



6075 Kimball Avenue • Chino, CA 91708
P.O. Box 9020 • Chino Hills, CA 91709
TEL (909) 993-1600 • FAX (909) 993-1985
www.ieua.org

February 15, 2022

VIA Email: cwc@water.ca.gov

Ms. Teresa Alvarado
Chair, California Water Commission
P.O. Box 942836
Sacramento, CA 94236-0001

RE: February 16, 2022, Agenda Item 8- Water Storage Investment Program: Second Solicitation Considerations and Other Options

Dear Chair Alvarado and Commissioners,

The Inland Empire Utilities Agency (IEUA) would like to thank the California Water Commission (Commission) for its continued partnership to increase the State's water storage capacity. As the lead agency for the Chino Basin Program (CBP), IEUA urges the Commission to distribute the remaining \$63.9 million of Proposition 1 Water Storage Investment Program (WSIP) funding to currently approved projects. Escalating construction costs and COVID-related impacts on ratepayers throughout California threaten the viability of many of these projects even as climate change impacts makes their successful implementation even more vital.

After completing a thorough application process in 2017, the Commission conditionally awarded \$212 million to IEUA to support the important statewide and regional benefits that would be realized through the CBP. Since that time, IEUA has worked diligently with local, regional, and state agencies to advance the CBP and complete regulatory requirements for receiving WSIP funding. Through completion of feasibility study efforts, IEUA currently estimates the capital cost of the CBP at over \$650 million in 2019\$ and costs are only expected to increase. Annual operating costs will also be substantial and will be solely supported by ratepayers.

While it is understandable that the Commission considers supporting additional projects with available funding, we urge you to recognize the escalating financial challenges all existing WSIP conditional awardees face due to current circumstances and focus all available resources on securing the success of these approved projects. Distributing the remaining \$63.9 million of WSIP funding to the seven approved projects will provide the Commission with its best opportunity to ensure the ultimate success of WSIP.

Sincerely,
INLAND EMPIRE UTILITIES AGENCY

Shivaji Deshmukh, P.E.
General Manager

Water Smart - Thinking in Terms of Tomorrow

Steven J. Elie
President

Michael Camacho
Vice President

Marco Tule
Secretary/Treasurer

Jasmin A. Hall
Director

Paul Hofer
Director

Shivaji Deshmukh
General Manager