Background

Subject: Adoption of the Agency's Biennial Budget for Fiscal Years (FYs) 2021/22 and 2022/23, and FYs 2022-2031 Ten Year Capital Improvement Plan

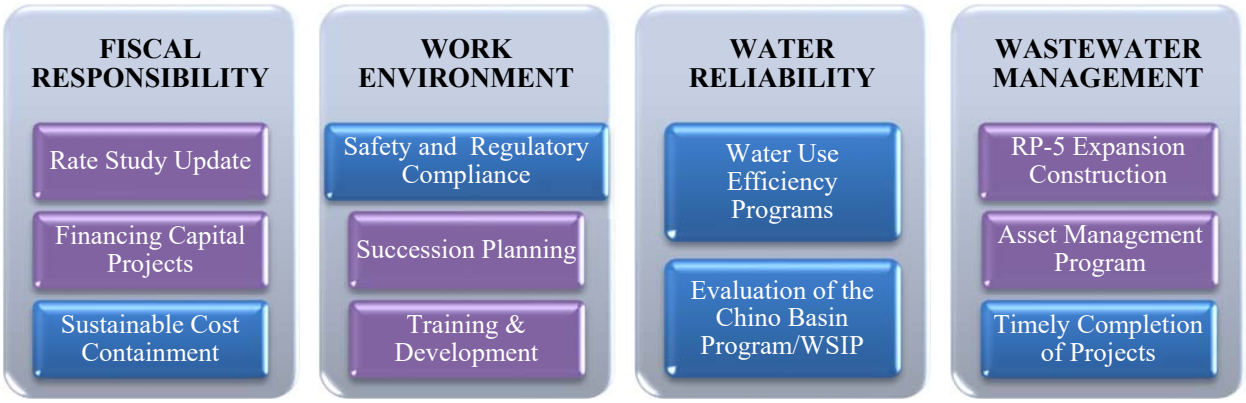
BACKGROUND

The proposed Ten-Year Capital Improvement Plan (TYCIP) for fiscal years (FYs) 2022-2031was presented to the IEUA Board of Directors (Board) on March 3, 2021. The Ten-Year Forecast (TYF) for capital projects specific to the Regional Wastewater and Recycled Water programs was presented to the Regional Technical Committee on March 25, 2021 and the Regional Policy Committee on April 1, 2021. The Regional Policy Committee did not recommend any changes to the planned capital projects included the proposed TYF.

A review of the proposed Biennial Budget for Fiscal Years (FYs) 2021/22 and 2022/23 for the Regional Wastewater and Recycled Water Funds was presented to the Board of Directors on April 21, 2021, the Regional Technical Committee on April 29, 2021, and the Regional Policy Committee on May 6, 2021. No recommendations to the proposed Biennial Budget or Ten-Year Forecast were received from the Regional Technical or Regional Policy Committee. On June 3, 2021 the Regional Policy Committee unanimously recommended approval for the Board of Directors to approve the proposed TYF and Biennial Budget for the Regional Wastewater and Recycled Water programs.

A review of the proposed Biennial Budget for Fiscal Years (FYs) 2021/22 and 2022/23 for Administrative Services, Non-Reclaimable Wastewater, Recharge Water and Water Resources Funds was presented to the Board of Directors on May 19, 2021.

The proposed Biennial Budget for FYs 2021/22 and 2022/23 (Biennial Budget) and the TYCIP for FYs 2022-2031 are consistent with the Agency's long-term planning documents, and the Board-adopted IEUA Business Goals of Fiscal Responsibility, Work Environment, Water Reliability, and Wastewater Management. Some of the key objectives of the proposed Biennial Budget include:



FYs 2021/22 and 2022/23 Key Budget Assumptions

The proposed Biennial Budget and the TYCIP are based on a plan to return to "normal conditions". Other key assumptions include:

- ***Succession planning*** –An increase in staffing from 308 positions (290 authorized full time and 18 limited term employees) to 312 (302 full time and 10 limited term employees) to allow for early recruitment of certain critical positions to preserve institutional knowledge and ensure the sustainable operation of Agency facilities and service to our communities.

- ***Property tax allocation*** –Reallocation of property taxes amongst the Agency funds as presented to the Board of Directors on April 7, 2021, the Regional Technical Committee on April 29, 2021, and the Regional Policy Committee on May 6, 2021. The re-allocation will enhance support to the Regional Wastewater and Recycled Water programs to support planned capital investments and timely upkeep of the Agency facilities and infrastructure.

- ***Cost containment*** – As part of the Agency's ongoing commitment to sustainable cost containment operations and maintenance expenses are relatively stable.

- ***Cost of service*** – Establish and maintain rates that fully recover the cost of providing the Agency services.

- ***Upkeep of Agency assets*** – Continue the transition from "corrective" to "predictive and preventative" maintenance of Agency assets to ensure regulatory compliance, avoid costly corrective maintenance, and effectively meet the Agency's commitment to delivering a high-quality level of service.

- ***Optimize low interest debt and grants***– Continue to secure low-cost financing and grant funding to support capital expansion and improvement of Agency's facilities to meet anticipated growth and increased demand for services.

- ***Transparency*** – Continue to support transparent communication and timely reporting.

FYs 2021/22 & 2022/23 Total Revenues and Other Funding Sources

Total revenues and other funding sources for FY 2021/22 and FY 2022/23 are projected to be $298.5 million and $331.6 million, respectively. FY 2021/22 total revenue is approximately $53.8 million, or fifteen percent, lower than the $352.3 million Amended Budget in FY 2020/21. The decrease is mainly due to a shift to FY 2022/23 of state loan and grant proceeds associated with the Regional Water Recycling Plant No. 5 (RP-5) Solids and Liquid Treatment Expansion (RP-5 Expansion project). The increase in FY 2022/23 is also due to additional state loan proceeds projected for the Recharge Master Plan Update (RMPU) projects. Table 1 compares total revenues and funding sources by major categories for the proposed Biennial Budget to prior fiscal years.

Table 1: Total Revenues and Funding Sources ($ in Millions)

Funding Sources	Actual 2019/20	Amended 2020/21	Biennial Budget 2021/22	Biennial Budget 2022/23
User Charges	$86.3	$88.1	$93.8	$97.8
Property Taxes	55.6	53.9	57.5	58.5
Contract Cost Reimbursement*	11.7	10.2	8.3	9.0
Recycled Water Sales	15.3	16.2	17.3	17.6
Connection Fees	32.3	35.7	37.9	39.0
Imported Potable Water Sales (Pass-Through)	40.8	46.1	47.4	49.8
Debt Proceeds**	207.6	79.6	14.1	49.1
Grants	5.4	14.4	15.5	2.0
Other***	9.5	8.1	6.7	8.8
Total	**$464.5**	**$352.3**	**$298.5**	**$331.6**

** Includes reimbursement from Joint Power Authorities (JPAs), Chino Basin Desalter Authority, Inland Empire Regional Composting Authority, and Chino Basin Watermaster for various joint recharge basin improvement projects.*
***Includes portion of the $196 million in 2020B Note Revenue Bond proceeds ~ $76.4 million & $45.1 million in FY 2021/22 and 2022/23*
**** Includes lease revenues, sale of assets, and inter-fund loans.*
Total may not tie due to rounding

FYs 2021/22 & 2022/23 Total Expenses and Other Uses of Funds

Total expenses and other uses of funds of $454.0 million in FY 2021/22 and $392.2 million in FY 2022/23 include operational, capital, and debt service expenditures for all Agency programs. Total uses of funds in FY 2021/22 are $92.8 million higher when compared to the $361.2 million Amended Budget for FY 2020/21.

Further breakdown of the major uses of fund categories provided in Table 2 show *Capital Improvement Plan (CIP)* increasing from $168.0 million in FY 2020/21 to $258.8 million in FY 2021/22 and $191.4 million in FY 2022/23. Some of the major projects planned over the next two years include: RP-5 Expansion; RP-4 Process Improvements and Primary Clarifier Rehabilitation; continued standardization of the SCADA Enterprise System; completion of the RP-1 Thickening Building and Acid Phase Digester; replacement and rehabilitation (R&R) projects; and process improvements at various facilities, including RP-1, RP-4 and the Carbon Canyon Water Recycled Facility (CCWRF).

Annual *debt service costs* include principal, interest and financial expenses related to the 2017A Revenue Refunding, 2020A Revenue Refunding and 2020B Revenue Notes; State Revolving Fund (SRF) loans; and inter-fund loans. Debt service is estimated to be $22.5 million in FY 2021/22 and $24.8 million in FY 2022/23.

Employment costs, (net of the allocation to support CIP), for FY 2021/22 are projected to be $54.5 million, four percent or $2.3 million higher than FY 2020/21. The FY 2021/22 and FY 2022/23 proposed employment budget includes a projected cost of living adjustment (COLA) of three percent and an annual contribution of $4.5 million toward the Agency's retirement unfunded

accrued liability (UAL). In the last seven years, an average of almost 10 employees have retired each year. The trend is steadily increasing with 13 retirements in FY 2019/20. Today, 25 percent of full-time employees (FTEs) are eligible to retire. The number jumps to 41 percent by 2025. Collectively, these employees have hundreds of years of expertise and vast institutional knowledge that will take years to replace. To secure the critical resources needed to support continuity of critical Agency operations through the ability to engage in the necessary succession planning over the next five years, an increase in total staffing from 308 (290 FTEs + 18 LTs) to 312 (302 FTEs + 10 LTs) is included in the Biennial Budget.

A primary driver for the increase in *operational expenses* from $113.2 million in amended budget in FY 2020/21 to $118.2 million and $119.2 million in FYs 2021/22 and 2022/23, respectively, is the increase in electricity rates from Southern California Edison, higher professional fees and contract services, and higher purchases of pass-through imported water from Metropolitan Water District of Southern California (MWD). A summary of the major uses of funds categories is provided in Table 2.

Table 2: Total Expenses and Uses of Funds ($ in Millions)

Uses of Funds	Actual 2019/20	Amended 2020/21	Biennial Budget 2021/22	Biennial Budget 2022/23
Employment	$49.4	$52.2	$54.5	$56.8
Operational Expenses*	101.4	113.2	118.2	119.2
CIP**	53.1	168.0	258.8	191.4
Debt Service	26.8	27.8	22.5	24.8
Total	**$230.7**	**$361.2**	**$454.0**	**$392.2**

**Includes chemicals, utilities, office & administration, biosolids, materials and supplies, operating contribution to RCA biosolids recycling, professional fees, and operating fees.*
***Includes expense for CSDLAC 4Rs*
Total may not tie due to rounding

FYs 2022 – 2031 Ten Year Capital Improvement Plan (TYCIP)

The FYs 2022-2031 TYCIP is consistent with the IEUA Business Goals of Water Reliability, Wastewater Management and Environmental Stewardship. Capital projects outlined in the TYCIP support the initiatives defined in the Agency's long-term planning documents, amongst them the Facilities Master Plan, Recycled Water Program Strategy, Energy Management Plan, and Asset Management Plan.

The proposed TYCIP of $927.4 million is comprised of $841.6 million (91 percent) of capital projects and $85.8 million of non-capital (O&M) projects. Execution of critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements remains one of the primary focus of the TYCIP. Another key area is improvement and expansion of existing facilities and infrastructure to meet future growth forecasted by member agencies. Major projects include the RP-5 Expansion, RP-1 Thickening Building and Acid Phase Digester, Asset Management Projects, Philadelphia Lift Station Force Main Improvement, and Recharge Master Plan Update. The TYCIP is funded by a combination of pay-go, low interest federal and state loans, grants, and contributions.

Table 3: TYCIP by Fund ($ in Millions)

Fund ($ Millions)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 through 2030/31	TOTAL
Wastewater Capital*	$201.3	$153.9	$96.6	$49.6	$21.8	$87.3	$610.5
Wastewater Operations**	23.2	13.8	18.2	12.0	11.7	61.5	140.4
Recycled Water	3.7	6.3	3.0	4.1	5.8	45.3	68.2
Non-Reclaimable Wastewater	18.9	7.0	1.2	0.8	1.0	3.8	32.7
Water Resources	7.7	7.4	2.4	2.4	2.1	10.3	32.3
Recharge Water	12.0	8.7	0.8	0.5	0.5	2.5	25.0
Administrative Services	3.6	2.1	1.9	2.9	1.3	6.5	18.3
Total	**$270.4**	**$199.2**	**$124.1**	**$72.3**	**$44.2**	**$217.2**	**$927.4**

** Regional Wastewater Capital Improvement Fund (excludes $8.5 million capital investment to the Inland Empire Regional Composting Authority*
*** Regional Wastewater Operations & Maintenance Fund*
Total may not tie due to rounding

FYs 2021/22 & 2022/23 Inter-Fund Loans

The Recycled Water fund has inter-fund loans outstanding in the amount of $19.5 million. The annual interfund loan repayment, which began in FY 2018/19, will first be applied to the $6 million due to the Non-Reclaimable Wastewater fund. Payments towards the $13.5 million due to the Regional Wastewater Capital Improvement fund are budgeted to begin in FY 2022/23. The final re-payment of inter-fund loans is scheduled for FY 2024/25 as shown in Table 4.

Table 4: Summary of Inter-Fund Loans ($ in Millions)

Inter Fund Loans Issued	Due to	Fiscal Year To Be Paid	Loan Amount To Be Paid ($Millions)
FY 2007/08	Regional Wastewater Capital (RC) Fund	2022/23 2023/24 2024/25	$1.0 $1.0 $1.0
FY 2009/10	Non-Reclaimable Wastewater (NRW) Fund	2021/22 2122/23	$3.0 $3.0
FY 2014/15	Regional Wastewater Capital Improvement (RC) Fund	2022/23 2023/24 2024/25	$1.0 $5.0 $4.5
Total	**Grand Total**		**$19.5**

Debt Service

Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans, notes, and inter-fund loans. Debt service is estimated to be $22.5 million in FY 2021/22 and $24.8 million in FY 2022/23.

Total outstanding debt, excluding inter-fund loans, at end of FY 2021/22 is approximately $443.0 million comprised of $326.3 million in bond indentures, $113.1 million in SRF loans, and $3.6 million in other notes payable. Total outstanding debt, at the end of FY 2022/23 is projected at $423.6 million, comprised of $313.6 million in bond indentures, $107.0 million in SRF loans, and $3.0 million in other notes payable.

Aggregate capital expenditures of $841.6 million over the next 10 years will require new borrowings of approximately $260.9 million. New debt is assumed to be a combination of new bonds, SRF loans and a second Water Infrastructure Finance and Innovation Act (WIFIA) loan. Interim financing notes may also be used if it results in cost savings or to provide needed funding should the State Water Resources Control Board encounter delays in issuing SRF loan agreements. Further refinement of capital investments and funding needs will be done as part of the Agency's Long-Range Plan of Finance update.

Debt Coverage Ratio (DCR)

The Debt Coverage Ratio (DCR) is the measurement of an entity's ability to generate enough cash to cover debt payments (principal payments and related interest) and serves as a critical financial measure in determining its overall credit rating. DCR also affects an entity's market accessibility for future borrowings and the associated costs.

Current bond covenants require the Agency to maintain a minimum total DCR of 1.25 times (x) or higher on total outstanding debt. The Agency has no legal debt limits imposed by state legislation. As indicated in Table 5, the projected upward trend of the Agency's DCR through FY 2021/22 is driven by a combination of projected higher system revenues and the refinancing and repayment of the 2010A Revenue Bonds, and certain SRF Loans in June 2020.

Table 5: Projected Debt Coverage Ratio

	Actual 2019/20	Amended 2020/21	Proposed 2021/22	Proposed 2022/23	Forecast 2023/24	Forecast 2024/25
DCR	4.35x	3.39x	4.62x	4.78x	4.80x	4.60x

Reserves

Total reserves represent a fund's net position and are a strong indicator of the Agency's financial health. In addition to calculating fund reserves at the Agency-wide level, reserves are also maintained for each Agency fund. The aggregate ending fund balance in FY 2021/22 is estimated to be $295.6 million, an increase of $54.3 million compared to the amended budget for FY 2020/21 projected ending fund balance of $241.3 million, and $235.0 million for FY 2022/23. One of the main drivers of the budget is the implementation of the capital program with the execution of

critical projects, like the RP-5 Expansion, supported with low interest federal and state loans as the main financing strategy. Table 6 shows the projected net changes in fund reserves and the estimated ending balances through FY 2022/23.

Table 6: Total Estimated Ending Fund Balance ($ in Millions)

Description	Actual 2019/20	Amended 2020/21	Biennial Budget 2021/22	Biennial Budget 2022/23
Net Increase (Decrease) in Fund Balance	$233.8	($8.9)	($155.5)	($60.6)
Beginning Fund Balance, July 1	$252.8	250.2	451.1	295.6
Ending Fund Balance, June 30	**$486.6**	**$241.3**	**$295.6**	**$235.0**

Conclusion

The FYs 2021/22 & 2022/23 Biennial Budget and the FYs 2022-2031 TYCIP are based on a plan to return to "normal conditions. One of the main drivers of the Biennial Budget is the implementation of the TYCIP with the execution of critical projects, like the RP-5 Expansion, supported with low interest federal and state loans as the main financing strategy. During this period, the Agency will work to complete the evaluation of the Recycled Water rate structure to support a sustainable program and the Return to Sewer Study to develop an updated EDU methodology which is the basis for the monthly sewer rate and the wastewater connection fee. The Biennial Budget also supports the early recruitment of critical positions to allow for the preservation of institutional knowledge and ensure the sustainable operation of Agency facilities and service to our communities. The Agency will continue to focus on the execution of critical expansion and replacement and rehabilitation (R&R) projects, including continued evaluation of the Chino Basin Program/ Water Storage Investment Program (CBP/WSIP) project to secure funding of the $212 million Prop 1 conditional award from the California Water Commission. Achieving these objectives will ensure the Agency is positioned to continue its commitment to delivering essential high-quality services in a cost- effective manner, supporting the region's economic development and maintaining the Agency's fiscal health.

Attached in the Appendix are the Sources and Uses of Funds reports for all the Agency's program funds and rate resolutions for Agency's service fees and charges.

Additional Information:

- Appendix A1 – Adopted Multi-Year Rates and Effective Dates
- Appendix A2 – Key Assumptions for the FYs 2021/22 and 2022/23 Biennial Budget
- Appendix B – FY 2021/22 and FY 2022/23 Non-Reclaimed Fund Proposed Budget and Rates
- Appendix C1 – Budget Summary of FYs 2021/22 and 2022/23
- Appendix C2 – Consolidated Fund Budget, FYs 2018/19 to FYs 2025/26
- Appendix C3 – Consolidated Fund Budget by Fund

- Appendix D1-D7 – Program Fund Budget (Regional Wastewater Capital Improvements, Regional Wastewater Operations and Maintenance, Recycled Water, Recharge Water, Water Resources, Non-Reclaimable Wastewater, and Administrative Services Funds)
- Appendix D8 – Ten Year Capital Improvement and Non-Capital Projects

Rate Resolutions:

2021-6-15	Budget Adoption
2021-6-1	Regional Rate for Wastewater Discharge
2021-6-2	NRWS Etiwanda Wastewater Line (EWL) Rate
2021-6-3	NRWS LACSD Rate for Volumetric and Strength Charges
2021-6-4	NRWS Inland Empire Brine Line (IEBL) Rate
2021-6-5	Laboratory Fees
2021-6-6	Extra Territorial Sewer Service Charges
2021-6-7	Establishing Imported Water Rates
2021-6-8	Equipment Rental Rate

Appendix A1: Adopted Multi-Year Rates and Effective Dates

Regional Wastewater Volumetric EDU

	FY 2020/21 Adopted	FY 2021/22 Adopted	FY 2022/23 Projected	FY 2023/24 Projected	FY 2024/25 Projected
EDU Volumetric Rate	$20.00	$21.22	$22.07	$22.95	$23.87
Rate Change	$0	$1.22	$0.85	$0.88	$0.92
Effective Date	7/01/20	7/01/21	To be reviewed based on sewer use evaluation results		

Regional Wastewater Connection Fees

Rate Description	FY 2020/21 Adopted	FY 2021/22 Adopted	FY 2022/23 Projected	FY 2023/24 Projected	FY 2024/25 Projected
Projected New Connections	4,000	4,000	4,000	4,000	4,000
Wastewater Connection Fee	$6,955	$7,379	$7,600	$7,828	$8,063
Rate change	0%	3%	3%	3%	3%
Effective Date	7/01/20	7/01/21	To be reviewed based on sewer use evaluation results		

Water Connection Fees

Rate Description	FY 2020/21 Adopted	FY 2021/22 Adopted	FY 2022/23 Adopted	FY 2023/24 Adopted	FY 2024/25 Adopted
Projected Meter Equivalent Units (MEUs)	4,700	4,700	4,700	4,700	4,700
One Water Connection Fee (for 5/8" and 3/4" meter size)	$1,684	$1,787	$1,841	$1,896	$1,953
Effective Date	7/01/20	7/01/21	7/01/22	7/01/23	7/01/24

Recycled Water Rates

Rate Description	FY 2020/21 Adopted	FY 2021/22 Adopted	FY 2022/23 Projected	FY 2023/24 Projected	FY 2024/25 Projected
Projected Acre Feet (AF)	33,200	32,000	32,000	32,000	32,000
Direct AF Rate	$490	$520	$530	$540	$550
Groundwater Recharge AF Rate	$550	$580	$590	$600	$610
Effective Date	7/01/20	7/01/21	To be determined after additional evaluation to ensure long-term program sustainability.		

Water Rates

Fiscal Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
*RTS TYRA 7YR	15%	30%	45%	60%	75%	90%	100%
**MEU rate: $/MEU	$0.90	$0.95	$0.99	$1.04	$1.04	$1.08	$1.10

* RTS TYRA – Readiness to Serve Ten Year Rolling Average, consistent with MWD cost allocation methodology.
** MEU – Meter Equivalent Unit size 5/8" or '3/4".

Appendix A2: Key Assumptions for the FYs 2021/22 & 2022/23 Biennial Budget

Revenues and Other Funding Sources	Expenses and Other Uses of Funds
2% average growth in property tax receipts. The property tax allocated to Regional Capital fund remains at 65% of total property tax. Effective FY 2021/22, allocation from "fixed amount" to "fixed percentage" of the total property tax receipts will change for Regional O&M at 23%, Recycled Water at 4%, Water Fund at 3.5% and Administrative Service at 4.5%.	302 authorized FTE – assumes vacancy factor of 5% for FY 2021/22 and 3% for FY 2022/23 to support succession plan
4,000 new wastewater connections per year	Addition of several major construction projects within the next two-year period
4% increase in EDU rate and 3.4 million volumetric EDU @ 0.50% annual growth starting in FY 2022/23	3% average CPI for O&M expenses
32,000 AF recycled water deliveries for FYs 2021/22 and 2022/23	Leverage professional services to achieve effective maintenance approach
4,700 new water connections (MEU) for FYs 2021/22 and 2022/23	
60,000 AF pass through sales of MWD imported water for FYs 2021/22 and 2022/23	
Capital Improvement Plan (CIP) partially funded by low interest federal and state loans, interim financing, and grants	
Reimbursement from CDA and IERCA for labor and O&M expenses.	

Appendix B: FYs 2021/22 and FY 2022/23 Non-Reclaimable Wastewater Fund Proposed Budget and Rates

The Non-Reclaimable Wastewater (NRW) fund records the transactions for the capital and operating costs associated with the Agency's non-reclaimable wastewater system sewer lines, interceptors, and appurtenant facilities.

The Non-Reclaimable Wastewater program has total budgeted revenues and other funding sources of $24.9 million and $21.6 million for FYs 2021/22 and 2022/23, respectively. The primary funding source for the Non-Reclaimable Wastewater fund are the pass-through rates from the Los Angeles County Sanitation Districts (LACSD) for the north Non-Reclaimable Wastewater System (NRWS) and the Santa Ana Watershed Project Authority (SAWPA) for the south system, Inland Empire Brine Line (IEBL). Pass-through rates, established in 2005, are used to recover costs more equitably from north and south customers, as well as provide a more sustainable financing structure for the fund.

In addition to the pass-through rates which fully recover operating and capital costs from LACSD and SAWPA, the Agency collects agency program charges based on the number of capacity units from the NRW industries in the north system. A 50 percent operating surcharge on the volumetric, capacity, and strength charges for non-recycled water users is collected from NRW industries in the south system. Program charges and the operating surcharge support program costs.

For board review and approval are the FY 2021/22 pass-through rates of Los Angeles County Sanitation Districts (LACSD) for the north NRWS and the Santa Ana Watershed Project Authority (SAWPA) for the south IEBL. Both rates are effective July 1, 2021 as listed in Table B-1.

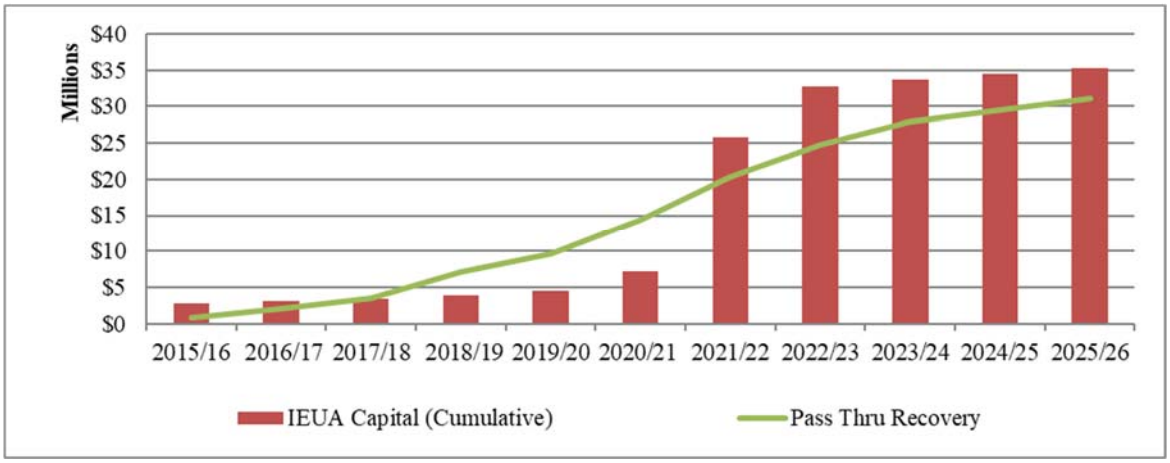
Table B-1: NRW Proposed Program Rates – North and South Systems

Rate Description	Current FY 2020/21	Proposed FY 2021/22
NRWS System	**13,457 CU**	**13,362 CU**
Flow/mg	$940	**$984**
COD/klb	$166	**$174**
TSS/klb	$470	**$492**
Peak/gpm	$357	**$373**
CU Purchase	$4,172	**$4,172**
CU Lease	$208.60/CU/Yr.	**$208.60/CU/Yr.**
IEBL System	**Current FY 2020/21**	**Proposed FY 2021/22**
Capacity/cu	$418.67	**$435.43**
Flow/mg	$979.00	**$1,018.00**
BOD/klb	$316.00	**$329.00**
TSS/klb	$422.00	**$460.00**

A total of $18.5 million in capital project costs is budgeted in FY 2021/22 and $6.9 million is projected in FY 2022/23. In FY 2015/16 the Agency began recovering its previously deferred

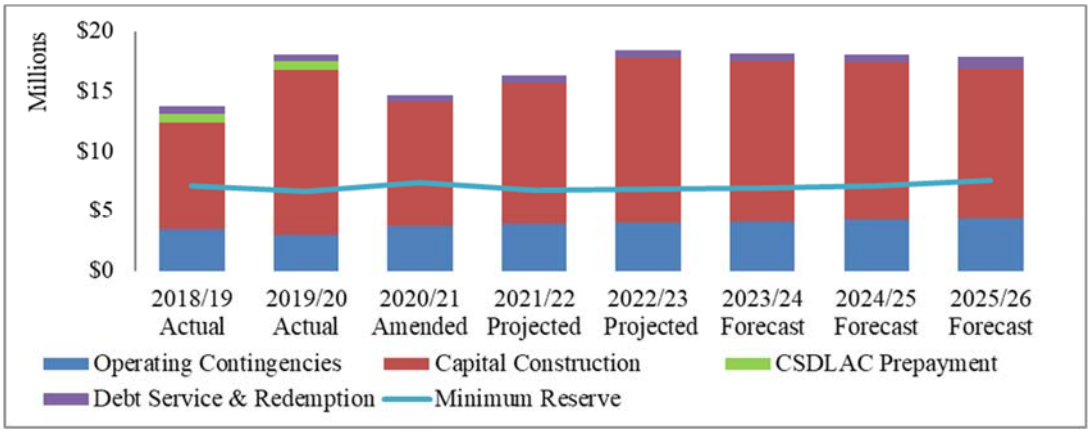
capital costs. Recovery of these costs was approved by the Board of Directors to mitigate the upward pressure on rate adjustments to Non-Reclaimable Wastewater program customers. Due to increasing capital expenditures in FYs 2021/22 and 2022/23 full recovery of the Agency's capital cost is not projected to be reached in until FY 2029/30. Pass through recovery of capital expenditures is shown in Table B-2.

Table B-2: Recovery of Cumulative Capital Expenditures



The Non-Reclaimable Wastewater ending fund balance in FY 2021/22 is estimated to be $16.3 million and $18.4 million for FY 2022/23. The increased reserve balance in FY 2022/23 as shown in Figure B-3, can be attributed to a combination of decreasing capital costs and the repayment of the inter-fund loan from the Recycled Water fund. A total of $15 million of inter-fund loans have been issued to the Recycled Water fund. Annual repayments from the Recycled Water fund began in FY 2018/19 with final payment scheduled in FY 2022/23.

Figure B-3: NRW Fund Estimated Ending Fund Balance



Appendix C1: Budget Summary of FYs 2021/22 and 2022/23 ($ Millions)

Fiscal Year	Actual 2019/20	Amended 2020/21	Biennial Budget 2021/22	Biennial Budget 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
Operating Revenues	$155.7	164.2	172.0	178.7	$185.9	$193.0	$199.5
Operating Expense	150.8	165.4	172.7	176.0	184.5	190.3	194.6
Operating Net Increase (Decrease)	**$4.9**	**($1.2)**	**($0.7)**	**$2.7**	**$1.4**	**$2.7**	**$4.9**
Other Sources of Funds	308.8	188.1	126.5	152.9	247.0	161.1	306.2
Debt Service	26.8	27.8	22.5	24.8	25.8	26.8	224.0
Capital Program	53.1	168.0	258.8	191.4	115.6	63.4	36.6
Non-Operating Increase (Decrease)	**$228.9**	**($7.7)**	**($154.8)**	**($63.3)**	**$105.6**	**$70.9**	**$45.6**
Total Increase (Decrease)	$233.8	($8.9)	($155.5)	($60.6)	$107.0	$73.6	$50.5
Beginning Fund Balance	252.8	250.2	451.1	295.6	235.0	342.0	415.6
Ending Fund Balance	**$486.6**	**$241.3**	**$295.6**	**$235.0**	**$342.0**	**$415.6**	**$466.1**

Totals may not tie due to rounding

Appendix C2: Consolidated Fund Budget FYs 2014/15 to FY 2021/22

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 AND 2022/23 BIENNIAL BUDGET
ALL FUNDS - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019 ACTUAL	2019/2020 ACTUAL	2020/2021 AMENDED BUDGET	2021/2022 PROPOSED BUDGET	2022/2023 PROPOSED BUDGET	FY 2023/24 FORECAST	FY 2024/25 FORECAST	FY 2025/26 FORECAST
REVENUES								
User Charges	$84,814	$86,348	$88,135	$93,769	$97,792	$101,614	$105,744	$110,028
Property Tax - O&M	1,972	1,972	1,972	2,587	2,630	2,674	2,719	2,765
Cost Reimbursement from JPA	6,019	6,658	7,058	6,988	7,151	7,479	7,710	7,947
Contract Cost reimbursement	1,826	454	850	541	323	323	323	323
Interest Revenue	4,354	4,220	3,883	3,380	3,428	3,252	3,362	3,270
Recycled Water Sales	13,902	15,349	16,155	17,290	17,610	17,962	18,564	18,916
Water Sales	45,519	40,768	46,092	47,412	49,848	52,560	54,636	56,208
TOTAL REVENUES	**$158,407**	**$155,769**	**$164,144**	**$171,966**	**$178,782**	**$185,864**	**$193,058**	**$199,456**
OTHER FINANCING SOURCES								
Property Tax - Debt , Capital, Reserves	$51,068	$53,641	$51,963	$54,899	$55,818	$56,753	$57,704	$58,674
Connection Fees	28,352	32,307	35,735	37,913	39,052	40,223	41,430	42,581
Debt Proceeds	0	196,436	0	6,159	17,406	33,046	31,000	198,508
State Loans	4,892	11,213	79,647	7,975	31,731	108,988	23,750	4,776
Grants	2,125	5,403	14,432	15,484	2,017	120	10	10
Capital Contract Reimbursement	892	4,564	2,252	799	1,556	1,531	1,373	1,374
Other Revenues	1,136	2,173	1,112	308	308	308	308	308
Sale of Capacity	0	1,035	0	0	0	0	0	0
Loan Transfer from Internal Fund	3,000	2,000	3,000	3,000	5,000	6,000	5,500	0
TOTAL OTHER FINANCING SOURCES	**$91,465**	**$308,773**	**$188,141**	**$126,538**	**$152,888**	**$246,968**	**$161,075**	**$306,231**
TOTAL REVENUES AND OTHER FINANCING SOURCES	**$249,872**	**$464,542**	**$352,285**	**$298,504**	**$331,670**	**$432,831**	**$354,133**	**$505,687**
EXPENSES								
Employment Expense	$44,324	$49,423	$52,190	$54,521	$56,781	$58,788	$60,780	$62,788
Contract Work/Special Projects	10,100	16,799	15,872	12,667	8,528	9,252	9,553	8,367
Utilities	8,274	7,818	10,159	12,915	14,560	14,993	15,439	15,898
Operating Fees	12,354	11,347	12,727	13,017	13,397	13,790	14,170	14,583
Chemicals	4,664	5,195	5,147	6,144	6,328	6,518	6,713	6,915
Professional Fees and Services	8,120	9,275	10,925	13,839	13,829	15,646	15,672	16,273
Office and Administrative Expense	1,610	1,322	2,908	2,000	2,229	1,994	2,123	2,022
Biosolids Recycling	4,335	4,633	4,551	4,764	4,907	5,054	5,206	5,362
Materials & Supplies	3,039	3,297	3,023	2,556	2,618	2,627	2,735	2,801
MWD Water Purchases	45,519	40,480	46,092	47,412	49,848	52,560	54,636	56,208
Other Expenses	1,177	1,221	1,722	2,906	2,958	3,268	3,243	3,380
TOTAL EXPENSES	**$143,516**	**$150,810**	**$165,317**	**$172,740**	**$175,983**	**$184,490**	**$190,270**	**$194,596**
(Continued from previous page)								
CAPITAL PROGRAM								
CSDLAC 4Rs	$705	$737	$0	$0	$0	$0	$0	$0
IERCA investment	0	0	500	1,000	750	750	750	750
Capital Construction & Expansion	55,622	52,331	167,539	257,762	190,683	114,813	62,696	35,879
TOTAL CAPITAL PROGRAM	**$56,327**	**$53,068**	**$168,039**	**$258,762**	**$191,433**	**$115,563**	**$63,446**	**$36,629**
DEBT SERVICE								
Financial Expenses	$323	$481	$362	$37	$36	$37	$46	$41
Interest	6,951	8,125	6,699	7,169	6,629	5,832	6,491	10,507
Principal	15,911	16,245	17,780	12,246	13,177	13,955	14,761	213,414
Short Term Inter-Fund Loan	3,000	2,000	3,000	3,000	5,000	6,000	5,500	0
TOTAL DEBT SERVICE	**$26,185**	**$26,850**	**$27,841**	**$22,452**	**$24,842**	**$25,824**	**$26,797**	**$223,962**
FUND BALANCE								
Net Increase (Decrease)	$23,845	$233,813	($8,912)	($155,450)	($60,589)	$106,954	$73,619	$50,500
Beginning Fund Balance July 01	$228,955	$252,800	$250,261	$451,086	$295,636	$235,048	$342,002	$415,621
ENDING BALANCE AT JUNE 30	**$252,800**	**$486,613**	**$241,349**	**$295,636**	**$235,048**	**$342,002**	**$415,621**	**$466,121**
RESERVE BALANCE SUMMARY								
Operating Contingencies	$35,346	$38,891	$41,806	$44,273	$44,721	$46,912	$48,439	$51,056
Capital Expansion & Replacement	24,540	24,017	34,855	24,213	14,471	130,256	169,980	173,393
CCRA Capital Construction	66,474	90,733	73,114	33,067	33,467	49,778	72,029	93,248
Water Connection	14,615	18,311	16,548	23,285	22,137	20,334	19,779	22,742
Rehabilitation/Replacement	31,316	41,004	10,265	10,736	10,736	10,736	10,736	11,236
CSDLAC Prepayment	705	737	0	0	0	0	0	0
Water Resource Capital	8,831	13,489	14,515	12,494	10,308	11,836	13,387	15,415
Debt Service & Redemption	26,831	224,905	28,433	99,405	49,511	24,545	30,775	37,709
Self Insurance Program	4,578	3,301	3,000	3,987	4,141	4,240	3,881	5,322
Employee Retirement Benefit	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Sinking Fund	33,566	25,226	12,815	38,176	39,555	37,364	40,614	50,000
ENDING BALANCE AT JUNE 30	**$252,800**	**$486,613**	**$241,349**	**$295,636**	**$235,048**	**$342,002**	**$415,621**	**$466,121**

**Numbers may not total due to rounding*

Appendix C3: Consolidated Fund Budget by Fund

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 AND 2022/23 BIENNIAL BUDGET
SOURCES AND USES OF FUNDS - BY PROGRAM FUND (In Thousands)

	2018/2019	2019/2020	2020/2021	FY 2021/22 PROPOSED BUDGET								FY 2022/23
	ACTUAL	ACTUAL	AMENDED	Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	TOTAL PROPOSED FY 2021/22	PROPOSED BUDGET
REVENUES												
User Charges	$84,814	$86,348	$88,135	$0	$12,669	$0	$72,924	$0	$0	$8,176	$93,769	$97,792
Property Tax	1,972	1,972	1,972	2,587	0	0	0	0	0	0	2,587	2,630
Cost Reimbursement JPA	6,019	6,658	7,058	1,459	0	0	4,461	1,067	0	0	6,988	7,151
Contract Cost reimbursement	1,826	454	850	0	0	0	75	0	0	466	541	323
Interest Revenue	4,354	4,220	3,883	215	540	592	1,200	100	533	200	3,380	3,428
Recycled Water Sales	13,902	15,349	16,155	0	0	0	0	0	17,290	47,412	64,702	17,610
Water Sales	45,519	40,768	46,092	0	0	0	0	0	0	0	0	49,848
TOTAL REVENUES	**$158,407**	**$155,769**	**$164,144**	**$4,261**	**$13,209**	**$592**	**$78,660**	**$1,167**	**$17,823**	**$56,254**	**$171,966**	**$178,782**
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	$51,068	$53,641	$51,963	$0	$0	$37,366	$13,222	$0	$2,299	$2,012	$54,899	$55,818
Regional System Connection Fees	28,352	32,307	35,735	0	0	29,514	0	0	8,399	0	37,913	39,052
Debt Proceeds	0	196,436	0	0	5,398	761	0	0	0	0	6,159	17,406
State Loans	4,892	11,213	79,647	0	0	0	0	7,975	0	0	7,975	31,731
Grants	2,125	5,403	14,432	0	0	0	5,793	9,536	0	155	15,484	2,017
Capital Cost Reimbursement	892	4,564	2,252	0	0	0	0	707	92	0	799	1,556
Other Revenues	1,136	2,173	1,112	2	225	1	80	0	0	0	308	308
Sale of Capacity	0	1,035	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	3,000	2,000	3,000	0	3,000	0	0	0	0	0	3,000	5,000
TOTAL OTHER FINANCING SOURCES	**$91,465**	**$308,773**	**$188,141**	**$2**	**$8,623**	**$67,643**	**$19,095**	**$18,219**	**$10,790**	**$2,167**	**$126,538**	**$152,888**
TOTAL REVENUES AND OTHER FINANCING SOURCES	**$249,872**	**$464,542**	**$352,285**	**$4,263**	**$21,832**	**$68,234**	**$97,755**	**$19,386**	**$28,613**	**$58,421**	**$298,504**	**$331,670**
EXPENSES												
Employment Expenses	$44,324	$49,423	$52,190	$1,578	$3,185	$4,016	$35,662	$830	$6,034	$3,214	$54,521	$56,781
Contract Work/Special Projects	10,100	16,799	15,872	1,477	350	0	6,942	0	1,215	2,683	12,667	8,528
Utilities	8,274	7,818	10,159	882	112	0	8,283	85	3,554	0	12,915	14,560
Operating Fees	12,354	11,347	12,727	36	7,015	281	2,404	8	10	3,263	13,017	13,397
Chemicals	4,664	5,195	5,147	0	140	0	6,004	0	0	0	6,144	6,328
Professional Fees and Services	8,120	9,275	10,925	5,857	351	654	4,233	1,123	1,322	299	13,839	13,829
Office and Administrative expenses	1,610	1,322	2,908	1,914	25	0	3	16	38	4	2,000	2,229
Biosolids Recycling	4,335	4,633	4,551	0	31	0	4,733	0	0	0	4,764	4,907
Materials & Supplies	3,039	3,297	3,023	247	75	0	2,010	114	109	0	2,556	2,618
MWD Water Purchases	45,519	40,480	46,092	0	0	0	0	0	0	47,412	47,412	49,848
Other Expenses	1,177	1,221	1,722	(6,576)	553	1,869	5,170	64	1,382	443	2,906	2,958
TOTAL EXPENSES	**$143,516**	**$150,810**	**$165,317**	**$5,415**	**$11,837**	**$6,820**	**$75,446**	**$2,240**	**$13,664**	**$57,317**	**$172,740**	**$175,983**
CAPITAL PROGRAM												
CSDLAC 4Rs	$705	$737	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
IERCA investment	0	0	500	0	0	1,000	0	0	0	0	1,000	750
Capital Construction and Expansion	55,622	52,331	167,539	2,157	18,525	201,296	16,292	11,969	2,480	5,043	257,762	190,683
TOTAL CAPITAL PROGRAM	**$56,327**	**$53,068**	**$168,039**	**$2,157**	**$18,525**	**$202,296**	**$16,292**	**$11,969**	**$2,480**	**$5,043**	**$258,762**	**$191,433**
DEBT SERVICE												
Financial Expenses	$323	$481	$362	$18	$4	$9	$1	$1	$5	$0	$37	$36
Interest	6,951	8,125	6,699	0	253	2,669	614	397	3,236	0	7,169	6,629
Principal	15,911	16,245	17,780	0	331	4,540	784	559	6,031	0	12,246	13,177
Short Term Inter-Fund Loan	3,000	2,000	3,000	0	0	0	0	0	3,000	0	3,000	5,000
TOTAL DEBT SERVICE	**$26,185**	**$26,850**	**$27,841**	**$18**	**$588**	**$7,219**	**$1,398**	**$957**	**$12,273**	**$0**	**$22,452**	**$24,842**
TRANSFERS IN (OUT)												
Capital Contribution	($0)	($0)	($0)	$1,561	($53)	$7,601	($9,056)	$238	($291)	$0	($0)	$0
Debt Service	(0)	0	0	0	0	(3,138)	114	478	2,546	0	0	0
Operation support	(0)	0	0	1,172	(40)	0	(1,092)	1,173	(1,213)	0	(0)	0
Capital - Connection Fees Allocation	0	0	0	849	3,062	(8,679)	4,769	0	0	0	0	(0)
One Water	0	0	0	52	0	0	0	71	(1,802)	1,678	(0)	0
TOTAL INTERFUND TRANSFERS IN (OU	**($0)**	**$0**	**$0**	**$3,634**	**$2,969**	**($4,217)**	**($5,264)**	**$1,961**	**($760)**	**$1,678**	**($0)**	**$0**
FUND BALANCE												
Net Increase (Decrease)	$23,845	$233,813	($8,912)	$308	($6,150)	($152,318)	($645)	$6,181	($564)	($2,261)	($155,450)	($60,589)
Beginning Fund Balance July 01	228,955	252,800	250,261	12,386	22,445	275,709	73,118	3,246	43,416	20,766	451,086	295,636
ENDING BALANCE AT JUNE 30	**$252,800**	**$486,613**	**$241,349**	**$12,694**	**$16,295**	**$123,392**	**$72,472**	**$9,427**	**$42,851**	**$18,504**	**$295,636**	**$235,048**
RESERVE BALANCE SUMMARY												
Operating Contingencies	$35,346	$38,891	$41,806	$2,707	$3,946	$2,273	$23,662	$1,120	$4,555	$6,010	$44,273	$44,721
Capital Expansion & Replacement	24,540	24,017	34,855	0	11,761	1,449	0	6,800	4,203	0	24,213	14,471
CCRA Capital Construction	66,474	90,733	73,114	0	0	33,067	0	0	0	0	33,067	33,467
Water Connection	14,615	18,311	16,548	0	0	0	0	0	23,285	0	23,285	22,137
Rehabilitation/Replacement	31,316	41,004	10,265	0	0	0	9,236	0	1,500	0	10,736	10,736
CSDLAC Prepayment	705	737	0	0	0	0	0	0	0	0	0	0
Water Resource Capital	8,831	13,489	14,515	0	0	0	0	0	0	12,494	12,494	10,308
Debt Service & Redemption	26,831	224,905	28,433	0	588	86,603	1,398	1,507	9,309	0	99,405	49,511
Self Insurance Program	4,578	3,301	3,000	3,987	0	0	0	0	0	0	3,987	4,141
Employee Retirement Benefit	6,000	6,000	6,000	6,000	0	0	0	0	0	0	6,000	6,000
Sinking Fund	33,566	25,226	12,815	0	0	0	38,176	0	0	0	38,176	39,555
ENDING BALANCE AT JUNE 30	**$252,800**	**$486,613**	**$241,349**	**$12,694**	**$16,295**	**$123,392**	**$72,472**	**$9,427**	**$42,851**	**$18,504**	**$295,636**	**$235,048**

*Numbers may not total due to rounding

Appendix D-1: Regional Wastewater Capital Improvement Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 & 2022/23 BIENNIAL BUDGET
REGIONAL WASTEWATER CAPITAL IMPROVEMENT FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/22	2022/23	2023/24	2024/25	2025/26
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Interest Revenue	$838	$836	$826	$592	$700	$838	$721	$436
TOTAL REVENUES	**$838**	**$836**	**$826**	**$592**	**$700**	**$838**	**$721**	**$436**
OTHER FINANCING SOURCES								
Property Tax - Debt and Capital	$34,476	$36,148	$35,058	$37,366	$37,991	$38,628	$39,275	$39,935
Regional System Connection Fees	22,435	24,259	27,820	29,514	30,400	31,312	32,251	33,219
Debt Proceeds	0	196,436	0	761	13,807	33,046	31,000	198,508
State Loans	0	0	65,293	0	30,906	108,988	23,750	4,776
Grants	0	123	0	0	0	0	0	0
Other Revenues	23	1,052	1	1	1	1	1	1
Inter Fund Loan	0	0	0	0	2,000	6,000	5,500	0
TOTAL OTHER FINANCING SOURCES	**$56,938**	**$258,018**	**$128,172**	**$67,643**	**$115,105**	**$217,974**	**$131,777**	**$276,439**
EXPENSES								
Employment Expenses	$3,899	$3,452	$3,743	$4,016	$4,183	$4,330	$4,476	$4,624
Contract Work/Special Projects	134	253	0	0	0	0	0	0
Operating Fees	263	267	275	281	289	298	307	316
Professional Fees and Services	295	821	420	654	546	605	615	624
Other Expenses	969	879	1,535	1,869	1,889	2,127	2,094	2,191
TOTAL EXPENSES	**$5,560**	**$5,672**	**$5,973**	**$6,820**	**$6,907**	**$7,360**	**$7,491**	**$7,755**
CAPITAL PROGRAM								
Work In Progress	$24,845	$13,813	$98,645	$201,296	$153,927	$96,608	$49,583	$21,850
IERCA investment	0	0	500	1,000	750	750	750	750
TOTAL CAPITAL PROGRAM	**$24,845**	**$13,813**	**$99,145**	**$202,296**	**$154,677**	**$97,358**	**$50,333**	**$22,600**
DEBT SERVICE								
Financial Expenses	$211	$316	$256	$9	$8	$9	$14	$10
Interest	2,786	3,360	2,656	2,669	2,350	1,965	3,076	7,552
Principal	8,922	9,370	9,630	4,540	4,672	4,988	5,566	204,762
TOTAL DEBT SERVICE	**$11,919**	**$13,046**	**$12,543**	**$7,219**	**$7,030**	**$6,962**	**$8,656**	**$212,324**
TRANSFERS IN (OUT)								
Capital Contribution	$4,426	($1,062)	($737)	$7,601	$8,385	$6,847	$8,114	$2,295
Debt Service	(3,174)	(3,119)	(3,192)	(3,138)	(3,136)	(3,268)	(2,886)	(2,886)
Capital - Connection Fees Allocation	(5,008)	(2,938)	(12,501)	(8,679)	(4,295)	(2,740)	(1,835)	(1,680)
TOTAL INTERFUND TRANSFERS IN (OUT)	**($3,755)**	**($7,119)**	**($16,430)**	**($4,217)**	**$954**	**$839**	**$3,392**	**($2,271)**
FUND BALANCE								
Net Income (Loss)	$11,697	$219,204	($5,093)	($152,318)	($51,856)	$107,971	$69,411	$31,925
Beginning Fund Balance July 01	79,611	91,308	106,523	275,709	123,392	71,536	179,507	248,918
ENDING FUND BALANCE AT JUNE 30*	**$91,308**	**$310,512**	**$101,429**	**$123,392**	**$71,536**	**$179,507**	**$248,918**	**$280,843**
RESERVE BALANCE SUMMARY								
Capital Construction	$9,539	$7,608	$13,018	$3,722	$1,403	$117,807	$157,734	$161,899
CCRA Capital Construction	66,474	90,733	73,114	33,067	33,467	49,778	72,029	93,248
Debt Service & Redemption	15,295	212,171	15,298	86,603	36,666	11,922	19,154	25,696
ENDING BALANCE AT JUNE 30	**$91,308**	**$310,512**	**$101,429**	**$123,392**	**$71,536**	**$179,507**	**$248,918**	**$280,843**

**Numbers may not tie due to rounding*

Appendix D-2: Regional Wastewater Operations & Maintenance Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2021/22 & 2022/23 BIENNIAL BUDGET
REGIONAL WASTEWATER OPERATIONS & MAINTENANCE FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
User Charges	$66,499	$68,506	$68,327	$72,924	$76,203	$79,618	$83,203	$86,927
Cost Reimbursement JPA	4,024	4,269	4,227	4,461	4,595	4,733	4,875	5,021
Contract Cost Reimbursement	111	92	66	75	75	75	75	75
Interest Revenue	1,667	1,791	1,300	1,200	1,200	1,100	1,300	1,400
TOTAL REVENUES	**$72,301**	**$74,658**	**$73,920**	**$78,660**	**$82,073**	**$85,526**	**$89,453**	**$93,423**
OTHER FINANCING SOURCES								
Property Tax Revenues - Debt/Capital	$9,549	$9,549	$9,549	$13,222	$13,443	$13,668	$13,897	$14,131
State Loans	2,519	217	0	0	0	0	0	0
Grants	712	3,597	3,794	5,793	283	0	0	0
Other Revenues	385	281	909	80	80	80	80	80
TOTAL OTHER FINANCING SOURCES	**$13,164**	**$13,643**	**$14,252**	**$19,095**	**$13,806**	**$13,748**	**$13,977**	**$14,211**
EXPENSES								
Employment Expenses	$28,726	$33,497	$35,261	$35,662	$37,142	$38,455	$39,759	$41,072
Contract Work/Special Projects	4,744	13,075	14,483	6,942	4,220	4,385	3,600	5,289
Utilities	5,318	5,224	6,616	8,283	9,288	9,567	9,854	10,149
Operating Fees	1,613	1,499	2,114	2,404	2,497	2,597	2,674	2,776
Chemicals	4,572	5,074	5,284	6,004	6,184	6,369	6,560	6,757
Professional Fees and Services	2,971	2,698	5,612	4,233	4,463	4,784	4,903	5,043
Biosolids Recycling	4,305	4,604	4,723	4,733	4,875	5,022	5,172	5,327
Materials & Supplies	2,074	2,185	2,188	2,010	2,048	2,110	2,173	2,238
Other Expenses	2,728	2,532	3,962	5,170	5,233	5,876	5,792	6,058
TOTAL EXPENSES	**$57,052**	**$70,400**	**$80,246**	**$75,446**	**$75,954**	**$79,168**	**$80,490**	**$84,712**
CAPITAL PROGRAM								
Capital Construction & Expansion (WII	$20,629	$13,352	$40,689	$16,292	$9,610	$13,847	$8,364	$6,426
TOTAL CAPITAL PROGRAM	**$20,629**	**$13,352**	**$40,689**	**$16,292**	**$9,610**	**$13,847**	**$8,364**	**$6,426**
DEBT SERVICE								
Financial Expenses	$0	$0	$0	$1	$0	$0	$0	$1
Interest	819	593	627	614	591	568	543	517
Principal	728	755	754	784	806	849	874	900
TOTAL DEBT SERVICE	**$1,548**	**$1,349**	**$1,381**	**$1,398**	**$1,398**	**$1,417**	**$1,417**	**$1,417**
TRANSFERS IN (OUT)								
Capital Contribution	($3,559)	$132	($1,368)	($9,056)	($9,056)	($7,056)	($8,497)	($3,120)
Debt Service	306	250	110	114	114	114	(265)	(265)
Operation Support	(320)	(277)	(298)	(1,092)	(744)	(1,035)	(1,627)	(39)
Capital - Connection Fees Allocation	4,481	2,419	10,378	4,769	2,291	1,969	875	1,108
TOTAL INTERFUND TRANSFERS IN (OUT)	**$909**	**$2,524**	**$8,822**	**($5,264)**	**($7,394)**	**($6,007)**	**($9,515)**	**($2,316)**
FUND BALANCE								
Net Income (Loss)	$7,163	$5,724	($25,322)	($645)	$1,522	($1,166)	$3,644	$12,764
Beginning Fund Balance July 01	76,837	84,000	89,725	73,118	72,472	73,995	72,829	76,473
ENDING FUND BALANCE JUNE 30*	**$84,000**	**$89,725**	**$64,403**	**$72,472**	**$73,995**	**$72,829**	**$76,473**	**$89,236**
RESERVE BALANCE SUMMARY								
Operating Contingies	$17,701	$22,097	$25,340	$23,662	$23,786	$24,812	$25,205	$28,583
Rehabilitation/Replacement	27,331	41,004	9,236	9,236	9,236	9,236	9,236	9,236
Debt Service	1,412	1,398	1,398	1,398	1,417	1,417	1,417	1,417
Sinking Fund	37,557	25,226	28,429	38,176	39,555	37,364	40,614	50,000
ENDING BALANCE AT JUNE 30	**$84,000**	**$89,725**	**$64,403**	**$72,472**	**$73,995**	**$72,829**	**$76,473**	**$89,236**

** Numbers may not tie due to rounding*

Appendix D-3: Recycled Water Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 & 2022/23 BIENNIAL BUDGET
RECYCLED WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019 ACTUAL	2019/2020 ACTUAL	2020/2021 AMENDED BUDGET	2021/2022 PROPOSED BUDGET	2022/2023 PROPOSED BUDGET	2023/2024 FORECAST	2024/2025 FORECAST	2025/2026 FORECAST
REVENUES								
Interest Revenue	$769	$452	$708	$533	$540	$554	$573	$620
Water Sales	13,902	15,349	16,155	17,290	17,610	17,962	18,564	18,916
TOTAL REVENUES	**$14,670**	**$15,800**	**$16,863**	**$17,823**	**$18,150**	**$18,516**	**$19,137**	**$19,536**
OTHER FINANCING SOURCES								
Property Tax - Debt/Capital	$2,170	$2,170	$2,170	$2,299	$2,338	$2,377	$2,417	$2,458
Connection Fees	5,916	8,048	7,915	8,399	8,653	8,911	9,179	9,363
State Loans	2,373	10,954	5,554	0	0	0	0	0
Grants	753	156	3,120	0	0	0	0	0
Capital Contract Reimbursement	88	4,038	1,875	92	93	94	96	97
Other Revenues	24	10	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	**$ 11,324**	**$ 25,377**	**$ 20,633**	**$ 10,790**	**$ 11,084**	**$ 11,383**	**$ 11,692**	**$ 11,918**
EXPENSES								
Employment Expenses	$4,451	$5,060	$5,370	$6,034	$6,284	$6,506	$6,727	$6,949
Contract Work/Special Projects	1,333	621	1,990	1,215	710	840	1,050	820
Utilities	2,240	1,944	2,885	3,554	4,086	4,208	4,334	4,464
Operating Fees	3	2	10	10	10	11	11	11
Professional Fees and Services	641	814	632	1,322	1,348	1,502	1,531	1,562
Office and Administrative expenses	4	1	3	38	39	40	41	42
Materials & Supplies	141	209	174	109	113	116	120	123
Other Expenses	805	698	1,106	1,382	1,404	1,565	1,548	1,617
TOTAL EXPENSES	**$9,619**	**$9,349**	**$12,170**	**$13,664**	**$13,993**	**$14,788**	**$15,362**	**$15,589**
CAPITAL PROGRAM								
Work In Progress	$6,636	$19,298	$3,570	$2,480	$5,550	$2,150	$3,000	$5,000
TOTAL CAPITAL PROGRAM	**$6,636**	**$19,298**	**$3,570**	**$2,480**	**$5,550**	**$2,150**	**$3,000**	**$5,000**
DEBT SERVICE								
Financial Expenses	$2	$66	$3	$5	$5	$5	$7	$6
Interest	2,870	3,747	2,933	3,236	3,016	2,678	2,306	1,929
Principal	5,256	5,076	6,309	6,031	6,288	6,619	6,767	6,142
Short Term Inter-Fund Loan	3,000	2,000	3,000	3,000	5,000	6,000	5,500	0
TOTAL DEBT SERVICE	**$11,129**	**$10,890**	**$12,245**	**$12,273**	**$14,309**	**$15,302**	**$14,581**	**$8,077**
TRANSFERS IN (OUT)								
Capital Contribution	($1,873)	($170)	($517)	($291)	($362)	($323)	($206)	($223)
Debt Service	2,394	2,392	2,547	2,546	2,546	2,675	2,673	2,673
Operation support	(526)	(1,471)	(533)	(1,213)	(1,137)	(1,261)	(1,320)	(1,303)
Water Connection Allocation	(454)	(703)	(1,473)	(1,802)	(1,655)	(484)	(430)	(392)
TOTAL INTERFUND TRANSFERS IN (OUT)	**($459)**	**$47**	**$24**	**($760)**	**($608)**	**$608**	**$717**	**$756**
FUND BALANCE								
Net Income (Loss)	($1,848)	$1,687	$9,536	($564)	($5,226)	($1,733)	($1,397)	$3,543
Beginning Fund Balance July 01	35,135	33,287	32,064	43,416	42,851	37,625	35,892	34,495
ENDING BALANCE AT JUNE 30	**$33,287**	**$34,974**	**$41,600**	**$42,851**	**$37,625**	**$35,892**	**$34,495**	**$38,038**
RESERVE BALANCE SUMMARY								
Operating Contingency	$3,206	$3,116	$4,057	$4,555	$4,664	$4,929	$5,121	$5,196
Capital Construction	7,439	4,303	9,853	4,203	22	48	18	19
Water Connection	14,615	18,311	16,548	23,285	22,137	20,334	19,779	22,742
Rehabilitation/Replacement (R&R)	0	0	1,500	1,500	1,500	1,500	1,500	2,000
Debt Service	8,027	9,245	9,643	9,309	9,302	9,081	8,077	8,081
ENDING BALANCE AT JUNE 30	**$33,287**	**$34,974**	**$41,600**	**$42,851**	**$37,625**	**$35,892**	**$34,495**	**$38,038**

** Numbers may not total due to rounding*

Appendix D-4: Recharge Water Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEAR 2021/22 & 2022/23 BIENNIAL BUDGET
RECHARGE WATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Cost Reimbursement from JPA	$883	$1,004	$1,449	$1,067	$1,036	$1,173	$1,208	$1,245
Contract Cost reimbursement	1,464	0	35	0	0	0	0	0
Interest Revenue	62	20	40	100	100	70	70	75
TOTAL REVENUES	**$2,409**	**$1,024**	**$1,523**	**$1,167**	**$1,136**	**$1,243**	**$1,278**	**$1,320**
OTHER FINANCING SOURCES								
State Loans	$0	$42	$8,800	$7,975	$825	$0	$0	$0
Grants	482	456	7,488	9,536	1,579	0	0	0
Capital Contract Reimbursement	801	526	378	707	1,463	1,436	1,277	1,277
Other Revenues	17	95	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	**$1,299**	**$1,119**	**$16,666**	**$18,219**	**$3,867**	**$1,436**	**$1,277**	**$1,277**
EXPENSES								
Employment Expenses	$803	$843	$677	$830	$865	$895	$926	$956
Contract Work/Special Projects	1,240	103	69	0	0	0	0	0
Utilities	59	87	85	85	88	90	93	96
Operating Fees	11	11	8	8	8	8	9	9
Professional Fees and Services	806	1,312	980	1,123	987	1,192	1,227	1,264
Office and Administrative expenses	0	0	16	16	16	17	17	18
Materials & Supplies	120	109	129	114	117	121	125	128
TOTAL EXPENSES	**$3,038**	**$2,465**	**$2,013**	**$2,240**	**$2,147**	**$2,396**	**$2,468**	**$2,546**
CAPITAL PROGRAM								
Capital Expansion/Construction	$647	$1,117	$14,204	$11,969	$8,679	$819	$500	$500
TOTAL CAPITAL PROGRAM	**$647**	**$1,117**	**$14,204**	**$11,969**	**$8,679**	**$819**	**$500**	**$500**
DEBT SERVICE								
Financial Expenses	$67	$70	$85	$1	$1	$1	$1	$1
Interest	170	146	215	397	435	403	369	334
Principal	710	739	769	559	1,063	1,102	1,135	1,171
TOTAL DEBT SERVICE	**$947**	**$954**	**$1,069**	**$957**	**$1,499**	**$1,505**	**$1,506**	**$1,505**
TRANSFERS IN (OUT)								
Capital Contribution	$39	$0	$303	$238	$338	$315	$193	$193
Debt Service	473	477	535	478	475	479	479	478
Operation support	598	1,461	522	1,173	1,110	1,223	1,260	1,301
Property Tax Transfer	9	1	33	71	101	94	58	58
TOTAL INTERFUND TRANSFERS IN (OUT)	**$1,119**	**$1,939**	**$1,393**	**$1,961**	**$2,025**	**$2,111**	**$1,989**	**$2,030**
FUND BALANCE								
Net Income (Loss)	$195	($453)	$2,296	$6,181	($5,296)	$70	$70	$75
Beginning Fund Balance July 01	3,246	3,441	3,780	3,246	9,427	4,131	4,200	4,270
ENDING FUND BALANCE AT JUNE 30*	**$3,441**	**$2,987**	**$6,077**	**$9,427**	**$4,131**	**$4,200**	**$4,270**	**$4,345**
RESERVE BALANCE SUMMARY								
Operating Contingencies	$1,013	$1,232	$1,006	$1,120	$1,073	$1,198	$1,234	$1,273
Capital Expansion / Construction	1,161	249	3,565	6,800	1,551	1,495	1,529	1,565
Debt Service & Redemption	1,267	1,506	1,506	1,507	1,507	1,507	1,507	1,507
ENDING BALANCE AT JUNE 30	**$3,441**	**$2,987**	**$6,077**	**$9,427**	**$4,131**	**$4,200**	**$4,270**	**$4,345**

** Numbers may not total due to rounding*

Appendix D-5: Water Resources Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 & 2022/23 BIENNIAL BUDGET
WATER RESOURCES FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
User Charges	$6,266	$6,846	$7,299	$8,176	$8,694	$8,867	$9,072	$9,282
Contract Cost reimbursement	251	361	749	466	248	248	248	248
Interest Revenue	198	285	120	200	280	280	310	345
Water Sales	45,519	40,768	46,092	47,412	49,848	52,560	54,636	56,208
Gas Sales	0	0	0	0	0	0	0	0
TOTAL REVENUES	**$52,234**	**$48,260**	**$54,260**	**$56,254**	**$59,070**	**$61,955**	**$64,266**	**$66,083**
OTHER FINANCING SOURCES								
Propety Tax - Debt and Capital	$4,873	$5,774	$5,186	$2,012	$2,046	$2,080	$2,115	$2,150
Grants	179	1,072	30	155	155	120	10	10
Other Revenues	17	35	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES	**$5,069**	**$6,881**	**$5,216**	**$2,167**	**$2,201**	**$2,200**	**$2,125**	**$2,160**
EXPENSES								
Employment Expenses	$2,110	$2,306	$2,971	$3,214	$3,347	$3,466	$3,583	$3,701
Contract Work/Special Projects	2,086	2,330	2,638	2,683	2,395	2,393	2,390	2,100
Utilities	0	0	0	0	0	0	0	0
Operating Fees	3,031	3,131	3,198	3,263	3,328	3,396	3,464	3,534
Chemicals	0	0	0	0	0	0	0	0
Professional Fees and Services	204	249	276	299	322	376	379	382
Office and Administrative expenses	0	3	64	4	4	4	4	4
MWD Water Purchases	45,519	40,480	46,092	47,412	49,848	52,560	54,636	56,208
Other Expenses	246	235	325	443	454	497	496	516
TOTAL EXPENSES	**$53,197**	**$48,733**	**$55,564**	**$57,317**	**$59,698**	**$62,690**	**$64,952**	**$66,446**
CAPITAL PROGRAM								
Capital Construction & Expansion	$1,022	$2,732	$3,543	$5,043	$5,043	$0	$0	$0
TOTAL CAPITAL PROGRAM	**$1,022**	**$2,732**	**$3,543**	**$5,043**	**$5,043**	**$0**	**$0**	**$0**
DEBT SERVICE								
TOTAL DEBT SERVICE	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
TRANSFERS IN (OUT)								
Water Connections	$436	$683	$1,379	$1,678	$1,520	$360	$325	$313
Property Tax Transfer	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL INTERFUND TRANSFERS IN (OUT)	**$436**	**$683**	**$1,379**	**$1,678**	**$1,520**	**$360**	**$325**	**$313**
FUND BALANCE								
Net Income (Loss)	$3,521	$4,360	$1,749	($2,261)	($1,951)	$1,824	$1,763	$2,110
Beginning Fund Balance July 01	10,568	14,089	18,449	20,766	18,504	16,554	18,378	20,141
ENDING FUND BALANCE AT JUNE 30	**$14,089**	**$18,449**	**$20,198**	**$18,504**	**$16,554**	**$18,378**	**$20,141**	**$22,251**
RESERVE BALANCE SUMMARY								
Capital / Operation Contingencies	$5,258	$4,960	$5,683	$6,010	$6,245	$6,542	$6,754	$6,836
Water Resources Capital	8,831	13,489	14,515	12,494	10,308	11,836	13,387	15,415
ENDING BALANCE AT JUNE 30	**$14,089**	**$18,449**	**$20,198**	**$18,504**	**$16,554**	**$18,378**	**$20,141**	**$22,251**

* Numbers may not total due to rounding

Appendix D-6: Non-Reclaimable Wastewater Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 & 2022/23 BIENNIAL BUDGET
NON-RECLAIMABLE WASTEWATER FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET		FORECAST	
REVENUES								
User Charges	$12,050	$10,996	$12,509	$12,669	$12,895	$13,129	$13,469	$13,819
Interest Revenue	456	437	573	540	401	213	201	219
TOTAL REVENUES	**$12,506**	**$11,434**	**$13,082**	**$13,209**	**$13,296**	**$13,342**	**$13,671**	**$14,038**
OTHER FINANCING SOURCES								
Other Revenues	$490	$661	$200	$225	$225	$225	$225	$225
Loan Transfer from Internal Fund	3,000	2,000	3,000	3,000	3,000	0	0	0
TOTAL OTHER FINANCING SOURCES	**$3,490**	**$3,697**	**$3,200**	**$8,623**	**$6,824**	**$225**	**$225**	**$225**
EXPENSES								
Employment Expenses	$2,128	$1,855	$2,608	$3,185	$3,318	$3,435	$3,551	$3,669
Contract Work/Special Projects	133	51	300	350	100	100	100	100
Utilities	84	88	93	112	128	132	136	140
Operating Fees	7,420	6,423	7,208	7,015	7,226	7,443	7,666	7,896
Chemicals	92	121	134	140	144	149	153	158
Professional Fees and Services	115	94	197	351	345	378	387	395
Office and Administrative expenses	0	0	24	25	25	25	25	25
Biosolids Recycling	18	29	36	31	31	32	33	34
Materials & Supplies	55	89	86	75	77	79	82	84
Other Expenses	287	260	425	553	559	630	620	649
TOTAL EXPENSES	**$10,333**	**$9,009**	**$11,112**	**$11,837**	**$11,953**	**$12,402**	**$12,752**	**$13,150**
CAPITAL PROGRAM								
CSDLAC 4Rs SRF Loan	$705	$737	$0	$0	$0	$0	$0	$0
Capital Expansion/Construction	560	556	4,085	18,525	6,880	1,080	680	880
TOTAL CAPITAL PROGRAM	**$1,265**	**$1,293**	**$4,085**	**$18,525**	**$6,880**	**$1,080**	**$680**	**$880**
DEBT SERVICE								
Financial Expenses	$4	$1	$1	$4	$4	$4	$4	$4
Interest	306	278	268	253	236	218	197	176
Principal	294	305	317	331	348	398	418	440
TOTAL DEBT SERVICE	**$604**	**$584**	**$585**	**$588**	**$588**	**$620**	**$619**	**$619**
TRANSFERS IN (OUT)								
Capital Contribution	($34)	($39)	($82)	($53)	($24)	($8)	($14)	($30)
Operation support	(12)	(10)	(11)	(40)	(27)	(38)	(59)	(1)
Property Tax Transfer	166	146	1,157	3,062	1,458	292	184	238
TOTAL INTERFUND TRANSFERS IN (OUT)	**$121**	**$97**	**$1,064**	**$2,969**	**$1,407**	**$246**	**$110**	**$206**
FUND BALANCE								
Net Income (Loss)	$3,915	$4,340	$1,564	($6,150)	$2,106	($289)	($46)	($180)
Beginning Fund Balance July 01	9,942	13,734	13,138	22,445	16,295	18,401	18,112	18,067
ENDING FUND BALANCE AT JUNE 30*	**$13,857**	**$18,074**	**$14,702**	**$16,295**	**$18,401**	**$18,112**	**$18,067**	**$17,887**
RESERVE BALANCE SUMMARY								
Capital/Operations Contingencies	$3,444	$3,003	$3,704	$3,946	$3,984	$4,134	$4,251	$4,383
Capital Construction	9,123	13,748	10,410	11,761	13,797	13,359	13,196	12,495
CSDLAC Prepayment	705	737	0	0	0	0	0	0
Debt Service	586	585	588	588	620	619	619	1,009
ENDING BALANCE AT JUNE 30	**$13,857**	**$18,074**	**$14,702**	**$16,295**	**$18,401**	**$18,112**	**$18,067**	**$17,887**

** Numbers may not total due to rounding*

Appendix D-7: Administrative Services Fund Budget

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 and FY 2022/23 BIENNIAL BUDGET
ADMINISTRATIVE SERVICES FUND - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	ACTUAL	ACTUAL	AMENDED BUDGET	PROPOSED BUDGET	PROPOSED BUDGET	FORECAST		
REVENUES								
Property Tax	$1,972	$1,972	$1,972	$2,587	$2,630	$2,674	$2,719	$2,765
Cost Reimbursement from JPA	1,112	1,385	1,382	1,459	1,520	1,574	1,627	1,681
Interest Revenue	365	400	315	215	207	197	186	175
TOTAL REVENUES	**$3,449**	**$3,757**	**$3,669**	**$4,261**	**$4,357**	**$4,445**	**$4,532**	**$4,621**
OTHER FINANCING SOURCES								
Other Revenues	$171	$38	$2	$2	$2	$2	$2	$2
TOTAL OTHER FINANCING SOURCES	**$171**	**$38**	**$2**	**$2**	**$2**	**$2**	**$2**	**$2**
EXPENSES								
Employment Expenses	$2,207	$2,410	$1,559	$1,578	$1,643	$1,701	$1,758	$1,816
Contract Work/Special Projects	430	366	442	1,477	1,103	1,535	2,413	58
Utilities	573	475	830	882	971	996	1,022	1,049
Operating Fees	13	13	12	36	37	38	39	41
Professional Fees and Services	3,097	3,288	4,250	5,857	5,818	6,810	6,630	7,001
Office and Administrative expenses	1,606	1,308	2,798	1,914	2,142	1,905	2,032	1,932
Biosolids Recycling	12	0	0	0	0	0	0	0
Materials & Supplies	648	706	570	247	262	201	236	227
Other Expenses	(3,858)	(3,383)	(5,679)	(6,576)	(6,645)	(7,499)	(7,377)	(7,726)
TOTAL EXPENSES	**$4,727**	**$5,183**	**$4,781**	**$5,415**	**$5,331**	**$5,686**	**$6,753**	**$4,398**
CAPITAL PROGRAM								
Capital Expansion & Construction	$1,283	$1,462	$3,305	$2,157	$995	$309	$569	$1,224
TOTAL CAPITAL PROGRAM	**$1,283**	**$1,462**	**$3,305**	**$2,157**	**$995**	**$309**	**$569**	**$1,224**
DEBT SERVICE								
Financial Expenses	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL DEBT SERVICE	**$39**	**$28**	**$18**	**$18**	**$18**	**$19**	**$19**	**$20**
TRANSFERS IN (OUT)								
Capital Contribution	$1,002	$1,140	$2,400	$1,561	$720	$224	$412	$885
Debt Service	0	0	0	0	0	0	0	0
Operation support	259	297	319	1,172	798	1,110	1,746	42
Capital - Connection Fees Allocation	360	373	966	849	546	480	777	334
One Water	9	19	60	52	34	30	48	21
Property Tax Transfer	0	0	0	0	0	0	0	0
TOTAL INTERFUND TRANSFERS IN (OUT)	**$1,629**	**$1,828**	**$3,746**	**$3,634**	**$2,098**	**$1,844**	**$2,982**	**$1,282**
FUND BALANCE								
Net Income (Loss)	($800)	($1,049)	($686)	$308	$113	$276	$174	$263
Beginning Fund Balance July 01	13,741	12,941	10,102	12,386	12,694	12,807	13,083	13,258
ENDING FUND BALANCE AT JUNE 30*	**$12,941**	**$11,892**	**$9,416**	**$12,694**	**$12,807**	**$13,083**	**$13,258**	**$13,521**
RESERVE BALANCE SUMMARY								
Operating Contingency	$2,364	$2,591	$1,594	$2,707	$2,666	$2,843	$3,377	$2,199
Self-Insurance Program	4,578	3,301	3,000	3,987	4,141	4,240	3,881	5,322
Employee Retirement Benefit	6,000	6,000	4,822	6,000	6,000	6,000	6,000	6,000
ENDING BALANCE AT JUNE 30	**$12,941**	**$11,892**	**$9,416**	**$12,694**	**$12,807**	**$13,083**	**$13,258**	**$13,521**

**Numbers may not total due to rounding*

Appendix D-8: Ten Year Capital Improvement Projects

Project Number	Project Description	FY 2021/2	FY 2022/2	FY 2023/2	FY 2024/2	FY 2025/2	FY 2026/2	FY 2027/2	FY 2028/2	FY 2029/3	FY 2030/3	Total 2022-203
Capital Projects												
Administrative Services Fund												
EN20040	HQ Driveway Improvements	450,000	-	-	-	-	-	-	-	-	-	450,000
EN21049	Main HDQ Improvements Office Addition	440,000	-	-	-	-	-	-	-	-	-	440,000
EN22010	GG Asset Managment Project	50,000	50,000	50,000	300,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,450,000
EP22004	Agency Wide Vehicle Replacement	150,000	154,500	159,135	168,826	173,891	179,108	184,481	190,015	195,715	201,585	1,757,256
FM22005	Agency Wide HVAC Replacements	277,306	100,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000	877,306
IS22001	Telephone System Upgrade	150,000										150,000
IS22002	Wide Area Microwave Radio Updates	220,000	220,000									440,000
IS22003	IT Infrastructure Assets New	100,000	80,000									180,000
IS22004	IT Infrastructure Assets Replacement	320,000	390,000									710,000
Total Administrative Services Fund		**2,157,306**	**994,500**	**309,135**	**568,826**	**1,223,891**	**1,229,108**	**1,234,481**	**1,240,015**	**1,245,715**	**1,251,585**	**11,454,562**
Recharge Water Fund												
EN22008	GWR Asset Managment Project	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,500,000
IS22005	RW / GWR SCADA Infrastructure Replacement	-	60,000									60,000
RW15003	Recharge Master Plan Update	11,350,000	7,800,000	-	-	-	-	-	-	-	-	19,150,000
EN22049	GWR-RW OIT Upgrades	18,700	18,700	18,700	-	-	-	-	-	-	-	56,100
EN22050	GWR Basin PLC Upgrades	300,000	300,000	300,000	-	-	-	-	-	-	-	900,000
EN22051	Jurupa Basin VFD Upgrades	300,000	-	-	-	-	-	-	-	-	-	300,000
Total Recharge Water Fund		**11,968,700**	**8,678,700**	**818,700**	**500,000**	**500,000**	**500,000**	**500,000**	**500,000**	**500,000**	**500,000**	**24,966,100**
Non-Reclaimable Wastewater Fund												
EN19027	NRW Pipeline Relining Along Cucamonga Cr	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000
EN20064	NSNT Sewer Siphon Replacement	600,000	1,900,000	-	-	-	-	-	-	-	-	2,500,000
EN21014	NRWS Manhole Upgrades FY 20/21	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,800,000
EN22002	NRW East End Flowmeter Replacement	400,000	-	-	-	-	-	-	-	-	-	400,000
EN22007	NRW Asset Managment Projects	-	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
EN22020	Philadelphia Lift Station Pump Upgrades	300,000	1,800,000	400,000	-	-	-	-	-	-	-	2,500,000
EN23002	Philadelphia Lift Station Force Main Imp	15,000,000	3,000,000	-	-	-	-	-	-	-	-	18,000,000
EN26020	Lift Station AMP Projects	-	-	-	-	200,000	-	-	-	-	-	200,000
EN22048	Generator Retrofit - PLS	45,000	-	-	-	-	-	-	-	-	-	45,000
Total Non-Reclaimable Wastewater Fund		**18,525,000**	**6,880,000**	**1,080,000**	**680,000**	**880,000**	**680,000**	**680,000**	**680,000**	**680,000**	**680,000**	**31,445,000**
Recycled Water Fund												
EN14042	1158 RWPS Upgrades	20,000	-	-	-	-	-	-	-	-	-	20,000
EN15002	1158 Reservoir Site Cleanup	100,000	-	-	-	-	-	-	-	-	-	100,000
EN20022	1299 Reservoir Paint/Coating Repairs and	200,000	-	-	-	-	-	-	-	-	-	200,000
EN21041	RP-4 Contact Basin Cover & Wet Well Pass	700,000	3,500,000	-	-	-	-	-	-	-	-	4,200,000
EN21050	8th Street RW Turnout Connection to the	600,000	900,000	-	-	-	-	-	-	-	-	1,500,000
EN22009	WC Asset Managment Project	500,000	1,000,000	2,000,000	3,000,000	5,000,000	7,000,000	8,900,000	8,900,000	8,900,000	8,900,000	54,100,000
EN22023	Prado Dechlor Sump Pump Replacement	360,000	-	-	-	-	-	-	-	-	-	360,000
EN24005	1630 West Reservoir Paint/Coating Repair	-	150,000	-	-	-	-	-	-	-	-	150,000
EN24006	930 Reservoir Paint/Coating Repairs and	-	-	150,000	-	-	-	-	-	-	-	150,000
Total Recycled Water Fund		**2,480,000**	**5,550,000**	**2,150,000**	**3,000,000**	**5,000,000**	**7,000,000**	**8,900,000**	**8,900,000**	**8,900,000**	**8,900,000**	**60,780,000**
Water Resources												
PL19005	Chino Basin Program	5,043,267	5,043,266									10,086,533
Total Water Resources Fund		**5,043,267**	**5,043,266**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10,086,533**
Regional Wastewater Operations & Maintenance Fund												
EN13016	SCADA Enterprise System	1,300,000	5,250,000	3,350,000	-	-	-	-	-	-	-	9,900,000
EN17042	Digester 6 and 7 Roof Repairs	2,500,000	300,000	-	-	-	-	-	-	-	-	2,800,000
EN17043	RP4 Primary Clarifier Rehab	3,500,000	-	-	-	-	-	-	-	-	-	3,500,000
EN17110	RP-4 Process Improvements	5,000,000	-	-	-	-	-	-	-	-	-	5,000,000
EN18025	RP-1 Secondary System Rehabilitation	-	-	250,000	1,100,000	1,950,000	2,000,000	1,000,000	1,000,000	1,000,000	-	8,300,000
EN19009	RP-1 Energy Recovery	200,000	-	-	-	-	-	-	-	-	-	200,000
EN20041	RP-1 TP-1 Bleach Mixing Repairs	150,000	-	-	-	-	-	-	-	-	-	150,000
EN20044	RP-1 Plant 3 Primary Cover Replacement	-	200,000	400,000	-	-	-	-	-	-	-	600,000
EN20045	RP-1 TP-1 Level Sensor Replacement	-	500,000	-	-	-	-	-	-	-	-	500,000
EN20051	RP-1 MCB and Old Lab Building Rehab	506,000	110,000	1,905,000	-	-	-	-	-	-	-	2,521,000
EN20057	RP-4 Process Improvements Phase II	-	500,000	4,000,000	3,500,000	-	-	-	-	-	-	8,000,000
EN21042	RP-1 East Influent Gate Replacement	400,000	-	-	-	-	-	-	-	-	-	400,000
EN21044	RP-1 Dewatering Centrate and Drainage Va	320,000	-	-	-	-	-	-	-	-	-	320,000
EN21053	RP-1 Old Effluent Structure Rehabilitati	400,000	1,000,000	-	-	-	-	-	-	-	-	1,400,000
EN21056	RP-1 Evaporative Cooling for Aeration Bl	400,000	50,000	-	-	-	-	-	-	-	-	450,000
EN22005	RO Asset Managment	50,000	50,000	50,000	300,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,450,000
EN22021	RP-1 Digester Area Utility Water (UW) Li	100,000	-	-	-	-	-	-	-	-	-	100,000
EN22025	RP-1 Dump Station	-	-	64,000	95,400	1,855,600	106,100	-	-	-	-	2,121,100
EN22027	RP-1 Repurpose Lab	-	-	228,400	1,619,000	-	-	-	-	-	-	1,847,400
EN22031	RP-1 Influent Pump Station Electrical Im	200,000	400,000	1,400,000	-	-	-	-	-	-	-	2,000,000
EN23024	RP-1 TP-1 Stormwater Drainage Upgrades	-	250,000	1,000,000	50,000	-	-	-	-	-	-	1,300,000
EN24020	RP-1 Dewatering Centrate Pumps	-	-	200,000	500,000	120,000	-	-	-	-	-	820,000
EN25020	RP-1 Digester Cleaning Lagoon (DCL) Lini	-	-	-	200,000	-	-	-	-	-	-	200,000
EN26021	Regional Conveyance AMP	-	-	-	-	500,000	-	-	-	-	-	500,000
EN27001	RP-1 Equilization Basin #1 Access Ramp	-	-	-	-	-	35,000	106,500	300,000	-	-	441,500
EP21002	North Major Facilities Repair/Replacemnt	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	6,000,000
EP21003	South Major Facilities Repair/Replacemen	400,000	400,000	400,000	400,000	400,000	600,000	600,000	600,000	600,000	600,000	5,000,000
PL26001	Advanced Water Purification Facility								5,000,000	5,000,000	11,276,500	21,276,500
EN22033	RP-5 Emergency Generator Load Bank Installation	120,000	-	-	-	-	-	-	-	-	-	120,000
EN22034	Generator Retrofit RP-1	85,000	-	-	-	-	-	-	-	-	-	85,000
EN22035	Generator Retrofit RP-4	50,000	-	-	-	-	-	-	-	-	-	50,000
EN22036	RP-1 Centrate Pipeline Assessment	11,000	-	-	-	-	-	-	-	-	-	11,000
Total Regional Wastewater O & M Fund		**16,292,000**	**9,610,000**	**13,847,400**	**8,364,400**	**6,425,600**	**4,341,100**	**3,306,500**	**8,500,000**	**8,200,000**	**13,476,500**	**92,363,500**

Project Number	Project Description	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	Total 2022-203
Capital Projects												
Regional Wastewater Capital Fund												
EN11039	RP-1 Disinfection Pump Improvements	2,400,000	4,660,000	350,000	-	-	-	-	-	-	-	7,410,000
EN17006	CCWRF Asset Management and Improvements	3,000,000	13,000,000	50,000	650,000	-	-	-	-	-	-	16,700,000
EN18006	RP-1 Flare Improvements	2,500,000	100,000	-	-	-	-	-	-	-	-	2,600,000
EN18036	CCWRF Asset Mgmt and Imprvmnt Pkg. III	-	200,000	500,000	300,000	-	-	-	-	-	-	1,000,000
EN19001	RP-5 Expansion to 30 mgd	72,000,000	50,000,000	37,600,000	7,803,147	-	-	-	-	-	-	167,403,147
EN19006	RP-5 Biosolids Facility	105,000,000	63,000,000	14,758,090	-	-	-	-	-	-	-	182,758,090
EN21015	Collection System Upgrades FY 20/21	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
EN21045	Montclair Force Main Improvements	800,000	5,500,000	-	-	-	-	-	-	-	-	6,300,000
EN22006	RC Asset Managment	250,000	250,000	250,000	2,400,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	51,150,000
EN22022	RP-1 Air Compressor Upgrades	250,000	1,500,000	-	-	-	-	-	-	-	-	1,750,000
EN24001	RP-1 Liquid Treatment Capacity Recovery	-	-	-	-	-	-	-	-	15,000,000	20,000,000	35,000,000
EN24002	RP-1 Solids Treatment Expansion	-	-	-	4,000,000	8,000,000	8,000,000	-	-	-	-	20,000,000
IS22006	SCADA Network Infrastructure Replacement	335,000	300,000									635,000
IS22007	RP-1 and RP-2 DCS Upgrade	420,000										420,000
IS22008	Operation Electronic Log Book	140,000										140,000
PL17002	HQ Solar Photovoltaic Power Plants Ph. 2		300,000	1,100,000								1,400,000
PL19001	Purchase Existing Solar Installation				3,500,000							3,500,000
EN23025	Agency Power Monitor	-	250,000	280,000	-	-	-	-	-	-	-	530,000
EN22039	RP4 SCADA Improvements	100,000	912,000	-	-	-	-	-	-	-	-	1,012,000
EN22040	NFPA 70E required labels	105,000	105,000	-	-	-	-	-	-	-	-	210,000
EN22041	RP-1 Aeration Basins UW System Improvements	141,000	-	-	-	-	-	-	-	-	-	141,000
EN22042	RP-4 Ammonia Analyzers and Support System	500,000	-	-	-	-	-	-	-	-	-	500,000
EN22043	Chemical Contrainment Area Rehab Phase 2	505,000	-	-	-	-	-	-	-	-	-	505,000
EN24021	Chemical Contrainment Area Rehab Phase 3	-	-	870,000	-	-	-	-	-	-	-	870,000
EN25001	TP-1 Wire ReplacementT PLANT	-	-	-	80,000	-	-	-	-	-	-	80,000
EN22044	RP-1 Thickening Building & Acid Phase Digester	12,000,000	13,000,000	40,000,000	30,000,000	5,000,000	-	-	-	-	-	100,000,000
EN22045	New Regional Project PDR's	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
EN22046	New NRW Project PDR's	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
EN22047	New NRW Project PDR's	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Total Regional Wastewater Capital		**201,296,000**	**153,927,000**	**96,608,090**	**49,583,147**	**21,850,000**	**16,850,000**	**8,850,000**	**8,850,000**	**23,850,000**	**28,850,000**	**610,514,237**
Capital Projects Total		**257,762,273**	**190,683,466**	**114,813,325**	**62,696,373**	**35,879,491**	**30,600,208**	**23,470,981**	**28,670,015**	**43,375,715**	**53,658,085**	**841,609,932**

Project Number	Project Description	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	Total 2022-2031
Non-Capital Projects												
Administrative Services Fund												
EN20008	HQ Parking Lot FY19/20	375,000	-	-	-	-	-	-	-	-	-	375,000
FM20001	HQ Interior Replacements			850,000	1,782,000							2,632,000
FM21002	Agency Wide Roofing	1,050,000	1,050,000	630,000	575,000							3,305,000
FM22003	Agency Wide Facilities Rehab & Repairs	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196	590,391
Total Administrative Services		**1,476,500**	**1,103,045**	**1,534,636**	**2,413,275**	**57,964**	**59,703**	**61,494**	**63,339**	**65,239**	**67,196**	**6,902,391**
Non-Reclaimable Wastewater Fund												
EN19028	NRW Man Hole and Pipeline Condition Asse	250,000	-	-	-	-	-	-	-	-	-	250,000
EN21016	NRWS Emergency O&M Projects FY 20/21	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
Total Non-Reclaimable Wastewater		**350,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**1,250,000**
Recycled Water Fund												
EN19030	WC Asset Management	250,000	-	-	-	-	-	-	-	-	-	250,000
EN19051	RW Hydraulic Modeling	45,000	40,000	40,000	-	-	-	-	-	-	-	125,000
EN20050	Reservoir Maintenance		20,000			20,000			20,000			60,000
EN21017	WC Emergency O&M Projects FY 20/21	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
EN21036	WC On-Call/Small Projects FY 20/21	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
EN21051	Ely Monitoring Well	285,000	100,000	-	-	-	-	-	-	-	-	385,000
EN22028	Philly RW Gravity Line Abandonment	-	-	250,000	250,000	-	-	-	-	-	-	500,000
EN22037	WC Planning Documents	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
EN25031	Recycled Water Program Strategy 2025				250,000	250,000						500,000
WR20029	Upper SAR HCP & Int Model-Recy Wtr Benef	85,000										85,000
Total Recycled Water		**1,215,000**	**710,000**	**840,000**	**1,050,000**	**820,000**	**550,000**	**550,000**	**570,000**	**550,000**	**550,000**	**7,405,000**
Water Resources												
PL18001	Calif. Data Collab. WUE Data Analytics	5,000	5,000	2,500								12,500
WR16024	SARCCUP	200,000										200,000
WR18028	Chino Basin Water Bank PlanningAuthority	290,000	290,000	290,000	290,000							1,160,000
WR20028	Upper SAR HCP& Int. Model-Water Benefits	88,000										88,000
WR21002	CBWCD Leap	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
WR21004	Garden in Every School	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	450,000
WR21006	Large Landscape Retrofit Program	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
WR21007	Residential Rebate Incentives	123,500	123,500	123,500	123,500	123,500	123,500	123,500	123,500	123,500	123,500	1,235,000
WR21008	CII Rebate Incentives	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	1,300,000
WR21009	National Theater for Children	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	600,000
WR21013	Sponsorships & Public Outreach Activitie	159,000	159,000	159,000	159,000	159,000	159,000	159,000	159,000	159,000	159,000	1,590,000
WR21015	Landscape Training Classes	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
WR21017	Residential Pressure Regulation Program	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
WR21019	Residential Small Site Controller Upgrad	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,000,000
WR21020	WUE Business Plan Model Update and Wkshp	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	45,000
WR21021	Regional WUE Support Tools	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	730,000
WR21022	Landscape Design Services	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
WR21023	CIMIS Station	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
WR21024	WUE Research and Evaluation	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	400,000
WR21025	Landscape Irrigation Tune Ups	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,000,000
WR21028	Implement. of Upper SAR HCP - Wtr Benefi	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000		2,250,000
WR22027	WW Planning Documents	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,500,000
Total Water Resources		**2,683,000**	**2,395,000**	**2,392,500**	**2,390,000**	**2,100,000**	**2,100,000**	**2,100,000**	**2,100,000**	**2,100,000**	**1,850,000**	**22,210,500**
Regional Wastewater Operations & Maintenance Fund												
EN16021	TCE Plume Cleanup	542,042	-	-	-	-	-	-	-	-	-	542,042
EN19023	Asset Management Planning Document	500,000	400,000	-	-	-	-	-	-	-	-	900,000
EN19024	Regional System Asset Management (Assess	100,000	-	-	-	-	-	-	-	-	-	100,000
EN20038	Agency Wide Pavement Management Study	75,000	-	75,000	-	-	-	-	-	-	-	150,000
EN21019	RO Emergency O&M Projects FY 20/21	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
EN21034	RO On-Call/Small Projects FY 20/21	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
EN21035	RO Safety On-Call/Small Projects FY 20-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
EN22024	RP-1 Digester Cleaning Service Contract	100,000	1,000,000	1,000,000	1,000,000	2,000,000	2,000,000	1,000,000	2,000,000	3,000,000	3,000,000	16,100,000
EN22032	RP-1 TP-1 Stormwater Drainage Upgrades	50,000	-	-	-	-	-	-	-	-	-	50,000
EN22037	Prado De-Chlor	380,000	-	-	-	-	-	-	-	-	-	380,000
EN23021	Agency Wide Infiltration and Infow Study	-	300,000	300,000	-	-	-	-	-	-	-	600,000
EN23023	RP-1 DAFT Pavement Improvements	-	20,000	510,000	-	-	-	-	-	-	-	530,000
EN26025	RP2-Prelimanary Design Report for Decomm	-	-	-	-	-	-	600,000	1,100,000	1,500,000	-	3,200,000
EN26027	RP-1 & RP-4 Bird Deterent Systems	-	-	-	-	100,000	-	-	-	-	-	100,000
PA17006	Agency-Wide Aeration	2,500,000										2,500,000
PA22002	Agency Wide Coatings	750,000	50,000	50,000	150,000	388,810	445,975	353,354	260,955	50,000	50,000	2,549,094
PA22003	Agency Wide Paving	260,000	800,000	800,000	800,000	1,150,000	-	-	-	-	-	3,810,000
PL22007	RO Planning Documents	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
EN22038	RP-2 Digester 3 4 Exterior Condition Assessment	35,000	-	-	-	-	-	-	-	-	-	35,000
Total Regional Wastewater O&M		**6,942,042**	**4,220,000**	**4,385,000**	**3,600,000**	**5,288,810**	**4,095,975**	**3,603,354**	**5,010,955**	**6,200,000**	**4,700,000**	**48,046,136**
Total Non-Capital Projects Total		**12,666,542**	**8,528,045**	**9,252,136**	**9,553,275**	**8,366,774**	**6,905,678**	**6,414,848**	**7,844,294**	**9,015,239**	**7,267,196**	**85,814,027**
Total All Projects		**270,428,815**	**199,211,511**	**124,065,461**	**72,249,648**	**44,246,265**	**37,505,886**	**29,885,829**	**36,514,309**	**52,390,954**	**60,925,281**	**927,423,959**

GENERAL MANAGER'S MESSAGE

The Honorable Board of Directors
Inland Empire Utilities Agency

June 16, 2021

I am pleased to submit the Inland Empire Utilities Agency (IEUA/Agency) biennial budget for Fiscal Years 2021/22 and 2022/23 (Budget) and the Ten-Year Capital Improvement Plan for Fiscal Years 2021/22 – 2030/31 (TYCIP). The Budget and TYCIP are based on a plan to return to new "normal" conditions. In response to Governor Newsom's Executive Order issued on March 17, 2020, swift changes had to be implemented to keep our employees and our communities safe. More than half of our employees, including our operators, maintenance staff, laboratory staff, project managers, and other Agency staff continued to work onsite under stringent COVID-19 safety guidelines. The balance of employees successfully transitioned to remote work status swiftly and relatively seamlessly.

The Budget is a balanced plan to effectively address the challenges ahead by prioritizing funding for cost-efficient operations, timely replacement and rehabilitation of aging assets, investment in expansion and improvement of facilities to meet anticipated growth and regulatory compliance requirements, and early recruitment of critical positions to support succession planning.

The Budget and TYCIP are consistent with the Agency's long-term planning documents and Board-adopted Business Goals of fiscal responsibility, work environment, business practices, water reliability, wastewater management, and environmental stewardship.

FISCAL RESPONSIBILITY

Sustainable cost containment continues to be the basis for the Budget of $454 million in Total Uses of Funds for Fiscal Year (FY) 2021/22, compared to the current FY 2020/21 budget of $361 million. Employee succession planning continues to be a key objective over the next several years. Currently, 25 percent of full-time employees (FTEs) are eligible to retire. The number jumps to 41 percent by 2025. An increase in staffing level is needed to support the early recruitment of critical positions to preserve institutional knowledge and ensure the sustainable operation of Agency facilities and service our communities. As part of the Agency's commitment to cost containment, the fiscal impact from the increase in staffing level is partly offset by recruitment of new hires at a lower compensation level and re-classification of vacated positions to a lower grade where it is practical to do so.

- Over the two-year budget period, Total Uses of Funds are projected to increase to $454 million in FY 2021/22 and $392 million in FY 2022/23 primarily due to higher capital project expenditures of $259 million for FY 2021/22 and $191 million for FY 2022/23. The drivers for the higher capital investments are the RP-5 Expansion project needed to support growth in the southern section of the Agency's service area and the RP-1 Thickening Process Improvement project to provide redundancy and enhanced reliability in the northern sector.

- Total Revenues and Other Funding Sources are projected to be $298 million in FY 2021/22 and $332 million in FY 2022/23, primarily driven by the RP-5 Expansion Project and new debt needed to support construction costs. Rates and fees are based on the adjustments adopted by the Board of Directors in June 2020 for the new water connection fee and the monthly meter equivalent unit (MEU) charge for Fiscal Years (FYs) 2020/21 – 2024/25. Rate adjustments for the new wastewater

connection fee, recycled water rates, and the monthly equivalent dwelling unit (EDU) sewer charge were adopted only for FYs 2020/21 and 2021/22. Rate adjustments needed for the Recycled Water Program for FY 2022/23 will be based on the 2022 Rate Study currently underway. The monthly EDU rate for FY 2022/23 will be adjusted as needed to support increases in program costs pending completion of an evaluation of the EDU calculation methodology slated for completion in 2023.

WATER RELIABILITY

As a regional purveyor of imported potable water, ensuring water reliability and resiliency for the region is fundamental to the Agency's mission. Of Metropolitan Water District of Southern California's (MWD) twenty-six member agencies, the Agency is the only agency that received 100 percent of untreated imported water supplies from the State Water Project (SWP), owned, and operated by the Department of Water Resources (DWR). In response to persistent drought conditions throughout the state, on March 23, 2021, DWR reduced its initial projected SWP allocation of water deliveries for the 2021 water year from a 10 percent to 5 percent allocation, which has only occurred historically once.

With moderate to severe drought conditions predicted to remain an ongoing challenge, enhancement of local supplies continues to be an essential component of the region's water portfolio. Included in the Budget is the ongoing assessment of the Chino Basin Program/Water Storage Investment Program (CBP/WSIP) and the $212 million in conditional funding awarded by the California Water Commission (CWC) in July 2018.

The CBP/WSIP is a first-of-its-kind water program that will help the region move beyond traditional water management practices and into a new era of water optimization. The CBP/WSIP closely aligns with regional planning efforts, including Chino Basin Watermaster's Optimum Basin Management Plan and Integrated Water Resources Plan.

Also included in the TYCIP over the two-year budget period is over $21 million to expand and improve regional groundwater basin recharge capacity. As part of the 2013 Recharge Master Plan Update (RMPU), the planned improvements are projected to increase stormwater capture by 4,727 acre-feet per year (AFY) and 7,125 AFY of recycled water recharge. The Agency's success in securing grant and low-interest Clean Water State Revolving Fund (CWSRF) loans and associated principal forgiveness grants significantly reduced the initial estimated stormwater capture unit cost from $612 to under $250 per AF.

WASTEWATER MANAGEMENT

While the full economic impact of the COVID-19 pandemic is still to be determined, the number of just under 3,500 new connections of equivalent dwelling units (EDUs) to the Agency's regional wastewater system for fiscal year ending June 30, 2020 did not change from the prior year. The steady pace of new connections and member agency forecasts of nearly 55,000 new EDUS over the next ten years are indicative of more stable economic conditions in our region. To ensure the Agency is ready to meet increased demand from the anticipated future growth, a key focus of the Agency's Budget and TYCIP continues to be expansion and improvement of facilities. Expansion of the Agency's most southern treatment facility is underway, consistent with the IEUA Wastewater Facilities Master Plan updated in 2015. With a total budget of $450 million, the Regional Water Recycling Plant No. 5 (RP-5) Expansion Project is the largest capital construction project undertaken by the Agency to-date. In May 2020, the Board approved an agreement with the U.S Environmental Protection Agency (EPA) for a Water Infrastructure Finance and Innovation Act

(WIFIA) loan for $196.4 million as part of the Round 1 funding. A CWSRF loan application for $101.5 million has also been approved by the State Water Resources Control Board and included in its 2020 Fundable List. Together, the WIFIA and CWSRF loans will support approximately 66 percent of the RP-5 Expansion Project's total project costs. In January 2021, the EPA selected the Agency's Letter of Interest for Round 2 funding for the Regional Wastewater System Improvements Program. The Agency was one of 55 projects in 20 states selected by the EPA to compete in Round 2. Continued use of low-interest state and federal loans and pursuit of grant funding opportunities are core components of the Agency's financing strategy.

ENVIRONMENTAL STEWARDSHIP

The Agency is committed to protection of the environment through conservation and sustainable practices implemented on a regional and watershed basis. As one of 10 agencies participating in the Santa Ana River Multiple Species Habitat Conservation Plan, the Agency works closely with the U.S. Fish and Wildlife Service to mitigate any potential impact to federally listed endangered, threatened, or special status species from future water projects in the Upper Santa Ana River region.

WORK ENVIRONMENT

IEUA's employees are dedicated to serving our communities and our Agency. During the past year, despite the many challenges faced personally and professionally during the COVID-19 pandemic, the Agency's staff members remained steadfast in their commitment to, and diligence in, safeguarding the public's health throughout our region. Over the past fiscal year, their hard work and innovation was recognized by several prominent organizations that bestowed awards to individuals and departments in each of the Agency's four divisions.

California Water Environment Association Santa Ana River Basin Section – two awards in the Community Engagement & Outreach category, two awards in the Engineering & Research category and one award in the Operations & Maintenance category

California Association of Sanitation Agencies – 2020 Public Outreach and Education – Large Agency Award for Owlie's Virtual Adventures

American Society of Civil Engineers San Bernardino-Riverside Branch – Sustainable Category Award to IEUA, in partnership with Chino Basin Watermaster, for the San Sevaine Basin Improvements Project

Government Finance Officers Association of the United States and Canada – Certificate of Achievement for Excellence in Financial Reporting for the 22nd consecutive year

U.S. Department of Defense, through the Employer Support of the Guard and Reserve Program – Patriot Award for the Agency and five staff members

CONCLUSION

The Agency's commitment to sustainably enhancing the quality of life in the Inland Empire was never more evident than in the last year. While no one could have predicted the magnitude of the COVID-19 pandemic, decades of fiscal discipline positioned the Agency well to successfully deal with such an unprecedented event. Through it all, our employees continued to provide high quality, critical services to our customers and the communities that we serve. We look forward to the future and will continue to demonstrate fiscal responsibility while implementing a strategic resource plan that will maintain a reliable and resilient water supply, ensure public health and safety using responsible wastewater management, and protect the environment through pioneering stewardship initiatives for the region.

Respectfully submitted,

Shivaji Deshmukh, P.E.
General Manager

EXECUTIVE SUMMARY

FY 2021/22– 2022/23 BUDGET OVERVIEW

Total uses of funds for $454 million in FY 2021/22 and $392 million in FY 2022/23 include the operational, capital, and debt service expenditures for all Agency programs necessary to support the Agency's mission to provide reliable essential services in a regionally planned and cost- effective manner.

Total operating expenses are budgeted at $172.7 million in FY 2021/22 and $176.0 million budget for FY 2022/23 an increase. Some of the key drivers for the increase of $7.4 million in FY 2021/22 compared to the $165.4 million amended budget in FY 2020/21 include; a return to "normal conditions", significant increases in electricity rates from Southern California Edison, higher professional fees and contract services as the Agency continues to shift from a corrective to a preventative and predictive maintenance strategy, and an increase in imported water rates from Metropolitan Water District of Southern California (MWD). These increases are partly offset by lower non-capital project costs.

Other uses of funds, of $281.3 million in FY 2021/22 and $216.2 million in FY 2022/23 are comprised of debt service and capital improvement plan (CIP) expenditures. Debt service costs decreased from $27.8 million in FY 2020/21 to $22.5 million in FY 2021/22 and $24.8 million in FY 2022/23. CIP is budgeted at $258.8 million in FY 2021/22, a $90.8 million increase over the FY 2020/21 amended budget of $168.0 million. In FY 2022/23, CIP is budgeted at $191.4 million, a $67.4 million decrease from the prior year. The drivers for the higher capital investments over the next two years are the RP-5 Expansion project needed to support growth in the southern section of the Agency's service area and the RP-1 Thickening Process Improvement project to provide redundancy and enhanced reliability in the northern sector. Funding for CIP includes a combination of pay-go, low interest federal and state loans, grants, and contributions.

Total sources of funds of $298.5 million in FYs 2021/22 and $331.6 million in FY 2022/23 include operating revenues and other sources of funds.

Operating revenues are budgeted at $172.0 million in FY 2021/22 and $178.8 million in FY 2022/2. The increase of $7.8 million compared to the $164.2 million amended budget in FY 2020/21is due to an increase in imported water rates from MWD and rate adjustments for the Regional Wastewater, Recycled Water, and Water Resources programs approved by the Board of Directors and member agencies.

Other sources of funds, of $126.5 million in FY 2021/22 and $152.9 million in FY 2022/23 include fees from new connections to the Agency's regional wastewater and regional water systems, property tax receipts, grants, and proceeds from low interest federal and state loans.

Ending reserve balance is anticipated to increase from $241.3 million in the FY 2020/21 amended budget to $295.6 million at the end of FY 2021/22 and $235.0 million projected at the end of FY 2022/23. Table 1-1 provides an overview of total funding sources, total uses of funds, and estimated ending fund balances.

TABLE 1-1: TOTAL SOURCES AND USES OF FUNDS, AND FUND BALANCE ($MILLIONS)

	FY 2019/20 Actual	FY 2020/21 Amended	FY 2021/22 Budget	FY 2022/23 Budget	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast
Operating Revenues	$155.7	$164.2	$172.0	$178.7	$185.9	$193.0	$199.5
Other Sources	308.8	188.1	126.5	152.9	247.0	161.1	306.2
Total Funding Sources	**464.5**	**352.3**	**298.5**	**331.6**	**432.9**	**354.1**	**505.7**
Operating Expense	150.8	165.4	172.7	176.0	184.5	190.3	194.6
Debt Service	26.8	27.8	22.5	24.8	25.8	26.8	224.0
Capital Program	53.1	168.0	258.8	191.4	115.6	63.4	36.6
Total Uses of Funds	**230.7**	**361.2**	**454.0**	**392.2**	**325.9**	**280.5**	**455.2**
Total Increase/(Decrease)	233.8	(8.9)	(155.5)	(60.6)	107.0	73.6	50.5
Beginning Fund Bal	252.8	250.2	451.1	295.6	235.0	342.0	415.6
Ending Fund Bal	**486.6**	**241.3**	**295.6**	**235.0**	**342.0**	**415.6**	**466.1**

Totals may not tie due to rounding

REVENUES AND OTHER FUNDING SOURCES HIGHLIGHTS

Total revenues and other funding sources are budgeted at $298.5 million in FY 2021/22 and $331.6 million in FY 2022/23. Table 1-2 highlights the major funding sources.

TABLE 1-2: TOTAL REVENUES AND OTHER FUNDING SOURCES ($MILLIONS)

Funding Sources	ACTUAL 2019/20	AMENDED BUDGET 2020/21	BIENNIAL BUDGET 2021/22	BIENNIAL BUDGET 2022/23
User Charges	$86.3	$88.1	$93.8	$97.8
Property Taxes	55.6	53.9	57.5	58.5
Contract Cost Reimbursement*	6.7	7.1	7.0	7.2
Recycled Water Sales	15.4	16.2	17.3	17.6
Connection Fees	32.3	35.7	37.9	39.0
Water Sales	40.8	46.1	47.4	49.8
Bonds, State, Other Loans**	207.6	79.7	14.1	49.1
Grants	5.4	14.4	15.5	2.0
Other***	14.4	11.1	8.0	10.6
Total	**$464.5**	**$352.3**	**$298.5**	**$331.6**

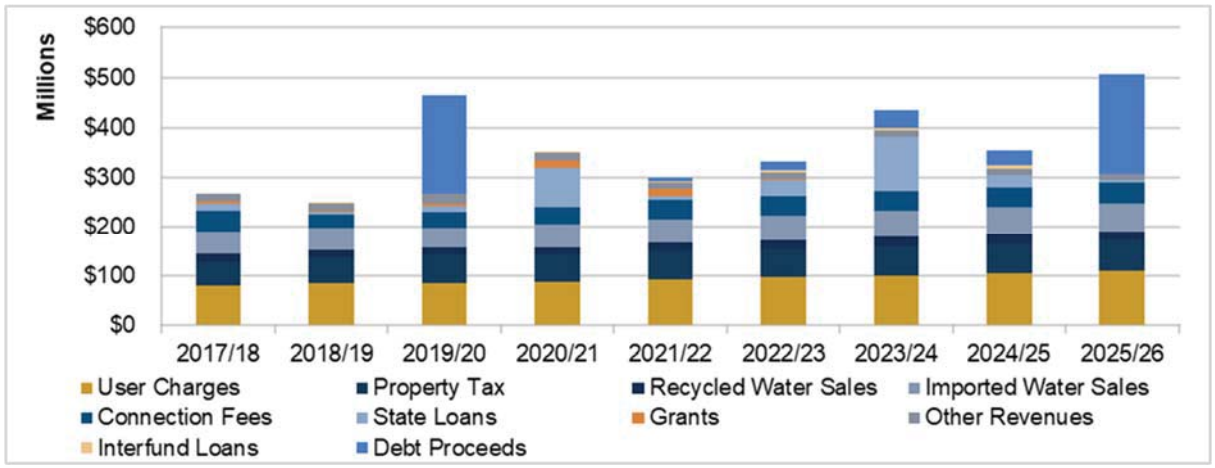
Totals may not tie due to rounding

**Includes reimbursement from Joint Power Authorities (JPAs), Chino Basin Desalter Authority, Inland Empire Regional Composting Authority, and Chino Basin Watermaster.*
***Bonds, Federal and State loan proceeds*
****Includes capital contract reimbursements from Chino Basin Watermaster for various joint recharge basin improvement projects, inter-fund loan reimbursement, interest, and lease revenues.*

EXECUTIVE SUMMARY

Projected revenues for FYs 2021/22 through 2025/26 include additional state and federal loan and grant funding to support improvement and expansion of Agency facilities and infrastructure needed to meet increased service demands from anticipated future growth. Figure 1-1 shows revenue trends from FYs 2017/18 to FY 2025/26.

FIGURE 1-1: TREND OF REVENUES AND OTHER FUNDING SOURCES ($MILLIONS)



The primary sources of the $298.5 million and $331.6 million total revenues and other funding sources budgeted in FY 2021/22 and FY 2022/23 is summarized in Table 1-3:

TABLE 1-3: TOTAL REVENUES AND OTHER FUNDING SOURCES ($MILLIONS)

Revenues	FY 2020/21	FY 2022/23	Description
User Charges	$93.8	$97.8	Regional Wastewater monthly sewer service charges; Non-Reclaimable Wastewater (NRW) pass-through volumetric, capacity and strength charges; Imported potable water rates.
State and Other Loans	14.1	49.1	State Revolving Fund (SRF) and Water Infrastructure Finance and Innovation Act (WIFIA) loan proceeds for Regional Wastewater, Recharge Water and Non-Reclaimable Wastewater projects.
Property Tax	57.5	58.5	San Bernardino County ad-valorem property taxes, pass-through incremental taxes, and extra territorial charges.
Grants	15.5	2.0	Federal, state, and local grants for recharge water projects, South Archibald TCE Plume Clean Up and support of water resource programs.
Recycled Water Sales	17.3	17.6	Direct and groundwater recharge recycled water sales.
Connection Fees	37.9	39.0	New connection fees for the Regional Wastewater and Regional Water systems.

Revenues	FY 2020/21	FY 2022/23	Description
Water Sales	47.4	49.8	Sales of pass-through MWD imported potable water budgeted at 60,000 acre-feet per year (AFY).
Other Revenues	15.0	17.8	Reimbursements for operational and administration support from Chino Basin Watermaster (CBWM), Chino Basin Desalter Authority (CDA), Inland Empire Regional Composting Authority (IERCA), lease revenues, and interest earnings.
Total Revenues & Other Funding Sources	**$298.5**	**$331.6**	

Totals may not tie due to rounding.

EXPENSES AND OTHER USES OF FUNDS HIGHLIGHTS

Total uses of funds are $454.0 million in FY 2021/22 and $392.2 million for FY 2022/23. A comparison of major uses of funds from FY 2019/20 to FY 2022/23 is shown on Table 1-4.

TABLE 1-4: TOTAL USES OF FUNDS ($MILLIONS)

Uses of Funds	Actual 2019/20	Amended Budget 2020/21	Biennial Budget 2021/22	Biennial Budget 2022/23
Operational Expenses*	$150.8	$165.4	$172.7	$176.0
CIP	53.1	168.0	258.8	191.4
Debt Service**	26.8	27.8	22.5	24.8
Total	**$230.7**	**$361.2**	**$454.0**	**$392.2**

Totals may not tie due to rounding.

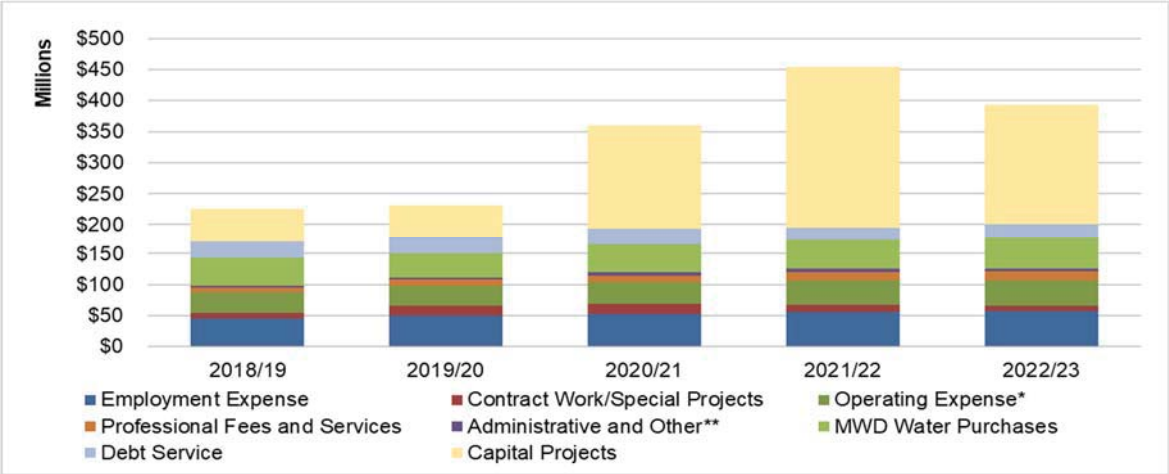
**Includes employment, chemicals, utilities, materials and supplies, biosolids recycling, operating fees, professional fees, office & admin, and imported water purchases.*

***Includes Inter-Fund Loan payments*

Expenses by major category from FYs 2017/18 to FY 2025/26 is shown in Figure 1-2.

EXECUTIVE SUMMARY

FIGURE 1-2: TREND OF EXPENSES AND OTHER USES OF FUNDS ($MILLIONS)



*Operating Expense includes utilities, chemicals, operating fees, biosolids recycling, and materials and supplies.
** Administrative and Other includes office and administration, and miscellaneous other non-operating expense.

The major expenses and other uses of funds budgeted in FYs 2021/22 and 2022/23 is summarized on Table 1-5.

TABLE 1-5: TOTAL EXPENSES AND OTHER USES OF FUNDS ($MILLIONS)

Expense Category	BIENNIAL BUDGET 2021/22	BIENNIAL BUDGET 2022/23	Description
Employment Expenses	$54.5	$56.8	Includes wages and benefits, net of the Capital Improvement Plan (CIP) allocation and an increase in staffing beginning FY 2021/22 to allow for early recruitment of critical positions.
Utilities	12.9	14.6	Includes electricity, natural gas, telephone, potable water, and renewal energy costs.
Operating Fees	13.0	13.4	Includes pass-through charges from Los Angeles County Sanitation Districts (LACSD) and Santa Ana Watershed Project Authority (SAWPA) for volumetric charges, capacity, excess strength, and biochemical oxygen demand (BOD) / chemical oxygen demand (COD) for the Non-Reclaimable Wastewater System.
Chemicals	6.1	6.3	Chemicals for wastewater treatment process compliance and sustainment of the high-quality recycled water.
Professional Fees	13.8	13.8	Includes contract services such as legal, external auditing, training, landscaping, security, and janitorial services
Biosolids Recycling	4.8	4.9	Includes hauling costs and Inland Empire Regional Composting Authority (IERCA) tipping fees for biosolids recycling.
MWD Water Purchase	47.4	49.9	Pass-through purchase of imported potable water from Metropolitan Water District of Southern

Expense Category	BIENNIAL BUDGET 2021/22	2022/23	Description
			California (MWD) budgeted at 60,000 AF per fiscal year.
Other Expenses	20.2	16.3	Includes non-capital (O&M) projects, office and administration expenses, contract services, and materials and supplies.
Capital Project	258.8	191.4	Capital improvement plan (CIP) expenditures consistent with the Ten-Year Capital Improvement Plan (TYCIP) and Agency's share of capital investments for the Inland Empire Regional Composting Authority.
Debt Service	22.5	24.8	Includes principal, interest and financial fees for outstanding bonds, State Revolving Fund (SRF) loans, notes payable and inter-fund loans.
Total Expenses and Other Uses of Funds	**$454.0**	**$392.2**	

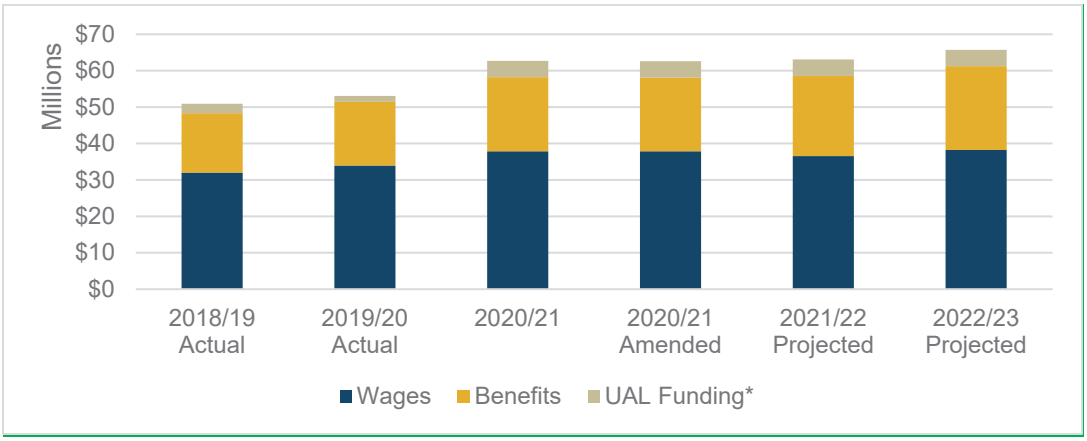
Totals may not tie due to rounding.

EMPLOYMENT EXPENSES

Total employment expenses of $54.5 million in FY 2021/22 and $56.8 million in FY 2022/23 (net of labor allocation to CIP) make up approximately thirty-one percent of total operating expenses. Employment expenses include wages, benefits, and additional contributions to unfunded accrued liabilities for pension and other postemployment benefits (OPEB) benefits. Included in FYs 2021/22 and 2022/23 employment budget is a 3.0 percent cost of living adjustment (COLA).

Total employment costs for FY 2021/22 are projected to be 0.8 percent, or $0.5 million higher than amended budget for FY 2020/21. Employment costs allocated to support CIP activities are $8.6 million In FY 2021/22 and $9.0 million in FY 2022/23 and are included in total employment expenses shown in Figure 1-3.

FIGURE 1-3: TOTAL EMPLOYMENT COSTS ($MILLIONS)



**UAL* – Unfunded *Accrued Liability*

EXECUTIVE SUMMARY

Approximately 41 percent of the Agency's current workforce will be eligible for retirement in 2025. In order to secure the critical resources needed to support continuity of critical Agency operations through the ability to engage in the necessary succession planning over the next five years, an increase in total staffing from 308 (290 FTEs + 18 LTs) to 312 (302 FTEs + 10 LTs) is proposed for FY 2021/22. The proposed staffing level will provide management more flexibility and allow for early recruitment of certain critical positions to support preservation of critical skills and institutional knowledge transfer.

CAPITAL IMPROVEMENT PROGRAM (CIP)

FY 2022 – 2031 TEN YEAR CAPITAL IMPROVEMENT PLAN (TYCIP)

The purpose of the capital improvement plan is to catalog and schedule capital improvement projects over a multi-year period to effectively and efficiently to meet the service needs of the region, comply with statutory requirements, and appropriately maintain Agency assets. Each year, pursuant to the Regional Sewage Service Contract (Regional Contract), member agencies provide a ten-year forecast of expected growth in their area. The member agencies forecast, updated in October 2020, estimated over 54,000 new connections over the next ten years.

Based on member agency forecasts, the Agency prepares a ten-year projection of capacity demands and identifies capital projects needed to meet the service demand from future growth. Pursuant to the Regional Contract, the Ten-Year Forecast (TYF), a subset of the Ten-Year Capital Improvement Plan (TYCIP) which includes capital investments planned for the Regional Wastewater and Recycled Water programs, is updated annually and presented to the Regional Technical and Policy Committees for review and comment, prior to approval by the Agency's Board of Directors.

The rehabilitation, replacement, improvement, and expansion of the Agency's facilities continue to be the key drivers for the proposed TYCIP. These drivers are consistent with the Agency's long-term planning documents approved by the Board of Directors, amongst them:

- Wastewater Facilities Master Plan
- Recycled Water Program Strategy Update
- Energy Management Plan
- Regional Water Use Efficiency Business Plan
- Integrated Water Resources Plan

The proposed FY 2022 TYCIP capital costs of $841.6 million continues to focus on two primary areas; timely execution of critical replacement & rehabilitation (R&R) projects necessary to meet reliability and regulatory requirements and the improvement and expansion of existing facilities and infrastructure to meet future growth as forecasted by member agencies. Major projects include the RP-1 Capacity Recovery project, and the expansion of the Regional Plant 5 The TYCIP is funded by a combination of pay-go, low interest federal and state loans, grants, and contributions. A summary by fund is provided in Table 1-6.

TABLE 1-6: TEN YEAR CAPITAL IMPROVEMENT PLAN BY FUND ($MILLIONS) –

Fund ($Millions)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 through 2030/31	Total
Wastewater Capital*	$201.3	$153.9	$96.6	$49.6	$21.9	$87.2	$610.5
Wastewater Operations**	16.3	9.6	13.8	8.4	6.4	37.9	92.4
Recycled Water	2.5	5.5	2.2	3.0	5.0	42.6	60.8
Non-Reclaimable Wastewater	18.5	6.9	1.1	0.6	0.9	3.4	31.4
Water Resources	5.0	5.1	-	-	-	-	10.1
Recharge Water	12.0	8.7	0.8	0.5	0.5	2.5	25.0
Administrative Services	2.1	1.0	0.3	0.6	1.2	6.2	11.4
Total	**$257.7**	**$190.7**	**$114.8**	**$62.7**	**$35.9**	**$179.8**	**$841.6**

Totals may not tie due to rounding.
**Regional Wastewater Capital Improvement Fund (excludes $8.5 million capital investment in the IERCA)*
***Regional Wastewater Operations & Maintenance Fund*

A more detailed discussion on the CIP and major projects of the FY 2021/22 – 2030/31 TYCIP is provided in the Capital section of the budget document.

DEBT SERVICE COSTS

Debt service costs are comprised of principal, interest, and financial expenses related to outstanding bonds, low interest State Revolving Fund (SRF) loans, note payables, and inter-fund loans. Debt service costs (are primarily funded by property tax receipts, new connection fees and rates, consistent with the Agency's Debt Management Policy adopted by the Board of Directors in May 2016. Table 1-7 shows the estimated biennial debt service costs by program.

TABLE 1-7: DEBT SERVICE COSTS BY PROGRAM ($MILLIONS)

Program Fund	2021/22	2022/23
Non-Reclaimable Wastewater	$0.6	$0.6
Regional Wastewater Capital	7.2	7.0
Regional Wastewater Operations	1.4	1.4
Recharge Water	1.0	1.5
Recycled Water	12.3	14.3
Total Debt Service Costs	**$22.5**	**$24.8**

Totals may not tie due to rounding.

Total outstanding debt, net of inter fund loans and financial expense, at the end of FY 2021/22 is projected to be $443.0 million and comprised of $326.3 million in bonds, $113.1 million in low interest SRF loans, and $3.6 million in other notes payable. The Agency has secured a federal Water Infrastructure Finance and Innovation Act (WIFIA) loan in amount of $196 million at a fixes interest rate of 1.36 percent from the U.S. Environmental Protection Agency (EPA) to finance a portion of the RP-5 Expansion project. Repayment of the WIFIA loan starts one year after substantial completion of the project which is currently slated for early 2025. To further reduce the financing costs, the Agency issued interim financing for the same amount of the WIFIA loan to support construction costs of the RP-5 Expansion project. Use of the WIFIA loan and

interim financing at a fixed rate of 0.41 percent resulted in estimated present value cost savings of $93 million over the life of the loan. The Agency continues to pursue a combination of additional low interest state and federal loans to support the execution of the TYCIP. The Agency 's Letter of Interest (LOI) to the WIFIA program for its second round of funding was one of 55 projects across 20 states selected by EPA to submit a full application. This second WIFIA loan will provide financing for the Regional Wastewater Improvements Program, a suite of four capital projects included in the TYCIP.

Projections of total outstanding debt (principal and interest) and annual debt service payments by fiscal year ending beginning FYY 2015/16 ("16") is shown in Figure 1-4 and Figure 1-5, respectively.

FIGURE 1-4: TOTAL OUTSTANDING DEBT WITH PROJECTED FUTURE DEBT ($MILLIONS)

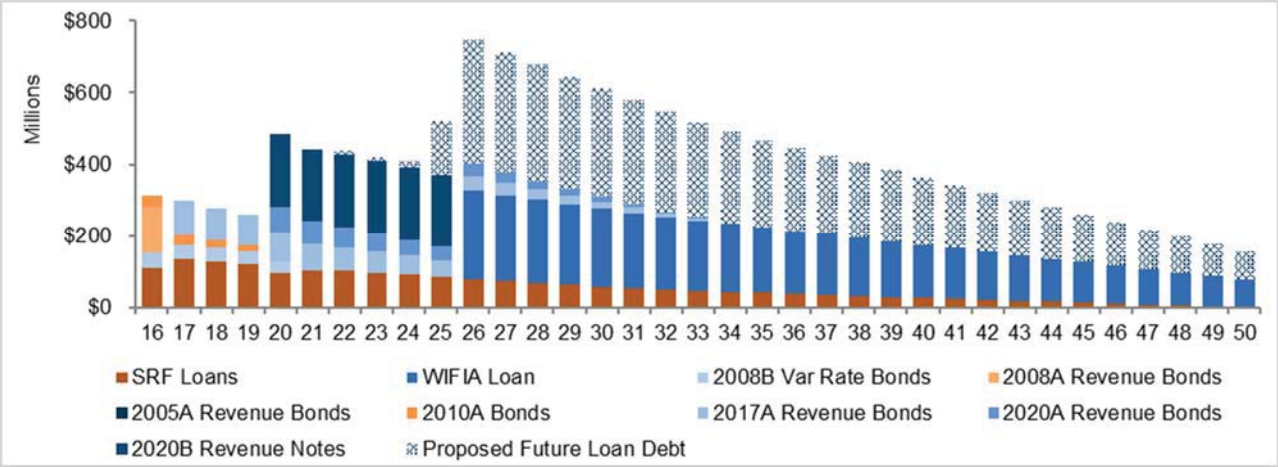
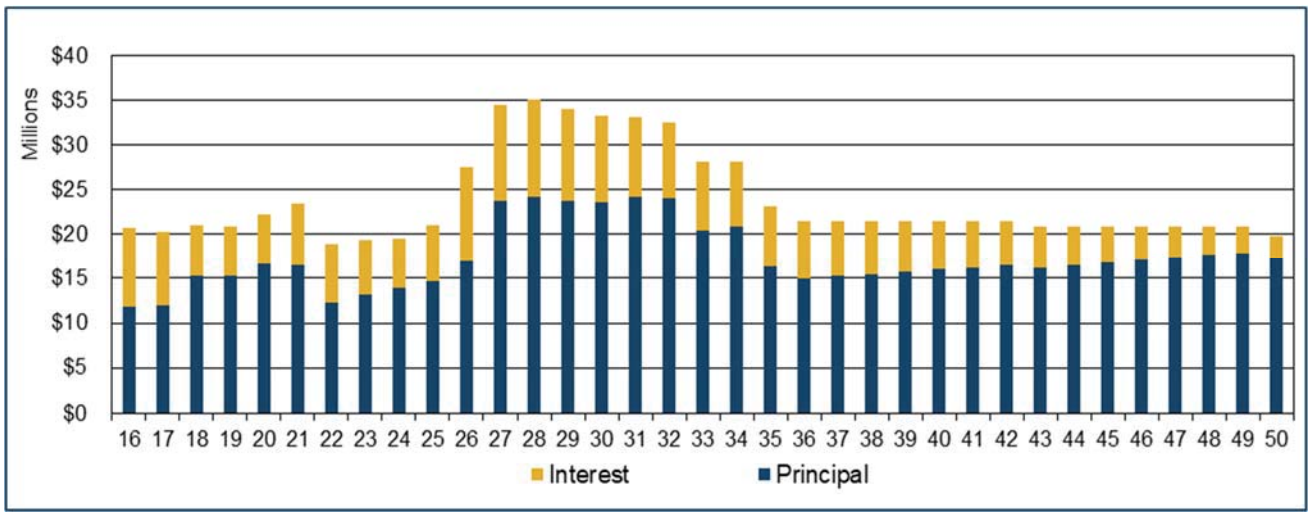


FIGURE 1-5: DEBT SERVICE COSTS WITH PROJECTED FUTURE DEBT ($MILLIONS)



Not reflected in FY 2016/17 is $50 million in early retirement of 2008A Revenue Funds.
Not reflected in FY 2025/26 is $196.4 million payment of 2020B Revenue Notes with the WIFIA loan.

DEBT COVERAGE RATIO (DCR)

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

The Agency's bond covenants require a legal DCR of at least 1.20 times for senior bonds and a coverage ratio of at least 1.25 times or higher for senior and subordinate debt combined. A DCR of 1.25 means the Agency will generate a minimum of 1.25 times more (or 25 percent more) net operating cash flow than is required to pay annual debt service costs. Net operating cash flow is the amount remaining after payment of operating expenses. The Agency has no senior debt currently outstanding, nor any legal debt limits imposed by state legislation.

Annual variations of the DCR can be attributed to a combination of changes in system revenues, operating expenses, and debt service costs. It is estimated that beginning in FY 2025/26 debt service will begin for new debt issues needed to finance regional expansion and improvement projects. New debt is assumed to be low interest state and federal loans and the corresponding annual debt service costs are included in the calculation of the DCR as shown in Table 1-8.

TABLE 1-8: DEBT COVERAGE RATIO PROJECTED TREND

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Projected	*Biennial Budget*		*Forecast*		
DCR	3.39x	4.62x	4.78x	4.80x	4.60x	3.68x

INTER-FUND TRANSFERS

Inter-fund transfers account for the inflows and outflows of financial resources from one Agency fund to another and are reported as other financing sources and uses of funds. The Agency's inter-fund transfers included in each fund are needed to support operation, capital and debt service costs and are approved by the Board of Directors as part of the fiscal year budget. Connection fees and property taxes are a primary source of funding. An overview of the proposed inter-fund transfers for FYs 2021/22 and 2022/23 is provided in the following discussion.

CAPITAL CONTRIBUTION

Capital contribution inter-fund transfers provide support for specific portions of the Agency's CIP. The Non-Reclaimable Wastewater, Regional Wastewater Capital, and Recycled Water funds support the Administrative Services Fund's agency-wide capital projects. Inter-fund transfers form the Recycled Water fund to the Recharge Water fund support the Agency's share of capital investments related to improvements and expansion of the groundwater basin recharge system. Inter-fund transfers from the Regional Wastewater Operations fund to the Regional Wastewater Capital fund supports its share for capital project

expenditures for existing capacity. A summary of inter-fund transfers to support CIP is provided in Table 1-9.

TABLE 1-9: CAPITAL CONTRIBUTION INTER-FUND TRANSFERS ($MILLIONS)

Fund	2021/22		2022/23	
	In	Out	In	Out
Administrative Services	$1.56	$0	$0.72	$0
Non-Reclaimable Wastewater		(0.05)		(0.03)
Regional Wastewater Capital	9.06	(1.46)	9.06	(0.67)
Regional Wastewater Operations		(9.06)		(9.06)
Recharge Water	0.24		0.34	
Recycled Water		(0.29)		(0.36)
Total	**$10.86**	**($10.86)**	**$10.12**	**($10.12)**

DEBT SERVICE

Inter-fund transfers for debt service account for fund-specific portions of debt service costs related to the Agency's bonds and SRF loans used to support capital projects. The Regional Wastewater Capital fund supports the Agency's share of 2020A Bond debt service costs recorded in the Recharge Water fund, the 2017A bond debt service costs in the Recycled Water fund, and SRF Loan payments in the Regional Wastewater Operations fund. Inter-fund transfers from the Regional Wastewater Operations fund to the Recycled Water fund support its share of an SRF loan for Regional and Recycled Water projects. Table 1-10 provides a summary of the debt service inter-fund transfers.

TABLE 1-10: DEBT SERVICE INTER-FUND TRANSFERS ($MILLIONS)

Fund	2021/22		2022/23	
	In	Out	In	Out
Regional Wastewater Capital	$0	($3.14)	$0	($3.14)
Regional Wastewater Operations	0.26	(0.15)	0.26	(0.15)
Recharge Water	0.48		0.48	
Recycled Water	2.55		2.55	
Total	**$3.29**	**($3.29)**	**$3.29**	**($3.29)**

OPERATION SUPPORT

Operation support in the form of inter-fund transfers is provided to the Agency's Administrative Services fund for agency-wide non-capital projects from the Regional Wastewater Operations, Recycled Water, and Non-Reclaimable Wastewater funds. The Recharge Water fund receives operational support from the Recycled Water fund for the Agency's pro-rata share of groundwater basin maintenance and other costs not reimbursed by Chino Basin Watermaster. Inter-fund transfers related to operation support are detailed in Table 1-11.

TABLE 1-11: OPERATION SUPPORT INTER-FUND TRANSFERS ($MILLIONS)

	2021/22		2022/23	
Fund	In	Out	In	Out
Administrative Services	$1.17	$0	$0.80	$0
Non-Reclaimable Wastewater		(0.04)		(0.03)
Regional Wastewater Operations		(1.09)		(0.74)
Recharge Water	1.17		1.11	
Recycled Water		(1.21)		(1.14)
Total	**$2.34**	**($2.34)**	**$1.91**	**($1.91)**

CAPITAL – WASTEWATER CONNECTION FEES

Wastewater connection fees are collected to support the capital acquisition, construction, and expansion of the Agency's regional wastewater system. This revenue is collected in the Regional Wastewater Capital fund and then distributed via inter-fund transfer to the Administrative Services, Non-Reclaimable Wastewater, and Regional Wastewater Operations funds proportionally to support growth-related projects. These transfers are outlined in Table 1-12.

TABLE 1-12: WASTEWATER CONNECTION FEES INTER-FUND TRANSFERS ($MILLIONS)

	2021/22		2022/23	
Fund	In	Out	In	Out
Administrative Services	$0.85	$0	$0.55	$0
Non-Reclaimable Wastewater	3.06		1.46	
Regional Wastewater Capital		(8.68)		(4.30)
Regional Wastewater Operations	4.77		2.29	
Total	**$8.68**	**($8.68)**	**$4.30**	**($4.30)**

ONE WATER CONNECTION FEES

One water connection fees are collected to support the expansion of the Agency's regional water system and investment in integrated regional water resources. The connection fee revenue is recorded in the Agency's Recycled Water fund and then allocated via inter-fund transfer to the Administrative Services, Recharge Water, and Water Resources funds proportionally to support projects that contribute to the regional water system. The one water connection fee inter-fund transfers are summarized in Table 1-13.

TABLE 1-13: ONE WATER INTER-FUND TRANSFERS ($MILLIONS)

Fund	2021/22		2022/23	
	In	Out	In	Out
Administrative Services	$0.05	$0	$0.03	$0
Recharge Water	0.07		0.1	
Recycled Water		(1.80)		(1.65)
Water Resources	1.68		1.52	
Total	**$1.80**	**($1.80)**	**$1.65**	**($1.65)**

RESERVES

Reserves are a strong indicator of the Agency's financial health. Reserve balances are maintained at the Agency-wide level and at the individual fund level. The aggregate ending reserve fund balance in FY 2021/22 is estimated to be $295.6 million, an increase of $54.3 million compared to the projected ending balance of $241.3 million for FY 2020/21 amended budget. The projected increase is primarily due to a higher beginning balance that reflects debt proceeds received in FY 2019/20 for the RP-5 Expansion project. The use of reserves to support CIP is projected to reduce total reserves by $60.6 million to $235.0 at the end of FY 2022/23 as indicated in Table 1-14.

TABLE 1-14: RESERVE FUND BALANCE ($MILLIONS)

Description	Actual	Amended	Biennial Budget	
	2019/20	2020/21	2021/22	2022/23
Net Increase (Decrease) in Fund Balance	$233.8	$(8.9)	($155.5)	$(60.6)
Beginning Fund Balance, July 1	252.8	250.2	451.1	295.6
Ending Fund Balance, June 30	**$486.6**	**$241.3**	**$295.6**	**$235.0**

Totals may not tie due to rounding.

Table 1-15 provides an overview of estimated ending reserve balances by fund for FYs 2020/21 through 2022/23.

TABLE 1-15: ENDING RESERVE BALANCE BY FUND ($MILLIONS)

Fund	Amended 2020/21	Biennial Budget 2021/22	Biennial Budget 2022/23
Administrative Services	$11.2	$12.7	$12.8
Regional Wastewater Capital Improvement	101.4	123.4	71.5
Regional Wastewater Operation & Maintenance	46.1	72.5	74.0
Non-Reclaimable Wastewater	14.7	16.3	18.4
Recharge Water	6.1	9.4	4.1
Recycled Water	41.6	42.8	37.6
Water Resources	20.2	18.5	16.6
Total	**$241.3**	**$295.6**	**$235.0**

Totals may not tie due to rounding.

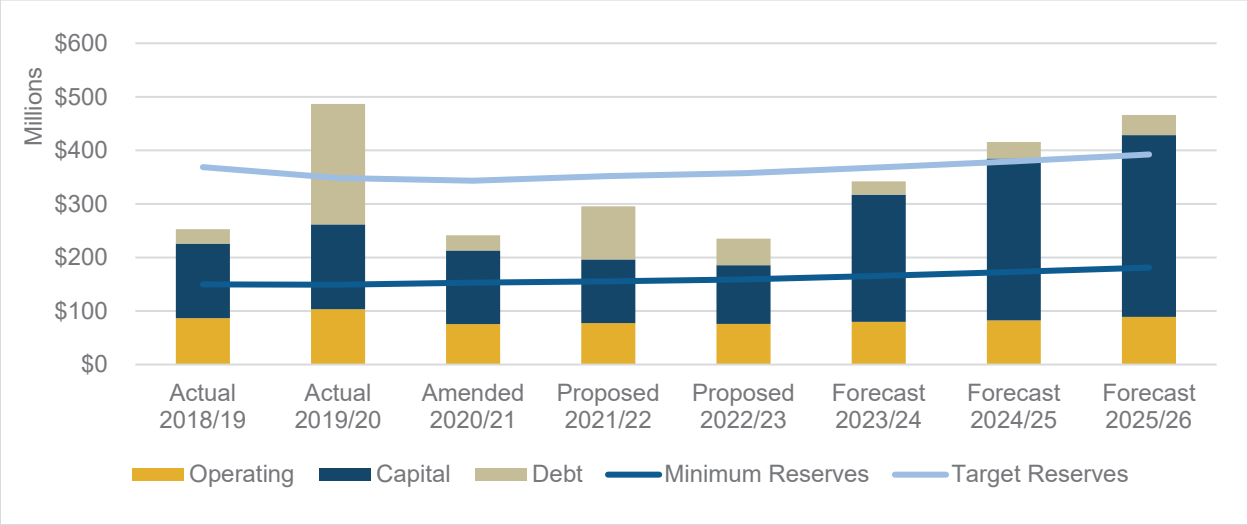
Fund reserves are designated for specific purposes, as defined in the Agency's Reserve Policy adopted by the Board of Directors in April 2021. The primary designations of reserves include:

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

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

A comparison of the Agency's actual and projected total fund reserves to the minimum and target levels from FY 2018/19 through FY 2025/26 is provided in Figure 1-6. FY 2019/20 debt reserves include debt proceeds from the interim financing issued to support construction costs for the RP-5 Expansion project. Beginning in FY 2023/24, replenishment of reserves to support major rehabilitation of aging infrastructure accounts for the projected increase.

FIGURE 1-6: TREND OF OPERATING, CAPITAL, AND DEBT RESERVE BALANCES ($MILLIONS)

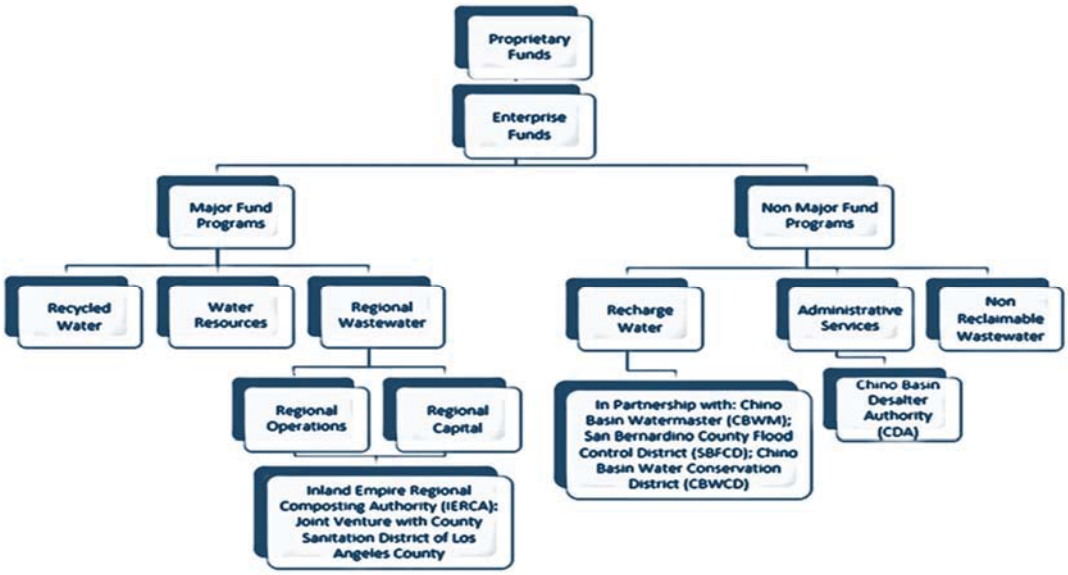


A forecast summary of the estimated fund balance is provided under the Programs/Fund section of this budget book. The criterion for each minimum and maximum target level by category varies by Agency fund and are further defined in the Agency's Board adopted Reserve Policy included in the Appendix.

PROGRAMS

As a municipal water district, the Agency engages in primarily enterprise operations supported by user charges and fees, which are recorded in enterprise funds. In some cases, a program consists of a group of enterprise funds, such as the Regional Wastewater program comprised of the Regional Wastewater Operations & Maintenance (Regional Operations) and Regional Wastewater Capital Improvement (Regional Capital) funds and by extension the Inland Empire Regional Composting Authority. Figure 1-7 provides an overview of the Agency's fund structure.

FIGURE 1-7: INLAND EMPIRE UTILITIES AGENCY (IEUA) FUND STRUCTURE



Individual enterprise funds are classified in either a Major Fund or Non-Major Fund group. Each enterprise fund records cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Table 1-16 contains definitions of Major and Non-Major Fund groups. The definitions are consistent with the Agency's audited FY 2019/20 Annual Comprehensive Financial Report.

TABLE 1-16: DEFINITION OF MAJOR AND NON-MAJOR FUND GROUPS

Major Funds	Non-Major Funds
The Major Fund Group accounts for: • the resources devoted to funding the operating, capital, and debt service costs associated with the operation. • asset acquisition and capital construction, improvement, and expansion of the Agency's domestic wastewater treatment plant facilities • the recycled water distribution system, and the recharge water basins • the management and distribution of wholesale and potable water, the development and implementation of regional water conservation initiatives, and water resource planning. The following programs make up the Major Fund group: • Regional Wastewater • Recycled Water • Water Resources	The Non-Major Funds record: • capital and operating costs associated with the non-reclaimable wastewater system including the acquisition, expansion, and construction of the interceptors, and appurtenant facilities and treatment capacity. • the administrative and overhead expenses for the various Agency departments, operational and administrative support for the Chino Basin Desalter • the purchase of common Agency assets and rates the operations and maintenance of groundwater recharge basins. The following funds/programs make up the Non-Major Funds group: • Administrative Services • Non-Reclaimable Wastewater • Recharge Water

EXECUTIVE SUMMARY

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

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 AND 2022/23 BIENNIAL BUDGET
SOURCES AND USES OF FUNDS - BY PROGRAM FUND (In Thousands)

	2018/2019	2019/2020	2020/2021	FY 2021/22 PROPOSED BUDGET								FY 2022/23
	ACTUAL	ACTUAL	AMENDED	Administrative Services Program	Non-Reclaimable Wastewater Program	Regional Wastewater Capital Improvement Fund	Regional Wastewater Operations & Maintenance Program	Recharge Water Program	Recycled Water Program	Water Resources Program	TOTAL	PROPOSED BUDGET
REVENUES												
User Charges	$84,814	$86,348	$88,135	$0	$12,669	$0	$72,924	$0	$0	$8,176	$93,769	$97,792
Property Tax	1,972	1,972	1,972	2,587	0	0	0	0	0	0	2,587	2,630
Cost Reimbursement JPA	6,019	6,658	7,058	1,459	0	0	4,461	1,067	0	0	6,988	7,151
Contract Cost reimbursement	1,826	454	865	0	0	0	75	0	0	466	541	323
Interest Revenue	4,354	4,220	3,883	215	540	592	1,200	100	533	200	3,380	3,428
Recycled Water Sales	13,902	15,349	16,155	0	0	0	0	0	17,290	47,412	64,702	17,610
Water Sales	45,519	40,768	46,092	0	0	0	0	0	0	0	0	49,848
TOTAL REVENUES	**$158,407**	**$155,769**	**$164,159**	**$4,261**	**$13,209**	**$592**	**$78,660**	**$1,167**	**$17,823**	**$56,254**	**$171,966**	**$178,782**
OTHER FINANCING SOURCES												
Property Tax - Debt and Capital	$51,068	$53,641	$51,963	$0	$0	$37,366	$13,222	$0	$2,299	$2,012	$54,899	$55,818
Regional System Connection Fees	28,352	32,307	35,735	0	0	29,514	0	0	8,399	0	37,913	39,052
Debt Proceeds	0	196,436	0	0	5,398	761	0	0	0	0	6,159	17,406
State Loans	4,892	11,213	79,647	0	0	0	0	7,975	0	0	7,975	31,731
Grants	2,125	5,403	14,432	0	0	0	5,793	9,536	0	155	15,484	2,017
Capital Cost Reimbursement	892	4,564	2,252	0	0	0	0	707	92	0	799	1,556
Other Revenues	1,136	2,173	1,112	2	225	1	80	0	0	0	308	308
Sale of Capacity	0	1,035	0	0	0	0	0	0	0	0	0	0
Loan Transfer from Internal Fund	3,000	2,000	3,000	0	3,000	0	0	0	0	0	3,000	5,000
TOTAL OTHER FINANCING SOURCES	**$91,465**	**$308,773**	**$188,141**	**$2**	**$8,623**	**$67,643**	**$19,095**	**$18,219**	**$10,790**	**$2,167**	**$126,538**	**$152,888**
TOTAL REVENUES AND OTHER FINANCING SOURCES	**$249,872**	**$464,542**	**$352,300**	**$4,263**	**$21,832**	**$68,234**	**$97,755**	**$19,386**	**$28,613**	**$58,421**	**$298,504**	**$331,670**
EXPENSES												
Employment Expenses	$44,324	$49,423	$52,190	$1,578	$3,185	$4,016	$35,662	$830	$6,034	$3,214	$54,521	$56,781
Contract Work/Special Projects	10,100	16,799	15,872	1,477	350	0	6,942	0	1,215	2,683	12,667	8,528
Utilities	8,274	7,818	10,159	882	112	0	8,283	85	3,554	0	12,915	14,560
Operating Fees	12,354	11,347	12,727	36	7,015	281	2,404	8	10	3,263	13,017	13,397
Chemicals	4,664	5,195	5,147	0	140	0	6,004	0	0	0	6,144	6,328
Professional Fees and Services	8,120	9,275	10,925	5,857	351	654	4,233	1,123	1,322	299	13,839	13,829
Office and Administrative expenses	1,610	1,322	2,908	1,914	25	0	3	16	38	4	2,000	2,229
Biosolids Recycling	4,335	4,633	4,551	0	31	0	4,733	0	0	0	4,764	4,907
Materials & Supplies	3,039	3,297	3,023	247	75	0	2,010	114	109	0	2,556	2,618
MWD Water Purchases	45,519	40,480	46,092	0	0	0	0	0	0	47,412	47,412	49,848
Other Expenses	1,177	1,221	1,722	(6,576)	553	1,869	5,170	64	1,382	443	2,906	2,958
TOTAL EXPENSES	**$143,516**	**$150,810**	**$165,317**	**$5,415**	**$11,837**	**$6,820**	**$75,446**	**$2,240**	**$13,664**	**$57,317**	**$172,740**	**$175,983**
CAPITAL PROGRAM												
CSDLAC 4Rs	$705	$737	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
IERCA investment	0	0	500	0	0	1,000	0	0	0	0	1,000	750
Capital Construction and Expansion	55,622	52,331	167,539	2,157	18,525	201,296	16,292	11,969	2,480	5,043	257,762	190,683
TOTAL CAPITAL PROGRAM	**$56,327**	**$53,068**	**$168,039**	**$2,157**	**$18,525**	**$202,296**	**$16,292**	**$11,969**	**$2,480**	**$5,043**	**$258,762**	**$191,433**
DEBT SERVICE												
Financial Expenses	$323	$481	$362	$18	$4	$9	$1	$1	$5	$0	$37	$36
Interest	6,951	8,125	6,699	0	253	2,669	614	397	3,236	0	7,169	6,629
Principal	15,911	16,245	17,780	0	331	4,540	784	559	6,031	0	12,246	13,177
Short Term Inter-Fund Loan	3,000	2,000	3,000	0	0	0	0	0	3,000	0	3,000	5,000
TOTAL DEBT SERVICE	**$26,185**	**$26,850**	**$27,841**	**$18**	**$588**	**$7,219**	**$1,398**	**$957**	**$12,273**	**$0**	**$22,452**	**$24,842**
TRANSFERS IN (OUT)												
Capital Contribution	($0)	($0)	($0)	$1,561	($53)	$7,601	($9,056)	$238	($291)	$0	($0)	$0
Debt Service	(0)	0	0	0	0	(3,138)	114	478	2,546	0	0	0
Operation support	(0)	0	0	1,172	(40)	0	(1,092)	1,173	(1,213)	0	(0)	0
Capital - Connection Fees Allocation	0	0	0	849	3,062	(8,679)	4,769	0	0	0	0	(0)
One Water	0	0	0	52	0	0	0	71	(1,802)	1,678	(0)	0
TOTAL INTERFUND TRANSFERS IN (OU	**($0)**	**$0**	**$0**	**$3,634**	**$2,969**	**($4,217)**	**($5,264)**	**$1,961**	**($760)**	**$1,678**	**($0)**	**$0**
FUND BALANCE												
Net Increase (Decrease)	$23,845	$233,813	($8,897)	$308	($6,150)	($152,318)	($645)	$6,181	($564)	($2,261)	($155,450)	($60,589)
Beginning Fund Balance July 01	227,028	250,872	231,782	12,386	22,445	275,709	73,118	3,246	43,416	18,838	449,158	293,708
ENDING BALANCE AT JUNE 30	**$250,872**	**$484,685**	**$222,886**	**$12,694**	**$16,295**	**$123,392**	**$72,472**	**$9,427**	**$42,851**	**$16,577**	**$293,708**	**$233,120**
RESERVE BALANCE SUMMARY												
Operating Contingencies	$35,346	$38,891	$39,035	$2,707	$3,946	$2,273	$23,662	$1,120	$4,555	$6,010	$44,273	$44,721
Capital Expansion & Replacement	24,540	24,017	34,855	0	11,761	1,449	0	6,800	4,203	0	24,213	14,471
CCRA Capital Construction	66,474	90,733	73,114	0	0	33,067	0	0	0	0	33,067	33,467
Water Connection	14,615	18,311	16,548	0	0	0	0	0	23,285	0	23,285	22,137
Rehabilitation/Replacement	31,316	41,004	10,265	0	0	0	9,236	0	1,500	0	10,736	10,736
CSDLAC Prepayment	705	737	0	0	0	0	0	0	0	0	0	0
Water Resource Capital	6,903	11,561	0	0	0	0	0	0	0	10,567	10,567	8,381
Debt Service & Redemption	26,831	224,905	28,433	0	588	86,603	1,398	1,507	9,309	0	99,405	49,511
Self Insurance Program	4,578	3,301	3,000	3,987	0	0	0	0	0	0	3,987	4,141
Employee Retirement Benefit	6,000	6,000	4,822	6,000	0	0	0	0	0	0	6,000	6,000
Sinking Fund	33,566	25,226	12,815	0	0	0	38,176	0	0	0	38,176	39,555
ENDING BALANCE AT JUNE 30	**$250,872**	**$484,685**	**$222,886**	**$12,694**	**$16,295**	**$123,392**	**$72,472**	**$9,427**	**$42,851**	**$16,577**	**$293,708**	**$233,120**

*Numbers may not total due to rounding

EXECUTIVE SUMMARY

INLAND EMPIRE UTILITIES AGENCY
FISCAL YEARS 2021/22 AND 2022/23 BIENNIAL BUDGET
ALL FUNDS - SOURCES AND USES OF FUNDS (In Thousands)

	2018/2019 ACTUAL	2019/2020 ACTUAL	2020/2021 AMENDED BUDGET	2021/2022 ADOPTED BUDGET	2022/2023 ADOPTED BUDGET	FY 2023/24 FORECAST	FY 2024/25 FORECAST	FY 2025/26 FORECAST
REVENUES								
User Charges	$84,814	$86,348	$88,135	$93,769	$97,792	$101,614	$105,744	$110,028
Property Tax - O&M	1,972	1,972	1,972	2,587	2,630	2,674	2,719	2,765
Cost Reimbursement from JPA	6,019	6,658	7,058	6,988	7,151	7,479	7,710	7,947
Contract Cost reimbursement	1,826	454	865	541	323	323	323	323
Interest Revenue	4,354	4,220	3,883	3,380	3,428	3,252	3,362	3,270
Recycled Water Sales	13,902	15,349	16,155	17,290	17,610	17,962	18,564	18,916
Water Sales	45,519	40,768	46,092	47,412	49,848	52,560	54,636	56,208
TOTAL REVENUES	**$158,407**	**$155,769**	**$164,159**	**$171,966**	**$178,782**	**$185,864**	**$193,058**	**$199,456**
OTHER FINANCING SOURCES								
Property Tax - Debt , Capital, Reserves	$51,068	$53,641	$51,963	$54,899	$55,818	$56,753	$57,704	$58,674
Connection Fees	28,352	32,307	35,735	37,913	39,052	40,223	41,430	42,581
Debt Proceeds	0	196,436	0	6,159	17,406	33,046	31,000	198,508
State Loans	4,892	11,213	79,647	7,975	31,731	108,988	23,750	4,776
Grants	2,125	5,403	14,432	15,484	2,017	120	10	10
Capital Contract Reimbursement	892	4,564	2,252	799	1,556	1,531	1,373	1,374
Other Revenues	1,136	2,173	1,112	308	308	308	308	308
Sale of Capacity	0	1,035	0	0	0	0	0	0
Loan Transfer from Internal Fund	3,000	2,000	3,000	3,000	5,000	6,000	5,500	0
TOTAL OTHER FINANCING SOURCES	**$91,465**	**$308,773**	**$188,141**	**$126,538**	**$152,888**	**$246,968**	**$161,075**	**$306,231**
TOTAL REVENUES AND OTHER FINANCING SOURCES	**$249,872**	**$464,542**	**$352,300**	**$298,504**	**$331,670**	**$432,831**	**$354,133**	**$505,687**
EXPENSES								
Employment Expense	$44,324	$49,423	$52,190	$54,521	$56,781	$58,788	$60,780	$62,788
Contract Work/Special Projects	10,100	16,799	15,872	12,667	8,528	9,252	9,553	8,367
Utilities	8,274	7,818	10,159	12,915	14,560	14,993	15,439	15,898
Operating Fees	12,354	11,347	12,727	13,017	13,397	13,790	14,170	14,583
Chemicals	4,664	5,195	5,147	6,144	6,328	6,518	6,713	6,915
Professional Fees and Services	8,120	9,275	10,925	13,839	13,829	15,646	15,672	16,273
Office and Administrative Expense	1,610	1,322	2,908	2,000	2,229	1,994	2,123	2,022
Biosolids Recycling	4,335	4,633	4,551	4,764	4,907	5,054	5,206	5,362
Materials & Supplies	3,039	3,297	3,023	2,556	2,618	2,627	2,735	2,801
MWD Water Purchases	45,519	40,480	46,092	47,412	49,848	52,560	54,636	56,208
Other Expenses	1,177	1,221	1,722	2,906	2,958	3,268	3,243	3,380
TOTAL EXPENSES	**$143,516**	**$150,810**	**$165,317**	**$172,740**	**$175,983**	**$184,490**	**$190,270**	**$194,596**
(Continued from previous page)								
CAPITAL PROGRAM								
CSDLAC 4Rs	$705	$737	$0	$0	$0	$0	$0	$0
IERCA investment	0	0	500	1,000	750	750	750	750
Capital Construction & Expansion	55,622	52,331	167,539	257,762	190,683	114,813	62,696	35,879
TOTAL CAPITAL PROGRAM	**$56,327**	**$53,068**	**$168,039**	**$258,762**	**$191,433**	**$115,563**	**$63,446**	**$36,629**
DEBT SERVICE								
Financial Expenses	$323	$481	$362	$37	$36	$37	$46	$41
Interest	6,951	8,125	6,699	7,169	6,629	5,832	6,491	10,507
Principal	15,911	16,245	17,780	12,246	13,177	13,955	14,761	213,414
Short Term Inter-Fund Loan	3,000	2,000	3,000	3,000	5,000	6,000	5,500	0
TOTAL DEBT SERVICE	**$26,185**	**$26,850**	**$27,841**	**$22,452**	**$24,842**	**$25,824**	**$26,797**	**$223,962**
FUND BALANCE								
Net Increase (Decrease)	$23,845	$233,813	($8,897)	($155,450)	($60,589)	$106,954	$73,619	$50,500
Beginning Fund Balance July 01	$227,028	$250,872	$231,782	$449,158	$293,708	$233,120	$340,074	$413,693
ENDING BALANCE AT JUNE 30	**$250,872**	**$484,685**	**$222,886**	**$293,708**	**$233,120**	**$340,074**	**$413,693**	**$464,193**
RESERVE BALANCE SUMMARY								
Operating Contingencies	$35,346	$38,891	$39,035	$44,273	$44,721	$46,912	$48,439	$51,056
Capital Expansion & Replacement	24,540	24,017	34,855	24,213	14,471	130,256	169,980	173,393
CCRA Capital Construction	66,474	90,733	73,114	33,067	33,467	49,778	72,029	93,248
Water Connection	14,615	18,311	16,548	23,285	22,137	20,334	19,779	22,742
Rehabilitation/Replacement	31,316	41,004	10,265	10,736	10,736	10,736	10,736	11,236
CSDLAC Prepayment	705	737	0	0	0	0	0	0
Water Resource Capital	6,903	11,561	0	10,567	8,381	9,908	11,459	13,487
Debt Service & Redemption	26,831	224,905	28,433	99,405	49,511	24,545	30,775	37,709
Self Insurance Program	4,578	3,301	3,000	3,987	4,141	4,240	3,881	5,322
Employee Retirement Benefit	6,000	6,000	4,822	6,000	6,000	6,000	6,000	6,000
Sinking Fund	33,566	25,226	12,815	38,176	39,555	37,364	40,614	50,000
ENDING BALANCE AT JUNE 30	**$250,872**	**$484,685**	**$222,886**	**$293,708**	**$233,120**	**$340,074**	**$413,693**	**$464,193**

**Numbers may not total due to rounding*

INLAND EMPIRE UTILITIES AGENCY
LABORATORY PRICES - FY 2021/2022

Inorganic Chemistry		
Test	**Method**	**Price**
Alkalinity, Total	SM 2320B	$16.00
Ammonia as Nitrogen	EPA 350.1	$16.00
Anion Sum	SM 1050	$2.70
BOD, Soluble	SM 5210	$46.70
BOD, Total	SM 5210	$41.40
Bromide	EPA 300.0	$11.60
Cation Sum	SM 1050	$2.70
Chlorate	EPA 300.0	$50.40
Chloride	EPA 300.0	$10.10
Chlorite	EPA 300.0	$50.40
COD	SM 5220D	$35.50
Color	SM 2120B	$10.60
Conductivity	SM 2510	$10.10
Corrosivity	SM 2330B	$45.10
If Alkalinity, Ca, EC, or pH are requested on Corrosivity cost is reduced by their respective		
Cyanide, Available	EPA OIA-1677	$53.00
Cyanide, Free	ASTM D7237	$29.70
Cyanide, Total	ASTM D7284	$32.90
Dissolved Organic Carbon	SM 5310B	$42.40
Dissolved Organic Carbon	SM 5310C	$37.20
Dissolved Oxygen	EPA 360.1	$13.30
Fluoride	EPA 300.0	$10.10
Fluoride	SM 4500-F C	$18.00
Hardness, Total (Calculation)	EPA 200.7	$23.90
If Ca and Mg is requested, calculation is reduced by their respective prices.		*0*
Hardness, Total	SM 2340C	$19.70
Mercury	EPA 245.2	$42.40
Metals Digestion (liquid)		$18.00
Metals Digestion (solid)		$47.80
Metals by ICP	EPA 200.7	$10.60
Metals by ICP/MS	EPA 200.8	$10.60
Nitrate as Nitrogen	EPA 300.0	$10.10
Nitrite as Nitrogen	EPA 300.0	$10.10
Nitrogen, Organic	Various	$69.00
Oil & Grease, Polar (FOG)	EPA1664B	$79.60
Oil & Grease, Non-polar	EPA1664B	$42.40
Oil & Grease, Total	EPA1664B	$37.20
pH	SM 4500-H+ B	$6.40
Phosphorus, Ortho	EPA 300.0	$10.10
Phosphorus, Total	EPA 200.7	$10.60

Inorganic Chemistry		
Test	**Method**	**Price**
Silica	EPA 200.7	$10.60
Sulfate	EPA 300.0	$10.10
Sulfide, Dissolved	SM 4500-S D	$21.20
Sulfide, Total	SM 4500-S D	$17.00
Surfactants (MBAS)	SM 5540C	$53.00
TDS	SM 2540C	$16.00
TDS, Fixed/Volatile	SM 2540E	$23.90
TKN	EPA 351.2	$42.40
TOC	SM 5310B	$37.20
TOC	SM 5310C	$31.80
Total Solids	SM 2540B	$12.20
TSS	SM 2540D	$16.00
Turbidity	EPA 180.1	$9.60
Uranium pCi/L	EPA 200.8	$29.70
Volatile Solids	SM 2540E	$17.50
Volatile Suspended Solids	SM 2540E	$23.90

Bioassay/Microbiology		
Test	**Method**	**Price**
Bioassay, C.Dubia, Chronic	EPA 1002	$1,273.10
Coliform, Colilert P/A	SM 9223 B	$10.60
Coliform, Colilert Total Enumerati	SM 9223 B	$21.20
Coliform, Fecal	SM 9221E	$26.60
Coliform, Total (15 Tube)	SM 9221B	$26.60
Heterotrophic Plate Count	SM 9215B	$21.20

Organic Chemistry		
Test	**Method**	**Price**
1,4-Dioxane	EPA 624	$79.60
Acrolein & Acrylonitrile	EPA 624	$79.60
MTBE	EPA 524.2	$106.10
Pesticides	EPA 608	$265.20
Pesticides w/ PCBs	EPA 608	$344.80
PCBs	EPA 608	$265.20
Semi-Volatiles (Short list DW)	EPA 525	$344.80
Semi-Volatiles (Acid Extractables	EPA 625	$238.80
Semi-Volatiles (Base/Neutrals)	EPA 625	$238.80
Semi-Volatiles (BNA)	EPA 625	$318.30
Tert-Butyl Alcohol (TBA)	EPA 524.2 MOD	$159.10
Thiobencarb	EPA 525	$318.30
Volatiles, DW	EPA 524.2	$159.10
Volatiles, WW	EPA 624	$201.60