



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

Chino Basin Conjunctive Use Environmental Water  
Storage/Exchange Program

# QUARTERLY REPORT #19

January through March 2023

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Progress Report to the California Water Commission  
April 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 January through March 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.

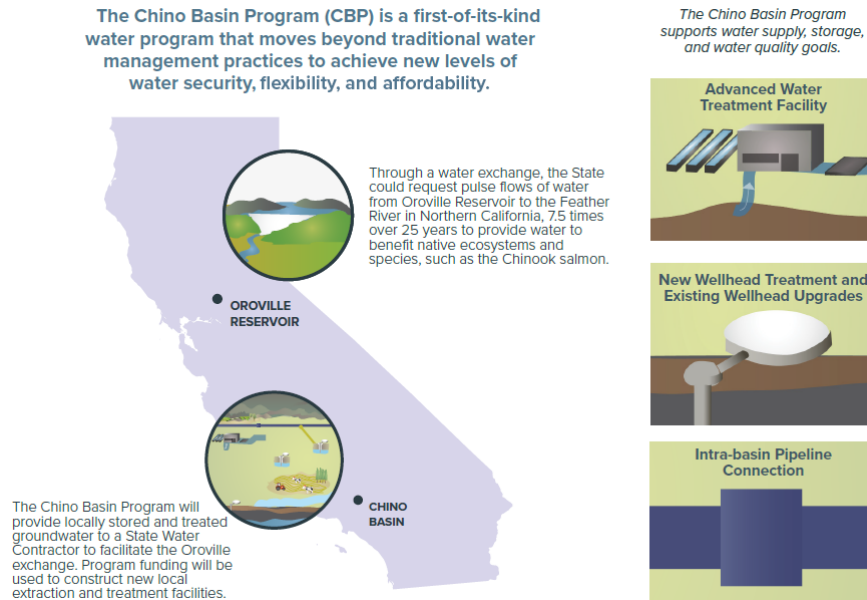


Figure 2-1. Location and Features of the Chino Basin Program

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 first quarter of 2023.

## **Technical and Financial Feasibility Analysis**

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, and facilitate site specific environmental planning and permit review efforts. During this most recent quarter, IEUA and its partners have invested significant effort into advancing the preliminary design of the advanced water purification facility (AWPF), the recycled water interconnection to the City of Rialto, and the injection wells. These "PUT" facilities are shown conceptually in Figure 2-2a and are discussed in more detail below.

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

Beginning in the second half of 2022, IEUA began preliminary design efforts on PUT facilities, specifically the AWPF, Rialto Recycled Water Intertie, and injection wells. These efforts are progressing in a coordinated manner with the goal of completing the preliminary design of these PUT facilities by early 2024. Highlights of recent activities include:

- The AWPF preliminary design team completed two recent workshops. One workshop was focused on project technical requirements to capture building-related functional preferences. The second workshop discussed considerations related to AWPF phasing and supply water quality.
- The Rialto Recycled Water Intertie project will connect excess recycled water supplies from the Rialto Wastewater Treatment Plant to the CBP AWPF. The preliminary design of the intertie pipeline has made considerable progress identifying pipeline alignment alternatives with the goal of selecting the most cost effective and technically feasible alternative. Similarly, the best alternative for booster pump station design and siting is being evaluated and closely coordinated with the City of Rialto. Discussions are continuing with Jurupa Community Services District for developing an additional recycled water connection between the AWPF and recycled water available from the Western Riverside County Regional Wastewater Authority (WRCWRA) treatment plant.

- 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 based on review of land parcels that have been identified as potential locations. This includes conducting initial discussions with landowners of prospective locations. In addition, IEUA plans to conduct an investigation involving exploratory borings and monitoring wells. This investigation will provide information about subsurface geophysical conditions critical to the design and operation of the injection wells. It is anticipated this investigation will be conducted during the summer of 2023.

With regard to CBP TAKE facilities, IEUA is working with Metropolitan to develop the planning and design approach for the Metropolitan Rialto Pipeline interconnection with the CBP. This summer IEUA plans to begin scope development for extraction wells and pipelines associated.

The above preliminary design efforts for CBP PUT and TAKE facilities are progressing in coordination with ongoing planning and communication efforts with project partners and stakeholders.

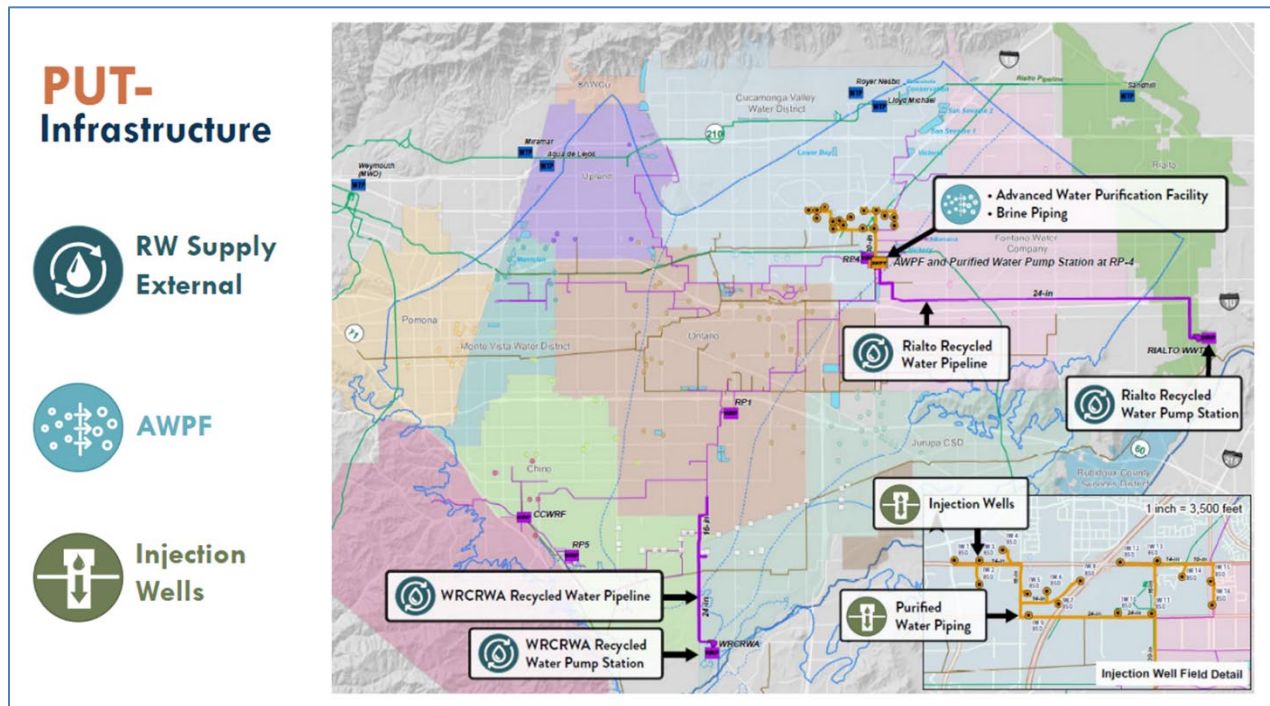


Figure 2-2a. CBP PUT Infrastructure



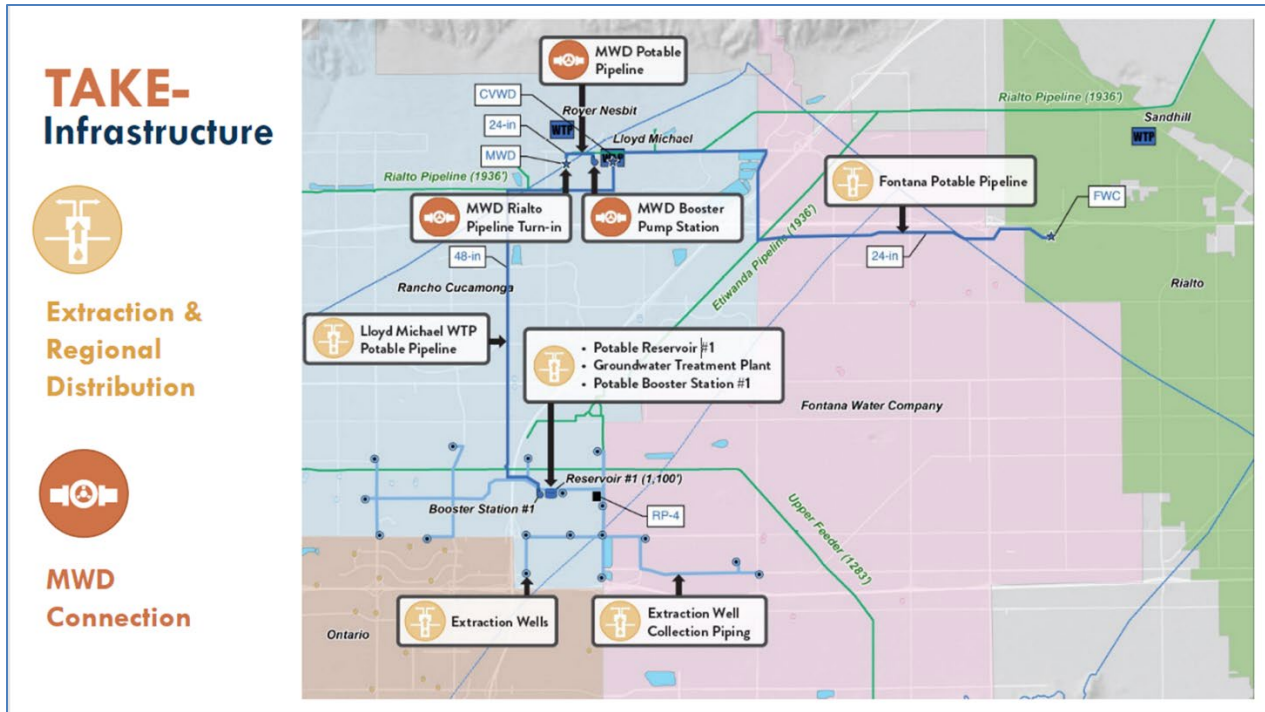


Figure 2-2b. CBP TAKE Infrastructure

## 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. There are no major updates to this process for this quarter and IEUA will continue to meet with these agencies as needed to gather information to aid in their approach. Also, IEUA continues to coordinate with DWR regarding California Environmental Quality Act (CEQA) coverage required for delivery of pulse flows into the Feather River.

## 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 February 2023 to review the status of water exchange efforts. These efforts include completing the necessary environmental analysis to meet CEQA requirements, evaluating the cumulative effect of the combined pulse flow projects, developing plans for pulse flow monitoring and reporting, planning for carriage water and hydropower generation 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 Engagement and Agreements*

During this recent quarter, IEUA continued to spearhead local engagement efforts to facilitate exchange of information among IEUA, its partners, and interested stakeholders (as shown in Table 2-1). This is accomplished through a variety of meetings between agency staff and managers, as well as staff provided monthly updates at agency Board meetings.

IEUA has been working on further developing draft agreements with Metropolitan, CVWD, and FWC. Key milestones since the last quarterly update include the following:

- IEUA and Metropolitan held a kickoff for the development of the IEUA/Metropolitan Exchange Agreement based on Board-approved terms.
- IEUA, CVWD, and FWC also held a kickoff meeting for the development of CBP term sheets.

These discussions will continue over the course of the year, with a goal of bringing agreements before respective boards in December 2023.

### *State Engagement and Agreements*

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. DWR and Metropolitan are working towards an agreement regarding the need for a SWP contract amendment to complete WSIP water exchanges. DWR is also engaged with USBR regarding WSIP pulse flow water exchanges and the relative share of SWP and CVP carriage water savings per the SWP–CVP Coordinated Operating Agreement.

IEUA continues to work with CDFW regarding terms for statutorily required public benefit contracts. Progress continues to be made to develop a common understanding of key terms of these contracts. IEUA, together with other Prop 1 WSIP Project Proponents, continues to negotiate with CWC for the development of a WSIP final funding award and related funding agreement between IEUA and CWC.

### *Outreach*

IEUA continues to develop and implement an outreach strategy for additional CBP communication, presentations, media communications, and more. Most recent efforts include IEUA program staff providing presentations on the CBP to local community organizations through various stakeholder avenues, including Chambers of Commerce; higher education; environmental organizations; and developers. Moving forward, IEUA CBP outreach efforts will to expand to other parts of the community, including 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, 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.
Q3 2022	IEUA/CNRA Mtg ACWA DC2022 Mtg CBP Workshop CBP Expo Rialto Site Visit Partnership/ Stakeholder Mtgs	<i>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</i>
Q4 2022	CBP Workshop Partnership/ Stakeholder Mtgs (multiple) IEUA Board Mtg Monthly Update Water Agency GM Monthly Mtg Update	<i>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.</i>
<b>Current Reporting Quarter</b>		
Q1 2023	Partnership/ Stakeholder Mtgs  IEUA Board Mtgs  Water Agency GM Mtg	<i>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.</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:

- In December 2022, IEUA submitted an application for a low-interest loan for the SWRCB’s Clean Water State Revolving Fund program for the Rialto Recycled Water Supply Intertie.
- In January 2023, IEUA submitted a grant application for FEMA’s Building Resilient Communities & Infrastructure Grant Program for the Rialto Recycled Water Supply Intertie.
- In February 2023, IEUA submitted a grant to the USBR WaterSMART Water Recycling and Desalination Grant program to support CBP planning and design efforts.
- In March 2023, IEUA submitted Community Project Request applications to Senator Feinstein, Senator Padilla, Congressman Aguilar, and Congressman Torres for an exploratory boring and monitoring well investigation for the CBP injection wells.

Specific opportunities IEUA is studying further include: USBR’s Large-Scale Water Recycling Program; EPA’s WIFIA program for low-interest loan funding; California’s Drinking Water State Revolving Fund; California State Water Resources Control Board Recycled Water Program; and the Governor’s Office of Planning and Research Integrated Climate Adaption and Resiliency Program. IEUA continues to actively track and forecast these and other funding opportunities by following legislation and other sources to identify upcoming water infrastructure funding.

## 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 leading up to the CWC Funding Award are shown in Figure 3-1. This schedule includes adopting the PEIR, completing participating agency and State agreements, and draft public benefit contracts. Additional schedule details for the agreements and contracts are provided in Table 3-1.

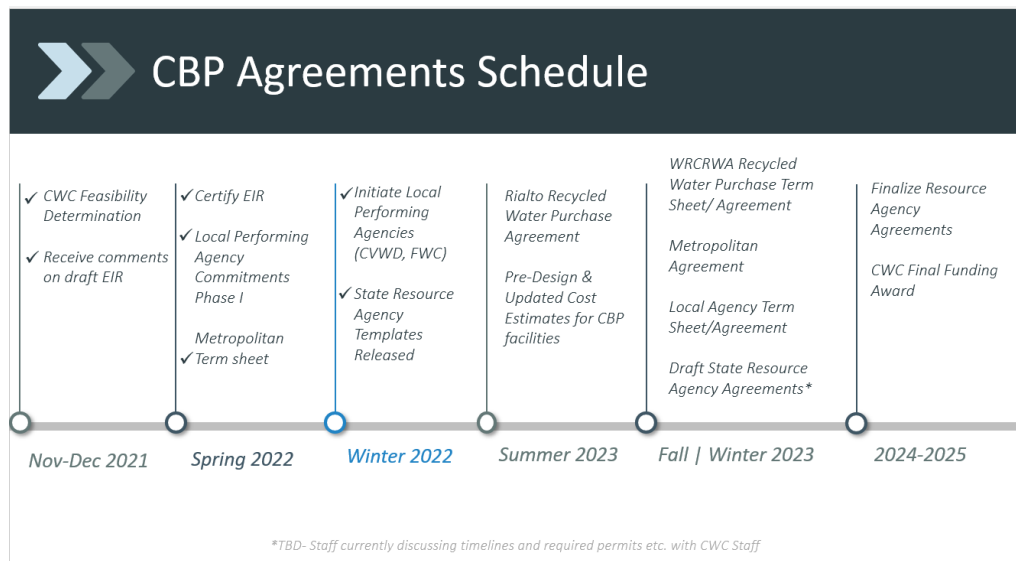


Figure 3-1. CBP Working Schedule for 2021 through 2024-2025



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

Agreement/Contract	Schedule	Status/Notes
<b>State Agency Agreements</b>		
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.
<b>Local Agency Agreements</b>		
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

In 2023, 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:** 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:** 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 efforts of CBP PUT components.** Continue predesign efforts of recycled water connections, the AWPf at RP-4, and the injection well system.
- **Pursuing additional State and federal funding.** Develop applications for the federal WIFIA loan program and USBR WaterSMART Large-Scale Water Recycling Program.

## **ATTACHMENT 1**

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### **Table 1. Project Schedule**



Table 1. Project Schedule

Funding Agreement Milestone	Start Date	Finish Date	Status
<b>State Level Agreements - for Administration of Public Benefits</b>			
Public Benefit Agreement – Environmental (IEUA – CDFW)	Winter 2021	2024/2025	35%
Public Benefit Agreement – Water Quality (IEUA – SWRCB)	Spring 2022	2024/2025	5%
Public Benefit Agreement – Emergency Response (IEUA – DWR)	Summer 2022	2024/2025	5%
<b>State Level Agreements - for Administration of Operations and Funding</b>			
Pulse Flow Agreement (DWR – CDFW)	Winter 2022	2024/2025	65%
Water Exchange Agreements (IEUA – MWD – DWR)	Summer 2019	2024/2025	75%
Funding Agreement (IEUA – CWC )	Fall 2022	2024/2025	35%
<b>Local Agency Agreements – for Non-Public Benefits Cost-Share*</b>			
Recycled Water Purchase Agreements: Rialto	Winter 2022	2023	75%
Recycled Water Purchase Agreements: WRCRWA/JCSD	Winter 2022	2024	35%
CBP Performance, Ownership and Operating Agreements – FWC, CVWD, potentially others	Summer 2021	2024/2025	40%
CBP Performance, Operating Agreement - MWD	Summer 2021	2023	65%
* 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)			
<b>Completed Feasibility Studies</b> (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%

<b>Funding Agreement Milestone</b>	<b>Start Date</b>	<b>Finish Date</b>	<b>Status</b>
CBP Feasibility Studies and Pre-Design	2019	2021	100%
IEUA Rate Study	2019	2020	100%
<b>Environmental Documentation</b> (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	20%
CBP Project Certification of the SEIR	Winter 2023	2023/2024	5%
<b>Federal, State, and Local Approvals</b>			
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%
<b>Funding Agreement Components</b>			
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%
<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	Status
<b>State Level Agreements - for Administration of Public Benefits</b>		
Public Benefit Agreement – Environmental (IEUA – CDFW)	2024/2025	50%
Public Benefit Agreement – Water Quality (IEUA – SWRCB)	2024/2025	10%
Public Benefit Agreement – Emergency Response (IEUA – DWR)	2024/2025	10%
<b>State Level Agreements - for operations and funding</b>		
Pulse Flow Agreement (DWR – CDFW)	2024/2025	70%
Water Exchange Agreements (IEUA – MWD – DWR)	2024/2025	75%
Funding Agreement (IEUA – CWC )	2024/2025	35%
<b>Completed Feasibility Studies</b> (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%
<b>Environmental Documentation</b> (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	20%

Description	Estimated Completion	Status
CBP Project Certification of the SEIR (Pulse Flow Projects)	2023/2024	5%
<b>All required federal, State, and local approvals, certifications, and agreements</b>		
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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### INLAND EMPIRE UTILITIES AGENCY

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

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