



Regional Sewerage Program Policy Committee Meeting

AGENDA

Thursday, March 6, 2025

3:30 p.m.

**Agency Headquarters – Board Room
6075 Kimball Avenue, Building A
Chino, CA 91708**

Telephone Access: (415) 856-9169/Conf ID: 960 375 500#

The public may participate and provide public comment during the meeting by joining in person or by calling the number provided above. Comments may also be submitted by email to the Recording Secretary Jennifer Hy-Luk at jhyluk@ieua.org prior to the completion of the Public Comment section of the meeting. Comments will be distributed to the Policy Members.

Call to Order

Roll Call

Flag Salute

Public Comment

Members of the public may address the Committee on any item that is within the jurisdiction of the Committee; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Comments will be limited to three minutes per speaker.

Additions to the Agenda

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

(Continued)

- 1. Technical Committee Report (Oral)**
- 2. Action Item**
 - A. Approve minutes of February 6, 2025 Policy Committee Meeting
- 3. Information Items**
 - A. RP-5 Expansion Project Update (PowerPoint)
 - B. Regional Sewer Connection Fee Examples (PowerPoint)
 - C. IEUA Cost of Service Update and Proposed Rates for Fiscal Year 2025/26 and Fiscal Year 2026/27 (PowerPoint)
- 4. Receive and File Item**
 - A. Building Activity Report (Written)
- 5. Other Business**
 - A. IEUA General Manager's Update
 - B. Committee Member Requested Future Agenda Items
 - C. Committee Member Comments
 - D. Next Meeting – April 3, 2025

Adjourn

DECLARATION OF POSTING

I, Jennifer Hy-Luk, Board Services Officer of the Inland Empire Utilities Agency, a Municipal Water District, hereby certify that per Government Code Section 54954.2, a copy of this agenda has been posted at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA and on the Agency's website at www.ieua.org at least seventy-two (72) hours prior to the meeting date and time above.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Jennifer Hy-Luk at (909) 993-1727 or jhyluk@ieua.org 48 hours prior to the scheduled meeting so that IEUA can make reasonable arrangements to ensure accessibility.

ACTION ITEM

2A



Regional Sewerage Program Policy Committee Meeting

MINUTES OF THE FEBRUARY 6, 2025 MEETING

CALL TO ORDER

A meeting of the Inland Empire Utilities Agency (IEUA)/Regional Sewerage Program (RSP) Policy Committee was held on Thursday, February 6, 2025, at 6075 Kimball Avenue, Building A, Chino, California.

Chair Peter Rogers/City of Chino Hills called the meeting to order at 3:30 p.m. Recording Secretary Denise Garzaro established a quorum was present. Chair Rogers led the Pledge of Allegiance.

Committee Members Present:

Curtis Burton	City of Chino
Peter Rogers	City of Chino Hills
Phillip Cothran	City of Fontana
John Dutrey	City of Montclair
Debra Dorst-Porada	City of Ontario
Bill Velto	City of Upland
Randall Reed	Cucamonga Valley Water District (CVWD)
Steven J. Elie	Inland Empire Utilities Agency (IEUA)

Others Present:

Ben Orosco	City of Chino
Hye Jin Lee	City of Chino
Ron Craig	City of Chino Hills
Chad Nishida	City of Ontario
Nicole deMoet	City of Upland
Kevin Alexander	IEUA
Jerry Burke	IEUA
Marty Cihigoyenette	IEUA
Angel Cisneros	IEUA
Robert Delgado	IEUA
Lucia Diaz	IEUA
Lisa Dye	IEUA
Denise Garzaro	IEUA
Elizabeth Hurst	IEUA

Others Present (continued):

Randy Lee	IEUA
Eddie Lin	IEUA
Alex Lopez	IEUA
Jason Marseilles	IEUA
Liza Munoz	IEUA
Alyson Piguee	IEUA
Sushmitha Reddy	IEUA
Joe Sturgess	IEUA
Ken Tam	IEUA
Wilson To	IEUA
Brian Wilson	IEUA

PUBLIC COMMENTS

There were no public comments.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

1. TECHNICAL COMMITTEE REPORT

Ron Craig/City of Chino Hills stated that at the January 30 Technical Committee meeting, the Committee heard reports from the BAR Subcommittee, the RP-5 Expansion Project, and the rate-setting process schedule. He noted that the connection fee examples presentation is still forthcoming. He added that the Committee requested a follow-up presentation on the RP-5 Expansion Project costs and schedule.

2. ACTION ITEM**A. APPROVE MINUTES OF THE NOVEMBER 7, 2024 POLICY COMMITTEE MEETING**

Motion: By Committee member Rogers/City of Chino Hills and seconded by Committee member Dutrey/City of Montclair, the Committee approved the meeting minutes of the November 7, 2024 Regional Policy Committee Meeting, by the following vote:

Ayes: Burton, Cothran, Dorst-Porada, Dutrey, Reed, Rogers, Velto
 Noes: None
 Absent: None
 Abstain: None

The motion passed by a vote of 7 ayes, 0 noes, and 0 absent.

3. INFORMATION ITEMS**A. RP-5 EXPANSION PROJECT UPDATE (POWERPOINT)**

Brian Wilson/IEUA provided the presentation.

Committee member Dorst-Porada/City of Ontario requested a follow-up item covering the budget and timeline for the project.

B. RATE-SETTING PROCESS AND SCHEDULE (WRITTEN)

Randy Lee/IEUA noted key dates in the rate-setting process and relayed that the Agency is proceeding with a two-year rate.

Discussion ensued regarding the timeline for input and the process overall.

4. RECEIVE AND FILE ITEMS

Items 4A and 4B were received and filed by the Committee.

A. BUILDING ACTIVITY REPORT**B. PLANNING AND RESOURCES DEPARTMENT FISCAL YEAR 2023/24 ANNUAL REPORTS****5. OTHER BUSINESS****A. IEUA GENERAL MANAGER'S UPDATE**

Deputy General Manager Kevin Alexander/IEUA stated that staff is still working on the presentation for a previously requested item on the connection fee examples and expects to bring that item to the Committee at the next meeting.

B. COMMITTEE MEMBER REQUESTED AGENDA ITEMS FOR NEXT MEETING

There were no Committee member requested agenda items.

C. COMMITTEE MEMBER COMMENTS

Committee member Dorst-Porada reported that she attended the Peace Agreement Workshop at Chino Basin Watermaster and stated that she was looking forward to a quick decision.

D. NEXT MEETING – MARCH 6, 2025**ADJOURNMENT**

Chair Rogers adjourned the meeting at 4:20 p.m.

Prepared by:

Denise Garzaro, Director of Board and Administrative Services

**INFORMATION
ITEM**

3A

RP-5 Expansion Project Update Follow Up

Project Nos. EN19001 and EN19006

Brian Wilson P.E., CCM

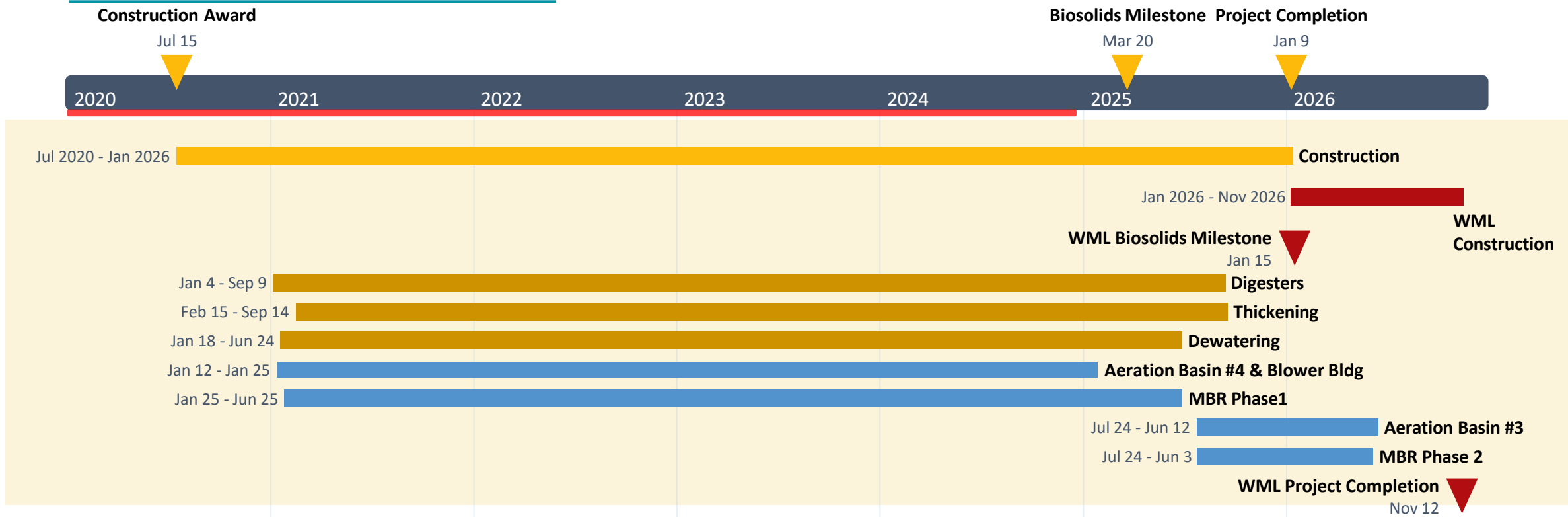
Principal Engineer

February/March 2025



2 RP-5: Project Status

Day 1676 of 2005 = 83%



Role	Firm	Contract	This Month's Payment	Total Paid	% Complete
Contractor	WM Lyles	\$341,079,922	\$1,130,564	\$287,030,069	84%
Designer	Parsons	\$40,551,961	\$61,084	\$37,372,729	92%
Construction Management	Arcadis	\$29,900,877	\$438,330	\$19,517,211	65%



3 Project Budget and Schedule

Description	Cost
Design Services	\$25,890,199
Parsons Design Contract + Amendments 1-7	\$21,556,291
Other Design Services	\$4,333,908
Construction Services	\$51,896,618
Parsons ESDC Contract Amendments 8-14	\$18,995,741
Construction Management Services + Amendments	\$29,900,877
Other Construction Services	\$3,000,000
Construction	\$364,441,997
Construction	\$329,982,900
Change Orders to Date	\$11,097,022
Remaining Contingency	\$21,901,268
Radio Tower Subproject	\$1,460,807
Total Project Cost:	\$442,228,814
Project Budget (Solids & Liquids):	\$450,000,000

Project Milestone	Date
Construction Contract Award	July 2020
Construction Completion Contract	January 2026
Construction Completion Contractor Schedule	November 2026



4 RP-5: Project Status – Changes

	Quantity	Amount
Original Contract Amount		\$329,982,900
Change Orders	456	\$11,097,022
Request For Deviations	54	\$1,417,385
Changes Total (CO+RFD)		\$12,514,407
% Change of Contract		3.79%
% of Contingency		37.9%



5 RP-5: Type of Changes

Type of Change	Total Value (CO+RFD)	% of Total Change	% of Total Contract (\$330M)
Design Errors & Omissions	\$ 6,700,657	53.6%	2.03%
Requested by District	\$ 4,271,729	34.1%	1.29%
Changed Site Conditions	\$ 2,349,740	18.8%	0.71%
Requested by Contractor	\$ (808,019)	(6.5)%	(0.24)%
Total Change (RFD+CO):	\$12,514,107	100%	3.79%



Questions?



@IEUAWater

ieua.org

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

**INFORMATION
ITEM**

3B



Regional Sewer Connection Fee Examples

Amanda Coker, Cucamonga Valley
Water District

Nicole DeMoet, City of Upland

Ken Tam, IEUA

March 2025

Topics of Discussion



- Building Activity Report Subcommittee
- Exhibit J - Regional Sewer Connection Fee Document
- Examples of Sewer Connection Fee Calculations
- Monthly Building Activity Reporting

BAR Subcommittee Re-established as a Regional Forum



- Building Activity Report (BAR) Subcommittee
 - Monthly IEUA and Sewer Collection Agency (SCA) forum
 - Goals - Region wide consistency through collaboration
 - Reports to Regional Technical Committee
- Current & Future Discussion Topics
 - Uniform reporting forms
 - Regional sewer billing procedures
 - Flow and loading studies
 - Re-evaluation of EDU Equation
 - Forecasting methods

Regional Document (Exhibit J) is Used Regionally to Calculate IEUA Sewer Connection Fees



- Exhibit J was adopted in 1984 and most recently amended in 2013
- IEUA sewer connection fee is for new connections and for change in use
- SCA connection fee is separate from IEUA fee
- IEUA Connection Fee based on Equivalent Dwelling Unit (EDU) Equation

$$EDU = \frac{Flow}{270 \text{ GPD}} \left(0.37 + 0.31 \frac{BOD \left(\frac{mg}{L}\right)}{230} + \frac{TSS \left(\frac{mg}{L}\right)}{220} \right)$$

- Three categories of facilities
 - Residential
 - Commercial
 - Industrial

Residential Connection Fees based on Single Family Unit Flow and Loading



- Structure “designed for the purpose of providing permanent housing for one family or tenant shall be one EDU.”
 - Single Family Residence
 - Multi-family Residence (Apartments, townhomes, condominiums)
- Accessory Dwelling Units (ADUs)
 - Not considered “new” development
 - Fees due if ADU is built concurrently
 - Fees can only be charged based on burden of ADU
 - BAR Subcommittee to review fee collection



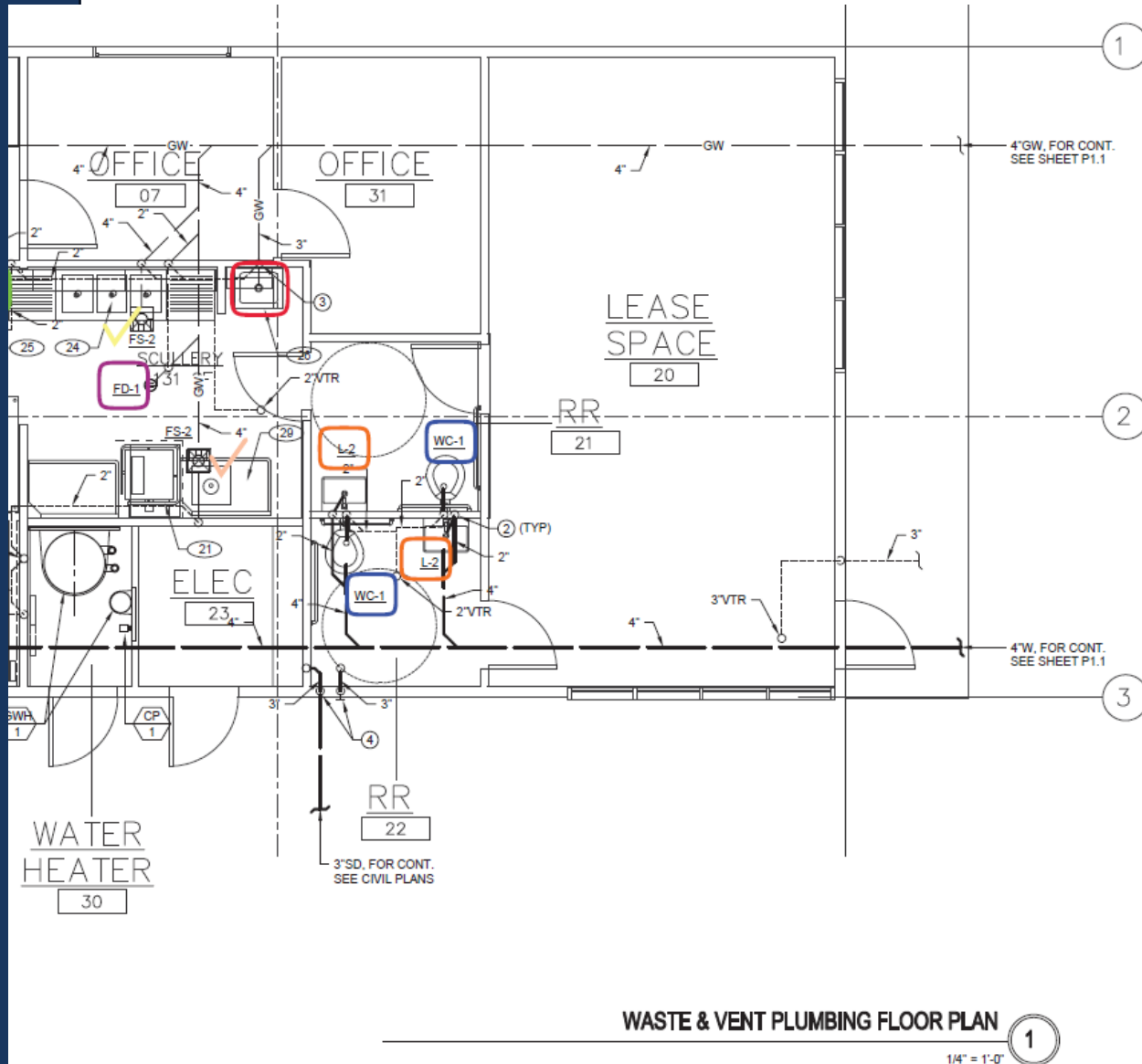
Commercial Fees are based on Drainage Fixture Units



- Structure “designed for the purpose of providing permanent housing for enterprises engaged in exchange of goods and services.”
 - Private businesses
 - Restaurants (Full Service & Fast Food)
 - Warehouses
 - Public Facilities
- Connection fees calculated with sewer loading factors based on the EDU Equation
 - SCA Plan check staff count Drainage Fixture Units (DFU)
 - DFU based on plumbing code
 - Square footage of structure is not considered



Commercial Connection Fee Example – Fast Food Restaurant



Capital Capacity Fee Worksheet

Project Name	ABC Fast Food Restaurant	Use Type	Commercial
Address	1234 Fast Food Street	Business Type	Restaurant (Fast Food)
Date	3/6/2025	Business Category	I
Plan Checker	Plan Checker #1	Sewage Factor	0.0444 EDUs/SFU
Permit Number	1234567890		

Fixture Count Summary

Fixture Type	Note	SDFU Factor	Fixture Count		SDFU	
			Existing	Plan	Existing	Plan
Lavatory, single		1.0	1	2	1.0	2.0
Sink, bar		2.0	1		2.0	
Urinal		2.0	1		2.0	
Water Closet, 1.6 GPF		4.0	1	2	4.0	8.0
Drinking Fountain or Water Cooler	(a)	0.5		1		0.5
Floor Drain, Emergency		0.0		1		0.0
Lavatory, single		1.0		2		2.0
Floor drain		2.0		2		4.0
Water closet, 1.6 gpf		4.0		1		4.0
Food waste grinder (commercial)		3.0		1		3.0
Subtotal					9.0	23.5

Capital Capacity Fee Calculation

Total fixtures per plan	23.5 SFU	Per fixture count summary
Existing fixtures per inspection	9.0 SFU	Per fixture count summary
Net project SFUs	14.5 SFU	(Total fixtures per plan) – (Existing fixtures per inspection)
Industrial process sewer flow	376 gpd	Max average discharge based on calendar month average
BOD	26 mg/liter	Max average concentration based on calendar month average
TSS	11 mg/liter	Max average concentration based on calendar month average
Net commercial EDUs	0.6438 EDU	(Net project SFUs) x (Sewage factor)
Industrial EDUs	0.0000 EDU	(Sewer flow)/270 x [0.37 + 0.31 x (BOD)/230 + 0.32 x (TSS)/220]
EDU Credit per building history	0.0000 EDU	Only applicable if building has previous EDU credit
EDUs to be billed	0.6438 EDU	(Net commercial) + (Industrial) – (Credit per building history)
Effective Date of Sewer Rate	7/1/2024 - 7/1/2025	
Sewer Rate	\$ 8,620.00/EDU	

Capital Capacity Fee Due	\$ 5,549.56	(EDUs to be billed) x (Sewer Rate)
---------------------------------	--------------------	------------------------------------

Notes: (a) Bottle refill station.



Industrial Facilities Connection Fee Example

$$EDU = \frac{\text{Non - domestic flow}}{270 \text{ GPD}} \left(0.37 + 0.31 \frac{\text{BOD} \left(\frac{mg}{L}\right)}{230} + 0.32 \frac{\text{TSS} \left(\frac{mg}{L}\right)}{220} \right)$$

- Domestic type fixtures are calculated by a sewage factor of 0.0741

- Example – Widget Manufacturer

Flow (GPD)	Biochemical Oxygen Demand (mg/L)	Total Suspended Solids (mg/L)
10,000	350	500

- EDUs from Industrial Wastewater – 14.88

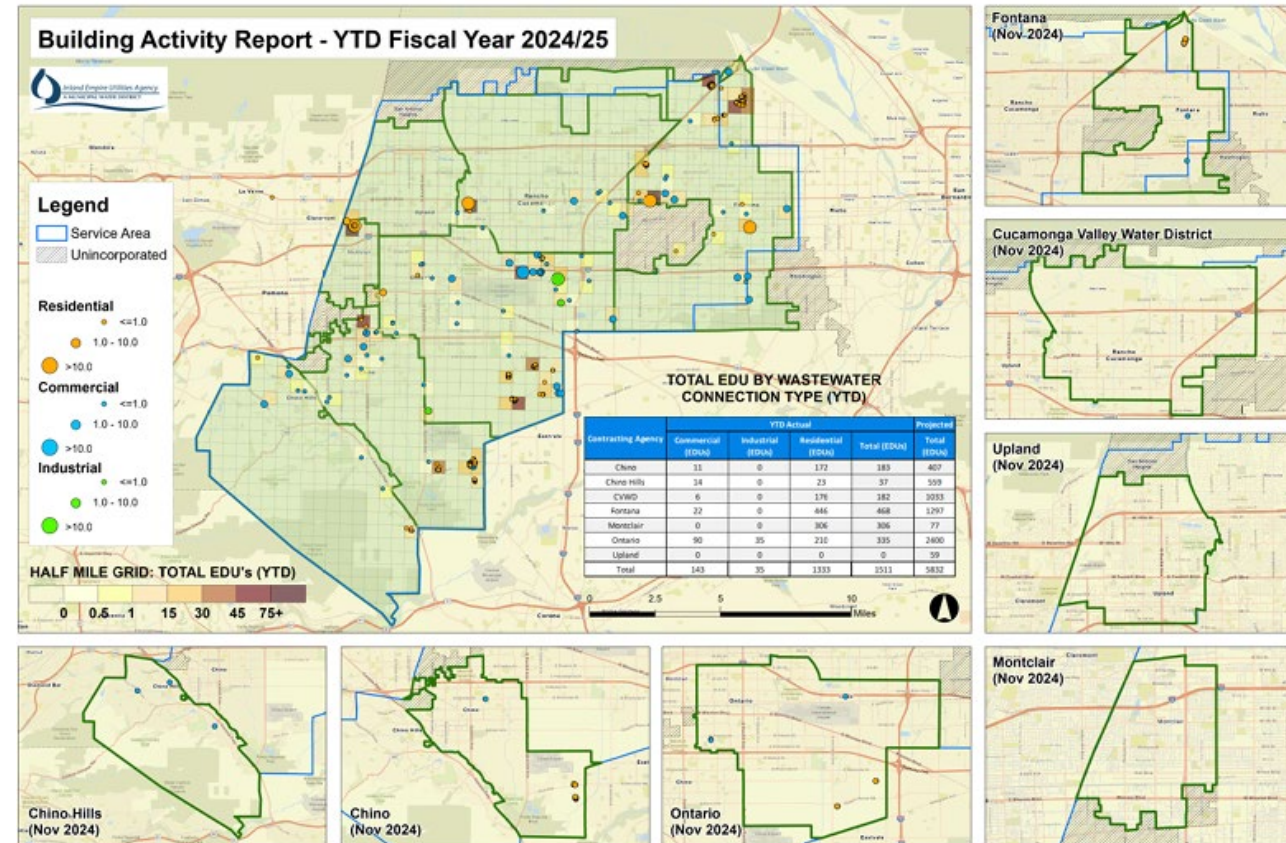
Location	Drainage Fixture Units
Kitchen and Breakroom	4.5
Restrooms	10

- EDUs from Domestic Wastewater – 1.074
- Total Site EDUs – 15.95

SCAs Report Monthly Collected Connection Fees to IEUA




- EDUs and total fees collected are sent to IEUA monthly
 - Reports are stored in IEUA database
 - Monthly activity map shared with Regional Committees
- Each SCA maintains a Capital Capacity Reimbursement Account (CCRA)
 - Interest from CCRA is kept by each SCA
 - SCAs hold connection fees for IEUA until a call for funds (Capital Call)



**INFORMATION
ITEM**

3C



IEUA Cost of Service Update and Proposed Rates for Fiscal Year 2025/26 and Fiscal Year 2026/27

Randy Lee
Director of Finance
March 2025

01

**Revenue
Overview**

02

**Rates & Fees
Overview**

03

**Cost of Service &
Proposed Rates**

04

Discussion/Questions

01 REVENUE OVERVIEW

Funding Operation and Maintenance and Capital Expenses

IEUA revenue can be divided into three general categories.

Rates and Fees

- User Charges
- Connection Fees
- Recycled Sales

Property Tax

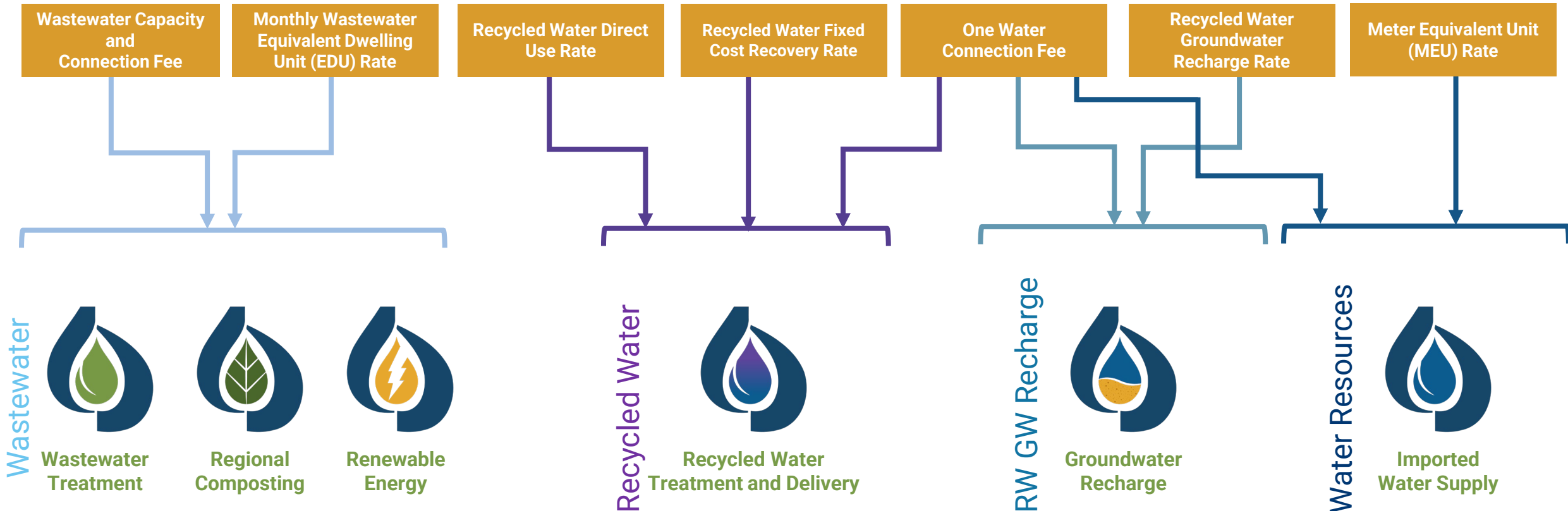
- San Bernardino County Ad-valorem Property Taxes
- Pass-through Incremental Taxes
- Extra-territorial Fees

Debt Proceeds, Loans, & Other

- Bonds, State and Other Loans
- Grants
- Other Revenues

Seven distinct rates and fees fund IEUA's four core service areas

Rates and fees fund IEUA's core services. They finance the day-to-day operations, maintenance of systems and investments in future water security.



Wastewater Capacity and Connection Fee

What is it?

The Wastewater Capacity and Connection Fee is a fee on new or expanded connections to the regional wastewater collection, treatment and discharge system.

What does it support?

This fee allows development to purchase capacity within the existing regional wastewater system and fund regional projects to meet forecasted growth and changing demands.

It does not cover operation and maintenance of the regional wastewater collection, treatment and discharge system.

How is it Calculated?

Recovery of capital costs related to IEUA's existing wastewater capacity.

+

Recovery of capital costs for building new capacity for forecasted growth

=

Wastewater Capacity and Connection Fee

Monthly Wastewater Equivalent Dwelling Unit (EDU) Rate

What is it?

The Monthly Wastewater Equivalent Dwelling Unit (EDU) Rate is a charge on all connections to the regional wastewater system. This charge is in addition to local sewage rates charged for wastewater collection by retail service providers.

What does it support?

IEUA has a regulatory obligation to maintain the wastewater system for public health and the protection of the environment.

This rate covers the costs to operate and maintain the regional wastewater collection, treatment, and discharge system.

What is an EDU?

IEUA uses an equivalent dwelling unit, or EDU, to assess wastewater demands and distribute costs.

An EDU is defined as the measurement of wastewater flow equivalent in quantity and strength to the daily discharge of an average family residential household. One EDU represents one residential household.

Recycled Water Direct Use Rate

What is it?

The rate is a volumetric acre-foot rate for the purchase of recycled water through purple pipe. Demand for direct use depends on weather patterns, water use conservation efforts, reuse supply, and basin availability.

The rate can be calculated by dividing the revenue required to cover recycled water operation and maintenance (O&M), and rehabilitation and replacement (R&R) capital costs, by estimated annual demand for direct recycled water.

What does it support?

Recycled water is the most cost-effective solution to meeting water supply needs and reduces the demand for imported water used for agriculture, irrigation, and industrial processes.

The Recycled Water Direct Use Rate covers O&M and R&R costs associated with IEUA's recycled water infrastructure. This rate begins at the recycled water pump stations and flows through IEUA's recycled water infrastructure to customer agency recycled water distribution or end customers.

Recycled Water Fixed Cost Recovery Rate

What is it?

The Recycled Water Fixed Cost Recovery Rate is a fixed rate charged to recycled water customer agencies.

What does it support?

This rate provides a fixed revenue stream to offset fluctuations in volumetric driven revenues.

To accommodate customer agencies who indicated that a fixed charge to recover all fixed costs could significantly shift costs between the agencies and prove challenging for implementing in their retail rate, IEUA chose to limit the fixed charge to just debt service costs.

How is it calculated?

The rate is calculated based on each customer's three-year rolling average of direct and recharge recycled water use.

One Water Connection Fee

What is it?

The One Water Connection Fee is a fee on new or expanded connections to the region's water systems. A single one water connection is equivalent in capacity to a 5/8" or 3/4" meter connection (standard residential meter size).

What does it support?

This fee was established to support capital improvement and expansion of the Agency's regional water system and water use efficiency programs comprised of potable water, recycled water and groundwater recharge facilities.

How is it Calculated?

Recovery of capital costs related to IEUA's available water capacity.
+
Recovery of capital costs for building new capacity for future growth
=
One Water Connection Fee

Recycled Water Groundwater Recharge Rate

What is it?

The Recycled Water Groundwater Recharge Rate is a per acre-foot (AF) surcharge on the Recycled Water Direct Use Rate.

What does it support?

While the groundwater basins accept imported water, stormwater and recycled water, this rate only covers the portion of groundwater recharge basin operations, maintenance and special project costs associated with recycled water operations.

How is it calculated?

The recharge rate equals the expenses associated with recycled water recharge divided by projected recycled water recharge sales (16,000 AF).

Meter Equivalent Unit (MEU) Rate

What is it?

The Meter Equivalent Unit (MEU) Rate is a monthly fixed cost on potable water assessed using a meter equivalent unit. A meter equivalent unit, or MEU, is defined as the average water use of a single-family residence. The MEU is derived based on estimated water use associated with varying meter sizes.

What does it support?

This rate provides a stable source of funding to support comprehensive planning, studies and analyses related to enhancing long-term regional water supply reliability. It supports water conservation, recycling, groundwater recharge and stormwater management programs. Additionally, it also backs IEUA's collaboration with regional and local water managers in managing both imported and local water supplies. The rate also covers administrative costs related to procuring imported water from the Metropolitan Water District of Southern California for IEUA customer agencies.

02

RATES & FEES OVERVIEW

IEUA PROPOSED TWO-YEAR RATE OVERVIEW



Fund	Wastewater Operations		Wastewater Capital		
	Adopted Rates Effective July 1	Monthly Sewer (EDU)	% Change	Wastewater Connection Fee (EDU)	% Change
Existing FY 2024/25		\$24.79		\$8,620	
Proposed FY 2025/26		\$27.02	9.0%	\$8,620	0.0%
Proposed FY 2026/27		\$29.45	9.0%	\$8,620	0.0%

Fund	Recycled Water						Water Resources					
	Adopted Rates Effective July 1	Fixed Cost Recovery (\$Million)	% Change	Recycled Water Direct Use (AF)	% Change	Recycled Water Recharge (AF)	% Change	One Water Connection Fee (MEU)	% Change	Meter Equivalent Units (MEU)	% Change	RTS Recovery
Existing FY 2024/25		\$4.96		\$465.00		\$200.00		\$1,953		\$1.14		100%
Proposed FY 2025/26		\$5.11	3.0%	\$506.85	9.0%	\$208.00	4.0%	\$1,953	0%	\$1.17	2.6%	100%
Proposed FY 2026/27		\$5.26	3.0%	\$552.47	9.0%	\$216.32	4.0%	\$1,953	0%	\$1.20	2.6%	100%

All rates are rounded to the nearest penny.

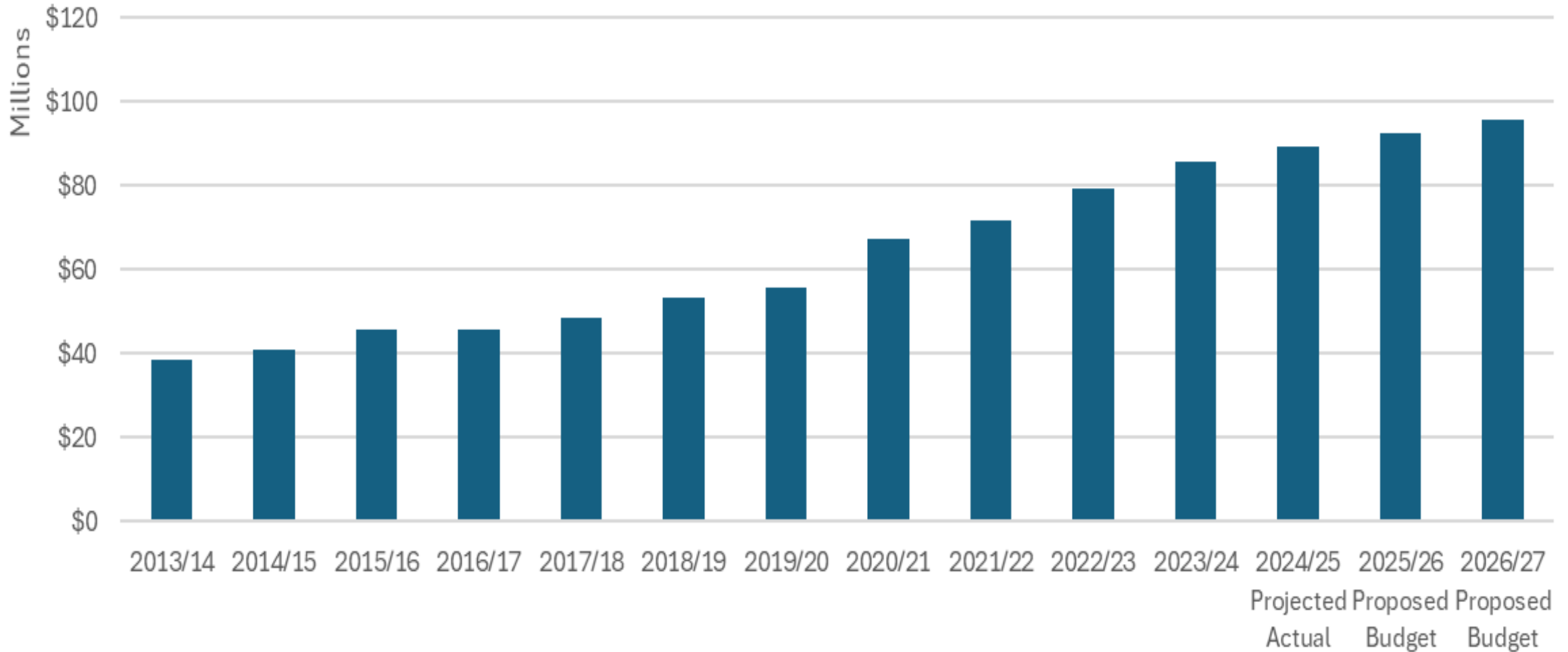
PROPOSED PROPERTY TAX ALLOCATION



Fund	Purpose	Allocation (%)		FY 2025/26 Projected Funding (\$M)	FY 2026/27 Projected Funding (\$M)
		Existing FY 2024/25	Proposed FY 2025/26 & FY 2026/27		
Wastewater Capital Improvement	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional wastewater facilities.	65.0%	65.0%	\$60.1	\$62.1
Wastewater Operations	Supports capital replacements and rehabilitation cost and any operation costs not fully recovered by rates.	23.0%	23.0%	21.3	22.0
Recycled Water	Supports debt service costs for acquisition, improvement, replacement, and expansion of regional recycled water facilities.	4.0%	6.5%	6.0	6.2
Administrative Services	Supports agency-wide costs not allocated to other Agency funds.	4.5%	4.5%	4.1	4.3
Water Resources	Supports regional water supply reliability enhancement strategies.	3.5%	1.0%	0.9	1.0
Total		100%	100%	\$92.4	\$95.6

HISTORICAL PROPERTY TAX TREND

Total Property Tax Receipts



CHINO BASIN PROGRAM FUNDING – FY 25/26 and FY 26/27

- **Continuing Planning and Implement Early Design Phase for the Three Components of CBP:**



Regional Recycled Groundwater Replenishment



Advanced Water Purification Facility



Production and Conveyance Facilities associated with Prop 1 - Water Storage Investment Program (WSIP)



- **Recommended Funding:**

- Not proposed to be funded by Rates and Charges in FY 25/26 and FY 26/27
- Recommended funding:
 - One-time property tax reserve transfer from the Water Resources Fund and property tax reserves from Wastewater Capital Fund
 - USBR Title XVI Grant

CBP Long-term Funding and Cost Allocation Addressed Through Five-Year Rate Study

03 COST OF SERVICE & PROPOSED RATES WASTEWATER UTILITY

WASTEWATER OPERATIONS FINANCIAL PLAN

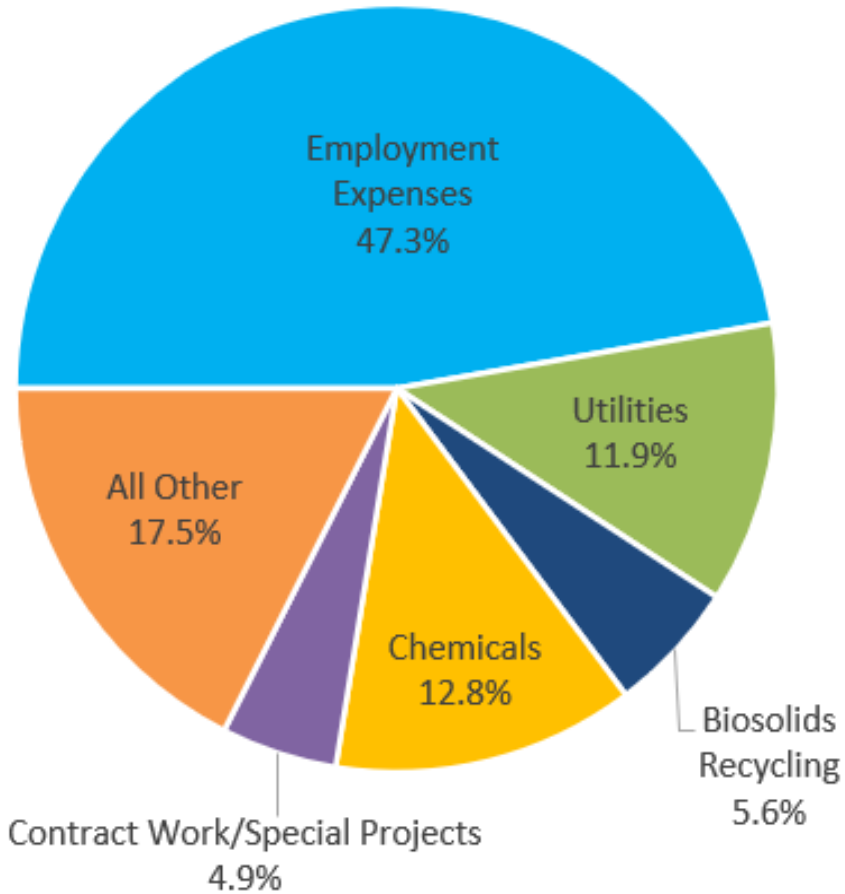


Wastewater Operations (\$000s)	Actuals	Projected	
	Fiscal Year 2024/25	Fiscal Year 2025/26	Fiscal Year 2026/27
Revenues			
User Charges	89,577.8	90,055.6	90,505.8
Additional User Charges	0.0	8,105.0	17,024.1
Other Operating Revenue	6,279.7	7,225.9	7,576.5
Property Tax	18,876.8	21,262.2	21,989.1
Revenue Bonds	0.0	0.0	89,250.0
Other Financing Revenues	80.0	80.0	80.0
Total Revenues	\$114,814.3	\$126,728.7	\$226,425.5
Revenue Requirements			
O&M	101,498.0	108,210.7	116,907.7
Capital Projects	26,855.8	24,885.0	30,915.0
Debt Service	1,421.6	1,421.9	1,421.8
Transfers	(884.4)	(3,771.6)	5,387.5
Total Revenue Requirements	\$128,891.0	\$130,746.0	\$154,632.0
Fund Balance			
Annual Cash Balance	(14,076.7)	(4,017.3)	71,793.5
Beginning Fund Balance	100,371.0	86,294.3	82,277.0
Ending Fund Balance	\$86,294.3	\$82,277.0	\$154,070.5
EDU Rate (\$/EDU)	\$24.79	\$27.02	\$29.45
Increase %		9.0%	9.0%

- Proposed EDU rate increases are:
 - FY 25/26 - 9.0%
 - FY 26/27 - 9.0%
- Primary sources of funding are user charges, property taxes and debt financing proceeds.
- Receives 23% of total property tax revenues.
- Transfers represent transfer to other funds to pay for shared capital projects.
- The Ending Fund Balance to meet reserve requirements:
 - Operating Contingency
 - Rehabilitation/Replacement
 - Debt Service
 - Sinking Fund
- Major Cost Drivers include:
 - Employment Expenses
 - Utilities
 - Chemicals

WASTEWATER OPERATIONS COST DRIVERS

Two-Year Cost Distribution



	Actuals	Projected			
	Fiscal Year 2024/25 (\$000s)	Fiscal Year 2025/26 (\$000s)	% Change	Fiscal Year 2026/27 (\$000s)	% Change
Employment Expenses	46,055.3	50,735.9	10.2%	55,680.3	9.7%
Contract Work/Special Projects	7,374.4	5,989.5	-18.8%	5,078.7	-15.2%
Utilities	11,837.2	12,357.1	4.4%	14,393.8	16.5%
Chemicals	12,293.6	13,995.5	13.8%	14,877.5	6.3%
Biosolids Recycling	5,811.1	6,034.7	3.8%	6,538.9	8.4%
All Other	18,126.4	19,098.0	5.4%	20,338.5	6.5%
Total O&M	\$101,498.0	\$108,210.7	6.6%	\$116,907.7	8.0%

- Employment Expenses
 - Driven by new FTEs for treatment operations support and labor cost escalations per approved MOU
- Utilities
 - New Membrane Bioreactor (MBR) process costs and electric utility cost escalations
- Chemicals
 - Driven by MBR process coming on-line and cost escalations
- All Other
 - Includes Operating Fees and Professional Fees/Services. Materials & Supplies, and administrative cost allocations

WASTEWATER CAPITAL FINANCIAL PLAN



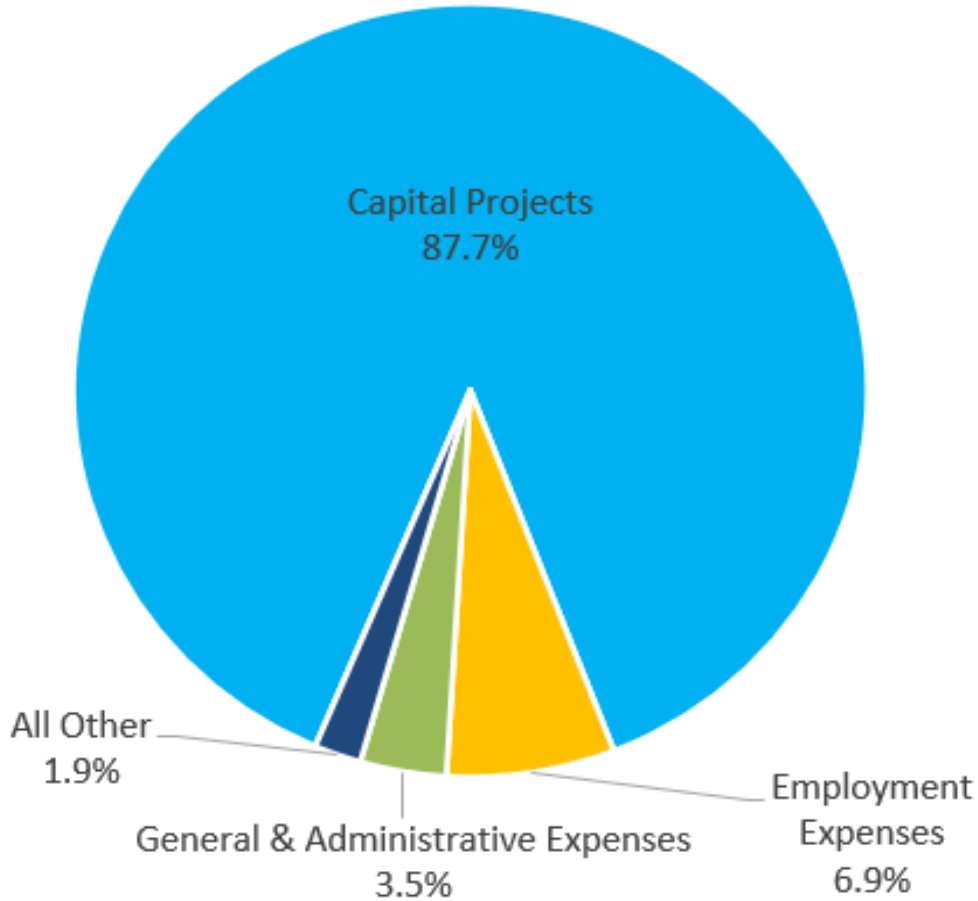
Wastewater Capital (\$000s)	Actuals	Projected	
	Fiscal Year 2024/25	Fiscal Year 2025/26	Fiscal Year 2026/27
Revenues			
Other Operating Revenue	3,144.5	2,500.0	2,000.0
Property Tax	53,347.6	60,088.9	62,143.0
Connection Fees (1)	25,859.5	28,411.3	28,349.1
Revenue Bonds	47,763.7	264,952.3	31,724.1
Other Financing Revenues	18,951.8	22,134.5	1.0
Total Revenues	\$123,207.6	\$349,675.7	\$95,868.1
Revenue Requirements			
O&M	9,096.1	10,934.4	11,927.1
Capital Projects	91,118.7	84,375.0	78,964.0
Debt Service	7,942.2	207,203.9	17,166.8
Transfers	13,772.1	22,719.2	10,620.5
Total Revenue Requirements	\$121,929.1	\$325,232.5	\$118,678.4
Fund Balance			
Annual Cash Balance	1,278.5	24,443.2	(22,810.3)
Beginning Fund Balance	134,086.6	135,365.1	159,808.3
Ending Fund Balance	\$135,365.1	\$159,808.3	\$136,998.0
Connection Fee (\$/EDU)	\$8,620	\$8,620	\$8,620
Increase %		0%	0%

- Proposed Wastewater Connection Fee:
 - FY 25/26 - Unchanged \$8,620
 - FY 26/27 - Unchanged \$8,620
- Primary sources of funds are property taxes, connections fees and debt financing proceeds.
- Receives 65% of total property tax revenues.
- Transfers represent transfers to other funds to pay for shared capital projects.
- The Ending Fund Balance to meet reserve requirements:
 - Operating Reserve
 - Capital Construction
 - Debt Service
- Major cost increases driven by:
 - Employment Expenses
 - Other Expenses

(1) Retail agencies collect and retain Wastewater Connection Fees until IEUA calls the funds. Shown as a revenue source, but not as available on-hand until called.

WASTEWATER CAPITAL FUND SUPPORT

Two-Year Cost Distribution



	Actuals	Projected			
	Fiscal Year 2024/25 (\$000s)	Fiscal Year 2025/26 (\$000s)	% Change	Fiscal Year 2026/27 (\$000s)	% Change
Capital Projects	91,118.7	84,375.0	-7.4%	78,964.0	-6.4%
Employment Expenses	5,185.8	6,084.4	17.3%	6,676.2	9.7%
General & Administrative Expense	2,665.6	3,114.4	16.8%	3,423.6	9.9%
All Other	1,244.7	1,735.6	39.4%	1,827.3	5.3%
Total O&M	\$9,096.1	\$10,934.4	20.2%	\$11,927.1	9.1%

- Employment Expenses
 - Driven by additional FTEs and labor cost escalations
- General & Administrative Expenses
 - Reflects Fund's proportionate share of General & Administrative expense allocations and cost increases
- All Other Expenses
 - Reflects increase in Contract Work/Special Projects
 - Also includes Operating Fees and Professional Fees/Services

03 COST OF SERVICE & PROPOSED RATES

WATER UTILITY

WATER RESOURCES FINANCIAL PLAN

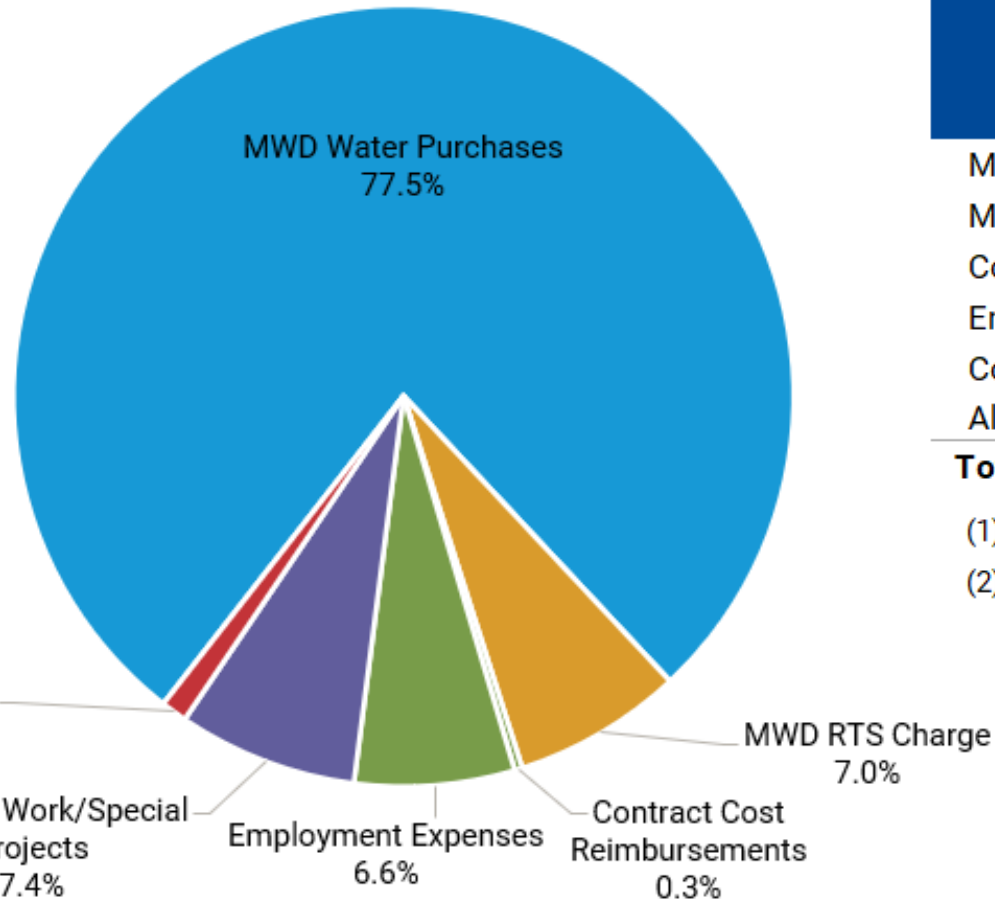


Fund WW (\$000s)	Actuals	Projected	
	Fiscal Year 2024/25	Fiscal Year 2025/26	Fiscal Year 2026/27
Revenues			
User Charges	5,819.6	5,868.0	5,916.1
Additional User Charges	0.0	146.7	299.5
Other Operating Revenue	60,626.5	63,581.8	68,185.8
Property Tax	2,872.6	924.4	956.0
Other Financing Revenues	5,970.1	2,834.8	2,834.8
Total Revenues	\$75,288.8	\$73,355.7	\$78,192.2
Revenue Requirements			
O&M	70,519.1	74,475.8	79,593.4
Capital Projects	5,960.1	0.0	0.0
Transfers (In)/Out	(680.9)	(528.5)	(529.0)
Total Revenue Requirements	\$75,798.3	\$73,947.3	\$79,064.4
Annual Cash Balance	(509.5)	(591.6)	(872.2)
Beginning Fund Balance	37,281.3	36,771.8	12,180.2
Property Tax Transfer	0.0	(24,000.0)	0.0
Ending Fund Balance	\$36,771.8	\$12,180.2	\$11,308.0
Rate (\$/MEU per month)	\$1.14	\$1.17	\$1.20
\$/month Increase %		2.6%	2.6%

- Proposed \$/month increase to MEU :
 - 2.6% for both FY 2025/26 and FY 2026/27
 - Equivalent to an additional \$0.03/MEU/month
- The majority of operating revenues and expenses are pass-through Metropolitan Water District (MWD) rates and charges:
 - Water Purchases
 - Readiness to Serve (RTS) Charge
 - Capacity Charge
- Existing MEU Rate became effective July 1, 2024.
- Proposed property tax revenue allocation reduced from 3.5% to 1%.
- Transfers In are One Water Connection Fees.
- Proposed transfer out of \$24 million in Water Resource Fund property tax reserves for regional water supply reliability enhancement.
 - Will fund the early design phase of the Regional Recycled Groundwater Replenishment portion of Chino Basin Program (CBP).

WATER RESOURCES COST DRIVERS

Two-Year O&M Costs Distribution



	Actuals	Projected			
	Fiscal Year 2024/25 (\$000s)	Fiscal Year 2025/26 (\$000s)	% Change	Fiscal Year 2026/27 (\$000s)	% Change
MWD Water Purchases (1)	54,504.0	57,312.0	5.2%	62,051.0	8.3%
MWD RTS Charge (1)	5,401.3	5,403.4	0.0%	5,457.4	1.0%
Contract Cost Reimbursements (1)	248.0	248.0	0.0%	248.0	0.0%
Employment Expenses	4,203.8	4,873.4	15.9%	5,348.3	9.7%
Contract Work/Special Projects	5,226.2	5,863.3	12.2%	5,605.3	-4.4%
All Other (2)	935.8	775.7	-27.7%	883.4	13.9%
Total Operating & Maintenance	\$70,519.1	\$74,475.8	5.6%	\$79,593.4	6.9%

(1) Pass-through Charges

(2) Includes Professional Fees & Services, Office and Administrative, and Utilities

DIRECT USE RECYCLED WATER FINANCIAL PLAN

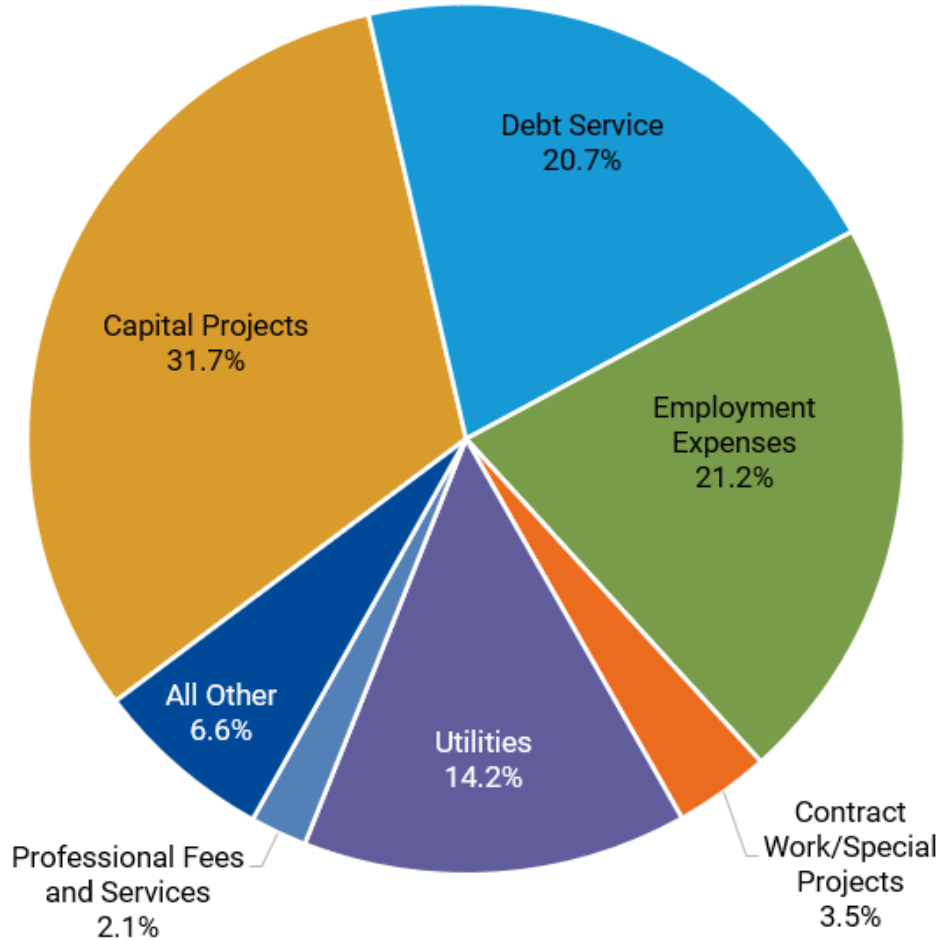


Recycled Water (\$000s)	Actuals	Projected	
	Fiscal Year 2024/25	Fiscal Year 2025/26	Fiscal Year 2026/27
Revenues			
Direct Usage Fee	15,618.6	15,618.6	15,618.6
Additional User Charges	0.0	1,405.7	2,937.9
Fixed Fee	4,957.4	5,106.1	5,259.3
Property Tax	3,282.9	6,008.9	6,214.2
Connection Fees	7,226.1	6,946.8	6,948.8
Other Financing Revenues	901.4	1,464.4	2,336.5
Total Revenues	\$31,986.4	\$36,550.5	\$39,315.3
Revenue Requirements			
O&M	16,577.6	17,653.9	19,027.4
Capital Projects	7,842.9	10,815.3	13,605.3
Debt Service	14,451.9	7,960.7	7,964.9
Transfers	1,039.4	(1,511.8)	(1,598.6)
Total Revenue Requirements	\$39,911.8	\$34,918.1	\$38,999.0
Annual Cash Balance	(7,925.4)	1,632.4	316.3
Beginning Fund Balance	48,669.8	40,744.4	66,376.8
Property Tax Transfer	0.0	24,000.0	0.0
Ending Fund Balance	\$40,744.4	\$66,376.8	\$66,693.1
Rates			
Fixed Cost Recovery (\$000s)	\$4,957.4	\$5,106.1	\$5,259.3
Fixed Cost Recovery (%)		3.0%	3.0%
Direct Use (\$/AF)	\$465.00	\$506.85	\$552.47
Direct Use (%)		9.0%	9.0%

- Proposed Direct Use Recycled water rate increases are:
 - FY 25/26 - 9.0%
 - FY 26/27 - 9.0%
- Proposed Fixed Fee increase is 3% per year and is allocated to member agencies based on a three-year rolling average of purchases.
- Revenue Requirements shown exclude Groundwater Recharge Activities.
- Proposed property tax revenue allocation increase from 4% to 6.5%.
- Transfers In include Wastewater Capital Fund for debt service.
- Transfers Out to Admin Services for capital and O&M support.
- Proposed property tax reserve transfer in of \$24 million from Water Resource Fund in 2025/26
 - Will fund early design phase of the Regional Recycled Groundwater Replenishment portion of CBP.

DIRECT USE RECYCLED WATER COST DRIVERS

Two-Year Cost Distribution



	Actuals	Projected			
	Fiscal Year 2024/25 (\$000s)	Fiscal Year 2025/26 (\$000s)	% Change	Fiscal Year 2026/27 (\$000s)	% Change
Capital Projects	\$7,842.9	\$10,815.3	37.9%	\$13,605.3	25.8%
Debt Service	\$14,451.9	\$7,960.7	-44.9%	\$7,964.9	0.1%
O&M Requirements					
Employment Expenses	\$6,367.2	\$7,713.9	21.2%	\$8,598.3	11.5%
Contract Work/Special Projects	\$2,439.0	\$1,406.3	-42.3%	\$1,318.5	-6.2%
Utilities	\$4,878.9	\$5,319.1	9.0%	\$5,603.7	5.4%
Professional Fees and Services	\$934.6	\$772.9	-17.3%	\$840.0	8.7%
All Other	\$1,957.9	\$2,441.7	24.7%	\$2,666.9	9.2%
Total O&M Requirements	\$16,577.6	\$17,653.9	6.5%	\$19,027.4	7.8%

GROUNDWATER RECHARGE SURCHARGE FINANCIAL PLAN

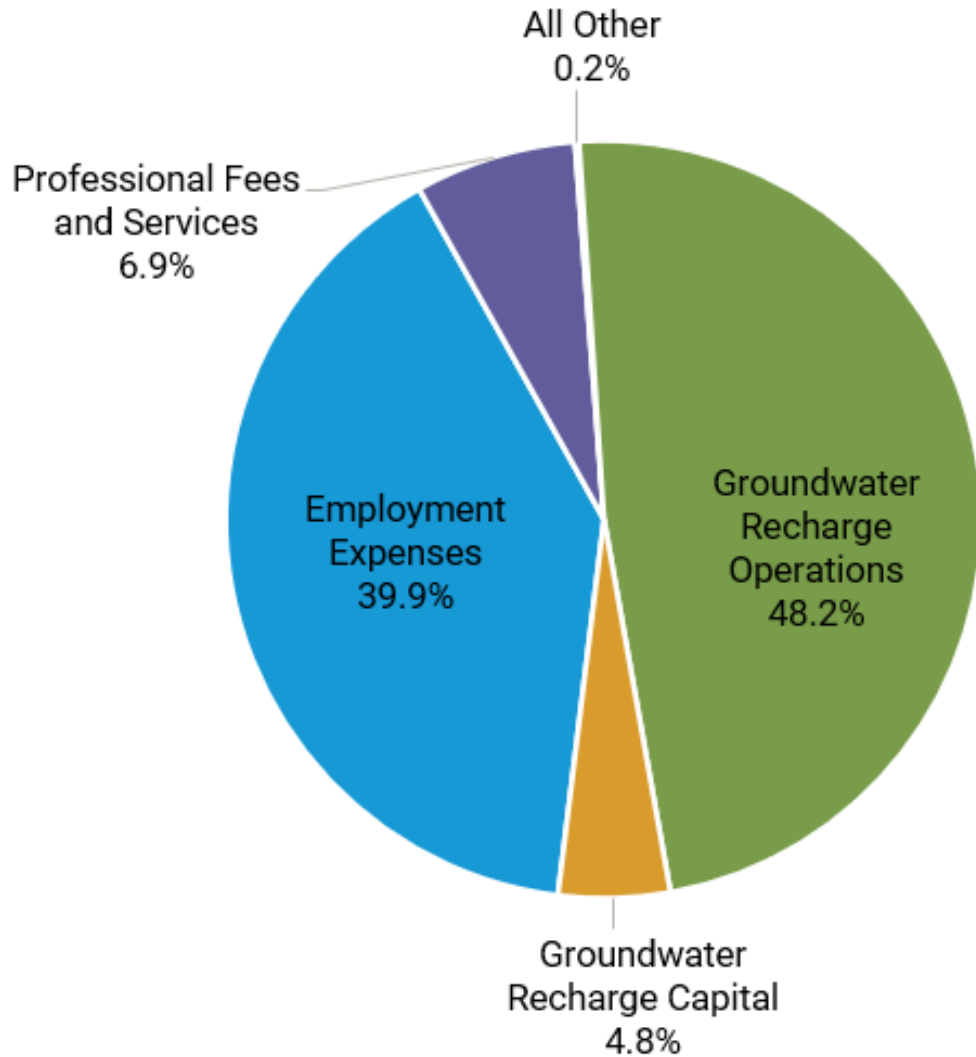


Recharge Surcharge (\$000s)	Actuals	Projected	
	Fiscal Year 2024/25	Fiscal Year 2025/26	Fiscal Year 2026/27
Revenues			
Recharge Surcharge Fee	3,401.4	3,401.4	3,401.4
Additional User Charges	0.0	136.1	277.6
Total Revenues	\$3,401.4	\$3,537.5	\$3,679.0
Revenue Requirements			
Employment	1,428.5	1,435.6	1,442.8
Operating Fees	10.3	11.1	12.0
Professional Fees and Services	261.4	239.2	258.3
Office and Administrative	5.7	6.1	6.6
Materials & Supplies, Other	179.2	17.8	19.2
Total O&M Requirements	\$1,885.1	\$1,709.8	\$1,738.9
Groundwater Recharge Operations Support	1,839.4	1,714.0	1,763.4
Groundwater Recharge Capital Support	375.0	170.9	172.2
Total Transfers	\$2,214.4	\$1,884.9	\$1,935.6
Total Revenue Requirements	\$4,099.5	\$3,594.7	\$3,674.5
Recharge Surcharge (\$/AF)	\$200.00	\$208.00	\$216.32
Recharge Surcharge (%)		4.0%	4.0%

- Proposed surcharge increases for Groundwater Recharge water are:
 - FY 25/26 - 4.0%
 - FY 26/27 - 4.0%
- Revenue requirements reflect expenses in the Recycled Water Fund that are specific to Recharge activities, as projected by IEUA.
- Revenues shown from the existing surcharge are based on member agency's three-year rolling average.
 - Existing surcharge effective as of July 1, 2024
- Transfers include capital and operations support for:
 - Administrative Services fund
 - Recharge Water fund
- Transfer for debt service support from:
 - Wastewater Capital fund

GROUNDWATER RECHARGE SURCHARGE COST DRIVERS

Two-Year Cost Distribution



	Actuals	Projected			
	Fiscal Year 2024/25 (\$000s)	Fiscal Year 2025/26 (\$000s)	% Change	Fiscal Year 2026/27 (\$000s)	% Change
Employment Expenses	\$1,428.5	\$1,435.6	0.5%	\$1,442.8	0.5%
Professional Fees and Services	\$261.4	\$239.2	-8.5%	\$258.3	8.0%
All Other*	\$5.7	\$6.1	7.0%	\$6.6	8.2%
Groundwater Recharge Operations	\$1,839.4	\$1,714.0	-6.8%	\$1,763.4	2.9%
Groundwater Recharge Capital	\$375.0	\$170.9	-54.4%	\$172.2	0.8%
Total	\$2,481.5	\$2,130.2		\$2,200.5	

* Note: All other includes Office, Administrative, Materials and Supplies

ONE WATER CONNECTION FEE



One Water Connection Charge	Cost (\$000s)	Future Users (\$000s)
Value of Water and Recycled Water Fixed Assets (RCLD)	279,283.8	48,023.8
Construction Work in Progress	49,972.7	8,593.0
Reserves	0.0	13,202.5
Grants	0.0	0.0
Subtotal Buy-in Portion	329.3	69.8
Incremental Portion (Growth Related CIP)	615.7	105.9
Existing and Future System Value	\$945.0	\$175.7
Future MEUs		89,864
Buy-in Portion		\$776.95
Incremental Portion		\$1,178.16
FY 2025/26 Connection Fee \$/MEU		\$1,955.11
Current Fee FY 2024/25		\$1,953

- Proposed One Water Connection Fee:
 - FY 25/26 - Unchanged \$1,953
 - FY 26/27 - Unchanged \$1,953
- Buy in portion of fee based on existing assets.
- Projected investment based on growth-related CIP for the ten-year period between FY24/25 and FY 33/34.
- Incremental portion of CIP may vary due to ongoing evaluation of new projects.
- Recommendation is to maintain the current fee for FY 25/26 and 26/27.

IEUA PROPOSED TWO-YEAR RATE OVERVIEW



Fund	Wastewater Operations		Wastewater Capital		
	Adopted Rates Effective July 1	Monthly Sewer (EDU)	% Change	Wastewater Connection Fee (EDU)	% Change
Existing FY 2024/25		\$24.79		\$8,620	
Proposed FY 2025/26		\$27.02	9.0%	\$8,620	0.0%
Proposed FY 2026/27		\$29.45	9.0%	\$8,620	0.0%

Fund	Recycled Water							Water Resources				
	Adopted Rates Effective July 1	Fixed Cost Recovery (\$Million)	% Change	Recycled Water Direct Use (AF)	% Change	Recycled Water Recharge (AF)	% Change	One Water Connection Fee (MEU)	% Change	Meter Equivalent Units (MEU)	% Change	RTS Recovery
Existing FY 2024/25		\$4.96		\$465.00		\$200.00		\$1,953		\$1.14		100%
Proposed FY 2025/26		\$5.11	3.0%	\$506.85	9.0%	\$208.00	4.0%	\$1,953	0%	\$1.17	2.6%	100%
Proposed FY 2026/27		\$5.26	3.0%	\$552.47	9.0%	\$216.32	4.0%	\$1,953	0%	\$1.20	2.6%	100%

All rates are rounded to the nearest penny.

Metric	Existing	Proposed Rates and Charges	
	FY 2024/25	FY 2025/26	FY 2026/27
Days of Cash on Hand	695	636	683
Debt Service Coverage Ratio	3.83	3.93	3.24

- ✓ Required Debt Service Coverage Ratio of 2.0
- ✓ Required to Maintain 365 Days of Cash on Hand

Cash Liquidity Levels and Debt Service Coverage Ratios Maintain Moody's Aa2 Credit Rating and IEUA's Strong Credit Quality

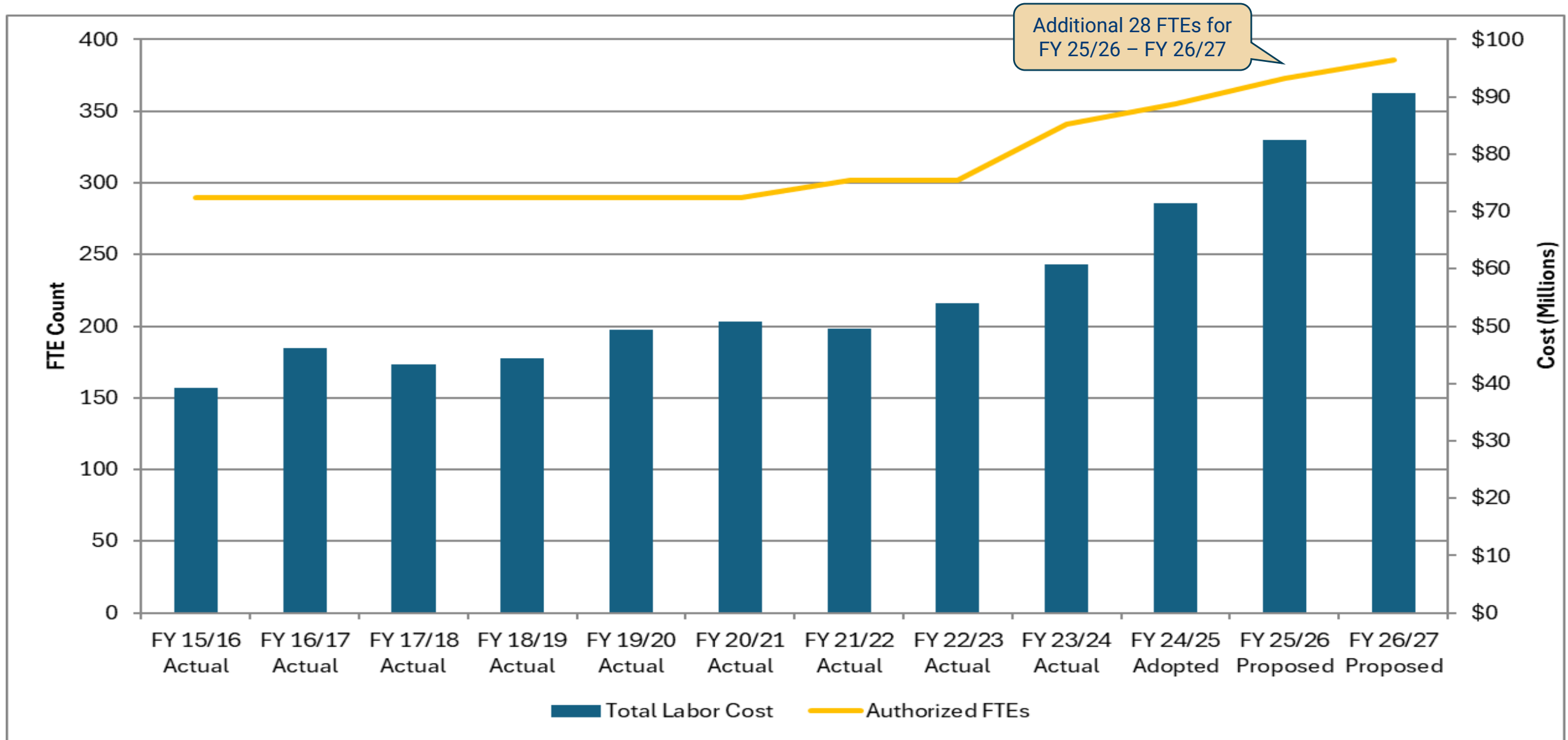
PROPOSED ADDITIONAL STAFFING SUMMARY (2 YEARS)



Fiscal Year	Technical Resources Division			Administration Division		Agency Management Division		Total
	Operations & Maintenance	Engineering	Planning & Resources	Finance	Information Technology	Board & Administrative Services	Human Resources	
25/26	4	3	1	2	2	2	1	15
26/27	4	3	2	1	1	2	0	13
Total	17			6		5		28

- ✓ Wastewater Treatment Facility Expansion Startup (RP-5 Expansion)
- ✓ Operational Efficiency, Project Management and Engineering Support for Capital Improvement Program
- ✓ Long Term Water and Wastewater Resources Planning
- ✓ Cybersecurity, Emergency Preparedness and Safety
- ✓ Workforce Development and Business Continuity

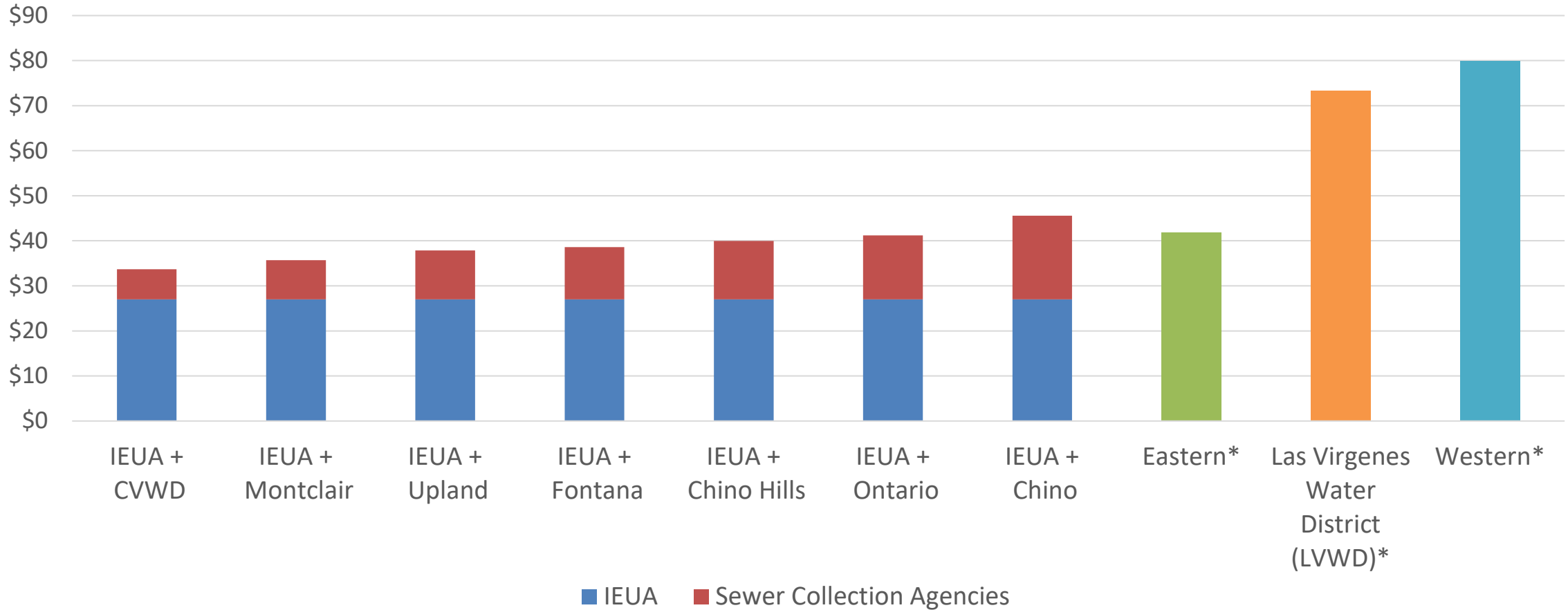
HISTORICAL STAFFING & LABOR TRENDS



EDU RATES - AGENCY COMPARISONS –



Monthly Wastewater Equivalent Dwelling Units (EDU) Comparison
FY 2025/26 Proposed IEUA Rate



*Eastern, Las Virgenes, and Western EDU rates include retail and wholesale costs.
Rates for Eastern and LVWD are for calendar year 2025 and Western is for fiscal year 2025/26

04

DISCUSSION/QUESTIONS

**RECEIVE AND
FILE**

4A

Building Activity Report - YTD Fiscal Year 2024/25



Legend

- Service Area
- Unincorporated

Residential

- <=1.0
- 1.0 - 10.0
- >10.0

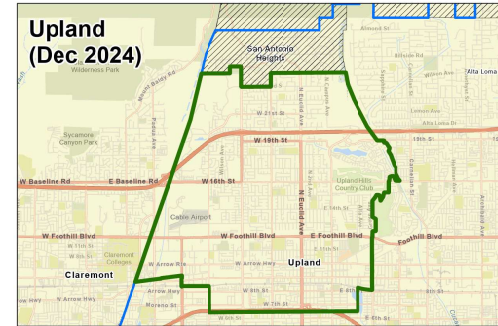
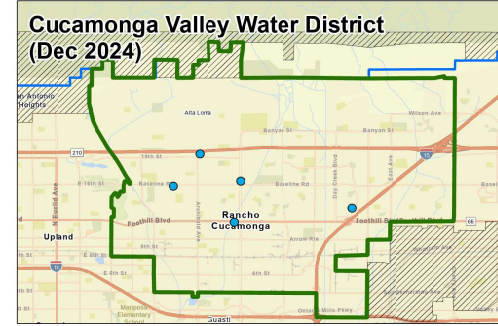
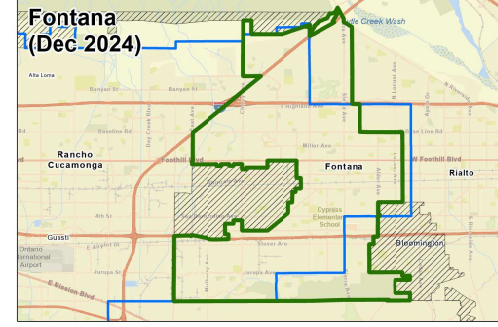
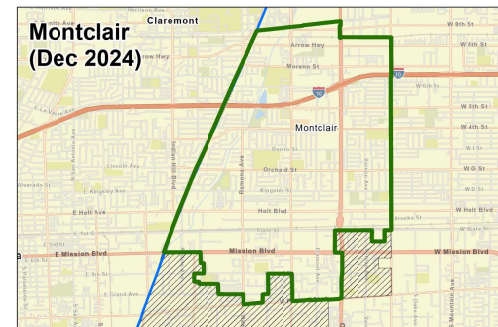
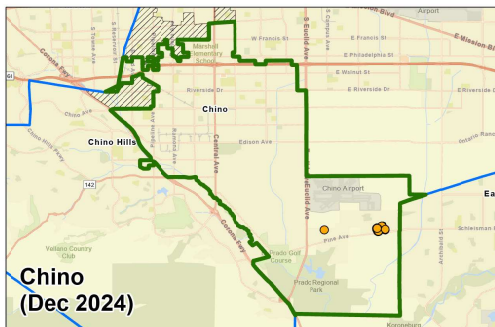
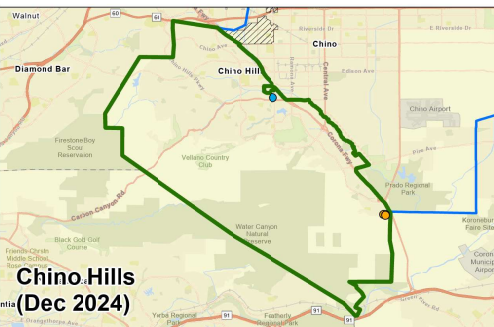
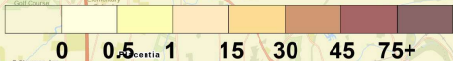
Commercial

- <=1.0
- 1.0 - 10.0
- >10.0

Industrial

- <=1.0
- 1.0 - 10.0
- >10.0

HALF MILE GRID: TOTAL EDU's (YTD)



TOTAL EDU BY WASTEWATER CONNECTION TYPE (YTD)

Contracting Agency	YTD Actual			Total (EDUs)	Projected Total (EDUs)
	Commercial (EDUs)	Industrial (EDUs)	Residential (EDUs)		
Chino	11	0	216	227	407
Chino Hills	20	0	29	49	559
CWWD	13	0	424	437	1033
Fontana	22	0	446	468	1297
Montclair	0	0	306	306	77
Ontario	92	45	284	421	2400
Upland	0	0	0	0	59
Total	158	45	1705	1908	5832

