



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

Chino Basin Conjunctive Use Environmental Water
Storage/Exchange Program

QUARTERLY REPORT #21

July through September 2023

Progress Report to the California Water Commission
October 30, 2023



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 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 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.

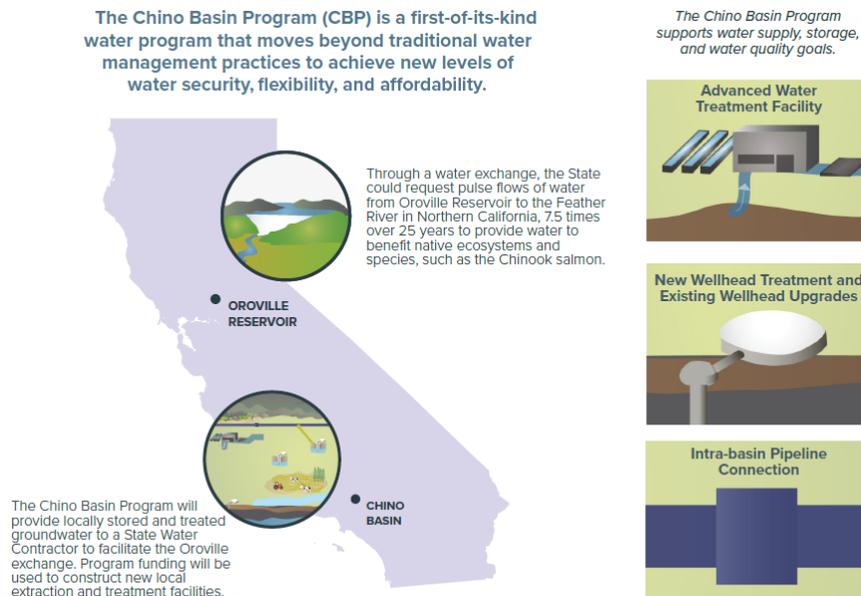


Figure 2-1. Location and Features of the Chino Basin Program

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. IEUA, together with its CBP partners, continues to work toward advancing the engineering design elements of the program, the operational plans for local management of the water supply produced by the program, and the administrative and management plans with State resource agencies for the public benefits it will support. The sections below provide additional highlights of efforts during the third quarter of 2023.

The CBP has been planned with the region's long-term 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 CBP Feasibility Study Report submitted to the Commission in November 2021, describes the CBP and the balance of operational capabilities to achieve these program benefits. The CBP planned facilities are shown in Figure 2-2a and Figure 2-2b. These planned facilities provide the basis for completing preliminary design efforts which are required to develop the planned facilities in more detail, refine estimated project and operational costs, finalize partner agreement terms and conditions, and facilitate site specific environmental planning and permitting efforts.

During the 3rd quarter of 2023, IEUA and its partners continued to focus on review and refinement of the preliminary design of the PUT facilities. IEUA completed draft preliminary design reports (PDRs) for the advanced water purification facility (AWPF) and preliminary design of the recycled water interconnection to the City of Rialto (Rialto Recycled Water Project). Workshops were held to present the PDRs to the IEUA project management team, executive management team, and partner agencies. The PDRs will be finalized in the 4th quarter of 2023. The PDRs will provide the basis for the design and engineering of the AWPF and Rialto Recycled Water Project. This next phase of work will begin in 2024.

IEUA continued its hydrogeologic field investigations of the injection wells and development of the PDR. The injection well PDR will be completed as a basis of design report for a typical design of the below and above ground injection well components. The basis of design will support the design phase of the injection wells set to begin in the Spring of 2024. IEUA plans to construct monitoring wells in early 2024 to gather additional subsurface data required to support the design phase of the injection wells.

Design, Construction, and Operation Update

As discussed above, IEUA is on track for completing the PUT facility preliminary designs in late 2023 and early 2024.

AWPF and Rialto Recycled Water Project

IEUA drafted the AWPF and Rialto Recycle Water Project PDRs during the 3rd quarter of 2023 and plans to finalize the PDRs in the 4th quarter of 2023. IEUA also completed a regulatory strategy report which considered the alignment of permits with CBP PUT facilities. In addition, IEUA completed a draft water sampling plan. The regulatory strategy report and water sampling plan report will serve as appendices to the CBP PUT facilities PDRs.

Western Riverside County Regional Wastewater Authority Joint Powers Authority

Discussions are continuing with the Western Riverside County Regional Wastewater Authority Joint Powers Authority (WRCWRA JPA) for developing an additional recycled water connection between the IEUA recycled water distribution system and the recycled water pipeline from the WRCWRA wastewater treatment plant.

Aquifer Replenishing Wells (Injection Wells)

The injection wells will receive purified water produced by the AWPf and will be used for recharging this purified water into the Chino Groundwater Basin. IEUA is developing an injection well siting plan and PDR (basis of design). These reports will be completed in the 4th quarter of 2023.

IEUA continued its hydrogeologic investigation with the completion and analysis of geophysical surveys. The geophysical surveys will inform the siting plan, the basis of design, and design of the injection wells. IEUA plans to award construction contracts for the boreholes/monitoring wells in early 2024 and begin construction shortly thereafter.

Regulatory Strategy Plan and Water Quality Sampling Plan

The Regulatory Strategy Plan was completed in draft form and describes the regulatory permitting needs and strategy for the CBP. This technical memorandum services as an appendix to the AWPf PDR. The water quality sampling plan is recommended for the source supplies to capture the longer-term and representative data to support the detailed design phase of the AWPf.

Status of CBP TAKE Facilities

Regarding CBP TAKE facilities, IEUA is continuing to work with Metropolitan and the CBP partners to develop the scope of work for predesign of the extraction wells, pipelines, and interconnections. Workshops were held with CBP partner agencies to discuss opportunities for siting and value engineering with existing systems.

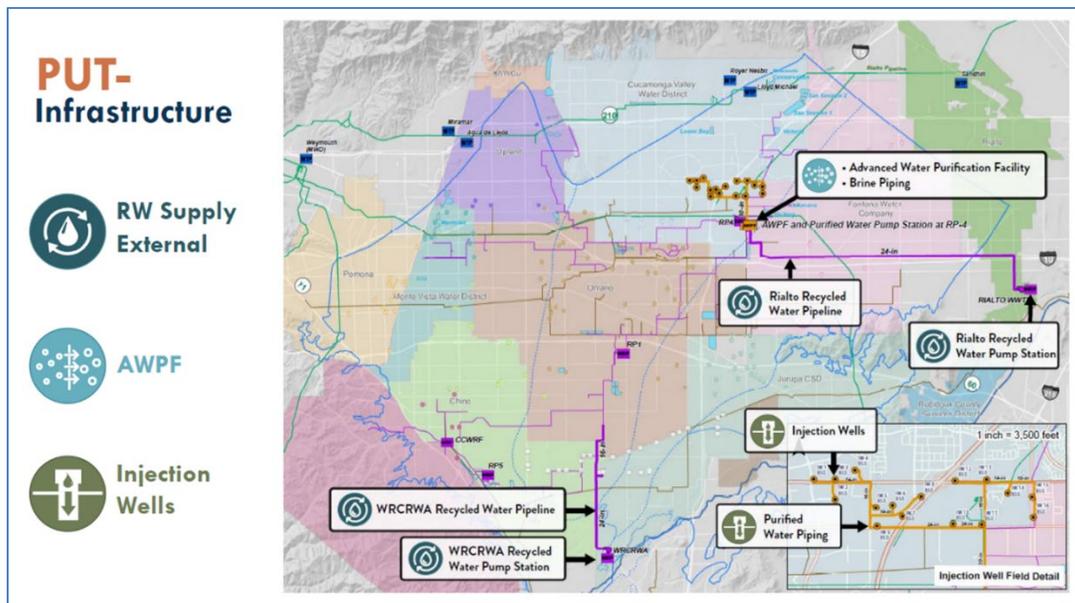


Figure 2-2a. CBP PUT Infrastructure

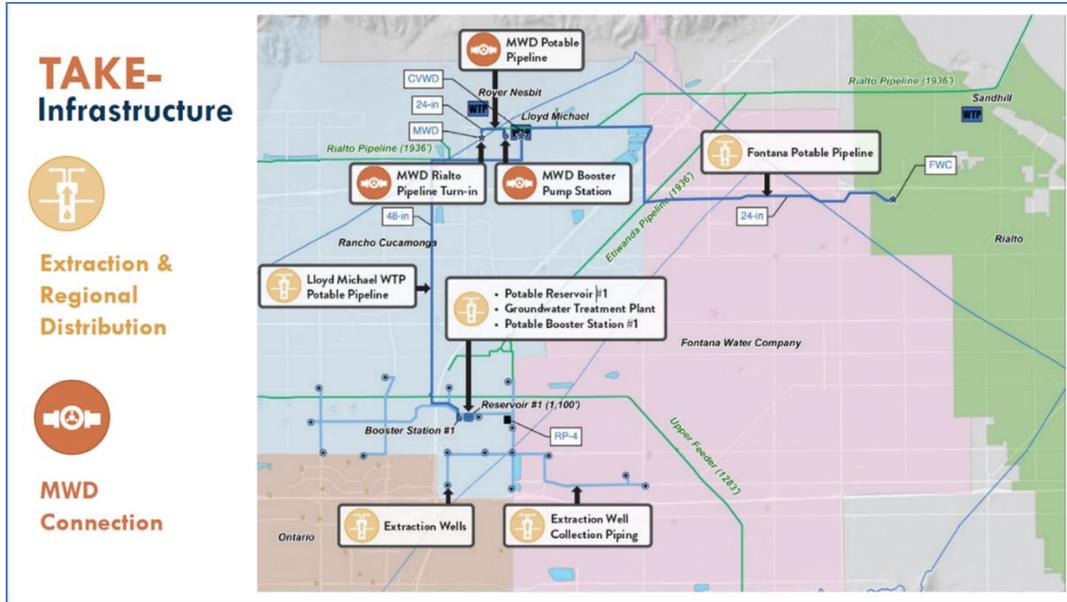


Figure 2-2b. CBP TAKE Infrastructure

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 DWR regarding California Environmental Quality Act (CEQA) coverage required for delivery of pulse flows into the Feather River. A signed agreement describing roles and responsibilities, and various conditions, was finalized in the 2nd quarter of 2023 and will be executed by DWR and IEUA in the 3rd quarter of 2023.

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. As reported in previous quarterly reports, IEUA continues to work closely with DWR, Metropolitan, and the California Department of Fish and Wildlife (CDFW) to develop the water exchange. DWR hosted a coordination meeting in August 2023 to review the status of water exchange efforts. These efforts include completing the necessary environmental analysis to meet CEQA requirements, planning for carriage water considerations, and development of operational agreements and adaptive management plans.

Engagements and Agreements

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 State Engagement and Agreements

IEUA continues to exchange information with its partners and interested stakeholders as shown in Table 2-1. And IEUA and Metropolitan continue to coordinate with DWR and CDFW regarding the exchange between Metropolitan and the SWP to support the release of pulse flows from Lake Oroville to the Feather River during call years, and agreements on these arrangements are expected in early 2024. The long-term agreement between IEUA and the City of Rialto for the Rialto Recycled Water Project getting is nearing completion and should be presented to the Council/Board in December.

Outreach

IEUA continues to develop and implement an outreach strategy for additional CBP communication, presentations, media communications, and more. IEUA CBP outreach efforts are expanding to include major employers, public services institutions, and educational forums.

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

Quarter	Meetings	Objectives
Q4 2018	CBP Workgroup	Overview, workgroup charter, CBP MOU
Q1 2019	CBP Workgroup (2)	Water sources, costs/benefits, financing, partner agreements
Q2 2019	CBP Workgroup (2)	Rate study, alternatives, agreement needs, water sources
Q3 2019	Water Resources (2)	Water sources, alternatives update, regulatory, economics
Q1 2020	CBP Workgroup	Regulatory challenges and master planning update.
Q3 2021	CBP Workgroup (2),	Alternatives, regional benefits, rate impacts, water sources
Q4 2021	IEUA/Commission Mtg	Board action for local cost share; Commission determination
Q1 2022	IEUA/DWR Mtg	Local agency discussion of drought and regional programs
Q2 2022	IEUA/Partnership Mtgs	Commitments agreement. Board actions
Q3 2022	IEUA/CNRA Mtg ACWA DC2022 Mtg CBP Workshop CBP Expo Rialto Site Visit Partnership/ Stakeholder Mtgs	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
Q4 2022	CBP Workshop Partnership/ Stakeholder Mtgs (multiple) IEUA Board Mtg Monthly Update Water Agency GM Monthly Mtg Update	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.
Q1 2023	Partnership/ Stakeholder Mtgs IEUA Board Mtgs Water Agency GM Mtg	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.
Q2 2023	Partnership/Stakeholder Mtgs Water Agency GM / Ad-Hoc Committee Mtgs Workshops – AWPf, Rialto, Boreholes	Review CBP progress. Develop a common understanding of roles and responsibilities for CBP performance. Present technical analysis and obtain input for PDR development.
Current Reporting Quarter		
Q3 2023	Partnership/ Stakeholder Mtgs Water Agency GM / Ad-Hoc Committee Mtgs Tech Meetings for – AWPf, Rialto Intertie, and Geophysical Investigation	Review CBP progress. Develop a common understanding of roles and responsibilities for CBP performance. Present technical analysis and obtain input for PDR development.

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:

- Notification of the selection of IEUA’s grant application completed for the Federal Emergency Management Agency’s Building Resilient Infrastructure and Communities (BRIC) funding program. This includes a conditional funding award in the amount of \$46.33 million for CBP’s Rialto Intertie component.
- Notification of the selection of IEUA’s grant application completed for the U.S Bureau of Reclamation’s Water Recycling and Desalination Planning funding program. This includes a conditional funding aware in the amount of \$2.8 million for planning and early design activities for the CBP.

Specific opportunities IEUA is pursuing include the EPA’s WIFIA program for low-interest loan funding and the California State Water Resources Control Board Recycled Water Program.

3. Project Schedule Update

IEUA and its partners 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.

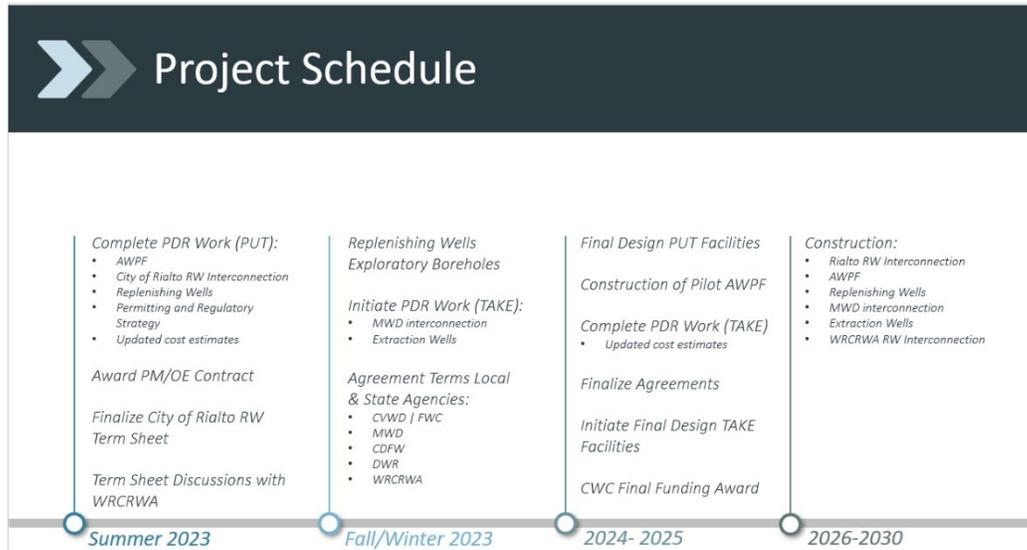


Figure 3-1. CBP Working Schedule through 2030

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 2024/25	CDFW prepared Draft Contract Template. WSIP project agencies are reviewing principles and conditions
Public Benefit Agreement – Water Quality (IEUA – SWRCB)	Draft Winter 2023 Final 2024/25	Staff developing Draft Contract Templates
Public Benefit Agreement – Emergency Response (IEUA – DWR)	Draft Winter 2023 Final 2024/25	Staff developing Draft Contract Templates
Pulse Flow Agreement (DWR – CDFW)	Draft Winter 2023 Final 2024/25	Staff from each agency in discussions
Water Exchange Agreements (IEUA – MWD – DWR)	Draft Winter 2023 Final 2024/25	Discussions ongoing. IEUA reviewed and commented on draft agreement
Funding Agreement (IEUA – CWC)	Draft Winter 2023 Final 2024/25	Staff developing Draft Contract Templates. WSIP project agencies are reviewing principles and conditions.
Local Agency Agreements		
Recycled Water Term Sheet/Purchase Agreements - Rialto - WRCRWA-JCSD	- Agreement w/Rialto: Summer 2023 - Term Sheet w/WRCRWA-JCSD Fall/Winter 2023 - Agreement w/WRCRWA-JCSD 2024	Term sheet w/Rialto completed
CBP Performance, Ownership and Operating Agreements – FWC, CVWD, potentially others	- Term sheet: Winter 2023 - Agreement: 2024/2025	Draft Term sheet developed after PDRs and cost recovery methods finalized
CBP Performance, Operating Agreement - MWD	- Agreement: Winter 2023	- Term sheet w/MWD completed

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 convene 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 development of draft 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:** Complete internal and partner review of predesign of the AWPf, Rialto intertie, and injection well system. Continue to advance geophysical investigative efforts. Initiate predesign efforts for CBP extraction 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	40%
Public Benefit Agreement – Water Quality (IEUA – SWRCB)	Spring 2022	2024/2025	10%
Public Benefit Agreement – Emergency Response (IEUA – DWR)	Summer 2022	2024/2025	10%
State Level Agreements - for Administration of Operations and Funding			
Pulse Flow Agreement (DWR – CDFW)	Winter 2022	2024/2025	70%
Water Exchange Agreements (IEUA – MWD – DWR)	Summer 2019	2024/2025	75%
Funding Agreement (IEUA – CWC)	Fall 2022	2024/2025	35%
Local Agency Agreements – for Non-Public Benefits Cost-Share*			
Recycled Water Purchase Agreements: Rialto	Winter 2022	2023	85%
Recycled Water Purchase Agreements: WRCRWA/JCSD	Winter 2022	2024	50%
CBP Performance, Ownership and Operating Agreements – FWC, CVWD, potentially others	Summer 2021	2024/2025	40%
CBP Performance, Operating Agreement - MWD	Summer 2021	2023	90%
* 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)			
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
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	5%
CBP Supplemental EIR (Pulse Flow Projects)	Spring 2022	2023	50%
CBP Project Certification of the SEIR	Winter 2023	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	2022	2024	0%
Construction	2025	2028	0%
Begin Operations	2028	2078	0%

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	40%
Public Benefit Agreement – Water Quality (IEUA – SWRCB)	2024/2025	10%
Public Benefit Agreement – Emergency Response (IEUA – DWR)	2024/2025	10%
State Level Agreements - for operations and funding		
Pulse Flow Agreement (DWR – CDFW)	2024/2025	70%
Water Exchange Agreements (IEUA – MWD – DWR)	2024/2025	75%
Funding Agreement (IEUA – CWC)	2024/2025	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 PEIR	Spring 2022	100%
CBP Project-Level EIR	2024	5%
CBP Supplemental EIR (Pulse Flow Projects)	2023	50%

Description	Estimated Completion	Status
CBP Project Certification of the SEIR (Pulse Flow Projects)	2023/2024	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

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