



*Proposition 1 Water Storage Investment Program
Inland Empire Utilities Agency*

Chino Basin Conjunctive Use Environmental Water
Storage/Exchange Program

QUARTERLY REPORT #22

October through December 2023

Progress Report to the California Water Commission
January 30, 2024



1. Purpose and Introduction

This Quarterly Report is to inform the California Water Commission (Commission) of changes and updates to the project, schedule, and status of the Inland Empire Utilities Agency (IEUA) Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program, hereafter referred to as the Chino Basin Program (CBP), occurring during the most recent quarter of October through December 2023. The report contents are based on guidance provided by Commission staff and documents progress that IEUA is making toward complying with conditions required to enter a funding agreement with the Commission for implementation of the CBP. The report is organized into the following sections:

1. Purpose and Introduction
 2. Project Planning and Design Update
 3. Project Schedule Update
 4. Project Cost and Financing Update
- Attachment 1 — Table 1. Project Schedule
 - Attachment 2 — Table 2. Quarterly Reporting Items for Hearing on Final Awards

2. Project Planning and Design Update

The Project Planning and Design Update is a narrative summary update of the CBP. This summary provides a description of IEUA’s status in meeting the requirements and milestones identified by the Commission (see Attachments 1 and 2, respectively). Figure 2-1 shows a conceptual illustration of the function and primary components that make up the CBP.

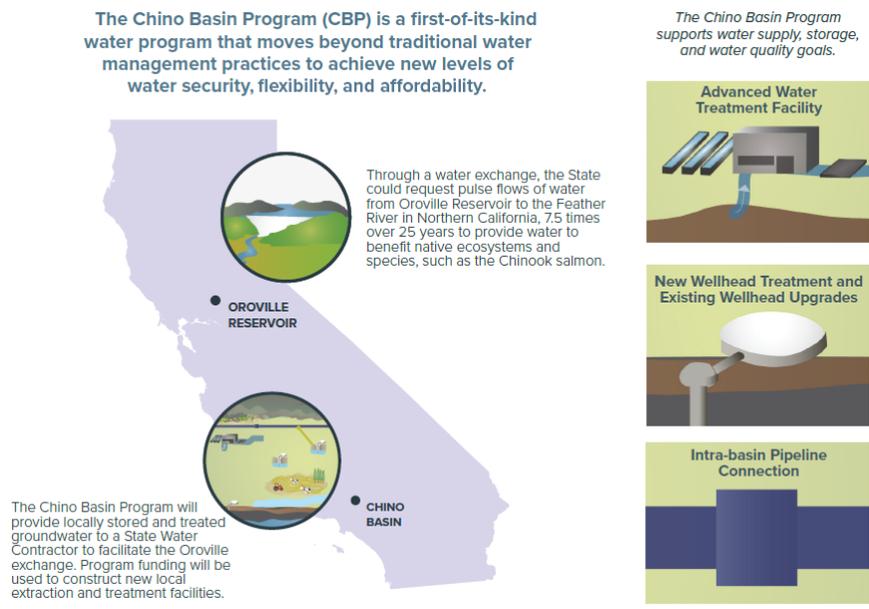


Figure 2-1. Location and Features of the Chino Basin Program

As reported in previous Quarterly Reports submitted to the Commission, IEUA continues to work closely and diligently with local, regional, and State resource agency partners to develop the CBP. Through this extensive collaboration with local agencies in the Chino Basin and Metropolitan Water District of Southern California (Metropolitan), IEUA continues to make progress in planning and designing the CBP. The sections below highlight efforts during the fourth quarter of 2023.

The CBP planned facilities are shown in Figure 2-2a and Figure 2-2b. These planned facilities provide the basis for completing preliminary design and final design which are required to refine estimated project and operational costs, inform partner agreement terms and conditions, and facilitate site specific environmental planning and permitting efforts.

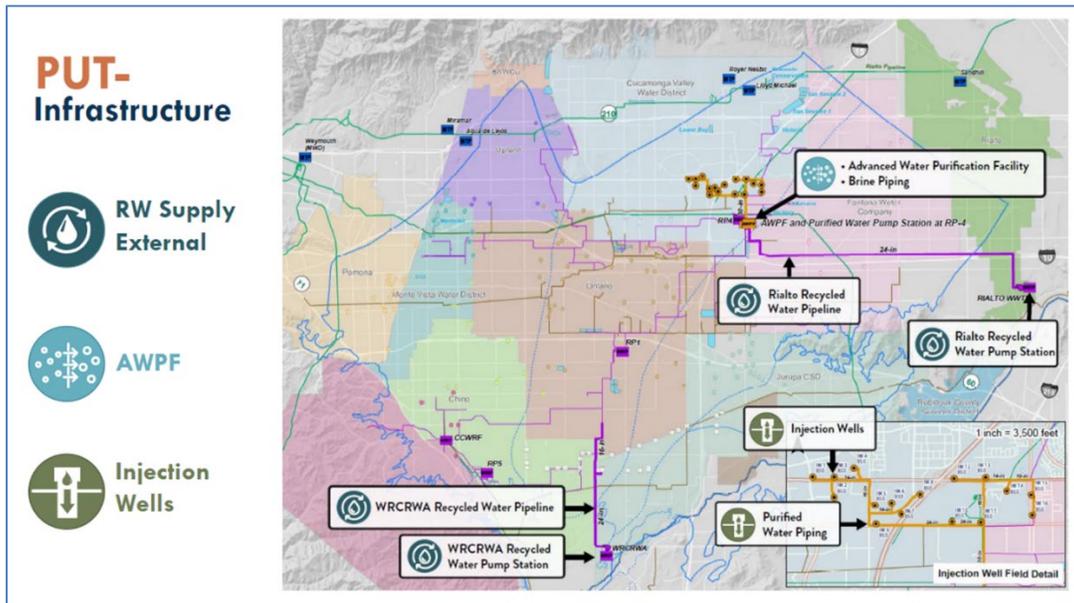


Figure 2-2a. CBP PUT Infrastructure

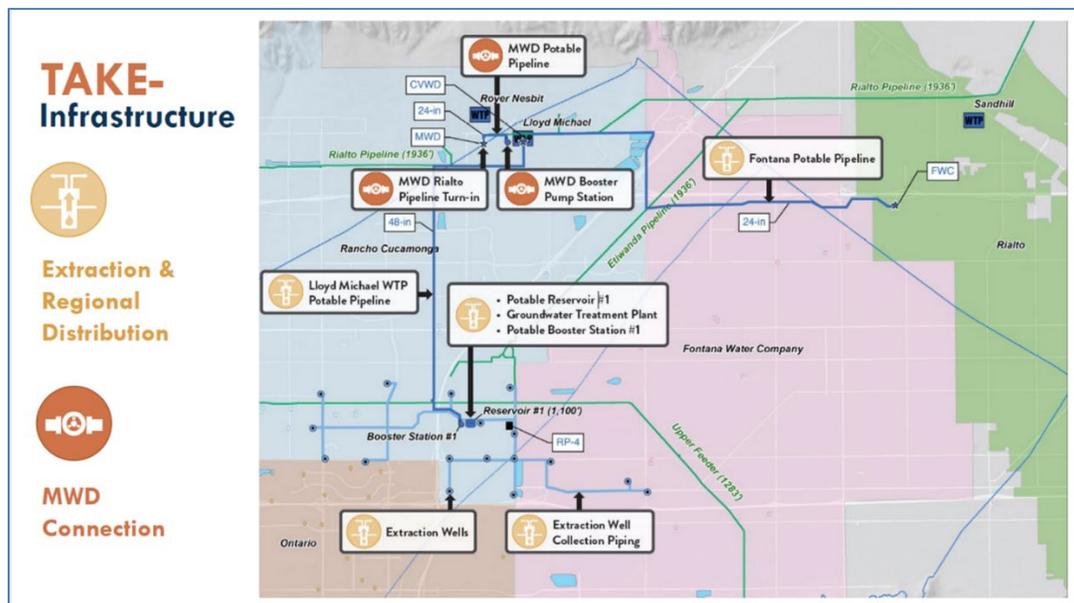


Figure 2-2b. CBP TAKE Infrastructure

During the 4th quarter of 2023, IEUA and its partners made continued progress on completing preliminary designs for the various components of the CBP. To help further inform the design of the Advanced Water Purification Facility (AWPF), IEUA’s Program Manager/Owner Engineer (PMOE) organized tours of similar programs in Southern California, including the City of San Diego Pure Water Project Demonstration Facility, Los Angeles County Sanitation District Valencia Water Reclamation Plant, and the Orange County Water District Groundwater Replenishment System Research Center. In addition, IEUA initiated workshops to begin planning an AWPF pilot demonstration facility.

Progress on the planning and design of the various CBP components is highlighted in the sections that follow.

PUT Facilities Project Updates for the 4th Quarter of 2023

AWPF at RP-4: IEUA finalized the AWPF Preliminary Design Report (PDR), incorporating comments received on the Draft AWPF PDR. The Final AWPF PDR includes updated cost estimates and preliminary designs of the AWPF that will serve as the basis for design phase of the AWPF (see Figure 2-3 for the AWPF Site Plan). IEUA began preparations of a progressive design-build contract RFQ to support this design phase. To help inform the design, IEUA initiated a year-long water quality sampling program for water supply sources, including external sources such as Rialto supplemental supply, and began design of the AWPF pilot demonstration project.



Figure 2-3. CBP AWPF Site Plan

City of Rialto Supplemental Supply for AWPF: IEUA held additional workshops to receive review comments for the City of Rialto Supplemental Supply Project Draft PDR. These comments are being addressed, and the PDR will be finalized in early 2024 (see Figure 2-4 for the Rialto interconnection

RP-1, RP-4, and City of Rialto WW Treatment Plant. The technical memorandum describes a water quality sampling plan to gather longer-term representative data from source supplies to support the detailed design phase of the AWPf. The technical memorandum is included as an appendix to the AWPf PDR.

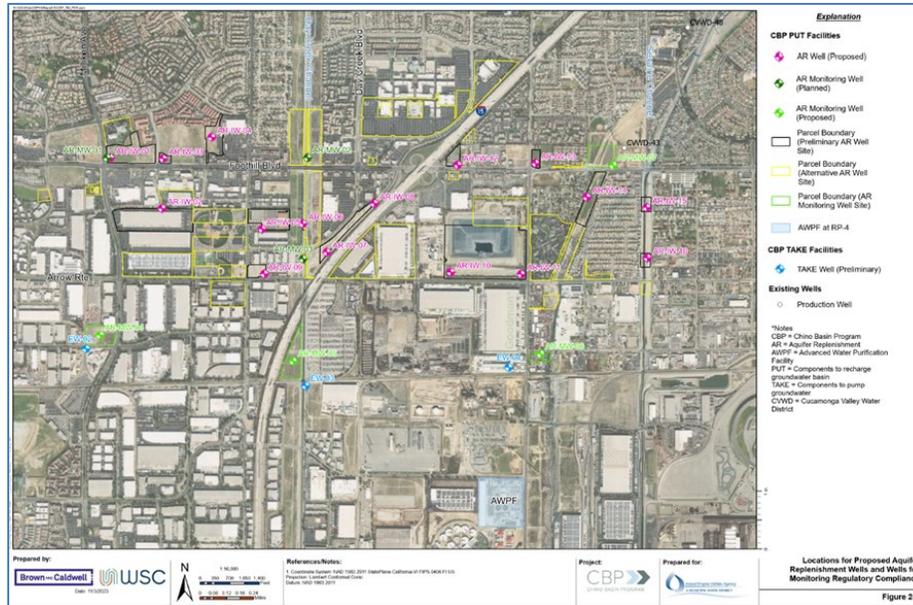


Figure 2-5. Location of Proposed Aquifer Replenishing and Monitoring Wells

TAKE Facilities Project Updates for the 4th Quarter of 2023

Extraction Facilities (wells, conveyance): IEUA held workshops with partnering agencies to develop and discuss the scope for the PDR of the Extraction Facilities Project. IEUA received proposals for the work and selected a contractor for preparing the PDR. Work for the preparation of this PDR will begin in early 2024.

Metropolitan Interconnection: IEUA held workshops with Metropolitan to develop and discuss the scope for the PDR of the Metropolitan Interconnection Project. IEUA received proposals for the work and selected a contractor for preparing the PDR. Work for the preparation of this PDR will begin in early 2024.

Environmental Planning and Permitting

IEUA continues to work with various regulatory agencies to identify permits and other regulatory actions that may be necessary for the CBP facilities. Also, IEUA continues to coordinate with the California Department of Water Resources (DWR) regarding California Environmental Quality Act (CEQA) coverage required for delivery of pulse flows into the Feather River. As mentioned previously, IEUA completed the Permitting Plan and Regulatory Strategy technical memorandum.

Water Exchange

The CBP will include a water exchange element that includes producing purified recycled water stored in the Chino Groundwater Basin that will be made available to offset Metropolitan State Water Project (SWP) supplies in some drier years. In these years, the SWP supply would be released from Lake Oroville as spring pulse flows to benefit native fish populations in the Feather River and Bay-Delta watershed. IEUA continues to work closely with DWR, Metropolitan, and the California Department of Fish and Wildlife (CDFW) to develop the water exchange.

DWR hosted two coordination meetings in the 4th quarter to work on several key elements of the exchange. DWR, in coordination with IEUA, worked with Sutter Bypass landowners to address their concerns over potential inundation of agricultural lands resulting from pulse flows. DWR coordinated with U.S. Bureau of Reclamation (Reclamation) to draft language for coordinating carriage water credits. And DWR and IEUA continued development of the water exchange operational agreements that will establish the roles and responsibilities of IEUA, CDFW, DWR, and Metropolitan.

Communication and Engagement

CBP meetings and workshops on key policy and technical matters, and outreach meetings with partner agencies and stakeholders are listed in Table 2-1 below.

Table 2-1. Featured CBP Policy and Technical Meetings with Partner Agencies and Stakeholders

Year/ Quarter	Meeting Types	Objectives
2018	CBP Workgroup Mtgs.	Overview, workgroup charter, CBP MOU
2019	CBP Workgroup Mtgs. Water Agency GM Mtgs	Water sources analysis, costs/benefits analysis, financing, partner agreements, rate study
2020	CBP Workgroup Mtgs. Water Agency GM Mtgs	Water sources analysis, rate study, regional benefits analysis, regulatory planning, alternatives analysis
2021	CBP Workgroup Mtgs. IEUA/Commission Mtg. Water Agency GM Mtgs	Regulatory planning, alternatives analysis, Board action for local cost share, Commission feasibility determination
2022	CBP Workgroup Mtgs. IEUA/DWR/CNRA Mtgs. IEUA/Partnership Mtgs. ACWA DC2022 Mtg. Water Agency GM Mtgs	Local agency discussion of drought and regional programs, commitments agreements, Board actions, site visits, CBP common goals and objectives. implementation agreements and issues, PDR updates. Grant applications.
2023	Partnership/ Stakeholder Mtgs. Water Agency GM Mtgs. Ad-Hoc Committee Mtgs. Workshops/Technical Mtgs	Review CBP Agreements. Discuss CBP purposes and benefits, identify common goals and objectives, draft agreement principles. Provide status updates on PDR Engineering work, grant applications, and coordination with State and Performing Agencies.
Current Reporting Quarter: Q4 2023	<i>Tours and Workshops for AWP Design</i>	<i>Obtain information to inform the design of the AWP</i>
	<i>Partnership/ Stakeholder Mtgs. Water Agency GM / Ad-Hoc Committee Mtgs</i>	<i>Review CBP progress. Develop a common understanding of terms and conditions for CBP performance.</i>
	<i>Tech Meetings for PDRs for PUT facilities</i>	<i>Addressing comments on the draft PDRs.</i>

Additional Funding Opportunities

IEUA and agency partners continue to pursue additional grant and loan opportunities to further offset costs of the CBP. Key milestones from this last quarter include the following:

- Responding to RFIs in relation to the conditional funding award for IEUA’s Federal Emergency Management Agency’s Building Resilient Infrastructure and Communities (BRIC) CBP’s Rialto Intertie project.
- Preparation of the CBP Feasibility Report for Reclamation’s WaterSMART Large Scale Water Recycling Program (LSWRP) grant program
- IEUA continues to pursue EPA’s WIFIA program for low-interest loan funding to support the components of the CBP PUT facilities.

3. Project Schedule Update

IEUA and partner agencies continue to work together to define CBP elements on a schedule consistent with the proposed commitments to achieve local and statewide public benefits. A schedule of CBP milestones is shown in Figure 3-1. Additional schedule details for the agreements and contracts are provided in Table 3-1.

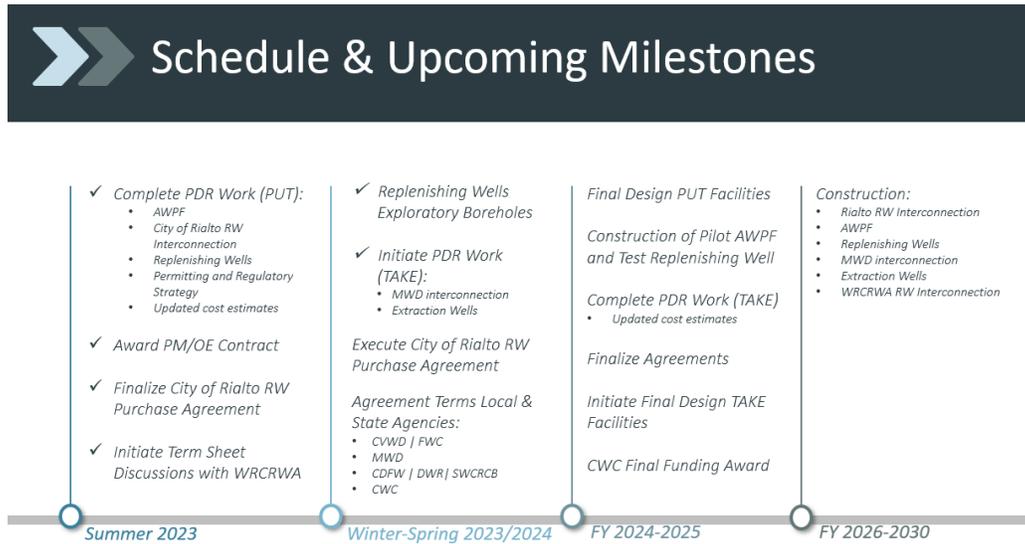


Figure 3-1. CBP Working Schedule through 2030

Table 3-1. Schedule for Agreements and Contracts between IEUA and CBP Partners/State Agencies

Agreement/Contract	Schedule	Status/Notes
State Agency Agreements		
Public Benefit Agreement – Environmental (IEUA – CDFW)	Draft Winter 2023 Final Summer 2024	IEUA is meeting regularly with CDFW to draft agreement and AMP content
Public Benefit Agreement – Water Quality (IEUA – State Water Resources Control Board (SWRCB))	Draft Winter 2023 Final Summer 2024	IEUA is meeting regularly with SWRCB to draft agreement and AMP content
Public Benefit Agreement – Emergency Response (IEUA – DWR)	Draft Winter 2023 Final Summer 2024	IEUA is meeting regularly with DWR to draft agreement and AMP content
Pulse Flow Agreement (DWR – CDFW)	Draft Winter 2023 Final 2024	Staff from each agency continuing discussions of various issues and conditions
Water Exchange Agreements (IEUA – MWD – DWR)	Draft Winter 2023 Final 2024	Staff from each agency continuing discussions of various issues and conditions
Funding Agreement (IEUA – CWC)	Draft 2024 Final 2025	Staff continuing to develop Draft Contract Templates
Local Agency Agreements		
Recycled Water Term Sheet/Purchase Agreements - Rialto - WRRCWA-JCSD	- Agreement w/Rialto: Spring 2024 - Term Sheet w/WRRCWA-JCSD 2024/2025 - Agreement w/WRRCWA-JCSD 2024/2025	Draft Agreement w/Rialto completed and under review
CBP Performance, Ownership and Operating Agreements – FWC, CVWD, potentially others	- Term sheet: Spring 2024 - Agreement: 2024/2025	Draft Term sheet is completed and under review
CBP Performance, Operating Agreement - MWD	- Agreement: Spring 2024	Draft Agreement completed and under review

4. Project Efforts Planned for Next Quarter

IEUA will continue its collaborative efforts with local, regional, and State agencies to further develop the CBP and continue to drive the following activities:

- **Local and Regional Partner Agency Coordination and Associated Agreements:** Continue to conduct meetings and workshops with local and regional agency partners, including Fontana Water Company, Cucamonga Valley Water District, and Metropolitan, to facilitate focused discussions for the review and completion of terms and agreements.
- **State Resource Agency Coordination and Associated Agreements:** Continue to coordinate and collaborate with State resource agencies to advance agreements. These activities will include focused discussions on the public benefit contracts with DWR, CDFW, and SWRCB.
- **Preliminary design and field work:** Finalize the PDRs of the PUT facilities; begin the exploratory borehole construction; initiate predesign efforts for CBP extraction facilities; initiate planning for design efforts of PUT facilities.
- **Pursuing additional State and federal funding.** Continue to pursue grant and loan opportunities available through State and federal programs.

ATTACHMENT 1

Table 1. Project Schedule



Table 1. Project Schedule

Funding Agreement Milestone	Start Date	Finish Date	Status
State Level Agreements - for Administration of Public Benefits			
Public Benefit Agreement – Environmental (IEUA – CDFW)	Winter 2021	2024/2025	50%
Public Benefit Agreement – Water Quality (IEUA – SWRCB)	Spring 2022	2024/2025	30%
Public Benefit Agreement – Emergency Response (IEUA – DWR)	Summer 2022	2024/2025	30%
State Level Agreements - for Administration of Operations and Funding			
Pulse Flow Agreement (DWR – CDFW)	Winter 2022	2024	70%
Water Exchange Agreements (IEUA – MWD – DWR)	Summer 2019	2024	75%
Funding Agreement (IEUA – CWC)	Fall 2022	2025	35%
Local Agency Agreements – for Non-Public Benefits Cost-Share*			
Recycled Water Purchase Agreements: Rialto	Winter 2022	2024	85%
Recycled Water Purchase Agreements: WRCRWA/JCSD	Winter 2022	2024/2025	50%
CBP Performance, Ownership and Operating Agreements – FWC, CVWD, potentially others	Summer 2021	2024/2025	40%
CBP Performance, Operating Agreement - MWD	Summer 2021	2024	90%
Completed Feasibility Studies (includes past efforts and studies that help frame the CBP)			
2000 Optimum Basin Management Plan (OBMP) for Chino Basin	1995	2000	100%
2001 Chino Basin Organics Management Strategy	1998	2001	100%
2002 Recycled Water System Feasibility Study	2000	2002	100%
2002 Wastewater Facilities Master Plan	2000	2002	100%
2002 Salinity Management Plan	2000	2002	100%
2005 Urban Water Management Plan	2003	2005	100%
2005 Recycled Water Implementation Plan	2003	2005	100%
2007 Recycled Water Three Year Business Plan	2006	2007	100%
2010 Urban Water Management Plan	2009	2011	100%
2013 Recharge Master Plan Update (RMPU)	2011	2013	100%
2015 Energy Management Plan	2014	2015	100%
2015 Recycled Water Program Strategy	2013	2016	100%
2015 Wastewater Facilities Master Plan Update	2014	2016	100%
2015 Water Use Efficiency Business Plan Update	2014	2016	100%
2016 Feasibility Study of Recycled Water Interconnection	2014	2016	100%
2016 Integrated Water Resources Plan	2013	2016	100%
2017 Recycled Water Intertie Study – Jurupa Community Services District and IEUA	2014	2017	100%
2018 RMPU	2017	2018	100%

Funding Agreement Milestone	Start Date	Finish Date	Status
State Level Agreements - for Administration of Public Benefits			
CBP Feasibility Studies and Pre-Design	2019	2021	100%
IEUA Rate Study	2019	2020	100%
Environmental Documentation (includes already completed that support elements of the CBP)			
IEUA Facilities Master Plan PEIR	2016	2017	100%
OBMP Update for Chino Basin Environmental EIR Addendum	2016	2017	100%
CBP Program EIR	Summer 2019	Spring 2022	100%
CBP Project-Level EIR	Spring 2023	2024/2025	5%
CBP Supplemental EIR (Pulse Flow Projects)	Spring 2022	2024	50%
CBP Project Certification of the SEIR	Winter 2023	2024	5%
Federal, State, and Local Approvals			
Petition for Instream Flow Dedication (1707)	Spring 2022	2025	0%
Wastewater Change Petition	Summer 2019	2025	0%
Air Quality Permit	Summer 2019	2025	0%
State: SWP contract amendment if needed (Metropolitan/DWR)	2019	2024	0%
State: Other State permits and approvals (TBD)	2019	2024	0%
Local: Encroachment permits (city/county)	2019	2024	0%
Local: Other possible local permits and approvals (TBD)	2019	2024	0%
Funding Agreement Components			
Project Workplan	2017	2024	10%
Project Schedule	2017	2024	10%
Project Budget	2017	2024	10%
Documentation for Commitment for non-State Share Funding	2019	2024	25%
Project Design (*some elements Design-Build)	2022	2030*	0%
Construction (*some elements Design-Build)	2025*	2032	0%
Begin Operations	2032	2082	0%

* Remaining balance of capital and operating costs (i.e., non-public benefits cost share) will be financed by IEUA with cost recovery through (1) IEUA wastewater rates and (2) agreements with local agencies participating in the CBP. (Reference: CBP Letter of Commitment for Non-public Benefit Costs, 10/20/21)

ATTACHMENT 2

Table 2. Quarterly Reporting Items for Commission Hearing on Final Awards



Table 2. Quarterly Reporting Items for Commission Hearing on Final Awards*

Description	Estimated Completion	Status
State Level Agreements - for Administration of Public Benefits		
Public Benefit Agreement – Environmental (IEUA – CDFW)	2024/2025	50%
Public Benefit Agreement – Water Quality (IEUA – SWRCB)	2024/2025	30%
Public Benefit Agreement – Emergency Response (IEUA – DWR)	2024/2025	30%
State Level Agreements - for operations and funding		
Pulse Flow Agreement (DWR – CDFW)	2024	70%
Water Exchange Agreements (IEUA – MWD – DWR)	2024	75%
Funding Agreement (IEUA – CWC)	2025	35%
Completed Feasibility Studies (includes past efforts and studies that help frame the CBP)		
2000 OBMP for Chino Basin	Done	100%
2001 Chino Basin Organics Management Strategy	Done	100%
2002 Recycled Water System Feasibility Study	Done	100%
2002 Wastewater Facilities Master Plan	Done	100%
2002 Salinity Management Plan	Done	100%
2005 Urban Water Management Plan	Done	100%
2005 Recycled Water Implementation Plan	Done	100%
2007 Recycled Water Three Year Business Plan	Done	100%
2010 Urban Water Management Plan	Done	100%
2013 RMPU	Done	100%
2015 Energy Management Plan	Done	100%
2015 Recycled Water Program Strategy	Done	100%
2015 Wastewater Facilities Master Plan Update	Done	100%
2015 Water Use Efficiency Business Plan Update	Done	100%
2016 Feasibility Study of Recycled Water Interconnection	Done	100%
2016 Integrated Water Resources Plan	Done	100%
2017 Recycled Water Intertie Study – JCSD and IEUA	Done	100%
2018 RMPU	Done	100%
CBP Feasibility Studies and Pre-Design	2021	100%
IEUA Rate Study	2020	100%
Environmental Documentation (includes already completed that support elements of the CBP)		
IEUA Facilities Master Plan PEIR	2017	100%
OBMP Update for Chino Basin EIR Addendum	2017	100%
CBP Program EIR	Spring 2022	100%
CBP Project-Level EIR	2024/2025	5%

Description	Estimated Completion	Status
CBP Supplemental EIR (Pulse Flow Projects)	2024	50%
CBP Project Certification of the SEIR (Pulse Flow Projects)	2024	5%
All required federal, State, and local approvals, certifications, and agreements		
Petition for Instream Flow Dedication (1707)	2025	0%
Wastewater Change Petition	2025	0%
Air Quality Permit	2025	0%
State: SWP water supply contract amendments if needed	2024	0%
State: Other State permits/approvals (TBD)	2024	0%
Local: Encroachment permits (city/county)	2024	0%
Local: Other possible local permits and approvals (TBD)	2024	0%

**Note: Updates to the Funding Agreement and Status Update sections of the Table 2 quarterly reporting template (provided by the Commission) are for elements needed to execute a funding agreement. The Commission requires an update of these elements only when a significant change has occurred. There currently is no information to report for these elements and there has been no change in the information related to these elements at this time.*



CONTACT INFORMATION

INLAND EMPIRE UTILITIES AGENCY

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(Chino Basin Program)

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