



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

Chino Basin Conjunctive Use Environmental Water
Storage/Exchange Program

QUARTERLY REPORT #17

July through September 2022

Progress Report to the California Water Commission
October 30, 2022



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 July through September 2022. 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 Hearing on Final Awards

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 shows a conceptual illustration of the function and primary components that make up the CBP.

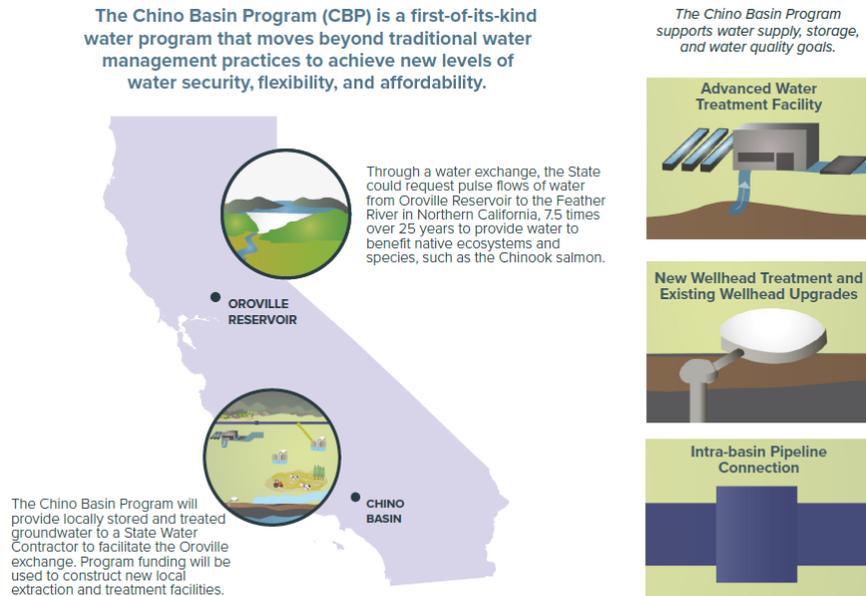


Figure 2-1. Location and Features of the Chino Basin Program

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 developing the CBP. During 2022, IEUA, together with its CBP partners, is advancing the engineering design elements of the program, as well as the operational plans for local management of the water supply developed by the program and the public benefits it will support. The sections below provide additional highlights of efforts during this most recent third quarter of 2022.

Technical and Financial Feasibility Analysis

The conceptual designs for the CBP have been defined with the region's long-term planning objectives in mind, which include developing advanced treated water capacity to address rising total dissolved solids concentrations, maximizing local use of recycled water, and increasing water supply resiliency through regionally connected infrastructure. The preferred configuration, identified and described in the CBP Feasibility Study Report submitted to the Commission in November 2021, includes a balance of operational capabilities to achieve these program benefits. This preferred configuration is shown in Figure 2-2a and Figure 2-2b.

CBP Water Exchange Analysis

The CBP will include a water exchange element that includes producing purified recycled water stored in the Chino Groundwater Basin 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 exchange process to support these pulse flows in the Feather River. In August, DWR hosted its bi-monthly coordination meeting to review the status of various efforts associated with the SWP water exchange common to Water Storage Investment Plan (WSIP) projects that provide pulse flow benefits, including the CBP. These efforts include completing the necessary environmental analysis to meet California Environmental Quality Act (CEQA), evaluating the cumulative effect of the combined pulse flow projects, and evaluation of carriage water and hydropower generation impacts associated with SWP operations. In addition, CDFW presented for review their initial draft public benefit contract and adaptive management plan.

Design, Construction, and Operation Update

IEUA continues to make progress with the preliminary design efforts of the CBP. IEUA initiated multiple preliminary design efforts, including the recycled water interconnection to the City of Rialto, the 15 MGD advanced water purification facility at RP-4, and the purified water injection well system. Discussions are continuing in earnest with Jurupa Community Services District for developing of a recycled water interconnection to the Western Riverside County Regional Wastewater Authority (WRCWRA) treatment plant.

Program. Early stages of these efforts include informational meetings with the regulatory agencies to review the CBP project elements and discuss the regulatory permitting needs.

Communications and Engagement Update

IEUA continues to advance the CBP by collaborating closely with its partners and State resource agencies. A summary of key policy and technical meetings with partner agencies, stakeholders, and the State conducted to date are shown in Table 2-1 below. Not shown in this table are the project meetings that occur as part of regular engagement between IEUA management, and the various agencies involved in the CBP. These regular engagements are critical to the continued advancement of the planning and design of the CBP.

Local and Regional Engagement

During this recent quarter, IEUA hosted several local engagement efforts to facilitate an exchange of information among IEUA, its partners, and interested stakeholders (as shown in Table 2-1). In July, IEUA spearheaded a project site visit and coordination meeting for the recycled water interconnection to the City of Rialto. In August, IEUA conducted a workshop with water and wastewater stakeholders to review the status of the CPB and questions about its integration with IEUA's existing water and wastewater services to the region. Also, in August IEUA sponsored a CBP Expo for local stakeholder groups and CBP partners to further support the communication of the CBP purpose and status. In addition to these outreach efforts, IEUA convened multiple meetings with project stakeholders to discussion CBP efforts and common interests.

Metropolitan, State, and Commission Engagement

Both IEUA and Metropolitan continue to coordinate with DWR and CDFW about the exchange between Metropolitan and SWP to support the release of pulse flows from Lake Oroville to the Feather River during call years. IEUA also continues to coordinate regularly with DWR and other WSIP project proponents to discuss water exchange operations and to develop terms for required exchange agreements, including participating in a WSIP SWP exchange meeting with DWR in August. IEUA continues to communicate regularly with Commission staff to provide updates to various CBP aspects and to coordinate on various needs.

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

Quarter	Meetings	Objectives
Q4 2018	CBP Workgroup	Overview, workgroup charter, introduce CBP Collaborative MOU, and identify questions
Q1 2019	CBP Workgroup (2)	Water sources, costs/benefits, financing, partner agreement terms
Q2 2019	CBP Workgroup (2)	IEUA rate study, alternatives, agreement needs, water sources update
Q3 2019	Water Resources (2)	Water sources update, alternatives update, regulatory needs, economic analysis
Q1 2020	CBP Workgroup	IEUA regulatory challenges and master planning update.
Q3 2021	CBP Workgroup (2), Policy Workshop (1)	CBP alternatives review, regional benefits, rate impacts, and water sources review
Q4 2021	IEUA Board Mtg, Commission Mtg	Board action for commitments for CBP local cost share; Commission feasibility determination meeting
Q1 2022	Leadership Mtg IEUA/DWR Mtg	Local agency discussion of drought and regional programs
Q2 2022	Partnership Mtgs IEUA Board Mtg	Review partnership commitments and principles for agreement. Board action for certification of CBP PEIR.
Current Quarter		
Q3 2022	IEUA/CNRA Mtg ACWA DC2022 Mtg CBP Workshop CBP Expo Rialto Site Visit Partnership/ Stakeholder Mtgs (multiple)	Review CBP implementation issues Present CBP objectives and status Discuss CBP water and wastewater elements Discuss CBP local benefits w/ stakeholders and partners Recycled Water Interconnection to the City of Rialto Discuss CBP purposes and benefits, identify common goals and objectives, draft agreement principles

Additional Funding Opportunities

IEUA and agency partners continue to pursue additional grant and loan opportunities to further offset costs of the CBP. Ongoing grants and loans under consideration by IEUA include:

- FEMA’s 2023 Building Resilient Infrastructure and Communities (BRIC) grant program. IEUA completed a Notice of Intent (NOI) for the CBP recycled water supply interconnection with the City of Rialto. IEUA has been notified the NOI meets the eligibility requirements. IEUA will submit the application in January 2023.
- SWRCB’s Clean Water State Revolving Fund, Water Recycling Funding Program. IEUA is pursuing state revolving funds loan for the recycled water supply interconnection with the City of Rialto. IEUA intends to submit the load application in December 2022.
- SAWPA One Water One Watershed Proposition 1 Round 2 Integrated Regional Water Management (IRWM) funding opportunity. IEUA submitted a project application for the east-

west pipeline element of the CBP.

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. The CBP schedule is summarized below, and additional details are provided in Attachments 1 and 2.

Working Schedule

CBP milestones achieved in recent months include the following:

- November 2021: CWC Finding of Feasibility
- May 2022: Water Exchange Term sheet approved by IEUA and Metropolitan Boards.
CBP Partnership commitments confirmed with local agencies.
CBP PEIR Certified by IEUA Board.
- August 2022: Preliminary design efforts launched for the following CBP PUT components:
CBP recycled water interconnection with City of Rialto,
CBP AWPf at RP-4.
CBP injection well system.
- September 2022: FEMA BRIC NOI submitted for CBP recycled water interconnection with City of Rialto

A schedule of CBP milestones anticipated in 2022 and 2023 leading up to the CWC Final Funding Award are shown in Figure 3-1. This schedule includes adopting the PEIR, completing various participating agency and State agreements, and draft public benefit contracts. Additional schedule details for the agreements and contracts are provided in Figure 3-1.

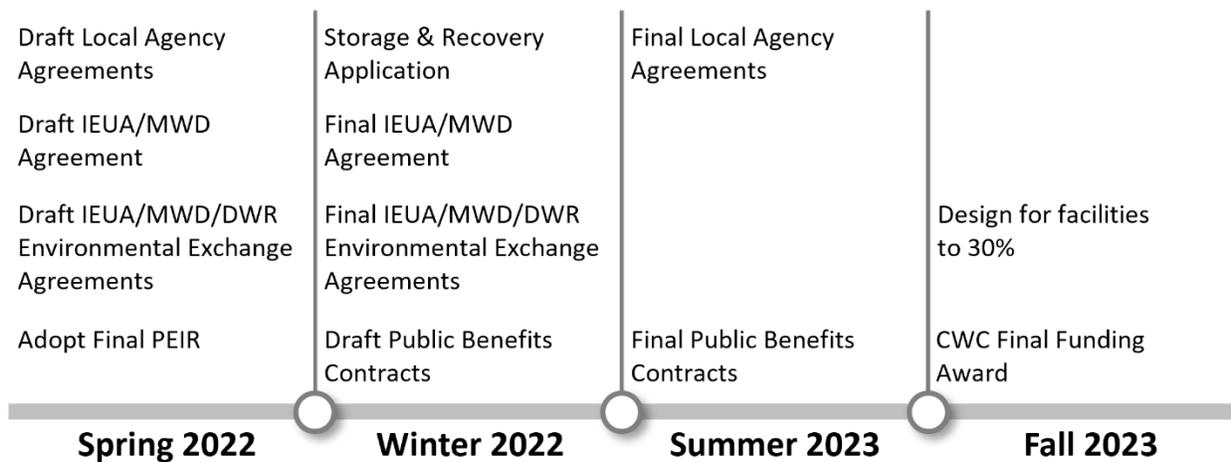


Figure 3-1. CBP Working Schedule for 2022 and 2023

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

Agreement/Contract	Schedule	Status/Notes
Environmental Public Benefit Contract – IEUA/CDFW	Draft: Winter 2022 Final: Fall 2023	CDFW prepared the Contract Workflow. WSIP project agencies are discussing basic principles with CDFW
Water Quality Public Benefit Contract – IEUA/SWRCB	Draft: Spring 2023 Final: Fall 2023	Staff from each agency have initiated discussions, conducted April 2022 mtg.
Emergency Response Public Benefit Contract – IEUA/DWR	Draft: Spring 2023 Final: Fall 2023	Staff from each agency have initiated discussions, conducted May 2022 mtg.
Pulse Flow Agreement – DWR/CDFW	Draft: Winter 2022 Final: Summer 2023	Staff from each agency are in discussions
Pulse Flow Coordinated Arrangement – DWR/USBR	Draft: Spring 2023 Final: Summer 2023	Staff from each agency are in discussions
Environmental Exchange Agreement – IEUA/MWD/DWR	Draft: Winter 2022 Final: Summer 2023	Discussions are ongoing. IEUA reviewed and commented on draft agreement prepared by DWR
SWP Supply Exchange Agreement – IEUA/MWD	Draft: May (terms) 2022 Final: Summer 2023	Term sheet approved by IEUA and Metropolitan Boards in May 2022
Recycled Water Supplies Agreements – IEUA/Fontana/CVWD	Draft Terms: Spring 2022 Final Terms: Summer 2022	CBP Partnership commitments confirmed from local agencies in May 2022.
External Supply Sources Agreements – IEUA/Rialto/JCSD	Draft Terms: Spring 2022 Final Terms: Fall 2022	Staff from each agency in discussions. Rialto draft terms approved March 2022.
CBP Performance Agreements – IEUA/FWC/CVWD	Commitment: May 2022 Draft Terms: Fall 2022 Final Agreement: Summer 2023	Staff from each agency are in on-going discussions
WSIP Funding Agreement – IEUA/CWC	Draft: Fall 2023 Final: Winter 2023	Staff from each agency are in on-going discussions

4. Project Efforts Planned for Next Quarter

In the fourth quarter of 2022 IEUA will continue collaborative efforts with local, regional, and State agencies to further develop the CBP and continue to drive the following near-term activities:

- **Local and Regional Partner Agency Coordination:** Continue to convene meetings and workshops with local and regional agency partners to develop draft terms and agreements.
- **State Resource Agency Coordination:** Continue to coordinate with State resource agencies to advance agreements between DWR, CDFW, and SWRCB.
- **Continue preliminary design efforts of specific CBP PUT components.** Continue predesign efforts for the recycled water connection with the City of Rialto, the AWPF at RP-4, and the injection well system.
- **Continue pursuing additional state and federal funding.** Complete applications for the FEMA BRIC grant program and the SWRCB SRF program.

ATTACHMENT 1

Table 1. Project Schedule



Table 1. Project Schedule

Funding Agreement Milestone	Start Date	Finish Date	Status
Contracts for Administration of Public Benefits			
Draft Environmental Public Benefit Contract – IEUA/CDFW	Winter 2021	Winter 2022	35%
Final Environmental Public Benefit Contract – IEUA/CDFW	Winter 2022	Fall 2023	0%
Draft Water Quality Public Benefit Agreement – IEUA/SWRCB	Spring 2022	Spring 2023	5%
Final Water Quality Public Benefit Agreement – IEUA/SWRCB	Spring 2023	Fall 2023	0%
Draft Emergency Rspn Public Benefit Agreement – IEUA/DWR	Summer 2022	Spring 2023	5%
Final Emergency Rspn Public Benefit Agreement – IEUA/DWR	Spring 2023	Fall 2023	0%
Other Agreements (for operations and non-public benefits cost-share)			
Draft Pulse Flow Agreement – DWR/CDFW	Winter 2021	Winter 2022	65%
Final Pulse Flow Agreement – DWR/CDFW	Winter 2022	Summer 2023	0%
Draft Pulse Flow Coordinated Arrangement – DWR/USBR	Spring 2022	Spring 2023	5%
Final Pulse Flow Coordinated Arrangement – DWR/USBR	Spring 2023	Summer 2023	0%
Draft Environmental Exchange Agreement – IEUA/MWD/DWR	Summer 2021	Winter 2022	75%
Final Environmental Exchange Agreement – IEUA/MWD/DWR	Winter 2022	Summer 2023	0%
Draft Metropolitan Agreement terms with IEUA	Fall 2019	Spring 2022	100%
Final Metropolitan Agreement with IEUA	Spring 2022	Winter 2022	50%
Draft Local Participating Agency Agreements with IEUA (various)	Fall 2019	Fall 2022	75%
Final Local Participating Agency Agreements with IEUA (various)	Fall 2022	Summer 2023	0%
Draft Storage and Recovery Application – IEUA/CBWM*	TBD**	TBD**	TBD**
Final Storage and Recovery Application – IEUA/CBWM			
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%

Funding Agreement Milestone	Start Date	Finish Date	Status
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%
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 Impact Report (EIR) Addendum	2016	2017	100%
CBP PEIR	Summer 2021	Spring 2022	100%
Federal, State, and Local Approvals			
Federal: Potential operations approvals (USBR)	2019	2023	0%
Federal: Potential permitting approvals (USACE)***	2019	2023	0%
Federal: Other possible federal permits/approvals (TBD)	2019	2023	0%
State: Incidental Take Permit, if needed (CDFW)	2019	2023	0%
State: Sect 1707 water rights change if needed (DWR/SWRCB)	2019	2023	0%
State: SWP contract amendment if needed (Metropolitan/DWR)	2019	2023	0%
State: Other State permits and approvals (TBD)	2019	2023	0%
Local: Encroachment permits (city/county)	2019	2024	0%
Local: Storage in Chino Basin Water Bank (CBWM)	2019	2024	0%
Local: Other possible local permits and approvals (TBD)	2019	2024	0%
Funding Agreement Components			
Project Workplan	2017	2022	10%
Project Schedule	2017	2022	10%
Project Budget	2017	2022	10%
Project Design	Fall 2022	Fall 2024	0%
Construction	2025	2028	0%
Begin Operations	2028	2078	0%

* CBWM refers to the Chino Basin Watermaster

** The requirements and schedule for the Storage and Recovery Application are under review

*** U. S. Army Corps of Engineers

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
Contracts for administration of public benefits		
CDFW (ecosystem)	Fall 2023	35%
SWRCB (water quality)	Fall 2023	5%
DWR (emergency response)	Fall 2023	5%
DWR (operations)	Summer 2023	65%
Other Agreements (operations and financial for non-public cost-share)		
Agreements with Metropolitan	Winter 2022	75%
Agreements with IEUA Member Agencies (various)	Summer 2023	75%
Agreement for Chino Basin Storage and Recovery w/CBWM	TBD**	TBD**
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 — 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%
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%

Description	Estimated Completion	Status
CBP PEIR	Spring 2022	100%
All required federal, State, and local approvals, certifications, and agreements		
Federal: Potential operations approvals (USBR)	2023	0%
Federal: Potential permitting approvals (USACE)	2023	0%
Federal: Other possible federal permits/approvals (TBD)	2023	0%
State: Incidental Take Permit, if needed (CDFW)	2023	0%
State: Section 1707 water rights change if needed (DWR/SWRCB)	2023	0%
State: SWP water supply contract amendments if needed (Metropolitan/DWR)	2023	0%
State: Other State permits/approvals (TBD)	2023	0%
Local: Encroachment permits (city/county)	2024	0%
Local: Storage in Chino Basin Water bank (CBWM)	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.*

*** The requirements and schedule for the Storage and Recovery Application are under review*



CONTACT INFORMATION

INLAND EMPIRE UTILITIES AGENCY

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

Elizabeth Hurst
Program Manager, Chino Basin Program
ehurst@ieua.org