



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

Chino Basin Conjunctive Use Environmental Water
Storage/Exchange Program

QUARTERLY REPORT #11

January through March 2022

Progress Report to the California Water Commission
April 30, 2021



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 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:

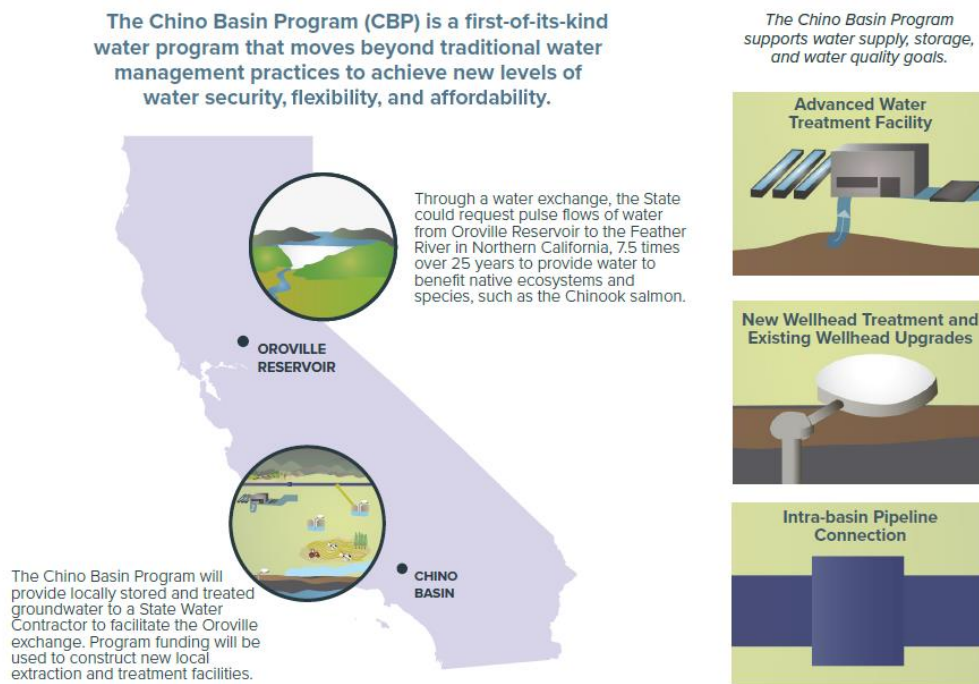
1. Purpose and Introduction
2. Project Planning Update
3. Project Schedule Update
4. Project Cost and Financing Update
 - Attachment 1 — Table 1. Project Schedule
 - Attachment 2 — Table 2. Quarterly Reporting Items for Commission Hearing on Final Awards

2. Project Planning Update

The Project Planning Update is a narrative summary update of the project. This summary provides a description of the status of IEUA 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.

IEUA continues to work diligently with its local, regional, and State resource agency partners to advance the development of the CBP (see **Figure 2-1**). Recent efforts focused on three critical planning and coordination paths: working with local agencies to determine local operational conditions and assumptions that cost effectively provide local water supply and water quality benefits to the region; working with the Metropolitan Water District of Southern California (MWDSC) to achieve desired levels of regional operational flexibility and emergency water supply benefits; and 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 between the CBP and the State Water Project (SWP) that effectively achieve the targeted ecosystem benefits.

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



Through these planning and coordination efforts the CBP has gone through further refinement, requiring additional planning and technical analysis, and additional evaluation of costs and benefits. IEUA’s local and regional agency partners are carefully considering how the refined design of the CBP will meet local agency and regional needs consistent with long-term water management plans. IEUA is in the process of updating technical and economic evaluations of the refined CBP design and will summarize findings in a feasibility report. The feasibility report will inform a programmatic environmental impact report (PEIR) to be completed later this year. And the report will inform the development of financial commitments for the CBP by IEUA and its program partners.

Additional information about the progress on the development of the CBP is provided in the following sections.

Water Sources

There continues to be 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.

Preliminary Design

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.

IEUA has directed significant effort towards project infrastructure and capacity refinements informed by performance information being developed through discussions with local and regional agency partners, and the DWR-led coordinated discussions of proposed exchanges between the CBP and the SWP to provide pulse flows for ecosystem benefit.

IEUA continues to conduct staff and manager-level meetings with stakeholders and local and regional agency partners to discuss and review the CBP. The goal is to identify a CBP design that balances cost allocation, performance, and benefits for IEUA and its partner agencies, and provides broad mutual benefit to the Chino Basin region.

Economic and Financial Analysis

IEUA continues to work on the economic analysis of the CPB. IEUA developed comparisons of water costs and potential savings under the refined CBP design. The economic analysis will help inform financial analysis that will describe projected cash flow conditions and effects on rate payers. This information will be described in the feasibility report being prepared by IEUA.

CBP Banking and Exchange Analysis

IEUA continues to coordinate with DWR (and CDFW) to define the exchange processes between the CBP and SWP for producing pulse flows. IEUA is participating in bi-monthly meetings lead by DWR to coordinate review and analysis of the exchange process, and the development of arrangements among the responsible parties, including CDFW, that are needed to implement the exchange.

In February, DWR hosted its most recent coordination meeting to discuss common needs and attributes associated with the projects that provide pulse flow benefits, such as the CBP. IEUA reviewed a white paper prepared by DWR describing the exchange, including the operations, protocols, performance conditions and constraints, and assumptions. IEUA will continue to work with DWR to further develop the exchange with an objective of minimizing risk and maximizing benefit for all parties involved.

DWR is facilitating communications with the State Water Contractors and other interested stakeholders on pulse flow decision making. IEUA continues to support the coordination efforts and participates as needed in these discussions.

CBP PEIR and Permitting Update

IEUA continues to coordinate preparation of the CBP PEIR with other regional environmental planning efforts, such as the Chino Basin Storage Framework and Optimum Basin Management Program (OBMP) Update.

Design, Construction, and Operation Update

As noted above, feasibility and preliminary design studies are continuing with greater focus on CBP refinements developed in coordination with IEUA's local and regional agency partners.

Communications and Engagement Update

IEUA continues to advance the CBP by working closely with local and regional agency partners, and the State resources agencies. The form of this engagement has been through regular one-on-one and small group meetings, through CBP updates provided at IEUA technical committee and agency manager monthly meetings, and informational updates (as requested) to city and local agency boards. These communication efforts provide IEUA with valuable feedback on the CBP. IEUA continues to support the CBP website and manages media outreach through its strategic communications plan. 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**. There were no workgroup or workshop meetings held during the most recent quarter. The next meetings are scheduled for summer 2021.

Table 2-1. CBP Workgroup Workshops

Month	Workshop	Objectives
December 2018	CBP Workgroup	CBP overview, workgroup charter, introduce CBP Collaborative MOU for CBP participation, and identify questions
January 2019	CBP Workgroup	CBP costs and benefits review, questions, and draft MOU for CBP participation
February 2019	CBP Workgroup	CBP water sources and financial analysis review, introduce CBP agreement terms, and review questions
May 2019	CBP Workgroup	IEUA rate study update, CBP alternatives development approach, CBP agreement, and review questions
June 2019	CBP Workgroup	CBP water sources update, CBP alternatives and evaluation approach, and review questions
August 2019	Water Resources Workshop	Recycled water supply and additional water sources update
September 2019	Water Resources Workshop	IEUA regulatory challenges update, CBP alternatives update, and CBP economic analysis update
March 2020	CBP Workgroup	IEUA regulatory challenges review, IEUA master planning update.
June/July 2021	CBP Board Workshops	CBP preliminary design review (June) CBP economic analysis (July)

MWDSC and State Engagement

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

As mentioned previously, IEUA is participating in DWR-led coordination meetings to discuss the exchange process between the CBP and the SWP. And IEUA has provided review and comment to several DWR draft SWP exchange process “white papers”.

IEUA continues to communicate with Commission staff to review the status of the CBP, performance and related requirements under the Water Storage Investment Program (WSIP), and to discuss questions and challenges. IEUA is also planning to request WSIP early funding available through the Commission’s recently approved emergency regulations to help alleviate some of the immediate economic challenges that IEUA and its member agencies are facing during the COVID-19 crisis and other factors.

During this most recent quarter IEUA also participated in coordination meetings with The Nature Conservancy (TNC) to discuss CBP status and potential items of support from TNC.

Additional Funding Opportunities

In addition to considering applying for WSIP early funding, IEUA and agency partners continue to pursue additional funding opportunities, including funding through the federal water infrastructure improvement program.

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**). December 2025 remains as the program completion date with full operation commencing in 2026. Additional details of the schedule and progress are provided in Attachments 1 and 2, respectively.

Figure 3-1. Simplified CBP Schedule



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

Table 3-1. CBP Funding Milestones

Date	Milestone
Summer 2021	Draft agreement terms with local agencies and partners
Summer 2021	Final PDR and Draft agreement terms with resource agencies
Fall 2021	Feasibility Report, Draft CBP PEIR, and Final agreement terms with local and resource agencies
Fall 2021	Commission final funding award negotiations and funding agreement execution

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:** Continue to convene one-on-one and small group meetings with local and regional agency partners to advance the development of the CBP. Develop draft agreements with local agency partners.
- **Water Sources:** Draft partnership agreements.
- **Preliminary Design:** Refine recommended CBP design.

- **Economic and Financial Analysis:** Complete additional technical and economic analysis, financial analysis, and ability to pay analysis of refined CBP design.
- **State Agency Coordination:** Continue to meet and coordinate with State resource agencies to advance CBP development. Continue regular coordination with the Commission to assist with discussions with State resource agencies. Continue coordination with the DWR-led effort to discuss and define the SWP exchange process and principles for consideration in proposed State agreements.
- **Communications and Outreach:** Continue to conduct meetings with interested stakeholders, local and regional agency partners, general manager meetings, special committee meetings, workgroup meetings, and workshops.

4. Project Cost and Financing Update

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.

ATTACHMENT 1

Table 1. Project Schedule



Table 1. Project Schedule

Funding Agreement Milestone	Start Date	Finish Date	% Complete
Non-Public Benefits Cost-Share Contracts (other agreements may be required and will be included when identified)			
Agreements with IEUA Member Agencies	2019	2021	50%
Agreements with State Water Project Contractor	2019	2021	45%
Chino Basin Storage and Recovery Application	2019	2021	5%
Contracts for Administration of Public Benefits			
CDFW (ecosystem agreement)	2019	2021	20%
State Water Resources Control Board (SWRCB) (water quality)	2019	2021	5%
DWR (emergency response)	2019	2021	5%
DWR (operations agreement)	2019	2021	20%
Completed Feasibility Studies (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	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	2021	85%
CBP Feasibility Studies and Pre-Design	2019	2021	80%
IEUA Rate Study	2019	2020	100%
Environmental Documentation (includes environmental documentation already completed that supports 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	2021	75%

Funding Agreement Milestone	Start Date	Finish Date	% Complete
CBP PEIR	2019	2021	10%
Federal, State, and Local Approvals			
Federal: Potential operations approvals with the U.S. Bureau of Reclamation (USBR)	2019	2021	0%
Federal: Potential permitting approvals with the U.S. Army Corps of Engineers (USACE)	2019	2021	0%
Federal: Other possible federal permits/approvals tbd	2019	2021	0%
State: Incidental Take Permit, if needed (with CDFW)	2019	2021	0%
State: Section 1707 water rights change, if needed (by DWR, with SWRCB)	2019	2021	0%
State: SWP water supply contract amendments, if needed (by the State Water Project Contractor (SWPC), with DWR)	2019	2021	0%
State: Other possible State permits and approvals to be determined	2019	2021	0%
Local: Possible encroachment permits (with the city and county)	2019	2021	0%
Local: Storage in Chino Basin Water Bank (with the Chino Basin Watermaster (CBWM))	2019	2021	0%
Local: Other possible local permits and approvals to be determined	2019	2021	0%
Funding Agreement Components			
Project Workplan	2017	2021	10%
Project Schedule	2017	2021	10%
Project Budget	2017	2021	10%
Project Design	2021	2023	0%
Construction	2023	2025	0%
Begin Operations	2026	2075	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 Date	% Complete
Contracts for non- public cost-share (other agreements may be required and will be included when identified)		
Agreements with IEUA Member Agencies	2021	50%
Agreements with SWPC	2021	45%
Chino Basin Storage and Recovery Application	2021	5%
Contracts for administration of public benefits		
CDFW (ecosystem)	2021	20%
SWRCB (water quality)	2021	5%
DWR (emergency response)	2021	5%
DWR (operations)	2021	20%
Completed feasibility studies (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	2021	85%
CBP Feasibility Studies and Pre-Design	2021	80%
IEUA Rate Study	2020	100%

Description	Estimated Completion Date	% Complete
Final environmental documentation (includes environmental documentation already completed that supports 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	2021	75%
CBP PEIR	2021	10%
All required federal, State, and local approvals, certifications, and agreements		
Federal: Potential operations approvals with USBR	2021	0%
Federal: Potential permitting approvals with USACE	2021	0%
Federal: Other possible federal permits/approvals tbd	2021	0%
State: Incidental Take Permit, if needed (with CDFW)	2021	0%
State: Section 1707 water rights change, if needed (by DWR, with SWRCB)	2021	0%
State: SWP water supply contract amendments, if needed (by SWPC, with DWR)	2021	0%
State: Other possible State permits/approvals tbd	2021	0%
Local: Possible encroachment permits (with/ the city and county)	2021	0%
Local: Storage in CBWB (with CBWM)	2021	0%
Local: Other possible local permits and approvals to be determined	2021	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.



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