

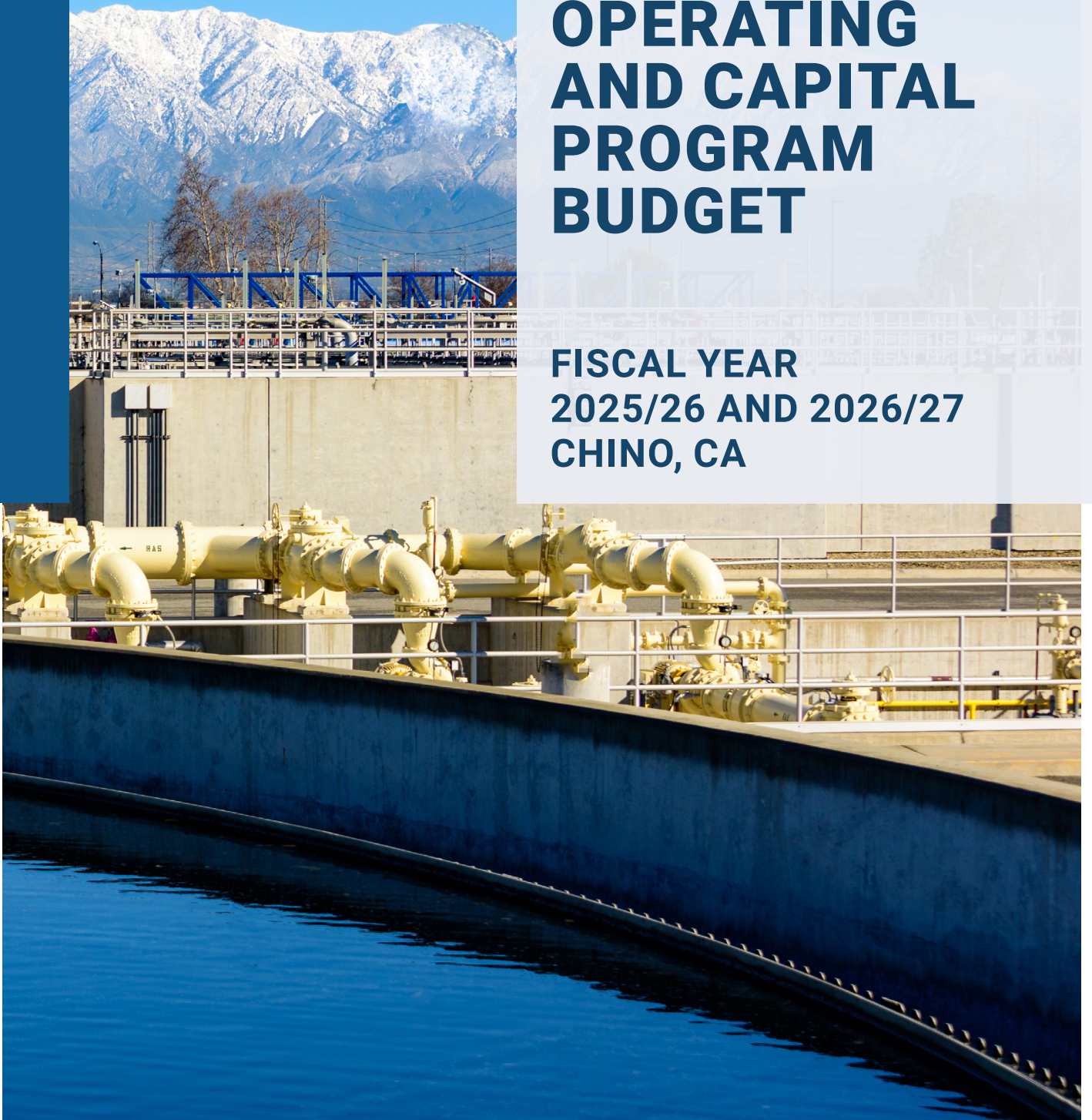


Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

CELEBRATING 75 YEARS OF PARTNERSHIP AND PROGRESS

OPERATING AND CAPITAL PROGRAM BUDGET

FISCAL YEAR
2025/26 AND 2026/27
CHINO, CA



Search Instructions

Items in this PDF version of the IEUA FY 2025/26 and 2026/27 Biennial Budget can be found using one of the following methods:

1. Hyperlinks in the Table of Contents.
2. Hyperlinks in the Bookmark Panel. If the Bookmark Panel is not visible, click on the Bookmark button in the Navigation Panel on the left of the screen. To show the Navigation Panel, right click and select "Show Navigation Panel Buttons."
3. Hyperlinks in the Index.

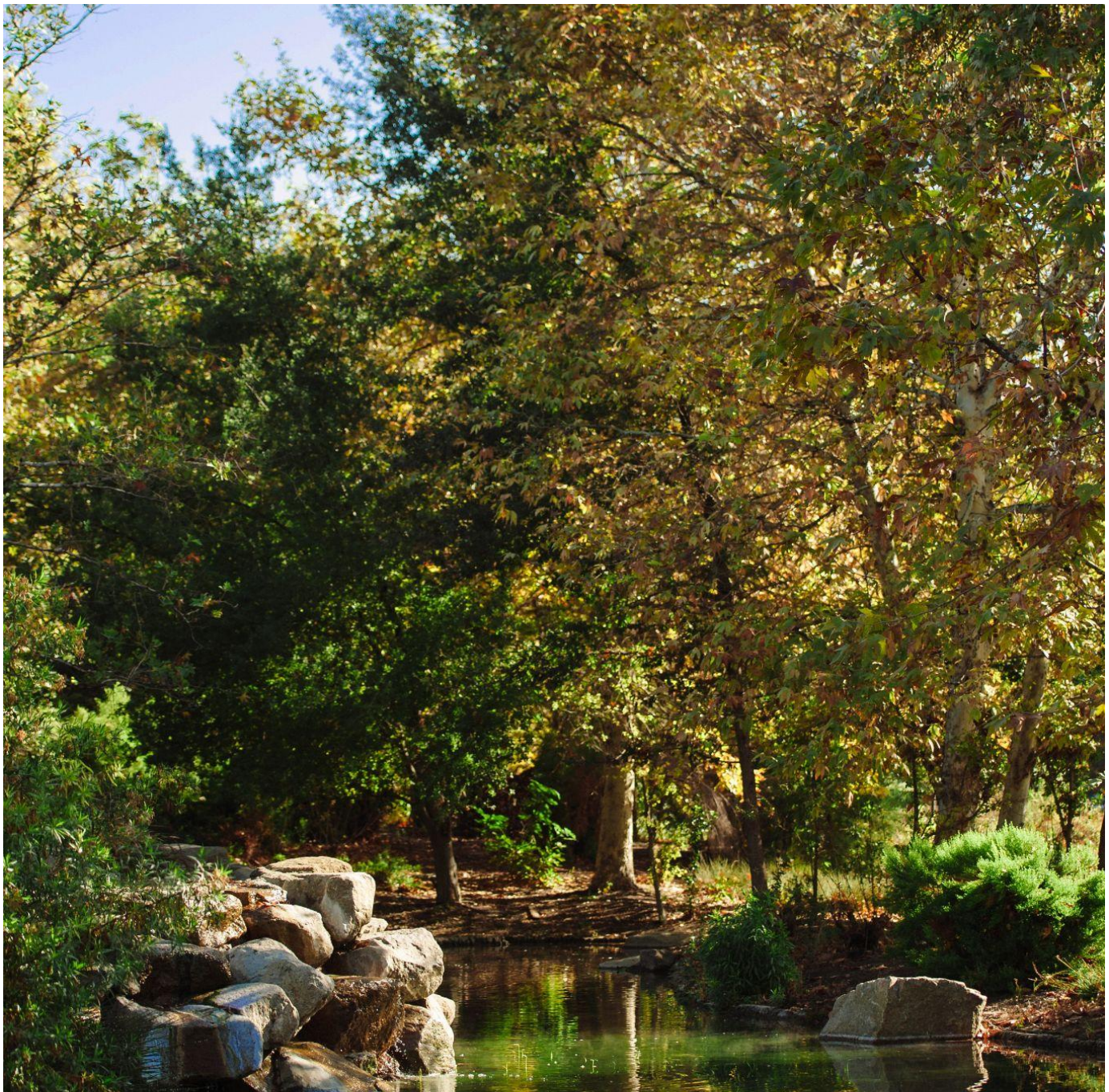




TABLE OF CONTENTS

Board of Directors	iv
Fiscal Leadership Staff	iv
GFOA Award	v

BUDGET MESSAGE/EXECUTIVE SUMMARY

General Manager's Budget Message	1-1
Executive Summary	1-6

AGENCY PROFILE AND STRATEGIC PLAN

Agency Profile	2-1
Governance	2-2
Program Descriptions	2-3
About Us	2-5
Statistical Section	2-7
Strategic Plan	2-8
Budget Priorities	2-10
Financial Policies	2-11

BUDGET PROCESS

Budget Process	3-1
Strategic Planning	3-1
Budget Preparation Process and Timeline	3-2
Senior Leadership Responsibilities	3-3
Department Responsibilities	3-4
Budget Preparation Training	3-4
Balanced Budget	3-4
Budgetary Control	3-4
Budget Variance Monitoring and Reporting	3-5
Financial Policies	3-5
Budget Basis	3-6

REVENUES

Revenues and Other Funding Sources	4-1
User Charges	4-3
EDU Service Charges	4-3
NRW User Charges	4-5
Meter Equivalent and RTS Cost Recovery Charges	4-6
Property Tax Receipts	4-6
Regional Wastewater System Connection Fees	4-7
One Water Connection Fee	4-9
Recycled Water Sales and Fixed Cost Recovery	4-9
State Loans	4-10
Federal Loans	4-10
Grants	4-11
Interfund Loans	4-11
Total Revenues and Other Funding Sources	4-12

PROGRAMS/FUND

Fund Structure	5-1
Regional Wastewater Program	5-4
Programmatic Overview	5-4
Program Fund Description	5-5
Total Revenues and Other Sources of Funds	5-5
Connection Fees	5-6
Property Taxes	5-8
User Charges	5-9
Debt Proceeds	5-9
Expenses and Other Uses of Funds	5-10
Operating Expenses	5-10
Capital Projects	5-12
Debt Service	5-13
Interfund Transfers	5-13
Interfund Loans	5-14
Inland Empire Regional Composting Authority (IERCA)	5-14



TABLE OF CONTENTS

Regional Wastewater Program Fund Balance	5-15
FY 2027/28 – FY 2029/30 Forecast	5-16
Recycled Water Program	5-21
Water Resources Program	5-30
Administrative Services Program	5-39
Non-Reclaimable Wastewater Program	5-46
Recharge Water Program	5-54

CAPITAL

Capital Improvement Plan	6-1
TYCIP Summary Table	6-5
Capital Project Highlights - O&M Impact	6-6

Project Lists and Descriptions

Regional Capital Improvement Fund	6-9
Regional Operations and Maintenance Fund	6-15
Recycled Water Fund	6-22
Water Resources Fund	6-26
Administrative Services Fund	6-29
Non-Reclaimable Wastewater Fund	6-33
Recharge Water Fund	6-35

DEBT MANAGEMENT

Overview	7-1
Outstanding Debt	7-1
Debt Service Costs	7-3
Bonds and Revenue Notes	7-4
WIFIA Loans	7-4
State Revolving Fund Loans	7-5
Notes Payable	7-6
Interfund Loans	7-6
Debt Coverage Ratio	7-7
2017A Bonds	7-8
2020A Bonds	7-9
2020B Bonds	7-10

PERSONNEL

Introduction	8-1
Agencywide Organizational Chart	8-2
Staffing Plan	8-3
Personnel Costs by Program	8-5
Benefits	8-5
Safety	8-7
Workforce Development	8-7

DEPARTMENTS

Division I – Agency Management	9-1
Board Office and Agency Management	9-3
External and Government Affairs	9-7
Human Resources	9-13
Internal Audit	9-18
Office of the General Manager	9-23
Division II – Administration	9-29
Contracts and Procurement	9-31



TABLE OF CONTENTS

Finance and Accounting	9-34
Information Technology	9-40
Division III – Technical Resources	9-47
Asset Management	9-49
Engineering	9-55
Laboratory	9-60
Operations & Maintenance	9-63
Planning & Resources	9-71

APPENDICES	
User Fee Schedule	10-1
Rate Resolutions	10-7

GLOSSARY OF GENERAL TERMS	
Glossary of General Terms	11-1

ACRONYMS	
Acronyms	12-1

INDEX	
Index	12-9

Board of Directors

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

Fiscal Leadership Staff

Shivaji Deshmukh	General Manager
Kevin L. Alexander	Deputy General Manager
Lisa Dye	Acting Assistant General Manager
Marty Cihigoyenetché	General Counsel
Randy Lee	Director of Finance
Alexander Lopez	Treasurer
Paula Hooven	Budget Officer





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

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

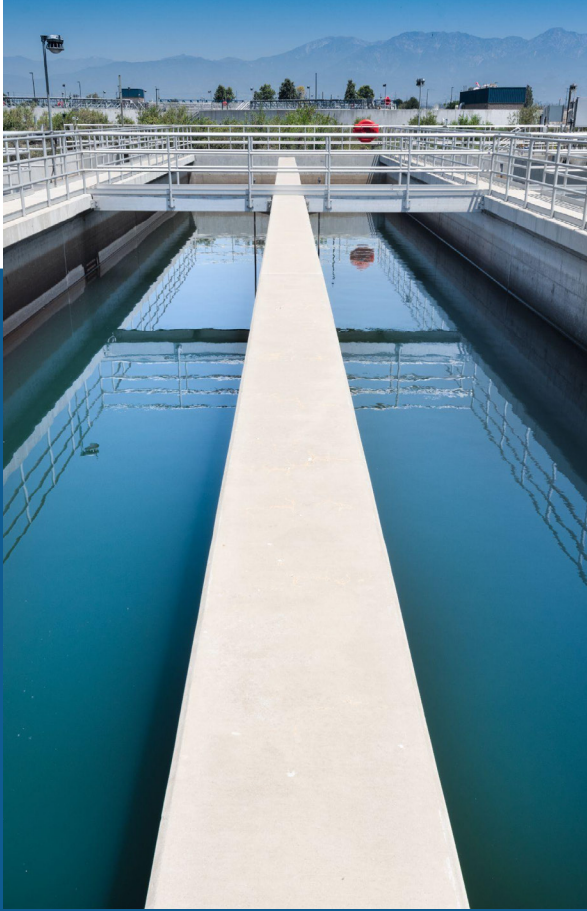
For the Biennium Beginning

July 01, 2023

Christopher P. Morill

Executive Director





General Manager's Budget Message/ Executive Summary



General Manager's Budget Message

The Honorable Board of Directors
Inland Empire Utilities Agency

June 18, 2025

I am pleased to submit the Inland Empire Utilities Agency (IEUA/Agency) Biennial Budget for Fiscal Years 2025/26 and 2026/27 (Budget) and the Ten-Year Capital Improvement Plan for Fiscal Years 2025/26 – 2034/35 (TYCIP). The Budget is a balanced plan to effectively address the opportunities and challenges ahead by prioritizing funding for cost-efficient operations, timely replacement and rehabilitation of aging assets, investment in expansion and improvement of facilities to meet anticipated growth and regulatory compliance requirements, and early recruitment of critical positions to support succession planning and new infrastructure. This budget has been built through a collaborative process to ensure the highest level of service to the communities the Agency serves and includes an evaluation and assessment of financial trends and relevant needs for the Agency's many programs, while addressing the challenges of increasing costs. The Budget and TYCIP reflect the Agency's vision and mission and are consistent with the Board-adopted goals of water supply reliability, public and environmental health, fiscal responsibility, and culture of excellence. This budget is aligned with the Agency's Strategic Plan for Fiscal Year 2025/26 – Fiscal Year 2029/30 and ensures effective management of resources while continuing to meet the needs of a growing region.

Fiscal Responsibility

Strategic financial management continues to guide the Fiscal Year 2025/26 and 2026/27 budgets, with total uses of funds budgeted at \$621 million and \$454 million respectively. These totals include operating, capital, and debt service expenditures across all Agency programs. They reflect our ongoing commitment to providing high quality and cost-effective services, supporting regional changes and growth, and preserving long term fiscal sustainability.

One significant cost in Fiscal Year 2025/26 is primarily driven by the \$196 million defeasance of the 2020B Revenue Notes, which were originally issued as interim financing for the Regional Water Recycling Plant No. 5 (RP-5) Expansion projects. 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 for the expansion at RP-5, planning and project management, cybersecurity, safety, and workforce development.

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. Implementing two-year rates allows for sufficient time to review the pending California Association of Sanitation Agencies (CASA) flow and load study, which will update the assumptions used to define an Equivalent Dwelling Unit (EDU). The results of this study will directly influence both monthly EDU rates and wastewater connection fees.

This two-year rate structure also provides the opportunity to closely evaluate construction costs, supply chain conditions, and uncertainties related to environmental regulations and federal funding, all of which impact the Ten-Year Capital Improvement Plan (TYCIP). In addition, the financial plan includes new debt issuance necessary to support ongoing and planned construction activities. A comprehensive cost of service study will be conducted to establish rates and fees beginning in Fiscal Year 2027/28 and subsequent years.

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

Water Reliability

As a regional purveyor of imported water, ensuring long-term water reliability remains fundamental to the Agency's mission. Although hydrologic conditions have improved considerably since the historic drought of 2022, with increased precipitation and stronger reservoir levels, the importance of continued investment in water reliability remains paramount. In this budget cycle, the Agency continues to prioritize funding for projects and programs that strengthen the reliability of imported water supplies, while also accelerating the development of local and regional sources. These efforts are essential to building a more adaptive and resilient water supply portfolio that can meet the evolving needs of our service area in the face of ongoing climate uncertainty.

The Budget continues to include funds for the Water-Use Efficiency Programs which promote conservation as well as water resource planning work to bring forward projects and programs such as the Chino Basin Program (CBP). This effort closely aligns with regional planning efforts, including the Chino Basin Watermaster's Optimum Basin Management Plan and the Agency's Integrated Water Resources Plan and is supported by \$215 million in conditional funding awarded by the California Water Commission (CWC) through Proposition 1 Water Storage Investment Act in July 2018. The CBP is a collaborative, forward-thinking initiative led by IEUA that enhances regional water reliability by using locally purified recycled water to reduce dependence on imported supplies. With the construction of an Advanced Water Purification Facility that will produce 15,000 acre-feet of purified water annually, the Program supports groundwater sustainability, ecosystem restoration, job creation, and long-term rate stability. Also included in the TYCIP is the completion of the Recharge Master Plan Update (RMPU) in collaboration with Chino Basin Watermaster. At the completion of the RMPU projects, the regional groundwater basin recharge capacity will increase stormwater capture by 4,727 acre-feet per year (AFY) and recycled water recharge by 7,125 AFY. The Agency has secured grants, state loans, and associated principal forgiveness grants to support the implementation of the RMPU projects.

Wastewater Management

Regional growth continues with sewer customer agencies projecting over 61,000 new equivalent dwellings unit connections over the next ten years. With the completion of the expansion project of the Agency's RP-5 expected by Fiscal Year 2026/27, the Agency will have the capacity to meet this projected growth. The Agency also has included planning projects in the TYCIP which will improve treatment processes at existing facilities, develop additional capacity at other regional plants, and focus on meeting anticipated regulatory compliance requirements.

Environmental Stewardship

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

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

Work Environment

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

These awards include, and are not limited to:

- The California Water Environment Association (CWEA) recognized the Agency and staff at both the local and State level with prestigious awards highlighting leadership, innovation, and significant contributions to the water and wastewater industries.
 - Local level – CWEA Santa Ana River Basin Section (SARBS)
 - ◆ Supervisor of the Year - Silver Award for Collection System Supervisor Edward Makowski
 - ◆ Collection System Person of the Year - Silver Award for Collection System Operator III Adolfo Zavala
 - ◆ Community Engagement & Outreach Project of the Year (Large Budget) – Gold Award for the Agency's Be Sewer Smart campaign.
 - State level
 - ◆ Select Society of Sanitary Sludge Shovelers (5S) – First Place was presented to Robert Delgado, Director of Operations & Maintenance, Lucia Diaz, Manager of Facilities & Water System Programs, and Sushmitha Reddy, Manager of Laboratories.
 - ◆ PICK Award – First Place was presented to Lucia Diaz, Manager of Facilities & Water System Programs, Edward Makowski, Collection System Supervisor, and Yvonne Taylor, Executive Assistant.
 - ◆ Richard D. Pomeroy Award was presented to Lucia Diaz, Manager of Facilities & Water System Programs.
- The National Association of Clean Water Agencies (NACWA) recognized three IEUA facilities for outstanding industry compliance to water quality requirements.
- NACWA Platinum Peak Performance Award – Presented to Carbon Canyon Water Recycling Facility (CCWRF) for 100% compliance with the Agency's National Pollution Discharge Elimination System (NPDES) permit for between five and 35 consecutive years.
- Silver Peak Performance Award – Presented to RP-1 and RP-5 for five or fewer violations of the Agency's NPDES permit in one year.
- The Government Finance Officers Association (GFOA) awarded the Agency the Excellence in Financial Reporting for FY 2025/26-2026/27 Biennial Budget and for the FY 2024/25 Annual Comprehensive Financial Report.
- Operating Budget Excellence by the California Society of Municipal Finance Officers
- Laboratory Accreditation to Perform PFAS Analysis

- Special District Leadership Foundation (SDLF) Transparency Certificate of Excellence

Conclusion

This budget represents the Board of Directors priorities and serves as the Agency's roadmap to enhance the quality of life in the Inland Empire. IEUA remains committed to completing critical capital projects through responsible and sustainable financial planning while continuing to provide high quality, essential services to our customers and the communities that we serve.

I would like to acknowledge the Board for their leadership and unwavering support of prudent fiscal management. I would also like to extend my appreciation to the Agency's employees for developing a budget that represents the Agency's policies and priorities established by the Board. And finally, I would like to thank our customer agencies, partners, and stakeholders for their collaboration as we continue to 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.

Respectfully submitted,



Shivaji Deshmukh, P.E.
General Manager



Turnout to San Sevaine Basin

Executive Summary

FY 2025/26- 2026/27 Budget Overview

Total uses of funds are budgeted at \$621.3 million in FY 2025/26 and \$454.2 million in FY 2026/27. These amounts include the operating, capital, and debt service expenditures across all Agency programs. They reflect the Agency's continued commitment to delivering essential high-quality services in a cost-effective manner, supporting the region's economic development, and sustaining the Agency's long-term fiscal health.

Operating expenses are budgeted at \$245.0 million in FY 2025/26 and \$267.5 million budget for FY 2026/27. The \$47.8 million increase in FY 2025/26 compared to the \$197.2 million projected in FY 2024/25 is primarily due to higher electricity rates from Southern California Edison, increased chemical prices, increased staffing costs, and higher imported water rates from Metropolitan Water District of Southern California (MWD).

Other uses of funds include debt service and capital improvement plan (CIP) expenditures and total \$376.3 million in FY 2025/26 and \$186.7 million in FY 2026/27. Debt service costs for FY 2025/26 are projected at \$221.6 million and \$29.3 million in FY 2026/27. The higher debt service amount in FY 2025/26 is due to the planned defeasance of the 2020B Revenue Notes in November 2025. In May 2025, the Agency drew \$196.4 million from the Water Infrastructure Finance and Innovation Act (WIFIA) loan issued to support the Agency's RP-5 Expansion projects. The loan proceeds were placed in escrow with the custodial bank until November 2025, at which point the funds will be used to fully defease the 2020B Revenue Notes.

The CIP, which includes investments in the Regional Composting Authority, is budgeted at \$154.7 million in FY 2025/26 and \$157.4 million in FY 2026/27, reflecting a slight increase of \$2.7 million over the prior fiscal year. The drivers for the capital budget over the next two years include the completion of the RP-5 Expansion project needed to support growth in the southern section of the Agency's service area, the RP-1 Solids Thickening Process Improvement project to provide redundancy and enhanced reliability in the northern sector, and Replacement and Rehabilitation (R&R) projects at the Carbon Canyon Recycling Water, RP-1 and RP-4 facilities. Funding for CIP includes a combination of pay-go, low interest federal and state loans, grants, contributions, and potential issuance of new debt.

Total sources of funds are budgeted at \$439.2 million in FY 2025/26 and \$508.6 million in FY 2026/27. These figures include both operating revenues and other sources of funds. Operating revenues are budgeted at \$232.5 million in FY 2025/26 and \$254.1 million in FY 2026/27. The increase in the second fiscal year is primarily due to potential debt issuance to support major projects in the Regional Wastewater and Recycled Water programs, along with an increase in imported water sales due to increased rates from MWD.

Other sources of funds are projected at \$206.7 million in FY 2025/26 and \$254.5 million in FY 2026/27. These include fees from new connections to the Agency's regional wastewater and water systems, property tax receipts, grants, and proceeds from low interest federal and state loans.

The ending reserve balance is anticipated to decrease from a projected \$746.1 million for FY 2024/25 to \$564.0 million at the end of FY 2025/26, due to the defeasance of the 2020B Revenue Notes, and \$618.4 million projected at the end of FY 2026/27. Table 1-1 provides an overview of total funding sources, total uses of funds, and estimated ending fund balances.

Table 1-1: Total Sources and Uses of Funds and Fund Balance (\$Millions)

	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Operating Revenues	\$192.5	\$197.2	\$232.5	\$254.1	\$274.0	\$286.5	\$294.8
Other Sources	169.0	357.1	206.7	254.5	568.2	132.3	133.0
Total Funding Sources	361.5	554.3	439.2	508.6	842.2	418.8	427.8
Operating Expenses	178.3	197.3	245.0	267.5	283.1	297.7	309.2
Debt Service	34.4	35.2	221.6	29.3	62.7	61.9	61.0
Capital Program	115.8	133.0	154.7	157.4	221.6	201.9	235.6
Total Uses of Funds	328.5	365.5	621.3	454.2	567.4	561.5	605.8
Total Increase/(Decrease)	33.0	188.8	(182.1)	54.4	274.8	(142.7)	(178.0)
Beginning Fund Bal	524.3	557.3	746.1	564.0	618.4	893.2	750.5
Ending Fund Bal	\$557.3	\$746.1	\$564.0	\$618.4	\$893.2	\$750.5	\$572.5

Totals may not tie due to rounding.



RP-4 Wind Turbine

Revenues and Other Funding Sources Highlights

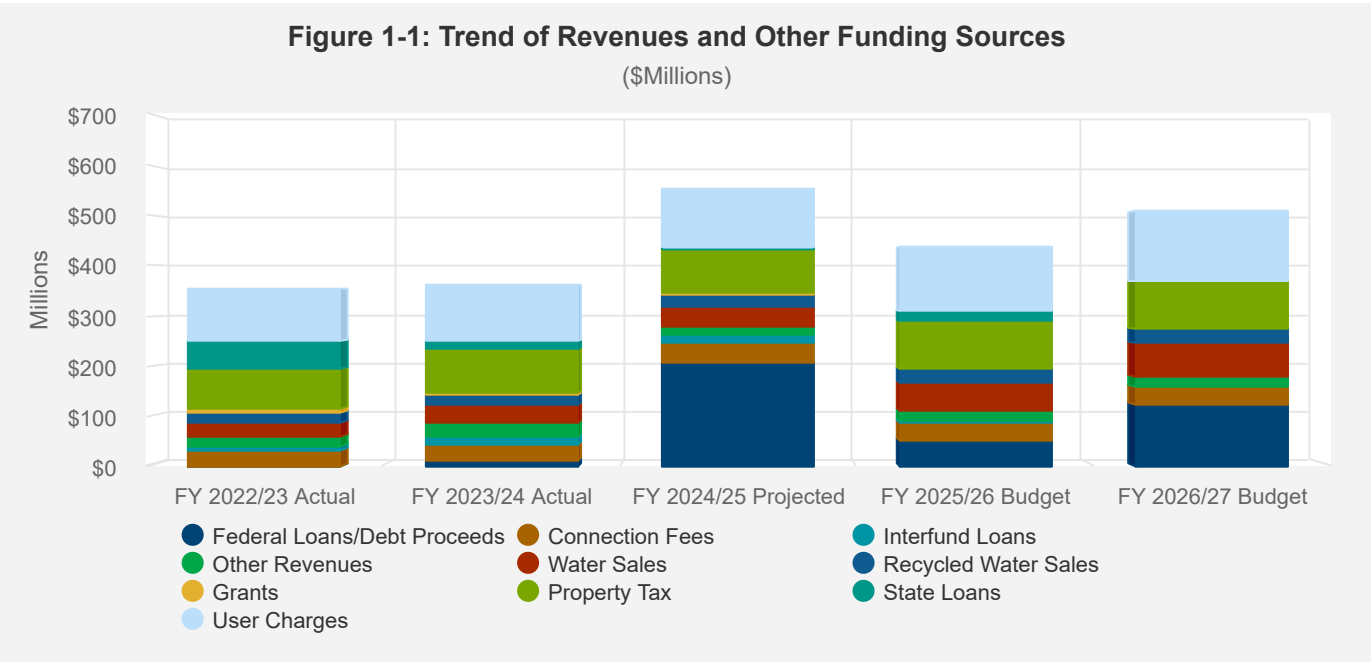
Total revenues and other funding sources are budgeted at \$439.2 million in FY 2025/26 and \$508.6 million in FY 2026/27. Table 1-2 highlights the major funding sources.

Table 1-2: Total Revenues and Other Funding Sources (\$Millions)

Funding Sources	FY 2023/24	FY 2024/25	Biennial Budget	
	Actual	Projected	FY 2025/26	FY 2026/27
Operating Revenues	\$192.5	\$197.2	\$232.5	\$254.1
Other Sources of Funds	169.0	357.1	206.7	254.5
Total	\$361.5	\$554.3	\$439.2	\$508.6

Totals may not tie due to rounding.

Revenues for FYs 2025/26 and 2026/27 include grants, federal and state loans, and potential new debt to support expansion projects needed to meet increased service demands from anticipated future growth, and R&R projects for aging facilities and infrastructure. Figure 1-1 shows revenue trends from FYs 2022/23 to FY 2026/27.



The primary sources of total revenues and other funding sources budgeted in FY 2025/26 and FY 2026/27 are summarized in Table 1-3:

Table 1-3: Total Revenues and Other Funding Sources (\$Millions)

Revenues	FY 2025/26 Budget	FY 2026/27 Budget	Description
User Charges	\$127.3	\$137.7	Regional Wastewater monthly sewer service charges; Non-Reclaimable Wastewater (NRW) pass-through volumetric, capacity and strength charges; Imported potable water rates.
State and Other Loans	76.3	124.2	State Revolving Fund (SRF) and Water Infrastructure Finance and Innovation Act (WIFIA) loan proceeds for Regional Wastewater Capital and Recharge Water funds, and potential new debt for the Regional Wastewater Operations & Maintenance fund.
Property Tax	92.4	95.6	San Bernardino County ad-valorem property taxes, passthrough incremental taxes, and extra territorial charges.
Grants	2.8	2.8	Federal, state, and local grants in support of water resource program projects.
Recycled Water Sales	25.7	27.5	Direct and groundwater recharge recycled water acre-foot sales and fixed cost recovery charges.
Connection Fees	34.5	33.7	New connection fees for the Regional Wastewater and One Water systems.
Water Sales	57.3	65.6	Sales of pass-through MWD imported potable water budgeted at 60,000 acre-feet per year (AFY).
Other Revenues*	22.9	21.5	Reimbursements for operational and administration support from Chino Basin Watermaster (CBWM), Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), lease revenues, and interest earnings.
Total Revenues & Other Funding Sources	\$439.2	\$508.6	

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

Totals may not tie due to rounding.

Expenses and Other Uses of Funds Highlights

Total uses of funds are \$621.3 million in FY 2025/26 and \$454.2 million for FY 2026/27. A comparison of major uses of funds from FY 2023/24 to FY 2026/27 is shown on Table 1-4.

Table 1-4: Total Uses of Funds (\$Millions)

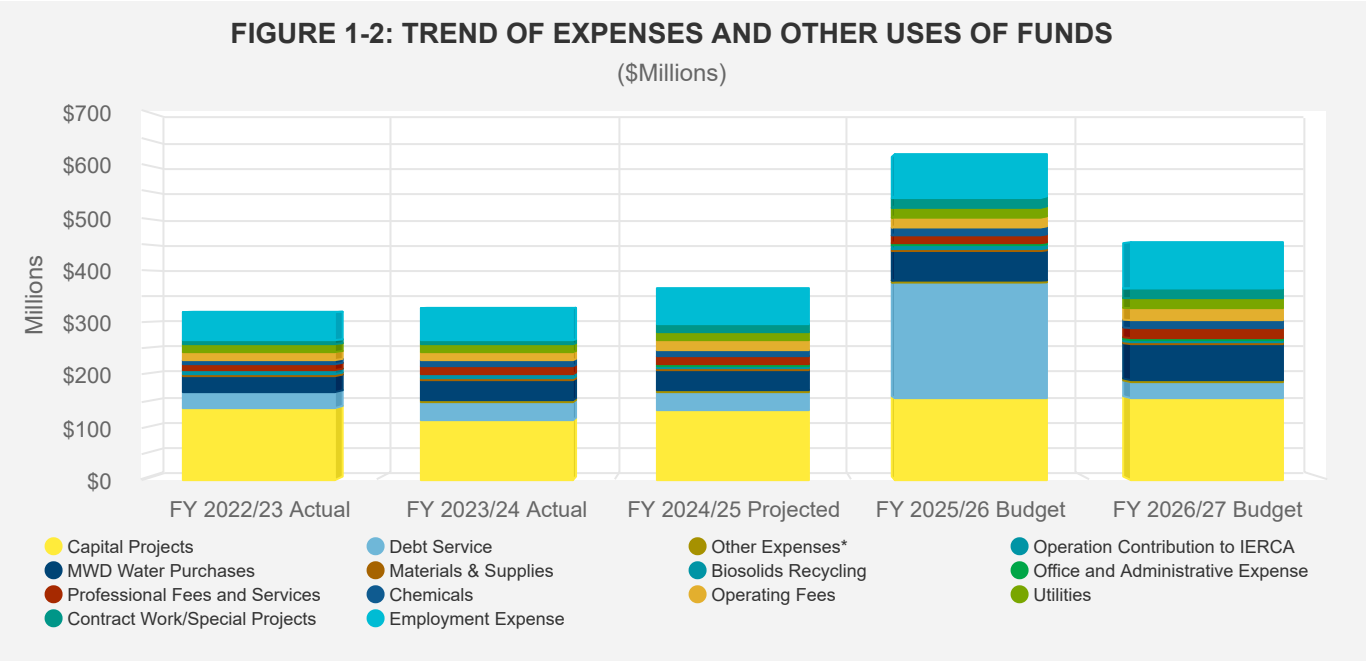
Uses of Funds	FY 2023/24 Actual	FY 2024/25 Projected	Biennial Budget	
			FY 2025/26	FY 2026/27
Operational Expenses*	\$178.3	\$197.3	\$245.0	\$267.5
CIP	115.8	133.0	154.7	157.4
Debt Service**	34.4	35.2	221.6	29.3
Total	\$328.5	\$365.5	\$621.3	\$454.2

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

**Includes Interfund Loan payments.

Totals may not tie due to rounding.

Expenses by major category from FYs 2022/23 to 2026/27 are shown in Figure 1-2.



Major expenses and other uses of funds budgeted in FYs 2025/26 and 2026/27 are summarized in Table 1-5.

Table 1-5: Total Expenses and Other Uses of Funds (\$Millions)

Expense Category	Biennial Budget		Description
	FY 2025/26	FY 2026/27	
Employment Expense	\$82.5	\$90.5	Includes wages and benefits, net of the Capital Improvement Plan (CIP) allocation and increased staffing for wastewater treatment, project management, cybersecurity, and safety initiatives.
Utilities	19.0	21.5	Includes electricity, natural gas, telephone, potable water, and renewal energy costs.
Operating Fees	19.6	20.2	Includes pass-through charges from Los Angeles County Sanitation Districts (LACSD) and Santa Ana Watershed Project Authority (SAWPA) for volumetric charges, capacity, excess strength, and biochemical oxygen demand (BOD) / chemical oxygen demand (COD) for the Non-Reclaimable Wastewater System.
Chemicals	12.9	15.3	Chemicals for wastewater treatment process compliance and sustainment of the high-quality recycled water.
Professional Fees	18.0	19.3	Includes contract services such as external auditing, legal training, landscaping, security, and janitorial services.
Biosolids Recycling	6.1	6.6	Includes hauling costs and Inland Empire Regional Composting Authority (IERCA) tipping fees for biosolids recycling.
MWD Water Purchases	57.3	65.6	Pass-through purchase of imported potable water from Metropolitan Water District of Southern California (MWD) budgeted at 60,000 AF per fiscal year.
Other Expenses	29.6	28.5	Includes non-capital (O&M) projects, office and administration expenses, contract services, and materials and supplies.
Capital Project	154.7	157.4	Capital improvement plan (CIP) expenditures consistent with the Ten-Year Capital Improvement Plan (TYCIP) and Agency's share of capital investments for the Inland Empire Regional Composting Authority.
Debt Service	221.6	29.3	Includes principal, interest, and financial fees for outstanding bonds, WIFIA, State Revolving Fund (SRF) loans, notes payable, and interfund loans.
Total Expenses and Other Uses of Funds	\$621.3	\$454.2	

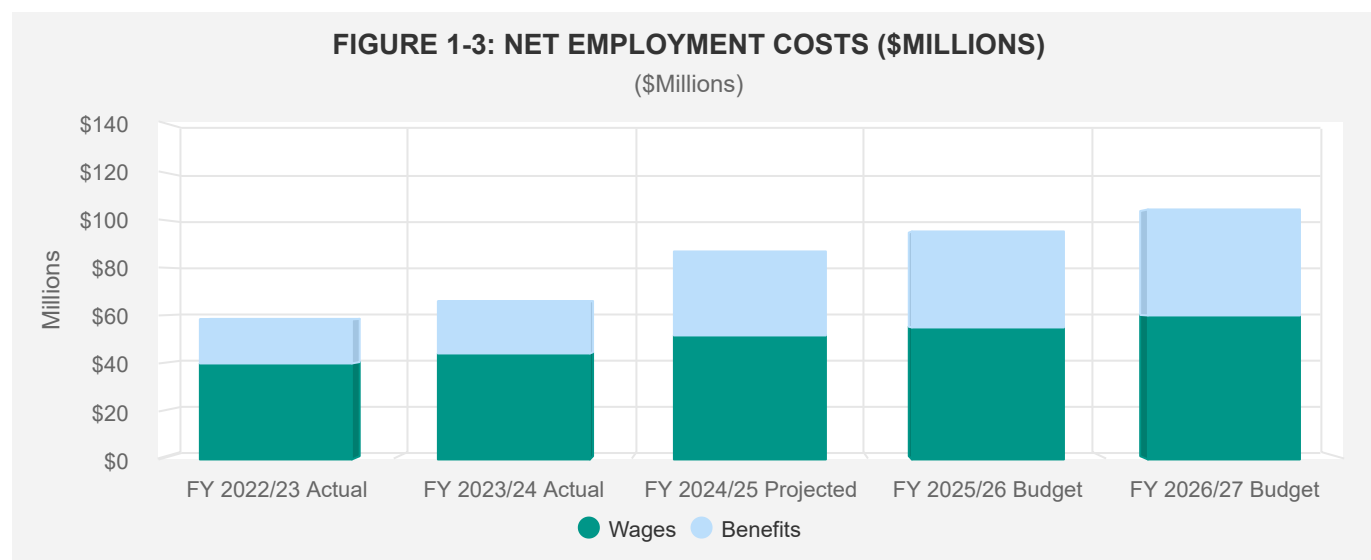
Totals may not tie due to rounding.

Employment Expenses

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's 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 staffing increases will allow for the recruitment of positions essential in advancing Agency initiatives such as wastewater treatment and supply, planning and project management, cybersecurity 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.

Total budgeted employment expenses are \$82.5 million in FY 2025/26 and \$90.5 million in FY 2026/27 (net of labor allocation to CIP). Employment expenses include wages, benefits, and contributions to unfunded accrued liabilities for pension and other post-employment benefits (OPEB). The employment budget for both FYs 2025/26 and 2026/27 includes a six percent cost of living adjustment (COLA) each year.

Employment costs allocated to support CIP activities are \$12.3 million in FY 2025/26 and \$13.5 million in FY 2026/27 and are included in total employment expenses shown in Figure 1-3.



Capital Improvement Program (CIP)

Fiscal Years 2026 - 2035 Ten Year Capital Improvement Plan (TYCIP)

The purpose of the capital improvement plan is to catalog and schedule capital improvement projects over a multi-year period to effectively and efficiently meet the service needs of the region, comply with statutory requirements, and appropriately maintain Agency assets. Each year, pursuant to the Regional Sewage Service Contract and Ordinance No. 114, customer agencies provide a ten-year forecast of expected growth in their area. The FY 2025/26 forecast estimates just over 61,000 new connections over the next ten years based on prior year forecast estimates provided by the sewage collection agencies.

Based on customer agency forecasts, the Agency prepares a ten-year projection of capacity demands and identifies capital projects needed to meet the service demand from future growth. Pursuant to the Regional Sewage Contract and Ordinance No. 114, the Ten-Year Sewer Capital Forecast (TYSCF), a subset of the Ten-Year Capital Improvement Plan (TYCIP) which includes capital investments planned for the Regional Wastewater program, is updated annually and presented to the Regional Technical and Policy Committees for review and comment, prior to approval by the Agency's Board of Directors.

The FY 2025/26 - 2034/35 TYCIP budget of \$1,795.9 million includes both capital and non-capital projects (excluding investment in the IERCA) and is dedicated to two main objectives: the timely execution of critical replacement and rehabilitation (R&R) projects to meet reliability and regulatory standards, and the improvement and expansion of existing facilities and infrastructure to accommodate future growth as projected by customer agencies. Key projects include the expansion of Regional Water Recycling Plant No. 5, the Thickening Building and Acid Phase Digester at Regional Recycling Plant No. 1, and the Liquid and Solids Treatment Capacity Recovery projects at Regional Recycling Plant No. 1.

The TYCIP will be funded through a combination of pay-as-you-go (pay-go) financing, low-interest federal and state loans, grants, contributions, and potential issuance of new debt. Although current funding projections include possible future debt, the financing strategy will continue to evolve as individual projects advance through design and approach construction readiness. Future funding plans will incorporate updated cost estimates, revised schedules, and adaptive funding strategies to ensure alignment with program goals and long-term fiscal sustainability.

A summary by fund of capital and non-capital projects is provided in Table 1-6.

Table 1-6: Ten Year Capital Improvement Plan by Fund (\$Millions)

Fund	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31 through FY 2034/35	Total
Wastewater Capital*	\$94.9	\$93.4	\$122.8	\$101.3	\$108.3	\$464.3	\$985.0
Wastewater Operations**	34.3	40.0	38.3	28.5	17.0	49.7	207.8
Recycled Water	10.8	15.3	59.8	69.6	105.9	178.8	440.2
Non-Reclaimable Wastewater	1.7	0.8	1.6	5.5	4.7	44.7	59.0
Water Resources	10.6	6.2	2.1	2.1	2.1	10.5	33.6
Recharge Water	3.6	3.0	0.4	1.1	1.1	0.3	9.5
Administrative Services	15.6	13.4	7.1	6.1	6.8	11.8	60.8
Total	\$171.5	\$172.1	\$232.1	\$214.2	\$245.9	\$760.1	\$1,795.9

Totals may not tie due to rounding.

*Regional Wastewater Capital Improvement Fund (excludes \$4.4 million capital investment in the Regional Composting Authority)

**Regional Wastewater Operations & Maintenance Fund

A more detailed discussion of the CIP and major projects included in the FYs 2025/26 – 2034/35 TYCIP is provided in the Capital section of the budget document.

Debt Service Costs

Debt service costs include principal, interest, and financial expenses associated with outstanding bonds, revenue notes, low interest State Revolving Fund (SRF) loans, Water Infrastructure Finance Innovation Act (WIFIA) loans, notes payable, and interfund loans. These costs are primarily funded through property tax receipts, rates, and connection fees, in accordance with the Agency's Debt Management Policy, which was adopted by the Board of Directors in May 2016. Table 1-7 shows the estimated biennial debt service costs by program.

Table 1-7: Debt Service Costs by Program (\$Millions)

Program Fund	FY 2025/26 Budget	FY 2026/27 Budget
Regional Wastewater Capital	\$207.2	\$17.2
Regional Wastewater Operations	1.4	1.4
Recycled Water	8.0	8.0
Recharge Water	4.4	2.1
Non-Reclaimable Wastewater	0.6	0.6
Total Debt Service Costs	\$221.6	\$29.3

Totals may not tie due to rounding.

Total outstanding debt, net of interfund loans and financial expense, at the end of FY 2025/26 is projected to be \$740.8 million and comprised of \$75.0 million in bonds, \$451.6 million of Water Infrastructure Finance and Innovation Act (WIFIA) loans, \$212.9 million in low interest SRF loans, and \$1.3 million in other notes payable.

In 2020, the Agency secured a federal Water Infrastructure Finance and Innovation Act (WIFIA) loan in the amount of \$196.4 million at a fixed interest rate of 1.36 percent from the U.S. Environmental Protection Agency (EPA) to finance a portion of the RP-5 Expansion project. Repayment of the WIFIA loan starts one year after substantial completion of the project which is currently slated for early 2027. To further reduce the financing costs, the Agency issued interim financing for the same amount of the WIFIA loan to support construction costs of the RP-5 Expansion project. Use of the WIFIA loan and interim financing at a fixed rate of 4 percent resulted in estimated present value cost savings of \$93 million over the life of the loan.

The Agency executed a full draw of the 2020 WIFIA loan in late FY 2024/25. The proceeds were deposited into an escrow account with the Agency's custodial bank, where they will remain until November 2025, at which point the funds will be utilized to fully defease the 2020B Revenue Notes.

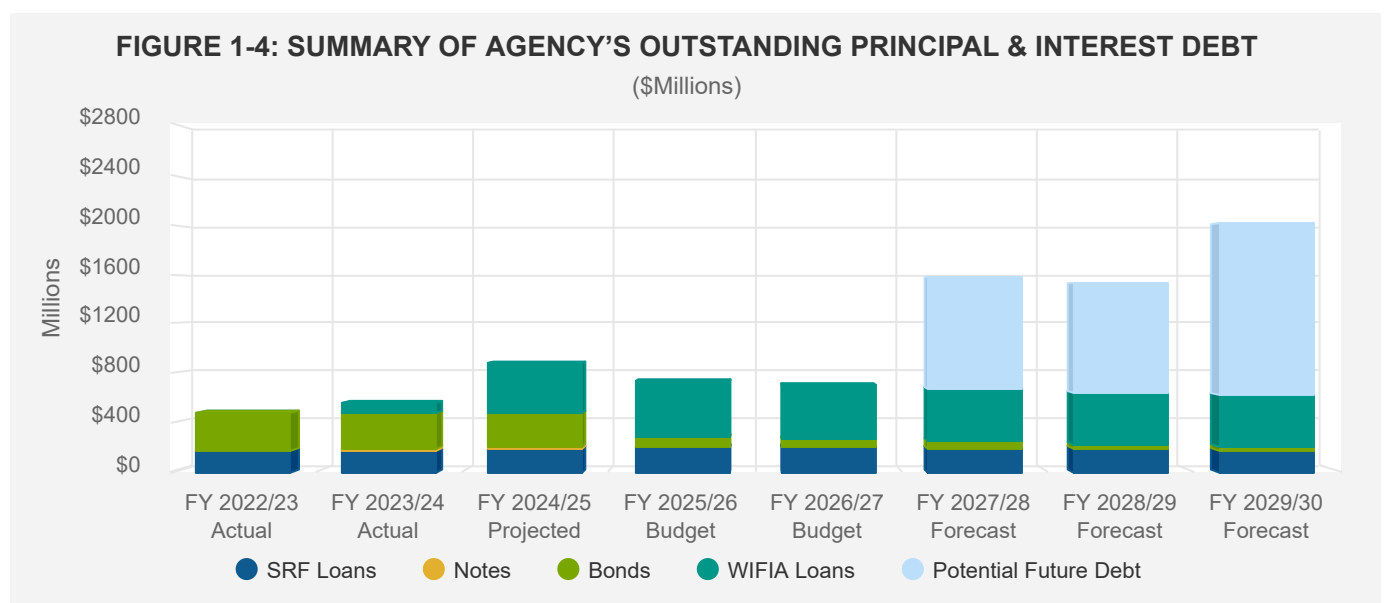
In 2022, the Agency secured a second WIFIA loan in the amount of \$120.0 million at a fixed interest rate of 2.61 percent to provide financing for the Regional Wastewater Improvements Program, a suite of capital projects included in the TYCIP.

Table 1-8 presents projections of total outstanding debt (including principal and interest) by type and fiscal year starting from FY 2023/24, while Figure 1-4 shows the same projections beginning from FY 2022/23.

Table 1-8: Total Outstanding Debt by Type (\$Millions)

(Principal and Interest)	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Bonds and Revenue Notes	\$300.8	\$288.2	\$75.0	\$63.2	\$52.9	\$43.4	\$33.9
SRF Loans	183.0	199.4	212.9	208.7	198.3	187.8	177.9
Notes	2.5	1.9	1.3	0.8	0.2	-	-
WIFIA	70.5	391.2	451.6	441.2	430.8	420.4	410.0
Potential Future Debt ⁽¹⁾	-	-	-	-	895.9	873.4	1,391.3
Total	\$556.8	\$880.7	\$740.8	\$713.9	\$1,578.1	\$1,525.0	\$2,013.1

⁽¹⁾ Includes potential new debt for Regional, Recycled, and Non-Reclaimable Wastewater improvement projects.



Debt Coverage Ratio (DCR)

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

The Agency's debt covenants require a legal DCR of at least i) 1.15 times maximum annual debt service for senior obligations; ii) 1.25 times maximum annual debt service for all other obligations. A DCR of 1.25 times means that the Agency is required to generate a net operating cash flow equal to no less than 125 percent of the amount required to meet annual debt service obligations. Net operating cash flow is the amount remaining after payment of operating expenses. The Agency has no legal debt limits imposed by state legislation.

Annual changes in the Debt Coverage Ratio (DCR) result from fluctuations in system revenues, operating expenses, and debt service obligations. Current forecasts account for potential new bond issuances to support the capital improvement program. The associated annual debt service costs for these bonds are included in the DCR calculation, as shown in Table 1-9.

Table 1-9: Debt Coverage Ratio Projected Trend

	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
	Projected	Biennial Budget		Forecast		
DCR	6.26x	4.14x	3.98x	2.08x	1.94x	1.93x

Interfund Transfers

Interfund transfers account for the inflows and outflows of financial resources from one Agency fund to another and are reported as other financing sources and uses of funds. The Agency's interfund transfers included in each fund are needed to support operation, capital, and debt service costs and are approved by the Board of Directors as part of the fiscal year budget. Connection fees and property taxes are a primary source of funding. An overview of the proposed interfund transfers for FYs 2025/26 and 2026/27 is provided in the following discussion.

Capital Contribution

Capital contribution interfund transfers provide support for specific portions of the Agency's CIP. The Non-Reclaimable Wastewater, Regional Wastewater Capital, and Recycled Water funds support the Administrative Services Fund's agencywide capital projects. Interfund transfers from the Recycled Water fund to the Recharge Water fund support the Agency's share of capital investments related to improvements and expansion of the groundwater basin recharge system. Interfund transfers from the Regional Wastewater Operations fund to the Regional Wastewater Capital fund supports its share for capital project expenditures for existing capacity. A summary of interfund transfers to support CIP is provided in Table 1-10.

Table 1-10: Capital Contribution Interfund Transfers (\$Millions)

Fund	FY 2025/26		FY 2026/27	
	In	Out	In	Out
Administrative Services	\$7.19	\$0.00	\$9.24	\$0.00
Non-Reclaimable Wastewater	-	(0.24)	-	(0.32)
Regional Wastewater Capital	0.94	(6.71)	8.73	(8.61)
Regional Wastewater Operations	-	(0.94)	-	(8.73)
Recharge Water	1.23	-	1.27	-
Recycled Water	-	(1.47)	-	(1.58)
Total	\$9.36	\$(9.36)	\$19.24	\$(19.24)

Debt Service

Interfund transfers for debt service account for fund-specific portions of debt service costs related to the Agency's bonds and SRF loans used to support capital projects. The Regional Wastewater Capital fund supports the Agency's share of 2020A Bond debt service costs recorded in the Recharge Water fund, the 2017A bond debt service costs in the Recycled Water fund, and SRF Loan payments in the Regional Wastewater Operations fund. Interfund transfers from the Regional Wastewater Operations fund to the Recycled Water fund support its share of the SRF loan for Regional and Recycled Water projects. Table 1-11 provides a summary of the debt service interfund transfers.

Table 1-11: Debt Service Interfund Transfers (\$Millions)

Fund	FY 2025/26		FY 2026/27	
	In	Out	In	Out
Regional Wastewater Capital	\$0.00	\$ (3.26)	\$0.63	\$ (3.27)
Regional Wastewater Operations	0.26	(0.15)	0.26	(0.77)
Recharge Water	0.48	-	0.60	-
Recycled Water	2.67	-	2.67	(0.12)
Total	\$3.41	\$(3.41)	\$4.16	\$(4.16)

Operation Support

Operation support in the form of interfund transfers is provided to the Agency's Administrative Services fund for agencywide non-capital projects from the Regional Wastewater Operations, Recycled Water, and Non-Reclaimable Wastewater funds. The Recharge Water fund receives operational support from the Recycled Water fund for the Agency's pro-rata share of groundwater basin maintenance and other costs not reimbursed by Chino Basin Watermaster. Interfund transfers related to operation support are detailed in Table 1-12.

Table 1-12: Operation Support Interfund Transfers (\$Millions)

Fund	FY 2025/26		FY 2026/27	
	In	Out	In	Out
Administrative Services	\$1.50	\$0.00	\$0.89	\$0.00
Non-Reclaimable Wastewater	-	(0.05)	-	(0.03)
Regional Wastewater Operations	-	(1.40)	-	(0.83)
Recharge Water	1.53	-	1.67	-
Recycled Water	-	(1.58)	-	(1.70)
Total	\$3.03	\$(3.03)	\$2.56	\$(2.56)

Capital – Wastewater Connection Fees

Wastewater connection fees are collected to support the capital acquisition, construction, and expansion of the Agency's regional wastewater system. This revenue is recorded in the Regional Wastewater Capital fund and then distributed via interfund transfer to the Administrative Services, Non-Reclaimable Wastewater, and Regional Wastewater Operations funds proportionally to support growth-related projects. These transfers are outlined in Table 1-13.

Table 1-13: Wastewater Connection Fees Interfund Transfers (\$Millions)

Fund	FY 2025/26		FY 2026/27	
	In	Out	In	Out
Administrative Services	\$3.71	\$0.00	\$3.05	\$0.00
Non-Reclaimable Wastewater	0.08	-	0.10	-
Regional Wastewater Capital	-	(8.00)	-	(6.03)
Regional Wastewater Operations	4.21	-	2.88	-
Total	\$8.00	\$(8.00)	\$6.03	\$(6.03)

One Water Connection Fees

One Water connection fees are collected to support the expansion of the Agency's regional water system and investment in integrated regional water resources. The connection fee revenue is recorded in the Agency's Recycled Water fund and then allocated via interfund transfer to the Administrative Services, Recharge Water, and Water Resources funds proportionally to support projects that contribute to the regional water system. The One Water connection fee interfund transfers are summarized in Table 1-14.

Table 1-14: One Water Interfund Transfers (\$Millions)

Fund	FY 2025/26		FY 2026/27	
	In	Out	In	Out
Administrative Services	\$3.20	\$0.00	\$0.21	\$0.00
Recharge Water	0.07	-	0.07	-
Recycled Water	-	(4.09)	-	(1.03)
Water Resources	0.82	-	0.75	-
Total	\$4.09	\$(4.09)	\$1.03	\$(1.03)

Property Tax

Property Tax support is provided to the Agency's Recycled Water fund through interfund transfers to support the Recycled Water facility compliance project. The transfer of property tax reserves from the Water Resources fund to the Recycled Water fund is a one-time transfer in FY 2025/26. Interfund transfers related to property tax support are presented in Table 1-15.

Table 1-15: Property Tax Interfund Transfers (\$Millions)

Fund	FY 2025/26		FY 2026/27	
	In	Out	In	Out
Recycled Water	\$20.00	\$0.00	\$0.00	\$0.00
Water Resources	-	(20.00)	-	-
Total	\$20.00	\$(20.00)	\$0.00	\$0.00

Reserves

Reserves are a strong indicator of the Agency's financial health. Reserve balances are maintained at the agencywide level and at the individual fund level. The aggregate ending reserve fund balance in FY 2025/26 is estimated to be \$564.0 million, a decrease of \$182.1 million compared to the FY 2024/25 projected ending balance of \$746.1 million. The projected decrease is primarily due to the defeasance of the 2020B Revenue Notes in FY 2025/26. Table 1-16 shows the projected net changes in fund reserves and the estimated ending balances through FY 2026/27.

Table 1-16: Reserve Fund Balance (\$Millions)

Description	Actual	Projected	Biennial Budget	
	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
Net Increase (Decrease) in Fund Balance	\$33.0	\$ 188.8	\$ (182.1)	\$54.4
Beginning Fund Balance, July 1	524.3	557.3	746.1	564.0
Ending Fund Balance, June 30	\$557.3	\$746.1	\$564.0	\$618.4

Totals may not tie due to rounding.

Table 1-17 provides an overview of estimated ending reserve balances by fund for FYs 2024/25 through 2026/27.

Table 1-17: Ending Reserve Balance by Fund (\$Millions)

Fund	Projected FY	Biennial Budget	
	2024/25	FY 2025/26	FY 2026/27
Administrative Services	\$11.1	\$10.2	\$9.1
Regional Wastewater Capital Improvement	499.0	333.4	329.7
Regional Wastewater Operations & Maintenance	104.4	96.7	162.6
Recycled Water	55.8	74.5	72.1
Non-Reclaimable Wastewater	33.7	31.2	29.3
Recharge Water	5.5	6.3	5.0
Water Resources	36.6	11.7	10.6
Total	\$746.1	\$564.0	\$618.4

Totals may not tie due to rounding.

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

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

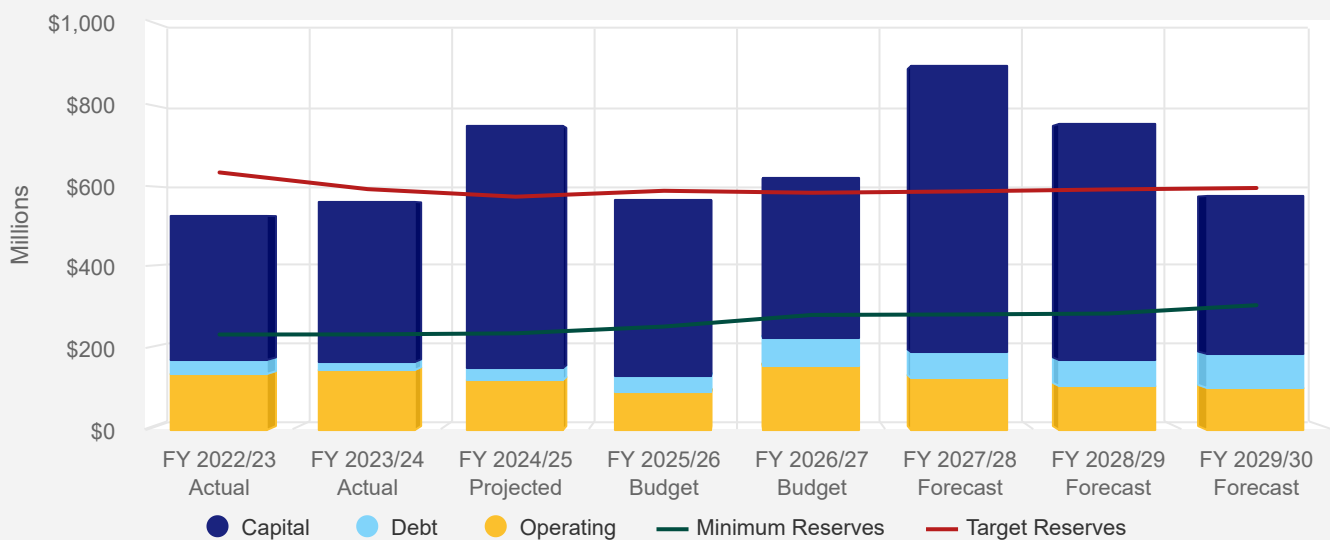
- **Employee Retirement Benefit:** with a minimum of \$6.0 million and a target level equal to the greater of the Annual Required Contribution based on the actuarial valuation report from CalPERS or \$6.0 million.

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

A comparison of the Agency's actual and projected total fund reserves to the minimum and target levels from FY 2022/23 through FY 2029/30 is provided in Figure 1-5. FY 2024/25 reserve balance includes \$196.4 million of proceeds from the WIFIA loan draw. The reduction in FY 2025/26 is due to the defeasance of the 2020B Revenue Notes issued as interim financing for the RP-5 Expansion projects. Reserve increases in FY 2027/28 include a potential debt issuance intended to support the improvement and expansion of the Regional Wastewater and Water systems.

Figure 1-5: Trend of Operating, Capital, and Debt Reserve Balances

(\$Millions)

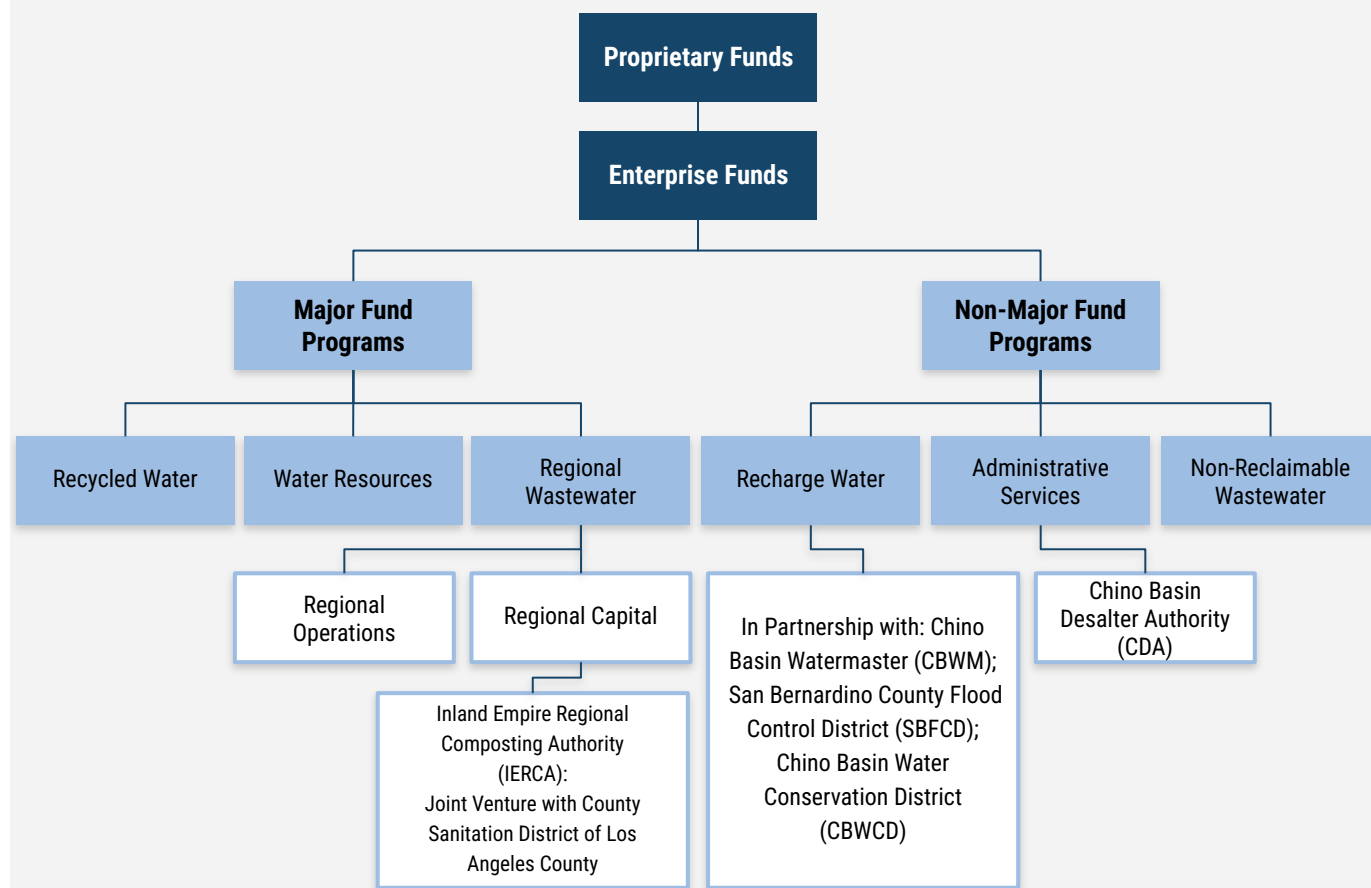


A summary of the actual and estimated fund balance by fund is provided in the Programs section of this budget book, a consolidated summary is shown below in the All Funds Sources and Uses of Funds table. The criterion for each minimum and maximum target level by category varies by Agency fund and is further defined in the Agency's adopted Reserve Policy.

Programs

As a municipal water district, the Agency engages primarily in enterprise operations supported by user charges and fees, which are recorded in enterprise funds. In some cases, a program consists of a group of enterprise funds, such as the Regional Wastewater program which comprises the Regional Wastewater Operations & Maintenance (Regional Operations) and Regional Wastewater Capital Improvement (Regional Capital) funds and by extension the Inland Empire Regional Composting Authority. Figure 1-6 provides an overview of the Agency's fund structure.

Figure 1-6: Inland Empire Utilities Agency (IEUA) Fund Structure



Individual enterprise funds are classified in either a Major Fund or Non-Major Fund group. Each enterprise fund records cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Table 1-18 contains definitions of Major and Non-Major Fund groups. The definitions are consistent with the Agency's audited FY 2023/24 Annual Comprehensive Financial Report.

Table 1-18: Definition of Major and Non-Major Fund Groups

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

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



Inland Empire Utilities Agency

Fiscal Years 2025/26 & 2026/27 Biennial Budget

All Funds - Sources and Uses of Funds (\$Thousands)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Revenues								
User Charges	\$101,386	\$109,808	\$115,161	\$127,288	\$137,741	\$141,980	\$146,877	\$151,435
Property Tax - O&M	3,565	3,846	4,023	4,160	4,302	4,449	4,602	4,674
Cost Reimbursement from JPA	6,267	6,993	7,966	8,894	9,326	11,157	11,520	12,294
Contract Cost Reimbursement	196	429	307	253	253	253	253	253
Interest Revenue	8,905	16,219	7,953	8,876	9,453	12,368	12,737	9,984
Recycled Water Sales	18,693	19,905	23,777	25,667	27,504	28,827	30,159	31,554
Water Sales	30,516	35,319	38,043	57,312	65,556	74,904	80,292	84,648
Total Revenues	\$169,528	\$192,519	\$197,230	\$232,450	\$254,136	\$273,939	\$286,440	\$294,842
Other Financing Sources								
Property Tax - Debt , Capital, Reserves	\$75,800	\$81,767	\$85,368	\$88,285	\$91,303	\$93,531	\$95,779	\$97,287
Connection Fees	30,846	33,113	39,535	34,531	33,669	33,791	33,890	33,023
Debt Proceeds	-	11,809	207,388	53,516	124,250	427,724	-	-
State Loans	57,422	17,899	5,198	22,745	-	-	-	-
Grants	7,737	4,172	3,003	2,835	2,835	10,810	10	10
Capital Contract Reimbursement	800	678	461	1,220	1,964	1,853	2,130	2,131
Other Revenues	1,195	4,898	670	503	510	516	523	531
Sale of Capacity	-	645	-	-	-	-	-	-
Loan Transfer from Internal Fund	10,105	14,000	15,433	3,105	-	-	-	-
Total Other Financing Sources	\$183,905	\$168,979	\$357,057	\$206,739	\$254,530	\$568,224	\$132,331	\$132,981
Total Revenues and Other Financing Sources	\$353,433	\$361,498	\$554,286	\$439,189	\$508,665	\$842,163	\$418,771	\$427,823
Expenses								
Employment Expense	\$54,007	\$60,797	\$67,852	\$82,474	\$90,513	\$96,595	\$100,256	\$105,182
Contract Work/Special Projects	8,218	8,709	16,021	17,959	15,979	10,808	12,498	10,584
Utilities	13,412	15,678	15,608	19,016	21,524	23,329	24,106	24,912
Operating Fees	15,005	16,136	17,300	19,597	20,193	20,657	21,198	21,633
Chemicals	8,962	10,971	12,130	12,898	15,269	15,726	16,198	16,684
Professional Fees and Services	11,269	13,447	15,990	18,061	19,309	20,528	21,526	22,825
Office and Administrative Expense	1,962	2,167	2,361	3,603	4,041	4,604	4,994	5,315
Biosolids Recycling	4,579	5,263	5,687	6,083	6,591	6,797	7,010	7,230
Materials & Supplies	3,584	3,664	3,237	3,615	3,708	3,824	3,974	4,131
MWD Water Purchases	30,516	37,587	38,043	57,312	65,556	74,904	80,292	84,648
Other Expenses	2,305	3,842	3,001	4,397	4,814	5,294	5,637	6,018
Total Expenses	\$153,818	\$178,260	\$197,230	\$245,014	\$267,497	\$283,066	\$297,689	\$309,160
Capital Program								
IERCA investment	\$800	\$750	\$1,463	\$1,125	\$1,250	\$250	\$250	\$250
Capital Construction & Expansion (WIP)	135,555	115,082	131,493	153,543	156,151	221,326	201,695	235,346
Total Capital Program	\$136,355	\$115,832	\$132,956	\$154,668	\$157,401	\$221,576	\$201,945	\$235,596

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Debt Service								
Financial Expenses	\$24	\$61	\$42	\$41	\$40	\$38	\$39	\$40
Interest	7,349	6,824	5,867	8,347	9,952	32,920	32,153	31,255
Principal	12,798	13,494	13,894	210,142	19,382	29,747	29,653	29,781
Short Term Interfund Loan	10,105	14,000	15,433	3,105	-	-	-	-
Total Debt Service	\$30,276	\$34,379	\$35,235	\$221,635	\$29,373	\$62,705	\$61,845	\$61,076
Fund Balance								
Net Increase (Decrease)	\$32,984	\$33,027	\$188,865	\$(182,128)	\$54,394	\$274,817	\$(142,707)	\$(178,009)
Beginning Fund Balance July 01	491,259	524,244	557,270	746,136	564,008	618,402	893,219	750,512
Ending Balance At June 30	\$524,244	\$557,270	\$746,136	\$564,008	\$618,402	\$893,219	\$750,512	\$572,503
Reserve Balance Summary								
Operating Contingency	\$41,550	\$43,757	\$49,572	\$58,845	\$81,147	\$65,499	\$68,521	\$70,720
Capital Construction	183,480	191,189	386,739	245,075	224,255	556,293	458,494	273,544
CCRA Capital Construction	107,714	135,677	139,985	117,569	94,290	70,926	47,446	42,878
Water Connection	26,464	25,433	30,275	33,975	40,144	38,080	36,439	35,023
Rehabilitation/Replacement	50,599	53,775	30,364	19,338	63,199	47,650	25,860	18,911
Water Resource Capital Reserve	34,013	39,188	33,818	7,590	7,455	7,424	6,948	6,244
Debt Service & Redemption	34,386	23,100	30,115	37,398	64,899	63,739	62,994	80,614
Self Insurance Program	3,621	3,621	6,617	3,617	3,476	3,770	3,770	4,396
Employee Retirement Benefit	6,000	5,114	5,236	4,186	3,122	3,423	3,625	3,758
Sinking Fund	36,415	36,415	36,415	36,415	36,415	36,415	36,415	36,415
Ending Balance At June 30	\$524,244	\$557,270	\$749,136	\$564,008	\$618,402	\$893,219	\$750,512	\$572,503

Totals may not tie due to rounding.

FY 2025/26 Sources and Uses of Funds - By Program Fund (\$Thousands)

	FY 2025/26 Adopted Budget										
	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	Admin- istrative Services Program	Non-Re- claimable Waste- water Program	Regional Wastewa- ter Capital Improvement Fund	Regional Waste- water Operations & Main- tenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	Adopted Budget
Revenues											
User Charges	\$101,386	\$109,808	\$115,161	\$0	\$17,400	\$0	\$98,081	\$0	\$0	\$11,807	\$127,288
Property Tax - O&M	3,565	3,846	4,023	4,160	-	-	-	-	-	-	4,160
Cost Reimbursement from JPA	6,267	6,993	7,966	2,151	-	-	5,057	1,686	-	-	8,894
Contract Cost reimbursement	196	429	307	-	-	-	5	-	-	248	253
Interest Revenue	8,905	16,219	7,953	337	730	3,500	2,200	170	1,644	295	8,876
Recycled Water Sales	18,693	19,905	23,777	-	-	-	-	-	25,667	-	25,667
Water Sales	30,516	35,319	38,043	-	-	-	-	-	-	57,312	57,312
Total Revenues	\$169,528	\$192,519	\$197,230	\$6,648	\$18,130	\$3,500	\$105,343	\$1,856	\$27,311	\$69,662	\$232,450
Other Financing Sources											
Property Tax - Debt , Capital, Reserves	\$75,800	\$81,767	\$85,368	\$0	\$0	\$60,089	\$21,262	\$0	\$5,547	\$1,387	\$88,285
Connection Fees	30,846	33,113	39,535	-	-	27,584	-	-	6,947	-	34,531
Debt Proceeds	-	11,809	207,388	-	-	53,516	-	-	-	-	53,516
State Loans	57,422	17,899	5,198	-	-	17,029	-	5,716	-	-	22,745
Grants	7,737	4,172	3,003	-	-	-	-	-	-	2,835	2,835
Capital Contract Reimbursement	800	678	461	-	-	-	-	1,123	97	-	1,220
Other Revenues	1,195	4,898	670	2	420	1	80	-	-	-	503
Sale of Capacity	-	645	-	-	-	-	-	-	-	-	-
Loan Transfer from Internal Fund	10,105	14,000	15,433	-	-	3,105	-	-	-	-	3,105
Total Other Financing Sources	\$183,905	\$168,979	\$357,057	\$2	\$420	\$161,323	\$21,342	\$6,839	\$12,591	\$4,222	\$206,739
Total Revenues and Other Financing Sources	\$353,433	\$361,498	\$554,286	\$6,650	\$18,550	\$164,823	\$126,685	\$8,695	\$39,902	\$73,884	\$439,189
Expenses											
Employment Expense	\$54,007	\$60,797	\$67,852	\$3,949	\$6,489	\$6,079	\$50,690	\$1,258	\$9,141	\$4,869	\$82,474
Contract Work/Special Projects	8,218	8,709	16,021	1,676	650	900	6,655	-	1,563	6,515	17,959
Utilities	13,412	15,678	15,608	1,134	140	-	12,270	153	5,319	-	19,016
Operating Fees	15,005	16,136	17,300	47	10,145	282	3,238	12	11	5,861	19,597
Chemicals	8,962	10,971	12,130	-	380	-	12,518	-	-	-	12,898
Professional Fees and Services	11,269	13,447	15,990	9,573	277	643	4,503	1,648	1,012	405	18,061
Office and Administrative Expense	1,962	2,167	2,361	3,574	-	-	-	16	9	4	3,603
Biosolids Recycling	4,579	5,263	5,687	-	49	-	6,035	-	-	-	6,083
Materials & Supplies	3,584	3,664	3,237	274	90	-	2,972	129	150	-	3,615
MWD Water Purchases	30,516	37,587	38,043	-	-	-	-	-	-	57,312	57,312
Other Expenses	2,305	3,842	3,001	(11,077)	921	3,110	8,499	-	2,299	645	4,397
Total Expenses	\$153,818	\$178,260	\$197,230	\$9,149	\$19,141	\$11,014	\$107,379	\$3,216	\$19,503	\$75,611	\$245,013
Capital Program											
IERCA investment	\$800	\$750	\$1,463	\$0	\$0	\$1,125	\$0	\$0	\$0	\$0	\$1,125
Capital Construction & Expansion (WIP)	135,555	115,082	131,493	13,936	1,032	94,000	27,650	3,593	9,232	4,100	153,543
Total Capital Program	\$136,355	\$115,832	\$132,956	\$13,936	\$1,032	\$95,125	\$27,650	\$3,593	\$9,232	\$4,100	\$154,668

	FY 2025/26 Adopted Budget										
	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	Admin- istrative Services Program	Non-Re- claimable Waste- water Program	Regional Wastewa- ter Capital Improvement Fund	Regional Waste- water Operations & Main- tenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	Adopted Budget
Debt Service											
Financial Expenses	\$24	\$61	\$42	\$23	\$1	\$9	\$1	\$1	\$7	\$0	\$41
Interest	7,349	6,824	5,867	-	176	5,438	517	323	1,893	-	8,347
Principal	12,798	13,494	13,894	-	440	201,757	900	981	6,065	-	210,142
Short Term Interfund Loan	10,105	14,000	15,433	-	-	-	-	3,105	-	-	3,105
Total Debt Service	\$30,276	\$34,379	\$35,235	\$23	\$617	\$207,204	\$1,417	\$4,410	\$7,965	\$0	\$221,635
Transfers in (Out)											
Capital Contribution	\$0	\$0	\$0	\$7,195	\$(245)	\$(5,767)	\$(939)	\$1,228	\$(1,473)	\$0	\$0
Debt Service	-	-	-	-	-	(3,266)	114	478	2,673	-	-
Operation support	-	-	-	1,506	(51)	-	(1,404)	1,530	(1,581)	-	-
Capital - Connection Fees Allocation	-	-	-	3,709	78	(8,004)	4,217	-	-	-	-
One Water	-	-	-	3,202	-	-	-	68	(4,085)	815	-
Property Tax Transfer	-	-	-	-	-	-	-	-	20,000	(20,000)	-
Total Interfund Transfers in (OUT)	\$0	\$0	\$0	\$15,612	\$(218)	\$(17,037)	\$1,989	\$3,305	\$15,533	\$(19,185)	\$0
Fund Balance											
Net Increase (Decrease)	\$32,984	\$33,027	\$188,865	\$(845)	\$(2,457)	\$(165,556)	\$(7,773)	\$781	\$18,735	\$(25,012)	\$(182,128)
Beginning Fund Balance July 01	491,259	524,244	557,270	11,081	33,673	498,979	104,448	5,493	55,796	36,665	746,136
Ending Balance At June 30	\$524,244	\$557,270	\$746,136	\$10,236	\$31,216	\$333,422	\$96,675	\$6,274	\$74,531	\$11,653	\$564,008
Reserve Balance Summary											
Operating Contingency	\$41,550	\$43,757	\$49,572	\$3,050	\$6,380	\$3,671	\$34,108	\$1,072	\$6,501	\$4,063	\$58,845
Capital Construction	183,480	191,189	386,739	-	24,219	191,687	-	3,084	26,086	-	245,075
CCRA Capital Construction	107,714	135,677	139,985	-	-	117,569	-	-	-	-	117,569
Water Connection	26,464	25,433	30,275	-	-	-	-	-	33,975	-	33,975
Rehabilitation/Replacement	50,599	53,775	30,364	-	-	-	19,338	-	-	-	19,338
Water Resource Capital Reserve	34,013	39,188	33,818	-	-	-	-	-	-	7,590	7,590
Debt Service & Redemption	34,386	23,100	30,115	-	-	20,496	6,815	2,118	7,969	-	37,398
Self Insurance Program	3,621	3,621	3,617	3,000	617	-	-	-	-	-	3,617
Employee Retirement Benefit	6,000	5,114	5,236	4,186	-	-	-	-	-	-	4,186
Sinking Fund	36,415	36,415	36,415	-	-	-	36,415	-	-	-	36,415
Ending Balance At June 30	\$524,244	\$557,270	\$746,136	\$10,236	\$31,216	\$333,422	\$96,675	\$6,274	\$74,531	\$11,653	\$564,008

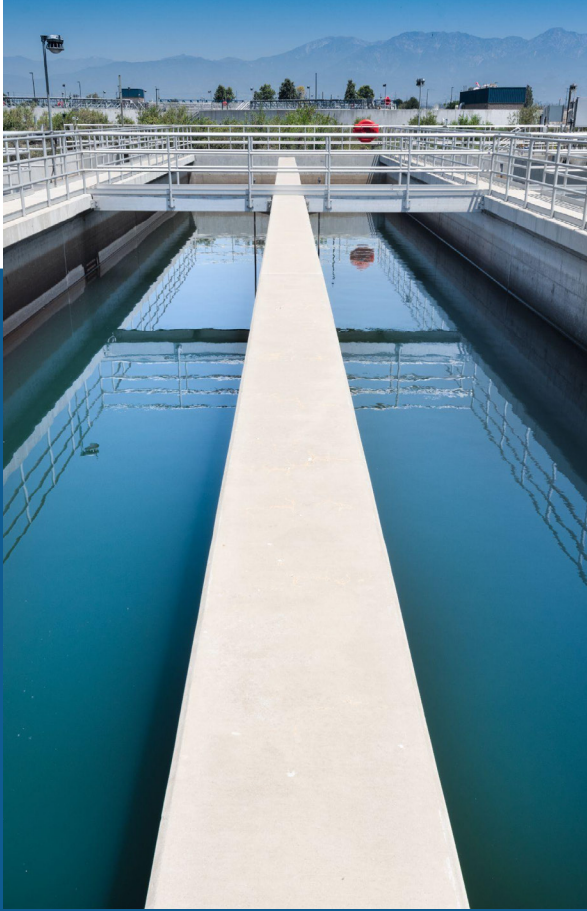
Totals may not tie due to rounding.

FY 2026/27 Sources and Uses of Funds - By Program Fund (\$Thousands)

	FY 2026/27 Adopted Budget							
	Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	Adopted Budget
Revenues								
User Charges	\$0	\$18,299	\$0	\$107,394	\$0	\$0	\$12,049	\$137,741
Property Tax - O&M	4,302	-	-	-	-	-	-	4,302
Cost Reimbursement from JPA	2,280	-	-	5,282	1,763	-	-	9,326
Contract Cost Reimbursement	-	-	-	5	-	-	248	253
Interest Revenue	365	610	4,000	2,400	150	1,688	240	9,453
Recycled Water Sales	-	-	-	-	-	27,504	-	27,504
Water Sales	-	-	-	-	-	-	65,556	65,556
Total Revenues	\$6,948	\$18,909	\$4,000	\$115,081	\$1,913	\$29,192	\$78,093	\$254,135
Other Financing Sources								
Property Tax - Debt, Capital, Reserves	\$0	\$0	\$62,143	\$21,989	\$0	\$5,736	\$1,434	\$91,303
Connection Fees	-	-	26,722	-	-	6,947	-	33,669
Debt Proceeds	-	-	35,000	89,250	-	-	-	124,250
State Loans	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	2,835	2,835
Sale of Assets	-	-	-	-	-	-	-	-
Capital Contract Reimbursement	-	-	-	-	1,865	98	-	1,964
Other Revenues	2	427	1	80	-	-	-	510
Sale of Capacity	-	-	-	-	-	-	-	-
Loan Transfer from Internal Fund	-	-	-	-	-	-	-	-
Total Other Financing Sources	\$2	\$427	\$123,866	\$111,319	\$1,865	\$12,782	\$4,269	\$254,530
Total Revenues and Other Financing Sources	\$6,950	\$19,336	\$127,866	\$226,400	\$3,778	\$41,974	\$82,362	\$508,665
Expenses								
Employment Expense	\$4,333	\$7,122	\$6,670	\$55,632	\$1,380	\$10,032	\$5,343	\$90,513
Contract Work/Special Projects	993	750	900	5,643	-	1,465	6,228	15,979
Utilities	1,208	147	-	14,394	172	5,604	-	21,524
Operating Fees	49	10,513	291	3,400	9	12	5,920	20,193
Chemicals	-	391	-	14,877	-	-	-	15,269
Professional Fees and Services	10,378	294	727	4,624	1,730	1,098	457	19,309
Office and Administrative Expense	4,008	-	-	-	19	10	4	4,041
Biosolids Recycling	-	52	-	6,539	-	-	-	6,591
Materials & Supplies	237	94	-	3,098	120	158	-	3,708
MWD Water Purchases	-	-	-	-	-	-	65,556	65,556
Other Expenses	(12,182)	1,012	3,419	9,338	-	2,521	704	4,814
Total Expenses	\$9,024	\$20,377	\$12,006	\$117,546	\$3,431	\$20,900	\$84,213	\$267,497

	FY 2026/27 Adopted Budget							
	Administra- tive Services Program	Non-Re- claimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Wa- ter Program	Recycled Wa- ter Program	Water Resources Program	Adopted Budget
Capital Program								
IERCA investment	\$0	\$0	\$1,250	\$0	\$0	\$0	\$0	\$1,250
Capital Construction & Expansion (WIP)	12,392	-	92,510	34,350	3,097	13,802	-	156,151
Total Capital Program	\$12,392	\$0	\$93,760	\$34,350	\$3,097	\$13,802	\$0	\$157,401
Debt Service								
Financial Expenses	\$23	\$1	\$8	\$1	\$1	\$6	\$0	\$40
Interest	-	153	7,239	490	372	1,698	-	9,952
Principal	-	463	9,981	927	1,746	6,265	-	19,382
Short Term Interfund Loan	-	-	-	-	-	-	-	-
Total Debt Service	\$23	\$617	\$17,229	\$1,417	\$2,118	\$7,969	\$0	\$29,374
Transfers in (Out)								
Capital Contribution	\$9,240	\$(314)	\$120	\$(8,732)	\$1,270	\$(1,584)	\$0	\$0
Debt Service	-	-	(2,639)	(514)	603	2,550	-	-
Operation support	887	(30)	-	(827)	1,667	(1,697)	-	-
Capital - Connection Fees Allocation	3,052	104	(6,029)	2,874	-	-	-	-
One Water	206	-	-	-	69	(1,029)	754	-
Total Interfund Transfers in (OUT)	\$13,385	\$(241)	\$(8,547)	\$(7,199)	\$3,608	\$(1,760)	\$754	\$0
Fund Balance								
Net Increase (Decrease)	\$(1,105)	\$(1,899)	\$(3,677)	\$65,888	\$(1,259)	\$(2,457)	\$(1,096)	\$54,394
Beginning Fund Balance July 01	10,236	31,216	333,422	96,675	6,274	74,531	11,653	564,008
Ending Balance At June 30	\$9,130	\$29,318	\$329,745	\$162,564	\$5,015	\$72,074	\$10,557	\$618,402
Reserve Balance Summary								
Operating Contingency	\$3,008	\$6,792	\$4,002	\$56,132	\$1,144	\$6,967	\$3,102	\$81,147
Capital Construction	-	22,049	196,813	-	1,756	3,636	-	224,255
CCRA Capital Construction	-	-	94,290	-	-	-	-	94,290
Water Connection	-	-	-	-	-	40,144	-	40,144
Rehabilitation/Replacement	-	-	-	63,199	-	-	-	63,199
Water Resource Capital Reserve	-	-	-	-	-	-	7,455	7,455
Debt Service & Redemption	-	-	34,670	6,817	2,115	21,327	-	64,899
Self Insurance Program	3,000	476	-	-	-	-	-	3,476
Employee Retirement Benefit	3,122	-	-	-	-	-	-	3,122
Sinking Fund	-	-	-	36,415	-	-	-	36,415
Ending Balance At June 30	\$9,130	\$29,318	\$329,776	\$162,564	\$5,015	\$72,074	\$10,557	\$618,402

Totals may not tie due to rounding.



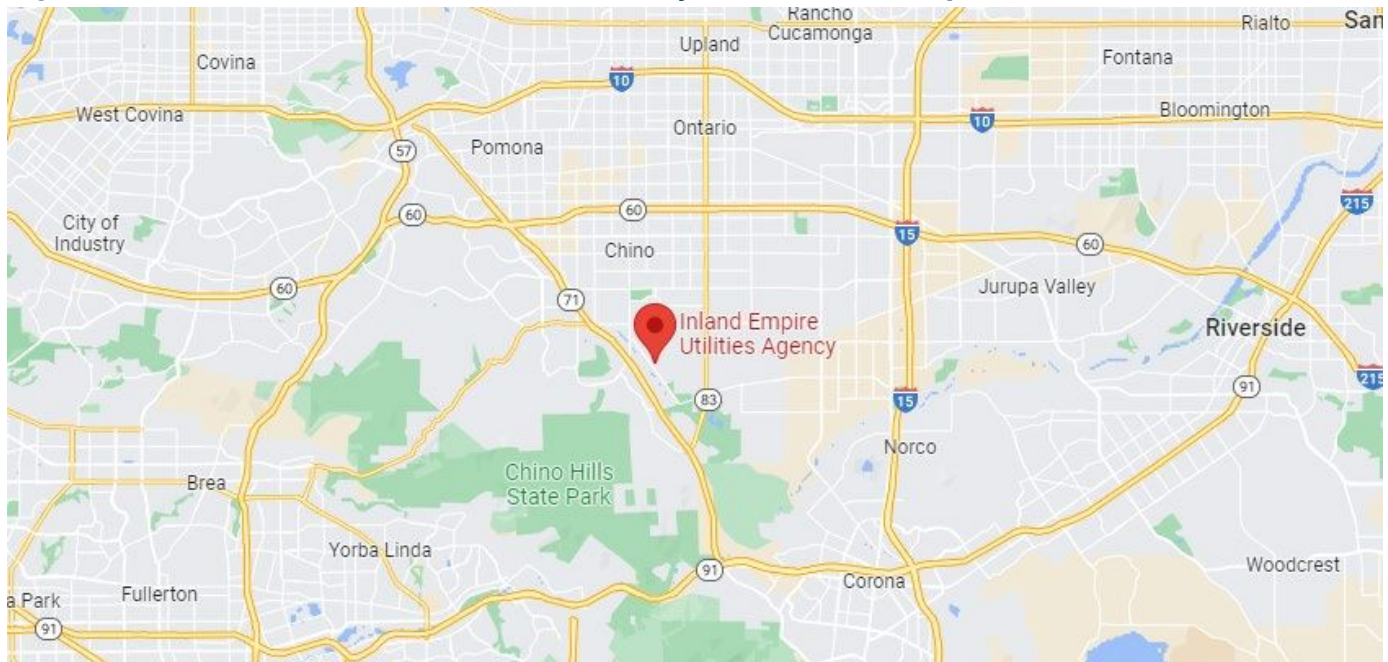
Agency Profile and Strategic Plan



Agency Profile

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

Figure 2-1: State Routes and Interstate Freeways in the Inland Empire

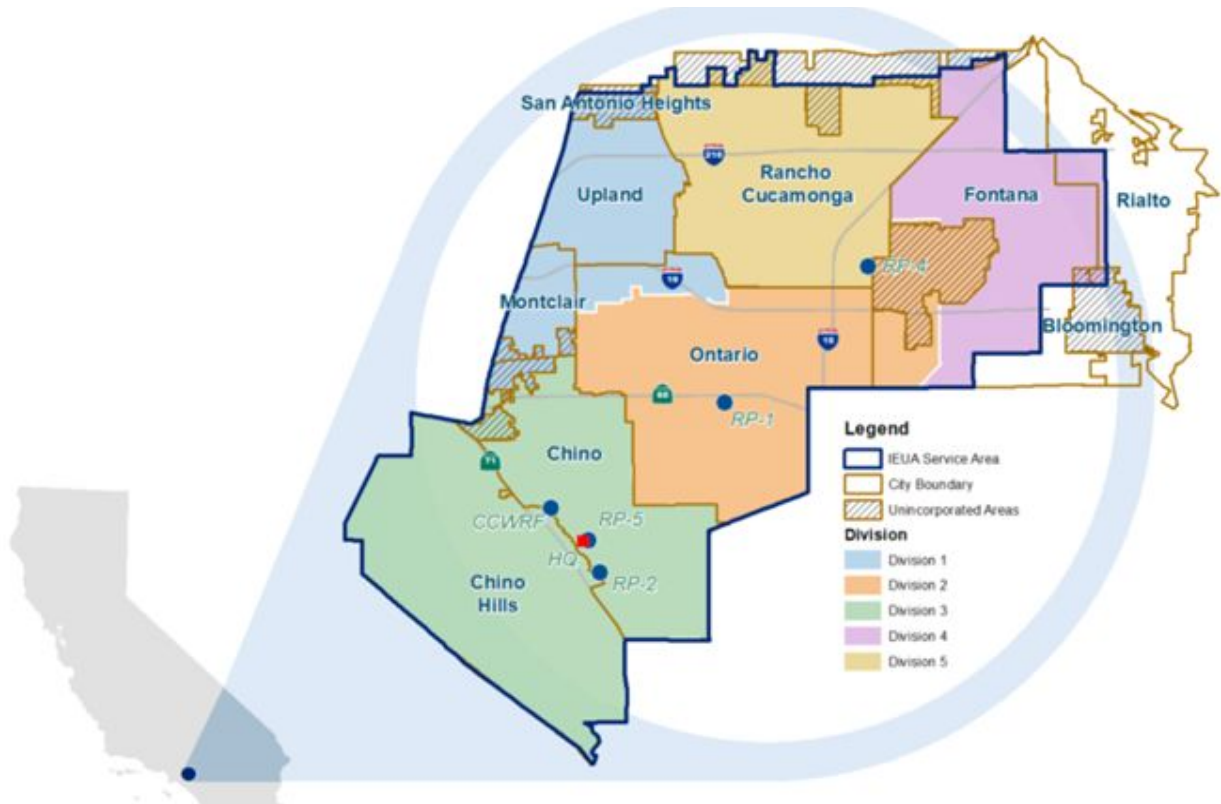


The Riverside–San Bernardino–Ontario metropolitan area is comprised of Riverside County and San Bernardino County California, covers about 27,300 sq. miles, and has a population of approximately 4.69 million according to the [U.S. Census Bureau](#).

Governance

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 (Figure 2-2).

Figure 2-2: IEUA Board of Directors Boundary Map



Division 1



Marco Tule
President

Division 2



Paul Hofer
Director

Division 3



Steven J. Elie
Secretary/Treasurer

Division 4



Jasmin A. Hall
Vice President

Division 5



Michael Camacho
Director

Program Descriptions

The Agency's five regional water recycling plants (RWRP) are shown in the image below. Throughout the document the regional water recycling plants are referred to as regional plant with the corresponding plant number, Regional Plant No. 5, or RP-5.



Water Resources

The Inland Empire Utilities Agency initially focused on distributing water imported from the Colorado River. This role expanded to include water from the State Water Project (SWP). Due to high salt concentrations, the Agency reduced Colorado River water imports in 1984, with the final delivery in 1994. Since then, all imported water from the Metropolitan Water District (MWD) comes through the SWP, accounting for about one-fourth to one-third of the region's water.

For 75 years, the Agency has led water supply planning and protection efforts. As a wholesale provider of water, IEUA sources water from MWD, produces local recycled water, and implements the Chino Basin Groundwater Recharge Program. The Agency supplies wholesale water to seven retail agencies, including Chino, Chino Hills, Ontario, Upland, Cucamonga Valley Water District, Fontana Water Company, and Monte Vista Water District. Retail agencies also use local groundwater, surface water, and desalted groundwater.

Regional Wastewater System

In 1973, the Agency negotiated the Chino Basin Regional Sewage Service Contract with several cities and districts. Under this contract, the Agency agreed to purchase and operate three local wastewater treatment plants and build new pipelines and treatment facilities to meet growing demand. The 50-year agreement expired in December 2022, and in January 2023, the Agency started serving customer agencies under new contracts and ordinances.

The Agency currently owns and operates five water recycling treatment facilities, four of which produce recycled water. These facilities treat an average of 52 million gallons of wastewater per day, adhering to Title 22 regulations set forth by the California Department of Health Services for high-quality recycled water.

Non-Reclaimable Wastewater System

The Inland Empire Utilities Agency operates the Non-Reclaimable Wastewater System (NRWS) to treat and dispose of industrial waste with high salt content. This wastewater is transported to treatment plants in Los Angeles and Orange counties and eventually discharged into the Pacific Ocean. Established in 1966, the NRWS includes three independent industrial wastewater lines: NRWS, Etiwanda Wastewater Line (EWL), and Inland Empire Brine Line (IEBL). These lines are separate from the Agency's Regional Sewage System (RSS) to ensure compliance with state regulations and improve recycled water quality.

As of June 30, 2025, 51 industries are connected to the Agency's brine line system. The north NRWS serves 34 industries including two municipal groundwater treatment facilities; the EWL serves four groundwater treatment plants operated by the City of Ontario (1), City of Chino/Monte Vista Water District (1), Monte Vista Water District (2), and the IEBL serves 13 industries including Chino Desalter 1 and three indirect dischargers (trucked dischargers). The NRW program provides retail services billed directly to industrial customers, unlike the wholesale regional water and wastewater services which are essentially wholesale services provided to the Agency's sewer collection agencies.

Recycled Water Distribution System

Since 1973, the Inland Empire Utilities Agency has provided recycled water to its customer agencies, initially as a low-cost alternative for large irrigation customers. In the early 1990s, the Agency launched the Carbon Canyon Recycled Water Project, serving Chino and Chino Hills. Recognizing recycled water's importance for drought-proofing and economic growth, the region has invested over \$350 million since 2000 in a robust Recycled Water Program, including 19 groundwater recharge sites and a distribution system with over 96 miles of pipeline.

Recycled water is a cost-effective, reliable, and environmentally friendly resource used for irrigation, groundwater recharge, construction, and industrial processes. Since 2010, direct recycled water use in the IEUA service area has transitioned alongside regional land use changes. While the pace of new direct-use connections has slowed since then, with direct use demands having peaked around 2013–2014 due to broader economic and development shifts, connections have continued to grow steadily as agricultural demand is increasingly replaced by municipal and industrial uses. This ongoing urbanization has created opportunities to expand recycled water infrastructure for irrigation, industrial use, and construction. At the same time, IEUA has nearly doubled recycled water deliveries for groundwater recharge since 2010, ensuring regionwide benefits through aquifer sustainability and drought resilience. Looking forward, the Agency is evaluating options to expand recharge via advanced purified recycled water direct injection and is advancing planning efforts for greater integration with regional groundwater management strategies.

In recent years, IEUA has averaged annual recycled water deliveries of approximately 34,000 acre-feet. Recycled water deliveries vary seasonally and annually based on factors like rainfall, climate, and land use. The Agency's rate structure, with fixed and variable components, ensures revenue stability and supports long-term sustainability. Recycled water enhances local water supply reliability and helps mitigate climate change effects.

Recharge Water System

The Chino Basin Groundwater Recharge Program aims to enhance artificial groundwater recharge in the Chino Basin using stormwater, recycled water, and imported water. By increasing recharge capacity, the program captures and stores high-quality water during wet years for use during droughts and water shortages. The infrastructure includes pipelines directing recycled water and leveed channels directing stormwater and imported water to 19 groundwater recharge sites across the IEUA service area. The majority of the basins'

primary function is flood control but are further beneficially operated by IEUA to recharge groundwater. Jointly sponsored by Chino Basin Watermaster, Chino Basin Water Conservation District, and San Bernadino County Flood Control District, the program mitigates future water shortages and supports regional water supply planning. The biennial budget covers operational costs for active recharge sites, not reimbursed by Chino Basin Watermaster, with an average capacity of up to 67,000 acre-feet of water annually. The program is integral to the Chino Basin Watermaster's Optimum Basin Management Program, enhancing water supply reliability and quality.

About Us



The Inland Empire Utilities Agency (IEUA) has a rich history marked by significant milestones in water management and sustainability. The Agency was originally established in the 1950s as the Chino Basin Municipal Water District (CBMWD). The Agency operated a water system which delivered imported water to municipalities in the Chino Groundwater Basin from the Colorado River as a member of the Metropolitan Water District of Southern California. Over the decades, IEUA has developed critical infrastructure, including a wastewater system in the 1960s and several regional water recycling plants. In the 1970s,

the Agency shifted its water supply from the Colorado River to the State Water Project and began producing recycled water as a low-cost alternative to potable water. Legislative support, such as Senate Bill 222, enabled the Agency to fund essential water management programs.

In the 1990s, the Carbon Canyon Water Recycling facility was built, making it the first treatment plant designed primarily for the purpose of generating recycled water and distributing it to the cities of Chino, Chino Hills, Montclair, and Upland. In 1998, CBMWD changed its name to the Inland Empire Utilities Agency (IEUA) to reflect the Agency's increased use of renewable energy in its projects and programs. In 2001, the Inland Empire Utilities Agency (IEUA) collaborated with the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, and the Santa Ana River Water Company to establish the Chino Basin



Desalter Authority (CDA). These joint powers authority was formed to acquire all assets and liabilities from the Santa Ana Watershed Project Authority (SAWPA) Project #14, with the acquisition completed in February 2002. IEUA serves as a non-voting member and provides operational support for the CDA Desalter 1 facility. Western Municipal Water District would later join as an additional member of CDA. In 2002, the Agency and the Los Angeles County Sanitation District (LACSD) formed the Inland Empire Regional Composting Authority (IERCA) as a joint powers authority. In 2007, the Inland Empire Regional Composting Facility was operational, transforming 100% of IEUA's biosolids into high-quality compost. Situated on approximately 22 acres in an industrial zone adjacent to the Agency's Regional Water Recycling Plant No. 4 (RP-4) in Rancho Cucamonga, the 445,275-square-foot facility stands as the largest indoor biosolids composting facility in the United States. Also in 2002, the Inland Empire Utilities Agency (IEUA), in collaboration with the Chino Basin Watermaster, broadened its operational scope by funding the design and construction of facilities aimed at replenishing the Chino Groundwater Basin. This initiative involved recharging potable water, stormwater, and recycled water through an extensive network of regional conveyance systems and infrastructure. The Agency's commitment to sustainability was further demonstrated in 2003 with the opening of a LEED Platinum Certified Headquarters and the launch of a landmark water-energy project with Advanced Microgrid Solutions

using Tesla battery technology in 2016. This project uses Tesla battery technology to integrate solar, wind, biogas, and grid resources in order to optimize renewable generation, reduce demand on the grid and lower energy costs. This project is the first of its kind to integrate renewable resources and energy storage at a public water agency. In 2020, the Agency was recognized for the state-of-the-art Water Quality Laboratory.



In 2024 and 2025, we achieved significant milestones that set the stage for an even greater impact in 2025. The Regional Water Recycling Plant No. 5 (RP-5) Expansion project in Chino is nearing completion, enhancing treatment capacity and improving recycled water quality. The Chino Basin Program (CBP) continues to advance regional water management, with planning for the Advanced Water Purification Facility underway to add 15,000 acre-feet of purified recycled water annually. Additionally, our community engagement efforts, such as the 'Be Sewer Smart' campaign, promote responsible practices to protect infrastructure and public

health. In the past year, we celebrated our 16th Annual Earth Day Event, showcasing our commitment to environmental stewardship. Our community engagement and staff excellence were recognized by California Water Environment Association Santa Ana River Basin Section (CWEA SARBS), highlighting our dedication to service. In 2024, IEUA received \$2.8 million from the US Bureau of Reclamation for the planning and design of the Chino Basin Program, and in 2025, Metropolitan Water District of Southern California granted IEUA \$401,500 for the construction of an Advanced Water Purification Demonstration Facility, and \$298,500 for identifying and removing PFAS used in a well construction study. Additionally, three of our facilities received recognition for outstanding industry compliance from the National Association of Clean Water Agencies. Lastly, IEUA achieved an Aa2 rating from Moody's, reflecting our strong financial health and stability. These efforts underscore IEUA's dedication to innovative water management and environmental stewardship.

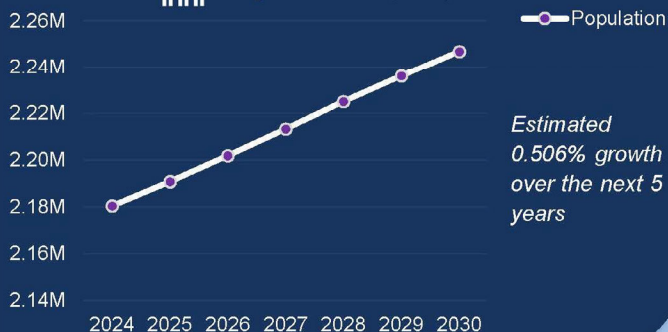
Today, we serve approximately 950,000 people across 242 square miles in western San Bernardino County. We are pleased to share our 75th Anniversary video - [Inland Empire Utilities Agency Overview – Celebrating 75 Years](#), as we commemorate 75 years of progress, we continue to advance water resiliency, sustainability, and infrastructure development for future generations. For additional information on California's water management, use, and drought challenges visit the California Department of Water Resources website <https://water.ca.gov/Water-Basics/Drought>.

Statistical Section

All data and statistics are specific to the County of San Bernardino.



Population: 2,180,503



Source: Department of Finance - P-2A Table, 2023

Employment & Economy

Labor Force: 1,038,200

Employed: 985,600

Unemployed: 52,700

Employment Rate: 5.1%

Median Household Income: \$82,184

Overall Poverty Level: 13.2%

Source: US Census Bureau, San Bernardino County, CA

Median Housing Value by County



Source: Los Angeles Almanac & US Census Bureau, San Bernardino County, CA

Climate

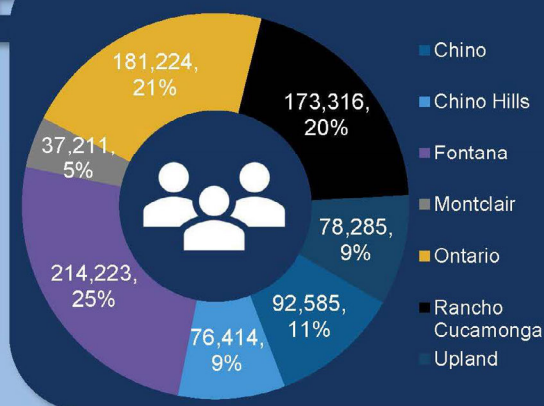


Year-round, the Inland Empire has moderate temperatures and low humidity. On average,

there are 294 days of sunshine per year. During the summer, temperatures typically reach a daily high of 96 degrees, while in the winter, they drop to a daily low of 42 degrees. This area receives an average of about eleven inches of rain annually.

Source: Time and Date Annual Weather Averages for San Bernardino County, CA

Population Estimates by City



Source: Department of Finance Population as of January 1, 2024

Median Age:

34.4

Source: DataUSA, San Bernardino County, CA



Education

High School Graduate: 82.1%

Bachelor's Degree or Higher: 22.9%

Source: US Census Bureau, San Bernardino County, CA

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.



VISION:

To 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.

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.

IEUA Strategic Goal One

1 Water Supply Reliability - Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objectives

A - Water Supplies

Support the region with the retention and development of reliable, resilient, and sustainable water supplies from diverse sources.

B - Groundwater Recharge

Support projects and initiatives that optimize groundwater recharge in the Chino Basin.

C - Partnerships

Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

IEUA Strategic Goal Two

2 Public and Environmental Health - Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objectives

D - Wastewater Treatment

Maintain effective wastewater operations and treatment processes to protect public health and the environment.

E - Regulatory Compliance

Continue to comply with all federal, state, and local laws and regulations to ensure public health and promote an ethical, safe, and healthy work environment.

F - Water Use Efficiency

Promote water use efficiency, education, and incentive programs to assist the region in conservation.

G - Resource Recovery

Manage biosolids to support Agency sustainability efforts, regional needs, and regulatory standards.

H - Environmental Impact

Implement and maintain environmentally sustainable business practices to support regional resilience.

IEUA Strategic Goal Three

3 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.

Key Objectives

I - Funding and Appropriations

Fund operations and capital investments by maintaining reasonable service rates, adopting fees that fully support the costs of service, and seeking diverse external funding to offset overall costs.

J - Budget Planning and Reporting

Prepare multi-year budgets, plans, and reports to support fiscal stability.

K - Reserves

Maintain appropriate fund reserves which can withstand significant changes to the economy, funding sources, or operational needs.

IEUA Strategic Goal Four

4 Culture of Excellence - Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objectives				
L - Work Environment	M - Workforce Development	N - Improvement and Innovation	O - Risk and Asset Management	P - Community Engagement and Advocacy
Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.	Maintain a highly skilled workforce through effective recruitment and by providing career growth opportunities, professional development, and succession planning.	Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.	Maintain robust risk and asset management practices to ensure uninterrupted service to the region.	Provide effective public outreach and education, and advocate for the development of policies, legislation, and regulations that benefit the Agency, customer agencies, and the community.

Budget Priorities

The FYs 2025/26 and 2026/27 operating budgets were prepared using parameters included in the Agency’s Business Goals and related strategic priorities and directives. Operating revenues in the biennial budget for FYs 2025/26 and 2026/27 are based on two-year rates adopted by the Board of Directors in April 2025 for the Agency’s Regional Wastewater, Recycled Water, and Water Resources programs. The biennial budget presents operating expenses for all Agency programs, and investment in Agency assets necessary to meet the demand of current and future growth projected by customer agencies. The biennial budget supports the Agency’s Business Goal of fiscal responsibility by demonstrating sound financial planning. Key areas addressed in the development of the budget for FYs 2025/26 and 2026/27 are:

- **Staffing** - 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.
- **Cost Containment** - In line with the Agency’s commitment to fiscal responsibility and sustainable cost management, the budget has been crafted to prudently manage financial resources. This ensures the reliability and sustainability of water and wastewater services despite rising costs for utilities and chemicals.
- **Cost of Service** - An important policy principle is the establishment of rates and fees that fully recover the cost of providing services. Two-year rates and fees were adopted for the Regional Wastewater, Recycled Water, and Water Resources programs.
- **Optimize Low Interest Debt** - The practice of securing low-cost financing to fund capital expansion and improvement of Agency’s facilities is essential to maximizing financial flexibility and reducing the upward pressure on rates and fees. Throughout the two budget years, staff will continue to develop a comprehensive TYCIP financing strategy to support the ten-year capital improvement plan.
- **Upkeep of Agency Assets** -Timely upkeep of Agency facilities and infrastructure is necessary to support an increase in services required from projected future growth and to maintain compliance with changing regulatory and safety requirements.

- **Transparency** - The Agency is committed to the highest standards of communication and fiscal responsibility by providing a platform for transparent communication and timely reporting. This document serves as an important tool for understanding the Agency's policies, programs and activities, and short and long-term goals.

The Biennial Operating Budget and the Ten-Year Capital Improvement Plan (TYCIP) demonstrate the Agency's commitment to deliver reliable, high quality essential services to its customers in a regionally planned, safe, and cost-effective manner. The projects included in the Agency's FYs 2025/26 - 2034/35 TYCIP are necessary to accomplish the Agency's goals based on the and forecasted regional projections of water and wastewater needs, physical condition of assets, and regulatory compliance requirements.

Financial Policies

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

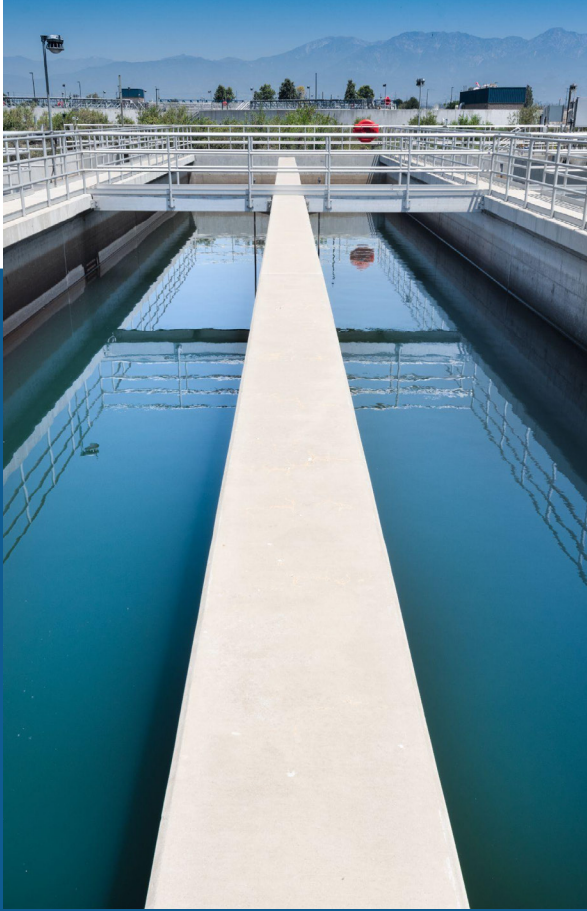
Policy Objective	Strategy	Actions Completed	In Progress/To Be Done
Operating Budget	Budget will be prepared based on a fiscal year. Beginning July 1 and ending on June 30.	FYs 2025/26 and 2026/27 Biennial Budget was adopted by the Board of Directors in June 2025.	A mid-cycle budget review and amendment, scheduled to begin in January 2026 with projected Board adoption of amendments in June 2026.
	The Agency will produce a budget document based on national best practices established by nationally recognized organizations, such as the Government Finance Officers Association (GFOA)	The Agency's FYs 2023/24 and 2024/25 Biennial Budget received GFOA's Distinguished Budget Award for the twentieth consecutive year.	Best practices and budget guidelines are continually reviewed, and any necessary changes are incorporated into the biennial budget document. The FYs 2025/26 and 2026/27 Biennial Budget reflects new or changing requirements.
	The budget will be developed using an iterative and inclusive process that solicits input from all levels of the organization. The budget process will allow time for careful review and public participation before adoption.	A Budget calendar was distributed in October 2024. Agencywide budget trainings were held in November/December 2024. Workshops and budget review sessions were held with Agency departments, management, Board, and Regional Stakeholders January through May 2025.	All future operating and capital budgets will include input by departments, management, Board, and Regional Stakeholders.
Balanced Budget	The budget will be balanced with the current revenues equal to or greater than current expenses.	The FYs 2025/26 and 2026/27 Biennial Budget was balanced using a combination of current revenues and reserves.	Future Agency budgets will be monitored regularly and adjusted as needed. A Budget Variance analysis report is prepared and presented to the Agency's Board of Directors quarterly.
	When operating or capital expenses exceed revenues the respective fund reserves will be used to meet the shortfall.	The use of reserves has not been necessary in the last three fiscal years.	Reserves will be used to balance any projected shortfall in net revenues for FYs 2025/26 and 2026/27.
Revenues	User fees and property taxes must be evaluated annually to ensure appropriate cost recovery and adequate delivery of services. The Agency strives for a stable and consistent revenue base without wide fluctuations from year to year.	Two-year rates for FYs 2025/26 and 2026/27 were adopted in April 2025 for the Regional Wastewater, Water Resource and Recycled Water Programs.	The ongoing evaluation of rates and rate structures for the Non-Reclaimable Wastewater program will support rate adjustments starting in FY 2026/27.

Policy Objective	Strategy	Actions Completed	In Progress/To Be Done
Debt Management	The Agency will manage its debt portfolio as part of an asset/liability matching strategy, in that context, debt amortization terms should match the useful life of the capital project funded; variable rate debt may be used if it is sufficiently hedged with cash reserves.	In May 2025, the Agency received \$196.4 million from a planned draw from the 2020 WIFIA loan secured for the RP-5 Expansion projects. These funds were placed in escrow at the Agency's custodial bank and will be used in November 2025 to fully defease the outstanding 2020B Revenue Notes.	The Agency will continue to pursue low interest financing, grants, and rebates when applicable.
	Interest rate swaps and other derivative products will be considered when the risks are manageable as determined by staff, financial advisors, and the Board of Directors.	No interest rate swaps, or derivatives were considered in FYs 2023/24 or 2024/25.	Future use of interest rate swaps or other derivative products will be considered when appropriate.
Capital Planning	The Ten-Year Capital Improvement Plan (TYCIP) will be reviewed and adjusted annually.	The FYs 2025/26 through 2034/35 TYCIP was adopted by the Board of Directors in June 2025.	The next planned TYCIP review and update to be presented to the Board for adoption is projected for June 2026.
	The Agency will support the TYCIP through various funding alternatives including bonds, low interest loans, interim financing, and grants.	The Agency has secured low interest long term federal and state loan financing to support the TYCIP	The Agency will continue to pursue low interest federal and state financing, grants and rebates when applicable. Bonds are projected to be issued during the biennial budget period.
	Operating, maintenance, and replacement costs associated with new capital improvements are forecasted and included in future year projected costs.	The budget for FYs 2025/26 and 2026/27 includes operating impacts of significant nonroutine projects with budgets over two million dollars in the Capital section of this document.	Operating and maintenance costs associated with capital projects are evaluated throughout project development. The impact on the operating budget is often an increase in utility or maintenance costs related to capital additions. The additional costs can be offset by an increase in revenues related to increased capacity or cost savings in comparison to current operating procedures.
Long Range Planning and Forecasting	Near term (1 to 10 years) and long term (up to 30 years) planning to forecast future revenues and expenditures considers long-term planning use trends, projected changes in population growth, service level needs, property value assessments, new development, and general economic conditions.	The biennial budget and mid-year budget review includes a ten-year forecast of revenues, expense, operating, and capital project needs. The Agency's annual planning report provides a summary of historic trends, usage patterns, and future forecasts about the service area's potable water, recycled water, groundwater, and wastewater.	Included the Agency's strategic priorities for the biennial budget period are implementation of projects to support long-term renewable energy goals, incorporation of sustainable standards for long-term maintenance and operation of Agency facilities and establishing a long-range staffing plan.
	The Long-Range Plan of Finance (LRPF) will be updated periodically. The operating budget is the short-term action plan for development and execution of the Agency's strategic plan consistent with the LRPF.	Annual and ongoing adjustments to the operating budget assure continual alignment of short-term budgetary goals with the long-term strategic plan.	The Long-Range Plan of Finance will be updated upon the completion of various other Master Plan documents.

Policy Objective	Strategy	Actions Completed	In Progress/To Be Done
Auditing, Accounting and Financial Reporting	The Agency will use widely recognized and accepted accounting standards including Generally Accepted Accounting Principles (GAAP) and guidance issued by the Government Accounting Standards Board (GASB). Practical guidance to enhance the quality of the Agency's accounting procedures will be sought from Publications such as the GAAFR as published by the GFOA.	The Agency received the GFOA Award for Excellence in Financial Reporting for the 25th consecutive year for the fiscal year ended June 30, 2022, Annual Comprehensive Financial Report (ACFR).	Staff will attend various GFOA trainings throughout FY 2025/26. Staff will review and incorporate any comments received by GFOA into the FY 2025/26 ACFR and Budget documents.
	Regular reporting of financial results will be accomplished through issuance of an Annual Comprehensive Financial Report based on the guidelines as published by the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA) of the United States and Canada.	FY 2023/24 ACFR was approved by the Board of Directors December 19, 2024.	The Agency's ACFR preparation will begin July 2025 and will be presented for Board approval in December 2025.
	The Agency's Internal Audit Department will perform an annual quality control review of the Agency's Annual Comprehensive Financial Report to ensure industry standards and reasonable accuracy of reporting has been achieved prior to issuance of the Agency's annual ACFR.	Internal Audit provided a quality review of the draft ACFR for fiscal year ending June 30, 2024, in October/November 2024 prior to adoption by the Board of Directors and submission to GFOA and CSMFO.	The Internal Audit department will continue to provide review each year of the Agency's annual financial information. The next review is scheduled for November 2025.
	Annual audits from an independent Certified Public Accounting (CPA) firm in conformity with GAAP will be performed on all Agency financial records and those entities of the Agency for which the accounting and financial reporting services are provided. As part of the annual audit, a single audit in conformity with federal guidelines for all grant funded programs will be conducted.	For fiscal year ended June 30, 2024, the Agency received an unmodified opinion from its external auditors. The annual financial statements were free of any material misstatement, are presented fairly in conformity with generally accepted accounting principles. There were no finding of significant deficiencies or material weaknesses.	An interim audit of financial information will be performed by an independent CPA firm in May/June 2025. The final audit of financial information will be performed between September and November 2025 for fiscal year ending June 30, 2025.
Fund Reserve Balances	The Agency will maintain fund reserves to ensure enough funding is available to meet its operating, capital, and debt service obligations, comply with legally mandated requirements, and has adequate resources to respond to unforeseen events.	The Agency's Reserve Policy was updated, reviewed, and adopted by the Board in April 2021.	The Reserve Policy is reviewed annually to ensure compliance with current regulations and alignment with Agency policies and strategic goals.
Debt Ratio	As required by the Agency's bond covenants, the Agency seeks to maintain a legally required debt coverage ratio (DCR) of at least 1.25 times debt service costs due in any given year.	Annual fluctuations in the DCR are primarily driven by changes in funding sources and/or debt service amounts. As of June 30, 2024, the Agency's DCR was 7.29x.	When needed the Agency will require a rate increase to cover both operating and maintenance (O&M), and debt service costs to maintain the legally required DCR.
	The Agency applies ceilings on the amount of long-term debt that can be issued, as these policies are designed to maintain the Agency's credit strength.	Before issuing debt, staff will perform analysis to compare projected net revenues (revenues after payment of O&M expense) to estimated annual debt service and estimated DCR.	Before engaging in any debt financing, the proposed debt obligation combined with existing debt must result in acceptable debt ratios.

Policy Objective	Strategy	Actions Completed	In Progress/To Be Done
Cash Management and Investment Policies	The Agency shall invest idle cash in a prudent manner according to established investment policy consistent with state laws and regulations, ensuring the Agency's cash flow requirements are met while meeting the objectives of safety, liquidity, and return on investment.	The Agency's Investment Policy is updated annually. The Investment Policy for FY 2025/26 was presented for review and approval to the Board of Directors in May 2025. All FYs 2023/24 and 2024/25 investments were made in conformity with Agency policy and within the guidelines of the California Government Code and applicable California law. Investment transactions, as well as cash and investment positions were reported monthly to the Board of Directors through the Financial Affairs report, in compliance with the California Government Code.	All future investments will be monitored regularly and will conform with Agency policy and applicable state law. All investment transactions, as well as cash and Investment positions held by the Agency will be reported monthly to the Board of Directors, through the Financial Affairs report, in compliance with California Government Code.
	The Agency will accelerate cash collections and carefully manage disbursements to maximize cash balances; disbursements will be timely to maintain public trust and productive relations with employees, contractors, suppliers, and other government entities.	Accounts receivables are collected within an average 30-day billing cycle. Receivables are monitored regularly by staff. At any time if an account is deemed to be uncollectable the information is submitted to the Board for review and written off. Agency disbursements are submitted to the Board of Directors for review and approval monthly. Electronic payments are the Agency's preferred method of vendor remittance.	Going forward these policies will continue to be adhered to. Receivables will be monitored regularly, and Agency disbursements will be submitted to the Board for approval monthly.
	Cash flow projections are updated daily accounting for all receipts and disbursements, this serves as the baseline for determining cash liquidity needs and funds available for investment; cash balances of the Agency's various funds will be pooled to maximize investment opportunities with interest earnings allocated in a rational manner consistent with GAAP.	Cash flows are maintained through collaborative efforts between the Financial Planning and Accounting departments. Cash flow projections are updated daily, a weekly cash management report is prepared for Agency management. Cash review meetings are held bi-weekly to discuss current cash position and investment opportunities.	Consistent with prior years, weekly cash flow reports will be prepared, and bi-weekly cash flow meetings are scheduled throughout FYs 2025/26 and 2026/27.

Policy Objective	Strategy	Actions Completed	In Progress/To Be Done
Human Resource Management	The Agency will determine staffing levels consistent with budgetary authority, available resources, and operating needs; the Agency will strive to balance cost effectiveness, employee engagement and productivity.	375 full-time equivalent positions were authorized for FY 2025/26 and 387 full-time equivalent positions were authorized in FY 2026/27.	The Agency will continue the use of various organizational development strategies to facilitate succession planning and the timely recruitment of critical positions.
	Annual authorized staffing projections are based on production levels (i.e., annual flow projections), number of facilities, and number and duration of capital projects; temporary and contract staff will be used to meet peak demands.	358 full-time equivalent positions were authorized for fiscal years 2024/25. The average vacancy factor as of June 30 was eight percent.	The Agency will continue the use of various organizational development strategies to facilitate succession planning and the timely recruitment of critical positions. Limited-term positions provide support in execution of major capital improvement projects, grants administration, human resource, and long-term planning initiatives.
	The Agency will maintain a competitive compensation package in order to secure highly skilled and dedicated workforce. The various Memorandum of Understanding (MOU) will be negotiated in alignment with the Agency's current and anticipated economic conditions.	A three-year MOU agreement with employee bargaining units has been implemented for FY 2024/25 through FY 2026/27.	The Agency will continue to evaluate its compensation package through classification and compensation studies of individual positions and by conducting a benefits survey to staff. Complete negotiations with the five bargaining units for implementation of new MOU's and Personnel Manuals by July 1, 2027.
Risk Management	Risk Management policies are designed to protect against losses that would affect Agency assets and its ability to provide ongoing services.	The Agency continuously provides employee safety and health management, high quality safety training, emergency response, and hazardous materials management, as well as assessing the Agency's Occupational and Environmental Health and Safety programs.	The Agency will continue to promote a safe, hazard free working environment. Progress will be monitored through the Agency's Safety programs and initiatives and policies that are designed to ensure compliance with all applicable local, state, and federal regulations governing the workplace and its employees.



Budget Process



Budget Process

The budget serves as the primary performance tool for assessing accountability and transparency of public agencies in their use of taxpayer dollars, service rates, and fees. It provides comprehensive information on resource allocations and expenditures to all stakeholders, including elected officials, regional agencies, and the communities served. Progress is monitored monthly, and revisions are made when necessary to meet demand or accommodate unplanned expenditures. This budget document is used as a benchmark to evaluate the Agency's accomplishments and challenges, as well as to assess compliance with fiscal accountability.



Strategic Planning

In June 2025, the Agency Board of Directors adopted its biennial operating and capital program budget for FYs 2025/26 to 2026/27. This budget, along with the Ten-Year Capital Improvement Plan (TYCIP) for FYs 2025/26 to 2034/35 are guided by the Strategic Plan that identifies the major initiatives to be accomplished over a five-year period. The Agency's Strategic Plan, adopted in February 2025, is grounded in the Agency's vision, mission and values.

The strategic plan outlines the Agency's vision to enhance the quality of life in the region, to provide essential water and wastewater services in a planned and cost-effective manner, safeguard public health, support community needs, protect the environment supported by goals in water supply reliability, public and environmental health, fiscal responsibility, and a culture of excellence. The IEUA Strategic Plan goals and corresponding objectives are highlighted in more detail in the Agency Profile section of the budget in the Strategic Priorities and Policy Goals section.

IEUA's vision and mission are integrated in the Agency's long-term planning documents, including the Asset Management Plan (AMP) and Ten-Year Capital Improvement Plan (TYCIP), as well as other master plans such as: The Recharge Master Plan, Supervisory Control and Data Acquisition (SCADA) Master Plan, Water-Use Efficiency Business Plan, Energy Management Plan, and Integrated Water Resources Plan.

These strategic long-term planning documents provide a systematic and disciplined approach for mapping out the Agency's service area growth and future service demands to assist with determining the necessary financial support for these requirements. The financial requirements include establishing and maintaining rates to support the cost of service and capital improvement plan investment, sustaining reserve levels to safeguard the Agency's fiscal health, and upholding a debt coverage ratio that preserve market access and ensure a low cost of future borrowing.

Budget Preparation Process And Timeline

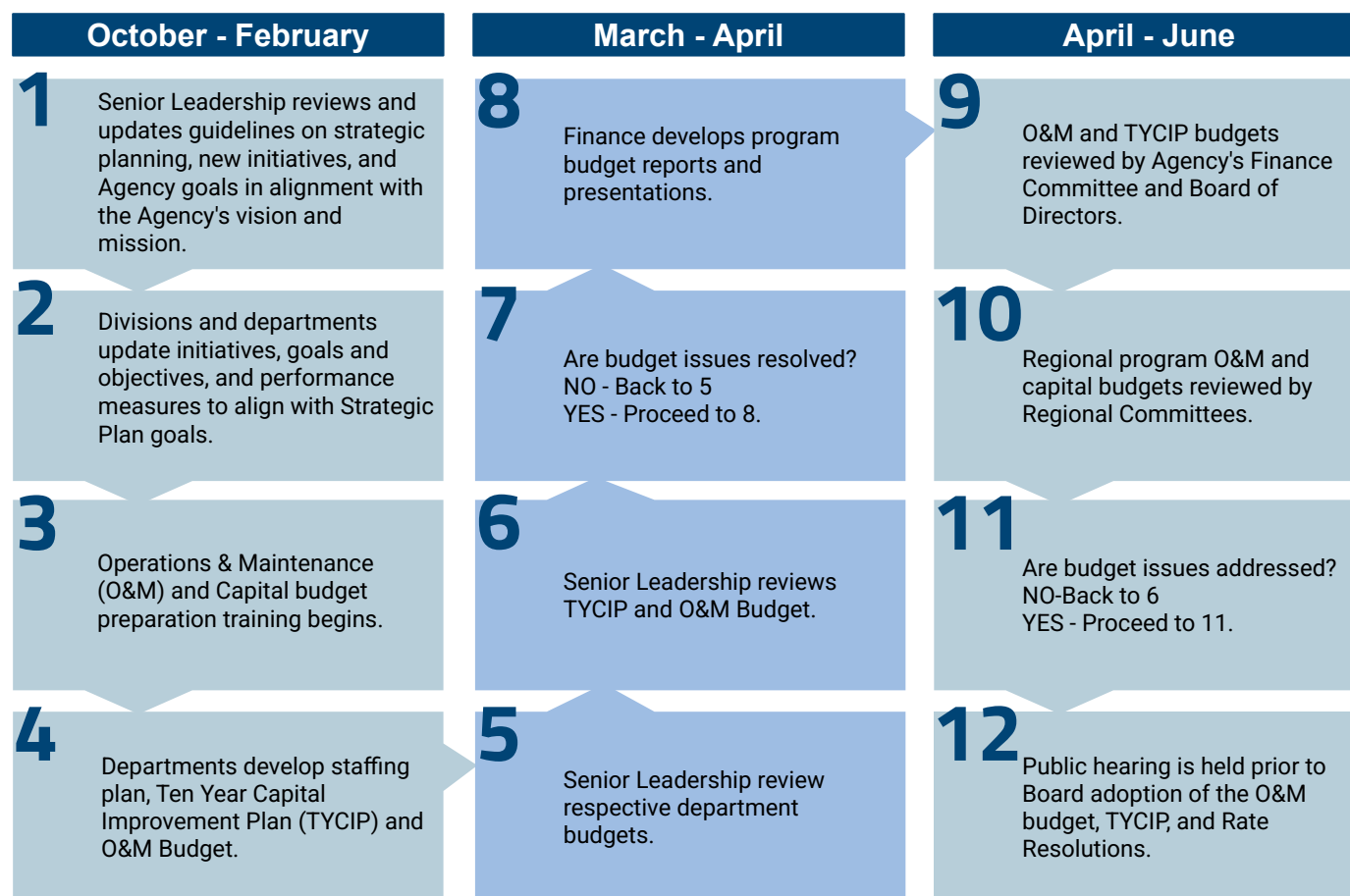
The process for preparing the Operation and Maintenance (O&M) budget and Ten-Year Capital Improvement Plan (TYCIP) begins in November with the General Manager's (GM) budget message. This message outlines the guidelines, key strategic goals and objectives and is communicated to all Department Managers and Supervisors. Following this divisions and departments update their respective goals, objectives, new initiatives, and performance measures.

Training sessions on O&M and Capital budget preparation are conducted by Finance staff to aid departments in the development of their staffing plans, TYCIP, and O&M budget. When complete, Finance staff review department budget requests with Senior Leadership, who resolve any issues and make any necessary recommendations and adjustments before moving forward. Throughout this process workshops, meetings, and outreach efforts are facilitated, as needed. Finance staff then prepare program budgets and presentations which are reviewed by the Agency's Finance Committee, Regional Committees, and Board of Directors. The budget for the Regional Wastewater program fund is the first to be reviewed by the committees and Board of Directors in April/May. The budget for all other program funds are reviewed by the board in May. The final step involves a public hearing before the Board adopts the O&M budget, TYCIP, and rate resolutions, ensuring transparency and stakeholder engagement and an opportunity for public involvement.

On July 1, 2025, the Agency will be implementing its fifth biennial budget for FYs 2025/26 and 2026/27. In the Spring of 2026, a mid-cycle budget review process will determine whether any adjustments to the FY 2026/27 O&M budget and TYCIP are necessary. Recommended changes to the FY 2026/27 O&M budget and TYCIP will be presented to the Board as budget amendments for review and approval in May/June 2026.

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

Figure 3-1: Budget Process Timeline



Senior Leadership Responsibilities

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

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

The Regional Wastewater Program budget and their respective service rates are presented to the Regional Committees, which include representatives from the Agency's seven sewage collection agencies. Following the Regional Committees' review and recommendation, in accordance with the Regional Sewage Service Contract and Regional Sewage Service Ordinance No. 114, the Agency's Board of Directors approves and adopts the final budget document, rate resolutions, and TYCIP before June 30th of each year.

Department Responsibilities

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

Budget Preparation Training

To assist Agency staff with the budget preparation process, conduct a training session for key personnel from other departments on the O&M and Capital budget in November and December. Open house sessions are held to further support staff in the budgeting and reporting process. Finance staff post reference materials such as labor rates, staffing plans, project lists, and instructions for budget preparation on the Agency's intranet site. Finance staff offer one-on-one sessions to staff who miss the training sessions to ensure the required information is properly updated to the budget.

Balanced Budget

The Agency's budget is compiled from itemized budgets for each fund within each program. To balance the budget, ensuring current revenues are equal to or greater than current expenses, the following strategies are employed:

- Improved work-flow efficiency
- Ensuring effective pricing on materials and contracts
- Pursuing federal and State grants and low interest financing to support capital projects
- Adjusting user charges and service fees based on cost of service and replacement and rehabilitation (R&R) requirements

If capital costs exceed revenues in any fund, the respective fund reserves are used to cover the shortfall.

The biennial O&M budget is balanced using a combination of service rates and fees, property taxes, grants, low interest loans, conservative expense forecasts that adequately cover O&M costs, and fund reserves. The capital program is funded through connection fees, federal, State, and local grants, low-interest loans, a portion of property taxes, and fund reserves.

Budgetary Control

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

Budget Variance Monitoring And Reporting

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

A presentation to the Finance and Administration Committee is required if the overall adopted O&M Budget or Capital Budget appropriation needs to be amended. Budget amendments are brought before the Board of Directors for consideration on a quarterly basis. The Board takes the Committee's recommendation into account as they consider the merits of the additional requested appropriation. To amend the budgeted appropriation, a majority approval by the Board is required.

Financial Policies

The Agency's budget development is in accordance with the following financial policies and ordinances, which support the Strategic Plan goal of fiscal responsibility for funding and appropriation, as well as in compliance with legal requirements:

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

Investment Policy - This policy establishes procedures and guidelines for managing surplus funds in a prudent and fiscally sound manner. It prioritizes the Agency's public fund management objectives of safety, liquidity, and yield and applies to all funds under the Agency's fiscal control. The policy specifies allowable and unallowable investment alternatives and establishes criteria for selecting broker/dealers and financial institutions with which the Agency may do business. The policy is reviewed annually and whenever recommendation changes arise.

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

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

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

Budget Basis

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

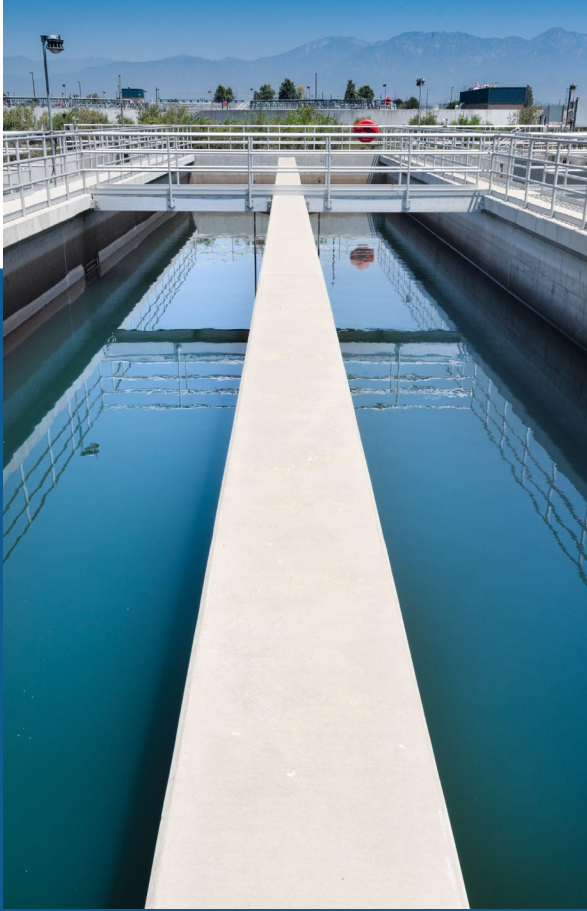
The Agency operates and reports all activities as proprietary funds (Enterprise funds) which account for operations financed and operated, similar to non-governmental business enterprises. These funds provide essential services on a continuous basis and are financed primarily by revenue derived from user charges and fees.

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

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







Revenues and Other Funding Sources



Revenues and Other Funding Sources

The Agency's total revenues and other funding sources for FYs 2025/26 and 2026/27 are projected to be \$439.2 million and \$508.6 million, respectively. Included in total revenues are user charges, property tax receipts, pass-through sales of MWD imported water, water connection fees from new or upsized connections to the Regional Wastewater and Regional Water systems, recycled water sales from direct and groundwater recharge deliveries and fixed cost reimbursements, debt and grant proceeds, and other revenues, such as, interest earnings and reimbursements. Table 4-1 represents major revenues and funding sources by major categories for both fiscal years:

Table 4-1: Total Revenues and Other Sources of Funds* (\$Millions)

Revenues	FY 2025/26 Budget	FY 2026/27 Budget	Description
User Charges	\$127.3	\$137.7	Regional Wastewater monthly sewer service charges; Non-Reclaimable Wastewater (NRW) pass-through volumetric, capacity and strength charges; and monthly water meter charges, and MWD readiness-to-serve (RTS) fees.
Property Tax	92.4	95.6	San Bernardino County ad-valorem property taxes, pass-through incremental taxes, and extra-territorial fees.
Bonds, State and Other Loans	76.3	124.2	Existing and Potential debt proceeds to support capital project investments.
Water Sales	57.3	65.6	Sale of pass-through MWD imported potable water budgeted at 60,000 acre-feet per year (AFY).
Connection Fees	34.5	33.7	Fees from new or upsized connections to the Regional Wastewater and Regional Water systems.
Recycled Water Sales	25.7	27.5	Recycled water sales for direct and groundwater recharge deliveries and fixed cost reimbursements.
Grants	2.8	2.8	Federal, state, and local grants to support regional water use efficiency programs.
Other Revenues	22.9	21.5	Reimbursements for operational and administration support from Chino Basin Watermaster (CBWM), Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), lease revenues, interest earnings, interfund loan repayments, and other miscellaneous earnings.
Total	\$439.2	\$508.6	

* Excludes interfund transfers in and out which net to zero on a consolidated fund level.

Totals may not tie due to rounding.

Table 4-2 shows FYs 2025/26 and 2026/27 revenues and funding sources by program fund, including interfund transfers and percent change relative to the prior fiscal year.

Table 4-2: Total Revenues and Funding Sources by Program (\$Thousands)

Program	FY 2024/25 Projected Actual	FY 2025/26 Budget	% Change FY 2025/26 vs. FY 2024/25	FY 2026/27 Budget	% Change FY 2026/27 vs. FY 2025/26
Administrative Services					
Property Tax	\$4,022	\$4,160	3%	\$4,302	3%
Cost Reimbursement ⁽¹⁾	1,923	2,151	12%	2,280	6%
Other Revenue ⁽²⁾	514	339	(34%)	367	8%
Interfund Transfers In	13,599	15,612	15%	13,385	(14%)
Total	\$20,058	\$22,262	11%	\$20,334	(9%)
Non-Reclaimable Wastewater					
User Charges	\$14,575	\$17,400	19%	\$18,299	5%
Loans and Grants	-	-	-%	-	-%
Other Revenue ⁽²⁾	800	1,150	44%	1,037	(10%)
Interfund Transfers In	261	78	(70%)	103	32%
Total	\$15,636	\$18,628	19%	\$19,439	4%
Regional Wastewater					
User Charges	\$89,452	\$98,081	10%	\$107,394	9%
Property Tax	78,664	81,351	3%	84,132	3%
Cost Reimbursement ⁽¹⁾	4,920	5,062	3%	5,287	4%
Loans and Grants	212,478	70,544	(67%)	124,250	76%
Connection Fees	33,032	27,584	(16%)	26,722	(3%)
Other Revenue ⁽²⁾	15,869	8,886	(44%)	6,481	(27%)
Interfund Transfers In	4,446	5,417	22%	12,495	131%
Total	\$438,861	\$296,925	(32%)	\$366,761	24%
Recharge Water					
Cost Reimbursement ⁽¹⁾	\$1,545	\$2,809	82%	\$3,628	29%
Loans and Grants	107	5,716	5242%	-	(100%)
Other Revenue ⁽²⁾	350	170	(51%)	150	(12%)
Interfund Transfers In	1,851	3,305	79%	3,608	9%
Total	\$3,853	\$12,000	211%	\$7,386	(38%)
Recycled Water					
Property Tax	\$3,576	\$5,547	55%	\$5,736	3%
Cost Reimbursement ⁽¹⁾	96	97	1%	99	2%
Loans and Grants	-	-	-%	-	-%
Connection Fees	6,503	6,947	7%	6,947	-%
Water Sales ⁽⁴⁾	23,777	25,667	8%	27,504	7%
Other Revenue ⁽²⁾	5,884	1,644	(72%)	1,688	3%
Interfund Transfers In	2,673	22,673	748%	2,674	(88%)
Total	\$42,509	\$62,575	47%	\$44,648	(29%)

Program	FY 2024/25 Projected Actual	FY 2025/26 Budget	% Change FY 2025/26 vs. FY 2024/25	FY 2026/27 Budget	% Change FY 2026/27 vs. FY 2025/26
Water Resources					
User Charges	\$11,135	\$11,807	6%	\$12,049	2%
Property Tax	3,129	1,387	(56%)	1,434	3%
Cost Reimbursement ⁽¹⁾	248	248	-%	248	-%
Loans and Grants	3,000	2,835	(6%)	2,835	-%
Water Sales ⁽⁴⁾	38,042	57,312	51%	65,556	14%
Other Revenue ⁽²⁾	645	295	(54%)	240	(19%)
Interfund Transfers In	377	815	116%	754	(7%)
Total	\$56,576	\$74,699	32%	\$83,116	11%
All Funds Total ⁽³⁾	\$577,493	\$487,089	(16%)	\$541,684	11%

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

⁽²⁾ Includes interest revenue, other revenue, and interfund loan proceeds.

⁽³⁾ Includes interfund transfers of \$23.207 million FY 2024/25, \$47.900 million FY 2025/26, and \$33.019 million in FY 2026/27.

⁽⁴⁾ Recycled Water Sales include fixed cost recovery fees.

User Charges

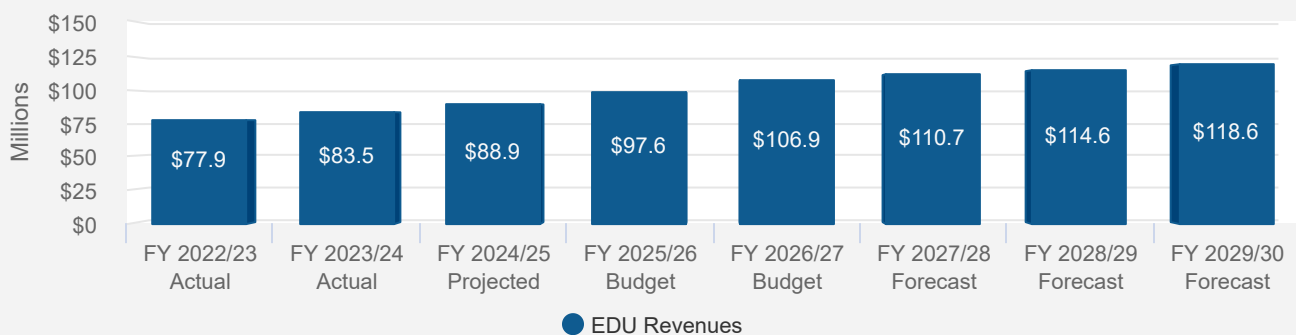
Equivalent Dwelling Unit (EDU) monthly sewer fees paid by users discharging to the Agency's regional wastewater system, non-reclaimable wastewater (NRW) fees paid by industrial and commercial users connected to the Agency's brine line system, meter equivalent units (MEUs), and Metropolitan Water District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

EDU Service Charges

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

Total FY 2025/26 and FY 2026/27 EDU service charges budgeted in the Wastewater Operations fund are \$97.6 million and \$106.9 million respectively, as shown in Figure 4-1. EDU Service Charge revenues are based on adopted rates through FY 2026/27 and are forecasted for the subsequent fiscal years.

FIGURE 4-1: TOTAL EDU SERVICE CHARGE REVENUES



The Board of Directors adopted the monthly Wastewater Equivalent Dwelling Unit (EDU) Rate of \$27.02 and \$29.45 for FYs 2025/26 and 2026/27, respectively, on April 16, 2025.

Table 4-3 shows the two-year adopted rates for FYs 2025/26 and 2026/27. The two-year rate-setting approach provides the necessary time to complete the California Association of Sanitation Agencies (CASA) flow and load study, which will provide updated assumptions used to define an Equivalent Dwelling Unit (EDU). The results of the CASA study are expected to directly influence both monthly EDU rates and wastewater connection fees. Pursuant to the Regional Sewage Service Contract and Ordinance No.114, the monthly EDU rate supports O&M costs, repair and replacement of assets, and fund reserves.

Table 4-3: Monthly EDU Volumetric Rate

	FY 2024/25 Adopted	FY 2025/26 Adopted	FY 2026/27 Adopted	FY 2027/28	FY 2028/29	FY 2029/30
Effective Date	07/01/24	07/01/25	07/01/26	Projected rates to be updated based on cost-of-service study		
EDU Monthly Rate	\$24.79	\$27.02	\$29.45			

A conservative annual growth rate of 0.50 percent for the number of billable EDUs is projected for FYs 2025/26 and 2026/27 and the following fiscal years as shown below on Table 4-4.

Table 4-4: Estimated Growth Rate in the Number of Billable EDUs

	FY 2024/25 Adopted	FY 2025/26 Adopted	FY 2026/27 Adopted	FY 2027/28	FY 2028/29	FY 2029/30
Growth Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Number of Billable Volumetric EDUs	3,595,312	3,613,288	3,631,355	3,649,511	3,667,759	3,686,098



NRW User Charges

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

NRW rates based on the current pass-through rate structure, effective July 1, 2025, are shown below in Table 4-5.

Table 4-5: NRW North and South Systems Pass-Through Rates

Rate Description	FY 2024/25 Adopted	FY 2025/26 Adopted
North System (NRWS)		
Capacity/CU ⁽¹⁾	12,636 CU	12,564 CU
Flow/mg	\$1,014.00	\$1,044.00
COD/klb	\$208.00	\$213.90
TSS/klb	\$491.70	\$505.80
Peak Flow/MG	\$339.06	\$349.08
CU Acquisition	\$4,172.00	\$4,172.00
CU Lease	\$208.60/CU/Year	\$208.60/CU/Year
EWL		
Capacity/CU ⁽²⁾	\$84.00	\$84.00
Flow/mg	\$752.00	\$774.00
COD/klb	\$175.90	\$181.20
TSS/klb	\$391.50	\$403.20
CU Acquisition	\$215,000/CU	\$215,000/CU
South System (IEBL)		
Capacity/CU ⁽²⁾	\$435.43	\$444.14
Flow/mg	\$1,097.00	\$1,119.00
BOD/klb	\$396.00	\$416.00
TSS/klb	\$497.00	\$522.00
CU Acquisition	\$215,000/CU	\$215,000/CU

(1) Capacity Unit – Total NRW Capacity Unit (NRWSCU) allocated to North NRW industrial users is determined by a formula using flow, COD, and TSS as defined by LACSD.

(2) Capacity Units in the IEBL and EWL are defined as the maximum instantaneous peak flow not-to-exceed fifteen (15) gallons per minute.

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

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

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

Meter Equivalent Units (MEU) and Readiness to Serve (RTS) Cost Recovery Charges

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

Table 4-6 shows the adopted FY 2025/26 and FY 2026/27 rates for the:

- Monthly meter equivalent unit (MEU) charges to support program costs based on meter size.
- MWD readiness-to-serve (RTS) direct pass-through charge to customer agencies.

Table 4-6: Meter Equivalent and RTS Cost Recovery Charges

	FY 2024/25 Adopted	FY 2025/26 Adopted	FY 2026/27 Adopted	FY 2027/28	FY 2028/29	FY 2029/30
Effective Date	07/01/24	07/01/25	07/01/26	07/01/27	07/01/28	07/01/29
RTS Recovery	100%	100%	100%	100%	100%	100%
Meter Equivalent Units (MEU)	\$1.14	\$1.17	\$1.20	Projected rates to be updated based on cost-of-service study		

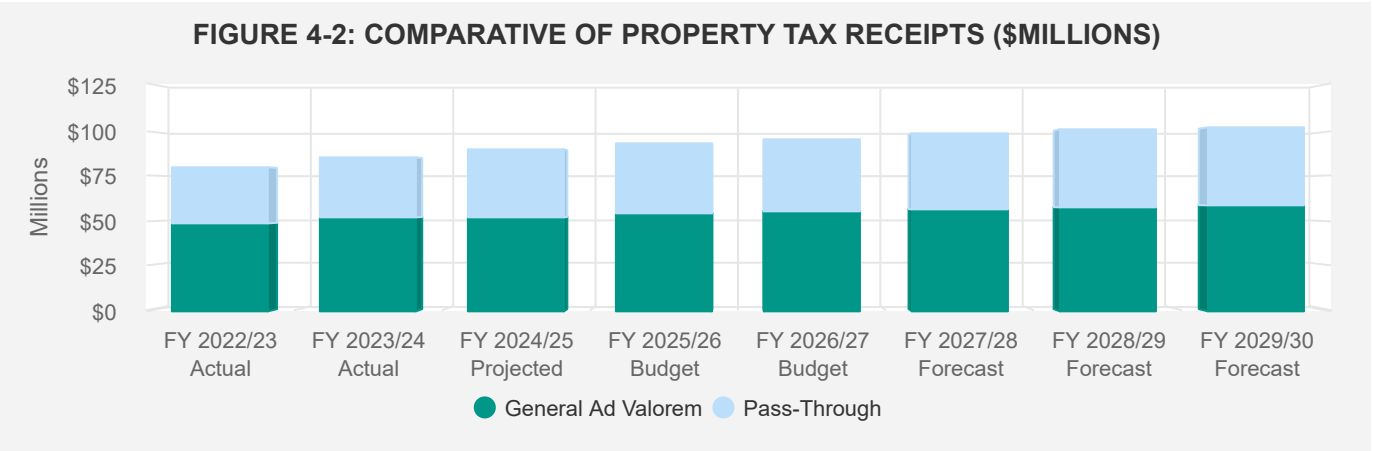
The MWD RTS pass-through charge to customer agencies recover costs associated with long-term reliability of emergency storage capacity and standby services needed to maintain water deliveries.

Property Tax Receipts

The Agency receives an allocated share of the San Bernardino County one percent general property tax, pursuant to the California Revenues and Taxation Code.

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

Figure 4-2 shows the historical trend of property tax receipts.



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

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

The Agency is projecting a steady growth in property tax receipts for FYs 2025/26 and 2026/27 at three percent for general property taxes and four percent for pass through taxes based on projected receipts for FY 2024/25. Future year projections have different percentage increases as shown in Table 4-7 below. Property tax receipts are projected at \$92.4 million and \$95.6 Million in FYs 2025/26 and 2026/27, respectively.

Table 4-7: Historic and Projected Property Tax Growth Rate

	FY 2024/25 Adopted	FY 2025/26 Adopted	FY 2026/27 Adopted	FY 2027/28*	FY 2028/29*	FY 2029/30*
General Property Taxes	2%	3%	3%	2%	2%	2%
Pass Through Taxes	1%	4%	4%	3%	3%	1%

*Projected, subject to change.

Property taxes continue to be a key funding source in support of the Agency's debt service including the pay-as-you-go (pay-go) portion of expansion projects, future growth projects projected by sewage collection agencies, asset management for timely upkeep and improvement of aging assets, and to maintain compliance with changing regulatory and safety requirements.

Table 4-8 provides a summary of the property tax allocation and projected receipts for Agency funds.

Table 4-8: Property Tax Allocation by Fund (\$Millions)

Fund	Purpose	Allocation by Fund	FY 2025/26 Adopted	FY 2026/27 Adopted
Regional Wastewater Capital Improvement	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional wastewater facilities.	65%	\$60.1	\$62.2
Regional Wastewater Operations & Maintenance	Supports capital replacements and rehabilitation cost and any operation costs not fully recovered by rates.	23%	21.3	22.0
Recycled Water	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional recycled water facilities.	6%	5.5	5.7
Administrative Services	Supports agencywide costs not allocated to other Agency funds.	4.5%	4.1	4.3
Water Resources	Supports regional water supply strategies.	1.5%	1.4	1.4
Total			\$92.4	\$95.6

Regional Wastewater System Connection Fees

The Agency levies a fee on all new connections that connect to its regional sewer system. One EDU is equivalent to one new connection unit. Connection fees are restricted to finance capital acquisition, construction, equipment, and process improvement costs for the Agency's regional wastewater system. Pursuant to the Regional Sewage Service Contract and Ordinance No. 114, new EDU connection fees are collected by each sewage collection agency and held in trust in a Capital Capacity Reimbursement Account (CCRA) until requested or "called" by IEUA. Capital calls or connection fee payments of CCRA funds are based

on the identified and projected capital needs of the Agency over a 12 month period which includes six months of actual expense and six months of projected expense as calculated and reported by IEUA semiannually. Capital calls are calculated based on the proportionate share of each sewage collection agency's CCRA account balance relative to the aggregate amount.

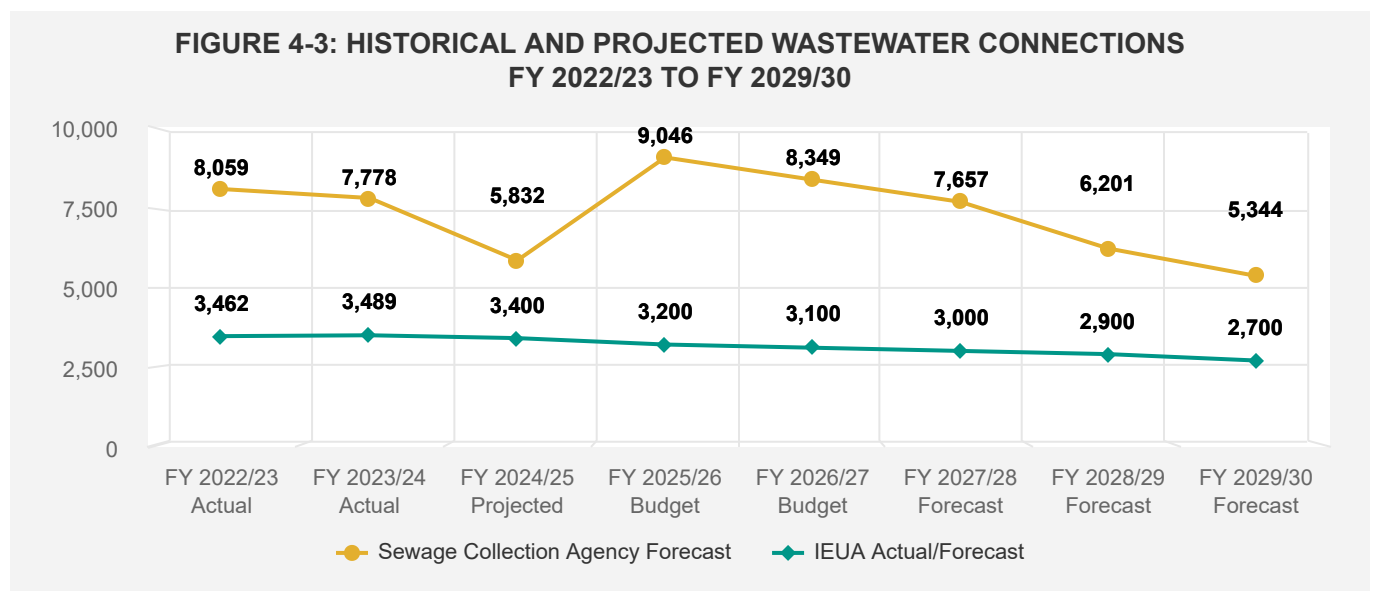
Table 4-9 shows the adopted biennial budget multi-year fees. Future fiscal year wastewater connection fees will be determined pending results of the next cost of service rate study.

Table 4-9: Multi-Year Regional Wastewater Connection Fees

	FY 2024/25 Adopted	FY 2025/26 Adopted	FY 2026/27 Adopted	FY 2027/28	FY 2028/29	FY 2029/30
Effective Date	07/01/24	07/01/25	07/01/26	07/01/27	07/01/28	07/01/29
Wastewater Connection Fee/EDU	\$8,620	\$8,620	\$8,620	Projected rates to be updated based on cost-of-service study		

In FY 2025/26 wastewater connection fee revenues are projected to be \$27.6 million with an estimated 3,200 new EDU connections. FY 2026/27 budgeted revenues are estimated at \$26.7 million with a projected total of 3,100 new connections.

In accordance with the Regional Sewage Service Contract and Ordinance No. 114, each year the Agency conducts a survey of sewage collection agencies to determine the number of new wastewater connections forecasted for the next ten years. While the Agency applies conservative assumptions in forecasting the number of new connections for budgeting purposes, sewage collection agency forecasts are used to validate internal projections for planning capacity expansion of existing facilities. Figure 4-3 shows a comparison of historical and forecasted new wastewater connections between FY 2022/23 and FY 2029/30 by IEUA and its sewage collection agencies.



One Water Connection Fee

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

One Water connection fees are set per meter equivalent unit (MEU). One MEU is equivalent to a 5/8" or 3/4" meter size (standard residential meter size). Table 4-10 shows the FY 2024/25 to FY 2026/27 adopted rates.

Table 4-10: Multi-Year Adopted One Water Connection Fee

	FY 2024/25 Adopted	FY 2025/26 Adopted	FY 2026/27 Adopted	FY 2027/28	FY 2028/29	FY 2029/30
Effective Date	07/01/24	07/01/25	07/01/26	07/01/27	07/01/28	07/01/29
One Water Connection Fee / MEU	\$1,953	\$1,953	\$1,953	Projected rates to be updated based on cost-of-service study.		

FY 2025/26 One Water connection fee revenues are projected to be \$6.9 million with a projected 3,557 new meter equivalent unit (MEU) connections. In FY 2026/27, a total of 3,557 new MEU connections are projected, with revenues budgeted at \$6.9 million.

Recycled Water Sales

Recycled water volumetric sales support costs associated with operations, maintenance, capital investment, debt service costs, and fund reserves for the Agency's recycled water distribution and storage system. Sales are on a per acre-foot (AF) basis and projected recycled acre-foot deliveries for FYs 2025/26 and 2026/27 are 34,000-acre feet (AF) with direct use deliveries budgeted at 18,000 AF, and groundwater recharge deliveries budgeted at 16,000 AF. The recycled groundwater recharge rate includes a surcharge to support a portion of groundwater recharge basin maintenance and operation costs not reimbursed by Chino Basin Watermaster (CBWM). Total recycled water sales are estimated to be \$20.6 million in FY 2025/26 and \$22.3 million in FY 2026/27.

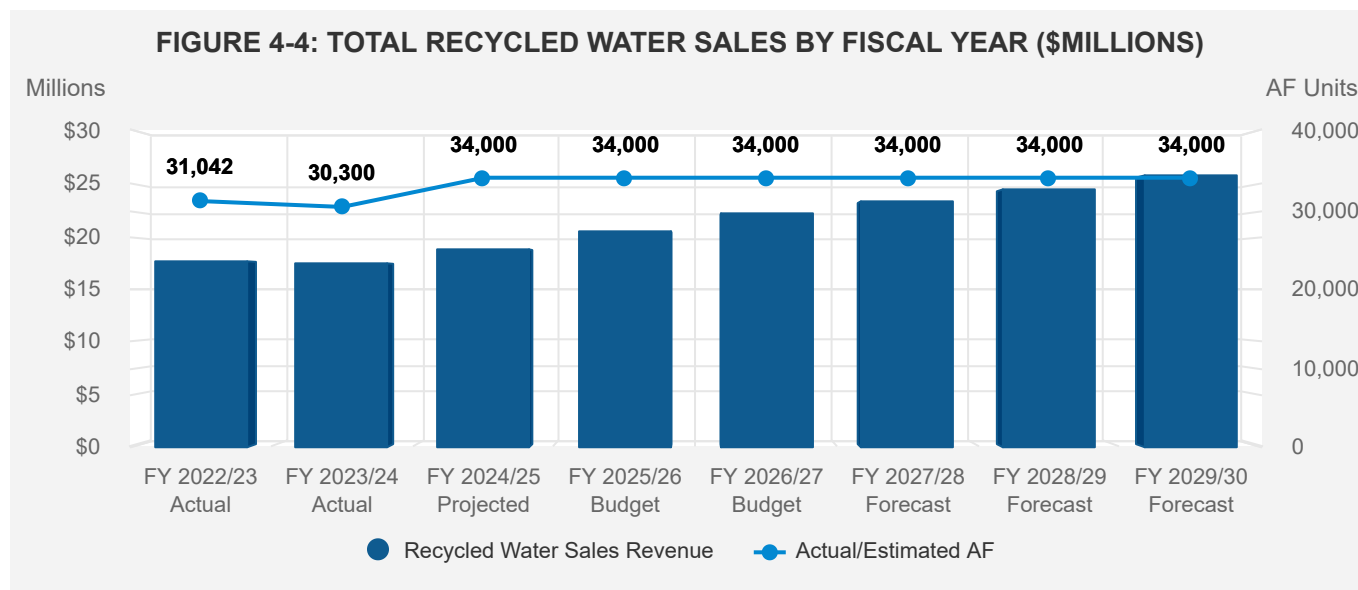
Beginning FY 2022/23, a fixed cost recovery charge was added to the recycled water rate structure to provide additional revenue stability. The fixed rate component helps to recover debt service costs and is based on the customers' three-year rolling average of direct and recharge recycled water use. Budgeted fixed cost recovery revenue for FY 2025/26 is \$5.1 million and \$5.3 million for FY 2026/27.

Recycled water volumetric and fixed rates are summarized in Table 4-11.

Table 4-11: Recycled Water Multi-Year Rates

	FY 2024/25 Adopted	FY 2025/26 Adopted	FY 2026/27 Adopted	FY 2027/28	FY 2028/29	FY 2029/30
Effective Date	07/01/2024	07/01/2025	07/01/2026	07/01/2027	07/01/2028	07/01/2029
Direct Delivery AF Rate	\$465	\$506.85	\$552.47	Projected rates to be updated based on cost-of-service study.		
Recharge Delivery AF Rate	\$665	\$714.85	\$768.79			
Fixed Cost Recovery	\$5.0M	\$5.1M	\$5.3M			

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



State Loans

The Clean Water State Revolving Fund (SRF) Program administered by the State Water Resources Control Board (SWRCB) provides low interest loans and other types of financial assistance for a variety of water infrastructure projects. SRF loans offer favorable financing terms making them a lower cost alternative to market debt.

Historically, the Agency has leveraged SRF loans, principal forgiveness, and grants to finance construction of the recycled water distribution system and other major regional wastewater projects. In FY 2025/26 proceeds from state loans are projected to be \$22.7 million with no state loan proceeds expected in FY 2026/27. Budgeted loan proceeds are for projects related to the RP-5 Expansion project in the Regional Wastewater Capital Fund and the Recharge Master Plan Update (RMPU) projects in the Recharge Water fund.

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

Federal Loans

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

The Agency currently has two outstanding WIFIA loan agreements with the EPA. The first was approved in May 2020 to finance a portion of the RP-5 Expansion project, the second WIFIA loan agreement approved in March 2022, to help finance three major Regional Wastewater System Improvement projects. In FY 2025/26, WIFIA loans proceeds are projected to be \$53.5 million and in FY 2026/27 proceeds are budgeted at \$35.0 million.

Additional details of the Agency's outstanding WIFIA loans and related debt service are provided in the Debt Management section.

Grants

As a municipal water district, the Agency is eligible to receive grant funding from various federal, state, and local grantors. Historically, the Agency has been highly successful in securing grant funding to aid in the completion of key projects across various Agency programs. Grant funding has supported projects related to regional collection and treatment of domestic wastewater, collection and disposal of industrial wastewater, water recycling, groundwater recharge, surface water management, conveyance of imported potable water supplies, regional water conservation, and production of renewable energy.

In FY 2025/26 and FY 2026/27 grant receipts are budgeted at \$2.8 million for each fiscal year. The grant issued by the Department of Water Resources provides full financial support for the Turnkey Turf Transformation project in the Water Resources fund.

Table 4-12 below is a listing of grant revenues budgeted in FYs 2025/26 and 2026/27.

Table 4-12: Projected Grant Receipts by Grantor (\$Millions)

Grantor	Fund	Project	Description	FY 2025/26	FY 2026/27
Department of Water Resources	Water Resources Fund	Turnkey Turf Transformation	Replacing non-functional turf (NFT) through turf removal, landscape design and implementation, irrigation upgrades, and more	\$2.8	\$2.8
Total Grant Funding:				\$2.8	\$2.8

Interfund Loans

Interfund loans are used as needed to supplement capital costs, debt service costs, or operating costs not supported by rates or fund reserves. Proceeds from interfund loan receipts are reported as part of other funding sources in the receiving fund and as part of debt service cost in the issuing fund.

In FY 2014/15, the Recycled Water fund received an interfund loan from the Regional Wastewater Capital fund in the amount of \$10.5 million. The final payment of \$5.5 million was made in FY 2024/25.

The Recharge Water fund has received two interfund loans from the Recycled Water fund totaling \$7.9 million and an additional \$10.1 million loan from the Regional Wastewater Capital fund. Repayment to the Recycled Water fund began in FY 2023/24 and the final payment of \$4.9 million in was made in FY 2024/25. Recharge Water fund repayment to the Regional Wastewater Capital fund began in FY 2024/25 with a payment of \$5.0 million and final repayment is scheduled for FY 2031/32.

The repayment schedule for the three interfund loans totaling \$28.5 million is shown below in Table 4-13. There are no new interfund loans budgeted for the next two fiscal years.

Table 4-13: Repayment Schedule of Interfund Loans (\$Millions)

Interfund Loan Issued	From	To	Loan Amount	Repayment Schedule
FY 2014/15	Regional Wastewater Capital Fund	Recycled Water Fund	\$10.5	2023/24 - \$5.0 2024/25 - \$5.5 Total - \$10.5
FY 2020/21	Recycled Water Fund	Recharge Water Fund	\$7.9	2023/24 - \$3.0 2024/25 - \$4.9 Total - \$7.9
FY 2022/23	Regional Wastewater Capital Fund	Recharge Water Fund	\$10.1	2024/25 - \$5.0 2025/26 - \$3.1 2030/31 - \$1.0 2031/32 - \$1.0 Total \$10.1
Grand Total			\$28.5	\$28.5

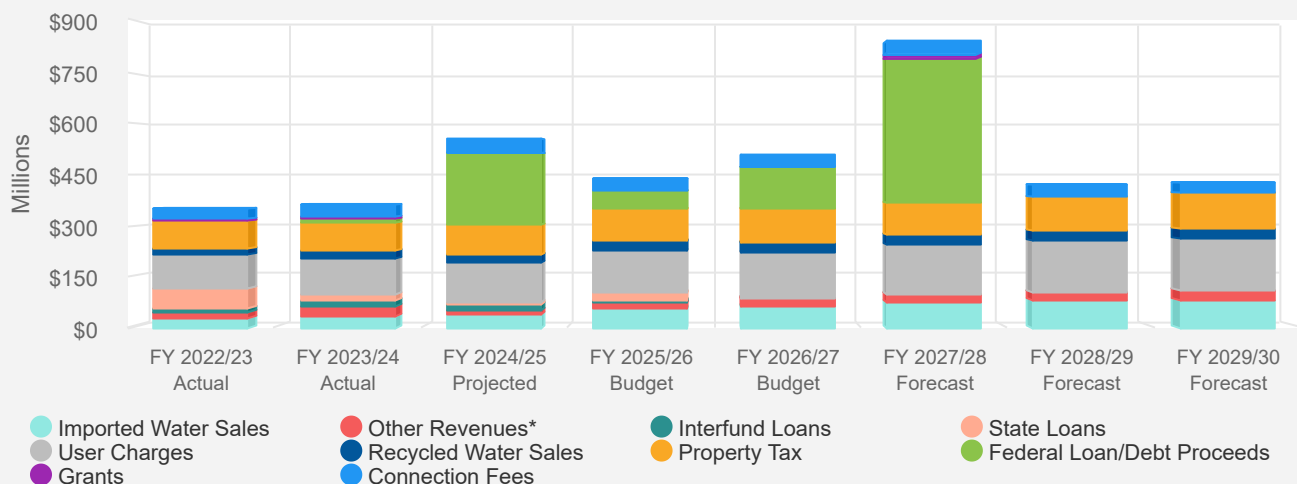
Total Revenues and Other Funding Sources

Total revenue and other funding sources, as shown in Figure 4-5, are projected to steadily increase due to projected growth in the number of monthly EDUs, continued pace of new connections to the Agency's regional wastewater and water systems, and a steady increase in projected property tax receipts.

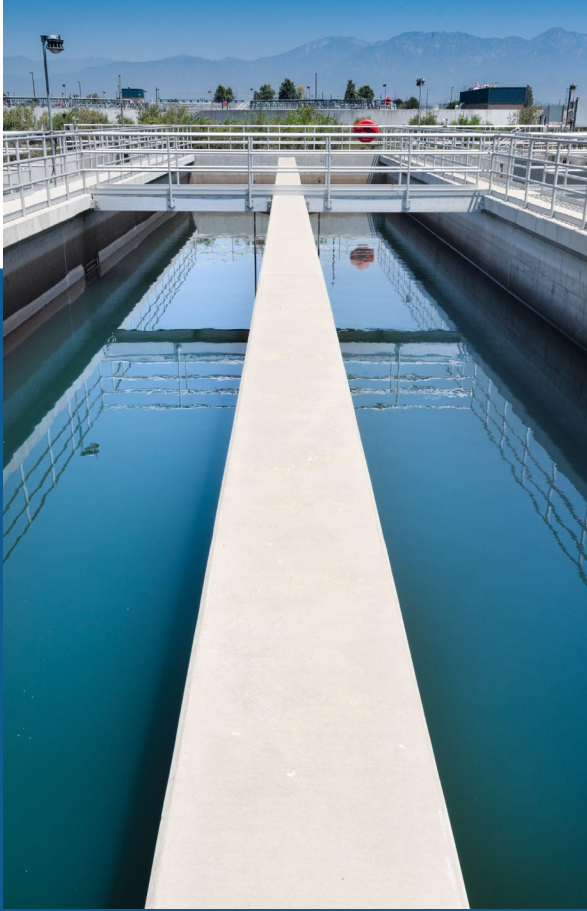
Total revenues and other funding sources are budgeted at \$439.2 million for FY 2025/26 and \$508.6 million for FY 2026/27. The FY 2025/26 projected revenue is approximately \$115.1 million, or 21 percent, lower than the \$554.3 million projected actual for FY 2024/25. The decrease is mainly due to the FY 2024/25 receipt of \$196.4 million of WIFIA loan proceeds that will be used to fully defease the Agency's outstanding 2020B Revenue Notes in November 2025. The increased revenue in FYs 2026/27 and 2027/28 are primarily due to potential debt issuance to support major projects in the Regional Wastewater and Recycled Water programs.

Figure 4-5: Historic and Projected Trend of Total Revenues & Other Funding Source by Type

(\$Millions)





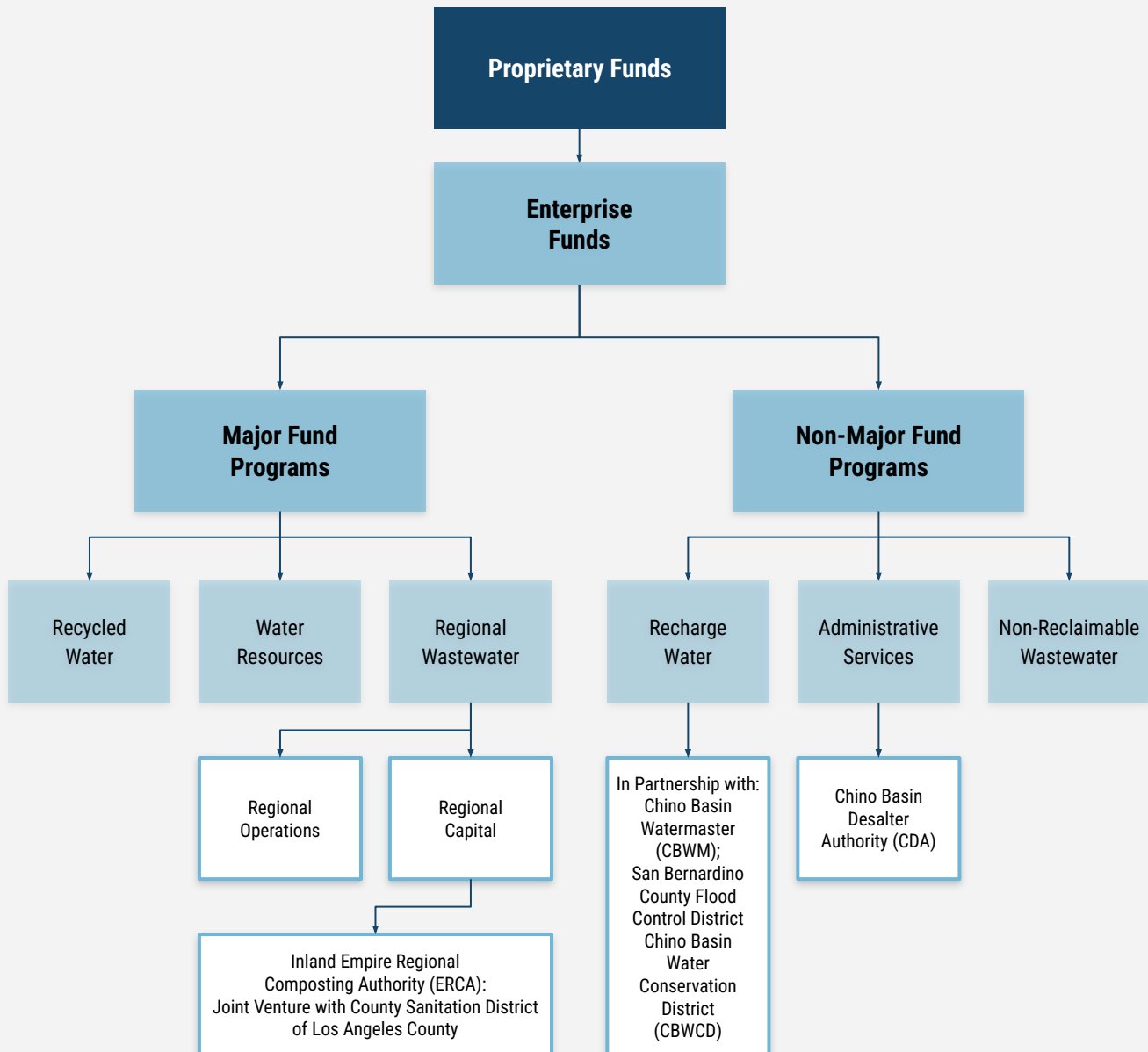


Programs/ Funds



Fund Structure

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



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

- Wholesale distribution of imported potable water delivered by the Metropolitan Water District of Southern California (MWD) and regional planning, management, and execution of water use efficiency programs.
- Collection and treatment of domestic wastewater, the construction, improvement, replacement, and repair of regional conveyance and water recycling plant facilities.

- Purveyor of recycled water and construction of the Regional Recycled Water Distribution System including support of the related retrofits and lateral construction.
- Maintenance of regional groundwater recharge basins in collaboration with Chino Basin Watermaster (CBWM) to increase artificial groundwater recharge within the Chino Basin using storm water, recycled water, and imported water.
- Organics management through effective operation of the Inland Empire Regional Composting Authority (IERCA) indoor composting facility designed to produce high-quality compost in partnership with the Los Angeles County Sanitation Districts (LACSD). These costs are recorded in the Regional Wastewater Operations & Maintenance Fund.
- Continued enhancement of the Agency's renewable energy portfolio to help offset electricity and natural gas costs through solar and wind renewable energy generation and the implementation of a battery storage system.
- Operations and maintenance of the non-reclaimable wastewater system to export high-salinity industrial wastewater generated within the IEUA service area for further treatment and eventual discharge to the Pacific Ocean and to protect the quality of the Agency's recycled water.
- Operations and maintenance support of the Chino Desalter No. 1 facility and grants administration on behalf of the Chino Basin Desalter Authority (CDA). Reimbursements of related costs from CDA are recorded in the Administrative Services fund.

The Agency's budget is organized based on enterprise funds each of which is considered a separate budgetary and accounting entity and reported on a full accrual accounting basis except as noted in Section 3, Budget Process, page 3-6. The Agency develops its sources and uses of funds estimates for the annual budget in a manner consistent with Generally Accepted Accounting Principles (GAAP).

Financial resources are allocated to and accounted for in individual funds based upon their intended purpose and the mechanisms used to control spending. In some cases, funds may be used across Agency or organizational boundaries to support specific programs or activities. All program (fund) budgets are appropriated upon approval and adoption of the annual budget by the Agency's Board of Directors.

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

Major Funds

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

Non-Major Funds

The Non-Reclaimable Wastewater Program, Administrative Services, and Recharge Water funds are designated as the non-major funds. These funds record capital and operating costs associated with the acquisition, expansion, and construction of interceptors, appurtenant facilities and treatment capacity of non-reclaimable wastewater processing plants, the administrative and overhead expenses for the various departments, the operational and administrative support for the Chino Basin Desalter, purchase of common Agency assets, and operations and maintenance of groundwater recharge basins.

Details on each fund's initiatives, activities, and budget are provided in the program section of this document.

Storm Capture – Victoria Basin



Regional Wastewater Program

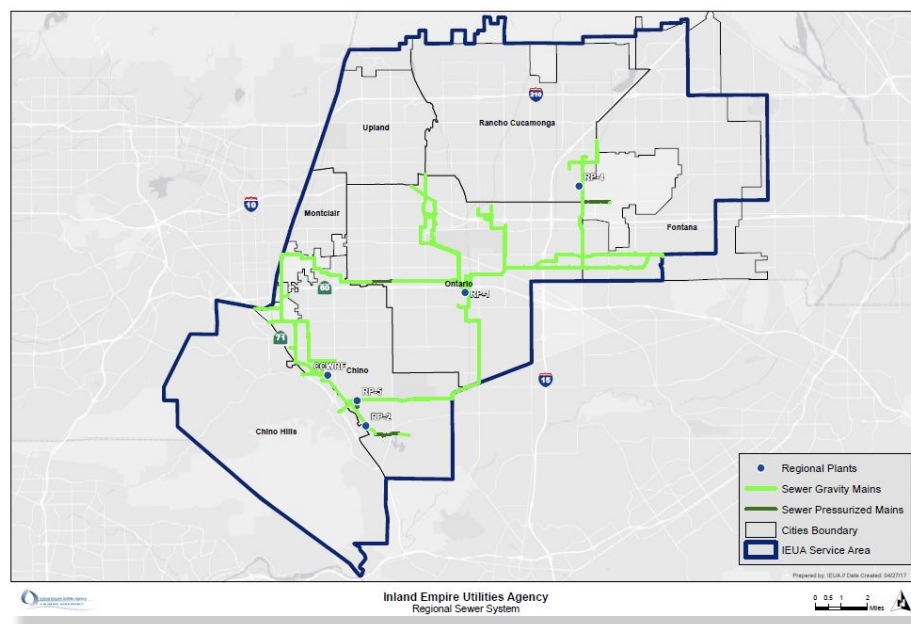
Programmatic Overview

The Regional Wastewater program accounts for the collection, treatment, and disposal of municipal wastewater, as well as the acquisition, expansion, improvement, and upkeep of the regional wastewater system. On average the Agency collects, treats, and disposes of approximately 52 million gallons per day (MGD) of untreated municipal wastewater. The expansion of Regional Water Recycling Plant No. 5 (RP-5) will increase daily treatment capacity from 16.3 MGD to an average flow of 30 MGD and a peak flow of 60 MGD, ensuring compliance with Title 22 regulations set forth by the California Department of Health Services for high-quality recycled water. The Agency operates five treatment facilities, four of which produce recycled water:

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

The Agency's service area (see Figure 5-2) encompasses a 242-square mile area of the western San Bernardino County and is responsible for serving approximately 950,000 people throughout its seven sewage collection agencies (SCAs): which includes, the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Cucamonga Valley Water District in the City of Rancho Cucamonga.

Figure 5-2: Agency Water Recycling Treatment Facilities Service Area Boundaries



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

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

Program Fund Description

The Regional Wastewater Program consists of two funds: the Regional Wastewater Capital Improvement (Wastewater Capital) and Regional Wastewater Operations and Maintenance (Wastewater Operations).

Components of each fund are shown below in Table 5-1.

Table 5-1: Regional Wastewater Program Funds

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

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

Table 5-2 shows total revenue, total expense, and beginning and ending fund balances for the Regional Wastewater Program.

Table 5-2: Consolidated Regional Wastewater Program Fund Summary (\$Millions)

	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Total Revenue & Other Funding Sources	\$434.4	\$291.5	\$354.2	\$438.5	\$243.3	\$247.0
Total Expenses & Other Uses of Funds	232.4	464.8	292.0	340.3	313.2	314.9
Net Increase (Decrease)	\$202.0	\$(173.3)	\$62.2	\$98.2	\$(69.9)	\$(67.9)
Beginning Fund Balance	401.4	603.4	430.1	492.3	590.5	520.6
Ending Fund Balance	\$603.4	\$430.1	\$492.3	\$590.5	\$520.6	\$452.7

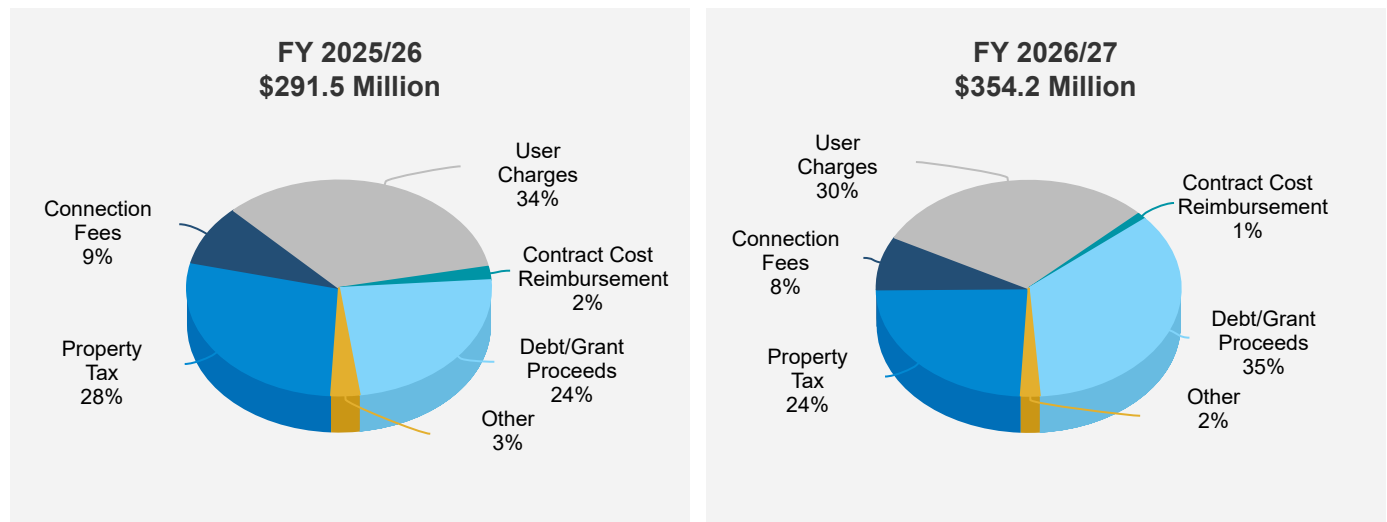
Totals may not tie due to rounding.

Total Revenues and Other Sources of Funds

Total revenue and funding sources for the Regional Wastewater Program are budgeted at \$291.5 million in FY 2025/26 and \$354.2 million in FY 2026/27. This includes user charges, property tax receipts, connection fees, debt proceeds, and contract cost reimbursement from the Inland Empire Regional Composting Authority (IERCA), interest earnings, and other miscellaneous revenues.

Figure 5-3 below shows the percentage share of revenue and other funding sources by fiscal year.

Figure 5-3: Regional Wastewater Program Revenues & Other Funding Sources



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

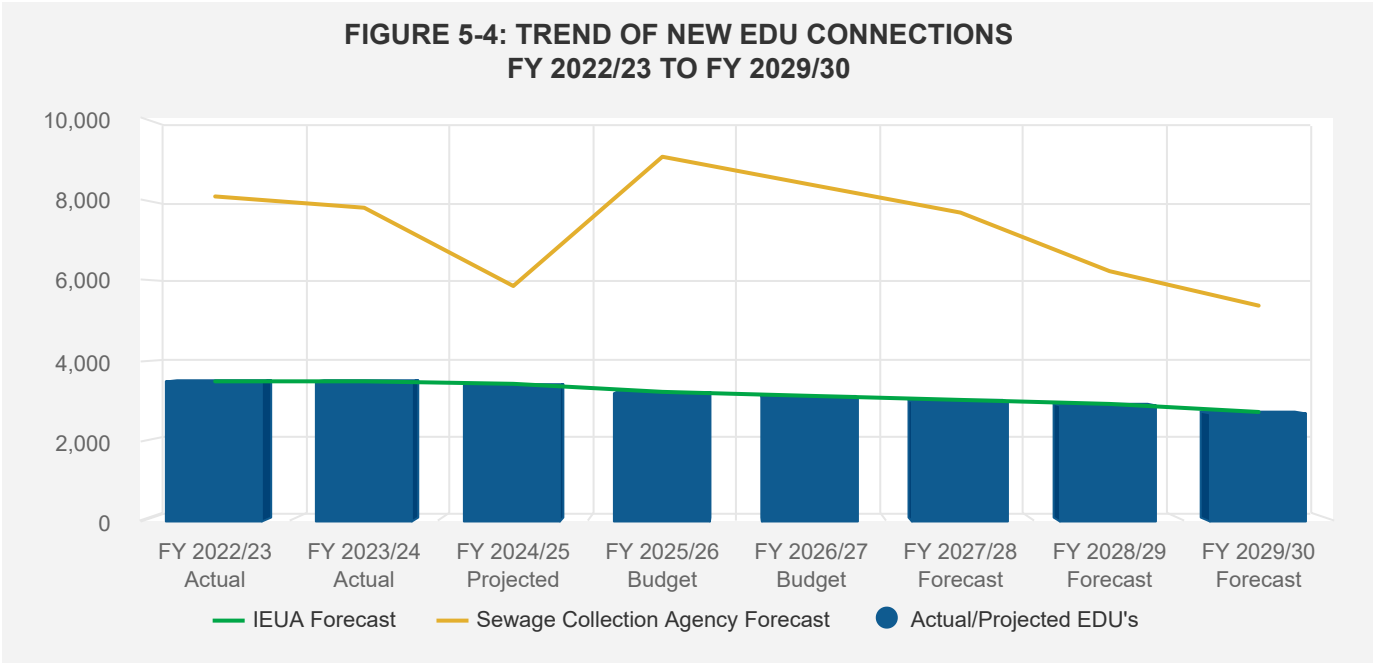
Connection Fees

To connect to the Agency's regional wastewater system, the Agency levies a fee; these connection fees, like "development impact fees" levied by cities for new development, are collected by each of the Agency's sewage collection agencies, in accordance with the Regional Sewage Service Contract and Ordinance 114. Connection fees are restricted to finance capital acquisition, construction, equipment, and process improvement costs for the IEUA regional wastewater system. Each customer agency holds these funds in trust in a Capital Capacity Reimbursement Account (CCRA) until requested, or "called," by the Agency. Capital calls, sewage collection agency payments of connection fees in their respective CCRA accounts, are based on the Agency's planned capital projects over the ensuing six months, as calculated and reported on a semiannual basis, on January 15 and July 15 of each fiscal year.

The Agency utilizes equivalent dwelling units (EDU) for measuring and forecasting the demand on district facilities equivalent to a typical single-family dwelling. An EDU means the unit of measure that is based on the flow characteristics of an average single-family residence in terms of sewage quantity and constituent quality. Pursuant to the Regional Sewage Service Contract and Ordinance No. 114, each year the Agency conducts a survey of sewage collection agencies to determine the number of new EDU connections expected for the next ten years. These forecasts are essential in planning facility and infrastructure expansion and improvements needed to support anticipated demand from future growth in the service area. The FY 2025/26 forecast estimates more than 61,000 new EDU connections over the next ten years based on prior year forecast estimates provided by the sewage collection agencies.

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

Sewage collection agency forecasts typically represent the high end of future growth in their respective areas. While the Agency applies sewage collection agencies growth forecasts to plan for future expansion of its facilities; a lower growth rate is applied to forecast connection fee revenue. This more conservative approach is illustrated in Figure 5-4, with the Agency’s forecast of new connections for the next five years lower than those projected by the member agencies.



Connection fee revenues for FY 2025/26 are budgeted at \$27.6 million with an estimated 3,200 new Equivalent Dwelling Unit (EDU) wastewater connections. For FY 2026/27, projected revenues total \$26.7 million, with an anticipated 3,100 new connections. These revenues are integral to funding capital improvement projects, supporting infrastructure expansion, and ensuring the long-term sustainability of the regional wastewater system.

Table 5-3 shows the adopted FYs 2024/25 to 2026/27 rates and projected new connections. Future year rates will be determined during the next cost of service study.

Table 5-3: Adopted Wastewater Connection Fees

Rate Description	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Wastewater Connection Fee	\$8,620	\$8,620	\$8,620	To be determined during the next cost of service study		
Wastewater Connection Units	3,400	3,200	3,100	3,000	2,900	2,700

Property Taxes

Property tax revenue for the Regional Wastewater Program is budgeted at \$81.4 million in FY 2025/26 and \$84.2 million in FY 2026/27.

The FY 2025/26 budget reflects a reallocation of property tax, reducing the share allocated to the Water Resources fund from 3.5 percent to 1.5 percent, while increasing the allocation to the Recycled Water program from four percent to six percent. This adjustment is designed to enhance investment in the regional water system and to help maintain affordable rates for the Recycled Water program. Any revenues received in excess of the fixed allocations will be directed to the Recycled Water fund to support project costs and debt service obligations related to the acquisition, improvement, replacement, and expansion of regional recycled water facilities.

As shown in Table 5-4, the 65 percent allocation for the Regional Wastewater Capital Improvement (Wastewater Capital) remains unchanged. An annual fixed amount is set for the Regional Wastewater Operations and Maintenance (Wastewater Operations), Administrative Service, and Water Resources funds. The 65 percent allocation to the Wastewater Capital fund supports capital investments for the acquisition, construction, and enhancement of wastewater infrastructure, as well as associated debt service. The 23 percent allocation to the Wastewater Operations fund is intended to cover capital replacement and rehabilitation (R&R) costs, operations, and maintenance (O&M) expenses not fully recovered through service rates.

Table 5-4: Property Tax Allocation by Fund (\$Millions)

Fund	Purpose	Current Allocation	FY 2025/26 Budget	FY 2026/27 Budget
Regional Wastewater Capital Improvement	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional wastewater facilities.	65%	\$60.1	\$62.2
Regional Wastewater Operations & Maintenance	Supports capital replacements and rehabilitation cost and any operation costs not fully recovered by rates.	23%	21.3	22.0
Recycled Water	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional recycled water facilities.	6.0%	5.5	5.7
Administrative Services	Supports agencywide costs not allocated to other Agency funds.	4.5%	4.1	4.3
Water Resources	Supports regional water supply strategies.	1.5%	1.4	1.4
Total			\$92.4	\$95.6

User Charges

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

In April 2025, the Board of Directors adopted two-year monthly Wastewater Equivalent Dwelling Unit (EDU) rates. The two-year rate adoption allows for 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 affecting projects planned for this program.

The next comprehensive cost of service study for Agency programs will set rates and fees effective FY 2027/28 and subsequent years. Table 5-5 shows the adopted rates for FYs 2024/25 to 2026/27.

Table 5-5: Adopted EDU Monthly Rates

Rate Description	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
EDU Monthly Rate	\$24.79	\$27.02	\$29.45	To be updated based on rate study results		
Effective Date	07/01/2024	07/01/2025	07/01/2026			

Debt Proceeds

The Regional Wastewater program’s expansion and improvements are traditionally funded by a combination of system revenues (pay-go basis), bonded debt, grants, and low interest loans. In FY 2019/20 the Agency secured a Water Infrastructure Finance and Innovation Act (WIFIA) loan in the amount of \$196.4 million for the RP-5 Liquid and Solids Treatment capacity expansion projects (RP-5 Expansion Project). The Agency executed a full draw of the 2020 WIFIA loan in late FY 2024/25. The proceeds were deposited into an escrow account with the Agency’s custodial bank, where they will remain until November 2025, at which point the funds will be utilized to fully defease the 2020B Revenue Notes.

The RP-5 Expansion Project is the largest capital construction project undertaken by the Agency to date, with a total project budget of \$487.4 million. In addition to the WIFIA loan discussed above, the Agency acquired a low interest Clean Drinking Water State Revolving Fund (SRF) loan for \$101.5 million.

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

WIFIA and SRF loan proceeds of \$70.5 million are included in FY 2025/26 total revenues and \$35 million of WIFIA proceeds are included in FY 2026/27. Federal and State loan financing terms and projected debt service amounts are provided in the Debt Management section of the budget document.

Expenses and Other Uses of Funds

The total Regional Wastewater program expenditures budget is \$464.8 million in FY 2025/26 and \$292.0 million in FY 2026/27. Expenses include operating expense, capital improvement plan (CIP) costs, debt service, and interfund transfers to the Recharge Water and Recycled Water funds support debt service costs, the Administrative Services fund to support capital and operating expenditures, and to the Administrative Services and Non-Reclaimable Wastewater funds to support expansion projects.

Total expenses and other uses of funds are summarized in Table 5-6. Operating costs are explained in more detail in the following sections.

Table 5-6: FYs 2025/26 and 2026/27 Regional Wastewater Program Expenses and Other Uses Of Funds (\$Millions)

Uses of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Operating Expenses	\$118.4	\$129.6	Includes labor, utilities, operating fees, chemicals, materials and supplies, non-capital projects, and other administrative costs to support the Regional Wastewater program.
Capital Improvement Plan (CIP)	122.8	128.1	Includes capital project expenditures and investment in the IERCA. See Table 5-13 for summary of major capital projects.
Debt Service Costs	208.6	18.6	Includes principal & interest for bonds, SRF and WIFIA loans, and other notes payable. FY 2025/26 includes a defeasance of the \$196.4 million 2020B Revenue Notes.
Interfund Transfers	15.0	15.7	Capital, debt service, and operating support to other Agency funds.
Total	\$464.8	\$292.0	

Operating Expenses

Employment Expenses

As one of the Agency's core programs, approximately 63 percent of total net employment costs (net of labor costs allocated to support the Agency's CIP and the Inland Empire Regional Composting Authority) are allocated to the Regional Wastewater program. Employment expenses include wages, benefits, and additional contributions to the unfunded accrued liabilities for pension and other post-employment benefits (OPEB). Total budgeted employment expenses are \$82.5 million in FY 2025/26 and \$90.5 million in FY 2026/27 (net of labor allocation to CIP). Employment expenses include wages, benefits, and contributions to unfunded accrued liabilities for pension and other post-employment benefits (OPEB). The employment budget for both FYs 2025/26 and 2026/27 includes a six percent cost of living adjustment (COLA) each year.

Included in the FYs 2025/26 and 2026/27 employment budget is an increase in staffing to support early recruitment of critical positions, additional full-time positions to support operation and maintenance requirements after the go-live of the RP-5 expansion projects, and an annual cost of living adjustment (COLA) of six percent per fiscal year as negotiated with the various employee bargaining units. Included in the Wastewater Operations fund employment expenses are the 23 FTEs assigned to the Inland Empire Regional Composting Authority (IERCA). Employment costs for operating the IERCA facility are approximately \$5.1 million in FY 2025/26 and \$5.3 million in FY 2026/27 and are fully reimbursed to the Agency.

Chemicals

Chemicals represent the second highest operating cost to the Regional Wastewater Program after employment expenses. The budget for chemical costs is developed by considering the current operating conditions and current unit costs (wastewater influent flow, chemical dose, compliance, contract price, and terms), as well as forecasted flows, new project startups, and market trends.

Chemical costs represent approximately eleven percent of total operating costs in the Regional Wastewater Program for both FYs 2025/26 and 2026/27. A total of \$12.5 million is budgeted for chemicals in FY 2025/26, and \$14.9 million for FY 2026/27.

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

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

Utilities

A total of \$12.3 million is budgeted for utilities in FY 2025/26, and \$14.4 million for FY 2026/27. Utility expenses include the purchase of electricity from Southern California Edison (or the grid), use of natural gas, and the purchase of renewable energy generated on site from solar and wind. For FY 2025/26 and FY 2026/27, the Regional Wastewater Program electricity rate is budgeted at \$0.215 per kilowatt hour (kWh) and \$0.224 per kilowatt hour (kWh), respectively.

The Agency's on-site renewable portfolio pairs 3.3 megawatts (MW) of distributed solar arrays with a one MW wind turbine and four MW of lithium-ion battery storage installed across its water-recycling and composting facilities. Together, the solar plus wind resources meet roughly half of the agency's peak electricity demand, while the batteries charge off-peak and discharge during high-price periods, thus trimming demand charges. This integrated mix demonstrates the Agency's strategy of coupling clean generation with storage to cut operating costs and showcase regional sustainability leadership.

The Agency is committed to optimizing facility energy use and effectively managing renewable resources to achieve peak power independence, contain future energy costs, achieve statewide renewable energy, distribute generation and greenhouse-gas reduction goals, and provide for future rate stabilization as part of the Agency's strategic plan.

Biosolids Recycling

The cost of biosolids recycling is budgeted at \$6.0 million in FY 2025/26 and \$6.5 million in FY 2026/27. The biosolids budget includes costs for hauling and disposal of biosolids and non-biological materials. The IERCA processes 100 percent of the Agency's biosolids generated from its water recycling facilities. The FY 2025/26 processing rate of \$69.50 per ton was adopted by the IERCA Board of Directors effective July 1, 2025. Although conservation and water use efficiency efforts have reduced wastewater flows, the amount of organic matter and suspended solid materials has remained unchanged.

Capital Projects

In FY 2025/26, the Regional Wastewater program capital budget is \$121.6 million and \$126.9 million for FY 2026/27. These figures exclude the Agency's annual investment in the IERCA. Capital projects in the Wastewater Capital fund focus on expansion and improvements in the regional wastewater system and capital projects in the Wastewater Operations fund primarily focus on replacement and rehabilitation (R&R) of aging equipment and facilities.

Capital projects in the Regional Wastewater Program account for \$1,142.1 million (excluding investment in the IERCA) of the Agency's \$1,687.4 million FYs 2026 to 2035 capital TYCIP. Approximately 57 percent, or \$648.4 million, of the ten-year total Regional Wastewater program capital project spending is scheduled in the first five fiscal years (FYs 2025/26 to 2029/30). Some of the major projects planned over the next two years include the completion of the RP-5 Expansion projects, RP-1 Thickening Building and Acid Phase Digester, SCADA Enterprise System, Compliance for Wastewater Facilities, and replacement and rehabilitation (R&R) projects at various facilities, including RP-1, RP-4, and Carbon Canyon Water Recycling Facility (CCWRF).

Many of these capital projects involve improvements and expansion of existing facilities and infrastructure to accommodate anticipated increases in service demands due to projected regional growth. Critical R&R projects necessary to meet reliability and regulatory requirements, remain a primary focus of the CIP for the Regional Wastewater program. Major capital projects for the Regional Wastewater program are shown in Table 5-7.

Table 5-7: Major Regional Wastewater Program Projects (\$Millions)

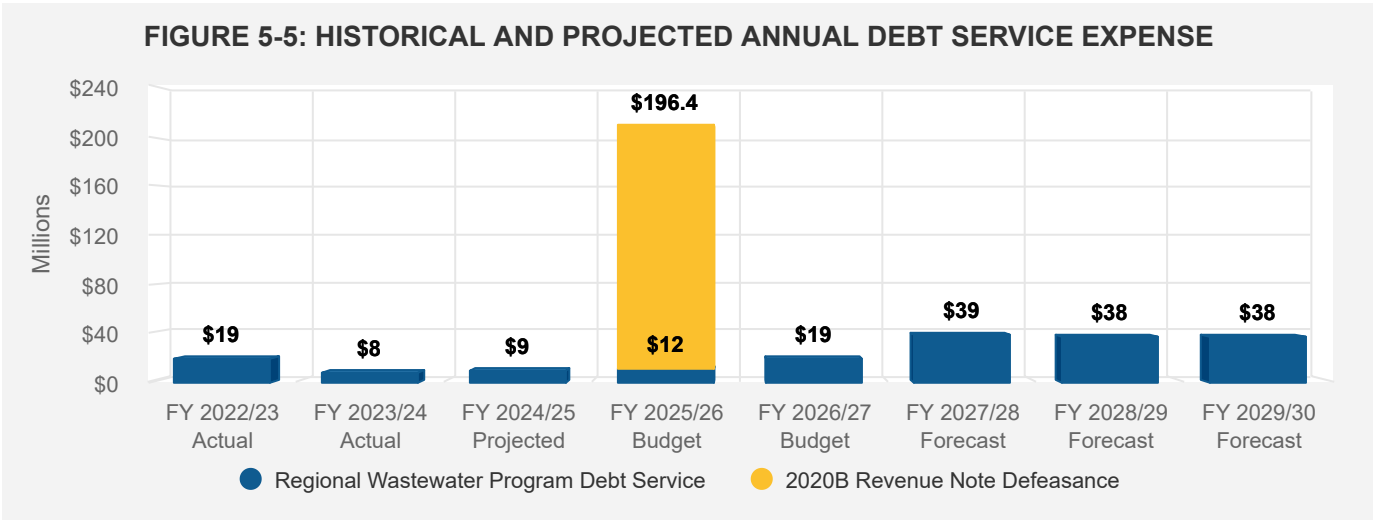
Project Title	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 to 2029/30	TYCIP Total
Advanced Water Purification Facility	\$0.0	\$0.0	\$223.0	\$223.0
RP- 1 Liquid and Solids Treatment Expansion	3.0	4.0	237.5	244.5
RP-1 Thickening Building & Acid Phase Digester	25.0	35.0	113.0	173.0
RP-5 O&M Building	-	-	50.0	50.0
RP- 5 Expansion to 30 mgd	22.5	13.0	13.0	48.5
Development & Early Design Compliance	13.7	17.0	10.0	40.7
RP- 2 Decommissioning	-	-	25.0	25.0
RP-1 Operations and Maintenance Building Rehabilitation	-	-	16.5	16.5
RP- 1 Primary Clarifier # 1 through #10	2.0	3.0	9.8	14.8
SCADA Enterprise System	5.0	3.6	-	8.6
All Other Capital Projects	50.4	51.3	195.8	297.5
Total	\$121.6	\$126.9	\$893.6	\$1,142.1

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

Debt Service

The Regional Wastewater Program’s FY 2025/26 and FY 2026/27 debt service payments are \$208.6 million and \$18.6 million, respectively. Debt service costs include principal, interest, and financial expense related to outstanding bonds, revenue notes, State Revolving Fund (SRF) loans, Water Infrastructure and Innovation Act (WIFIA) loans, and notes payable. Additionally, FY 2025/26 includes the defeasance of the 2020B Revenue Note. Details about the Agency’s outstanding debt can be found in the Debt Management section of the budget document.

Figure 5-5 below represents historical and projected debt service expenses through FY 2029/30. While current funding projections include the issuance of potential future debt, the financing strategy will continue to evolve as individual projects in the Regional Wastewater program progress through design and approach construction readiness. Future funding plans will incorporate updated cost estimates, revised schedules, and adaptive funding strategies to ensure alignment with program goals and long-term fiscal sustainability.



Interfund Transfers

Wastewater connection fees are collected to support the capital acquisition, construction, and expansion of the Agency’s regional wastewater system. This revenue is recorded in the Regional Wastewater Capital fund and then allocated to the Administrative Services, Non-Reclaimable Wastewater, and Regional Wastewater Operations funds proportionally to support growth-related projects. These interfund transfers are outlined in Table 5-8.

Table 5-8: Wastewater Connection Fee Interfund Transfers From Regional Wastewater Capital Fund (\$Millions)

Program	FY 2025/26 Budget	FY 2026/27 Budget
Administrative Services	\$3.7	\$3.0
Non-Reclaimable Wastewater	0.1	0.1
Regional Wastewater Operations	4.2	2.9
Total from Regional Wastewater Capital (Out)	\$8.0	\$6.0

Interfund Loans

Interfund loans are used as needed to support operation, capital and debt service costs, or operating expenses not fully supported by rates or fund reserves. They are recorded as loans to be repaid and subject to interest. Interfund loan activities are reported as part of other funding sources by the receiving (borrower) fund and other uses of funds by the issuing (lender) fund.

In FY 2022/23 the Recharge Water fund received an interfund loan from the Regional Wastewater Capital fund for \$10.1 million. The Recharge Water fund repayment to the Regional Wastewater Capital fund loan began in FY 2024/25 with a payment of \$5.0 million, a \$3.1 million payment is planned for FY 2025/26 and final repayment scheduled for FY 2031/32. A summary of interfund loans and repayment schedules is provided in the Revenue and Debt Management sections of the budget.

Inland Empire Regional Composting Authority (IERCA)

The Inland Empire Regional Composting Authority (IERCA) was formed in February 2002 as a Joint Power Authority (JPA) to support the diversion of organic solids from landfills and to promote the recycling of organic materials generated within the community. The JPA between the Agency and the Los Angeles County Sanitation Districts (LACSD) reflects their shared goal of developing a sustainable biosolids management program.

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

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

In May 2025, the Inland Empire Regional Composting Authority (IERCA) earned the USDA Certified Biobased Product Label for its SoilPro compost, recognizing it as a sustainable product made from renewable organic materials. This certification highlights SoilPro's role in promoting soil health, supporting the circular economy, and contributing to environmental sustainability, while also aligning with federal efforts to prioritize biobased product use.

IEUA is responsible for the operational and administrative activities of the IERCF. The facility is staffed by 23 full-time Agency employees. Labor costs for Agency employees are recorded in the Agency's Regional Wastewater Operations and Maintenance fund and are fully reimbursable to the Agency.

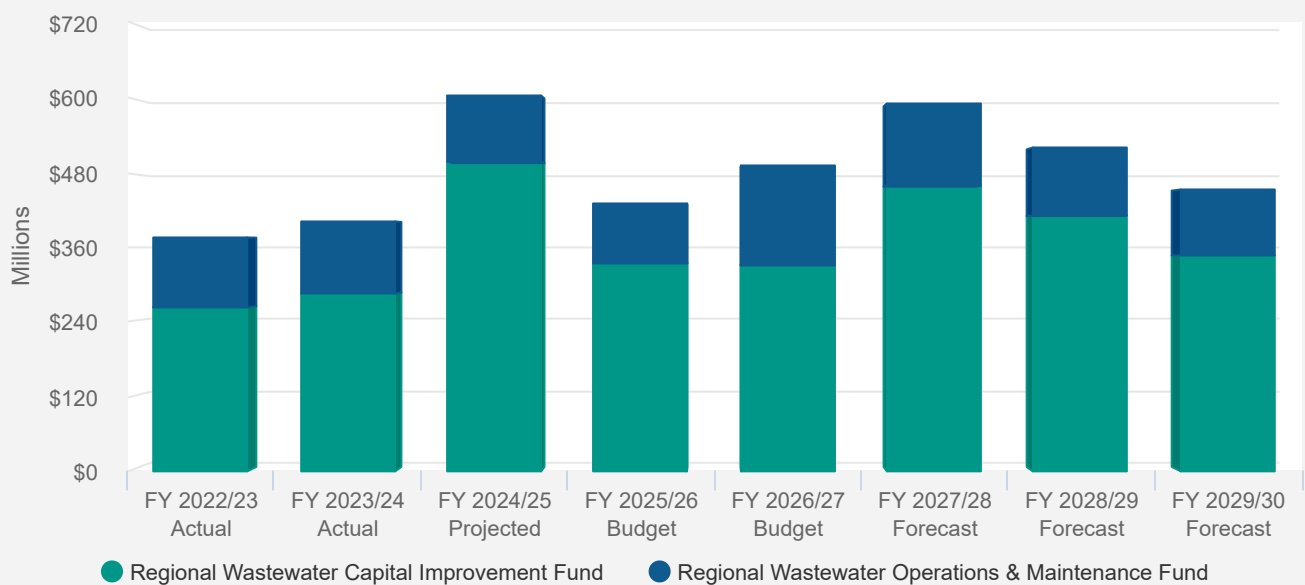
Beginning in FY 2010/11, the IERCA Board implemented a tipping fee revenue base in lieu of partner contributions to cover operations and maintenance expenses for the IERCF. The tipping fee for FY 2025/26 will be \$69.50 per wet ton of biosolids to support operating expenses and a portion of capital replacement and rehabilitation (R&R) costs. The fee is projected to generate revenue of \$10.3 million based on budgeted tonnage of 148,500. The Agency's share of the IERCA tipping fee revenue is budgeted in the Regional Wastewater

Operations & Maintenance fund as biosolids recycling costs. The biosolids recycling budget of \$6.0 million for FY 2025/26 assumes 100 percent of the biosolids generated from the Agency's regional water recycling plants which will be transported to the IERCA composter for processing. Capital project expenditures are shared equally by the JPA partners.

Regional Wastewater Program Fund Balance

The Regional Wastewater Program projects an ending fund balance of \$430.1 million in FY 2025/26 and \$492.3 million in FY 2026/27 as shown in Figure 5-6. The estimated ending fund balance increase in the Wastewater Capital Fund is primarily due to debt proceeds to support the construction of the RP-5 Expansion and RP-1 Solids Thickening Building and Acid Phase Digester projects. The projected change in the Wastewater Operations fund balance in FY 2026/27 is primarily attributed to a potential new debt issuance for major capital projects such as the RP-1 Primary Clarifier Rehabilitation, RP-1 Headworks Influent Channel Rehabilitation, and the Regional Sewage System (RSS) Collection System Pipe Rehabilitation projects. Although current funding projections include potential future debt, the financing strategy will continue to evolve as individual projects advance through design and approach construction readiness.

FIGURE 5-6: TREND OF REGIONAL WASTEWATER PROGRAM FUND BALANCE



FY 2027/28 to FY 2029/30 Forecast

In the three years following the biennial budget period, the Agency will continue to progress towards the completion of the RP-5 Expansion and other major infrastructure projects, primarily financed through low-interest federal and state loans.

A key priority will be a comprehensive cost of service rate study to set rates for FY 2027/28 and beyond. A major component of the rate study will include the completed California Association of Sanitation Agencies (CASA) flow and load study, which will update the assumptions used to define an Equivalent Dwelling Unit (EDU). These updated assumptions will form the basis for setting the monthly EDU rate and the new wastewater connection fee.

Concurrently, the Agency will invest in workforce development to strengthen its human capital, supporting the achievement of strategic goals and enhancing organizational effectiveness. The budget will also proactively address expected increases in operating costs, particularly for utilities and chemicals, driven by inflation. The Agency will continue to support regional growth, infrastructure stewardship, and compliance with regulatory requirements. By pursuing these priorities, the Agency will reaffirm its commitment to delivering essential, high-quality services in a cost-effective manner, promoting regional economic development, and ensuring long-term financial sustainability.

Regional Wastewater Capital Improvement Fund - Sources and Uses of Funds (\$Thousands)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Revenues								
Interest Revenue	\$3,041	\$5,650	\$3,509	\$3,500	\$4,000	\$5,000	\$6,000	\$5,000
Total Revenues	\$3,041	\$5,650	\$3,509	\$3,500	\$4,000	\$5,000	\$6,000	\$5,000
Other Financing Sources								
Property Tax - Debt and Capital	\$51,587	\$55,648	\$58,104	\$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	207,388	53,516	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	3,105	-	-	-	-
Total Other Financing Sources	\$134,008	\$115,623	\$314,126	\$161,323	\$123,866	\$291,408	\$91,711	\$91,649
Expenses								
Employment Expenses	\$3,714	\$4,260	\$5,179	\$6,079	\$6,670	\$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	3,110	3,419	3,772	4,018	4,292
Total Expenses	\$6,208	\$7,573	\$9,545	\$11,014	\$12,006	\$12,749	\$13,214	\$14,005
Capital Program								
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	1,250	250	250	250
Total Capital Program	\$107,971	\$79,837	\$70,936	\$95,125	\$93,760	\$122,185	\$100,785	\$107,660
Debt Service								
Financial Expenses	\$6	\$5	\$13	\$9	\$8	\$5	\$6	\$6
Interest	3,014	1,942	2,789	5,438	7,239	16,278	15,816	15,405
Principal	4,672	4,988	5,150	201,757	9,981	15,667	15,819	16,005
Short Term Interfund Loan	10,105	-	-	-	-	-	-	-
Total Debt Service	\$17,797	\$6,935	\$7,951	\$207,204	\$17,229	\$31,951	\$31,640	\$31,416
Transfers In (Out)								
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)
Total Interfund Transfers In (Out)	\$(4,627)	\$(6,929)	\$(14,924)	\$(17,037)	\$(8,547)	\$1,000	\$(1,730)	\$(6,065)
Fund Balance								
Net Increase (Decrease)	\$447	\$19,999	\$214,278	\$(165,556)	\$(3,677)	\$130,523	\$(49,658)	\$(62,498)
Beginning Fund Balance July 01	264,255	264,701	284,701	498,979	333,422	329,745	460,268	410,610
Ending Fund Balance At June 30*	\$264,701	\$284,701	\$498,979	\$333,422	\$329,745	\$460,268	\$410,610	\$348,113

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Reserve Balance Summary								
Operating Contingency	\$2,069	\$2,524	\$3,182	\$3,671	\$4,002	\$4,250	\$4,405	\$4,668
Capital Construction	144,631	135,286	341,779	191,687	196,813	350,764	324,633	259,072
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	14,033	20,496	34,640	34,329	34,127	41,495
Ending Balance At June 30	\$264,701	\$284,701	\$498,979	\$333,422	\$329,745	\$460,268	\$410,610	\$348,113

*Numbers may not tie due to rounding

Regional Wastewater Operations & Maintenance Fund - Sources and Uses of Funds (\$Thousands)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Revenues								
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
Total Revenues	\$84,918	\$92,651	\$96,122	\$105,343	\$115,081	\$119,484	\$122,484	\$126,829
Other Financing Sources								
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
Total Other Financing Sources	\$18,411	\$19,744	\$20,658	\$21,342	\$111,319	\$22,601	\$23,147	\$23,510
Expenses								
Employment Expenses	\$36,373	\$40,539	\$46,055	\$50,690	\$55,632	\$59,371	\$61,621	\$64,649
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	12,270	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	12,518	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	8,499	9,338	10,295	10,964	11,710
Total Expenses	\$73,759	\$85,660	\$97,445	\$107,379	\$117,546	\$123,526	\$128,125	\$133,241
Capital Program								
Capital Construction & Expansion (WIP)	\$8,169	\$20,081	\$29,000	\$27,650	\$34,350	\$33,600	\$23,800	\$12,600
Total Capital Program	\$8,169	\$20,081	\$29,000	\$27,650	\$34,350	\$33,600	\$23,800	\$12,600
Debt Service								
Interest	\$563	\$563	\$548	\$517	\$490	\$4,480	\$4,390	\$4,296
Principal	849	849	874	900	927	2,331	2,424	2,518
Total Debt Service	\$1,412	\$1,411	\$1,421	\$1,416	\$1,416	\$6,811	\$6,814	\$6,814
Transfers in (Out)								
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
Total Interfund Transfers in (Out)	\$(2,024)	\$1,209	\$(1,153)	\$1,989	\$(7,199)	\$(10,469)	\$(7,181)	\$(3,082)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Fund Balance								
Net Increase (Decrease)	\$17,964	\$6,451	\$(12,240)	\$(7,773)	\$65,888	\$(32,322)	\$(20,291)	\$(5,399)
Beginning Fund Balance July 01	92,273	110,237	116,688	104,448	96,675	162,564	130,242	109,951
Ending Fund Balance at June 30	\$110,237	\$116,688	\$104,448	\$96,675	\$162,564	\$130,242	\$109,951	\$104,552
Reserve Balance Summary								
Operating Contingencies	\$23,311	\$27,082	\$30,857	\$34,108	\$56,132	\$39,362	\$40,859	\$42,412
Rehabilitation/Replacement	49,099	51,775	30,364	19,338	63,199	47,650	25,860	18,911
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
Ending Balance at June 30	\$110,237	\$116,688	\$104,448	\$96,675	\$162,564	\$130,242	\$109,951	\$104,552

Totals may not tie due to rounding

Recycled Water Program

Programmatic Overview

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

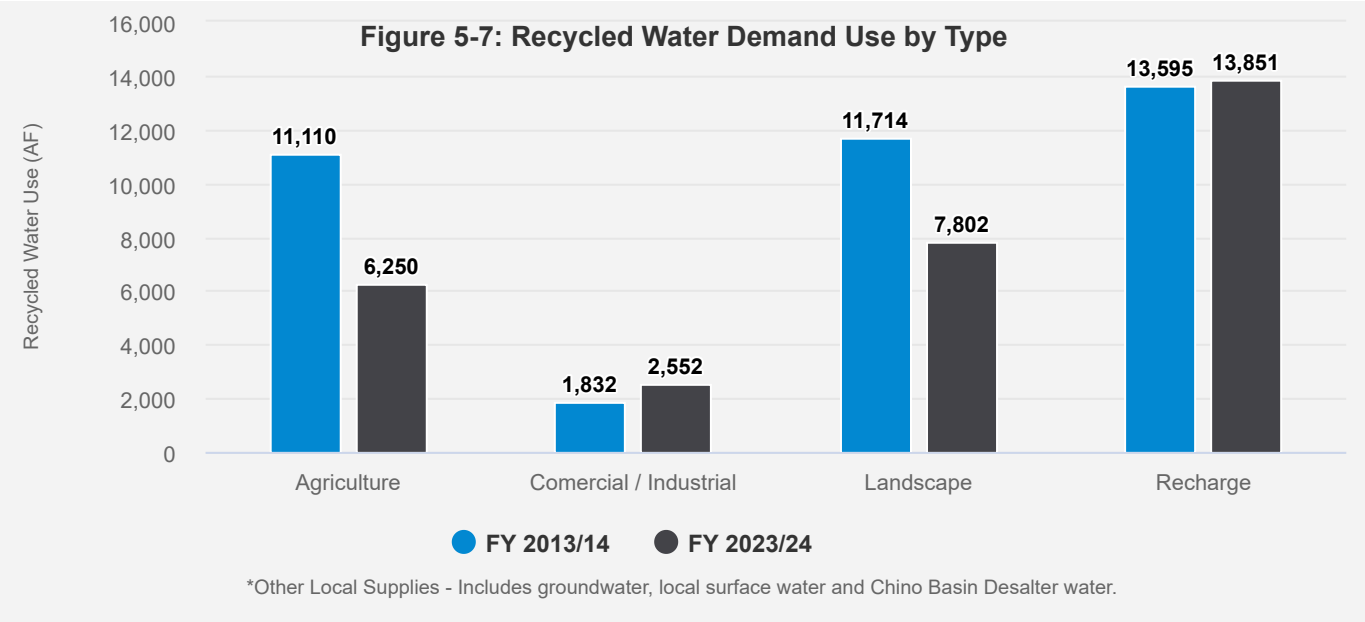
IEUA began producing recycled water in the 1970's as a low-cost alternative water supply for large irrigation customers. In 2000, the region identified recycled water as a critical component in drought-proofing the region and essential to sustaining economic growth. With imported water rates increasing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

Based on a series of regional decisions since the year 2000, over \$350 million has been invested into the implementation of a robust Recycled Water Program. These investments, along with the 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 ninety-six miles of pipeline over six pressure zones, five storage reservoirs with storage capacity between two and five million gallons, and multiple pump stations.

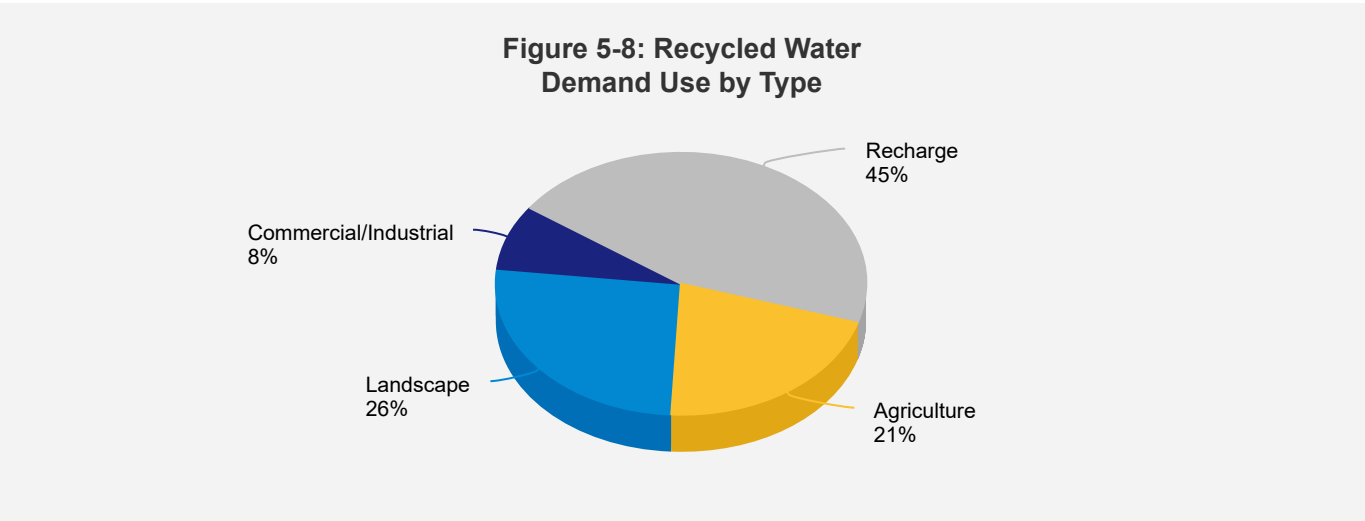
IEUA's long-term planning documents continue to focus on the development of the region's local water supplies. Major benefits of the regional Recycled Water program include:

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

The use of locally produced recycled water increases regional water supply reliability. Figure 5-7 illustrates the evolution of how recycled water supplies have been utilized in the region over the past decade. Land use changes and increases in outdoor water efficiency have shifted how recycled water is utilized within the region.



Recycled water is a cost effective, dependable, and environmentally friendly water supply that is safe for a variety of uses including landscape and agricultural irrigation, groundwater recharge, construction, and industrial process water. Figure 5-8 lists FY 2023/24 recycled water demand use by type.



Short-term demand (use by 2025) and long-term demand (use projection through 2040) of recycled water direct use and groundwater recharge are shown below in Table 5-9.

Table 5-9: Recycled Water Demand Projection

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

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

Fund Description

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

Table 5-10 shows total revenue, total expense, and beginning and ending fund balances for the Recycled Water program. Additional revenue and expense details can be found in Tables 5-11 and 5-12.

Table 5-10: Consolidated Recycled Water Program Fund Summary (\$Millions)

	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Total Revenue & Other Funding Sources	\$42.5	\$62.5	\$44.7	\$279.7	\$49.5	\$49.7
Total Expenses & Other Uses of Funds	39.2	43.8	47.1	105.3	115.5	152.6
Net Increase (Decrease)	3.3	18.7	(2.4)	174.4	(66.0)	(102.9)
Beginning Fund Balance	52.5	55.8	74.5	72.1	246.5	180.5
Ending Fund Balance	\$55.8	\$74.5	\$72.1	\$246.5	\$180.5	\$77.6

Totals may not tie due to rounding.

Revenues And Other Sources Of Funds

Recycled Water fund total revenues and other funding sources are budgeted at \$62.5 million in FY 2025/26 and \$44.7 million in FY 2026/27. Revenues and other funding sources for the Recycled Water fund are shown below in Table 5-11.

The Recycled Water fund generates operating revenue from the sale of recycled water to the Agency's customer agencies and other industries within the service area. The acre-foot (AF) delivery rate includes a groundwater recharge surcharge to support a portion of groundwater recharge basin operating and maintenance costs not covered by Chino Basin Watermaster, and the Agency's pro rata share of operating costs which is based on the proportion of recycled water to the total water recharged in the basin in the prior fiscal year.

Recycled water sales revenue for FY 2025/26 is budgeted at \$20.6 million and \$22.3 million in FY 2026/27. Recycled direct deliveries are projected at 18,000 AF, and groundwater recharge deliveries are projected at 16,000 AF for a total of 34,000 AF per fiscal year. The direct delivery AF rate for FY 2025/26 is \$506.85, and the groundwater recharge AF rate is \$714.85. For FY 2026/27, the direct delivery rate is \$552.47 per AF, and the groundwater recharge rate is \$768.79 per AF.

Beginning FY 2022/23, a fixed cost recovery charge was added to the recycled water rate structure to provide additional revenue stability. The fixed rate component helps to recover debt service costs and is based on the customers three year rolling average of direct and recharge recycled water use. Budgeted fixed cost recovery revenue for FY 2025/26 is \$5.1 million and \$5.3 million for FY 2026/27.

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

One Water connection fee rates are set on a meter equivalent unit (MEU) basis. One MEU is equivalent to a 5/8" or a 3/4" meter size (standard size of a residential water meter). The adopted rate for FY 2025/26 and FY 2026/27 is \$1,953 per MEU. One Water connection fee revenue for FY 2025/26 and FY 2026/27 are projected to be \$6.9 million with 3,557 new meter equivalent unit (MEU) connections projected in each fiscal year.

Table 5-11: Revenues and Other Funding Sources (\$Millions)

Sources of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Recycled Water Sales	\$20.6	\$22.3	Adopted rates for FY 2025/26 are a direct rate of \$506.85/AF and a groundwater recharge (GWR) rate of \$714.85/AF. For FY 2026/27 the direct rate is \$552.47/AF and the GWR rate is \$768.79/AF.
Fixed Cost Recovery	5.1	5.3	Fixed-cost recovery revenues help to offset debt service costs.
One Water Connection Fee	6.9	6.9	Revenues are based on an adopted rate of \$1,953/MEU and 3,557 new MEU connections each fiscal year.
Property Tax	5.5	5.7	Recycled Water receives a 6% allocation of total property tax receipts.
Interfund Transfer/Other Revenues	24.4	4.5	FY 2025/26 includes a one-time \$20 million property tax reserve transfer from the Water Resources fund. Other revenues and funding sources include interest revenue, interfund transfers, and cost reimbursements.
Total	\$62.5	\$44.7	

Expenses and Other Uses of Funds

Total Recycled Water fund expenses and other uses of funds are budgeted at \$43.8 million in FY 2025/26 and \$47.1 million in FY 2026/27 as noted in Table 5-12.

Table 5-12: Expenses and Other Uses of Funds (\$Millions)

Uses of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Operations	\$10.5	\$11.5	Includes labor, utilities (pumping costs), chemicals and materials, and supplies.
Administrative	5.6	6.1	Includes contract labor, professional fees and services, and other allocated expenses.
Groundwater Recharge	1.8	1.9	Includes Operations & Maintenance (O&M) costs not reimbursed by CBWM, and the Agency's pro-rata share of O&M costs for the proportion of recycled water recharged.
Capital Projects	9.2	13.8	A detailed listing of Recycled Water Capital Projects is included in the Capital section (Chapter 6).
Debt Service	8.0	8.0	Includes repayment of principal, interest, and financial fees, including interfund loan repayment to the Non-Reclaimable Wastewater and Regional Wastewater Capital funds.
Other	8.7	5.8	Includes non-capital project costs and interfund transfers for operating and capital support including water connection fees to support integrated regional water resource management capital investments.
Total	\$43.8	\$47.1	

Capital Projects

The Agency will fund capital projects over the next ten years through a combination of pay-as-you-go (pay-go) financing, federal and state loans, grants, contributions, and the potential issuance of future debt. In FY 2025/26 the Recycled Water fund will receive a one-time \$20.0 million property tax transfer from the Water Resources fund to support the Compliance for Recycled Water Facilities project. While current funding projections include potential future debt, the financing strategy will continue to evolve as individual projects in the recycled water fund progress through design and approach construction readiness.

For a complete listing of projects and descriptions, refer to the Recycled Water project list in the Capital section of this document. Listed in Table 5-13 are Recycled Water capital projects budgeted in FYs 2025/26 and 2026/27.

Table 5-13: Recycled Water Capital Projects (\$Millions)

	FY 2025/26 Budget	FY 2026/27 Budget
Major Capital Projects		
Compliance for Recycled Water Facilities	\$7.2	\$9.8
Recycled Water SCADA Migration	1.0	1.0
1299 Reservoir Repairs	0.5	2.0
VFD Upgrades	0.1	1.0
All Other Projects	0.4	-
Total	\$9.2	\$13.8

Debt Service

Debt service costs are comprised of principal, interest, and financial fees. In FYs 2025/26 and 2026/27 debt service costs are projected to be \$8.0 million per year as shown in Table 5-14. Beginning FY 2027/28, annual debt service costs shown here include potential future debt service if bonds are issued to fund major expansion and replacement and rehabilitation (R&R) projects.

Table 5-14: Total Debt Service Costs by Fiscal Year (\$Millions)

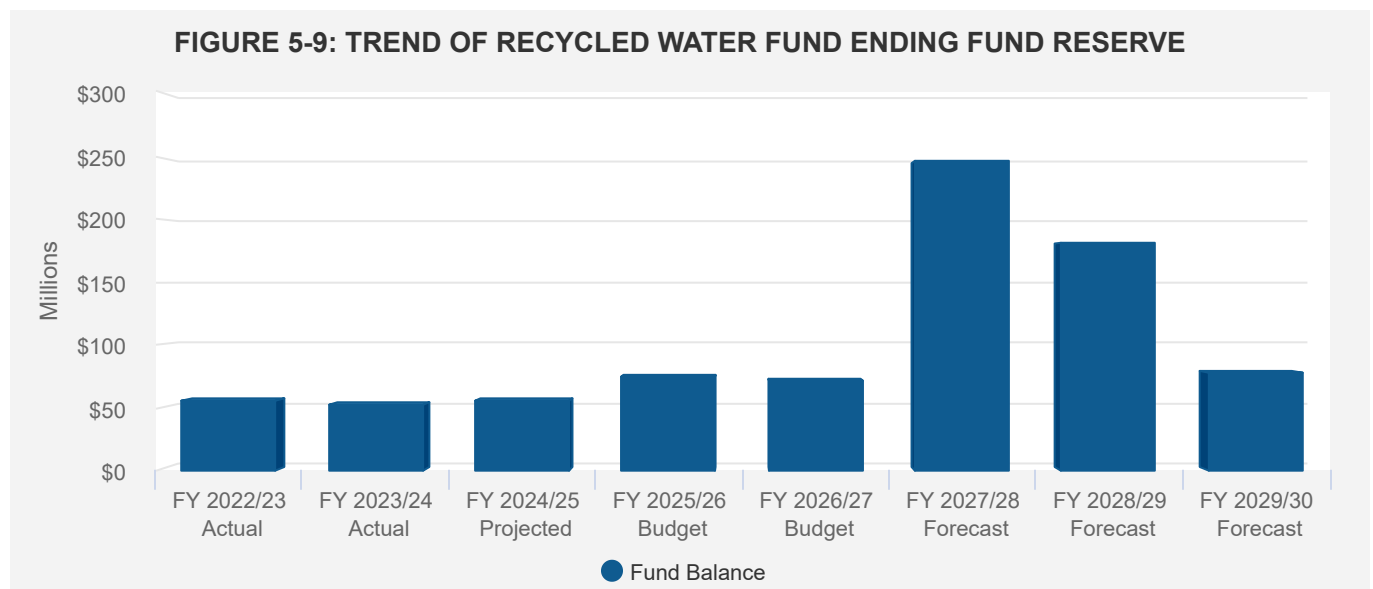
(Principal and Interest)	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Interfund Loans	\$5.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Bonds	5.9	5.0	5.0	4.4	3.6	3.6
SRF Loans ⁽¹⁾	3.0	3.0	3.0	3.0	3.0	2.4
	-	-	-	13.9	13.9	13.9
Total	\$14.5	\$8.0	\$8.0	\$21.3	\$20.5	\$19.9

In addition to bonds and SRF loans, a key source of funding for the construction of the recycled water distribution system has been interfund loans. Interfund loans were used to support capital and operating costs not recovered through recycled water rates. The use of interfund loans has helped to mitigate upward pressure on recycled water rates. In FY 2024/25 the Recycled Water fund made the final interfund loan payment to the Regional Wastewater Capital fund. There are no future interfund loans projected for this fund.

Fund Balance

The FY 2025/26 Recycled Water Fund projected ending fund balance is \$74.5 million, an increase over the prior year primarily due to the one-time \$20.0 million property tax transfer from the Water Resources fund. The FY 2026/27 ending fund balance is projected to be \$72.1 million, the reduction is primarily due to higher capital expenditures and rising operating costs.

For the three years following the Biennial Budget, the fund balance is projected to increase primarily due to the inclusion of potential new debt for major capital projects. Figure 5-9 shows historical and projected ending fund reserves.



FY 2027/28 to FY 2029/30 Forecast

In the years following the biennial budget, recycled water sales are expected to remain steady, and reserves are projected to meet minimum targets. The program will focus on the capital projects outlined in the Agency's Ten-Year Capital Improvement Plan (TYCIP) which are crucial for enhancing the region's water infrastructure and ensuring long-term water sustainability.

Projected increases in future fund balances include the potential issuance of new debt. The financing strategy for Recycled Water fund projects will continue to evolve as the projects advance through design and approach construction readiness. Future funding plans will incorporate updated cost estimates, revised schedules, and adaptive funding strategies to ensure alignment with program goals and long-term fiscal sustainability.

Recycled Water Fund - Sources and Uses of Funds (\$Thousands)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Revenues								
Interest Revenue	\$1,807	\$2,801	\$951	\$1,644	\$1,688	\$3,227	\$3,770	\$2,295
Water Sales	18,693	19,905	23,777	25,667	27,504	28,827	30,159	31,554
Total Revenues	\$20,501	\$22,705	\$24,728	\$27,311	\$29,192	\$32,054	\$33,929	\$33,849
Other Financing Sources								
Property Tax - Debt/Capital	\$3,185	\$3,436	\$3,576	\$5,547	\$5,736	\$5,875	\$6,018	\$6,112
Connection Fees	4,302	5150	6,503	6,947	6,947	7,155	7,370	7,591
Debt Proceeds	-	-	-	-	-	227,000	-	-
Grants	-	-	-	-	-	5,400	-	-
Capital Contract Reimbursement	262	94	96	97	98	100	35	35
Other Revenues	79	47	-	-	-	-	-	-
Loan Transfer from Internal Fund	-	3000	4,933	-	-	-	-	-
Total Other Financing Sources	\$7,827	\$11,727	\$15,108	\$12,591	\$12,782	\$245,530	\$13,422	\$13,738
Expenses								
Employment Expenses	\$4,725	\$4,451	\$5,847	\$9,141	\$10,032	\$10,706	\$11,112	\$11,658
Contract Work/Special Projects	1,143	477	820	1,563	1,465	1,713	2,540	1,943
Utilities	4,304	4,788	4,781	5,319	5,604	6,183	6,404	6,635
Operating Fees	-	-	5	11	12	13	14	15
Professional Fees and Services	478	700	1,260	1,012	1,098	1,217	1,261	1,308
Office and Administrative Expenses	1	12	3	9	10	11	11	12
Materials & Supplies	144	123	163	150	158	167	176	186
Other Expenses	1,035	1,456	1,679	2,299	2,521	2,775	2,954	3,154
Total Expenses	\$11,830	\$12,007	\$14,557	\$19,503	\$20,900	\$22,783	\$24,472	\$24,911
Capital Program								
Work In Progress	\$1,282	\$5,084	\$7,952	\$9,232	\$13,802	\$58,067	\$67,017	\$104,042
Total Capital Program	\$1,282	\$5,084	\$7,952	\$9,232	\$13,802	\$58,067	\$67,017	\$104,042
Debt Service								
Financial Expenses	\$0	\$4	\$6	\$7	\$6	\$6	\$6	\$6
Interest	2,974	3,045	2,258	1,893	1,698	11,723	11,371	11,045
Principal	6,347	6,544	6,692	6,065	6,265	9,598	9,098	8,880
Short Term Interfund Loan	-	11,000	5,500	-	-	-	-	-
Total Debt Service	\$9,321	\$20,594	\$14,455	\$7,965	\$7,969	\$21,327	\$20,475	\$19,932
Transfers In (OUT)								
Capital Contribution	\$(250)	\$33	\$(488)	\$(1,473)	\$(1,584)	\$(315)	\$(557)	\$(577)
Debt Service	2,535	2,661	2,673	2,673	2,550	1,973	1,993	1,992
Operation Support	(879)	(1,171)	(1,293)	(1,581)	(1,697)	(2,041)	(2,141)	(2,265)
Water Connection Allocation	(895)	(615)	(483)	(4,085)	(1,029)	(632)	(692)	(703)
Property Tax Transfer	-	-	-	20,000	-	-	-	-
Total Interfund Transfers In (OUT)	\$510	\$908	\$409	\$15,533	\$(1,760)	\$(1,016)	\$(1,398)	\$(1,553)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Fund Balance								
Net Income (Loss)	\$6,404	\$(2,343)	\$3,280	\$18,735	\$(2,457)	\$174,393	\$(66,012)	\$(102,850)
Beginning Fund Balance July 01	48,456	54,860	52,517	55,796	74,531	72,074	246,467	180,455
Ending Balance at June 30	\$54,860	\$52,517	\$55,797	\$74,531	\$72,074	\$246,467	\$180,455	\$77,605
Reserve Balance Summary								
Operating Contingency	\$3,944	\$4,002	\$4,852	\$6,501	\$6,967	\$7,594	\$8,157	\$8,304
Capital Construction	1,625	12,126	12,704	26,086	3,636	180,317	115,927	4,092
Water Connection	26,464	25,433	30,275	33,975	40,144	38,080	36,439	35,023
Rehabilitation/Replacement (R&R)	1,500	2,000	-	-	-	-	-	-
Debt Service	21,327	8,955	7,965	7,969	21,327	20,475	19,932	30,186
Ending Balance at June 30	\$54,860	\$52,517	\$55,796	\$74,531	\$72,074	\$246,467	\$180,455	\$77,605

Totals may not tie due to rounding.

Water Resources Program

Programmatic Overview

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

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

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

IEUA's regional water use efficiency program contributes towards managing demands and sustaining regional water supplies by leveraging funding from MWD and grants to implement turnkey programs and studies incentivizing efficient water use. Total water consumption within the Agency's service area for FY 2023/24 was 177,831 acre-feet (AF). And while this represents a modest three percent increase (6,008 AF) from FY 2022/23, per capita water use has seen significant reductions in the IEUA region over time. Since 2009, water use in IEUA's service area has reduced a remarkable 24 percent, from 220 gallons per capita per day (gpcd) to 168 gpcd in 2024.

Future forecasting of regional water demands, and the assessment of supply sufficiency is a core responsibility of the Water Resources program. In June 2021, the IEUA Board of Directors adopted IEUA's 2020 Urban Water Resources Plan (UWMP) and Water Shortage Contingency Plan (WSCP), as was required by law every five years. While weather variability has always been a factor in resource planning, future planning is expected to factor in greater extremes due to climate change – dry periods will become drier and wet periods will become wetter. These weather extremes, paired with the Inland Empire being one of the fastest growing regions in California, will alter how water is used within the region. The impact these extremes will have on the IEUA's water demand and supply will need to be analyzed to ensure water continues to be a reliable resource for everyone.

In FY 2023/24, major initiatives implemented in the Water Resources Program include:

- Metropolitan Water District (MWD) Climate Adaptation Master Plan for Water (CAMP4W) Participation** - IEUA actively participated in the MWD CAMP4W development process including serving on the CAMP4W Task Force. CAMP4W is a regional effort to establish policy directives and decision-making tools that ensure the MWD Board of Directors are equipped to consider climate risks to water supplies, water quality, infrastructure, operations, workforce, public health, and financial sustainability to its deliberations and investment decisions. IEUA's participation ensures that the needs of the service area are heard and represented in the broader CAMP4W discussions.
- MWD Business Model Review and Refinement** – IEUA participated in the MWD Business Model Review and Refinement Ad Hoc Working Group which is evaluating MWD's business model and proposing refinement options where appropriate. The goal of the business model refinement is to prepare the region for the new climate reality and possible flat or declining water demand in Southern California.
- Chino Basin Watermaster (CBWM)** – IEUA collaborates on a number of studies and efforts with CBWM. Some recently completed examples include the Maximum Benefit Annual report, Hydraulic Control Mitigation Plan, Prado Basin Habitat Sustainability Plan, Storage Framework Investigation, providing data for CBWM's Annual Assessment Package, and other efforts related to the Optimum Basin Management Program. IEUA regularly attends CBWM meetings and provides updates to their Advisory Committee and Board of Directors.
- Optimum Basin Management Program Update (OBMPU)** – In FY 2023/24, serving as the California Environmental Quality Act (CEQA) Lead Agency for the OBMPU Environmental Impact Report (EIR), IEUA adopted a resolution certifying the 2020 OBMPU Recirculated Final Subsequent Environmental Impact Report. This update of the OBMPU addresses new basin challenges, continues to protect stakeholders' collective basin interests, and maintains the health and reliability of the Chino Basin. Certification of the OBMPU Recirculated Subsequent EIR has allowed CBWM to approve an increase to the available managed storage in the basin.
- 2025 Recycled Water Master Planning** – Beginning in FY 2023/24, IEUA initiated an update of the Recycled Water Program Strategy, last completed in 2015. The 2025 update of the Recycled Water Program Strategy aims to evaluate and refine IEUA's existing recycled water policies, infrastructure planning, and program performance in response to evolving regional water demands, supply conditions, and customer agency needs.
- Santa Ana Watershed Project Authority (SAWPA)** - IEUA collaborates closely with SAWPA on key regional initiatives that promote sustainable and integrated water management in the Santa Ana River Watershed. As a member of the Basin Monitoring Program Task Force, IEUA helps monitor and manage groundwater quality to support long-term salt balance. Through active involvement in the OWOW (One Water One Watershed) planning process, IEUA advances multi-benefit projects focused on recycled water, water use efficiency, and stormwater capture. IEUA also supports regional climate adaptation efforts through its engagement in the Climate Adaptation and Resilience Plan (CARP), contributing to the identification of local climate risks and potential strategies to mitigate and secure funding for the region. IEUA served as the CEQA lead agency for the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP), and continues to support/monitor the program, which includes water banking in the Chino Basin.

- Regional Coordination** – Besides regular coordination with MWD, CBWM, and SAWPA, IEUA also works closely/provides support to a number of customer agencies and regional and municipal partners. Customer agencies include the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, and Upland, as well as Cucamonga Valley Water District, Fontana Water Company, Monte Vista Water District, West Valley Water District, Water Facilities Authority, San Antonio Water Company, and the County of San Bernardino. Municipal and regional partners include Three Valleys Municipal Water District, Western Municipal Water District, San Bernardino Valley Municipal Water District, Chino Desalter Authority, Orange County Water District, Chino Basin Water Conservation District, and San Bernardino County Flood Control District.
- Dry Year Yield Program (DYY)** – In 2024, IEUA and its customer agencies, in partnership with MWD, CBWM, and Three Valleys Municipal Water District, continued storing water in the Chino Basin to help mitigate the risk of any upcoming drought cycles. By the end of CY 2024, over 63,000 Acre-Feet (AF) had been stored in the Chino Basin under this program. IEUA continues to work with customer agencies on opportunities to utilize or enhance storage.
- Upper Santa Ana River Habitat Conservation Plan (HCP)** - In FY 2023/24, work continued on the development of the HCP with San Bernardino Valley Municipal Water District. The HCP will go through review with the United States Fish and Wildlife Service, California Department of Fish and Wildlife, State Water Resources Control Board, and Regional Water Quality Control Board. Once approved, the plan will help the region continue to maximize the beneficial reuse of water while continuing to provide protection for key habitats and species.
- 2025 Urban Water Management Plan** – FY 2023/24 was the start of the planning effort for the 2025 Urban Water Management Plan (UWMP) which is required under California Water Code. While the 2025 UWMP effort will not be completed until FY 2025/26, FY 2023/24 was the start of a joint funding agreement between 10 local agencies to collaboratively develop plans using a single consultant. This regional approach is expected to increase efficiency in sharing information while reducing expenses for both IEUA and the other participating parties.
- Water Usage Tracking and Planning** – As required by California Water Code, IEUA tracks and reports on monthly water demands and supplies annually to the Department of Water Resources via the Annual Water Shortage and Demand Assessment. Additionally, as an MWD customer agency, IEUA reports on water supply and demand data by water source and customer type through the Local Production and Five-Year Demand Surveys.
- Water Use Efficiency Programs** – IEUA and its customer agencies will continue to allocate funds to targeted programs, such as residential, commercial, industrial, institutional, and landscaping, and seek grant funding opportunities whenever applicable to maintain and launch programs identified in the updated FY 2024/25 – 2025/26 Water Use Efficiency Business Plan. IEUA will continue to offer a variety of programming options that sustain and increase demand reductions, while providing public awareness, education, and increased participation through the new core and flex program model. It will also consider programs to help its customer agencies meet the newly established State WUE framework. Further details regarding the water use efficiency program will be available in IEUA's FY 2024/25 Regional Water Use Efficiency Annual Programs Report.

- Turnkey Turf Transformation Program** – IEUA made significant progress in setting up the Turnkey Turf Transformation Program (TTTP), a multi-region initiative with Calleguas Municipal Water District, Las Virgenes Municipal Water District, and Upper San Gabriel Valley Municipal Water District that is funded by an \$8.4 million grant from the California Department of Water Resources (DWR). The program was designed to replace up to one million square feet of non-functional turf with drought-tolerant landscaping across public and commercial sites, particularly in underserved communities. Helping retail water agencies meet statewide water conservation goals will be a primary benefit of this program. During FY 2023/24, IEUA focused on program design refinements, administrative coordination among participating agencies, and the development of procurement materials. Just after the end of the FY, a Request for Qualifications (RFQ) for contractors was issued, which will provide multiple contractors to implement the program, improving efficiency and scalability.
- Finance and Accounting Support** – In 2024, IEUA's Water Resources Unit and Planning Department continued to support the Finance and Accounting Department across several key initiatives. These included ensuring accurate reporting and collection of customer agencies' Metered Equivalent Units (MEUs), tracking recycled water base entitlements, direct use deliveries, and groundwater recharge purchases and transfers, facilitating the collection of over \$20M per year. The departments also collaborated on reviewing and certifying MWD imported water deliveries, verifying fixed charge allocations, ensuring proper accounting of DYY, and reviewing rate resolutions and annual reports for accuracy. Additionally, they provided critical support for the Agency's ongoing rate study process.
- Agency Data Warehouse** – In FY 2023/24, IEUA initiated the Data Warehouse Roadmap project to address challenges related to fragmented and inconsistently formatted data across various departments. Recognizing the inefficiencies of relying on scattered spreadsheets and siloed databases, the Planning and Resources and Information Technology departments collaborated to develop a scope of work for a centralized data warehouse. A selected consultant will aid IEUA in developing a roadmap to provide a phased implementation strategy, including a pilot project focusing on recycled water usage data, and aims to enhance data accessibility, integrate advanced analytics tools like Microsoft Power BI and AI software, and bolster cybersecurity measures. An RFP was completed in 2024.
- Regulatory Tracking and Coordination** – IEUA is heavily regulated by an array of state and federal agencies, including the California Department of Water Resources, State Water Resources Control Board, Santa Ana Regional Water Quality Control Board, United States Fish and Wildlife Service, among others. The goal of regulatory/policy tracking and coordination for water is to ensure that IEUA subject matter experts are aware of regulatory proposals and are able to engage productively in the development of new regulatory rulemakings to effect beneficial outcomes for IEUA and its customer agencies. In FY 2023/24, IEUA supported its customers in managing the state Urban Water Use Objective (UWUO) conservation rule implementation, by assisting in advocacy and funding consultant services for retail agencies to benchmark their performance against the newly set UWUO standards and developing new conservation programs.

Fund Description

The Water Resources fund tracks the financial activities related to providing water resources and water use efficiency programs across the Agency's service area. These programs encompass the management and distribution of imported water supplies, the development and implementation of regional water use efficiency initiatives, water resource planning, and support for regional water supply programs, including recycled water, groundwater recharge, and stormwater management.

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

Revenues and Other Funding Sources

Total revenues for the Water Resources fund are projected to be \$74.7 million for FY 2025/26 and \$83.1 million for FY 2026/27. For FY 2025/26, revenues include \$57.3 million of pass-through sales for MWD potable imported water, \$6.0 million for estimated Meter Equivalent Unit (MEU) charges, \$5.8 million from MWD Readiness to Serve (RTS) pass through recovery costs, \$1.4 million in property tax receipts, \$0.8 million of interfund transfer of One Water Connection fees to support project costs, \$3.1 million of grant and reimbursements for water use efficiency and sustainability programs, and \$0.3 million of interest income.

FY 2026/27 revenues are comprised of \$65.6 million of pass-through sales of MWD potable imported water, \$6.1 million from Meter Equivalent Unit (MEU) charges, \$5.9 million of MWD RTS pass through recovery costs, \$1.4 million in property tax receipts, \$0.8 million of interfund transfer of One Water Connection fees to support project costs, \$3.1 million in grant and reimbursements for water use efficiency and sustainability programs, and \$0.2 million of interest income. Table 5-15 provides a summary of the Water Resources fund revenues and other sources of funds, along with budget assumptions.

Table 5-15: Revenues & Other Sources of Funds (\$Millions)

Sources of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Imported Water Sales	\$57.3	\$65.6	Based on 60,000 AF per year and MWD projected Tier 1 Untreated rates of \$984/AF FY 2026 and \$1,165/AF FY 2027.
Meter Equivalent Units (MEU)	6.0	6.1	Support program costs, including regional water use efficiency programs. Based on 425,251 MEUs per month in FY 2025/26.
MWD RTS pass through recovery	5.8	5.9	MWD readiness-to-serve ten year rolling average direct charge to customer agencies is a 100% pass through charge in FY 2025/26 and FY 2026/27.
Property Tax Allocation	1.4	1.4	Supports program costs that are not recovered through rates and fees.
Grants/Reimbursements	3.1	3.1	Continue to leverage grants to support water use efficiency and sustainability projects.
One Water Connection Fees	0.8	0.8	Transfer of One Water connection fees from the Recycled Water fund to support water use efficiency projects.
Other	0.3	0.2	Interest and other reimbursements.
Total	\$74.7	\$83.1	

Meter Equivalent Unit (MEU) Rate

The Meter Equivalent Unit (MEU) charges support Water Resources fund program costs. In June 2016, the Agency's Board implemented changes to the potable water rate structure to sustainably support the Water Resources program and ensure a more equitable recovery of program costs. These costs include the Agency's regional conservation and water use efficiency programs, employment costs, professional fees, and office and administration expenses. Table 5-16 displays the adopted rates for FYs 2024/25 thru 2026/27.

Table 5-16: Multi-Year Adopted Meter Equivalent Unit Rate

	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Effective Date	07/01/2024	07/01/2025	07/01/2026	07/01/2027	07/01/2028	07/01/2029
Meter Equivalent Unit (MEU)	\$1.14	\$1.17	\$1.20	Projected rates to be updated based on cost-of-service study.		

Expenses and Other Uses of Funds

Total expenditures in FYs 2025/26 and 2026/27 are projected to be \$99.7 and \$84.2 million, respectively. As summarized on Table 5-17, major expenses for the Water Resources fund are comprised of pass-through purchases of imported water, regional water use efficiency and sustainability projects, and program costs.

The FY 2025/26 expenses include \$57.3 million or fifty seven percent of budget for purchases of imported water, \$5.9 million or six percent for MWD readiness-to-serve pass through costs; \$10.6 million or eleven percent of budget for projects; \$5.9 million or six percent of budget for program support costs which include labor, professional fees and services, and office and administrative expenses; and a \$20 million or twenty percent of budget for a property tax transfer to the Recycled Water program to support capital projects expenses.

The FY 2026/27 expenses include \$65.6 million or seventy eight percent of budget for purchases of imported water, \$5.9 million or seven percent for MWD readiness-to-serve pass through costs; \$6.2 million or seven percent of budget for projects; \$6.5 million or eight percent of budget for program support costs which include labor, professional fees and services, and office and administrative expenses.

Table 5-17: Expenses & Other Uses of Funds (\$Millions)

Uses of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Description
Imported Water Purchases	\$57.3	\$65.6	Pass-through purchases of MWD imported water.
Operating Expense	5.9	6.5	Includes labor, professional fees and services, materials, and supplies.
Special and Capital Projects	10.6	6.2	See Table 5-32 for summary of major projects.
MWD Readiness to Serve	5.9	5.9	MWD Readiness to Serve obligation (pass through costs)
Other	20.0	-	Property tax transfer to Recycled Water fund to support capital project expenses.
Total	\$99.7	\$84.2	

Total imported water deliveries of 60,000 acre-feet are budgeted for FYs 2025/26 and 2026/27. IEUA does not anticipate any replenishment water purchases in the next two years.

A total of \$33.6 million in project costs are proposed over the next ten years for the Water Resources program. Future projects are primarily driven by the Water Use Efficiency (WUE) program and Chino Basin Program/ Water Storage Investment Program (CBP/WSIP), which include landscape irrigation and residential retrofits programs, education and outreach, and water smart programs.

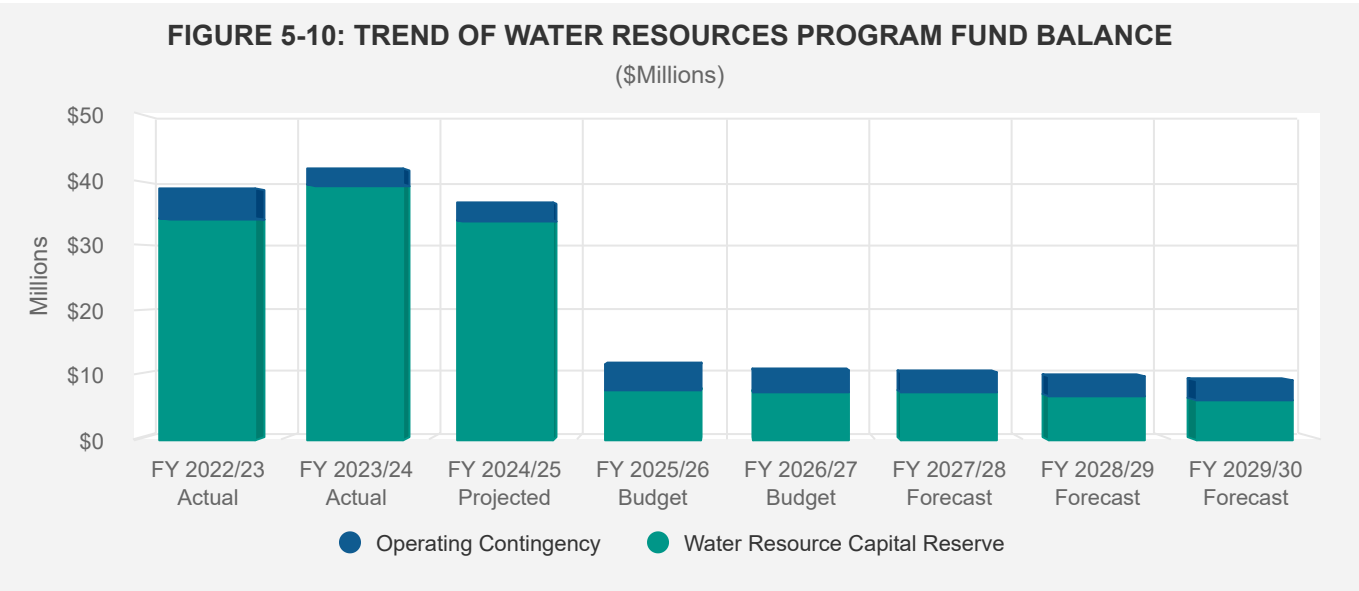
Total projects of \$10.6 million are projected in FY 2025/26 and \$6.2 million in FY 2026/27 as summarized in Table 5-18.

Table 5-18: Major Projects (\$Millions)

PROJECT	FY 2025/26 Budget	FY 2026/27 Budget
Water Use Efficiency and Reliability Programs	\$4.4	\$4.4
Chino Basin Program Planning	4.1	-
Upper Santa Ana River Habitat Conservation Plan Model Water Benefits	0.3	0.3
Integrated Water Resources Plan Update	0.5	0.5
Discover the Environment and Water	0.4	0.3
All other projects	0.9	0.7
Total	\$10.6	\$6.2

Fund Balance

The estimated ending fund balances for FYs 2025/26 and 2026/27 are projected at \$11.7 million and \$10.6 million, respectively. As shown in Figure 5-10, the fund balance is projected to significantly decrease in FY2025/26 due to increased operating costs and a one-time property tax transfer of \$20.0 million to support the Compliance for Recycled Water project in the Recycled Water fund. The Water Resources capital reserve will continue to fund capital investments based on the Agency’s Ten-Year Capital Improvement Plan (TYCIP) and other long-term planning documents.



FY 2027/28 to FY 2029/30 Forecast

The fund balance is projected to decrease in FY 2025/26 due to an increase in operating costs and the one-time property tax transfer to the Recycled Water program.

To address frequent imported water challenges such as dry years and disruptions to imported water supply, IEUA has developed policies and programs promoting local water resources, including recycled water and groundwater recharge. The regional water use efficiency program, supported by MWD funding and grants, helps to manage demand and sustain supplies. Overall, IEUA's service area has a well-developed water resource portfolio and is prepared to handle water demands in times of shortage or surplus. The Agency has implemented multiple actions to address the drought in our service area including enhancing the Water Use Efficiency Program as well as working collaboratively with regional stakeholders, customer and regulatory agencies to ensure safe and reliable water supplies.

Water Resources Fund - Sources and Uses of Funds (\$Thousands)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Revenue								
User Charges	\$9,290	\$10,550	\$11,135	\$11,807	\$12,049	\$12,242	\$12,437	\$12,633
Contract Cost Reimbursement	175	278	248	248	248	248	248	248
Interest Revenue	810	1,375	640	295	240	210	180	170
Water Sales	30,516	35,319	38,043	57,312	65,556	74,904	80,292	84,648
Total Revenues	\$40,792	\$47,521	\$50,065	\$69,662	\$78,093	\$87,604	\$93,157	\$97,699
Other Financing Sources								
Property Tax - Debt and Capital	\$2,840	\$3,061	\$3,129	\$1,387	\$1,434	\$1,487	\$1,504	\$1,528
Grants	2,731	2729	3000	2835	2835	10	10	10
Other Revenues	21	2578	5	-	-	-	-	-
Total Other Financing Sources	\$5,592	\$8,367	\$6,134	\$4,222	\$4,269	\$1,497	\$1,514	\$1,538
Expenses								
Employment Expense	\$3,265	\$3,968	\$3,385	\$4,869	\$5,343	\$5,702	\$5,919	\$6,209
Contract Work/Special Projects	2,069	2,324	4,187	6,515	6,228	2,100	2,100	2,100
Professional Fees and Services	3,807	4,708	5,350	5,861	5,920	5,979	6,039	6,099
Office and Administrative Expense	844	858	712	405	457	356	359	363
Materials & Supplies	4	30	2	4	4	4	5	5
MWD Water Purchases	30,516	37,587	38,043	57,312	65,556	74,904	80,292	84,648
Other Expenses	315	721	501	645	704	771	822	877
Total Expenses	\$40,820	\$50,196	\$52,180	\$75,611	\$84,213	\$89,817	\$95,535	\$100,302
Capital Program								
Capital Construction & Expansion (WIP)	\$3,799	\$3,216	\$9,460	\$4,100	\$0	\$0	\$0	\$0
Total Capital Program	\$3,799	\$3,216	\$9,460	\$4,100	\$0	\$0	\$0	\$0
Transfers In (Out)								
Water Connections	\$829	\$589	\$377	\$815	\$754	\$478	\$478	\$478
Property Tax	-	-	-	(20,000)	-	-	-	-
Total Transfers In (Out)	\$829	\$589	\$377	\$(19,185)	\$754	\$478	\$478	\$478
Fund Balance								
Net Income (Loss)	\$2,593	\$3,065	\$(5,064)	\$(25,012)	\$(1,096)	\$(238)	\$(386)	\$(587)
Beginning Fund Balance July 01	36,070	38,663	41,729	36,665	11,653	10,557	10,319	9,933
Ending Fund Balance at June 30*	\$38,663	\$41,729	\$36,665	\$11,653	\$10,557	\$10,319	\$9,933	\$9,346
Reserve Balance Summary								
Operating Contingency	\$4,650	\$2,541	\$2,846	\$4,063	\$3,102	\$2,895	\$2,985	\$3,102
Water Resource Capital Reserve	34,013	39,188	33,818	7,590	7,455	7,424	6,948	6,244
Ending Balance at June 30	\$38,663	\$41,729	\$36,665	\$11,653	\$10,557	\$10,319	\$9,933	\$9,346

Totals may not tie due to rounding.

Administrative Services Program

Programmatic Overview

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

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

Fund Description

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

Table 5-19 shows total revenue, total expenses, and beginning and ending fund balances for the Administrative Services program. Additional details on the revenues and expenses follow the table.

Table 5-19: Administrative Services Program Fund Summary Net of Allocations (\$Millions)

	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Total Revenue & Other Funding Sources	\$20.0	\$22.3	\$20.3	\$16.0	\$15.4	\$16.4
Total Expenses & Other Uses of Funds	19.9	23.1	21.4	15.7	15.1	16.1
Net Income (Loss)	0.1	(0.8)	(1.1)	0.3	0.3	0.3
Beginning Fund Balance	10.9	11.0	10.2	9.1	9.4	9.7
Ending Fund Balance	\$11.0	\$10.2	\$9.1	\$9.4	\$9.7	\$10.0

Totals may not tie due to rounding.

Cost Allocation

The Agency’s general and administrative costs and 100 percent of employment costs are initially recorded in the Administrative Services fund. Throughout the year pertinent expenses such as employment, general equipment, and facilities maintenance expenses are allocated to the Agency’s various programs and projects. The Administrative Services fund incur approximately four percent of unallocated employment expenses excluding reimbursable employment costs from the Chino Basin Desalter Authority (CDA), and approximately three percent of the agencywide expenses. An overview of the cost allocations from the Administrative Services fund is provided in Figure 5-11.

Revenues and Other Sources of Funds

The Administrative Service fund's total revenue and other funding sources are budgeted at \$22.3 million in FY 2025/26 and \$20.3 million in FY 2026/27. The decrease in FY 2026/27 over FY 2025/26 is primarily reduced interfund transfers for project contributions due to a lower capital improvement plan (CIP). Table 5-20 provides a summary of Administrative Service fund revenue and other funding sources, as well as budget assumptions.

Table 5-20: Revenues & Other Sources of Funds (\$Millions)

Sources of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Property Tax	\$4.2	\$4.3	Fixed allocation amount to support general administrative costs.
Cost Reimbursement from CDA	2.2	2.3	Operations and labor cost reimbursement from the CDA for operation of the Chino 1 Desalter.
CIP Contribution	15.6	13.4	Interfund transfers from Regional Wastewater, Non-Reclaimable Wastewater, and Recycled Water funds to support agencywide capital and non-capital expenditures.
Interest Revenue	0.3	0.3	Interest earned on reserve balance.
Total	\$22.3	\$20.3	

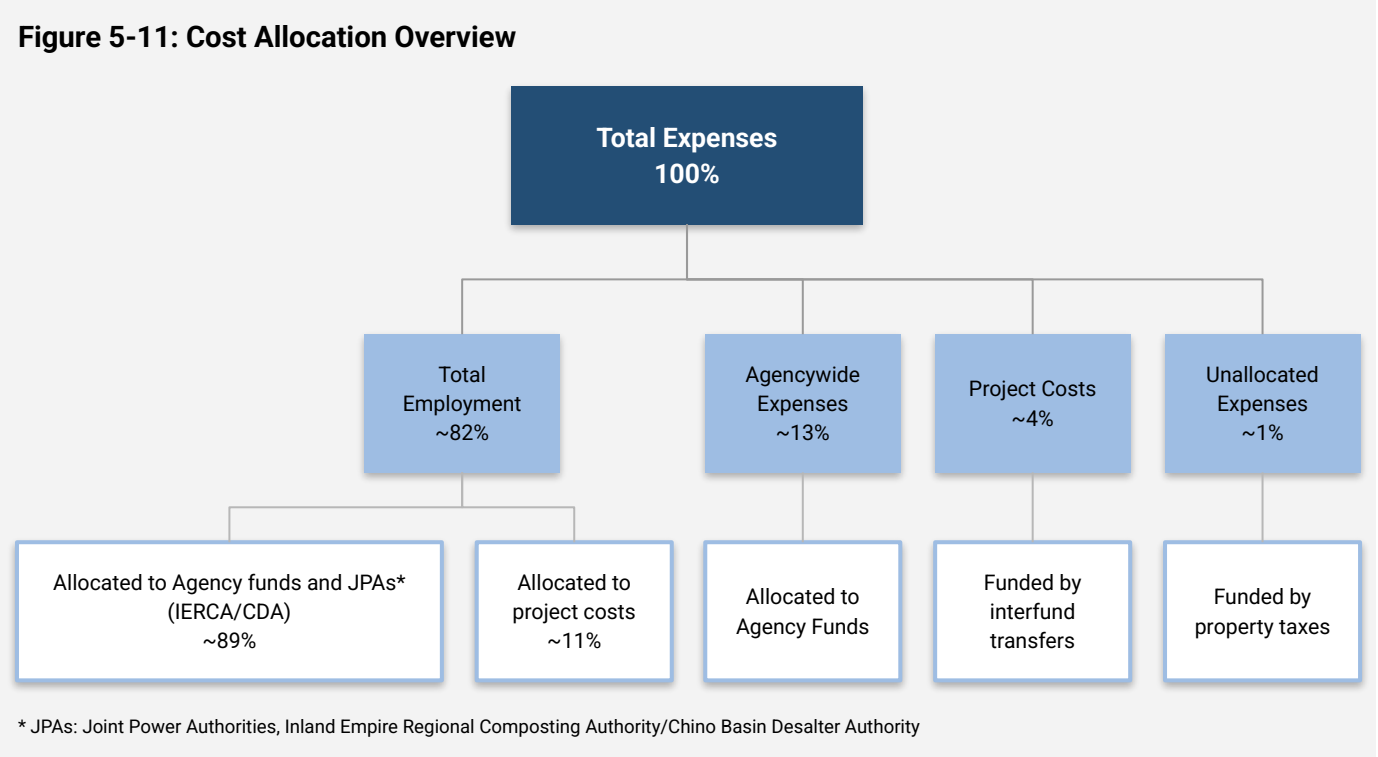
The Agency provides contract services to other agencies in the form of financial, treasury and debt management, grants administration, accounts payable and accounts receivable processing, program/project management, and plant operations. Table 5-21 shows the projected costs reimbursements from other agencies for providing IEUA staff support and associated administrative expenses. Reimbursements from CDA for staff support are recorded in the Administrative Service fund. Other reimbursements from the Inland Empire Regional Composting Authority (IERCA) and the Chino Basin Watermaster (CBWM) are recorded in the Regional Wastewater Operations and Maintenance fund and Recharge Water fund respectively.

Table 5-21: Cost Reimbursements by Agency (\$Millions)

Agency	Expenses	FY 2025/26 Budget	FY 2026/27 Budget
Chino Basin Desalter Authority (CDA)	IEUA staff support the operation & maintenance of the Chino Desalter Plant No. 1 located in Chino, CA and administration for CDA grants. Labor cost reimbursement is recorded in Administrative Services fund.	\$2.2	\$2.3
Inland Empire Regional Composting Authority (IERCA)	IEUA staff labor and overall administrative support for the operation & maintenance of the composting facility in Rancho Cucamonga, CA. Labor cost reimbursement is recorded in Regional Wastewater Operations and Maintenance fund.	5.1	5.3
Chino Basin Watermaster (CBWM)	IEUA staff labor and administrative costs for the operation & maintenance of groundwater recharge basins and debt service costs associated with certain improvements to groundwater recharge facilities. Labor cost reimbursement is recorded in the Recharge Water fund.	2.8	3.7
Total		\$10.1	\$11.3

Expenses and Other Uses of Funds

A total of \$115.3 million in agencywide administrative and employment expenses are initially budgeted in the Administrative Service fund in FY 2025/26 and \$125.5 million in FY 2026/27. Approximately 96 percent of total expenses are allocated to the other Agency funds, Joint Power Authorities (JPAs), and projects as illustrated in Figure 5-11.



The FY 2025/26 total net expenses and other use of funds in the amount of \$23.1 million include \$13.9 million in capital and non-capital projects that are fully supported by interfund transfers from Regional Wastewater, Non-Reclaimable Wastewater, and Recycled Water funds. The remaining \$9.2 million are \$4.0 million of net employment cost and \$5.2 million of administrative expenses. The FY 2026/27 total net expenses and uses of funds are estimated at \$21.4 million. The decrease is mainly due to lower project costs, as shown in Table 5-22.

Table 5-22: Expenses & Other Uses of Funds (\$Millions)

Expense Category	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Administrative & Operations	\$9.2	\$9.0	Includes Agency employment, material & supplies, professional fees, utilities, and other operating costs, net of allocation to other agency programs and capital projects.
CIP Projects	13.9	12.4	Includes various capital information system projects, business network improvements, and replacement of aging fleet maintenance vehicles.
Total	\$23.1	\$21.4	

Employment Expense

Total gross employment costs consist of wages and benefits. For FYs 2025/26 and 2026/27, they are projected to be \$94.9 million and \$104.1 million, respectively. Included in the biennial budget is an increase in the number of authorized full-time equivalent (FTE) positions from 358 to 375 by FY 2026/27. The increase includes the addition of 28 new FTE positions mostly related to the RP-5 expansion projects. Approximately 29.7 percent of Agency employees are currently eligible to retire by 2027. Collectively, these employees have hundreds of years' expertise and vast institutional knowledge that will take years to replace. The increase in staffing will also allow for early recruitment of critical positions to support preservation of critical skills and institutional knowledge transfer and ensure continuity of critical Agency operations.

An estimated \$12.4 million in FY 2025/26 and \$13.6 million in FY 2026/27 of employment costs is allocated to support the Agency's CIP and non-capital projects resulting in net employment costs of \$82.5 in FY 2025/26 and \$90.5 in FY 2026/27. The allocation of net employment costs by Agency funds and JPA's is shown in Table 5-23.

Table 5-23: Total Employment Cost (\$Millions)

Programs	FY 2025/26 Budget	FY 2026/27 Budget
Regional Operations and Maintenance	\$45.6	\$50.3
Regional Capital Improvement	6.1	6.7
Recycled Water Program	9.1	10
Non-Reclaimable Wastewater Program	6.5	7.1
Recharge Water Program	1.3	1.4
Water Resources Program	4.9	5.3
Administrative Services Program	1.7	2.1
Inland Empire Regional Composting Authority (IERCA) /JPA	5.1	5.3
Chino Basin Desalter Authority (CDA) / JPA	2.2	2.3
Subtotal Net of Allocations	82.5	90.5
Allocation to CIP and non-capital projects	12.4	13.6
Total Employment Costs	\$94.9	\$104.1

Table 5-24 shows the percent allocation of the employment costs, net of all CIP and non-capital project allocation, by Agency fund for fiscal years FYs 2024/25, 2025/26 and 2026/27. Net employment cost reflects the cost of employment to the Agency net of labor allocation to project costs. The Personnel section includes a more detailed discussion of the Agency's staffing plan and related cost analysis.

Table 5-24: Net Employment Costs Allocation by Fund/Program

Program	Allocation Percentage		
	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Regional Wastewater ⁽¹⁾	68.9%	68.9%	68.9%
Recycled Water	11.0%	11.0%	11.0%
Administrative Services/Chino Basin Desalter Operations (CDA)	4.8%	4.8%	4.8%
Non-Reclaimable Wastewater System	7.9%	7.9%	7.9%
Water Resources	5.9%	5.9%	5.9%
Recharge Water	1.5%	1.5%	1.5%
Total	100%	100%	100%

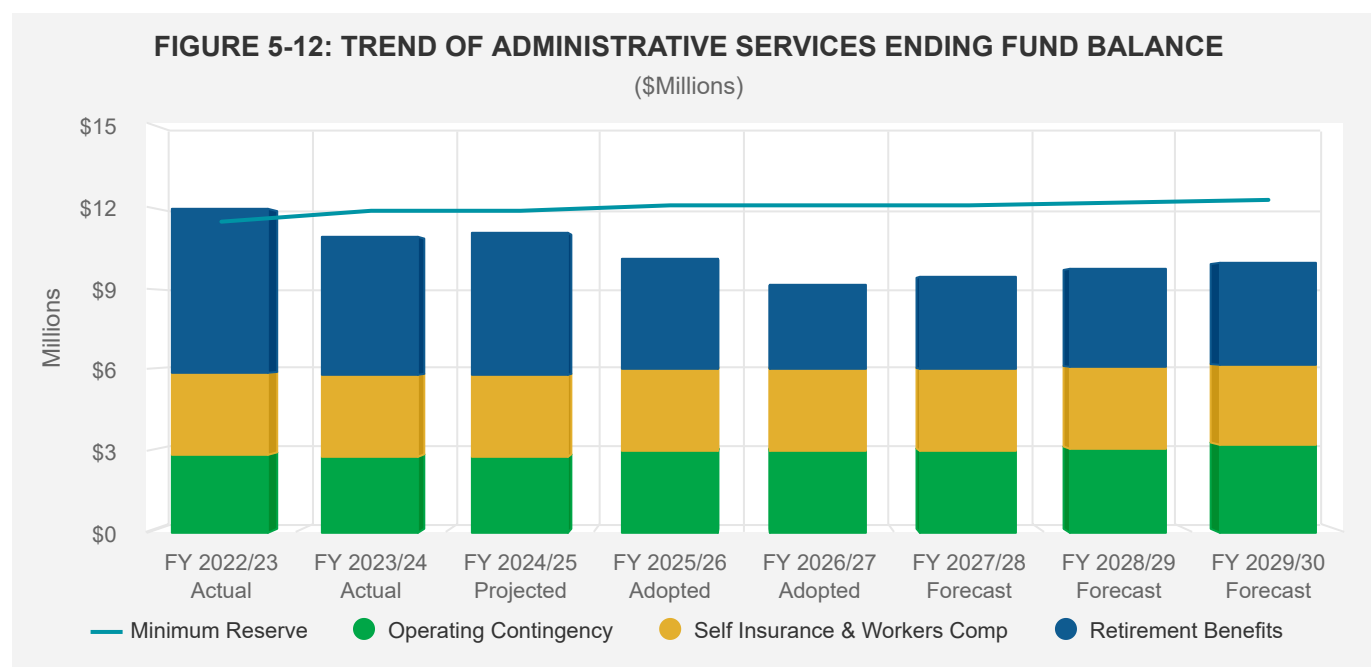
(1) Comprised of the Regional Wastewater Capital Improvement and Regional Wastewater Operations and Maintenance funds and includes the IERCA allocation.

Unfunded Accrued Liabilities for Retirement and Other Postemployment Benefits (OPEB)

The Agency implemented Government Accounting Standard Board (GASB) Statement 68 Accounting and Financial Reporting for Pensions in FY 2014/15. The Agency implemented GASB 75 Accounting and Financial Reporting of Postemployment Benefits Other Than Pension in FY 2017/18. Under GASB 75, similarly to GASB 68, gains and losses related to changes in total liability and fiduciary net position are recognized as expense systematically over time. As of June 30, 2024, the Agency's pension Unfunded Accrued Liability (UAL) is estimated to be \$41.0 million and OPEB is fully funded.

Fund Balance

The Administrative Service fund maintains the Agency's reserves for employee retirement benefits, self-insurance programs, including general liability and worker's compensation, and operating contingency as mandated by bond covenants. The self-insurance program was established for risks associated with general liability, property and equipment, and worker's compensation. The respective reserve balance is adjusted annually per the estimated required level as determined by Risk Management. The estimated fund balance for FYs 2025/26 and 2026/27 is projected to be \$10.2 million and \$9.1 million, respectively. Figure 5-12 shows the historical, budgeted, and projected fund balance through FY 2029/30.



FY 2027/28 to FY 2029/30 Forecast

For the three years following the biennial budget, the fund balance is projected to average \$9.7 million per year. The modest increase is due to higher cost reimbursements and anticipated growth in property tax allocations, as approved by the Board in June 2025.

Administrative Services Fund - Sources and Uses of Funds (\$Thousands)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Revenues								
Property Tax	\$3,565	\$3,846	\$4,023	\$4,160	\$4,302	\$4,449	\$4,602	\$4,674
Cost Reimbursement From JPA	1,596	1,530	1,923	2,151	2,280	4,142	4,299	4,510
Interest Revenue	471	848	351	337	365	381	352	359
Total Revenues	\$5,632	\$6,224	\$6,296	\$6,648	\$6,948	\$8,972	\$9,252	\$9,543
Other Financing Sources								
Grants	\$2	\$361	\$3	\$0	\$0	\$0	\$0	\$0
Other Revenues	148	639	160	2	2	2	2	2
Total Other Financing Sources	\$150	\$1,000	\$163	\$2	\$2	\$2	\$2	\$2
Expenses								
Employment Expenses	\$3,166	\$4,496	\$4,220	\$3,949	\$4,333	\$4,625	\$4,800	\$5,036
Contract Work/Special Projects	291	191	2,257	1,676	993	403	364	345
Utilities	774	1,041	823	1,134	1,208	1,304	1,374	1,450
Operating Fees	33	35	53	47	49	51	53	55
Professional Fees And Services	5,028	6,387	8,119	9,573	10,378	11,325	11,868	12,559
Office And Administrative Expenses	1,925	2,111	2,335	3,574	4,008	4,568	4,956	5,274
Materials & Supplies	784	251	243	274	237	206	201	194
Other Expenses	(4,632)	(6,094)	(9,516)	(11,077)	(12,182)	(13,436)	(14,310)	(15,286)
Total Expenses	\$7,369	\$8,419	\$8,535	\$9,149	\$9,024	\$9,046	\$9,305	\$9,626
Capital Program								
Capital Expansion & Construction	\$3,009	\$1,609	\$11,342	\$13,936	\$12,392	\$6,658	\$5,748	\$6,455
Total Capital Program	\$3,009	\$1,609	\$11,342	\$13,936	\$12,392	\$6,658	\$5,748	\$6,455
Debt Service								
Financial Expenses	\$17	\$41	\$21	\$23	\$23	\$24	\$25	\$25
Interest	21	2	-	-	-	-	-	-
Total Debt Service	\$38	\$42	\$21	\$23	\$23	\$24	\$25	\$25
Transfers In (Out)								
Capital Contribution	\$2,189	\$1,265	\$10,262	\$7,195	\$9,240	\$5,018	\$4,452	\$4,977
Operation Support	211	182	2,088	1,506	887	331	300	283
Capital - Connection Fees Allocation	849	333	1,171	3,709	3,052	1,601	1,267	1,438
One Water	51	21	79	3,202	206	111	93	103
Total Interfund Transfers In (Out)	\$3,300	\$1,800	\$13,599	\$15,612	\$13,385	\$7,061	\$6,112	\$6,800
Fund Balance								
Net Income (Loss)	\$(1,334)	\$(1,045)	\$161	\$(845)	\$(1,105)	\$308	\$289	\$239
Beginning Fund Balance July 01	13,300	11,966	10,920	11,081	10,236	9,130	9,438	9,727
Ending Fund Balance at June 30*	\$11,966	\$10,920	\$11,081	\$10,236	\$9,130	\$9,438	\$9,727	\$9,966
Reserve Balance Summary								
Operating Contingency	\$2,966	\$2,806	\$2,845	\$3,050	\$3,008	\$3,015	\$3,102	\$3,209
Self-Insurance Program	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Employee Retirement Benefit	6,000	5,114	5,236	4,186	3,122	3,423	3,625	3,758
Ending Balance at June 30	\$11,966	\$10,920	\$11,081	\$10,236	\$9,130	\$9,438	\$9,727	\$9,966

Totals may not tie due to rounding.

Non-Reclaimable Wastewater Program

Programmatic Overview

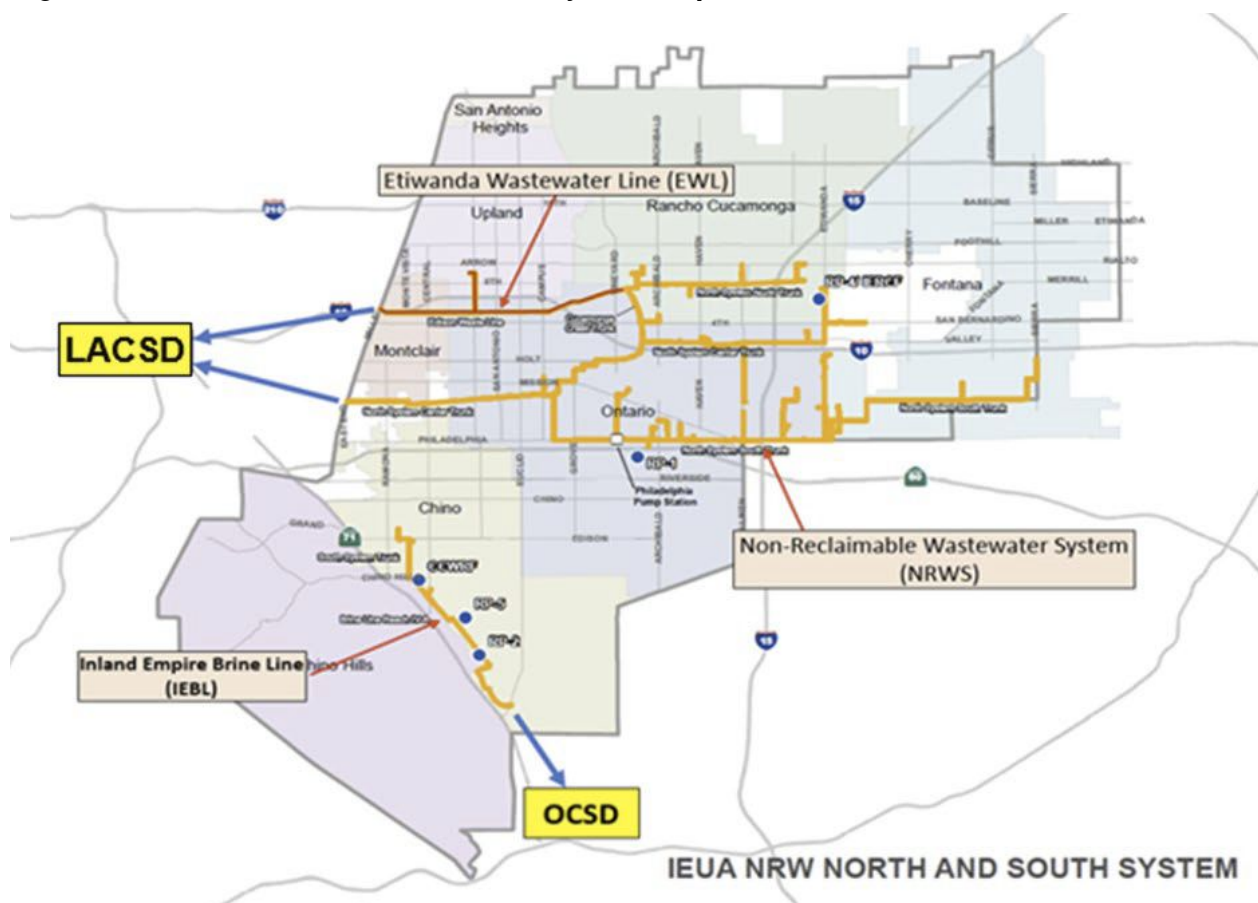
The Non-Reclaimable Wastewater Program accounts for the operating and capital expenses associated with an industrial wastewater collection system, known as the Non-Reclaimable Wastewater (NRW) brine lines, that conveys high-salinity (brine) industrial wastewater generated within the Agency's service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

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

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

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

Figure 5-13: IEUA NRW North and South System Map



The NRWS, EWL, and IEBL Systems:

- The north NRWS serves 34 industries including two municipal groundwater treatment facilities. The NRWS conveys non-reclaimable wastewater to the Los Angeles County Sanitation Districts (LACSD) treatment facility in Carson, CA, where it is treated and discharged to the Pacific Ocean.
- The north system also has a smaller independent brine line known as the Etiwanda Wastewater Line (EWL) which is utilized exclusively by four groundwater treatment plants: one operated by the City of Ontario, one by the City of Chino/Monte Vista Water District, and two by the Monte Vista Water District.
- The IEBL, managed by the Santa Ana Watershed Project Authority (SAWPA), currently serves 13 industries, including the Chino Basin Desalter facility and three indirect dischargers, who deliver their wastewater via trucks. Wastewater from the IEBL is conveyed to the Orange County Sanitation District's facility in Fountain Valley for further treatment and eventual discharge to the Pacific Ocean.

Agreement with LACSD:

In 1966, the Agency and the Los Angeles County Sanitation Districts (LACSD) entered into an agreement under which LACSD would accept industrial wastewater flows from the Agency's northern Non-Reclaimable Wastewater System (NRWS). That agreement, which was set to expire in May 2018, was superseded by a new NRWS Wastewater Disposal Agreement effective July 1, 2014. The new agreement has a 30-year term and allows for up to four optional five-year extensions. Compared to the previous agreement, the 2014 version provides more stable rate structures and introduces flexibility for industries: they can now either purchase wastewater discharge rights as capacity units or lease them annually, rather than being required to make a mandatory acquisition.

Agreement with SAWPA:

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

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

Fund Description

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

Table 5-25 shows total revenue, expense, beginning, and ending fund balances for the Non-Reclaimable Wastewater program. Additional program revenue and expense detail follow the table.

Table 5-25: Consolidated Non-Reclaimable Wastewater Program Fund Summary (\$Millions)

	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Total Revenue & Other Funding Sources	\$ 15.7	\$ 18.6	\$ 19.4	\$ 24.9	\$ 20.9	\$ 20.7
Total Expenses & Other Uses of Funds	14.9	21.1	21.3	22.9	27.7	27.8
Net Increase (Decrease)	\$ 0.8	\$ (2.5)	\$ (1.9)	\$ 2.0	\$ (6.8)	\$ (7.1)
Beginning Fund Balance	32.9	33.7	31.2	29.3	31.3	24.5
Ending Fund Balance	\$ 33.7	\$ 31.2	\$ 29.3	\$ 31.3	\$ 24.5	\$ 17.4

Totals may not tie due to rounding.

Revenues and Other Sources of Funds

As shown in Table 5-26, the Non-Reclaimable Wastewater program has total budgeted revenues and other funding sources of \$18.6 million and \$19.4 million for FYs 2025/26 and 2026/27, respectively.

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

Table 5-26: Revenues and Other Sources of Funds (\$Millions)

Uses of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Volumetric Fees	\$2.3	\$2.4	Monthly pass-thru charges based on adopted fees and metered wastewater flow.
Excess User Fees	7.0	7.3	Pass-thru fees for wastewater strength composition (1).
Agency Program Charges	7.1	7.6	Program support, operational, and capacity surcharges.
Capacity Fees	1.0	1.0	Monthly fee charged to the holders of capacity rights in the southern system, the Agency's regional program, and CIP fees to cover debt service costs.
Contributions and Other	1.2	1.1	Wastewater connection fee transfer from the Regional Wastewater Capital fund and interest earned on reserve balances.
Total	\$18.6	\$19.4	

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

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

In addition to the pass-through rates described above, the Agency collects program charges based on the number of capacity units for the north system and a 50 percent operating surcharge for volumetric, capacity, and strength charges are added to the south system. NRW program charges and operating surcharges support Agency program costs. Different rates apply to the North and South Systems as noted in Table 5-28.

Table 5-27: Summary of NRW Billing Components

Type	NRWS (North)	EWL (North)	IEBL (South)
Volumetric	✓	✓	✓
Peak Flow	✓		
Capacity	✓	✓	✓
BOD			✓
COD	✓	✓	
TSS	✓	✓	✓
Imbalances	✓	✓	✓
NRW Program Charges			
IEUA O&M	✓	✓	✓
IEUA CIP	✓	✓	✓

NRW rates based on the current pass-through rate structure for FY 2025/26, effective July 1, 2025, are shown below in Table 5-28.

Table 5-28: North and South System Pass-Through Rates

Rate Description	FY 2024/25 Adopted	FY 2025/26 Adopted	Change
North System (NRWS)			
Capacity/CU ⁽¹⁾	12,636 CU	12,564 CU	
Flow/mg	\$1,014.00	\$1,044.00	2.96%
COD/klb	\$208.00	\$213.90	2.84%
TSS/klb	\$491.70	\$505.80	2.87%
Peak Flow/gpm	\$339.06	\$349.08	2.96%
CU Acquisition	\$4,172.00	\$4,172.00	-%
CU Lease	\$208.60/CU/Year	\$208.60/CU/Year	
EWL			
Capacity/CU ⁽²⁾	\$84.00	\$84.00	-%
Flow/mg	\$752.00	\$774.00	2.93%
COD/klb	\$175.90	\$181.20	3.01%
TSS/klb	\$391.50	\$403.20	2.99%
CU Acquisition	\$215,000/CU	\$215,000/CU	
South System (IEBL)			
Capacity/CU ⁽²⁾	\$435.43	\$444.14	2.00%
Flow/mg	\$1,097.00	\$1,119.00	2.01%
BOD/klb	\$396.00	\$416.00	5.05%
TSS/klb	\$497.00	\$522.00	5.03%
CU Acquisition	\$215,000/CU	\$215,000/CU	

⁽¹⁾Capacity Unit – Total NRW Capacity Unit (NRWSCU) allocated to North NRW industrial users is determined by a formula using flow, COD, and TSS as defined by LACSD.

⁽²⁾Capacity Units in the IEBL and EWL are defined as the maximum instantaneous peak flow not-to-exceed fifteen (15) gallons per minute.

Expenses and Other Sources of Funds

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

Total expenditures and other uses of funds are budgeted at \$21.1 million and \$21.3 million in FYs 2025/26 and 2026/27. As reported in Table 5-29, the major expenses in the Non-Reclaimable Wastewater fund are operating "pass-through" fees from LACSD and SAWPA and capital project expenses.

Table 5-29: Expenses and Other Uses of Funds (\$Millions)

Uses of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Operating Fees	\$10.2	\$10.5	LACSD and SAWPA pass through fees.
Administration & Operations	9.0	9.9	Employment, chemicals, materials & supplies, professional fees, utilities, and other operating costs.
Capital Projects	1.0	-	Capital project costs are listed below in Table 5-22 and in the capital section in this document.
Debt Service	0.6	0.6	Principal, interest, and financial expense for the NRW programs share of the 2017A Revenue bonds.
Contributions & Other	0.3	0.3	Interfund transfers to the Administrative Services fund to support agencywide capital and non-capital project costs.
Total	\$21.1	\$21.3	

Capital Projects

FY 2025/26 budgeted capital project costs are \$1.0 million with no anticipated capital projects budgeted in FY 2026/27. Project details are shown below in (Table 5-30).

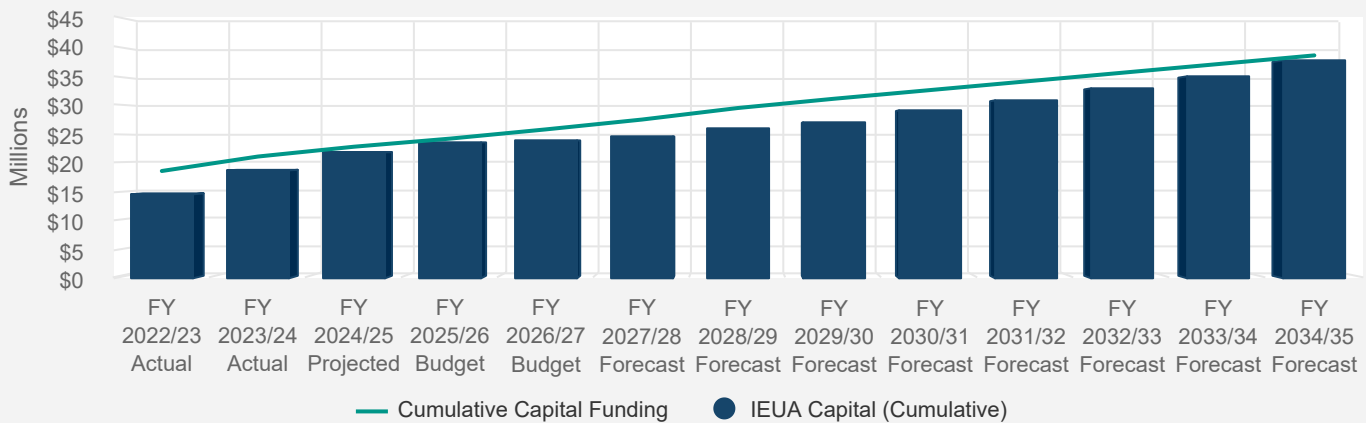
Table 5-30: Capital Projects (\$Millions)

Project Name	FY 2025/26	FY 2026/27* to FY 2034/35	TYCIP Total
Philadelphia Lift Station Force Main Improvements	\$0.0	\$28.8	\$28.8
Philadelphia Lift Station Pump Upgrades	-	12.2	12.2
Non-Reclaimable Waste Critical Manhole Replacement	0.8	-	0.8
4th St/North System North Trunk Pipe Repair	0.2	-	0.2
All Other Projects	-	9.4	9.4
Total	\$1.0	\$50.4	\$51.4

*No capital project costs are projected for FY 2026/27

In FY 2015/16 the Agency began recovering its previously deferred capital costs. Recovery of these costs was approved by the Board of Directors to mitigate the upward pressure on rate adjustments to Non-Reclaimable Wastewater program customers. In addition to the capital recovery amounts received from NRW customers, connection fees transferred from the Regional Wastewater Capital fund, a portion of interfund loan receipts received from the Recycled Water fund, and reserves are also used to support capital project costs.

Due to planned capital expenses included in the non-reclaimable wastewater fund, full recovery of the Agency's capital cost is not projected to be reached until FY 2034/35. Pass through recovery of capital expenditures is shown in Figure 5-14.

FIGURE 5-14: RECOVERY OF CUMULATIVE IEUA CAPITAL COSTS (\$MILLIONS)

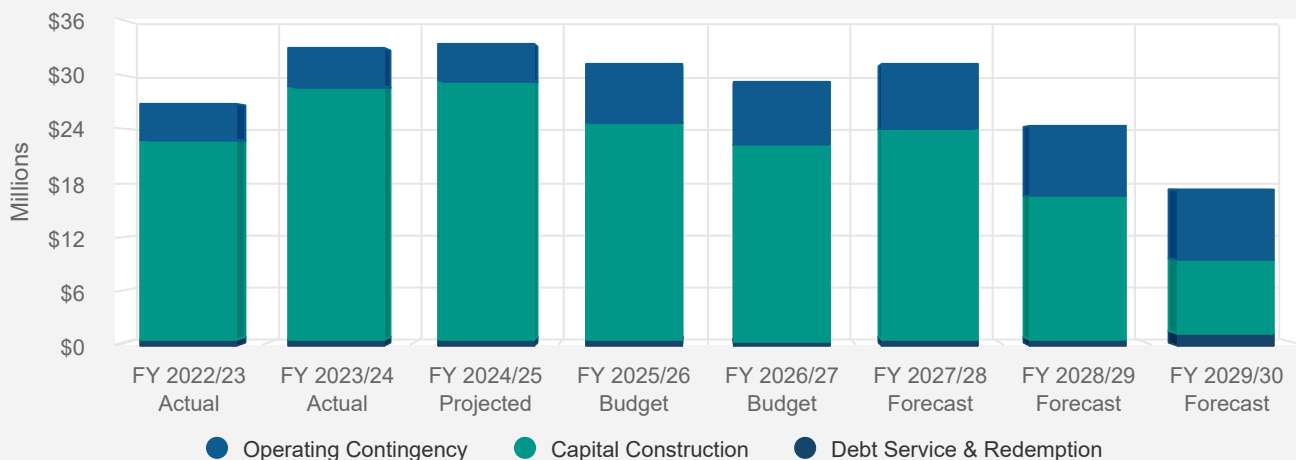
Debt Service

Debt service costs for the NRW fund includes principal, interest, and financial fees for a portion of the 2017A Refunding Revenue Bonds (2017A Bonds). In FYs 2025/26 and 2026/27 total debt service costs are \$0.6 million in each fiscal year. Debt service costs are recovered from both North and South system customers through Agency program charges.

Fund Balance

The Non-Reclaimable Wastewater ending fund balance for FY 2025/26 is projected to be \$31.2 million, and \$29.3 million in FY 2026/27. The estimated decrease in reserve balance for FYs 2025/26 and 2026/27 can be attributed to an increase in overall operating expenses as shown in Figure 5-15.

Figure 5-15: Trend of NRW Program Ending Fund Balance
(\$Millions)



FY 2027/28 to FY 2029/30 Forecast

For the three years following the biennial budget, reserves are projected to experience a slight decline. This anticipated reduction is primarily attributed to escalating operating expenses and the ongoing maintenance, replacement, and upgrades of the Non-Reclaimable Wastewater (NRW) system. The continual enhancement of the NRW system is crucial for compliance with the Agency's Sanitary Sewer Management Program, which is mandated by State regulations under the Wastewater Discharge Requirements.

The Agency is currently conducting a cost of service rate study on the non-reclaimable wastewater. The study is expected to provide valuable insights into the operational needs of the NRW system and guide strategic decisions for the future of the program.

Non-Reclaimable Wastewater Fund - Sources and Uses of Funds (\$Thousands)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Revenues								
User Charges	\$13,240	\$15,490	\$14,575	\$17,400	\$18,299	\$18,599	\$19,410	\$19,734
Contract Cost Reimbursement	-	-	4	-	-	-	-	-
Interest Revenue	561	962	402	730	610	540	435	310
Total Revenues	\$13,801	\$16,452	\$14,981	\$18,130	\$18,909	\$19,139	\$19,845	\$20,044
Other Financing Sources								
Debt Proceeds	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0
Other Revenues	636	1,438	395	420	427	433	440	448
Sale of Capacity	-	645	-	-	-	-	-	-
Loan Transfer from Internal Fund	-	3,000	-	-	-	-	-	-
Total Other Financing Sources	\$636	\$5,083	\$395	\$420	\$427	\$5,433	\$440	\$448
Expenses								
Employment Expenses	\$1,795	\$2,100	\$2,125	\$6,489	\$7,122	\$7,601	\$7,889	\$8,277
Contract Work/Special Projects	569	47	354	650	750	950	1,950	950
Utilities	107	123	111	140	147	162	167	173
Operating Fees	8,550	8,880	8,973	10,145	10,513	10,789	11,074	11,367
Chemicals	205	293	366	380	391	403	415	428
Professional Fees and Services	49	140	165	277	294	363	383	404
Biosolids Recycling	3	-	42	49	52	57	61	66
Materials & Supplies	126	53	47	90	94	98	103	107
Other Expenses	401	564	367	921	1,012	1,117	1,190	1,271
Total Expenses	\$11,806	\$12,200	\$12,550	\$19,141	\$20,377	\$21,540	\$23,232	\$23,042
Capital Program								
Capital Expansion/Construction	\$1,308	\$3,452	\$1,288	\$1,032	\$0	\$690	\$3,540	\$3,780
Total Capital Program	\$1,308	\$3,452	\$1,288	\$1,032	\$0	\$690	\$3,540	\$3,780
Debt Service								
Financial Expenses	\$0	\$11	\$1	\$1	\$1	\$1	\$1	\$1
Interest	233	214	197	176	153	133	316	293
Principal	348	398	418	440	463	342	454	476
Total Debt Service	\$582	\$623	\$616	\$617	\$617	\$476	\$770	\$770
Transfers In (Out)								
Capital Contribution	\$(74)	\$(43)	\$(349)	\$(245)	\$(314)	\$(171)	\$(151)	\$(169)
Operation support	(7)	(6)	(71)	(51)	(30)	(11)	(10)	(10)
Property Tax Transfer	468	858	261	78	104	308	619	214
Total Interfund Transfers In (Out)	\$387	\$809	\$(159)	\$(218)	\$(241)	\$126	\$457	\$35
Fund Balance								
Net Income (Loss)	\$1,127	\$6,068	\$762	\$(2,459)	\$(1,900)	\$1,991	\$(6,801)	\$(7,066)
Beginning Fund Balance July 01	25,716	26,843	32,912	33,673	31,216	29,318	31,309	24,509
Ending Fund Balance at June 30*	\$26,843	\$32,912	\$33,673	\$31,216	\$29,318	\$31,309	\$24,509	\$17,444
Reserve Balance Summary								
Operating Contingencies	\$3,935	\$4,067	\$4,183	\$6,380	\$6,792	\$7,180	\$7,744	\$7,681
Capital Construction	22,286	28,223	28,874	24,219	22,049	23,359	15,995	8,366
Debt Service	622	621	617	617	476	770	770	1,396
Ending Balance at June 30	\$26,843	\$32,912	\$33,673	\$31,216	\$29,318	\$31,309	\$24,509	\$17,444

Totals may not tie due to rounding.

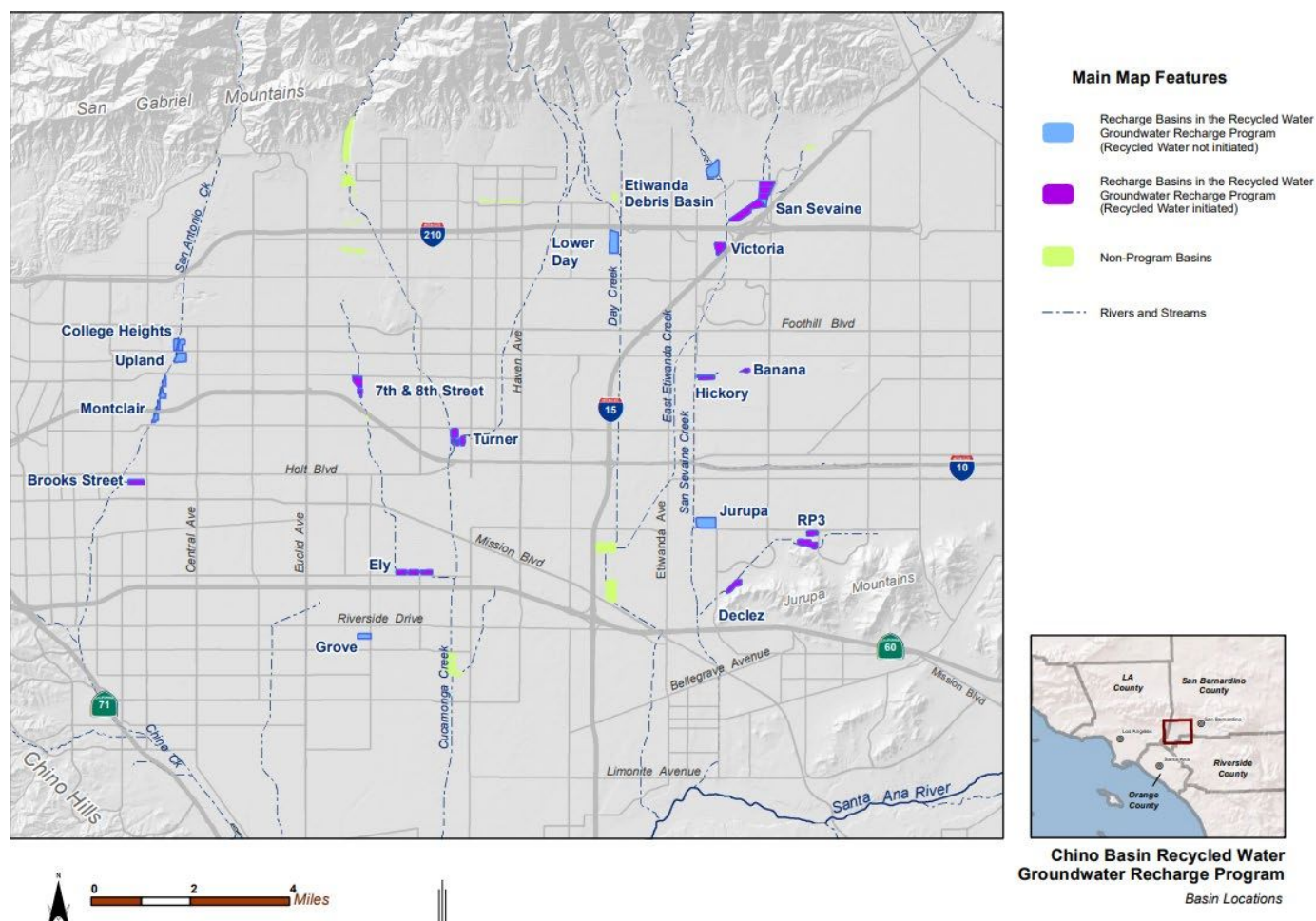
Recharge Water Program

Programmatic Overview

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

The groundwater infrastructure consists of a network of pipelines that direct storm water run-off, imported water from the California State Water Project (SWP) and IEUA recycled water to recharge sites - most of which consist of multiple recharge basins. These recharge basins are located throughout the IEUA service area (approximately 242-square miles) and are designed to hold the water so that it can percolate into the ground and replenish the alluvial aquifers and groundwater supply. Figure 5-16 shows recharge basins in the Groundwater Recharge Program.

Figure 5-16: Recharge Basins



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

The FYs 2025/26 and 2026/27 biennial budget for GWR operations of recharge basins and related facilities is based on the costs to operate and maintain active recharge sites in the Chino Basin. The average recharge capacity of the GWR facilities includes up to 40,000 acre-feet (AF) of imported water, up to 20,000 AF of stormwater, and up to 17,000 AF of recycled water. Annual recharge varies due to weather patterns and the availability of supplemental water supplies (imported and recycled water). The actual amounts recharged per year may be more or less than the stated average capacity. An acre-foot of water is equal to 325,900 gallons of water, the equivalent of filling one acre one foot deep with water.

The recharge basin capacity projections assume:

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

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

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



Groundwater Pipes

Table 5-31 shows the annual acre feet recharge per recharge site. The most recent data available is for FY 2023/24.

Table 5-31: Chino Basin FY 2023/24 Annual Acre Feet Recharge

Recharge Sites	Acre Feet Recharged
7th & 8th Street Basins	1,284
Banana Basin	1,792
Brooks Basin	1,258
College Heights Basins*	5,682
Declez Basins	1,412
Ely Basins	2,090
Etiwanda Debris Basin*	3,552
Grove Basin*	358
Hickory Basin	2,213
Lower Day Basin*	4,252
Jurupa*	1,548
Montclair Basins*	23,108
RP-3 Basins	7,645
San Sevaire Basins	10,887
Turner Basins	2,465
Upland Basin*	2,364
Victoria Basin	2,313
Wineville Basin*	0
Total	74,223

*Basin not permitted for recycled water recharge.

Fund Description

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

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

Table 5-32 show total revenue, total expense, and beginning and ending fund balances for the Recharge Water program.

Table 5-32: Consolidated Recharge Water Program Fund Summary (\$Millions)

	FY 2024/25* Projected	FY 2025/26* Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Total Revenue & Other Funding Sources	\$3.9	\$12.0	\$7.4	\$6.3	\$7.1	\$7.4
Total Expenses & Other Uses of Funds	16.2	11.2	8.6	6.1	7.0	7.2
Net Increase (Decrease)	(12.3)	0.8	(1.2)	0.2	0.1	0.2
Beginning Fund Balance	17.8	5.5	6.3	5.0	5.2	5.3
Ending Fund Balance	\$5.5	\$6.3	\$5.0	\$5.2	\$5.3	\$5.5

*FYs 2024/25 and 2025/26 revenue totals include SRF loan proceeds related to RMPU projects scheduled for completion in FY 2025/26.

Budgeted revenues, other funding sources, and interfund contributions and support total \$12.0 million for FY 2025/26 and \$7.4 million for FY 2026/27 as indicated in Table 5-33. The budget is comprised of reimbursements from CBWM for groundwater recharge facilities' O&M, capital project support, and debt service costs. Also included is a contribution from IEUA for its portion of capital and debt service (50/50 shared with CBWM), and pro-rata share of O&M cost.

Revenue and Other Sources of Funds

Table 5-33: Revenue and Other Sources of Funds (\$Millions)

Sources of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Watermaster Operating Cost Reimbursement	\$1.7	\$1.8	Reimbursement of groundwater O&M and facilities.
Watermaster Debt Service	1.1	1.9	Reimbursement for CBWM share of capital and debt service costs for the 2020A Refunding bonds and RMPU State Revolving Fund loans.
State Revolving Fund Loans	5.7	-	Loan proceeds to support Recharge Master Plan Update (RMPU) projects.
Interfund Transfer/ Other Revenues	3.5	3.7	Interest revenue and Inter-fund transfer for the Agency's operating support for the prorata share of groundwater basin maintenance; capital projects; nonreimbursable labor; and debt service, from the Recycled Water and Wastewater Capital funds.
Total	\$12.0	\$7.4	

Groundwater Recharge Pro-Rata Cost Sharing Methodology

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

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

Expenses and Other Uses of Funds

Total GWR program budgeted expense for FY 2025/26 is \$11.2 million and \$8.6 million for FY 2026/27, as shown in Table 5-34 below. Key expenses include capital costs related to the RMPU projects, debt service costs, and groundwater operations and maintenance costs.

The FYs 2025/26 and 2026/27 groundwater O&M expense budget includes utilities, general groundwater basin maintenance costs for infiltration restoration and slope repairs and weed and pest control for the groundwater basins, and specialty maintenance to address theft, vandalism, and repairs. The Agency's O&M pro-rata share for FYs 2025/26 and 2026/27 is estimated at \$948,000 and \$991,000, respectively.

Table 5-34: Expenses & Other Uses of Funds (\$Millions)

Uses of Funds	FY 2025/26 Budget	FY 2026/27 Budget	Key Assumptions
Operating Expense	\$3.2	\$3.5	Program support and maintenance, utilities, *specialty O&M, CBWCD and SBCFCD costs, and IEUA's pro-rata share.
Debt Service	4.4	2.1	Principal, interest, and financial expense for the 2020A bonds, RMPU SRF loans, and interfund loan repayment to the Wastewater Capital Improvement fund.
Capital Projects	3.6	3.0	Capital project costs for RMPU projects is shared with CBWM.
Total	\$11.2	\$8.6	

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

Capital Projects

Capital project costs budgeted in the Recharge Water program for FY 2025/26 are \$3.6 million and \$3.0 million for FY 2026/27. Agency staff is taking the lead in the execution and administration of the updated CBWM Recharge Master Plan capital projects, completion of these projects is projected for FY 2025/26. Table 5-35 is a summary of major projects in the Recharge Water program and respective cost sharing ratio between IEUA and CBWM.

Table 5-35: Recharge Program Capital Projects (\$Millions)

Capital Projects	FY 2025/26 Budget	FY 2026/27 Budget	IEUA Cost Share	CBWM Cost Share
Recharge Master Plan Update	\$3.0	\$2.5	9%*	91%
Groundwater Basin PLC Upgrades	0.5	0.5	50%	50%
All Other Capital Projects	0.1	-	50%	50%
Total	\$3.6	\$3.0		

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

Debt Service

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

To finance the CBFIP effort, the Agency issued a \$59 million revenue bond in July 2002. A portion of the net bond proceeds, \$19.7 million, combined with a \$19 million Prop 13 grant provided the majority of funding for the CBFIP. The 2002 Bond was refinanced in April 2008 with the issuance of a Variable Rate Demand Revenue Bond, Series 2008B for \$55.7 million maturing in FY 2031/32. The 2008B Variable Rate bonds were then refinanced in June 2020 with the issuance of the 2020A Refunding Revenue Bonds. The FY 2025/26 and FY 2026/27 bond debt service expense is \$1.0 million in each fiscal year for the 2020A Refunding Revenue Bond. Principal and interest expense is shared equally by CBWM and IEUA. The Agency’s portion is supported by an interfund transfer from the Regional Wastewater Capital Improvement fund.

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

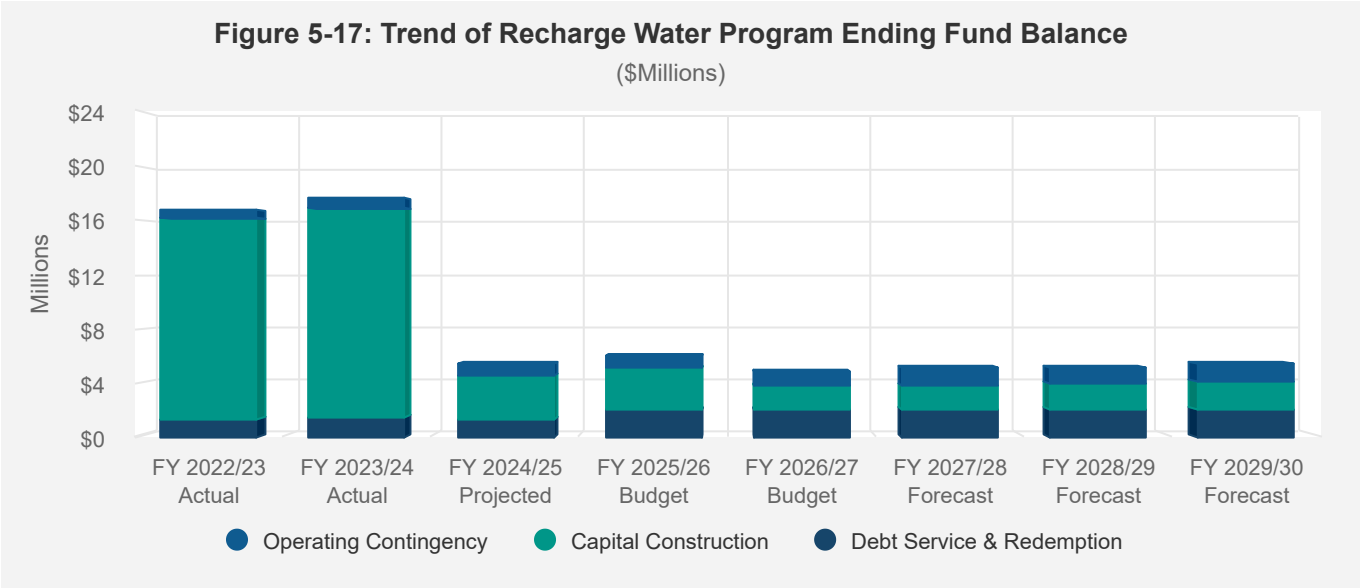
Interfund loans have been a key source of interim funding for construction of the Recharge Master Plan Update projects. Interfund loans were necessary to support delayed State Revolving Fund loan reimbursement of RMPU capital project costs. In FY 2024/25, the Recharge Water fund made the final interfund loan payment to the Recycled Water fund and the first repayment to the Regional Wastewater Capital fund. Table 5-36 summarizes the interfund loan repayment schedule for the Recharge Water fund.

Table 5-36: Recharge Water Fund Repayment of Outstanding Interfund Loans (\$Millions)

Interfund Loan Issued	Due To	Outstanding Principal	Repayment Schedule
FY 2020/21	Recycled Water (WC) Fund	\$7.9	FY 2023/24 \$3.0 FY 2024/25 \$4.9
FY 2022/23	Regional Wastewater Capital (RC) Fund	10.1	FY 2024/25 \$5.0 FY 2025/26 \$3.1 FY 2030/31 \$1.0 FY 2031/32 \$1.0
Total		\$18.0	

Fund Balance

The ending fund balances for FYs 2025/26 and 2026/27 are projected to be \$6.3 million and \$5.0 million, respectively. The lower balance in FY 2026/27 is primarily due to capital project expenditures. In subsequent years, the program’s ending fund balance is expected to average \$5.3 million, based on current assumptions. Figure 5-17 shows the trend of ending fund balances through FY 2029/30.



FY 2027/28 to FY 2029/30 Forecast

Following the anticipated completion of the Recharge Master Plan projects in FY 2026/27, the Recharge Water Fund is not expected to require substantial capital investment in the near term. However, one capital improvement is scheduled to begin in FY 2027/28: the Safety Work Improvements for Basins project.

This project is designed to enhance operational safety and efficiency by upgrading work facilities and ensuring secure access to critical infrastructure. Specifically, it will focus on improving the safety and accessibility of gate actuator systems located at RP-3, Jurupa Basin, Turner Basin, and Eli Basin. These improvements will support ongoing maintenance and repair activities, reduce operational risks, and promote a safer working environment for field personnel.

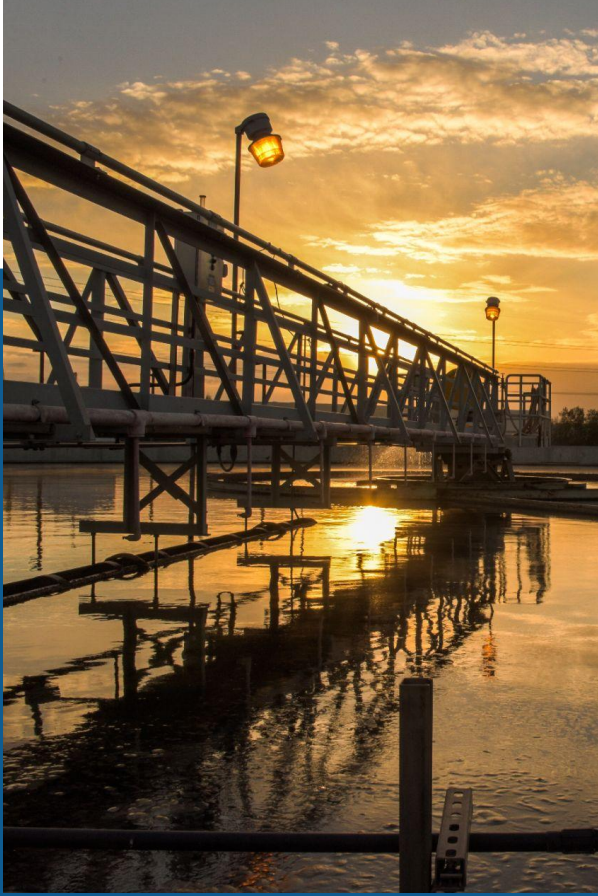
Recharge Water Fund - Sources and Uses of Funds (\$Thousands)

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Revenues								
Cost Reimbursement from JPA	\$844	\$1,048	\$1,169	\$1,686	\$1,763	\$1,576	\$1,674	\$1,778
Contract Cost Reimbursement	-	-	10	-	-	-	-	-
Interest Revenue	-	267	350	170	150	110	100	100
Total Revenues	\$844	\$1,315	\$1,529	\$1,856	\$1,913	\$1,686	\$1,774	\$1,878
Other Financing Sources								
State Loans	\$1,679	\$5,814	\$107	\$5,716	\$0	\$0	\$0	\$0
Grants	5,004	1033	-	-	-	-	-	-
Capital Contract Reimbursement	482	583	366	1123	1865	1753	2095	2096
Other Revenues	10	4	-	-	-	-	-	-
Loan Transfer from Internal Fund	10,105	-	-	-	-	-	-	-
Total Other Financing Sources	\$17,281	\$7,435	\$473	\$6,839	\$1,865	\$1,753	\$2,095	\$2,096
Expenses								
Employment Expenses	\$969	\$983	\$1,040	\$1,258	\$1,380	\$1,473	\$1,529	\$1,604
Contract Work/Special Projects	-	3	20	-	-	-	-	-
Utilities	147	167	110	153	172	185	200	215
Operating Fees	-	12	8	12	9	10	11	12
Professional Fees and Services	762	881	1,124	1,648	1,730	1,788	1,903	2,028
Office and Administrative Expenses	11	6	8	16	19	20	22	24
Materials & Supplies	127	154	108	129	120	130	140	151
Other Expenses	9	-	-	-	-	-	-	-
Total Expenses	\$2,026	\$2,206	\$2,417	\$3,216	\$3,431	\$3,606	\$3,805	\$4,034
Capital Program								
Capital Expansion/Construction	\$10,817	\$2,554	\$2,977	\$3,593	\$3,097	\$375	\$1,054	\$1,059
Total Capital Program	\$10,817	\$2,554	\$2,977	\$3,593	\$3,097	\$375	\$1,054	\$1,059
Debt Service								
Financial Expenses	\$1	\$0	\$1	\$1	\$1	\$1	\$1	\$1
Interest	543	1,057	75	323	372	305	262	216
Principal	581	715	760	981	1,746	1,809	1,858	1,901
Short Term Interfund Loan	-	3,000	9,933	3,105	-	-	-	-
Total Debt Service	\$1,125	\$4,773	\$10,769	\$4,410	\$2,118	\$2,115	\$2,120	\$2,118
Transfers In (OUT)								
Capital Contribution	\$176	\$(76)	\$139	\$1,228	\$1,270	\$145	\$406	\$408
Debt Service	563	520	462	478	603	601	603	602
Operation Support	873	1,165	1,222	1,530	1,667	2,030	2,131	2,256
Water Connection	15	5	27	68	69	43	121	122
Total Interfund Transfers In (OUT)	\$1,626	\$1,614	\$1,851	\$3,305	\$3,608	\$2,818	\$3,262	\$3,387
Fund Balance								

	FY 2022/23 Actual	FY 2023/24 Actual	FY 2024/25 Projected Actual	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Net Increase (Decrease)	\$5,783	\$831	\$(12,310)	\$781	\$(1,260)	\$161	\$152	\$150
Beginning Fund Balance July 01	11,190	16,973	17,804	5,493	6,274	5,015	5,175	5,326
Ending Fund Balance at June 30*	\$16,973	\$17,804	\$5,493	\$6,274	\$5,015	\$5,175	\$5,326	\$5,477
Reserve Balance Summary								
Operating Contingencies	\$675	\$735	\$806	\$1,072	\$1,144	\$1,202	\$1,268	\$1,345
Capital Expansion / Construction	14,938	15,554	3,382	3,084	1,756	1,853	1,940	2,014
Debt Service & Redemption	1,360	1,514	1,305	2,118	2,115	2,120	2,118	2,119
Ending Balance At June 30	\$16,973	\$17,804	\$5,493	\$6,274	\$5,015	\$5,175	\$5,326	\$5,477

Totals may not tie due to rounding.





Capital



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 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.

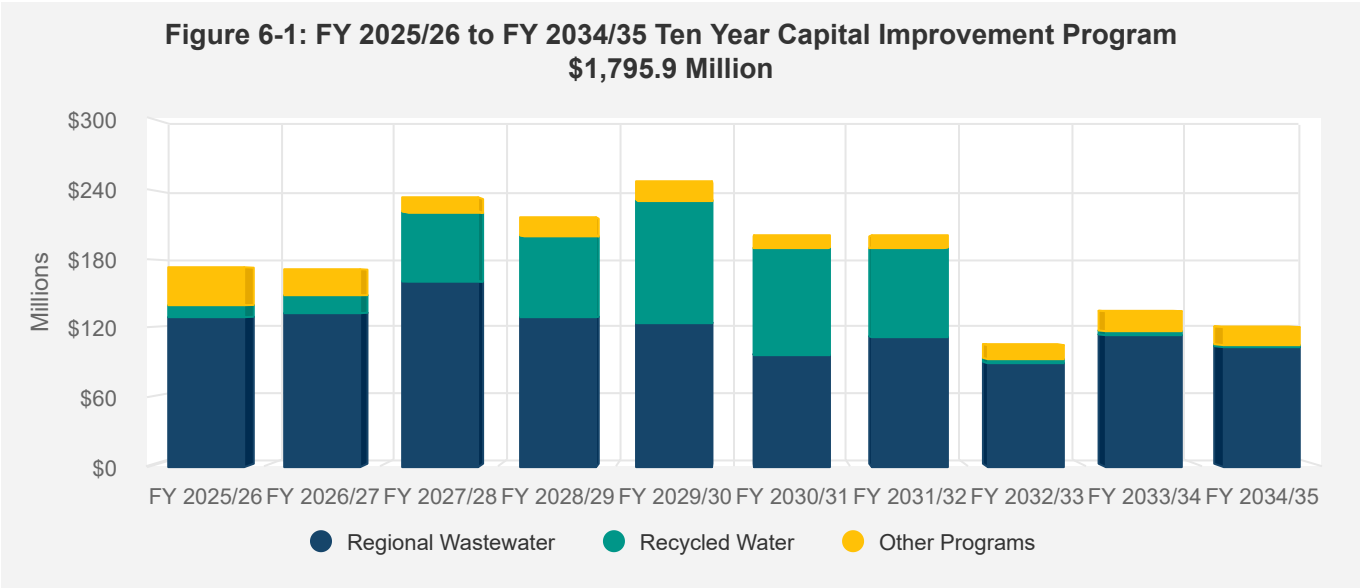
As a subset of the TYCIP, the Agency also prepares the Ten-Year Sewer Capital Forecast (TYSCF) in accordance with the Regional Sewage Service Contract and Ordinance No. 114. The TYSCF specifically identifies capital projects planned for the Regional Wastewater Program. While wastewater-related projects appear in both the TYSCF and TYCIP, the TYCIP also includes capital initiatives beyond the wastewater system. Project timelines in the TYCIP may be further refined during the Capital Budget process, depending on the availability of financial resources.

Additionally, the Regional Sewage Service Contract and Ordinance No. 114 require the Sewage Collection Agencies (SCA) to provide a ten-year forecast of expected growth in their respective areas. The SCA forecast for FY 2025/26 estimates just over 61,000 new connections over the next ten years. Based on the SCA forecasts, the Agency prepares a ten-year projection of capacity demands and identifies capital projects needed to meet the service demand for future growth.

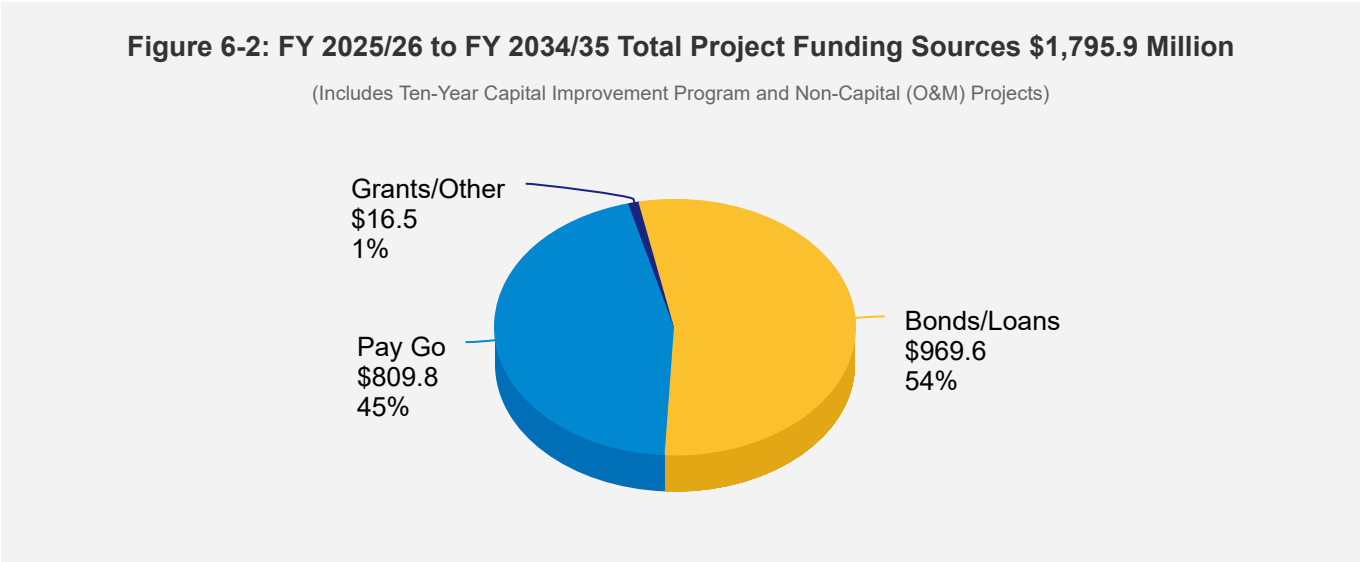
Replacement, rehabilitation, improvement, and expansion of the Agency's facilities continue to be the key drivers for the proposed FYs 2025/26 and 2026/27 CIP. These drivers are consistent with the Agency's long-term planning documents approved by the Board of Directors, amongst them are:

- Facilities Master Plan
- Recycled Water Program Strategy
- Energy Management Plan
- Water Use Efficiency Business Plan
- Integrated Water Resources Plan
- Agency Strategic Plan
- Asset Management Plan
- Climate Change Action Plan
- Zero-Emission Vehicle Readiness Plan
- Urban Water Management Plan

The FY 2025/26 through 2034/35 TYCIP budget of \$1,795.9 million includes both capital and non-capital projects and is dedicated to two main objectives: the timely execution of critical replacement and rehabilitation (R&R) projects to meet reliability and regulatory standards, and the improvement and expansion of existing facilities and infrastructure to accommodate future growth as projected by customer agencies. Key projects include the expansion of Regional Water Recycling Plant No. 5, the Thickening Building and Acid Phase Digester at Regional Water Recycling Plant No. 1, and the Liquid and Solids Treatment Capacity Recovery projects at Regional Water Recycling Plant No. 1.



The TYCIP 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. Future funding plans will incorporate updated cost estimates, revised schedules, and adaptive funding strategies to ensure alignment with program goals and long-term fiscal sustainability. Figure 6-2 shows the potential funding sources for the TYCIP capital and non-capital projects.



The Capital Improvement Program budget for FY 2025/26 is \$153.5 million and \$156.2 million for FY 2026/27. In FY 2025/26, capital projects in the Regional Wastewater program accounted for 79 percent of the annual budget, Administrative Services program projects account for nine percent, Recycled Water program projects account for six percent, and the remaining six percent is spread among the other funds. Table 6-1 shows the FYs 2025/26 and 2026/27 CIP by fund.

Table 6-1: Capital Improvement Program by Fund (\$Millions)

Fund	FY 2025/26 Budget	Percentage of Total Budget	FY 2026/27 Budget	Percentage of Total Budget
Wastewater Capital	\$94.0	61.2%	\$92.5	59.2%
Wastewater Operations	27.7	18.0%	34.4	22.0%
Recycled Water	9.2	6.0%	13.8	8.8%
Administrative Services	13.9	9.1%	12.4	7.9%
Water Resources	4.1	2.7%	-	-%
Recharge Water	3.6	2.3%	3.1	2.0%
Non-Reclaimable Wastewater	1.0	0.7%	-	-%
Total	\$153.5	100%	\$156.2	100%

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

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

A key component of the Agency's CIP are critical R&R projects necessary to meet reliability and regulatory requirements. As reported in Tables 6-2 and 6-3, Equipment and R&R projects account for \$11.8 million of the total \$153.5 million CIP budget in FY 2025/26, and \$9.4 million of the \$156.2 million CIP budget in FY 2026/27.

Table 6-2: FY 2025/26 Capital Improvement Program by Project Type (\$Millions)

Fund	Construction	Equipment	Replacement & Rehabilitation	FY 2025/26 CIP Total
Wastewater Capital	\$91.9	\$0.0	\$2.1	\$94.0
Wastewater Operations	23.4	0.3	4.0	27.7
Recycled Water	8.1	-	1.1	9.2
Administrative Services	10.5	0.3	3.1	13.9
Water Resources	4.1	-	-	4.1
Recharge Water	3.5	-	0.1	3.6
Non-Reclaimable Wastewater	0.2	-	0.8	1.0
Total	\$141.7	\$0.6	\$11.2	\$153.5

Table 6-3: FY 2026/27 Capital Improvement Program by Project Type (\$Millions)

Fund	Construction	Equipment	Replacement & Rehabilitation	FY 2026/27 CIP Total
Wastewater Capital	\$92.0	\$0.0	\$0.5	\$92.5
Wastewater Operations	29.7	0.3	4.4	34.4
Recycled Water	12.7	-	1.1	13.8
Administrative Services	9.4	0.4	2.6	12.4
Recharge Water	3.0	-	0.1	3.1

Fund	Construction	Equipment	Replacement & Rehabilitation	FY 2026/27 CIP Total
Water Resources	-	-	-	-
Non-Reclaimable Wastewater	-	-	-	-
Total	\$146.8	\$0.7	\$8.7	\$156.2

In addition to the CIP, included in the biennial budget are non-capital operations and maintenance (O&M) projects that support reliability and regulatory requirements. Also included are projects that support the Agency's regional water use efficiency program which is fundamental in managing region-wide demand, these projects have a significant impact on sustaining regional water supplies.

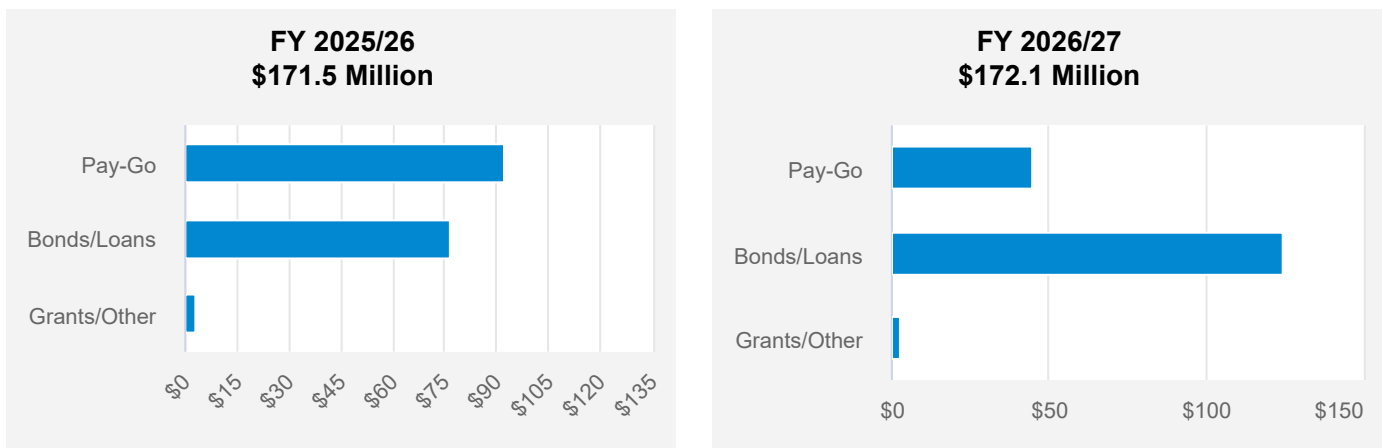
As reported in Table 6-4, the non-capital O&M projects budget is \$18.0 million in FY 2025/26 and \$15.9 million for FY 2026/27.

Table 6-4: FY 2025/26 and 2026/27 Non-Capital Program by Project Type (\$Millions)

Fund	FY 2025/26 Non-Capital (O&M) Projects	FY 2026/27 Non-Capital (O&M) Projects
Wastewater Capital	\$0.9	\$0.9
Wastewater Operations	6.7	5.6
Recycled Water	1.6	1.4
Water Resources	6.5	6.2
Administrative Services	1.7	1.0
Non-Reclaimable Wastewater	0.6	0.8
Total	\$18.0	\$15.9

The breakdown of the funding sources for both capital and non-capital projects in FY 2025/26 and FY 2026/27 are shown in Figure 6-3. WIFIA and SRF loans, and grants are an important funding source for the Agency's CIP in combination with pay-go, which includes connection fees, user charges, contributions from outside parties, and property taxes. The allocation of funds is based upon an analysis of available funding sources, as well as a review of project needs and priorities.

Figure 6-3: Total Project Funding Sources (\$Millions)



A summary of the ten-year capital plan funding source and project type by fund is shown below in Table 6-5.

**Table 6-5: FY 2025/26 – FY 2034/35 Total Project Budget
Funding Source and Summary of Project Types by Fund (\$Thousands)**

Contributions		FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	Total TYCIP
Debt		\$76,261	\$124,250	\$145,847	\$125,716	\$156,161	\$969,584
Pay-go		92,406	45,045	75,476	88,467	89,758	809,816
Grant		2,835	2,835	10,810	10	10	16,550
Total Project Funding		\$171,502	\$172,130	\$232,133	\$214,193	\$245,929	\$1,795,950

Fund Program	Project Type	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	Total TYCIP
Regional Wastewater Capital	CC	\$91,855	\$92,010	\$120,935	\$99,535	\$105,910	\$962,845
	OM	900	900	900	800	900	7,850
	RP	2,145	500	1,000	1,000	1,500	14,345
Wastewater Capital Total		\$94,900	\$93,410	\$122,835	\$101,335	\$108,310	\$985,040
Regional Wastewater Operations & Maintenance	CC	\$23,400	\$29,700	\$28,050	\$17,750	\$7,850	\$127,150
	EQ	250	250	-	-	300	1,100
	OM	6,655	5,643	4,742	4,744	4,346	42,850
	RP	4,000	4,400	5,550	6,050	4,450	36,700
Wastewater Operations Total		\$34,305	\$39,993	\$38,342	\$28,544	\$16,946	\$207,800
Recharge Water	CC	\$3,500	\$3,000	\$325	\$1,000	\$1,000	\$8,825
	EQ	43	47	50	55	58	610
	RP	50	50	-	-	-	100
Recharge Water Total		\$3,593	\$3,097	\$375	\$1,055	\$1,058	\$9,535
Non-Reclaimable Wastewater	CC	\$240	-	\$410	\$760	\$1,000	\$7,410
	OM	650	750	950	1,950	950	7,600
	RP	792	-	280	2,780	2,780	43,982
Non-Reclaimable Total		\$1,682	\$750	\$1,640	\$5,490	\$4,730	\$58,992
Water Resources	CC	\$4,100	-	-	-	-	\$4,100
	OM	5,815	5,717	2,100	2,100	2,100	28,332
	RE	700	511	-	-	-	1,211
Water Resources Total		\$10,615	\$6,228	\$2,100	\$2,100	\$2,100	\$33,643
Recycled Water	CC	\$8,115	\$12,735	\$54,400	\$64,400	\$102,000	\$413,950
	OM	1,563	1,465	1,713	2,540	1,943	15,486
	RP	1,117	1,067	3,667	2,617	2,042	10,760
Recycled Water Total		\$10,795	\$15,267	\$59,780	\$69,557	\$105,985	\$440,196
Administrative Services	CC	\$10,521	\$9,387	\$4,463	\$3,873	\$3,000	\$32,494
	EQ	345	360	360	40	45	1,150
	OM	1,676	993	403	364	345	5,256
	RP	3,070	2,645	1,835	1,835	3,410	21,845
Administrative Services Total		\$15,612	\$13,385	\$7,061	\$6,112	\$6,800	\$60,745
Grand Total		\$171,502	\$172,130	\$232,133	\$214,193	\$245,929	\$1,795,950

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

Capital Project Highlights

The Capital Improvement Program (CIP) for FY 2025/26 and FY 2026/27 includes 24 major, non-routine capital projects, each with a budget exceeding \$2 million. Most of these projects fall under the Regional Wastewater Program and are detailed in Table 6-6.

Collectively, these 24 projects represent \$132.0 million of the \$153.5 million CIP budget for FY 2025/26 and \$137.7 million of the \$156.2 million budget for FY 2026/27. In addition to their capital appropriations, many of these projects have an impact on the Agency's operating budget, typically through increased utility or maintenance costs associated with expanded infrastructure. In some cases, these costs may be partially offset by added revenues from increased capacity or operational efficiencies. Table 6-6 outlines each project's anticipated operating impact and funding sources.

Funding for these one-time capital investments include a combination of pay-as-you-go (pay-go) financing, grants, contributions, and potential future debt. While current projections include the possibility of debt financing, the funding strategy will continue to evolve as projects move through design and approach construction readiness. Future funding plans will incorporate updated cost estimates, revised schedules, and adaptive funding strategies to align with program goals and ensure long-term fiscal sustainability.

The Agency remains committed to evaluating and adjusting funding sources as needed. IEUA will continue to seek federal, state, and regional grants and incentives, including low-interest loans. These one-time projects are included in the ten-year financial forecast with proposed funding sources, and their impacts on the operating budget are reflected in the budget assumptions.

Table 6-6: Highlights and Operating Impacts of Significant Non-Routine Projects (\$Thousands)

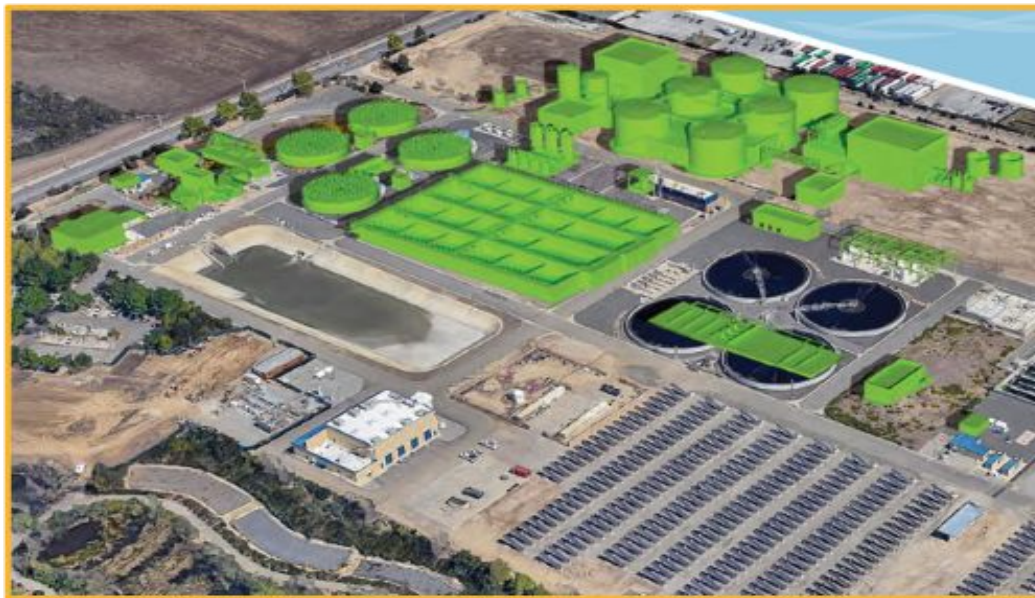
Project Number	Project Name	Project Type	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	Total Project Budget	Funding Source	Annual Cost	Operating Budget Impact
								Type of Impact
Administrative Services Fund								
EN23003	Central Plant Cooling Tower Replacement	RP	\$1,500	\$1,000	\$2,500	Pay-go	\$0	In kind replacement of existing cooling tower
IS25004	ERP Implementation	CC	9,000	8,000	20,000	Pay-go	300	Cost of licenses for users
Total Administrative Services Fund			\$10,500	\$9,000	\$22,500		\$300	
Recharge Water Fund								
RW15003	Recharge Master Plan Update	CC	\$3,000	\$2,500	\$5,500	SRF loan/ Capital Contribution/ Pay-go	\$168	Maintaining basin performance/ Energy cost to operate the new pumps/Maintenance of the added pipelines and new Pump Station
Total Recharge Water Fund			\$3,000	\$2,500	\$5,500		\$168	
Recycled Water Fund								
EN24007	1299 Recycled Water Pump Station Rehab	CC	\$500	\$1,950	\$7,400	Potential new debt/Pay-go	\$0	No significant operating impact
EN25022	Compliance for Recycled Water Facilities	CC	7,215	9,785	17,000	Pay-go	-	No impact, project is a preliminary design report (PDR)
Total Recycled Water Fund			\$7,715	\$11,735	\$24,400		\$0	
Water Resource Fund								
PL19005	Chino Basin Program	CC	\$4,100	\$0	\$4,100	Pay-go	\$0	No significant operating impact
Total Water Resource Fund			\$4,100	\$0	\$4,100		\$0	
Regional Wastewater Operations and Maintenance Fund								
EN13016	SCADA Enterprise System	CC	\$5,000	\$3,600	\$8,600	Potential new debt/Pay-go	\$0	No significant operating impact
EN18025	RP-1 Secondary System Rehabilitation	CC	1,000	3,000	11,000	Potential new debt/Pay-go	-	No significant operating impact

Project Number	Project Name	Project Type	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	Total Project Budget	Funding Source	Annual Cost	Operating Budget Impact
								Type of Impact
EN19009	RP-1 Energy Recovery	CC	750	1,500	2,250	Pay-go	-	No impact, project is currently only for a preliminary design report (PDR)
EN20057	RP-4 Process Improvements Phase II	CC	3,000	5,000	14,000	Potential new debt/Pay-go	-	No significant operating impact
EN22031	RP-1 Intermediate Pump Station Electrical Improvements	CC	2,000	5,000	9,800	Potential new debt/Pay-go	-	No significant operating impact
EN23004	CCWRF Aeration Basins 1-6 Drain Valves	CC	250	2,000	4,750	Potential new debt/Pay-go	-	The Project will replace an existing asset and reduce the O&M impact
EN23038	CCWRF HVAC System Upgrade	RP	1,000	2,000	3,000	Pay-go	-	No significant operating impact
EN23074	CCWRF Influent Box Rehab at the Primary	CC	2,000	1,000	3,000	Pay-go	-	No significant operating impact
EN24032	RP-1 Primary Clarifier #1 and #10 Rehabilitation	CC	2,000	3,000	14,750	Potential new debt/Pay-go	-	No significant operating impact
Total Regional Wastewater Operations and Maintenance Fund			\$17,000	\$26,100	\$71,150		\$0	
Regional Wastewater Capital Fund								
EN17006	CCWRF Asset Management and Improvements	CC	\$6,000	\$2,900	\$8,900	Federal loans/Potential new debt/Pay-go	\$(217)	Project will provide process improvements to the primary, secondary, and tertiary treatments and odor control system. As a result of the improvements the project will generate savings due to lower cost of electricity
EN19001	RP-5 Expansion to 30 mgd	CC	22,500	13,000	48,500	State, federal loans/Potential new debt/Pay-go	6,361	Increased cost of utilities (electricity and natural gas), chemicals, maintenance costs, and operational costs
EN19006	RP-5 Biosolids Facility	CC	13,500	7,000	26,500	State, federal loans/Potential new debt/Pay-go	2,220	Increased cost of utilities (electricity and natural gas), chemicals, maintenance costs, and operational costs
EN21045	Montclair Force Main Improvements	CC	3,000	4,000	12,000	Pay-go	250	Increased utility, chemical, equipment, and maintenance costs due to new redundant force main pipeline
EN22022	RP-1 Air Compressor Upgrades	CC	2,500	2,500	5,900	Pay-go	-	No significant operating impact
EN22044	RP-1 Thickening Building & Acid Phase Digester	CC	25,000	35,000	173,000	Potential new debt/Pay-go	-	No significant operating impact
EN24002	RP-1 Solids Treatment Expansion	CC	3,000	4,000	49,500	Pay-go	-	No significant operating impact
EN25025	REEP Return to Service Capital	CC	500	3,000	7,000	Potential new debt/Pay-go	250	Increase in utility, equipment and maintenance costs, and staffing due to the system being returned to service
EN25070	Compliance for Wastewater Facilities	CC	13,700	17,000	40,700	Grant/Pay-go	-	No impact, project is a preliminary design report (PDR)
Total Regional Wastewater Capital Fund			\$89,700	\$88,400	\$372,000		\$8,864	

Type: GC - Capital Construction; EG - Equipment; RP = Replacement

Three significant capital projects are scheduled to be completed within the first five years of CIP. These three projects are the RP-5 Expansion to 30mgd (EN19001), RP-5 Biosolids Facility (EN19006), and the Advanced Water Purification Facility (EN28007).

The RP-5 Expansion to 30mgd and RP-5 Biosolids Facility projects are part of the expansion of the Regional Plant No. 5 (RP-5) and will allow for the treatment of both solids and liquids. RP-5 currently treats only liquids and has a capacity of 16.3 million gallons per day (mgd). The RP-5 liquids treatment expansion will expand the liquids treatment capacity to 22.5 mgd. The project will also include infrastructure for the buildout of RP-5 to ultimately treat an average flow of 30 mgd addressing expected growth in the southern section of IEUA's service area. Figure 6-4 below shows an overlay of the expansion projects at the RP-5 facility.



The construction of an Advanced Water Purification Facility (EN28007) at Regional Plant No. 4 will provide an additional 15,000 acre-feet per year of advanced treated purified recycled water to be stored in the Chino Basin. Recycled water supplies will be available for local use to respond more effectively to emergencies or extended periods of drought. Figure 6-5 shows a rendering of the Advanced Water Purification Facility.



FY 2025/26 and FY 2026/27 Budgeted Projects Regional Wastewater Capital Improvement Fund

Table 6-7 shows the Capital and O&M projects budgeted in the Regional Wastewater Capital Improvement fund, followed by Table 6-8 which provides a description of each of the projects to be executed in FY 2025/26 and FY 2026/27.

**Table 6-7: Regional Wastewater Capital Improvement Fund FY 2025/26 – FY 2034/35
Projects (\$Thousands)**

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
Capital Construction							
AM26007	Failure Analysis Equipment Procurement	\$10	\$10	\$10	\$10	\$10	\$100
AM26008	RP-5 Spare Part Storage Building Improvements	150	100	-	-	-	250
EN17006	CCWRF Asset Management and Improvements	6,000	2,900	-	-	-	8,900
EN18006	RP-1 Flare Improvements	15	-	-	-	-	15
EN19001	RP-5 Expansion to 30 mgd	22,500	13,000	13,000	-	-	48,500
EN19006	RP-5 Biosolids Facility	13,500	7,000	6,000	-	-	26,500
EN19025	Regional Force Main Improvements	15	-	-	-	-	15
EN21045	Montclair Force Main Improvements	3,000	4,000	4,000	1,000	-	12,000
EN22022	RP-1 Air Compressor Upgrades	2,500	2,500	900	-	-	5,900
EN22039	RP-4 SCADA Performance Improvement	-	-	500	250	-	750
EN22044	RP-1 Thickening Building & Acid Phase Digester	25,000	35,000	55,000	45,000	13,000	173,000
EN24001	RP-1 Liquid Treatment Capacity Recovery	-	-	-	-	1,500	195,000
EN24002	RP-1 Solids Treatment Rehabilitation	3,000	4,000	10,000	20,000	10,000	49,500
EN24022	IEUA SCADA Master Plan	-	-	-	-	-	750
EN24027	Fall Protection and Prevention Solutions	900	1,000	1,000	1,000	1,000	7,900
EN24052	BonView Sewer Jacked Casing Union Pacific	15	-	-	-	-	15
EN25025	REEP Return to Service Capital	500	3,000	3,000	500	-	7,000
EN25064	Agencywide Remote Vibration Project	250	150	-	-	-	400
EN25067	Caltrans IEUA Collections Sewer I-10 Rel	300	-	-	-	-	2,200
EN25069	CCWRF Process Improvements Phase II	-	550	1,425	4,000	4,500	12,475
EN25070	Development & Early Design Compliance Wastewater Facilities	13,700	17,000	10,000	-	-	40,700
EN25071	San Bernardino Lift Station Containment	-	-	-	-	500	500
EN26003	Regional System Siphon Barrel Gate Impro	-	-	325	650	-	975

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
EN26010	RP-4 Process Improvements Phase III	-	-	-	-	-	11,500
EN26012	RP-5 Emergency Overflow Pond Lining	-	500	1,000	2,500	1,000	5,000
EN26013	RP-5 Low Pressure DG holder	-	-	-	-	-	2,000
EN26058	RP-2 Maintenance Trailers and Showers Installation	500	1,000	-	-	-	1,500
EN27006	Chino Interceptor Diversion Pipe Repair	-	-	-	500	2,100	3,100
EN28005	Cucamonga Interceptor Pipe Repair	-	-	400	750	-	1,150
EN28006	RP-2 Decommissioning	-	-	500	1,000	1,500	25,000
EN28007	Advanced Water Purification Facility	-	-	12,000	20,000	63,000	223,000
EN28008	RP-5 O&M Building	-	-	500	1,000	2,000	50,000
EN28024	Etiwanda Interceptor Grade-Break Sewer Protection/Relocation	-	-	200	-	-	200
EN28025	Preserve Lift Station Level Redundancy Improvements	-	-	75	325	-	400
EN29009	RP1 Ops & Maint Building Rehabilitation	-	-	-	50	450	16,500
EN31001	Freeway Trunk Pipe Repair	-	-	-	-	-	13,000
EN31002	Riverside Drive Trunk Pipe Repair	-	-	-	1,000	1,850	4,250
EN33002	RP-4 Emergency Storage Lagoon Pump System Improvement	-	-	-	-	-	2,000
EN33003	RP-5 Vactor Dump Station Construction	-	-	-	-	-	5,000
EN34002	CCWRF Emergency Storage Basin Lining and Pump Station Improvement	-	-	-	-	-	1,000
PL17002	HQ Solar Photovoltaic Power Plants Ph. 2	-	300	1,100	-	-	1,400
PL19001	Purchase Existing Solar Installation	-	-	-	-	3,500	3,500
Total Capital Construction		\$91,855	\$92,010	\$120,935	\$99,535	\$105,910	\$962,845
Capital Replacement							
EN11039	RP-1 Disinfection Pump Improvements	\$15	\$0	\$0	\$0	\$0	\$15
EN24028	RP-1 Utility Water Piping Asset Management	-	-	-	-	500	3,000
EN25075	Regional Sewer System Critical Manhole Replacement	1,630	-	-	-	-	1,630
EN26055	Regional Sewer System Manhole Upgrades FY 25/26	500	500	500	500	500	5,000
EN28026	Collection System Upgrades	-	-	500	500	500	4,000
EN33001	CCWRF Paving Replacement	-	-	-	-	-	700
Total Capital Replacement		\$2,145	\$500	\$1,000	\$1,000	\$1,500	\$14,345
Total Capital Project Costs		\$94,000	\$92,510	\$121,935	\$100,535	\$107,410	\$977,190
Reimbursable Project							
EN17006	CCWRF Asset Management and Improvements	\$50	\$50	\$0	\$0	\$0	\$100
EN19001	RP-5 Expansion to 30 mgd	100	100	100	-	-	300
EN19006	RP-5 Biosolids Facility	100	100	-	-	-	200

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
EN22044	RP-1 Thickening Building & Acid Phase Digester	100	100	100	100	100	500
EN24001	RP-1 Liquid Treatment Capacity Recovery	-	-	-	-	100	600
EN24002	RP-1 Solids Treatment Rehabilitation	-	-	100	100	100	400
EN26059	Regional Capital Connections	300	300	300	300	300	3,000
EN28007	Advanced Water Purification Facility	-	-	50	50	50	250
PL26006	Regional Capital Planning Documents	250	250	250	250	250	2,500
Total Reimbursable Project		\$900	\$900	\$900	\$800	\$900	\$7,850
Total Regional Wastewater Capital Improvement Fund		\$94,900	\$93,410	\$122,835	\$101,335	\$108,310	\$985,040

**Table 6-8: Regional Wastewater Capital Improvement
FY 2025/26 and FY 2026/27 Project Descriptions**

Project Number	Name	Description
Capital Construction		
AM26007	Failure Analysis Equipment Procurement	Solicit vendors for condition-based monitoring equipment, replacing or upgrading end-of-life assets.
AM26008	RP-5 Spare Part Storage Building Improvements	Install lighting, security systems, racking, workstation, and forklift at RP-5 Spare Part Storage.
EN17006	Carbon Canyon Water Recycling Facility (CCWRF) Asset Management and Improvements	Upgrade and replace odor control equipment that reached the end of their life at Carbon Canyon Water Recycling Facility (CCWRF).
EN18006	RP-1 Flare Improvements	Replace gas system and flares to meet air quality requirements set by the South Coast Air Quality Management District (SCAQMD).
EN19001	RP-5 Expansion to 30 mgd	Expansion of existing Regional Water Recycling Plant No. 5 (RP-5) liquid treatment capacity from 16 to 30 million gallon per day (MGD) to meet the future flow projections and allow for flexibility when transferring sewage flows to and from adjacent treatment plants.
EN19006	RP-5 Biosolids Facility	Construction of new solids handling facility at RP-5 to then decommission the RP-2 solids facility.
EN19025	Regional Force Main Improvements	Installation of the clean outs for Montclair and San Bernardino Lift Stations and increasing the useful life of the pipelines.
EN21045	Montclair Force Main Improvements	Design and construction of new pipeline to increase the reliability and efficiency of the Montclair Force Main.
EN22022	RP-1 Air Compressor Upgrades	Design and construct a new centralized/consolidated air compressor and piping to replace the existing air compressors to provide flexibility and redundancy to the plant.
EN22039	RP-4 SCADA Performance Improvements	New control panel to be installed in server room, provide two new sets of redundant controllers to be installed in new control panel; existing secondary redundant controller remains; tertiary redundant controller will be repurposed as the second secondary redundant controller.
EN22044	RP-1 Thickening Building & Acid Phase Digester	Expand RP-1 thickening building capacity and optimize acid phase digestion.
EN24001	RP-1 Liquid Treatment Capacity Recovery	Evaluate and design upgrades to increase RP-1 liquid treatment capacity to forty million gallon per day.
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.
EN24022	IEUA SCADA Master Plan	Provide recurring Rockwell PlantPAX updates, ensuring SCADA remains current and optimized for ongoing projects.
EN24027	Fall Protection and Prevention Solutions	Evaluate locations for CAL/OSHA-compliant fall protection systems, equipment, and restraint measures.
EN24052	BonView Sewer Jacked Casing Union Pacific Railroad	Prepare a preliminary design report to protect sewers under Union Pacific at Bon View.
EN25025	Renewable Energy Efficient Project (REEP) Return to Service Capital	Purchase auxiliary components and SCADA upgrades to restart the REEP, enabling power production from digester gas.
EN25064	Agencywide Remote Vibration Project	Purchase and install remote vibration sensors, instrumentation, and networking to enhance asset monitoring.
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.
EN25069	Carbon Canyon Water Recycling Facility (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.

Project Number	Name	Description
EN25070	Development & Early Design Compliance for Wastewater Facilities	Complete sixty percent design of full-scale Advanced Water Purification Facility and demonstration using collaborative delivery.
EN25071	San Bernardino Lift Station Containment	Develop containment solutions for potential large or small leaks at San Bernardino Lift Station, exploring nearby drainage options.
EN26003	Regional System Siphon Barrel Gate Improvements	Plan, design, and build siphon barrel gate improvements with consultant support, reducing sewer system risks.
EN26010	RP-4 Process Improvements Phase III	Integrate ammonia control valves, remove/replace valves, fix biofilter lining, upgrade grit chamber, reconfigure pumps, and resize piping at RP-4.
EN26012	RP-5 Emergency Overflow Pond Lining	Line RP-5 Emergency Overflow Pond with lining product until concrete liner is installed, adding underdrains or pumps to manage groundwater.
EN26013	RP-5 Low Pressure Digester Gas holder	Construct a low-pressure digester gas holder at RP-5 for enhanced gas management.
EN26058	RP-2 Maintenance Trailers and Showers Installation	Purchase portable office and shower trailers for twenty-two field staff at RP-2, providing adequate facilities, utilities, and storage.
EN27006	Chino Interceptor Diversion Pipe Repair	Plan, design, and construct Chino Interceptor repairs through public bidding.
EN28005	Cucamonga Interceptor Pipe Repair	Plan, design, and construct Cucamonga Interceptor repairs with consultant-led design and public works execution.
EN28006	RP-2 Decommissioning	Decommission RP-2 by demolishing facilities to ten feet below grade, filling structures, obtaining permits, and restoring site per United States Army Corps of Engineers (USACE) requirements.
EN28007	Advanced Water Purification Facility	Build a 15 MGD Advanced Water Purification Facility at RP-4, using microfiltration, reverse osmosis, ultraviolet advanced oxidation process, and booster pumps.
EN28008	RP-5 O&M Building	Construct an O&M building at RP-5 with offices, a shop area, showers, lockers, and parking for operational needs.
EN28024	Etiwanda Interceptor Grade-Break Sewer Protection/Relocation	Draft pre-design for maintaining or relocating the Etiwanda Trunk Sewer, determine cost and permits.
EN28025	Preserve Lift Station Level Redundancy Improvements	Hardwire redundant level switches for Preserve Lift Station pumps, adding a bypass switch for manual operation.
EN29009	RP1 Operations & Maintenance Building Rehabilitation	Renovate RP-1 O&M building: update breakrooms, restrooms, conference areas, electrical systems, lighting, flooring, doors, and lab space.
EN31001	Freeway Trunk Pipe Repair	Plan, design, and bid Freeway Trunk Pipe repairs, awarding to lowest responsible bidder for public works construction.
EN31002	Riverside Drive Trunk Pipe Repair	Fix Riverside Drive trunk pipe issues; coordinating traffic, bypasses, and odor notifications and ensure minimal community disruption.
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.
EN33003	RP-5 Vactor Dump Station Construction	Build a new septic dump station near RP-5 with odor control per Air Quality Management District (AQMD) standards, with the help of consultant design.
EN34002	Carbon Canyon Water Recycling Facility (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.
PL17002	Headquarters Solar Photovoltaic Power Plants Phase 2	The Agency is requesting vendors propose alternate photovoltaic products, design, and mounting methodologies to install solar power at the Headquarters roof top and parking lot (car port).
PL19001	Purchase Existing Solar Installation	Evaluation of the economics of procuring the existing solar equipment at each IEUA facility to avoid electricity expenses for the energy generated from the panels moving forward.

Project Number	Name	Description
EN11039	RP-1 Disinfection Pump Improvements	Replace bleach pumps and vulnerable underground piping, add chemical containment, and update SCADA for power-loss alerts.
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.
EN25075	Regional Sewer System Critical Manhole Replacement	Replace around one hundred eighty critical manhole covers/frames, designing and constructing repairs for the collection system.
EN26055	Regional Sewer System Manhole Upgrades FY 25/26	Address identified manhole upgrades, creating sub-projects for design and construction as needed.
EN28026	Collection System Upgrades	Develop and build collection system repairs identified by Engineering.
EN33001	Carbon Canyon Water Recycling Facility (CCWRF) Paving Replacement	Assess and replace paving, concrete, and vaults at CCWRF while accommodating deliveries and emergencies.
EN17006	Carbon Canyon Water Recycling Facility (CCWRF) Asset Management and Improvements	O&M budget is needed to cover chemical purchases for facility operations.
EN19001	RP-5 Expansion to 30 mgd	Provision of funds is needed for O&M costs related to RP5 expansion to 30 mgd.
EN19006	RP-5 Biosolids Facility	Provision of funds is needed for O&M costs related to RP-5 Biosolids Facility.
EN22044	RP-1 Thickening Building & Acid Phase Digester	Provision of funds is needed for O&M costs related to RP-1 Thickening Building & Acid Phase Digester.
EN24001	RP-1 Liquid Treatment Capacity Recovery	Provision of funds is needed for O&M costs related to RP-1 Liquid Treatment Capacity Recovery.
EN24002	RP-1 Solids Treatment Rehabilitation	Provision of funds is needed for O&M costs related to RP-1 Solids Treatment Rehabilitation.
EN26059	Regional Capital Connections	Establish a master project for regional capital connections, covering consultant professional fees and related service charges.
EN28007	Advanced Water Purification Facility	Provision of funds is needed for O&M costs related to Advanced Water Purification Facility.
PL26006	Regional Capital Planning Documents	With the help of consultants, prepare and manage planning documents for regional capital projects, developing scopes and proposals.

FY 2025/26 and FY 2026/27 Budgeted Projects Regional Wastewater Operations Fund

Table 6-9 shows the Capital and O&M projects budgeted in the Regional Wastewater Operations and Maintenance fund, followed by Table 6-10 which provides a description of each of the projects to be executed in FY 2025/26 and FY 2026/27.

Table 6-9: Regional Wastewater Operations and Maintenance Fund FY 2025/26 – FY 2034/35 Projects (\$Thousands)

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
Capital Construction							
EN13016	SCADA Enterprise System	\$5,000	\$3,600	\$0	\$0	\$0	\$8,600
EN18025	RP-1 Secondary System Rehabilitation	1,000	3,000	5,000	2,000	-	11,000
EN19009	RP-1 Energy Recovery	750	1,500	-	-	-	2,250
EN20057	RP-4 Process Improvements Phase II	3,000	5,000	5,000	1,000	-	14,000
EN21053	RP-1 Filter Effluent Structure #2 Rehabi	700	1,000	1,000	-	-	2,700
EN21056	RP-1 Evaporative Cooling for Aeration Bl	750	-	-	-	-	750
EN22027	RP-1 Repurpose Lab	1,250	-	-	-	-	1,250
EN22031	RP-1 Intermediate Pump Sta. Electrical	2,000	5,000	2,800	-	-	9,800
EN23000	RP1 Device Net Replacement	1,000	250	-	-	-	1,250
EN23004	Carbon Canyon Water Recycling Facility (CCWRF) Aeration Basins 1-6 Drain Valves	250	2,000	2,500	-	-	4,750
EN23036	San Bernardino Ave LS Reliability Improv	-	-	1,250	3,000	2,000	6,250
EN23074	Carbon Canyon Water Recycling Facility (CCWRF) Influent Box Rehab at the Primary Clarifiers	2,000	1,000	-	-	-	3,000
EN23114	RP1 Instrumentation and Control Enhancements	-	-	250	750	250	1,250
EN24020	RP-1 Dewatering Centrate Pumps	600	-	-	-	-	600
EN24023	RP3 Regional Sewer Diversion Structure Rehab	800	300	-	-	-	1,100
EN24029	RP-1 Tertiary Asset Management Phase 1	-	-	-	500	2,000	4,000
EN24032	RP-1 Primary Clarifier #1 Through #10 Rehabilitation	2,000	3,000	6,000	3,750	-	14,750
EN24033	Annular Seals	-	-	50	-	-	50
EN24059	Chino Hills Trunk-014 Sewer Siphon Cured in Place Pipe (CIPP) Repair	150	-	-	-	-	150
EN25002	SSI Aeration Disk Replace RP1_RP4_RP5	200	1,100	400	2,400	-	7,800
EN25006	Carbon Canyon Water Recycling Facility (CCWRF) Primary Clarifier Coating	1,000	200	-	-	-	1,200
EN25010	RSS - Collection System Pipe Rehabilitation	-	-	-	1,000	1,000	6,000
EN25044	Asset Management Software	500	150	50	-	-	700
EN26004	Agencywide VFD Upgrades Wastewater FY2526	50	1,000	1,000	1,000	1,000	9,050
EN26046	RP-1 Headworks Influent Channel Rehabilitation	300	1,500	2,000	200	-	4,000

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
EN28020	RP-1 Digester Gas Carbon Canister Installation	-	-	150	850	-	1,000
EN28022	Carbon Canyon Water Recycling Facility (CCWRF) Filter Inlet and Bypass Gates Replacement	-	-	500	1,000	400	1,900
EN29003	Replace Aeration Basin Influent / RAS, Step Feed Gates	-	-	-	-	-	3,800
EN29010	Agencywide Air Relief Valves Upgrade and Replacement	-	-	-	200	1,000	1,500
EN30008	RP-1 Ammonia Analyzer Improvements	-	-	-	-	100	600
EN31003	RP-1 New Parking Lot	-	-	-	-	-	1,100
FM26003	Recurring Regional Sewer Manhole Procurement	100	100	100	100	100	1,000
Total Capital Construction		\$23,400	\$29,700	\$28,050	\$17,750	\$7,850	\$127,150
Capital Replacement							
EN23035	Carbon Canyon Water Recycling Facility (CCWRF) RAS Header Replacement	\$750	\$350	\$0	\$0	\$0	\$1,100
EN23038	Carbon Canyon Water Recycling Facility (CCWRF) HVAC System Upgrade	1,000	2,000	-	-	-	3,000
EN25045	Carbon Canyon Water Recycling Facility (CCWRF) Electrical Improvements	700	500	3,000	2,000	-	6,200
EN28018	Recurring RSS Manhole Lining Project	-	-	100	100	100	800
EN28023	RP-1 Motor Control Center 9M Replacement	-	-	500	2,000	2,400	4,900
EN28027	Agencywide Paving	-	-	400	400	400	3,200
EN34001	Prado Dechlorination Motor Control Center Replacement	-	-	-	-	-	2,000
EP26001	Agencywide Major Facilities Repair/Replacement	1,000	1,000	1,000	1,000	1,000	10,000
IS20007	Control System Enterprise Historian Enhancement	250	250	-	-	-	500
IS26016	SCADA Infrastructure Asset Replacement	550	550	550	550	550	5,500
IS28001	Operational Artificial Intelligence (AI) and Machine Learning (ML)	-	-	-	-	300	600
Total Capital Replacement		\$4,250	\$4,650	\$5,550	\$6,050	\$4,750	\$37,800
Total Capital Project Costs		\$27,650	\$34,350	\$33,600	\$23,800	\$12,600	\$164,950
Operations & Maintenance (O&M)							
AM24010	Agencywide O&M Manual Updates	\$1,000	\$1,000	\$0	\$0	\$0	\$2,000
AM26005	Preventative Maintenance Planning Optimization	300	750	750	300	-	2,100
AM26006	Regional Operation Condition Assessments	240	240	240	240	240	2,400
AM28003	Agencywide Operations O&M Manuals	-	-	200	850	450	1,500
EN22024	Asset Management Cleaning Services	1,000	1,500	1,500	1,500	1,500	14,500
EN23021	Agencywide Infiltration and Infow Study	800	150	-	-	-	950
EN24024	Carbon Canyon Water Recycling Facility (CCWRF) Subsidence Monitoring	-	-	-	100	600	1,380

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
EN24064	RP-5 to RP-2 Sludge Line Repair	25	-	-	-	-	25
EN25048	Agencywide Asset Hier & Crit Assessment	350	-	-	-	-	350
EN25065	Caltrans IEUA Collections Pad Construction	150	-	-	-	-	150
EN26047	RP-5 SCE Fairfield Circuit Coordination Study	400	-	-	-	-	400
EN26048	Regional Sewer Hydraulic Modeling FY 25/26	250	40	40	40	40	610
EN26051	Regional Operation Safety On-Call O&M Projects FY 25/26	250	250	250	250	250	2,500
EN26052	Regional Operation Emergency O&M Projects	300	300	300	300	300	3,000
EN26053	Regional Operation Small On-Call O&M Projects FY 25/26	500	500	500	500	500	5,000
EN28021	RP-1 Hofer Circuit Coordination Study	-	-	300	-	-	300
FM25002	Agencywide Painting Services for Buildings	-	-	-	-	150	450
FM28007	Agencywide Facilities Rehab & Repairs	-	-	62	64	66	532
PL24001	Chino Creek Surface Water Monitoring Program	60	113	-	-	-	173
PL24002	PFAS Investigation	50	-	-	-	-	50
PL24007	Septic Conversions Investigation	80	-	-	-	-	80
PL25009	Energy Plan	300	100	-	-	-	400
PL26002	PFAS Monitoring of Regional Sewer System	100	-	-	-	-	100
PL26003	Regional Flow and Loading Data Analysis	50	-	-	-	-	50
PL26004	Wastewater Facilities Master Plan Update	200	450	200	-	-	850
PL26005	Regional Operation Planning Documents	250	250	250	250	250	2,500
PL28001	Regional Treatment Plant Discharge Limits Update	-	-	150	350	-	500
Total O&M Project Costs		\$6,655	\$5,643	\$4,742	\$4,744	\$4,346	\$42,850
Total Regional Wastewater Operations and Maintenance Fund		\$34,305	\$39,993	\$38,342	\$28,544	\$16,946	\$207,800

**Table 6-10: Regional Wastewater Operations and Maintenance
FY 2025/26 and FY 2026/27 Project Descriptions**

Project Number	Name	Description
Capital Construction		
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.
EN18025	RP-1 Secondary System Rehabilitations	Rehabilitate secondary clarifiers' concrete surfaces, recoat metal parts, replace aboveground polyvinyl chloride sprayer piping, and add ultra-violet protection for extended service life.
EN19009	RP-1 Energy Recovery	Engage consultant to analyze digester gas use, exploring injection, cogeneration or microgrid solutions. Project includes financial viability, regulatory compliance, and subsequent design-build implementation.
EN20057	RP-4 Process Improvements Phase II	Reconfigure influent pump station, replace deteriorated gates, upgrade blowers, and make electrical/control improvements to enhance reliability.
EN21053	RP-1 Filter Effluent Structure #2 Rehabilitation	Rehabilitate structure and valves, addressing severely corroded gates and stems for improved performance and reliability.
EN21056	RP-1 Evaporative Cooling for Aeration Blower Building	Install evaporative or AC cooling to prevent blower building equipment failures due to overheating.
EN22027	RP-1 Repurpose Lab	Redesign and construction of old lab building to relocate source control from headquarters, freeing space and adding new operations offices.
EN22031	RP-1 Intermediate Pump Station Electrical	Replace motor control center (MCC) 6M/8M with Allen Bradley IntelCenter, install 18-pulse variable frequency drives (VFDs), and improve electrical reliability at the intermediate pump station.
EN23000	RP1 Device Net Replacement	Evaluate motor control center with E3 overloads, replace or upgrade to E300 with Ethernet/IP or Modbus TCP/IP, and transition DeviceNet hardware for enhanced connectivity.
EN23004	Carbon Canyon Water Recycling Facility (CCWRF) Aeration Basins 1-6 Drain Valves	Replace six-inch drain valves to prevent backflow in aeration basins 1-6, ensuring reliable drainage.
EN23036	San Bernardino Ave Lift Station Reliability Improvements	Install chopper pumps, add wet well access hatch, pave around pumps, and engage consultant for design/construction services.
EN23074	Carbon Canyon Water Recycling Facility (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.
EN23114	RP1 Instrumentation and Control Enhancements	Assess PCN requests, design and install electrical/control infrastructure, and finalize SCADA migration for comprehensive RP-1 upgrades
EN24020	RP-1 Dewatering Centrate Pumps	Remove unreliable ESSCO pumps, install more dependable units, and adjust railing to accommodate new equipment.
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.
EN24029	RP-1 Tertiary Asset Management Phase 1	Replace twenty-six filter effluent valves, custom tee, rehabilitate pump station, modify sedimentation basin sludge pumps, and ensure long-term tertiary asset reliability.
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.
EN24033	Annular Seals	Verify each annular seal's condition and replace as necessary.
EN24059	Chino Hills Trunk-014 Sewer Siphon Cured in Place Pipe (CIPP) Repair	Conduct flow monitoring, design a bypass-based CIPP repair for both siphon barrels, and provide engineering services during construction.
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.

Project Number	Name	Description
EN25006	Carbon Canyon Water Recycling Facility (CCWRF) Primary Clarifier Coating	Restore concrete surfaces, apply protective coating, and rehabilitate corroded metal parts and valves in both primary clarifiers.
EN25010	RSS - Collection System Pipe Rehabilitation	Replace or refurbish failing air expansion tanks to extend their service life in the regional sewer system.
EN25044	Asset Management Software	Develop and implement software for tracking, managing, and optimizing assets throughout their lifecycle.
EN26004	Agencywide VFD Upgrades Wastewater FY2526	Coordinate to replace variable frequency drives (VFDs) over 15 years old at southern wastewater facilities, ensuring consistent reliability agencywide.
EN26046	RP-1 Headworks Influent Channel Rehabilitation	Rehabilitate unlined influent channel concrete, repair manhole openings, replace framing, covers, and gate frames, addressing identified leaks.
EN28020	RP-1 Digester Gas Carbon Canister Installation	Install carbon canisters and pressure reducing valves for digester gas, ensuring proper flare operation and South Coast Air Quality Management District (SCAQMD) compliance, with consultant-led design and construction.
EN28022	Carbon Canyon Water Recycling Facility (CCWRF) Filter Inlet and Bypass Gates Replacement	Replace inlet and bypass gates for reliable filter flow control at CCWRF.
EN29003	Replace Aeration Basin Influent / RAS, Step Feed Gates	Inspect and replace corroded aeration basin influent and gates with stainless steel for improved durability.
EN29010	Agencywide Air Relief Valves Upgrade and Replacement	Standardize air/vacuum relief valves, add check and isolation valves, and improve pipeline maintenance safety.
EN30008	RP-1 Ammonia Analyzer Improvements	Remove six Hach analyzers, install six Horiba units, and ensure SCADA integration for continuous ammonia monitoring.
EN31003	RP-1 New Parking Lot	Convert the existing garden area near Lab into large parking with electrical hookups, supporting larger vehicles and clear traffic flow.
FM26003	Recurring Regional Sewer Manhole Procurement	Obtain new manhole lids for future projects, emergencies, and contractor installations within the service area.
Capital Replacement		
EN23035	Carbon Canyon Water Recycling Facility (CCWRF) RAS Header Replacement	Replace three 16-inch connections to Return Activated Sludge (RAS) header and about 22 feet of 36-inch pipe, potentially adding bypass.
EN23038	Carbon Canyon Water Recycling Facility (CCWRF) HVAC System Upgrade	Replace chilled water air handlers, boilers, zoning, and controls at operations building for improved climate management.
EN25045	Carbon Canyon Water Recycling Facility (CCWRF) Electrical Improvements	Assess and replace major electrical gear—12kV switchgear, MCCs, transformers, panels, and more—throughout CCWRF for system reliability.
EN28018	Recurring Regional Sewage System Manhole Lining Project	Remove failed liners, apply chemical grouting if needed, and restore manhole interiors to prevent infiltration and maintain structural integrity.
EN28023	RP-1 Motor Control Center 9M Replacement	Replace the motor control center 9M with a new IntelCenter, possibly integrating variable frequency drives, and coordinating temporary power, ensuring updated remote control and equipment status.
EN28027	Agencywide Paving	Evaluate and address asphalt repair and replacement needs across the Agency with annual maintenance funding.
EN34001	Prado Dechlorination Motor Control Center Replacement	Replace the motor control center at Prado Dechlorination, coordinating temporary power and ensuring updated equipment reliability.
EP26001	Agencywide Major Facilities Repair/Replacement	Upgrade aging infrastructure, improve safety in wastewater plants, and purchase critical spare equipment agencywide.
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.

Project Number	Name	Description
IS26016	SCADA Infrastructure Asset Replacement	Purchase new servers, network switches, workstations, and UPS systems to replace outdated SCADA infrastructure and ensure reliable performance.
IS28001	Operational Artificial Intelligence (AI) and Machine Learning (ML)	Study and pilot AI/ML solutions in treatment applications, evaluating feasibility, potential benefits, and return on investment.
Operations and Maintenance		
AM24010	Agencywide O&M Manual Updates	Hire consultants to update O&M manuals at multiple wastewater plants (RP-1, RP-4), ensuring National Pollution Discharge Elimination System (NPDES) permit compliance.
AM26005	Preventative Maintenance Planning Optimization	Consult a maintenance and reliability expert to optimize SAP Computerized Maintenance Management System (CMMS) preventive maintenance plans, align tasks with asset needs, and update system modules for improved reliability and lifespan.
AM26006	Regional Operation Condition Assessments	Solicit condition assessments for critical assets, determining current state, remaining life, and repair needs.
AM28003	Agencywide Operations O&M Manuals	Prepare and update O&M manuals and standard operating procedures for Carbon Canyon Water Recycling Facility (CCWRF) and RP-5 by reviewing current procedures, identifying improvements, and ensuring efficiency, compliance, and safety.
EN22024	Asset Management Cleaning Services	Periodically clean digesters to prevent solids buildup, maintaining efficient dewatering and overall asset performance.
EN23021	Agencywide Infiltration and Inflow Study	Conduct infiltration and inflow study using a specialized engineering firm for field tests and monitoring of wastewater collection systems.
EN24024	Carbon Canyon Water Recycling Facility (CCWRF) Subsidence Monitoring	Collect soil core samples, place monitoring equipment, and conduct a two-year survey to measure subsidence at CCWRF.
EN24064	RP-5 to RP-2 Sludge Line Repair	Repair sludge line from RP-5 to RP-2, connecting to a 10-inch RW line and capping existing recycled water service points.
EN25048	Agencywide Asset Hierarchy & Criticality Assessment	Assess and update IEUA's asset hierarchy and register, perform inventory, compare to best practices, and present final recommendations for computerized maintenance management system (CMMS) (SAP) improvements.
EN25065	Caltrans IEUA Collections Pad Construction	Construct a locked access pad for IEUA Vactor truck, place annular rings, and install a gate to control flow on Turner Ave.
EN26047	RP-5 SCE Fairfield Circuit Coordination Study	Conduct a coordination study for RP-5's Southern California Edison (SCE) Fairfield Circuit, reviewing new settings and possibly using a temporary generator.
EN26048	Regional Sewer Hydraulic Modeling FY 25/26	Perform up to five annual regional sewer hydraulic analyses, including IEUA labor costs, for connection evaluations.
EN26051	Regional Operation Safety On-Call O&M Projects FY 25/26	Maintain and repair IEUA facilities to ensure a safe working environment.
EN26052	Regional Operation Emergency O&M Projects	Address unforeseen O&M repairs and modifications for regional treatment facilities.
EN26053	Regional Operation Small On-Call O&M Projects FY 25/26	Manage small on-call O&M projects, addressing design, construction administration, sequencing, scheduling, and coordination requirements for smooth execution.
EN28021	RP-1 Hofer Circuit Coordination Study	Conduct a coordination study at RP-1 Hofer Circuit to review and implement new settings.
FM25002	Agencywide Painting Services for Buildings	Provide painting services at Regional Plants to improve aesthetics and maintain facility buildings and structures.
FM28007	Agencywide Facilities Rehab & Repairs	Rehabilitate and repair agencywide facilities, ensuring proper maintenance and enhanced aesthetics of Regional Plants.
PL24001	Chino Creek Surface Water Monitoring Program	Develop and implement a surface water monitoring and quality assurance plan for Chino Creek, supporting 303(d)-delisting efforts with Watermaster and Water Board.
PL24002	PFAS Investigation	Investigate primary per- and polyfluorinated substances (PFAS) sources in water recycling facilities, analyze sewershed runoff, and determine PFAS fate during wastewater treatment.
PL24007	Septic Conversions Investigation	Identify septic conversion opportunities, update feasibility study with revised GIS maps, and evaluate cost impacts to residential neighborhoods and local/regional agencies.

Project Number	Name	Description
PL25009	Energy Plan	Review IEUA's energy portfolio, explore energy recovery opportunities, enhance reliability, reduce costs, seek funding, and minimize greenhouse gas emissions, ensuring compliance with air quality regulations.
PL26002	PFAS Monitoring of Regional Sewer System	Conduct lab sample analysis and potential field monitoring to track Per- and Polyfluorinated Substances (PFAS) in the regional sewer system.
PL26003	Regional Flow and Loading Data Analysis	Use IEUA Flow and Loading data, California Association of Sanitation Agencies (CASA) study, and California Data Collaborative (CaDC) analysis to forecast growth and update Exhibit J EDU formula.
PL26004	Wastewater Facilities Master Plan Update	Develop flow scenarios, evaluate capacities and nitrogen levels, collect relevant data, calibrate sewer models, and perform hydraulic modeling for future population growth and recycled water production.
PL26005	Regional Operation Planning Documents	Develop various planning documents through consultant proposals, managed by IEUA staff, to address regional operational needs.
PL28001	Regional Treatment Plant Discharge Limits Update	Review initial data, select pollutants, create sampling plan, and update local discharge limits with final technical documentation.

FY 2025/26 and FY 2026/27 Budgeted Projects Recycled Water Fund

Table 6-11 lists the Capital and O&M projects budgeted in the Recycled Water fund, followed by Table 6-12 which provides a description of each of the projects to be executed in 2025/26 and FY 2026/27.

Table 6-11: Recycled Water Fund FY 2025/26 – FY 2034/35 Projects (\$Thousands)

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
Capital Construction							
EN23123	RP-4 Outfall Valve Replacement and Blow Off Upgrades	\$350	\$0	\$0	\$0	\$0	\$350
EN24005	1630 West Reservoir Paint/Coating Repairs and Upgrades	-	-	50	500	1,000	1,800
EN24006	930 Reservoir Paint/Coating Repairs and Upgrades	-	-	-	-	-	2,050
EN24007	1299 Recycled Water Pump Station Rehabilitation	500	1,950	3,550	1,400	-	7,400
EN25022	Development and Early Design - Compliance for Recycled Water Facilities	7,215	9,785	-	-	-	17,000
EN26001	Agencywide VFD Upgrades Recycled Water FY2526	50	1,000	1,000	1,000	1,000	9,050
EN28004	Advanced Purified Water Conveyance	-	-	500	3,500	20,000	73,000
EN28014	Etiwanda Interceptor Grade-Break Recycled Water Protection/Relocation	-	-	200	-	-	200
EN28017	El Prado Road Recycled Water Reconnection	-	-	100	-	-	100
WR23001	Replenishing Facilities	-	-	25,000	38,000	50,000	178,000
WR23002	Recycled Water Interconnection to the City of Rialto	-	-	24,000	20,000	30,000	125,000
Total Capital Construction		\$8,115	\$12,735	\$54,400	\$64,400	\$102,000	\$413,950
Capital Replacement							
EN21041	RP-4 Chlorine Contact Basin Cover Repair	\$0	\$0	\$1,000	\$2,000	\$2,000	\$5,000
EN23119	RW SCADA Migration	1,000	950	2,550	500	-	5,000
EP26002	Groundwater Recharge/Recycled Water Valve Actuator Replacement	75	75	75	75	-	300
IS26001	Recycled Water SCADA Infrastructure Replacement	42	42	42	42	42	460
Total Capital Replacement		\$1,117	\$1,067	\$3,667	\$2,617	\$2,042	\$10,760
Total Capital Project Costs		\$9,232	\$13,802	\$58,067	\$67,017	\$104,042	\$424,710
Operations & Maintenance (O&M)							
AM26003	Groundwater Recharge Condition Assessments	\$50	\$50	\$50	\$50	\$50	\$500
AM26004	Recycled Water Condition Assessments	100	100	100	100	100	1,000
AM28001	Groundwater Recharge O&M Manuals	-	-	150	575	275	1,000
AM28002	Recycled Water O&M Manuals	-	-	150	575	275	1,000
EN18021	Prado Basin Asset Management Plan (AMP) Annual Monitoring	118	120	123	125	128	626

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
EN26017	Recycled Water Emergency O&M Projects FY 25/26	250	-	-	-	-	250
EN26039	Recycled Water Hydraulic Modeling FY 25/26	40	40	40	40	40	400
EN26042	Recycled Water Emergency O&M Projects	-	150	150	150	150	1,350
EN26043	Recycled Water Connections	150	150	150	150	150	1,500
EN26044	Recycled Water O&M Projects FY 25/26	250	250	250	250	250	2,500
PL26010	Recycled Water Planning Documents	250	250	250	250	250	2,500
WR16001	Water Softener Removal Rebate Program	75	75	50	25	25	300
WR20029	Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) & Integrated Model-Recycled Water Benefits	30	30	-	-	-	60
WR21029	Implementation of Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) - Recycled Water Benefits	250	250	250	250	250	2,500
Total O&M Project Costs		\$1,563	\$1,465	\$1,713	\$2,540	\$1,943	\$15,486
Total Recycled Water Fund		\$10,795	\$15,267	\$59,780	\$69,557	\$105,985	\$440,196

Table 6-12: Recycled Water FY 2025/26 and FY 2026/27 Project Descriptions

Project Number	Name	Description
Capital Construction		
AM23002	Old Variable Frequency Drive (VFD) Replacement (Recycled Water)	Project to provide material and labor to support the replacement of VFDs that have reached 15 years of service life.
EN23123	RP-4 Outfall Valve Replacement and Blow Off Upgrades	Install four new 42-inch outfall isolation valves, remove broken valves, and upgrade 19 blowoffs to above-grade wharf hydrants.
EN24005	1630 West Reservoir Paint/Coating Repairs and Upgrades	Conduct minor interior/exterior coating repairs at 1630 West Reservoir using power-tool cleaning, addressing corrosion and defects.
EN24006	930 Reservoir Pain/Coating Repairs and Upgrades	Perform minor coating and painting repairs at 930 Reservoir, correcting delamination, corrosion, and other surface defects.
EN24007	1299 Recycled Water Pump Station Rehab	Rehab the 1299 recycled water pump station with new butterfly valves, motors, impellers, and variable frequency drives (VFDs).
EN25022	Development and Early Design - Compliance for Recycled Water Facilities	Complete sixty percent design for supplemental recycled water supply, pilot aquifer well, initial replenishment facilities, predesign purified water conveyance, and respective evaluations.
EN26001	Agencywide VFD Upgrades Recycled Water FY2526	Replace Variable Frequency Drives (VFDs) at southern recycled water facilities older than fifteen years, ensuring agencywide coordination for consistent upgrades.
EN28004	Advanced Purified Water Conveyance	Design and construct about ten miles of 12–16-inch pipelines from the Advanced Water Purification Facility to injection wells or recharge basins.
EN28014	Etiwanda Interceptor Grade-Break Recycled Water Protection/Relocation	Remove the 36-inch line and install 4,800 feet of 42-inch recycled water pipeline, ensuring reliable grade-break protection.
EN28017	El Prado Road Recycled Water Reconnection	Restore the 10-inch recycled water line along El Prado Rd. after RP-5 expansion becomes operational.
WR23001	Replenishment Facilities	Design and construct approximately eight miles of purified water pipelines from the Advanced Water Purification Facility at RP-4 to the Chino Basin.
WR23002	Recycled Water Interconnection to the City of Rialto	Design and construct eleven miles of 24-inch pipeline, a pump station at Rialto's treatment plant, and a connection to the IEUA recycled water system in the 1158 pressure zone.
Capital Replacement		
EN21041	RP-4 Chlorine Contact Basin Cover Repair	Replace the concrete covers to provide a safer means to access the top area of the basins while providing a covered system to the chlorinated treatment process.
EN23119	Recycled Water SCADA Migration	Migrate the Recycled Water SCADA application to plant Pax5.0 and upgrade necessary control hardware to support plant Pax5.0.
EP26002	Groundwater Recharge/Recycled Water Valve Actuator Replacement	Replace critical groundwater recharge/recycled water motor-operated valve actuators for 4–20mA control; run-to-fail for noncritical actuators.
IS26001	Recycled Water SCADA Infrastructure Replacement	Purchase two servers and switches to replace aging SCADA infrastructure.
Operations and Maintenance		
AM26003	Groundwater Recharge Condition Assessments	With the help of master service contractors, assess groundwater recharge assets and determine condition and needs.
AM26004	Recycled Water Condition Assessments	With the help of master service contractors, assess recycled water assets and determine condition and needs.
AM28001	Groundwater Recharge O&M Manuals	Prepare and update O&M manuals and standard operating procedures for groundwater facilities, by reviewing procedures, identifying improvements, and ensuring efficiency, compliance, and safety.
AM28002	Recycled Water O&M Manuals	Prepare and update O&M manuals and standard operating procedures for recycled water facilities, by reviewing procedures, identifying improvements, and ensuring efficiency, compliance, and safety.

Project Number	Name	Description
EN18021	Prado Basin Asset Management Plan (AMP) Annual Monitoring	Cost-share effort with Chino Basin Watermaster to report on the health of lower Prado dam area.
EN26017	Recycled Water Emergency O&M Projects FY 2025/26	Supporting Engineering and Construction Management to fund emergency repairs to the recycled water system.
EN26039	Recycled Water Hydraulic Modeling FY 25/26	Hydraulic modeling support for the recycled water system.
EN26042	Recycled Water Emergency O&M Projects	Address unforeseen operations and maintenance repairs and modifications to recycled water systems.
EN26043	Recycled Water Connections	Establish a master project for recycled water connections, covering consultant fees and service charges.
EN26044	Recycled Water O&M Projects FY 25/26	Provision for unforeseen O&M repairs to the recycled water system.
PL26010	Recycled Water Planning Documents	Develop various planning documents for recycled water with consultant support, managed by IEUA staff.
WR16001	Water Softener Removal Rebate Program	The water softener removal program incentivizes residents to remove and dispose existing self-regenerating water softeners, removing tons of salt from the recycled water supply, and improving water quality in Chino Basin.
WR20029	Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) & Integrated Model Recycled Water Benefits	Identify conservation measures for future water and recycled water projects, including surface flow and groundwater modeling along the Santa Ana River (SAR).
WR21029	Implementation of Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) - Recycled Water Benefits	Implement the Santa Ana River HCP to support basin maintenance, increase recycled water use, and minimize discharges through diverted dry weather flows.

Table 6-13 is a list of O&M projects budgeted in the Water Resources fund, followed by Table 6-14 which provides a description of each of the projects that will be executed in FY 2025/26 and FY 2026/27.

Table 6-13: Water Resources Fund FY 2025/26 – FY 2034/35 Projects (\$Thousands)

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
Capital Construction							
PL 19005	Chino Basin Program	\$4,100	\$0	\$0	\$0	\$0	\$4,100
Total Capital Construction		\$4,100	\$0	\$0	\$0	\$0	\$4,100
Operations & Maintenance (O&M) and Reimbursable							
PL18001	California Data Collaborative Water Use Efficiency (WUE) Data Analytics	\$10	\$13	\$0	\$0	\$0	\$23
PL23012	Regional Imported Supply Reliability Analysis	250	250	-	-	-	500
PL26008	Integrated Water Resources Plan Update	500	500	-	-	-	1,000
PL26009	Water Supply Planning Document	250	250	250	250	250	2,500
WR18028	Chino Basin Water Bank Planning Authority	250	250	-	-	-	500
WR20028	Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) & Integrated Model-Water Benefits	30	30	-	-	-	60
WR21028	Implementation of Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) – Water Benefits	250	250	250	250	250	2,500
WR23004	Discover the Environment and Water (DEW)	450	261	-	-	-	711
WR25027	Urban Water Management Plan 2025	100	-	-	-	-	100
WU24016	Turnkey Turf Transformation	2,825	2,825	-	-	-	5,650
WU26001	Water Use Efficiency General Program	5	5	5	5	5	50
WU26002	Turf Replacement Rebates	10	10	10	10	10	100
WU26003	Chino Basin Water Conservation District Landscape Evaluation and Audit Program	30	30	30	30	30	300
WU26004	Public Water Use Efficiency Outreach and Sponsorship	30	30	30	30	30	300
WU26005	National Theater for Children	40	40	40	40	40	400
WU26006	Water Use Efficiency Pilot Program	40	40	40	40	40	400
WU26007	Water Conservation Device Rebates	55	55	55	55	55	550
WU26008	Pressure Reducing Valve Assessment Program	80	80	80	80	80	800
WU26009	Large Landscape Controller Retrofits	160	160	160	160	160	1,600
WU26010	Member Agency Administered Projects	300	300	300	300	300	3,000
WU26011	Small Site Controller Retrofits	350	350	350	350	350	3,500
WU26012	Landscape Irrigation Tune-ups	500	500	500	500	500	5,000
Total O&M and Reimbursable Projects		\$6,515	\$6,228	\$2,100	\$2,100	\$2,100	\$29,543
Total Water Resource Fund		\$10,615	\$6,228	\$2,100	\$2,100	\$2,100	\$33,643

Table 6-14: Water Resources FY 2025/26 and FY 2026/27 Project Descriptions

Project Number	Name	Description
Capital Construction		
PL19005	Chino Basin Project (CBP)	Preliminary Design Report and Programmatic Environmental Impact Report to begin implementation of the CBP.
Operations and Maintenance		
PL18001	California Data Collaborative Water Use Efficiency (WUE) Data Analytics	Assistance with the California Data Collaborative to pioneer a new water use efficiency (WUE) data infrastructure non-profit to support water managers in meeting their reliability objectives and serve the public good.
PL23012	Regional Imported Supply Reliability Analysis	Perform long-term modeling and analysis to assess local water reliability impacts from reduced imported supplies, evolving regulations, new facilities, shifting hydrology, and changing demands.
PL26008	Integrated Water Resources Plan Update	Collaborate with agencies to develop and evaluate a regional water supply model, assess vulnerabilities, prioritize projects, and identify potential funding opportunities.
PL26009	Water Supply Planning Document	Develop planning documents through consultant proposals, with IEUA staff oversight, to address various water supply needs.
WR20028	Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) & Integrated Model – Water Benefits	Model for surface and groundwater flow along the Santa Ana River from Yucaipa to Prado Dam.
WR21028	Implementation of Upper Santa Ana River (SAR) Habitat Conservation Plan (HCP) – Water Benefits	Implement the Santa Ana River Habitat Conservation Plan as part of the Agency's long-term water resources and environmental permitting strategy.
WR25027	Urban Water Management Plan 2025	With the aid of a consultant, develop a 2025 Urban Water Management Plan and Water Shortage Contingency Plan, meeting California Water Code requirements.
WU24016	Turnkey Turf Transformation	Implement a turf transformation program to promote water use efficiency, improve reliability, and reduce dependence on imported supplies.
WU26001	Water Use Efficiency General Program	Develop a program to support Customer Agencies meet their water use objectives.
WU26002	Turf Replacement Rebates	Provide turf replacement rebates for residential, commercial, and institutional customers.
WU26003	Chino Basin Water Conservation District Landscape Evaluation and Audit Program	Partner with Chino Basin Water Conservation District to provide landscape evaluations, reports, and education for residential and commercial, industrial and institutional customers.
WU26004	Public Water Use Efficiency Outreach and Sponsorship	Support regional water use efficiency marketing, outreach, memberships, grants, and special events.
WU26005	National Theater for Children	Fund educational resources (K-6) with live performances, online materials, and workbooks focusing on water conservation and environmental awareness.
WU26006	Water Use Efficiency (WUE) Pilot Program	Implement small-scale WUE projects to test activities, measure savings, and evaluate potential for larger future adoption.
WU26007	Water Conservation Device Rebates	Provide supplemental funding to Metropolitan Water District's base rate for water conservation device rebates.
WU26008	Pressure Reducing Valve Assessment Program	Offer pressure reducing valve assessments for residential customers.
WU26009	Large Landscape Controller Retrofits	Retrofit irrigation controllers for residential properties of 1/4 acre or larger to improve efficiency.
WU26010	Member Agency Administered Projects	Fund local water use efficiency projects meeting indoor/outdoor savings, regulatory compliance, or research goals, without duplicating IEUA's regional programs.
WU26011	Small Site Controller Retrofits	Offer training, onsite evaluation, and upgrade from standard to weather-based irrigation controllers for smaller residential lots.

Project Number	Name	Description
WU26012	Landscape Irrigation Tune-ups	Provide irrigation assessments, minor repairs, controller programming, and scheduling services for landscapes.
Operations and Maintenance - Reimbursable Projects		
WR18028	Chino Basin Water Bank Planning Authority	Evaluate institutional agreements and models needed to establish a water bank in the Chino Basin.
WR23004	Discover the Environment and Water (DEW)	Establish a new educational facility as a visitor's center for field trips and tours in the Chino Creek Wetlands and Educational Park.

FY 2025/26 and FY 2026/27 Budgeted Projects Administrative Services Fund

Table 6-15 shows the Capital and O&M projects budgeted in the Administrative Services fund, followed by Table 6-16 which provides a description of each of the projects to be executed in FY 2025/26 and FY 2026/27.

Table 6-15: Administrative Services Fund FY 2025/26 – FY 2034/35 Projects (\$Thousands)

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
Capital Construction							
EN21020	Oracle P6 Migration	\$56	\$37	\$23	\$23	\$0	\$139
EN23039	Lab Rooms Temperature Variation	50	-	-	-	-	50
EN24034	Agencywide Roofing Phase IV at CCRWF	-	-	200	1,000	-	1,200
EN25059	Security Upgrades	600	600	600	600	600	3,000
EN28010	Headquarters Parking Lot Expansion and EV Charger Purchase	-	-	350	2,000	2,150	4,500
FM26005	Agencywide HVAC Equipment Replacements	250	250	250	250	250	2,500
IS25004	ERP Implementation	9,000	8,000	3,000	-	-	20,000
IS26004	Data Security Software Purchase	140	-	-	-	-	140
IS26005	Incident Command System Enhanced Logging Purchase	50	200	-	-	-	250
IS26010	Vendor Security Risk Management System Purchase	75	-	-	-	-	75
IS26012	Laboratory Data Management Systems Replacement	300	-	-	-	-	300
IS27001	Information Technology for Lab Equipment Upgrades and Replacement	-	300	-	-	-	300
IS28003	Information Technology Remote Support Tool Purchase	-	-	40	-	-	40
Total Capital Construction		\$10,521	\$9,387	\$4,463	\$3,873	\$3,000	\$32,494
Capital Replacement							
EN23003	Central Plant Cooling Tower Replacement	\$1,500	\$1,000	\$0	\$0	\$0	\$2,500
EN28009	Central Plant Replacement Chiller	-	-	500	500	2,000	4,000
FM26001	Agencywide Office Furniture Replacements	60	60	60	60	60	600
FM28001	Electric Vehicle Purchase	-	-	200	200	250	1,900
FM28006	Agencywide Vehicle Replacement	-	-	300	300	300	2,400
IS24003	HRIS Replacement	550	550	-	-	-	1,100
IS26009	Wide Area Microwave Radio Replacement	600	650	400	400	400	4,450
IS26015	Information Technology Infrastructure Asset Replacement	360	385	375	375	400	4,895
LB26001	Laboratory Equipment Purchase	345	360	360	40	45	1,150
Total Capital Replacement		\$3,415	\$3,005	\$2,195	\$1,875	\$3,455	\$22,995
Total Capital Project Costs		\$13,936	\$12,392	\$6,658	\$5,748	\$6,455	\$55,489

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
Operations & Maintenance (O&M)							
AD26001	Proposition 218 Support Services	\$50	\$430	\$0	\$0	\$0	\$480
EN26033	Oracle P6 Migration	67	68	68	69	-	272
EN26057	Capital Improvement Program (CIPO) Enhancements FY 25/26	75	75	75	75	75	750
FM26002	Magnolia Channel Restoration	100	100	100	100	100	1,000
FM28002	Agencywide Appliance Replacement	-	-	20	20	20	160
HR25001	Classification and Compensation Study	504	-	-	-	-	504
IS26002	Business Continuity Plan	100	150	-	-	-	250
IS26003	Business Impact Analysis, Business Continuity Plan and Update Disaster Recovery Plan	30	70	-	-	-	100
IS26006	Information & Operation Technology Environments Security Testing Improvement	100	-	-	-	-	100
IS26007	Information Technology and Security Standards and Procedures Update	50	-	-	-	-	50
IS26008	Obsolete Data Cleanup Tool Purchase	400	-	-	-	-	400
IS26011	Office 365 Purview Record Manager Improvements	100	-	-	-	-	100
IS26013	Annual Network and Application Penetration Tests	50	50	50	50	50	500
IS26014	IT/OT Security Self-Assessment Program	50	50	50	50	50	500
IS28002	Agency Hard Copy Documentation Scanning	-	-	40	-	-	40
IS30001	Agency Record Keeping (Laserfiche) Optimization	-	-	-	-	50	50
Total O&M Project Costs		\$1,676	\$993	\$403	\$364	\$345	\$5,256
Total Administrative Services Fund		\$15,612	\$13,385	\$7,061	\$6,112	\$6,800	\$60,745

Table 6-16: Administrative Services Fund FY 2025/26 and FY 2026/27 Project Descriptions

Project Number	Name	Description
Capital Construction		
EN21020	Oracle P6 Migration and Web Hosting	Upgrade existing Primavera version to more current version and utilize collaboration components of Primavera.
EN23039	Lab Rooms Temperature Variation	Evaluate HVAC system, identify needed upgrades, and potentially lower lab room temperature from 72F to 68F consistently.
EN24034	Agencywide Roofing Phase IV at Carbon Canyon Water Recycling Facility (CCWRF)	Assess, design, bid, and replace CCWRF roofs with a polyvinyl chloride (PVC) system, offering a 20-year warranty.
EN25059	Security Upgrades	Upgrade cameras, alarms, panic buttons, entry access, and perimeter security for enhanced protection agencywide.
EN28010	Headquarters Parking Lot Expansion and EV Charger Purchase	Install 96 EV charging ports, expand parking, and build new electrical infrastructure at multiple sites to support increased power demand.
FM26005	Agencywide HVAC Equipment Replacements	Upgrade or replace HVAC equipment throughout the Agency for climate control.
IS25004	Enterprise Resource Planning (ERP) Implementation	Implementation of new Enterprise Resource Planning (ERP) software, support of existing System Analysis Program (SAP). ERP Central Component 6.0 version to end on 12/31/27.
IS26004	Data Security Software Purchase	Acquire a data security solution preventing breaches, enhancing compliance, and optimizing security resource allocation.
IS26005	Incident Command System Enhanced Logging Purchase	Add incident command system log collection, expand storage, and improve analysis capabilities for enhanced incident command system monitoring.
IS26010	Vendor Security Risk Management System Purchase	Select and implement a vendor security risk management system, integrating with procurement for ongoing vendor oversight.
IS26012	Laboratory Data Management Systems Replacement	Acquire and deploy a laboratory data management system, integrated with instruments. The new system will enhance the laboratory's operational efficiency and data integrity.
IS27001	Information Technology for Lab Equipment Upgrades and Replacement	Upgrade lab IT systems, integrate equipment, and train staff for enhanced lab efficiency and minimal operational disruption.
IS28003	Information Technology Remote Support Tool Purchase	Purchase a secure remote support tool to strengthen security and reduce support resolution time.
Capital Replacement		
EN23003	Central Plant Cooling Tower Replacement	Replace existing cooling tower with a new cooling tower to operate the absorption chillers and to support the HVAC system.
EN28009	Central Plant Replacement Chiller	Replace existing chillers and boilers with two 150-ton electric units, add pumps, valves, piping, and updated controls for improved sustainability.
FM26001	Agencywide Office Furniture Replacements	Replace office furniture agencywide to modernize the workspace.
FM28001	Electric Vehicle Purchase	Purchase electric vehicles to replace aging fleet, reducing emissions and operational costs.
FM28006	Agencywide Vehicle Replacement	Replace aging fleet vehicles across the Agency to maintain reliability and safety.
IS24003	Human Resources Information System (HRIS) Replacement	Identify, implement, and train on a new HRIS, covering business requirements, subscription fees, and post-go-live support.
IS26009	Wide Area Microwave Radio Replacement	Replace wide area microwave radio equipment at major facilities, lift stations, and dechlor station for improved network reliability.
IS26015	Information Technology Infrastructure Asset Replacement	Replace aging servers, switches, and UPS units to maintain robust IT infrastructure and performance.
LB26001	Laboratory Equipment Purchase	Purchase new laboratory instruments with service contracts, installation, and training, organic lab equipment, and an ion chromatographer.
Operations and Maintenance		

Project Number	Name	Description
AD26001	Proposition 218 Support Services	Contract a professional firm to assist in developing Proposition 218 communication strategy.
EN26033	Oracle P6 Migration	Purchase 15 P6 licenses and related costs.
EN26057	Capital Improvement Program (CIPO) Enhancements FY 25/26	Enhance the existing system, including configuring CIPO into Laserfiche during project closeout.
FM26002	Magnolia Channel Restoration	Remove silt, debris, and soils from the Desilting Basin, haul all removed material off-site.
FM28002	Agencywide Appliance Replacement	Replace appliances agencywide.
HR25001	Classification and Compensation Study	Conduct classification and compensation reviews, update class specifications, interview employees, ensure EEO/FLSA compliance, and present findings with final reports.
IS26002	Business Continuity Plan	Develop a Business Continuity Plan ensuring critical IT systems and infrastructure remain operational during disruptions.
IS26003	Business Impact Analysis, Business Continuity Plan and Update Disaster Recovery Plan	Assess IT, OT, and operations to prioritize systems and strengthen organizational resilience.
IS26006	Information & Operation Technology Environments Security Testing Improvement	Maintain updated IT/OT test environments for pre-production security update and patch testing with consultant support.
IS26007	Information Technology and Security Standards and Procedures Update	Engage a consultant to update IT, OT, and cybersecurity procedures and standards documentation.
IS26008	Obsolete Data Cleanup Tool Purchase	Implement a tool that eliminates Agency's obsolete data.
IS26011	Office 365 Purview Record Manager Improvements	Conduct an agencywide process assessment, prioritize systems and procure software to enhance resilience.
IS26013	Annual Network and Application Penetration Tests	Hire a consultant to perform external and internal network, plus critical application penetration tests for IT and OT.
IS26014	IT/OT Security Self-Assessment Program	Conduct annual self-assessments addressing high-risk items from the IT/OT risk assessment with consultant guidance.
IS28002	Agency Hard Copy Documentation Scanning	Scan hardcopy records into an electronic format for uploading to the Agency's system.
IS30001	Agency Record Keeping (Laserfiche) Optimization	Consolidate Agency records from silos into Laserfiche for centralized, streamlined record management.

FY 2025/26 and FY 2026/27 Budgeted Projects Non-Reclaimable Wastewater Fund

Table 6-17 shows the Capital and O&M projects included in the Non-Reclaimable Wastewater (NRW) fund, followed by Table 6-18 which provides a description of each of the projects to be executed in FY 2025/26 and FY 2026/27.

Table 6-17: Non-Reclaimable Wastewater Fund FY 2025/26 – FY 2034/35 Projects (\$Thousands)

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
Capital Construction							
EN25073	4th St/N System N. Trunk Pipe Repair BSS	\$240	\$0	\$0	\$0	\$0	\$240
EN26002	Vineyard Pipe Repair	-	-	230	430	-	660
EN28003	Brine System Siphon Barrel Gate Improvements	-	-	180	330	-	510
EN30006	Non-Reclaimable Wastewater Collection System Pipe Rehabilitation	-	-	-	-	1,000	6,000
Total Capital Construction		\$240	\$0	\$410	\$760	\$1,000	\$7,410
Capital Replacement							
EN22020	Philadelphia Lift Station Pump Upgrades	\$0	\$0	\$0	\$2,500	\$2,500	\$12,200
EN23002	Philadelphia Lift Station Force Main Improvements	-	-	-	-	-	28,750
EN25074	Non-Reclaimable Waste Critical Manhole Replacement	792	-	-	-	-	792
EN28012	Brine Sewer System System Manhole Updates	-	-	180	180	180	1,440
EN28013	Recurring BSS Manhole Lining Project	-	-	100	100	100	800
Total Capital Replacement		\$792	\$0	\$280	\$2,780	\$2,780	\$43,982
Total Capital Project Costs		\$1,032	\$0	\$690	\$3,540	\$3,780	\$51,392
Operations & Maintenance (O&M)							
AM26001	Etiwanda Wastewater Line Manhole Condition Assessment	\$200	\$300	\$0	\$0	\$0	\$500
AM26002	Non-Reclaimable Waste Condition Assessments	50	50	50	50	50	500
EN23002	Philadelphia Lift Station Force Main Improvements	-	-	-	-	-	100
EN26015	Edison Waste Line Abandonment Project	-	-	500	1,500	500	2,500
EN26016	Non-Reclaimable Wastewater System Emergency O&M Projects FY 25/26	250	-	-	-	-	250
EN26036	Non-Reclaimable Wastewater On Call Small Projects FY 25/26	50	50	50	50	50	500
EN26037	Non-Reclaimable Wastewater Connections	100	100	100	100	100	1,000
EN27002	Non-Reclaimable Wastewater System Emergency O&M Projects FY 26/27	-	250	250	250	250	2,250
Total O&M Project Costs		\$650	\$750	\$950	\$1,950	\$950	\$7,600
Total Non-Reclaimable Wastewater Fund		\$1,682	\$750	\$1,640	\$5,490	\$4,730	\$58,992

Table 6-18: Non-Reclaimable Wastewater FY 2025/26 and FY 2026/27 Project Descriptions

Project Number	Name	Description
Capital Construction		
EN22020	Philadelphia Lift Station Pump Upgrades	Replace pumps with newer style non-clog dry pit submersible pumps. These new pumps will provide higher efficiency.
EN23002	Philadelphia Lift Station Force Main Improvements	Replace and construct force mains, manholes for inspection, and cleanouts every five hundred feet at the Philadelphia Lift Station.
EN25074	Non-Reclaimable Wastewater Critical Manhole Replacement	Replace about 90 NRW manhole covers and frames, with additional repairs as needed.
EN28012	Brine Sewer System Manhole Updates	Replacement and repairs of manholes covers and frames in the NRW system.
EN28013	Recurring BSS Manhole Lining Project	Remove failing liners and use chemical grouting to preserve BSS manholes with infiltration, maintaining structural integrity.
Capital Replacement		
EN22020	Philadelphia Lift Station Pump Upgrades	Replace pumps with newer style non-clog dry pit submersible pumps. These new pumps will provide higher efficiency.
EN23002	Philadelphia Lift Station Force Main Improvements	Replace and construct force mains, manholes for inspection, and cleanouts every five hundred feet at the Philadelphia Lift Station.
EN25074	Non-Reclaimable Wastewater Critical Manhole Replacement	Replace about 90 NRW manhole covers and frames, with additional repairs as needed.
EN28012	Brine Sewer System Manhole Updates	Replacement and repairs of manholes covers and frames in the NRW system.
EN28013	Recurring BSS Manhole Lining Project	Remove failing liners and use chemical grouting to preserve BSS manholes with infiltration, maintaining structural integrity.
Operations and Maintenance		
AM26001	Etiwanda Wastewater Line Manhole Condition Assessment	Establish manhole accessibility for a Level 3 assessment, cleaning, and inspection requiring bypass pumping.
AM26002	Non-Reclaimable Wastewater Condition Assessments	Assess the current condition of critical assets withing the NRW system including pipelines and pump stations.
EN23002	Philadelphia Lift Station Force Main Improvements	Replace and construct force mains, manholes, and five-hundred-foot cleanouts to increase Philadelphia Lift Station capacity.
EN26015	Edison Waste Line Abandonment Project	The Edison Waste Line has a segment of pipe and eight manholes that are abandoned and need to be removed.
EN26016	Non-Reclaimable Wastewater System Emergency O&M Projects FY 25/26	Provision of funds for Engineering and Construction Management to facilitate such items such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year 2025/26.
EN26036	Non-Reclaimable Wastewater On Call Small Projects FY 25/26	Provision of funds for unforeseen NRW O&M repairs and modifications.
EN26037	Non-Reclaimable Wastewater Connections	Establish a master project for NRW connections covering consultant professional fees and service charges.
EN27002	Non-Reclaimable Wastewater System Emergency O&M Projects FY 26/27	Provision of funds for Engineering and Construction Management to facilitate such items such as pipeline repairs, property negotiations, and other unforeseen, unbudgeted issues that may arise during the fiscal year 2026/27.

FY 2025/26 and FY 2026/27 Budgeted Projects Recharge Water Fund

Table 6-19 shows the Capital and O&M projects budgeted in the Recharge Water fund, followed by Table 6-20 which provides a description of each of the projects to be executed in FY 2025/26 and FY 2026/27.

Table 6-19: Recharge Water Fund FY 2025/26 – FY 2034/35 Projects (\$Thousands)

Project Number	Project Name	FY 2025/26 Adopted Budget	FY 2026/27 Adopted Budget	FY 2027/28	FY 2028/29	FY 2029/30	Total Ten Year CIP
Capital Construction							
EN22050	Groundwater Basin Programmable Logic Controllers (PLCs) Upgrades	\$500	\$500	\$0	\$0	\$0	\$1,000
EN23113	Recycled Water/Groundwater Safety Work Improvements For Basin	-	-	250	1,000	1,000	2,250
EN28011	College Heights Basin Well Sensor Installation	-	-	75	-	-	75
RW15003	Recharge Master Plan Update	3,000	2,500	-	-	-	5,500
Total Capital Construction		\$3,500	\$3,000	\$325	\$1,000	\$1,000	\$8,825
Capital Replacement							
EN22049	Groundwater-Recycled Water OIT Upgrades	\$50	\$50	\$0	\$0	\$0	\$100
IS22005	Recycled Water / Groundwater SCADA Infrastructure Replacement	43	47	50	54	59	610
Total Capital Replacement		\$93	\$97	\$50	\$54	\$59	\$710
Total Capital Project Costs		\$3,593	\$3,097	\$375	\$1,054	\$1,059	\$9,535
Total Recharge Water Fund		\$3,593	\$3,097	\$375	\$1,054	\$1,059	\$9,535

Table 6-20: Recharge Water FY 2025/26 and FY 2026/27 Project Descriptions

Project Number	Name	Description
Capital Construction		
EN22050	Groundwater Basin Programmable Logic Controllers (PLCs) Upgrades	Replace aging PLCs at 17 recharge locations before manufacturer discontinuation to ensure reliable remote basin operation.
EN23113	Recycled Water/Groundwater Safety Work Improvements for Basin	This project is designed to enhance operational safety and efficiency by upgrading work facilities and ensuring secure access to critical infrastructure. Specifically, it will focus on improving the safety and accessibility of gate actuator systems located at RP-3, Jurupa Basin, Turner Basin, and Eli Basin.
EN28011	College Heights Basin Well Sensor Installation	Planning, permitting, designing, and constructing the new assets to effectively collect and dispose all solids waste debris that enter or exit the Turner, Ely, Jurupa, and RP-3 Basins.
RW15003	Recharge Master Plan Update	Preparation of preliminary design reports for projects that are selected for implementation for the first phase of the Recharge Master Plan Update.
Capital Replacement		
EN22049	Groundwater-Recycled Water OIT Upgrades	Fund replacement of operator interface terminals at 17 GWR-RW sites, installing five new units annually for three years.
IS22005	Recycled Water / Groundwater SCADA Infrastructure Replacement	Purchase two replacement servers and other network switch infrastructure that have reached the end of its life cycle.

Debt Management



Debt Management

Overview

The Agency issues debt to finance the acquisition, construction, and improvement of capital assets, as well as to refinance existing long-term debt that results in cost savings. The Agency applies a priority tiered financing strategy to ensure the lowest cost of borrowing while maximizing financial flexibility. This tiered financing strategy includes system revenues, grants, use of fund reserves, low interest federal and state loans, and bonded debt, while prioritizing low-cost funds and approaching expensive funding sources last.

Consistent with the IEUA Strategic Plan Goal of Fiscal Responsibility to safeguard the Agency's creditworthiness, a key objective is to leverage low interest debt and pay down higher interest rate obligations. To accomplish this goal, the Agency has taken the following actions:

Over the years, the Agency has leveraged the low interest Clean Water State Revolving Fund (SRF) loan program administered by the State Water Resources Control Board (SWRCB) to finance regional capital investments, including construction of its Regional Water Recycling Plant No. 5 (RP-5) Expansion projects, regional recycled water distribution system, replacement of the Water Quality Laboratory, and replacement of the Dewatering Facility at Regional Plant No. 1 (RP-1). As of June 30, 2025, the Agency has 17 SRF loans with an aggregate outstanding principal balance of \$175.8 million. Three of the loans included in the above totals are for projects in various stages of completion with one of those loans having an additional \$17.0 million in new principal debt projected in FY 2025/26.

In addition to SRF loans, the Agency has also leveraged the federal WIFIA program administered by the U.S. Department of Environmental Protection Agency (EPA). Established in 2014, the key objective of the WIFIA program is to accelerate investment in the nation's water infrastructure. WIFIA loans provide a low-cost alternative loan program to credit worthy borrowers.

The Agency's first WIFIA loan agreement was approved in May 2020 in the amount of \$196.4 million at a fixed interest rate of 1.36 percent to finance a portion of the RP-5 Expansion project. The first draw from the 2020 WIFIA loan occurred in May 2025. The Agency drew the full loan amount to repay the 2020B Revenue Notes that were issued as interim financing for the project to leverage historically low short term interest rates and further reduce the all-in cost of the WIFIA loan. The WIFIA loan proceeds were placed in escrow with the custodial bank until November 2025, at which point the funds will be used to fully defease the 2020B Revenue Notes.

In March 2022, the Agency entered into a second WIFIA loan agreement with the EPA for \$120.0 million at a fixed interest rate of 2.61 percent. This loan is designated to fund several Regional Wastewater System Improvements projects, including portions of the RP-5 Expansion, RP-1 Solids Thickening Building and Acid Phase Digester, and the Carbon Canyon Water Recycling Facility Asset Management projects.

Outstanding Debt

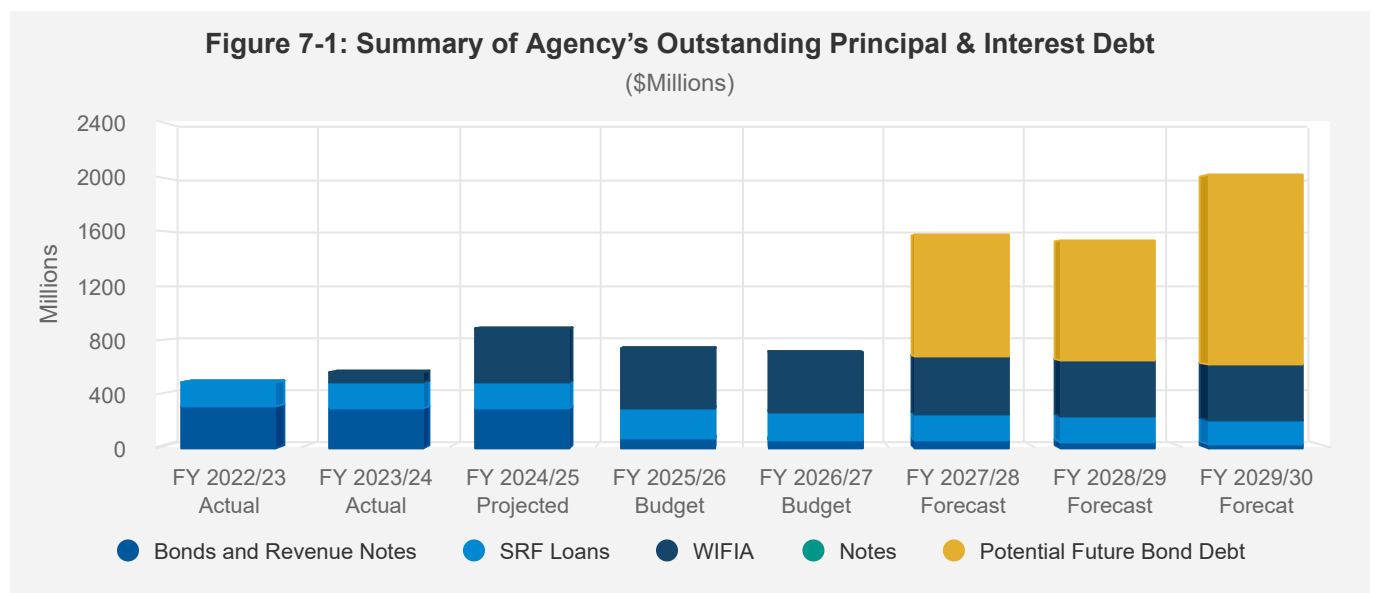
As of June 30, 2025, total outstanding debt (principal and interest), excluding financial expenses and interfund loans, is estimated at \$880.7 million. The total outstanding debt is projected to be \$740.8 million, as of June 30, 2026, and \$713.9 million as of June 30, 2027, as reported in Table 7-1. Annual debt service payments are estimated to range between \$22.0 million to \$79.2 million per fiscal year (excludes \$196.4 million of principal payable in November 2025) over the next ten years.

Table 7-1: Total Outstanding Debt by Type (\$Millions)

(Principal and Interest)	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
Bonds and Revenue Notes	\$300.8	\$288.2	\$75.0	\$63.2	\$52.9	\$43.4	\$33.9
SRF Loans	183.0	199.4	212.9	208.7	198.3	187.8	177.9
Notes	2.5	1.9	1.3	0.8	0.2	-	-
WIFIA	70.5	391.2	451.6	441.2	430.8	420.4	410.0
Potential Future Debt ⁽¹⁾	-	-	-	-	895.9	873.4	1,391.3
Total	\$556.8	\$880.7	\$740.8	\$713.9	\$1,578.1	\$1,525.0	\$2,013.1

(1) Includes potential new debt for Regional Wastewater, Recycled Water, and Non-Reclaimable Wastewater improvement projects.

Figure 7-1 below shows the estimated trend of outstanding debt from FY 2022/23 to FY 2029/30.



The Agency's Ten-Year Capital Improvement Plan (TYCIP) will be financed through a combination of pay-as-you-go (pay-go) funding, low-interest federal and State loans, grants, contributions, and potential new debt. While current projections include the possibility of issuing debt, the financing strategy will remain flexible and evolve as individual projects advance through design and approach construction readiness.

Future funding plans will be updated to reflect revised cost estimates, adjusted schedules, and adaptive funding strategies that align with program goals and support long-term fiscal sustainability. Although new debt issuance is projected as early as FY 2026/27, it is highly likely that projects associated with that potential issuance will instead be financed through pay-as-you-go (pay-go) funding or alternative sources. The Agency remains committed to actively pursuing federal, state, and regional grants and incentives, including low-interest loan programs.

Debt Service Costs

Debt service costs include principal, interest, and related financial expenses associated with outstanding bonds, low-interest State Revolving Fund (SRF) and WIFIA loans, notes, and inter-fund loans. For FY 2025/26, debt service is budgeted at \$221.6 million, which includes \$200.4 million in principal and interest due for the defeasance of the 2020B Revenue Notes. In FY 2026/27, debt service is projected at \$29.3 million as detailed in Tables 7-2 and 7-3.

Table 7-2: Summary of Agency's Debt Service Payments by Type (\$Millions)

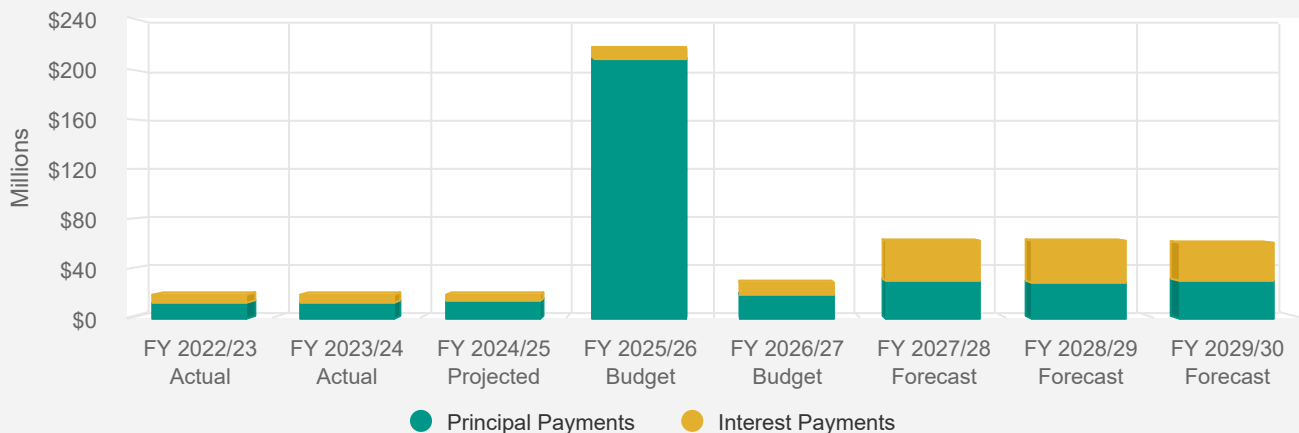
By Type (Principal and Interest)	FY 2025/26	FY 2026/27
Bonds	\$212.1	\$11.7
SRF Loans	5.7	6.5
WIFIA Loans	-	10.4
Notes Payable	0.6	0.6
Financial Expenses	0.1	0.1
Interfund Loans	3.1	-
Total	\$221.6	\$29.3

Table 7-3: Summary of Agency's Debt Service Payments by Fund (\$Millions)

By Fund	FY 2025/26		FY 2026/27	
(Excludes Fin. Exp. & Interfund Loan)	Principal	Interest	Principal	Interest
Regional Wastewater Capital	\$201.8	\$5.4	\$10.0	\$7.2
Regional Wastewater O&M	0.9	0.5	0.9	0.5
Non-Reclaimable Wastewater	0.4	0.2	0.4	0.2
Recycled Water	6.1	1.9	6.3	1.7
Recharge Water	4.1	0.3	1.7	0.4
Debt Service	\$213.3	\$8.3	\$19.3	\$10.0

Figure 7-2 shows the principal and interest debt service payment schedule for FY 2022/23 through FY 2029/30. This table excludes financial fees and interfund loan principal and interest payments (for the complete interfund loan repayment schedule see table 7-8 below).

Figure 7-2: Annual Debt Service Payments



FY 2025/26 includes \$200.4 million of principal and interest payments for the defeasance of the 2020B Revenue Notes.

Bonds and Revenue Notes

Bonded debt has been used to finance new construction, expansion, and improvement of existing facilities and infrastructure. The outstanding balance of bond and revenue note debt, including principal and interest, at June 30, 2026 is estimated to be \$75.0 and \$63.2 million as of June 30, 2027. Bond and revenue note principal and interest payments for FYs 2025/26 and 2026/27 are projected to be \$213.1 million and \$11.8 million, respectively as shown in Table 7-4.

Table 7-4: Outstanding Bond and Revenue Notes Issues (\$Millions)

	Maturity Date	Ratings	Interest Rate	Outstanding Balance As of 6/30/25	FY 2025/26 Bond Payments	Outstanding Balance As of 6/30/26	FY 2026/27 Bond Payments	Outstanding Balance As of 6/30/27
2017A Revenue Bond	11/1/2033	AA+ S&P/ Aa2 Moody's	2%-5%	\$48.2	\$6.4	\$41.8	\$6.5	\$35.3
2020A Revenue Refunding Bonds	8/1/2021		5%	38.5	5.3	33.2	5.3	27.9
2020B Revenue Notes	11/1/2025		4%	201.4	201.4	-	-	-
Total				\$288.1	\$213.1	\$75.0	\$11.8	\$63.2

Water Infrastructure Innovation Act (WIFIA) Loans

The outstanding WIFIA loan balance, including principal and interest, is estimated to be \$451.6 as of June 30, 2026, and \$441.2 million as of June 30, 2027 as shown in Table 7-5. WIFIA loan payments (including principal and interest), do not begin until FY 2026/27 and are projected to be \$10.4 million.

Table 7-5: Outstanding WIFIA Loans Debt Service Schedule (\$Millions)

	Interest Rate Range	Outstanding Balance as of 6/30/25	FY 2025/26 Debt Payments	Outstanding Balance as of 6/30/26	FY 2026/27 Debt Payments	Outstanding Balance as of 6/30/27
2020 WIFIA RP-5 Expansion	1.36%	\$250.1	\$0.0	\$250.1	\$7.2	\$242.9
2022 WIFIA Regional Wastewater Improvements	2.61%	141.1	-	201.5	3.2	198.3
Grand Total		\$391.2	\$0.0	\$451.6	\$10.4	\$441.2

Totals may not tie due to rounding.

Repayment of principal for each of the respective WIFIA loans is amortized over a 35-year period at fixed interest rates of 1.36 percent and 2.61 percent. Repayment commences one year after substantial completion of construction.

WIFIA loans offer flexible financing options, including:

- Deferred repayment for up to five years after substantial project completion.
- Customizable repayment structures to align with project cash flow and borrower needs.
- Co-financing compatibility, allowing up to 49% of project costs to be funded through WIFIA in conjunction with SRF loans.
- No cap on total project costs.
- Availability of funds during both pre-construction and construction phases.

In May 2025, the Agency made the first and final draw for the total loan amount of \$196.4 million from the 2020 WIFIA loan. Over the next two years, the Agency will continue to submit reimbursements for eligible projects associated with the 2022 WIFIA loan to support the Regional Wastewater Improvement projects.

State Revolving Fund (SRF) Loans

The outstanding SRF loan balance, including principal and interest, is estimated to be \$212.9 million as of June 30, 2026, and \$208.7 million, as of June 30, 2027. SRF loan principal and interest payments for FYs 2025/26 and 2026/27 are projected to be \$5.7 million and \$6.5 million, respectively, as shown in Table 7-6.

Table 7-6: Outstanding SRF Loans Debt Service Schedule (\$Millions)

SRF Loans by Program	Interest Rate Range	Outstanding as of 6/30/25	FY 2025/26 Debt Payments	Outstanding as of 6/30/26	FY 2026/27 Debt Payments	Outstanding as of 6/30/27
Recycled Water:						
Phase III (RP-4 Area)	-%	\$2.3	\$0.6	\$1.7	\$0.6	\$1.1
Phase IV (Northeast Area)	0.074%- 0.214%	4.6	0.8	3.8	0.8	3.0
Phase V (Northeast Area)	1.0%	0.3	0.1	0.2	0.1	0.1
Central Wineville	1.0%	22.3	0.9	21.4	0.9	20.5
San Sevaire/Napa Lateral	1.8%	6.4	0.2	6.2	0.2	6.0
Baseline Extension	1.4%	3.5	0.1	3.4	0.1	3.3
1158 Recycled Water Pump Station	1.4%	5.4	0.2	5.2	0.2	5.0
RP-5 Recycled Water Pipeline Bottleneck	1.4%	2.3	0.1	2.2	0.1	2.1
Subtotal - Recycled Water		\$47.1	\$3.0	\$44.1	\$3.0	\$41.1
Regional Wastewater:						
RP-5 Expansion* ⁽¹⁾	0.80%	\$95.4	\$0.0	\$114.6	\$0.0	\$116.9
RP-1 Dewatering Facility Expansion	0.46%	10.1	1.4	8.7	1.4	7.3
Water Quality Laboratory	2.10%	25.1	1.0	24.1	1.1	23.0
Subtotal - Regional Wastewater		\$130.6	\$2.4	\$147.4	\$2.5	\$147.2
Recharge Water:						
Wineville, Jurupa, RP-3 Basins ⁽¹⁾	0.55%	\$16.3	\$0.0	\$16.3	\$0.8	\$15.5
Lower Day Basin Improvement	0.55%	2.7	0.2	2.5	0.1	2.4
Montclair Basin Improvement ⁽¹⁾	0.55%	2.7	0.1	2.6	0.1	2.5
Subtotal - Recharge Water		\$21.7	\$0.3	\$21.4	\$1.0	\$20.4
Grand Total		\$199.4	\$5.7	\$212.9	\$6.5	\$208.7

Totals may not tie due to rounding.

*Includes projected capitalized interest

(1) Pending final loan amounts and amortization schedules.

Repayment of principal for each of the respective SRF loans is amortized over a 20 or 30-year period at fixed interest rates ranging from 0.0 to 4.0 percent with payments commencing one year after the completion of construction.

In the past, the SWRCB has offered additional assistance in the form of grants for various projects. The Agency has been successful in securing SWRCB and SRF loan related grants and other non-repayment financing in support of regional and recycled water capital projects. Over the next two years, the Agency will continue submitting reimbursement requests for eligible projects under currently approved SRF loans and will actively monitor available loan opportunities to support projects included in the Capital Improvement Program.

Notes Payable

The Agency has one outstanding note payable to the City of Fontana:

- On October 18, 2005, the Agency entered into a reimbursement agreement with the City of Fontana for the design and construction of the San Bernardino Avenue lift station and force main. The City of Fontana received a \$9.5 million, 20-year note, payable from the SWRCB. The project was completed in June 2010. Upon completion, the regional lift station and force main title and ownership was transferred to the Agency from the City of Fontana.

FY 2025/26 and FY 2026/27 note payable payments are estimated to be \$0.6 million per year, including principal and interest as shown on Table 7-7.

Table 7-7: Outstanding Notes Payable Debt Service Schedule (\$Millions)

Notes Payable	Note Principal Amount	Outstanding as of June 30, 2025	FY 2025/26 Debt Service Costs	Outstanding as of June 30, 2026	FY 2026/27 Debt Service Costs	Outstanding as of June 30, 2027
City of Fontana	\$9.5	\$1.9	\$0.6	\$1.3	\$0.6	\$0.7
Total	\$9.5	\$1.9	\$0.6	\$1.3	\$0.6	\$0.7

Interfund Loans

Interfund loans between Agency programs help to support funding gaps for debt service, operating, and capital requirements. In FY 2022/23 the Recharge Water fund received a \$10.1 million interfund loan from the Regional Wastewater Capital fund. This loan was necessary to support delayed State Revolving Fund loan reimbursements for the Recharge Master Plan Update project costs in the Recharge Water fund.

The interfund loan payment for FY 2025/26, including principal and interest, is budgeted at \$3.1 million and no payment is projected for FY 2026/27. It is anticipated that the remaining interfund loan balance will be paid in full by June 30, 2032. There are no new interfund loans budgeted for the biennial budget years. Table 7-8 summarizes interfund loans and the annual repayment amounts.

Table 7-8: Interfund Loan Payments from the Recharge Water Fund (\$Millions)

Loans Issued	Due to	Loan Amount (\$Millions)	Outstanding as of June 30, 2025	FY 2025/26 Loan Payment	Outstanding as of June 30, 2026	FY 2026/27 Loan Payment	Outstanding as of June 30, 2027
FY 2022/23	Regional Wastewater Capital Improvement Fund	\$10.1	\$5.1	\$3.1	\$2.0	\$0.0	\$2.0
Total	Grand Total	\$10.1	\$5.1	\$3.1	\$2.0	\$0.0	\$2.0

Debt Coverage Ratio

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

The Agency’s debt covenants require a legal DCR of at least i) 1.15 times maximum annual debt service for senior obligations; ii) 1.25 times maximum annual debt service for all other obligations. A DCR of 1.25 times means that the Agency is required to generate a net operating cash flow equal to no less than 125 percent of the amount required to meet annual debt service obligations. Net operating cash flow is the amount remaining after payment of operating expenses. The Agency has no legal debt limits imposed by State legislation.

Annual changes in the Debt Coverage Ratio (DCR) result from fluctuations in system revenues, operating expenses, and debt service obligations. Current DCR forecasts account for potential new bond issuances to support the capital improvement program. The associated annual debt service costs for these bonds are included in the DCR calculation, as shown in Table 7-9.

Table 7-9: Total Debt Coverage Ratio Based on Current Assumptions

	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget	FY 2027/28 Forecast	FY 2028/29 Forecast	FY 2029/30 Forecast
DCR*	6.26x	4.14x	3.98x	2.08x	1.94x	1.93x

* Projected, Budget, and Forecasts based on current assumptions

Chino Basin Regional Financing Authority

(Inland Empire Utilities Agency)

Refunding Revenue Bonds, Series 2017A

(Parity Debt)

Principal Issue Amount: \$67,615,000

Issue Date: January 1, 2017

Maturity Date: November 1, 2033

Rating: Standard & Poors AA+

Purpose: The Bonds are issued (i) to provide money, which together with certain other moneys, will refund all of the outstanding Chino Basin Regional Financing Authority Revenue Bonds, Series 2008A (Inland Empire Utilities Agency) (the "2008A Bonds"), and (ii) to pay the costs of issuing the Bonds. To finance the cost of certain replacements of the Agency's wastewater facilities and certain improvements to the wastewater, recycled water and non-reclaimable wastewater facilities of the Agency.

Security: Pursuant to the 2017A Installment Purchase Agreement, the 2017A Installment Purchase Payments are payable by the Agency solely from Net Revenues, excluding revenues recorded in the Water Resources Fund. Net Revenues are considered to be revenues of the Agency for any fiscal year less operational and maintenance costs for such fiscal year.

Fiscal Year	Principal	Interest	Total Payment
2016/17	\$0	\$782,050	\$782,050
2017/18	3,010,000	3,133,250	6,143,250
2018/19	3,090,000	3,056,800	6,146,800
2019/20	3,200,000	2,946,450	6,146,450
2020/21	3,330,000	2,815,850	6,145,850
2021/22	3,480,000	2,662,250	6,142,250
2022/23	3,660,000	2,483,750	6,143,750
2023/24	4,185,000	2,287,625	6,472,625
2024/25	4,395,000	2,073,125	6,468,125
2025/26	4,620,000	1,847,750	6,467,750
2026/27	4,860,000	1,610,750	6,470,750
2027/28	3,595,000	1,399,375	4,994,375
2028/29	3,830,000	1,213,750	5,043,750
2029/30	4,025,000	1,017,375	5,042,375
2030/31	4,235,000	810,875	5,045,875
2031/32	4,500,000	592,500	5,092,500
2032/33	4,680,000	363,000	5,043,000
2033/34	4,920,000	123,000	5,043,000
	\$67,615,000	\$31,219,525	\$98,834,525

Principal due annually, November.

Interest due semi-annually, May 1 and November 1.

Fiscal Year: 12 month period starts from July 1 through June 30.

Chino Basin Regional Financing Authority

(Inland Empire Utilities Agency)

Refunding Revenue Bonds, Series 2020A

(Parity Debt)

Principal Issue Amount: \$56,255,000

Issue Date: June 24, 2020

Maturity Date: June 1, 2035

Rating: Standard & Poors AA+

Purpose: The Bonds are issued to provide moneys, together with certain other moneys (1) to refund all of the outstanding Chino Basin Regional Financing Authority Variable Rate Demand Refunding Bonds, Series 2008B,(ii) to refund all of the outstanding Chino Basin Regional Financing Authority Revenue Bonds, Series 2010A, (iii) to refund certain Clean Water State Revolving Fund Financing Agreements from the California State Water Resources Control Board, and (iv) to pay the costs of issuing the Bonds.

Security: Pursuant to the 2020A Installment Purchase Agreement, the 2020A Installment Purchase Payments are payable by the Agency solely from Net Revenues of the Agency System on a subordinate basis to the obligation of the Agency to make \$58.315 million aggregate principal amount of 2017A Installment Payments pursuant to the 2017A Installment Purchase Agreement and on a parity with the obligation of the Agency to make \$193,436,445 aggregate principal amount of WIFIA Installment Payments pursuant to the WIFIA Installment Purchase Agreement and \$85,926,49 aggregate principal amount of payments to the State of California Regional Water Quality Control Board under Revolving Fund Loans not being refunded with proceeds of the Bonds.

Fiscal Year	Principal	Interest	Total Payment
2020/21	\$8,610,000	\$2,586,167	\$11,196,167
2021/22	3,855,000	2,382,250	6,237,250
2022/23	4,025,000	2,189,500	6,214,500
2023/24	4,240,000	1,988,250	6,228,250
2024/25	4,380,000	1,776,250	6,156,250
2025/26	3,745,000	1,557,250	5,302,250
2026/27	3,935,000	1,370,000	5,305,000
2027/28	4,120,000	1,173,250	5,293,250
2028/29	3,470,000	967,250	4,437,250
2029/30	3,640,000	793,750	4,433,750
2030/31	3,825,000	611,750	4,436,750
2031/32	4,010,000	420,500	4,430,500
2032/33	1,395,000	220,000	1,615,000
2033/34	1,465,000	150,250	1,615,250
2034/35	1,540,000	77,000	1,617,000
	\$56,255,000	\$18,263,417	\$74,518,417

Principal due annually, June.

Interest due semi-annually, June 1 and December 1.

Fiscal Year: 12 month period starts from July 1 through June 30.

Chino Basin Regional Financing Authority

(Inland Empire Utilities Agency)

Interim Financing Revenue Notes, Series 2020B

(Parity Debt)

Principal Issue Amount: \$196,435,000

Issue Date: June 15, 2020

Maturity Date: November 1, 2025

Rating: Standard & Poors AA+

Purpose: The Bonds are issued to finance, on an interim basis, a portion of the cost of certain Projects defined in the Installment Purchase Agreement.

Security: Pursuant to the 2020B Installment Purchase Agreement, the 2020B Installment Purchase Payments are payable by the Agency solely from all revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of the Installments Payments and the Revenues shall not be used for any other purpose while any of the Installments Payment remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted.

Fiscal Year	Principal	Interest	Total Payment
2020/21	\$0	\$6,569,659	\$6,569,659
2021/22	-	7,857,400	7,857,400
2022/23	-	7,857,400	7,857,400
2023/24	-	7,857,400	7,857,400
2024/25	-	7,857,400	7,857,400
2025/26	196,435,000	3,928,700	200,363,700
	\$196,435,000	\$41,927,959	\$238,362,959

Principal due annually, November .

Interest due semi-annually, May 1 and November 1.

Fiscal Year: 12 month period starts from July 1 through June 30.





Personnel



Personnel

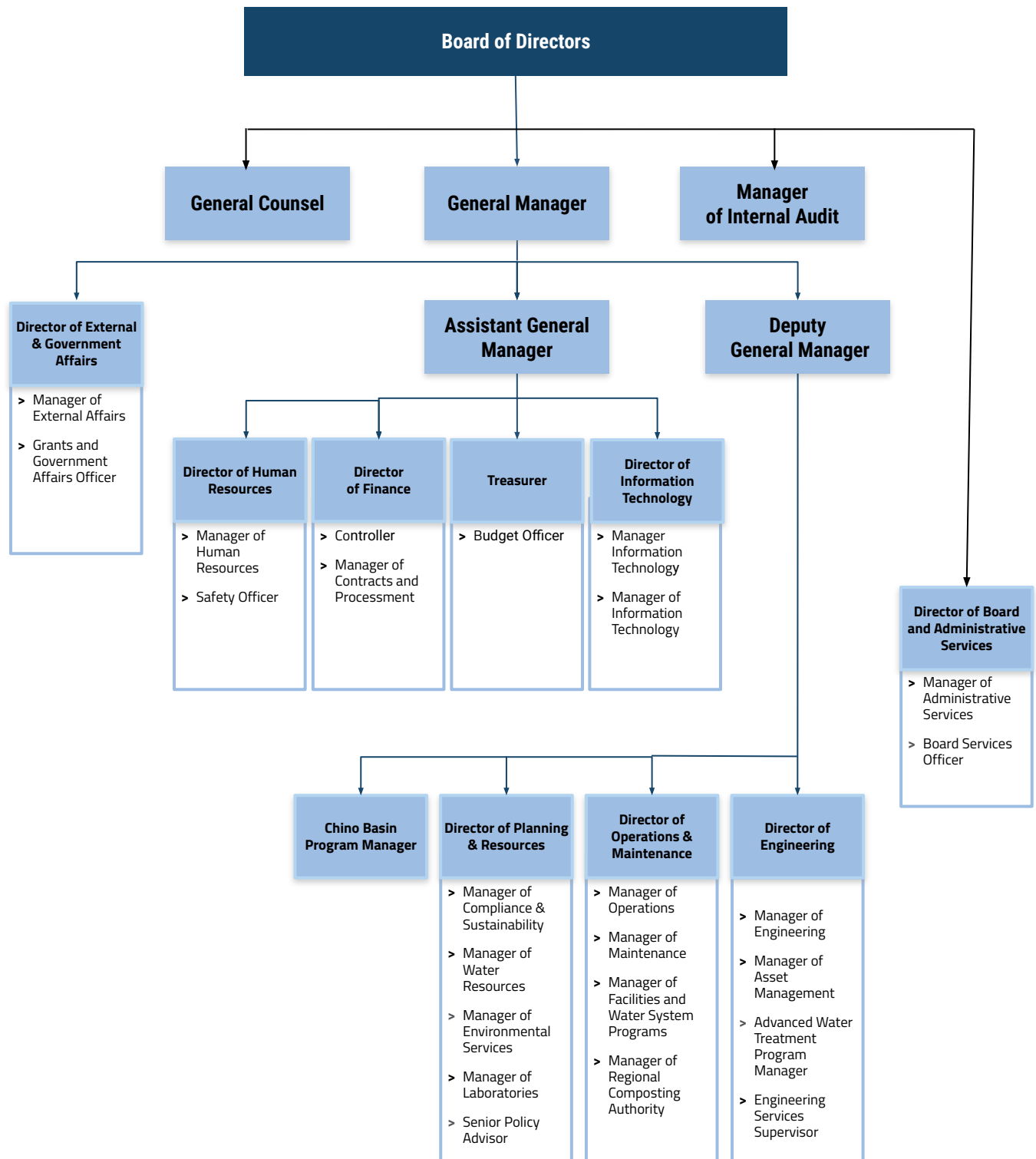
The Agency regards employees as its most valuable asset and promotes a dynamic work environment that values continuous learning and improvement, integrity, collaboration, open communication, accountability, and respect for each other. The Agency is committed to providing a safe, equitable and inclusive workplace that empowers employees to reach their full potential and contribute to the Agency.

During FYs 2025/26 and 2026/27, the Agency will continue to support the implementation of initiatives outlined in the IEUA Strategic Goals identified under Workplace Environment. Key priorities include evaluating safety and emergency management initiatives, conducting a classification and compensation study, developing a comprehensive workforce development strategy through a formalized Workforce Development Plan, and aligning employee performance with Agency goals and objectives.

Like many organizations in the water and wastewater sector, the Agency is proactively preparing for anticipated retirements. It remains committed to leading succession planning efforts by assessing future staffing needs and implementing a Workforce Development Plan that serves as a strategic investment in employee growth. These efforts are designed to strengthen internal capacity, support career advancement, and foster a workplace culture where employees feel engaged, valued and empowered to succeed.

Figure 8-1: IEUA Organizational Chart

The following agencywide organizational chart (Figure 8-1) provides an overview of the Agency's current organizational structure by division and department.

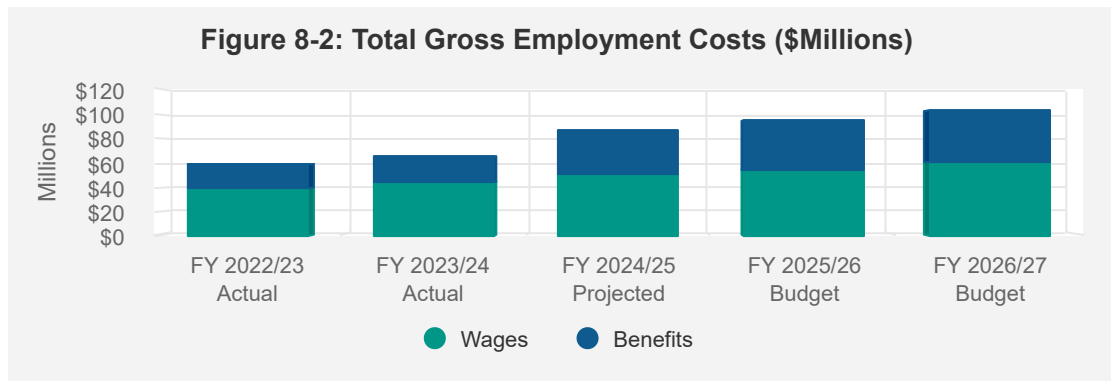


Staffing Plan

Over the next two years, approximately 29.7 percent of the current workforce is eligible for retirement. During FY 2025/26 the Agency will continue to support succession planning by filling vacancies to streamline operations and more effectively support the areas of technology, finance, and administration.

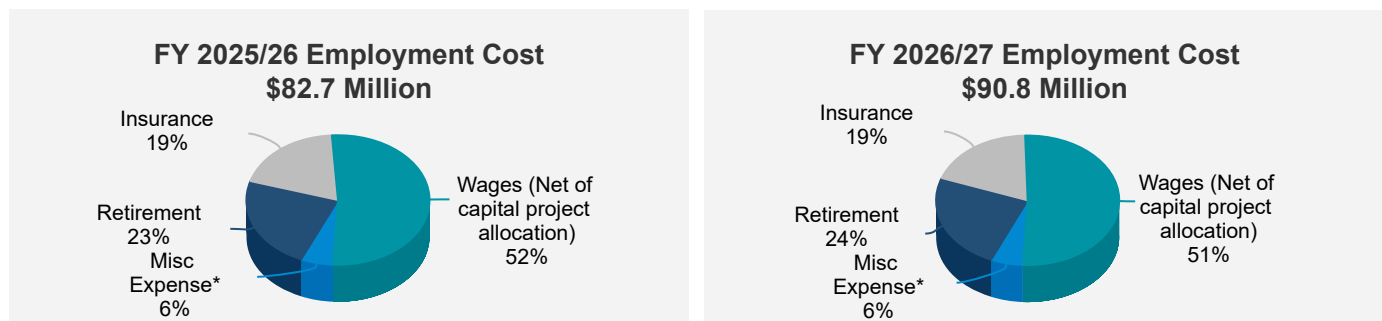
The FYs 2025/26 and 2026/27 proposed employment budget includes an estimated 28 new full-time positions, 15 positions in FY 2025/26 and 13 additional positions for FY 2026/27. The additional positions will support wastewater treatment and expansion, operational efficiencies, project management, long term water and wastewater resource planning and management, cybersecurity, workforce development, and business continuity.

Total gross employment costs for FY 2025/26 are budgeted at \$94.9 million and for FY 2026/27 at \$104.1 million, as shown in Figure 8-2. Included in the proposed FY 2025/26 and FY 2026/27 employment budget is a cost-of-living adjustment (COLA) of 6 percent and an average of 12 percent in benefits reflecting the estimated increases in the California Public Employees Retirement System (CalPERS) rates and health insurance benefits. Employment cost also includes an average of \$8.6 million for each fiscal year in contributions toward the unfunded accrued liabilities for CalPERS pension and other post-employment benefits (OPEB). FYs 2025/26 and 2026/27 are the second and third of the three-year Memorandums of Understanding (MOUs) negotiated with the various employee bargaining units in 2024.



Total net employment costs as indicated in Figure 8-3, inclusive of wages and benefits, are budgeted at \$82.7 million (net of allocation to capital projects) in FY 2025/26 and \$90.8 million in FY 2026/27. An average of \$12.9 million in annual employment costs are allocated to support capital improvement plan (CIP) activities, with an additional adjustment for vacancy factor averaging \$2.3 million, or three percent.

Figure 8-3: Net Employment Costs



*Misc. Expense includes state unemployment taxes, directors' fees, auto allowance, and other benefits.

Table 8-1 provides the change in number of positions for each department from FY 2024/25 to FY 2026/27.

Table 8-1: Staffing Plan

Position Type		Authorized FY 2024/25	Actual FY 2024/25	Adopted FY 2025/26	Adopted FY 2026/27
FULL TIME	Agency Management	5	5	5	5
	Board and Administrative Services	23	22	25	27
	Chino Basin Program Section	2	2	2	2
	Engineering Department	42	43	45	48
	External & Government Affairs Department	13	13	13	13
	Finance Department	33	33	35	36
	Human Resources Department	14	14	15	15
	Information Technology Department	33	33	35	36
	Internal Audit Unit	3	3	3	3
	Operations & Maintenance Department	153	152	157	161
	Planning and Resources Department	37	38	38	40
	Full Time Total	358	358	373	386
LIMITED TERM	Agency Management	0	1	0	0
	Board and Administrative Services	1	0	0	0
	Chino Basin Program Section	0	0	0	0
	Engineering Department	0	0	0	0
	External & Government Affairs Department	0	0	0	0
	Finance Department	2	2	0	0
	Human Resources Department	0	0	1	1
	Information Technology Department	1	1	1	0
	Internal Audit Unit	0	0	0	0
	Operations & Maintenance Department	3	1	0	0
	Planning and Resources Department	1	1	0	0
	Limited Term Total	8	6	2	1
	Operations & Maintenance Department	1	1	0	0
	Retired Annuitant Total	1	1	0	0
	Subtotal FTE and LT	367	365	375	387
INTERN	Agency Management	1	1	1	1
	Board and Administrative Services	6	0	6	6
	Chino Basin Program Section	0	0	0	0
	Engineering Department	20	20	20	20
	External & Government Affairs Department	6	7	3	3
	Finance Department	6	6	6	6
	Human Resources Department	4	3	4	4
	Information Technology Department	5	5	5	5
	Internal Audit Unit	1	1	1	1
	Operations & Maintenance Department	32	32	29	27
	Planning and Resources Department	11	12	11	11
	Intern Total	92	87	86	84
	Grand Total	459	452	461	471

Personnel Costs by Program

Total employment costs consist of wages and benefits and are initially recorded in the Administrative Services (GG) fund. These costs are then allocated to other Agency programs, capital projects, and other agencies and Joint Power Authorities (JPAs) based on their level of support provided. Employment costs for staff assigned to support other agencies, such as Chino Basin Desalter Authority (CDA) and the Inland Empire Regional Composting Authority (IERCA), are reimbursed to the Agency based on contractual agreements. Table 8-2 indicates the employment cost allocation for each fund as determined by the anticipated level of staff work for the respective programs.

Table 8-2: Net Employment Costs Allocation by Program

Program	Allocation Percentage		
	FY 2024/25 \$63.5 million	FY 2025/26 \$82.7 million	FY 2026/27 \$90.8 million
Regional Wastewater ⁽¹⁾	68.9%	68.9%	68.9%
Recycled Water	11.0%	11.0%	11.0%
Administrative Services/Chino Basin Desalter Operations ⁽²⁾	4.8%	4.8%	4.8%
Non-Reclaimable Wastewater System	7.9%	7.9%	7.9%
Water Resources	5.9%	5.9%	5.9%
Recharge Water	1.5%	1.5%	1.5%
Total	100%	100%	100%

(1) Inland Empire Regional Composting Authority (IERCA) labor costs are 100 percent reimbursable from the IERCA and are reported in the Regional Wastewater Operations fund.

(2) Chino Desalter Authority (CDA) JPA labor costs are 100 percent reimbursable from CDA and are reported in the Administrative Services fund.

Total employment cost reimbursements from other agencies and Joint Powers Authorities (JPAs) are estimated at \$8.9 million in FY 2025/26 and \$9.3 million in FY 2026/27. This includes:

- \$5.1 million in FY 2025/26 and \$5.3 million in FY 2026/27 from the Inland Empire Regional Composting Authority (IERCA) for facility operations, recorded in the Regional Wastewater Operations and Maintenance Fund.
- \$2.2 million in FY 2025/26 and \$2.3 million in FY 2026/27 from the Chino Basin Desalter Authority (CDA) for operations and program support, recorded in the Administrative Services Fund.
- Approximately \$1.6 million in FY 2025/26 and \$1.7 million in FY 2026/27 from the Chino Basin Watermaster (CBWM) as partial reimbursement for labor costs related to recharge water basin maintenance, recorded in the Recharge Water Fund.

Benefits

In FY 2025/26, total benefit costs are budgeted at \$39.9 million and make up approximately 42 percent of the total gross employment costs. These costs increase to \$43.8 million in FY 2026/27. Benefits are comprised of:

- Insurance (i.e., health, dental, vision, life, long term disability, and workers' compensation).
- Paid leave (e.g., holiday pay, sick leave, vacation leave, executive leave, floating holidays, longevity leave, etc.).
- Retirement benefits in the form of participation in the California Public Employees' Retirement System (CalPERS) and Social Security.

- Contribution towards retirement Unfunded Accrued Liabilities (UAL) and Other Post-Employment Benefits (OPEB).

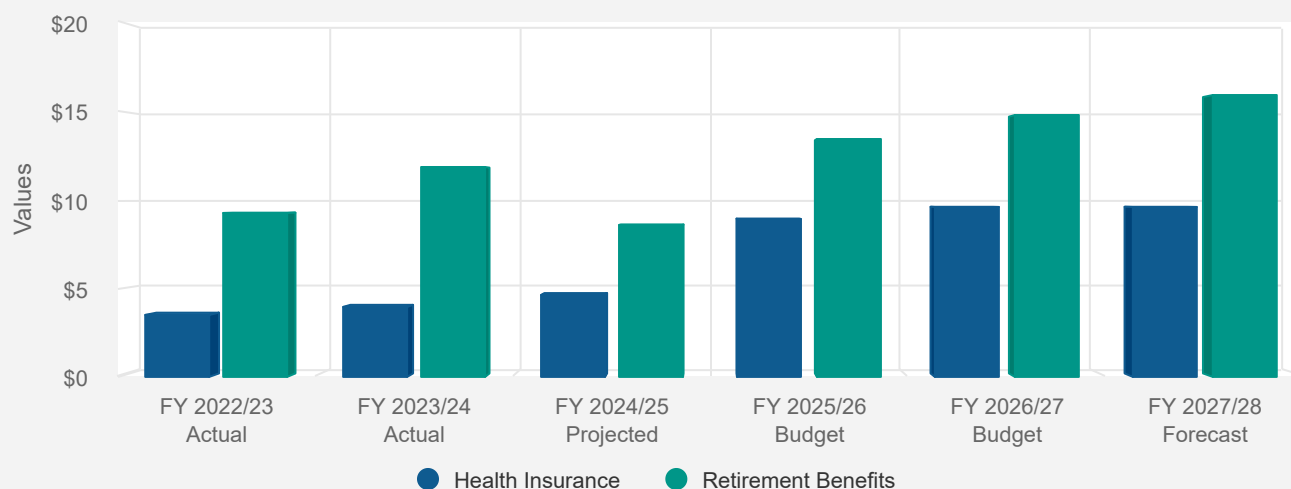
The CalPERS employer contribution rate projected for FY 2024/25 and FY 2025/26 are 26.37 percent and 28.46 percent of total “PERSable” wages, respectively. As of July 1, 2017, all Agency employees pay 100 percent of the employer paid member contributions (EPMC). Employment cost also includes an average of \$8.6 million for each fiscal year in contributions toward the unfunded accrued liabilities for CalPERS retirement and other post-employment benefits.

Figure 8-4 reflects a combined decrease of approximately twenty-one percent in health and retirement benefit costs in FY 2024/25 over the prior year actuals. Adjustments made in FY 2023/24 pertaining to prior year actuals resulted in increased benefit costs for the year. The decrease in FY 2024/25 benefits costs can mainly be attributed to the fact that there were no adjustments for prior years and therefore FY 2024/25 reflects only current year costs.

Effective January 1, 2025, the agency began contributing up to \$2,200 per month toward each employee’s health insurance premiums. This amount will increase to \$2,300 per month beginning July 1, 2026. Any monthly premium costs exceeding the agency’s contribution will be paid by the employee. The increases in the Benefits budget for FYs 2025/26 and 2026/27 are primarily driven by rising healthcare costs and these scheduled increases in the agency’s monthly contributions. Additionally, the addition of two new paid holidays to the employee benefits package during FY 2025/26 has further contributed to the overall growth of the Benefits budget.

The required employer normal cost contribution for FY 2025/26 is 10.2%, and this rate is expected to decline over time as new employees are hired into lower-cost benefit tiers. On April 16, 2024, the CalPERS Board amended its Funding Risk Mitigation Policy, eliminating the automatic reduction of the discount rate when investment returns exceed certain thresholds. The current discount rate remains at 6.8%, unchanged since November 2021, when the Board revised the asset allocation to allow for greater return volatility. Any future changes or actions are not reflected in this budget. A lower discount rate generally results in higher normal costs and increased unfunded actuarial liabilities for employers participating in CalPERS.

Figure 8-4: Benefits Cost Trend (\$Millions)



Safety

The Agency is committed to maintaining a safe and healthy work environment for all employees by minimizing injuries and accidents while ensuring full compliance with regulatory standards through comprehensive Occupational Health and Safety, and Emergency Management Programs. These programs include high-quality training, thorough workplace evaluations, and regular safety inspections to support and protect employees.

Employee safety is a fundamental component of this Agency's culture. Leadership actively promotes and empowers all employees to identify potential hazards, assess risks, and take proactive measures to maintain a safe workplace. Safety is a shared responsibility, and the Agency's dedication to employee well-being is reflected in its efforts to exceed OSHA standards, adopt industry's best practices, and embed safety as a core organizational value.

Workforce Development

Workforce development is a cornerstone of IEUA's strategy to strengthen skills, capabilities, and readiness of staff to meet current and future demands. To support this vision, IEUA is developing a comprehensive Workforce Development Plan focused on cultivating a highly skilled and resilient workforce. This plan will guide efforts in recruitment, career advancement, professional development and succession planning ensuring that employees have the tools, training, and support needed to grow and thrive within IEUA.

A key component of the plan is identifying and developing internal talent with core competencies such as communication, initiative, and a strong understanding of our water programs. By creating a robust pipeline of qualified individuals, IEUA aims to ensure seamless transitions into new roles and leadership positions.

The Workforce Development Plan will outline structured training programs, competency based curriculum, and clearly defined career ladders. These elements are designed to prepare multiple employees for competitive recruitment processes and internal promotion reinforcing IEUA's commitment to long-term organizational excellence.

To promote careers in the water industry and support the development of future professionals, IEUA actively cultivates partnerships with educational institutions, workforce organizations, community partners and regional collaboratives. Staff from various departments participate in career fairs, facility tours, classroom presentations, and advisory committees providing valuable insights to help shape academic programs. Through collaboration with neighboring water agencies and workforce development groups, IEUA also works to address current staffing needs and develop shared strategies for building a resilient and skilled workforce.



Departments



AGENCY MANAGEMENT DIVISION

Mission Statement

To provide a safe, equitable, and inclusive workplace that empowers employees to reach their full potential and contribute to the Agency. The Division is committed to managing the activities of the Agency by providing leadership and guidance on Agency strategic initiatives, projects, and programs to effectively serve the region. This includes supporting internal operations through consistent administrative practices, sound legal guidance, independent internal audit insights, and responsive governance support to ensure alignment with the Agency's mission and regulatory requirements. Through effective communication and collaboration, the Division also seeks to promote Agency initiatives and priorities to enhance engagement with the community and showcase the work of IEUA employees. Additionally, the Agency Management Division is responsible for identifying and securing new sources of revenue through grants and low-interest loans to advance projects that will benefit the region.

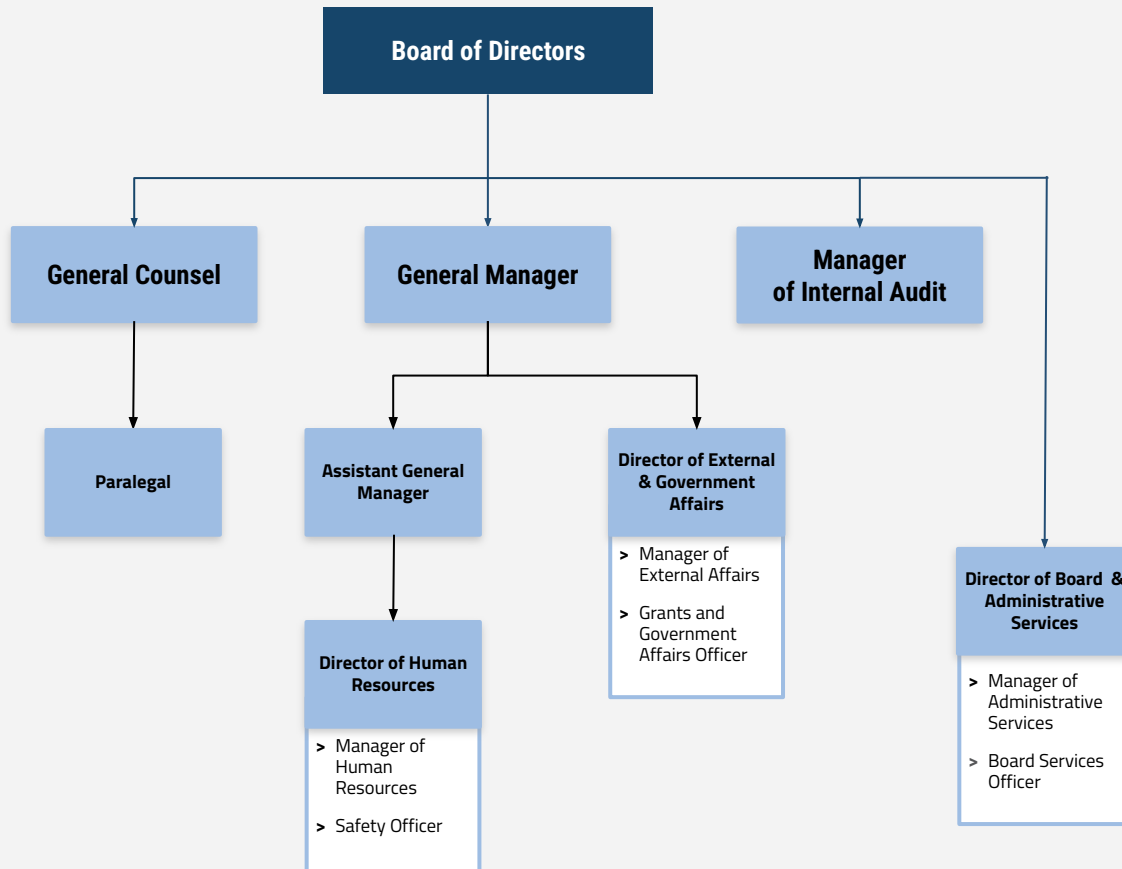
Departments

- Board and Administrative Services Department
 - Board Services Unit
 - Administrative Services Unit
- External and Government Affairs Department
 - External Affairs Unit
 - Grants and Government Affairs Unit
- Human Resources Department
 - Human Resources Unit
 - Safety Unit
- General Counsel Unit
- Internal Audit Unit

Executive Summary

The Agency Management Division is responsible for establishing effective governance, delivering human capital management programs that promote a transparent and engaging work environment and for the management and administration of all Agency activities. Its purpose is to establish the IEUA business goals; administer Agency programs; organize efficient delivery of the Agency's services; support internal operations through consistent administrative processes; ensure organizational compliance and sound decision-making through integrated legal support and independent internal audit insight; implement Agency policies pursuant to the direction of the Board of Directors; ensure effective collaboration and communication with Agency customers, partners, and stakeholders; identify resources to support Agency projects and priorities; and promote a workplace culture of respect, safety, accountability, collaboration, engagement, efficiency, continuous learning and improvement, and coaching for performance. The Division provides management services on all matters pertaining to the business of the Agency. Total division staffing is budgeted at fifty-nine full time equivalent (FTE) positions for FY 2025/26 and sixty-one FTEs for FY 2026/27.

Organizational Chart



BOARD AND ADMINISTRATIVE SERVICES

Mission Statement

To provide high-level executive and administrative support that advances effective governance, operational excellence, and a culture of service across the Agency. Board and Administrative Services ensures consistent, responsive, and compliant coordination of Board-related functions, while delivering integrated administrative support to all departments. Through strategic leadership and a commitment to high performance and continuous improvement, the department promotes efficiency, transparency, and alignment with the Agency's mission, values, and strategic priorities.

Description and Purpose

The Board and Administrative Services Department provides executive-level support and delivers comprehensive administrative services across the Agency. The department plays a critical role in facilitating effective governance through the preparation of agendas, minutes, and official records; ensuring compliance with applicable laws and regulations; and maintaining transparency in support of public trust. In addition, the department coordinates and delivers consistent administrative assistance to all departments, promoting organizational efficiency, internal alignment, and responsive service delivery. Guided by strategic leadership and a commitment to a high-performance, service-oriented work environment, the department applies continuous improvement and quality management principles to its daily operations. Through its work, the Board and Administrative Services support both the smooth functioning of executive operations and the Agency's broader mission and cultural values.

Major Priorities

- Ensure transparent and effective governance by coordinating the preparation, review, and timely distribution of Board and Committee agendas, reports, and meeting materials.
- Support the Board of Directors and executive leadership by managing administrative functions that enhance decision-making, policy alignment, and operational accountability.
- Deliver consistent, efficient administrative support services across all Agency departments and functional areas.
- Strengthening internal communication and responsiveness through proactive administrative coordination.
- Identify and implement process improvements that enhance organizational support and operational effectiveness.

Position Summary

The Board and Administrative Services Department provides executive-level support and delivers integrated administrative services across the Agency. While the department continues to fulfill its governance responsibilities, recent staffing adjustments reflect a broader, agencywide effort to centralize and professionalize administrative support. In the current fiscal year, staffing is at twenty-two full-time equivalent (FTE) positions, increasing to twenty-five FTEs in FY 2025/26 and twenty-seven FTEs in FY 2026/27. These changes are designed to improve internal consistency, responsiveness, and service delivery, while also enabling

professional and technical staff to focus more fully on their core responsibilities. Led with a commitment to fostering a high-performance, service-oriented environment aligned with the Agency's mission, values, and cultural attributes, the department supports continuous improvement, collaboration, and the effective use of Agency resources.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Board Services				
Director of Board and Admin Services	1	1	1	1
Board Services Officer	1	1	1	1
Executive Assistant	2	2	2	2
Administrative/Office Assistant I-II	2	1	1	1
Total Board Services	6	5	5	5
Administrative Services				
Manager of Administrative Services	-	1	1	1
Acting/Administrative Services Supervisor	-	1	3	3
Engineering Services Analyst	-	1	1	1
Engineering Services Supervisor	-	1	-	-
Engineering Services Specialist	-	-	1	1
Administrative Assistant II	-	13	14	16
Total Administrative Services	-	17	20	22
Total Board & Administrative Services	6	22	25	27

Strategic Plan Goals

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

C. Partnerships: Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to improve communication, coordination, and collaboration with customer agencies.	The Board and Administrative Services Department will facilitate transparent and consistent communication by coordinating regular meetings, maintaining accurate records, and ensuring timely distribution of critical updates. The department will support leadership in strengthening relationships with customer agencies by streamlining information-sharing processes and enhancing public meeting accessibility.	FY 2025/26 & FY 2026/27
Maintain effective collaboration and coordination efforts with key regional agencies such as the Chino Basin Watermaster, the Chino Basin Water Conservation District, Santa Ana Watershed Protection Agency, and the San Bernardino County Flood Control District.	The Board and Administrative Services Department will provide administrative and logistical support to sustain strong partnerships with key regional agencies. This includes organizing joint meetings, tracking action items, and ensuring seamless documentation of interagency agreements, reports, and policy discussions to reinforce long-term collaboration efforts.	FY 2025/26 & FY 2026/27

Strategic Goal 3 – 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.

Key Objective:

J. Budget Planning and Reporting: Prepare multi-year budgets, plans, and reports to support fiscal stability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to ensure collaborative and interdepartmental planning.	The Board and Administrative Services Department will support collaborative and interdepartmental planning by coordinating the development, review, and distribution of budget-related materials, Board reports, and planning documents. To enhance coordination across the Agency, we will manage and maintain the centralized training and events calendar, ensuring departments have visibility into scheduled activities to prevent conflicts and improve agencywide collaboration. Additionally, we will facilitate clear communication by organizing meetings, tracking key action items, and ensuring accurate documentation of financial discussions to promote transparency and alignment with fiscal objectives.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Review and re-engineer business processes to increase efficiency.	The Board and Administrative Services Department will assess current administrative workflows, identify inefficiencies, and implement streamlined processes that reduce redundancies. We will work collaboratively with departments to refine procedures that support Agencywide efficiency improvements.	FY 2025/26 & FY 2026/27
Establish internal processes to ensure proper asset data accuracy and management.	The Board and Administrative Services Department will support asset data accuracy by maintaining organized and accessible records, ensuring that relevant documentation is up to date and properly archived. Our department will assist in the implementation of tracking mechanisms and provide administrative oversight to support proper asset management.	FY 2025/26 & FY 2026/27
Regularly review and update policies and procedures and ensure that workflows are clearly documented within Standard Operating Procedures.	The Board and Administrative Services Department will provide input on any policy updates and conduct procedure reviews, ensuring that workflows are documented in Standard Operating Procedures (SOPs). We will facilitate interdepartmental collaboration to standardize documentation, making administrative procedures as consistent as possible.	FY 2025/26 & FY 2026/27
Continue efforts to digitize internal forms and workflows, including updating contract and form templates.	The Board and Administrative Services Department will support the Agency's digital transformation efforts by identifying opportunities to convert paper-based processes into digital workflows.	FY 2026/27

Expenses

Employment costs include wages, benefits, and director fees. Beginning in FY 2025/26, the Administrative Services department centralized all administrative support staff, previously distributed across various departments. This restructuring accounts for the significant increase in employment expenses in FY 2025/26. Administrative expenses include agencywide costs for courier services, election expenses*, and other office and administrative costs. Operating costs include professional fees and services and materials and supplies.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$547,100	\$582,536	\$4,222,898	\$5,190,503
Administrative	54,131	214,781	135,723	142,656
Operating	89,774	48,707	66,600	70,350
Total	\$691,005	\$846,024	\$4,425,221	\$5,403,509

*Election expenses are included in FY 2024/25 Projected Actual

EXTERNAL AND GOVERNMENT AFFAIRS

Mission Statement

The External Affairs Unit is committed to transparent communication, community engagement, and strategic partnerships that support the Agency's services and programs. Through comprehensive communication, public outreach, and education programs, we aim to inform, involve, and inspire the communities we serve. We focus on strengthening community and stakeholder relationships and enhancing public awareness of the Agency's programs, projects, and services - promoting water stewardship, environmental responsibility, and long-term sustainability.

The Grants & Government Affairs Unit seeks to effectively advocate responsible public policy and maximize local, federal, and state grants and low-interest loan funding by identifying and securing funding opportunities. Advocacy and funding efforts aim to support the current and future regional groundwater management, wastewater, recycled water, energy management projects and programs, and other Agency and regional needs through enhanced partnerships and coordination with stakeholders across local, state, and national organizations. We aim to continue to strengthen relationships with local, state, and federal partners and ensure continued compliance with all applicable federal, state, and local regulations and requirements while minimizing Agency liability.

Description And Purpose

External Affairs is a liaison between the Agency and its stakeholders and supports the following functions and activities:

- Responsible for developing and directing the Agency's media and community relations, public outreach, and education programs.
- Manages media inquiries and requests, coordinates interview logistics, facilitates internal media training, and acts as Agency spokesperson as necessary.
- Manages the Agency's Education Center and numerous Water Discovery education programs that benefit the community, including the Chino Creek Wetlands and Educational Park's DEW (Discover the Environment and Water) Field Trip, Water Scout Badge Program, Wally's Water Conservation Camp, virtual and at-home activities, and the Water Is Life Student Art Poster Contest programs.
- Responsible for developing both internal and regional campaigns, digital and print communication, social media management, and website design and maintenance.
- Facilitates internal and external communication and outreach through tabling events, participating in community engagement, managing branding awareness and integrity, newsletter development, marketing and publication production, and video development to highlight Agency programs, processes, and staff.
- Responsible for internal and external large-scale Agency events, including Leadership Breakfasts, Earth Day, dedications, groundbreakings, and employee recognition events.

The Grants & Government Affairs Unit key functions include:

- Monitoring legislation and regulatory policies.
- Cultivating relationships with legislative representatives, regulators, and grantors.

- Advocating effective public policy in the water, wastewater, composting, public agency, and more.
- Negotiating grant terms and agreements.
- Researching emerging grant trends and funding cycles.
- Providing centralized Agency grants management oversight to IEUA and joint power authorities to ensure grant and loan compliance, cost eligibility, and accurate and timely reporting for each grant and loan award in accordance with grantor compliance requirements.

Major Priorities

The External Affairs Unit's major priorities for FYs 2025/26 and 2026/27 are as follows:

- Implement communication strategies and tactics that enhance relationships with customer and partner agencies, stakeholders, and the community (i.e., regional communication toolkits, social media partnerships, community-based learning academy, etc.).
- Continue efforts to engage with the community on Agency priorities and initiatives through marketing, public relations, communication, and outreach.
- Continue efforts to engage with the business community to build awareness of IEUA and promote contracting opportunities with the Agency.
- Continue to provide and enhance educational programming for K-12 grade students through the Water Discovery Program.
- Maintain the Special District Transparency Certificate of Excellence.
- Design and implement a new Agency website.
- Implement remaining activities to recognize and celebrate IEUA's 75th anniversary.
- Outfit and prepare education center for the 2025/26 school year.
- Implement new activities into the DEW field trip program that aligns with State, STEAM, and Next Generation Science standards.
- Develop communication methods and tactics that align with current trends.
- Work with regional agencies to develop messaging, addressing current and/or potential water supply issues (i.e., PFAS, drought, Fats, Oils, and Grease (FOG)/Wipes, etc.).
- Adjust advertising campaigns based on readership, demand, platform, and need.

The Grants Unit's major priorities for FYs 2025/26 and 2026/27 are as follows:

- Submit a Water Infrastructure Finance and Innovation Act (WIFIA) letter of interest for a Master Agreement for the IEUA Ten-Year Capital Improvement Program (TYCIP).
- Prepare and submit an application to the U.S. Bureau of Reclamation for the Large-Scale Water Recycling Program in support of the construction costs associated with the Chino Basin Program.
- Take swift action on legislation and draft regulations at the state and federal levels in alignment with the Agency's 2025-26 Legislative Priorities & Policy Principles.
- Track ongoing infrastructure legislation at the state and federal levels to identify potential new funding opportunities that will support cost-effective implementation of the Agency's capital program.
- Apply for California Proposition 4 water recycling grants as the Proposition 4 funding becomes available for the Chino Basin Program (CBP) and other Agency priorities.

Position Summary

There are no proposed changes to the staffing plan for FY 2025/26 and FY 2026/27.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Director of External and Government Affairs	1	1	1	1
Total	1	1	1	1
External Affairs				
Manager of External Affairs	1	1	1	1
Senior External Affairs Specialist	2	2	2	2
External Affairs Specialist I/II	4	4	4	4
Total External Affairs	7	7	7	7
Grants and Government Affairs				
Grants and Government Affairs Officer	1	1	1	1
Senior Grants Analyst	1	1	1	1
Grants Analyst I/II	2	2	2	2
Government Affairs Analyst I/II	-	1	1	1
Total Grants and Government Affairs	4	5	5	5
Total External and Government Affairs	12	13	13	13

Strategic Plan Goals

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

C. Partnerships: Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to improve communication, coordination, and collaboration with customer agencies.	Maintain structured approach by hosting quarterly regional communication advisory meetings with communication representatives from customer agencies highlighting communication trends, successful tactics, upcoming projects, program updates, support requests, and collaboration opportunities.	FY 2025/26 & FY 2026/27
	Implement bi-annual E-Basin Update newsletter to stakeholders identifying key success, programs, messages, and more.	
	Continue to provide an open communication platform for coordination on regional issues, events, shutdowns, etc. Identify new methods for partnered communication including the increase of collaboration social posts.	
	Facilitate crisis communication learning sessions with customer agencies. Implement outreach initiatives focused on the Chino Basin Program, including expos, newsletters, and videos.	

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

D. Wastewater Treatment: Maintain effective wastewater operations and treatment processes to protect public health and the environment.

Key Activity	Unit Implementation Strategy	Timetable
Continue to collaborate with sewer agencies to promote and educate the community on the importance of protecting the regional sewer system.	Provide updated toolkits to customer agencies for outreach initiatives. Develop strategies to address specific areas of concern in coordination with customer agencies.	FY 2025/26 & FY 2026/27
	Implement the “Be Sewer Smart” campaign on outreach platforms and continue to develop and establish effective collateral for messaging.	
	Implement messaging on social and programmatic display ads for a greater impact. Facilitate outreach events, including “Touch-A-Truck” events, Earth Day, etc. for opportunities to educate.	

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

F. Water Use Efficiency: Promote water use efficiency, education, and incentive programs to assist the region in conservation.

Key Activity	Unit Implementation Strategy	Timetable
Implement the Turnkey Turf Transformation program to recognize water savings through the removal of turf and installation of drought resilient landscaping.	Coordinate public relations campaign for program including signage, showcase events, media alerts, collateral development, and messaging.	FY 2025/26

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

P. Community Engagement and Advocacy: Provide effective public outreach and education, and advocate for the development of policies, legislation, and regulations that benefit the Agency, customer agencies, and the community.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to engage with the business community to build awareness of IEUA and promote contracting opportunities with the Agency.	Meet with Contracts and Procurement (CAP) regularly to identify marketing and outreach opportunities. Calendar all chamber networking events and evaluate priorities on attendance. Coordinate with CAP to ensure service club and chamber networking and speaking opportunities are scheduled. Implement social outreach consistent with CAP's marketing needs. Provide platform for tabling opportunities.	FY 2025/26 & FY 2026/27
Continue efforts to engage with the community on Agency priorities and initiatives through marketing, public relations, communication, and outreach.	Develop and distribute the Agency Annual Report in January of each year following the completed fiscal year. Distribute access link to Annual Report through targeted email blast and stakeholder distribution list. Update the Agency's website General Manager's message bi-annually to ensure Agency priorities are up-to-date. Distribute external E-Basin Update newsletter bi-annually to stakeholders, media, and general interest distribution lists. Maintain active roles on all Agency social platforms. Develop press releases and media alerts for Agency accomplishments, events, and announcements. Develop hard and digital ads on Agency targeted messaging for local publications, including the Daily Bulletin, Champion Newspaper, Fontana Herald News, and La Opinion. Implement additional marketing tactics as needed. Update messaging campaign to ensure community impact and avoid messaging fatigue. Work with the water use efficiency team to highlight rebate and water-saving programs. Work with multiple departments to ensure all projects and programs are communicated effectively to the community as needed.	FY 2025/26 & FY 2026/27
Implement remaining activities to recognize and celebrate IEUA's 75th anniversary.	Coordinate IEUA Community Open House event during the Fall season. Implement anniversary theme in FY 24/25 Annual Report. Complete the social media plan for the 2025 fiscal year highlighting Agency history and "75 selfies for 75 years."	FY 2025/26
Continue to provide and enhance educational programming for K-12 grade students through the Water Discovery Program.	Implement a new Discover the Environment and Water (DEW) activities for the 2025-26 school year. Continue to schedule with school districts for roadshow opportunities. Complete education trailer interior elements including design, activity placement, field trip strategy for visuals and hands-on experiences, and coordinate a ribbon cutting event. Continue to market and enhance lab tour. Develop CCWRF video tours that can be used as a resource for schools. Host an educator charette in summer 2025 to strategize curriculum and activity impact.	FY 2025/26 & FY 2026/27
Design and implement a new Agency website.	Develop scope of work and RFP for Agency website redesign. Meet with departments to discuss strategy and needs. Identify ADA compliance regulations and implement them into scope. Work with a vendor to build and design websites with a launch date of June 2026.	FY 2026/27

Performance Measures

Agency Goal	Measure Description	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Target	FY 2026/27 Target
Strategic Goal 3 – Fiscal Responsibility	Submission of grant compliance documentation	100%	100%	100%	100%
Strategic Goal 4 - Culture of Excellence	Percent of legislative bills with an IEUA position that passed*	0% / 25%	25% / 25%	50%	50%
	Content engagement metrics (website visits/bounce rates, social media engagement, etc.)	Website: 87,000 Active Users – Top visited pages: IEUA home page (49,000 views), Human Resources (10,000 views)	Website: 64,000 Active Users – Top visited pages: IEUA home page (38,000 views), Human Resources (8,500 views)	Website: 80,000 Visits Social Media: Engagement Rate – 6.00%	Website: 96,000 Visits Social Media: Engagement Rate – 6.50%
		Social Media: Engagement Rate – 5.89%	Social Media: Engagement Rate – 5.91%		

*State bills that IEUA supported that passed / State bills that IEUA opposed that failed

Expenses

Employment expense includes wages and benefits. Administrative expenses include agencywide costs for printing, advertisements, contributions, and sponsorships. Operating expense includes professional fees and services, materials and supplies, and leases and rentals. Agencywide expense included in these categories are for Earth Day events, lobbying, video campaigns, and graphic services.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$1,615,416	\$2,419,995	\$2,693,035	\$2,777,284
Administrative	244,325	330,895	349,524	356,605
Operating	406,918	530,371	554,255	533,740
Total	\$2,266,659	\$3,281,261	\$3,596,814	\$3,667,629

HUMAN RESOURCES

Mission Statement

It is the mission of the Human Resources Department to serve as a strategic and collaborative partner in the development, implementation and support of initiatives that maximize individual and organizational potential while reducing injuries, accidents, and environmental impacts. The Human Resources Department is committed to delivering human resources programs that are safe, equitable, informed, efficient and compliant and that positively contribute to the workplace experience of the Agency's most valued asset – its employees.

Description And Purpose

Human Resources serves as a catalyst to empower employees to reach their full potential and contribute to the success of the Agency. We are committed to continuous improvement and learning, integrating technology to enhance employee experience, providing consistent, timely, and dependable information, and promoting progressive practices in talent acquisition, talent management, learning and development, total compensation, policy administration, employee safety and health management, employee and labor relations, and performance management. We deliver equitable human capital management programs, high quality safety training, comprehensive workplace evaluation, emergency response, and hazardous materials management in alignment with the Agency's Strategic Plan. Our goal is to facilitate and support a work environment where employees feel engaged, included, valued, and successful.

Major Priorities

Department priorities for FY 2025/26 and FY 2026/27 include implementing a new electronic Performance Evaluation system which will feature a consolidated performance appraisal form with unified performance factors and behavioral indicators for all employees, streamlining the Agency's performance review process. The Personnel Policy Library will undergo a comprehensive review to ensure legal compliance and incorporation of negotiated terms. In partnership with CPS HR Consulting the department will conduct a classification and compensation study to ensure accurate job classification and fair compensation. A Health Savings Account (HSA) will be established to comply with IRS and CalPERS requirements for retiree health payments. Lastly, the Human Resources Department will partner with an outside consultant to develop and implement a Workforce Development Plan. This plan aims to create a pipeline of skilled, talented individuals who can seamlessly transition into the agency or advance into supervisory and leadership roles growing within the organization. This roadmap will clearly outline the training programs, curriculum, and competencies needed for success at IEUA.

The Safety Units' priorities include enhancing emergency preparedness through updated plans, training, tabletop drills, and improved communication, ensuring a safe workplace by proactively identifying hazards, program reviews, strengthening training and incident analysis, and strategically incorporating safety software solutions for centralized safety data management. All aimed at fostering a safer and healthier work environment.

Position Summary

In FY 2025/26 the unit will add a Director of Human Resources, Manager of Safety and Emergency Management, and a Limited Term Human Resource Analyst.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Director of Human Resources	1	-	1	1
Manager of Human Resources	2	1	1	1
Human Resources Officer	2	2	2	2
Employee and Labor Relations Advocate	1	1	1	1
Acting/Human Resources Analyst	4	5	4	4
Human Resource Specialist	2	2	2	2
Safety Officer	1	1	1	1
Safety Analyst	2	2	2	2
Manager of Safety and Emergency Management	-	-	1	1
Total FTE	15	14	15	15
Limited Term Positions				
Human Resource Analyst	-	-	1	1
Total Limited Term	-	-	1	1
Total Human Resources	15	14	16	16

Strategic Plan Goals

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

E. Regulatory Compliance: Continue to comply with all federal, state, and local laws and regulations to ensure public health and promote an ethical, safe, and healthy work environment.

Key Activity	Unit Implementation Strategy	Timetable
Provide regular training to management and employees on key ethics, safety standards, and cybersecurity. (HR Unit)	Provide initial training on the Prevention of Sexual Harassment for all new hires within their first six months of employment, and offer refresher courses every two years to ensure all employees stay updated and compliant. Additionally, create a comprehensive list of training for new hires to maintain compliance, ensuring the timing is managed effectively so employees can absorb the information.	FY 2025/26 & FY 2026/27
Provide regular training to management and employees on key ethics, safety standards, and cybersecurity. (Safety Unit)	Coordinate with HR to develop a comprehensive list of required training. Incorporate safety training requirements into the learning management systems (LMS). Utilize LMS to automate and streamline the delivery, tracking, and documentation of safety training.	FY 2025/26 & FY 2026/27
Conduct annual reviews of the safety and health programs. (Safety Unit)	A consultant will conduct a comprehensive safety program review, establishing a baseline. Identify a consultant to monitor and advise on regulatory changes and program updates.	FY 2025/26 & FY 2026/27

Strategic Goal 3 – 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.

Key Objective:

J. Budget Planning and Reporting: Prepare multi-year budgets, plans, and reports to support fiscal stability.

Key Activity	Unit Implementation Strategy	Timetable
Refresh and maintain a rolling 10-year staffing plan to guide resource allocation. (HR Unit)	Continue to maintain a rolling 10-year staffing plan to guide resource allocation, ensuring operational efficiency and strategic alignment. Additionally, we will identify and implement software to better track and maintain staffing levels.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

L. Work Environment: Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.

Key Activity	Unit Implementation Strategy	Timetable
Foster open, productive, and respectful relationships with Labor Units. (HR Unit)	Engage in open and transparent communication, demonstrate respect for labor's role and rights under MMBA, uphold management rights in a respectful manner, encourage a collaborative approach to problem-solving, address conflicts early, follow through on commitments, promote consistent application of policy and procedure, and recognize labor's contributions.	FY 2025/26 & FY 2026/27
Provide competitive total compensation to attract and retain employees. (HR Unit)	Conduct a compensation study.	FY 2025/26 & FY 2026/27
Continue to take steps to ensure that IEUA provides an equitable and inclusive work environment. (HR Unit)	Complete an assessment of Policy, practice and procedure.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

M. Workforce Development: Maintain a highly skilled workforce through effective recruitment and by providing career growth opportunities, professional development, and succession planning.

Key Activity	Unit Implementation Strategy	Timetable
Collaborate with national, state, and regional partners on workforce development programs to enhance awareness of and access to IEUA job opportunities.	Develop and implement a Workforce Development Plan.	FY 2025/26 & FY 2026/27
(HR Unit)		
Conduct a comprehensive classification and compensation study to remain competitive in attracting and retaining employees. Next study will take place in 2025.	The Human Resources Department has contracted with CPS-HR Consulting to complete a full Classification and Compensation Study. We are currently in Phase 1 of the project which focuses on data collection and classification analysis. Target completion date is July 2026.	FY 2025/26
(HR Unit)		
Continue to provide professional education opportunities to employees through trainings and reimbursement programs.	Continue to inform employees of reimbursement opportunities (such as Tuition Reimbursement program, Personal Computer Loan program) through announcements, benefits fair, emails, etc. IEUA will be partnering with a consultant to complete a comprehensive Workforce Development Plan which is currently in the RFP phase. As part of the scope of service the consultant will evaluate current education and training opportunities for staff and provide recommendations.	FY 2025/26 & FY 2026/27
(HR Unit)		
Continue efforts to ensure that managers are provided with opportunities to develop leadership skills.	Continuing to provide supervisory leadership training such as Cal Poly Supervisory Programs and the New Supervisory Training (New S.T.A.R.T.) IEUA will be partnering with a consultant to complete a comprehensive Workforce Development Plan which will include identifying training and leadership development opportunities for all IEUA staff.	FY 2025/26 & FY 2026/27
(HR Unit)		
Review employee onboarding programs annually with a focus on employee retention.	The Human Resources Department will begin work in FY 26 to develop an onboarding and hiring guide which will provide updates to the onboarding program and streamline processes.	FY 2025/26 & FY 2026/27
(HR Unit)		
Implement a new learning management system, ensuring that regulatory compliance topics are integrated.	The new learning management system in Success Factors will have regulatory compliance integrated. This project is currently underway.	FY 2025/26 & FY 2026/27
(HR Unit)		
Implement a new performance appraisal process that aligns employee performance with organizational goals.	Engage stakeholders for feedback on proposed performance factors. Implement with comprehensive training and ongoing support on the new electronic performance management system.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

O. Risk and Asset Management: Maintain robust risk and asset management practices to ensure uninterrupted service to the region.

Key Activity	Unit Implementation Strategy	Timetable
Develop and implement an incident management system. (Safety Unit)	Identify incident management system requirements and develop an implementation timeline in coordination with the IT department.	FY 2025/26
Review the Workplace Injury Illness Prevention Program on an annual basis to prevent work related injuries or illness. (Safety Unit)	Identify a consultant to monitor and advise on regulatory changes and perform program updates.	FY 2025/26 & FY 2026/27
Perform emergency response training and exercises at least annually. (Safety Unit)	Identify a consultant to design, schedule, and execute emergency response training and exercise scenarios.	FY 2025/26 & FY 2026/27
Update Emergency Preparedness Plan (Safety Unit)	Completing a gap analysis emergency preparedness plan. Identify a consultant to update the Emergency Preparedness plan from the gap analysis.	FY 2025/26 & FY 2026/27

Performance Measures

Agency Goal	Measure Description	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Target	FY 2026/27 Target
Strategic Goal 4 - Culture of Excellence	Employee Turnover Rate	11%	11.25%	10%	9%
	Training Hours per Employee	3	3	4	4
		22	22	25	26
	Average Length of Recruitment	117	126	120	100
	Worker's Compensation Claims Rate or Total Recordable Workplace Incident Rate	3	2	-	-
	Percent of Policies and Procedures Reviewed and updated	-	-	100%	100%

Expenses

Employment expenses include wages, benefits, and agencywide costs for insurance, pensions, and retiree medical benefits, including GASB 68 and GASB 75 amounts. Administrative expenses include office and administrative costs and agencywide expenses for training, recruitment, and employee recognition. Operating expenses include professional fees and services, materials and supplies, and agencywide costs for labor related legal expenses and permits and licenses.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$14,704,607	\$18,514,030	\$22,172,468	\$24,453,414
Administrative	334,080	414,163	511,942	523,242
Operating	1,169,061	955,060	1,180,947	1,183,290
Total	\$16,207,748	\$19,883,253	\$23,865,357	\$26,159,946

INTERNAL AUDIT

Mission Statement

The mission of Internal Audit is to enhance and protect organizational value by providing independent, unbiased, objective assurance that supports the Agency in achieving its mission, goals, and strategic objectives. Internal Audit helps the Agency anticipate and navigate risks, improve governance, strengthen internal controls, and enhance operational efficiency and effectiveness through proactive, risk-based, and forward-looking audit services. Internal Audit adds value by:

- Promoting a culture of integrity, accountability, transparency, and continuous improvement.
- Strengthening risk awareness and organizational resilience.
- Promoting informed decision-making and efficient use of resources.
- Providing the Board, Audit Committee, and senior leadership with reliable insights and assurance for informed oversight.
- Demonstrating unwavering commitment to independence, integrity, and professional excellence.

Description And Purpose

The Internal Audit function enhances and protects the Inland Empire Utilities Agency (IEUA) by providing independent, unbiased, objective assurance to support the Board of Directors, the Audit Committee, and Agency management in fulfilling their oversight, governance, and operational responsibilities. Internal Audit promotes accountability, transparency, and continuous improvement by evaluating the effectiveness of operational processes, internal controls, risk management, financial reporting, and compliance with applicable laws, regulations, and Agency policies.

The authority and responsibilities of the Internal Audit function are defined in the Internal Audit Charter as approved by the Board. All audit work is conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics issued by the Institute of Internal Auditors (IIA). Internal Audit upholds the core values of independence, integrity, professionalism, and collaboration in all aspects of its work.

Internal Audit, through the completion of various audit projects, supports the Board of Directors, the Audit Committee, and Agency management by:

- Assessing internal controls to ensure effectiveness and efficiency of operations.
- Evaluating risk management practices to help the Agency anticipate and mitigate key risks.
- Reviewing financial reporting for accuracy, transparency, and compliance.
- Ensuring compliance with applicable laws, regulations, and Agency policies.
- Providing advisory services and recommendations that add value and drive efficiency and continuous improvement.
- Conducting follow-up reviews to verify the implementation of corrective actions.
- Supporting data-informed decision-making through analysis and insight.
- Enhancing governance practices by offering observations that strengthen accountability and oversight.
- Promoting a culture of integrity and ethical conduct across the organization.

- Collaborating with external auditors to ensure alignment and avoid duplication of efforts.

Major Priorities

- Promote a strong internal control environment to safeguard assets, ensure compliance, and support effective operations.
- Conduct objective and independent evaluations and assessments to enhance accountability.
- Deliver actionable audit recommendations to improve processes and comply with policies and procedures and drive operational improvement.
- Foster cross-Agency collaboration among the Agency business units by offering audit insights that enhance outcomes.
- Promote operational efficiency and effectiveness by identifying opportunities to streamline processes, reduce redundancy, and support effective use of resources.
- Support the achievement of Agency goals and objectives by aligning audit activities with the Agency's mission and goals and by identifying risks that may impact the Agency.
- Assist the Audit Committee in fulfilling their oversight responsibilities by providing timely and relevant information and reports.
- Fulfill the requirements of the Board-approved Internal Audit Department Charter.
- Continuously reassess audit priorities and make needed updates to the Annual Audit Plan of proposed audit projects.
- Promote a culture of transparency, ethical behavior, and accountability through targeted reviews and education.

Position Summary

There are no proposed staffing changes proposed for FY 2025/26 and FY 2026/27 budget.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Manager of Internal Audit	1	1	1	1
Senior Internal Auditor	2	1	1	1
Internal Auditor	-	1	1	1
Total Internal Audit	3	3	3	3

Strategic Plan Goals

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

C. Partnerships: Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to improve communication, coordination, and collaboration with customer agencies.	Internal Audit will regularly engage through meetings and communication to prioritize audit engagements to ensure audit processes are responses to the needs of the process owners. Internal Audit will utilize clear and concise reporting in all final audit reports of internal, operational audits that are presented for the Board of Directors review, receive and file. Audit reports and specific audit recommendations will improve clarity, ensuring these are presented in a straightforward and actionable manner to drive tangible improvements and efficiencies in operations.	FY 2025/26 & FY 2026/27
Maintain effective collaboration and coordination efforts with key regional agencies such as the Chino Basin Watermaster, the Chino Basin Water Conservation District, Santa Ana Watershed Protection Agency, and the San Bernardino County Flood Control District.	Internal Audit (IA) will establish open lines of communication with all business process owners within the organization and outside the organization to ensure they can easily reach out to Internal Audit for inquiries and assistance to ensure Internal Audit is responsive in addressing needs. IA will utilize clear reporting in all final audit communication and presentations to the Board regarding audit processes and results to ensure information is transparent and drives efficiencies in operations.	FY 2025/26 & FY 2026/27

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

D. Wastewater Treatment: Maintain effective wastewater operations and treatment processes to protect public health and the environment.

Key Activity	Unit Implementation Strategy	Timetable
Take proactive steps to address Constituents of Emerging Concern (CEC), including PFAS.	At the request and approval of the Board, Audit Committee and Management, Internal Audit can schedule and plan internal audits to evaluate and assess processes, procedures and policies that address constituents of emerging concern to assess compliance with regulatory requirements, completeness and accuracy of data and evaluate conformance with mandates and requirements.	FY 2025/26 & FY 2026/27

Strategic Goal 3 – 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.

Key Objective:

J. Budget Planning and Reporting: Prepare multi-year budgets, plans, and reports to support fiscal stability.

Key Activity	Unit Implementation Strategy	Timetable
Complete external and internal audits of financial transactions to ensure compliance with regulatory requirements and policies and evaluate cost containment opportunities.	Internal Audit will implement comprehensive risk-based audit planning, coordination with Internal and External Audit, complete Regulatory Compliance Reviews, plan cost containment evaluations and perform continuous monitoring and follow up evaluation, properly report recommendations and support staff training and development to ensure the goals and objectives of the Board Approved Charters and the audit standards are followed.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

L. Work Environment: Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.

Key Activity	Unit Implementation Strategy	Timetable
Promote Agency cultural attributes for a consistent and supportive approach to Agency culture development.	Promote Agency cultural attributes through supporting staff in professional development through training and participation in all Agency sponsored events, additionally through developing professional relationships and in professional approach through internal audits.	FY 2025/26 & FY 2026/27
Continue to support remote work options where feasible.	Internal Audit will support Agency initiatives when possible.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Review and re-engineer business processes to increase efficiency.	Plan and complete Board-approved internal audits where the scope is to evaluate business processes to identify areas of efficiency and effectiveness to streamline Agency processes.	FY 2025/26 & FY 2026/27
Establish internal processes to ensure proper asset data accuracy and management.	Plan and complete Board-approved internal audits where the scope is to evaluate Agency assets accountability, management, and safeguarding.	FY 2025/26 & FY 2026/27
Regularly review and update policies and procedures and ensure that workflows are clearly documented within Standard Operating Procedures.	Plan and complete Board-approved internal audits where the scope is to evaluate compliance with Agency policies and evaluate if policies require updates. Make appropriate recommendations to align practices with policy and assist business owners when policies require updates. Foster an environment that promotes compliance with Agency policies and complete continuous monitoring.	FY 2025/26 & FY 2026/27
Assess long-term viability of non-core business operations to possibly redirect resources toward higher priorities including: - Groundwater desalter support - Pump and lift station support - Conservation programs - Engineering support of non-IEUA projects	Plan and complete Board-approved internal audits, comprehensive performance and operational audits of core and non-core business functions where the scope is to evaluate non-core operations, processes, and cost containment areas, to ensure Agency resources are used effectively and efficiently to ensure the best use of resources. Make recommendations to align objectives and operational effectiveness.	FY 2026/27
Perform internal audits where the focus includes areas related to operational efficiencies, safe work environment, and compliance with policies while fostering a culture of ethical behavior.	Plan and complete Board-approved internal audits, comprehensive operational and performance audits where the scope includes evaluating areas of operational effectiveness, safe work environment, and compliance with policies, while fostering a culture of ethical behavior. Provide recommendations that align with these strategies and perform continuous monitoring to evaluate corrective actions, and implementation actions.	FY 2025/26 & FY 2026/27

Continue efforts to digitize internal forms and workflows, including updating contract and form templates.

Complete internal audits where the scope includes evaluating areas for efficiencies and make recommendations to that end. Including making recommendations to streamline processes, moving to a paperless environment and processes and digitizing forms where possible and more efficiently.

FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

O. Risk and Asset Management: Maintain robust risk and asset management practices to ensure uninterrupted service to the region.

Key Activity	Unit Implementation Strategy	Timetable
Update Disaster Recovery Plan	IA has a documented disaster recovery plan and will make needed updates periodically. As part of on-going operational audits, Internal Audit will evaluate if other departments have a current disaster recovery plan and perform exercises to assess the viability of the plan.	FY 2025/26 & FY 2026/27

Expenses

Employment expense includes wages and benefits. Administrative expense includes office and administrative costs. Operating costs include professional fees and services. Agencywide expense budgeted here include external auditing services.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$589,508	\$608,384	\$687,099	\$708,594
Administrative	12,740	5,410	11,540	11,886
Operating	110,091	191,557	209,000	215,270
Total	\$712,339	\$805,351	\$907,639	\$935,750

OFFICE OF THE GENERAL MANAGER

Mission Statement

To provide leadership and strategic direction for the Agency, guiding initiatives, projects, programs, planning, legislation, and funding to advance the Agency's mission and goals.

Description And Purpose

Agency Management is responsible for overall policy direction and the day-to-day leadership of the Inland Empire Utilities Agency. Under the direction of the General Manager, and with legal guidance from the General Counsel, Agency Management oversees key administrative functions, including executive support—while guiding the strategic and operational activities of the Agency. This includes ensuring a high-quality, reliable water supply for the region; enhancing water resource management throughout the Chino Basin; the wholesale distribution of potable and recycled water; regional wastewater treatment; industrial and municipal wastewater collection; biosolids recycling; and other essential utility services.

Major Priorities

- Support effective Board and Committee operations through timely, accurate preparation of agenda materials and documentation to ensure open and transparent governance.
- Provide legal guidance to support Agency compliance, risk management, and sound decision-making across all operations.
- Monitor and advise on legislative, regulatory, and policy developments impacting Agency interests.
- Strengthen interdepartmental coordination and executive-level support services to enhance agencywide performance.
- Continue to promote employee engagement, achievement, and retention.
- Implement the Agency's Five-Year Strategic Plan.

Position Summary

In FY 2024/25, to enhance the Agency's legal capacity and improve operational efficiency, a Paralegal position was added to support the Office of the General Counsel. This role will assist legal research, document preparation, contract review, and other administrative and compliance-related tasks, enabling the General Counsel to focus on higher-level legal strategy, risk management, and governance support.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Agency Management				
General Manager	1	1	1	1
Total Agency Management	1	1	1	1
General Counsel				
General Counsel	1	1	1	1
Paralegal	-	1	1	1
Total General Counsel	1	2	2	2
Total Office of the General Manager	2	3	3	3

Strategic Plan Goals

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

C. Partnerships: Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to improve communication, coordination, and collaboration with customer agencies.	The Office of the General Manager will lead high-level engagement with customer agencies to strengthen strategic partnerships. This includes participation in key interagency forums, direct relationship-building with regional leaders, and ensuring alignment of agency priorities across jurisdictions.	FY 2025/26 & FY 2026/27
Maintain effective collaboration and coordination efforts with key regional agencies such as the Chino Basin Watermaster, the Chino Basin Water Conservation District, Santa Ana Watershed Protection Agency, and the San Bernardino County Flood Control District.	The Office of the General Manager will actively engage with leadership at partner agencies to support regional water initiatives and long-term planning. The General Manager will represent the Agency's interests in governance-level discussions and reinforce cooperative frameworks to support shared water resource goals.	FY 2025/26 & FY 2026/27

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

D. Wastewater Treatment: Maintain effective wastewater operations and treatment processes to protect public health and the environment.

Key Activity	Unit Implementation Strategy	Timetable
Take proactive steps to address Constituents of Emerging Concern (CEC), including PFAS.	The Office of the General Manager, in collaboration with the General Counsel, will provide oversight of the development of policies and responses related to emerging contaminants. The office will ensure regulatory alignment, interagency coordination, and advocacy at the state and federal levels to support the Agency's efforts.	FY 2025/26 & FY 2026/27

Strategic Goal 3 – 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.

Key Objective:

J. Budget Planning and Reporting: Prepare multi-year budgets, plans, and reports to support fiscal stability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to ensure collaborative and interdepartmental planning.	The Office of the General Manager will champion cross-functional budget planning and long-term financial strategy by setting clear priorities, aligning fiscal planning with strategic goals, and ensuring transparency across all Agency units. The General Manager will provide directions to ensure that major initiatives are funded responsibly and sustainably.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

L. Work Environment: Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.

Key Activity	Unit Implementation Strategy	Timetable
Promote Agency cultural attributes for a consistent and supportive approach to Agency culture development.	The Office of the General Manager will model and reinforce the Agency's core cultural attributes through consistent leadership practices, internal messaging, and participation in Agencywide initiatives that promote accountability, inclusivity, and collaboration.	FY 2025/26 & FY 2026/27
Continue efforts to track and right size workloads to reduce burnout.	The Office of the General Manager will provide leadership oversight and set expectations for monitoring workload distribution across departments. By collaborating with leadership and supporting data-informed workforce planning, the office will ensure resource allocation aligns with strategic priorities and promotes employee well-being. The office will also encourage transparency in workload assessments and support initiatives to prevent burnout through sustainable staffing practices.	FY 2025/26 & FY 2026/27
Foster open, productive, and respectful relationships with Labor Units.	The Office of the General Manager will lead by example in cultivating respectful, solution-oriented relationships with labor partners. Through close coordination with Human Resources and General Counsel, the office will help ensure timely, well-informed labor discussions and provide support for fair, transparent negotiations. The General Manager will also maintain open channels of communication with labor representatives to strengthen trust and organizational cohesion.	FY 2025/26 & FY 2026/27
Continue to take steps to ensure that IEUA provides an equitable and inclusive work environment.	The Office of the General Manager will champion an equitable and inclusive work environment by supporting efforts led by Human Resources and other departments by aligning policies with equity principles and promoting continuous learning and dialogue across the organization.	FY 2025/26 & FY 2026/27
Continue to support remote work options where feasible.	The Office of the General Manager will promote a flexible and results-oriented work culture by supporting remote and hybrid work policies that balance operational needs with employee well-being. The office will work with departments to ensure that expectations are clear, performance standards are upheld, and the tools and infrastructure needed for effective remote work are supported.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

M. Workforce Development: Maintain a highly skilled workforce through effective recruitment and by providing career growth opportunities, professional development, and succession planning.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to ensure that managers are provided with opportunities to develop leadership skills.	The Office of the General Manager will champion leadership development by prioritizing sponsorship of training programs, mentoring opportunities, and succession planning initiatives. The office will ensure leadership development remains aligned with strategic priorities by encouraging participation in cross-functional projects, providing visibility to high-potential staff, and reinforcing leadership competencies at all levels of management.	FY 2025/26 & FY 2026/27
Review employee onboarding programs annually with a focus on employee retention.	The Office of the General Manager will provide strategic oversight of the Agency's onboarding process, ensuring it reflects organizational values and effectively prepares new employees for long-term success. The office will collaborate with Human Resources and department leaders to review onboarding feedback, identify gaps or improvement areas, and promote practices that foster early engagement, inclusion, and retention.	FY 2025/26 & FY 2026/27
Implement a new performance appraisal process that aligns employee performance with organizational goals.	The Office of the General Manager will guide the implementation of a performance appraisal process that reinforces accountability, alignment with strategic goals, and employee development. The office will ensure the new system supports meaningful performance conversations, clear expectations, and a culture of continuous improvement. Through coordination with Human Resources and leadership, the General Manager will emphasize the importance of fairness, consistency, and strategic alignment in the appraisal framework.	FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Review and re-engineer business processes to increase efficiency.	The Office of the General Manager will make efforts to identify and prioritize high-impact process improvements that support organizational efficiency and responsiveness. By collaborating with department leaders, the office will promote a culture of innovation and continuous improvement, encouraging the use of Lean principles, technology integration, and cross-functional teams to streamline workflows and eliminate redundancies.	FY 2025/26 & FY 2026/27
Establish internal processes to ensure proper asset data accuracy and management.	The Office of the General Manager will provide oversight to ensure accountability for asset data integrity across departments. Working with key departments, the office will promote the development of standardized asset tracking methodologies and support the implementation of agencywide data governance practices to improve accuracy, consistency, and decision-making related to capital and operational assets.	FY 2025/26 & FY 2026/27
Regularly review and update policies and procedures and ensure that workflows are clearly documented within Standard Operating Procedures.	The Office of the General Manager will provide oversight to ensure accountability for asset data integrity across departments. Working with key departments, the office will promote the development of standardized asset tracking methodologies and support the implementation of agencywide data governance practices to improve accuracy, consistency, and decision-making related to capital and operational assets.	FY 2025/26 & FY 2026/27
Assess long-term viability of non-core business operations to possibly redirect resources toward higher priorities including: - Groundwater desalter support - Pump and lift station support - Conservation programs - Engineering support of non-IEUA projects	The Office of the General Manager will lead a strategic evaluation of non-core operations in collaboration with leadership and relevant departments. This assessment will focus on cost-benefit analysis, alignment with the Agency's mission, and long-term resource allocation. Recommendations will be developed to determine whether to sustain, restructure, or phase out these activities in favor of core service priorities.	FY 2026/27
Continue efforts to digitize internal forms and workflows, including updating contract and form templates.	The Office of the General Manager will champion digital transformation by setting expectations for modernization of internal processes across the Agency. The office will support departments in identifying high-priority forms and workflows for digitization and will ensure contract and template updates align with current legal, operational, and administrative standards in coordination with General Counsel and Board and Administrative Services.	FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

O. Risk and Asset Management: Maintain robust risk and asset management practices to ensure uninterrupted service to the region.

Key Activity	Unit Implementation Strategy	Timetable
Maintain updated business continuity plan and perform regular business continuity exercises.	The Office of the General Manager will oversee the development and regular review of the Agency's Business Continuity Plan to ensure organizational resilience and uninterrupted service delivery. The office will coordinate with leadership and key departments to conduct annual business continuity exercises, identify areas for improvement, and integrate lessons learned into plan updates. The General Manager will ensure alignment with strategic priorities and support a proactive approach to risk preparedness across the Agency.	FY 2025/26 & FY 2026/27
Update Disaster Recovery Plan	The Office of the General Manager will provide leadership and direction in the review and updating of the Agency's Disaster Recovery Plan. In collaboration with Information Technology, General Counsel, and key operational units, the office will ensure the plan reflects current threats, incorporates evolving technology infrastructure, and comply with best practices. The General Manager will support clear communication of roles and responsibilities, ensuring all departments are prepared to execute their functions during and after disruptive events.	FY 2025/26 & FY 2026/27

Expenses

Employment includes wages and benefits. Increased wages beginning in FY 2024/25 include the addition of in house General Counsel and paralegal support staff. Administrative expenses include office and administrative costs and agencywide expenses such as membership, sponsorships, and contributions. Operating costs include professional fees and services and agencywide legal expenses.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$805,531	\$1,590,097	\$1,589,913	\$1,639,231
Administrative	500,756	623,592	773,173	834,226
Operating	2,213,173	1,498,420	1,223,500	1,225,795
Total	\$3,519,460	\$3,712,109	\$3,586,586	\$3,699,252

ADMINISTRATION DIVISION

Mission Statement

To provide innovative and sustainable technical solutions and financial support that enhance productivity, reduce costs, and minimize risks. We are committed to proactively meeting the evolving needs of the Agency's departments and promoting financial efficiencies. By implementing user-friendly, powerful, and functional technology, we aim to deliver outstanding service. Our dedication to acquiring and retaining top talent within our division ensures excellence in the services we provide, including contracts and procurement support, fiscal accountability and financial regulatory compliance, internal and external financial reporting, budgetary analysis and preparation, cash and debt management, and information technology management. The division staffing plan is budgeted at seventy-one Full Time Equivalent (FTE) positions for FY 2025/26 and seventy-three FTEs for FY 2026/27.

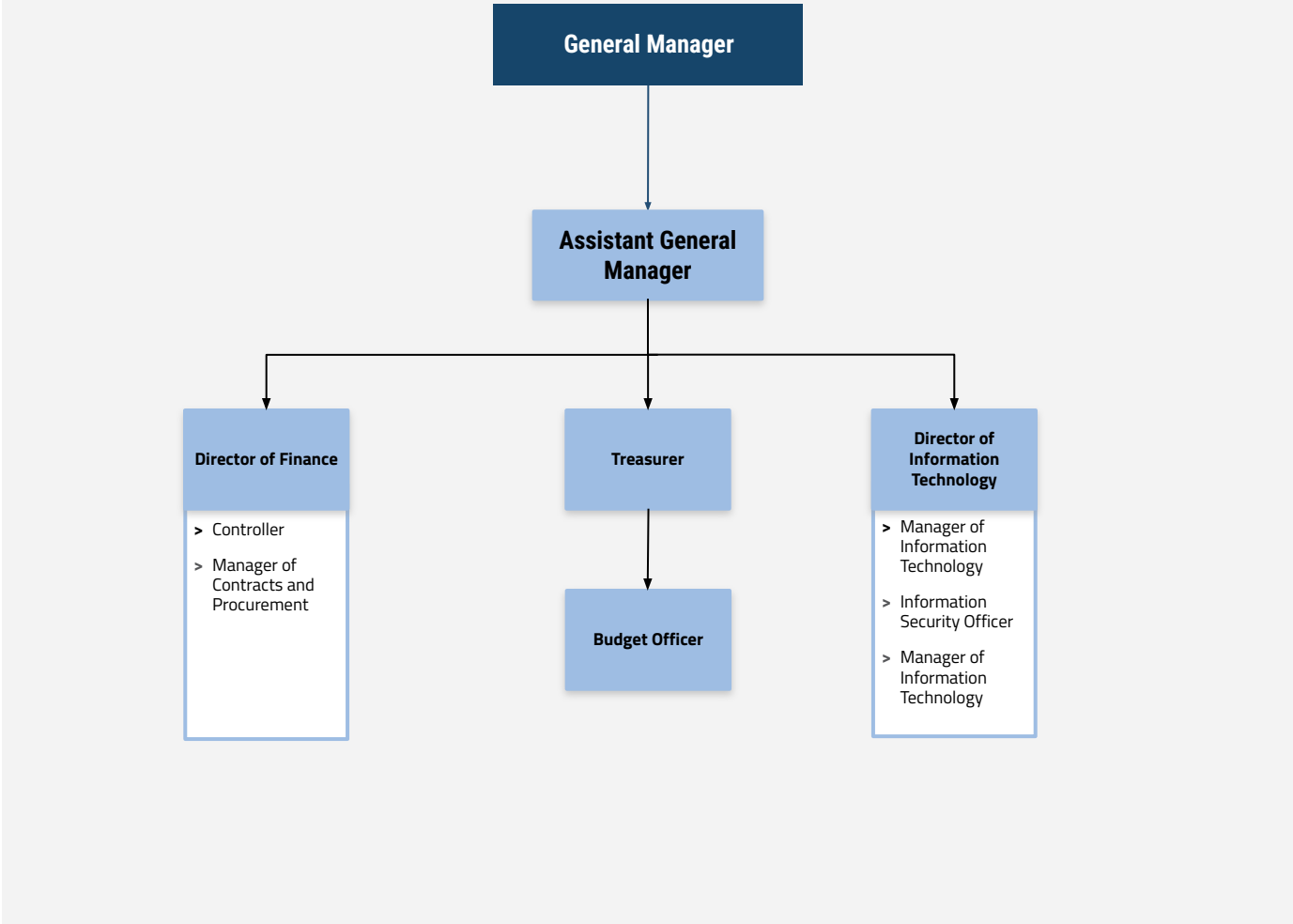
Departments

- Finance Department
 - Contracts and Procurement Unit
 - Finance Unit
 - Accounting Unit
- Information Technology Department
 - Operations Technology Unit
 - Information Services Unit
 - Records Management Unit

Executive Summary

The division plays a crucial role in supporting the effective and efficient integration of innovation and technology into daily practices and operations. By providing essential services, the division ensures that the Agency can leverage cutting-edge solutions to enhance productivity, streamline processes, and achieve its goals. Additionally, the division is responsible for the transparent management of Agency funds, ensuring fiscal accountability and compliance with financial regulations. This includes overseeing contracts and procurement, preparing and analyzing budgets, managing cash and debt, and providing accurate internal and external financial reporting. Through these efforts, the division promotes financial efficiencies and supports the Agency's mission to deliver outstanding services to those it serves.

Organizational Chart



Expenses

Employment expense includes both wages and benefits for the Assistant General Manager position. Administrative expenses include office and administrative costs while operating expenses include professional fees and services, agencywide expenses for outside consulting services, and financial advisory services to support the Agency’s long-term financial planning and debt obligations.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$342,882	\$371,560	\$430,034	\$443,419
Administrative	27,353	11,850	19,000	19,024
Operating	296,139	380,426	378,500	506,500
Total	\$666,374	\$763,836	\$827,534	\$968,943

CONTRACTS AND PROCUREMENT

Mission Statement

To provide exceptional service and support to all Agency units through efficient, cost-effective, and transparent procurement practices, ensuring the highest standards of professionalism, ethics, and transparency in all aspects of contract administration, purchasing, and risk management.

Description and Purpose

The Contracts and Procurement (CAP) Unit is responsible for a diverse scope of services and responsibilities. CAP administers the agencywide acquisition of equipment, materials, supplies, and services through business practices as outlined in the Board adopted Procurement Ordinance, as well as associated resolutions, policies, and procedures. Uphold ethical standards and ensure compliance with state and federal government contracting and procurement regulations supporting the Agency's responsibility to conduct business with integrity and transparency. Additionally, risk services are provided to ensure protection of the Agency's business, employees, and assets, as well as the public, by ensuring appropriate insurance programs, policies and procedures are in place.

Major Priorities

- Providing professional guidance and outstanding customer service in compliance with Agency and regulatory procurement standards
- Providing training and information on Agency procurement and risk programs
- Promote and grow the Agency's business network and interaction with local, small, and disadvantaged businesses through the Agency's Business Outreach Program

Position Summary

In FY 2024/25 one Full Time Equivalent (FTE) position was transferred to Information Technology. In FY 2025/26 the staffing count is increased by one.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Manager of Contracts & Procurement	1	1	1	1
Contracts and Procurement Supervisor	2	2	2	2
Contracts Administrator I/II	4	3	4	4
Procurement Specialist I/II	2	2	2	2
Total Contracts and Procurement	9	8	9	9

Strategic Plan Goals

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

L. Work Environment: Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.

Key Activity	Unit Implementation Strategy	Timetable
Promote Agency cultural attributes for a consistent and supportive approach to Agency culture development.	Contracts and Procurement (CAP) Unit will engage in routine discussion and promotion of Agency cultural attributes to support their inclusion in daily work.	FY 2025/26 & FY 2026/27
Continue efforts to track and right size workloads to reduce burnout.	As part of the Annual Evaluation process, CAP leadership will evaluate staff's approved remote schedule and workload.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Review and re-engineer business processes to increase efficiency.	CAP will review public procurement industry trends, as well as work with Information Technology (IT) on technological enhancements that increase efficiencies in the procurement processes, to include training opportunities.	FY 2025/26 & FY 2026/27
Regularly review and update policies and procedures and ensure that workflows are clearly documented within Standard Operating Procedures.	CAP will review and update the Unit's Standard Operating Procedures on an annual basis, or as active business process change.	FY 2025/26 & FY 2026/27
Continue efforts to digitize internal forms and workflows, including updating contract and form templates.	CAP staff will collaborate with IT, Legal and Department Units to digitize and establish workflows for streamlining efforts that will help in daily efficiencies.	FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

O. Risk and Asset Management: Maintain robust risk and asset management practices to ensure uninterrupted service to the region.

Key Activity	Unit Implementation Strategy	Timetable
Maintain updated business continuity plan and perform regular business continuity exercises.	CAP Unit will support Agency business units to review business continuity service provider agreements and activation requirements.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

P. Community Engagement and Advocacy: Provide effective public outreach and education, and advocate for the development of policies, legislation, and regulations that benefit the Agency, customer agencies, and the community.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to engage with the business community to build awareness of IEUA and promote contracting opportunities with the Agency.	CAP staff will attend various events hosted by local chamber of commerce organizations, various business organizations, as well as the Small Business Administration, local cities, and counties in support of promoting the Agency's Business Outreach Program for local, small, and disadvantaged businesses. Additionally, CAP will host onsite events at the Agency to share the Business Outreach Program information, and how to do business with the Agency.	FY 2025/26 & FY 2026/27

Performance Measures

Unit Goal	Measure Description	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Target	FY 2026/27 Target
Ensure compliance with federal, state and Agency procurement requirements in support of competitive and cost-efficient procurement.	Number of Solicitations posted to PlanetBids	84	80	90	95
Ensure the duties of CAP are consistently executed with outstanding customer service and professionalism.	Number of Purchase Orders processed annually	1,219	1,225	1,300	1,325

Expenses

Employment expenses include wages and benefits. Administrative expenses include office and administrative costs. Operating expenses include professional fees and services and materials and supplies. The Contracts and Procurement Units annual budget includes the agencywide expense for insurance.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$1,430,480	\$1,618,814	\$1,984,301	\$2,080,166
Administrative	14,610	11,664	49,950	50,900
Insurance	2,056,905	2,161,066	2,815,000	3,352,000
Operating	18,290	33,163	35,000	35,000
Total	\$3,520,285	\$3,824,707	\$4,884,251	\$5,518,066

Finance and Accounting

Mission Statement

Provide accurate, reliable, clear, and timely financial budgeting and reporting of Agency programs and activities to the public, elected officials, Agency personnel, customers, regulatory agencies, grantors, investors, and other stakeholders. Provide strategic planning and identification of financial resources to meet the Agency's long-range financial needs; evaluate financing options to effectively meet future capital requirements, including securing the lowest borrowing; prudently manage the Agency's investments to secure the safety of principal and optimize earnings; and provide timely and cost-effective quality customer service to the Agency and its constituents while practicing responsible stewardship of Agency resources.

Description And Purpose

The Finance and Accounting Units are responsible for recording and maintaining the Agency's financial information and provide the following services:

- Manage Agency payroll, billing, revenue collection, cash application, accounts payable, project and fixed asset accounting, internal and external annual financial reporting, and various other financial analysis and reports.
- Manage the administration of the Agency's budget, ensuring that appropriations comply with those approved by the Board of Directors. Continue to develop and enhance financial and budget applications that facilitate the planning, monitoring, and reporting of the Agency's biennial budget and long-range financial plans.
- Prepare the Annual Comprehensive Financial Report based on the guidelines as published by the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA) of the United States.
- Collaborate with financial and investment advisors to manage the Agency's investment portfolio, prioritizing the safety of principal while optimizing investment earnings. Monitor daily cash activities to meet operational needs in a timely manner and maintain the Agency's strong credit standing.
- Administer outstanding debt to ensure timely payment and compliance with respective bond covenants and continuing disclosures; evaluate different financing options to maximize federal and state grants and low-interest loan funding to fund future investments in capital construction, replacement, and improvement consistent with the Agency's long-term planning documents.
- Support agencywide financial analysis and evaluation of rate studies and capital projects.

Major Priorities

- Provide exceptional customer service
- Timely and accurate monthly/quarterly/annual financial reporting
- Timely monitoring and reporting of budget to actual activities
- Timely preparation of Agency payroll, customer billing, and vendor payments
- Timely debt service administration and compliance reporting
- Efficient business practices
- Professional development through education, mentorship, and teamwork

Position Summary

In FY 2025/26 the Finance unit will eliminate one limited term position and add a Senior Financial Analyst to support growing responsibilities within the unit.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Director of Finance	1	1	1	1
Total	1	1	1	1
Accounting				
Controller	1	1	1	1
Principal Accountant	1	1	1	1
(Acting)/Accounting Supervisor	4	4	3	3
Senior Accountant	3	3	3	3
Accountant I/II	5	5	6	6
Accounting Technician I/II	4	4	4	4
Total	18	18	18	18
Limited Term				
Accounting Technician I	1	1	-	-
Total	1	1	-	-
Total Accounting FTE and Limited Term	20	20	19	19
Finance				
Treasurer	1	1	1	1
Budget Officer	1	1	1	1
Senior Financial Analyst	1	1	2	3
Financial Analyst I/II	3	3	3	3
Administrative Assistant II	1	-	-	-
Total Finance	7	6	7	8
Total Finance and Accounting	27	26	26	27

Strategic Plan Goals

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

C. Partnerships: Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to improve communication, coordination, and collaboration with customer agencies.	Accounts Receivable will bill all customer agencies timely and will regularly follow up on aged unpaid invoices.	FY 2025/26 & FY 2026/27
Maintain effective collaboration and coordination efforts with key regional agencies such as the Chino Basin Watermaster, the Chino Basin Water Conservation District, Santa Ana Watershed Protection Agency, and the San Bernardino County Flood Control District.	Finance will continue to maintain effective collaboration and coordination efforts with key regional agencies such as the Chino Basin Watermaster, the Chino Basin Water Conservation District, and the Santa Ana Watershed Protection Agency during the budget process.	FY 2025/26 & FY 2026/27

Strategic Goal 3 – 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.

Key Objective:

I. Funding and Appropriations: Fund operations and capital investments by maintaining reasonable service rates, adopting fees that fully support the costs of service, and seeking diverse external funding to offset overall costs.

Key Activity	Unit Implementation Strategy	Timetable
Maintain strong credit and bond ratings to support future issuances.	The Agency strives to maintain strong financial health by maintaining a high number of days of cash on hand, at least 365 days and a robust debt coverage ratio, greater than 2.0x. Accounts Payable will continue to make every effort to pay vendor invoices on time. Accounts Payable benchmark for vendor invoices is 90% or more paid on time every month.	FY 2025/26 & FY 2026/27
Explore and identify the best methodology for establishing and collecting rates.	The Agency will utilize rate consultants to study the possibility of collecting revenues via the tax roll.	FY 2025/26
Continue efforts to conduct a five-year rate study and clearly define a consistent rate structure that reflects actual service costs.	Finance will select a consultant and begin a five-year rate study before June of 2026. Accounting will provide Finance with historical data as determined necessary by Finance.	FY 2025/26
Assess usage of property tax to fund capital projects.	Property tax usage for Agency priorities is reviewed throughout the fiscal year especially during the budget planning periods from January to June.	FY 2025/26 & FY 2026/27
Proactively identify and pursue grant and state and federal funding opportunities to support IEUA operations and capital projects.	Grants accounting will collaborate with other departments, as applicable, to ensure timely and compliant grant and loan reporting.	FY 2025/26 & FY 2026/27
Update the Investment Policy on an annual basis to ensure appropriate balance among safety, liquidity, and yield considerations.	Finance staff and the Agency's financial advisors review the investment policy annually to ensure it is complete and consistent with the California Government Code. The updated policy is then presented to the Board of Directors for approval by May of each year.	FY 2025/26

Strategic Goal 3 – 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.

Key Objective:

J. Budget Planning and Reporting: Prepare multi-year budgets, plans, and reports to support fiscal stability.

Key Activity	Unit Implementation Strategy	Timetable
Continue to develop IEUA's budget book, Annual Comprehensive Financial Report, and quarterly budget amendments.	The FY 2025/26 and 2026/27 Biennial Budget document was adopted by the Board of Directors in June 2025. The mid-year budget amendment will be prepared from January to June 2026 and adopted by the Board in June 2026. Each quarter, the Finance department will prepare an agencywide budget amendment for Board approval. The Annual Comprehensive Financial Report (ACFR) for FYE 6/30/2025 will be the second fiscal year the report will be produced in our new ACFR/budget book software, Gravity. Accounting will automate the FYE 6/30/2025 report to the extent that the data can be automated and will continue to improve the language and formatting of the report.	FY 2025/26 & FY 2026/27
Maintain compliance with grant and loan reporting and debt requirements.	Finance prepares and files various California Debt Investment and Advisory Commission (CDIAC) required reports each fiscal year. Additionally, the Finance/Accounting team files required continuing disclosure documents on EMMA annually and as needed each year. Grants accounting will collaborate with the Grants Unit, External Affairs, Finance, and bond counsel, as applicable, to ensure timely and compliant grant and loan reporting.	FY 2025/26 & FY 2026/27
Refresh and maintain a rolling 10-year staffing plan to guide resource allocation.	Finance will collaborate with Human Resources and Agency departments to maintain a ten-year staffing plan.	FY 2025/26 & FY 2026/27

Strategic Goal 3 – 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.

Key Objective:

K. Reserves: Maintain appropriate fund reserves which can withstand significant changes to the economy, funding sources, or operational needs.

Key Activity	Unit Implementation Strategy	Timetable
Review the Reserve Policy on an annual basis to ensure sufficient funding to meet operating, capital, debt service, obligations, and unforeseen events, and comply with legally mandated requirements.	Finance will review the Agency's Reserve policy annually and present an updated policy for Board approval when needed. Program reserves are reviewed regularly to ensure sufficient funds are on hand to maintain operating, debt, and other required reserves.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

L. Work Environment: Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.

Key Activity	Unit Implementation Strategy	Timetable
Promote Agency cultural attributes for a consistent and supportive approach to Agency culture development.	Finance will continue fostering a culture that promotes growth, accountability, and collaboration.	FY 2025/26 & FY 2026/27
Continue to support remote work options where feasible.	Finance will continue to support remote work options when feasible. We will ensure that job duties are completed effectively and that employees remain accessible during work hours.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Review and re-engineer business processes to increase efficiency.	Each year, Finance will review business processes and revise them to increase efficiency, optimize workflows, and enhance productivity. Accounting will revise existing chart of accounts in preparation for new ERP. Accounting will re-engineer existing cash receipt processes and eliminate unnecessary steps that do not add value. Accounting will create standard month-end workpapers that align with the needs of the auditor at year-end to prevent duplication of work. Accounting will re-engineer ACFR preparation process to streamline and reduce turnaround time by working on steps that do not rely on each other in tandem.	FY 2025/26 & FY 2026/27
Regularly review and update policies and procedures and ensure that workflows are clearly documented within Standard Operating Procedures.	Finance and Accounting units will annually review and update policies and procedures, creating instructions, and Standard Operating Procedures.	FY 2025/26 & FY 2026/27
Continue efforts to digitize internal forms and workflows, including updating contract and form templates.	Finance will continue to work primarily in a digital format and convert to digital when possible. Finance and Accounting will continue to identify internal forms and workflows that can be streamlined using Laserfiche, DocuSign, or other electronic methods of approval.	FY 2026/27

Performance Measures

Agency Goal	Measure Description	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Target	FY 2026/27 Target
Strategic Goal 3 – Fiscal Responsibility	Timeliness of loan payments	25 of 26 payments made on time	26 of 26 payments made on time	All debt service payments made on time	All debt service payments made on time
	Invoice payment processing timeliness	0 of 12 months of invoices paid on time at 90% or better	8 of 12 months of invoices paid on time at 90% or better	12 of 12 months of invoices paid on time at 90% or better	12 of 12 months of invoices paid on time at 90% or better
	Maintaining minimum reserve requirements per the reserve policy	Minimum reserves met per Adopted Budget June 2023	Minimum reserves met per Adopted Budget June 2024	Minimum reserves met per Adopted Budget June 2025	To be reviewed and adopted by June 2026
	Review of the annual investment policy	Board adopted updated policy April 2023	Board adopted updated policy April 2024	Board adopted updated policy June 2025	To be adopted by June 2026
	Adoption of rates reflective of the cost of service	Board adopted rates June 2023	Board adopted rates June 2024	Board adopted FY 2025/26 in April 2025	Board adopted FY 2026/27 rates in April 2025

Expenses

Employment expenses include wages and benefits. Administrative expenses include office and administrative costs and other non-operating expense. Non-operating expense is for the Agency’s share of SAWPA Member Agency contributions. Operating expenses include professional fees and services, materials and supplies, and utilities. Interest and financial expenses are for the Agency’s outstanding debt service. For more information regarding the Agency’s outstanding debt, see the Debt Management section of this document.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$4,174,713	\$4,656,804	\$5,264,699	\$5,614,266
Administrative	812,357	517,285	502,513	532,527
Operating	230,765	244,417	280,070	315,070
Interest and Financial*	8,349,728	8,358,749	8,369,548	8,651,143
Total	\$13,567,563	\$13,777,255	\$14,416,830	\$15,113,006

*Interest and Financial expense are net of capitalized interest.

INFORMATION TECHNOLOGY

Mission Statement

To deliver secure, innovative, and value-driven technology services and partner with stakeholders to support the Agency's vision, mission, and strategic goals. To be service-oriented and forward-thinking. A strategic partner to Agency staff, stakeholders, and customers. To become a world-class information and operational technology partner to stakeholders and support the Agency's leadership in water management, environmental stewardship, water quality, recycled water, and renewable energy.

Description And Purpose

Information Technology provides enterprise technology services and is comprised of two units, Operations Technology (OT) and Information Services (IS).

The Operations Technology (OT) Unit supports and enhances the Agency's Supervisory Control and Data Acquisition (SCADA) and Distributed Control System (DCS) which includes Human Machine Interface (HMI's), Historians, Programmable Logic Controllers (PLCs), Input/output (I/O) communication, data analytics and reporting services. The OT team also enhances and supports the Agency's network and communications infrastructure, including Email, Network Communications, Cloud Services, and Wireless services. Working closely with the Information Security Officer, the OT Unit provides strong cybersecurity detection, protection, response, and recovery capabilities for the Agency's critical infrastructure services.

The Information Services (IS) Unit supports and enhances the Agency's business system solution, including enhancement and support of the Agency's core enterprise applications, such as Enterprise Resource Planning (ERP), Computerized Maintenance Management System (CMMS), Geographic Information Services (GIS), and Enterprise Content Management System (ECMS). The IS Unit supports business process improvement and efficiency through collaboration with departments, units, and stakeholders to develop custom applications, reports, dashboards, and integration with new and innovative solutions. The IS Unit maintains the Agency's user technology and provides user technical support and training. The IS unit also provides Records Management services and ensures compliance with the Agency's public records management policy and government regulations.

Major Priorities

Information Technology is committed to the following:

- Providing innovative solutions and exceptional customer service
- Efficient business processes
- Operational excellence
- Reliable, cost-effective technology
- Secure and resilient operation
- Information Security
- Diversity, Equity, and Inclusion
- Professional development through education, mentorship, trust, and teamwork

Position Summary

In FY 2025/26, Operations Technology will expand its unit by adding two Network Administrators and two Cybersecurity Analysts. This will be followed by the addition of one Control Systems Analyst I/II in FY 2026/27. To realign departmental resources, the Information Services unit will reduce one Business Systems Supervisor position and one Business Systems Analyst I/II position. These staffing changes are to enhance the department's capacity to support growing technological demands and improve service delivery across the Agency.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Director of Information Technology	1	1	1	1
Total	1	1	1	1
Operations Technology				
Manager of Information Technology	1	1	1	1
Information Security Officer	1	1	1	1
Principal Control Systems Administrator	2	2	2	2
Network Administrator	3	2	4	4
Principal Network Engineer	1	1	1	1
Control Systems Analyst I/II	8	8	8	9
Cybersecurity Analyst	-	-	2	2
Total Operations Technology	16	15	19	20
Information Services				
Manager of Information Technology	1	1	1	1
Information Technology Officer	1	1	1	1
Acting/ Business Systems Supervisor	2	2	1	1
Acting/ Business Systems Analyst I/II	3	4	3	3
Information Systems Analyst I/II	1	1	1	1
Technology Specialist I/II	3	3	3	3
GIS Specialist	2	2	2	2
Total Information Services	13	14	12	12
Records Management				
Records Management Supervisor	1	1	1	1
Records Specialist	2	2	2	2
Total Records Management	3	3	3	3
Limited Term Positions				
Records Specialist	-	-	1	-
Total Limited Term	-	-	1	-
Total Records Management FTE and Limited Term	3	3	4	3
Total Information Technology	33	33	36	36

Strategic Plan Goals

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

C. Partnerships: Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to improve communication, coordination, and collaboration with customer agencies.	The Information Technology (IT) department supports the development of Data Warehouse and Geospatial Information System (GIS) for external outreach, enhancing communication and collaboration with customer agencies and strengthening long-term water supply reliability through innovative partnerships.	FY 2025/26 & FY 2026/27
Maintain effective collaboration and coordination efforts with key regional agencies such as the Chino Basin Watermaster, the Chino Basin Water Conservation District, Santa Ana Watershed Protection Agency, and the San Bernardino County Flood Control District.	IT will identify and connect with cybersecurity personnel at key regional and customer agencies. IT will also identify opportunities to collaborate and coordinate on cybersecurity and cyber incident recovery efforts. On a quarterly basis, IT will provide a cybersecurity update at General Manager meetings.	FY 2025/26 & FY 2026/27

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

D. Wastewater Treatment: Maintain effective wastewater operations and treatment processes to protect public health and the environment.

Key Activity	Unit Implementation Strategy	Timetable
Take proactive steps to address Constituents of Emerging Concern (CEC), including PFAS.	The Information Technology department utilizes Data Analytics in laboratory and operations to enhance wastewater treatment processes, ensuring public health and environmental sustainability.	FY 2025/26 & FY 2026/27

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

E. Regulatory Compliance: Continue to comply with all federal, state, and local laws and regulations to ensure public health and promote an ethical, safe, and healthy work environment.

Key Activity	Unit Implementation Strategy	Timetable
Provide regular training to management and employees on key ethics, safety standards, and cybersecurity.	IT will conduct annual online and in person cybersecurity training for all new hires and current employees.	FY 2025/26 & FY 2026/27
Implement an electronic filing system to support compliance management.	The Records Management department implements an electronic filing system using a document management system and SharePoint to support compliance management. This ensures adherence to federal, state, and local regulations, promoting public health and a safe, ethical work environment.	FY 2026/27

Strategic Goal 3 – 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.

Key Objective:

I. Funding and Appropriations: Fund operations and capital investments by maintaining reasonable service rates, adopting fees that fully support the costs of service, and seeking diverse external funding to offset overall costs.

Key Activity	Unit Implementation Strategy	Timetable
Proactively identify and pursue grant and state and federal loan funding opportunities to support IEUA operations and capital projects.	The Information Technology department supports the adoption of AI by proactively identifying and pursuing grant opportunities for cybersecurity projects. This approach ensures the safeguarding of IEUA's fiscal health while enhancing the security and resilience of the Agency's systems.	FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

M. Workforce Development: Maintain a highly skilled workforce through effective recruitment and by providing career growth opportunities, professional development, and succession planning.

Key Activity	Unit Implementation Strategy	Timetable
Implement a new performance appraisal process that aligns employee performance with organizational goals.	The department will implement a new performance appraisal process by first aligning the Agency's new Human Capital Management (HCM) software with a new method of processing appraisals. Managers and employees will co-create measurable goals and engage in regular check-ins to track progress, provide feedback, and adjust as needed. At the end of the cycle, structured evaluations and development-focused conversations will guide recognition and growth opportunities. Ongoing feedback from participants will help refine the process and strengthen its impact over time.	FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Review and re-engineer business processes to increase efficiency.	The department will begin by identifying key processes that impact efficiency, using data, stakeholder input, and performance metrics to pinpoint bottlenecks or redundancies. Cross-functional teams will map current workflows, analyze gaps, and design streamlined alternatives that reduce complexity and improve outcomes. Pilot testing and feedback loops will ensure new processes are practical and scalable before full implementation. Continuous monitoring and performance tracking will help sustain improvements and drive a culture of ongoing process optimization.	FY 2025/26 & FY 2026/27
Adopt technologies that optimize resource utilization, enhance operational reliability, and strengthen security, considering cloud-based solutions where appropriate.	Lead the utilization of data-driven analytics and AI systems for informed decision-making. Continue providing support and training for ChatGPT and Copilot and identify and implement custom GPTs and Copilot Agents to streamline workflows and improve efficiency. Leverage the Artificial Intelligence (AI) features capabilities in the new ERP system. Support the development and implementation of a data warehouse. Promote and provide training for Power BI and other reporting tools to improve data analytics.	FY 2025/26 & FY 2026/27
Identify and evaluate applications of Artificial Intelligence (AI) to enhance operational efficiency.	Complete the migration to Aveva PI for the enterprise historian. Develop initiatives and projects to utilize operational data to improve operational efficiency. Projects should focus on the use of AI and Machine Learning (ML) to provide operational insights and recommendations, Predictive and Condition-Based Maintenance to improve asset performance, reliability and efficiency, and real time Process Optimization to improve process quality and reduce energy and chemical cost.	FY 2025/26 & FY 2026/27
Update Supervisory Control and Data Acquisition (SCADA) Master Plan.	Collaborate with Engineering on the development of the next 10-year SCADA master plan. The plan should define a roadmap to layout the continued development of the Agency's operational technology and the adoption of AI and ML to support the efficient operation of the Agency's facilities and processes.	FY 2026/27
Replace the Enterprise Resource Planning (ERP) system.	The department has already begun the process of replacing our ERP system. A consultant has reviewed the Agency and is currently leading a project to replace the HCM system. Future systems include a replacement for Finance and a replacement for Asset Management and a Centralized Maintenance Management system. Staff will participate in testing, training, and change readiness activities to build confidence in the new system and reduce disruption during transition. Clear communication and hands-on support will be provided throughout deployment to maintain productivity and address issues in real time. After go-live, the department will continue refining workflows, monitoring performance, and providing feedback to maximize system value and alignment with organizational goals.	FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

O. Risk and Asset Management: Maintain robust risk and asset management practices to ensure uninterrupted service to the region.

Key Activity	Unit Implementation Strategy	Timetable
Conduct an annual review of records management policies and procedures to ensure compliance with all federal, state, and local regulations to ensure compliance with public records requirements.	The department will conduct an annual review of its records management policies and procedures to ensure alignment with current federal, state, and local regulations, including public records requirements. Staff will work with legal and compliance teams to identify any regulatory changes and assess whether existing practices meet updated standards. Necessary revisions will be made to retention schedules, access protocols, and storage methods, followed by targeted training to reinforce compliance across the department. The review process will be documented, and improvements tracked to support accountability and audit readiness.	FY 2025/26 & FY 2026/27
Conduct annual ERP updates to ensure compliance with all federal, state, local, and IRS regulations.	The department will coordinate with IT and compliance teams each year to identify and prioritize regulatory updates required within the ERP system. Staff will review applicable changes to federal, state, local, and IRS regulations, ensuring the department's processes and data structures align with new compliance standards. Updates will be tested in a controlled environment before deployment, with staff training and communication to support a smooth transition. Post-update reviews will confirm accuracy, document changes, and establish readiness for audits or reporting requirements.	FY 2025/26 & FY 2026/27
Maintain updated disaster recovery plans and perform disaster recovery exercises.	IT will engage a consultant through RFP to conduct a Business Impact Analysis (BIA) which will be used to update the current disaster recovery (DR) plan. IT will also conduct annual DR exercises.	FY 2025/26 & FY 2026/27
Conduct annual cybersecurity tests, training, and cyber hygiene reviews and ensure compliance with federal, state, and local regulations.	IT will conduct self-assessments, annual third-party pen tests and annual cyber incident response exercises. The department will continually review external threat intelligence sources (CISA, WaterISAC, MS-ISAC/ CIS, MISAC, ArcticWolf, Dragos, ERNIE, EPA) and provide guidance to ensure compliance with required cyber regulations.	FY 2025/26 & FY 2026/27

Performance Measures

Agency Goal	Measure Description	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Target	FY 2026/27 Target
Strategic Goal 4 - Culture of Excellence	Number of cybersecurity incidents	-	-	-	-
	Mean time to detect (MTTD) a potential cybersecurity incident	No incidents	Less than 5 days	72 hours	48 hours

Expenses

Employment expenses include wages and benefits. Administrative expenses include office and administration expenses and other non-operating costs. Operating expenses include materials and supplies, professional fees, and agencywide expense for items such as internet service, computer maintenance, software support services, and equipment rentals.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$4,744,593	\$5,919,052	\$7,573,364	\$7,885,796
Administrative	195,015	251,277	359,918	365,596
Operating	3,433,027	4,651,513	5,109,717	5,979,607
Total	\$8,372,635	\$10,821,842	\$13,042,999	\$14,230,999



TECHNICAL RESOURCES DIVISION

Mission Statement

To identify, plan and implement strategies for assuring regional water supply reliability and to meet all regulatory requirements. Additionally, the Division is responsible for producing safe compliant water, recycled water, renewable energy, compost, and designing/constructing facilities to meet Agency needs in a cost-effective and environmentally responsible manner.

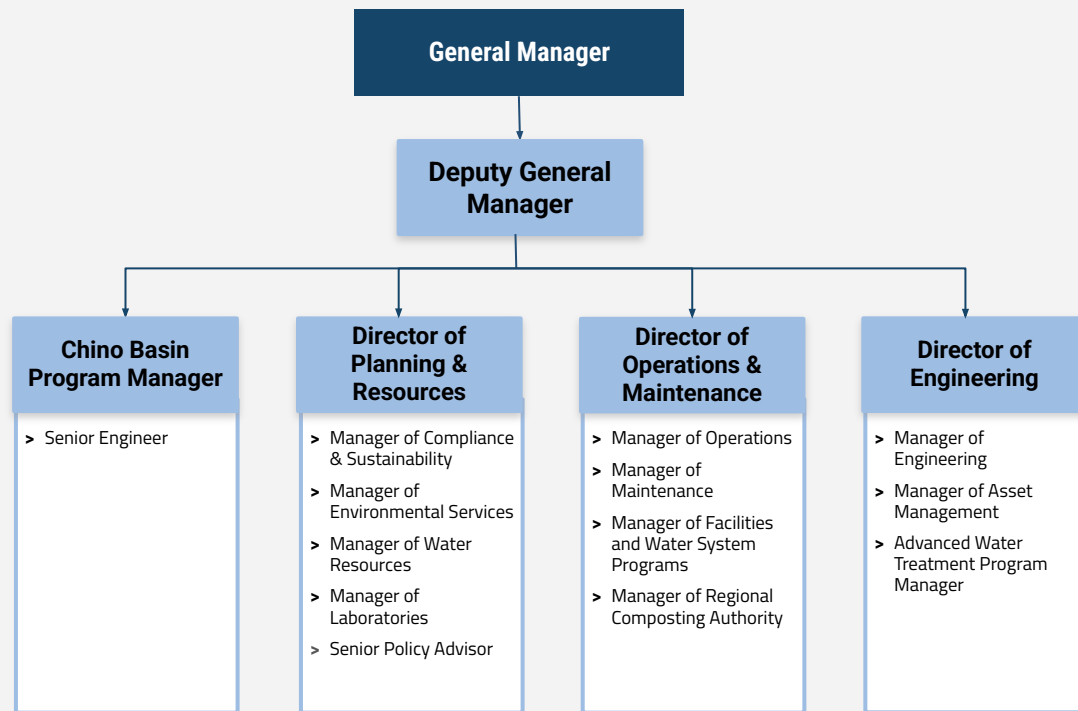
Departments

- Chino Basin Program Unit
- Engineering Department
 - Engineering & Construction Management Unit
 - Asset Management Unit
 - Materials Management Warehouse Unit
- Planning & Resources Department
 - Water Resources Unit
 - Environmental Compliance Unit
 - Source Control Unit
 - Laboratory Unit
- Operations & Maintenance Department
 - Operations Administration Unit
 - Facilities & Water System Programs Units
 - Maintenance Units
 - Operations Units
 - Organics Management Unit

Executive Summary

This Division works collaboratively with its customer agencies, the Metropolitan Water District of Southern California (MWD), Chino Basin Watermaster, and other stakeholders to provide regional wastewater and water resources planning, MWD program support, cost of service evaluations for the Agency's programs, engineering, construction, asset management, warehouse, laboratory services, implement regional water-use efficiency programs and oversee the development of an agencywide asset management program. Additionally, the Division assures Agency compliance with environmental regulations. Its purpose is to plan, engineer, and construct projects and Agency programs to effectively meet the growing needs of the region in a regulatory-compliant and cost-effective manner. Furthermore, the Division is responsible for supporting the Operations and Maintenance Department in operating and maintaining the Agency's facilities and activities to meet regulatory requirements, protect public health, and preserving its assets. The budgeted division staffing for FY 2025/26 is two-hundred forty-three full-time equivalent positions (FTE) and two-hundred fifty-two FTE for FY 2026/27.

Organizational Chart



Position Summary

There are no proposed staffing changes in FY 2025/26 and FY 2026/27 budget.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Deputy General Manager	1	1	1	1
Chino Basin Program Manager	1	1	1	1
Senior Engineer	1	1	1	1
Total Technical Resources	3	3	3	3

Expenses

Employment expenses consist of wages and benefits. Administrative expenses include office and administrative costs such as travel and training expenses.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$820,762	\$970,840	\$1,024,186	\$1,056,119
Administrative	15,818	26,050	26,500	28,376
Operating	-	-	-	-
Total	\$836,580	\$996,890	\$1,050,686	\$1,084,495

ASSET MANAGEMENT

Mission Statement

Accomplish the vision of maximizing the lifecycle of an asset through innovative solutions and process optimization, while balancing risk, cost, and performance to ensure long-term sustainability.

Description And Purpose

The Asset Management Unit is responsible for maximizing the lifecycle of agency assets through strategic oversight, data-driven decision-making, and innovative practices. Guided by a commitment to long-term sustainability, the unit integrates risk, cost, and performance into every phase of asset management.

The unit delivers six core programs that serve as the foundation of its operations:

- **Predictive Maintenance:** Utilizes advanced technologies such as vibration monitoring and lubrication analysis to anticipate and address equipment failures before they occur, reducing downtime and enhancing reliability.
- **Condition Assessment:** Conducts systematic evaluations of asset health to inform rehabilitation, replacement, and maintenance strategies. This includes the development and execution of the agency's Condition Assessment Master Plan.
- **Capital Planning:** Supports the Ten-Year Capital Improvement Plan and Ten-Year Sewer Capital Forecast by identifying, prioritizing, and justifying infrastructure investments based on asset conditions, importance, performance, and strategic value.
- **Technical Services:** Provides subject matter expertise to operational and engineering teams, leads technical liaison groups, and supports the evaluation and deployment of new technologies that improve asset performance.
- **Asset Data Management:** Maintains accurate, reliable asset data and integrates it across platforms to support informed decision-making, optimize inventory, and ensure regulatory and operational transparency.
- **Warehousing:** Oversees the management of spare parts and materials critical to plant maintenance and agencywide functionality. This includes maintaining inventory accuracy, streamlining procurement, supporting capital projects, and ensuring timely access to essential materials through robust planning and supply chain coordination.

Together, these programs reflect the unit's vision to maximize asset lifecycle and its mission to implement innovative solutions and optimize processes that balance risk, cost, and performance. The unit's purpose is centered around organizational optimization, objective criteria for asset decisions, and the adoption of modern technologies to enhance asset reliability and sustainability.

Major Priorities

The Asset Management Unit's major priorities for FYs 2025/26 and 2026/27 are as follows:

- Complete the agencywide asset hierarchy, criticality rankings, reconciliation, and standardized naming convention.
- Update the Agency's core planning documents: Asset Management Plan, Ten-Year Capital Improvement Plan, and Ten-Year Sewer Capital Forecast.
- Manage and improve the agencywide new project request form process.
- Serve as a technical services liaison in support of the Operations Department.
- Implement the Condition Assessment Master Plan within the Condition Assessment Program.
- Maintain and optimize the predictive maintenance program, including vibration and lubrication monitoring.
- Support the implementation of an Enterprise Asset Management (EAM) application to integrate asset data, work management, and strategic planning functions.
- Complete monthly and biennial warehouse cycle counts with inventory accuracy exceeding 95%.
- Evaluate new equipment, process enhancement, standardize, and pilot projects continuously through Asset Management's Technical Services group.
- Standardization of procedures and workflows for the Asset Management Unit's core functions.

Position Summary

In FY 2025/26 a Senior Warehouse Technician position was added to the Materials Management unit. In FY 2026/27, a Senior Management Analyst position will be added to the Asset Management unit. These additions are essential to manage the growing volume of assets and capital projects.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Asset Management				
Manager of Asset Management	1	1	1	1
Senior Project Manager	1	1	1	1
Senior Management Analyst	1	-	-	1
Senior Engineer	1	1	1	1
Engineer (Assistant, Sr Associate PE)	5	6	6	6
Total Asset Management	9	9	9	10
Materials Management				
Warehouse Supervisor	1	1	1	1
Senior Warehouse Technician	-	-	1	1
Warehouse Technician I/II	3	3	3	3
Total Materials Management	4	4	5	5
Total Asset and Materials Management	13	13	14	15

Strategic Plan Goals

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

D. Wastewater Treatment: Maintain effective wastewater operations and treatment processes to protect public health and the environment.

Key Activity	Unit Implementation Strategy	Timetable
Take proactive steps to address Constituents of Emerging Concern (CEC), including PFAS.	The Advanced Water Purification Facility (AWPF) will support lowering CECs by producing purified water that will be stored in the aquifer and potentially result in diluting the concentrations in the groundwater as well as design to allow for future expansion to address future stringent regulations. Operations and Asset Management will use the AWPF demonstration facility to verify the removal claims of new filtration technologies.	FY 2025/26 & FY 2026/27

Strategic Goal 3 – 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.

Key Objective:

J. Budget Planning and Reporting: Prepare multi-year budgets, plans, and reports to support fiscal stability.

Key Activity	Unit Implementation Strategy	Timetable
Improve project planning and cost estimation methodologies.	Asset Management will strengthen project planning by integrating risk assessments and preliminary cost estimates into initial project request forms, with further refinements made throughout the project lifecycle including the use of professional cost estimators.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

L. Work Environment: Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.

Key Activity	Unit Implementation Strategy	Timetable
Continue to support remote work options where feasible.	Continue to support remote work by setting clear schedules and productivity expectations as well as require weekly progress updates.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Establish internal processes to ensure proper asset data accuracy and management.	Asset Management will work with Maintenance to maintain the accuracy of asset data through systematic registration, retirement, and reconciliation processes through the help of Engineering and Operations.	FY 2025/26 & FY 2026/27
Regularly review and update policies and procedures and ensure that workflows are clearly documented within Standard Operating Procedures.	Regularly review and update policies and procedures, ensuring that workflows are clearly documented within Standard Operating Procedures.	FY 2025/26 & FY 2026/27
Assess long-term viability of non-core business operations to possibly redirect resources toward higher priorities including:	The department will incorporate risk assessments into the prioritization of projects for the ten-year capital improvement plan.	FY 2026/27
- Groundwater desalter support		
- Pump and lift station support		
- Conservation programs		
- Engineering support of non-IEUA projects		

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

O. Risk and Asset Management: Maintain robust risk and asset management practices to ensure uninterrupted service to the region.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to provide proactive maintenance on all assets, including developing an agencywide Condition Assessment Master Plan.	Asset Management will implement predictive maintenance programs for remote machine vibration and machine lubrication and optimize maintenance through the ongoing establishment of asset criticality, reconciliation, and standardized naming conventions across the agency.	FY 2026/27
Update Disaster Recovery Plan.	The department will work with the Disaster Service lead to review the current plan, assess what is outdated, identify gaps and work to improve.	FY 2025/26 & FY 2026/27
Maintain and communicate an updated Asset Management Plan.	The Asset Management unit will publish the Asset Management Plan biennially after completion of the Ten-Year Capital Improvement Plan report.	FY 2025/26
Maintain and implement a biennial Ten-Year Capital Improvement Program (TYCIP) plan to guide construction and maintenance activities, including a Ten-Year Sewer Capital Forecast (TYSCF).	Every two years, the Asset Management unit will publish the Ten-Year Capital Improvement Plan, and the Ten-Year Sewer Capital Forecast reports and present them to internal and external stakeholders regularly to foster a sense of understanding. Additionally, the project tables will be updated annually to reflect ongoing developments and ensure alignment with infrastructure goals.	FY 2025/26
Evaluate new equipment, process enhancement, and pilot projects continuously through Asset Management's Technical Services group.	Asset Management will attend industry events, conferences, and ISLE Technology meetings to stay abreast of the latest innovations, share knowledge, and facilitate pilot projects and research initiatives to effectively test and integrate new technologies.	FY 2026/27

Performance Measures

Agency Goal	Measure Description	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Target	FY 2026/27 Target
Strategic Goal 4 - Culture of Excellence	Monitor and report annually on the number of process improvements implemented, pilot projects launched for new equipment, and technical workshops or conferences attended.	N/A	N/A	6 Activities	6 Activities
	Update and publish the project lists within the Ten-Year Capital Improvement Plan, Ten-Year Sewer Capital Forecast, and Asset Management Plan on an annual basis by July 31st.	N/A	N/A	Each Document Annually	Each Document Annually
	Update and publish the Ten-Year Capital Improvement Plan, Ten-Year Sewer Capital Forecast, and Asset Management Plan by July 31st every odd-numbered fiscal year, e.g., fiscal year 2024/25.	N/A	N/A	Each Document Biennially	Each Document Biennially
	Conduct monthly inventory cycle counts on 2% sample size, and perform annual cycle counts on 100% inventory every odd-numbered fiscal year, e.g., fiscal year 2024/25. Accuracy of inventory not to exceed 5% error rate.	N/A	N/A	95% per month <AND> 95% per Biennial	95% per month <AND> 95% per Biennial
	Complete at least 15 condition assessments on prioritized assets annually.	N/A	N/A	15	15

Expenses

Employment expenses include wages and benefits. Administrative expense includes office and administrative expense. Operating costs include materials, supplies, and professional fees and services.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$1,655,325	\$2,390,192	\$3,126,393	\$3,435,584
Administrative	43,924	76,275	69,500	72,300
Operating	107,101	390,112	487,800	502,700
Total	\$1,806,350	\$2,856,579	\$3,683,693	\$4,010,584



Solar Panels

ENGINEERING AND CONSTRUCTION MANAGEMENT

Mission Statement

To engineer and construct state-of-the-art facilities and infrastructure to meet the dynamic and growing needs of recycled water demand, wastewater collection, treatment, and disposal needs of the Agency's service area, and to implement and manage the capital improvement program (CIP) with cost effective solutions.

Description and Purpose

- The Engineering and Construction Management (ECM) Unit provides design, administration, and construction management services for water, wastewater, and energy projects that implement the Agency's CIP. The Unit integrates the latest and most cost-effective technologies into the IEUA service area. A total of thirty-five personnel (thirty-five full-time equivalent and zero limited-term positions) contributes to the success of the Unit, providing many diversified tasks such as:
- Plan, budget, design, and construct capital facilities.
- Design and construct projects through efficient project management to ensure projects are completed on schedule and on budget.
- Coordinate the capital project process to produce the Ten-Year Capital Improvement Plan.
- Administer grants, permits, and environmental compliance reports.
- Plan, design, and coordinate the standardization of the Agency's Supervisory Control & Data Acquisition system (SCADA).
- Provide engineering and construction management support to the Agency's Operations and Maintenance Units.
- Provide in-house design services including development of plans and specifications for the bid process.
- Prepare Requests-for-Proposals and replies to project information requests from prospective consultants and contractors.
- Review and check design reports, proposals, and specifications submitted by consulting engineers and subsequent management of those consultant services.
- Provide construction management support for construction work in progress, including field inspections, to ensure compliance with approved plans, specifications, and standards.
- Develop and maintain Computer Aided Design (CAD) drawings for the Agency, including in-house design, as-builts, mylars, site maps, distribution system maps, and 3D modeling of facility sites and projects.

Major Priorities

The Engineering & Construction Management Unit's major priorities for FYs 2025/26 and 2026/27 are as follows:

- Create a culture where staff feel challenged to grow and develop their skills.
- Build a reputation for delivering practical projects on time, with state-of-the-art proven technology.

Position Summary

In FY 2025/26 staffing increases by one FTE, and two additional FTE will be added in FY 2026/27. The additional positions will oversee the increasing number and complexity of ongoing and new projects.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Director of Engineering	1	1	1	1
Manager of Engineering	1	1	1	1
Advanced Water Treatment Prog. Manager	1	1	1	1
Principal Engineer	3	3	3	3
Engineering Services Supervisor	1	-	-	-
Senior Engineer	5	5	6	6
Senior Project Manager	3	3	2	2
Project Manager I/II	-	-	1	1
Senior Construction Project Inspector	-	-	2	2
Construction Project Inspector	2	2	-	-
Engineer (Assistant-Senior Associate-PE)	13	13	13	15
CAD Designer	1	1	1	1
Engineering Services Analyst	1	-	-	-
Administrative Assistant I/II	3	-	-	-
Total Engineering & Construction Management	35	30	31	33

Strategic Plan Goals

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

A. Water Supplies: Support the region with the retention and development of reliable, resilient, and sustainable water supplies from diverse sources.

Key Activity	Unit Implementation Strategy	Timetable
Assess current recycled water infrastructure to determine opportunities for expansion.	Engineering will complete the Recycled Water Study and collaborate on potential improvements to allow for optimized recycled water delivery.	FY 2025/26

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

B. Groundwater Recharge: Support projects and initiatives that optimize groundwater recharge in the Chino Basin.

Key Activity	Unit Implementation Strategy	Timetable
Update and bring online Recharge Master Plan Update projects.	Complete construction of the two remaining projects, Wineville/RP-3 Basins and Montclair Basin, in the Recharge Master Plan.	FY 2025/26 & FY 2026/27

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

C. Partnerships: Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to improve communication, coordination, and collaboration with customer agencies.	The Engineering Department will enhance working relationships with sewer contracting agencies and customer agencies through quarterly on-site visits to maintain collaborative relationships.	FY 2025/26 & FY 2026/27
Maintain effective collaboration and coordination efforts with key regional agencies such as the Chino Basin Watermaster, the Chino Basin Water Conservation District, Santa Ana Watershed Protection Agency, and the San Bernardino County Flood Control District.	The Engineering department will collaborate and coordinate regional agencies when working on IEUA projects affecting their facilities.	FY 2025/26 & FY 2026/27

Strategic Goal 2 - Public and Environmental Health**Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.**

Key Objective:

D. Wastewater Treatment: Maintain effective wastewater operations and treatment processes to protect public health and the environment.

Key Activity	Unit Implementation Strategy	Timetable
Complete the Regional Water Recycling Plant No. 5 Expansion Project and bring all the new systems online.	The Engineering department is on track to complete the Regional Water Recycling Plant No. 5 Expansion Project in FY 2026/27 and bring all new systems online.	FY 2025/26 & FY 2026/27
Construct an Advanced Water Purification Demonstration Facility for testing, training, outreach, and educational purposes.	Chino Basin Program Peer reviews of the Advanced Water Purification Facility (AWPF) demonstration facility design to optimize the design and operation of the full scale AWPF. Involve External Affairs to effectively communicate water quality objectives for public education and outreach.	FY 2025/26

Strategic Goal 3 - 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.**

Key Objective:

I. Funding and Appropriations: Fund operations and capital investments by maintaining reasonable service rates, adopting fees that fully support the costs of service, and seeking diverse external funding to offset overall costs.

Key Activity	Unit Implementation Strategy	Timetable
Proactively identify and pursue grant and state and federal loan funding opportunities to support IEUA operations and capital projects.	The Engineering department will assist the Grants unit by providing project information required for grant applications and reporting, and for federal loan funding and reporting to be shared with Finance.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

L. Work Environment: Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.

Key Activity	Unit Implementation Strategy	Timetable
Promote Agency cultural attributes for a consistent and supportive approach to Agency culture development.	The Engineering department will implement a mentoring program to improve employee understanding and knowledge of the Agency. Engineering and Operations and Maintenance will hold regular collaboration meetings where team members can share candidly how their work is impacted or delayed by work between the departments.	FY 2025/26 & FY 2026/27
Continue to take steps to ensure that IEUA provides an equitable and inclusive work environment.	The Engineering department will continue to support the Agency by ensuring an equitable and inclusive work environment.	FY 2025/26 & FY 2026/27
Continue to support remote work options where feasible.	The Engineering department will continue to support remote work by setting clear schedules and productivity expectations as well as requiring weekly progress updates.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

M. Workforce Development: Maintain a highly skilled workforce through effective recruitment and by providing career growth opportunities, professional development, and succession planning.

Key Activity	Unit Implementation Strategy	Timetable
Implement a new performance appraisal process that aligns employee performance with organizational goals.	The Engineering department will support and participate in the new performance appraisal process and encourage feedback from employees.	FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Review and re-engineer business processes to increase efficiency.	The Engineering department will enhance efficiency by updating CIPPO and Primavera systems, implementing a development application portal, establish a project dashboard with reporting tools to ensure development projects are handled in a timely manner.	FY 2025/26 & FY 2026/27
Regularly review and update policies and procedures and ensure that workflows are clearly documented within Standard Operating Procedures.	The Engineering department will regularly review and update policies and procedures, ensuring that workflows are clearly documented within Standard Operating Procedures.	FY 2025/26 & FY 2026/27
Assess long-term viability of non-core business operations to possibly redirect resources toward higher priorities including: - Groundwater desalter support - Pump and lift station support - Conservation programs - Engineering support of non-IEUA projects	Annually, the Engineering department will incorporate risk assessments into the prioritization of projects for the ten-year capital improvement plan.	FY 2026/27
Continue efforts to digitize internal forms and workflows, including updating contracts and form templates.	The Engineering department will work to digitize and update internal forms and workflows.	FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:
O. Risk and Asset Management: Maintain robust risk and asset management practices to ensure uninterrupted service to the region.

Key Activity	Unit Implementation Strategy	Timetable
Maintain updated business continuity plan and perform regular business continuity exercises.	The Engineering department will actively participate in the business continuity plan to ensure work resumes as smoothly as possible after an event.	FY 2025/26 & FY 2026/27
Update Disaster Recovery Plan	The Engineering Department will work with the Disaster Service lead to review the current plan, assess what is outdated, identify gaps and develop improvements.	FY 2025/26 & FY 2026/27

Expenses

Employment expenses include wages and benefits. Administrative expense includes office and administrative expense. Operating costs include materials, supplies, and professional fees and services. Agencywide costs included in this category are for 'dig safe' and professional engineering services.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$5,325,515	\$6,069,789	\$6,279,380	\$8,580,426
Administrative	69,004	112,941	163,850	165,740
Operating	352,662	624,432	793,300	801,233
Total	\$5,747,181	\$6,807,162	\$7,236,530	\$9,547,399

LABORATORY

Mission Statement

To provide high quality, reliable, analytical support to the Agency in its efforts to protect the public's health and environment in accordance with Environmental Laboratory Accreditation Program (ELAP) Quality Assurance/Quality Control requirements.

Description And Purpose

The Laboratory Unit provides the analytical support to allow efficient operation of the Agency's four recycling facilities: Regional Water Recycling Plant No. 1 (RP-1) in Ontario, Carbon Canyon Water Recycling Facility (CCWRF) and Regional Water Recycling Plant No. 5 (RP-5) located in Chino, and Regional Water Recycling Plant No. 4 (RP-4) located in Rancho Cucamonga. The Unit also provides support for groundwater recharge monitoring efforts and verification of their compliance with state and federal discharge limits. The Agency Water Quality Laboratory is a full-service laboratory certified by the State of California Environmental Laboratory Accreditation Program (ELAP) for wastewater and drinking water testing. The Laboratory follows the strict guidelines to produce quality results required by the Environmental Protection Agency (EPA) and State Water Resources Control Board Unit of Drinking Water. On average the Laboratory analyzes approximately eighteen thousand samples and performs sixty-four thousand various tests per year.

Major Priorities

The Laboratory Unit's major priorities for FYs 2025/26 and 2026/27 are as follows:

- Complete the implementation of the TNI (NELAP (National Environmental Laboratory Accreditation Program) Institute) standard.
- Maintain laboratory accreditation through California.
- Complete annual internal audits of all laboratory operations.
- Complete biennial laboratory assessments using state approved accessors.
- Complete annual performance evaluation testing for all accredited parameters.

Position Summary

In FY 2026/27, the unit will add one Laboratory Scientist to manage the growing number of tests and analyses for new research initiatives and new and ongoing projects.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Manager of Laboratories	1	1	1	1
Laboratory Quality Officer	1	1	1	1
Laboratory Supervisor	2	2	2	2
Chemist	3	3	3	3
Laboratory Scientist II	3	3	3	3
Laboratory Scientist I	5	5	5	6
Laboratory Assistant	1	1	1	1
Total FTE	16	16	16	17
Limited Term				
Laboratory Scientist I	1	1	-	-
Total Limited Term	1	1	-	-
Total Laboratory	17	17	16	17

Strategic Plan Goals

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

D. Wastewater Treatment: Maintain effective wastewater operations and treatment processes to protect public health and the environment.

Key Activity	Unit Implementation Strategy	Timetable
Construct an Advanced Water Purification Demonstration Facility for testing, training, outreach, and educational purposes.	Support the construction of the Advanced Water Purification Demonstration Facility by reviewing proposed test plans for effective implementation, conducting accurate water quality testing, providing training for operators, and collaborating with external affairs on outreach efforts.	FY 2025/26
Monitor treatment plant performance and initiate corrections to maintain regulatory compliance.	Collaborate with Operations to design an effective and efficient testing protocol to monitor treatment plant performance, ensuring real-time data collection for optimal system performance and proactive regulatory compliance.	FY 2025/26 & FY 2026/27

Strategic Goal 2 – Public and Environmental Health: Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

E. Regulatory Compliance: Continue to comply with all federal, state, and local laws and regulations to ensure public health and promote an ethical, safe, and healthy work environment.

Key Activity	Unit Implementation Strategy	Timetable
Continue to maintain Water Quality Laboratory accreditation through the Environmental Laboratory Accreditation Program.	Ensure continued Water Quality Laboratory accreditation through the Environmental Laboratory Accreditation Program (ELAP) by maintaining compliance with all accreditation requirements, including biennial onsite assessments, annual performance evaluations, and timely submission of ELAP application.	FY 2026/27

Performance Measures

Agency Goal	Measure Description	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Target	FY 2026/27 Target
Strategic Goal 2 – Public and Environmental Health	Water Quality Laboratory accreditation	Completed	Completed	October 2026	October 2027

Expenses

Employment expenses include wages and benefits. Administrative expenses include office and administrative expenses. Operating expenses include professional fees and services, permits, licenses, and materials and supplies. Agencywide expense included in this category are outside lab services, permits, and instrument servicing contracts.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$2,517,055	\$3,001,034	\$3,084,705	\$3,346,816
Administrative	28,624	29,424	64,978	66,927
Operating	1,030,208	1,117,688	1,222,784	1,259,469
Total	\$3,575,887	\$4,148,146	\$4,372,467	\$4,673,212

OPERATIONS & MAINTENANCE

Mission Statement

The Operations and Maintenance Department ensures the safe, compliant, and efficient treatment of water and wastewater, producing recycled water and biosolids. We maximize groundwater recharge, meet evolving customer needs, and protect critical assets through innovation and maintenance best practices. Our dedicated team fosters a safe, inclusive workplace that leverages secure technologies to advance the Agency's strategic goals.

Description and Purpose

The Operations and Maintenance Department is responsible for the safe, efficient, and sustainable operation and maintenance of the Agency's critical infrastructure, which includes five water recycling plants, approximately one hundred fifty miles of sewer collection system, a potable water treatment facility, nineteen supply water well sites, five sewage lift stations, a recycled water distribution and storage network, nineteen groundwater recharge sites, a four hundred thousand square foot indoor composting facility, and a sixty-six thousand square foot headquarters building.

The department's core responsibilities include:

- Potable Water Treatment and Distribution - Ensuring the reliable delivery of safe, high-quality potable water to the region's customers.
- Wastewater Collection and Treatment - Safeguarding public health and the environment through the effective collection, treatment, and recycling of wastewater.
- Recycled Water Distribution - Providing recycled water to support groundwater recharge, agricultural irrigation, municipal landscaping, and other beneficial reuse applications, advancing regional water sustainability.
- Renewable Energy Generation - Maximizing the production of biogas through biosolids digestion to fuel renewable energy systems, reducing the Agency's carbon footprint, and supporting its sustainability goals.
- Resource Recovery and Composting - Transforming dewatered biosolids into high-quality compost products, promoting a circular economy and beneficial reuse.
- Asset Reliability and Maintenance - Employing advanced condition monitoring technologies, predictive analytics, and best-in-class maintenance practices to ensure the reliability, resilience, and longevity of the Agency's infrastructure.

Major Priorities

The major priorities for the Operations and Maintenance Department for FYs 2025/26 and 2026/27 are as follows:

- Ensure a safe, resilient, and healthy work environment for all staff.
- Consistently achieve full compliance with all environmental permits and regulations.
- Maintain asset reliability by employing advanced condition monitoring technologies and applying best-in-class maintenance practices.
- Complete all sewer system inspections and meet one hundred percent of Sewer System Management Program goals.
- Optimize groundwater recharge in the Chino Basin through stormwater capture, recycled water and imported water sources.
- Invest in a motivated, well-trained, and adaptable workforce.
- Maintain strategic staffing levels through effective succession planning.

Position Summary

In FY 2025/26, a Collection System Operator I/II and a Recycled Water Distribution Operator will be added to enhance crew availability and reduce overtime and burnout. Two Electrical & Instrumentation Technicians will be added, one in FY 2025/26 and another in FY 2026/27 to maintain new assets and support safety initiatives. In FY 2026/27, a Facilities Technician I/II/III will be added to reduce reliance on contract labor, and a RW/GW Recharge Ops and Maintenance Specialist will ensure continuous operation and regulatory compliance of recharge facilities.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Operations Administration Unit				
Director of Operations & Maintenance	1	1	1	1
Total Operations Administration	1	1	1	1

Facilities Management, Sewer Collections and Groundwater Recharge Units				
Manager of Facilities & Water System	1	1	1	1
Facilities Program Supervisor	1	1	1	1
Facilities Program Coordinator	1	1	1	1
Senior Facilities Technician	1	1	1	1
Facilities Specialist	1	2	2	2
Facilities Specialist - Landscape	1	1	1	1
Facilities Technician I/II/III	1	3	3	4
Administrative Assistant I/II	1	-	-	-
Total FTE	8	10	10	11

Limited Term Positions

Facilities Specialist	1	-	-	-
Facilities Technician I	1	-	-	-

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Total Limited Term	2	-	-	-
Total Facilities Management	10	10	10	11
Collection System Supervisor	1	1	1	1
Collection System Operator III	2	2	2	2
Collection System Operator I/II	5	5	6	6
Total Sewer Collections	8	8	9	9
Deputy Manager of Water System	1	1	1	1
Acting Groundwater Recharge Supervisor	1	1	1	1
Senior Associate Engineer - PE	1	-	-	-
Hydrogeologist	1	1	1	1
Recycled Water Distribution Operator	2	2	3	3
Recycled/Groundwater Recharge Operations & Maintenance Specialist	1	1	1	2
Recycled/Groundwater Recharge Operations & Maintenance Technician	1	1	1	1
Total FTE	8	7	8	9
Limited Term Positions				
Recycled/Groundwater Recharge Operations & Maintenance Technician	1	1	-	-
Total Limited Term	1	1	-	-
Total Groundwater Recharge	9	8	8	9
Total	27	26	27	29

O&M South Administration, North Maintenance RP-1, South Plant Maintenance RP-5

Manager of Maintenance	1	1	1	1
Acting/Deputy Manager of Maintenance	3	2	2	2
Maintenance Supervisor	1	2	2	2
Maintenance Planner/Scheduler	2	2	2	2
Electrical & Instrumentation Technician (I-V)	17	19	20	21
Acting Administrative Assistant	2	-	-	-
Total O&M South Administration	26	26	27	28
Maintenance Supervisor	1	1	1	1
Acting Mechanic IV	2	2	1	1
Mechanic I/II/III	7	9	9	9
Total North Maintenance RP-1	10	12	11	11

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Maintenance Supervisor	1	1	1	1
Mechanic IV	1	1	1	1
Mechanic I/II/III	7	7	9	9
Total South Plant Maintenance RP-5	9	9	11	11
Total	45	47	49	50

O&M North Administration, RP-1, RP-2, RP-4, and RP-5 Operations, Carbon Canyon Water Recycling Plant (CCWRP), and Desalter Operations Units				
Manager of Operations	1	1	1	1
Operations & Maintenance Training Officer	1	1	1	1
Administrative Assistant I/II	1	-	-	-
Total O&M North Administration	3	2	2	2
Deputy Manager of Operations	2	3	3	3
Acting Operations Supervisor	7	7	7	7
Senior Wastewater Treatment Plant Operator	8	8	8	8
Wastewater Treatment Plant Operator (OIT-V)	26	29	29	30
Senior Water Plant Operator	1	1	1	1
Water Plant Operator (I-V)	6	6	7	7
Total RP-1, RP-2, RP-4, RP-5, CCWRP, and Desalter Operations	50	54	55	56
Total	53	56	57	58

Organics Management Unit				
Manager of Regional Compost Authority	1	1	1	1
Acting Compost Facility Supervisor	3	2	2	2
Maintenance Planner/Scheduler	1	1	1	1
Compost Sales Representative	1	1	1	1
Senior Compost O&M Technician	1	2	2	2
Mechanic I/II/III	5	5	5	5
Electrical & Instrument Technician I/II/III	1	1	1	1
Compost Operator	8	8	8	8
Compost Worker	2	2	2	2
Administrative Assistant II	1	-	-	-
Total	24	23	23	23

Strategic Plan Goals

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

B. Groundwater Recharge: Support projects and initiatives that optimize groundwater recharge in the Chino Basin.

Key Activity	Unit Implementation Strategy	Timetable
Maximize stormwater capture.	Continue with basin maintenance management schedule and continue performing pre and post storm management inspections.	FY 2025/26 & FY 2026/27
Assess the viability of possible new basin locations.	Continuing partnerships with internal and external stakeholders to identify, evaluate, and conduct hydrology assessments for region-wide recharge benefits.	FY 2025/26

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

C. Partnerships: Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to improve communication, coordination, and collaboration with customer agencies.	Continue utilizing the mutual aid platform and knowledge exchange sessions to create opportunities for collaboration.	FY 2025/26 & FY 2026/27
Maintain effective collaboration and coordination efforts with key regional agencies such as the Chino Basin Watermaster, the Chino Basin Water Conservation District, Santa Ana Watershed Protection Agency, and the San Bernardino County Flood Control District.	Continue utilizing established platforms of collaboration with listed entities to promote collaboration, coordination, and knowledge exchange.	FY 2025/26 & FY 2026/27

Strategic Goal 2 - Public and Environmental Health

Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

D. Wastewater Treatment: Maintain effective wastewater operations and treatment processes to protect public health and the environment.

Key Activity	Unit Implementation Strategy	Timetable
Continue to collaborate with sewer agencies to promote and educate the community on the importance of protecting the regional sewer system.	Continue to support External Affairs through the Be Sewer Smart campaign utilizing field staff photos and documentations of inspections.	FY 2025/26 & FY 2026/27
Take proactive steps to address Constituents of Emerging Concern (CEC), including PFAS.	Continue collaboration with organizations such as CASA, Clean Water SoCal, etc., and industry experts to understand implications and proactive planning to respond to impacts. Continuing partnership with Three Valleys and Jurupa Community Services District (JCSD) in utilizing grant funding to evaluate PFAS in well drilling and publish findings.	FY 2025/26 & FY 2026/27
Monitor treatment plant performance and initiate corrections to maintain regulatory compliance.	The Operations department has the Plant KPI Review Process; on a daily basis, Plant KPI data is reviewed by operations staff to ensure performance targets are being met and to address any immediate operational concerns. On a weekly basis, Senior Operators compile and provide weekly KPI summaries, highlighting key trends, issues, and performance insights.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

L. Work Environment: Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.

Key Activity	Unit Implementation Strategy	Timetable
Promote Agency cultural attributes for a consistent and supportive approach to Agency culture development.	Introducing and promoting cultural attributes during the onboarding process for new hires. The department will utilize the appraisal process to reinforce Agency cultural attributes.	FY 2025/26 & FY 2026/27
Continue to support remote work options where feasible.	Continue to utilize remote options to create a healthy work life balance by applying remote work on a case-by-case need.	FY 2025/26 & FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Review and re-engineer business processes to increase efficiency.	Continue cross department collaboration to evaluate, advertise, and deploy a PM optimization exercise. Continue providing support in the deployment of Success Factors to enhance training coordination and completion. Continue collaboration with cross departments to evaluate, select, and deploy future EAM/CMMS tools.	FY 2025/26 & FY 2026/27
Establish internal processes to ensure proper asset data accuracy and management.	Continue partnership with Asset Management to enhance asset hierarchy, master data quality, asset attributes, and asset registry and criticality.	FY 2025/26 & FY 2026/27
Regularly review and update policies and procedures and ensure that workflows are clearly documented within Standard Operating Procedures.	Continue collaboration with HR/Safety to update policies and procedures to current standards. Continue the efforts to digitize hard copy documentation and the development of Standard Operating Procedures for routine tasks to assist in knowledge retention.	FY 2025/26 & FY 2026/27
Assess long-term viability of non-core business operations to possibly redirect resources toward higher priorities including: - Groundwater desalter support - Pump and lift station support - Conservation programs - Engineering support of non-IEUA projects	The Preserve Lift Station O&M contract has been completed, and responsibility will be transferred to the city in 5 years. Prado dichlorination contract terms have been agreed with the county for the future of this discharge point. Evaluate IEUA's Joint Powers Authority (JPA) role with Chino Desalter Authority and make recommendations.	FY 2026/27
Continue efforts to digitize internal forms and workflows, including updating contracts and form templates.	Continue the implementation of e-log to complete transformation of paper forms to digital forms.	FY 2026/27

Strategic Goal 4 – Culture of Excellence: Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

O. Risk and Asset Management: Maintain robust risk and asset management practices to ensure uninterrupted service to the region.

Key Activity	Unit Implementation Strategy	Timetable
Continue to assess Agency facility capacity and ensure space needs are met for each department.	Continual review of current workspaces to maximize available square footage for optimal efficiency. Utilize IEUA office space guidelines and industry best practices to assign workspaces and offices.	FY 2025/26 & FY 2026/27
Continue efforts to provide proactive maintenance on all assets, including developing an agencywide Condition Assessment Master Plan.	Continue collaborating and supporting Asset Management with the enhancement of predictive maintenance program by evaluating new technologies and best practices.	FY 2026/27
Maintain updated business continuity plan and perform regular business continuity exercises.	Continue partnership with Safety to conduct regular review of all emergency response plans and update as necessary to ensure continuity of service.	FY 2025/26 & FY 2026/27
Evaluate new equipment, process enhancement, and pilot projects continuously through Asset Management's Technical Services group.	Continue collaboration with Asset Management and external organizations (i.e., Isle Utilities) for an evaluation of new technology and pilot programs.	FY 2026/27

Performance Measures

Agency Goal	Measure Description	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Target	FY 2026/27 Target
Strategic Goal 1 – Water Supply Reliability	Volume of recycled water recharged (AF/Year)	13,851 AF	15,691 AF	16,000 AF	16,000 AF
Strategic Goal 2 – Public and Environmental Health	Tons of processed biosolids	149,756	149,500	148,500	148,500
	Cubic yards of compost produced	202,095	200,000	200,000	200,000
	Percentage of available capacity of the IERCF	91%	90%	90%	90%
	Sewer collection system inspection (CCTV) (Lineal Feet/Year)	124,700 ft	40,000 ft	100,000 ft	100,000 ft
	Sewer collection system cleaning (Lineal Feet/Year)	65,900 ft	168,960 ft	100,000 ft	100,000 ft
	Sanitary sewer spill rate index lower than region average, CAT 1	N/A	N/A	≤ 0.4 (spills/100mi/yr)	≤ 0.4 (spills/100mi/yr)
	Percentage of Emergency repair work orders	3%	4.10%	≤ 5%	≤ 5%
	Percentage of preventive and predictive maintenance work orders	68%	70%	≥ 70%	≥ 70%
	Percentage of corrective maintenance work orders	32%	30%	≤ 30%	≤ 30%
	Percentage attainment of process parameters focused on safety, compliance, and operational efficiency	88%	92%	≥ 90%	≥ 90%

Expenses

Employment expense includes wages and benefits for Operations Administration, Facilities & Water Systems, Operations and Maintenance, and Organics Management Units (fifty percent of Organics Management wages and benefits are reimbursed by Los Angeles County Sanitation District). Administrative expenses include office and administrative costs. Operating expenses include materials and supplies, professional fees and services, leases and rentals, chemicals, operating and biosolids fees, and utilities. All expense categories include costs for agencywide operations. Operating expense increases can be attributed to significant increases for chemical and utility expense in FYs 2024/25 through 2026/27.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$22,709,427	\$27,404,365	\$30,077,534	\$31,814,755
Administrative	436,750	614,943	744,271	810,500
Operating	36,650,555	41,981,421	47,304,860	53,214,720
Total	\$59,796,732	\$70,000,729	\$78,126,665	\$85,839,975

PLANNING AND RESOURCES

Mission Statement

The Planning & Resources Department leads the development and implementation of regional projects and programs to address current and future water and wastewater needs, while ensuring regulatory compliance and advancing long-term sustainability. The department includes key functions such as Laboratory Services, Pretreatment & Source Control (PTSC), Compliance & Sustainability, which play a vital role in safeguarding water quality, supporting environmental protection, and upholding public health standards.

PAR also fosters strong partnerships with local, regional, and statewide stakeholders to maintain access to potable and non-potable water supplies and explores opportunities to enhance institutional efficiency through innovative strategies such as energy and resource management.

Description and Purpose

The department proactively collaborates with IEUA's Customer Agencies and stakeholders, as appropriate, to address local, regional, and statewide challenges and support the following functions and activities:

- Evaluate the need for regional water programs to ensure the reliability and resiliency of water supplies in the IEUA service area.
- Develop feasibility reports, master plans, and environmental reports.
- Administer the Agency's federally approved regional pretreatment program. The pretreatment program protects the Agency's Regional Water Recycling Plants and collection systems, its workers and public safety by working with industries and Sewage Collection Agencies (SCAs) to assure compliance with local, state, and federal discharge requirements. The program also monitors pollutant concentrations from significant industrial dischargers, so treatment plant operations are not impacted, and most importantly ensures the protection of the Agency's recycled water, groundwater recharge and biosolids programs.
- Administer the Agency's Non-Reclaimable Wastewater System (NRWS) pretreatment programs. The NRWS pretreatment programs consist of two separate collection systems (North NRWS) that discharges industrial brine wastewater to Los Angeles County Sanitation Districts (LACSD) for the northern portion of the service area and the Inland Empire Brine Line (Brine Line) that discharges industrial brine wastewater to Orange County Sanitation Districts (OC San) for the southern portion of the service area. The Agency serves as delegated control authority with an approved pretreatment program for the northern NRWS. For the Brine Line, the Agency collaborates with Santa Ana Watershed Project Authority's as OC San's delegated control authority to administer the pretreatment program.
- Maintain and develop cooperation and coordination with local and regional stakeholders including Metropolitan Water District (MWD), Chino Basin Watermaster (CBWM), Santa Ana Watershed Project Authority (SAWPA), local water agencies, municipalities, wastewater contractors, and regulatory agencies at the local, state, and federal levels.
- Ensure transparent and timely environmental monitoring and reporting for the Agency's water and wastewater facilities, air pollution control systems, and biosolids treatment and composting facilities to ensure compliance with all local, state, and federal regulations governing Publicly Owned Treatment Works (POTW). The group is also responsible for planning and implementing regulatory permitting needs for the long-term operation of facilities and construction of new facilities.

- Provide exceptional customer service for the establishment of new water connections and water-use efficiency programs.
- Provide strategic support to other Units in developing Agency fees/rates, Preliminary Design Reports (PDRs), environmental studies, grant activities, political strategy development, energy projects implementation and coordination with the utilities.
- Administer grants, permits, and environmental compliance reports.
- Develops and implements sustainable initiatives, oversees the Agency's Energy Management Program, directs renewable energy and efficiency projects, negotiates contracts with energy service providers, and serves as liaison with Southern California Gas Company, Southern California Edison, private energy partners, and Power Purchase Agreement (PPA) providers.

Major Priorities

- Complete all annual reporting commitments including the Planning Annual Report, Water Use Efficiency report and the annual Energy report.
- Obtain the environmental approvals for the Upper Santa Ana River Habitat Conservation Plan which allows for the long-term water resources planning within the Santa Ana River Watershed.
- Recycled Water Program Strategy (RWPS).
- Upgrade wholesale imported, local, and recycled water databases.
- Provide timely compliance support to Engineering and Operations & Maintenance by preparing and submitting to the Regulatory Agencies compliance reports and as needed, permit applications.
- Perform technical reviews, analyze, and interpret the impacts of proposed federal, state, and local legislation and regulations on the Agency's operations and programs.
- Continue to provide timely and courteous customer service for water connection fee program.
- Continue collaboration with the SCAs to track and administer the regional sewer connection fees via the monthly Building Activity Report process.
- Complete the evaluation of Agency Collection System Program Rate Studies: Non-Reclaimable Wastewater System and Regional Sewage System.
- Work with the Santa Ana Regional Water Quality Control Board (RWQCB) towards amending the Santa Ana Regional Basin Plan.
- Continue to administer the Regional, NRWS, and Brine Line pretreatment programs in compliance with the local, state, and federal requirements.
- Participate in SAWPA's Brine Line Pretreatment Program Coordination Meetings.
- Support and actively participate in CBWM discussions regarding the Optimum Basin Management Program Update (OBMPU), Peace Agreements, Safe-yield recalculation, Prado Basin Habitat Sustainability program, and basin modeling efforts.
- Coordinate with MWD regarding service connections, Rialto Pipeline long-term reliability, imported water deliveries Dry Year Yield (DYY) performance, and long-term planning efforts.
- Implement the Chino Creek 1B Monitoring Program to gather data and collaborate with the Regional Water Quality Control Board (RWQCB) toward delisting the reach under Section 303(d) of the Clean Water Act for a series of constituents.
- Complete the water quality compliance scenario planning to explore a range of futures, identify potential risks and opportunities, and help develop flexible and adaptable strategies.

- Develops a comprehensive energy plan to optimize the Agency's energy consumption, ensure regulatory compliance, achieve significant cost savings, and enhance infrastructure, while contributing to environmental sustainability.

Position Summary

In FY 2025/26 a Principal Resources Specialist will be added and in FY 2026/27 a Senior Policy Advisor will be added to the staffing plan. The new positions will enhance strategic planning, resource management, and policy development for sustainable and effective environmental initiatives.

Position	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Planning and Water Resources Unit				
Director of Planning & Resources	1	1	1	1
Total Planning and Resources	1	1	1	1
Water Resources Unit				
Manager of Water Resources	1	1	1	1
Principal Resources Specialist	-	1	1	1
Senior Engineer	1	-	-	-
Senior Water Resources Analyst	1	2	2	2
Environmental Resources Planner I/II	2	2	2	2
Administrative Assistant II	2	-	-	-
Total Water Resources	7	6	6	6
Environmental Compliance Unit				
Manager of Compliance and Sustainability	1	1	1	1
Senior Policy Advisor	1	1	-	1
Senior Environmental Resources Planner	1	1	1	1
Engineer (Assistant-Sr. Associate-PE)	1	1	1	1
Environmental Resources Planner I/II	2	2	2	2
Total Environmental Compliance	6	6	5	6
Environmental Services Unit				
Manager of Environmental Services	1	1	1	1
Pretreatment & Source Control Inspector Supervisor	1	1	1	1
Principal Resources Specialist	-	-	1	1
Engineer (Assistant, Sr. Associate-PE)	-	1	1	1
Environmental Resources Planner I/II	2	2	2	2
Pretreatment&Source Control Inspector I/II	4	4	4	4
Total Environmental Services	8	9	10	10
Total Planning & Resources	22	22	22	23

Strategic Plan Goals

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

A. Water Supplies: Support the region with the retention and development of reliable, resilient, and sustainable water supplies from diverse sources.

Key Activity	Unit Implementation Strategy	Timetable
Assess current recycled water infrastructure to determine opportunities for expansion.	Continue development of the 2025 Recycled Water Master Plan, which will analyze the capabilities of the existing recycled water system and identify strategies and projects for the future of the Agency's Regional Recycled Water System. Work with Operations and Engineering to decide on what, if any projects, will need to be advanced.	FY 2025/26
Continue efforts to implement priorities identified in the 2020 Urban Water Management Plan.	Revise the priorities consistent with the 2025 Urban Water Management Plan being developed.	FY 2025/26 & FY 2026/27
Collaborate with customer agencies and regional partners to support the development of the 2025 Urban Water Management Plan.	Work with the customer agencies and regional partners to develop a shared scope of work and cost share agreement. Issue a Request for Proposals to hire a consulting firm that will organize and manage the preparation of multiple 2025 Urban Water Management Plans utilizing shared data sources. Work with the agencies to develop these plans in tandem and submit them to the state prior to the 7/1/2026 due date.	FY 2025/26
Update the Integrated Water Resources Plan.	Develop a scope of work for this long-range water resources planning study. Work closely with internal and external stakeholders to understand goals/concerns/priorities. Assess supply availability and climate change risks and incorporate scenario planning to consider the range of current and future drought, infrastructure, and regulatory impacts. Host meetings to gather feedback throughout the study and present findings to the Board.	FY 2026/27

Strategic Goal 1 – Water Supply Reliability: Provide a reliable and economical water supply that meets the evolving needs of the region.

Key Objective:

C. Partnerships: Promote innovative, collaborative partnerships with local and regional agencies to strengthen long-term water supply reliability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to improve communication, coordination, and collaboration with customer agencies.	The department will implement strategies that include maintaining regular engagement through scheduled meetings that provide project and process updates of IEUA and its regional partners to keep agencies informed on key initiatives.	FY 2025/26 & FY 2026/27
Maintain effective collaboration and coordination efforts with key regional agencies such as the Chino Basin Watermaster, the Chino Basin Water Conservation District, Santa Ana Watershed Protection Agency, and the San Bernardino County Flood Control District.	The department will maintain strong collaboration with key regional agencies by participating in regular coordination meetings, joint projects, and information-sharing efforts. Continued engagement will support integrated regional planning, resource management, and alignment on strategies that enhance long-term water supply reliability.	FY 2025/26 & FY 2026/27
Continue to collaborate and partner with the Metropolitan Water District of Southern California and other local and regional agencies on short and long-term effective water management strategies such as access to the Colorado River and maximizing recycled water capture, storage, and usage.	The department will maintain strong collaboration with key regional agencies by participating in regular coordination meetings, joint projects, and information-sharing efforts. Continued engagement with the Chino Basin Watermaster, Water Conservation District, Santa Ana Water Project Authority, and San Bernardino County Flood Control District will support integrated regional planning, resource management, and alignment on strategies that enhance long-term water supply reliability.	FY 2025/26 & FY 2026/27

Strategic Goal 2 - Public and Environmental Health**Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.**

Key Objective:

D. Wastewater Treatment: Maintain effective wastewater operations and treatment processes to protect public health and the environment.

Key Activity	Unit Implementation Strategy	Timetable
Take proactive steps to address Constituents of Emerging Concern (CEC), including PFAS.	Staff will continue to manage the Water Quality Compliance Scenario Planning initiative to proactively identify both short-term and long-term water quality compliance challenges resulting from existing permits and upcoming regulatory requirements.	FY 2025/26 & FY 2026/27
Update the 2015 Wastewater Master Plan.	Environmental Services will manage the project to complete an update of the Wastewater Facilities Master Plan in FY 2025/26. This will include the support from internal Agency departments within the Technical Resources division.	FY 2025/26
Continue administration of the Non-Reclaimable Wastewater System and Inland Empire Brine Lines in collaboration with Los Angeles County Sanitation Districts (LACSD) and the Santa Ana Watershed Project Authority (SAWPA).	Environmental Services will continue to attend and participate in standing meetings with LACSD and SAWPA to coordinate on the administration of the Non-Reclaimable Wastewater System and Inland Empire Brine Line.	FY 2025/26 & FY 2026/27
Explore the feasibility of supporting septic to sewer conversions in collaboration with customer agencies and identify IEUA's role if applicable.	Environmental Services will manage septic to sewer feasibility study update with support and coordination from the sewer collection agencies in FY25/26. This project is an update of the feasibility study that was completed in 2018.	FY 2026/27
Prepare the Infiltration and Inflow Study.	Environmental Services will provide support for the Infiltration and Inflow Study.	FY 2026/27

Strategic Goal 2 - Public and Environmental Health**Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.**

Key Objective:

E. Regulatory Compliance: Continue to comply with all federal, state, and local laws and regulations to ensure public health and promote an ethical, safe, and healthy work environment.

Key Activity	Unit Implementation Strategy	Timetable
Continue to coordinate with the Santa Ana Watershed Project Authority, Santa Ana Regional Water Quality Control Board (RWQCB), and Chino Basin Watermaster (CBWM) to ensure compliance with the National Pollutant Discharge Elimination System (NPDES) permit.	Staff will continue to actively participate in SAWPA's Basin Monitoring Program Task Force and Emerging Constituents Task Force. In collaboration with CBWM and RWQCB, staff will also lead efforts related to the Basin Plan Amendment and Chino Creek 1B Monitoring to support ongoing compliance with the NPDES permit.	FY 2025/26 & FY 2026/27

Strategic Goal 2 - Public and Environmental Health

Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

F. Water Use Efficiency: Promote water use efficiency, education, and incentive programs to assist the region in conservation.

Key Activity	Unit Implementation Strategy	Timetable
Implement the Turnkey Turf Transformation program to recognize water savings through the removal of turf and installation of drought resilient landscaping.	Water Resources, External Affairs, and Grants units will work together to ensure the identified project sites within the service areas of Chino, Chino Hills, Cucamonga Valley Water District, Fontana Water Company, Monte Vista Water District, Ontario and Upland are transformed to California friendly landscaping, ensure implementation of grant required signage, and meet all grant requirements for reimbursement prior to December 2026 or any DWR-approved extension date as required to complete the program.	FY 2025/26
Continue efforts to implement priorities identified in the 2024-2026 Business Plan for Water Use Efficiency.	Water Resources will continue the goals listed in the plan, make modifications as desired by the region, and review successful metrics like participation, benefits to the agencies, and administration of the program for future opportunities or improvements for fiscal year 2027-2028 and beyond.	FY 2026/27
Prepare Business Plan for Water Use Efficiency post-2026.	Water Resources will continue to encourage and promote participation in the rebate program, while adding incentives to those the region requests to be supplemented. As such, the Water Resources department will ensure all forms are executed with the Metropolitan Water District (MWD) and remain active with providing the customer agencies with relevant rebate data.	FY 2026/27

Strategic Goal 2 - Public and Environmental Health

Operate in a safe and responsible manner to support the health and environmental sustainability of our communities.

Key Objective:

H. Environmental Impact: Implement and maintain environmentally sustainable business practices to support regional resilience.

Key Activity	Unit Implementation Strategy	Timetable
Review and update the Energy Plan.	Staff will update the Energy Plan to address rising energy costs, increasing electricity demand, and evolving air quality regulations, while optimizing the Agency's energy use, enhancing infrastructure, and supporting long-term environmental sustainability.	FY 2025/26
Support the implementation of a regional Habitat Conservation Plan.	Continue to proactively work with San Bernardino Valley Municipal Water District (SBVMWD) to advance the HCP. Work to update the HCP language, receive U.S. Fish and Wildlife approval, and finalize the document in FY 25/26. Establish a JPA and funding agreement and get IEUA board approval in FY 2025/26 or FY 2026/27.	FY 2025/26

Strategic Goal 3 - 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.

Key Objective:

J. Budget Planning and Reporting: Prepare multi-year budgets, plans, and reports to support fiscal stability.

Key Activity	Unit Implementation Strategy	Timetable
Continue efforts to ensure collaborative and interdepartmental planning.	Continue one-on-one meetings with department heads to brainstorm effective collaboration between departments.	FY 2025/26 & FY 2026/27

Strategic Goal 3 - 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.

Key Objective:

L. Work Environment: Engage and retain top-tier employees by fostering a collaborative work environment that values effective communication, innovation, work-life balance, and diversity.

Key Activity	Unit Implementation Strategy	Timetable
Continue to strengthen internal communication practices to increase collaboration and break down internal silos.	The department will improve internal communication by holding regular team meetings, encouraging collaboration across groups, and using shared tools to keep everyone informed. By focusing on clear, open communication and teamwork, the department will help build stronger connections among staff, support problem-solving, and create a more positive and effective work environment.	FY 2025/26 & FY 2026/27
Promote Agency cultural attributes for a consistent and supportive approach to Agency culture development.	The department will support a positive work culture by encouraging respect, teamwork, responsibility, and a helpful attitude in daily interactions. Staff will be invited to take part in activities that build a strong team spirit and share feedback. This will help create a consistent, supportive, and welcoming environment for everyone in the department.	FY 2025/26 & FY 2026/27
Continue efforts to track and right size workloads to reduce burnout.	The department will continue to review workloads to make sure tasks are balanced and manageable. Staff input will be used to identify areas of strain and adjust responsibilities as needed. These efforts will help prevent burnout, support employee well-being, and ensure that work is completed effectively without overwhelming team members.	FY 2025/26 & FY 2026/27
Continue to take steps to ensure that IEUA provides an equitable and inclusive work environment.	The department will support an equitable and inclusive work environment by treating all employees with fairness and respect, encouraging diverse perspectives, and addressing concerns promptly. Team members will be encouraged to participate in inclusion efforts and training, helping to create a workplace where everyone feels valued, heard, and supported.	FY 2025/26 & FY 2026/27
Continue to support remote work options where feasible.	The department will support remote work where possible by providing clear guidelines, necessary tools, and open communication to help staff stay productive, connected, and maintain a healthy work-life balance.	FY 2025/26 & FY 2026/27

Strategic Goal 4 - Culture of Excellence

Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

M. Workforce Development: Maintain a highly skilled workforce through effective recruitment and by providing career growth opportunities, professional development, and succession planning.

Key Activity	Unit Implementation Strategy	Timetable
Implement a new performance appraisal process that aligns employee performance with organizational goals.	The units will implement Human Resources appraisal process with current department practices.	FY 2026/27

Strategic Goal 4 - Culture of Excellence

Foster an organizational environment where safe operations, continuous innovation, positive community engagement, and exceptional performance are consistently pursued and celebrated.

Key Objective:

N. Improvement and Innovation: Enhance the efficiency of internal processes and operational systems to ensure that Agency resources are used as effectively as possible.

Key Activity	Unit Implementation Strategy	Timetable
Review and re-engineer business processes to increase efficiency.	Work with other departments to review and identify opportunities to streamline and increase efficiencies.	FY 2025/26 & FY 2026/27
Establish internal processes to ensure proper asset data accuracy and management.	The department will refine its processes for collecting, updating, and verifying asset data to improve accuracy and management, ensuring resources are tracked correctly and used efficiently across operations.	FY 2025/26 & FY 2026/27
Regularly review and update policies and procedures and ensure that workflows are clearly documented within Standard Operating Procedures (SOPs).	The department will continue to annually review all department policies, ensuring updates aligned with regulatory changes and operational needs. Each unit will designate responsible staff to review, revise, and validate SOPs to ensure accuracy and clarity. Regular training sessions will be conducted to familiarize employees with updated procedures, reinforcing the best practices and ensuring seamless implementation throughout the department.	FY 2025/26 & FY 2026/27
Continue efforts to digitize internal forms and workflows, including updating contracts and form templates.	Continue to utilize Smartsheet and other new workflow applications.	FY 2026/27

Performance Measures

Agency Goal	Measure Description	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Target	FY 2026/27 Target
Strategic Goal 1 – Water Supply Reliability	Update the Recycled Water Program Strategy to evaluate whether there is sufficient supply and system capacity to cost-effectively serve projected future recycled water demands.	N/A	N/A	6/2026	N/A
Strategic Goal 2 – Public and Environmental Health	Percentage of required regulatory reports submitted on or before deadline across all environmental programs and the Agency's operational activities, including incident reports submitted in response to permit exceedances or compliance events.	100%	100%	100%	100%
	Update the 2015 Wastewater Master Plan.	N/A	N/A	N/A	6/2027
	Update the septic to sewer feasibility study in collaboration with customer agencies and identify IEUA's role if applicable.	N/A	N/A	6/2026	N/A
	Complete the water quality compliance scenario planning.	N/A	N/A	3/2026	N/A
	Developing a comprehensive energy plan.	N/A	N/A	N/A	3/2027

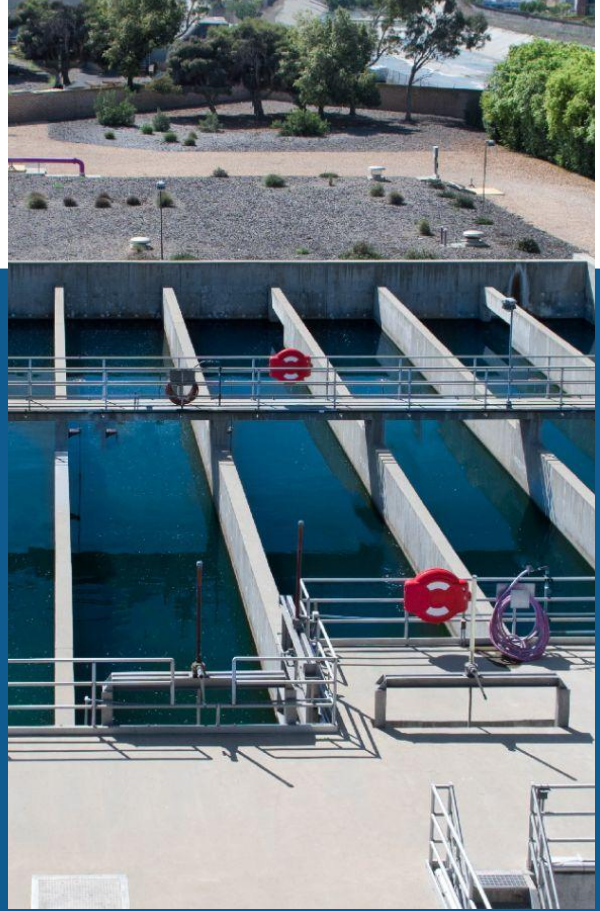
Expenses

Employment expenses include wages and benefits. Administrative expenses include office and administrative and other non-operating expenses. Operating expense includes materials and supplies, professional fees and services, operating fees, chemicals, utilities, and pass-through Metropolitan Water District (MWD) Readiness-to-Serve (RTS) fees. Agencywide expenses in this category include consultant fees for analysis, research, and special studies, pass-through MWD RTS fees, and Non-Reclaimable Wastewater (NRW) operating fees. NRW fees are passed through to the industries who utilize the NRW system.

Expense	FY 2023/24 Actual	FY 2024/25 Projected	FY 2025/26 Budget	FY 2026/27 Budget
Employment	\$3,597,431	\$4,513,315	\$4,830,268	\$5,264,477
Administrative	131,823	85,361	95,410	97,517
Operating	16,923,270	19,127,629	21,183,949	21,625,991
Total	\$20,652,524	\$23,726,305	\$26,109,627	\$26,987,985



Appendices



Inland Empire Utilities Agency FY 2025/26 and FY 2026/27 Adopted Rates

		Implemented Rates FY 2024/25		Adopted Rates FY 2025/26		Adopted Rates FY 2026/27	
Regional Wastewater Program							
Resolution 2025-4-5							
Regional Wastewater Connection Fee	per equivalent dwelling unit (EDU)	\$8,620.00	Effective 7/1/24	\$8,620.00	Effective 7/1/25	\$8,620.00	Effective 7/1/26
Resolution 2025-4-8							
Total Volumetric (EDU) Fee	per EDU per month	\$24.79	Effective 7/1/24	\$27.02	Effective 7/1/25	\$29.45	Effective 7/1/26
Resolution 2025-4-7							
Fontana Extra-Territorial Sewer Service Charge	per EDU per month	\$22.10	Effective 7/1/24	\$23.53	Effective 7/1/25	To be determined next fiscal year	
Recycled Water Program-Resolution 2025-4-3							
Wholesale Rates							
Direct Sale (All Tertiary Plants)		Effective 7/1/24		Effective 7/1/25		Effective 7/1/26	
	per million gallons (MG)	\$1,427.03		\$1,555.47		\$1,695.47	
	per acre foot (AF)	\$465.00		\$506.85		\$552.47	
Groundwater Recharge Sale (All Tertiary Plants)							
	per MG	\$2,040.81		\$2,193.79		\$2,359.33	
	per AF	\$665.00		\$714.85		\$768.79	
Annual Recycled Water Fixed Cost Recovery		\$4,957,400.00		\$5,106,122.00		\$5,259,306.00	
Imported (MWD) Potable Water							
Resolution 2025-6-4							
Full Service Untreated Water							
Tier 1 1/1/24- 12/31/24	per acre foot (AF)	\$903.00				\$984.00	
Tier 1 1/1/25 - 12/31/25	per AF	\$912.00		\$912.00			
Tier 1 1/1/26 - 12/31/26	per AF			\$984.00			
Tier 1 1/1/27 - 12/31/27	per AF						
Tier 2 1/1/24 - 12/31/24	per AF	\$1,102.00				To be determined next fiscal year	
Tier 2 1/1/25 - 12/31/25	per AF			No Longer Applicable			
Tier 2 1/1/26 - 12/31/26	per AF						
						No Longer Applicable	
Capacity Reservation Charge							
1/1/24 - 12/31/24	per cubic foot per second (cfs)	\$11,200.00				\$14,500.00	
1/1/25 - 12/31/25	per cubic foot per second (cfs)	\$13,000.00		\$13,000.00			
1/1/26 - 12/31/26	per cubic foot per second (cfs)			\$14,500.00			
1/1/27 - 12/31/27	per connection per month					To be determined next fiscal year	
Resolution 2020-7-12							
Readiness to Serve Recovery Charge		100% of MWD RTS Charge		100% of MWD RTS Charge		100% of MWD RTS Charge	
Effective 7/1/22							
Resolution 2025-4-4							
Meter Equivalent Unit (MEU)	per MEU per month	\$1.14 Effective 7/1/24		\$1.17 Effective 7/1/25		\$1.20 Effective 7/1/26	
Water Connection Fee - Resolution 2025-4-6							
Connection Fee to all potable and recycled water connections and upgrades		Effective 7/1/24		Effective 7/1/25		Effective 7/1/26	
Meter Sizes							
	5/8 "	\$1,953.00		\$1,953.00		\$1,953.00	
	3/4 "	\$1,953.00		\$1,953.00		\$1,953.00	

	Implemented Rates FY 2024/25	Adopted Rates FY 2025/26	Adopted Rates FY 2026/27
1"	\$4,883.00	\$4,883.00	\$4,883.00
1.5"	\$9,765.00	\$9,765.00	\$9,765.00
2"	\$15,624.00	\$15,624.00	\$15,624.00
3"	\$34,178.00	\$34,178.00	\$34,178.00
4"	\$61,520.00	\$61,520.00	\$61,520.00
6"	\$136,710.00	\$136,710.00	\$136,710.00
8"	\$234,360.00	\$236,360.00	\$234,360.00
10"	\$292,950.00	\$292,950.00	\$292,950.00
12"	\$341,775.00	\$341,775.00	\$341,775.00

		Implemented Rates FY 2024/25	Adopted Rates FY 2025/26	Adopted Rates FY 2026/27
Non-Reclaimable Wastewater System (NRWS) ⁽¹⁾				
NRWS North System - Los Angeles County Sanitation Districts (LACSD) - Resolution 2025-6-7				
Acquisiton of Wastewater Discharge Right				Not Currently Available
Right Refer to Resolution 2025-6-7 Section 1 (See Formula)				
Purchase Rate to discharge one NRWSCU (NRW System Capacity Unit)		\$4,172.00	\$4,172.00	
Option- Annual Lease Rate for right to discharge one NRWSCU		\$208.60	\$208.60	
Volumetric Fee				Not Currently Available
Direct Line Deliveries	per million gallons (MG)	\$1,014.00	\$1,044.00	
Strength Charges				
Chemical Oxygen Demand (COD)	per 1,000 pounds (dry weight)	\$208.00	\$213.90	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$491.70	\$505.80	
Peak Flow				
	per MG	\$339.06	\$349.08	
Operations Fee				
O&M Charges	per NRWSCU per month	\$33.05	\$34.49	
Capital Improvement Program (CIP) Charges	per NRWSCU per month	\$9.25	\$9.62	
NRWS South System - Santa Ana Watershed Project Authority (SAWPA) - Resolution 2025-6-6				
Initial Capacity Charge				Not Currently Available
Purchase of Agency Capacity Rights	per capacity unit (CU)	\$215,000.00	\$215,000.00	
Monthly Capital Improvement Program (CIP) Fee				
	per CU	\$90.00	\$90.00	
Monthly Capacity Unit Fee				
	per CU	\$435.43	\$444.14	
Volumetric Fee				
Direct Line Deliveries	per million gallons (MG)	\$1,097.00	\$1,119.00	
Minimum Volumetric Charge	<= 100,000 gallons per month per capacity unit (CU)	\$109.70	\$111.90	
Strength Charges				
Biochemical Oxygen Demand (BOD)	per 1,000 pounds (dry weight)	\$396.00	\$416.00	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$497.00	\$522.00	
IEBL Truck Station Deliveries				
Schedule	BOD or TSS Concentration (Up to 5,000 gallon)			
Brine	Less than 100 mg/l	\$334.27	\$347.27	
	Incremental above 5,000 gallons \$/gal	\$0.016	\$0.017	
Non Brine	100 mg/l and higher	\$316.90	\$347.27	
	Incremental above 5,000 gallons \$/gal	\$0.016	\$0.017	
Non Brine Strength Charges	BOD Charge \$/lb	\$0.80	\$0.82	
	TSS Charge \$/lb	\$0.76	\$0.78	

		Implemented Rates FY 2024/25	Adopted Rates FY 2025/26	Adopted Rates FY 2026/27
Non-Reclaimable Wastewater System (NRWS) ⁽¹⁾				
REGIONAL WASTEWATER HAULERS - Resolution 2025-6-9				
Domestic Wastewater Haulers to the Regional System:				Not Currently Available
Initial Permit Application Fee	initial charge	\$282.00	\$474.80	
Permit Renewal Fee	renewal fee	\$141.00	\$284.88	
Trucked Waste Volumetric Fee	per load up to 2,000 gallons	\$94.29	\$102.81	
	per load over 2,000 gallons	\$0.047 per one (1) gallon	\$0.051 per one (1) gallon	
Excessive Biochemical Oxygen Demand and Suspended Solids:				
Biochemical Oxygen Demand in excess of 450 milligrams per liter	per 1,000 lb. dry weight	\$469.8* *in excess of 406 mg/L BOD	\$448.78	
Suspended Solids in excess of 362 milligrams per liter	per 1,000 lb. dry weight	\$511.89* *in excess of 356 mg/L TSS	\$576.00	
Non-Compliance	Reinsate elapsed or expired insurance requirements	\$169.00	\$175.76	
NRWS ETIWANDA WASTEWATER LINE (EWL) - Resolution 2025-6-8				
Initial Capacity Charge				Not Currently Available
Purchase of Agency Capacity Rights	per capacity unit (CU)	\$215,000.00	\$215,000.00	
Monthly Capacity Charge				
	per Etiwanda Wastewater Line CU	\$84.00	\$84.00	
Monthly Capital Improvement Program (CIP) Fee				
	per CU	\$90.00	\$90.00	
Volumetric Fee				
Volumetric Charge	per million gallons (MG)	\$752.00	\$774.00	
Minimum Volumetric Charge	<= 100,000 gallons per month per capacity unit	\$75.20	\$77.40	
Strength Charges				
Chemical Oxygen Demand (COD)	per 1,000 pounds (dry weight)	\$175.90	\$181.20	
Total Suspended Solids in excess (TSS)	per 1,000 pounds (dry weight)	\$391.50	\$403.20	

	Implemented Rates FY 2024/25	Adopted Rates FY 2025/26	Adopted Rates FY 2026/27	
Non-Reclaimable Wastewater System (NRWS) ⁽¹⁾				
ALL NRWS WASTEWATER SYSTEMS (NRWS, EWL, IEBL) Permit Fees, etc. - Resolution 2025-6-6 through 2025-6-8				
Application Fees:			Not Currently Available	
Capacity Right/Capacity Option agreement	per agreement	\$458.00		\$532.00
Initial Wastewater Discharge Permit Application Fees:				
For Wastewater Generators who discharge directly through the pipeline connection to the Brine Line				
Categorical Industrial User		\$4,761.00		\$5,642.00
with Combined Waste Stream Formula, add		\$1,252.00		\$1,475.00
with Production Based Standards, add		\$722.00		\$846.00
with Multiple Categories, add		\$2,377.00		\$2,812.00
Non-Categorical, Significant, Industrial User		\$3,503.00		\$4,148.00
Non-Categorical, Non-Significant Industrial User		\$2,907.00		\$3,440.00
Permit Renewal Fees:				
For Wastewater Generators who discharge directly through the pipeline connection to the Brine Line				
Categorical Industrial Users		\$3,569.00		\$4,227.00
with Combined Waste Stream Formula, add		\$722.00		\$846.00
with Production Based Standards, add		\$458.00		\$532.00
with Multiple Categories, add		\$1,252.00		\$1,475.00
Non-Categorical, Significant, Industrial User		\$987.00		\$1,161.00
Non-Categorical, Non-Significant Industrial User		\$722.00		\$846.00
Permit Revision/Facility Expansion				
Major Permit/Facility Modification		\$1,848.00		\$2,183.00
Business Name Change/Owner Name Change		\$433.00		\$453.00
Permit Addendum		\$1,029.00		\$1,161.00
Change of Limits/Evaluation of Toxic Organic Management Plan Processing				
	No Charge	No Charge		
ONLY FOR IEBL (SAWPA) USERS				
Annual Pass-Through Permit Fee for DIRECT Dischargers		\$600.00		\$600.00
Annual Pass-Through Permit Fee for INDIRECT Dischargers		\$300.00		\$300.00
REGIONAL WASTEWATER SYSTEM Permit Fees, etc. - Resolution 2025-6-9				
Wastewater Hauler Permit Application and Permit Fees (Regional)				
For Wastewater Generators whose wastewater is hauled away and discharged into the Regional sewer system				
Permit Application for Wastewater Hauler		\$282.00	\$474.80	
Permit Renewal for Wastewater Hauler		\$141.00	\$284.88	
Categorical Industrial User		\$4,761.00	\$5,642.00	
with Combined Waste Stream Formula, add		\$1,252.00	\$1,475.00	
with Production Based Standards, add		\$722.00	\$846.00	
with Multiple Categories, add		\$2,377.00	\$2,812.00	
Non-Categorical, Significant, Industrial User		\$3,503.00	\$4,148.00	
Non-Categorical, Non-Significant Industrial User		\$2,907.00	\$3,440.00	
Permit Revision/Facility Expansion				

	Implemented Rates FY 2024/25	Adopted Rates FY 2025/26	Adopted Rates FY 2026/27
Major Permit/Facility Modification	\$1,848.00	\$2,183.00	
Business Name Change/Owner Name Change	\$433.00	\$453.00	
Permit Addendum	\$1,029.00	\$1,161.00	

(Refer to respective rate resolutions for details)

(1) FY 2025/26 NRW and Regional Rates are adopted on an annual basis based on LACSD and SAWPA annual pass-through rate adoption

RESOLUTION NO. 2025-4-2

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, DECLARING ITS INTENT TO ADOPT BUDGETS FOR THE REGIONAL SEWAGE, RECYCLED WATER, WATER RESOURCES, RECHARGE WATER, NON-RECLAIMABLE WASTEWATER, AND GENERAL ADMINISTRATIVE PROGRAMS AND FIXING TIME AND PLACE OF HEARING THEREON

WHEREAS, pursuant to the provisions of the Regional Sewage Service Ordinance No.114 and the Regional Sewage Service Contract, this Board of Directors shall adopt its resolution of intent to adopt budgets for its Regional Sewage Program and fix a time and place of hearing thereon.

WHEREAS, this Board of Directors shall also adopt its resolution to hold a public hearing to receive public comments on the proposed Fiscal Years 2025/26 and 2026/27 budget for the Regional Sewage, Recycled Water, Water Resources, Recharge Water, Non-Reclaimable Wastewater, and General Administrative programs.

NOW THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

Section 1: That the Board of Directors hereby declares its intent to adopt Regional Sewage and said proposed budgets for Fiscal Years 2025/26 and 2026/27,

Section 2: That the Board of Directors hereby fixes a time and place for hearing on said proposed budgets as follows:


Date	Time	Place
<u>June 18, 2025</u>	<u>10:00 a.m.</u>	Office of the Agency 6075 Kimball Ave. Chino, CA 91708

Section 3: That the Secretary is hereby authorized and directed to distribute copies of this resolution. The draft program budget of the Regional Sewage, Recycled Water, Water Resources, Recharge Water, Non-Reclaimable Wastewater, and General Administrative Services programs will be distributed following review by the Board of Directors.

Section 4: Upon adoption of this resolution, Resolution No. 2023-4-1 is hereby rescinded in its entirety.


Resolution No. 2025-4-2
Page 2 of 3

ADOPTED this 16th day of April 2025.



Marco Tule
President of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

* A Municipal Water District

Resolution No. 2025-4-2
Page 3 of 3

STATE OF CALIFORNIA)
COUNTY OF)SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-4-2 was adopted at a regular
Board Meeting on April 16, 2025 of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

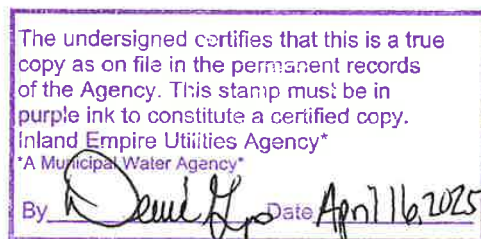
ABSENT: None



Steven J. Elie
Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

(SEAL)

* A Municipal Water District



RESOLUTION NO. 2025-4-3**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING RATES COVERING THE SALE OF RECYCLED WATER TO SUPPORT OPERATIONS AND MAINTENANCE OF IEUA'S REGIONAL RECYCLED WATER DISTRIBUTION SYSTEM FOR FISCAL YEARS 2025/26 THROUGH 2026/27**

WHEREAS, Ordinance No. 115 establishes the availability and regulates the permitted use of recycled water from the Regional Recycled Water Distribution System within the Inland Empire Utilities Agency service area and authorizes the Board of Directors to set and adopt rates as a routine task during budget preparation.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. That effective July 1, 2025, the direct sale of recycled water that is available to Customers from the Regional Recycled Water Distribution System shall be \$1,555.47 per million gallons or \$506.85 per acre foot.

Section 2. That effective July 1, 2025, the sale of recycled water for groundwater recharge use that is available to Customers from the Regional Recycled Water Distribution System shall be \$2,193.79 per million gallons or \$714.85 per acre foot.

Section 3. That effective July 1, 2026, the direct sale of recycled water that is available to Customers from the Regional Recycled Water Distribution System shall be \$1,695.47 per million gallons or \$552.47 per acre foot.

Section 4. That effective July 1, 2026, the sale of recycled water for groundwater recharge use that is available to Customers from the Regional Recycled Water Distribution System shall be \$2,359.33 per million gallons or \$768.79 per acre foot.

Section 5. That a Fixed Cost Recovery charge shall be allotted monthly to each Customer based on each Customer's three-year rolling average of direct and groundwater recharge recycled water purchases from IEUA.

- a. That effective July 1, 2025 for Fiscal Year 2025/26, the annual recycled water Fixed Cost Recovery amount shall be \$5,106,122.
- b. That effective July 1, 2026 for Fiscal Year 2026/27, the annual recycled water Fixed Cost Recovery amount shall be \$5,259,306.

Resolution No. 2025-4-3
Page 2 of 3


Section 6. Upon the effective date of this Resolution, Resolution No. 2022-5-5 is hereby rescinded in its entirety.

ADOPTED this 16th day of April 2025.



Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors
thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

* A Municipal Water District

Resolution No. 2025-4-3

Page 3 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

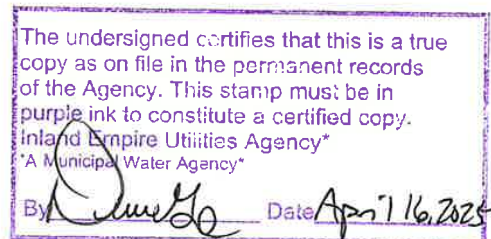
I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-4-3, was adopted at a regular
meeting on April 16, 2025, of said Agency* by the following vote:

AYES:	Camacho, Elie, Hall, Hofer, Tule
NOES:	None
ABSTAIN:	None
ABSENT:	None

Steven J. Elie
Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

(SEAL)

* A Municipal Water District



RESOLUTION NO. 2025-4-4**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING METER EQUIVALENT UNIT (MEU) RATES**

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of Inland Empire Utilities Agency (IEUA) establishes, from time to time, rates to support costs incurred for the regional water resources program;

WHEREAS, the Board of Directors shall establish an annual Meter Equivalent Unit (MEU) charge rate to yield revenues sufficient to recover the regional water resources program costs;

WHEREAS, modification of this resolution may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby **RESOLVES, DETERMINES AND ORDERS** that the following to be effective on the dates shown below, and remain in effect until rescinded by a new resolution:

Section 2. That the Meter Equivalent Unit (MEU) rate shall be charged to Local Agencies within the IEUA service area.

- a. That effective July 1, 2025 for Fiscal Year 2025/26, the rate for each active retail water meter shall be \$1.17 per MEU per month.
- b. That effective July 1, 2026 for Fiscal Year 2026/27, the rate for each active retail water meter shall be \$1.20 per MEU per month.

Section 3. In the event of any delinquent payments for bills related to MEU or other charges, the Agency will apply Division III, Part I, Section 107 of Ordinance No. 104.

Section 4. That upon the effective date of this Resolution, Resolution No. 2020-7-12 is hereby rescinded in its entirety.

Resolution No. 2025-4-4
Page 2 of 3

ADOPTED the 16th day of April 2025.



Marco Tule
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

Resolution No. 2025-4-4

Page 3 of 3

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-4-4, was adopted at a regular meeting
on April 16, 2025, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

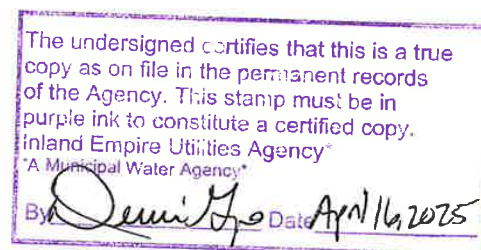
ABSENT: None



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

(SEAL)

* A Municipal Water District



RESOLUTION NO. 2025-4-5**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (IEUA), SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING THE CAPITAL CAPACITY REIMBURSEMENT PAYMENT FOR FISCAL YEAR 2025/26 AND FISCAL YEAR 2026/27.**

WHEREAS, the Finance, Legal, and Administration Committee and the Board of Directors have reviewed and recommended no adjustments to the Capital Capacity Reimbursement Payment;

WHEREAS, the financing of the Ten-Year Forecast requires that the Reimbursement Payment will be \$8,620 per Equivalent Dwelling Unit (EDU) effective July 1, 2025; and \$8,620 per EDU effective July 1, 2026;

NOW THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER the following to be effective on the dates shown, and remain in effect until rescinded by a new resolution:

Section 1. Effective July 1, 2025 the Capital Capacity Reimbursement Payment for the Sewage Collection Agencies shall be \$8,620 per EDU.

Section 2. Effective July 1, 2026 the Capital Capacity Reimbursement Payment for the Sewage Collection Agencies shall be \$8,620 per EDU.


Section 3. That the provisions of the Regional Sewage Service Contract and the Regional Sewage Service Ordinance No. 114 are hereby applicable and will remain in full force and effect.

Section 4. That upon the effective date of this Resolution, Resolution No. 2023-4-3 is hereby rescinded.

RESOLUTION NO. 2025-4-5


Page 2 of 3

ADOPTED this 16th day of April 2025



Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:




Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of Directors
thereof

*A Municipal Water District

The undersigned certifies that this is a true copy as on file in the permanent records of the Agency. This stamp must be in purple ink to constitute a certified copy.

Inland Empire Utilities Agency
"A Municipal Water Agency"

 Date: April 16, 2025

RESOLUTION NO. 2025-4-6**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING THE WATER CONNECTION FEE FOR FISCAL YEARS 2025/26 THROUGH 2026/27**

WHEREAS, modification of this policy may be included in future rate resolutions; and

WHEREAS, the Board of Directors establishes a fee from each new connection or upsized connection within IEUA's service area as a condition of receiving water deliveries from any source provided by IEUA including, but not limited to, Metropolitan supplies, recycled water, and groundwater; and

WHEREAS, the Board of Directors has determined that each new connection is subject to fees based upon the meter size; and

WHEREAS, the Board of Directors has determined that the levy of a one-time connection fee charge be imposed on any new retail water connection or upsized connection to any water system within the Agency's service area in order to recover growth-related costs incurred by the Agency and defined in Ordinance No. 104.


NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES AND ORDERS the following to be effective, July 1 of each fiscal year, and remain in effect until rescinded by a new resolution:

Section 1. Customers subject to payment of water capacity charges for new connections shall pay the charges in accordance with the following table:

Fiscal Year	2025/26	2026/27
Effective Date	7/1/2025	7/1/2026
5/8"	\$1,953	\$1,953
3/4"	\$1,953	\$1,953
1"	\$4,883	\$4,883
1.5"	\$9,765	\$9,765
2"	\$15,624	\$15,624
3"	\$34,178	\$34,178
4"	\$61,520	\$61,520
6"	\$136,710	\$136,710
8"	\$234,360	\$234,360
10"	\$292,950	\$292,950
12"	\$341,775	\$341,775


Resolution No. 2025-4-6
Page 2 of 3

ADOPTED this 16th day of April 2025.



Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof


*A Municipal Water District

Resolution No. 2025-4-6
Page 3 of 3

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-4-6 was adopted at a regular
meeting on April 16, 2025, of said Agency* by the following vote:

AYES:	Camacho, Elie, Hall, Hofer, Tule
NOES:	None
ABSTAIN:	None
ABSENT:	None



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)

* A Municipal Water District



RESOLUTION NO. 2025-4-7**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EXTRA-TERRITORIAL SEWER SERVICE CHARGE FOR SYSTEM USERS OUTSIDE THE AGENCY'S BOUNDARIES FOR FISCAL YEAR (FY) 2025/26**

WHEREAS, pursuant to the Regional Sewage Service Contract and Ordinance 114, it is necessary to establish an extra-territorial monthly sewer service charge for system users whose property served is located outside the boundaries of the Inland Empire Utilities Agency (the Agency) service area; and

WHEREAS, the charge shall be "A" dollars per equivalent dwelling unit (EDU) per month. "A" shall be determined annually by the Agency before July 1 and will be set at the amount of certain sewer taxes per EDU being received from the taxable area within the Agency service area; and

WHEREAS, these taxes are to be the portion of taxes received from the Agency service area plus the portion of the Agency's General Taxes applied each year to the Regional Wastewater Systems and the General Administrative expenditures for the Regional Wastewater Systems; and

WHEREAS, modification to this resolution may be included in future rate resolutions.

NOW, THEREFORE, the Board of Directors hereby RESOLVE, DETERMINE, AND ORDER the following to be effective July 1, 2025, and remain in effect until rescinded by a new resolution:


Section 1. That the extra-territorial monthly sewer service rate be determined based on the Agency-wide assessed valuation for FY 2025/26 as reported by the San Bernardino County Auditors Property Tax Division and the estimated number of billed EDU's listed in the Agency's FY 2026/27 Regional Wastewater Operations and Maintenance fund budget, as shown in Exhibit 1; and

Section 2. That the extra-territorial monthly sewer service charge should be set at a rate of \$23.53 per month per Equivalent Dwelling Unit (EDU) in addition to the FY 2025/26 adopted monthly EDU rate of \$27.02.

Section 3. That upon the effective date of this Resolution, Resolution No. 2023-4-4 is hereby rescinded in its entirety.


Resolution No. 2025-4-7
Page 2 of 4

ADOPTED this 16th day of April 2025



Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

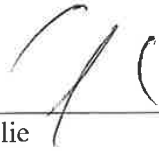
*A Municipal Water District

Resolution No. 2025-4-7
Page 3 of 4

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-4-7 was adopted at a Board
Meeting on April 16, 2025, of said Agency by the following vote:

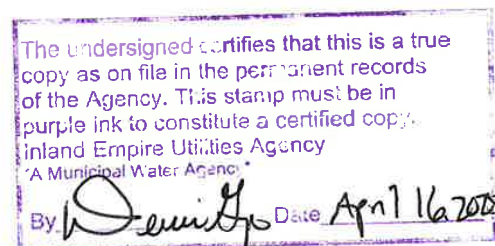
AYES:	Camacho, Elie, Hall, Hofer, Tule
NOES:	None
ABSTAIN:	None
ABSENT:	None



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)

* A Municipal Water District



Resolution No. 2025-4-7
Page 4 of 4

AVERAGE VALUE OF AN EDU FOR FISCAL YEAR 2025/26
CITY OF FONTANA MONTHLY EXTRA-TERRITORIAL USER SURCHARGE

The information utilized includes the EDU projections identified in the Regional Wastewater Operations and Maintenance Fund budget and the San Bernardino County Auditors' report which lists the Agency's assessed valuation for FY 2024/25. Based on this information the estimated average value of an EDU within the Agency is as follows:

FY 2024/25 Agency Assessed Value	=	\$169,091,516,226
FY 2024/25 Projected number of EDU's within Agency	=	298,841 EDU per month
<i>\$169,091,516,226 divided by 298,841</i>	=	\$565,824

Annual tax obligation is calculated by:

<i>\$565,824 multiply by 0.000499</i>	=	\$282.35 per year
<i>(adjusted Agency tax rate)</i>	=	\$23.53 per month

RESOLUTION NO. 2025-4-8**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
INLAND EMPIRE UTILITIES AGENCY*, SAN
BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING
SERVICE RATE FOR IMPROVEMENT DISTRICT "C"
FOR FISCAL YEAR 2025/26 AND FISCAL YEAR 2026/27**

WHEREAS, pursuant to the Regional Sewage Service Contract and the Regional Sewage Service Ordinance No. 114, the Sewage Collection Agencies' (SCAs) Advisory Committees have received and reviewed the Regional Wastewater Program Budget with the associated rates for Fiscal Year 2025/26 and Fiscal Year 2026/27;

NOW, THEREFORE, the Board of Directors hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1st of each fiscal year the equivalent dwelling unit (EDU) rates:

Section 1. Effective July 1, 2025, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$27.02 per equivalent dwelling unit (EDU) per month.


Section 2. Effective July 1, 2026, the total service rate for the operation and maintenance of the regional sewage system and the treatment of the domestic sewage, shall be \$29.45 per equivalent dwelling unit (EDU) per month.

Section 3. The provisions of the Regional Sewage Service Contract and Regional Sewage Service Ordinance No. 114 and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 4. That upon the effective date of this Resolution, Resolution No. 2023-4-5 is hereby rescinded.


Resolution No. 2025-4-8
Page 2 of 3

ADOPTED this 16th day of April 2025.



Marco Tule,
President of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

ATTEST:



Steven J. Elie,
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board
of Directors thereof

* A Municipal Water District

Resolution No. 2025-4-8

Page 3 of 3

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-4-8 was adopted at a Board
Meeting on April 16, 2025, of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

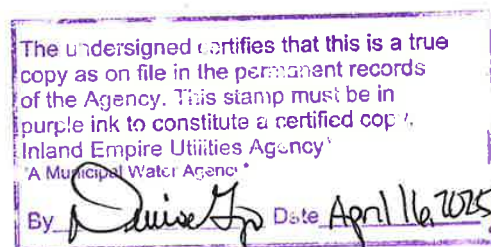
ABSTAIN: None

ABSENT: None

Steven J. Elie, Secretary/Treasurer of
the Inland Empire Utilities Agency*
and of the Board of Directors thereof

(SEAL)

* A Municipal Water District



RESOLUTION NO. 2025-6-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING AND ADOPTING THE INLAND EMPIRE UTILITIES AGENCY'S* BUDGET FOR FISCAL YEARS 2025/26 AND 2026/27.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That this Board of Directors hereby approves and adopts the biennial budget for Fiscal Years 2025/26 and 2026/27, subject to any regulatory reform, or action of the State legislature that would have negative impact on Inland Empire Utilities Agency's* revenues and expenditures.

Section 2. This resolution shall take effect on July 1, 2025.

Section 3. Upon the effective date of this resolution, Resolution No. 2023-6-8 is hereby rescinded in its entirety.

ADOPTED this 18th day of June 2025.



Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof


*A Municipal Water District

Resolution No. 2025-6-1
Page 2 of 2

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-6-1 was adopted at a regular
Board Meeting on June 18, 2025, of said Agency* by the following vote:

AYES:	Camacho, Elie, Hall, Tule
NOES:	None
ABSTAIN:	None
ABSENT:	Hofer


Steven J. Elie
Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

(SEAL)



* A Municipal Water District

RESOLUTION NO. 2025-6-3**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING EQUIPMENT RENTAL RATES FOR FISCAL YEAR 2025/26.**

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency* is required by Agency Ordinance No. 28, Section 3, to establish, from time to time, rates for rental of maintenance and construction equipment.

NOW, THEREFORE, the Board of the Directors of the Inland Empire Utilities Agency* hereby RESOLVES, DETERMINES AND ORDERS that the rates for equipment rental are as shown in Exhibit 1 attached hereto and are effective July 1, 2025, and remain in effect until rescinded by a new resolution:

Upon the effective date of this Resolution, Resolution No. 2024-6-6 is hereby rescinded in its entirety.

ADOPTED this 18th day of June 2025.



Marco Tule
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

Resolution No. 2025-6-3

Page 2 of 3

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-6-3 was adopted at a regular Board
Meeting on June 18, 2025, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Tule

NOES: None

ABSTAIN: None

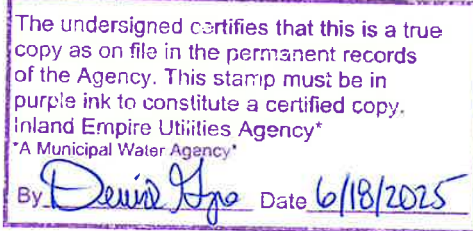
ABSENT: Hofer



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

(SEAL)

* A Municipal Water District



Resolution No. 2025-6-3

Page 3 of 3

EXHIBIT 1

INLAND EMPIRE UTILITIES AGENCY*
MAINTENANCE EQUIPMENT RENTAL RATES
FISCAL YEAR 2025/26

GOVERNMENTAL AGENCIES WITHIN INLAND EMPIRE UTILITIES AGENCY* SERVICE
BOUNDARIES

		RATE IN FORCE
CCTV Camera Equipment Truck		
With one operator	per hour portal-to-portal	\$118.74
With two operators	per hour portal-to-portal	\$211.88
Gap Vactor Truck 2001		
With one operator	per hour portal-to-portal	\$148.10
With two operators	per hour portal-to-portal	\$241.24
Gap Vactor Truck 1203		
With one operator	per hour portal-to-portal	\$138.69
With two operators	per hour portal-to-portal	\$231.84
Gap Vactor Truck 2305		
With one operator	per hour portal-to-portal	\$120.18
With two operators	per hour portal-to-portal	\$213.32
Safety Trailer		
With one operator	per hour portal-to-portal	\$99.17
With two operators	per hour portal-to-portal	\$192.31
Water Truck		
With one operator	per hour portal-to-portal	\$107.37
With two operators	per hour portal-to-portal	\$200.52

* A Municipal Water District

RESOLUTION NO. 2025-6-4**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING IMPORTED WATER RATES AND THE READINESS-TO-SERVE (RTS) TEN-YEAR ROLLING AVERAGE (TYRA) PASS-THROUGH.**

WHEREAS, pursuant to Division II, Part II, Section 201 of Ordinance No. 104, the Board of Directors of the Inland Empire Utilities Agency* annually updates established rates and charges to cover the current cost of water purchased by Local Retail Agencies within the portions of their service areas that are eligible** for wholesale water deliveries from the Metropolitan Water District of Southern California (MWD);

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency* establishes rates for delivery of MWD's water supplies; and the rates are based on the biennial budget adopted by the MWD Board on April 9, 2024, as well as the charges adopted by the MWD Board on April 8, 2025; and

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency* shall establish an annual Readiness to serve (RTS) pass-through charge, based on a Ten-Year Rolling Average (TYRA) MWD methodology.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* hereby RESOLVES, DETERMINES AND ORDERS the following to be effective July 1, 2025, and January 1, 2026, and to remain in effect until rescinded by a new resolution:

Section 1. That the rates of sales of imported water are direct pass-through charged by MWD are as follows:

FOR FULL SERVICE UNTREATED
WATER – i.e., domestic and municipal purposes:

01/1/2025 – 12/31/2025 \$912.00 per acre foot
01/1/2026 – 12/31/2026 \$984.00 per acre foot

Section 2. That Inland Empire Utilities Agency* will impose any MWD rates and charges, applicable to each service connection, if invoiced by MWD to Inland Empire Utilities Agency* during FY 2025/26 and FY 2026/2027.

Section 3. The MWD levied total Readiness-to-Serve (RTS) Charge shall be as follows:

01/1/2025 – 12/31/2025	\$181,000,000
01/1/2026 – 12/31/2026	\$188,000,000

Resolution No. 2025-6-4

Page 2 of 4

Inland Empire Utilities Agency* shall be charged by MWD a percentage of the annual total RTS Charge based on a Ten-Year Rolling Average of use by Inland Empire Utilities Agency* and any agencies to which Inland Empire Utilities Agency* serves MWD imported water. Inland Empire Utilities Agency's* share of the total RTS Charge has been calculated by MWD to be as follows:

01/1/2025 – 12/31/2025	4.23%
01/1/2026 – 12/31/2026	4.31%

Section 4. That a Readiness-to-Serve Ten Year Rolling Average (RTS TYRA) pass-through shall be charged by Inland Empire Utilities Agency* to the Local Agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority) and any other agencies purchasing MWD imported water, to recover 100% of total RTS charges imposed by MWD.

07/01/2025 – 06/30/2026	\$7,883,438
-------------------------	-------------

Section 5. The MWD levied Standby Charge for the year for Inland Empire Utilities Agency* shall be as follows:

07/01/2025 – 06/30/2026	\$2,022,284
-------------------------	-------------

The RTS Charge levied on Inland Empire Utilities Agency* by MWD shall be reduced by an equivalent amount of the total Standby Charge.

Section 6. That the MWD levied Capacity Charge (\$/cfs) shall be as follows:

01/1/2025 – 12/31/2025	\$13,000 per cubic foot per second (cfs)
01/1/2026 – 12/31/2026	\$14,500 per cubic foot per second (cfs)

Section 7. To the extent that MWD offers financial incentives as credits on their monthly invoices for participation in applicable MWD-sponsored water resources programs (such as the Dry-Year Yield Conjunctive Use Program, Conservation Credits Program, or Local Resources Program), Inland Empire Utilities Agency* will pass the credit onto the invoice(s) of the applicable Local Agency(ies), unless Inland Empire Utilities Agency* is the designated recipient.

Section 8. In the event of any delinquent payments for bills related to imported water or other charges, Inland Empire Utilities Agency* will apply Division III, Part I, Section 107 of Ordinance No. 104.

Section 9. That upon the effective date of this Resolution, Resolution No. 2024-6-5 is hereby rescinded in its entirety.

Resolution No. 2025-6-4
Page 3 of 4

ADOPTED this 18th day of June 2025.



Marco Tule
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/ Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

**In order to be eligible for supplemental water provision from MWD, parcels must have been annexed into the service areas of both MWD and Inland Empire Utilities Agency*

Resolution No. 2025-6-4

Page 4 of 4

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-6-4, was adopted at a regular Board
Meeting on June 18, 2025, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Tule

NOES: None

ABSTAIN: None

ABSENT: Hofer



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

(SEAL)

* A Municipal Water District



RESOLUTION NO. 2025-6-5**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CHARGES FOR LABORATORY ANALYSES FOR FISCAL YEAR 2025/26**


WHEREAS, the Inland Empire Utilities Agency* occasionally enters into agreements with other local governmental agencies to perform laboratory analyses; and

WHEREAS, the most efficient and practical method of charging for this work is through the establishment of a price for each analysis.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* hereby RESOLVES, DETERMINES AND ORDERS, that, effective July 1, 2025, the single item prices for laboratory analyses are as shown on Exhibit 1 attached hereto, and remain in effect until rescinded by a new resolution:

Upon the effective date of this Resolution, Resolution No. 2024-6-7 is hereby rescinded in its entirety.

ADOPTED this 18th day of June 2025.



Marco Tule
President of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

*A Municipal Water District

Resolution No. 2025-6-5
Page 2 of 3

STATE OF CALIFORNIA)
COUNTY OF) SS
SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-6-5, was adopted at a regular
Board Meeting on June 18, 2025, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Tule

NOES: None

ABSTAIN: None

ABSENT: Hofer



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the
Board of Directors thereof

(SEAL)



* A Municipal Water District

Resolution No. 2025-6-5
Page 3 of 3

INLAND EMPIRE UTILITIES AGENCY
LABORATORY PRICES - FY 2025/26

Inorganic Chemistry		
Test	Method	Price
Alkalinity, Total	SM 2320B	\$18.30
Ammonia as Nitrogen	EPA 350.1	\$18.30
Anion Sum	SM 1050	\$3.10
BOD, Soluble	SM 5210	\$53.20
BOD, Total	SM 5210	\$47.20
Bromide	EPA 300.0	\$13.30
Cation Sum	SM 1050	\$3.10
Chlorate	EPA 300.0	\$57.60
Chloride	EPA 300.0	\$11.50
Chlorite	EPA 300.0	\$57.60
COD	SM 5220D	\$40.50
Color	SM 2120B	\$12.00
Conductivity	SM 2510	\$11.50
Corrosivity	SM 2330B	\$51.50
<i>If Alkalinity, Ca, EC, or pH are requested on the sample, Corrosivity cost is reduced by their respective prices.</i>		
Cyanide, Available	EPA OIA-1677	\$60.40
Cyanide, Free	ASTM D7237	\$33.90
Cyanide, Total	ASTM D7284	\$37.50
Dissolved Organic Carbon	SM 5310B	\$48.40
Dissolved Organic Carbon	SM 5310C	\$42.30
Dissolved Oxygen	EPA 360.1	\$15.20
Fluoride	EPA 300.0	\$11.50
Fluoride	SM 4500-F C	\$20.60
Hardness, Total (Calculation)	EPA 200.7	\$27.20
<i>If Ca and Mg is requested, calculation is reduced by their respective prices.</i>		
Hardness, Total	SM 2340C	\$22.50
Mercury	EPA 245.2	\$48.40
Metals Digestion (liquid)		\$20.60
Metals Digestion (solid)		\$54.50
Metals by ICP	EPA 200.7	\$12.00
Metals by ICP/MS	EPA 200.8	\$12.00
Nitrate as Nitrogen	EPA 300.0	\$11.50
Nitrite as Nitrogen	EPA 300.0	\$11.50
Nitrogen, Organic	Various	\$78.70
Oil & Grease, Polar (FOG)	EPA 1664B	\$90.90
Oil & Grease, Non-polar	EPA 1664B	\$27.50
Oil & Grease, Total	EPA 1664B	\$42.30
pH	SM 4500-H+ B	\$7.30
Phosphorus, Ortho	EPA 300.0	\$11.50
Phosphorus, Total	EPA 200.7	\$12.00

Inorganic Chemistry		
Test	Method	Price
Silica	EPA 200.7	\$12.00
Sulfate	EPA 300.0	\$11.50
Sulfide, Dissolved	SM 4500-S D	\$24.20
Sulfide, Total	SM 4500-S D	\$19.30
Surfactants (MBAS)	SM 5540C	\$60.40
TDS	SM 2540C	\$18.30
TDS, Fixed/Volatile	SM 2540E	\$27.20
TKN	EPA 351.2	\$48.40
TOC	SM 5310B	\$42.30
TOC	SM 5310C	\$36.40
Total Solids	SM 2540B	\$14.00
TSS	SM 2540D	\$18.30
Turbidity	EPA 180.1	\$11.00
Uranium pCi/L	EPA 200.8	\$33.90
Volatile Solids	SM 2540E	\$19.90
Volatile Suspended Solids	SM 2540E	\$27.20

Bioassay/Microbiology		
Test	Method	Price
Bioassay, C.Dubia, Chronic	EPA 1002	\$1,452.30
Coliform, Colilert P/A	SM 9223 B	\$12.00
Coliform, Colilert Total Enumeration	SM 9223 B	\$24.20
Coliform, Fecal	SM 9221E	\$30.30
Coliform, Total (15 Tube)	SM 9221B	\$30.30
Heterotrophic Plate Count	SM 9215B	\$24.20

Organic Chemistry		
Test	Method	Price
1,4-Dioxane	EPA 624	\$90.90
Acrolein & Acrylonitrile	EPA 624	\$90.90
MTBE	EPA 524.2	\$121.10
Pesticides	EPA 608	\$302.60
Pesticides w/ PCBs	EPA 608	\$393.30
PCBs	EPA 608	\$302.60
Semi-Volatiles (Short list DW)	EPA 525	\$393.30
Semi-Volatiles (Acid Extractables)	EPA 625	\$272.40
Semi-Volatiles (Base/Neutrals)	EPA 625	\$272.40
Semi-Volatiles (BNA)	EPA 625	\$363.00
Tert-Butyl Alcohol (TBA)	EPA 524.2 MOD	\$181.50
Thiobencarb	EPA 525	\$363.00
Volatiles, DW	EPA 524.2	\$181.50
Volatiles, WW	EPA 624	\$229.90

RESOLUTION NO. 2025-6-6

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING INITIAL AND MONTHLY CAPACITY CHARGES, VOLUMETRIC CHARGES, EXCESS STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE INLAND EMPIRE BRINE LINE (BRINE LINE) FOR FISCAL YEAR (FY) 2025/26.

WHEREAS, it is necessary to establish initial and monthly capacity charges, volumetric flow charges, CIP charges, Operations and Maintenance charges, trucked wastewater delivery charges and excessive strength charges;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of the Inland Empire Utilities Agency's* Brine Line;

WHEREAS, one Agency Capacity Unit (CU) is defined as an equalized discharge at the flow rate of 15 gallons per minute (GPM); and

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 106, may establish said fees and charges by Resolution.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2025, and remain in effect until rescinded by a new resolution:

Section 1 That the Initial Capacity Charge for the acquisition of Agency Capacity Rights shall be set at \$215,000.00 per CU.

Section 2 That the monthly charges for discharge to the Brine Line are as follows:

(A) CAPACITY CHARGES:

For discharge to the Brine Line, which reaches jurisdiction of the Santa Ana Watershed Project Authority (SAWPA), the monthly Capacity Charge is \$444.14 per CU.

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

The monthly Capital Improvements Program (CIP) charge for Brine Line is \$90.00 per CU per month.

Resolution No. 2025-6-6

Page 2 of 6

(C) VOLUMETRIC CHARGES

For discharge to the Brine Line, the monthly Volumetric Charge is \$1,119.00 per Million Gallons of discharge. The minimum Volumetric Charge for discharge of 100,000 gallons or less per CU per month is \$111.90 per CU per month.

(D) STRENGTH CHARGES

That Strength Charges are applicable to all discharges to the Brine Line, via pipeline or hauled by truck, for excessive Biochemical Oxygen Demand (BOD), and Total Suspended Solids (TSS). The rates are as follows:

<u>QUANTITY</u>	<u>RATE</u>
BOD	\$416.00 per 1,000 pounds (dry weight)
TSS	\$522.00 per 1,000 pounds (dry weight)

Strength charges for the Brine Line discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a monthly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(E) AGENCY ADMINISTRATIVE CHARGES

Agency Administrative Charges of 50% shall be added to the charges of Section 2(A), 2(C), and 2(D).

(F) Other Charges

Inland Empire Utilities Agency* will pass on any other charges from SAWPA invoiced to Inland Empire Utilities Agency* to dischargers to the Brine Line, such as, but not limited to, flow and strength imbalances charges, permit fees, inspection fees, analytical fees, etc.

Section 3 For trucked discharges to the Brine Line, the wastewater discharge rate shall be based on the applicable Tiered Schedule as established by the higher concentration value for BOD or TSS. The Brine Line Tiered Rate Schedule for Trucks is shown in Table 1.

Table 1 – Brine Line Tiered Rate Schedule for Trucks

Tiered Schedule	BOD / TSS Concentration	Volumetric Charge Up to 5,000 gallons	Incremental Charge above 5,000 gallons, \$ per one (1) gallon	Concentrations over 100 mg/L	
				BOD Charge \$ per lb	TSS Charge \$ per lb
Brine	BOD and TSS Less than 100 mg/L	\$347.27	\$0.0168		
Non-Brine	BOD or TSS 100 mg/L and higher	\$347.27	\$0.0168	\$0.8187	\$0.7819

Resolution No. 2025-6-6

Page 3 of 6

Section 4 That Application fees for a Capacity Right Agreement shall be: \$532.00

Section 5 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees
(Ownership Change with Process Changes included):

Categorical Industrial User	\$5,642.00
with Combined Waste Stream Formula, add	\$1,475.00
with Production Based Standards, add	\$846.00
with Multiple Categories, add	\$2,812.00
Non-Categorical, Significant Industrial User	\$4,148.00
Non-Categorical, Non-Significant Industrial User	\$3,440.00

Permit Renewal Fees:

Categorical Industrial User	\$4,227.00
with Combined Waste Stream Formula, add	\$846.00
with Production Based Standards, add	\$532.00
with Multiple Categories, add	\$1,475.00
Non-Categorical, Significant Industrial User	\$1,161.00
Non-Categorical, Non-Significant Industrial User	\$846.00

Section 6 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:
(Ownership Change with Process Changes included)

Categorical Industrial User	\$5,642.00
with Combined Waste Stream Formula, add	\$1,475.00
with Production Based Standards, add	\$846.00
with Multiple Categories, add	\$2,812.00
Non-Categorical, Significant Industrial User	\$4,148.00
Non-Categorical, Non-Significant Industrial User	\$3,440.00

Resolution No. 2025-6-6

Page 4 of 6

Permit Renewal Fees:

Categorical Industrial User	\$4,227.00
with Combined Waste Stream Formula, add	\$846.00
with Production Based Standards, add	\$532.00
with Multiple Categories, add	\$1,475.00
Non-Categorical, Significant Industrial User	\$1,161.00
Non-Categorical, Non-Significant Industrial User	\$846.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$2,183.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, etc.

Section 8 That for change of business name with no process changes shall be: \$453.00

That Permit Addendum fees shall be: \$1,161.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 9 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 10 Zero Discharge Permit (Time and Material) T&M

Section 11 SAWPA Pass-Through Annual Permit Fees

Direct Discharger	\$600.00
Indirect Discharger	\$300.00

Section 12 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.


Resolution No. 2025-6-6

Page 5 of 6


Section 13 That all provisions of the Brine Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 14 That upon the effective date of this Resolution, Resolution No. 2024-9-2 pertaining to the Inland Empire Brine Line (also known as South NRWS) is hereby rescinded in its entirety.

ADOPTED this 18th day of June 2025.


Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:


Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

Resolution No. 2025-6-6
Page 6 of 6

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2025-6-6 as adopted at a regular Board Meeting on June 18, 2025, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Tule

NOES: None

ABSTAIN: None

ABSENT: Hofer



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)



* A Municipal Water District

RESOLUTION NO. 2025-6-7**RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, OPERATIONS AND MAINTENANCE CHARGES, STRENGTH CHARGES, AGENCY PROGRAM CHARGES, AND APPLICATION FEES FOR THE NON-RECLAIMABLE WASTEWATER SYSTEM (NRWS) FOR FISCAL YEAR (FY) 2025/26**

WHEREAS, NRWS *Wastewater Disposal Agreement No. 4830* (Agreement) has been adopted between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency*;

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate Users with Non-Reclaimable Wastewater System Capacity Unit (NRWSCU), in order to collect such charges;

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Solids Discrepancy at East End (SD_{EE}) monitoring facility determined by the *Fractional Solids Discrepancy* (FSD_i) formula;

WHEREAS, it is necessary to allocate individual Users their fractional contribution of the Volumetric, Chemical Oxygen Demand (COD), and NRWSCU discrepancies at East End monitoring facility as determined by the preceding fiscal year's monitoring data;

WHEREAS, it is necessary to establish application fees for processing applications for NRWSCU Allocations and Wastewater Discharge Permits for the use of Inland Empire Utilities Agency* NRWS; and

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2025, and remain in effect until rescinded by a new resolution:

Resolution No. 2025-6-7

Page 2 of 7

Section 1 That the acquisition of wastewater discharge right shall be as follows:

(A) NRWSCU ACQUISITION RATES

1. A NRWSCU for the NRWS is determined by the following formula:

$$NRWSCU = \left(0.6513 \times \frac{Flow_{gpd}}{260} \right) + \left(0.1325 \times \frac{COD_{ppd}}{1.22} \right) + \left(0.2162 \times \frac{TSS_{ppd}}{0.59} \right)$$

Where:

gpd = gallons per day

ppd = pounds per day

2. The minimum number of NRWSCU shall be 25 NRWSCU.
3. The **acquisition rate** for the right to discharge one (1) NRWSCU shall be as established by CSDLAC or \$4,172.00 per NRWSCU.
4. The optional **annual lease rate** for the right to discharge one (1) NRWSCU shall be 5% per year of the acquisition rate, i.e., \$208.60 per NRWSCU per each year.

The above charges shall be paid in full upon the execution of the NRWSCU acquisition or lease.

Section 2 That the monthly charges for discharge to the NRWS are:

(A) VOLUMETRIC CHARGES

For discharge to the NRWS, the monthly volumetric charge is \$1,044.00 per million gallons of discharge.

(B) PEAK FLOW CHARGES

For discharge to the NRWS, the monthly Peak Flow (PF) Charge shall be \$349.08 per million gallons of volumetric discharge.

(C) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the NRWS. The rates are as follows:

<u>PARAMETER</u>	<u>RATE</u>
COD	\$213.90 per 1,000 pounds (dry weight)
TSS	\$505.80 per 1,000 pounds (dry weight)

Strength charges for the NRWS discharges are calculated from the average of all

Resolution No. 2025-6-7

Page 3 of 7

the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(D) AGENCY O&M Charge

The Inland Empire Utilities Agency* O&M charge shall be \$34.49 per NRWSCU per month.

(E) AGENCY CIP CHARGE

The Inland Empire Utilities Agency* capital improvement program charge shall be \$9.62 per NRWSCU per month.

Section 3 IMBALANCE CHARGES

(A) SOLIDS DISCREPANCY CHARGES for NRWS

Solids Discrepancy Charge for an industry (SDC_i) shall be calculated on a monthly basis and invoiced on a quarterly basis. The charge shall be calculated by multiplying the individual industry's *Fractional Solids Discrepancy* (FSD_i) by the Total Solids Discrepancy at East End monitoring facility (TSD_{EE}) and by TSS rate:

$$SDC_i = (FSD_i) \times (TSD_{EE}) \times (TSS \text{ rate})$$

Individual industry's FSD_i for the NRWS is determined by the FSD_i formula to allocate the individual industry's solids contribution to the total solids discrepancy, based on their contribution to the overall loading of Alkalinity, Biological Oxygen Demand (BOD), Dissolved Calcium, and Flow.

$$FSD_i = 0.090 \times \left[\frac{Alk_i}{Alk_T} \right] + 0.589 \times \left[\frac{BOD_i}{BOD_T} \right] + 0.060 \times \left[\frac{Ca_i}{Ca_T} \right] + 0.261 \times \left[\frac{Flow_i}{Flow_T} \right]$$

Where:

FSD_i = Fractional Solids Discrepancy for individual discharger (i)

Alk_i = Individual dissolved alkalinity loading to the NRWS for discharger (i)

Alk_T = Combined dissolved alkalinity loading from all dischargers to the NRWS

BOD_i = Individual BOD₅ loading to the NRWS for discharger (i)

BOD_T = Combined BOD₅ loading from all dischargers to the NRWS

Ca_i = Individual dissolved calcium loading to the NRWS for discharger (i)

Ca_T = Combine dissolved calcium loading from all dischargers to the NRWS

$Flow_i$ = Individual flow contribution to the NRWS from discharger (i)

$Flow_T$ = Combined flow from all dischargers to the NRWS

(B) OTHER IMBALANCE CHARGES

Resolution No. 2025-6-7

Page 4 of 7

Inland Empire Utilities Agency* will pass to NRWS dischargers any other charges from CSDLAC invoiced to Inland Empire Utilities Agency* as a result of imbalance in the NRWS, including volumetric, COD, and NRWSCU imbalance charges. The charges shall be calculated on pro rata share for each component and invoiced on a quarterly basis.

Section 4 OTHER CHARGES

Inland Empire Utilities Agency* will pass on any other charges from CSDLAC invoiced to Inland Empire Utilities Agency* to dischargers to the NRWS, such as, but not limited to, permit fees, inspection fees, analytical fees, etc.

Section 5 That Application fee for a NRWS Capacity Unit Purchase or Annual Lease shall be: \$532.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees: (Ownership Change with Process Changes included)

Categorical Industrial User	\$5,642.00
with Combined Waste Stream Formula, add	\$1,475.00
with Production Based Standards, add	\$846.00
with Multiple Categories, add	\$2,812.00
Non-Categorical, Significant Industrial User	\$4,148.00
Non-Categorical, Non-Significant Industrial User	\$3,440.00

Permit Renewal Fees:

Categorical Industrial User	\$4,227.00
with Combined Waste Stream Formula, add	\$846.00
with Production Based Standards, add	\$532.00
with Multiple Categories, add	\$1,475.00
Non-Categorical, Significant Industrial User	\$1,161.00
Non-Categorical, Non-Significant Industrial User	\$846.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$2,183.00

Resolution No. 2025-6-7
Page 5 of 7

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 8 That for change of business name with no process changes \$453.00
shall be:

That Permit Addendum fees shall be: \$1,161.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 9 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 10 Zero Discharge Permit (Time and Material) T&M


Section 11 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 12 That all provisions of the Non-Reclaimable Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 13 That upon the effective date of this Resolution, the Resolution No. 2024-6-3 pertaining to the NRWS is hereby rescinded in its entirety.


Resolution No. 2025-6-7
Page 6 of 7

ADOPTED this 18th day of June 2025.



Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

Resolution No. 2025-6-7

Page 7 of 7

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2025-6-7 as adopted at a regular Board Meeting on June 18, 2025, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Tule

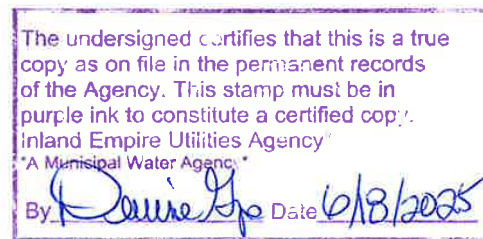
NOES: None

ABSTAIN: None

ABSENT: Hofer

Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)



* A Municipal Water District

RESOLUTION NO. 2025-6-8

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING CAPACITY CHARGES, VOLUMETRIC CHARGES, STRENGTH CHARGES, CAPITAL IMPROVEMENT PROJECT (CIP) CHARGES, OPERATIONS AND MAINTENANCE CHARGES, IEUA ADMINISTRATIVE CHARGES, APPLICATION AND WASTEWATER DISCHARGE PERMIT APPLICATION FEES FOR THE ETIWANDA WASTEWATER LINE (EWL) FOR FISCAL YEAR (FY) 2025/26.

WHEREAS, *Etiwanda Wastewater Line Disposal Agreement* (Agreement) was entered between County Sanitation Districts of Los Angeles County (CSDLAC) and Inland Empire Utilities Agency*;

WHEREAS, it is necessary to establish a rate structure for the collection of costs associated for the sewerage service under this Agreement;

WHEREAS, it is necessary to allocate industries with Etiwanda Wastewater Line Capacity Unit (EWLCU), in order to collect such charges;

WHEREAS, one EWLCU for the EWL is defined as an equalized discharge not to exceed a flow rate of 15 gallons per minute;

WHEREAS, it is necessary to establish application fees for processing applications for Capacity Right Agreements and Wastewater Discharge Permits for the use of Inland Empire Utilities Agency* EWL; and

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 99, may establish said fees and charges by Resolution.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* hereby RESOLVES, DETERMINES, AND ORDERS the following to be effective July 1, 2025, and remain in effect until rescinded by a new resolution:

Section 1 That the acquisition of capacity rights shall be as follows:

(A) CAPACITY RIGHT ACQUISITION RATE

That the purchase rate for the right to discharge one (1) EWLCU for the EWL shall be \$215,000.00 per an equalized flow rate not to exceed 15 gallons per minute. This charge shall be paid in full upon the execution of the Capacity Right Agreement.

Resolution No. 2025-6-8
Page 2 of 5

Section 2 That the monthly charges for discharge to the EWL are as follows:

(A) CAPACITY CHARGES

For discharge to the EWL, which reaches the jurisdiction of the CSDLAC, the monthly Capacity Charge is \$84.00 per month per each EWLCU.

(B) CAPITAL IMPROVEMENTS PROGRAM CHARGES:

The monthly Capital Improvements Program (CIP) charge for EWL is \$90.00 per month per each EWLCU.

(C) VOLUMETRIC CHARGES

The Volumetric Charge for EWL is \$774.00 per Million Gallons. The minimum Volumetric Charge for discharge of 100,000 gallons or less per each EWLCU per month is \$77.40 per month per each EWLCU.

(D) STRENGTH CHARGES

That Strength Charges are for excessive Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) and are applicable to all discharges to the EWL. The rates are as follows:

PARAMETER**RATE**

COD	\$181.20 per 1,000 pounds (dry weight)
TSS	\$403.20 per 1,000 pounds (dry weight)

Strength charges for the EWL discharges are calculated from the average of all the samples collected during the calendar month and invoiced on a quarterly basis. If there is no sample data for a given month, strength charges for that month shall be determined by using the average value of all available data from the previous 12 months.

(E) AGENCY CIP AND O&M CHARGES

Agency CIP and O&M Charges of 50% shall be added to the charges of Section 2(A), 2(C), and 2(D).

Section 3 OTHER CHARGES

Inland Empire Utilities Agency* will pass on any other charges from CSDLAC invoiced to Inland Empire Utilities Agency* to dischargers to the EWL, such as, but not limited

Resolution No. 2025-6-8

Page 3 of 5

to, flow and strength imbalances charges, permit fees, inspection fees, analytical fees, etc.

Section 4 That Application fees for an EWL Capacity Right Agreement shall be: \$532.00

Section 5 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the EWL sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:
(Ownership Change with Process Changes included)

Categorical Industrial User	\$5,642.00
with Combined Waste Stream Formula, add	\$1,475.00
with Production Based Standards, add	\$846.00
with Multiple Categories, add	\$2,812.00
Non-Categorical, Significant Industrial User	\$4,148.00
Non-Categorical, Non-Significant Industrial User	\$3,440.00

Permit Renewal Fees:

Categorical Industrial User	\$4,227.00
with Combined Waste Stream Formula, add	\$846.00
with Production Based Standards, add	\$532.00
with Multiple Categories, add	\$1,475.00
Non-Categorical, Significant Industrial User	\$1,161.00
Non-Categorical, Non-Significant Industrial User	\$846.00

Section 6 That Permit Revision or Facility Expansion fees shall be: \$2,183.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 7 That for change of business name with no process changes shall be: \$453.00

That Permit Addendum fees shall be: \$1,161.00

Resolution No. 2025-6-8

Page 4 of 5

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 8 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 9 Zero Discharge Permit (Time and Material) T&M

Section 10 Miscellaneous processing fees that do not fall under any of the above sections shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 11 That all provisions of the Non-Reclaimable Wastewater System and Etiwanda Wastewater Line Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.

Section 12 That upon the effective date of this Resolution, Resolution No. 2024-6-2 pertaining to the EWL is hereby rescinded in its entirety.

ADOPTED this 18th day of June 2025.



Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

Resolution No. 2025-6-8
Page 5 of 5

STATE OF CALIFORNIA)
) SS
COUNTY OF SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2025-6-8 as adopted at a regular Board Meeting on June 18, 2025, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Tule

NOES: None

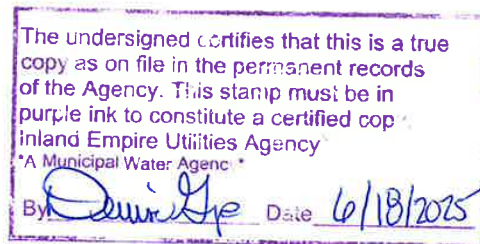
ABSTAIN: None

ABSENT: Hofer



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)



* A Municipal Water District

RESOLUTION NO. 2025-6-9

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING SERVICE RATES FOR WASTEWATER DISCHARGERS TO THE REGIONAL WASTEWATER SYSTEM FOR SEPTAGE, COMMERCIAL OR INDUSTRIAL WASTEWATERS, AND EXCESSIVE STRENGTH CHARGES FOR FISCAL YEAR 2025/26.

WHEREAS, it is necessary to establish service rates for processing and issuing permits to domestic, commercial, or industrial wastewater dischargers and wastewater haulers permitted by the Inland Empire Utilities Agency*, and service rates for processing and treatment of sanitary, commercial or industrial wastewater deliveries to the Inland Empire Utilities Agency’s* Regional Wastewater System;

WHEREAS, it is necessary to establish application fees for processing and issuing of wastewater discharge permits to industrial wastewater generators who discharge directly through pipeline connections to the Regional Sewer System; and

WHEREAS, the Board of Directors of the Inland Empire Utilities Agency*, pursuant to Ordinance No. 109, may establish said service rates by resolution.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* hereby **RESOLVES, DETERMINES, AND ORDERS** the following to be effective July 1, 2025, and remain in effect until rescinded by a new resolution:

Section 1 That Wastewater Permit Application for Domestic Wastewater Hauler fees is as follows:

Initial Permit Application Fee	\$474.80
Permit Renewal Fee	\$284.88

Section 2 That wastewater volumetric fee for domestic and industrial wastewater hauler is as follows:

For each load up to 2,000 gallons	\$102.81
Loads in excess of 2,000 gallons	\$0.051 per one (1) gallon

Resolution No. 2025-6-9

Page 2 of 5

Section 3 That a rate schedule effective July 1, 2025, for delivery of domestic and industrial wastewater to regional plants with excessive biochemical oxygen demand and suspended solids is hereby established as follows:

<u>Quantity</u>	<u>Rate</u>
Biochemical Oxygen Demand (BOD) in excess of 450 mg/L	\$ 448.78 per 1,000 lb (dry weight)
Suspended Solids (SS) in excess of 362 mg/L	\$ 576.00 per 1,000 lb (dry weight)

Section 4 A Non-Compliance fee of \$175.76 shall be assessed to reinstate elapsed or expired insurance requirements.

Section 5 That Initial Wastewater Discharge Permit Application and Permit Renewal fees for wastewater generators who discharge directly through pipeline connection to the Regional Sewer System shall be:

Initial Wastewater Discharge Permit Application Fees (Ownership Change with Process Changes included):

Categorical Industrial User	\$5,642.00
with Combined Waste Stream Formula, add	\$1,475.00
with Production Based Standards, add	\$846.00
with Multiple Categories, add	\$2,812.00
Non-Categorical, Significant Industrial User	\$4,148.00
Non-Categorical, Non-Significant Industrial User	\$3,440.00

Permit Renewal Fees:

Categorical Industrial User	\$4,227.00
with Combined Waste Stream Formula, add	\$846.00
with Production Based Standards, add	\$532.00
with Multiple Categories, add	\$1,475.00
Non-Categorical, Significant Industrial User	\$1,161.00
Non-Categorical, Non-Significant Industrial User	\$846.00

Section 6 That Initial Wastewater Discharge Permit Application, Ownership Change with Process Changes, and Permit Renewal fees for wastewater generators whose wastewater is hauled away, i.e., by a wastewater trucking company, and discharged into the NRWS sewer system shall be:

Initial Wastewater Discharge Permit Application Fees:

(Ownership Change with Process Changes included)

Resolution No. 2025-6-9

Page 3 of 5

Categorical Industrial User	\$5,642.00
with Combined Waste Stream Formula, add	\$1,475.00
with Production Based Standards, add	\$846.00
with Multiple Categories, add	\$2,812.00
Non-Categorical, Significant Industrial User	\$4,148.00
Non-Categorical, Non-Significant Industrial User	\$3,440.00

Permit Renewal Fees:

Categorical Industrial User	\$5,642.00
with Combined Waste Stream Formula, add	\$1,475.00
with Production Based Standards, add	\$846.00
with Multiple Categories, add	\$2,812.00
Non-Categorical, Significant Industrial User	\$4,148.00
Non-Categorical, Non-Significant Industrial User	\$3,440.00

Section 7 That Permit Revision or Facility Expansion fees shall be: \$2,183.00

Permit Revisions shall be required if the modification affects the quantity/quality of the wastewater discharge to deviate from the conditions in the current permit by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Process Changes, etc.

Section 8 That for change of business name with no process changes \$453.00
shall be:

That Permit Addendum fees shall be: \$1,161.00

Permit Addendum shall be required if the addition or modification does not affect the existing wastewater quantity/quality by more than 25%. Such additions or modifications include, but are not limited to, the following: Maintenance, Monitoring, Change of Discharge Limits, Addition of Control Equipment, Ownership Change without Process Changes, etc.

Section 9 Toxic Organic Management Plan (TOMP) Processing No Charge

Section 10 Zero Discharge Permit (Time and Material) T&M

Section 11 That Inland Empire Utilities Agency* will pass on to wastewater permit holder any other charges, such as, but not limited to, excessive strength charges, laboratory analysis charges, inspection activity charges, etc.

Section 12 Miscellaneous processing fees that do not fall under any of the above sections

Resolution No. 2025-6-9


Page 4 of 5

shall be charged based on time and material of staff(s) evaluating such process using adopted labor rates for the current fiscal year.

Section 13 That all provisions of the Regional Wastewater Ordinance and any amendments thereto are hereby applicable and will remain in full force and effect.


Section 14 That upon the effective date of this Resolution, Resolution No. 2024-6-1 is hereby rescinded in its entirety.

ADOPTED this 18th day of June 2025



Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

Resolution No. 2025-6-9
Page 5 of 5

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing Resolution being No. 2025-6-9 as adopted at a regular Board Meeting on June 18, 2025, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Tule

NOES: None

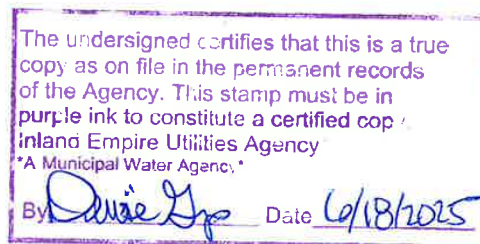
ABSTAIN: None

ABSENT: Hofer



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

(SEAL)



* A Municipal Water District

RESOLUTION NO. 2025-6-2**RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025/26**

WHEREAS, on November 6, 1979, Proposition 4 on the ballot for the Special Election added Article XIII B to the Constitution, effective July 1, 1980, placing various limits on the fiscal powers of state and local governments;

WHEREAS, implementing legislation, Chapter 1205 Statutes of 1980 (SB 1352) became effective January 1, 1981, wherein the appropriations may increase each year by an amount equal to the percentage change in population from January to January each year and the lower of two price changes, i.e., either the U.S. March to March Consumer Price Index (CPI), or the fourth quarter per Capita Personal Income Index;

WHEREAS, Article XIII B and its implementing legislation were modified by Proposition 111 and SB 88 (Chapter 60/90) to establish new annual adjustment factors beginning with the 1990/91 Appropriations Limit;

WHEREAS, Inland Empire Utilities Agency*, as a local government, is required under Article XIII B to annually establish an appropriations limit for the following fiscal year;

WHEREAS, Resolution No. 81-6-7 was adopted on June 24, 1981, setting forth definitions, declarations, findings, and determinations concerning the applicability of Article XIII B to the individual funds of Inland Empire Utilities Agency*;

WHEREAS, those definitions, declarations, findings, and determinations are modified as specifically provided herein;

WHEREAS, it is Inland Empire Utilities Agency's* intent to establish this year's Appropriations Limit, following the California League of Cities Uniform Guidelines dated March 1991; and

WHEREAS, except for data on non-residential assessed valuation due to new construction (since 1986/87), data concerning per capita personal income and population changes necessary for determining the Fiscal Year 2025/26 Appropriation Limits are now available.

NOW, THEREFORE, the Board of Directors of the Inland Empire Utilities Agency* does hereby RESOLVE and DETERMINE as follows:

Section 1. The Board of Directors has determined to select the State of California Per Capita Personal Income as its inflation adjustment factor, in the absence of up-to-date data on non-residential assessed valuation. The Board reserves the right to change its selection of the inflation adjustment factor once the assessment data are available.

Section 2. The Board has determined to select the San Bernardino County's population growth (since 1986/87) as its population adjustment factor.

Resolution No. 2025-6-2

Page 2 of 6

Section 3. Appropriations Limit. That pursuant to Section 7910 of the Government Code, the Board of Directors does hereby establish the following Appropriations Limit for Fiscal Year 2025/26 is \$270,038,495.

Section 4. Publication. Pursuant to Government Code Section 37200 the Appropriations Limit and the Total Appropriations Subject to Limitation will be published in the annual budget.

Section 5. Filing. That after a 15-day period to allow for public review and comment, the Board Secretary is hereby authorized and directed to file a certified copy of this Resolution with the State Auditor Controller.

Section 6. That upon the effective date of this Resolution, Resolution No. 2024-6-8 is hereby rescinded in its entirety.

ADOPTED this 18th day of June 2025.



Marco Tule
President of the Inland Empire Utilities Agency*
and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

Resolution No. 2025-6-2

Page 4 of 6

EXHIBIT I

APPROPRIATIONS LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the GANN Initiative or GANN Limit, was adopted by California voters in 1980 and placed limits on the amount of taxes that state and local governmental agencies can receive and appropriate (authorize to spend) each year.

The limit is different for each agency and changes each year. The annual limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year (FY) 1978-1979 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 was passed by the State's voters in June 1990. This legislation made changes to the manner in which the Appropriations Limit is to be calculated.

The annual adjustment factors for inflation and population have been changed. Instead of using the lesser of the State of California per capita income or U.S. CPI, each agency may choose either the growth in the State of California per capita income or the growth in assessed valuation due to new non-residential construction within the agency service area. For population, each agency may choose to use the population growth within its county instead of using only the population growth of an agency's service area. These are both annual elections.

An agency which exceeds the limit in any one year may choose to not give a tax refund if they fall below the limit in the next fiscal year. They then have two more years to refund any remaining excess or to obtain a successful override vote. In certain situations, proceeds of taxes may be spent on emergencies without having to reduce the limit in the future years. Each agency must now conduct a review of its Appropriations Limit during its annual financial audits.

The legislation also requires a governing body to annually adopt, by resolution, an appropriations limit for the following year, along with a recorded vote regarding which of the annual adjustment factors have been selected. Inland Empire Utilities Agency's appropriation limit and annual adjustment factors are adopted at the same meeting as the budget. The two factors used for FY 2025/26 are the change in the State of California per capita personal income, and the change in the San Bernardino County population.

The following table shows the annual appropriations limit and the proceeds from taxes for the last five years and for FY 2025/26. The change in the limit is based upon population change of 0.44% within the county and a per capita personal income change of 6.44%, as provided by the State Department of Finance.

Resolution No. 2025-6-2
Page 5 of 6

Fiscal Year	Annual Appropriations Limit	Proceeds of Taxes (Appropriations)
2020/21	\$203,521,116	\$ 53,934,900
2021/22	\$215,549,215	\$ 57,486,000
2022/23	\$232,148,660	\$ 74,017,999
2023/24	\$242,746,245	\$ 79,035,000
2024/25	\$252,589,605	\$ 82,073,200
2025/26	\$270,038,495	\$ 92,444,500

Since the implementation of this legislation (effective 1981 then modified in 1990), Inland Empire Utilities Agency has annually established and adopted an appropriations limit and has been in compliance.

Resolution No. 2025-6-2

Page 6 of 6

EXHIBIT II**INLAND EMPIRE UTILITIES AGENCY**

Proposed Budget Fiscal Year 2025/26

Appropriations Limit Calculation

	Agency Total
2024/25 Appropriations Limit	\$252,589,605
2025/26 Change in Per Capita Personal income @ 1.06440	
2025/26 Change in Population @ 1.0044	
Ratio of Change (1.06440 x 1.0044)	1.06908
2025/26 APPROPRIATIONS LIMIT	\$270,038,495

	Agency Total
Total Expenses	\$245,013,639
Net Change in Capital Outlay	154,667,700
Debt Service	<u>221,635,266</u>
Subtotal of Appropriations	\$621,316,605
Increase/(Decrease) in Working Capital Reserves	<u>-180,742,928</u>
Total Appropriations	\$440,573,677
Less: Non-Tax Proceeds	<u>-348,129,177</u>
APPROPRIATIONS SUBJECT TO LIMITATION	\$92,444,500

RESOLUTION NO. 2025-6-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, APPROVING THE BUDGET OF THE SANTA ANA WATERSHED PROJECT AUTHORITY FOR FISCAL YEARS 2025/26 AND 2026/27

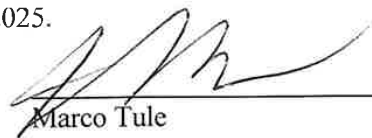
WHEREAS, the Inland Empire Utilities Agency * is a member agency of the Santa Ana Watershed Project Authority (SAWPA);

WHEREAS, the Joint Exercise of Powers Agreement (JPA), which created SAWPA, requires approval by the member agencies of all general and specific project budgets of SAWPA to the extent that such budgets may impose any liability on the member agencies; and

WHEREAS, Paragraphs 9 and 27 of the JPA requires the Inland Empire Utilities Agency's* approval of such budgets be evidenced by a certified copy of a Resolution of Approval filed with SAWPA.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Inland Empire Utilities Agency* hereby approves SAWPA's Fiscal Year (FY) 2025/26 and Fiscal Year 2026/27 Budgets, directs the Board Secretary/Office Manager to send a certified copy of this Resolution to SAWPA, and authorizes payment to SAWPA of the member agency contribution for \$454,680 (FY 2025/26) and \$484,247 (FY 2026/27).

ADOPTED this 18th day of June 2025.



Marco Tule
President of the Inland Empire Utilities
Agency* and of the Board of Directors thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

Resolution No. 2025-6-10
Page 2 of 2

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)


I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2025-6-10 was adopted at a regular
Board Meeting on June 18, 2025, of said Agency* by the following vote:

AYES: Camacho, Elie, Hall, Tule

NOES: None

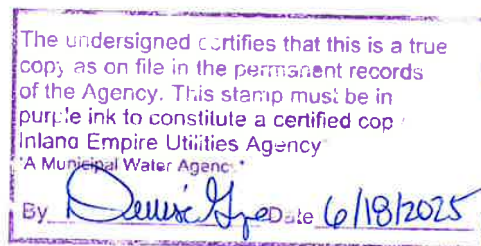
ABSTAIN: None

ABSENT: Hofer



Steven J. Elie
Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the
Board of Directors thereof

(SEAL)



* A Municipal Water District





Glossary of General Terms



Glossary of General Terms

A

ACRE-FOOT (AF) – A unit of measurement equivalent to 325,900 gallons of water, which meets the needs of two average families in and around the home for one year.

ACCRUAL BASIS ACCOUNTING – Under this accounting method, transactions are recognized when occurred, regardless of the timing of related cash receipts and disbursements.

AD VALOREM TAX – A levy upon the assessed valuation of property from the 1% rate and voter approved debt.

ADMINISTRATIVE SERVICES FUND – Serves as the Agency's general fund. Accounts for agencywide goods and services such as employment, landscaping, and janitorial expenses.

ADOPTED BUDGET – The IEUA Board approves the plan for the Agency's operations, which includes an estimate of expenditures and revenues for a given fiscal year.

AERATED STATIC PILE (ASP) – A composting method that processes 150,000 wet tons of biosolids into high-quality compost annually.

THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – The American Recovery and Reinvestment Act (ARRA) of 2009 is a stimulus bill that was signed into law by President Barack Obama on February 17, 2009, which will provide approximately \$787 billion of funding to both state and local governments, sub-allocated by the states. Many of the funds will be distributed only for "shovel ready" projects and must be obligated within a specific time period. In addition, the ARRA sets forth some other broad requirements. First, no funds may be allocated for zoos, aquariums, golf courses, swimming pools, or casinos. Second, contractors and subcontractors working on projects funded by the ARRA must be paid the prevailing wage rate, as set forth in the Davis Bacon Act. Finally, the new law requires that a preference be given to American-made goods in construction and infrastructure projects financed by the Act.

AMORTIZATION – The process of spreading out a loan into a series of fixed payments over time; paying off the loan's interest and principal in different amounts each month, although the total payment remains equal each period.

APPLICANT – Any person, firm, corporation, association, or agency that applies for recycled water service as provided in accordance with Ordinance 112.

APPROPRIATION – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ASSET – A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events.

ASSET MANAGEMENT – Asset management is a strategic, comprehensive approach that involves systematic data collection and the analysis to provide IEUA with a framework for making sound decisions each fiscal year. Asset managers must make decisions on when and how to inspect, maintain, repair, renew, and replace a diverse set of existing equipment in a cost-effective manner.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – ACWA was founded in 1910, representing and providing key services to members has been ACWA's most important charge. From legislation, to regulatory activity, to broad policy issues, ACWA is on the front lines in Sacramento and in Washington, D.C. as a constant and respected advocate for California's public water agencies. ACWA's involvement at the state and federal level has helped shape laws and policies that affect ACWA customer agencies and their constituents.

AUTHORIZED REPRESENTATIVE – A person, group, firm, partnership, corporation, association, or agency that, pursuant to written permission, from the owner of a property, has the responsibility for establishing recycled water service for a given property.

AUDIT – An official inspection of an individual's or organization's accounts, typically by an independent body.

B

BALANCED BUDGET – A budget in which revenues are equal to expenditures. Thus, neither a budget deficit nor a budget surplus exists. More generally, it is a budget that has no budget deficit, but could possibly have a budget surplus.

BIENNIAL BUDGET – The practice of preparing and adopting budgets for two-year periods.

BIOSOLIDS RECYCLING – Removal of sludge from treatment plants for composting.

BOND – A written promise to pay a specified sum of money (called principal or face value), at a specified date or dates in the future (called maturity date(s)) along with periodic interest paid at a specified interest rate.

BOND COVENANT – A legally enforceable promise made by an issuer of bonds to the bondholders, normally contained in the bond resolution, or indenture. (Example: pledged revenues).

BUDGET – A plan of financial operation embodying an estimate of proposed expenditures for a given period, and the proposed means of financing them. Used without any modifier, the term usually indicated a financial plan for a single fiscal year.

BUDGETARY CONTROL – The control or management of a government in accordance with an approved budget to keep expenses within the limitations of available appropriations and available revenues.

BUDGET CALENDAR – The schedule of key dates, which the Agency follows in the preparation and adoption of the budget.

BUDGET DOCUMENT – The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating governing body.

BUDGET MESSAGE – A written explanation by the General Manager of the proposed budget. The budget message explains principal budget and policy issues and presents an overview of the General Manager's budget recommendations.

C

CalPERS – California Public Employees Retirement System. An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

CALIFORNIA ASSOCIATION OF SANITATION DISTRICTS (CASA) – CASA is a non-profit organization whose members are public agencies involved in wastewater collection, treatment, and disposal.

CALIFORNIA URBAN WATER CONSERVATION COUNCIL (CUWCC) – The CUWCC was created to increase efficient water use statewide through partnerships among urban water agencies, public interest organizations, and private entities. The Council's goal is to integrate urban water conservation Best Management Practices into the planning and management of California's water resources.

CAPACITY DEMAND – The volume and strength (i.e., biochemical oxygen demand and suspended solids) of sewage discharged from the Community Sewer System of a SCA into the Regional Sewerage System.

CAPITAL CAPACITY REIMBURSEMENT ACCOUNT (CCRA) – Accounts that are established and maintained

by the contracting agencies, to which connection fees are deposited or credited, pursuant to the Regional Sewage Service Contract.

CAPITAL CAPACITY REIMBURSEMENT PAYMENT – A deposit or credit made to the Capital Capacity Reimbursement Account of a Sewage Collection Agency (SCA) for new connections to its Community Sewer System.

CAPITAL OUTLAY – Expenditures resulting in the acquisition of or addition to fixed assets having a useful life greater than one year.

CAPITAL PROJECT – Major construction, acquisition, or renovation which increases the useful life and value of the asset. It also includes non-routine capital expenditures (maintenance and repair) greater than or equal to \$5,000 which extends the asset's estimated useful life and capabilities. It is also sometimes referred to as capital expenditure.

CAPITAL IMPROVEMENT FUND – A fund used to account for costs incurred in acquisition, construction, and expansion of major capital facilities. It also includes expenditures for meeting the debt service obligations and the associated administrative costs.

CENTRATE – A product of biosolids dewatering; the water leaving a centrifuge after most of the solids have been removed.

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) – A Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies. Even those not contracted with CalPERS health benefits can prefund future retiree benefits such as health, vision, dental, and life insurance. By joining this trust fund, California public agencies can help finance future costs in large part from investment earnings provided by CalPERS. Since its launch in 2007, more than 575 California public employers choose CERBT as their OPEB trust fund.

CHINO BASIN PROGRAM/WATER INVESTMENT STORAGE PROGRAM (CBP/WSIP) – The Chino Basin Program/Water Investment Storage Program (CBP/WSIP) was awarded a conditional funding award of \$206.9 million through the Proposition 1 Water Storage Investment Program in 2018. In exchange for The State's investment in the program, the CBP, as currently envisioned, will construct an advanced recycled water treatment facility that would store up to 15,000 acre-feet per year of water in the Chino groundwater basin for up to 25 years (total of 375,000 AF) as well as infrastructure to extract, treat, and deliver 50,000 AF to a State Water Contractor in exchange for deliveries to

the Delta ecosystem during dry and critically dry years (maximum of 7.5 deliveries of 50,000 AF over the 25 year term). Workshops are being conducted with partnering agencies to identify project options and determine program operations and feasibility.

CHINO BASIN – An area which is underlain by the Chino and Cucamonga groundwater basins and portions of the Claremont Heights groundwater basins within San Bernardino County.

CHINO BASIN DESALTER AUTHORITY (CDA) – A joint power authority (JPA) formed in September 2001, which is comprised of the cities of Chino, Chino Hills, Ontario, Norco, the Jurupa Community Services District, the Santa Ana River Water Company, and Inland Empire Utilities Agency (IEUA). IEUA serves as a non-voting member and operates the Chino Desalter I facility, as well as grant administration functions for the JPA. Its main purpose is to manage the production, treatment, and distribution of water produced by the desalination facilities.

CHINO BASIN WATER BANK (CBWB) – IEUA entered a cost-sharing letter agreement between IEUA, the Cucamonga Valley Water District, the City of Ontario, and Monte Vista Water District (CBWB Parties) in August 2016 to fund the initial steps in the formation of the Chino Basin Water Bank (CBWB). The CBWB's primary objective is to coordinate the development of groundwater storage within the Chino Basin. The agreement is consistent with the Agency's Business Goal of increasing Water Reliability by meeting the region's need to develop reliable, drought-proof and diverse local water resources to reduce dependence on imported water supplies.

CHINO BASIN WATER CONSERVATION DISTRICT (CBWCD) – An agency whose goal is the protection of the Chino Basin in order to guarantee that current and future water needs will be met. The agency's service area includes the cities of Chino, Chino Hills, Montclair, Ontario, Rancho Cucamonga, and Upland.

CHINO BASIN WATERMASTER (CBWM) – A court created entity to account for and implement the management of the Chino Basin. Water rights in the Chino Basin are allotted amongst three pools of Chino Basin Water users: agricultural users (AG), industrial users (non-AG), and water municipalities (appropriative pool).

CLEAN WATER ACT (CWA) – Is the primary federal law in the United States governing water pollution. Its objective is to restore and maintain the chemical, physical, and biological integrity of the nation's waters by preventing point and nonpoint pollution sources, providing assistance to publicly owned treatment works for the improvement

of wastewater treatment, and maintaining the integrity of wetlands.

CLEAN WATER STATE REVOLVING FUND (CWSRF)

– Established in 1987 by the Clean Water Act, the program is part of the United States Environmental Protection Agency's Office of Wastewater Management and administered in California by the State Water Resources Control Board. The fund serves to finance "constructionready" water and wastewater infrastructure projects.

CONTROL ENVIRONMENT – Sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal controls, providing discipline and structure.

COMMERCIAL UNIT – A building, establishment, or premises where businesses selling goods or providing professional or other services to the public or governmental offices are or will be located.

COMMUNITY SEWER SYSTEM – Means all facilities owned, controlled or operated by a Sewage Collection Agency for the purpose of collecting and conducting sewage to a delivery point, including collector sewers conducting sewage from the originating premises, trunk sewers conducting sewage from tributary collector sewers or other trunk sewers and any facilities appurtenant to the foregoing.

COMPOST – A product resulting from the decomposition and sanitation of organic materials through processes that involve the reactions between controlled aerobic conditions (that require oxygen), temperature, moisture, microbial activity, and time. In this process, microbes (microorganisms which usually include types of bacteria and fungi) break down organic materials into smaller, more usable substances.

COLA – Cost of living adjustments to employee wages.

CONJUNCTIVE USE – The planned use of groundwater in conjunction with surface water in overall management to optimize total water resources.

CONTINGENCY – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

COST CONTAINMENT STRATEGY – An action plan to identify sustainable cost reduction opportunities across the Agency by major expense categories and capital expenditures. Progress is monitored and reported as part of the budget to actual variance process.

D

DEBT SERVICE – Payment of current year portion of interest and principal costs incurred on long-term debt issued by the Agency.

DELIVERY POINT – The transfer point at which Sewage is delivered from a Community Sewer System into the Regional Sewerage System.

DEMAND DEFICIT – The difference between the aggregate total Forecasted Demand of a SCA and the total aggregate Equivalent Dwelling Units connected to its Community Sewer System during an eight-year period commencing with the fifth fiscal year preceding the fiscal year for which IEUA is at the time of the determination of such difference preparing a Ten-Year Sewer Capital Forecast, and including the initial three fiscal years of such Ten-Year Sewer Capital Forecast.

DEPARTMENT – A basic organizational unit of government dealing with a specific subject. A department may be grouped into divisions, programs, activity groups, and/or activities. Also referred to as Business Area.

DEPARTMENT OF WATER RESOURCES (DWR) – DWR operates and maintains the State Water Project, including the California Aqueduct. The department also provides dam safety and flood control services, assists local water districts in water management and conservation activities, promotes recreational opportunities, and plans for future statewide water needs.

DISPOSE OR DISPOSAL – Any process or method for the elimination or beneficial use of Sewage and any Effluent or solid waste residuals thereof, including exportation from the Chino Basin.

DISASTER RECOVERY PLAN – A written plan that describes how to recover systems and/or services in the event of a disaster.

E

EFFLUENT – Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

ENERGY MANAGEMENT PLAN – The Agency's Energy Management Plan was adopted by the Board of Directors in March 2017. Primarily it is to benchmark the Agency's current energy performance and greenhouse gas emissions baseline, forecast future demands, and explore measures for a reliable and sustainable energy infrastructure to achieve the objectives set forth in IEUA's Strategic Goals. The major initiatives included in the EMP

are peak power independence, grid interdependence, organics diversion, and carbon neutrality.

ENTERPRISE FUND – A fund that provides goods or services to the public for a fee that makes the entity self-supporting. It basically follows GAAP as does a commercial enterprise. An example is a government-owned utility.

EQUIVALENT DWELLING UNIT (EDU) – EDU is a numerical value designation where 1 EDU represents the sewage flow from a single-family residential household and is measured as 270 gallons per day of sewage discharge pursuant to the Regional Sewerage Service Contract.

ESKER – A global cloud platform built to unlock strategic value for finance and customer service professionals while strengthening collaboration between companies automating the cash conversion cycle.

EXPANSION – The acquisition or construction of new facilities for the Regional Sewerage System and the making of any replacements, betterments, additions or extensions of the Regional Sewerage System.

EXPENSES – Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges presumed to benefit the current fiscal period.

F

FACILITIES – Any pipelines, buildings, structures, works, improvements, fixtures, machinery, equipment, or appliances and any real property, or interests therein, necessary or convenient for the construction, maintenance and operation of any of the Regional Sewerage System.

FISCAL YEAR – A 12-month period to which the annual operating budget applies and at the end of which an entity determines its financial position and the results of its operation. Inland Empire Utilities Agency operates on a fiscal year from July 1, through June 30.

FISCAL CONTROL ORDINANCE – Provide a system of financial administration, accounting, and fiscal and budgetary control which conforms to generally accepted accounting principles and practices.

FORECASTED DEMAND – The yearly forecasted or estimated volume and strength of sewage discharged from the Community Sewer System of a SCA into the Regional Sewerage System as set forth in a Ten-Year Sewer Capital Forecast.

FULL TIME EQUIVALENT (FTE) – The conversion of a part-time, temporary, or volunteer position to a decimal

equivalent of a full-time position based on an annual amount of 2,080 hours worked.

FUND – A fiscal and accounting entity with a self-balancing set of accounts in which assets are recorded and segregated to carry on specific activities.

FUND BALANCE – Used to describe the net position of the Agency's funds calculated in accordance with generally accepted accounting principles (GAAP). The Agency has historically maintained fund balance reserves to ensure sufficient funding is available to meet its operating, capital and debt service obligations, comply with legally mandated requirements, and have the ability to respond to unforeseen events. Fund balances are designated for specific purposes, as defined in the Agency's Reserve Policy.

FUND TRANSFER – Fund transfer required to maintain a given level of fund balance in accordance with Board policies and bond covenants.

G

GASB 34 – Statement No. 34 issued by the Governmental Accounting Standards Board (GASB) that was implemented by the Commission in FY 2001/02. GASB 34 established new financial standards for state and local governments. Under the new financial reporting model, governmental financial statements include basic financial statements that present both government-wide and fund financial statements and require supplementary information, including Management's Discussion and Analysis.

GASB 45 – This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

GASB 67 – The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, FINANCIAL REPORTING FOR DEFINED BENEFIT PENSION PLANS AND NOTE DISCLOSURES FOR DEFINED CONTRIBUTION PLANS, and No. 50, PENSION DISCLOSURES, as they relate to pension plans that are

administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

GASB 68 – The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions in regards to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

GASB 87 – Establishes a single model for the accounting of leases based on the principle that leases are financings of the right to use the underlying asset. This new standard was deemed necessary to ensure that reporting of lease agreements is consistent with the conceptual framework of assets and liabilities.

GASB 96 – This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – Minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The GASB is the primary authoritative accounting and financial reporting standard-setting body on the application of GAAP to state and local governments.

GOALS AND OBJECTIVES – Specific projects and programs to be undertaken utilizing allocated financial resources and are designed to further the achievement of the Agency's vision, mission, and IEUA Business Goals.

GRANTS MANAGEMENT – The management of contributions or gifts of cash or other assets from another government to be used or expended for a specified purpose, activity, or facility.

GROUNDWATER – Water that occurs beneath the land surface and fills partially or wholly pore spaces of the alluvium, soil, or rock formation in which it is situated. It does not include water which is being produced with oil in the production of oil and gas or in a bona fide mining operation.

GROUNDWATER BASIN – A groundwater reservoir defined by the entire overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of successively deeper aquifers may differ and make it difficult to define the limits of the basin.

GROUNDWATER RECHARGE – The action of increasing groundwater storage by natural conditions or by human activity.

I

INDUSTRIAL UNIT – A building, establishment, or premises where manufacturing, fabrication or assembly operations or industrial or chemical processes are conducted.

INDUSTRIAL WASTE – Any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operations of whatever nature as more particularly defined, from time to time, by any federal, state, or regional agency authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA) – A joint power authority (JPA) established by IEUA and the Los Angeles County Sanitation Districts (LACSD) in February 2002 for recycling biosolids.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY (IERCF) – A fully enclosed, nuisance and odor free composting facility owned by the IERCA, for processing and recycling biosolids, which is located in Rancho Cucamonga, California.

INLAND EMPIRE UTILITIES AGENCY (IEUA) – A municipal water district.

INTEREST – Revenue derived from the investment of idle cash and/or reserves.

INTEREST RATE SWAP – A contractual agreement between two parties who agree to exchange (swap) certain cash flows for a defined period of time. The swap is designed to generate a new change in the interest rate cash flow related to an asset or liability, but neither impacts the principal of that asset or liability nor results in the creation of any new principal.

INTERFUND LOAN – Loan between Agency program funds to support a shortfall in debt service, operating, and/or capital requirements, and the establishment of a promissory note between the borrower and lender, providing payment terms and a repayment timeline. This transaction requires approval by the Agency Board.

INSTITUTE OF INTERNAL AUDITORS (IIA) – Established in 1941 as an international professional association and recognized as the internal audit profession's leader in certification, education, and technical guidance.

INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) – The Integrated Regional Water Management planning process is a local water management approach preferred by the Governor, the State Department of Water Resources, and the State Water Resources Control Board. It is aimed at securing long-term water supply reliability within California by first recognizing the inter-connectivity of water supplies and the environment and then pursuing projects yielding multiple benefits for water supplies, water quality, and natural resources.

L

LEAN – A production practice that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful, and thus a target for elimination.

LIABILITY – Probable future sacrifice of economic benefits, arising from present obligation of a particular entity to transfer assets or provide service to other entities in the future as a result of a past transaction or event.

LONG RANGE PLAN OF FINANCE – A report that summarizes the results of a comprehensive financial planning model built to provide a clear funding strategy for the Agency to meet capital and operating requirements.

LOS ANGELES COUNTY SANITATION DISTRICTS (LACSD) – A special district created within Los Angeles County to treat residential and industrial wastewater discharge.

M

MAJOR FUND – Those funds whose revenues, expenditures/expenses, assets or liabilities are at least ten percent of the total for their fund category (governmental or enterprise) and five percent of the aggregate of all governmental and enterprise funds in total.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWD) – MWD is one of the world's largest water agencies. It imports almost 60 percent of the water

used by more than 15 million people in urban Southern California. MWD wholesales water to its 27 customer agencies, including IEUA. Metropolitan is governed by a 51-member Board of Directors representing its customer agencies.

METER EQUIVALENT UNIT (MEU) – A measurement expressed in terms of a ratio of rated meter capacity for each meter size relative to the size of a standard residential meter.

MILLION GALLONS PER DAY (MGD) – MGD is the term used to represent million gallons per day of sewage discharged to IEUA wastewater treatment facilities.

MUNICIPAL STORM WATER SEWER SYSTEM (MS4) – An MS4 is a conveyance or system of conveyance that is; Owned by a state, city, town, village, or other public entity that discharges to waters of the U.S.; Designed or used to collect or convey storm water (including storm drains, pipes, ditches, etc.); Not a combined sewer; and Not part of a Publicly Owned Treatment Works (sewage treatment plant).

N

NO DRUGS DOWN THE DRAIN (NDDD) – Program to discourage residents from flushing expired drugs.

NON-DOMESTIC WASTE – Waste or wastewater discharged into the Community Sewer System of a SCA which has a greater concentration of total dissolved solids or biochemical oxygen demand or any other constituents limited by IEUA than the waste or wastewater discharged from the typical single family domestic household in the SCA's Service Area.

NON-RECLAIMABLE WASTEWATER – Any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operation of whatever nature as defined by federal, state, or regional agencies authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin.

NON-RECLAIMABLE WASTEWATER PROGRAM – The activities of the NRW System, which is owned and operated by the Agency and provides for the export of high-salinity and industrial wastewater generated within the Agency's service area to the Pacific Ocean.

O

ONE WATER ON WATERSHED PROGRAM (OWOW) – A new and innovative planning process being developed

within the Santa Ana Watershed. Through collaborative strategic partnerships and building upon the successful watershed planning in the past, the next generation of integrated regional watershed planning is under development to solve problems on a regional scale and give all water interests a voice in the planning process.

OPEB – Benefits (other than pensions) that U.S. state and local governments provide to their retired employees. These benefits principally involve health care benefits, but also may include life insurance, disability, legal, and other services.

OPERATION AND MAINTENANCE BUDGET (OPERATING BUDGET) – Plans of current expenses and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

OPERATING EXPENSES – Proprietary fund expenses related directly to the fund's primary activities.

OPTIMUM BASIN MANAGEMENT PLAN (OBMP) – A comprehensive plan to increase artificial groundwater recharge within Chino Basin using storm water, recycled water, and imported water.

ORANGE COUNTY SANITATION DISTRICT (OC San) – A public agency located in Fountain Valley, Orange County providing wastewater treatment services for 21 cities and 3 sanitation districts in Orange County.

ORDINANCE – A law set forth by a governmental or legislative body.

ORGANICS MANAGEMENT PROGRAM – The activities for processing treated water, methane gas, and biosolids into usable, marketable products, i.e.: recycled water, renewable energy, and high-quality compost.

P

PAY-AS-YOU-GO (PAY-GO) – The practice of funding construction expenditures from current revenue or existing revenue in lieu of using debt proceeds.

PEACE II – Approved by the Court in December 2007 as part of the Chino Basin Watermaster's Optimum Basin Management Plan (OBMP) and provides for the "re-operation" and attainment of "hydraulic control" in the groundwater basins.

PROGRAM – Group activities, operations, or organizational units directed to attaining specific purposes or objectives.

PROGRAM BUDGET – A budget wherein expenses are based primarily on the functions or activities of a government rather than based on specific items of cost, or specific departments.

PROPOSITION 1 FUNDING – In July 2018, the California Water Commission approved \$206.9 million, the full funding of IEUA's Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program (Chino Basin Project). Funding for the project comes from Proposition 1, a state water bond approved by voters in 2014, to invest \$2.7 billion for investments in new water storage projects. Projects were evaluated, ranked, scored, and offered funding based on their ability to increase statewide resiliency under climate change and other uncertainties; technical environmental, economic, and financial feasibility which have a low implementation risk; the ability to provide environmental value in alignment with the State's ecosystem and water quality priorities; and strong public benefits. The Chino Basin Project involves the construction of an advanced water treatment facility and distribution system that will treat and store up to 15,000 acre-feet per year of recycled water for 25 years in the Chino Basin Water Bank, creating a new local water supply. In partnership with an existing State Water Project Contractor, this water would be exchanged in blocks of up to 50,000 acre-feet per year towards ecosystem benefits north of the Delta.

PROPOSITION 1A – The proposition is intended to protect revenues collected by local governments from being transferred to the California state government for statewide use. The provisions may be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature approves the suspension.

PROPRIETARY FUND – A business-like fund in governmental accounting of a state or local government. Examples of proprietary funds include enterprise funds and internal service funds. Enterprise funds provide goods or services to the general public for a fee.

PUBLIC EMPLOYEE RETIREMENT SYSTEM (PERS) – An autonomous instrumentality of the State established to oversee public employer and employee retirement contributions.

PUBLICLY OWNED TREATMENT WORKS (POTWs) – Members of the Southern California Alliance of Publicly Owned Treatment Works (SCAP). See SCAP definition.

Q

QUALITY IMPROVEMENT PROGRAM – Identify high impact or recurring issues and develop corrective action plans.

R

READINESS-TO-SERVE (RTS) CHARGE – A Metropolitan Water District charge to its customer agencies. The charge is designated to provide firm revenue for the MWD's capital improvement program (CIP) and debt service to meet the reliability and quality needs of existing users.

READINESS TO SERVE TEN YEAR ROLLING AVERAGE (RTS TYRA) – A pass through charge to the local customer agencies (Cucamonga Valley Water District, Fontana Water Company and Water Facilities Authority), to recover their share of total RTS charge imposed by MWD and phased-in over a period of seven (7) years, effective October 1, 2016.

RECHARGE – The physical process where water naturally percolates or sinks into a groundwater basin.

RECHARGE BASIN – A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

RECHARGE WATER PROGRAM – The activities for development of increased recharge capacity within the Chino Basin region using storm water, recycled water, and imported water.

RECYCLED WATER – Effluent that goes through a process or method for altering its quality to standards superior to those prescribed for treatment.

RECYCLED WATER BUSINESS PLAN (RWBP) – Developed to accelerate the implementation of the 2005 Regional Recycled Water Implementation Plan with a goal of increasing the demand for recycled water connections to 50,000-acre foot per year (AFY).

RECYCLED WATER PROGRAM – The activities for the use of recycled water to meet Southern California's water demand. Recycled water is a proven technology and implementing its use will provide a more dependable local supply of water, as well as, reduce the likelihood of water rationing during droughts.

RECYCLED WATER PROGRAM STRATEGY (RWPS) – The primary objective of the RWPS is to update supply and demand forecasts and prioritize projects to maximize the beneficial use of recycled water throughout the year. This is necessary as changes in the region's water resource priorities occur and increased water efficient landscape measures are adopted.

RECYCLING – A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term "recycled water" to reclaimed water.

REDEVELOPMENT AGENCY (RDA) – A government subdivision created to improve blighted, depressed, deteriorated economically depressed areas. RDAs were officially dissolved in February 2012.

REGIONAL COMPOSTING AUTHORITY (RCA) – (See Inland Empire Regional Composting Authority.)

REGIONAL INTERCEPTOR – Includes, but is not limited to, pipelines, facilities and appurtenances which receive sewage from the most downstream trunk or collector sewer of a Community Sewer System, or a portion thereof, for the purpose of transmitting the sewage to a Regional Treatment Plant or to any other point of disposal, and any facilities appurtenant thereto, or any sewer which is utilized for the transmission of the sewage of two or more SCAs to such a plant or point of disposal.

REGIONAL POLICY COMMITTEE – Advises IEUA of the needs and views of the SCAs concerning IEUA's policies and activities in the financing, acquisition, construction, maintenance and operation of the Regional Sewerage System, to make reports and recommendations with respect thereto, and to inform the SCAs concerning such policies and activities.

REGIONAL SEWERAGE SYSTEM – All facilities owned, controlled, or operated by IEUA and any interest or capacity rights of IEUA in facilities owned, controlled, or operated by others, for the purpose of transmitting, treating and/or disposing of Sewage, including interceptor sewers, sewage treatment and disposal plants, facilities for the Disposal of Effluent and solid waste residuals and any facilities appurtenant to the foregoing. The Regional Sewerage System does not include the recycled water system which is owned, operated, managed, and maintained by IEUA. The Regional Sewerage System shall include all other disposal facilities which are required to meet the requirements of the National Pollutant Discharge Elimination System Permit or permits or Waste Discharge Requirements issued to IEUA by the Regional Water Quality Control Board, Santa Ana Region, for the operation of the Regional Treatment Plants.

REGIONAL TECHNICAL COMMITTEE – Advises the Regional Policy Committee on technical matters related to the Regional Sewerage System. Participation shall be voluntary. The members and alternate members of the Regional Technical Committee shall be appointed by their respective SCAs and IEUA shall be entitled to appoint one member and alternate members with the same right of participation as other members. The committee shall hold regular meetings quarterly or as needed in the determination of IEUA. Appointments and the number of alternates shall be determined in the sole discretion of each SCA and IEUA as applicable.

REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND – The fund of IEUA into which is deposited all Supplemental Capital Outlay Funds received by IEUA from the SCAs for the acquisition, construction, improvement, and expansion of the Regional Sewerage System.

REGIONAL WASTEWATER PROGRAM – The activities associated with the primary, secondary, and tertiary treatments of domestic wastewater delivered by the contracting agencies to the Agency's interceptors and wastewater treatment facilities.

RENEWABLE ENERGY – Energy that is produced from clean renewable sources such as solar power, wind power, and natural gas produced from the decomposition of organic materials.

REQUEST FOR PROPOSAL (RFP) – An early stage in a procurement process, issuing an invitation for vendors, often through a bidding process, to submit a proposal on a project.

RESERVE – An account used to indicate that a portion of fund equity is restricted for a specific purpose, or not available for appropriation and subsequent spending.

RESIDENTIAL UNIT – A single-family residence, a condominium unit, an apartment unit or other such structure or portion thereof which is equipped and suitable for human habitation or a mobile home space in a mobile home park, not including, however, transient lodging rooms in motels or hotels which are considered to be commercial units.

RESOLUTION – A special or temporary order of a legislative body requiring less formality than a statute or ordinance. Resolutions typically become effective upon their adoption by the IEUA Board of Directors.

REVENUE – Income generated by taxes, user charges, connection fees, investment income, bonds, and leases.

S

SALINITY – Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids – TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

SANTA ANA REGIONAL INTERCEPTOR (SARI) – Underground regional wastewater interceptor line owned by the Santa Ana Watershed Project Authority.

SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) – A Joint Exercise of Powers Agency created

to implement the regional components for water quality management as set forth in the adopted water quality control plan for the Santa Ana River Watershed. Customer agencies include: Inland Empire Utilities Agency, Orange County Water District, San Bernardino Valley Municipal Water District, and Eastern Municipal Water District.

SANTA ANA RIVER WATERSHED ACTION TEAM CONJUNCTIVE USE PROJECT (SARCUP) – This project is to develop a watershed-scale conjunctive use program.

SB-272 – The California Public Records Act: local agencies: inventory – This bill requires each local agency, except a local educational agency, in implementing the California Public Records Act, to create a catalog of enterprise systems, as defined, to make the catalog publicly available upon request in the office of the person or officer designated by the agency's legislative body, and to post the catalog on the local agency's Internet Web site.

SBITA – A contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT (SBCFCD) – An agency whose goal is to intercept and convey flood flows through and away from the major developed areas of the County by a system of facilities, including dams, conservation basins, channels, and storm drains.

SECONDARY TREATMENT – Generally, a level of treatment that produces 85 percent removal efficiencies for biological oxygen demand and suspended solids.

SERVICE AREA – The territory served by IEUA for sewage collection and treatment operations. IEUA territory covers 242 square miles, encompassing the urban west end of San Bernardino County, immediately east of the Los Angeles County line, and including the cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and Rancho Cucamonga.

SEWAGE – Any liquid waste and water borne solid waste resulting from residential, commercial, industrial, or institutional activities or uses.

SEWAGE COLLECTION AGENCY (SCA) – Any county, city or special district, other than IEUA, which is located in whole or in part within the IEUA Service Area and which is authorized to own, control and operate a Community Sewer System. The current agencies served by IEUA include the Cities of Chino, Chino Hills, Upland, Montclair, Ontario, Fontana, and Cucamonga Valley Water Districts

as part of the Regional Sewerage System Ordinance No. 111.

SEWER – Any pipeline conducting sewage, either by gravity or by pressure, and any facilities appurtenant thereto.

SEWER SYSTEM MANAGEMENT PLAN (SSMP) – The plan was adopted by the Board in April 2009 to comply with the State Water Resources Control Board Order No. 2007-003. This Order established the General Waste Discharge Requirements (WDR) for all public entities that own or operate sanitary sewer systems greater than one mile in length of sewer line within the state of California to prevent and minimize sanitary sewer overflows (SSO).

SEWER USER CHARGE – Any charge, fee, rental, or rate, excluding property taxes and Capital Capacity Reimbursement Payments, which is imposed on and collected from the owner, lessee, or occupant of property for providing services and facilities of any Community Sewer System or the Regional Sewerage System, or both.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) – This is an air pollution control agency for all of Orange County and the urban portions of Los Angeles, Riverside, and San Bernardino counties.

SOUTHERN CALIFORNIA ALLIANCE OF PUBLICLY OWNED TREATMENT WORKS (SCAP) – SCAP is a nonprofit corporation organized to help ensure that regulations affecting Publicly Owned Treatment Works (POTWs) and collection systems are reasonable and in the public's best interest and to provide leadership, technical assistance and timely information to promote regulations that focus on the sustainable protection of the environment and public health. As of December 2010, 86 of its 106 POTW members were public wastewater agencies located in seven counties. Collectively, the POTWs members provide over 1 billion gallons per day of wastewater treatment to more than 18 million people in Southern California and produce over 1.4 million wet tons of biosolids per year.

SPECIAL PROJECTS – Special projects are a collection of operation and maintenance expenses that are incurred by the Agency in pursuit of very specific goals and objectives that are consistent with the Agency's mission. They are, by their nature, a unique form of cost accounting. Special projects may consist of direct labor, materials and supplies, and outside consultant fees, but they may not contain any expenditure for any type of capital asset, such as construction or equipment costs. Example of a special project: a long-term planning or feasibility study that would involve the efforts of several different departments or in partnership with other agencies over a protracted period of time.

STATE REVOLVING FUND (SRF) – The Federal Clean Water Act amendments of 1897 authorized the use of federal money to create an SRF loan program to replace the Federal Clean Water Grant program. SRF loans are used for the construction and upgrade of publicly owned treatment works. SRF loans can also be used to support reclamation nonpoint source pollution, storm drainage, and estuary projects.

STATE WATER RESOURCES CONTROL BOARD (SWRCB) – This is a joint authority of water allocation and water quality protection that provides comprehensive protection for California's waters, enforcing the many uses of water, including the needs of industry, agriculture, municipal districts, and the environment. The SWRCB also administers SRF loans and grants.

SUPERVISORY CONTROL and DATA ACQUISITION (SCADA) – Is a system operating with coded signals over communication channels so as to provide control of remote equipment (using typically one communication channel per remote station).

SUPPLEMENTAL CAPITAL OUTLAY FUNDS – Contributions by a SCA from its Capital Capacity Reimbursement Account reserves to IEUA to supplement the funding of the planning, design and construction of Regional Sewerage System capital improvement projects.

SYSTEM APPLICATION and PRODUCTS (SAP) – The Agency's Enterprise Resource Planning (ERP) system which stands for increased efficiency, streamlining the supply-chain network and overhauling the entire business process of the organization. This ERP system provides transparency that follows – real-time visibility across the entire enterprise and is not limited to management or staff.

T

TAXES – Compulsory charges levied by a government to finance services performed for the common benefit.

TEETER PLAN – California Legislature enacted an alternative method for the distribution of secured property taxes to local agencies.

TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP) – Volume II of the Agency's annual budget, this report is prepared each year to identify capital spending requirements, forecasted capacity demands and long-term programs.

TERTIARY TREATMENT – The treatment of wastewater beyond the secondary or biological stage. Normally implies to the removal of nutrients, such as phosphorus and nitrogen, and a high percentage of suspended solids.

TITLE 22 – Regulations set forth by the California Department of Health Services. Required to ensure water quality standards are being met.

TRANSMIT OR TRANSMISSION – The conducting (i) of Sewage from any Delivery Point to a Regional Treatment Plant or other point of Disposal or (ii) of Effluent from a Regional Treatment Plant to a point of Disposal.

TREAT OR TREATING OR TREATMENT – Any process or method for altering the quality of Sewage and/or Effluent to meet applicable regulatory standards for Disposal or beneficial reuse.

U

UNITED STATES BUREAU OF RECLAMATION (USBR) – A public agency whose primary goal is to manage, develop, and protect water as well as related resources in an environmentally and economically sound manner in order to meet the increasing water demands of the Western States.

URBAN WATER MANAGEMENT PLAN – Describes all water supplies and demands within IEUAs service area in accordance with California State Law.

V

VADOSE ZONE – Region of earth between the land surface and the top of the water table.

VOLUMETRIC FEES – Fees charged to customers for their metered wastewater flows.

W

WATER CONNECTION FEE – It is also called "One Water Connection Fee," a fee to connect to the IEUA regional water system consisting of potable water, recycled water, and groundwater recharge. The fee will support future expansion of the regional water system, which consists of potable water, recycled water, and groundwater recharge.

WASTEWATER – Water that has been previously used by a municipality, industry, or agriculture and has suffered a loss of quality as a result of use.

WASTEWATER CONNECTION FEE – A fee to connect to the IEUA regional sewer system. The fee is restricted to support capital acquisition, construction, equipment, and process improvement costs for the regional sewer system.

WASTEWATER FACILITIES MASTER PLAN (WFMP) – The primary policy guiding the development of the Agency's

Ten-Year Capital Improvement Plan. Used to coordinate an integrated water resources planning framework.

WATER FACILITIES AUTHORITY (WFA) – A public agency that treats and supplies approximately 40,000 acre-feet of imported water each year. This imported water serves as a supplemental source of water for approximately 450,000 residents in the west end of San Bernardino County.

WATER RESOURCES PROGRAM – The activities to support integrated water resource management and regional conservation programs to increase the resiliency of existing water supplies and reduce reliance on imported water purchase.

WATER REUSE ASSOCIATION (WaterReuse) – The Water Reuse Association is a nonprofit organization whose

mission is to advance the beneficial and efficient use of water resources through education, sound science, and technology using reclamation, recycling, reuse, and desalination for the benefit of our members, the public, and the environment.

WATER USE EFFICIENCY PLAN (WUE) – Plan designed to supplement existing surface water and groundwater supplies.

WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT (WIFIA) – Administered by the Environmental Protection Agency, the federal credit program provides long term, low-interest funding for regionally and nationally significant water and wastewater infrastructure projects.





Acronyms



Acronyms

4Rs Repair, Relocation, Reconstruction, and Rehabilitation

A

ACFR Annual Comprehensive Financial Report
ACH Automated Clearing House
ACWA Association of California Water Agencies
AF Acre-Feet
AFY Acre-Feet per Year
AI Artificial Intelligence
AMP Asset Management Plan
AQMD Air Quality Management District
ARMA Association of Records Managers and Administrators (now expanded to ARMA International)
ARRA American Recovery Rehabilitation Act
ASA Adaptive Security Appliance
AWPF Advanced Water Purification Facility

B

BMP Best Management Practice
BOD Biochemical Oxygen Demand
BSS Brine Sewer System

C

CalPERS California Public Employees Retirement System
CAD Computer Aided Design
CaDC California Data Collaborative
CAL/VPP Cal OSHA Star Voluntary Protection Program
CAPPO California Associations of Public Procurement Officials
CASA California Association of Sanitation Agencies
CBFIP Chino Basin Facilities Improvement Project
CBP/WSIP Chino Basin Program/Water Investment Storage Program
CBWB Chino Basin Water Bank
CBWCD Chino Basin Water Conservation District
CBWMD Chino Basin Watermaster District

CCMP Chino Creek Master Plan
CCMS Computerized Maintenance Management System
CCRA Capital Capacity Reimbursement Account
CCTV Closed Circuit Television
CCW Carbon Canyon Wastewater
CCWRF Carbon Canyon Water Recycling Facility
CDA Chino Basin Desalter Authority
CDPH California Department of Public Health
CEC California Energy Commission
CEMS Continuous Emission Monitoring System
CEQA California Environmental Quality Act
CERBT California Employers' Retiree Benefit Trust
CFS Cubic Feet per Second
ChaRM Charge & Request Management
CHP Combined Heat and Power
CIA Cash in Advance
CII Commercial, Industrial, and Institutional
CIM California Institute for Men
CIP Capital Improvement Program
CIPP Cured in Place Pipe
CIW California Institute for Women
CM Construction Management
CMMS Computerized Maintenance Management System
COBRA Consolidated Omnibus Budget Reconciliation Act
COD Chemical Oxygen Demand
COLA Cost of Living Adjustment
COS Cost of Service
CPA Certified Public Accountant
CPE Continuing Professional Education
CPI Consumer Price Index
CPUC California Public Utilities Commission
CSI California Solar Incentive
CSMFO California Society of Municipal Finance Officers
CUPA Certified Public Utilities Commission

CUWCC	California Urban Water Conservation Council
CWA	Clean Water Act
CWEA	California Water Environment Association
CWSRF	California Clean Water State Revolving Fund

D

DAFT	Dissolved Air Flotation Thickener
DCR	Debt Coverage Ratio
DCS	Distribution Control System
DEW	Discover the Environment and Water
DF&G	Department of Fish and Game
DFT	Don't Flush Trouble
DHS	California Department of Health Services
DOE	Department of Energy
DWR	Department of Water Resources
DYY	Dry Year Yield

E

E&I	Electrical and Instrumentation
EAM	Enterprise Asset Management
EC	Emerging Constituents
ECM	Electronic Content Management
ECMS	Electronic Content Management System
ECOP	Environmental Compliance Operations Program
EDU	Equivalent Dwelling Unit
EEO	Equal Employment Opportunity
EE&CM	Engineering, Energy, & Construction Management
ELAP	Environmental Laboratory Accreditation Program
EP	Energy Production
EPA	Environmental Protection Agency
EPMC	Employer Paid Member Contribution
ERP	Enterprise Resources Planning
ESS	Employee Self-Service
EWL	Etiwanda Wastewater Line

F

FEMA	Federal Emergency Management Agency
FLSA	Fair Labor Standards Act
FMLA	Family Medical Leave Act
FOG	Fats, Oils, and Grease
FTE	Full Time Equivalent
FY	Fiscal Year

G

GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GCMS	Gas Chromatograph/Mass Spectrometer
GEELA	Governor's Environmental and Economic Leadership Award
GFOA	Government Finance Officers Association
GG	Administrative Services Program
GIS	Geographic Information System
GIES	Garden in Every School
GHG	Greenhouse Gas
GM	Grants Management
GPCD	Gallons per Capita per Day
GPD	Gallons per Day
GPM	Gallons per Minute
GUI	Graphical User Interface
GWR	Groundwater Recharge
GWRMP	Groundwater Recharge Master Plan

H

H2S	Hydrogen Sulfide
HCM	Human Capital Management
HCMP	Hydraulic Control Monitoring Program
HCP	Habitat Conservation Plan
HECW	High-Efficiency Clothes Washers
HET	High-Efficiency Toilet
HQ	Headquarters
HR	Human Resources
HRIS	Human Resources Information System
HSA	Health Savings Account

HTFC High Temperature Fuel Cell
HVAC Heating/Ventilation/Air Conditioning

I

I&C Instrumentation & Control
IAD Internal Audit Department
ICE Internal Combustion Engine
ICP Inductively Coupled Plasma
ICS Incident Command System
IDC Improvement District "C"
IE Inland Empire
IEBL Inland Empire Brine Line
IERCA Inland Empire Regional Composting Authority
IERCF Inland Empire Regional Composting Facility
IEUA Inland Empire Utilities Agency
IEWORKS Inland Empire Works
IIA Institute of Internal Auditors
IPS Intrusion Prevention System
IRP Integrated Water Resources Plan
IRWMP Integrated Regional Water Management Plan
IS Information Services
IT Information Technology

J

JCSD Jurupa Community Service District
JPA Joint Powers Authority

K

KPI Key Performance Indicators
KSA Knowledge, Skills, and Abilities
KVM Keyboard/Video/Mouse
kWh Kilowatt hour

L

LACSD Los Angeles County Sanitation Districts
LAN Local Area Network
LC-MS/MS Liquid Chromatography Mass Spectrometry

LEED Leadership in Energy and Environmental Design

LF Linear Feet

LIBOR London Inter-Bank Offered Rate

LID Low Impact Development

LIMS Laboratory Information Management System

LMS Learning Management System

LOI Letter of Interest

LPP Local Projects Program

LRP Local Resources Program

LRPF Long Range Plan of Finance

LS Lift Station

LT Limited Term

M

MCC Motor Control Center

MEU Meter Equivalent Unit

MG Million Gallons

Mg/L Milligrams per liter

MGD Million Gallons per Day

ML Machine Learning

MMBA Meyers-Milias-Brown-Act

MOU Memorandum of Understanding

MPC Milk Producer's Council

MS4 Municipal Storm Water Sewer System

MSDS Material Safety Data Sheets

MSS Manager Self-Service

MVV Mission, Vision, and Values

MVWD Monte Vista Water District

MW Megawatts

MWD Metropolitan Water District of Southern California

N

NAC Network Access Control

NC Non-Reclaimable Wastewater Program

NDDD No Drugs Down the Drain

NDMA Nitrosodimethylamine

NELAP	National Environmental Laboratory Accreditation Program
NFPA	National Fire Protection Association
NPDES	National Pollution Discharge Elimination System
NPI	National Purchasing Institute
NRW	Non-Reclaimable Wastewater
NRWS	Non-Reclaimable Wastewater System
NRWSCU	Non-Reclaimable Wastewater System Capacity Unit
NTC	National Theatre for Children
NWRA	National Water Resources Association

O

O&M	Operations & Maintenance
OBMP	Optimum Basin Management Plan
OC San	Orange County Sanitation District
OCWD	Orange County Water District
OE	Office Engineering
OES	Office of Emergency Services
OFA	Office of Finance and Administration
OM	Organics Management Program
OP	Obligation Payment Fund, Wastewater Program, Debt Services
OPEB	Other Post-Employment Benefits
ORC	Organic Rankine Cycle
ORP	Oxidation Reduction Potential
OT	Operations Technology
OTDR	Optical Time Domain Reflectometer
OWOW	One Water One Watershed

P

PAY-GO	Pay-As-You-Go
P&ID	Piping and Instrumentation Diagrams
PD	Positive Displacement
PDR	Preliminary Design Report
PE	Perkin Elmer
PEIR	Preliminary Environmental Impact Report
PERS	Public Employee Retirement System

PFAS	Per- and Polyfluorinated Substances
PIER	Public Interest Energy Research
PIO	Public Information Officer
PLCs	Programmable Logic Controllers
PLPs	Personal Learning Plans
PM	Plant Maintenance

PMT	Plant Maintenance Technician
POTWs	Publicly Owned Treatment Works
PPA	Power Purchase Agreement
PROP 1	Proposition 1
PRV	Pressure Reducing Valve
PS	Pump Station
PTSC	Pretreatment and Source Control
PVC	Polyvinyl Chloride
PZ	Pressure Zone

Q

QA/QS	Quality Assurance/Quality Control
--------------	-----------------------------------

R

RAS	Return Activated Sludge
R&R	Replacement and Rehabilitation
RATA	Relative Accuracy Test Audit
RC	Regional Capital Improvement (Wastewater) Program
RCA	Regional Composting Authority
RDA	Redevelopment Agency
REEP	Renewable Energy Efficiency Project
RFI	Request for Information
RFP	Request for Proposal
RMPU	Recharge Master Plan Update
RO	Regional Operations and Maintenance (Wastewater) Program
ROI	Return on Investment
RP-1	Regional Water Reclamation Facility (Plant) in the City of Ontario
RP-2	Regional Water Reclamation Facility (Plant) in the City of Chino

RP-4	Regional Water Reclamation Facility (Plant) in the City of Rancho Cucamonga
RP-5	Regional Water Reclamation Facility (Plant) in the City of Chino
RRWDS	Regional Recycled Water Distribution System
RSS	Regional Sewage System
RTS	Readiness-to-Serve
RTS TYRA	Readiness-to-Serve Ten Year Rolling Average
RW	Recharge Water Program
RWBP	Recycled Water Business Plan
RWC	Recycled Water Contribution
RWPL	Recycled Water Pipeline
RWPS	Recycled Water Program Strategy
RWQCB	Regional Water Quality Control Board
RWRP	Regional Water Recycling Plants

S

SAC	San Antonio Channel
SAN	Storage Area Network
SAP	Systems Applications and Products
SAP GUI	Systems Application and Products Graphical User Interface
SAR	Santa Ana River
SARBS	Santa Ana River Basin Section (of CWEA)
SARCCUP	Santa Ana River Conservation and Conjunctive Use Program
SARDA	Santa Ana River Dischargers Association
SARI	Santa Ana River Interceptor
SAWA	Santa Ana Watershed Association
SAWCO	San Antonio Water Company
SAWPA	Santa Ana Watershed Project Authority
SB-272	Senate Bill Relating to Public Records
SBCFCD	San Bernardino County Flood Control District
SCA	Sewage Collection Agency
SCADA	Supervisory Control and Data Acquisition
SCAP	Southern California Alliance of Publicly Owned Treatment Works
SCAQMD	South Coast Air Quality Management District
SCE	Southern California Edison

SCWC	Southern California Water Committee
SE	Sterling Engine
SEIR	Subsequent Environmental Impact Report
SIU	Significant Industrial User
SKU	Stock Keeping Unit
SLO	Service Level Operator
SOP	Standard Operating Procedures
SRF	State Revolving Fund
SRWS	Self-Regenerating Water Softener
SSMP	Sewer Systems Management Plan
SSO	Sanitary Sewer Overflows
STA	United States Composting Council's Seal of Testing Assurance
SWP	State Water Project
SWRCB	State Water Resources Control Board

T

TCE	Trichloroethylene
TCP/IP	Transmission Control Protocol/Internet Protocol
TDS	Total Dissolved Solids
TEAMS	Technical Enhancement and Management Succession
TIN	Total Inorganic Nitrogen
TKN	Total Kjeldahl Nitrogen
TM	Technical Memorandum
TMDL	Total Maximum Daily Load
TMECC	Testing Methods for Evaluating Compost and Compost Products TMP Technology Master Plan
TMP	Technology Master Plan
TNI	The NELAP Institute
TO	Wastewater Program - Tertiary Operations & Maintenance
TOC	Total Organic Carbon
TP	Tertiary Plant
TSS	Total Suspended Solids
TWAS	Thickened Waste Activated Sludge
TYCIP	Ten Year Capital Improvement Plan

TYF Ten-Year Forecast
TYRA Ten Year Rolling Average

U

UA Unauthorized Activities
ULFT Ultra Low-Flush Toilets
UPC Unit Production Cost
UPCP Unit Process Control Procedure
UPS Uninterruptible Power Supply
USACE United States Army Corps of Engineering
USBR United States Bureau of Reclamation
UV Ultra-Violet
UWMP Urban Water Management Plan
UWRF Urban Water Reclamation Facility

V

VCP Vittrified Clay Pipe
VFD Variable Frequency Drives
VOC Volatile Organic Compound

W

WAN Wide Area Network
WC Recycled Water Program
WDR Wastewater Discharge Requirement
WEF Water Environment Federation
WEFTEC Water Environment Federation Annual Technical Exhibition and Conference
WEWAC Water Education Water Awareness Committee
WFA Water Facilities Authorities
WFMP Wastewater Facilities Master Plan
WIFIA Water Infrastructure Finance and Innovation Act
WM Chino Basin Watermaster
WRCWRA Western Riverside County Regional Wastewater Authority
WS Workstation
WSAP Water Supply Allocation Plan
WUE Water Use Efficiency
WW Water Resources Program

Y

YCF Youth Correctional Facility





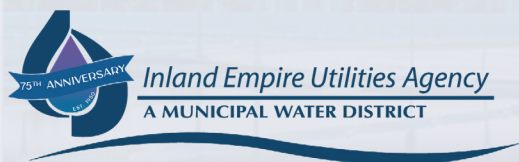
Index



Index

A			
Acronyms	12-1	Operations and Maintenance Department	9-63
Agency Profile and Strategic Plan	2-1	Planning and Resources Department	9-71
Appendices	10-1		
Appropriations Limit	10-64	E	
		EDU Service Charge Revenues (Chart)	4-3
		Executive Summary	1-6
		Ending Reserve Balance (Table)	1-18
B		F	
Balanced Budget	3-4	Fund Structure	5-1
Budget Basis	3-6	Financial Policies	2-11
Budget Message (GM's)	1-1		
Budget Priorities	2-10	G	
Budget Process	3-1	Grant Revenues	4-11
Budgetary Control	3-4	Glossary—General Terms	11-1
C		I	
Capital Projects	6-1	Interfund Loans	4-11
Capital Expenditures by Program (Tables)	6-5		
Capital Project List and Descriptions	6-6	O	
Connection Fees	4-7	Organizational Chart - Agency Wide	8-2
Consolidated Sources and Uses of Funds FY 2025/26 (By Program)	1-24	Other Revenues and Funding Sources	4-1
Consolidated Sources and Uses of Funds FY 2026/27 (By Program)	1-26	P	
D		Personnel	8-1
Debt Coverage Ratios	7-7	Position Summary (Table)	8-4
Debt Management	7-1	Personnel Cost by Program (Table)	8-5
Debt Service Payment Schedule (Table)	7-3	Program / Fund Budgets	5-1
Debt Summary	7-2	Regional Wastewater	5-4
Department/Division	9-1	Recycled Water	5-21
Agency Management Division	9-1	Water Resources	5-30
Board Office and Agency Management Unit	9-3	Administrative Services	5-39
External and Government Affairs Department	9-7	Non-Reclaimable Wastewater	5-46
Human Resources Department	9-13	Recharge Water	5-54
Internal Audit Unit	9-18	Property Tax Receipts	4-6
Office of the General Manager	9-23		
Administration Division	9-29	R	
Contracts and Procurement Unit	9-31	Rate Resolutions	10-7
Finance Department	9-34	Intent to Adopt Budget	10-7
Information and Technology Department	9-40	Establishing Rates Covering the Sale of Recycled Water	10-10
Technical Resources Division	9-47	Establishing Meter Equivalent Unit (MEU) Rates	10-13
Asset Management Unit	9-49	Establishing the EDU Connection Fee	10-16
Engineering Department	9-55	Establishing Water Connection Fee Rates	10-19
Laboratory Unit	9-60	Extra-territorial Sewer Service Charge	10-22

Index



6075 Kimball Avenue
Chino, CA 91708
P.O. Box 9020 Chino
Hills, CA 91709
Phone: (909) 993-1600 Fax:
(909) 993-1986

