



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

Chino Basin Conjunctive Use Environmental Water  
Storage/Exchange Program

# QUARTERLY REPORT #12

April through June 2021

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Progress Report to the California Water Commission  
July 30, 2021



# 1. Purpose and Introduction

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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 April through June 2021. 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 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 Commission Hearing on Final Awards
  - Attachment 3 – Metropolitan Letter of Intent to Work with IEUA on the CBP

## 2. Project Planning Update

The Project Planning Update is a narrative summary update of the project. 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). Issues or concerns that have, will, or could affect milestones or requirements are also provided here. Figure 2-1 is a conceptual illustration of the function and primary components that make up the CBP.

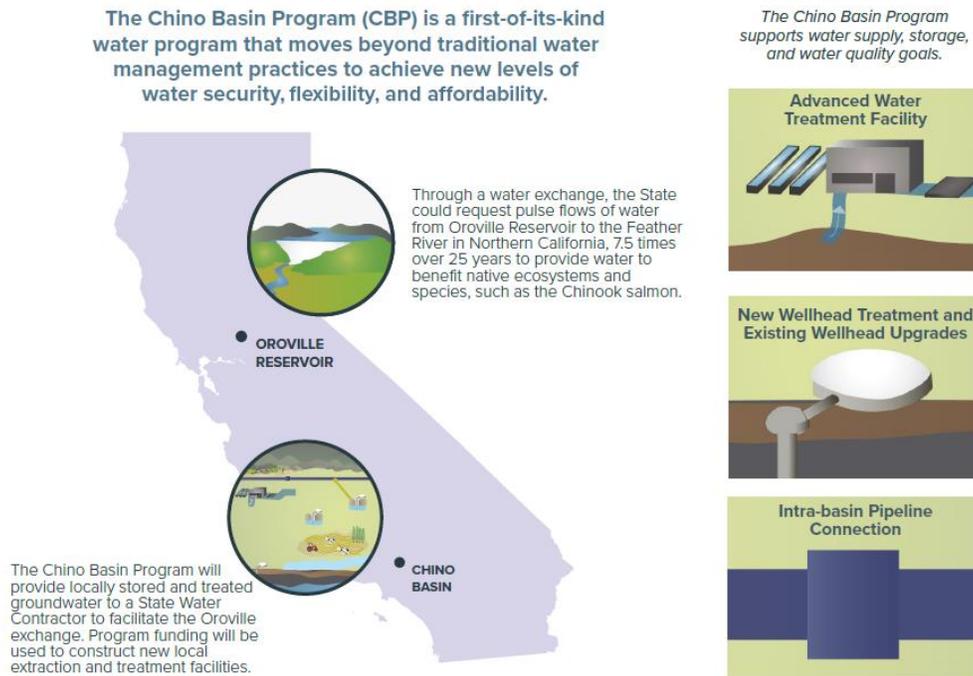


Figure 2-1. Location and Features of the Chino Basin Program

The support of IEUA’s constituents and regional partners in developing a program that strikes the right balance with benefits to the State, the IEUA region, and local communities, is foundational to the success of the CBP. To this end, IEUA continues to work closely and diligently with local, regional, and State resource agency partners, to carefully consider how the design refinements of the CBP can most effectively achieve this goal. As reported in recent quarterly reports, IEUA is coordinating three principal and related paths that are key to the continued advancement of the CBP. The three principals are listed below:

1. Working with local partner agencies to determine local operational conditions and assumptions that cost effectively provide local water supply and water quality benefits to the region;
2. Working with Metropolitan Water District of Southern California (Metropolitan) to achieve desired levels of improved regional reliability and system flexibility in Metropolitan’s service area; and
3. Working with California Department of Water Resources (DWR) and California Department of Fish and Wildlife (CDFW) to define conditions and assumptions for the exchange process that effectively achieve the ecosystem benefits.

In conjunction with the above, IEUA is preparing to reach several critical milestones required to meet the Water Storage Investment Program (WSIP) regulatory deadlines, specifically the January 1, 2022 timeline for obtaining a final feasibility determination from the Commission. To accomplish this, IEUA will provide a final feasibility study, draft environmental document circulated for public review, and appropriate local cost share commitments. The status of these milestone efforts is described further below.

Work on these critical milestones continues to inform the planning of the CBP, preliminary design refinements, and timing of subsequent development phases of the CBP, including final design, construction, and implementation. Highlights of these advancements and the updated schedule are included in this progress report further below.

## **Water Sources**

There is continued progress regarding efforts to develop water sources for advanced water purification to produce 15,000 acre-feet per year of advanced treated water. IEUA continues to work with its partners to formulate agreements around locally produced wastewater that will supply the advanced water purification facility (AWPF). The external supplies under consideration are from Western Riverside County Regional Wastewater Authority (WRCRWA) and the City of Rialto. The proposed principles of agreement between IEUA and WRCRWA and IEUA and Rialto address the mutual benefits that would be derived through these regional partnerships. The principles of agreement provide the framework through which proposed projects can be developed to achieve mutual regional benefits, such as acquiring local reliable water supplies for the IEUA region, meeting water quality and salt/nutrient management objectives, maximizing the use of unused recycled water supplies, increasing groundwater storage capability, and providing access to future capacity through new interconnections. Current options for developing these projects are under consideration through ongoing discussion among the interested parties. To facilitate this ongoing effort, IEUA is undertaking a series of Recycled Water Rate Workshops that will occur across the next several months. Through these workshops, IEUA will continue to work with the regional agencies and external supply partners to refine project details and agreement terms, and to identify next steps for advancing the proposed projects.

## **Preliminary Design and Feasibility Analysis**

Preliminary designs for the CBP continue to be refined with focus on the region's long-term planning objectives. These include developing advanced treated water capacity of 15,000 acre-feet per year to address rising total dissolved solids concentrations that are nearing regulatory limits, maximizing local re-use of recycled water, and increasing water supply resiliency through regionally connected infrastructure.

Across the last several months IEUA has directed significant effort towards CBP infrastructure refinements informed by performance information and associated discussions among local agency partners, Metropolitan, and DWR. This has led to increased understanding useful for advancing the predesign towards an optimal balance of operational capabilities, such as providing flexibility for maximum performance when the program is called upon to provide local water supplies in lieu of Metropolitan supplies and having the ability for pump back of program supplies into Metropolitan's system for greater regional operational flexibility and associated benefits.

Figure 2-2 presents an illustration of a preliminary design of the CBP showing the various elements, including the proposed AWWPF, pipelines, injection and extraction wells, and connections. IEUA will continue to conduct staff and manager-level meetings with local agencies, Metropolitan, and DWR to further refine these CBP elements to achieve the most feasible configuration that is both cost-effective and superior for achieving the intended benefits.

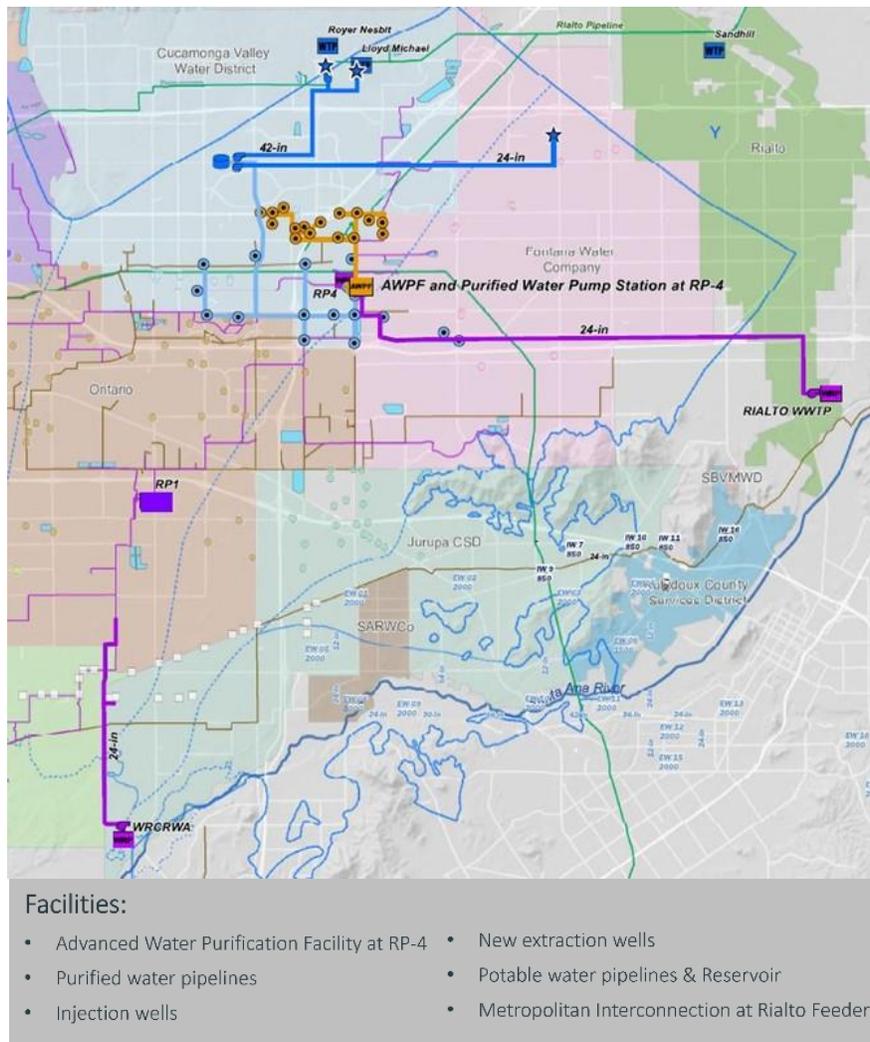


Figure 2-2. CBP Facilities

## CBP Banking and Exchange Analysis

The CBP design is being improved to address many of the issues raised by the stakeholders within the Chino Basin. A fundamental tenet of the CBP is to not impose on existing local agency operations. To that end, IEUA has worked collaboratively with the local agencies to refine the CBP facilities and terms of operations that would support the CBP. IEUA and Metropolitan are working collaboratively to develop the operating terms, conditions, and other agreement elements with DWR to develop the exchange process for the CBP that will provide the intended environmental benefits.

IEUA continues to coordinate with Metropolitan, DWR, and the California Department of Fish and Wildlife (CDFW) to define this exchange process to support pulse flows in the Feather River. In April

and June, DWR hosted coordination meetings to discuss common needs and attributes associated with the WSIP projects that provide pulse flow benefits, such as the CBP. IEUA reviewed a memorandum prepared for DWR regarding analysis of the cumulative change to hydrologic conditions in the Feather River, Sacramento River, and Sacramento-San Joaquin Delta with operation of the seven WSIP projects. IEUA provided feedback and edits for DWR's consideration. IEUA will continue to work with DWR to further develop the exchange process and to develop the necessary agreements among IEUA, DWR, Metropolitan, and CDFW.

IEUA has met with the CDFW team on several occasions to review CDFW's proposed workflow process, to discuss and review technical items associated with the proposed exchange process and implementation of that process, and to work together to propose and formulate potential management and operational principles to help guide planning of the CBP and associated exchange process.

State resource agencies advised the CBP and other WSIP pulse flow projects to consider the latest State operations CalSim-II modeling reflecting recent Bay-Delta regulatory agreements. IEUA obtained and is evaluating the "existing conditions" CalSim-II run. The State is in the process of updating the "future conditions" CalSim-II runs for the 2030 and 2070 projected level conditions. These projected level conditions were required for evaluation in the original WSIP applications. IEUA will consider these updated runs when they become available.

## **CBP PEIR and Permitting Update**

IEUA is preparing the CBP Programmatic Environmental Impact Report (PEIR). A preliminary draft project description has been completed. The environmental analysis, including the identification of potential impacts and mitigation actions, is underway. IEUA continues to coordinate preparation of the CBP PEIR with other regional environmental planning efforts, as needed.

## **Design, Construction, and Operation Update**

As noted above, feasibility and preliminary design studies are continuing with a greater focus on CBP infrastructure refinements developed in coordination with IEUA's local and regional agency partners. These advances in preliminary design work have increased the understanding of the planning, design, and construction phases of the CBP and provided an updated and more refined timeframe for the project. As such, completion of planning, design, and environmental compliance and permitting is now estimated for 2025 (previously 2023). Construction is anticipated to occur between 2025 and 2028 (previously 2023 to 2026). These schedule refinements result in an anticipated operational date of 2028 (previously 2026). This change in timeframe does not impact the economic feasibility of the CBP or the public benefits it is anticipated to attain.

## **Communications and Engagement Update**

IEUA continues to advance the CBP by working closely with its partners and State resource agencies. Specific communication efforts held during this last quarter are discussed further below.

### *CBP Workgroups and Workshops*

IEUA continues to use workgroup and workshop meetings to help develop the CBP. Meetings conducted to date are summarized in **Table 2-1**.

Table 2-1. CBP Workgroup and Workshop Meetings

| Month                 | Workshop                 | Objectives   |
|-----------------------|--------------------------|--|
| <b>December 2018</b>  | CBP Workgroup            | CBP overview, workgroup charter, introduce CBP Collaborative MOU for CBP participation, and identify questions |
| <b>January 2019</b>   | CBP Workgroup            | CBP costs and benefits review, questions, and draft MOU for CBP participation                                  |
| <b>February 2019</b>  | CBP Workgroup            | CBP water sources and financial analysis review, introduce CBP agreement terms, and review questions           |
| <b>May 2019</b>       | CBP Workgroup            | IEUA rate study update, CBP alternatives development approach, CBP agreement, and review questions             |
| <b>June 2019</b>      | CBP Workgroup            | CBP water sources update, CBP alternatives and evaluation approach, and review questions                       |
| <b>August 2019</b>    | Water Resources Workshop | Recycled water supply and additional water sources update  |
| <b>September 2019</b> | Water Resources Workshop | IEUA regulatory challenges update, CBP alternatives update, and CBP economic analysis update                   |
| <b>March 2020</b>     | CBP Workgroup            | IEUA regulatory challenges review and IEUA master planning update.   |
| <b>July 2021</b>      | CBP Workgroup            | CBP alternatives review  |
| <b>August 2021</b>    | CBP Workgroup            | CBP regional benefits, rate impacts, and water sources review  |
| <b>September 2021</b> | Policy Workshop          | CBP review and commitments for local cost share  |
| <b>October 2021</b>   | IEUA Board Meeting       | Board action for commitments for CBP local cost share  |
| <b>November 2021</b>  | Commission Meeting       | IEUA request of Commission to make a feasibility determination   |

*Memorandum of Understanding (MOU)*

### *Metropolitan and State Engagement*

IEUA continues to coordinate with Metropolitan to evaluate the CBP integration with the Metropolitan system. These coordination efforts are helping to develop proposed terms and conditions between the CBP and Metropolitan and articulate benefits to Metropolitan and its member agencies.

In May, Metropolitan provided a Letter of Intent to continue working collaboratively and proactively with IEUA on the CBP. In this letter, Metropolitan recognizes the benefits of the CBP and is prepared to facilitate developing the appropriate operating terms and conditions for the environmental water exchange under the tenet that the environmental water exchange and will not negatively impact the water supply or system operations of the State Water Project (SWP), Metropolitan, its member agencies, or other SWP contractors. The Letter of Intent is included here as Attachment 3.

IEUA is working with its local partner agencies to develop local agency commitments, commitments with Metropolitan for the water exchange, and Metropolitan commitments with DWR. IEUA has developed conceptual terms of partnership with Metropolitan and is working towards conceptual terms of partnership with local agency partners. Draft terms are expected in Fall 2021, at which

time, IEUA will work with local agency partners and their Boards for formal consideration and/or approval.

IEUA continues to communicate with Commission staff to review the status of the CBP, performance and related requirements under WSIP, and to discuss questions and challenges. IEUA submitted a WSIP Early Funding Request, which was made possible by the Commission's recently approved emergency regulations designed to help alleviate some of the immediate economic challenges agencies like IEUA and its local partner agencies are facing due to the COVID-19 pandemic and other factors. The Commission approved IEUA's request for \$8.9 million. This early funding will be used for reimbursement of planning costs related to the CBP. IEUA is working with Commission staff to execute the early funding agreement.

### **Additional Funding Opportunities**

In addition to WSIP early funding, IEUA and agency partners continue to pursue additional funding opportunities, including funding through the federal water infrastructure improvement program and other potential federal programs such as the "Futures" Act.

### 3. Project Schedule Update

IEUA and agency partners continue to work together to define program elements on a schedule consistent with the proposed commitments to achieve local and statewide public benefits (see Figure 3-1 and Table 3-1). As described above, the anticipated date for commencing CBP operation is 2028. Additional details of the schedule and progress are provided in Attachments 1 and 2, respectively.



3-1. Simplified CBP Schedule

CBP milestones leading up to the Commission’s WSIP conditional funding award date is shown on **Table 3-1**.

Table 3-1. CBP | WSIP Milestones

| Date          | Milestone  |
|---------------|--|
| Summer 2021   | Final Preliminary Design Report and Draft agreement terms with local, regional, and State resource partner agencies  |
| Fall 2021     | Draft Feasibility Report, Draft CBP PEIR, commitments for local cost share, and final agreement terms with local/regional partner agencies and State resource agencies |
| November 2021 | Commission feasibility determination   |

### Next Steps

As discussed in the previous progress report, IEUA will continue to work with local and regional agency partners to further develop the CBP and will continue to drive the following activities:

- **Local and Regional Partner Agency Coordination:** IEUA will continue to convene meetings and workshops with local and regional agency partners, including Metropolitan, to advance the development of the CBP.
- **State Resource Agency Coordination:** IEUA will continue to meet and coordinate with State resource agencies to advance CBP development, including routine coordination with Commission staff, DWR, CDFW, and other State agencies as needed.

- **Draft Agreement Terms with Local and Regional Partners, and State Resource Agencies.** IEUA will continue to work towards developing draft terms of partnership agreement with local partner agencies, Metropolitan, and State resource agencies including DWR and CDFW.
- **Draft CBP WSIP Feasibility Report.** IEUA will continue refinements of the CBP design, capital and operations and maintenance costs, and economic and technical analyses to support the development of the CBP WSIP Draft Feasibility Report, working towards a Final Feasibility Report in preparation for the Commission's WSIP feasibility determination required by January 1, 2022.
- **Draft CBP PEIR.** IEUA will continue the development of the CBP PEIR, including analysis of alternatives, evaluation of potential impacts, and identification of mitigation actions if needed, with completion of a draft environmental document available for public review this fall and in time for the Commission's WSIP feasibility determination required by January 1, 2022.
- **Commitments for Local Cost Share.** IEUA will work with interested member agencies and the IEUA Board to obtain the needed commitments and approvals for local cost share. These commitments are required as part to the Commission's WSIP feasibility determination required by January 1, 2022.
- **Commission Coordination:** IEUA will work with Commission staff to facilitate the process by where the Commission will complete its WSIP feasibility determination of the CBP by January 1, 2022. This request of the Commission is planned for November 2021.

## **4. Project Cost and Financing Update**

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### **Capital Costs, Cash Flow, and Financing**

IEUA is continuing its analysis of potential funding sources to help with financing of the CBP.

### **Pursuit of Additional Grant Funds**

IEUA and agency partners continue to pursue additional funding opportunities, including funding through the federal water infrastructure improvement programs. IEUA was approved for \$8.9 million by the Commission for reimbursement of 100 percent of all planning costs related to the CBP. IEUA is working with Commission staff to execute the funding agreement.

# **ATTACHMENT 1**

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## **Table 1. Project Schedule**



Table 1. Project Schedule

| Funding Agreement Milestone   | Start Date | Finish Date | % Complete |
|---|------------|-------------|------------|
| <b>Non-Public Benefits Cost-Share Contracts</b><br>(Other agreements may be required and will be included when identified)  |            |             |            |
| Agreements terms with IEUA Member Agencies  | 2019       | 2021        | 70%        |
| Agreements terms with SWP Contractor  | 2019       | 2021        | 70%        |
| Agreement terms for Chino Basin Storage and Recovery App.   | 2019       | 2021        | 50%        |
| <b>Contracts for Administration of Public Benefits</b>  |            |             |            |
| CDFW (ecosystem)  | 2019       | 2022        | 20%        |
| State Water Resources Control Board (SWRCB) (water quality)   | 2019       | 2022        | 5%         |
| DWR (emergency response)  | 2019       | 2022        | 5%         |
| DWR (operations)  | 2019       | 2022        | 20%        |
| <b>Completed Feasibility Studies</b> (includes feasibility studies related to planning efforts that are the framework for the CBP, as well as CBP specific studies) |            |             |            |
| 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 — Pomona, Monte Vista Water District, and IEUA   | 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%       |
| 2020 OBMP Update for Chino Basin  | 2018       | 2022        | 85%        |
| CBP Feasibility Studies and Pre-Design  | 2019       | 2021        | 85%        |
| IEUA Rate Study   | 2019       | 2020        | 100%       |
| <b>Environmental Documentation</b><br>(Includes environmental documentation already completed that support elements of the CBP)                                     |            |             |            |
| IEUA Facilities Master Plan PEIR  | 2016       | 2017        | 100%       |
| OBMP Update for Chino Basin Environmental Impact Report (EIR) Addendum  | 2016       | 2017        | 100%       |
| OBMP Update for Chino Basin Subsequent EIR  | 2019       | 2022        | 75%        |

| <b>Funding Agreement Milestone</b>   | <b>Start Date</b> | <b>Finish Date</b> | <b>% Complete</b> |
|--|-------------------|--------------------|-------------------|
| CBP PEIR   | 2019              | 2021               | 30%               |
| <b>Federal, State, and Local Approvals</b>   |                   |                    |                   |
| Federal: Potential operations approvals with the U.S. Bureau of Reclamation (USBR)       | 2019              | 2023               | 0%                |
| Federal: Potential permitting approvals with the U.S. Army Corps of Engineers (USACE)    | 2019              | 2023               | 0%                |
| Federal: Other possible federal permits/approvals tbd                                    | 2019              | 2023               | 0%                |
| State: Incidental Take Permit, if needed (with CDFW)                                     | 2019              | 2023               | 0%                |
| State: Section 1707 water rights change, if needed (by DWR, with SWRCB)                  | 2019              | 2023               | 0%                |
| State: SWP water supply contract amendments, if needed (by the SWP contractor, with DWR) | 2019              | 2023               | 0%                |
| State: Other possible State permits and approvals to be determined                       | 2019              | 2023               | 0%                |
| Local: Possible encroachment permits (with the city and county)                          | 2019              | 2024               | 0%                |
| Local: Storage in Chino Basin Water Bank (with the Chino Basin Watermaster (CBWM))       | 2019              | 2024               | 0%                |
| Local: Other possible local permits and approvals to be determined                       | 2019              | 2024               | 0%                |
| <b>Funding Agreement Components</b>  |                   |                    |                   |
| Project Workplan   | 2017              | 2022               | 10%               |
| Project Schedule   | 2017              | 2022               | 10%               |
| Project Budget   | 2017              | 2022               | 10%               |
| <b>Project Design</b>  | 2022              | 2024               | 0%                |
| <b>Construction</b>  | 2025              | 2028               | 0%                |
| <b>Begin Operations</b>  | 2028              | 2078               | 0%                |

## **ATTACHMENT 2**

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### **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 Date | % Complete |
|---|---------------------------|------------|
| <b>Contracts for non- public cost-share</b> (other agreements may be required and will be included when identified)   |                           |            |
| Agreements terms with IEUA Member Agencies  | 2021                      | 70%        |
| Agreements terms with SWP contractor  | 2021                      | 70%        |
| Agreement terms for Chino Basin Storage and Recovery Application  | 2021                      | 50%        |
| <b>Contracts for administration of public benefits</b>  |                           |            |
| CDFW (ecosystem)  | 2022                      | 20%        |
| SWRCB (water quality)   | 2022                      | 5%         |
| DWR (emergency response)  | 2022                      | 5%         |
| DWR (operations)  | 2022                      | 20%        |
| <b>Completed feasibility studies</b> (includes feasibility studies related to planning efforts that are the framework for the CBP, as well as CBP-specific studies) |                           |            |
| 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 — Pomona, Monte Vista Water District, and IEUA   | Done                      | 100%       |
| 2016 Integrated Water Resources Plan  | Done                      | 100%       |
| 2017 Recycled Water Intertie Study – Jurupa Community Services District and IEUA  | Done                      | 100%       |
| 2018 RMPU   | Done                      | 100%       |
| OBMP Update for Chino Basin   | 2022                      | 85%        |
| CBP Feasibility Studies and Pre-Design  | 2021                      | 85%        |
| IEUA Rate Study   | 2020                      | 100%       |

| Description  | Estimated Completion Date | % Complete |
|--|---------------------------|------------|
| <b>Final environmental documentation</b> (includes environmental documentation already completed that support elements of the CBP) |                           |            |
| IEUA Facilities Master Plan PEIR   | 2017                      | 100%       |
| OBMP Update for Chino Basin EIR Addendum   | 2017                      | 100%       |
| OBMP Update for Chino Basin Subsequent EIR   | 2022                      | 75%        |
| CBP PEIR   | 2021                      | 30%        |
| <b>All required federal, State, and local approvals, certifications, and agreements</b>  |                           |            |
| Federal: Potential operations approvals with USBR  | 2023                      | 0%         |
| Federal: Potential permitting approvals with USACE   | 2023                      | 0%         |
| Federal: Other possible federal permits/approvals tbd  | 2023                      | 0%         |
| State: Incidental Take Permit, if needed (with CDFW)   | 2023                      | 0%         |
| State: Section 1707 water rights change, if needed (by DWR, with SWRCB)  | 2023                      | 0%         |
| State: SWP water supply contract amendments, if needed (by SWPC, with DWR)   | 2023                      | 0%         |
| State: Other possible State permits/approvals tbd  | 2023                      | 0%         |
| Local: Possible encroachment permits (with/ the city and county)   | 2024                      | 0%         |
| Local: Storage in Chino Basin Water bank (with CBWM)   | 2024                      | 0%         |
| Local: Other possible local permits and approvals to be determined   | 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.

## **ATTACHMENT 3**

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### **Metropolitan Letter of Intent to Work with IEUA on the CBP**





THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

Office of the General Manager

May 24, 2021

Shivaji Deshmukh, P.E.  
General Manager  
Inland Empire Utilities Agency  
6075 Kimball Avenue  
Chino, CA 91708

Dear Shivaji Deshmukh, P.E.:

Letter of Intent to Collaborate on the Inland Empire Utilities Agency's  
Water Storage and Investment Program Application to the California Water Commission

The Inland Empire Utilities Agency (IEUA) submitted an environmental water exchange program in response to California Water Commission's (CWC) Water Storage Investment Program (WSIP) solicitation. CWC selected the application for further development. Over the past two years, Metropolitan Water District of Southern California (Metropolitan) has worked with IEUA as a potential State Water Project Contractor, to refine the approach and operational requirements of the WSIP and create a mutually beneficial program with local, regional and statewide value. This Letter of Intent to Collaborate documents Metropolitan's commitment to these efforts.

Accordingly, Metropolitan intends to continue working collaboratively and proactively with IEUA to:

- Develop viable operating terms and conditions that ensure the WSIP environmental water exchange will not negatively impact the water supply or system operations of the State Water Project, Metropolitan, its member agencies, or other State Water Contractors;
- Develop an agreement with the State and other necessary parties to facilitate the developed exchange of State Water Project water;
- Identify and develop program capital facilities and operations needed to deliver exchange water to Metropolitan's system;
- Engage with stakeholders as necessary to represent Metropolitan's and IEUA's mutual interest in the program;
- Support future efforts by IEUA to obtain federal funding to offset program costs; and,
- Explore opportunities for additional regional benefits including future opportunities for long-term storage programs in the Chino Basin.

A handwritten signature in black ink, appearing to read "Jeffrey Kightlinger".

Jeffrey Kightlinger  
General Manager  
Metropolitan Water District of Southern California



## CONTACT INFORMATION

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### **INLAND EMPIRE UTILITIES AGENCY**

Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program  
(Chino Basin Program)

Sylvie Lee  
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