

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

**Chino Basin Conjunctive Use Environmental
Water Storage/Exchange Program**

QUARTERLY REPORT #4

April through June 2019

Progress Report to the California Water Commission
JULY 31, 2019

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 April through June 2019. The report contents are based on guidance provided by Commission staff and document 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:

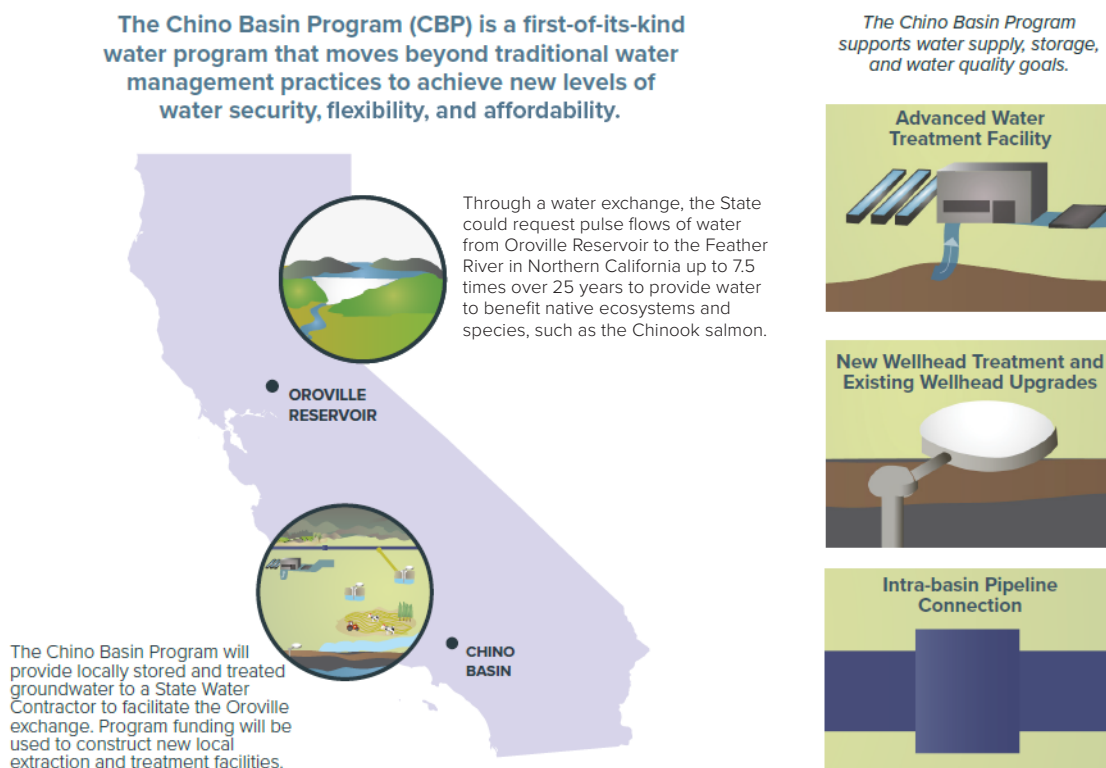
1. Purpose and Introduction
2. Project Planning Update
3. Project Schedule Update
4. Project Cost and Financing Update
 - Attachment 1 – Table 1. Project Schedule
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2. Project Planning Update

The Project Planning Update is a narrative summary update of the project. The summary provides a description of the status of IEUA meeting the requirements and milestones identified by the Commission in Tables 1 and 2, attached (see Attachments 1 and 2, respectively). Issues or concerns that have, will, or could affect milestones or requirements are also provided here. There are no issues or concerns that affect milestones or requirements at this time.

IEUA continues to make good progress with the planning and preliminary design of the CBP. The CBP components continue to be refined. While there are no major changes to the configuration of the components to report since the last progress report, there are efforts underway to refine system components. The Preliminary Design Report (PDR) Study is developing alternative facility configurations with details of how the advanced water treatment system and the 15 thousand acre-feet per year (TAFY) of purified water it generates will be recharged, stored, and later extracted during times of exchange for environmental benefit. The bookends of this analysis span the range of new recharge and extraction facilities, a mix of new and existing facilities, and existing facilities. This analysis is also taking into consideration other factors, such as location, distribution system capacity and hydraulics, recharge and extraction capacity, water quality, and subsidence.

Provided further below is an update on progress made on specific planning and preliminary design efforts that occurred during the most recent quarter.



Feasibility Studies and Preliminary Design Update

Recycled Water Supply Sources Study

IEUA continues to advance its evaluation of sources of recycled water that will produce 15 TAFY of advanced purified recycled water through Advanced Water Treatment (AWT) to be stored in the Chino Groundwater Basin. Steps were previously completed to identify recycled water sources in quantities that support the CBP, other basin obligations, and regional goals for optimizing recycled water use with the Chino Basin. These findings have been documented and reviewed with local agency partners. IEUA is working with local agency partners to define the physical and institutional arrangements for supplying the recycled water to the CBP. In May 2019, IEUA and Jurupa Community Services District (JCSD) entered into a Water Resources Management Partnership (see Attachment 3) for developing a contract for the exchange of recycled water from JCSD to IEUA for the CBP. This partnership identifies the mutual needs of IEUA and JCSD and provides guiding principles for the collaborative formulation of the facilities, cost estimates, and terms for equitable sharing of the investment and associated resources to meet the needs of each partner. IEUA is in the process of establishing partnerships with other local agency partners for exchange of recycled water supplies and expects to have those partnerships formalized in fall 2019 and to work collaboratively with these partners to define shared facility investments, costs, and terms.

Rate Study Update

IEUA continues to advance the update of the 2015 IEUA Rate Study. This effort was formally kicked off in March 2019. During the last quarter the Rate Study focused on cost accounting and recovery for providing system capacity through connection fees for the IEUA service area. In the coming months the rate study will evaluate financial scenarios for the service area and develop recommended fees and charges based on planned capital improvements and projected growth. The Rate Study Update is expected to be completed fall 2019. Information from this study and the PDR effort (discussed below) will be used by the CBP Team, working closely with the CBP Workgroup, to evaluate the impacts of the CBP (capital and O&M costs) on IEUA service rates.

Preliminary Design Report Study

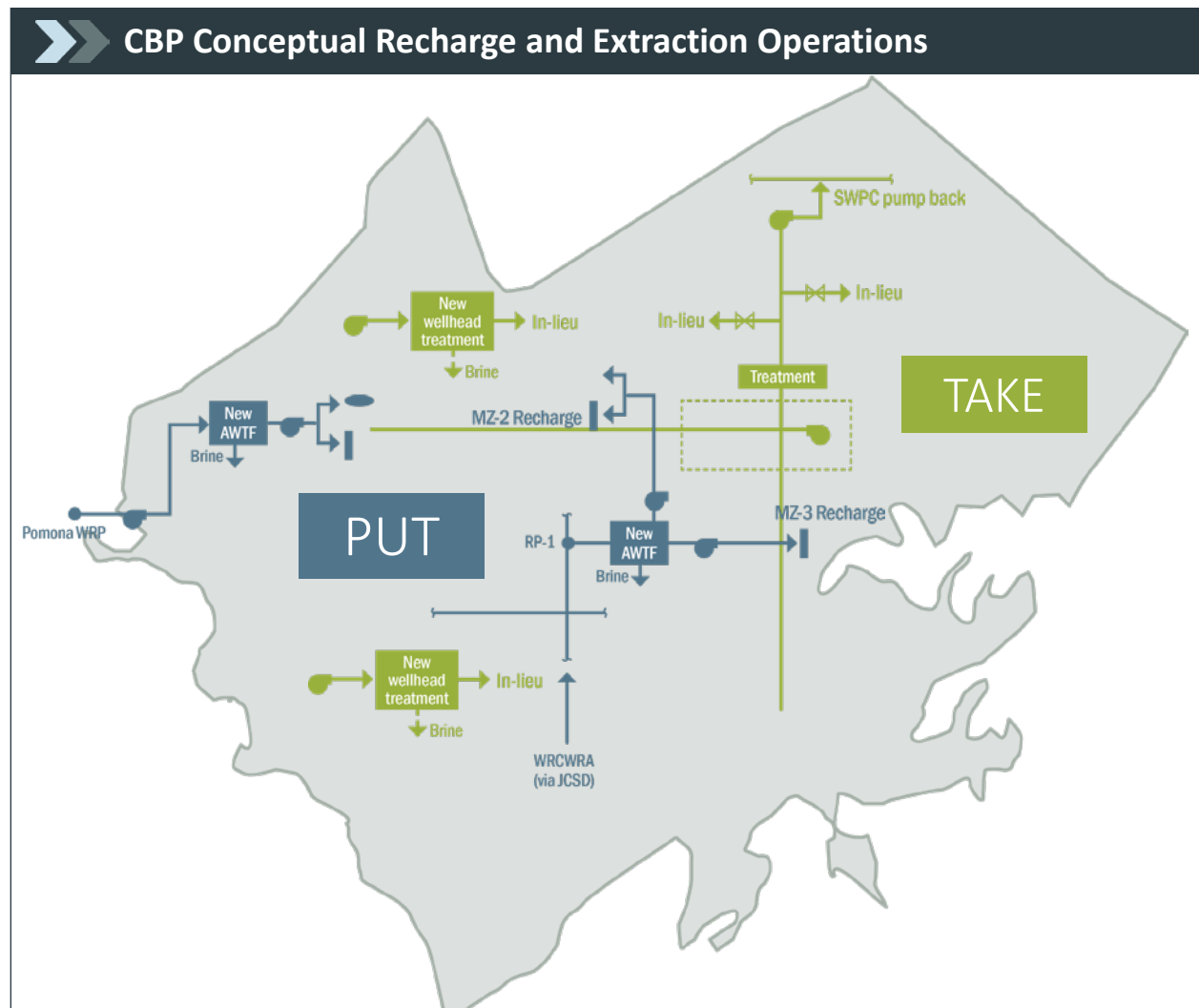
IEUA initiated the CBP PDR Study earlier this year. The PDR Study will further refine CBP facility components. The PDR Study is led by IEUA and will be completed in collaboration with local partnering agencies. During this most recent quarter the PDR effort focused on the following elements:

- Defining the critical success factors, reviewing the PDR approach, and collecting information.
- Developing draft alternatives representing options for advanced water treatment plant configurations, groundwater recharge and extraction facilities, wellhead treatment facilities, pipeline networks for intra-basin distributions, and pump-back facilities to Metropolitan Water District of Southern California (MWDSC).

These elements, including proposed draft alternatives, were reviewed with the CBP Workgroup at workshops held in May and June. Input from these workshops is being used to finalize the alternatives for further evaluation. Meetings were held with individual local partner agencies to gather input on local needs and to use this input to further refine the draft alternatives. In the coming months the PDR team will develop and evaluate the alternatives based on evaluation criteria and review recommendations with the CBP Workgroup. Initial findings and recommendations are expected to be shared with the CBP Workgroup this fall. Work has also begun on the early stages of developing the technical memoranda describing individual components of the PDR. The final PDR will be completed mid-2020.

CBP Storage and Recovery Application

A Chino Basin Storage and Recovery Application that complies with the requirements of the Chino Basin Storage Framework developed through the Chino Basin Watermaster (CBWM) Optimum Basin Management Program (OBMP) Update will be prepared and submitted to the CBWM. IEUA continues to work with the CBWM to develop a CBP configuration in alignment with the OBMP Update. To that end, the CBWM conducted four “listening” sessions designed to inform agencies on the OBMP Update; IEUA and its local agency partners are participating in these sessions. Through participation in these efforts, IEUA and its local agency partners will be able to better define the CBP and associated Chino Basin Storage and Recovery Application principles that best align with long-term groundwater management goals for the basin. The OBMP Update is expected to be complete by 2020. The Chino Basin Storage and Recovery Application is expected to be complete by 2021.



CBP PEIR and Permitting Update

CBP PEIR

IEUA continues to coordinate plans for preparation of the CBP Program Environmental Input Report (PEIR) with other regional environmental planning efforts, such as the Chino Basin Storage Framework and OBMP Update environmental planning efforts. IEUA is working with local partner agencies through the PDR process to identify existing and planned local facilities that are well suited for integration into the CBP. These integration efforts will be factored into the CBP PEIR. The development of the CBP PEIR will start later this year when initial findings from the PDR effort are available and the draft project description can be prepared. The CBP PEIR is scheduled to be complete by 2021.

Regulatory/Resource Agency Engagement

As reported in the last progress report, IEUA started working with regulatory and resource agencies to review roles and needs as they pertain to the CBP. Meetings formally began in February 2019 followed by one-on-one meetings with specific agencies in early April and again in June/July 2019. These one-on-one coordination meetings are focusing on the environmental benefit and the operational conditions associated with achieving those benefits. To help determine the operational conditions, IEUA, DWR, and MWDSC discussed the integration of the CBP with the State Water Project (SWP) and MWDSC systems. Possible conditions under which pulse flows would be triggered and ranges of pulse flow release patterns desired were identified in meetings with Department of Fish and Wildlife (DFW). The process for developing the adaptive management plans and agreements for administering the benefits will be explored in future meetings. The next meetings are scheduled for September 2019.

Design, Construction, and Operation Update

As noted above, additional feasibility and preliminary design studies are underway. These efforts are defining project infrastructure alternatives and operational elements needed to complete design and development of operations plans.

Communications and Engagement Update

The CBP implementation requires close planning and coordination with local, regional, and State agencies. IEUA sees these efforts as critical to developing a clear understanding of interests, needs, and concerns and continues to develop and advance its project communications and outreach efforts through various means as discussed below.

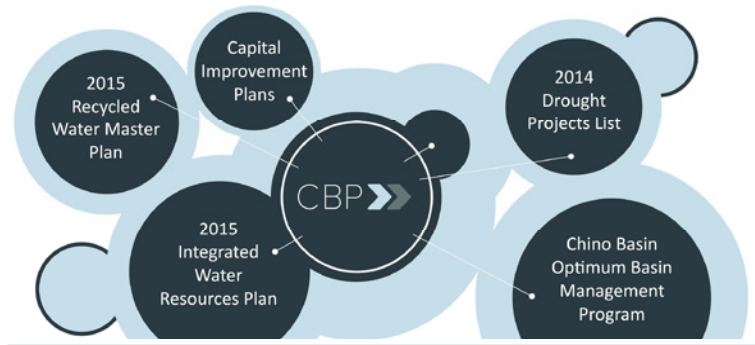
CBP Website and other Outreach Tools

IEUA developed and is maintaining a website for the CBP (<http://www.chinobasinprogram.org/>). This website provides information about the CBP to local agency partners, stakeholders, and the general public. The website includes a CBP Workgroup Portal for member access to workgroup workshop presentations, technical memorandums, and other CBP materials that require member input. The website continues to be enhanced and will include an Events tab listing presentations and workshops with outside agencies. PowerPoints from these presentations will be available for the public to view online. Other communication forums under development include a CBP informational video. This video is scheduled to be completed later this year and will be used as another means of communication.

CBP Ad Hoc Committee

IEUA formed the CBP Ad Hoc Committee to help provide policy-related leadership and aid IEUA staff with the development and execution of stakeholder engagement strategies. Specifically, the Ad Hoc Committee will help develop broad regional coalitions, statewide and national partnerships, and help secure needed CBP Agreements. In addition, the Ad Hoc Committee will help IEUA staff coordinate efforts between the OMBP Update and CBP planning, and potentially other planning efforts within the region. The Ad Hoc Committee met in early April and again in May. These meetings focused on developing strategy for communication and outreach efforts to increase understanding of the CBP and to identify opportunities for further coordination and collaboration with local and regional interests. These meetings were also used to draft a CBP Charter describing the vision and mission of the CBP to help inform participants and decision makers about the program.

A joint meeting was held between the IEUA CBP Ad Hoc Committee and the CBWM Ad Hoc Committee in early June, followed by a joint Board meeting between the IEUA and CBWM Boards. The two Ad Hoc committees recognize the importance of integration with local and regional planning efforts and with the CBWM OMBP Update for alignment of groundwater storage and management goals shared between the CBP and the OMBP Update.



The CBP aligns with local and regional planning efforts, including Watermaster's Chino Basin Optimum Basin Management Program Update and the region's Integrated Water Resources Plan.

CBP Workgroup

As described in previous progress reports, IEUA initiated a workgroup process (the CBP Workgroup) to help develop the CBP that best achieves the objectives and provides broad mutual benefit to the basin. Through participation in CBP Workgroup sessions, IEUA is working with agencies to discuss integration and coordination of local and CBP objectives and associated agreements. IEUA is committed to the collaborative workgroup process and intends to understand and consider partnering and coordinating agencies' interests in CBP decisions. The CBP Workgroup workshops recently conducted and planned for the next quarter are summarized in the table below.

CBP Workgroup Workshops		
Completed Workshops		
Month	Workshop	Objectives
December	CBP Workgroup No. 1	CBP overview, workgroup charter, introduce MOU for CBP participation, identify key questions
January	CBP Workgroup No. 2	CBP costs/benefits review, review questions, present draft MOU for CBP participation
February	CBP Workgroup No. 3	CBP water sources and financial analysis review, introduce CBP agreement terms, review questions
May	CBP Workgroup No. 4	IEUA rate study update, review CBP PDR approach, review CBP agreement terms, review questions
June	CBP Workgroup No. 5	CBP water sources review, CBP PDR alternatives and evaluation approach, review questions
Planned Workshops		
Month	Workshop	Purpose
September	CBP Workgroup No. 6	CBP update, IEUA rate study update, status of CBP agreements, review questions
October	CBP Workgroup No. 7	CBP PDR alternatives evaluation, discuss CBP agreement (next phases)
December	CBP Workgroup No. 8	CBP PDR recommendations, discuss CBP agreement (next phases)

The first milestone established in this workgroup process is a CBP Collaborative Memorandum of Understanding (MOU) that formalizes the commitment to support a collaborative approach to the planning and implementation of the CBP. There are 14 local agencies that will participate as direct partners in the CBP or as parties working in coordination with the CBP. All 14 agencies have approved and signed the MOU (see Attachment 4).

Meetings with local partner agencies this past quarter and planned for the next quarter are listed in the table below. These ongoing engagement efforts are critical to sharing CBP information and progress, reviewing questions and concerns, identifying common and unique needs and ways to achieve broad mutual benefit, and to foster a culture of collaboration for the coordinated development and implementation of the CBP.

MWDSC and State Engagement

IEUA continues to coordinate with the MWDSC and State agencies to evaluate the operational parameters and associated conditions for the CBP. Technical analysis continues to focus on understanding operations, facilities, and potential benefits of the exchange arrangement between the CBP, MWDSC, and the State. Preliminary findings from these analyses are being used to help IEUA, DWR, and DFW understand how the CBP exchange provisions would deliver pulse flows in the Feather River and how CBP operations in the Chino Basin would be integrated with MWDSC operations. The CBP team is continuing to work closely with MWDSC, DWR, and DFW to evaluate these conditions to help inform the operational and contractual agreements that will be established for the CBP with these agencies.

An important consideration stemming from these discussions is how the ecosystem benefits are to be coordinated among the Water Storage Investment Program (WSIP) projects, particularly those with shared characteristics such as the pulse flows planned for the Feather River. The Commission is developing plans to explore these operational interactions and their cumulative effects. IEUA will work with the Commission as needed to support this analysis.

CBP Agency Engagement Meetings Q1-2019 and Q2-2019		
Q2 2019 (previous quarter)		
Month	Agency Meetings	Purpose
April	Local Partner Agencies* (multiple meetings)	Adopt collaborative MOU, discuss PDR and local facility needs, review recycled water supply exchange opportunities
	MWDSC Partnering Discussions (recurring meetings)	Operations and facility needs, integration of CBP operations with MWDSC system, challenges
	DWR (recurring meetings)	CBP update, CBP-SWP exchange operations and associated conditions, steps forward
	DFW (recurring meetings)	CBP update, CBP-SWP exchange operations, operational triggers for ecosystem benefits, steps forward
May	Local Partner Agencies* (multiple meetings)	Discuss PDR facilities, review CBP progress
	MWDSC Partnering Discussions (recurring meetings)	Operations and facility needs, integration of CBP operations with MWDSC system, challenges
	CWC Stakeholder meeting	Overview of agencies responsible for administering public benefits, stakeholder input on public benefit administration
June	Local Partner Agencies* (multiple meetings)	Discuss PDR facilities, review CBP progress, discuss recycled water supply exchange opportunities
	MWDSC Partnering Discussions (recurring meetings)	Operations and facility needs, integration of CBP operations with MWDSC system, challenges
	DWR (recurring meetings)	CBP update, analysis of CBP-SWP exchange operations, steps forward
	Joint IEUA/CBWM Ad Hoc Committee Meeting	Discuss OBMP Update, IRP, and CBP, and their interrelationships
	Joint IEUA/CBWM Board Meeting	Discuss OBMP Update, IRP, and CBP, and their interrelationships
Q3 2019 (planned for next quarter)		
Month	Agency Meetings	Purpose
July	Local Partner Agencies* (multiple meetings)	Discuss PDR and local facility needs, discuss recycled water supply exchange opportunities
	MWDSC Partnering Discussions (recurring meetings)	Continued discussion of CBP operations with MWDSC system, identify/address challenges and opportunities
	DWR (recurring meetings)	CBP update, further analysis of CBP-SWP exchange operations, steps forward
	DFW (recurring meetings)	CBP update, administering of public benefits, review analysis of CBP-SWP operation, triggers for pulse flows
August	Local Partner Agencies* (multiple meetings)	Discuss recycled water supply exchange opportunities and partnership arrangements
	MWDSC Partnering Discussions (recurring meetings)	Continued discussion of CBP operations with MWDSC system, identify/address challenges and opportunities
	Natural Resources Agency (proposed meeting)	CBP overview and its potential alignment with Governor's Water Portfolio Program
	DFW Executive Management (proposed)	CBP overview and opportunities for providing benefits locally and State-wide
	CWC Executive Management (proposed)	CBP overview and opportunities for providing benefits locally and State-wide
	Environmental Community (various organizations, proposed)	CBP overview and opportunities for providing benefits locally and State-wide
September	MWDSC Partnering Discussions (recurring meetings)	Continued discussion of CBP operations with MWDSC system, identify/address challenges and opportunities
	DWR (recurring meetings)	CBP update, explore framework for conditions to govern CBP-SWP exchange operations, additional analysis needed
	DFW (recurring meetings)	CBP update, discuss CBP-SWP operations based on pulse flow triggers, discuss framework for adaptive management planning
	DWR Executive Management	Tour of IEUA service area and overview of CBP and its alignment with local, regional, and State water management planning
	SWRCB (proposed)	Discuss recycled water source of water supply for CBP program

3. Project Schedule Update

The CBP schedule is provided below. There are no changes from the schedule shown in the last progress report. The project completion date remains December 2025, with full operation of the CBP commencing in 2026. There are no known scheduling issues. Additional details of the schedule and progress are provided in Table 1, Project Schedule, and Table 2, Quarterly Reporting Items (Attachments 1 and 2, respectively).

Chino Basin Project Overview Schedule

TASK	2018	2019	2020	2021	2022	2023	2024	2025
Feasibility Studies and Pre-Design								
Storage and Recovery Application								
Environmental and Permitting								
Design & Construction								
Agreements & Stakeholder Coordination								
Program Management								
Total Project								
	2018	2019	2020	2021	2022	2023	2024	2025

Next Steps

In the coming months IEUA will focus on the following activities to advance the CBP:

- Continue to advance the recycled water supply planning efforts and PDR Study.
- Continue to collaborate with local partner agencies through the CBP Workgroup process and continue discussions with MWDSC toward developing agreements necessary for implementation of the CBP.
- Continue to conduct one-on-one meetings and presentations for special committees and boards, distribute informational materials to interested parties, prepare news briefs, and provide web postings.
- Continue to coordinate with State agencies to provide updates on CBP efforts, develop plans for operating the CBP and managing the public benefits the CBP will provide, and identify agreement terms and conditions to administer those benefits.
- Continue to conduct communications and outreach to interested parties and the public.

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. To facilitate this analysis, IEUA began the Rate Study and PDR Study (discussed previously), which will provide the information necessary to complete a detailed economic and financial analysis of the CBP. The findings from these efforts will provide information needed to help IEUA and partner agencies make decisions about CBP development, implementation, and operations.

Pursuit of Additional Grant Funds

IEUA continues to explore additional grant opportunities for the CBP, including federal grant programs (i.e., Water Infrastructure Improvements for the Nation (WIIN) Act), State grant programs (i.e., Proposition 68), and State Revolving Funds 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 <i>(other agreements may be required and will be included when identified)</i>			
Agreements with IEUA Member Agencies	2019	2020	35%
Agreements with State Water Project Contractor	2019	2021	15%
Chino Basin Storage and Recovery Application	2019	2021	5%
Contracts for Administration of Public Benefits			
CDFW (ecosystem agreement)	2019	2021	10%
SWRCB (water quality)	2019	2021	5%
DWR (emergency response)	2019	2021	5%
DWR (operations agreement)	2019	2021	10%
Completed Feasibility Studies <i>(includes feasibility studies related to planning efforts that are the framework for the CBP, as well as CBP-specific studies)</i>			
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	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%
2015 IRP	2013	2016	100%
2018 RMPU	2017	2018	100%
Recycled Water Interconnection – Pomona, MVWD, and IEUA Feasibility Study	2015	2018	100%
JCSD Recycled Water Intertie Feasibility Study	2015	2018	100%
2020 OBMP Update for Chino Basin	2018	2020	40%
CBP Feasibility Studies and Pre-Design	2019	2021	15%
IEUA Rate Study	2019	2020	45%

Funding Agreement Milestone	Start Date	Finish Date	% Complete
Environmental Documentation <i>(includes environmental documentation already completed that supports elements of the CBP)</i>			
IEUA Facilities Master Plan PEIR	2016	2017	100%
OBMP Update for Chino Basin EIR Addendum	2016	2017	100%
OBMP Update for Chino Basin CEQA	2019	2020	0%
CBP PEIR	2019	2020	0%
Federal, State, and Local Approvals			
Federal:	2019	2021	0%
– Potential operations approvals w/USBR			
– Potential permitting approvals w/USACE			
– Other possible federal permits/approvals tbd			
State:	2019	2021	0%
– Incidental Take Permit, if needed (w/CDFW)			
– Section 1707 water rights change, if needed (by DWR, w/SWRCB)			
– SWP water supply contract amendments, if needed (by SWPC, w/DWR)			
– Other possible State permits/approvals tbd			
Local:	2019	2021	0%
– Possible encroachment permits (w/ city/county)			
– Storage in CBWB (w/Chino Basin Watermaster)			
– Other possible local permits/approvals tbd			
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	Status	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	2020	35%
	• Agreements with State Water Project Contractor	2021	15%
	• Chino Basin Storage and Recovery Application	2021	5%
Contracts for administration of public benefits	• CDFW (ecosystem)	2021	10 %
	• SWRCB (water quality)	2021	5 %
	• DWR (emergency response)	2021	5 %
	• DWR (operations)	2021	10 %
Completed feasibility studies (includes feasibility studies related to planning efforts that are the framework for the CBP as well as CBP-specific studies)	• 2000 Optimum Basin Management Plan (OBMP) for Chino Basin	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 Recharge Master Plan Update (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%
	• 2015 IRP	Done	100%
	• 2018 RMPU	Done	100%
	• Recycled Water Interconnection – Pomona, MVWD, and IEUA Feasibility Study	Done	100%
	• JCSD Recycled Water Intertie Feasibility Study	Done	100%
	• OBMP Update for Chino Basin CEQA	2020	40%
	• CBP Feasibility Studies and Pre-Design	2021	15%
	• IEUA Rate Study	2020	45%

Description	Status	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 CEQA Update for Chino Basin	2020	0%
	• CBP PEIR	2020	0%
All required federal, State, and local approvals, certifications, and agreements	Federal:	2021	0%
	• Potential operations approvals w/USBR		
	• Potential permitting approvals w/USACE		
	• Other possible federal permits/approvals tbd		
	State:	2021	0%
	• Incidental Take Permit, if needed (w/CDFW)		
	• Section 1707 water rights change, if needed (by DWR, w/SWRCB)		
	• SWP water supply contract amendments, if needed (by SWPC, w/DWR)		
	• Other possible State permits/approvals tbd		
	Local:	2021	0%
	• Possible encroachment permits (w/ city/county)		
	• Storage in CBWB (w/Chino Basin Watermaster)		
	• Other possible local permits/approvals tbd		

*Note: Updates to the Funding Agreement and Status Update sections of the Table 2 quarterly reporting template (provided by the Commission) are for elements needed to execute a funding agreement. The Commission requires an update of these elements only when a significant change has occurred. There currently is no information to report for these elements and there has been no change in the information related to these elements at this time.

ATTACHMENT 3

IEUA-JCSD Water Resources Management
Partnership



INLAND EMPIRE UTILITIES AGENCY AND JURUPA COMMUNITY SERVICES DISTRICT WATER RESOURCES MANAGEMENT PARTNERSHIP

GUIDING PRINCIPLES:

- IEUA, through its Chino Basin Program, has initiated a Chino Basin-wide water resources management program with a vision to meet water resources needs of the future efficiently, economically, and in a timely manner, while improving resiliency in light of an uncertain future resulting from climate change.
- JCSD has a desire to diversify its water portfolio to support growth within its service area and continue to be a steward in the sustainable management of the Chino groundwater Basin.
- The visions of the two agencies are unified by developing all water resources management programs with a Chino Basin-wide perspective.

IEUA's needs for the Chino Basin Program

- Meet the California Water Commission's Water Storage Investment Program performance requirements, including all necessary agreements with local partners and stakeholders, by 2020/2021.
 - Produce and store 15,000 acre-feet of advanced treated recycled water within the Chino Basin.
 - Exchange the stored CBP water with a local State Water Project contractor to facilitate releases of up to 50,000 acre-feet per year of water from Lake Oroville to the Feather River during dry and critically dry years for the benefit of the Chinook Salmon.
 - Secure added local supply to balance the needs of the CBP and current uses of recycled water within the IEUA service area.
 - Secure support from stakeholders to enable the construction and operation of the CBP by 2026.
- Incorporate to the maximum extent feasible local stakeholder needs, long term water resources management objectives of the Chino Basin, and programs and projects identified in regional and local planning documents while developing the CBP to provide broad mutual benefits across the Chino Basin.

JCSD's needs for Water Resources Management

- Diversify its current water portfolio beyond current groundwater supplies to meet the projected 2040 water demands of 40,000 acre-feet per year (including 10,000 acre-feet per year of new demand) to support growth and future regulatory requirements.
- Identify alternatives to reduce groundwater pumping constraints in Management Zone 3 of the Chino Groundwater Basin, including mechanisms to provide added recharge or reduce pumping by diversifying supply sources.
- Maximize the beneficial use of JCSD's recycled water.

INLAND EMPIRE UTILITIES AGENCY AND JURUPA COMMUNITY SERVICES DISTRICT WATER RESOURCES MANAGEMENT PARTNERSHIP

Water Resources Management Partnership

IEUA and JCSD intend to enter into a Water Resources Management Partnership to achieve their respective goals and contribute to the sustainable management of water resources in the Chino Basin.

- IEUA anticipates the construction of a CBP Network, a distribution system across the Chino Basin to provide flexibility in physically transferring water across the quadrants of the Chino Basin (West, East, North and South).
 - It is anticipated that through partnerships and agreements with Metropolitan Water District and Western Municipal Water District a connection with State Water Project conveyance facilities will be constructed with a capacity of 10,000 acre-feet per year that would be accessible to JCSD to meet new demands.
 - The CBP Network will provide flexibility in managing Management Zone 3 and meeting demands through physical connection to retail agencies within the Chino Basin.
- IEUA anticipates the construction of regional pipelines and pump stations to augment its recycled water system to meet the needs of the CBP.
 - IEUA anticipates the construction of a recycled water interconnection between JCSD (WRCWRA) and IEUA, with an ultimate capacity of 6,000 acre-feet per year.
 - IEUA anticipates using 5,000 acre-feet per year of JCSD's recycled water for CBP Operations.
 - JCSD anticipates using 1,000 acre-feet per year of recycled water from the regional interconnection to serve current and future users.

Terms of Engagement

The Partnership will enable IEUA and JCSD to collaboratively develop the formulation of CBP facilities, cost estimates for such facilities, and terms for equitable sharing of resources and costs. The CBP is committed to include operations to provide defined public benefits for the state of California for 25 years in return for Water Storage Investment Program funding provided from the California Water Commission. The comprehensive terms of this Water Resources Management Partnership will be negotiated to be equitable amongst the parties; it is currently contemplated that the terms will include commitments for CBP investment in the CBP Network and JCSD RW Interconnection and JCSD's commitment of 5,000 acre-feet per year of recycled water for a period of 50 years for the CBP.

ATTACHMENT 4

Collaborative MOU for CBP:
IEUA Press Release and IEUA Signed MOU





FOR IMMEDIATE RELEASE:

May 16, 2019

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IEUA in Partnership with Chino Basin Leaders Adopt Memorandum of Understanding to Move Chino Basin Program Forward

INLAND EMPIRE, CA – As of May 16, 2019, the Inland Empire Utilities Agency (IEUA), in partnership with 14 additional cities and agencies within the Chino Basin, have approved a collaborative Memorandum of Understanding (MOU) in support of the Chino Basin Program (CBP).

The CBP, which includes construction of an advanced water treatment facility and distribution system to treat and store up to 15,000 acre-feet per year of recycled water in the Chino Basin, was conditionally awarded \$206.9 million from Proposition 1, a state water bond approved by voters in 2014 that provides funding for new and innovative water storage projects.

In addition to the creation and storage of the advanced treated water that reduces the impact of salinity in the groundwater, the CBP provides groundwater treatment capacity of 50,000 acre-feet per year that improves water quality and addresses historical land subsidence within the Chino Basin.

In order to secure the final funding award, the CBP's technical feasibility studies, institutional agreements and environmental permitting must be completed by 2020. Stakeholder engagement and support for the CBP are instrumental in the program's success.

"Our goal has always been to work together to build partnerships and infrastructure that support our communities today, tomorrow and into the future," said IEUA Board President Paul Hofer. "The Chino Basin Program embodies these principles and encourages continued coordination between each of our cities and water agencies."

"The hard work of the local cities and water agencies, working together over the past 20 years to build on the success of past programs, laid the foundation for the Chino Basin Program," said IEUA Board member and CBP Ad Hoc Committee Chair Steve Elie. "This is a collaborative effort to ensure that our region is able to meet water supply, water quality, and storage needs now and in the future."

IEUA will continue to work closely with its partners to further define the project vision and develop the institutional agreements to achieve the CBP vision.

The Inland Empire Utilities Agency covers 242-square miles, distributes imported water, provides industrial/municipal wastewater collection and treatment services, and other related utility services to more than 875,000 people through its member agencies which include Chino, Chino Hills, Cucamonga Valley Water District, Fontana, Fontana Water Company, Montclair, Monte Vista Water District, Ontario, and Upland.

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Chino Basin Program
Memorandum of Understanding

This Memorandum of Understanding (“MOU”) is entered into effective APRIL 17, 2019, between various Chino Basin stakeholders (“Stakeholders”) and the Inland Empire Utilities Agency (“IEUA”) (collectively, the “Parties”).

Whereas, Parties have developed and approved various planning documents that have identified the need for investment in infrastructure within the Chino Basin. These investments would help address various sustainability objectives of the Chino Basin Optimum Basin Management Program (OBMP), such as, recycled water compliance, groundwater quality, storage and recovery programs, and subsidence mitigation. The Parties are currently in the process of updating the OBMP.

WHEREAS, IEUA received a conditional funding approval of \$207 million through the California Proposition 1 Water Storage Investment Program.

WHEREAS, IEUA has established the Chino Basin Program (“CBP”) Workgroup to help provide local input in the development of a regional program that best meets the current and future needs of the individual Stakeholders and the Chino Basin as a whole.

WHEREAS, formal funding approval of the CBP requires development of a refined project, including operations, finance, environmental permitting and all associated institutional agreements. A formal CBP Agreement amongst the Parties is essential for successful agreements with State Water Project Contractors and administering agencies.

WHEREAS, this MOU is substantively non-binding on the Parties, but expresses the agreement and commitment of the Parties to initiate the process to work collaboratively, in good faith, to identify issues of common concern, and goals and solutions which are of common benefit to the Parties, and which may ultimately be implemented through the CBP.

NOW, THEREFORE, the Parties hereby make the following mutual commitments:

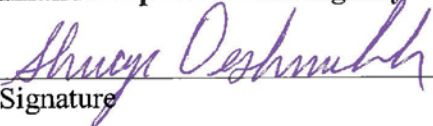
1. Work together in good faith to cooperatively plan and evaluate a strategy for the successful development of the CBP and receipt of the \$207 million funding.
2. Collaborate to refine the CBP components, including, but not limited to, water supply sources, infrastructure requirements operations, performance obligations, program costs and Basin impacts to optimize the benefits for the Chino Basin and the individual Stakeholders.
3. Develop a CBP Agreement.
4. Support securing additional grants and other funding sources for the CBP.
5. All Parties will work together in good faith to ensure that the CBP Agreement is negotiated and ready for potential execution by Summer 2019, recognizing the urgency of completing the institutional agreements by 2020.

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This MOU may be signed in identical counterparts, each of which shall be deemed to be an original and shall constitute one MOU.

Executed this 17 day of April 2019 by:

Inland Empire Utilities Agency


Signature Date

Name: Shivaji Deshmukh

Title: General Manager



CONTACT INFORMATION

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