AGENDA

MEETING/WORKSHOP
OF THE
BOARD OF DIRECTORS

WEDNESDAY, NOVEMBER 7, 2018
10:00 A.M.

INLAND EMPIRE UTILITIES AGENCY
AGENCY HEADQUARTERS
KOOPMAN CONFERENCE ROOM – BUILDING B
(Please note change in location)
6075 KIMBALL AVENUE
CHINO, CALIFORNIA 91708

CALL TO ORDER
OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS
MEETING/WORKSHOP

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a “Request to Speak” form which is available on the table in the Board Room. Comments will be limited to three minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.
1. WORKSHOP

A. CHINO BASIN PROJECT WORKSHOP NO. 2

2. ACTION ITEM

A. CHINO BASIN PROJECT BUDGET ESTABLISHMENT
   Staff recommends that the Board establish project number, PL19005, with a project budget of $6.3M to support the development of the Chino Basin Project.

3. ADJOURN

*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Declaration of Posting

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency’s main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, November 1, 2018.

April Woodruff
Chino Basin Conjunctive Use Environmental Water Storage / Exchange Program

IEUA Board Workshop | November 7, 2018
AGENDA

1. Chino Basin Project (CBP) Overview
2. Regional Collaboration
3. Schedule
4. Cost and Benefit Overview
5. Conclusion
IEUA is Advancing Regional Water Resilience

1950
Past Water Portfolio

- Chino Basin Groundwater
- Creek Water
- MWD Imported Water

2018
Today’s Water Portfolio

- Chino Basin Groundwater
- Creek Water
- MWD Imported Water
- Recycled Water
- Water Use Efficiency
- Chino Basin Desalter
- Groundwater Recharge
IEUA is Advancing Regional Water Resilience

- Local supplies impacted by salts/total dissolved solids (TDS) & subsidence continues to be a risk
- Imported water supplies vulnerable to drought and water quality

Water Portfolio

- 70% Local Supplies
- 30% State Water Project (Sierra Nevada)
Recycled Water Interties
Improves Water Quality & Flexibility

Advanced Water Treatment
15,000 AF for Existing Basin Commitments

Pipeline Connections
Additional & Improved Emergency Supplies

Wellhead Improvements
Maximizes Use of Existing Water Supply

$385 million capital investment
CBP 1 Water Innovation Benefits

**SECURITY**
Stores additional water locally

**QUALITY**
Lowers TDS in the Basin

**NEW INFRASTRUCTURE**
Leverages Prop 1 funding for needed water infrastructure

**BASIN PARTNERS**
Achieves Optimum Basin Management Plan (OBMP) objectives

**SUBSIDENCE**
Stored local water lowers subsidence concerns
Chino Basin Project

1 Water Forward

Advanced Water Treatment (AWT)

Member Agencies

50 TAF

50 TAF Groundwater Wellheads/Treatment

15 TAF

Chino Basin Groundwater
AGENDA

1. Chino Basin Project (CBP) Overview

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Collaboration is Essential for Program Success

**Member Agencies**

*Establish CBP Workgroup*

- **Goal**: Collaborative Process for Decision Making
- **Result**: Commitments and Terms by mid-2019

**Watermaster**

*Reoccurring Meetings*

- **Goal**: Consistent with OBMP
- **Result**: Collaborative Basin Management

**MWD**

- **Goal**: Refine and Develop Project Operations
- **Result**: Commitments and Terms for Project Operations

**Environmental**

- **Goal**: OBMP Programmatic EIR and CBPs PEIR
- **Result**: PEIR Aligned with Adopted Master Plans
AGENDA

1. Chino Basin Project (CBP) Overview
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3. **Schedule**
4. Cost and Benefit Overview
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1. Chino Basin Project (CBP) Overview

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CBP Reduces Salinity Risk

Quality

CBP Reduces Salinity Risk

TDS Threshold

Observed TDS

TDS Projection with 12-Month Rolling Average Exceeds Threshold in 2021 and 2026
CBP Expedites Benefits

Projects eliminated from 10-Yr CIP & Funds Reallocated

5 + 8 Years earlier

Reduce risk of subsidence, salinity issues, and supports water needs

Reduce risk of subsidence, salinity issues, and supports water needs
Chino Basin Project Funds Identified

Grant Award Covers 54% of Project Capital Costs

- Water Connection Fees
- Property Tax
- Local Funding

Cost

- $207M in Prop 1 Funding
- $68M with Planned Funds
- $53M in Pending State Loans
- $28M in Reallocated Projects
- $29M in Pending Grants
- $29M in Pending State Loans
No Project Option

<table>
<thead>
<tr>
<th>Years</th>
<th>Water Production Cost ($)</th>
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<tbody>
<tr>
<td>2018</td>
<td>$1,000</td>
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<tr>
<td>2023</td>
<td>$3,000</td>
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<tr>
<td>2028</td>
<td>$5,000</td>
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- **1. AWT O&M**
- **2. Groundwater**
- **3. Imported Water**
CBP Production Cost Comparison

**With Chino Basin Project**

1. AWT O&M
2. Groundwater
3. Imported Water

**No Project Option**

1. AWT O&M
2. Groundwater
3. Imported Water
CBP Cumulative Water Production Costs Significantly Less Over Time

Cumulative CBP Water Production Cost: Medium Demand Scenario

- Without CBP: $20,000 - $140,000
- With CBP: $20,000 - $100,000

Costs decrease significantly over time compared to not using CBP.
<table>
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<tr>
<th>With Chino Basin Project</th>
<th>Without Project</th>
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<td>8 years earlier</td>
<td>AWT Operations: 2034 without CBP</td>
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<td>26% cost savings; about $401M</td>
<td>Long-range Water Supply Costs: Imported water costs versus cost-effective local supplies</td>
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<td>Increased local supplies</td>
<td>Imported Supplies: Continued dependence on state water supplies</td>
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AGENDA

1. Chino Basin Project (CBP) Overview

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4. Cost and Benefit Overview

5. Conclusion
CBP Schedule / Next Steps

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<tr>
<th>TASK</th>
<th>2018</th>
<th>2019</th>
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Proceed with Funding Agreement in 2021.
Initiate planning studies needed to meet California Water Commission’s requirements.

Establish project budget of $6.3M for the Chino Basin Project.

Funding sources from Property Taxes ($3M) & Water Connection Fees ($3.3M).

No impact to current adopted rates or connection fees with this action.
Date: November 7, 2018
To: The Honorable Board of Directors
From: Halla Razak, General Manager
Committee:

Executive Contact: Chris Berch, Executive Manager of Engineering/AGM

Subject: Chino Basin Project Budget Establishment

Executive Summary:
In August 2017, Inland Empire Utilities Agency (IEUA) submitted a Proposition 1 Water Storage and Investment Program (WSIP) grant application for the Chino Basin Environmental Water Program (Chino Basin Project, CBP). In July 2018, the California Water Commission approved a maximum conditional funding in the amount of $206.9M. In order to secure the final funding agreement, a Preliminary Design Report (PDR), agreements, permits and environmental documentation need to be completed. The PDR will evaluate the CBP through alternative analysis, siting and modeling of proposed Advanced Water Treatment facilities, groundwater injection and extraction wells, pipelines and partnering connections. The PDR will be prepared to define the CBP project scope of work, refine project costs and develop a Programmatic Environmental Impact Report (PEIR). The PDR needs to be completed by 2020 to ensure the remaining conditions of the final funding are met by 2021.

Staff recommends establishing a project budget of $6.3M for the CBP. The sources of funding to support the project are $3M from Property Taxes and $3.3M from Water Connection Fees. The reallocation of these funding sources from existing projects to the CBP will have no impact to the adopted rates or connection fees.

Staff’s Recommendation:
Establish project number, PL19005, with a project budget of $6.3M to support the development of the Chino Basin Project.

Budget Impact  Budgeted (Y/N): N  Amendment (Y/N): N  Amount for Requested Approval:

Account/Project Name:
The sources of funding are the reallocation of $3M from Property Taxes and $3.3M from Water Connection Fees.

Fiscal Impact (explain if not budgeted):
The reallocation of the Property Tax and Water Connection Fees from existing projects to the CBP will have no impact to the adopted rates or connection fees.
Prior Board Action:
On August 15, 2018, IEUA's Board of Directors approved a contract amendment to GEI Consultants, Inc., for a not-to-exceed amount of $235,085, increasing the total contract amount to $557,749 for support services of the CBP.

Environmental Determination:
Not Applicable

Business Goal:
The CBP supports IEUA’s business goal of Water Reliability, of implementing an integrated water resources management plan providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

Attachments: