

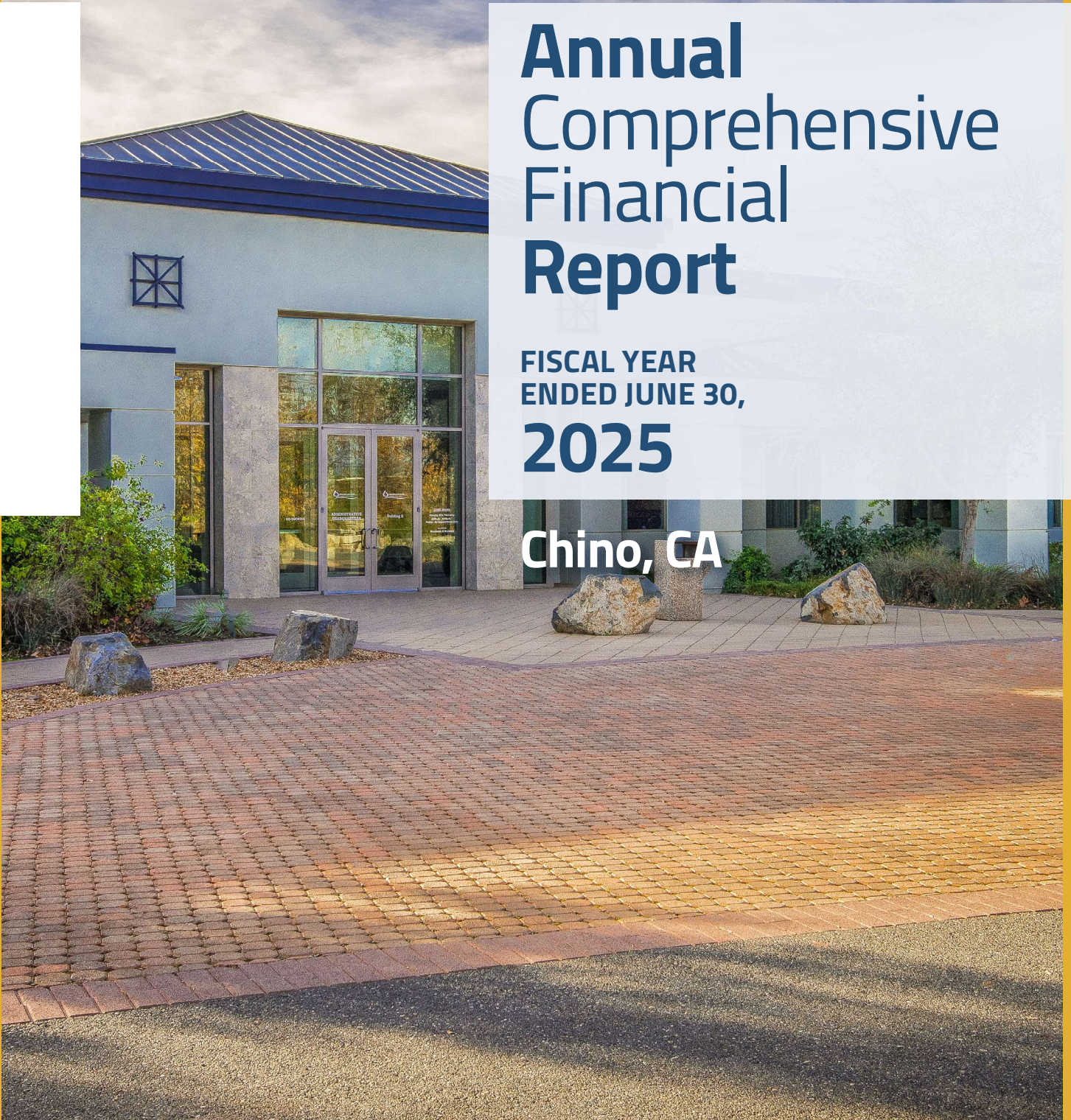


Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Annual Comprehensive Financial Report

FISCAL YEAR
ENDED JUNE 30,
2025

Chino, CA





Montclair Basins



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

Annual Comprehensive Financial Report

**FISCAL YEAR ENDED
JUNE 30, 2025**

Prepared by
the Finance department

Acknowledgments

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

Agency Vision

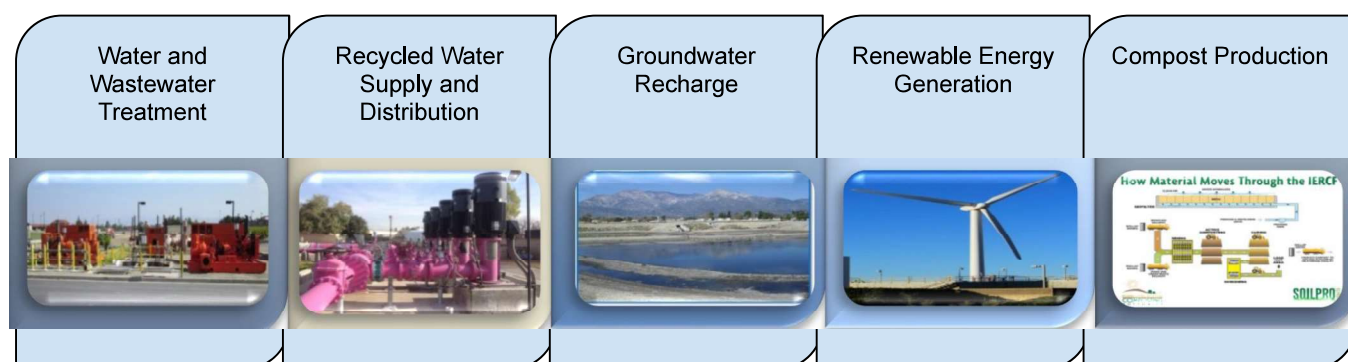
To enhance the quality of life throughout the region by leading the way in water management and environmental stewardship.

Agency Mission

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.

Key areas of service:

- Securing and supplying imported water;
- Collecting and treating wastewater;
- Producing high-quality renewable products such as recycled water and compost;
- Promoting sustainable use of groundwater and development of local water supplies.



Agency Values

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

The Inland Empire Utilities Agency:

- Integrates environmentally sustainable, ethical, safe, and fiscally responsible practices in every aspect of our business.
- Working 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.



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Introductory Section





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December 23, 2025
Inland Empire Utilities Agency
Chino, California

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Inland Empire Utilities Agency (the Agency) for the fiscal year ended June 30, 2025. State law and local ordinances require the Agency to annually publish a comprehensive report of its financial condition and activities in compliance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board and audited in accordance with generally accepted auditing standards in the United States of America by a firm of licensed certified public accountants.

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

Baker Tilly US, LLP (Baker Tilly), an independent public accounting firm, has issued an unmodified opinion on the Agency's financial statements for the fiscal year ended June 30, 2025. The independent auditors' report is located at the front of the Financial Section of this report.

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

Securing Tomorrow's Water, Today

Marco Tule
President

Jasmin A. Hall
Vice President

Steven J. Elie
Secretary/Treasurer

Michael Camacho
Director

Paul Hofer
Director

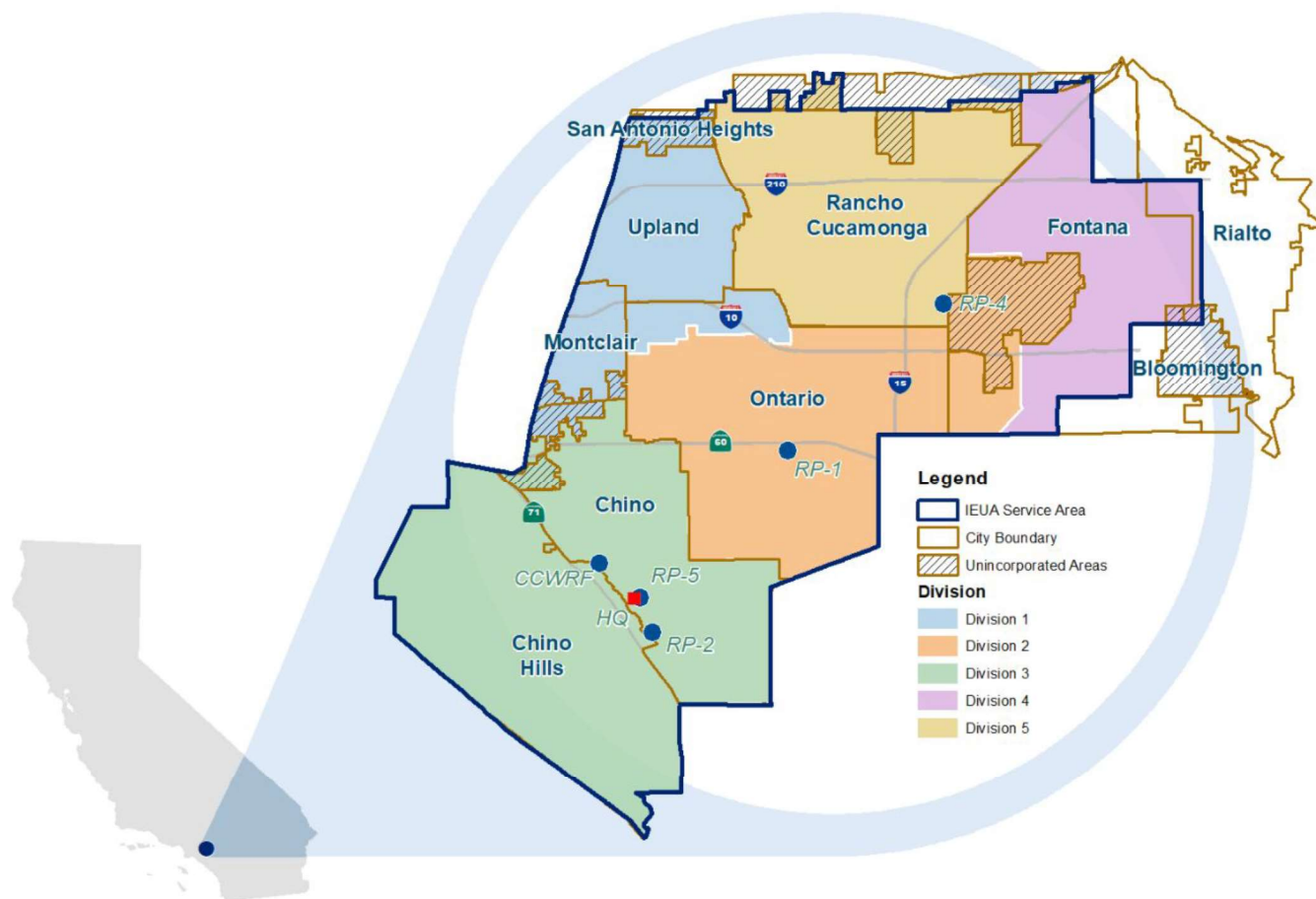
Christiana Daisy
Interim General Manager

Inland Empire Utilities Agency Profile

Celebrating 75 Years of Partnership and Progress: Up to Present

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

IEUA Board of Directors Boundaries



Board of Directors

The Agency is governed by a five-member Board of Directors who are elected to staggered four-year terms by registered voters within their divisions. The Board of Directors as of June 30, 2025 are as follows:

Marco Tule, President, representing District 1 - city of Upland, city of Montclair, San Antonio Heights (unincorporated territories in the city of Upland's sphere of influence), a portion of the city of Ontario, and unincorporated territories in the city of Montclair's and the city of Chino's sphere of influence.

Jasmin A. Hall, Vice President, representing District 4 - a large portion of the city of Fontana, a portion of the city of Rialto, a portion of Bloomington (unincorporated territories in the city of Rialto's and the city of Fontana's sphere of influence).

Steven J. Elie, Secretary/Treasurer, representing District 3 - city of Chino, city of Chino Hills, and a portion of unincorporated territories in the city of Chino's sphere of influence.

Michael Camacho, Director, representing District 5 - city of Rancho Cucamonga and unincorporated territories in the city of Rancho Cucamonga's sphere of influence.

Paul Hofer, Director, representing District 2 - a large portion of the city of Ontario, a portion of the city of Fontana, and a large portion of unincorporated territories in the city of Fontana's sphere of influence.

The Board of Directors set overall policies which are then implemented under the direction of the General Manager. The Agency budgeted 360 active full-time employees in FY 2024/25 under the administrative direction of appointed General Manager Shivaji Deshmukh and management staff.

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

Economic Condition and Outlook

The Agency is located approximately 35 miles east of Los Angeles in San Bernardino County in an area referred to as the Inland Empire (IE). The IE is accessibly connected to Los Angeles County, Orange County, San Bernardino County, and Riverside County through the major freeway systems: Interstate 10, State Route 60, State Route 71, State Route 91, State Route 210, and Interstate 15. The Agency's service area in San Bernardino County is settled in a well-developed transportation center consisting of three major transportation systems: the Metrolink Railway system, the Chino Airport, and the Ontario International Airport.

The region has a diverse economy, with significant contributions from industries such as logistics, healthcare, manufacturing, and hospitality. The IE has seen significant economic growth in recent years. The logistics industry has been a major driver of economic growth in the region. The region's proximity to the ports of Los Angeles and Long Beach has also made it an attractive location for logistics companies. The expansion of e-commerce and regional economic integration has fueled the sector's expansion. This hub has anchored the region's economic growth for over 15 years. The IE is home to the largest distribution center in the world, which has attracted many businesses to the region. The logistics industry, which consists of warehousing, transportation, and the wholesale industry, has been a major driver in employment. The booming labor market is reflected in the relatively low unemployment rate for the region.

Housing plays an important role in the IE economy. The low interest rate environment that prevailed for most of the last 20 years favored home buyers and builders alike, but interest rates have increased to their highest level in two decades, which has reduced home sales while creating new uncertainty for builders. The ultra-low rates

that were characteristic of the last few years will not be returning soon. With high rates and limited supply, the housing market faces difficult years ahead.

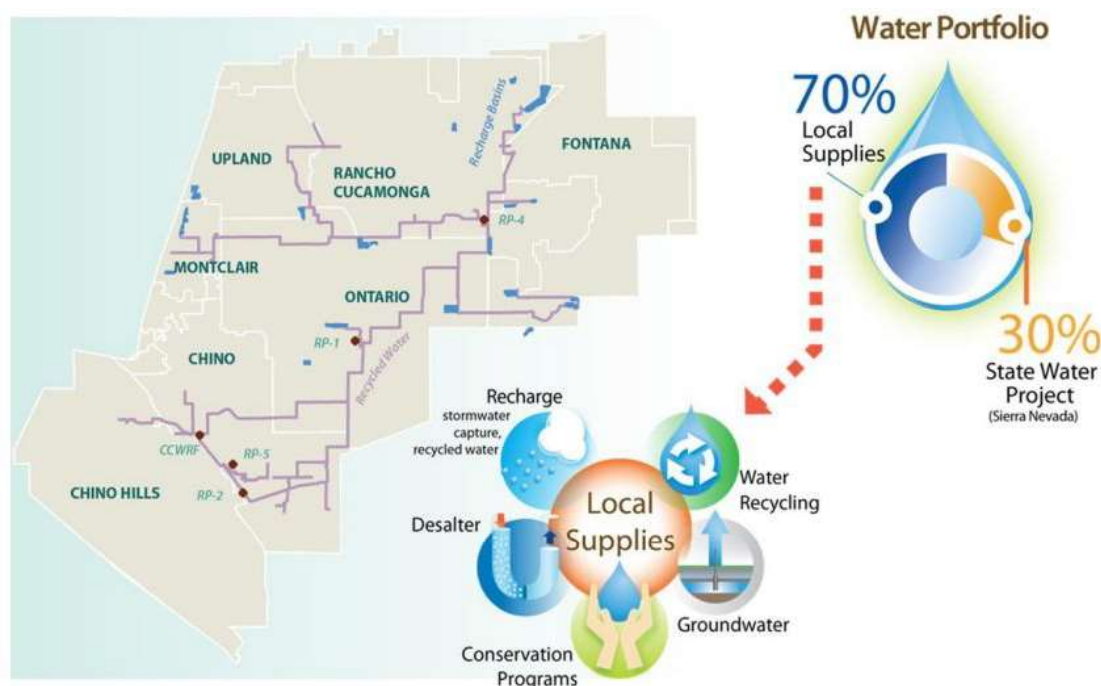
Water Reliability and Water Resources

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

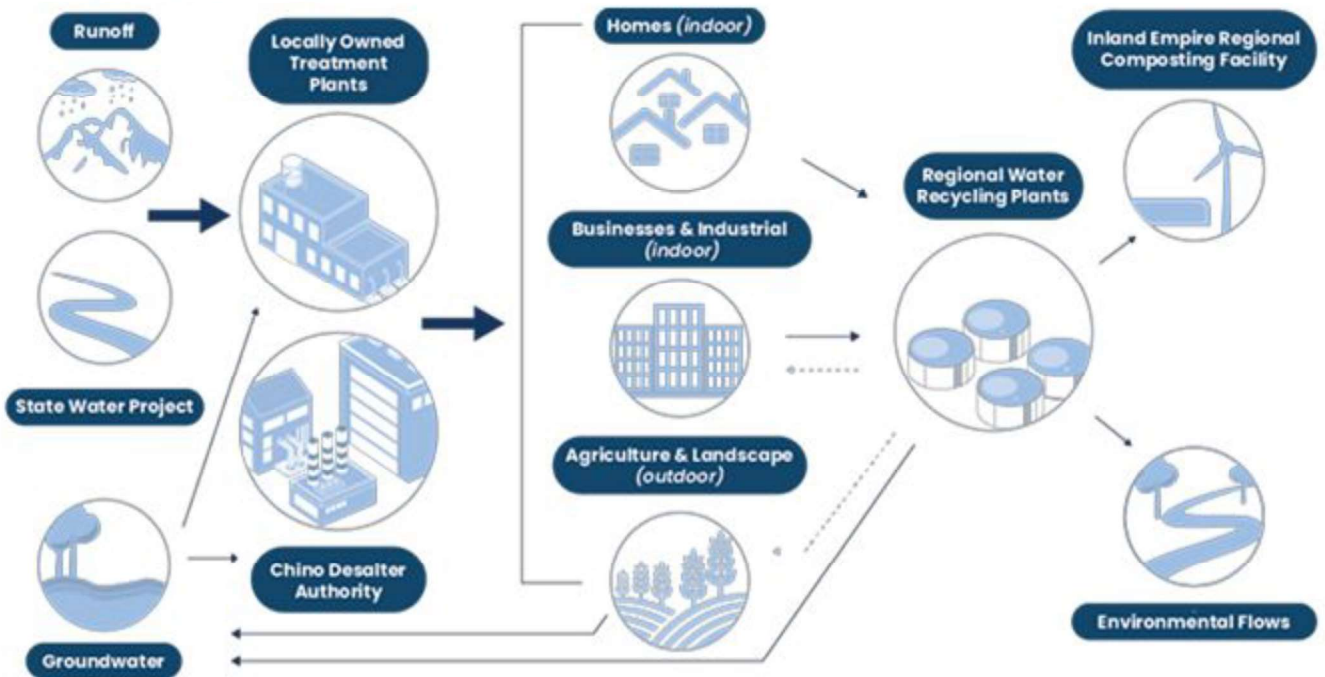
The mission of the Agency was originally to distribute water imported from the Colorado River. Soon thereafter, that role expanded to include the distribution of water imported to Southern California through the State Water Project (SWP). In April 1984, due to high concentrations of total dissolved solids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

For over 75 years, the Agency has been a leader in water supply planning and programs to protect the region's vital water supplies. The Agency provides wholesale untreated imported water through the MWD to seven customer agencies: the cities of Chino, Chino Hills, Ontario, Upland, Cucamonga Valley Water District (CVWD) in the city of Rancho Cucamonga, the Fontana Water Company (FWC) in the city of Fontana, and the Monte Vista Water District (MVWD) in the city of Montclair. CVWD operates their Lloyd W. Michael Water Treatment Plant and the FWC operates their Sandhill Surface Water Treatment Plant to treat these imported surface water supplies, while the remaining customer agencies receive treated water through the Water Facility Authority (WFA), their joint powers authority that operates the Agua de Lejos Treatment Plant.

The Agency also produces and distributes high quality recycled water, implements the Chino Basin groundwater recharge program, operates the Chino I Desalter for the Chino Basin Desalter Authority (CDA), and provides regional water resources planning to ensure reliable, cost-effective environmentally responsible water supplies for current and future customers.



IEUA's Water Cycle



The Agency monitors and compiles water use data from each of its customer agencies to track overall water demands and sources of supply. Regional water use comprises all the municipal provided water used in the Agency's service area including supplies imported from MWD, recycled water supplies made available through in-region purple pipe direct use, and other local water supplies such as pumped groundwater and surface water. Annual water use includes not only potable water usage but also recycled water direct usage, which offsets potable water demands. The Agency's regional water usage in FY 2024/25 was approximately 195,212 acre-feet (AF), which includes 175,740 AF potable usage and 19,472 AF recycled water direct usage. A continuous focus on water use efficiency and per capita reductions, as required in the Water Conservation Act of 2009 (SB X7-7) and the more recent Making Conservation a California Way of Life (AB 1668 and SB 606) is anticipated to continue to reduce per capita water use and demands. Over the planning horizon, demands are not expected to exceed the peak 10-year demand reached during FY 2013/14 despite an increasing population.

The Agency also continued its close coordination with the local retail water agencies in the implementation of its regional water use efficiency (WUE) program. The WUE program provides rebate incentives for high efficiency fixtures and appliances, smart technologies, and turf transformation activities. The WUE program also covers direct-install landscape services, educational resources for its community members, and compliance support tools to assist the local retail water agencies with their plans to meet the state's WUE legislation. Moreover, the Agency also leverages funding from additional grant partners. In the last ten years, these efforts have helped yield an estimated lifetime savings of over 7,000 AF for all measures implemented.

Regional Wastewater System

The Agency began domestic wastewater collection during the mid-1960's and built the Southwest Chino Trunk Sewer for domestic wastewater transport. In 1973, the Agency completed lengthy negotiations on the Chino Basin Regional Sewage Service Contract (Regional Contract) with the cities of Chino, Fontana, Montclair, Ontario, and Upland, and with the CVWD as well as the County Service Area 70Q of the County of San Bernardino (later to become the city of Chino Hills). These entities receiving wastewater service are known as Sewage Collection Agencies (SCAs).

The Regional Contract had a 50-year term which expired on January 2, 2023. After nearly eight years of negotiation, the SCAs and the Agency were unable to agree to new terms in a contract. In December 2022, the Agency's Board of Directors adopted Ordinance No. 111 to maintain the governance over the Regional Sewage System for the continued service to the SCAs.

Negotiations for a new Regional Contract continued in 2023 and ultimately culminated in a new contract agreed upon by four out of the seven SCAs (Chino Hills, CVWD, Fontana, and Upland) on November 1, 2023. On December 21, 2023, the Agency's Board of Directors adopted an updated Regional Sewage System Ordinance (Ordinance No. 114) for the remaining three SCAs (Chino, Montclair, and Ontario) that elected not to sign the new Regional Contract.

The new Regional Contract's expiration date is January 2, 2074, and the Ordinances have no expiration date.

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

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

The Agency's water recycling plants collectively take in an average of 52 million gallons of wastewater per day for treatment from its SCAs. Several treatment processes contribute to providing high quality recycled water pursuant to Title 22 regulations set forth by the California Department of Health Services.

Non-Reclaimable Wastewater System

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

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

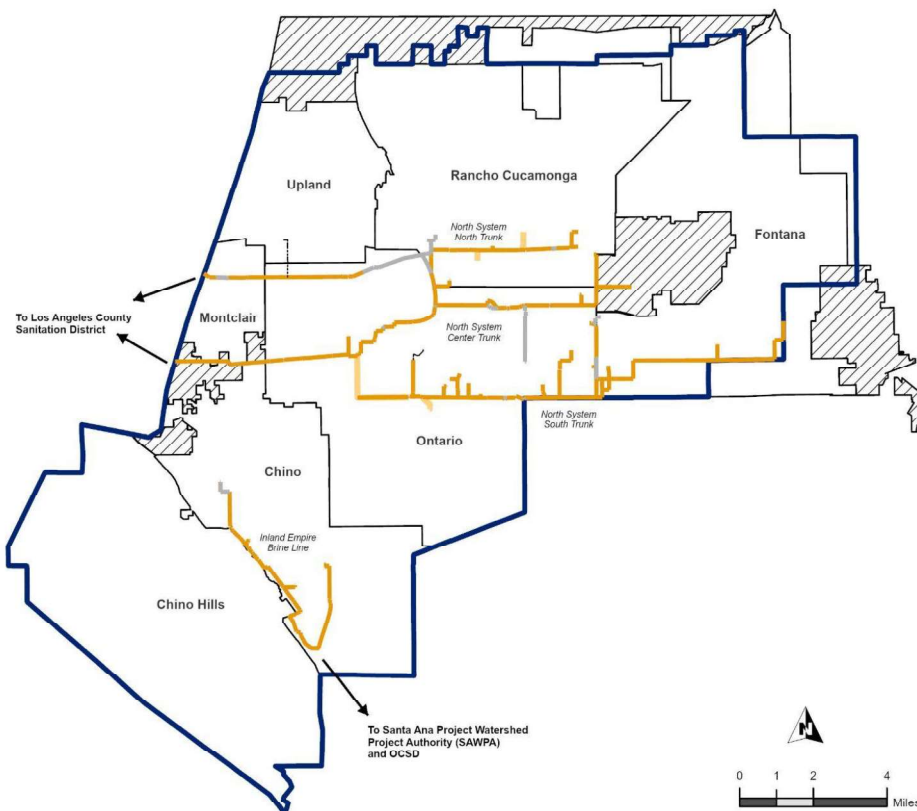
The NRW brine lines are physically separate from the Agency's Regional Sewage System (RSS). The use of separate non-reclaimable wastewater lines helps to ensure RSS compliance with State regulations related to environmental criteria; the RSS final effluent total dissolved solids (TDS) limit as required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

As of June 30, 2025, 49 industries were directly connected to the Agency's brine line system. The north NRWS serves 36 industries (including centrate from the Agency's Regional Water Recycling Plant No. 1) and two municipal groundwater treatment facilities. The EWL is exclusively utilized for two groundwater treatment plants operated by the city of Ontario and city of Chino/MVWD. The IEBL serves thirteen industries, three indirect dischargers that truck their wastewater to the Agency's dump discharge stations, and ten direct dischargers including the Chino Basin Desalter Authority No. 1 desalter facility.

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



NON-RECLAIMABLE WASTEWATER SYSTEM AND DISCHARGES



Recycled Water Distribution System

The Agency has been providing recycled water to its customer agencies since formation of the Regional Sewage Service Contract in 1973. Initially, recycled water was a low-cost alternative water supply for large irrigation customers and was delivered to Whispering Lakes Golf Course and Westwind Park in the city of Ontario, as well as to Prado Regional Park and El Prado Golf Course in San Bernardino County. In the early 1990s, the Agency planned and built the first phase of the Carbon Canyon Recycled Water Project, which now serves several customers in the cities of Chino and Chino Hills.

In 2000, the Agency and SCAs identified recycled water as a critical component in drought-proofing the region and essential to sustaining economic growth. With imported water rates increasing and its long-term reliability in decline, the region committed to aggressively and proactively developing local water supplies. This set the path towards development of the Agency's regional recycled water system and implementation of a robust Recycled Water Program.

Based on a series of regional decisions since 2000, over \$350 million has been invested into the implementation of a robust Recycled Water Program. These investments, along with development of nineteen groundwater recharge basin sites with 46 basins, ten of which accept recycled water, have significantly helped the Agency and its customer agencies develop and maintain a reliable local water supply. The recycled water distribution system consists of over 95 miles of pipeline, three to five reservoir storage tanks with storage capacity between two and five million gallons, and multiple pump stations.

Recycled water is a cost-effective, dependable, and environmentally friendly water supply that is safe for a variety of uses including landscape and agricultural irrigation, groundwater recharge, construction, and industrial process water. The Agency's service area has been undergoing rapid development that is expected to continue as historically agricultural land transitions to more water efficient residential, commercial, and industrial properties supporting the growing population. This shift has reduced recycled water direct demands, which peaked in FY 2013/14, providing an opportunity to expand the groundwater recharge program to supplement local water supplies through indirect potable reuse.

Recycled Water Deliveries by Acre-Foot (AF)

Type	Actual			Projected		
	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28
Direct Use	16,401	16,604	19,472	20,869	21,350	22,312
GW Recharge	14,786	13,851	17,299	16,420	16,420	16,420
Total	31,187	30,455	36,771	37,289	37,770	38,732

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

In FY 2021/22, the Agency's Board adopted a new recycled water rate structure which includes both fixed and variable cost recovery components. Based on the 2022 Recycled and Recharge Water Rate Study, the revised rate structure provides revenue stability to support regional capital investments and helps to ensure the long-term sustainability of the Recycled Water Program by lessening the impact of reduced deliveries in years of high precipitation.

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

Groundwater Recharge Basins

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

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

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

The groundwater recharge system consists of a network of creeks, channels, washers, diversion structures, pumps, and pipelines that direct storm water, run-off, imported water from the SWP, and recycled water produced by the Agency to recharge sites; most of which consist of multiple basins. These recharge sites, nineteen in total, are located throughout the Agency's service area and are designed to hold water so that it can percolate into the ground and replenish the alluvial aquifers and groundwater supply. Annually, the recharge capacity of the groundwater facilities includes up to 50,000 AF of imported water, 25,000 AF of stormwater, and 17,000 AF of recycled water. Actual annual recharge varies due to weather patterns and availability of supplemental water supplies (imported and recycled water).

In 2013, the Agency, CBWM, CBWCD, and their respective customer agencies, through the Chino Basin Recharge Master Plan Update Steering Committee (Steering Committee), amended the 2010 Recharge Master Plan (2013 Recharge Master Plan Update or RMPU), per the direction of the Court. The RMPU is a comprehensive program of recharge projects developed to enhance water supplies and protect and enhance water quality in the Chino Basin. Of the 39 yield enhancement projects and nine production sustainability projects, the Steering Committee recommended two projects for implementation. Since the completion of the 2013 RMPU, half of the projects were found infeasible, leaving five projects approved for implementation. These five projects are estimated to develop approximately 4,727 acre-feet per year (AFY) of stormwater recharge and approximately 7,125 AFY of recycled water recharge. Three of the five projects are completed, the Wineville/Jurupa/RP-3 is substantially completed while the remaining Montclair Basin is expected to start construction in the first quarter of 2026.

In 2018, the Agency, CBWM, CBWCD, and SBCFCD collaborated on the 2018 RMPU, which included a list of recharge projects that were considered, but did not recommend any new recharge facilities beyond those identified in the 2013 RMPU. A subsequent update in 2023 (2023 RMPU) also did not recommend additional new recharge facilities for implementation. Costs for capital projects enhancing stormwater recharge, including debt service costs, are fully funded by the CBWM. Costs for capital projects enhancing recharge of recycled water, including related debt service costs, are equally shared by CBWM and the Agency. Operating expenses are funded by both CBWM and the Agency.

Groundwater Recharge Sources FY 2024/25

Groundwater Recharge Source	Recharge (AF)
Recycled Water	17,299
Stormwater and Dry Weather Flow	7,156
Imported Water	20,307
Imported Water (Conjunctive Use Program Storage)	18,488
Other*	1,819
Total	44,762

* Supplies recharged that were delivered from outside the Agency’s service area not including Agency purchases. Includes water recharged on behalf of CVWD, and Three Valleys Municipal Water District.

Joint Powers Authority

Chino Basin Desalter Authority

The Chino Basin Desalter Authority (CDA) is a Joint Powers Authority (JPA) established in 2001 to ensure a reliable and sustainable drinking water supply for the Chino Basin region. CDA was created to assume ownership and operation of the Chino Basin Desalters from SAWPA and to coordinate the long-term management of desalination facilities.

CDA is composed of the cities of Chino, Chino Hills, Ontario, and Norco, along with the Jurupa Community Services District (JCSD), the Santa Ana River Water Company, and the Western Municipal Water District. The Agency participates as an ex-officio member. Together, these agencies collaborate to treat brackish groundwater and deliver high-quality drinking water, reducing dependence on imported supplies from the SWP.

CDA’s mission is to purify brackish groundwater from the lower Chino Basin aquifer, providing a drought-resilient water supply while also protecting groundwater quality by managing high-salinity conditions in the basin. Through its operations, CDA currently produces approximately 35,200 AFY of treated potable water, meeting the needs of hundreds of thousands of residents across San Bernardino and Riverside Counties.

Facilities and Operations

CDA owns and operates an integrated system of water treatment and distribution infrastructure, which includes:

- Two desalination plants (Chino I and Chino II)
- Multiple groundwater supply wells
- Two water storage tanks
- Raw water and treated water pipelines
- Booster pumping facilities



- Brine disposal pipelines
- Chino I Desalter: Located in the city of Chino, began operation in 2000, and is operated by the Agency.
- Chino II Desalter: Located in Jurupa Valley, began operation in 2006, and is operated by JCSD. It includes a state-of-the-art Concentrate Reclaim Facility.

Inland Empire Regional Composting Authority

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

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

In FY 2024/25, the IERCA processed 152,478 tons of biosolids and sold 218,791 yards of compost.

In May 2025, the IERCA announced that it has earned the US Department of Agriculture's (USDA) Certified Biobased Product Label for its premium SoilPro compost.

As of June 30, 2025, the Agency's equity share is \$40,336,159 recorded in the Regional Wastewater Capital Improvement Fund. In 2025, the Agency made a capital contribution of \$1,462,500 to the project. There was an additional net add-on of \$72,828 (around fifty percent of the Agency's equity share) of the JPA's net position at June 30, 2025. This reduction is recorded in the nonoperating expenses on the Statement of Revenues, Expenses, and Changes in Net Position in the Regional Wastewater Capital Improvement Fund. The Agency records the JPA labor costs for operating the facility in the Regional Wastewater Operation and Maintenance Fund. IERCA financial data is available at the Agency's main office.

Major Initiatives and Accomplishments

Major Initiatives

During FY 2024/25 the Agency, in collaboration with key stakeholders in the region, accomplished significant milestones and executed several planned initiatives throughout the year. Some key initiatives included: workforce development, water reliability, environmental stewardship, fiscal responsibility, community outreach, and education.

Human Resources

The Agency's strategic efforts in recruitment, training, and workforce development have delivered outstanding results. The Human Resources team successfully onboarded 84 new full-time employees, enhancing both the strength and diversity of the Agency's workforce. The Agency's internship program flourished, welcoming 34 interns, of whom four



have transitioned into full-time roles and one has secured a limited-term position - a testament to the Agency's commitment to cultivating future talent.

Additionally, during FY 2024/25, the Agency promoted 29 employees through competitive recruitment processes, further reinforcing dedication to internal growth and career advancement. To further strengthen employee engagement, the Agency organized a variety of recognition events throughout the year to celebrate contributions and foster opportunities for connection. These efforts helped cultivate a positive workplace culture where employees feel valued, motivated, and inspired to excel.

The Agency made significant progress in workforce development and long-term workforce planning. A key milestone was the launch of a request for proposals seeking a consultant to develop an official Workforce Development Plan for the Agency, with the majority of the work scheduled to begin in FY 2025/26.

The Agency continues to expand its outreach efforts by increasing the number of career fairs, information sessions, and facility tours offered. These initiatives are essential for raising awareness about career opportunities within the Agency, engaging with potential candidates, and showcasing workplace culture and operations. By actively connecting with diverse talent pools and providing firsthand insight into the facilities and mission, the Agency strengthens the ability to attract qualified individuals who align with the Agency's values and long-term workforce goals. Additionally, the Agency has continued hosting the annual Agency Open House/Career Fair event to engage with community members in the field of wastewater, offering them the opportunity to interact with highly skilled staff.

Education

The Agency invests in our future generations and provides a range of interactive programs offered to kindergarten through twelfth grade students. These offerings include Discover the Environment and Water (DEW) Field Trips to the Chino Creek Wetlands and Educational Park and wastewater treatment facilities, Water Scout Badge Program, Water is Life Poster Contest, tours of the Agency's accredited water quality laboratory, and more. FY 2024/25 hosted over 3,100 K-12 students across the Agency's educational programs.



Community Outreach Education Photos - Earth Day

Community Outreach

The Agency provides free scheduled tours of its headquarters, wetlands, and treatment facilities to engage the public. Through educational outreach, the Agency promotes water-use efficiency to strengthen regional water supplies and surpass state targets for reducing per capita water consumption.



Agency Tour

Water is Life Student Art Poster Contest

The Agency hosts an annual regional art poster contest called "Water is Life" for K-12 students within their service area. Using the theme "Being water-wise is," students create art posters depicting various water uses and conservation topics. This contest allows students to showcase their art skills and explore water resources. In FY 2024/25, over 500 poster submissions were collected from schools across the Agency's service area. In spring 2025, 10 winners were submitted to the MWD Annual Student Art Calendar contest for the K-5 and 9-12 categories. The MWD's Annual Calendar contest features entries from multiple member agencies across their six-county service area, and the calendar is distributed to approximately 13,000 recipients annually.

Environmental Stewardship

The Agency incorporates solar, wind, and battery storage into its facilities to reduce demand on the electric grid. As part of these efforts, the Agency is a partner to a Power Purchase Agreement (PPA) and had 3.5 megawatts (MW) of solar panels installed at four of the Agency's facilities in 2008. In 2010, the Agency expanded its renewable energy portfolio by securing another PPA for a 1.0 MW wind turbine at RP-4 in Rancho Cucamonga. The Agency partnered with an energy firm to install 4.0 MW of advanced energy storage systems at Agency facilities and 1.5 MW of solar at the IERCA. In 2019, the Agency installed 70 kW of solar on the rooftop of the RP-5 lab building.

In FY 2024/25, California experienced drought relief compared to regional conditions from previous years. Despite the relief, the Agency continued on its path to prioritizing the Regional Water Use Efficiency Program as a mechanism to enhance water supply reliability in the face of increasingly difficult to predict climate conditions and to meet urban water use objective reduction goals set by the state's "Making Conservation a California Way of Life" regulation. The regional WUE Program collectively encompasses all water-wise programs, education, outreach, and related support

initiatives. Through a combination of rebates and direct install services, the regional efforts include successful deployment of nearly 150 high-efficiency toilets, 300 high-efficiency clothes washers, 1,000 smart irrigation timers, 4,000 low-flow showerheads, 8,000 high-efficiency sprinkler nozzles, transformed over 700,000 square feet of turf grass with climate-appropriate alternatives, and yielded an estimated annual savings of over 400 AF of water in FY 2024/25 alone. To provide a more visual representation of the Agency's water-use efficiency contributions, these achievements can be approximately equated to:

- Fully furnishing a large hotel with high-efficiency toilets
- Stocking ten laundromats with high-efficiency clothes washers
- Supplying 100 schools with smart irrigation timers
- Fully furnishing a large mega cruise ship with low-flow showerheads
- Providing 1,000 homes with high-efficiency sprinkler nozzles for their lawns
- Removing turf in six large outdoor concert venues
- Saving 200 Olympic-sized swimming pools worth of water

The Agency continues to emphasize the importance of water-wise practices and resources to help support long-term water supply needs and meet upcoming state legislation and urban water supplier targets. For a detailed report on the most recently published WUE activities, please visit <https://www.ieua.org/read-our-reports/water-use-efficiency-reports/>.

Fiscal Responsibility

In FY 2021/22, the Agency's Board adopted a new recycled water rate structure which includes both fixed and variable cost recovery components. The revised water rate structure provides revenue stability to support regional capital investments and helps to ensure the long-term sustainability of the Recycled Water Program by lessening the impact of reduced deliveries in years of high precipitation. As part of the Agency's continual commitment to fiscal responsibility, the FY 2024/25 budget focuses on long-term planning. The Agency's staff will continue to monitor and report program costs on a regular basis, while adopted rates and fees ensure costs are recovered equitably and fairly from those benefiting from the service, and to provide revenue stability and rate predictability.

Major Capital Construction Projects Underway in FY 2024/25 Overview

Major capital construction projects underway in FY 2024/25 included the RP-5 Expansion and Biosolids facility, RP-1 Thickening Building Project, planning of the Chino Basin Program, RP-1 Disinfection Pump Improvements, CCWRF Asset Management and Improvements Project, and RP-1 SCADA Migration Project.

RP-5 Liquids Treatment and Solids Expansion

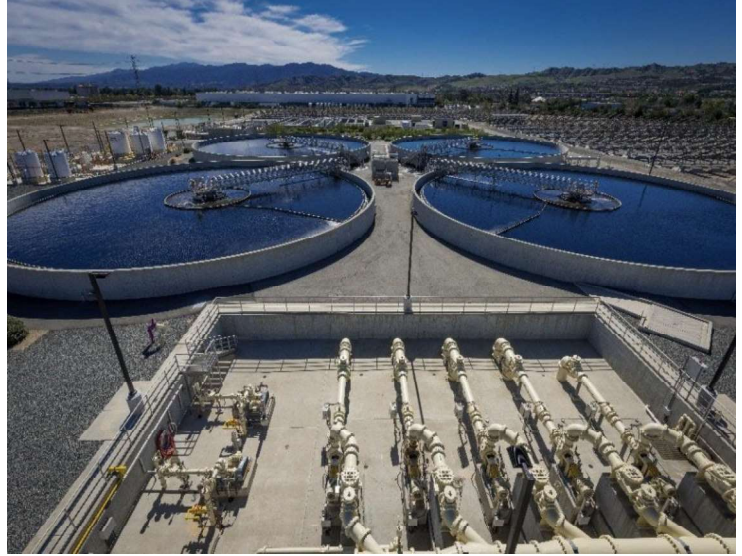
The RP-5 Expansion and Solids Expansion Project (RP-5 Expansion project) will increase the RP-5 hydraulic treatment capacity from 16.3 million gallons per day (MGD) to 22.5 MGD for liquid treatment and mechanical systems. The expansion will support expected growth in the southern section of the Agency's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

RP-1 Solids Thickening Project

The RP-1 Solids Thickening Project focuses on enhancing the management of solid waste materials within the RP-1 facility. The project aims to improve the efficiency of solids separation and thickening processes, thereby increasing the overall capacity for treating and handling solid waste streams. By upgrading existing infrastructure and implementing advanced thickening technologies, the initiative seeks to reduce the volume of solids requiring disposal, lower operational costs, and support environmental compliance.

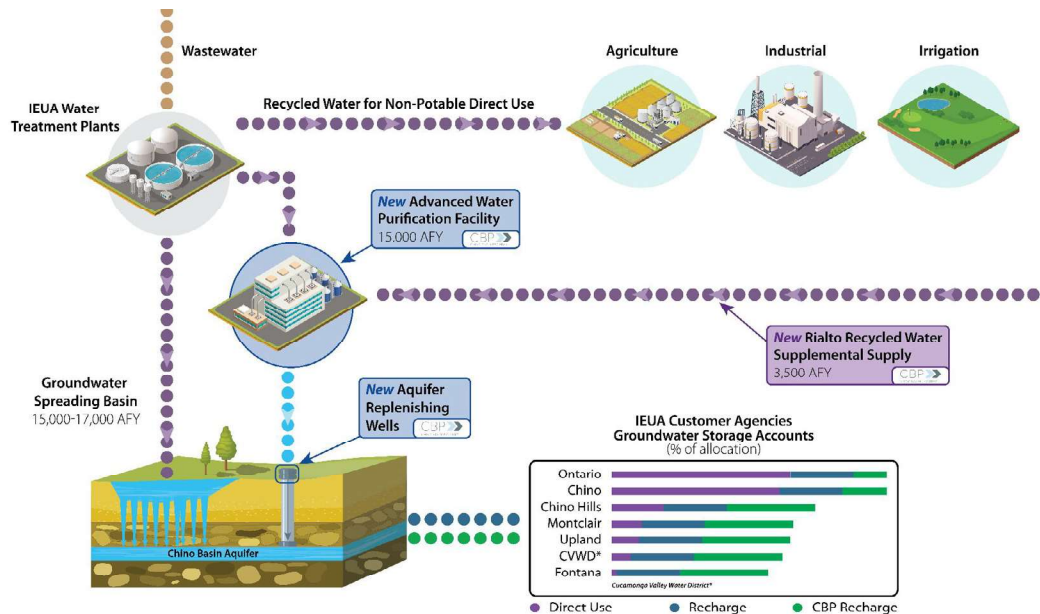
The project involves a comprehensive review of current solids handling practices, followed by the design and installation of improved thickening equipment. The expected outcomes include optimized solids concentration, reduced transport and disposal requirements, and enhanced sustainability for the facility's operations.

Overall, the RP-1 Solids Thickening Project represents a strategic investment in the facility's long-term performance, regulatory alignment, and environmental stewardship.



Chino Basin Program

Developing sustainable, local water supplies is a vital strategy for the future of the region's water supply. The Chino Basin Program (CBP) is a unique opportunity to optimize local water supplies, provide new levels of intra-water management flexibility, and reduce dependence on imported water. The CBP is the first of its kind to deliver benefits to both the northern and southern parts of the state, to increase local reliability. The CBP, through an innovative water exchange with MWD, will develop new recycled water supplies and local infrastructure to treat and store 15,000 AFY of advanced treated recycled water in the Chino Basin. Funding for the program comes in partnership with the State's Water Storage Investment Program which has conditionally awarded \$215 million to the Chino Basin Program.



The CBP will provide the following local benefits:

- A 15 MGD Advanced Water Purification Facility located at the Agency's Regional Water Recycling Plant No. 4 (RP-4) campus to remove salts and constituents of emerging concern (CECs)
- Nine (9) new aquifer replenishing wells to store 15,000 AF of advanced treated, purified water
- 40,000 AF of expanded groundwater production facilities

Once implemented, these projects will address the immediate needs of the region while unlocking the potential for additional storage and water recycling projects in the future. These projects also demonstrate significant benefits for state and local environmental and ecosystem health. Major accomplishments for the Chino Basin Program in FY 2024/25 include:

- Executing the Metropolitan-IEUA CBP exchange agreement in October 2024
- Developing the program simulation to facilitate State Public Benefit Discussion with California Water Commission Staff, the Department of Water Resources, and California Department of Fish and Wildlife
- Securing an additional \$3.2 million in program funding from the US Bureau of Reclamation (USBR) planning grant (\$2.8 million), Metropolitan Water District of Southern California's Future Supply Action grant (\$400,000), and a conditional award of \$10.8 million from the USBR large scale water recycling grant program
- Completed construction and monitoring of three aquifer replenishing injection test wells

RP-1 Disinfection Pump Improvements

The RP-1 Disinfection Improvements Project includes the demolition of the existing sodium hypochlorite storage and metering facility and the construction of a new facility with enhanced storage tanks, metering pumps, and containment structures. Key upgrades include improvements to chemical dosing at the Old and New Effluent Structures, enhancements to the sodium bisulfite system for power outage response, and structural repairs to the sedimentation basin, including concrete crack repairs, grout replacement, and pump repairs. Additionally, the project incorporates system integration upgrades and asphalt improvements to enhance reliability, provide redundancy, and ensure regulatory compliance. This project is anticipated to be completed in 2025.

Carbon Canyon Water Recycling Facility Asset Management and Improvements

The project involves critical improvements to multiple systems at the CCWRF. Headworks enhancements include replacing two screens in existing channels, installing new shaftless screw conveyors for discharge, and limited concrete rehabilitation. A new electrical building and bio-trickling filter odor control system will be added, replacing outdated odor control systems for the headworks and primary clarifiers. Aeration upgrades include replacing four blowers with preselected turbo blowers and installing an Ammonia-Based Aeration Control (ABAC) system. Tertiary system upgrades focus on replacing isolation gates and modernizing the traveling bridge crane system with new controls, sensors, and mechanical components to ensure reliable filtration system performance. This project is currently under construction with an estimated completion date of 2026. During FY 2024/25, the project completed the start up for two out of the four aeration upgrades and the following accomplishments were achieved:

- Start-up of aeration upgrade APG-Neuros turbo blower 1 on 12/05/2024
- Delivery of new electrical building which houses new Motor Control Center (MCC) 13, 14 on 01/08/2025



- Start-up of aeration upgrade APG-Neuros turbo blower 2 on 02/05/2025



RP-1 SCADA Migration

This project will migrate the Agency's existing supervisory control and data acquisition (SCADA) system at RP-1 from an outdated Foxboro-Invensys DCS to a Rockwell Automation system. The overall project includes several phases of SCADA migration, including systems at CCWRF, RP-1, RP-4, and RP-5. The scope for this project includes design, procurement, programming, and installation of a new SCADA system at RP-1. In doing this, several central control panels and equipment will be overhauled. The project will consist of several tasks including SCADA system design (physical and operator screens), procurement, installation, integration, and cutover testing of the upgrades to the network, supervisory control, director control, operations data management system, and reporting systems at RP-1. The construction for this project began in July 2023 and is planned to be completed by December 2026. During FY 2024/25 the following accomplishments were achieved:

- Installation of new duct banks throughout RP-1 for the future optic fiber network
- Architectural upgrades to the Main Control Building and Tertiary Plant building for future server and control rooms
- Installation of electrical conduits at various locations at RP-1 for future control panels
- Installation of the new fire suppression system at the Main Control Building and the Tertiary Plant building

Major Accomplishments

GRANTS

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

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

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

SIGNIFICANT IMPACT OF AGENCY GRANTS AND LOANS ON THE PROJECT FUNDING

In FY 2024/25, the Agency was awarded a total of \$739,479 in grants. The following table highlights these major accomplishments.

Grants Awarded			
	Grants	Loans	Total
EnergyWERX/Department of Energy Inland Empire Utilities Agency-Carbon Canyon Water Recycling Facility Enhanced Aeration Controls - Ammonia Analyzers	\$ 39,479	\$ -	\$ 39,479
Metropolitan Water District (MWD) - Future Supply Actions (FSA), Identifying and Removing PFAS in Well Drilling	298,500	-	298,500
Metropolitan Water District of Southern California Future Supply Actions Advanced Water Purification Demonstration Facility	401,500	-	401,500
Total Grants and Loans Awarded			\$ 739,479

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

- The EnergyWERX/Department of Energy awarded the Agency \$39,479 in grant funding for the Inland Empire Utilities Agency-Carbon Canyon Water Recycling Facility Enhanced Aeration Controls - Ammonia Analyzers project that has a total cost of \$78,959. The award date of the grant was September 10, 2024 and the end date will be December 13, 2026. This project will enhance Carbon Canyon’s aeration controls by switching from dissolved oxygen to ammonia-based controls, yielding energy savings.
- The Metropolitan Water District (MWD) - Future Supply Actions (FSA) awarded the Agency \$298,500 in grant funding for the Identifying and Removing PFAS in Well Drilling project that has a total cost of \$597,000. The award date of this grant was May 27, 2025 and the end date will be March 31, 2027. This project will further document newly identified links between commonly utilized well drilling products and PFAS contamination in groundwater monitoring and production wells.
- The Metropolitan Water District of Southern California Future Supply Actions awarded the Agency \$401,500 in grant funding for the Advanced Water Purification Demonstration Facility project that has a total cost of \$7 million. The award date of this grant was May 1, 2025 and the end date will be May 1, 2027. The Advanced Water Purification Demonstration Facility will provide information needed to design the full-scale Advanced Water Purification Facility (AWFP), provide our staff with the training necessary to successfully operate the AWPF, and promote innovation by testing and demonstrating new technologies that benefit the community.

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

In FY 2024/25, the Agency submitted a total of six grant applications totaling \$14.5 million. The following table shows the applications of six grants that are in the technical and/or environmental review stage and are pending an award decision. Other grant applications not on the list were not awarded.

Applications Submitted/Pending Award Decision

	Grants Submitted	Grants Pending
US Bureau of Reclamation Drought Resiliency – Montclair Basin Improvements	\$ 1,315,736	\$ 1,315,736
US Bureau of Reclamation Large Scale Water Recycling Program Round 2– Chino Basin Program	10,856,662	10,856,662
Federal Community Project - Cybersecurity Enhancements	1,180,000	1,180,000
Federal Community Project - Advanced Water Purification Demonstration Facility	1,018,000	1,018,000
Thrive Inland SoCal Catalyst Program Round 3	1,000,000	1,000,000
US Bureau of Reclamation Water and Energy Efficiency Grant – SCADA Upgrades	2,745,276	2,745,276
Total	\$ 18,115,674	\$ 18,115,674

Future Years

Training, Development, and Succession Planning

Over the next few years, approximately 30 percent of the current workforce will be eligible for retirement. During FY 2025/26 the Agency will prioritize the implementation of the Workforce Development Plan which includes a succession planning component, and the classification and compensation study. These initiatives are designed to strengthen talent pipelines, enhance role clarity, and ensure equitable compensation practices. Together, these next steps will position the Agency for long-term success by fostering a more agile, skilled and resilient workforce.

Fiscal Responsibility

The Operating Budget for FY 2024/25 was the second year of the Agency's biennial budget, adopted on June 21, 2023. As part of the Agency's continual commitment to fiscal responsibility, the FY 2025/26 budget will focus on long-term planning, sustainability, and the recently adopted strategic plan initiatives. The Agency's staff will continue to monitor and report program costs on a regular basis. Adopted rates and fees ensure costs are recovered equitably and fairly from those benefiting from the service, and provide revenue stability and rate predictability. The Agency will continue to implement sustainable costs and containment of expenditures within budgeted targets to ensure fiscal stability of the Agency into the future.

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

Financial Information

Internal Controls

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

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

Budgetary Controls

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

Other Information

Independent Audit

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

Awards

California Water Environment Association (CWEA) Awards

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

- Select Society of Sanitary Sludge Shovelers (5S) - First Place: This award was presented to Robert Delgado, Director of Operations and Maintenance, Lucia Diaz, Manager of Facilities and Water System Programs, and Sushmitha Reddy, Manager of Laboratories. The award is presented by water environment associations, such as those working with sewage and sewage treatment, to honor those who have made a particular contribution to the industry.
- PICK Award - First Place: This award was presented to Lucia Diaz, Manager of Facilities and Water Systems Programs, Edward Makowski, Collection System Supervisor, and Yvonne Taylor, Executive Assistant. The award recognizes volunteer efforts in service to the CWEA Collection Systems Committee with Professionalism, Ingenuity, Contribution, and Knowledge.
- Richard D. Pomeroy Award: This award was presented to Lucia Diaz, Manager of Facilities and Water System Programs. The award is presented for the practical application of an original concept that expands known techniques of wastewater collection.

California Water Environment Association (CWEA) Santa Ana River Basin Section (SARBS)

CWEA is committed to empowering, educating, and connecting water professionals to protect public health and the environment. SARBS, a local section of CWEA, provides convenient and accessible opportunities for fellow wastewater professionals to engage on a local level through meetings and trainings. During FY 2024/25, SARBS recognized the Agency with the following awards:

- **Supervisor of the Year - Silver Award:** This award was presented to Collection System Supervisor Edward Makowski. The award recognizes individuals for successful mentoring of team members, professional development, and effective communication.
- **Collection System Person of the Year -** This award was presented to Collection System Operator III Adolfo Zavala. The award recognizes an individual for their innovation and excellence in collection systems maintenance.
- **Community Engagement and Outreach Project of the Year (Large) - Gold Award:** This award was presented on behalf of the Agency's Be Sewer Smart campaign. The award recognizes significant achievements in promoting awareness and understanding of water quality issues. Awards are given in three categories: small, medium and large.

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

The NACWA recognizes member agency facilities for excellence in wastewater treatment as measured by their compliance with their National Pollutant Discharge Elimination System permit. Platinum awards recognize 100% compliance with permits over a consecutive five-year period. Platinum awards are given to facilities with a consistent record of full compliance for a consecutive five years at the Gold level. Gold awards are given to facilities with no permit violations for the entire calendar year. During FY 2024/25, Carbon Canyon Water Recycling Facility (CCWRF) received the Platinum Peak Performance Award, while Regional Water Recycling Plant No. 1 (RP-1) and Regional Water Recycling Plant No. 5 (RP-5) received the Silver Peak Performance Award.

Government Finance Officers Association (GFOA) Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Agency for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This was the twenty-seventh consecutive year the Agency has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both US GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

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

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

Respectfully submitted,



Christiana Daisy
Interim General Manager



Lisa Dye
Assistant General Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

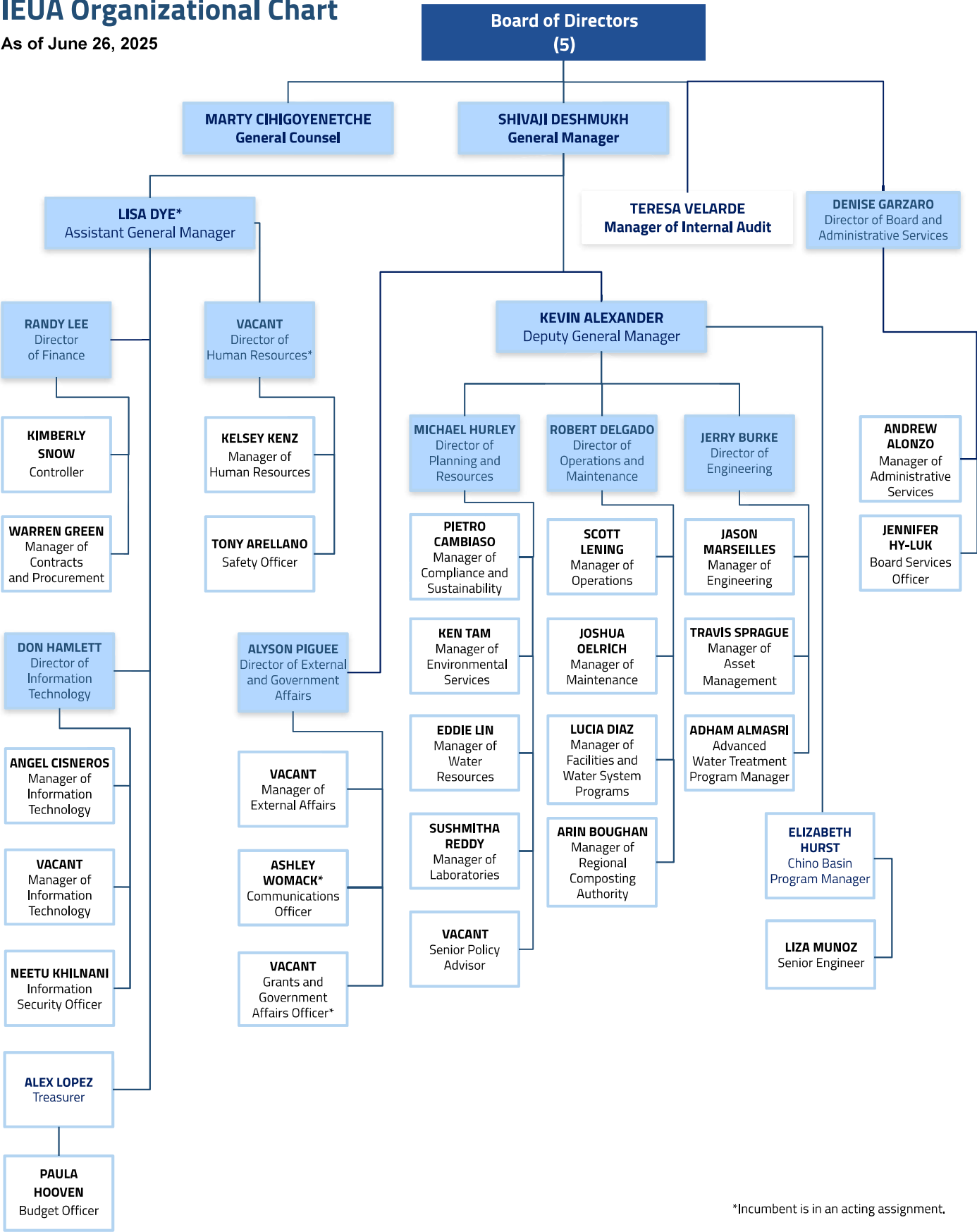
June 30, 2024

Christopher P. Morrell

Executive Director/CEO

IEUA Organizational Chart

As of June 26, 2025



*Incumbent is in an acting assignment.

Principal Officials**As of June 26, 2025****Board of Directors**

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

Senior Leadership Team

Shivaji Deshmukh	General Manager
Marty Cihigoyenetché	General Counsel
Kevin Alexander	Deputy General Manager
Lisa Dye	Acting Assistant General Manager
Jerry Burke	Director of Engineering
Robert Delgado	Director of Operations and Maintenance
Denise Garzaro	Director of Board and Administrative Services
Don Hamlett	Director of Information Technology
Michael Hurley	Director of Planning and Resources
Randy Lee	Director of Finance
Alyson Piguee	Director of External and Government Affairs

Unit Staff

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



Financial Section





Independent Auditors' Report

To the Board of Directors of
Inland Empire Utilities Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Inland Empire Utilities Agency (the Agency), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Agency as of June 30, 2025 and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 21 to the financial statements, the Agency adopted the provisions of GASB Statement No. 101, *Compensated Absences*, effective July 1, 2024. Accordingly, net position as of June 30, 2024 has been restated. Our opinions are not modified with respect to this matter.

As discussed in Note 21 to the financial statements, net position as of June 30, 2024 has been restated to correct a material misstatement related to asset retirement obligations that were not previously recorded. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



Madison, Wisconsin
December 23, 2025

Management Discussion and Analysis

The intent of Management's Discussion and Analysis (MD&A) is to provide highlights of the financial activities of the Agency for the fiscal year ended June 30, 2025. Readers are encouraged to read this section in conjunction with the transmittal letter and the accompanying basic financial statements.

Agency's Fund Financial Statement

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

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

The Agency's Operations - an Overview

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

Total revenues, including grants and subsidies, of \$356,303,084 for fiscal year (FY) 2024/25 reported an increase of \$29,401,526 (9.0%) compared to \$326,901,558 for FY 2023/24. The overall increase includes: 1) a \$8,905,460 (5.4%) increase in operating revenues; 2) a \$22,595,133 (14.5%) increase in nonoperating revenues, partially offset by; 3) a \$2,099,067 (47.2%) decrease in capital grants.

The net increase in operating revenues of \$8,905,460 (5.4%) was primarily due to: 1) a \$6,920,879 (6.2%) increase in service charges resulting from an increase in the number of Equivalent Dwelling Units (EDUs) reported by contracting agencies and an increase in rates for FY 2024/25; 2) a \$5,538,910 (27.8%) increase in recycled water sales due to an increase in recycled water demand and an increase in recycled water rates for FY 2024/25 partially offset by; 3) a \$3,554,329 (10.1%) decrease in water sales due to a decrease in water demand due to weather conditions.

The net increase in nonoperating revenues of \$22,595,133 (14.5%) was primarily due to: 1) a \$794,769 (4.9%) increase in interest income due to a favorable interest rate environment during FY 2024/25; 2) a \$5,865,068 (6.9%) increase in property tax revenues due to an increase in the San Bernardino County apportionments of Tax Roll Revenues; 3) a \$9,420,761 (33.7%) increase in wastewater capital connection fees due to an increase in development and construction activities; 4) a \$1,969,731 (38.2%) increase in water connection fees due to an increase in development and construction activities; and 5) a \$4,544,804 (21.4%) increase in other nonoperating revenues due to a net unrealized gain on investments and increases in other miscellaneous revenues.

Total expenses of \$233,076,640 for FY 2024/25 reported an increase of \$6,620,416 (2.9%) compared to \$226,456,224 for FY 2023/24. The increase includes: 1) a net increase in operating expenses of \$5,485,667 (2.7%); and 2) an increase in nonoperating expenses of \$1,134,749 (5.0%).

The net increase in operating expenses of \$5,485,667 (2.7%) was primarily due to: 1) a \$8,374,395 (12.5%) increase in administration and general expenses; 2) a \$3,497,274 (9.7%) increase in depreciation and amortization due to capital asset additions; 3) a \$104,799 (1.0%) increase in wastewater disposal costs; 4) a \$531,562 (6.1%) increase in operations and maintenance expenses; partially offset by, 5) a \$5,822,724 (15.5%) decrease in water purchases due to lower demand for FY 2024/25; 6) a \$512,241 (4.2%) decrease in wastewater collection costs; and 7) a \$687,398 (2.1%) decrease in wastewater treatment costs. Increases in all operating expense categories were primarily due to increases in operating revenues, a higher demand for recycled water, and an increase in development and construction activities.

The increase in nonoperating expenses of \$1,134,749 (5.0%) was primarily due to: 1) a \$872,946 (9.3%) increase in other nonoperating expenses, which primarily consist of expenses related to administrative and operational support provided to Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), and the Chino Basin Watermaster (Watermaster), and; 2) a \$261,803 (2.0%) increase in interest on long-term debt primarily due to interest incurred on existing debt obligations and additional draws during FY 2024/25 on the Agency's Water Infrastructure Finance and Innovation Act (WIFIA) loans.

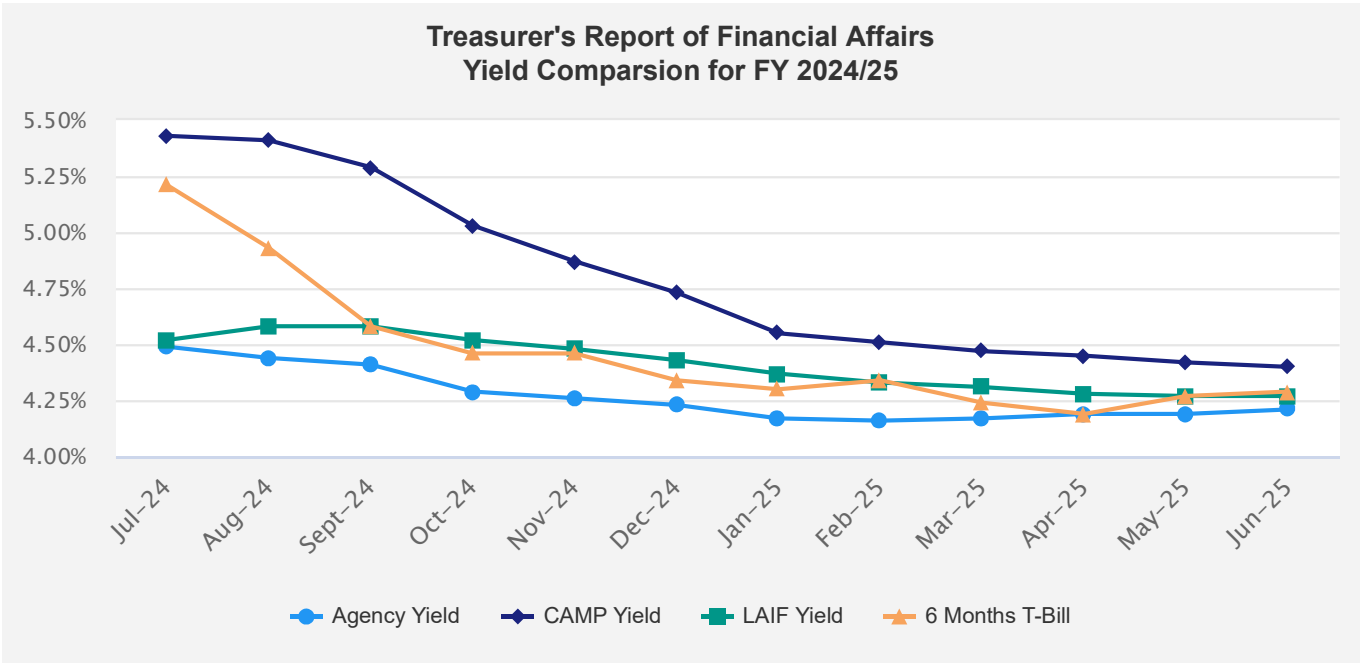
Financial Highlights

Cash and Investment Management

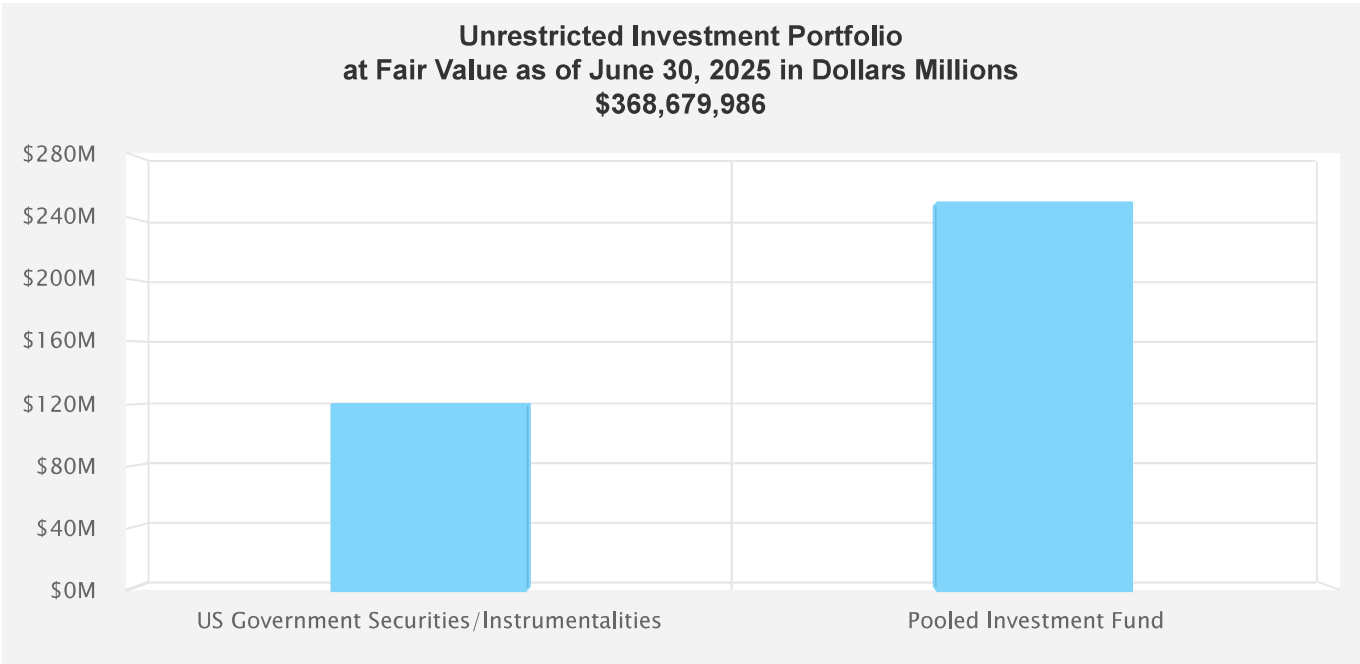
The Agency has a comprehensive cash and investment program subject to the California State Government Code (CSG) and bond covenants. These regulations are incorporated into the Agency's Investment Policy which identifies the authorized investment types and any restrictions. Consistent with the CSG, the Agency adopts an investment policy annually that is intended to safeguard the principal investments and minimize credit and market risks, remain sufficiently liquid to meet all reasonably anticipated operating requirements for six months, while maintaining a competitive yield on the overall portfolio. The Agency's cash management system is also designed to forecast revenues and expenditures in order to identify and invest idle funds to the fullest extent possible. During FY 2024/25, idle funds were invested in accordance with this policy. These investments primarily consisted of United States Government Securities/Instrumentalities, state issued municipal bonds, medium term notes, and deposits in pooled investment funds.

Investment Portfolio Performance

The Agency's overall portfolio rate of return decreased from 4.51% as of June 30, 2024 to 4.21% as of June 30, 2025, primarily due to the slight decrease in interest rates towards the end of FY 2024/25. Total interest income for FY 2024/25 was \$17,014,103, an increase of 4.9% compared to \$16,219,334 in FY 2023/24. The increase in interest income is primarily due to the higher interest rates during the majority of FY 2024/25.



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



The Agency's unrestricted portfolio fair value for the fiscal years ended June 30, 2025, and 2024, were \$368,679,986 and \$365,262,977, respectively. Not included are restricted funds held in trust or by a custodian, such as deposits held by CalPERS to support the Agency's Other Postemployment Benefits (OPEB) unfunded accrued liability, 2020B Revenue Notes to support construction costs for the Regional Plant No. 5 (RP-5) Expansion Project, One Water Connection Reserves held in a separate pooled investment fund account, and the debt service accounts.

Chino Basin Desalter Operations

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

Chino I Desalter pays for all expenses related to operations and maintenance directly except for labor and other small expenses. All expenses related to labor and other small expenses are recorded in the Agency's Administrative Services Fund. These expenses are billed to the CDA monthly and are reported as Nonoperating Revenues in the Statement of Revenues, Expenses, and Changes in Net Position. In FY 2024/25, the total amount billed was \$1,924,036 compared to \$1,512,035 billed in FY 2023/24.

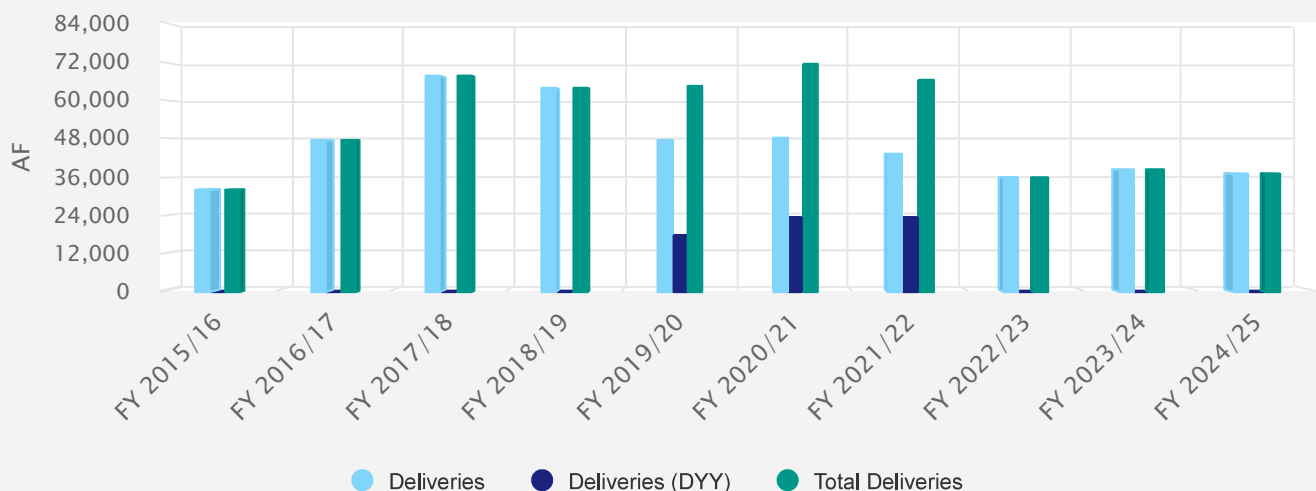
Imported Water Deliveries

Imported water deliveries for FY 2024/25 were 36,771 AF compared to 38,415 AF for FY 2023/24, a decrease of 1,600 (4.2%) AF. The decrease in imported water over the last fiscal year, as reported in the bar graph on the next page, is mainly due to reduced water supply allocations from Metropolitan Water District of Southern California during FY 2024/25.

Total operating revenues in the Water Resources Fund decreased by \$2,995,219 (6.5%) in FY 2024/25 to \$42,873,441 from \$45,868,660 in FY 2023/24. The decrease is primarily due to a decrease in water deliveries. The net decrease in total operating revenues in the Water Resources Fund is partially offset by an increase in service charge revenues by \$559,110 (5.3%) to \$11,109,233 in FY 2024/25 from \$10,550,123 in FY 2023/24, due to new rates adopted by the Agency's Board for Meter Equivalent Units (MEUs) for FY 2024/25.

Total operating expenses in the Water Resources Fund decreased by \$5,650,174 (11.5%) to \$43,617,829 in FY 2024/25 from \$49,268,003 in FY 2023/24. The decrease was primarily due a decrease in operating revenues and a decrease in water purchases.

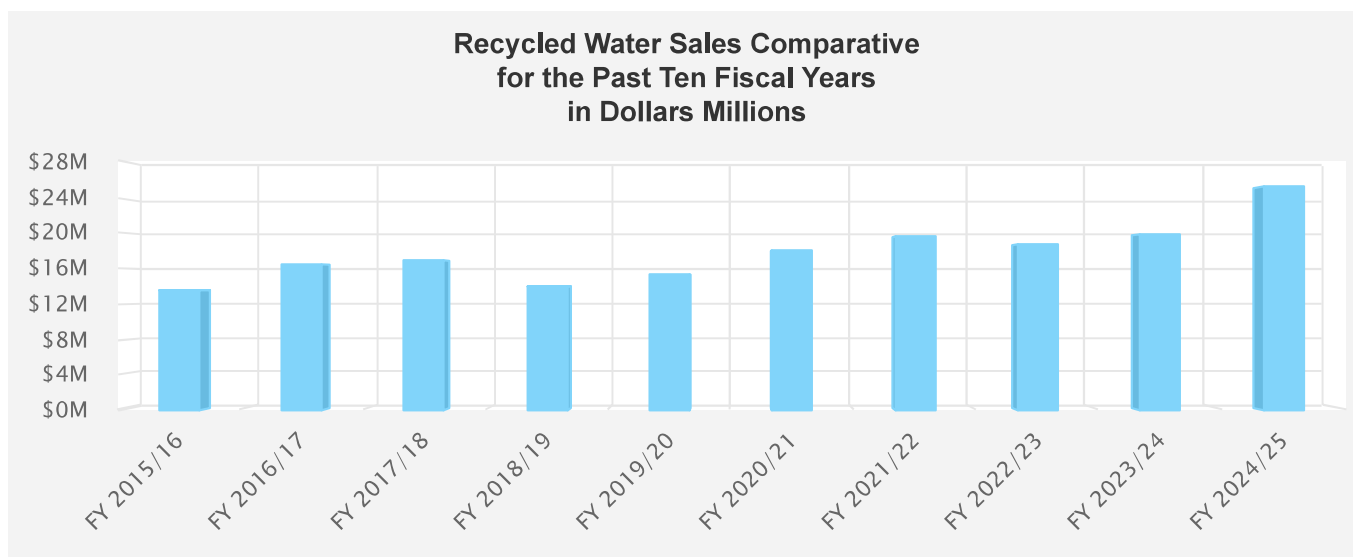
Comparative Acre-Feet (AF) Deliveries
(Includes Dry Year Yield Conjunctive Use Program (DYY) AF)



	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Deliveries	31,714	47,848	67,977	64,168	47,440	48,347	43,258	35,992	38,415	36,815
Deliveries (DYY)	-	-	-	-	17,395	23,000	22,929	-	-	-
Total Deliveries	31,714	47,848	67,977	64,168	64,835	71,347	66,187	35,992	38,415	36,815

Recycled Water Sales

Total operating revenues from recycled water sales in the Recycled Water Fund increased by \$5,538,910 (27.8%) to \$25,443,776 in FY 2024/25, compared to \$19,904,866 in FY 2023/24.

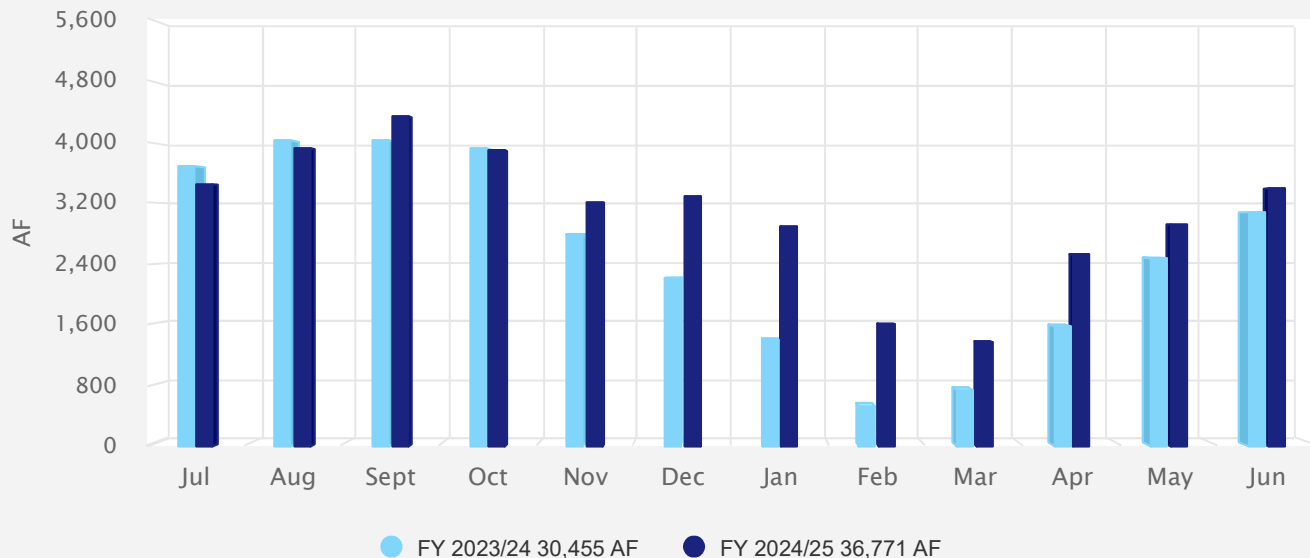


The increase in revenues from recycled water sales was primarily due to an increase in recycled water deliveries from 30,455 AF in FY 2023/24 to 36,771 AF in FY 2024/25, a 6,316 (20.7%) AF increase. In the prior FY 2023/24 there was an abundance of rain in the winter months leading to reduced outdoor irrigation demands in FY 2023/24 compared to demands in FY 2024/25. The increase in FY 2024/25 was also due to annual rate adjustments on the direct sale of recycled water and recycled water for groundwater recharge and an increase in the fixed cost recovery charge.

Total operating expenses in the Recycled Water Fund increased by \$1,605,692 (7.4%) to \$23,447,854 in FY 2024/25 from \$21,842,162 in FY 2023/24 due to increases in operations and maintenance expense, administration and general expense, and depreciation and amortization expense.

Total net position of the Recycled Water Fund as of June 30, 2025, was \$148,283,569, an increase of \$14,739,151 (11.0%) from \$133,544,418 on June 30, 2024. The increase was primarily due to recycled water sales and nonoperating revenues received for water connection fees, property tax revenues, and interest income.

Recycled Water Monthly Deliveries Comparative by Acre-Feet (AF)



Regional Wastewater Program Activities

The Regional Wastewater Program, comprised of the Regional Wastewater Capital Improvement Fund (Wastewater Capital) and Regional Wastewater Operations and Maintenance Fund (Wastewater Operations), reported combined total revenues before capital grants and transfers of \$236,360,558 in FY 2024/25, an increase of \$28,988,268 (14.0%) compared to FY 2023/24, which totaled \$207,372,290.

Revenues by Category – Regional Wastewater Program For the Fiscal Year Ended June 30, 2025 (With Comparative Totals for the Fiscal Year Ended June 30, 2024)

Revenue Category	FY 2024/25		FY 2023/24		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
OPERATING REVENUES						
Service Charges	\$ 91,685,089	38.8%	\$ 83,768,751	40.4%	\$ 7,916,338	9.5%
NONOPERATING REVENUES						
Interest Income	10,880,500	4.6%	9,966,151	4.8%	914,349	9.2%
Property Tax Revenues	80,417,830	34.0%	75,270,244	36.3%	5,147,586	6.8%
Wastewater Capital Connection Fees	37,383,598	15.8%	27,962,837	13.5%	9,420,761	33.7%
Other Nonoperating Revenues	15,993,541	6.8%	10,404,307	5.0%	5,589,234	53.7%
Total Nonoperating Revenues	144,675,469	61.2%	123,603,539	59.6%	21,071,930	17.0%
Total Revenues	\$ 236,360,558	100.0%	\$ 207,372,290	100.0%	\$ 28,988,268	14.0%

The Regional Wastewater Program's FY 2024/25 revenues from service charges for the monthly EDU rate were \$91,685,089 and are \$7,916,338 higher (9.5%) compared to the FY 2023/24 total of \$83,768,751. The increase is primarily due to newly adopted rates by the Agency Board of Directors for FY 2024/25, and an increase of 112,754 (3.2%) in the number of billable EDUs to 3,678,600 in FY 2024/25 from 3,565,846 in FY 2023/24, as reported by sewer collection agencies.

Property tax revenues allocated to the Regional Wastewater Program increased by \$5,147,586 (6.8%) from \$75,270,244 in FY 2023/24 to \$80,417,830 in FY 2024/25 primarily driven by an increase in the overall property taxes received by the Agency. Property taxes are the result of an increase in assessed property values, per the San Bernardino County Treasurer-Tax Collector.

Wastewater capital connection fees are held by regional sewerage agencies in a Capital Capacity Reimbursement Account (CCRA) on behalf of the Agency to support the improvement and expansion of the Regional Wastewater System and are receivables for the Agency. Wastewater capital connection fees increased by \$9,420,761 (33.7%) in FY 2024/25 to \$37,383,598 from \$27,962,837 in FY 2023/24, due to more development in the service area in FY 2024/25 compared to the previous fiscal year in FY 2023/24. The total number of wastewater connections reported by the sewer collection agencies in FY 2024/25 were 4,360 units compared to 3,488 units in FY 2023/24. Cucamonga Valley Water District (CVWD) and the cities of Chino, Fontana, and Ontario accounted for approximately 87% of the total number of new wastewater connections in FY 2024/25.

The Regional Wastewater Program's other nonoperating revenues were \$15,993,541 in FY 2024/25 compared to \$10,404,307 in FY 2023/24, an increase of \$5,589,234 (53.7%). The increase is primarily due to realized investment gains charged to the Regional Wastewater Program in FY 2024/25.

Interest income increased by \$914,349 (9.2%) from \$9,966,151 in FY 2023/24 to \$10,880,500 in FY 2024/25 due to higher interest rates for most of the fiscal year in FY 2024/25, compared with FY 2023/24.

Expenses by Category – Regional Wastewater Program
For the Fiscal Year Ended June 30, 2025
(With Comparative Totals for the Fiscal Year Ended June 30, 2024)

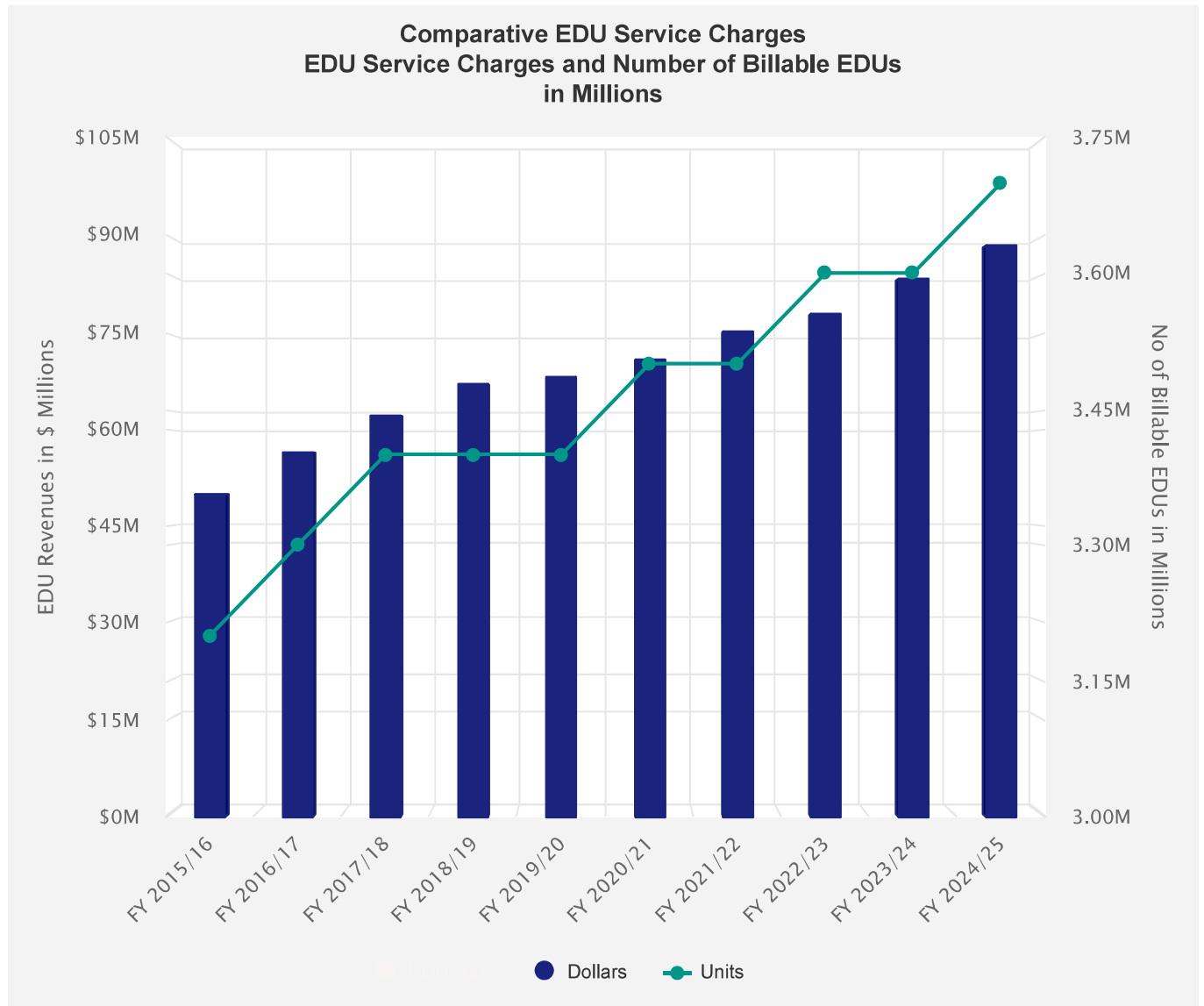
Expense Category	FY 2024/25		FY 2023/24*		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Wastewater Collection	\$ 2,077,407	1.5%	\$ 1,809,521	1.4%	\$ 267,886	14.8%
Wastewater Treatment	31,576,748	23.0%	32,264,146	24.9%	(687,398)	(2.1%)
Wastewater Disposal	10,167,091	7.4%	10,062,292	7.8%	104,799	1.0%
Total Wastewater Expenses	43,821,246	31.9%	44,135,959	34.1%	(314,713)	(0.7%)
Administration and General	48,699,282	35.5%	43,973,238	34.1%	4,726,044	10.7%
Depreciation and Amortization	26,848,601	19.6%	25,793,790	20.0%	1,054,811	4.1%
Interest on Long-Term Debt	10,722,412	7.8%	10,242,202	7.9%	480,210	4.7%
Other Nonoperating Expenses	7,114,078	5.2%	5,105,176	3.9%	2,008,902	39.4%
Total Other Operating and Nonoperating Expenses	93,384,373	68.1%	85,114,406	65.9%	8,269,967	9.7%
Total Expenses	\$ 137,205,619	100.0%	\$ 129,250,365	100.0%	\$ 7,955,254	6.2%

* FY 2023/24 amounts presented above have been restated due to an error correction. Refer to Note 21 of the Notes to the Basic Financial Statements for additional information.

Total expenses for the Regional Wastewater Program for FY 2024/25 were \$137,205,619, compared to \$129,250,365 in FY 2023/24, an increase of \$ 7,955,254 (6.2%). Total wastewater collection, treatment, and disposal costs decreased by \$314,713 (0.7%) to \$43,821,246 in FY 2024/25, compared to \$44,135,959 in FY 2023/24. The decreases were mainly due to decreases in chemical, electricity, and biosolids disposal costs.

Administration and general expenses increased by \$4,726,044 (10.7%) to \$48,699,282 in FY 2024/25, compared to \$43,973,238 in FY 2023/24. The increase was primarily related to increases to Agency staffing levels and contractual services, program services regarding fiscal management allocations and the recording of pension expenses in compliance with GASB 68. Depreciation and amortization expense increased by \$1,054,811 (4.1%) to

\$26,848,601 in FY 2024/25, compared to \$25,793,790 in FY 2023/24. Interest on long-term debt increased by \$480,210 (4.7%) to \$10,722,412 in FY 2024/25, compared to \$10,242,202 in FY 2023/24. Total other nonoperating expenses of \$7,114,078 increased by \$2,008,902 (39.4%) in FY 2024/25, compared to \$5,105,176 in FY 2023/24. The increase is primarily related to expenses incurred for administrative and operational support provided to CDA, IERCA, and Watermaster.



	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
EDU Rate	\$ 15.89	\$ 17.14	\$ 18.39	\$ 19.59	\$ 20.00	\$ 20.00	\$ 21.22	\$ 21.86	\$ 23.39	\$ 24.79
Dollars	\$ 49,808,859	\$ 56,442,936	\$ 61,981,596	\$ 67,082,967	\$ 67,994,256	\$ 70,808,440	\$ 75,192,297	\$ 77,774,835	\$ 83,405,138	\$ 91,192,494
Units	3,212,917	3,293,053	3,370,640	3,426,229	3,399,713	3,540,422	3,545,245	3,559,002	3,565,846	3,678,600

Non-Reclaimable Wastewater Treatment

The Non-Reclaimable Wastewater System (NRWS) is a collection system which includes pipelines and a pump station to export the high-salinity industrial wastewater generated within the Agency's service area for treatment and eventual discharge to the Pacific Ocean. The NRWS is physically separated from the Agency's Regional Sewerage System (RSS), ensuring compliance with the California Regional Water Quality Control Board (RWQCB) and state regulations. By diverting high Total Dissolved Solids (TDS) wastewater to the NRWS and away from RSS, the

quality of the recycled water produced from the treatment of municipal wastewater is improved for local use and helps ensure that the Agency complies with final effluent permit requirements. The NRWS is comprised of three independent collection systems: the North NRWS, the Etiwanda Wastewater Line (EWL), and the South NRWS, also known as the Inland Empire Brine Line (Brine Line). The NRWS and EWL convey wastewater to sewer lines owned and operated by the Los Angeles County Sanitation Districts (LACSD). Flows in the Brine Line are conveyed through pipelines operated by the Santa Ana Watershed Project Authority (SAWPA), to the Orange County Sanitation District (OC SAN) wastewater treatment facilities. Both LACSD and OC SAN's wastewater treatment facilities ultimately discharge to the Pacific Ocean.

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

- North System – prorated based on the number of capacity units issued per customer.
- EWL and Brine Line – a 50% administrative surcharge is imposed on volumetric, capacity, and strength charges.

The NRWS connections remained at 51 users in FY 2024/25 compared to the same number of connected users in FY 2023/24. Total annual flow increased by approximately 32 million gallons to 1,448 million gallons in FY 2024/25 compared to 1,416 million gallons in FY 2023/24.

Total revenues from service charges for the Non-Reclaimable Wastewater Fund in FY 2024/25 for the North and South systems decreased by \$1,554,569 (9.3%) to \$15,142,771 compared to \$16,697,340 in FY 2023/24. The decrease in revenues is primarily due to lower pass-through flow volume from LACSD in FY 2024/25 compared to FY 2023/24.

Total operating expenses for the Non-Reclaimable Wastewater Fund in FY 2024/25 decreased by \$347,400 (2.6%) to \$12,925,522 compared to \$13,272,922 in FY 2023/24. The decrease is due to reduced operations and maintenance labor costs as a result of a decrease in wastewater collection, disposal, and treatment to the IEBL.

The net position of the Non-Reclaimable Wastewater Fund as of June 30, 2025 increased by \$3,213,558 (6.7%) to \$51,430,954 compared to \$48,217,396 in FY 2023/24.

NRW Pass-Through Rates

Rate Description	FY 2024/25	FY 2023/24
North System		
Monthly Capital Improvement Fee	\$ 9.25	\$ 9.27
Operation and Maintenance Charge	33.05	29.79
Monthly Volumetric Fee	1,014.00	985.00
Total Suspended Solids (TSS)	491.70	477.40
Chemical Oxygen Demand (COD)	208.00	202.00
Peak Flow Fee	339.06	328.75
South System		
Monthly Capital Improvement Fee	\$ 90.00	\$ 90.00
Monthly Capacity Unit Fee	435.43	435.43
Monthly Volumetric Fee	1,097.00	1,073.00
Total Suspended Solids (TSS)	497.00	494.00
Biochemical Oxygen Demand (BOD)	396.00	394.00

Recharge Water Fund

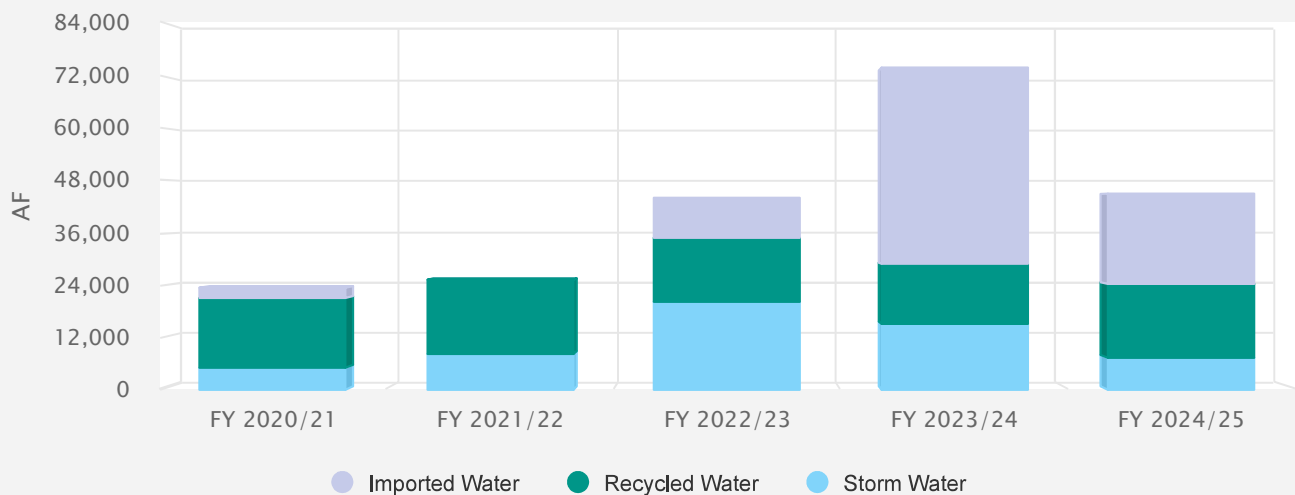
The Recharge Water Fund records the activities related to the operations and maintenance of nineteen groundwater recharge sites and pertinent facilities. Through the joint efforts of the Chino Basin Watermaster (CBWM), the Chino Basin Water Conservation District (CBWCD), and the San Bernardino County Flood Control District (SBCFCD), the Agency operates and maintains the basins and related facilities. The Agency takes the lead in the execution and financing of capital projects included in the 2023 Chino Basin Recharge Master Plan. Operating costs include general basin maintenance and restoration, groundwater administration, compliance reporting, environmental documentation and contracted services that are funded by CBWM and the Agency for its pro-rata share of costs based on recharged deliveries of recycled water.

Total operating expenses in FY 2024/25 were \$3,478,331, an increase of \$131,268 (3.9%) compared to \$3,347,063 in FY 2023/24. The increase is primarily due to an increase in depreciation and amortization expense.

The Recharge Water Fund did not have any grant revenues in FY 2024/25, compared to \$1,033,211 in FY 2023/24, which was drawn down from the State Water Resources Control Board (SWRCB) Proposition 1 Stormwater Grant. No additional draws on this grant were made in FY 2024/25. Grant revenues can vary from year to year depending on the grants awarded based on capital project needs.

As of June 30, 2025, total net position of the Recharge Water Fund was \$42,288,512, an increase of \$527,920 (1.3%) compared to total net position of \$41,760,592 as of June 30, 2024.

**Types of Water Recharged
for the Past Five Fiscal Years
in Acre-Feet (AF)**



Revenues

Combined revenues and other funding sources for FY 2024/25 totaled \$356,303,084, an increase of \$29,401,526 (9.0%) compared to \$326,901,558 in FY 2023/24. The following table presents a comparison of revenues and other funding sources by category for FY 2024/25 and FY 2023/24.

Combined Revenues and Other Funding Sources by Category - All Funds For the Fiscal Year Ended June 30, 2025 (With Comparative Totals for the Fiscal Year Ended June 30, 2024)

Revenues and Other Funding Sources	FY 2024/25		FY 2023/24		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
OPERATING REVENUES						
Service Charges	\$ 117,937,093	33.2%	\$ 111,016,214	34.0%	\$ 6,920,879	6.2%
Water Sales	31,764,208	8.9%	35,318,537	10.8%	(3,554,329)	(10.1%)
Recycled Water Sales	25,443,776	7.1%	19,904,866	6.1%	5,538,910	27.8%
Total Operating Revenues	175,145,077	49.2%	166,239,617	50.9%	8,905,460	5.4%
NONOPERATING REVENUES						
Interest Income	17,014,103	4.8%	16,219,334	5.0%	794,769	4.9%
Property Tax Revenues	91,477,333	25.7%	85,612,265	26.2%	5,865,068	6.9%
Water Connection Fees	7,119,673	2.0%	5,149,942	1.5%	1,969,731	38.2%
Wastewater Capital Connection Fees	37,383,598	10.5%	27,962,837	8.5%	9,420,761	33.7%
Other Nonoperating Revenues	25,812,859	7.1%	21,268,055	6.5%	4,544,804	21.4%
Capital Grants	2,350,441	0.7%	4,449,508	1.4%	(2,099,067)	(47.2%)
Total Nonoperating Revenues	181,158,007	50.8%	160,661,941	49.1%	20,496,066	12.8%
Total Revenues Other Funding Sources	\$ 356,303,084	100.0%	\$ 326,901,558	100.0%	\$ 29,401,526	9.0%

Service Charges Increase was due to an increase in the number of Equivalent Dwelling Units (EDUs) reported by contracting agencies.

Water Sales Decrease was due to lower water deliveries related to weather conditions.

Recycled Water Sales Increase was due to an increase in recycled water demand.

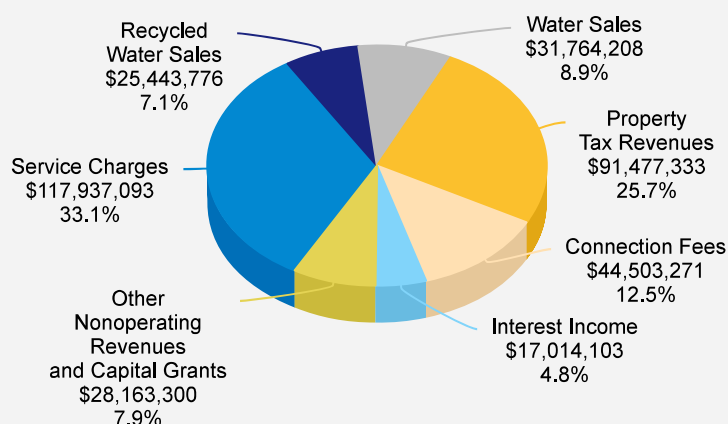
Interest Income Increase was due to higher interest rates during the majority of FY 2024/25 compared to FY 2023/24.

Property Tax Revenues Increase was due to an increase in the San Bernardino County apportionments of Tax Roll Revenues.

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

Capital Grants can vary from year to year depending on the grants awarded based on capital project needs. Capital grant draws of \$2,350,441 decreased by \$2,099,067 (47.2%) in FY 2024/25 compared to \$4,449,508 in FY 2023/24, which was primarily due to timing of the Agency's capital projects with grant funding.

Combined Revenues and Other Funding Sources by Category - All Funds FY 2024/25 \$356,303,084



Expenses

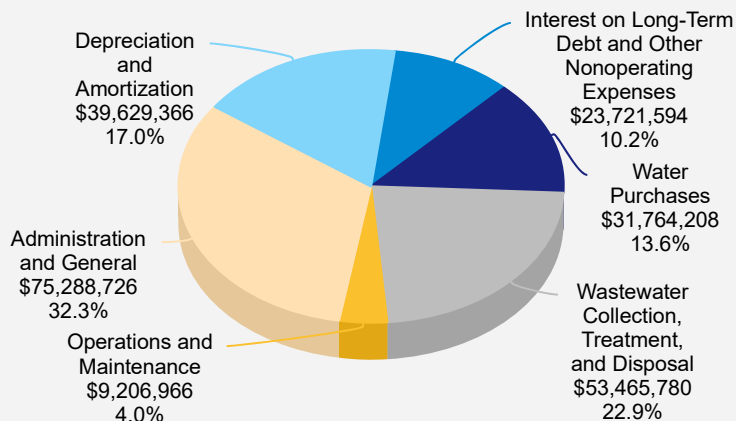
Combined expenses for FY 2024/25 totaled \$233,076,640, an increase of \$4,713,407 (2.1%) compared to \$228,363,233 in FY 2023/24. The following table presents a comparison of expenses by category for FY 2024/25 and FY 2023/24.

Combined Expenses by Category - All Funds For the Fiscal Year Ended June 30, 2025 (With Comparative Totals for the Fiscal Year Ended June 30, 2024)

Expense Category	FY 2024/25		FY 2023/24*		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
OPERATING EXPENSES						
Water Purchases	\$ 31,764,208	13.6%	\$ 37,586,932	16.5%	\$ (5,822,724)	(15.5%)
Wastewater Collection	11,721,941	5.0%	12,234,182	5.3%	(512,241)	(4.2%)
Wastewater Treatment	31,576,748	13.5%	32,264,146	14.1%	(687,398)	(2.1%)
Wastewater Disposal	10,167,091	4.4%	10,062,292	4.4%	104,799	1.0%
Operations and Maintenance	9,206,966	4.0%	8,675,404	3.8%	531,562	6.1%
Administration and General	75,288,726	32.3%	66,914,331	29.3%	8,374,395	12.5%
Depreciation and Amortization	39,629,366	17.0%	38,039,101	16.7%	1,590,265	4.2%
Total Operating Expenses	209,355,046	89.8%	205,776,388	90.1%	3,578,658	1.7%
NONOPERATING EXPENSES						
Interest on Long-Term Debt	13,479,547	5.8%	13,217,744	5.8%	261,803	2.0%
Other Nonoperating Expenses	10,242,047	4.4%	9,369,101	4.1%	872,946	9.3%
Total Nonoperating Expenses	23,721,594	10.2%	22,586,845	9.9%	1,134,749	5.0%
Total Expenses	\$ 233,076,640	100.0%	\$ 228,363,233	100.0%	\$ 4,713,407	2.1%

* FY 2023/24 amounts presented above have been restated due to an error correction. Refer to Note 21 of the Notes to the Basic Financial Statements for additional information.

Combined Expenses by Category - All Funds FY 2024/25 \$233,076,640



Water Purchases Decrease was due to lower deliveries related to weather conditions.

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

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

Changes in Financial Conditions of The Agency
Combined Net Position - All Funds
For the Fiscal Year Ended June 30, 2025
(With Comparative Totals for the Fiscal Year Ended June 30, 2024)

	FY 2024/25	FY 2023/24*	Increase (Decrease)	
Assets				
Current Assets	\$ 444,378,451	\$ 435,191,565	\$ 9,186,886	2.1%
Noncurrent Assets				
Restricted Assets	234,552,756	199,074,933	35,477,823	17.8%
Capital Assets	1,113,510,104	1,053,338,927	60,171,177	5.7%
Other Assets	47,440,584	61,970,235	(14,529,651)	(23.4%)
Total Assets	1,839,881,895	1,749,575,660	90,306,235	5.2%
Deferred Outflows of Resources				
Deferred Outflows - Debt Refunding	1,958,358	2,193,362	(235,004)	(10.7%)
Deferred Outflows - Asset Retirement Obligation (Note 20)	21,589,202	22,481,211	(892,009)	(4.0%)
Deferred Outflows - Net Other Postemployment Benefits Liability	2,504,169	3,471,933	(967,764)	(27.9%)
Deferred Outflows - Net Pension Liability	21,278,570	28,853,314	(7,574,744)	(26.3%)
Total Deferred Outflows	47,330,299	56,999,820	(9,669,521)	(17.0%)
Liabilities				
Current Liabilities	70,651,423	70,136,404	515,019	0.7%
Noncurrent Liabilities	528,436,119	568,670,411	(40,234,292)	(7.1%)
Total Liabilities	599,087,542	638,806,815	(39,719,273)	(6.2%)
Deferred Inflows of Resources				
Deferred Inflows - Net Other Postemployment Benefits Liability	3,778,081	4,644,590	(866,509)	(18.7%)
Deferred Inflows - Net Pension Liability	-	18,949	(18,949)	(100.0%)
Total Deferred Inflows	3,778,081	4,663,539	(885,458)	(19.0%)
Net Position				
Net Investment in Capital Assets	643,144,406	569,111,376	74,033,030	13.0%
Restricted	217,973,402	175,470,106	42,503,296	24.2%
Unrestricted	423,228,763	418,523,644	4,705,119	1.1%
Total Net Position	\$ 1,284,346,571	\$ 1,163,105,126	\$ 121,241,445	10.4%

* FY 2023/24 amounts presented above have been restated due to an error correction. Refer to Note 21 of the Notes to the Basic Financial Statements for additional information.

Changes in FY 2024/25 compared to FY 2023/24 were:

- The \$9,186,886 (2.1%) increase in Current Assets is primarily due to: 1) a \$10,118,374 (2.7%) increase in Cash and Investments, offset by; 2) a \$1,732,901 (3.7%) decrease in Accounts Receivable, Net.
- The \$35,477,823 (17.8%) increase in Noncurrent Restricted Assets is primarily due to increases of: 1) \$37,383,598 (27.6%) in Wastewater Capital Connection Fee Receivable; 2) \$2,925,403 (10.0%) in Restricted Investments; 3) \$1,219,631 (24.3%) in Net Other Postemployment Benefits; 4) \$1,204,308 (7.8%) in Deposits Held by Retentions, and; 5) \$974,664 (17.8%) in SRF Loan Debt Service. Increases were partially offset by a decrease of \$8,229,781 (99.8%) in Investments Held with Trustee/Fiscal Agent.

- The \$60,171,177 (5.7%) increase in Capital Assets in FY 2024/25 is primarily due to the net increase to Jobs in Progress, Capital Assets, and Intangible Assets. The net increase in Jobs in Progress, Capital Assets, and Intangibles was \$60,706,058. The increase excluding depreciation and amortization expense was \$32,808,453. Refer to Note 7 of the Notes to the Basic Financial Statements for additional information.
- The \$27,365,413 decrease in accumulated depreciation and amortization and \$2,689 decrease in land was due capital asset disposals in FY 2024/25. Refer to Note 7 of the Notes to the Basic Financial Statements for additional information.
- The \$9,669,521 (17.0%) decrease in Deferred Outflows of Resources is primarily due to: 1) a \$7,574,744 (26.3%) decrease in Deferred Outflows - Net Pension Liability; 2) a \$967,764 (27.9%) decrease in Deferred Outflows - Net Other Postemployment Benefits Liability; 3) a \$892,009 (4.0%) decrease in Deferred Outflows - Asset Retirement Obligations, and; 4) a \$235,004 (10.7%) decrease in Deferred Outflows - Debt Refunding. The decrease in the Deferred Outflows of Resources - Net Pension Liability is primarily the result of: 1) a decrease in net differences between projected and actual earnings on plan investments of \$7,231,866 (66.7%), and; 2) a decrease due to change in assumptions of \$2,322,316 (52.6%). These decreases are partially offset by: 1) an increase in pension contributions subsequent to measurement date of \$1,318,702 (11.3%), and; 2) an increase in differences between actual and expected experience of \$660,737 (33.5%).
- The \$515,019 (0.7%) increase in Current Liabilities is primarily due to increases in: 1) Retentions Payable of \$1,112,788 (59.8%); 2) Retention Deposits and Escrows of \$1,082,294 (7.1%); 3) Interest Payable of \$776,483 (11.3%); 4) Accrued Liabilities of \$609,609 (25.6%), and; 4) Current Portion of Compensated Absences of \$476,468 (17.2%). Increases were partially offset by decreases in: 1) Accounts Payable of \$3,402,201 (13.0%), and; 2) Current Portion of Long-Term Debt of \$410,000 (4.7%).
- The \$40,234,292 (7.1%) decrease in Noncurrent Liabilities is primarily due to decreases in: 1) Advances from Other Funds of \$15,433,000 (75.1%) due to scheduled interfund loan payments during FY 2024/25; 2) Long-Term Debt, Due in More than One Year of \$10,231,630 (11.9%) due to debt service payments made during FY 2024/25; 3) Net Pension Liability of \$10,177,188 (24.8%), and; 4) Notes Payable, Due in More than One Year of \$8,994,800 (2.3%) due to debt service payments made during FY 2024/25. Decreases were partially offset by increases in Compensated Absences of \$3,365,678 (81.7%), which was primarily due to the Agency's implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* during FY 2024/25, and; 2) \$1,116,500 (3.6%) in the Asset Retirement Obligation due to an increase in the estimate due to inflation.
- The \$885,458 (19.0%) decrease in Deferred Inflows of Resources is primarily due to a decrease in Deferred Inflows - Net Other Postemployment Benefits Liability in the amount of \$886,509 (18.7%). The decrease in the Deferred Inflows - Net Other Postemployment Benefits Liability is primarily the result of: 1) a decrease in change in experience of \$813,965 (17.9%), and; 2) a decrease in change in assumptions of \$52,544 (50.0%).

Combined Schedule of Revenues, Expenses and Changes in Net Position - All Funds
For the Fiscal Year Ended June 30, 2025
(With Comparative Totals for the Fiscal Year Ended June 30, 2024)

	FY 2024/25		FY 2023/24*		Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Operating Revenues						
Service Charges	\$ 117,937,093	33.3%	\$ 111,016,214	34.4%	\$ 6,920,879	22.0%
Water Sales	31,764,208	9.0%	35,318,537	11.0%	(3,554,329)	(11.3%)
Recycled Water Sales	25,443,776	7.2%	19,904,866	6.2%	5,538,910	17.6%
Total Operating Revenues	175,145,077	49.5%	166,239,617	51.6%	8,905,460	28.3%
Nonoperating Revenues						
Interest Income	17,014,103	4.8%	16,219,334	5.0%	794,769	2.5%
Property Tax Revenues	91,477,333	25.8%	85,612,265	26.6%	5,865,068	18.6%
Water Connection Fees	7,119,673	2.0%	5,149,942	1.5%	1,969,731	6.3%
Wastewater Capital Connection Fees	37,383,598	10.6%	27,962,837	8.7%	9,420,761	29.9%
Other Nonoperating Revenues	25,812,859	7.3%	21,268,055	6.6%	4,544,804	14.4%
Total Nonoperating Revenues	178,807,566	50.5%	156,212,433	48.4%	22,595,133	71.7%
Total Revenues	\$ 353,952,643	100.0%	\$ 322,452,050	100.0%	\$ 31,500,593	100.0%
Operating Expenses						
Water Purchases	31,764,208	13.6%	37,586,932	16.5%	(5,822,724)	(123.5%)
Wastewater Collection	11,721,941	5.0%	12,234,182	5.4%	(512,241)	(10.9%)
Wastewater Treatment	31,576,748	13.5%	32,264,146	14.1%	(687,398)	(14.6%)
Wastewater Disposal	10,167,091	4.4%	10,062,292	4.4%	104,799	2.2%
Operations and Maintenance	9,206,966	4.0%	8,675,404	3.7%	531,562	11.3%
Administration and General	75,288,726	32.3%	66,914,331	29.3%	8,374,395	177.7%
Depreciation and Amortization	39,629,366	17.0%	38,039,101	16.7%	1,590,265	33.7%
Total Operating Expenses	209,355,046	89.8%	205,776,388	90.1%	3,578,658	75.9%
Nonoperating Expenses						
Interest on Long-Term Debt	13,479,547	5.8%	13,217,744	5.8%	261,803	5.6%
Other Nonoperating Expenses	10,242,047	4.4%	9,369,101	4.1%	872,946	18.5%
Total Nonoperating Expenses	23,721,594	10.2%	22,586,845	9.9%	1,134,749	24.1%
Total Expenses	\$ 233,076,640	100.0%	\$ 228,363,233	100.0%	\$ 4,713,407	100.0%
Income (Loss) Before Capital Contributions and Transfers	120,876,003	9.4%	94,088,817	8.1%	26,787,186	22.1%
Capital Grants	2,350,441	0.2%	4,449,508	0.4%	(2,099,067)	(1.7%)
Change in Net Position	123,226,444	9.6%	98,538,325	8.5%	24,688,119	20.4%
Total Net Position - Beginning of Year	1,163,105,126	90.6%	1,071,331,081	92.1%	91,774,045	75.7%
Change in Accounting Principle	(1,984,999)	(0.2%)	-	-%	(1,984,999)	(1.6%)
Error Correction	-	-%	(6,764,280)	(0.6%)	6,764,280	5.6%
Total Net Position - Beginning of Year, as Restated	1,161,120,127	90.4%	1,064,566,801	91.5%	96,553,326	79.6%
Total Net Position - End of Year	\$ 1,284,346,571	100.0%	\$ 1,163,105,126	100.0%	\$ 121,241,445	100.0%

* FY 2023/24 amounts presented above have been restated due to an error correction. Refer to Note 21 of the Notes to the Basic Financial Statements for additional information.

Capital Assets

The Agency had total net capital assets of \$1,113,510,104 in FY 2024/25, compared to \$1,053,338,927 in FY 2023/24. The \$60,171,177 (5.7%) increase is primarily due to the net increase to Jobs in Progress, Capital Assets, and Intangible Assets of \$32,808,453, as well as FY 2024/25 changes in Accumulated Depreciation and Amortization that resulted in an overall increase in net capital assets. Refer to Note 7 of the Notes to the Basic Financial Statements for additional information.

Capital Asset Summary – All Funds For the Fiscal Year Ended June 30, 2025 (With Comparative Totals for the Fiscal Year Ended June 30, 2024)

Asset Category	FY 2024/25	FY 2023/24	Increase (Decrease)	% of Change
Land	\$ 14,981,248	\$ 14,983,937	\$ (2,689)	-%
Land Improvements	26,358,437	31,310,904	(4,952,467)	(15.8%)
Structures and Improvements	787,317,975	817,970,409	(30,652,434)	(3.7%)
Equipment	389,676,362	339,456,291	50,220,071	14.8%
Capacity Rights	14,676,723	14,826,587	(149,864)	(1.0%)
Water Rights	2,797,314	2,388,938	408,376	17.1%
Computer Software	16,213,870	16,244,359	(30,489)	(0.2%)
Right-to-Use Assets	166,857	111,093	55,764	50.2%
SBITAs	700,552	700,552	-	-%
Jobs in Progress	518,126,488	500,216,992	17,909,496	3.6%
Subtotal	1,771,015,826	1,738,210,062	32,805,764	1.9%
Less: Accumulated Depreciation and Amortization	(657,505,722)	(684,871,135)	27,365,413	(4.0%)
Net Capital Assets	\$ 1,113,510,104	\$ 1,053,338,927	\$ 60,171,177	5.7%

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

Debt Management

As of June 30, 2025, the Agency had outstanding principal bond debt of \$84,100,415.

Bond Issue	Principal	Premium (Discount)	Outstanding at June 30, 2025
2017A Revenue Bonds (2008A Refinancing)	\$ 39,265,000	\$ 5,816,154	\$ 45,081,154
2020A Revenue Bonds (2008B, 2010A Refunding)	31,145,000	7,874,261	39,019,261
Total	\$ 70,410,000	\$ 13,690,415	\$ 84,100,415

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

Additionally, the Agency had outstanding Notes and Loans Payable as of June 30, 2025:

1. Various Clean Water State Revolving Fund (SRF) loans administered by the State Water Resources Control Board (SWRCB), with an outstanding principal balance of \$164,878,405.
2. A loan from the City of Fontana for the Agency's cost share of the San Bernardino Regional Lift Station and Force Main capital facilities investment with an outstanding principal balance of \$1,930,312.
3. An On-Bill Financing loan from Southern California Edison for installation of energy efficient lighting at Agency facilities with a total outstanding balance of \$100,010.

4. A 2022 Water Infrastructure Finance and Innovation Act Loan (WIFIA II loan) with the United States Environmental Protection Agency for the Regional Wastewater System Improvements Program with a total outstanding balance of \$16,724,383.
5. A 2020 Water Infrastructure Finance and Innovation Act Loan (WIFIA I loan) with the United States Environmental Protection Agency for the Regional Wastewater System Improvements Program with a total outstanding balance of \$196,436,445. The draws on the WIFIA I loan were used to repay the 2020B Revenue Notes in FY 2024/25, which were issued to finance a portion of the construction costs of the RP-5 Expansion Project.

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

Economic Factors and New Fiscal Year Budgets and Rates

Regional growth continues with sewer customer agencies projecting over 63,000 new equivalent dwellings unit (EDU) connections over the next ten years. With the completion of the expansion project of the Agency's Regional Water Recycled Plant No. 5 (RP-5) expected in the coming years, the Agency will have the capacity to meet this projected growth. The Agency also has included planning projects in the Ten-Year Capital Improvement Plan that will improve treatment processes at existing facilities, develop additional capacity at other regional plants, and focus on meeting anticipated regulatory compliance requirements.

The Agency's FY 2025/26 and 2026/27 Biennial budgets are a balanced plan to effectively address the opportunities and challenges ahead by prioritizing funding for cost-efficient operations, timely replacement and rehabilitation of aging assets, investment in expansion and improvement of facilities, and early recruitment of critical positions to support succession planning and new infrastructures.

In June 2025, the Agency's Board adopted two-year rates for the Monthly Wastewater Service Fee, Sewer Connection Fee, Regional Recycled and Recharge Water Rates, Meter Equivalent Unit (MEU) Rate, and Water Connection Fee. The two-year rates are set to expire at the end of FY 2026/27. The Agency intends to prepare a cost-of-service rate study to provide a five-year rate forecast and implement two-year rates to be effective July 1, 2027. The rates resulting from the cost-of-service study will accommodate rising costs to operate, maintain, and expand the Agency's wastewater system.

Contacting the Agency's Financial Management

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



CELEBRATING 75 YEARS OF PARTNERSHIP AND PROGRESS

Basic Financial Statements



Basic Financial Statements

Overview

Financial Statements

The following Basic Financial Statements, along with the supplementary Notes to the Basic Financial Statements, present a summary of the Agency's financial position as of June 30, 2025, and the results of operations and the cash flows of its proprietary funds for the fiscal year then ended.

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

The Basic Financial Statements consist of:

- ◆ **Statement of Net Position - the statement presents the increases (decreases) in net position of the Agency.**
- ◆ **Statement of Revenues, Expenses and Changes in Net Position - the statement presents all revenues and expenses recorded for the fiscal year, and their effects on the net position of the Agency.**
- ◆ **Statement of Cash Flows - the statement presents the Agency's financial activities and their effect on cash. It also presents the cash position of the Agency at the end of the fiscal year.**
- ◆ **Notes to the Basic Financial Statements.**

Statement of Net Position June 30, 2025

	Enterprise Funds					Totals 2025	
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Nonmajor		
ASSETS							
Current Assets							
Cash and Investments (Note 3)	\$ 154,276,034	\$ 108,546,838	\$ 19,892,102	\$ 35,982,356	\$ 70,620,871	\$ 389,318,201	
Accounts Receivable, Net	868,856	18,263,563	6,466,384	12,453,702	6,939,005	44,991,510	
Interest Receivable	3,369,318	422,378	308,459	140,015	2,000,951	6,241,121	
Taxes Receivable	462,864	163,783	28,484	24,923	32,064	712,118	
Notes Receivable, Current Portion (Note 10)	213,300	-	310,364	-	-	523,664	
Other Receivables	-	-	-	-	64,287	64,287	
Inventory	-	-	-	-	2,024,039	2,024,039	
Prepays	250,000	-	128,333	-	125,178	503,511	
Total Current Assets	159,440,372	127,396,562	27,134,126	48,600,996	81,806,395	444,378,451	
Noncurrent Assets							
Restricted Assets							
Deposits Held by Retentions (Note 3)	15,982,250	63,400	-	-	520,878	16,566,528	
Wastewater Capital Connection Fees Receivable	173,060,814	-	-	-	-	173,060,814	
Restricted Investments (Note 3)	-	-	32,239,059	-	-	32,239,059	
Net Other Postemployment Benefits (Note 18)	608,648	3,861,610	657,177	393,071	711,805	6,232,311	
SRF Loan Debt Service	1,447,481	1,046,416	2,975,532	-	971,789	6,441,218	
Investments Held with Trustee/Fiscal Agent (Note 3)	12,590	24	171	-	41	12,826	
Total Restricted Assets	191,111,783	4,971,450	35,871,939	393,071	2,204,513	234,552,756	
Capital Assets (Note 7)							
Land	14,044,356	-	916,063	-	20,829	14,981,248	
Jobs in Progress	420,698,417	39,042,484	6,672,768	19,869,275	31,843,544	518,126,488	
Capital Assets, Net of Accumulated Depreciation	237,803,722	97,991,556	158,637,724	14,469	76,881,903	571,329,374	
Intangible Assets, Net of Accumulated Amortization	5,314,597	1,354,977	1,190,922	-	1,212,498	9,072,994	
Total Capital Assets	677,861,092	138,389,017	167,417,477	19,883,744	109,958,774	1,113,510,104	

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

Statement of Net Position (Continued) June 30, 2025

		Enterprise Funds											
		Regional Capital		Regional Operations		Recycled Water		Water Resources		Nonmajor		Totals 2025	
Other Assets													
	Investment in Joint Venture (Note 11)	\$	40,336,159	\$	-	\$	-	\$	-	\$	-	\$	40,336,159
	Notes Receivable (Note 10)		234,881		-		1,033,243		146,591		-		1,414,715
	Advances to Other Funds (Note 14)		5,105,000		-		-		-		-		5,105,000
	Prepaid Interest		245,192		-		339,518		-		-		584,710
Total Other Assets			45,921,232		-		1,372,761		146,591		-		47,440,584
Total Noncurrent Assets			914,894,107		143,360,467		204,662,177		20,423,406		112,163,287		1,395,503,444
Total Assets			1,074,334,479		270,757,029		231,796,303		69,024,402		193,969,682		1,839,881,895
DEFERRED OUTFLOWS OF RESOURCES													
	Deferred Outflows - Debt Refunding		895,307		111,955		764,723		-		186,373		1,958,358
	Deferred Outflows - Asset Retirement Obligation (Note 20)		17,271,362		4,317,840		-		-		-		21,589,202
	Deferred Outflows - Net Other Postemployment Benefits		224,145		1,605,991		234,447		128,236		311,350		2,504,169
	Deferred Outflows - Net Pension Liability		1,901,067		13,535,796		1,915,675		1,186,856		2,739,176		21,278,570
Total Deferred Outflows of Resources			20,291,881		19,571,582		2,914,845		1,315,092		3,236,899		47,330,299
LIABILITIES													
Current Liabilities													
	Accounts Payable		4,420,260		5,606,396		1,356,888		7,474,455		3,890,443		22,748,442
	Accrued Liabilities		21,400		23,552		-		152,139		2,790,675		2,987,766
	Compensated Absences		-		-		-		-		3,253,860		3,253,860
	Retentions Payable		1,929,230		778,629		26,571		231,412		7,143		2,972,985
	Long-Term Debt, Due Within One Year (Note 12)		3,437,416		264,110		3,544,109		-		1,119,365		8,365,000
	Notes Payable, Due Within One Year (Note 12)		2,153,695		670,329		2,521,276		-		707,993		6,053,293
	Leases Payable, Due Within One Year (Note 16)		-		-		-		-		33,168		33,168
	Subscriptions Payable, Due Within One Year (Note 19)		-		-		-		-		163,483		163,483
	Interest Payable		2,190,453		155,691		4,396,424		-		886,345		7,628,913
	Retention Deposits and Escrows		15,860,236		63,400		-		-		520,877		16,444,513
Total Current Liabilities			30,012,690		7,562,107		11,845,268		7,858,006		13,373,352		70,651,423

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

Statement of Net Position (Continued) June 30, 2025

		Enterprise Funds					Totals 2025		
		Regional Capital	Regional Operations	Recycled Water	Water Resources	Nonmajor			
Noncurrent Liabilities									
Compensated Absences	\$	-	\$	-	\$	-	\$ 7,485,158	\$ 7,485,158	
Long-Term Debt, Due in More than One Year (Note 12)		30,616,869		2,313,035		32,717,445	-	10,088,066	75,735,415
Notes Payable, Due in More than One Year (Note 12)		305,640,379		18,999,124		38,686,360	-	10,690,399	374,016,262
Arbitrage Rebate Obligation (Note 13)		2,814,725		-		-	-	-	2,814,725
Advances from Other Funds (Note 14)		-		-		-	-	5,105,000	5,105,000
Leases Payable, Due in More than One Year (Note 16)		-		-		-	-	90,433	90,433
Subscriptions Payable, Due in More than One Year (Note 19)		-		-		-	-	52,618	52,618
Asset Retirement Obligation (Note 20)		25,815,200		6,453,800		-	-	-	32,269,000
Net Pension Liability (Note 5)		2,783,421		19,688,902		2,793,924	1,711,494	3,889,767	30,867,508
Total Noncurrent Liabilities		367,670,594		47,454,861		74,197,729	1,711,494	37,401,441	528,436,119
Total Liabilities		397,683,284		55,016,968		86,042,997	9,569,500	50,774,793	599,087,542
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflows - Net Other Postemployment Benefits		359,280		2,359,639		384,582	234,521	440,059	3,778,081
Total Deferred Inflows of Resources		359,280		2,359,639		384,582	234,521	440,059	3,778,081
NET POSITION									
Net Investment in Capital Assets		333,058,848		113,829,834		90,608,105	18,799,150	86,848,469	643,144,406
Restricted for:									
Capital Construction		173,060,814		-		32,239,059	-	-	205,299,873
SRF Loan Debt Service		1,447,481		1,046,416		2,975,532	-	971,789	6,441,218
Net Other Postemployment Benefits		608,648		3,861,610		657,177	393,071	711,805	6,232,311
Total Restricted		175,116,943		4,908,026		35,871,768	393,071	1,683,594	217,973,402
Unrestricted		188,408,005		114,214,144		21,803,696	41,343,252	57,459,666	423,228,763
Total Net Position	\$	696,583,796	\$	232,952,004	\$	148,283,569	\$ 60,535,473	\$ 145,991,729	\$ 1,284,346,571

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

Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Year Ended June 30, 2025

	Enterprise Funds					Totals 2024
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Nonmajor	
OPERATING REVENUES						
Service Charges	\$ -	\$ 91,685,089	\$ -	\$ 11,109,233	\$ 15,142,771	\$ 117,937,093
Water Sales	-	-	-	31,764,208	-	31,764,208
Recycled Water Sales	-	-	25,443,776	-	-	25,443,776
Total Operating Revenues	-	91,685,089	25,443,776	42,873,441	15,142,771	175,145,077
OPERATING EXPENSES						
Water Purchases	-	-	-	31,764,208	-	31,764,208
Wastewater Collection	-	2,077,407	-	-	9,644,534	11,721,941
Wastewater Treatment	-	31,576,748	-	-	-	31,576,748
Wastewater Disposal	-	10,167,091	-	-	-	10,167,091
Operations and Maintenance	-	-	7,385,853	1,821,113	-	9,206,966
Administration and General	8,356,312	40,342,970	7,711,479	10,031,962	8,846,003	75,288,726
Depreciation and Amortization	17,479,996	9,368,605	8,350,522	546	4,429,697	39,629,366
Total Operating Expenses	25,836,308	93,532,821	23,447,854	43,617,829	22,920,234	209,355,046
Operating Income (Loss)	(25,836,308)	(1,847,732)	1,995,922	(744,388)	(7,777,463)	(34,209,969)
NONOPERATING REVENUES (EXPENSES)						
Interest Income	6,350,854	4,529,646	2,097,721	1,462,776	2,573,106	17,014,103
Property Tax Revenues	59,460,204	20,957,626	3,672,338	3,278,808	4,108,357	91,477,333
Water Connection Fees	-	-	7,119,673	-	-	7,119,673
Wastewater Capital Connection Fees	37,383,598	-	-	-	-	37,383,598
Other Nonoperating Revenues	9,476,367	6,517,174	964,007	24,289	8,831,022	25,812,859
Interest on Long-Term Debt	(10,186,320)	(536,092)	(2,175,123)	-	(582,012)	(13,479,547)
Other Nonoperating Expenses	(314,207)	(6,799,871)	(775,211)	(303,930)	(2,048,828)	(10,242,047)
Total Nonoperating Revenues (Expenses)	102,170,496	24,668,483	10,903,405	4,461,943	12,881,645	155,085,972
Income (Loss) Before Capital Contributions and Transfers	76,334,188	22,820,751	12,899,327	3,717,555	5,104,182	120,876,003
TRANSFERS AND CAPITAL CONTRIBUTIONS						
Transfers in (Note 15)	4,767,002	3,251,621	2,658,807	325,289	8,181,944	19,184,663
Transfers out (Note 15)	(12,252,188)	(5,565,552)	(1,183,668)	-	(183,255)	(19,184,663)
Capital Grants	484,390	-	561,313	1,298,738	6,000	2,350,441
Change in Net Position	69,333,392	20,506,820	14,935,779	5,341,582	13,108,871	123,226,444
Total Net Position - Beginning of Year	634,356,009	215,639,089	133,544,418	55,286,098	132,950,801	1,171,776,415
Change in Accounting Principle	(168,574)	(1,459,647)	(196,628)	(92,207)	(67,943)	(1,984,999)
Error Correction	(6,937,031)	(1,734,258)	-	-	-	(8,671,289)
Total Net Position - Beginning of Year, as Restated	627,250,404	212,445,184	133,347,790	55,193,891	132,882,858	1,161,120,127
Total Net Position - End of Year	\$696,583,796	\$232,952,004	\$148,283,569	\$ 60,535,473	\$145,991,729	\$ 1,284,346,571

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

Statement of Cash Flows For the Fiscal Year Ended June 30, 2025

	Enterprise Funds					Totals 2025
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Nonmajor	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ -	\$ 83,896,227	\$ 24,314,479	\$ 37,804,483	\$ 16,182,140	\$ 162,197,329
Cash Received from Interfund Services Provided	-	-	-	-	39,366,961	39,366,961
Cash Payments to Suppliers for Goods and Services	(6,845,102)	(80,853,390)	(13,622,371)	(38,586,044)	(15,337,048)	(155,243,955)
Cash Payments to Employees for Services	(2,602,730)	(8,103,116)	(2,039,580)	(1,307,392)	(40,920,713)	(54,973,531)
Net Cash Provided by (Used for) Operating Activities	(9,447,832)	(5,060,279)	8,652,528	(2,088,953)	(708,660)	(8,653,196)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	4,767,002	3,251,621	2,658,807	325,289	8,181,944	19,184,663
Transfers out	(12,252,188)	(5,565,552)	(1,183,668)	-	(183,255)	(19,184,663)
Contract Reimbursements from Others	-	-	-	-	6,168,548	6,168,548
Tax Revenues	59,460,204	20,957,626	3,672,338	3,278,808	4,108,262	91,477,238
Collections of Notes Receivable	204,187	-	299,881	-	-	504,068
Cash Paid to Others	(1,766,956)	(309,160)	(578,738)	(279,641)	-	(2,934,495)
Investment in Joint Venture	1,535,328	-	-	-	-	1,535,328
Advances to Other Funds	10,500,000	-	4,933,000	-	-	15,433,000
Advances from Other Funds	-	-	(5,500,000)	-	(9,933,000)	(15,433,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	62,447,577	18,334,535	4,301,620	3,324,456	8,342,499	96,750,687
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(52,351,824)	(20,488,556)	(8,885,590)	(5,675,678)	(10,747,286)	(98,148,934)
Payments to Escrow for Defeasance	(196,435,000)	-	-	-	-	(196,435,000)
Proceeds from SRF/WIFIA Loans	204,134,517	-	-	-	1,989,920	206,124,437
Water Connection Fees	-	-	7,119,673	-	-	7,119,673
Capital Grants Received	6,479,185	-	561,313	2,220,275	738,273	9,999,046
Principal Paid on Leases	-	-	-	-	(44,835)	(44,835)
Principal Paid on SBITAs	-	-	-	-	(158,570)	(158,570)
Principal Paid on Capital Debt	(3,271,757)	(251,248)	(4,186,247)	-	(1,065,748)	(8,775,000)
Interest Paid on Capital Debt	(1,629,761)	(118,515)	(1,521,833)	-	(638,373)	(3,908,482)
Principal Paid on State Revolving Funds	(1,608,476)	(699,204)	(2,505,610)	-	(156,600)	(4,969,890)
Interest Paid on State Revolving Funds	(7,909,580)	(424,028)	(446,539)	-	(14,434)	(8,794,581)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(52,592,696)	(21,981,551)	(9,864,833)	(3,455,403)	(10,097,653)	(97,992,136)

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

Statement of Cash Flows (Continued) For the Fiscal Year Ended June 30, 2025

	Enterprise Funds					Totals 2025
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Nonmajor	
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investments	\$ 5,820,990	\$ 4,297,339	\$ 2,314,798	\$ 1,382,014	\$ 3,072,472	\$ 16,887,613
Sale of Investments	10,151,804	13,140,140	3,654,307	2,090,191	5,992,676	35,029,118
Purchase of Investments	(16,675,633)	(11,732,783)	(3,889,318)	(2,150,129)	(6,849,909)	(41,297,772)
Net Cash Provided by (Used for) Investing Activities	(702,839)	5,704,696	2,079,787	1,322,076	2,215,239	10,618,959
Net Increase (Decrease) in Cash and Cash Equivalents	(295,790)	(3,002,599)	5,169,102	(897,824)	(248,575)	724,314
Cash and Cash Equivalents - Beginning of Year	123,529,311	78,545,906	38,629,470	30,628,624	52,445,865	323,779,176
Cash and Cash Equivalents - End of Year	\$ 123,233,521	\$ 75,543,307	\$ 43,798,572	\$ 29,730,800	\$ 52,197,290	\$ 324,503,490
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating Income (Loss)	(25,836,308)	(1,847,732)	1,995,922	(744,388)	(7,777,463)	(34,209,969)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Depreciation and Amortization	17,479,996	9,368,605	8,350,522	546	4,429,697	39,629,366
Prior Year Restatement - GASB 101	(168,574)	(1,459,647)	(196,628)	(92,207)	(67,943)	(1,984,999)
Changes in Assets and Liabilities						
(Increase) Decrease in						
Accounts Receivable, Net	-	(7,788,862)	(1,129,297)	(1,789,433)	425,861	(10,281,731)
Other Receivables	-	-	-	(717)	(43,106)	(43,823)
Inventory	-	-	-	-	(241,317)	(241,317)
Prepays	(170,176)	3,218	162,866	-	65,214	61,122
Increase (Decrease) in						
Deferred Outflows - Asset Retirement Obligation	(893,200)	(223,300)	-	-	-	(1,116,500)
Deferred Outflows - Net Other Postemployment Benefits	91,184	599,154	101,438	61,722	114,266	967,764
Deferred Outflows - Net Pension Liability	698,842	4,732,399	764,845	493,202	885,456	7,574,744
Accounts Payable	500,117	(820,467)	(125,216)	770,528	(1,502,293)	(1,177,331)
Accrued Liabilities	-	3,125	-	356	606,128	609,609
Compensated Absences	-	-	-	-	3,842,146	3,842,146
Net Other Postemployment Benefits Asset	(115,387)	(753,726)	(128,764)	(77,465)	(144,289)	(1,219,631)
Net Pension Liability	(948,939)	(6,329,517)	(1,047,210)	(655,855)	(1,195,667)	(10,177,188)

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

Statement of Cash Flows (Continued)
For the Fiscal Year Ended June 30, 2025

	Enterprise Funds					Totals 2025
	Regional Capital	Regional Operations	Recycled Water	Water Resources	Nonmajor	
Deferred Inflows - Net Other Postemployment Benefits	\$ (83,271)	\$ (531,776)	\$ (94,017)	\$ (54,157)	\$ (103,288)	\$ (866,509)
Deferred Inflows - Net Pension Liability	(2,116)	(11,753)	(1,933)	(1,085)	(2,062)	(18,949)
Net Cash Provided by (Used for) Operating Activities	\$ (9,447,832)	\$ (5,060,279)	\$ 8,652,528	\$ (2,088,953)	\$ (708,660)	\$ (8,653,196)
Supplemental Disclosure of Non-Cash Capital and Related Financing and Investing Activities						
Acquisition and Construction of Capital Assets in Accounts Payable	1,538,109	1,325,932	24,218	701,868	44,575	3,634,702
Acquisition and Construction of Capital Assets in Retentions Payable	1,929,230	361,904	26,571	231,412	528,020	3,077,137
Connection Fees on Deposit in Accounts Receivable	37,383,598	-	-	-	-	37,383,598
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION						
Cash and Short-Term Investments	\$ 154,276,034	\$ 108,546,838	\$ 19,892,102	\$ 35,982,356	\$ 70,620,871	\$ 389,318,201
Deposits Held by Retentions	15,982,250	63,400	-	-	520,878	16,566,528
Restricted Investments	-	-	32,239,059	-	-	32,239,059
SRF Loan Debt Service	1,447,481	1,046,416	2,975,532	-	971,789	6,441,218
Investments Held with Trustee/Fiscal Agent	12,590	24	171	-	41	12,826
Less: Investments with Maturities Greater than Three Months	(48,484,834)	(34,113,371)	(11,308,292)	(6,251,556)	(19,916,289)	(120,074,342)
Cash and Cash Equivalents - End of Year	\$ 123,233,521	\$ 75,543,307	\$ 43,798,572	\$ 29,730,800	\$ 52,197,290	\$ 324,503,490



CELEBRATING 75 YEARS OF PARTNERSHIP AND PROGRESS

Notes to Basic Financial Statements



INLAND EMPIRE UTILITIES AGENCY
Index of Notes to Basic Financial Statements
June 30, 2025

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Summary of Significant Accounting Policies

Note 1. Organization and Summary of Significant Accounting Policies

Description of the Reporting Entity

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

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

Subject to the limitation imposed by the Constitution of California, and pursuant to its charter, all powers of the Agency are vested in a five-member Board of Directors. Each Director serves a four-year term and is elected by and represents the voters of a specific geographic area, identified as a Division within the Agency's boundaries. As of June 30, 2025, the Agency's staff is led by the General Manager who is appointed by the Board, along with the Deputy General Manager over Planning, Engineering, and Operations, and the Assistant General Manager over Finance and Information Technology. The Agency's staff consisted of 360 regular authorized positions, of which 331 were filled as of June 30, 2025. The Board also appoints legal counsel, internal auditors, and independent auditors.

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

Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Enterprise Funds

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

Major Funds

Regional Wastewater Capital Improvement Fund

Regional Wastewater Capital Improvement Fund records the transactions for the acquisition, construction, and expansion of the Agency's municipal wastewater treatment plants, large sewer interceptors, and appurtenant facilities.

Regional Wastewater Operations and Maintenance Fund

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

Recycled Water Fund

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

Water Resources Fund

The Water Resources Fund records the transactions associated with providing water resources and water use efficiency programs within the Agency's service area. These programs include management and distribution of imported water supplies, development and implementation of regional water use efficiency initiatives, water resource planning and support for regional water supply programs including recycled, groundwater recharge, and storm water management.

Basis of Accounting

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

Use of Estimates

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

Recognition of Wastewater Capital Connection Fees

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

Operating and Nonoperating Revenues and Expenses

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

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

Budgetary Policy and Control

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

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position**Cash and Investments**

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

In accordance with GASB and for the purpose of the Statement of Cash Flows at June 30, 2025, the Agency's cash and cash equivalents are considered to be petty cash, demand deposits, and savings accounts that are readily available on demand, as well as short-term highly liquid investments with an initial maturity of three months or less. All short-term cash surpluses are maintained in a cash and investment pool and allocated to each fund based on month-end cash and investment balances. For financial presentation purposes, cash is shown within cash, short-term investments, and restricted assets.

Interest Income Allocation Method

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

Receivables and Payables

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

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

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

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

The Agency does accrue revenue beyond billing dates. The total value of accrued receivables as of June 30, 2025 is \$4,226, \$18,330, and \$1,063,537 with the Regional Capital, Regional Operations, and Water Resources Funds, respectively. The accrued receivables are recorded in accounts receivable.

Inventories and Prepaids

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

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

Restricted Assets

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

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

Capital Assets

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

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

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

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

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Agency has one item that qualifies for reporting in this category. It is the deferred inflow of resources related to other postemployment benefits.

Additional information on the net pension liability, other postemployment benefits, and asset retirement obligations deferred outflows and inflows of resources can be found in Notes 5, 18, and 20, respectively.

Pensions

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

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Other Postemployment Benefits (OPEB)

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

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

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Compensated Absences

The Agency records a liability for vacation, sick leave, and compensatory leave earned but not used. Each employee earns vacation pay based on the length of employment. Upon termination, employees receive payment for accrued vacation pay. Employees continuously employed by the Agency for at least five years receive partial payment, upon termination, of accrued sick leave hours. The Agency accrues for sick time that will be paid out upon termination, as well as the expected sick time expected to be used based on historical usage. The payment percentage is based upon the number of years of service.

A summary of compensated absence activity for FY 2024/25 is as follows:

	Beginning Balance, as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Compensated Absences	\$ 8,881,871	\$ 4,233,070	\$ 2,375,923	\$ 10,739,018	\$ 3,253,860

Long-Term Obligations

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

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

Leases

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

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

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

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

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

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

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

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

Subscription-Based Information Technology Arrangements (SBITAs)

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

The SBITA arrangements within the scope of GASB 96 are accounted for by recognizing a subscription liability for the present value of subscription payments expected to be made during the subscription term and a right-to-use asset. Variable payments have not been included in the calculation of the subscription liability as none of the variable payments depend on an index or rate (as defined in GASB 96) and none are fixed in substance. The number of variable payments made in the year ended June 30, 2025 was not material. No amounts were paid during the period related to termination penalties, nor were any impairment charges recorded. SBITA assets are amortized in a systematic and rational manner over the shorter subscription term or the useful life of the underlying IT assets.

Effect of New Accounting Standards on Current Period Financial Statements

During FY 2024/25, the Agency implemented the following accounting standards:

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB Statement No. 101), to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023, or fiscal year ending June 30, 2025. The Agency implemented the statement retroactively by restating beginning net position.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The statement is effective for the periods beginning after June 15, 2024, or fiscal year ending June 30, 2025. This statement did not have an impact on the Agency.

GASB has approved GASB Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 104, *Disclosure of Certain Capital Assets*. When they become effective, application of these standards may restate portions of these financial statements.

Stewardship

Note 2. Stewardship, Compliance, and Accountability

Encumbrances

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

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

Detailed Notes on All Funds

Note 3. Cash and Investments

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

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

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

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$	389,318,201
Restricted Short-Term Investments		32,239,059
Restricted Assets Held with Trustee/Fiscal Agent		12,826
Restricted Assets SRF Loan Debt Service		6,441,218
Restricted Assets Held by Retentions		16,566,528
Total Cash and Investments	\$	444,577,832

Cash and investments as of June 30, 2025, consist of the following:

Cash on Hand (Petty Cash)	\$	1,502
Deposits with Financial Institutions		34,548,877
Investments		410,027,453
Total Cash and Investments	\$	444,577,832

Fair Value

The Agency reports its investments at fair value in the Statement of Net Position. All investment income, including changes in fair value of investments, is recognized as nonoperating revenue in the Statement of Revenues, Expenses, and Changes in Net Position.

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

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

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

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

Investments Authorized by Debt Agreements

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

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

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

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

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

Investment Pool Oversight

Local Agency Investment Fund (LAIF)

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

California Asset Management Program (CAMP)

The Agency is a voluntary participant in the California Asset Management Program (CAMP), a Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Code Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers. CAMP is not registered with the Securities and Exchange Commission. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis, and are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the Agency has sufficient amounts to meet the redemption request.

Deposits

On June 30, 2025, the carrying amount of the Agency's deposits was \$34,548,876 and the bank balance was \$34,437,140. The \$111,736 difference represents outstanding checks.

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

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

Credit Risk

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

Presented below is the minimum rating required by the Agency's investment policy, and the actual Moody's rating as of fiscal year ended June 30, 2025 for each investment type:

Investment Type	Amount	Minimum Legal Rating	Moody's Rating as of June 30, 2025				
			Aaa	Aa1 to Aa3	A1 to A3	Unrated	Exempt
US Agency Securities	\$ 25,911,354	N/A	\$ 25,911,354	\$ -	\$ -	\$ -	\$ -
US Instrumentalities (Supranational)	2,768,783	N/A	-	2,768,783	-	-	-
Medium Term Notes	26,061,453	A	2,973,521	10,914,151	12,173,781	-	-
Municipal Bonds	720,000	A	-	720,000	-	-	-
LAIF	67,187,676	N/A	-	-	-	67,187,676	-
CAMP	221,663,354	N/A	-	-	-	221,663,354	-
Brokered Certificate of Deposit	1,089,943	N/A	-	1,089,943	-	-	-
Money Market	967,241	N/A	-	-	-	967,241	-
US Treasury	63,644,824	N/A	-	-	-	-	63,644,824
Held by Bond Trustee:							
Money Market Mutual Funds	12,826	N/A	-	-	-	12,826	-
Total	\$ 410,027,454		\$ 28,884,875	\$ 15,492,877	\$ 12,173,781	\$ 289,831,097	\$ 63,644,824

Concentration of Credit Risk

The Agency's investment policy contains several limitations on the amount that can be invested with any one issuer and type of investment as well as that stipulated by the California Government Code. As of the fiscal year ended June 30, 2025 no investments represent five percent or more of total investments.

Custodial Credit Risk

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

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

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

As of June 30, 2025, the Agency's deposits (bank balance) were insured by the Federal Depository Insurance Corporation up to \$250,000 and the remaining balances were collateralized under California law.

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

Interest Rate Risk

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

As of June 30, 2025, the Agency had the following investments and original maturities:

Investment Type	Remaining Maturity (in Months)			Fair Value
	12 Months or Less	13 to 24 Months	25 to 60 Months	
US Agency Securities	\$ 883,186	\$ 3,550,641	\$ 21,477,527	\$ 25,911,354
US Instrumentalities (Supranational)	-	2,768,783	-	2,768,783
Medium Term Notes	2,016,611	9,042,480	15,002,362	26,061,453
Municipal Bonds	720,000	-	-	720,000
LAIF	67,187,676	-	-	67,187,676
CAMP	221,663,354	-	-	221,663,354
Brokered Certificate of Deposit	-	1,089,943	-	1,089,943
Money Market	967,241	-	-	967,241
US Treasury Note	12,335,247	5,461,365	45,848,212	63,644,824
Held by Bond Trustee:				
Money Market Mutual Funds	12,826	-	-	12,826
Total	\$ 305,786,141	\$ 21,913,212	\$ 82,328,101	\$ 410,027,454

Fair Value Measurement (GASB 72)

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

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

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

The information below shows the Agency's investments fair value measurements (market approach) as of June 30, 2025. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions.

Investments by Fair Value Level	As of June 30, 2025	Level 1 (A)	Level 2 (B)	Uncategorized
US Agency Securities	\$ 25,911,354	\$ -	\$ 25,911,354	\$ -
US Instrumentalities (Supranational)	2,768,783	-	2,768,783	-
Medium Term Notes	26,061,453	-	26,061,453	-
Municipal Bonds	720,000	-	720,000	-
LAIF	67,187,676	-	-	67,187,676
CAMP	221,663,354	-	-	221,663,354
Brokered Certificate of Deposit	1,089,943	-	1,089,943	-
Money Market	967,241	-	-	967,241
US Treasury Notes	63,644,824	63,644,824	-	-
Held by Bond Trustee:				
Money Market Mutual Funds	12,826	-	-	12,826
Total	\$ 410,027,454	\$ 63,644,824	\$ 56,551,533	\$ 289,831,097

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

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

Note 4. Deferred Compensation

The Agency established a Deferred Compensation Plan for employees in December 1977. Under this plan, employees may choose to defer income until retirement or termination. All deferred wages are credited to the participating employee accounts. Internal Revenue Code (IRC) Section 457 requires that plan assets be held in trust for the exclusive benefit of the participants and their beneficiaries. Investments in the Deferred Compensation Plan are held by a fiscal agent in investment options chosen by the participants. For calendar year 2025, each participant can contribute into their 457(b) up to a maximum of \$23,500, or up to \$31,000 if age 50 or older. As of June 30, 2025, the Agency contributes \$35 per pay period to the 457(b) account of each employee actively contributing at least \$35 to the plan per pay period. For FY 2024/25 the Agency's deferred compensation expense totaled \$227,879.

In FY 1997/98, the Board of Directors adopted a resolution to establish another Deferred Compensation Plan that is a qualified plan under the IRC Section 401(a). Each participant can contribute a percentage of their employee's earnings up to a maximum of \$70,000 for calendar year 2025. All contributions are made with pre-tax income and are solely obtained from the employees' funds. An employee's election to participate in the plan is irrevocable and shall remain in force until the employee terminates employment. Under current Internal Revenue Service (IRS) regulations, once an employee elects to participate in the plan, they cannot change their contribution amount or withdraw from the plan until they leave Agency employment.

Note 5. Defined Benefit Pension Plan

General Information About the Pension Plans

Plan Description

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

Benefit provisions, and all other requirements, are established by State statutes within the Public Employees' Retirement Law and by the Public Employee's Pension Reform Act of 2013 (PEPRA). The Agency's Plan selects

optional provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate annual comprehensive financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 "Q" Street - Sacramento, CA 95811.

Benefits Provided

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

The Plans' provisions and benefits in effect as of June 30, 2025 are summarized as follows:

Hire Date	Prior to January 1, 2012+	On or After January 1, 2012+	After January 1, 2013
Benefit Formula	2.5%@55	2%@55	2%@62
Final Average Compensation Period	1 Year	3 Years	3 Years
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Eligible Retirement Age	50 - 55+	50 - 63+	52 - 67+
Monthly Benefits as a Percentage of Eligible Compensation	2% - 2.5%	1.4% - 2.4%	1% - 2.5%
FY 2024/25 Required Employee Contribution Rates*	8.00%	7.00%	6.75%
FY 2024/25 Required Employer Contribution Rates	10.20%	10.20%	10.20%

+ Closed to new entrants to CalPERS

* Effective the first pay period of FY 2023/24 and FY 2024/25, limited-term and full-time employees, respectively, are fully funding the employee paid member contribution rate. Employees hired after January 1, 2013 pay for one-half (1/2) of their total normal cost rate, as determined by CalPERS.

Employees Covered

As of the June 30, 2025 (measurement date as of June 30, 2024) actuarial valuation, the following employees were covered by the Plans' terms:

Retired Members and Beneficiaries	344
Active Employees	315
Inactive Employees Entitled to, but Not Yet Receiving Benefits	242
Total	901

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Agency contribution rates may change if plan contracts are amended. Payments made by the Agency to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Total contributions made for the year ended June 30, 2025, is \$12,954,419.

Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2024 using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures.

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2024 actuarial accounting valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increases	Varies by Entry Age and Service
Mortality ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Agency's Plan, which remained the same from the 6.90% used in the June 30, 2023 measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

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

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

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

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

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

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

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2023	\$ 280,461,947	\$ 239,417,251	\$ 41,044,696
Changes in the Year:			
Service Cost	5,974,240	-	5,974,240
Interest on Total Pension Liability	19,224,802	-	19,224,802
Differences Between Actual and Expected Experience	1,788,687	-	1,788,687
Contributions - Employer	-	11,600,857	(11,600,857)
Contributions - Employee	-	2,678,731	(2,678,731)
Net Investment Income	-	23,080,143	(23,080,143)
Benefit Payments	(13,234,828)	(13,234,828)	-
Administrative Expenses	-	(194,814)	194,814
Current Year Net Changes	13,752,901	23,930,089	(10,177,188)
Balance at June 30, 2024	\$ 294,214,848	\$ 263,347,340	\$ 30,867,508

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

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

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Plan's Net Pension Liability	\$ 71,371,096	\$ 30,867,508	\$ (2,459,256)

Pension Plan Fiduciary Net Position

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

For the fiscal year ended June 30, 2025, the Agency recognized pension expense of \$10,333,030. As of June 30, 2025, the Agency has deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 12,954,419	\$ -
Differences Between Actual and Expected Experience	2,630,846	-
Change in Assumptions	2,090,086	-
Net Differences Between Projected and Actual Earnings on Plan Investments	3,603,219	-
Total	\$ 21,278,570	\$ -

Deferred outflows of resources related to contributions subsequent to the June 30, 2025 measurement date of \$12,954,419 will be recognized as a reduction of net pension liability in the fiscal year ending June 30, 2026.

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

Measurement Period Ending June 30:	Deferred Outflows (Inflows) of Resources
2025	\$ 3,134,527
2026	7,012,249
2026	(558,458)
2027	(1,264,167)

Payable to the Pension Plan

At June 30, 2025, the Agency had no outstanding number of contributions to the pension plan required for the year ended June 30, 2025.

Note 6. Risk Management

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

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

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

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

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

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

- Employee dishonesty coverage up to \$15,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages, and computer fraud; with a deductible of \$2,500 per occurrence.

- Property damage up to \$1,000,000,000 per occurrence coverage limit, subject to a \$25,000 deductible per occurrence. All other claims categories provide coverage up to \$800,000,000 on an annual aggregate basis.
- Boiler and machinery coverage for the replacement cost up to a shared limit of \$500,000,000, subject to various deductibles depending on the type of equipment.

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

Settled claims from the risks discussed herein have not exceeded commercial insurance coverage in any of the last three fiscal years ending June 30, 2025, 2024, and 2023. Additionally, there have been no reductions in insurance coverage since the establishment of the risk management program.

Claim Liabilities

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

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

	Worker's Compensation		General Liability	
	FY 2024/25	FY 2023/24	FY 2024/25	FY 2023/24
Unpaid Claims - Beginning of Fiscal Year	\$ 762,272	\$ 799,159	\$ 418,065	\$ 344,224
Incurred Claims (Including IBNRs)	155,153	117,113	2,166,351	1,733,841
Claim Payments	(112,000)	(154,000)	(1,858,000)	(1,660,000)
Unpaid Claims - End of Fiscal Year	\$ 805,425	\$ 762,272	\$ 726,416	\$ 418,065

Note 7. Changes in Capital Assets

Jobs in Progress

As of the fiscal year ended June 30, 2025, the Agency had various jobs in progress designed to expand the Regional Wastewater System. Other significant projects are also underway to expand, improve, and refurbish the Agency's Regional Wastewater System and existing water recycling facilities, including the disposition of wastewater byproducts, and providing for ancillary facilities that support operating activities. The Agency had the following projects with incurred costs of at least \$1 million as of June 30, 2025:

RP-5 Biosolids Facility	\$ 203,475,894
RP-5 Expansion to 30 MGD	153,800,008
CCWRF Asset Management and Improvements	25,289,059
Recharge Master Plan Update	25,147,992
Chino Basin Program	19,869,275
RP-1 Thickening Building and Acid Phase	16,893,986
SCADA Enterprise System	15,524,831
RP-1 Digester 6 and 7 Roof Repairs	6,477,886
Compliance for Wastewater Facilities	4,526,750
RP-1 Liquid Treatment Capacity Recovery	4,385,573
Compliance for Recycled Water Facilities	3,930,686
RP-1 Repurpose Lab	3,829,736
RP-5 Expansion PDR	2,336,004
Philadelphia Lift Station Force Main Improvements	2,081,744
RP-4 Process Improvements Phase II	1,900,563
RP-1 Solids Treatment Rehabilitation	1,522,325
Montclair Force Main Improvements	1,505,339
RP-1 Evaporative Cooling	1,403,193
RP-1 Intermediate Pump Station	1,389,796
RP-1 Device Net Replacement	1,171,160
RP-1 Air Compressor Upgrades	1,123,233
RP-1 Disinfection Pump Improvements	1,091,497
RW SCADA Upgrades	1,070,329
Other Projects (Less than \$1 Million Each)	18,379,629
Total Jobs in Progress	\$ 518,126,488

The following is a summary of jobs in progress, property, plants, equipment, and intangible assets as of June 30, 2025:

Capital Assets

	Balance at June 30, 2024	Additions	Transfers and Retirements	Balance at June 30, 2025	Accumulated Depreciation and Amortization at June 30, 2025	Net Book Value at June 30, 2025
Capital Assets - Not Depreciated or Amortized						
Land	\$ 14,983,937	\$ -	\$ (2,689)	\$ 14,981,248	\$ -	\$ 14,981,248
Jobs in Progress	500,216,992	97,766,440	(79,856,944)	518,126,488	-	518,126,488
Total Capital Assets - Not Depreciated or Amortized	\$ 515,200,929	\$ 97,766,440	\$ (79,859,633)	\$ 533,107,736	\$ -	\$ 533,107,736
Capital Assets - Depreciated and Amortized						
Interceptors, Trunk Lines and Inter-Ties	\$ 38,395,062	\$ -	\$ (250)	\$ 38,394,812	\$ (18,425,258)	\$ 19,969,554
Office Facilities	14,977,671	-	-	14,977,671	(5,829,118)	9,148,553
Collection, Outfall, and Transmission Lines	134,850,125	-	(40,725,389)	94,124,736	(52,681,434)	41,443,302
Reservoirs, Settling Basins, Ponds, and Chlorination Stations	123,484,360	-	(395,734)	123,088,626	(55,519,936)	67,568,690
Recycled Water Distribution System	171,766,184	374,977	(195,093)	171,946,068	(56,387,470)	115,558,598
Treatment Plants, Pump Stations and Office Buildings	334,497,007	19,662,131	(9,373,076)	344,786,062	(165,393,307)	179,392,755
Equipment	339,456,291	59,316,529	(9,096,458)	389,676,362	(261,004,116)	128,672,246
Land Improvements	31,310,904	-	(4,952,467)	26,358,437	(16,782,761)	9,575,676
Intangible Assets	34,271,529	600,564	(316,777)	34,555,316	(25,482,322)	9,072,994
Total Capital Assets - Depreciated and Amortized	\$1,223,009,133	\$ 79,954,201	\$ (65,055,244)	\$1,237,908,090	\$ (657,505,722)	\$ 580,402,368

Capital Assets (Continued)

	Balance at June 30, 2024	Additions	Transfers and Retirements	Balance at June 30, 2025
Less: Accumulated Depreciation and Amortization for				
Interceptors, Trunk Lines and Inter-Ties	\$ (17,582,067)	\$ (843,441)	\$ 250	\$ (18,425,258)
Office Facilities	(5,485,763)	(343,355)	-	(5,829,118)
Collection, Outfall, and Transmission Lines	(91,100,613)	(2,237,236)	40,656,415	(52,681,434)
Reservoirs, Settling Basins, Ponds, and Chlorination Stations	(53,614,610)	(2,301,060)	395,734	(55,519,936)
Recycled Water Distribution System	(52,820,714)	(3,761,849)	195,093	(56,387,470)
Treatment Plants, Pump Stations and Office Buildings	(168,320,836)	(6,445,546)	9,373,075	(165,393,307)
Equipment	(250,547,369)	(19,553,205)	9,096,458	(261,004,116)
Land Improvements	(20,735,509)	(999,718)	4,952,466	(16,782,761)
Intangible Assets	(24,663,654)	(1,135,445)	316,777	(25,482,322)
Total Accumulated Depreciation and Amortization	\$ (684,871,135)	\$ (37,620,855)	\$ 64,986,268	\$ (657,505,722)
Total Capital Assets - Depreciated and Amortized, Net	\$ 538,137,998	\$ 42,333,346	\$ (68,976)	\$ 580,402,368
Total Capital Assets - Enterprise Funds, Net	\$1,053,338,927	\$ 140,099,786	\$ (79,928,609)	\$1,113,510,104

Intangible Assets

Intangible Assets	Balance at June 30, 2024	Additions	Transfers and Retirements	Balance at June 30, 2025	Accumulated Amortization at June 30, 2025	Net Book Value at June 30, 2025
Intangible Assets - Amortized						
Computer Software	\$ 16,244,359	\$ 94,931	\$ (125,420)	\$ 16,213,870	\$ (14,190,678)	\$ 2,023,192
Wind Turbine Power Purchase Agreement	129,324	-	-	129,324	(61,427)	67,897
Metropolitan Water District Connections	198,891	-	-	198,891	(198,891)	-
Corps of Engineers - Cucamonga Creek	43,489	-	-	43,489	(43,489)	-
California Auto Club Speedway Water Rights	2,388,938	408,376	-	2,797,314	-	2,797,314
San Bernardino County Flood Control/Chino Road Barrier	48,076	-	-	48,076	(39,043)	9,033
Santa Ana Watershed Project Authority Capacity Rights	12,467,002	-	-	12,467,002	(9,370,590)	3,096,412
Right-to-Use Assets - Equipment	111,093	97,257	(41,493)	166,857	(45,217)	121,640
SBITAs	700,552	-	-	700,552	(691,644)	8,908
Organization and Master Planning	1,939,805	-	(149,864)	1,789,941	(841,343)	948,598
Total Intangible Assets - Amortized	\$ 34,271,529	\$ 600,564	\$ (316,777)	\$ 34,555,316	\$ (25,482,322)	\$ 9,072,994
Less: Accumulated Amortization for						
Computer Software	\$ (13,786,727)	\$ (529,371)	\$ 125,420	\$ (14,190,678)		
Wind Turbine Power Purchase Agreement	(61,427)	-	-	(61,427)		
Metropolitan Water District Connections	(198,891)	-	-	(198,891)		
Corps of Engineers - Cucamonga Creek	(40,738)	(2,751)	-	(43,489)		
San Bernardino County Flood Control/Chino Road Barrier	(32,855)	(6,188)	-	(39,043)		
Santa Ana Watershed Project Authority Capacity Rights	(9,073,006)	(297,584)	-	(9,370,590)		
Right-to-Use Assets - Equipment	(50,687)	(36,023)	41,493	(45,217)		
SBITAs	(459,452)	(232,192)	-	(691,644)		
Organization and Master Planning	(959,871)	(31,336)	149,864	(841,343)		
Total Accumulated Amortization	\$ (24,663,654)	\$ (1,135,445)	\$ 316,777	\$ (25,482,322)		
Total Intangible Assets - Enterprise Funds, Net	\$ 9,607,875	\$ (534,881)	\$ -	\$ 9,072,994		

For the fiscal year ended June 30, 2025, depreciation expense was \$36,485,410 and amortization expense was \$3,143,956 as follows:

Regional Capital	\$	17,479,996
Regional Operations		9,368,605
Recycled Water		8,350,522
Water Resources		546
Nonmajor		4,429,697
Total Depreciation and Amortization	\$	39,629,366

Note 8. Construction Commitments

The Agency is committed to several significant construction contracts. Total outstanding obligations were \$218,446,045 as of June 30, 2025. Some of the contracts for ongoing projects at the Agency's regional plants are listed below:

RP-1 Portable Thickener Site Improvements – EN22044.01

The RP-1 Gravity Thickener does not have sufficient capacity to treat raw solids produced at RP-1. In addition, the gravity thickening process is no longer effective at treating RP-1 primary solids as it contains WAS from RP-4. Therefore, a new treatment process with additional capacity is required to treat solids at RP-1. The RP-1 portable thickener site improvements project will include the construction of the RP-1 solids thickening building to contain rotary drum thickeners. This project has an outstanding obligation of \$145,583,684.

RP-5 Liquids Expansion to 30 MGD – EN19001

The RP-5 Liquids Expansion and RP-5 Solids Treatment Facility projects will be completed concurrently, with construction started in FY 2022/23 and scheduled to be completed by FY 2024/25. Currently, RP-5 has a liquid treatment capacity of 15 million gallons per day (MGD). To meet the future projected wastewater flow for the Agency's service area, the plant capacity needs to increase to 30 MGD. This project has an outstanding obligation of \$38,994,069.

RP-5 Solids Treatment Facility – EN19006

RP-5 is located immediately east of the Agency's Administrative Headquarters campus in the City of Chino and began operation in March 2004. It has a capacity rating of 16.3 MGD, which includes capacity for approximately 15 MGD of raw sewage and 1.3 MGD of solids processing return or recycled flows from RP 2.

RP-5 does not currently have any solids treatment capacity. Waste sludge produced at RP 5 is pumped to the RP 2 solids handling facility. However, solids treatment at RP-5 will soon be necessary. RP-2 was deemed to be within the 100-year flood level by the U.S. Army Corps of Engineers, so the facility needs to be decommissioned by the year 2035. Construction of the new solids handling facility at RP-5 is necessary to meet the Agency's needs throughout the decommissioning of the RP-2 site. This project has an outstanding obligation of \$7,446,455.

RP-1 Influent Pump Station Electrical Improvements – EN22031

The influent pump station (IPS) motors 3, 4, and 9 at RP-1 are currently powered by across the line starters with an eddy current clutch to regulate the speed of the pump. This is outdated technology, and the electrical clutch drives are obsolete. The motors always run at full speed and are not energy efficient. Pumps 3 and 4 are over 40 years old, and motor 9 is over 30 years old, and parts are getting harder to acquire. This project will permanently eliminate the eddy clutch drives and install new variable frequency drives (VFDs) for the IPS motors; and each

motor will be evaluated to make sure they are inverter duty rated with ground shaft rings. This project has an outstanding obligation of \$7,286,375.

Carbon Canyon (CCWRF) Asset Management and Improvements – EN17006

The CCWRF was constructed in 1992, and the odor control equipment, backup generator, and aeration blowers are at the end of their useful life. At completion, this project will provide process improvements to the preliminary, primary, and secondary treatments, including replacement of the existing headworks, the odor control system, and the aeration blowers. The Carbon Canyon Asset Management and Improvement project has an outstanding obligation of \$5,295,519.

RP-1 SCADA Migration – EN13016.05

The completed Facilities and Recycled Water SCADA Master Plans identified the critical need for an Agency-Wide SCADA Enterprise System. The Agency relies heavily on SCADA for operation and compliance of the various facilities. The overall project will migrate the Agency's wastewater facilities from the Foxboro-Invensys Distributive Control System (DCS) to a Rockwell Automation SCADA Enterprise System. This project includes several phases of a SCADA migration for all facilities. The project will provide infrastructure, tools, and information to enable Operations to maintain regulatory compliance and meet their levels of service in an efficient manner. Migration to a uniform SCADA system will allow for the optimization of SCADA assets and maximize their lifecycle, better meet business needs, and mitigate disruptions to operational continuity. The Enterprise will minimize system delivery risk, reduce system variability, enhance system quality, and ensure that Agency staff members have the support to maintain the system post-commissioning.

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

The scope for this project includes five phases and several tasks including, SCADA system design (physical and operator screens), procurement, installation, integration; and, cutover and testing of the upgrades to the network, supervisory control, direct control, Operations Data Management Systems, reporting, etc. for all the Agency's five major wastewater facilities. This project is the SCADA implementation at RP-1. This project has an outstanding obligation of \$3,800,402.

RP-1 Repurpose Laboratory – EN22027

The RP-1 laboratory is no longer used or needed for lab analysis. This project will evaluate, design, and remodel the current lab space to allow for the relocation and centralization of the Source Control workforce that is currently located at the Agency's main headquarters; and provide additional office space for Operations personnel located at RP-1. This project has an outstanding obligation of \$1,858,154.

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

On July 27, 2018, the California Water Commission (CWC) provided maximum conditional funding for the Chino Basin Project. To meet the funding requirements, the Agency initiated a Preliminary Design Report and a Programmatic Environmental Impact Report for the Chino Basin Project. Consulting services were solicited for the evaluation and preparation of the Chino Basin components and for the compliance requirements of the CWC Water Storage Investment Program (WSIP) Funding. The project includes 15,000 AF of advanced water treatment, groundwater recharge and injection, wellhead treatment, and pipeline distribution network, including connection to the Metropolitan Water District (MWD) system. This project has an outstanding obligation of \$1,624,027.

RP-1 Device Net Replacement – EN23000

E3 motor overload relays are currently installed throughout RP-1, and the Agency's E3 vendor has discontinued this product. Additionally, this equipment has reached the end of its useful life. When these devices fail, it leaves equipment non-operational until the overload can be replaced with new E300 overload. There are also motor control center (MCC) line-ups with multiple E3 overloads that are due for replacement. These overloads communicate using DeviceNet, which is a communication protocol the vendor will not be further developing. As the Agency continues to use this method of communication, modern technology installed might not support it, such as Device Level Ring (DLR) and Parallel Redundancy Protocol (PRP) network architectures.

This project will evaluate the age and quality of the MCC's with E3 overloads installed, to determine if the MCC needs to be replaced or just the E3 overloads. Overloads that need to be replaced will be replaced with E300 overloads. Use of the E300 will include necessary wire modifications and Ethernet/IP network connectivity to the RP-1 network architecture. All DeviceNet devices and supported hardware will be upgraded to Ethernet/IP network protocol or possibly Modbus TCP/IP if Ethernet/IP is not possible. This project has an outstanding obligation of \$1,537,437.

RP-5 New Radio Tower Design-Build – EN19001.02

This project is for installing a telecommunications tower on the same site as the RP-5 Expansion Project. A new radio tower is required due to interferences from structures being built as part of the RP-5 Expansion Project and ongoing development in the Agency's surrounding service area; as well as the overall commissioning and operation of the RP-5 Expansion Project. The project consists of planning, design, and construction costs, including preparing the site for construction, foundation, equipment shelter, microwave radios, power lines, and fiber-optic communication lines. This project has an outstanding obligation of \$1,175,349.

Additionally, the Agency has twenty-one (21) ongoing projects, each with a remaining individual outstanding obligation of less than \$800,000.

EN19025	Regional Force Main Improvements	\$	776,306
EN21056	RP-1 Evaporative Cooling		717,148
EN22024	RP-1 Digester Cleaning Services		694,672
EN11039	RP-1 Disinfection Pump Improvements		634,930
EN23004.01	CCWRF Aeration Basin Walkway Power		371,660
EN17042	RP-1 Digester 6 and 7 Roof Repairs		281,514
EN18006	RP-1 Flare Improvements		88,170
EN25080	Headquarters Building B - Print Room Renovation		72,069
EN25068	CCWRF Fire Hydrant Valves Replacement		46,000
AM23002	RP-4 VFD Upgrades (Wastewater)		39,705
AM23001	RP-4 VFD Upgrades (Wastewater)		33,330
AM23001.01	RP-4 VFD Upgrades (Wastewater)		25,827
EN25041	Collection System Upgrades		15,457
RW15003.06	Recharge Master Plan Update		14,576
AM23002.01	RP-4 VFD Upgrades (Wastewater)		11,084
EN24020	RP-1 Centrate Line Improvements		5,137
EN25026	Non-Reclaimable Waste Manholes FY 2024/25		4,864
EN23005	Preserve Lift Station Improvements		4,255
EN24030	Headquarters Building B - Additional Office Space		3,148
EN19028	NRW Manhole and Pipeline Condition Assessment		2,479
EN19024	Regional System Asset Management Assessment		2,243

Note 9. Contingent Liabilities

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

At June 30, 2025, the Agency was a defendant in a number of lawsuits arising in the ordinary course of operations, which allege liability on the part of the Agency in connection with worker's compensation and general liability matters. Based on legal counsel's opinion, the potential losses and/or resolutions of these cases will not materially affect the financial condition of the Agency.

Note 10. Notes Receivable

Monte Vista Water District

On February 2, 2008, the Agency entered into an agreement with Monte Vista Water District (MVWD) for the construction of the regional recycled water distribution system that resides within the MVWD service area. MVWD agreed to reimburse the Agency \$1,068,418 for the construction costs, payable annually beginning June 2009, plus interest at an annual rate of 2.2% for 20 years. As of June 30, 2025, the long-term receivable amount is \$128,947; the current portion is \$62,399 and is recorded in the Recycled Water Fund.

Cucamonga Valley Water District

On November 24, 2009, the Agency entered into an agreement with the Cucamonga Valley Water District (CVWD) for the design and construction of the Church Street Recycled Water Lateral that resides within the CVWD service area. CVWD agreed to reimburse the Agency \$690,648 for the construction costs, payable annually beginning June 2011, plus interest at an annual rate of 0.74% for 20 years. As of June 30, 2025, the long-term receivable amount is \$138,916; the current portion is \$34,665 and is recorded in the Recycled Water Fund.

Auto Club Speedway

In November 2015, the Agency entered into an agreement with California Speedway Corporation, dba Auto Club Speedway (Speedway), to provide wastewater treatment and recycled water services to property owned, operated, managed, and controlled by Speedway. Speedway agreed to reimburse the Agency for the construction cost and the cost of connection and other related costs to provide those services. This agreement includes the option of payment through the assignment of pumping rights to the Agency as full consideration for their share of capital cost and wastewater connection costs. The assignment shall have a term of 60 years. As of June 30, 2025, the Agency has incurred \$1,426,860 in connections and permanent system costs, and Speedway has assigned 3,590.6 acre-feet (AF) to the Agency. This leaves an outstanding receivable of \$978,680 in the Recycled Water Fund for their portion of the Napa Lateral construction costs and \$448,181 in the Regional Wastewater Capital Fund for connection fees and improvements. Both the Recycled Water and Regional Wastewater Capital Funds have a current portion of \$213,300.

Dry Year Yield Conjunctive Use Program

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

In May 2005, the Agency entered into an agreement with OCWD, MWDOC, Three Valleys Municipal Water District, and Chino Basin Watermaster called the Joint Use Agreement. Per this agreement, the Agency will pay OCWD a surcharge of \$2.00 per AF for each AF of water purchased from MWD that was delivered through OC-59. These water purchases are to replenish the groundwater supplies within the Chino Basin area, which is part of the Dry Year Yield program. The \$2.00 per AF surcharge that has been paid to OCWD is recorded as a long-term receivable in the Water Resources Fund. The balance as of June 30, 2025 is \$146,591. The Agency will be reimbursed by MWD by way of a credit on MWD's invoice to the Agency once water is withdrawn from the Dry Year Yield account.

Note 11. Joint Ventures - Long-Term Agreements

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

Santa Ana Watershed Project Authority

The Santa Ana Watershed Project Authority (SAWPA) was formed under a joint exercise of power agreement (JPA) for the purpose of undertaking projects for water quality control and protection in the Santa Ana River Watershed. SAWPA is composed of the five (5) water agencies within the watershed area: Eastern Municipal Water District, Orange County Water District, San Bernardino Valley Municipal Water District, Western Municipal Water District, and the Inland Empire Utilities Agency. Each participating agency appoints two commissioners to SAWPA to form an oversight committee of ten. Equal contributions are made by each member agency for administration and contributions based on capacity use rights for project agreements under which capital construction is accomplished. Special projects or studies are funded by equal contributions from each Agency based on the general or specific nature of the project or study. Financial data is available at the Agency's main office.

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

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

Over the course of time, the Agency has purchased capacity from SAWPA in the Santa Ana Regional Interceptor (SARI) System, now called Inland Empire Brine Line (IEBL). The IEBL is part of the Agency's Non-Reclaimable Wastewater System (NRWS) collections system that serves the southern portion of the Agency's service area. SAWPA pass through activity in FY 2024/25 was \$2,052,333.

SAWPA Brine Line Lease Capacity Pool Agreement - In addition to the current capacity agreement with SAWPA, in FY 2018/19 the Agency entered into a Brine Line Lease Capacity Pool Agreement with SAWPA and its member agencies for the IEBL in the southern service area. Under this agreement, the Agency and other member agencies of SAWPA could contribute pipeline and treatment capacity to a "Lease Pool." The contributed capacity will be marketed and made available for lease to new or existing customers, similar to the Los Angeles County Sanitation Districts (LACSD) agreement for the North NRWS.

Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) - In June 2016, The Agency signed the SARCCUP Memorandum of Understanding (MOU) and SARCCUP MOU for Program Implementation, PA23. SARCCUP is the result of collaboration between the SAWPA member agencies (Parties) to identify large-scale water supply

reliability and water use efficiency projects that could benefit the Santa Ana River Watershed. SARCCUP will initially include development of new infrastructure and incorporation of existing infrastructure to create 60,000 AF per year of wet year put and dry year take capacities for 180,000 AF of groundwater storage in the San Bernardino Area Basins, the San Jacinto Basins, the Chino Basin, and the Elsinore Basin.

Los Angeles County Sanitation Districts (LACSD)

The Agency and the LACSD entered into an agreement in 1966 wherein the LACSD agreed to accept the Agency's industrial wastewater flows from the North NRWS. The agreement which was set to expire in May 2018 was replaced by a new NRWS Wastewater Disposal Agreement between the Agency and LACSD that became effective July 1, 2014. The new Agreement resulted in pass-through rates from LACSD that are more stable and predictable. Under the new agreement, customers have the ability to acquire wastewater discharge rights as capacity units and acquire or lease discharge rights rather than make a mandatory acquisition as required under the prior agreement. LACSD pass through activity in FY 2024/25 was \$7,228,622. Key terms of the agreement include the following:

- 30-year term with up to four additional five-year extensions for a total of up to 50 years.
- 15,000 initial Baseline Capacity Units for allocation amongst current customers, was adjusted after June 30, 2018, to a current baseline of 15,286 Capacity Units. The Agency shall pay to LACSD a fee for the use of the system in excess of its annual baseline capacity.
- Replacement of East End flowmeter completed in FY 2022/23.

Chino Basin Desalter Authority

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

As of June 30, 2025, Desalter 1 and Desalter 2 delivered a total of 36,543 AF of water. Financial data is available at the CDA's main office located at 3550 E. Philadelphia Street, Suite 170, Ontario, CA 91761.

Inland Empire Regional Composting Authority

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

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

and Repair and Replacement (R&R) costs. The Agency records biosolids tipping fees in the Regional Wastewater Operation and Maintenance Fund.

As of June 30, 2025, the Agency’s equity share is \$40,336,159 recorded in the Regional Wastewater Capital Improvement Fund. In FY 2024/25, the Agency made a capital contribution of \$1,462,500 to the project. There was an additional net write-down of \$72,828 (around 50% of the Agency’s equity share) of the JPA’s net position at June 30, 2025. This reduction is recorded in the nonoperating expenses on the Statement of Revenues, Expenses, and Changes in Net Position in the Regional Wastewater Capital Improvement Fund. The Agency records the JPA labor costs for operating the facility in the Regional Wastewater Operation and Maintenance Fund. IERCA financial data is available at the Agency’s main office.

Santa Ana River Watermaster

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

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

Costs and expenses incurred by the individual representatives are reimbursed directly from their respective water districts. Collective Watermaster costs and expenses are budgeted and funded by contributions from the four water districts. Financial data is available at the Agency’s main office. The Agency’s share of assets, liabilities, fund equity and changes therein during the year is 20%.

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

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

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

Chino Basin Water Bank

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

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

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

Note 12. Long-Term Debt and Notes Payable

Long-Term Debt

A summary of changes in long-term debt for the fiscal year ended June 30, 2025 is as follows:

Bonds Payable	Balance at June 30, 2024	Additions	Reductions	Balance at June 30, 2025	Amounts Due Within One Year	Amounts Due After One Year
2017A Revenue Bonds (2008A Refinancing)	\$ 43,660,000	\$ -	\$ (4,395,000)	\$ 39,265,000	\$ 4,620,000	\$ 34,645,000
2020A Revenue Bonds (2008B, 2010A Refunding)	35,525,000	-	(4,380,000)	31,145,000	3,745,000	27,400,000
Subtotal	79,185,000	-	(8,775,000)	70,410,000	8,365,000	62,045,000
Bond Premium	15,557,045	-	(1,866,630)	13,690,415	-	13,690,415
Revenue Bonds	\$ 94,742,045	\$ -	\$ (10,641,630)	\$ 84,100,415	\$ 8,365,000	\$ 75,735,415

2017A Refunding Revenue Bonds

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

- The bonds were issued to (i) refund the outstanding Chino Basin Regional Financing Authority (Inland Empire Utilities Agency) Revenue Bond Series 2008A (Inland Empire Utilities Agency Wastewater Facilities Improvement and Replacement Projects), and (ii) pay the costs of issuing the bonds.
- The bonds maturing through 2033 are payable in annual installments ranging from \$3,010,000 to \$4,920,000 with an interest rate from 2% to 5% per annum, payable semi-annually. The balance outstanding on June 30, 2025 is comprised of the principal amount of \$39,265,000 plus unamortized deferred bond premium of \$5,816,153 for a total of \$45,081,153.

2020A Refunding Revenue Bonds

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

- The bonds were issued to (i) refund the outstanding Chino Basin Regional Financing Authority (Inland Empire Utilities Agency) Revenue Bond Series 2008B, (ii) refund the outstanding Chino Basin Regional Financing Authority (Inland Empire Utilities Agency) Series 2010A, (iii) refund certain Clean Water State Revolving Fund Financing Agreements from the State Water Resources Control Board, and (iv) pay the costs of issuing the bonds.

- The bonds maturing through 2035 are payable in annual installments ranging from \$1,540,000 to \$8,610,000 with an interest rate of 5% per annum, payable semi-annually. The balance outstanding on June 30, 2025 is comprised of the principal amount of \$31,145,000, plus unamortized deferred bond premium of \$7,874,262 for a total of \$39,019,262.

Aggregate Long-Term Debt

As of June 30, 2025, the aggregate debt service requirements on bonded indebtedness to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest Amortization	Total
2026	\$ 8,365,000	\$ 3,405,000	\$ 11,770,000
2027	8,795,000	2,980,750	11,775,750
2028	7,715,000	2,572,625	10,287,625
2029	7,300,000	2,181,000	9,481,000
2030	7,665,000	1,811,125	9,476,125
2031 - 2036	30,570,000	3,368,875	33,938,875
Subtotal	70,410,000	16,319,375	86,729,375
Plus: Net Premium	13,690,415	-	13,690,415
Total Debt Service Payable	\$ 84,100,415	\$ 16,319,375	\$ 100,419,790

Debt Covenants

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

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

The Agency has no lines of credit. Management has determined that the Agency has complied with all covenants related to the outstanding debt issues as of June 30, 2025. *(Refer to the Agency System Total Debt Coverage Ratio Schedule included in the Statistical Section).*

Notes Payable

A summary of notes payable activity for the fiscal year ended June 30, 2025 is as follows:

Notes Payable	Balance at June 30, 2024	Additions	Reductions	Balance at June 30, 2025	Amounts Due Within One Year	Amounts Due After One Year
State Revolving Fund Loan	\$ 169,505,800	\$ 52,502	\$ (4,679,897)	\$ 164,878,405	\$ 5,266,442	\$ 159,611,963
City of Fontana	2,143,488	-	(213,176)	1,930,312	751,979	1,178,333
Southern California Edison	176,827	-	(76,817)	100,010	34,872	65,138
2022 WIFIA Loan*	11,808,933	4,915,450	-	16,724,383	-	16,724,383
2020 WIFIA Loan*	-	196,436,445	-	196,436,445	-	196,436,445
2020B Revenue Notes	196,435,000	-	(196,435,000)	-	-	-
Subtotal	380,070,048	201,404,397	(201,404,890)	380,069,555	6,053,293	374,016,262
Note Premium	8,728,241	-	(8,728,241)	-	-	-
Total Notes Payable	\$ 388,798,289	\$ 201,404,397	\$ (210,133,131)	\$ 380,069,555	\$ 6,053,293	\$ 374,016,262

* The debt noted is directly placed with a third party.

Notes Payable - Direct Borrowing

State Water Resources Control Board

- The RP-4 Pump Station, Pipeline and Reservoir projects (Phase III) were in part funded by a State Revolving Fund (SRF) loan. The three projects received \$10,862,198 of SRF funding, with a current balance as of June 30, 2025 of \$2,181,657. These are interest free loans with a principal due annually for 20 years beginning June 2011, one year after the completion of construction.
- The Recycled Water projects included in Phase IV were in part funded by SRF loans. The four projects received \$15,061,175 of SRF funding. Principal and interest are paid annually for 20 years beginning June 2011, one year after the completion of construction, at an annual interest rate ranging from 0.074% to 0.214%. The outstanding balance as of June 30, 2025, is \$4,567,901.
- The Recycled Water Project (Construction of 2 Monitoring Wells) in Phase V is also in part funded by a SRF loan. The project received \$999,024 of SRF funding. Principal and interest are paid annually for 20 years beginning June 2012, one year after completion of construction, at an annual interest rate of 1%. The outstanding balance at June 30, 2025, is \$268,577.
- The Recycled Water Project (Wineville Area) in Phase X is also partially funded by a SRF loan. Principal and interest are paid annually for 30 years beginning August 31, 2020, one year after completion of construction, at an annual interest rate of 1%. The outstanding balance at June 30, 2025 is \$19,676,988.
- The RP-1 Dewatering Facility Expansion project was in part funded by a SRF loan of \$27,546,972. This project was the first American Recovery and Reinvestment Act (ARRA) funded project in the state and as a "green project," qualified for an annual interest rate of 0.46%. Principal and interest are paid annually for 20 years beginning February 28, 2013, one year after completion of construction. The outstanding balance at June 30, 2025 is \$9,948,464.
- The Regional Water Quality Laboratory project was funded in part by a SRF loan. Principal and interest are paid annually for 30 years beginning February 28, 2020, one year after completion of construction, at an annual rate of 2.1%. The outstanding balance at June 30, 2025 is \$19,569,443.
- The Napa Lateral project was funded in part by a SRF loan. Principal and interest are paid annually for 30 years beginning December 31, 2020, one year after the completion of construction, at an annual interest rate of 1.8%. The outstanding balance at June 30, 2025 is \$3,063,427.

- The San Sevaire Basin Improvements project was funded in part by a SRF loan. Principal and interest are paid annually for 30 years beginning December 31, 2020, one year after the completion of construction, at an annual interest rate of 1.8%. The outstanding balance at June 30, 2025 is \$2,038,369.
- The Baseline Extension project was funded in part by a SRF loan. Principal and interest are paid annually for 30 years beginning October 31, 2021, one year after the completion of construction at an annual interest rate of 1.4%. The outstanding balance at June 30, 2025 is \$2,965,977.
- The RP-1 1158 Recycled Water Pump Station Upgrades project was funded in part by a SRF loan and part by Proposition 1 - the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Principal and interest on both funding sources are paid annually for 30 years beginning August 31, 2021, one year after the completion of construction at an annual interest rate of 1.4%. The outstanding balance at June 30, 2025 is \$4,530,466.
- The RP-5 Recycled Water Pipeline Bottleneck project was funded in part by a SRF loan and part by Proposition 1 - the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Principal and interest on both funding sources are paid annually for 30 years beginning July 1, 2021, one year after the completion of construction at an annual interest rate of 1.4%. The outstanding balance at June 30, 2025 is \$1,914,274.
- The RP-5 Expansion Construction Project was funded in part by a SRF loan. Principal and interest on the SRF loan is paid annually for \$3,645,560, one year after the completion of construction at an annual interest rate of 0.80%. The outstanding balance at June 30, 2025 is \$82,754,470.
- The Montclair Basin Improvement Project was funded in part by a SRF loan. Principal and interest on the SRF loan is paid annually for \$17,374, one year after the completion of construction at an annual interest rate of 0.55%. The outstanding balance at June 30, 2025 is \$384,932.
- The Distribution System/Wineville/Jurupa/RP-3 Recharge Improvements Project was funded in part by a SRF loan. Principal and interest on the SRF loan is paid annually for \$619,041, one year after the completion of construction at an annual interest rate of 0.55%. The outstanding balance at June 30, 2025 is \$8,431,896.
- The Lower Day Basin Improvement Project was funded in part by a SRF loan. Principal and interest on the SRF loan is paid annually for \$157,794, one year after the completion of construction at an annual interest rate of 0.55%. The outstanding balance at June 30, 2025 is \$2,581,564.

As of June 30, 2025, the future payments for the remaining loan obligations by fiscal year are as follows:

Fiscal Year Ending June 30,	Principal*	Interest Amortization	Total
2026	\$ 5,266,442	\$ 900,914	\$ 6,167,356
2027	5,169,805	914,190	6,083,995
2028	5,209,126	874,870	6,083,996
2029	7,732,903	1,505,774	9,238,677
2030	7,247,740	1,445,521	8,693,261
2031 - 2035	29,455,590	6,331,474	35,787,064
2036 - 2040	27,220,536	4,905,938	32,126,474
2041 - 2045	28,237,588	3,409,985	31,647,573
2046 - 2050	26,522,329	1,845,114	28,367,443
2051 - 2055	15,379,185	740,190	16,119,375
2056	7,437,161	149,430	7,586,591
Total SRF Loans	\$ 164,878,405	\$ 23,023,400	\$ 187,901,805

* The difference between the principal reported in the repayment schedule and the loan outstanding reflects construction period interest accrued to date, which will be capitalized and added to the principal balance upon project completion.

Water Infrastructure Finance and Innovation Act (WIFIA) Loans

- On May 27, 2020, the CBRFA and the Agency executed a Water Infrastructure Finance and Innovation Act loan (WIFIA I loan) agreement with the United States Environmental Protection Agency for the Regional Plant No. 5 (RP-5) Expansion Project. The Agency has drawn \$196,436,455 from this WIFIA I loan as of June 30, 2025, to repay the 2020B Revenue Notes. The WIFIA I loan carries an annual interest of 1.36% and matures on November 1, 2060, with principal and interest payments due one year after the project's substantial completion.

As of June 30, 2025, the future debt service principal and interest payments owed on the direct placement 2020 WIFIA I Loan by fiscal year are as follows:

Fiscal Year Ending June 30,	Principal*	Interest Amortization	Total
2026	\$ -	\$ -	\$ -
2027	4,477,438	2,676,021	7,153,459
2028	4,538,331	2,614,714	7,153,045
2029	4,600,052	2,552,573	7,152,625
2030	4,662,613	2,489,587	7,152,200
2031 - 2035	24,281,662	11,472,751	35,754,413
2036 - 2040	25,978,342	9,764,534	35,742,876
2041 - 2045	27,793,576	7,936,956	35,730,532
2046 - 2050	29,735,650	5,981,675	35,717,325
2051 - 2055	31,813,427	3,889,770	35,703,197
2056 - 2060	34,036,387	1,651,693	35,688,080
2061	7,087,515	48,195	7,135,710
Total WIFIA I loan	\$ 199,004,993	\$ 51,078,469	\$ 250,083,462

* The difference between the principal reported in the repayment schedule and the loan outstanding reflects construction period interest accrued to date, which will be capitalized and added to the principal balance upon project completion.

- On March 24, 2022, the CBRFA and the Agency executed a second Water Infrastructure Finance and Innovation Act loan (WIFIA II loan) agreement with the United States Environmental Protection Agency for the Regional Wastewater System Improvements Program. The Agency has drawn \$16,274,383 from this WIFIA II loan as of June 30, 2025. The WIFIA II loan amount up to \$120,000,000 will be drawn as needed. The WIFIA II loan carries an annual interest of 2.61% and matures on November 1, 2060, with principal and interest payments due one year after the project's substantial completion.

As of June 30, 2025, the future debt service principal and interest payments owed on the direct placement 2022 WIFIA II Loan by fiscal year are as follows:

Fiscal Year Ending June 30,	Principal*	Interest Amortization	Total
2026	\$ -	\$ -	\$ -
2027	-	502,715	502,715
2028	-	502,715	502,715
2029	-	502,715	502,715
2030	-	502,715	502,715
2031 - 2035	-	2,513,573	2,513,573
2036 - 2040	2,775,849	2,336,181	5,112,030
2041 - 2045	3,157,506	1,949,543	5,107,049
2046 - 2050	3,591,639	1,509,745	5,101,384
2051 - 2055	4,085,462	1,009,478	5,094,940
2056 - 2060	4,647,181	440,429	5,087,610
2061	1,003,460	13,094	1,016,554
Total WIFIA II loan	\$ 19,261,097	\$ 11,782,903	\$ 31,044,000

* The difference between the principal reported in the repayment schedule and the loan outstanding reflects construction period interest accrued to date, which will be capitalized and added to the principal balance upon project completion.

Notes Payable - Other Debt

2020B Revenue Notes

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

- The notes were issued to (i) to finance, on an interim basis, a portion of the cost of the Regional Plant No.5 (RP-5) Expansion Project, (ii) to pay a portion of the capitalized interest with respect to the notes, and (iii) to pay the costs of issuing the notes.
- On May 27, 2020, the Chino Basin Regional Financing Authority and the Agency executed a Water Infrastructure Finance and Innovation Act loan (WIFIA I loan) agreement with the United States Environmental Protection Agency for \$196,436,445 to finance a portion of the RP-5 Expansion Project. The Agency has drawn from this WIFIA I loan as of June 30, 2025, to pay the principal of the 2020B Revenue Notes at maturity.

- In June 2025, the Agency defeased \$196,435,000 of 2020B Revenue Notes. The notes defeased in June 2025 fully refunded notes on an advanced refunding basis. Advance refunding is a refunding in which the refunded issue(s) remains outstanding for a period of more than 90 days after a bond defeasance transaction, the proceeds of which are held in escrow invested in securities and used to pay principal and interest on the refunded issue(s). The source of refunding for the 2020B Revenue Notes was from draws on the 2020 WIFIA I loan whereby \$196,557,012 of treasury securities were purchased and placed in escrow to pay principal and interest on the refunded bonds. The accounting gain on defeasance for FY 2024/25 was \$3,491,627. There is no outstanding debt related to the 2020B Revenue Notes.

City of Fontana

On October 18, 2005, the Agency entered into a reimbursement agreement with the City of Fontana for the design and construction of the San Bernardino Avenue lift station and force main, to convey wastewater to the Agency's RP-4 regional water recycling facility, located south of San Bernardino Avenue. The City of Fontana received a SRF loan of \$9,577,747 from the State Water Resources Control Board, less \$1,596,323 in deferred interest charges for a net loan amount of \$7,981,424, for the cost of construction. The project was completed by June 30, 2010, and title and ownership of the regional lift station and force main were transferred to the Agency from the City of Fontana. The Agency is responsible for making repayments to the City of Fontana for payments made on this SRF loan.

As of June 30, 2025, the future payments for the remaining note payable obligation by fiscal year are as follows:

Fiscal Year Ending June 30,	Principal	Interest Amortization	Total
2026	\$ 751,979	\$ 79,824	\$ 831,803
2027	482,578	79,824	562,402
2028	482,578	79,824	562,402
2029	213,177	5,720	218,897
Total SRF Loans	\$ 1,930,312	\$ 245,192	\$ 2,175,504

Southern California Edison (SCE)

On January 27, 2017, the Agency entered into an On-Bill Financing Agreement with Southern California Edison (SCE) for zero-percent interest financing for the installation of energy efficient lighting at the RP-4 facility. The Agency received \$235,151 on April 24, 2017, to be paid in ninety-five installments added to the monthly SCE utility bill. The energy efficient lighting is estimated to save 230,192 kilowatt hours annually, which is equivalent to \$29,802 in annual savings. Monthly savings are estimated at \$2,483. As of June 30, 2025, the balance of this note is \$0.

On October 30, 2017, the Agency entered into an On-Bill Financing Agreement with SCE for zero-percent interest financing of the installation of energy efficient lighting at the CCWRF facility. The Agency received \$180,300 on March 08, 2018, to be paid in 116 installments added to the monthly SCE utility bill. Energy efficient lighting is estimated to save 134,052 kilowatt hours annually, which is equivalent to \$18,781 in annual savings. Monthly savings are estimated at \$1,565. As of June 30, 2025, the balance of this note is \$48,516.

On November 17, 2017, the Agency entered into an On-Bill Financing Agreement with SCE for zero-percent interest financing of the installation of energy efficient lighting at the RP-1 facility. The Agency received \$479,539 on March 8, 2018, to be paid in seventy-three installments added to the monthly SCE utility bill. The energy efficient lighting is estimated to save 629,988 kilowatt hours annually, which is equivalent to \$78,938 in annual savings. Monthly savings are estimated at \$6,578. As of June 30, 2025, the balance of this note is \$0.

On November 22, 2017, the Agency entered into an On-Bill Financing Agreement with SCE for zero-percent interest financing of the installation of energy efficient lighting at the RP-5 facility. The Agency received \$105,500 on March 8, 2018, to be paid in 120 installments added to the monthly SCE utility bill. The energy efficient lighting is estimated to save 89,819 kilowatt hours annually, which is equivalent to \$10,550 in annual savings. Monthly savings are estimated at \$879. As of June 30, 2025, the balance of this note is \$28,134.

On November 27, 2017, the Agency entered into an On-Bill Financing Agreement with SCE for zero-percent interest financing of the installation of energy efficient lighting at the Agency's headquarters. The Agency received \$87,600 on March 8, 2018, to be paid in 120 installments added to the monthly SCE utility bill. The energy efficient lighting is estimated to save 74,578 kilowatt hours annually, which is equivalent to \$8,760 in annual savings. Monthly savings are estimated at \$730. As of June 30, 2025, the balance of this note is \$23,360.

As of June 30, 2025, the remaining note payable obligation is \$100,010.

Fiscal Year Ending June 30,	Principal
2026	\$ 34,872
2027	38,091
2028	27,047
Total SCE Loans	\$ 100,010

Note 13. Arbitrage Rebate Obligation

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

The 2017A and 2020A Refunding Revenue Bonds and the 2020B Revenue Notes are subject to arbitrage limitations.

- The arbitrage rebate on the 2017A Bonds was due in February 2018 and resulted in no arbitrage rebate due. The next installment computation date is February 2027.
- The initial arbitrage rebate computation on the 2020A Bonds and the 2020B Notes was prepared in August 2021. The Agency has elected to have the arbitrage liability on this bond issue to be calculated annually for the first five years, and the computation that was performed in August 2024 resulted in an arbitrage rebate due as of FY 2023/24. The next installment computation date is June 2030.

The Agency's arbitrage rebate liability is calculated by Willdan Financial Services, formerly MuniFinancial Inc. The arbitrage rebate liability is included in Arbitrage Rebate Obligation in the Regional Capital Fund and is reflected on the Statement of Net Position as of June 30, 2025, as a combined total of \$2,814,725.

Note 14. Advances to/from Other Funds

The composition of balances in advances to/from other funds as of June 30, 2025, is as follows:

Funds	Advances to Other Funds		Total
	Recharge Water Fund		
Advances from Other Funds			
Major Funds			
Regional Wastewater Capital Improvement Fund	\$	5,105,000	\$ 5,105,000
Total Advances	\$	5,105,000	\$ 5,105,000

Regional Wastewater Capital Improvement Fund

As of June 30, 2025, the Regional Wastewater Capital Improvement Fund reported an advance to the Recharge Water Fund, in the amount of \$5,105,000. This advance supports the implementation of the Recharge Master Plan Updates Projects that are included in the Recharge Water Fund. The Recharge Water fund has outstanding receivables related to state loans and grants related to the Recharge Master Plan Update Projects and will repay the interfund loan as soon as the Agency receives those proceeds.

Note 15. Interfund Transfers

In FY 2024/25, the Agency allocated interfund transfers of \$19,184,663 supporting debt service requirements, the Agency's pro-rata share of groundwater recharge O&M costs, capital and O&M/non-capital project costs based upon information defined in 2015 and 2020 Rate Studies.

Transfers In

The Regional Wastewater Capital Improvement Fund received transfers in of \$4,767,002 from the Regional Wastewater Operations and Maintenance Fund to support the portion of the capital project costs for existing excess capacity in the Regional Wastewater System.

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

The Regional Wastewater Operations and Maintenance Fund received transfers in of \$2,990,017 in One Water Connection Fees from the Regional Wastewater Capital Improvement Fund to support the Regional Wastewater System management and expansion.

The Recycled Water Fund received transfers in of \$2,658,807 from the Regional Wastewater Capital Improvement Fund for its share of the 2017A Refunding Revenue Bonds debt service costs and from the Regional Wastewater Operations and Maintenance Fund to support its share of debt service costs for the SCADA Enterprise Project.

The Water Resources Fund received transfers in of \$325,289 in One Water Connection Fees from the Recycled Water Fund to support capital and O&M/non-capital project costs for water resource management, water expansion, and conservation projects.

Nonmajor Enterprise Funds received transfers in of \$8,181,944.

The Administrative Services Fund received transfers in of \$6,913,447 from the Regional Wastewater Capital Improvement Fund to support capital and O&M/non-capital project costs; from the Regional Wastewater Operations

and Maintenance Fund to support O&M/non-capital project costs; from the Recycled Water Fund to support capital and O&M/non-capital project costs; and from the Nonmajor Non-Reclaimable Wastewater Fund to support O&M/non-capital costs.

The Non-Reclaimable Wastewater Fund received transfers in of \$216,645 from the Regional Wastewater Capital Improvement Fund to support capital and O&M/non-capital project costs.

The Recharge Water Fund received transfers in of \$1,051,852 from the Regional Wastewater Capital Improvement Fund to support its share of the 2020A Refunding Revenue Bonds debt service costs; and from the Recycled Water Fund to support basin maintenance costs per Peace I and II agreements with Chino Basin Watermaster and for support of capital and O&M/non-capital projects.

Transfers Out

The Regional Wastewater Capital Improvement Fund sent transfers out of \$12,252,188 to the Regional Wastewater Operations and Maintenance Fund to support Regional Wastewater System management and expansion costs and for debt service support; to the Recycled Water Fund for its share of the 2017A Refunding Revenue Bonds debt service costs; to the Administrative Services Fund; to the Non-Reclaimable Wastewater Fund to support capital project costs, and; to the Recharge Water Fund for its share of the 2020A Refunding Revenue Bonds debt service costs.

The Regional Wastewater Operations and Maintenance Fund sent transfers out of \$5,565,552 to the Regional Wastewater Capital Improvement Fund to support its share of capital project costs for existing excess capacity in the Regional Wastewater System; to the Recycled Water Fund for its share of the SCADA Enterprise project costs; and to the Administrative Services Fund to support operating costs.

The Recycled Water Fund sent transfers out of \$1,183,668 to the Water Resources Fund to support water use efficiency and conservation project costs; to the Recharge Water Fund to support operations support and capital and O&M/non-capital projects; and to the Administrative Services Fund to support capital and O&M/non-capital projects and operating costs.

The Non-Reclaimable Wastewater Fund sent transfers out of \$183,255 to the Administrative Services Fund to support capital and O&M/non-operating projects costs.

The following table presents a summary of interfund transfers in and out by fund for FY 2024/25:

Funds	Transfers in					Total
	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations and Maintenance Fund	Recycled Water Fund	Water Resources Fund	Nonmajor Enterprise Funds	
Transfers out						
Regional Wastewater Capital Improvement Fund	\$ -	\$ 3,251,621	\$ 2,511,500	\$ -	\$ 6,489,067	\$ 12,252,188
Regional Wastewater Operations and Maintenance Fund	4,767,002	-	147,307	-	651,243	5,565,552
Recycled Water Fund	-	-	-	325,289	858,379	1,183,668
Nonmajor Enterprise Funds	-	-	-	-	183,255	183,255
Total Transfers	\$ 4,767,002	\$ 3,251,621	\$ 2,658,807	\$ 325,289	\$ 8,181,944	\$ 19,184,663

Note 16. Leases

The Agency leases equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2030.

Lease Payable	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Equipment	\$ 71,179	\$ 97,257	\$ (44,835)	\$ 123,601	\$ 33,168
Total Lease Payable	\$ 71,179	\$ 97,257	\$ (44,835)	\$ 123,601	\$ 33,168

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

Fiscal Year Ending June 30,	Principal	Interest Amortization	Total
2026	\$ 33,168	\$ 3,711	\$ 36,879
2027	31,718	2,783	34,501
2028	28,933	1,834	30,767
2029	19,056	864	19,920
2030	10,726	140	10,866
Total	\$ 123,601	\$ 9,332	\$ 132,933

Note 17. Water Inventory

On February 17, 2016, the Board approved the Water Storage Agreement between the Agency and the CVWD for the purchase of up to 5,000 AF of supplemental water. This agreement, effective March 1, 2016, enables the Agency to purchase and store water in the Chino Basin as part of CVWD's storage account. As of June 30, 2025, there are no AF held in storage by CVWD on behalf of the Agency. The Agency sold its stored water in prior fiscal years and currently does not have an AF balance.

Note 18. Defined Other Postemployment Benefits (OPEB) Plan

General Information About the Other Postemployment Benefits (OPEB) Plan

Plan Description

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

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

Benefits Provided

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

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

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

Employees Covered

As of the June 30, 2025 (measurement date as of June 30, 2024) actuarial valuation, the following current and former employees were covered by the benefit terms under the Agency Plan:

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

Contributions

The OPEB Plan and its contribution requirements are established by a MOU with the applicable employee bargaining units and may be amended by agreements between the Agency and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2025 the Agency's contributions were \$818,453.

Net OPEB Liability (Asset)

The Agency's net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2024, and based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.50%
Payroll Growth	2.75% per annum, in aggregate
Investment Rate of Return	6.25% (net of pension plan investment and administration expenses; includes inflation)
Mortality Rate ⁽¹⁾	Derived using CalPERS' Membership Data for all funds
Pre-Retirement Turnover ⁽²⁾	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	4.50%

Notes:

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation
CERBT	
Global Entity	34.00%
Global Debt Securities	41.00%
Inflation Assets	5.00%
Commodities	3.00%
REITs	17.00%
Total	100.00%

Long-term expected rate of return is 6.25%.

Discount Rate

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

Changes in the OPEB Asset

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

	Total OPEB Liability (Asset)	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at June 30, 2024 (Measurement Date June 30, 2023)	\$ 15,716,963	\$ 20,729,643	\$ (5,012,680)
Changes in Current Fiscal Year			
Service Cost	503,113	-	503,113
Interest on the Total OPEB Liability	967,059	1,705,334	(738,275)
Contributions - Employer	-	1,038,596	(1,038,596)
Differences Between Projected and Actual Earnings on OPEB Plan Investment	47,452	-	47,452
Administrative Expenses	-	(6,675)	6,675
Benefit Payments, Including Refunds of Employee Contributions	(1,038,596)	(1,038,596)	-
Current Fiscal Year Net Changes	479,028	1,698,659	(1,219,631)
Balance at June 30, 2025 (Measurement Date June 30, 2024)	\$ 16,195,991	\$ 22,428,302	\$ (6,232,311)

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

The following presents the net OPEB asset of the Agency Plan, calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Asset	\$(4,356,388)	\$(6,232,311)	\$(7,796,889)

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

The following presents the net OPEB asset of the Agency if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	1% Decrease (4.00% HMO/ 4.00% PPO Decreasing to 3.50% HMO/ 3.50% PPO)	Current Healthcare Cost Trend Rates (5.00% HMO/ 5.00% PPO Decreasing to 4.50% HMO/ 4.50% PPO)	1% Increase (6.00% HMO/ 6.00% PPO Decreasing to 5.50% HMO/ 5.50% PPO)
Net OPEB Asset	\$ (8,176,802)	\$ (6,232,311)	\$ (3,842,906)

OPEB Plan Fiduciary Net Position

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

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

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

Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5-Year Straight-Line Amortization
	Expected Average Remaining Service Lifetime (EARSL)
All Other Amounts	(5.0 Years at June 30, 2025)

For FY 2024/25, the Agency recognized OPEB expenses of \$252,473. As of June 30, 2025, the Agency reported Deferred Outflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 818,452	\$ -
Change in Experience	251,800	(3,725,537)
Change in Assumptions	217,962	(52,544)
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	1,215,955	-
Total	\$ 2,504,169	\$ (3,778,081)

The \$818,452 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2025.

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

Fiscal Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2026	\$ (215,114)
2027	130,661
2028	(726,848)
2029	(684,532)
2030	(502,597)
Thereafter	(93,934)

Note 19. Subscription-Based Information Technology Arrangements

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

Subscriptions Payable	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Subscription	\$ 374,671	\$ -	\$ (158,570)	\$ 216,101	\$ 163,483
Total Subscriptions Payable	\$ 374,671	\$ -	\$ (158,570)	\$ 216,101	\$ 163,483

Total future minimum subscription payments under SBITAs are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 163,483	\$ 4,084	\$ 167,567
2027	46,863	558	47,421
2028	5,755	15	5,770
Total	\$ 216,101	\$ 4,657	\$ 220,758

Note 20. Asset Retirement Obligation

The Agency follows GASB Statement No. 83, *Certain Asset Retirement Obligations*, the Agency accounts for Asset Retirement Obligations (AROs) for a legally enforceable obligation associated with the retirement of a capital asset by recognizing the total obligation as a liability, offset by a deferred inflow, based on the best estimate of the current value of expenditures expected to be incurred once the assets are retired. The statement requires the effect of inflation on the ARO liability to be adjusted annually.

The Agency constructed and operates the Regional Water Recycling Plant No. 2 (RP-2) located in the city of Chino to process wastewater treatment to customers in the Agency's service area. The land on which RP-2 plant was constructed is leased by the Agency from the United States Army Corp of Engineers (USACE). In accordance with the easement renewal for the right-of-way for RP-2 granted by USACE that extended the easement term from May 9, 2010, to May 8, 2035, the Agency is required to remove RP-2 facilities and restore the plant site and utilities upon expiration or termination of the easement. USACE has determined that the RP-2 plant is located in the flood zone of the Prado Dam, therefore the option to extend the lease past May 8, 2035, will not be exercised by the Agency. The decommissioning of the plant facilities must follow USACE and US Environmental Protection Agency (EPA) requirements supplemented by state requirements. The Agency and the USACE agreed that the RP-2 lift station will remain in service after the lease expires, so it will not be included in the decommissioning effort.

The Agency authorized Parsons Corporation to perform a decommissioning study for the RP-2 plant, which was completed in February 2017. The study included detailed cost estimates for the decommissioning of the RP-2 plant. In FY 2024/25, the cost estimate was adjusted based on updated information regarding remediation efforts expected by the USACE. The costs from 2017 were inflated to FY 2024/25 present value using the Engineering News Record index for Los Angeles County, which resulted in an annual inflation rate of 4.78%. The estimated ARO for the year ended June 30, 2025 is \$32,269,000. The Agency has designated \$36,415,000 in cash to fund the future obligation in connection with the ARO.

The following table summarizes the ARO activity for FY 2024/25:

	Beginning of Year, as Restated	Additions	Reductions	End of Year
Deferred Outflows - Asset Retirement Obligation	\$ 22,481,211	\$ 1,116,500	\$ (2,008,509)	\$ 21,589,202
Asset Retirement Obligation	\$ 31,152,500	\$ 1,116,500	\$ -	\$ 32,269,000

Note 21. Adjustments – Changes in Accounting Principle and Error Correction

During FY 2024/25, the Agency implemented GASB Statement No. 101, *Compensated Absences*. The Agency now recognizes sick time that is more likely than not to be used in addition to the time vested to be paid out upon separation. The effects of the change in accounting principle are summarized in the “Restatement – GASB 101 implementation” column in the table below.

During FY 2024/25, the Agency recorded an asset retirement obligation for a legally enforceable obligation associated with the retirement of the Regional Water Recycling Plant No. 2 (RP-2) located in the city of Chino. This obligation was enforceable in years prior to FY 2024/25. See Note 20 for further discussion surrounding the asset retirement obligation. The effects of the error correction are summarized in the “Restatement – Error Correction” column in the table below.

The effects of the change in accounting principle and error correction resulted in adjustments to and restatements of beginning net position as follows:

	June 30, 2024, as Previously Reported	Restatement - GASB 101 Implementation	Restatement - Error Correction	June 30, 2024, as Restated
Major Funds				
Regional Capital	\$ 634,356,009	\$ (168,574)	\$ (6,937,031)	\$ 627,250,404
Regional Operations	215,639,089	(1,459,647)	(1,734,258)	212,445,184
Recycled Water	133,544,418	(196,628)	-	133,347,790
Water Resources	55,286,098	(92,207)	-	55,193,891
Total Major Funds	1,038,825,614	(1,917,056)	(8,671,289)	1,028,237,269
Nonmajor Funds				
Non-Reclaimable Wastewater	48,273,193	(55,797)	-	48,217,396
Recharge Water	41,760,592	(10,808)	-	41,749,784
Administrative Services	42,917,016	(1,338)	-	42,915,678
Total Nonmajor Funds	132,950,801	(67,943)	-	132,882,858
Total	\$ 1,171,776,415	\$ (1,984,999)	\$ (8,671,289)	\$ 1,161,120,127

Note 22. Subsequent Events

The Agency evaluated subsequent events through December 23, 2025, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

Subsequent to June 30, 2025, the Agency has drawn an additional \$3,359,517 from the WIFIA II loan.



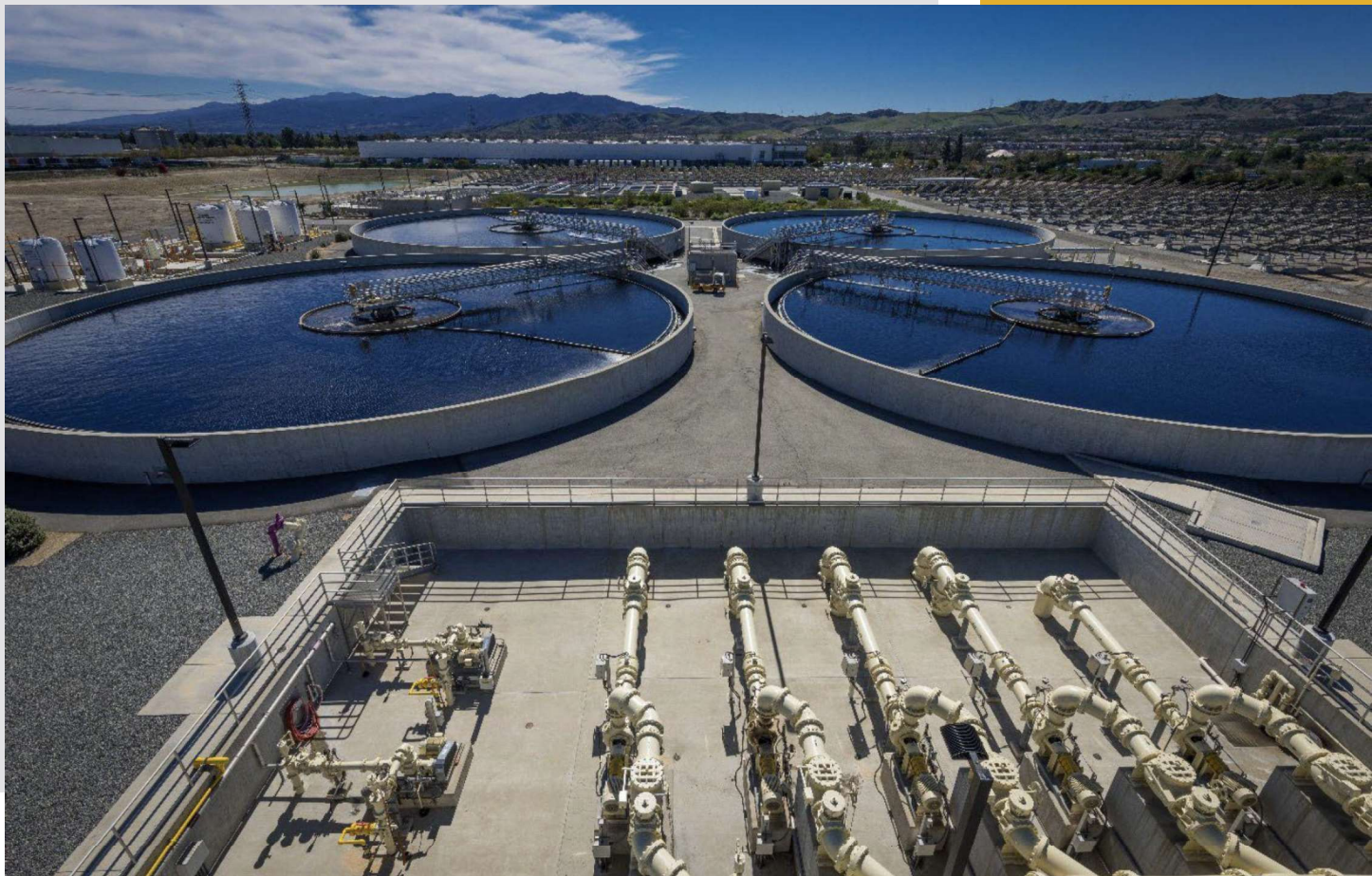
Required Supplementary Information

CalPERS Miscellaneous Pension Plan Schedule of Contributions

Schedule of Changes in Net Pension Liability and Related Ratios

CalPERS Retiree Healthcare Plan Schedule of Contributions

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



CalPERS Miscellaneous Pension Plan
Schedule of Contributions
As of June 30, 2025
Last Ten Years

	FY 2024/25	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21
Actuarially Determined Contribution	\$ 8,454,419	\$ 7,135,719	\$ 6,750,008	\$ 6,474,472	\$ 6,192,868
Contributions in Relation to the Actuarially Determined Contributions	(12,954,419)	(11,635,719)	(11,250,008)	(10,974,472)	(10,692,868)
Contribution Deficiency (Excess)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)
Covered Payroll	\$ 43,764,921	\$ 37,385,978	\$ 34,260,811	\$ 31,560,357	\$ 30,559,735
Contributions as a Percentage of Covered Payroll	29.60%	31.12%	32.84%	34.77%	34.99%

Notes to Schedule:

Valuation Date June 30, 2023

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percentage of Payroll Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	Fair Value of Assets
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.80%
Investment Rate of Return	6.80%, Net of Pension Plan Investment and Administrative Expense; Includes Inflation
Retirement Age	55 years (2.5%@55, 2%@55, and 2%@62)

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

Mortality

**CalPERS Miscellaneous Pension Plan
Schedule of Contributions (Continued)
As of June 30, 2025
Last Ten Years**

	FY 2019/20	FY 2018/19	FY 2017/18	FY 2016/17	FY 2015/16
Actuarially Determined Contribution	\$ 5,751,862	\$ 5,266,593	\$ 4,785,958	\$ 4,986,891	\$ 4,653,741
Contributions in Relation to the Actuarially Determined Contributions	(10,251,862)	(9,766,593)	(9,285,958)	(9,486,891)	(9,153,741)
Contribution Deficiency (Excess)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)
Covered Payroll	\$ 29,615,605	\$ 28,525,130	\$ 29,042,418	\$ 27,131,239	\$ 25,127,054
Contributions as a Percentage of Covered Payroll	34.62%	34.24%	31.97%	34.97%	36.43%

CalPERS Miscellaneous Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Fiscal Year Ended June 30, 2025
Last Ten Years

	FY 2024/25 (Measurement Date June 30, 2024)	FY 2023/24 (Measurement Date June 30, 2023)	FY 2022/23 (Measurement Date June 30, 2022)	FY 2021/22 (Measurement Date June 30, 2021)	FY 2020/21 (Measurement Date June 30, 2020)
Total Pension Liability					
Service Cost	\$ 5,974,240	\$ 5,526,660	\$ 5,434,679	\$ 4,811,976	\$ 4,763,123
Interest on Total Pension Liability	19,224,802	18,316,701	17,352,110	16,526,308	15,744,171
Differences Between Expected and Actual Experience	1,788,687	2,558,034	139,541	(100,156)	2,118,811
Changes in Assumptions	-	-	9,057,034	-	-
Changes in Benefits	-	200,522	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(13,234,828)	(12,155,061)	(11,068,468)	(9,938,530)	(9,046,642)
Net Change in Total Pension Liability	13,752,901	14,446,856	20,914,896	11,299,598	13,579,463
Total Pension Liability - Beginning of Year	280,461,947	266,015,091	245,100,195	233,800,597	220,221,134
Total Pension Liability - End of Year	\$ 294,214,848	\$ 280,461,947	\$ 266,015,091	\$ 245,100,195	\$ 233,800,597
Plan Fiduciary Net Position					
Contributions - Employer	\$ 11,600,857	\$ 11,228,392	\$ 10,946,066	\$ 10,661,065	\$ 10,209,060
Contributions - Employee	2,678,731	2,401,926	2,234,169	2,223,360	2,265,833
Net Investment Income	23,080,143	13,937,075	(18,257,157)	44,239,171	9,174,676
Benefit Payments	(13,234,828)	(12,155,061)	(11,068,468)	(9,938,530)	(9,046,642)
Net Plan to Plan Resources Movement	-	-	-	-	-
Administrative Expense	(194,814)	(164,844)	(149,795)	(193,268)	(255,343)
Other Miscellaneous Income (Expense)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	23,930,089	15,247,488	(16,295,185)	46,991,798	12,347,584
Plan Fiduciary Net Position - Beginning of Year	239,417,251	224,169,763	240,464,948	193,473,150	181,125,566
Plan Fiduciary Net Position - End of Year	\$ 263,347,340	\$ 239,417,251	\$ 224,169,763	\$ 240,464,948	\$ 193,473,150
Net Pension Liability - End of Year	\$ 30,867,508	\$ 41,044,696	\$ 41,845,328	\$ 4,635,247	\$ 40,327,447
Plan Fiduciary Net Position as Percentage of Total Pension Liability	89.51%	85.37%	84.27%	98.11%	82.75%
Covered Payroll	\$ 37,385,978	\$ 34,260,811	\$ 31,560,357	\$ 30,559,735	\$ 29,615,605
Net Pension Liability as Percentage of Covered Payroll	82.56%	119.80%	132.59%	15.17%	136.17%

Notes to Schedule:

Change in Assumptions: There were no changes in assumptions from FY June 30, 2024 to FY June 30, 2025.

Benefit Changes: There were no changes in benefits from FY June 30, 2024 to FY June 30, 2025.

Covered Payroll: There were no changes in covered payroll from FY June 30, 2024 to FY June 30, 2025.

CalPERS Miscellaneous Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Fiscal Year Ended June 30, 2025
Last Ten Years

	FY 2019/20 (Measurement Date June 30, 2019)	FY 2018/19 (Measurement Date June 30, 2018)	FY 2017/18 (Measurement Date June 30, 2017)	FY 2016/17 (Measurement Date June 30, 2016)	FY 2015/16 (Measurement Date June 30, 2015)
Total Pension Liability					
Service Cost	\$ 4,618,250	\$ 4,646,509	\$ 4,454,352	\$ 3,749,410	\$ 3,685,630
Interest on Total Pension Liability	14,817,042	13,746,742	12,950,950	12,103,023	11,654,818
Differences Between Expected and Actual Experience	4,490,811	2,100,628	1,897,341	(3,516,255)	2,049,978
Changes in Assumptions	-	(1,453,107)	11,206,890	-	(2,979,771)
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(8,272,800)	(7,528,545)	(6,509,351)	(6,263,541)	(5,730,808)
Net Change in Total Pension Liability	15,653,303	11,512,227	24,000,182	6,072,637	8,679,847
Total Pension Liability - Beginning of Year	204,567,831	193,055,604	169,055,422	162,982,785	154,302,938
Total Pension Liability - End of Year	\$ 220,221,134	\$ 204,567,831	\$ 193,055,604	\$ 169,055,422	\$ 162,982,785
Plan Fiduciary Net Position					
Contributions - Employer	\$ 9,747,753	\$ 9,461,289	\$ 9,481,188	\$ 9,014,122	\$ 8,330,807
Contributions - Employee	2,207,304	2,374,114	2,170,535	1,949,174	1,812,908
Net Investment Income	11,107,508	13,002,740	15,011,231	649,762	2,718,511
Benefit Payments	(8,272,800)	(7,528,545)	(6,509,351)	(6,263,541)	(5,730,808)
Net Plan to Plan Resources Movement	-	(385)	-	-	-
Administrative Expense	(118,785)	(233,464)	(191,729)	(75,929)	(140,237)
Other Miscellaneous Income (Expense)	385	(443,351)	-	-	-
Net Change in Plan Fiduciary Net Position	14,671,365	16,632,398	19,961,874	5,273,588	6,991,181
Plan Fiduciary Net Position - Beginning of Year	166,454,201	149,821,803	129,859,929	124,586,341	117,595,160
Plan Fiduciary Net Position - End of Year	\$ 181,125,566	\$ 166,454,201	\$ 149,821,803	\$ 129,859,929	\$ 124,586,341
Net Pension Liability - End of Year	\$ 39,095,568	\$ 38,113,630	\$ 43,233,801	\$ 39,195,493	\$ 38,396,444
Plan Fiduciary Net Position as Percentage of Total Pension Liability	82.25%	81.37%	77.61%	76.82%	76.44%
Covered Payroll	\$ 28,525,130	\$ 29,042,418	\$ 27,131,239	\$ 25,127,054	\$ 23,007,322
Net Pension Liability as Percentage of Covered Payroll	137.06%	131.23%	159.35%	155.99%	166.89%

CalPERS Retiree Healthcare Plan
Schedule of Contributions
As of June 30, 2025
Last Ten Years*

	FY 2024/25	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21
Actuarially Determined Contribution	\$ 994,122	\$ 1,025,696	\$ 1,051,267	\$ 980,151	\$ 607,966
Contributions in Relation to the Actuarially Determined Contributions	(818,453)	(727,710)	(684,611)	(724,738)	(661,074)
Contribution Deficiency (Excess)	\$ 175,669	\$ 297,986	\$ 366,656	\$ 255,413	\$ (53,108)
Covered Payroll	\$ 7,081,708	\$ 5,073,165	\$ 4,404,218	\$ 4,335,613	\$ 4,216,543
Contributions as a Percentage of Covered Payroll	11.56%	14.34%	15.54%	16.72%	15.68%

Notes to Schedule:

Valuation Date June 30, 2023

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level Percentage of Payroll Over a Closed Rolling 15-Year Period
Asset Valuation Method	Fair Value of Assets
Inflation	2.50%
Payroll Growth	2.75% per Annum, in Aggregate
Investment Rate of Return	6.25% (Net of OPEB Plan Investment and Administration Expenses; Includes Inflation)
Healthcare Cost-Trend Rates	4.50% HMO/6.50% PPO initial. Decreasing 0.5% per year to trend rate that reflects medical price inflation.
Retirement Age	55 years (2.5%@55, 2%@55, and 2%@62)

Mortality

The mortality assumptions are based on the 2021 CalPERS Retiree Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. This table incorporates mortality projection as deemed appropriate based on CalPERS analysis.

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

**CalPERS Retiree Healthcare Plan
Schedule of Contributions (Continued)
As of June 30, 2025
Last Ten Years***

	FY 2019/20	FY 2018/19	FY 2017/18
Actuarially Determined Contribution	\$ 593,115	\$ 608,943	\$ 561,354
Contributions in Relation to the Actuarially Determined Contributions	(1,637,271)	(2,608,943)	(2,561,354)
Contribution Deficiency (Excess)	\$ (1,044,156)	\$ (2,000,000)	\$ (2,000,000)
Covered Payroll	\$ 4,008,335	\$ 3,737,662	\$ 3,788,381
Contributions as a Percentage of Covered Payroll	40.85%	69.80%	67.61%

CalPERS Retiree Healthcare Plan
Schedule of Changes in the Net Other Postemployment Benefits (OPEB)
Liability and Related Ratios
For the Fiscal Year Ended June 30, 2025
Last Ten Years*

	FY 2024/25 (Measurement Date June 30, 2024)	FY 2023/24 (Measurement Date June 30, 2023)	FY 2022/23 (Measurement Date June 30, 2022)	FY 2021/22 (Measurement Date June 30, 2021)	FY 2020/21 (Measurement Date June 30, 2020)
Total OPEB Liability					
Service Cost	\$ 503,113	\$ 558,138	\$ 543,200	\$ 477,604	\$ 464,821
Interest on Total OPEB Liability	967,059	1,152,596	1,108,983	1,218,216	1,186,978
Differences Between Expected and Actual Experience	47,453	(3,861,084)	-	(2,016,914)	-
Changes in Assumptions	-	194,929	-	167,989	(36,017)
Benefit Payments, Including Refunds of Employee Contributions	(1,038,596)	(980,151)	(943,554)	(893,863)	(878,603)
Net Change in the Total OPEB Liability	479,029	(2,935,572)	708,629	(1,046,968)	737,179
Total OPEB Liability - Beginning of Year	15,716,963	18,652,535	17,943,906	18,990,874	18,253,695
Total OPEB Liability - End of Year	\$ 16,195,992	\$ 15,716,963	\$ 18,652,535	\$ 17,943,906	\$ 18,990,874
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,038,596	\$ 980,151	\$ 943,554	\$ 893,863	\$ 1,878,603
Net Investment Income	1,295,394	713,234	1,431,664	1,244,592	1,152,203
Difference Between Expected and Actual Investment Income	409,940	-	(4,313,238)	2,520,839	(223,090)
Benefit Payments	(1,038,596)	(980,151)	(943,554)	(893,863)	(878,603)
Administrative Expense	(6,675)	(5,738)	(5,793)	(6,975)	(8,519)
Net Change in Plan Fiduciary Net Position	1,698,659	707,496	(2,887,367)	3,758,456	1,920,594
Plan Fiduciary Net Position - Beginning of Year	20,729,643	20,022,147	22,909,514	19,151,058	17,230,464
Plan Fiduciary Net Position - End of Year	\$ 22,428,302	\$ 20,729,643	\$ 20,022,147	\$ 22,909,514	\$ 19,151,058
Net OPEB Liability (Asset) - End of Year	\$ (6,232,310)	\$ (5,012,680)	\$ (1,369,612)	\$ (4,965,608)	\$ (160,184)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	138.48%	131.89%	107.34%	127.67%	100.84%
Covered Payroll	\$ 5,073,165	\$ 4,404,218	\$ 4,335,613	\$ 4,216,543	\$ 4,008,335
Net OPEB Liability (Asset) as Percentage of Covered Payroll	(122.85%)	(113.82%)	(31.59%)	(117.76%)	(4.00%)

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

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

CalPERS Retiree Healthcare Plan
Schedule of Changes in the Net Other Postemployment Benefits (OPEB)
Liability and Related Ratios (Continued)
For the Fiscal Year Ended June 30, 2025
Last Ten Years*

	FY 2019/20 (Measurement Date June 30, 2019)	FY 2018/19 (Measurement Date June 30, 2018)	FY 2017/18 (Measurement Date June 30, 2017)
Total OPEB Liability			
Service Cost	\$ 534,995	\$ 520,676	\$ 491,205
Interest on Total OPEB Liability	1,068,735	1,005,737	954,618
Differences Between Expected and Actual Experience	1,476,597	-	-
Changes in Assumptions	(367,808)	(1,161,761)	-
Benefit Payments, Including Refunds of Employee Contributions	(731,819)	(666,542)	(580,077)
Net Change in the Total OPEB Liability	1,980,700	(301,890)	865,746
Total OPEB Liability - Beginning of Year	16,272,995	16,574,885	15,709,139
Total OPEB Liability - End of Year	\$ 18,253,695	\$ 16,272,995	\$ 16,574,885
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,731,819	\$ 2,666,542	\$ 2,580,077
Net Investment Income	1,015,006	551,142	372,066
Benefit Payments	(731,819)	(666,542)	(580,077)
Administrative Expense	(3,076)	(6,115)	(4,884)
Other Expense	-	(15,471)	-
Net Change in Plan Fiduciary Net Position	3,011,930	2,529,556	2,367,182
Plan Fiduciary Net Position - Beginning of Year	14,218,534	11,688,978	9,321,796
Plan Fiduciary Net Position - End of Year	\$ 17,230,464	\$ 14,218,534	\$ 11,688,978
Net OPEB Liability (Asset) - End of Year	\$ 1,023,231	\$ 2,054,461	\$ 4,885,907
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.39%	87.38%	70.52%
Covered Payroll	\$ 3,737,662	\$ 3,788,381	\$ 3,507,284
Net OPEB Liability (Asset) as Percentage of Covered Payroll	27.38%	54.23%	139.31%

Supplementary Information

Supplementary Schedules

Nonmajor Enterprise Fund Statements

Non-Reclaimable Wastewater Fund

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

Recharge Water Fund

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

Administrative Services Fund

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

Combining Statement of Net Position June 30, 2025

	Nonmajor Enterprise Funds			Totals 2025
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services	
ASSETS				
Current Assets				
Cash and Investments (Note 3)	\$ 28,953,346	\$ 1,011,265	\$ 40,656,260	\$ 70,620,871
Accounts Receivable, Net	3,348,125	1,273,029	2,317,851	6,939,005
Interest Receivable	1,787,529	3,935	209,487	2,000,951
Taxes Receivable	20	-	32,044	32,064
Other Receivables	-	-	64,287	64,287
Inventory	-	-	2,024,039	2,024,039
Prepays	-	-	125,178	125,178
Total Current Assets	34,089,020	2,288,229	45,429,146	81,806,395
Noncurrent Assets				
Restricted Assets				
Deposits Held by Retentions (Note 3)	-	520,878	-	520,878
Net Other Postemployment Benefits (Note 18)	339,146	112,445	260,214	711,805
SRF Loan Debt Service	-	971,789	-	971,789
Investments Held with Trustee/Fiscal Agent (Note 3)	41	-	-	41
Total Restricted Assets	339,187	1,605,112	260,214	2,204,513
Capital Assets				
Land	-	-	20,829	20,829
Jobs in Progress	2,870,576	25,333,706	3,639,262	31,843,544
Capital Assets, Net of Accumulated Depreciation	19,528,548	38,120,908	19,232,447	76,881,903
Intangible Assets, Net of Accumulated Amortization	558,674	-	653,824	1,212,498
Total Capital Assets	22,957,798	63,454,614	23,546,362	109,958,774
Total Noncurrent Assets	23,296,985	65,059,726	23,806,576	112,163,287
Total Assets	57,386,005	67,347,955	69,235,722	193,969,682
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - Debt Refunding	186,373	-	-	186,373
Deferred Outflows - Net Other Postemployment Benefits	118,738	68,808	123,804	311,350
Deferred Outflows - Net Pension Liability	1,006,170	636,646	1,096,360	2,739,176
Total Deferred Outflows of Resources	1,311,281	705,454	1,220,164	3,236,899
LIABILITIES				
Current Liabilities				
Accounts Payable	1,226,578	58,363	2,605,502	3,890,443
Accrued Liabilities	-	-	2,790,675	2,790,675
Compensated Absences	-	-	3,253,860	3,253,860
Retentions Payable	7,143	-	-	7,143
Long-Term Debt, Due Within One Year (Note 12)	439,670	679,695	-	1,119,365
Notes Payable, Due Within One Year (Note 12)	-	707,993	-	707,993
Leases Payable, Due Within One Year (Note 16)	-	-	33,168	33,168
Subscriptions Payable, Due Within One Year (Note 19)	-	-	163,483	163,483

Combining Statement of Net Position (Continued)
June 30, 2025

	Nonmajor Enterprise Funds			Totals 2025
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services	
Interest Payable	\$ 31,139	\$ 855,206	\$ -	\$ 886,345
Retention Deposits and Escrows	-	520,877	-	520,877
Total Current Liabilities	1,704,530	2,822,134	8,846,688	13,373,352
Noncurrent Liabilities				
Compensated Absences	-	-	7,485,158	7,485,158
Long-Term Debt, Due in More than One Year (Note 12)	3,850,558	6,237,508	-	10,088,066
Notes Payable, Due in More than One Year (Note 12)	-	10,690,399	-	10,690,399
Advances from Other Funds (Note 14)	-	5,105,000	-	5,105,000
Leases Payable, Due in More than One Year (Note 16)	-	-	90,433	90,433
Subscriptions Payable, Due in More than One Year (Note 19)	-	-	52,618	52,618
Net Pension Liability (Note 5)	1,510,275	829,209	1,550,283	3,889,767
Total Noncurrent Liabilities	5,360,833	22,862,116	9,178,492	37,401,441
Total Liabilities	7,065,363	25,684,250	18,025,180	50,774,793
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Net Other Postemployment Benefits	200,969	80,647	158,443	440,059
Total Deferred Inflows of Resources	200,969	80,647	158,443	440,059
NET POSITION				
Net Investment in Capital Assets	18,839,425	45,116,099	22,892,945	86,848,469
Restricted for:				
SRF Loan Debt Service	-	971,789	-	971,789
Net Other Postemployment Benefits	339,146	112,445	260,214	711,805
Total Restricted	339,146	1,084,234	260,214	1,683,594
Unrestricted	32,252,383	(3,911,821)	29,119,104	57,459,666
Total Net Position	\$ 51,430,954	\$ 42,288,512	\$ 52,272,263	\$ 145,991,729

Combining Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Year Ended June 30, 2025

	Nonmajor Enterprise Funds			Totals 2025
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services	
OPERATING REVENUES				
Service Charges	\$ 15,142,771	\$ -	\$ -	\$ 15,142,771
Total Operating Revenues	15,142,771	-	-	15,142,771
OPERATING EXPENSES				
Wastewater Collection	9,644,534	-	-	9,644,534
Administration and General	2,089,663	2,068,004	4,688,336	8,846,003
Depreciation and Amortization	1,191,325	1,410,327	1,828,045	4,429,697
Total Operating Expenses	12,925,522	3,478,331	6,516,381	22,920,234
Operating Income (Loss)	2,217,249	(3,478,331)	(6,516,381)	(7,777,463)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	1,062,714	369,720	1,140,672	2,573,106
Property Tax Revenues	95	-	4,108,262	4,108,357
Other Nonoperating Revenues	91,510	2,971,939	5,767,573	8,831,022
Interest on Long-Term Debt	(193,807)	(376,029)	(12,176)	(582,012)
Other Nonoperating Expenses	2,407	(423)	(2,050,812)	(2,048,828)
Total Nonoperating Revenues (Expenses)	962,919	2,965,207	8,953,519	12,881,645
Income (Loss) Before Capital Contributions and Transfers	3,180,168	(513,124)	2,437,138	5,104,182
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Transfers in (Note 15)	216,645	1,051,852	6,913,447	8,181,944
Transfers out (Note 15)	(183,255)	-	-	(183,255)
Capital Grants	-	-	6,000	6,000
Change in Net Position	3,213,558	538,728	9,356,585	13,108,871
Total Net Position - Beginning of Year	48,273,193	41,760,592	42,917,016	132,950,801
Change in Accounting Principle	(55,797)	(10,808)	(1,338)	(67,943)
Total Net Position - Beginning of Year, as Restated	48,217,396	41,749,784	42,915,678	132,882,858
Total Net Position - End of Year	\$ 51,430,954	\$ 42,288,512	\$ 52,272,263	\$ 145,991,729

Combining Statement of Cash Flows For the Fiscal Year Ended June 30, 2025

	Nonmajor Enterprise Funds				Totals 2025
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services		
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 16,182,140	\$ -	\$ -	\$ 16,182,140	
Cash Received from Interfund Services Provided	-	-	39,366,961	39,366,961	
Cash Payments to Suppliers for Goods and Services	(12,324,041)	(1,749,667)	(1,263,340)	(15,337,048)	
Cash Payments to Employees for Services	(897,628)	(469,452)	(39,553,633)	(40,920,713)	
Net Cash Provided by (Used for) Operating Activities	2,960,471	(2,219,119)	(1,450,012)	(708,660)	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	216,645	1,051,852	6,913,447	8,181,944	
Transfers out	(183,255)	-	-	(183,255)	
Contract Reimbursements from Others	49,955	2,401,832	3,716,761	6,168,548	
Tax Revenues	-	-	4,108,262	4,108,262	
Advances from Other Funds	-	(9,933,000)	-	(9,933,000)	
Net Cash Provided by (Used for) Noncapital Financing Activities	83,345	(6,479,316)	14,738,470	8,342,499	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and Construction of Capital Assets	(1,328,129)	(3,275,323)	(6,143,834)	(10,747,286)	
Proceeds from SRF/WIFIA Loans	-	1,989,920	-	1,989,920	
Capital Grants Received	106,763	459,884	171,626	738,273	
Principal Paid on Leases	-	-	(44,835)	(44,835)	
Principal Paid on SBITAs	-	-	(158,570)	(158,570)	
Principal Paid on Capital Debt	(418,258)	(647,490)	-	(1,065,748)	
Interest Paid on Capital Debt	(197,293)	(428,904)	(12,176)	(638,373)	
Principal paid on State Revolving Funds	-	(156,600)	-	(156,600)	
Interest Paid on State Revolving Funds	-	(14,434)	-	(14,434)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,836,917)	(2,072,947)	(6,187,789)	(10,097,653)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on Investments	992,799	385,103	1,694,570	3,072,472	
Sale of Investments	2,019,112	3,401,750	571,814	5,992,676	
Purchase of Investments	(3,129,555)	(109,307)	(3,611,047)	(6,849,909)	
Net Cash Provided by (Used for) Investing Activities	(117,644)	3,677,546	(1,344,663)	2,215,239	
Net Increase (Decrease) in Cash and Cash Equivalents	1,089,255	(7,093,836)	5,756,006	(248,575)	
Cash and Cash Equivalents - Beginning of Year	18,764,869	9,279,955	24,401,041	52,445,865	
Cash and Cash Equivalents - End of Year	19,854,124	2,186,119	30,157,047	52,197,290	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating Income (Loss)	2,217,249	(3,478,331)	(6,516,381)	(7,777,463)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Depreciation and Amortization	1,191,325	1,410,327	1,828,045	4,429,697	
Prior Year Restatement - GASB 101	(55,797)	(10,808)	(1,338)	(67,943)	

Combining Statement of Cash Flows (Continued)
For the Fiscal Year Ended June 30, 2025

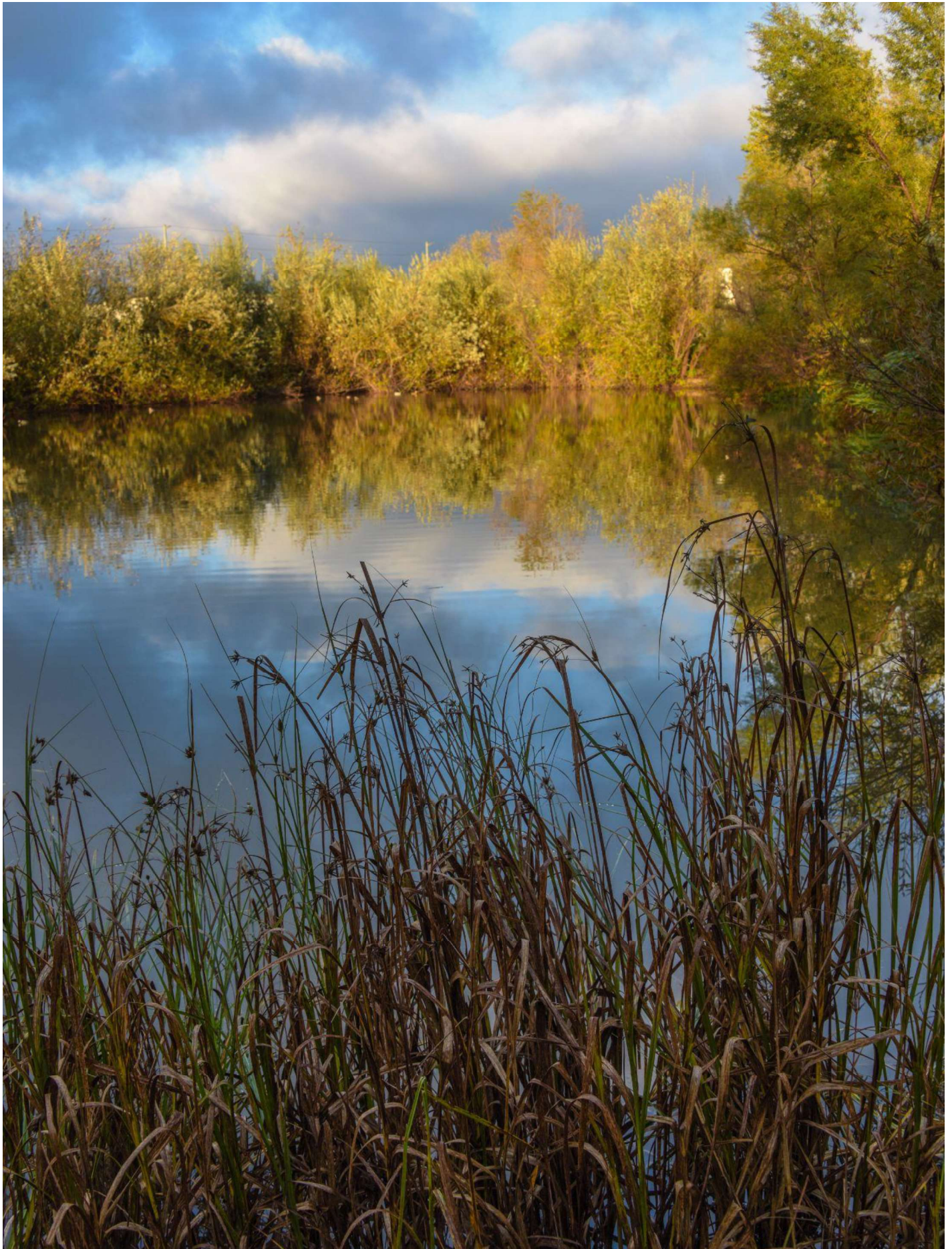
	Nonmajor Enterprise Funds			
	Non-Reclaimable Wastewater	Recharge Water	Administrative Services	Totals 2025
Changes in Assets and Liabilities				
(Increase) Decrease in				
Accounts Receivable, Net	\$ 1,039,369	\$ -	\$ (613,508)	\$ 425,861
Other Receivables	-	-	(43,106)	(43,106)
Inventory	-	-	(241,317)	(241,317)
Prepays	-	-	65,214	65,214
Increase (Decrease) in				
Deferred Outflows - Net Other Postemployment Benefits	49,673	20,426	44,167	114,266
Deferred Outflows - Net Pension Liability	395,324	178,881	311,251	885,456
Accounts Payable	(1,242,543)	(70,527)	(189,223)	(1,502,293)
Accrued Liabilities	-	-	606,128	606,128
Compensated Absences	-	-	3,842,146	3,842,146
Net Other Postemployment Benefits Asset	(62,392)	(25,136)	(56,761)	(144,289)
Net Pension Liability	(526,747)	(227,548)	(441,372)	(1,195,667)
Deferred Inflows - Net Other Postemployment Benefits	(43,758)	(16,205)	(43,325)	(103,288)
Deferred Inflows - Net Pension Liability	(1,232)	(198)	(632)	(2,062)
Net Cash Provided by (Used for) Operating Activities	2,960,471	(2,219,119)	(1,450,012)	(708,660)
Supplemental Disclosure of Non-Cash Capital and Related Financing and Investing Activities				
Acquisition and Construction of Capital Assets in Accounts Payable	24,218	20,357	-	44,575
Acquisition and Construction of Capital Assets in Retentions Payable	7,143	520,877	-	528,020
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Short-Term Investments	28,953,346	1,011,265	40,656,260	70,620,871
Deposits Held by Retentions	-	520,878	-	520,878
SRF Loan Debt Service	-	971,789	-	971,789
Investments Held with Trustee/Fiscal Agent	41	-	-	41
Less: Investments with Maturities Greater than Three Months	(9,099,263)	(317,813)	(10,499,213)	(19,916,289)
Cash and Cash Equivalents - End of Year	\$ 19,854,124	\$ 2,186,119	\$ 30,157,047	\$ 52,197,290





Statistical Section





INLAND EMPIRE UTILITIES AGENCY

Index of Statistical Section Schedules

June 30, 2025

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

1. Financial Trends	103
These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being has changed over time.	
2. Revenue Capacity	109
These schedules contain information to help the reader assess the Agency's most significant revenue sources.	
3. Debt Capacity	121
These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and ability to issue additional debt in the future.	
4. Operating Indicators	129
These schedules contain service and infrastructure data to help the reader understand the information in the Agency's financial reports and how it relates to the services that the Agency provides and the activities it performs.	
5. Demographic and Economic Indicators	135
These schedules contain service and infrastructure data to help the reader understand the environment within which the Agency's financial activities take place.	
6. Appropriations Limit	138
This section shows the trend of the Agency's appropriations limit under the California Constitution Amendment XIII B. The Appropriations limit is adopted every year by Board Resolutions and represents the limit or "upper bound" of tax proceeds that can be spent in a fiscal year.	

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

Financial Trends - Historical Operating Results
Wastewater Revenue Program - Combined Statement of Revenues,
Expenses, and Changes in Net Position
(Excludes Water Resource Fund)
For the Fiscal Years Ended June 30, 2016 through 2025
(Dollars in Thousands)

	FY 2024/25	FY 2023/24*	FY 2022/23	FY 2021/22	FY 2020/21
Operating Revenues					
Service Charges	\$ 106,828	\$ 100,466	\$ 92,162	\$ 89,540	\$ 83,833
Recycled Water Sales	25,444	19,905	18,693	19,643	18,095
Total Operating Revenues	132,272	120,371	110,855	109,183	101,928
Operating Expenses					
Wastewater Collection	11,722	12,234	11,356	10,294	8,965
Wastewater Treatment	31,577	32,264	27,817	24,878	22,548
Wastewater Disposal	10,167	10,062	8,103	12,146	10,778
Operations and Maintenance	7,386	6,601	5,998	6,497	4,125
Administration and General	65,257	57,308	51,391	33,461	37,881
Depreciation and Amortization	39,629	38,039	33,430	35,090	36,817
Total Operating Expenses	165,738	156,508	138,095	122,366	121,114
Operating Income (Loss)	(33,466)	(36,137)	(27,240)	(13,183)	(19,186)
Nonoperating Revenues (Expenses)					
Interest Income	15,551	14,844	8,095	1,983	2,798
Property Tax Revenues	88,199	82,551	76,525	69,079	57,329
Wastewater Capital Connection Fees	7,120	5,150	26,544	37,705	36,732
Water Connection Fees	37,384	27,963	4,302	8,749	5,700
Other Nonoperating Revenues	25,789	18,691	14,142	12,244	6,056
Interest on Long-Term Debt	(13,480)	(13,218)	(13,825)	(14,048)	(13,884)
Other Nonoperating Expenses	(9,938)	(8,478)	(5,358)	(12,338)	(4,494)
Total Nonoperating Revenues (Expenses)	150,625	127,503	110,425	103,374	90,237
Income (Loss) Before Capital Contributions and Transfers	117,159	91,366	83,185	90,191	71,051
Capital Grants	1,052	1,443	5,006	5,007	22,544
Transfers (to Water Resource Fund)	(326)	(589)	(829)	(486)	(748)
Change in Net Position	\$ 117,885	\$ 92,220	\$ 87,362	\$ 94,712	\$ 92,847
Total Net Position - Beginning of Year	1,107,819	1,022,363	936,795	842,083	749,236
Restatement	(1,893)	(6,764)	(1,794)	-	-
Total Net Position - Beginning of Year, as Restated	1,105,926	1,015,599	935,001	-	-
Total Net Position - End of Year	\$ 1,223,811	\$ 1,107,819	\$ 1,022,363	\$ 936,795	\$ 842,083

* FY 2023/24 amounts presented above have been restated due to an error correction. Refer to Note 21 of the Notes to the Basic Financial Statements for additional information.

Note: Information related to the Asset Retirement Obligation Error Correction for fiscal years prior to FY 2023/24 is not available and restatement of all information for some years is not practicable.

Financial Trends - Historical Operating Results (Continued)
Wastewater Revenue Program - Combined Statement of Revenues,
Expenses, and Changes in Net Position (Continued)
(Excludes Water Resource Fund)
For the Fiscal Years Ended June 30, 2016 through 2025
(Dollars in Thousands)

	FY 2019/20	FY 2018/19	FY 2017/18	FY 2016/17	FY 2015/16
Operating Revenues					
Service Charges	\$ 81,189	\$ 78,954	\$ 75,105	\$ 68,589	\$ 61,929
Recycled Water Sales	15,349	13,902	16,878	16,385	13,468
Total Operating Revenues	96,538	92,856	91,983	84,974	75,397
Operating Expenses					
Wastewater Collection	9,189	10,334	9,991	8,757	7,510
Wastewater Treatment	20,959	23,829	26,618	24,242	21,104
Wastewater Disposal	11,077	11,317	10,236	11,688	11,149
Operations and Maintenance	3,972	3,860	3,324	3,056	4,788
Administration and General	37,398	31,364	29,685	24,872	22,988
Depreciation and Amortization	37,610	36,298	35,698	37,108	36,851
Total Operating Expenses	120,205	117,002	115,552	109,723	104,390
Operating Income (Loss)	(23,667)	(24,146)	(23,569)	(24,749)	(28,993)
Nonoperating Revenues (Expenses)					
Interest Income	3,944	4,227	2,302	1,347	722
Property Tax Revenues	49,839	48,167	45,160	43,379	41,336
Wastewater Capital Connection Fees	24,259	22,914	32,850	30,508	24,910
Water Connection Fees	8,048	5,916	7,889	5,415	997
Other Nonoperating Revenues	15,679	11,484	10,331	6,196	8,735
Interest on Long-Term Debt	(7,629)	(6,333)	(5,999)	(7,947)	(9,142)
Other Nonoperating Expenses	(17,934)	(7,110)	(10,278)	(11,650)	(13,520)
Total Nonoperating Revenues (Expenses)	76,206	79,265	82,255	67,248	54,038
Income (Loss) Before Capital Contributions and Transfers	52,539	55,119	58,686	42,499	25,045
Capital Grants	4,373	1,946	5,889	12,144	6,137
Transfers (to Water Resource Fund)	(683)	(436)	(321)	(59)	(295)
Change in Net Position	\$ 56,229	\$ 56,629	\$ 64,254	\$ 54,584	\$ 30,887
Total Net Position - Beginning of Year	693,007	636,378	577,870	523,286	493,606
Restatement	-	-	(5,746)	-	(1,207)
Total Net Position - Beginning of Year, as Restated	-	-	572,124	-	492,399
Total Net Position - End of Year	\$ 749,236	\$ 693,007	\$ 636,378	\$ 577,870	\$ 523,286

**Financial Trends - Combined Schedule of Revenues, Expenses, and
Changes in Net Position - All Funds
For the Fiscal Years Ended June 30, 2016 through 2025
(Dollars in Thousands)**

	FY 2024/25	FY 2023/24*	FY 2022/23	FY 2021/22	FY 2020/21
Operating Revenues					
Service Charges	\$ 117,937	\$ 111,016	\$ 101,452	\$ 97,825	\$ 91,325
Water Sales	31,764	35,319	30,516	42,976	45,561
Recycled Water Sales	25,444	19,905	18,693	19,643	18,095
Total Operating Revenues	175,145	166,240	150,661	160,444	154,981
Operating Expenses					
Water Purchases	31,764	37,587	30,516	42,937	45,561
Wastewater Collection	11,722	12,234	11,356	10,294	8,965
Wastewater Treatment	31,577	32,264	27,817	24,878	22,549
Wastewater Disposal	10,167	10,062	8,102	12,146	10,778
Operations and Maintenance	9,207	8,676	8,092	7,989	5,975
Administration and General	75,289	66,914	58,841	39,370	44,067
Depreciation and Amortization	39,629	38,039	33,431	35,091	36,819
Total Operating Expenses	209,355	205,776	178,155	172,705	174,714
Operating Income (Loss)	(34,210)	(39,536)	(27,494)	(12,261)	(19,733)
Nonoperating Revenues (Expenses)					
Interest Income	17,014	16,219	8,905	2,153	3,011
Property Tax Revenues	91,477	85,612	79,365	71,585	67,135
Wastewater Capital Connection Fees	7,120	5,150	4,302	8,749	5,700
Water Connection Fees	37,384	27,963	26,544	37,705	36,732
Other Nonoperating Revenues	25,813	21,268	14,338	12,547	6,390
Interest on Long-Term Debt	(13,480)	(13,218)	(13,825)	(14,048)	(13,883)
Other Nonoperating Expenses	(10,242)	(9,369)	(6,119)	(13,061)	(5,331)
Total Nonoperating Revenues (Expenses)	155,086	133,625	113,510	105,630	99,754
Income (Loss) Before Capital Contributions and Transfers	120,876	94,089	86,016	93,369	80,021
Capital Grants	2,351	4,449	7,737	12,339	22,667
Change in Net Position	\$ 123,227	\$ 98,538	\$ 93,753	\$ 105,708	\$ 102,688
Total Net Position - Beginning of Year	1,163,105	1,071,331	980,869	875,161	772,473
Restatement	(1,985)	(6,764)	(3,291)	-	-
Total Net Position - Beginning of Year, as Restated	\$ 1,161,120	\$ 1,064,567	\$ 977,578	\$ 875,161	\$ 772,473
Net Position by Component					
Net Investment in Capital Assets	643,145	569,111	545,822	427,838	339,651
Restricted	217,973	175,470	176,991	267,447	309,562
Unrestricted	423,229	418,524	348,518	285,584	225,948
Total Net Position - End of Year	\$ 1,284,347	\$ 1,163,105	\$ 1,071,331	\$ 980,869	\$ 875,161

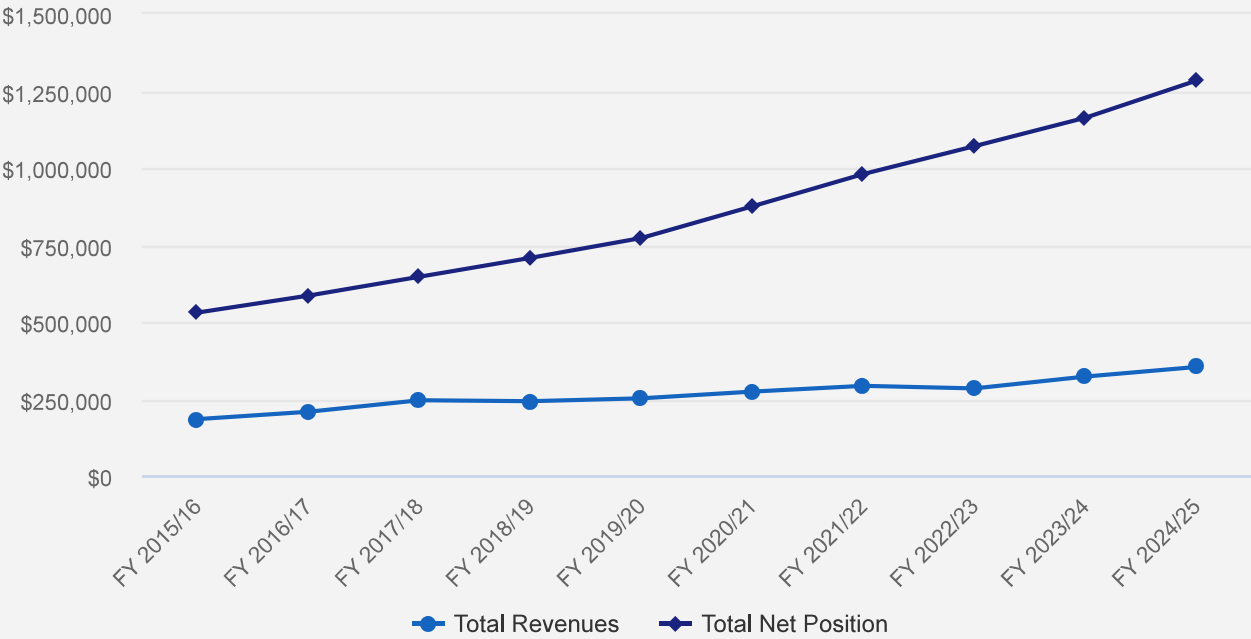
* FY 2023/24 amounts presented above have been restated due to an error correction. Refer to Note 21 of the Notes to the Basic Financial Statements for additional information.

Note: Information related to the Asset Retirement Obligation Error Correction for fiscal years prior to FY 2023/24 is not available and restatement of all information for some years is not practicable.

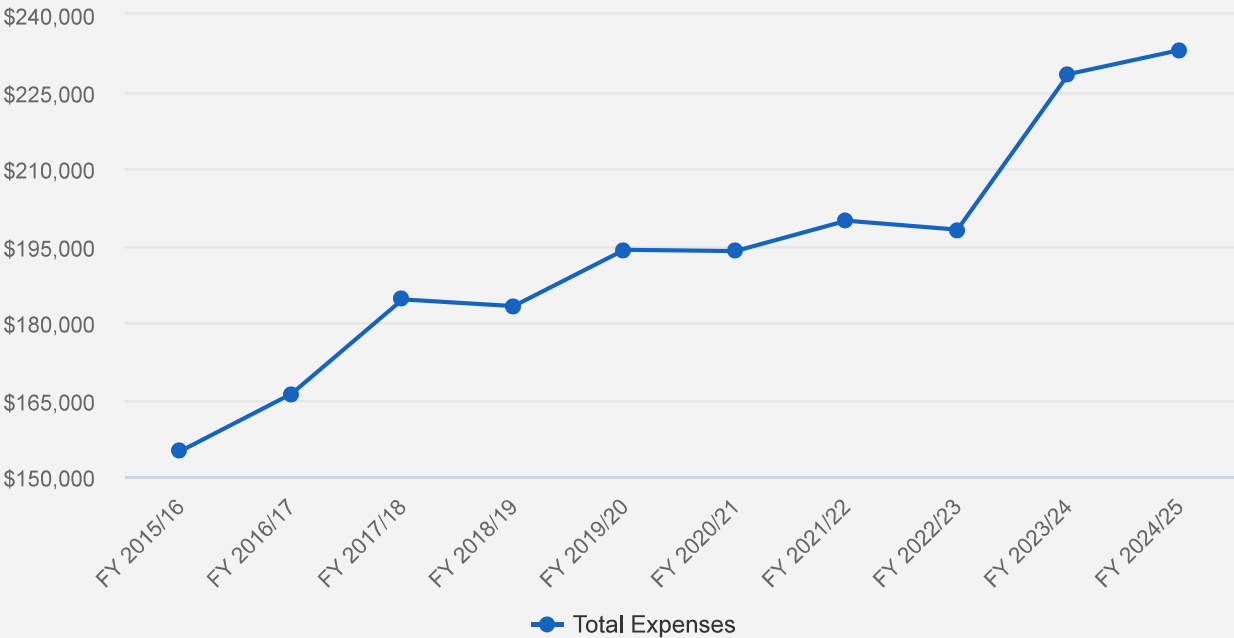
**Financial Trends - Combined Schedule of Revenues, Expenses, and
Changes in Net Position - All Funds (Continued)
For the Fiscal Years Ended June 30, 2016 through 2025
(Dollars in Thousands)**

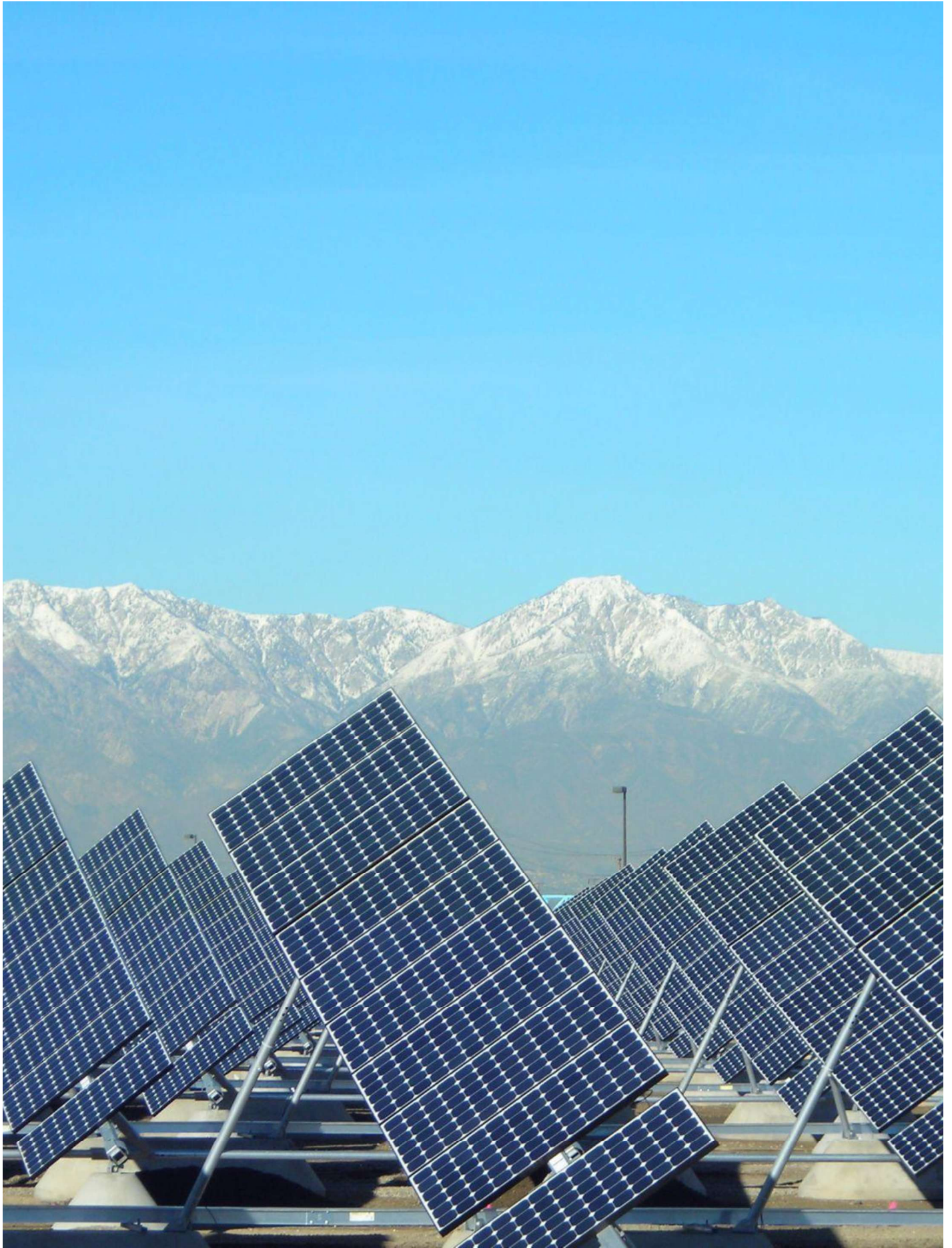
	FY 2019/20	FY 2018/19	FY 2017/18	FY 2016/17	FY 2015/16
Operating Revenues					
Service Charges	\$ 88,034	\$ 85,220	\$ 80,449	\$ 73,384	\$ 67,243
Water Sales	40,768	45,519	45,999	29,897	18,654
Recycled Water Sales	15,349	13,902	16,878	16,385	13,468
Total Operating Revenues	144,151	144,641	143,326	119,666	99,365
Operating Expenses					
Water Purchases	40,480	45,519	45,999	29,897	18,654
Wastewater Collection	9,188	10,334	9,991	8,757	7,510
Wastewater Treatment	20,959	23,829	26,618	24,242	21,104
Wastewater Disposal	11,077	11,317	10,236	11,688	11,148
Operations and Maintenance	5,113	5,317	4,723	4,139	6,200
Administration and General	43,208	36,618	34,567	30,085	28,866
Depreciation and Amortization	37,615	36,303	35,704	37,114	36,856
Total Operating Expenses	167,640	169,237	167,838	145,922	130,338
Operating Income (Loss)	(23,489)	(24,596)	(24,512)	(26,256)	(30,973)
Nonoperating Revenues (Expenses)					
Interest Income	4,230	4,453	2,402	1,399	762
Property Tax Revenues	55,613	53,040	48,413	45,674	45,631
Wastewater Capital Connection Fees	8,048	5,916	7,889	30,508	24,910
Water Connection Fees	24,259	22,914	32,850	5,415	997
Other Nonoperating Revenues	16,075	11,752	10,752	6,265	13,070
Interest on Long-Term Debt	(7,629)	(6,333)	(5,999)	(7,947)	(9,142)
Other Nonoperating Expenses	(18,886)	(7,628)	(10,658)	(12,231)	(15,481)
Total Nonoperating Revenues (Expenses)	81,710	84,114	85,649	69,083	60,747
Income (Loss) Before Capital Contributions and Transfers	58,221	59,518	61,137	42,827	29,774
Capital Grants	5,500	2,169	6,108	12,295	7,530
Change in Net Position	\$ 63,721	\$ 61,687	\$ 67,245	\$ 55,122	\$ 37,304
Total Net Position - Beginning of Year	708,752	647,065	585,716	530,594	494,708
Restatement	-	-	(5,896)	-	(1,418)
Total Net Position - Beginning of Year, as Restated	\$ 708,752	\$ 647,065	\$ 579,820	\$ 530,594	\$ 493,290
Net Position by Component					
Net Investment in Capital Assets	453,236	441,827	394,965	373,886	325,406
Restricted	142,168	112,710	99,176	61,446	82,064
Unrestricted	177,069	154,215	152,924	150,384	123,124
Total Net Position - End of Year	\$ 772,473	\$ 708,752	\$ 647,065	\$ 585,716	\$ 530,594

Operating and Nonoperating Revenues and Net Position Trends
Fiscal Years Ended June 30, 2016 through 2025
Dollars in Thousands



Operating and Nonoperating Expense Trends
Fiscal Years Ended June 30, 2016 through 2025
Dollars in Thousands





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

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

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

The tables below represent the connection fee balances reported in the respective contracting member agency’s annual financial reports. Balances reported for FY 2024/25 are subject to further adjustment after audit.

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

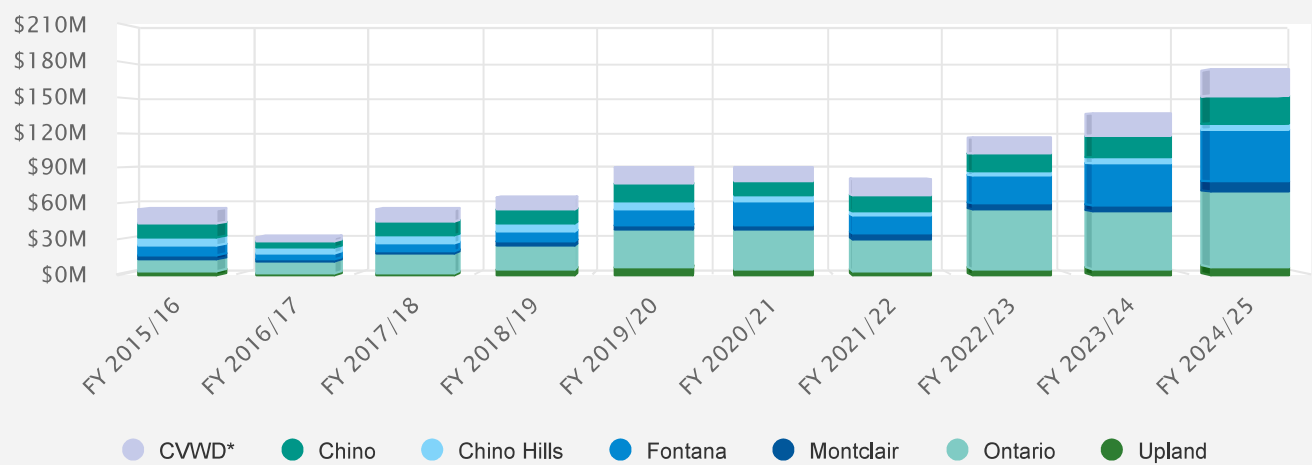
Fiscal Year	CVWD*	Chino	Chino Hills	Fontana
2015/16	\$ 11,594,817	\$ 12,461,412	\$ 5,250,644	\$ 9,488,546
2016/17	3,305,358	4,095,005	6,136,173	4,703,455
2017/18	10,905,036	10,465,835	6,724,584	6,477,198
2018/19	11,280,117	10,665,100	6,275,501	9,363,869
2019/20	12,788,543	14,914,149	6,722,022	14,248,914
2020/21	11,578,030	12,540,351	4,892,678	20,217,464
2021/22	14,039,076	13,190,068	3,178,934	15,889,037
2022/23	14,664,298	14,426,452	3,454,378	24,168,430
2023/24	17,370,456	19,972,018	3,843,698	35,374,288
2024/25	21,399,430	23,863,112	5,246,031	43,986,653
FY 2024/25 Percentage	12.4%	13.8%	3.0%	25.4%

* Cucamonga Valley Water District

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

Fiscal Year	Montclair	Ontario	Upland	Total
2015/16	2,406,672	10,579,795	3,419,549	55,201,435
2016/17	846,653	11,331,273	1,291,709	31,709,626
2017/18	2,287,904	16,603,065	2,095,916	55,559,538
2018/19	3,081,312	20,904,691	4,424,270	65,994,860
2019/20	4,137,040	31,200,345	6,721,632	90,732,645
2020/21	2,770,381	33,717,646	5,748,459	91,465,009
2021/22	3,867,909	27,532,572	3,472,301	81,169,897
2022/23	5,084,428	40,977,539	4,938,854	107,714,379
2023/24	5,184,277	48,295,801	5,636,678	135,677,216
2024/25	7,846,265	64,147,032	6,572,291	173,060,814
FY 2024/25 Percentage	4.5%	37.1%	3.8%	100.0%

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



Revenue Capacity - Regional Wastewater Program Capital Requirements For the Ten Fiscal Years Ending June 30, 2035

Project Description	Actual		Projected			
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Replacement Projects						
RP-1 Disinfection Pump Improvements	\$ 1,395,308	\$ 15,000	\$ -	\$ -	\$ -	\$ -
RP-1 Digester Area Utility Water (UW) Line Replacement	760	-	-	-	-	-
CCWRF RAS Header Replacement	46,235	750,000	350,000	-	-	-
CWRF HVAC System Upgrade	44,200	1,000,000	2,000,000	-	-	-
RP-1 Headworks Bar Screen System Improvements	755,591	-	-	-	-	-
RP-1 Utility Water Piping Asset Management Phase I	-	-	-	-	-	500,000
Collection System Upgrades FY 2024/25	816,572	-	-	-	-	-
CCWRF Electrical Improvements	86,491	700,000	500,000	3,000,000	2,000,000	-
Regional Sewer Critical Manhole Replacement	32,494	1,630,000	-	-	-	-
Regional Sewer System Manhole Upgrades FY 2025/26	-	500,000	500,000	500,000	500,000	500,000
Recurring RSS Manhole Lining Project	-	-	-	100,000	100,000	100,000
RP-1 Motor Control Center 9M Replacement	-	-	-	500,000	2,000,000	2,400,000
Collection System Upgrades	-	-	-	500,000	500,000	500,000
Agencywide Paving	-	-	-	400,000	400,000	400,000
CCWRF Paving Replacement	-	-	-	-	-	-
Prado Dechlorination Motor Control Center Replacement	-	-	-	-	-	-
North Major Facilities Repair/Replacement	46,586	-	-	-	-	-
Agency Wide Major Facilities Repair/Replacement	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
RP-1 Operations Bldg HVAC System Upgrade	54,427	-	-	-	-	-
RP 5 Central Plant HVAC System Upgrades	86,589	-	-	-	-	-
New Guard Shack at RP-1	167,798	-	-	-	-	-
OT Infrastructure for New Assets	7,238	-	-	-	-	-
SCADA Infrastructure Asset Replacement	3,067	550,000	550,000	550,000	550,000	550,000
Total Replacement Projects	\$ 3,543,356	\$ 6,145,000	\$ 4,900,000	\$ 6,550,000	\$ 7,050,000	\$ 5,950,000
Equipment Projects						
South Major Facilities Repair/Replacement	\$ 2,515	\$ -	\$ -	\$ -	\$ -	\$ -
South Major Facilities Repair/Replacement	51,776	-	-	-	-	-
Agency Wide Major Facilities Repair/Replacement	904,290	-	-	-	-	-
Heavy Equipment Replacement	271,239	-	-	-	-	-
Control System Ent Historian Enhancement	94,693	250,000	250,000	-	-	-
SCADA Network Infrastructure Replacement	228,257	-	-	-	-	-
RP-1 and RP-2 DCS Upgrade	75,570	-	-	-	-	-
Bioassay Room Incubator	25,431	-	-	-	-	-
Total Equipment Projects	\$ 1,653,771	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -

Source: Projections were derived from the FY 2025/26 Agency Ten-Year Forecast.

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued) For the Ten Fiscal Years Ending June 30, 2035

Project Description	Projected					10 Year Projected Total
	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35	
Replacement Projects						
RP-1 Disinfection Pump Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	15,000
RP-1 Digester Area Utility Water (UW) Line Replacement	-	-	-	-	-	-
CCWRF RAS Header Replacement	-	-	-	-	-	1,100,000
CWRF HVAC System Upgrade	-	-	-	-	-	3,000,000
RP-1 Headworks Bar Screen System Improvements	-	-	-	-	-	-
RP-1 Utility Water Piping Asset Management Phase I	1,500,000	1,000,000	-	-	-	3,000,000
Collection System Upgrades FY 2024/25	-	-	-	-	-	-
CCWRF Electrical Improvements	-	-	-	-	-	6,200,000
Regional Sewer Critical Manhole Replacement	-	-	-	-	-	1,630,000
Regional Sewer System Manhole Upgrades FY 2025/26	500,000	500,000	500,000	500,000	500,000	5,000,000
Recurring RSS Manhole Lining Project	100,000	100,000	100,000	100,000	100,000	800,000
RP-1 Motor Control Center 9M Replacement	-	-	-	-	-	4,900,000
Collection System Upgrades	500,000	500,000	500,000	500,000	500,000	4,000,000
Agencywide Paving	400,000	400,000	400,000	400,000	400,000	3,200,000
CCWRF Paving Replacement	-	-	100,000	600,000	-	700,000
Prado Dechlorination Motor Control Center Replacement	-	-	-	500,000	1,500,000	2,000,000
North Major Facilities Repair/Replacement	-	-	-	-	-	-
Agency Wide Major Facilities Repair/Replacement	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,000,000
RP-1 Operations Bldg HVAC System Upgrade	-	-	-	-	-	-
RP 5 Central Plant HVAC System Upgrades	-	-	-	-	-	-
New Guard Shack at RP-1	-	-	-	-	-	-
OT Infrastructure for New Assets	-	-	-	-	-	-
SCADA Infrastructure Asset Replacement	550,000	550,000	550,000	550,000	550,000	5,500,000
Total Replacement Projects	\$ 4,550,000	\$ 4,050,000	\$ 3,150,000	\$ 4,150,000	\$ 4,550,000	\$ 51,045,000
Equipment Projects						
South Major Facilities Repair/Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-
South Major Facilities Repair/Replacement	-	-	-	-	-	-
Agency Wide Major Facilities Repair/Replacement	-	-	-	-	-	-
Heavy Equipment Replacement	-	-	-	-	-	-
Control System Ent Historian Enhancement	-	-	-	-	-	500,000
SCADA Network Infrastructure Replacement	-	-	-	-	-	-
RP-1 and RP-2 DCS Upgrade	-	-	-	-	-	-
Bioassay Room Incubator	-	-	-	-	-	-
Total Equipment Projects	\$ -	\$ -	\$ -	\$ -	\$ -	500,000

Source: Projections were derived from the FY 2025/26 Agency Ten-Year Forecast.

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued) For the Ten Fiscal Years Ending June 30, 2035

Project Description	Actual		Projected			
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Construction Projects						
Old VFD Replacement (Wastewater)	\$ 882,631	\$ -	\$ -	\$ -	\$ -	\$ -
Failure Analysis Equipment Procurement	-	10,000	10,000	10,000	10,000	10,000
RP-5 Spare Part Storage Building Improvements	-	150,000	100,000	-	-	-
SCADA Enterprise System	6,585,288	5,000,000	3,600,000	-	-	-
CCWRF Asset Management and Improvements	9,821,354	6,000,000	2,900,000	-	-	-
Digester 6 and 7 Roof Repairs	2,450,596	-	-	-	-	-
RP-4 Process Improvements	31,139	-	-	-	-	-
RP-1 Flare Improvements	715,059	15,000	-	-	-	-
RP-1 Secondary System Rehabilitation	170,898	1,000,000	3,000,000	5,000,000	2,000,000	-
RP-5 Expansion to 30 MGD	12,353,616	22,500,000	13,000,000	13,000,000	-	-
RP-5 Biosolids Facility	12,435,179	13,500,000	7,000,000	6,000,000	-	-
RP-1 Energy Recovery	79,390	750,000	1,500,000	-	-	-
Regional Force Main Improvements	869,249	15,000	-	-	-	-
RP-4 Process Improvements Phase II	696,488	3,000,000	5,000,000	5,000,000	1,000,000	-
RP-1 East Influent Gate Replacement	219	-	-	-	-	-
Montclair Force Main Improvements	309,277	3,000,000	4,000,000	4,000,000	1,000,000	-
RP-1 Filter Effluent Structure 2 Rehabilitation	166,898	700,000	1,000,000	1,000,000	-	-
RP-1 Evaporative Cooling for Aeration Blower Building	897,478	750,000	-	-	-	-
RO Asset Managment	62,700	-	-	-	-	-
RP-1 Air Compressor Upgrades	232,958	2,500,000	2,500,000	900,000	-	-
RP-1 Repurpose Lab	3,415,872	1,250,000	-	-	-	-
RP-1 Intermediate Pump Station Electrical	494,087	2,000,000	5,000,000	2,800,000	-	-
RP-1/RP-4 Generator Control Panel Retrofit	2,987	-	-	-	-	-
RP-4 SCADA Performance Improvement	165,686	-	-	500,000	250,000	-
Agency Wide Chemical Containment Area Rehabilitation Phase 2	95	-	-	-	-	-
RP-1 Thickening Building and Acid Phase Digester	6,264,575	25,000,000	35,000,000	55,000,000	45,000,000	13,000,000
RP-1 Device Net Replacement	571,523	1,000,000	250,000	-	-	-
CCWRF Aeration Basins 1-6 Drain Valves	210,271	250,000	2,000,000	2,500,000	-	-
CCWRF Filter Effluent Sodium Hypochlorite Modification	94,516	-	-	-	-	-
San Bernardino Ave Lift Station Reliability Improvements	467,175	-	-	1,250,000	3,000,000	2,000,000
CCWRF Influent Box Rehab at the Primary Clarifiers	49,713	2,000,000	1,000,000	-	-	-
RP-1 Instrumentation and Control Enhancements	-	-	-	250,000	750,000	250,000
RP-1 Liquid Treatment Capacity Recovery	13,330	-	-	-	-	1,500,000

Source: Projections were derived from the FY 2025/26 Agency Ten-Year Forecast.

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued) For the Ten Fiscal Years Ending June 30, 2035

Project Description	Projected					10 Year Projected Total
	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35	
Construction Projects						
Old VFD Replacement (Wastewater)	\$ -	\$ -	\$ -	\$ -	\$ -	-
Failure Analysis Equipment Procurement	10,000	10,000	10,000	10,000	10,000	100,000
RP-5 Spare Part Storage Building Improvements	-	-	-	-	-	250,000
SCADA Enterprise System	-	-	-	-	-	8,600,000
CCWRF Asset Management and Improvements	-	-	-	-	-	8,900,000
Digester 6 and 7 Roof Repairs	-	-	-	-	-	-
RP-4 Process Improvements	-	-	-	-	-	-
RP-1 Flare Improvements	-	-	-	-	-	15,000
RP-1 Secondary System Rehabilitation	-	-	-	-	-	11,000,000
RP-5 Expansion to 30 MGD	-	-	-	-	-	48,500,000
RP-5 Biosolids Facility	-	-	-	-	-	26,500,000
RP-1 Energy Recovery	-	-	-	-	-	2,250,000
Regional Force Main Improvements	-	-	-	-	-	15,000
RP-4 Process Improvements Phase II	-	-	-	-	-	14,000,000
RP-1 East Influent Gate Replacement	-	-	-	-	-	-
Montclair Force Main Improvements	-	-	-	-	-	12,000,000
RP-1 Filter Effluent Structure 2 Rehabilitation	-	-	-	-	-	2,700,000
RP-1 Evaporative Cooling for Aeration Blower Building	-	-	-	-	-	750,000
RO Asset Management	-	-	-	-	-	-
RP-1 Air Compressor Upgrades	-	-	-	-	-	5,900,000
RP-1 Repurpose Lab	-	-	-	-	-	1,250,000
RP-1 Intermediate Pump Station Electrical	-	-	-	-	-	9,800,000
RP-1/RP-4 Generator Control Panel Retrofit	-	-	-	-	-	-
RP-4 SCADA Performance Improvement	-	-	-	-	-	750,000
Agency Wide Chemical Containment Area Rehabilitation Phase 2	-	-	-	-	-	-
RP-1 Thickening Building and Acid Phase Digester	-	-	-	-	-	173,000,000
RP-1 Device Net Replacement	-	-	-	-	-	1,250,000
CCWRF Aeration Basins 1-6 Drain Valves	-	-	-	-	-	4,750,000
CCWRF Filter Effluent Sodium Hypochlorite Modification	-	-	-	-	-	-
San Bernardino Ave Lift Station Reliability Improvements	-	-	-	-	-	6,250,000
CCWRF Influent Box Rehab at the Primary Clarifiers	-	-	-	-	-	3,000,000
RP-1 Instrumentation and Control Enhancements	-	-	-	-	-	1,250,000
RP-1 Liquid Treatment Capacity Recovery	3,500,000	5,000,000	35,000,000	70,000,000	80,000,000	195,000,000

Source: Projections were derived from the FY 2025/26 Agency Ten-Year Forecast.

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued) For the Ten Fiscal Years Ending June 30, 2035

Project Description	Actual		Projected			
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
RP-1 Solids Treatment Rehabilitation	\$ 220,213	\$ 3,000,000	\$ 4,000,000	\$ 10,000,000	\$ 20,000,000	\$ 10,000,000
RP-1 Dewatering Centrate Pumps	1,807,128	600,000	-	-	-	-
IEUA SCADA Master Plan	75,298	-	-	-	-	-
RP-3 Regional Sewer Diversion Structure Rehab	308,893	800,000	300,000	-	-	-
Fall Protection and Prevention Solutions at Specified Wastewater Locations	527,918	900,000	1,000,000	1,000,000	1,000,000	1,000,000
RP-1 Tertiary Asset Management Phase I	-	-	-	-	500,000	2,000,000
Headquarter B Additional Office Space	52,078	-	-	-	-	-
RP-1 Primary Clarifier 1 and 10 Rehabilitation	714,620	2,000,000	3,000,000	6,000,000	3,750,000	-
Annular Seals	-	-	-	50,000	-	-
BonView Sewer Jacked Casing Union Pacific Crossings	656,972	15,000	-	-	-	-
CCWRF Bleach Pipeline Replacement	171,444	-	-	-	-	-
Chino Hills Trunk-014 Sewer Siphon CIPP Repair	109,305	150,000	-	-	-	-
RP-5 to RP-2 Sludge Line Repair	2,469	-	-	-	-	-
SSI Aeration Disk Replacement RP-1, RP-4, RP-5	-	200,000	1,100,000	400,000	2,400,000	-
CCWRF Primary Clarifier Coating	-	1,000,000	200,000	-	-	-
RSS - Collection System Pipe Rehabilitation and Lining	-	-	-	-	1,000,000	1,000,000
REEP Return to Service Capital	5,713	500,000	3,000,000	3,000,000	500,000	-
Asset Management Software	16,176	500,000	150,000	50,000	-	-
Agency Wide Remote Vibration Project	18,900	250,000	150,000	-	-	-
Caltrans IEUA Collections Sewer I-10 Relocation	2,107	300,000	-	-	-	-
CCWRF Process Improvements Phase II	-	-	550,000	1,425,000	4,000,000	4,500,000
Compliance for Wastewater Facilities	4,334,390	13,700,000	17,000,000	10,000,000	-	-
San Bernardino Lift Station Containment	-	-	-	-	-	500,000
Regional System Siphon Barrel Gate Improvements	-	-	-	325,000	650,000	-
Agency Wide VFD Upgrades (Wastewater) FY 2025/26	158	50,000	1,000,000	1,000,000	1,000,000	1,000,000
RP-4 Process Improvements Phase III	-	-	-	-	-	-
RP-5 Emergency Overflow Pond Lining	-	-	500,000	1,000,000	2,500,000	1,000,000
RP-5 Low Pressure DG Holder	-	-	-	-	-	-
RP-1 Headworks Influent Channel Rehabilitation	-	300,000	1,500,000	2,000,000	200,000	-
RP-2 Maintenance Trailers and Showers Installation	-	500,000	1,000,000	-	-	-
Chino Interceptor Diversion Pipe Repair	-	-	-	-	500,000	2,100,000
Cucamonga Interceptor Pipe Repair	-	-	-	400,000	750,000	-
RP-2 Decommissioning	-	-	-	500,000	1,000,000	1,500,000

Source: Projections were derived from the FY 2025/26 Agency Ten-Year Forecast.

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued) For the Ten Fiscal Years Ending June 30, 2035

Project Description	Projected					10 Year Projected Total
	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35	
RP-1 Solids Treatment Rehabilitation	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ 49,500,000
RP-1 Dewatering Centrate Pumps	-	-	-	-	-	600,000
IEUA SCADA Master Plan	250,000	500,000	-	-	-	750,000
RP-3 Regional Sewer Diversion Structure Rehab	-	-	-	-	-	1,100,000
Fall Protection and Prevention Solutions at Specified Wastewater Locations	1,000,000	1,000,000	1,000,000	-	-	7,900,000
RP-1 Tertiary Asset Management Phase I	1,500,000	-	-	-	-	4,000,000
Headquarter B Additional Office Space	-	-	-	-	-	-
RP-1 Primary Clarifier 1 and 10 Rehabilitation	-	-	-	-	-	14,750,000
Annular Seals	-	-	-	-	-	50,000
BonView Sewer Jacked Casing Union Pacific Crossings	-	-	-	-	-	15,000
CCWRF Bleach Pipeline Replacement	-	-	-	-	-	-
Chino Hills Trunk-014 Sewer Siphon CIPP Repair	-	-	-	-	-	150,000
RP-5 to RP-2 Sludge Line Repair	-	-	-	-	-	-
SSI Aeration Disk Replacement RP-1, RP-4, RP-5	500,000	2,450,000	250,000	500,000	-	7,800,000
CCWRF Primary Clarifier Coating	-	-	-	-	-	1,200,000
RSS - Collection System Pipe Rehabilitation and Lining	1,000,000	1,000,000	1,000,000	1,000,000	-	6,000,000
REEP Return to Service Capital	-	-	-	-	-	7,000,000
Asset Management Software	-	-	-	-	-	700,000
Agency Wide Remote Vibration Project	-	-	-	-	-	400,000
Caltrans IEUA Collections Sewer I-10 Relocation	-	-	500,000	1,000,000	400,000	2,200,000
CCWRF Process Improvements Phase II	2,000,000	-	-	-	-	12,475,000
Compliance for Wastewater Facilities	-	-	-	-	-	40,700,000
San Bernardino Lift Station Containment	-	-	-	-	-	500,000
Regional System Siphon Barrel Gate Improvements	-	-	-	-	-	975,000
Agency Wide VFD Upgrades (Wastewater) FY 2025/26	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	9,050,000
RP-4 Process Improvements Phase III	-	-	2,500,000	5,000,000	4,000,000	11,500,000
RP-5 Emergency Overflow Pond Lining	-	-	-	-	-	5,000,000
RP-5 Low Pressure DG Holder	-	-	-	500,000	1,500,000	2,000,000
RP-1 Headworks Influent Channel Rehabilitation	-	-	-	-	-	4,000,000
RP-2 Maintenance Trailers and Showers Installation	-	-	-	-	-	1,500,000
Chino Interceptor Diversion Pipe Repair	500,000	-	-	-	-	3,100,000
Cucamonga Interceptor Pipe Repair	-	-	-	-	-	1,150,000
RP-2 Decommissioning	1,500,000	4,500,000	8,000,000	8,000,000	-	25,000,000

Source: Projections were derived from the FY 2025/26 Agency Ten-Year Forecast.

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued) For the Ten Fiscal Years Ending June 30, 2035

Project Description	Actual		Projected				
	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	
Advanced Water Purification Facility	\$ 77,500	\$ -	\$ -	\$ 12,000,000	\$ 20,000,000	\$ 63,000,000	
RP-5 Operations and Maintenance Building	-	-	-	500,000	1,000,000	2,000,000	
RP-1 Digester Gas Carbon Canister Installation	-	-	-	150,000	850,000	-	
CCWRF Filter Inlet and Bypass Gates Replacement	-	-	-	500,000	1,000,000	400,000	
Etiwanda Interceptor Grade Break Sewer Protection/Relocation	-	-	-	200,000	-	-	
Preserve Lift Station Level Redundancy Improvements	-	-	-	75,000	325,000	-	
Replace Aeration Basin Influent/RAS, Step Feed Gates	-	-	-	-	-	-	
RP-1 Operations and Maintenance Building Rehabilitation/Modernization	-	-	-	-	50,000	450,000	
Agencywide Air Relief Valves Upgrade and Replacement	-	-	-	-	200,000	1,000,000	
RP-1 Ammonia Analyzer Improvements	-	-	-	-	-	100,000	
Freeway Trunk Pipe Repair	-	-	-	-	-	-	
Riverside Drive Trunk Pipe Repair	-	-	-	-	1,000,000	1,850,000	
RP-1 New Parking Lot	-	-	-	-	-	-	
RP-4 Emergency Storage Lagoon Pump System Improvement	-	-	-	-	-	-	
RP-5 Vactor Dump Station Construction	-	-	-	-	-	-	
CCWRF Emergency Storage Basin Lining and Pump Station Improvement	-	-	-	-	-	-	
Recurring Regional Sewer Manhole Procurement	-	100,000	100,000	100,000	100,000	100,000	
Operational AI and Machine Learning	-	-	-	-	-	300,000	
HQ Solar Photovoltaic Power Plants Phase II	-	-	300,000	1,100,000	-	-	
Purchase Existing Solar Installation	-	-	-	-	-	3,500,000	
Total Construction Projects	\$ 69,611,529	\$ 115,255,000	\$ 121,710,000	\$ 148,985,000	\$ 117,285,000	\$ 114,060,000	
Total Capital Projects	\$ 74,808,656	\$ 121,650,000	\$ 126,860,000	\$ 155,535,000	\$ 124,335,000	\$ 120,010,000	

Source: Projections were derived from the FY 2025/26 Agency Ten-Year Forecast.

Revenue Capacity - Regional Wastewater Program Capital Requirements (Continued) For the Ten Fiscal Years Ending June 30, 2035

Project Description	Projected					10 Year Projected Total
	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34	FY 2034/35	
Advanced Water Purification Facility	\$ 65,000,000	\$ 63,000,000	\$ -	\$ -	\$ -	\$ 223,000,000
RP-5 Operations and Maintenance Building	2,000,000	15,000,000	20,000,000	9,500,000	-	50,000,000
RP-1 Digester Gas Carbon Canister Installation	-	-	-	-	-	1,000,000
CCWRF Filter Inlet and Bypass Gates Replacement	-	-	-	-	-	1,900,000
Etiwanda Interceptor Grade Break Sewer Protection/Relocation	-	-	-	-	-	200,000
Preserve Lift Station Level Redundancy Improvements	-	-	-	-	-	400,000
Replace Aeration Basin Influent/RAS, Step Feed Gates	-	800,000	2,000,000	1,000,000	-	3,800,000
RP-1 Operations and Maintenance Building Rehabilitation/Modernization	1,000,000	8,000,000	7,000,000	-	-	16,500,000
Agencywide Air Relief Valves Upgrade and Replacement	300,000	-	-	-	-	1,500,000
RP-1 Ammonia Analyzer Improvements	500,000	-	-	-	-	600,000
Freeway Trunk Pipe Repair	500,000	1,000,000	3,000,000	6,000,000	2,500,000	13,000,000
Riverside Drive Trunk Pipe Repair	1,400,000	-	-	-	-	4,250,000
RP-1 New Parking Lot	250,000	850,000	-	-	-	1,100,000
RP-4 Emergency Storage Lagoon Pump System Improvement	-	-	200,000	300,000	1,500,000	2,000,000
RP-5 Vactor Dump Station Construction	-	-	500,000	1,500,000	3,000,000	5,000,000
CCWRF Emergency Storage Basin Lining and Pump Station Improvement	-	-	-	250,000	750,000	1,000,000
Recurring Regional Sewer Manhole Procurement	100,000	100,000	100,000	100,000	100,000	1,000,000
Operational AI and Machine Learning	300,000	-	-	-	-	600,000
HQ Solar Photovoltaic Power Plants Phase II	-	-	-	-	-	1,400,000
Purchase Existing Solar Installation	-	-	-	-	-	3,500,000
Total Construction Projects	\$ 86,610,000	\$104,210,000	\$ 82,060,000	\$105,660,000	\$ 94,760,000	\$1,090,595,000
Total Capital Projects	\$ 91,160,000	\$108,260,000	\$ 85,210,000	\$109,810,000	\$ 99,310,000	\$1,142,140,000

Source: Projections were derived from the FY 2025/26 Agency Ten-Year Forecast.

Revenue Capacity - Regional Wastewater Funds

Monthly Sewer Service Charge Revenues and Rates by Contracting Agency
For the Fiscal Year Ended June 30, 2025

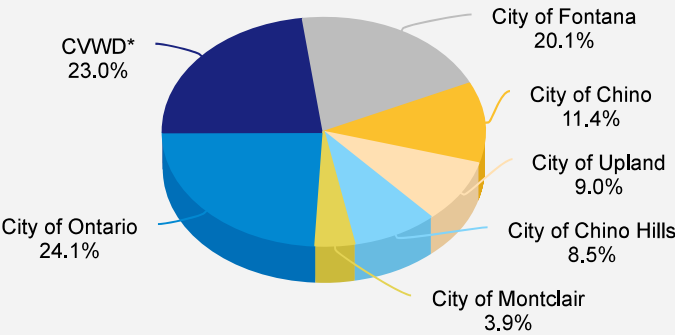
Through hard work, commitment, and discipline, the Agency provides wastewater and related utility services to the communities they live and work in at some of the lowest rates in the state. The following table displays data for FY 2024/25.

Contracting Agency	Total EDUs**	Rate	Service Charge Revenues	% of Service Charge Revenues
City of Ontario	885,333	\$ 24.79	\$ 21,947,405	24.1%
CVWD*	845,254	\$ 24.79	\$ 20,953,847	23.0%
City of Fontana	738,056	\$ 24.79	\$ 18,296,408	20.1%
City of Chino	418,281	\$ 24.79	\$ 10,369,186	11.4%
City of Upland	329,719	\$ 24.79	\$ 8,173,734	9.0%
City of Chino Hills	311,350	\$ 24.79	\$ 7,718,367	8.5%
City of Montclair	145,197	\$ 24.79	\$ 3,599,434	3.9%
San Bernardino Regional Parks	2,352	\$ 24.79	\$ 58,306	-%
Total Contracting Agencies' Service Charge Revenues	3,675,542		\$ 91,116,687	100.0%

* Cucamonga Valley Water District

** Equivalent Dwelling Unit

Total Service Charge Revenues by Contracting Agency
For the Fiscal Year Ended June 30, 2025





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

The following tables and charts reflect the Agency's outstanding debt ratios and percentage of personal income per capita for the past ten fiscal years.

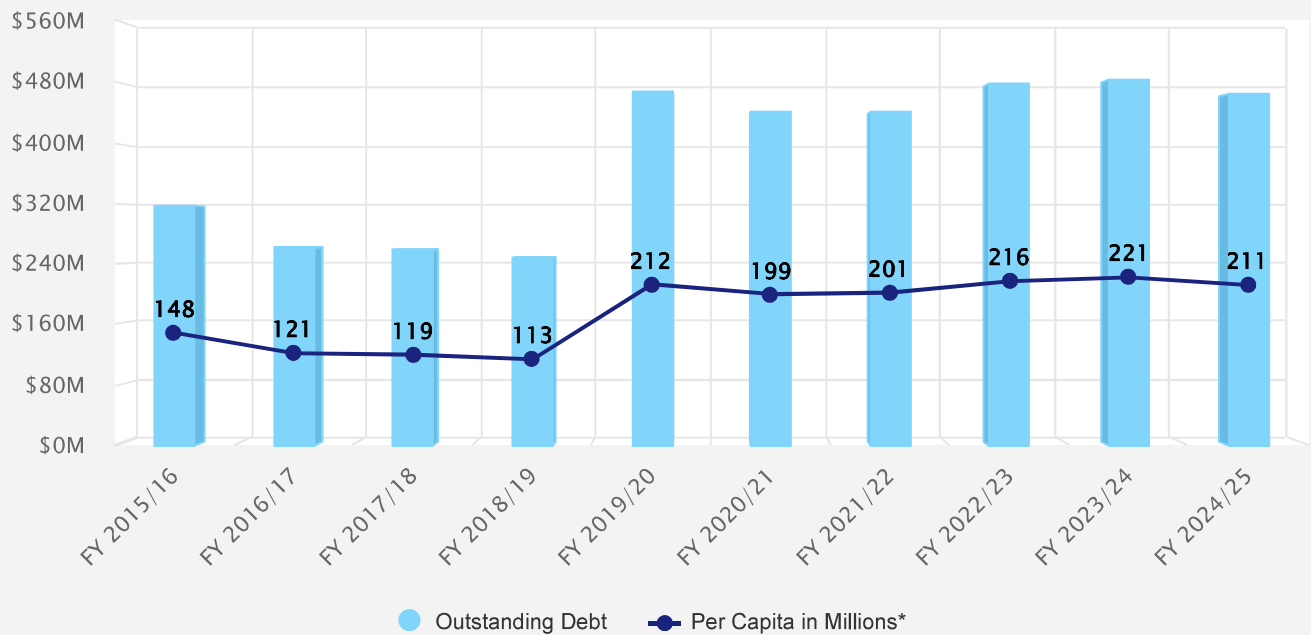
Fiscal Year Ended June 30,	IEUA Revenue Bonds	State of California Loans	SDLAC Note	SAWPA Note	City of Fontana	Southern California Edison	2020B Revenue Notes
2016	\$ 199,628,550	\$ 107,450,944	\$ 2,788,113	\$ 489,861	\$ 6,004,112	\$ -	\$ -
2017	143,571,309	110,195,651	2,114,640	252,064	5,521,535	230,963	-
2018	133,347,456	119,305,744	1,425,677	-	5,038,956	1,023,581	-
2019	122,843,604	119,330,235	720,868	-	4,556,378	880,846	-
2020	137,826,905	92,979,745	-	-	4,073,800	720,860	231,347,967
2021	123,811,493	88,663,779	-	-	3,591,222	595,973	224,801,786
2022	114,601,677	103,290,287	-	-	3,108,644	440,956	218,255,605
2023	105,041,863	156,257,596	-	-	2,626,066	310,501	211,709,423
2024	94,742,045	169,505,800	-	-	2,143,488	176,827	205,163,241
2025	84,100,415	164,878,405	-	-	1,930,312	100,010	-

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

Fiscal Year Ended June 30,	WIFIA I Loan	WIFIA II Loan	Leases	Subscriptions	Total Outstanding Debt	Per Capita in Millions*	Percentage of Personal Income*
2016	\$ -	\$ -	\$ -	\$ -	\$ 316,361,580	148	0.359%
2017	-	-	-	-	261,886,160	121	0.294%
2018	-	-	-	-	260,141,414	119	0.288%
2019	-	-	-	-	248,331,931	113	0.273%
2020	-	-	-	-	466,949,277	212	0.504%
2021	-	-	-	-	441,464,253	199	0.486%
2022	-	-	119,272	-	439,816,441	201	0.443%
2023	-	-	132,200	538,675	476,616,324	216	0.470%
2024	-	11,808,933	71,179	374,671	483,986,184	221	0.434%
2025	196,436,445	16,724,383	123,601	216,101	464,509,672	211	0.410%

* Statistical information derived from the San Bernardino County demographics at California Department of Transportation and Quick Facts.

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



Debt Capacity - Agency System Total Debt Coverage Ratio (Excludes Water Resources Fund)
For the Fiscal Year Ended June 30, 2025
(With Comparative Totals for the Fiscal Year Ended June 30, 2024)

	FY 2024/25	FY 2023/24
Revenues		
Service Charges	\$ 106,827,860	\$ 100,466,091
Recycled Water Sales	25,443,776	19,904,866
Interest Income	14,954,001	13,486,980
Property Tax Revenues	88,198,525	82,551,488
Water Connection Fees	6,794,384	4,561,317
Wastewater Capital Connection Fees	37,383,598	27,962,837
Desalter/Composter Services	6,924,604	5,945,610
Other Nonoperating Revenues	13,745,302	8,638,910
Total Revenues	300,272,050	263,518,099
Operation and Maintenance Costs		
Wastewater Collection	11,721,941	12,234,182
Wastewater Treatment	31,576,748	32,264,146
Wastewater Disposal	10,167,091	10,062,292
Operations and Maintenance	7,385,853	6,601,396
Administration and General	65,256,764	57,307,814
Desalter/Composter Services	6,924,604	5,945,610
Other Nonoperating Expenses	2,829,125	1,158,218
Total Operations and Maintenance Costs	135,862,126	125,573,658
Total Revenues Available to Pay Senior Debt Service	\$ 164,409,924	\$ 137,944,441
Senior Obligations		
2017 Installment Payments	6,468,125	6,472,625
Total Senior Obligation Debt Service	6,468,125	6,472,625
Senior Obligation Debt Service Coverage	25.42	21.31
Revenues Available to Pay Parity Debt Service	\$ 157,941,799	\$ 131,471,816
Parity Obligations		
State Revolving Fund Loans	5,604,650	5,547,424
2020A Installment Payments	6,156,250	6,228,250
2020B Revenue Notes [PAID OFF]	-	118,739
Total Parity Obligation Debt Service	11,760,900	11,894,413
Parity Obligation Debt Service Coverage	13.43	11.05
Revenues Available to Pay Subordinate Debt Service	\$ 146,180,899	\$ 119,577,403
Subordinate Obligations		
City of Fontana	751,979	482,578
SCE On-Bill Financing	34,872	67,892
Total Subordinate Obligation Debt Service	786,851	550,470
Subordinate Obligation Debt Service Coverage	185.78	217.23
Revenues Available After Operation and Maintenance Costs	\$ 164,409,924	\$ 137,944,441
Total Debt Service	\$ 19,015,876	\$ 18,917,508
Total Debt Coverage Ratio	8.65	7.29
Revenues Available After Operation and Maintenance Cost (Excludes Connection Fees)	\$ 120,231,942	\$ 105,420,287
Total Debt Service	\$ 19,015,876	\$ 18,917,508
Total Debt Coverage Ratio (Excludes Connection Fees)	6.32	5.57

Debt Capacity - Agency System Total Debt Coverage Ratio (With Comparative Totals for the Fiscal Year Ended June 2024)

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

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

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

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

In June 2020, the CBRFA issued the Chino Basin Revenue Notes, Series 2020B. The revenue notes were issued to (i) to finance, on an interim basis, a portion of the cost of the RP-5 Expansion Project, (ii) to pay a portion of the capitalized interest with respect to the notes, and (iii) to pay the costs of issuing the notes.

In May 2020, the CBRFA and the Agency executed a Water Infrastructure Finance and Innovation Act loan (WIFIA I loan) agreement with the United States Environmental Protection Agency for the RP-5 Expansion Project. The Agency has drawn \$196,436,455 from this WIFIA 1 loan as of June 30, 2025 to repay the Chino Basin Revenue Notes, Series 2020B.

In March 2022, the CBRFA and the Agency executed a second Water Infrastructure Finance and Innovation Act loan (WIFIA II loan) agreement with the United States Environmental Protection Agency for the Regional Wastewater System Improvements Program.

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

- The amended FY 2024/25 budget for operating and maintenance expenses for four months was \$60,978,981.
- As of June 30, 2025, the Agency had a designated debt service reserve of \$12,826 which has been included in Net Investment in Capital Assets, and SRF Loan Debt Service of \$6,441,218, which has been included in Restricted Net Position.

Debt Capacity - Continuing Disclosure Compliance Report

Audited Financial Statements	2017A Bond	2020A Bond	FY 2024/25 ACFR Section
	Yes		Introductory Section
Debt Service Reserve Fund	Not Required		Statistical Section: Agency System Total Debt Coverage Ratio
Statement of the Reserve Requirement	"The Agency has covenanted that, to the fullest extent permitted by law, the Agency will fix and prescribe, at the commencement of each fiscal year, rates and charges reasonably expected to yield net revenue equal to 115 percent of debt service during each fiscal year."		Note 12: Long-Term Debt and Notes Payable/Debt Covenants
NRW Rates and Charges: North System: Volumetric Fee Chemical Oxygen Demand (COD) Total Suspended Solids (TSS) South System: Capacity Fee Volumetric Fee Biochemical Oxygen Demand (BOD) Total Suspended Solids (TSS)	\$1,014.00/MGD \$208.00/klb \$491.70/klb \$435.43/cu \$1,097.00/MGD \$396.00/klb \$497.00/klb		MD&A: Financial Highlights/Non-Reclaimable Wastewater Treatment States: NRW Pass-Through Rates Table
NRW Revenues	\$15,142,771		MD&A: Financial Highlights/Non-Reclaimable Wastewater Treatment Individual Funds: Non-Reclaimable Wastewater Fund Statement of Revenues, Expenses, and Changes in Net Position, Statistical Section: Agency System Total Debt Coverage Ratio
Principal Amount of Bonds Outstanding	\$39,265,000	\$31,145,000	MD&A: Financial Highlights/Debt Management Note 12: Long-Term Debt and Notes Payable
Recycled Water Rates: Direct Delivery Groundwater Recharge Connection Fee	\$465.00/AF \$665.00/AF Varies by Meter Size		MD&A: Financial Highlights/Recycled Water Sales Introductory: Major Initiatives and Accomplishments/Other Agency Accomplishments
Recycled Water Revenues (AF, Sales, Connection Fee, MWD Rebates): AF Recycled Water Sales Water Connection Fees Less: Connection Fees Allotted to Water Fund Total	36,771 AF \$25,443,776 \$7,119,673 \$(325,289) \$32,238,160		MD&A: Financial Highlights/Recycled Water Sales Individual Funds: Recycled Water Fund Schedule of Revenues, Expenses and Changes in Net Position Statistical Section: Agency System Total Debt Coverage Ratio
Assessed Valuation and Property Tax: Assessed Value of Service Area Property Tax Revenues Less: Allocation to Water Fund Net Property Tax Revenues	Yes \$91,477,333 \$(3,278,808) \$88,198,525		MD&A: Financial Highlights/Revenues Statistical Section: Combined Statement of Revenues, Expenses, and Changes in Net Position Statistical Section: Agency System Total Debt Coverage Ratio
Wastewater Program Capital Requirements - Regional	\$74,808,656	Not Required	Statistical Section: Regional Wastewater Program Capital Requirements
Wastewater System Rates and Charges: Volumetric Fee per Month Wastewater Connection Fee	\$24.79/EDU \$8,132/EDU		MD&A: Financial Highlights/Regional Wastewater Program Activities Statistical Section: Regional Wastewater Funds Service Charge Revenues and Rates by Contracting Agency

Debt Capacity - Continuing Disclosure Compliance Report (Continued)

Wastewater System Revenues:		MD&A: Financial Highlights/Regional Wastewater Program Activities
Service Charges	\$91,685,089	Individual Funds: Regional Wastewater Fund
Wastewater Capital Connection Fees	\$37,383,598	Statistical Section: Agency System Total Debt Coverage Ratio
Total	\$129,068,687	
Wastewater Facility Total EDU Usage	3,678,600	Statistical Section: Regional Wastewater Monthly Sewer Service Charge Revenues and Rates by Contracting Agency
Wastewater Production/Flow Within the Agency's Services Area	52.1/MGD	Statistical Section: Operating Indicators - Wastewater Facilities Statistical Section: Operating Indicators - Actual Wastewater Flow

Debt Capacity - Computation of Direct and Overlapping Bonded Debt as of June 30, 2025

FY 2024/25 ASSESSED VALUATION: \$171,809,308,026

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt as of June 30, 2025	% Applicable ⁽¹⁾	Agency's Share of Debt as of June 30, 2025
Metropolitan Water District	\$ 17,155,000	4.165%	\$ 714,506
Chaffey Community College District	440,580,000	98.225%	432,759,705
San Bernardino Community College District	880,363,439	1.725%	15,186,269
Chino Valley Unified School District	753,707,971	100.000%	753,707,971
Colton Joint Unified School District	202,937,994	0.937%	1,901,529
Fontana Unified School District	389,334,841	89.977%	350,311,810
Rialto Unified School District	137,835,197	11.956%	16,479,576
Upland Unified School District	71,361,110	99.780%	71,204,116
Chaffey Union High School District	640,477,530	99.875%	639,676,933
Alta Loma School District	53,147,782	99.862%	53,074,438
Central School District	72,351,172	100.000%	72,351,172
Etiwanda School District	111,974,923	99.828%	111,782,326
Mountain View School District and School Facilities Improvement District Nos. 1 and 2	82,859,469	100.000%	82,859,469
Ontario-Montclair School District	123,330,015	100.000%	123,330,015
Inland Empire Utilities Agency (Agency) ⁽²⁾	-	100.000%	-
City of Chino Community Facilities Districts	232,950,000	100.000%	232,950,000
City of Chino Hills Community Facilities Districts	12,550,000	100.000%	12,550,000
Cucamonga School District Community Facilities District No 97-1	3,235,000	100.000%	3,235,000
Etiwanda School District Community Facilities Districts	58,355,000	100.000%	58,355,000
Upland Unified School District Community Facilities Districts	1,842,000	100.000%	1,842,000
City of Fontana Community Facilities Districts	120,085,000	4.930-100.000%	113,392,072
Mountain View School District Community Facilities Districts No. 1997-1	233,000	100.000%	233,000
San Bernardino County Community Facilities District No. 2002-1	13,115,000	100.000%	13,115,000
City of Ontario Community Facilities Districts	255,660,000	100.000%	255,660,000
City of Rancho Cucamonga Community Facilities Districts	46,150,000	100.000%	46,150,000
City of Upland Community Facilities Districts	61,151,000	100.000%	61,151,000
California Statewide Community Development Authority 1915 Act Bonds	790,000	100.000%	790,000
San Bernardino County Assessment District No. 2018-1	5,114,322	100.000%	5,114,322
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 3,529,877,229
TOTAL OVERLAPPING GENERAL FUND DEBT			
San Bernardino County General Fund Obligations	\$ 100,765,000	50.287%	\$ 50,671,696
San Bernardino County Flood Control General Fund Obligations	37,295,000	50.287%	18,754,537
Chaffey Community College District Certificates of Participation	21,770,000	98.225%	21,383,583
Colton Joint Unified School District General Fund Obligations	5,437,904	0.937%	50,953
Fontana Unified School District Certificates of Participation	15,350,000	89.977%	13,811,470
Rialto Unified School District Certificates of Participation	50,214,439	11.956%	6,003,638
Cucamonga School District Certificates of Participation	904,000	100.000%	904,000
City of Fontana Certificates of Participation	47,510,000	80.353%	38,175,710
City of Montclair General Fund Obligations	78,135,000	100.000%	78,135,000
City of Ontario General Fund and Pension Obligation Bonds	\$ 662,642,158	100.000%	\$ 662,642,158

Debt Capacity - Computation of Direct and Overlapping Bonded Debt (Continued) as of June 30, 2025

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt as of June 30, 2025	% Applicable ⁽¹⁾	Agency's Share of Debt as of June 30, 2025
City of Rialto General Fund Obligations	65,749,136	20.105%	13,218,864
City of Upland General Fund Obligations	5,714,663	100.000%	5,714,663
West Valley Vector Control District Certificates of Participation	1,296,291	99.987%	1,296,122
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 910,762,394
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies): \$533,895,600 29.837-100% \$430,903,155			
DIRECT DEBT			\$ -
TOTAL OVERLAPPING DEBT			\$ 4,871,542,778
NET COMBINED TOTAL DEBT ⁽³⁾			\$ 4,871,542,778

RATIOS TO FY 2024/25 ASSESSED VALUATION

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	2.05%
Combined Direct Debt	2.84%

RATIOS TO REDEVELOPMENT SUCCESSOR AGENCIES INCREMENTAL VALUATION \$60,244,172,545

Total Overlapping Tax Increment Debt	0.72%
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Footnotes:

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

⁽²⁾ Excludes revenue issues.

⁽³⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue bonds, and non-bonded lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Source: California Municipal Statistics, Inc.

Operating Indicators - Wastewater Facilities

Design Capacity and Average Flow

As of June 30, 2025

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

The following table presents the design capacities and average flows of the Agency's water recycling facilities as of June 30, 2025:

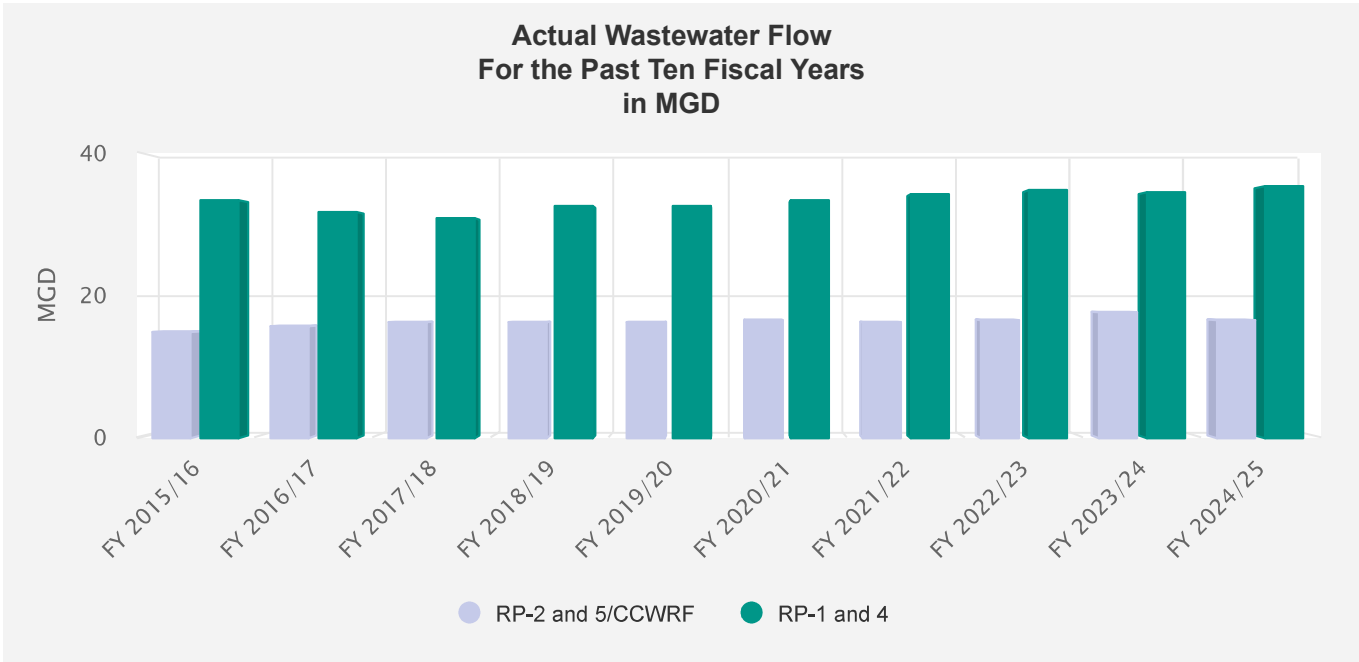
Facility	Design Capacity (MGD)*	Average Flow (MGD)*	Average Flow as a % of Design Capacity
RP-1	44.0	25.4	57.7%
RP-4	14.0	10.0	71.4%
RP-5	16.3	8.7	53.4%
CCWRF	12.0	8.0	66.7%
Total	86.3	52.1	60.4%

* MGD - million gallons per day

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

Fiscal Year	RP-1 and 4 (MGD)	RP-2 and 5/CCWRF (MGD)	Total (MGD)
2015/16	33.5	14.9	48.4
2016/17	31.9	15.8	47.7
2017/18	31.0	16.4	47.4
2018/19	32.7	16.4	49.1
2019/20	32.8	16.4	49.2
2020/21	33.6	16.7	50.3
2021/22	34.3	16.4	50.7
2022/23	35.0	16.7	51.7
2023/24	34.6	17.8	52.4
2024/25	35.4	16.7	52.1

* MGD - million gallons per day



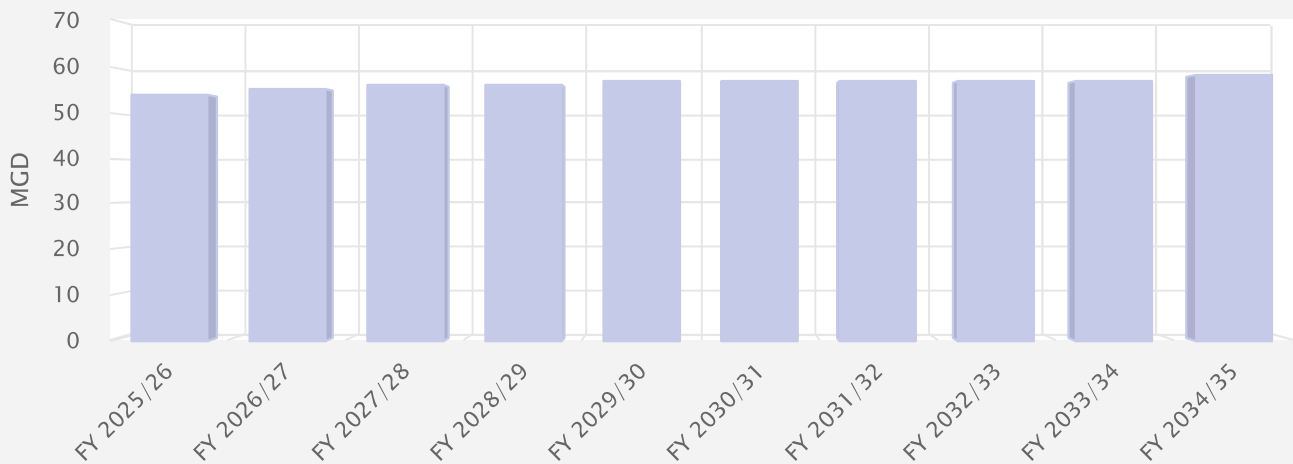
**Operating Indicators - Projected Wastewater Flow
For the Ten Fiscal Years Ending June 30, 2026 through June 30, 2035
in MGD***

Fiscal Year	Total (MGD)
2025/26	54
2026/27	55
2027/28	56
2028/29	56
2029/30	57
2030/31	57
2031/32	57
2032/33	57
2033/34	57
2034/35	58

* MGD - million gallons per day

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

**Projected Wastewater Flow
For the Ten Fiscal Years Ending
June 30, 2026 through June 30, 2035
in MGD**



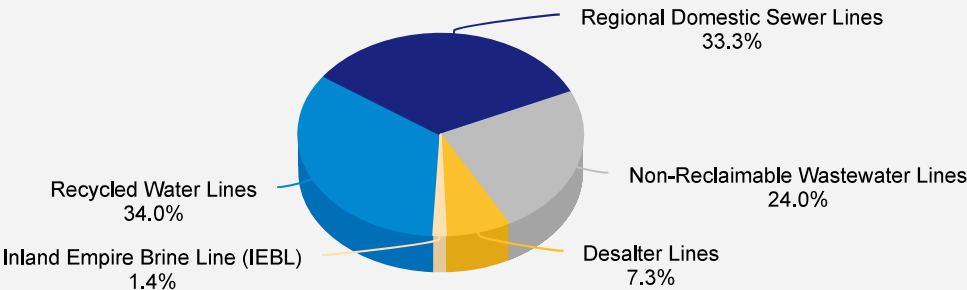
The Agency owns and operates four interconnected wastewater recycling plants. These plants function as a whole, and Agency staff use influent bypass and diversion facilities to route flows between regional plants in order to optimize capacity utilization, and minimize overall pumping and treatment costs.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

Operating Indicators - Pipeline Systems by Program
as of June 30, 2025

Program	Miles of Pipeline	Percentage of Pipelines
Regional Domestic Sewer Lines	89.5	33.3%
Non-Reclaimable Wastewater Lines	64.7	24.0%
Inland Empire Brine Line (IEBL)	3.7	1.4%
Desalter Lines	19.6	7.3%
Recycled Water Lines	91.6	34.0%
Total Miles of Pipeline	269.1	100.00%

Source: Statistics were provided by the Agency's Information Technology Department.

Pipeline Systems by Program
269.1 Miles of Pipeline
as of June 30, 2025



Operating Indicators - FY 2024/25 Staffing Allocations
as of June 30, 2025

Actual Staffing Allocation by Agency Program	FTEs*
Regional Wastewater Operations and Capital Programs	202.6
Recycled Water Programs	36.4
Inland Empire Regional Composting Authority Operations	25.4
Non-Reclaimable Wastewater System Programs	26.1
Chino Basin Desalter Operations and Capital Programs	14.2
Recharge Water Programs	5.0
Water Resources Related Activities and Conservation Programs	19.5
General Administration	1.8
Total Filled FTE Count	331.0
Total Authorized FTE	360.0
Vacancy Factor Percentage	8.1%

Source: Statistics were obtained from the Agency's June 2025 Position Control Report

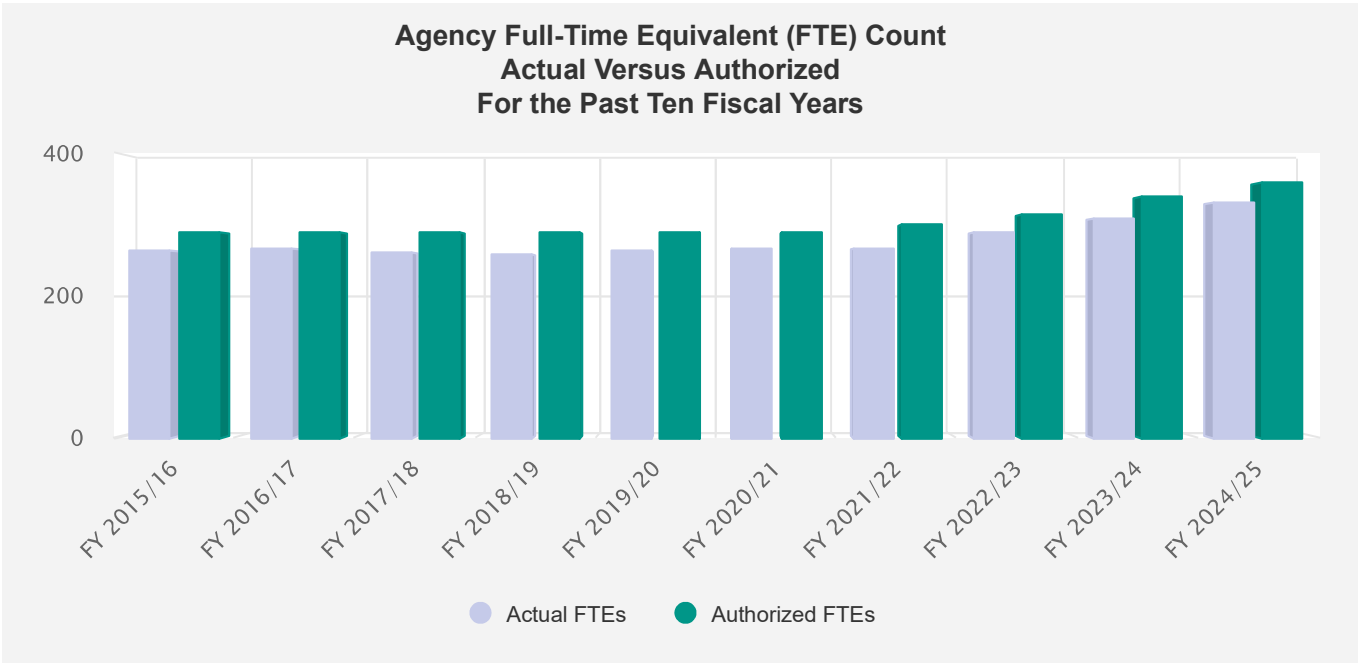
* Full-Time Equivalent

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

Fiscal Year	Actual FTEs*	Authorized FTEs*
2015/16	266	290
2016/17	267	290
2017/18	262	290
2018/19	260	290
2019/20	266	290
2020/21	267	290
2021/22	268	302
2022/23	291	316
2023/24	309	341
2024/25	331	360

Source: Statistics were obtained from the Agency's June 2025 Position Control Report

* Full-Time Equivalent



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

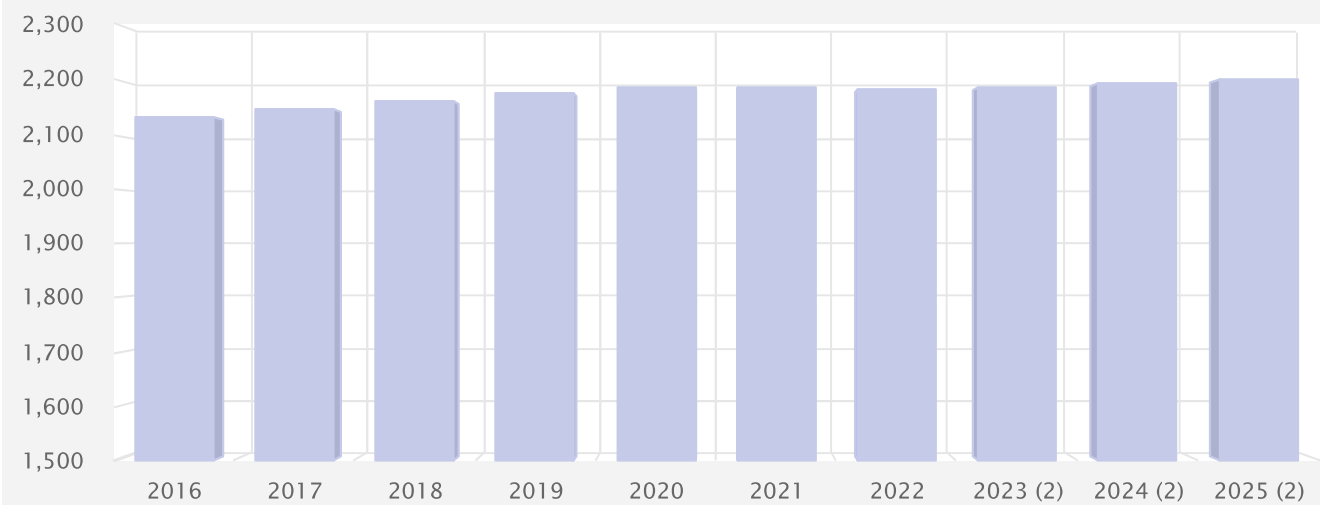
Demographic and Economic Information
Population and Personal Income Statistics
For the Past Ten Years

San Bernardino County ⁽¹⁾			
Year	Population	Personal Income (Billions)	Personal Income (Per Capita)
2016	2,132,121	\$ 78	\$ 45,729
2017	2,147,291	81	45,674
2018	2,160,036	84	45,587
2019	2,174,437	90	46,894
2020	2,185,997	99	50,898
2021	2,186,572	109	53,602
2022	2,182,824	107	49,211
2023 ⁽²⁾	2,185,038	113	49,772
2024 ⁽²⁾	2,193,515	119	50,801
2025 ⁽²⁾	2,201,881	124	51,416

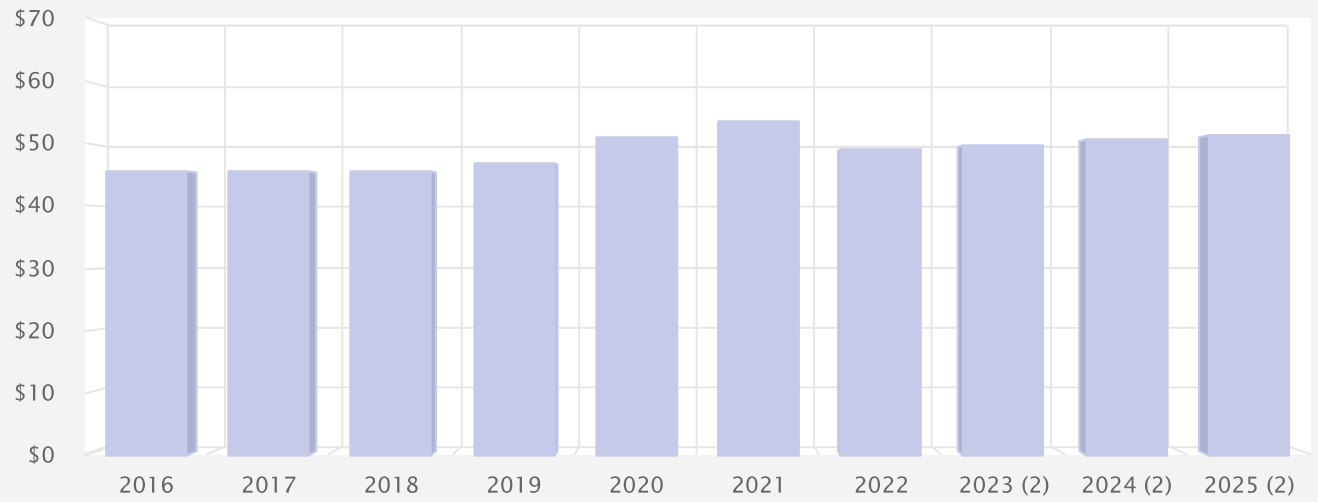
⁽¹⁾ Statistical information derived from the San Bernardino County Economic Forecast 2025. The County data is representative of the conditions and experience of the Agency's service area.

⁽²⁾ Data for Years 2023 - 2025 have been estimated.

San Bernardino County Population
For the Past Ten Years
in Thousands



**San Bernardino County Personal Income (Per Capita)
For the Past Ten Years
Dollars in Thousands**



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

Employer	Location	Approximate Number of Employees
Ontario International Airport	Ontario	5,000-9,999
Inland Empire Health Plan	Rancho Cucamonga	1,000-4,999
Kaiser Medical Center	Fontana	1,000-4,999
Ontario-Montclair School District	Ontario	1,000-4,999
Primary Care Assoc Med Group	Ontario	1,000-4,999
San Antonio Regional Hospital	Upland	1,000-4,999
San Bernardino County Sheriff	Rancho Cucamonga	1,000-4,999

Source: Statistics were obtained from the State of California Employment Development Department.



Ontario International Airport



San Antonio Regional Hospital



Inland Empire Health Plan



Kaiser Medical Center

Appropriations Limit
Fiscal Years Ended June 30, 2021 through 2026

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	242,746,246	79,035,000
2024/25	252,589,605	82,073,200
2025/26	270,038,495	92,444,500

Source: Board Resolution No. 2025-6-2



Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

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