Agenda Item: 11

Meeting Date: May 21, 2025

Page 1



Water Storage Investment Program: Chino Basin Program Update

# Agenda Item at a Glance

- The Chino Basin Program, called "CBP," will store treated water underground and then use that water when it is needed at other times. This is called a conjunctive use project. The project is being led by the Inland Empire Utilities Agency or "IEUA". The Chino Basin Program is eligible for funding through the Water Storage Investment Program, called "WSIP".
- WSIP funds the public benefits of water storage projects funded by Proposition 1,
  passed by voters in 2014, and Proposition 4, passed by voters in 2024. "Public benefits"
  are the ways in which water storage projects provide benefits to Californians broadly,
  such as cleaner water, new recreational opportunities, and improvements to the land
  and water fish and wildlife need to survive. Water storage projects include reservoirs
  and underground water storage.
- This is an informational agenda item, important to anyone interested in WSIP and the CBP.
- At this meeting, the Commission will hear from the Inland Empire Utilities Agency about the CBP. Commissioners can ask questions of presenters and Commission staff. Tribes and the public will have an opportunity to make a comment to the Commission before the Commission discusses this agenda item.

#### Introduction

The California Water Commission (Commission) administers the Water Storage Investment Program (WSIP) to fund the public benefits associated with water storage projects using funds from the Proposition 1 Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), codified at Water Code section 79750 et seq, and supplemented by funds from Proposition 4 the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clear Air Bond Act of 2024 (Proposition 4). The Chino Basin Project (CBP) is a conjunctive use project that will develop an advanced water purification facility and aquifer replenishing wells that will store water in the Chino Basin in San Bernardino County. The project will provide ecosystem improvements by utilizing exchange water to provide pulse flows on the Feather River. The project will also provide water quality and emergency response benefits. The investment of WSIP funds in this project is based on the value of the ecosystem, water quality, and emergency response benefits provided by the project.

Agenda Item: 11

Meeting Date: May 21, 2025

Page 2

At this meeting, the Commission will hear from representatives leading the CBP. This meeting will provide the Commission with information on the project's status and will help the Commission understand whether the project is making demonstrable progress and has viable public benefits. The information provided at this meeting will help the Commission gather critical information to inform its decision on awarding inflationary adjustments to WSIP projects.

## **Summary of Issues**

The project representatives have been asked to address the following to help the Commission understand the project's status:

- Overview of project
- Overview of public benefits
- Changes to magnitude of public benefits
- How project is funded: Who are the partners? Any funding from federal government?
- Tribal outreach and relationships
- Environmental document status/permitting status
- Timeline to final award and any milestones
- Opportunities to shorten timeline to final award

During this project update, the Commission is interested in hearing about the various operational agreements needed to implement the pulse flows as well as the costs associated with the pulse flows and how those will be covered; the permits and agreements needed to execute the public benefit contracts; and how the preliminary design reports fit into the overall process.

### **Background**

Through the WSIP, the Commission will invest \$2.6 billion in the public benefits of water storage projects, consistent with the requirements of Proposition 1, Chapter 8. The Commission made Maximum Conditional Eligibility Determinations in July 2018, which set the amount of Proposition 1 funding potentially available to each project. One project received a final award at the June 2023 Commission meeting. The five remaining WSIP applicants successfully met Proposition 1 interim requirements by the deadline of January 1, 2022, and are working to complete the remaining statutory requirements. These include obtaining permits and completing environmental documents, executing contracts for the administration of public benefits, and completing contracts for non-public benefit cost share. When the applicant completes these requirements, the applicant will return to the Commission for a final award hearing.

During the March 2025 Commission meeting, the Commission discussed the recent funding that became available through the Los Vaqueros Reservoir Expansion withdrawal as well as the passage of Proposition 4. The Commission decided to postpone inflationary adjustments until

Agenda Item: 11

Meeting Date: May 21, 2025

Page 3

the Commission heard project updates from all of the projects in the WSIP. In addition to the CBP update, the Commission heard from or will hear from the rest of the projects in the coming months.

This agenda item is related to Goal One of the <u>Commission's Strategic Plan</u>, which calls on the Commission to implement the WSIP to achieve public benefits. Information provided in project updates assists the Commission's ability to articulate clear timeframes for the projects seeking WSIP funding by the end of 2025.

# **Meeting Overview**

At the May meeting, Steven Elie, IEUA Director; Shivaji Deshmukh, IEUA General Manager; and Elizabeth Hurst, IEUA Chino Basin Program Manager, will provide an update on the CBP.

This is an informational item.

#### Contact

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