



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Fiscal Year 2025/26 and 2026/27

Budget in Brief

About Us

Vision, Mission, and Values

Vision

Enhance the quality of life throughout our region by leading the way in water management and environmental stewardship.

Mission

Provide essential water and wastewater services in a regionally planned and cost-effective manner, while safeguarding public health, supporting community needs, and protecting the environment.

Values

Leading the way. Planning for the future. Collaboratively protecting the resources of the communities we serve. IEUA:

- Integrates environmentally sustainable, ethical, safe, and fiscally responsible practices into every aspect of our business.
- Works with integrity as one team.
- Actively engages with the communities we serve while recognizing the region's diverse needs.
- Stays at the forefront of the industry through education, efficiency, and innovation.

Strategic Plan

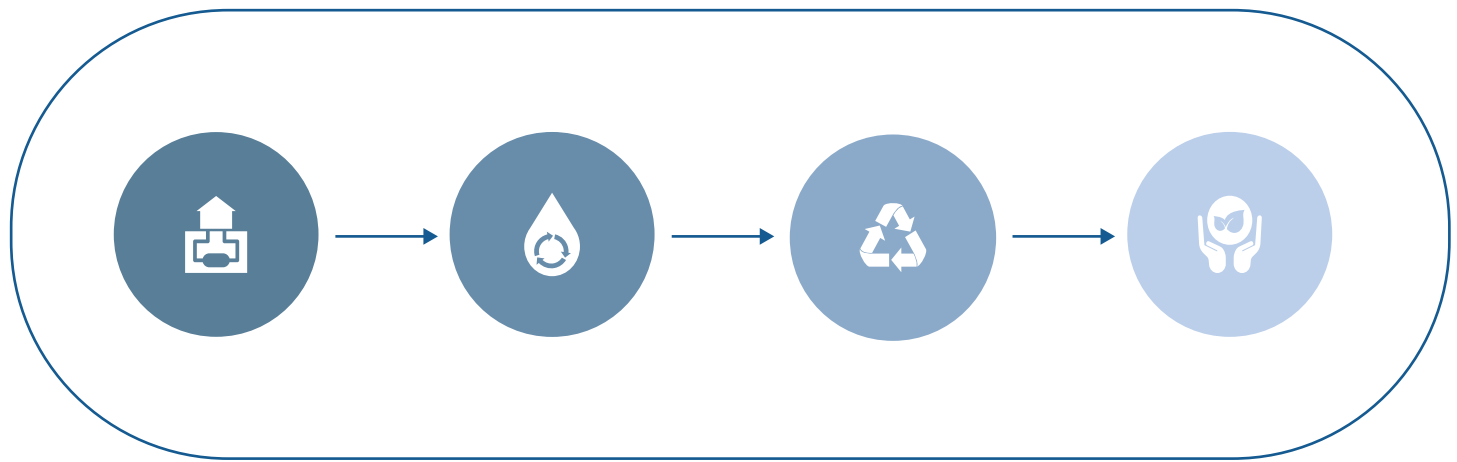
Our strategic plan is grounded in the Agency's vision (the ideal state of the Agency and impact on the community in the future), mission (how we plan to achieve our vision), and values (the principles by which we strive to work). The strategic goals will guide our work for the next five years. Each strategic goal is supported by specific objectives and priority actions that IEUA aims to accomplish over the next five years.

Goals

The IEUA Board and management have committed to four broad policy goals designed to move the Agency forward in executing its mission and attaining its vision:

- **Water Supply Reliability** - Provide a reliable and economical water supply that meets the evolving needs of the region.
- **Public and Environmental Health** - Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.
- **Fiscal Responsibility** - Responsibly manage public funds and safeguard IEUA's fiscal health to support short-term and long-term needs, while providing cost-effective services to our customers.
- **Culture of Excellence** - Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Areas of Service



Securing and supplying imported water.

Collecting and treating wastewater.

Producing high-quality, renewable resources such as recycled water, compost, and energy.

Promoting sustainable use of groundwater and development of local water supplies.

IEUA Structure & Service Area

The Inland Empire Utilities Agency is governed by a five-member Board of Directors who are elected to four-year staggered terms by registered voters within their divisions as defined by the division boundary map below. IEUA is responsible for serving approximately 950,000 residents over a 242-square mile area in western San Bernardino County.

BOARD OF DIRECTORS

Marco Tule
President - Division 1

Jasmin A. Hall
Vice President - Division 4

Steven J. Elie
Secretary/Treasurer - Division 3

Michael Camacho
Director - Division 5

Paul Hofer
Director - Division 2

FISCAL LEADERSHIP STAFF

Shivaji Deshmukh
General Manager

Kevin L. Alexander
Deputy General Manager

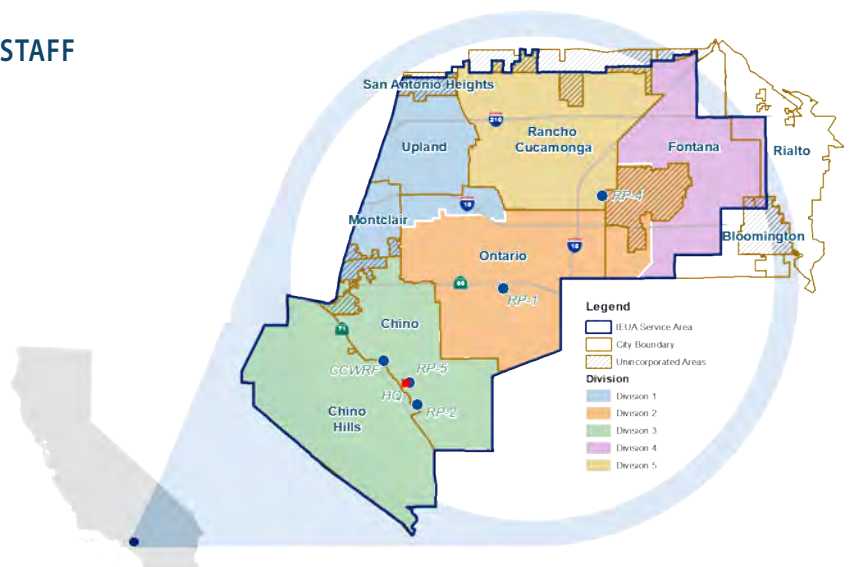
Lisa Dye
Assistant General Manager

Marty Cihigoyenette
General Counsel

Randy Lee
Director of Finance

Alexander Lopez
Treasurer

Paula Hooven
Budget Officer



Fiscal Responsibility

Strategic financial management continues to guide the Fiscal Year 2025/26 and 2026/27 budgets. The Agency is committed to responsibly managing public funds and safeguarding IEUA's fiscal health to support short-term and long-term needs, while providing cost-effective services to our customers.

To achieve this, the Agency will fund operations and capital investments by maintaining reasonable service rates, adopting fees that fully support the costs of service, and actively pursue diverse external funding to help offset overall costs. Multi-year budgets, financial plans, and reports will be developed to reinforce fiscal stability. Additionally, the Agency will preserve appropriate fund reserves to ensure resilience against economic fluctuations, changes in funding sources, or evolving operational demands.

FY 2024/25 Accomplishments

- IEUA commemorates 75 years of progress, continuing to advance water resiliency, sustainability, and infrastructure development for future generations.
- Metropolitan Water District of Southern California (MWD) granted IEUA \$401,500 for the construction of an Advanced Water Purification Demonstration Facility and \$298,500 for Identifying and Removing PFAS Used in Well Drilling Study.
- Three IEUA facilities received recognition for outstanding industry compliance from the National Association of Clean Water Agencies.
- The Agency's Water Quality Lab expanded their laboratory accreditation to include EPA Method 1633 for PFAS testing in non-potable applications.

Adopted Rates

Adopted Rates	Units	FY 25/26	FY 26/27
Wastewater			
EDU Volumetric Rate	Monthly EDU	\$27.02	\$29.45
Connection Fee	EDU	\$8,620	\$8,620
Extra-Territorial Service Charge	Monthly EDU	\$23.53	TBD
Recycled Water			
Direct Sales	AF	\$506.85	\$552.47
Recharge Sales	AF	\$714.85	\$768.79
Fixed Cost Recovery*	Fixed	\$5.11M	\$5.26M
Imported Water			
Tier 1 Untreated Water (1/1/25-12/31/25)	AF	\$912	N/A
Tier 1 Untreated Water (1/1/26-12/31/26)	AF	N/A	\$984
Water Resources and Water Use Efficiency	MEU	\$1.17	\$1.20
Water Connection Fee	MEU	\$1,953	\$1,953

**IEUA's fixed cost recovery rate for recycled water is equitably distributed among its customer agencies—Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District—based on each entity's allocated share of recycled water purchases.*

Budget Priorities

- 1 Maintain Staffing to Support Service Demands
- 2 Cost Containment
- 3 Cost of Service
- 4 Optimize Low Interest Debt
- 5 Upkeep of Agency Assets
- 6 Transparency



FYs 2025/26 & 2026/27

Biennial Budget

TOTAL REVENUES AND OTHER FUNDING SOURCES

Over the two-year budget period, total revenues and other funding sources are projected at \$439 million for Fiscal Year 2025/26 and \$509 million for Fiscal Year 2026/27. These projections reflect the adoption of two-year rates and fees for the Regional Wastewater, Recycled Water, and Water Resources programs. The increase in the second fiscal year is primarily due to potential debt issuance to support major projects in the Ten-Year Capital Improvement Plan, along with an increase in imported water sales due to increased rates from MWD.

	FY 25/26	FY 26/27
Operating Revenues	\$232.5	\$254.1
Other Sources	\$206.7	\$254.5
Total Funding Sources	\$439.2	\$508.6
Operating Expenses	\$245.0	\$267.5
Debt Service	\$221.6	\$29.3
Capital Program	\$154.7	\$157.4
Total Uses of Funds	\$621.3	\$454.2
Total Increase/(Decrease)	(\$182.1)	\$54.4
Beginning Fund Bal.	\$746.1	\$564.0
Ending Fund Bal.	\$564.0	\$618.4

TOTAL EXPENSES AND OTHER USES OF FUNDS

Total uses of funds include the operational, capital, and debt service expenditures for all Agency programs necessary to support the Agency's mission to provide reliable essential services in a regionally planned and cost-effective manner. Over the two-year budget period, total expenses and other uses of funds are budgeted at \$621 million for Fiscal Year 2025/26 and \$454 million for Fiscal Year 2026/27.

The significantly higher use of funds in Fiscal Year 2025/26 is primarily driven by the \$196 million defeasance of the 2020B Revenue Notes. The notes were originally issued as interim financing for the Regional Water Recycling Plant No. 5 (RP-5) Expansion project. Other key budget drivers include rising costs for chemicals, energy, and construction projects, as well as additional staffing. The proposed staffing increases will strengthen critical functions such as wastewater treatment and supply including the expansion at RP-5, planning and project management, cybersecurity, safety, and workforce development.

Capital Improvement Plan

Each year, the Agency develops a Capital Improvement Program (CIP) to support projected growth from customer agencies, ensure compliance with regulatory requirements, align with planning documents, and address asset management needs for the timely replacement, rehabilitation, and enhancement of Agency infrastructure. The CIP is formalized in the Ten-Year Capital Improvement Plan (TYCIP) and is updated annually.

The FY 2025/26 through 2034/35 TYCIP outlines IEUA’s capital priorities by identifying ongoing and future projects and proposing a schedule for their implementation based on necessity and available resources. The TYCIP totals \$1.7959 billion and includes both capital and non-capital projects and will be funded through a combination of pay-as-you-go (pay-go) financing, low-interest federal and State loans, grants, contributions, and potential future debt. While current funding projections include the potential for future debt, the financing strategy will continue to evolve as individual projects progress through design and approach construction readiness.



Capital Projects by Fund

(\$ Millions)

Fund	FY 25/26	FY 26/27
Wastewater Capital	\$94.0	\$92.5
Wastewater Operations	\$27.7	\$34.4
Recycled Water	\$9.2	\$13.8
Non-Reclaimable Wastewater	\$1.0	\$0.0
Administrative Services	\$13.9	\$12.4
Water Resources	\$4.1	\$0.0
Recharge Water	\$3.6	\$3.1
Total	\$153.5	\$156.2

Major Projects & Total Budget

\$223.0

Advanced Water Purification Facility

\$195.0

RP-1 Liquid Treatment Capacity Recovery

\$178.0

Replenishing Facilities

\$173.0

RP-1 Thickening Building and Acid Phase Digester

\$125.0

Recycled Water Interconnection to the City of Rialto

Major Capital Projects Planned Over the Next Ten Years

\$894.0

Total (\$ Millions)



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