates**

	FY 2024/25 Adopted	FY 2025/26 Proposed	FY 2026/27 Proposed	FY 2027/28 Projected	FY 2028/29 Projected
EDU Monthly Rate	\$24.79	\$27.02	\$29.45	\$30.33	\$31.24
Rate Change	6%	9%	9%	To be updated based on rate study results	
Effective Date	7/01/24	7/01/25	7/01/26		



Appendix Table A4: Inter-Fund Loan Repayment Schedule

Inter Fund Loans Issued	Due to	Loan Amount (\$Millions)	Repayment Schedule (\$ Millions)
FY 2022/23	Regional Wastewater Capital (RC) Fund	\$10.1	2024/25 \$5.0 2025/26 \$5.1
Total	Grand Total	\$10.1	\$10.1



# Review of Proposed Biennial Budget for Fiscal Years 2025/26 and 2026/27 for Regional Wastewater Programs

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Alexander Lopez  
Treasurer  
April 2025



## 2 Key Assumptions

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- **Operating cost increases** for operating expenses, particularly for utilities and chemicals
- **Capital projects** based on the Proposed Ten-Year Capital Improvement Plan (TYCIP) and Ten-Year Sewer Capital Forecast (TYSCF) for Fiscal Years (FYs) 2026-2035
- **Staffing needs** to support TYCIP, expansion efforts, succession planning, cybersecurity, growth, asset management, and regulatory compliance
- **Financing approach** includes proposed new debt issuance, low-interest federal and state loans, and actively pursuing grant opportunities
- **Proposed rate increase** for Regional Wastewater monthly Equivalent Dwelling Unit (EDU)
- **Proposed change** in Property Tax allocation impacting the Recycled Water and Water Resources Funds



### 3 Proposed Rates and Fees

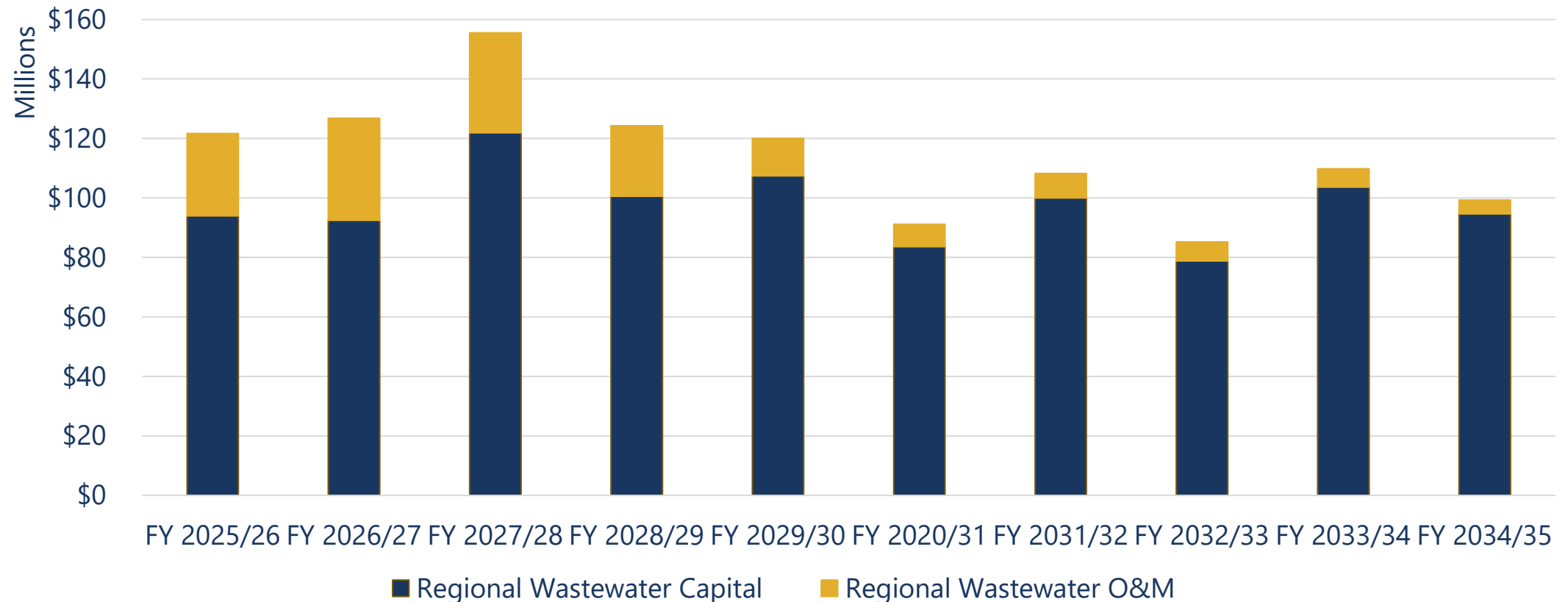
- Regional Wastewater EDU Connection Fee, no change to current rate
- EDU monthly rate increases 9% for FYs 2025/26 and 2026/27
- Inflation driven increases for operating expenses

Program	Rate Description	FY 2024/25 Current	FY 2025/26 Proposed	FY 2026/27 Proposed
Effective Date		07/01/2024	07/01/2025	07/01/2026
Regional Wastewater Capital	Wastewater Connection Fee	\$8,620	\$8,620	\$8,620
Regional Wastewater Operations & Maintenance	Wastewater Monthly EDU	\$24.79	\$27.02	\$29.45



## 4 Ten-Year Sewer Capital Forecast (TYSCF)

- \$1.1 billion Ten-Year Sewer Capital Forecast with \$121.6M and \$126.9M for the biennial budget years
- Funded by state and federal loans, property taxes, connection fees, grants, and proposed new debt



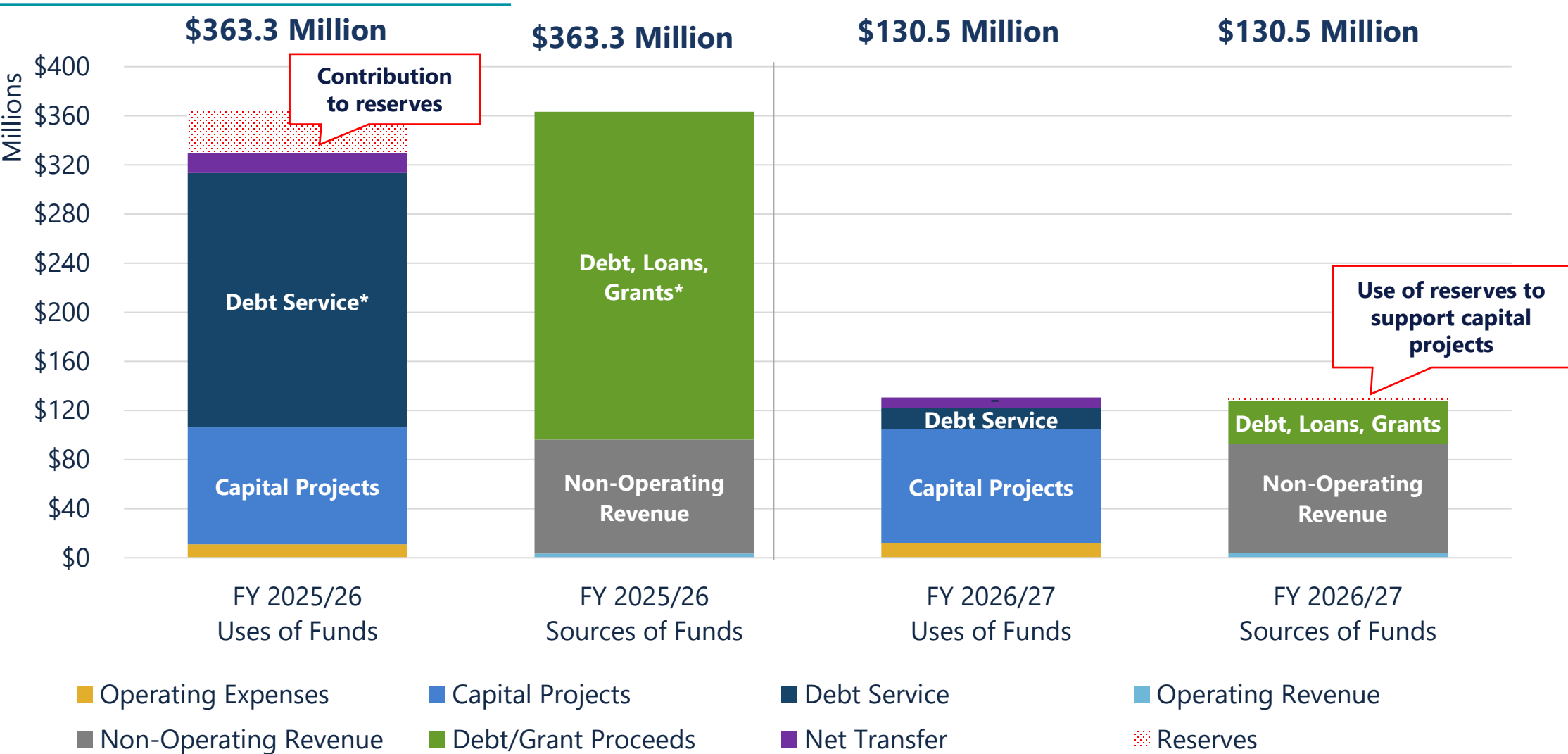
## 5 Property Tax Allocation

- Proposed increased allocation to Recycled Water program to support TYCIP objectives
- Amounts over fixed percentages to be allocated to the Recycled Water fund

Fund (\$in Millions)	Current Allocation	FY 2024/25 Projected	Proposed Re- Allocation	FY 2025/26 Proposed	FY 2026/27 Proposed
Regional Wastewater Capital	65.0%	\$53.3	65.0%	\$60.1	\$62.2
Regional Wastewater Operations	23.0%	20.6	23.0%	21.3	22.0
Administrative Services	4.5%	4.0	4.5%	4.1	4.3
Recycled Water	4.0%	3.6	6.0%	5.5	5.7
Water Resources	3.5%	3.1	1.5%	1.4	1.4
<b>Total</b>	<b>100%</b>	<b>\$84.6</b>	<b>100%</b>	<b>\$92.4</b>	<b>\$95.6</b>



# 6 Wastewater Capital Improvement Fund Total Sources and Uses of Funds

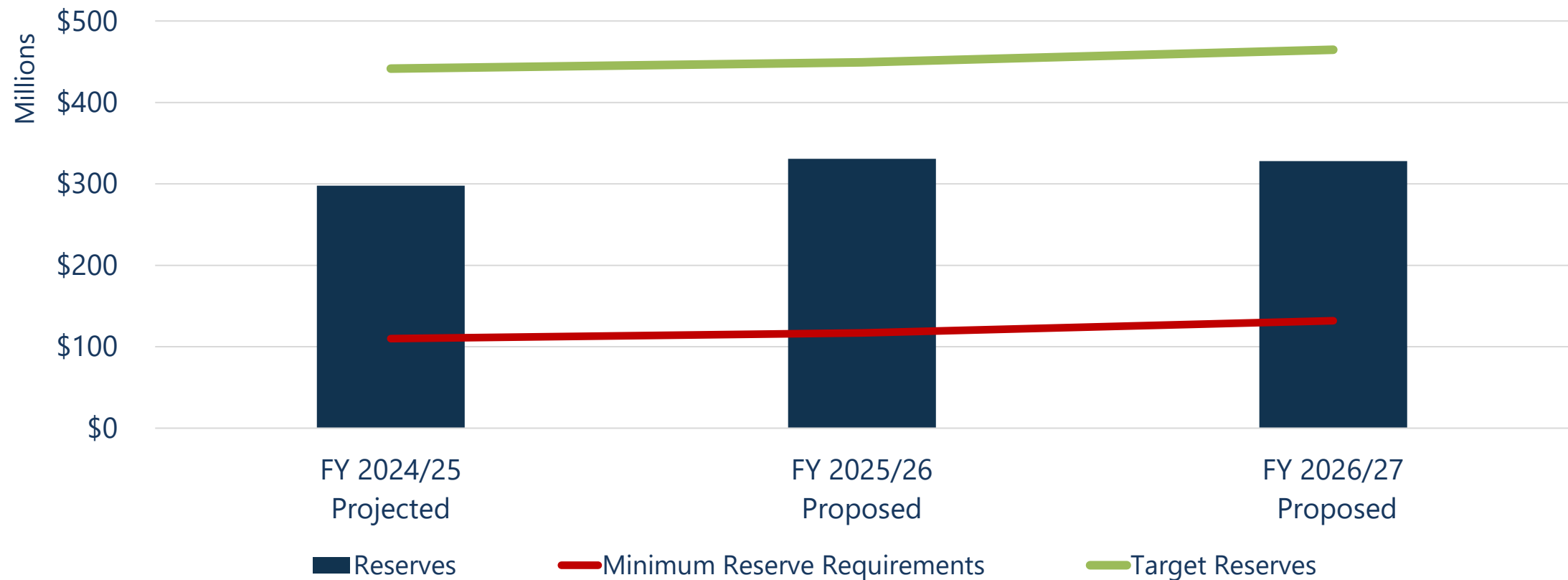


\* Includes a \$196.4 million draw from the WIFIA loan and pay down of the 2020B Revenue Notes.

## 7 Wastewater Capital Improvement Fund Reserves

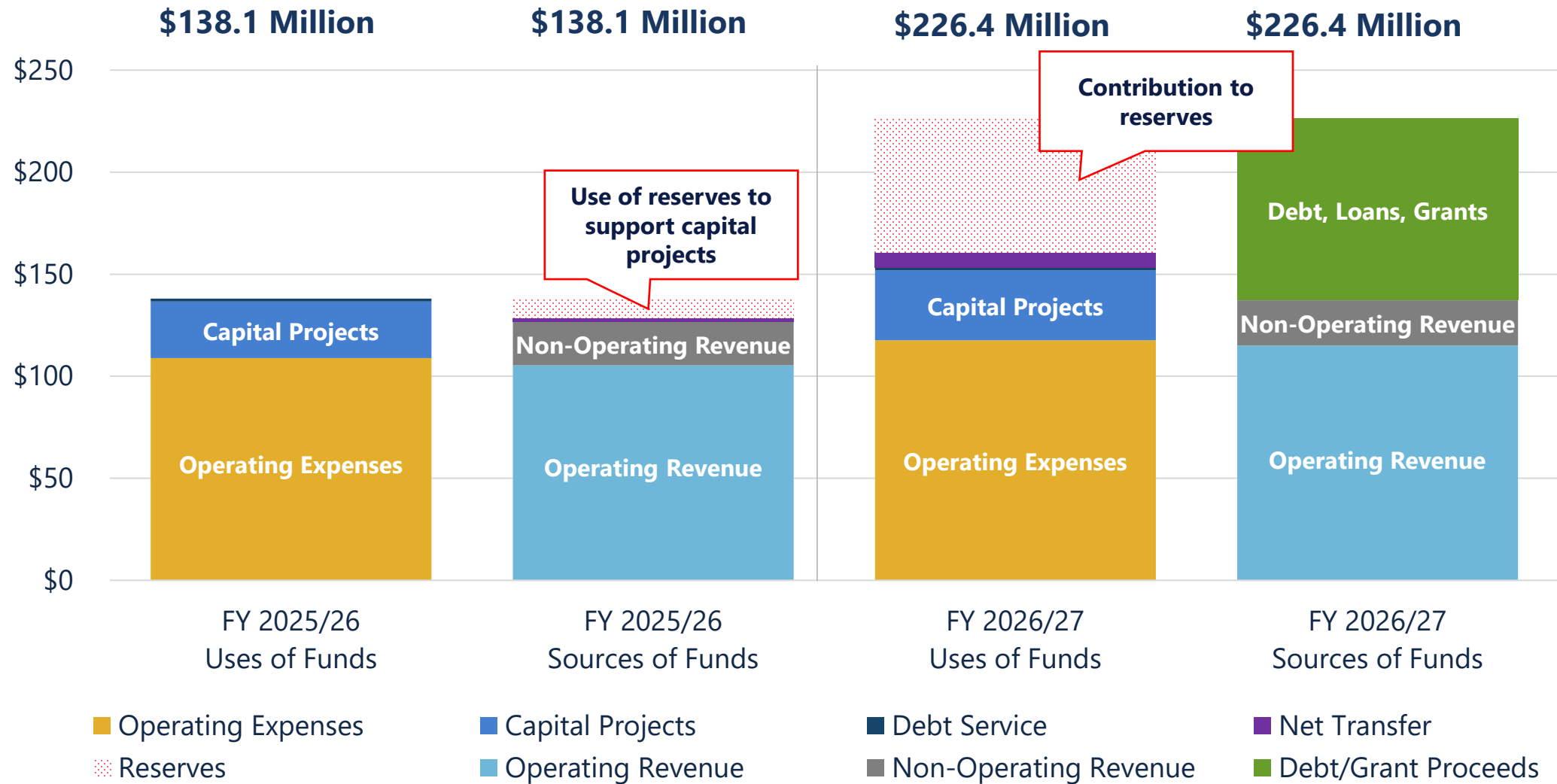
### Stable reserves for planned capital project expenditures:

- Use of connection fees
- Use of property tax
- State and federal loans and grants



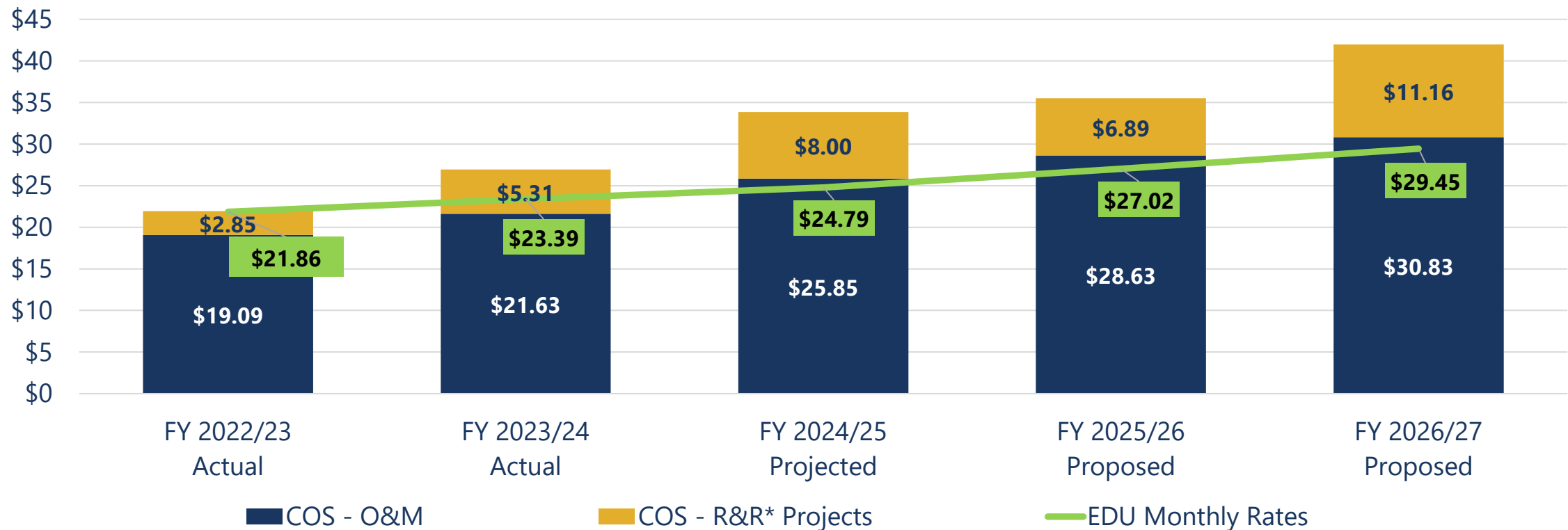


## 8 Wastewater Operations & Maintenance Fund Total Sources and Uses of Funds



## 9 Wastewater Operations & Maintenance Fund Cost of Service (COS)/EDU

- COS components include O&M, replacement and rehabilitation (R&R) projects, and debt service
- R&R project costs not recovered by rates will be supported by property tax and reserves

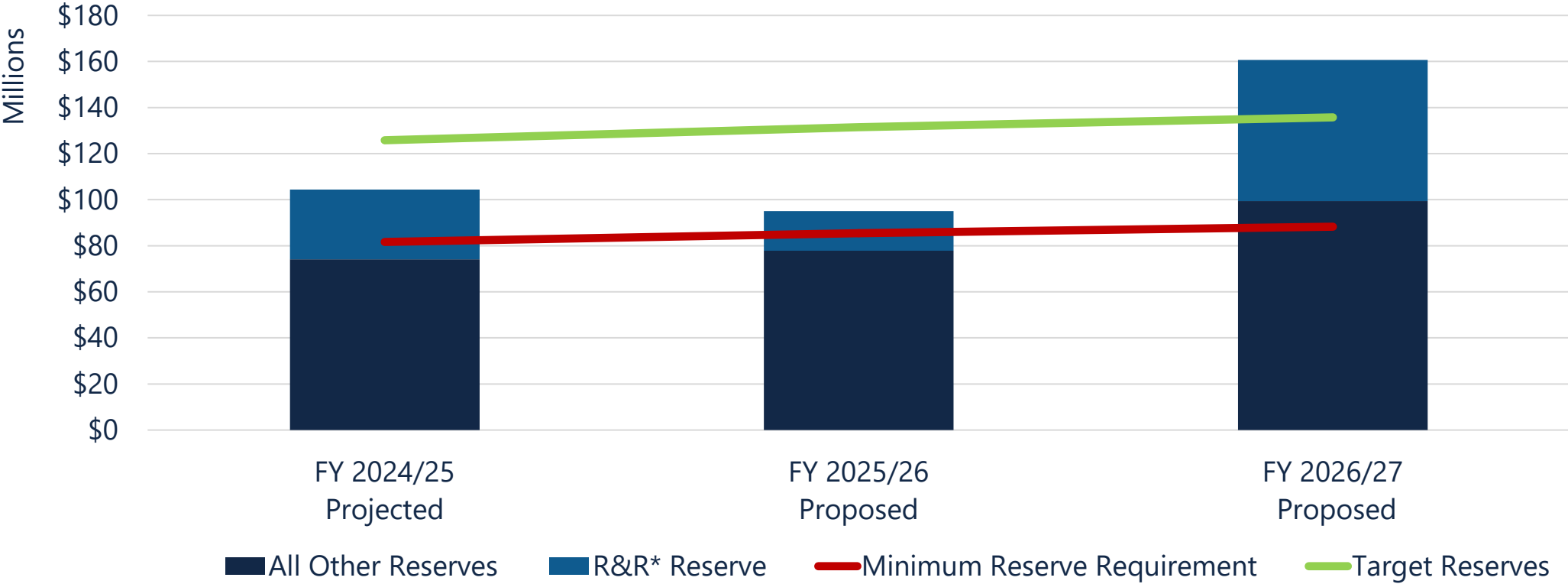


\*Replacement & Rehabilitation

# 10 Wastewater Operations & Maintenance Fund Reserves

**For planned R&R\* capital project expenditures:**

- Use of property tax and reserves
- Propose new debt
- FY 2026/27 increase in reserves due to proposed debt proceeds



\*Replacement & Rehabilitation



# 11 Biennial Budget Review and Approval Timeline

Month	Budget Item	IEUA Committee	IEUA Board	Regional Policy	Regional Technical
Apr 2025	FY 2025/26 & FY 2026/27 Regional Wastewater Program Budgets <i>Information Item</i>	4/9/2025	4/16/2025		4/24/2025
May 2025	FY 2025/26 & FY 2026/27 Regional Wastewater Program Budgets <i>Information Item</i>			5/1/2025	
	FY 2025/26 & FY 2026/27 Regional Wastewater Program Budgets <i>Recommendation</i>				5/29/2025
Jun 2025	FY 2025/26 & FY 2026/27 Regional Wastewater Program Budgets <i>Recommendation</i>			6/5/2025	
	FY 2025/26 & FY 2026/27 Regional Wastewater Program Budgets <i>Adoption</i>	6/11/2025	6/18/2025		

# Questions?

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# Building Activity Report - YTD Fiscal Year 2024/25



### Legend

Service Area

Unincorporated

#### Residential

<=1.0

1.0 - 10.0

>10.0

#### Commercial

<=1.0

1.0 - 10.0

>10.0

#### Industrial

<=1.0

1.0 - 10.0

>10.0

## HALF MILE GRID: TOTAL EDU's (YTD)

## TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual				Projected
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)	Total (EDUs)	
Chino	11	0	231	242	407
Chino Hills	28	0	63	91	559
CVWD	40	0	424	464	1033
Fontana	36	0	610	646	1297
Montclair	0	0	306	306	77
Ontario	128	45	692	865	2400
Upland	0	0	0	0	59
Total	244	45	2326	2615	5832