Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Finance Director Meeting Agenda

Lucia Diaz
July 8, 2026 | 2:00 - 4:00 pm
TEAMS Meeting

Sharing updates on IEUA Finance related items

ITEM 1: Introduction - Lucia

ITEM 2: Chino Basin Program Cost Estimate – Lucia/Liz

ITEM 3: Regional Contract Review Update - Teresa

ITEM 4: Capital Capacity Reimbursement Account/Capital Call - Alex

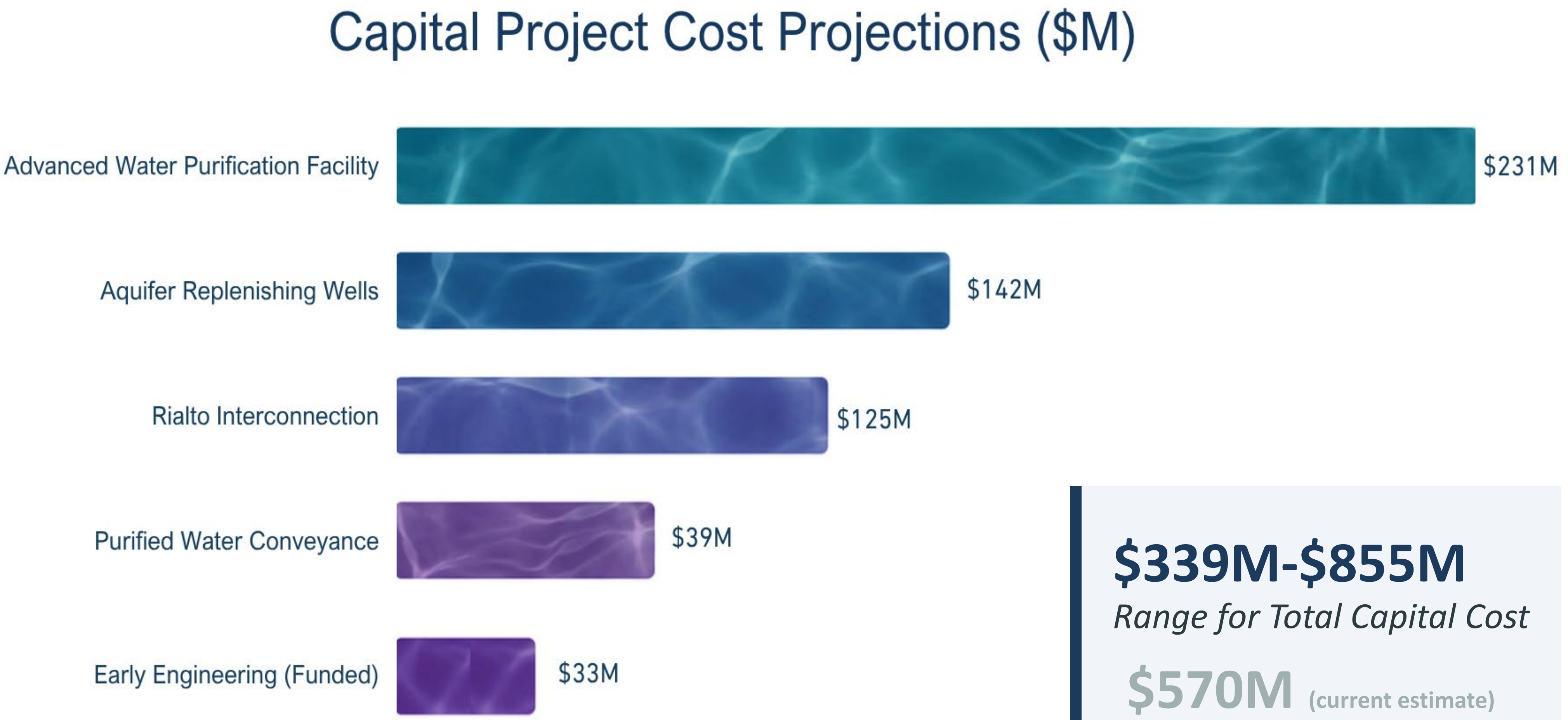
ITEM 4: Rate Study Timeline - Alex

ITEM 5: Open Discussion

Chino Basin Program Facilities Overview

Facility	2026 Cost ($ M)	Benefits
Advanced Water Purification Facility (15 MGD)	$232 M	• Advance treat recycled water for storage in groundwater basin • Remove salts, constituents of emerging concern (CEC's)
Recycled Water Pipeline	$125 M	• Direct recycled water to provide steady flow for Advanced Water Purification Facility
Pure Water Recharge Facilities (aquifer replenishing wells, conveyance, GWR facilities)	$181 M	• Store purified water in Chino Basin aquifer for future use. • 15,000 AF of water to be stored each year
Production Facilities (wells, conveyance)	$337 M	• New wells to pump stored recycled water from aquifer • 40,000 AF production capacity
MWD Interconnection	$133 M	• Pump-in connection to move 10,000 AF pumped groundwater to Metropolitan
Total	$1,008 M	

CBP- Recycled Water Program Expansion Cost Overview: *Capital Costs*

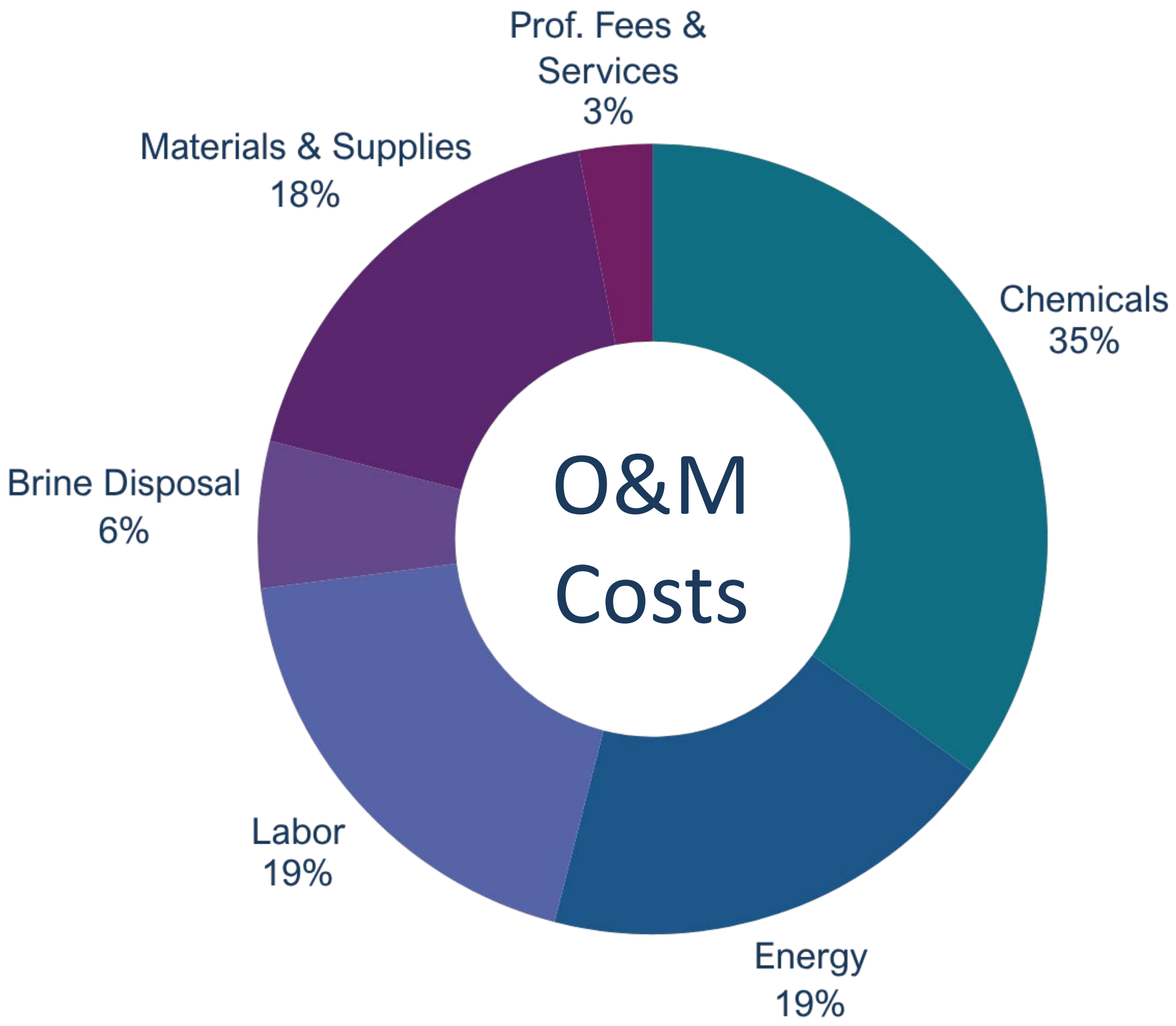


$339M-$855M

Range for Total Capital Cost

$570M (current estimate)

CBP- Recycled Water Program Expansion Cost Overview: *O&M and Debt Service*



Beginning 2032

$25.4M-$27.9M

Total Annual O&M

Beginning 2027

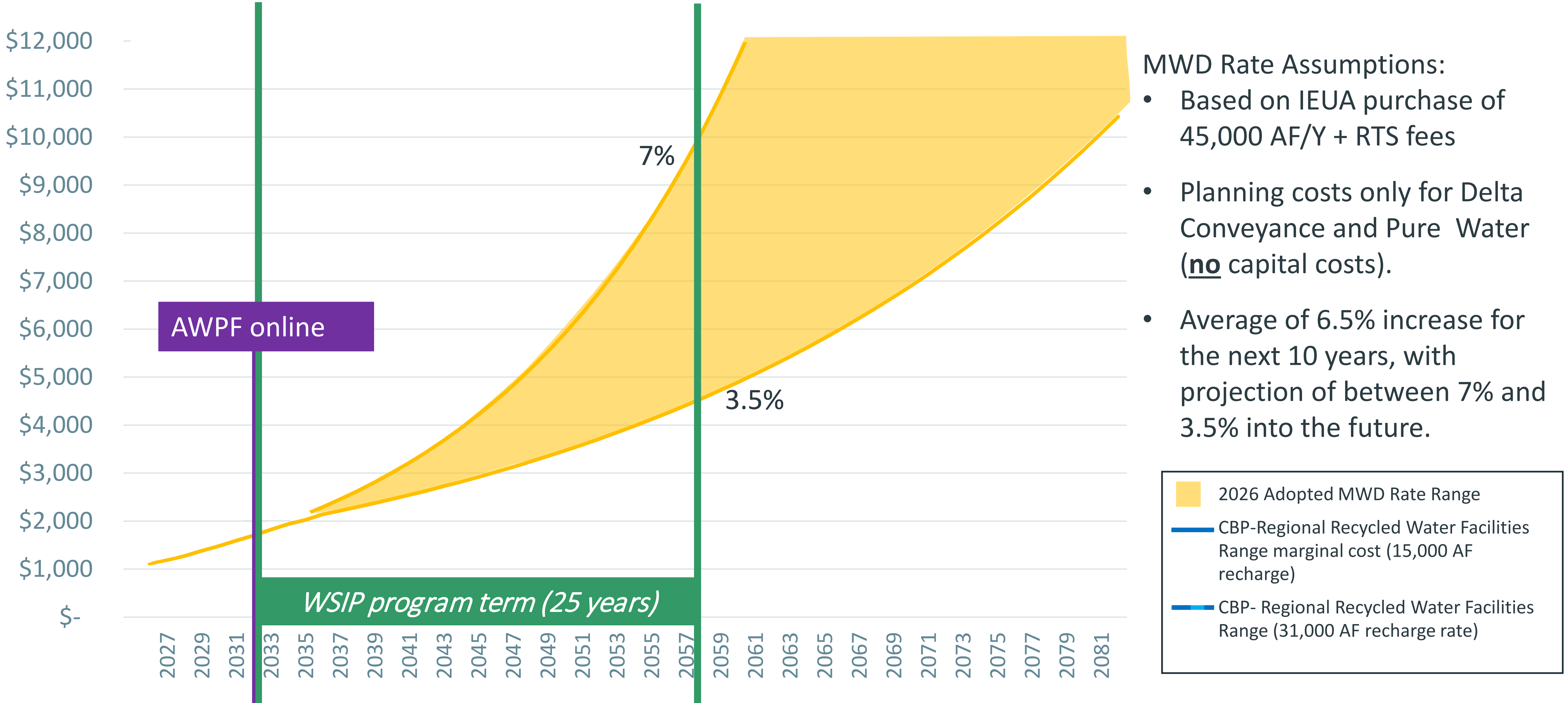
$32.9M

Total Annual Debt Service

*30 years, **without external funding***

4.48% assumed interest rate

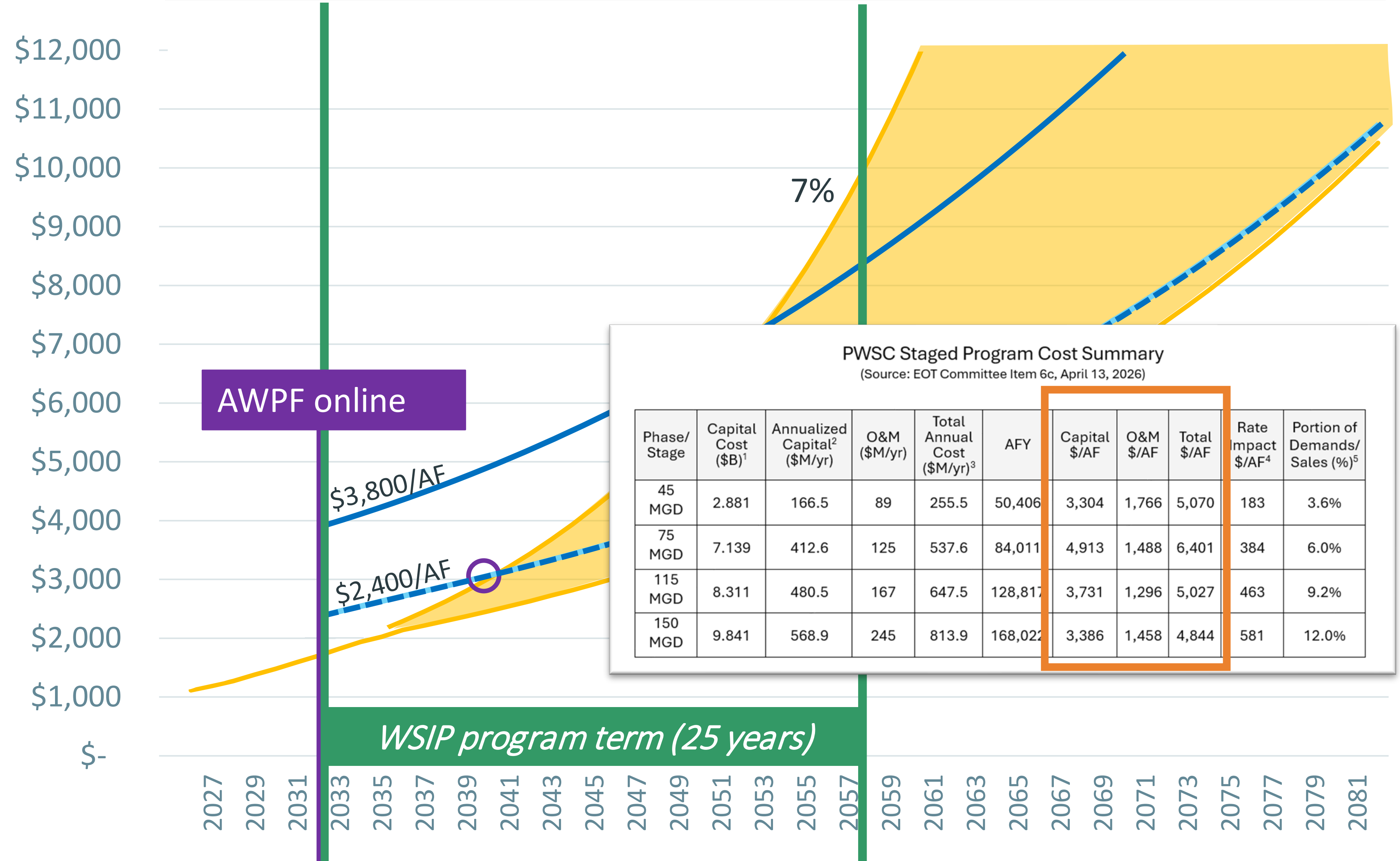
Draft CBP Recycled Water Expansion Rate Projection



MWD Rate Assumptions:

- Based on IEUA purchase of 45,000 AF/Y + RTS fees
- Planning costs only for Delta Conveyance and Pure Water (**no** capital costs).
- Average of 6.5% increase for the next 10 years, with projection of between 7% and 3.5% into the future.

Draft CBP Recycled Water Expansion Rate Projection



PWSC Staged Program Cost Summary
(Source: EOT Committee Item 6c, April 13, 2026)

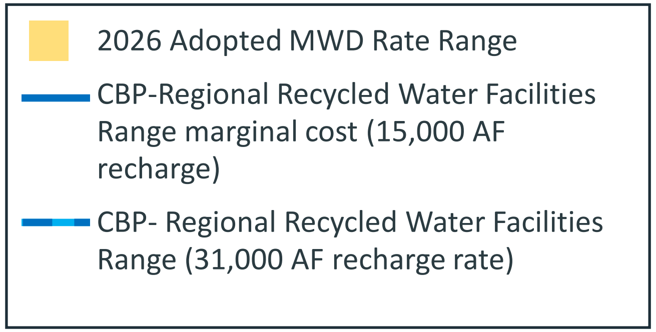
Phase/ Stage	Capital Cost ($B)[1]	Annualized Capital[2] ($M/yr)	O&M ($M/yr)	Total Annual Cost ($M/yr)[3]	AFY	Capital $/AF	O&M $/AF	Total $/AF	Rate Impact $/AF[4]	Portion of Demands/ Sales (%)[5]
45 MGD	2.881	166.5	89	255.5	50,406	3,304	1,766	5,070	183	3.6%
75 MGD	7.139	412.6	125	537.6	84,011	4,913	1,488	6,401	384	6.0%
115 MGD	8.311	480.5	167	647.5	128,817	3,731	1,296	5,027	463	9.2%
150 MGD	9.841	568.9	245	813.9	168,022	3,386	1,458	4,844	581	12.0%

Includes all "PUT" Facilities capital costs for:

- AWPF
- External recycled water
- Pure water recharge facilities

Does **not** include grants, external funding, or property tax

This represents the most conservative, high range of costs to IEUA



Regional Sewage Service Contract and Ordinance No. 114 Compliance Review Update

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Carolyn Phu
Senior Internal Auditor

July 8, 2026

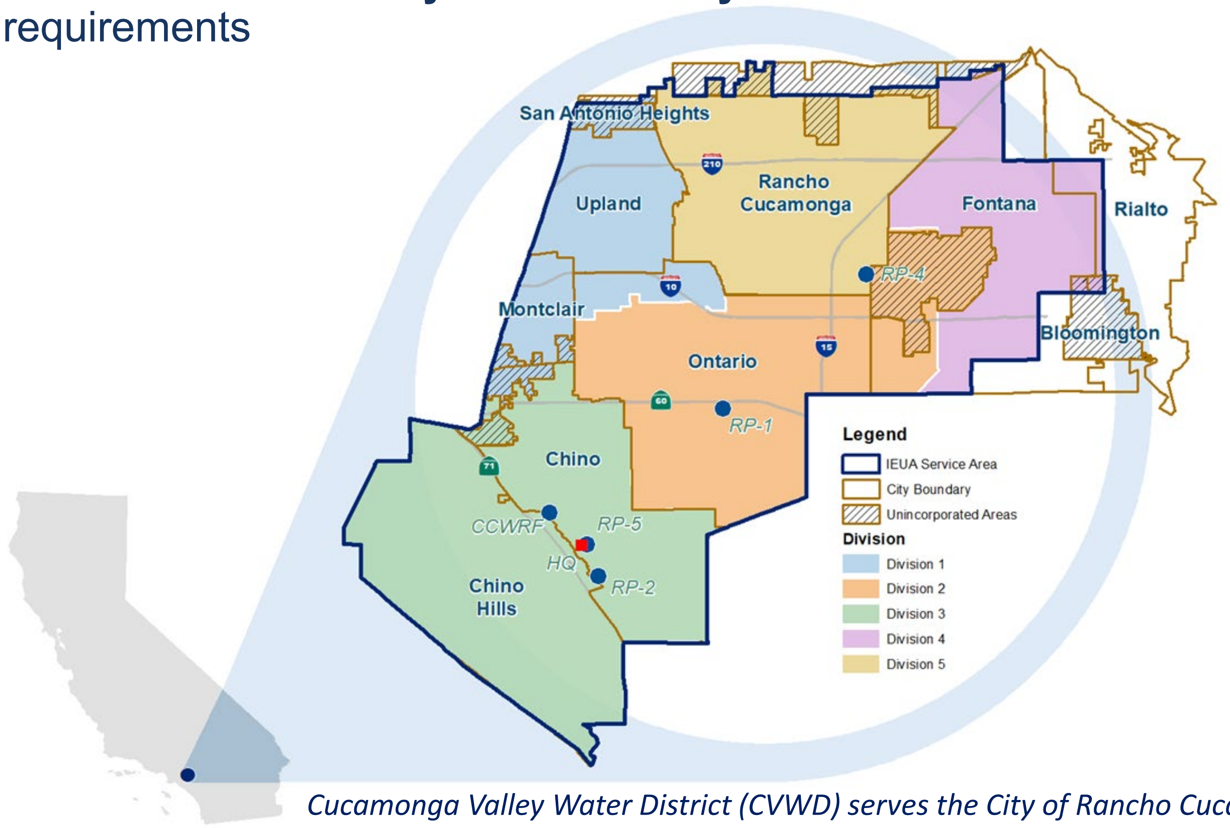
Regional Sewage Service Contract and Ordinance No. 114 Compliance Review

Purpose

- Evaluate the **accuracy and consistency** of the **calculation, collection, and reporting** of **connection fees** and **monthly sewer fees** to ensure compliance with Regional Contract requirements
- Assess whether contract requirements are implemented **consistently and uniformly across the region**, in accordance with Regional Contract requirements

Review Period

July 1, 2024 – June 30, 2025



Cucamonga Valley Water District (CVWD) serves the City of Rancho Cucamonga

3 Prior Reviews

1995
Agreed Upon Procedures Engagement: pertaining to the Monthly Equivalent Dwelling Unit Computation and Reporting

1998
Agreed Upon Procedures Engagement: Equivalent Dwelling Unit Reporting and Compliance

1999
Review of the Procedures on computing Equivalent Dwelling Units

2006
Independent Accountants Report on Agree Upon Procedures Performed

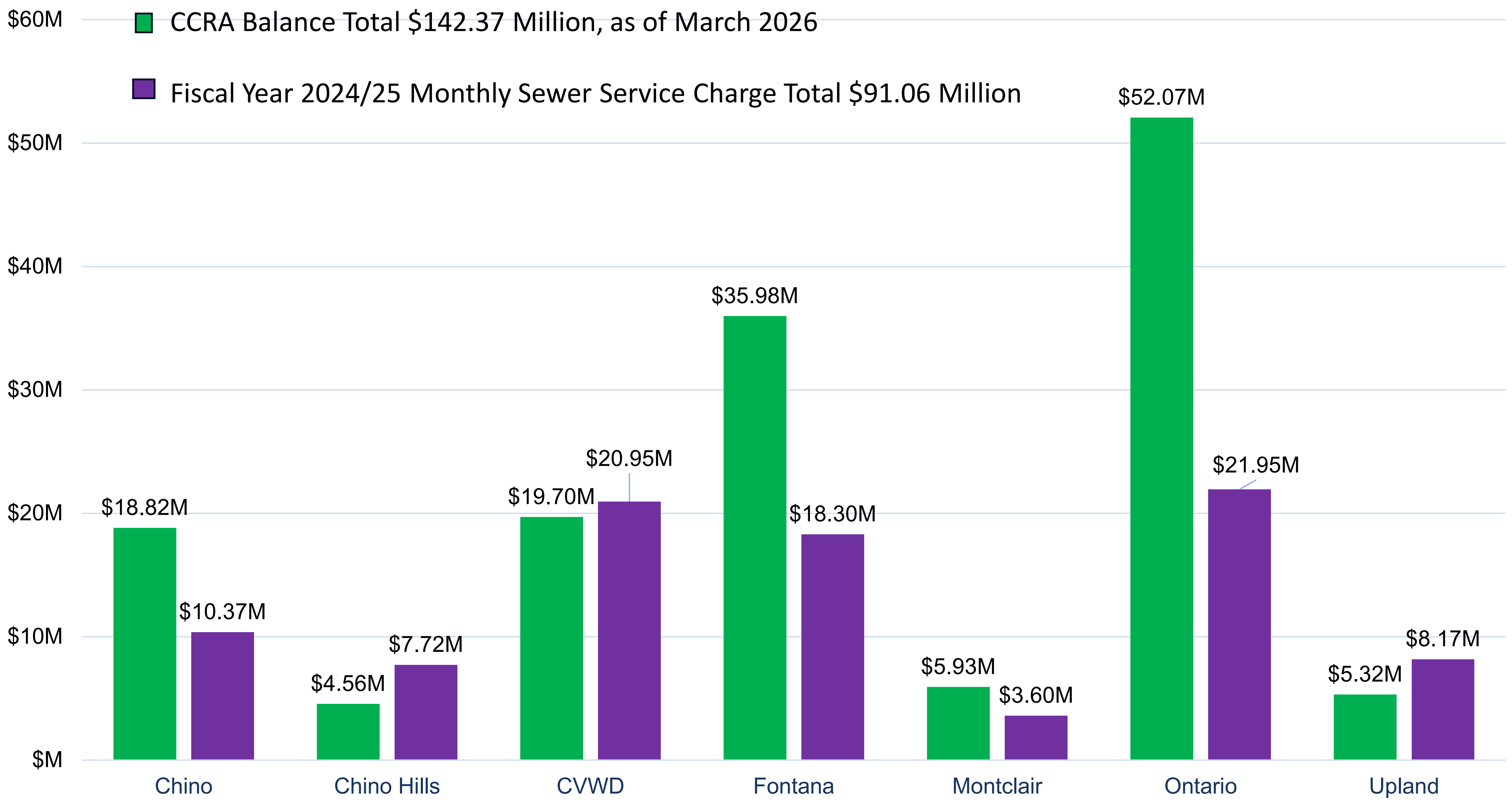
2007
Sewage and Connection Fee Audit

2009
Chino Basin Regional Sewage Service Contract Audit (Interim)

2010
Chino Basin Regional Sewage Service Contract Audit (Final)

2014–2015
Regional Contract Review – 10 different Audit Reports

Capital Capacity Reimbursement Account (CCRA) Balances and Monthly Sewer Service Charges



5 Project Timeline

	2025				2026												Completion Percentage
Agency	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
CVWD																	95%
City of Fontana																	85%
City of Chino Hills																	90%
City of Montclair																	90%
City of Chino																	85%
City of Ontario																	15%
City of Upland																	30%

Status:

- Reporting
- Fieldwork
- Audit Committee Meeting

◆ Exit Meeting Completed

Post-exit: Report development and finalization

6 Agency-Wide Highlights

- Initial observations indicate similar themes across multiple agencies
- Opportunities identified to enhance consistency and standardization
- Recommendations are being aligned to streamline implementation across agencies
- Overall engagement across agencies has been strong, with consistent collaboration and responsiveness

7 Next Steps

Complete remaining audit fieldwork across agencies

Continue validation of observations with agencies and collaborate on improvement opportunities

Prepare and issue audit reports

Questions?

@IEUAwater

ieua.org

These materials have not been prepared with a view to informing an investment decision in any of the Agency's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Agency's bonds, notes or other obligations.

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Capital Capacity Reimbursement Account (CCRA)/ Capital Call and Rate Study Timeline

Alexander Lopez

Acting Manager of Rates and Revenue

July 2026

2 Semi-Annual Capital Call Program Update

Purpose

- Notify Customer Agencies of the third Regional Sewerage Program capital call scheduled for July 15, 2026.
- Capital calls utilize wastewater connection fees previously collected and held by Customer Agencies for regional wastewater capital improvements.

Capital Call Schedule

- July 15, 2025 – Completed
- January 15, 2026 – Completed
- July 15, 2026 – Third Capital Call (Current)
- January 15, 2027 – Final Scheduled Call

3 Regional Wastewater Projects Supported by Capital Calls

- Capital call will support regional wastewater projects as identified in the 2025 Rate Study and Ten-Year Capital Improvement Plan

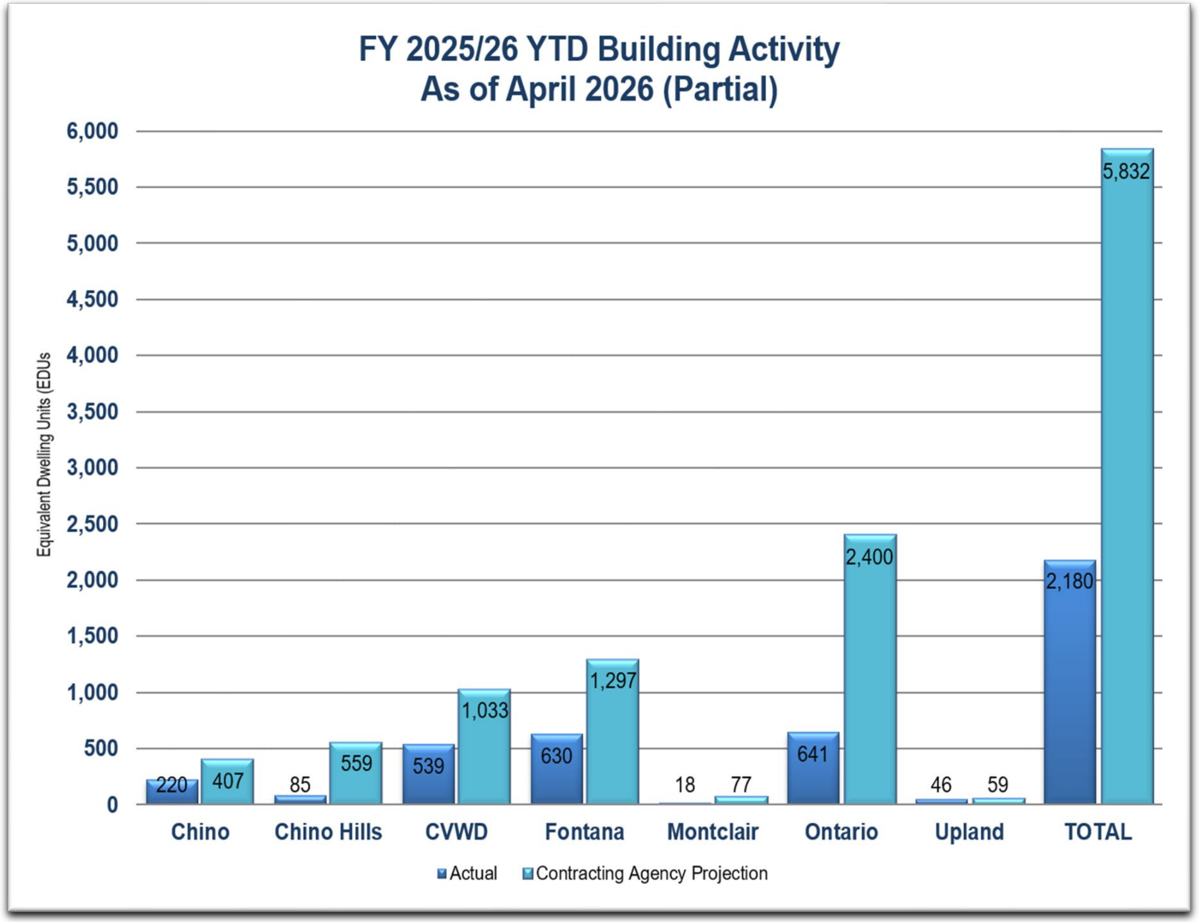
Project Number	Project Names	Budget
EN24032	RP - 1 Primary Clarifier #1 Through #10 Rehabilitation	$14,750,000
EN20057	RP - 4 Process Improvements Phase II	$14,000,000
EN18025	RP - 1 Secondary System Rehabilitation	$11,000,000
EN22031	RP - 1 Intermediate Pump Station Electrical	$9,800,000
EN13016	Supervisory Control and Data Acquisition Enterprise System	$8,600,000
EN23036	San Bernardino Ave LS Reliability Improvements	$6,250,000
EN25045	Carbon Canyon Water Recycling Facility Electrical Improvements	$6,200,000
EN23004	Carbon Canyon Water Recycling Facility Aeration Basins 1-6 Drain Valves	$4,750,000
EN26004	Agency Wide VFD Upgrades WW FY2526	$4,000,000
EN26046	RP - 1 Headworks Influent Channel	$4,000,000
EN25002	SSI Aeration Disk Replace RP1_RP4_RP5	$3,900,000
EN25010	RSS - Collection System Pipe Rehabilitation	$2,000,000
Total		**$89,250,000**

FY = Fiscal Year
LS = Lift Station
RP – 1 = Regional Water Reclamation Facility (Plant) in the City of Ontario
RP – 4 = Regional Water Reclamation Facility (Plant) in the City of Rancho Cucamonga
RSS = Regional Sewage System
SSI = Sanitaire Systems, Inc.
VFD = Variable Frequency Drives
WW = Water Resources Program

4 Capital Capacity Reimbursement Account (CCRA) Balance

Customer Agencies	CCRA Current Balance Contribution*	Supplemental Capital Outlay Contributions		Estimated CCRA Balance After Contributions
		Percent	Dollars	
City of Ontario	$53,525,235	36.37%	$8,110,510	$45,414,725
City of Fontana	37,767,175	25.66%	5,722,180	32,044,995
Cucamonga Valley Water District	20,414,411	13.87%	3,093,010	17,321,401
City of Chino	19,545,068	13.28%	2,961,440	16,583,628
City of Montclair	5,942,731	4.04%	900,920	5,041,811
City of Upland	5,349,468	3.63%	809,490	4,539,978
City of Chino Hills	4,632,119	3.15%	702,450	3,929,669
Grand Total	**$147,176,207**	**100.00%**	**$22,300,000**	**$124,876,207**

*Source: Building Activity Report, as of April 2026 (partial data)
CCRA Balance reflects the reduction after the second capital call



CVWD = Cucamonga Valley Water District
YTD = Year to Date

5 Capital Call Timeline and Next Steps

July 2025

- ✓ Capital Call $22.3 Million
- ✓ Completed

January 2026

- ✓ Capital Call $22.3 Million
- ✓ Completed

July 2026

- Capital Call $22.3 Million
- Upcoming, notice will be sent July 15, 2026

January 2027

- Capital Call
- Upcoming, notice will be sent January 15, 2027

6 Cost of Service Rate Study at a Glance

- Q3–Q4 2025: Consultant procurement and contract execution
- Mid – Late 2026: Model development and scenario analysis
- Q3 2026: Discussion of Regional Fee Collection on Fixed Charges
- Late 2026 – Early 2027: Prop 218 and adoption process
- Mid 2027 – Adoption of Rates/Fees and Biennial Budget (FY 2027/28 & 2028/29)

Thank You

@IEUAwater

ieua.org

These materials have not been prepared with a view to informing an investment decision in any of the Agency's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Agency's bonds, notes or other obligations.