

CBP Workgroup

WORKSHOP #2

JANUARY 23, 2019

Workshop 2 Agenda

PART 1

8:00am ○ Sign-In and Continental Breakfast

8:30am ○ Introduction and Meeting Objectives

8:40am ○ Program Overview

PART 2

9:00am ○ Questions/Discussion Overview

10:00am ○ Break

10:15am ○ Continue Questions/Discussion

11:00am ○ Preliminary Financial Analysis Approach

CLOSING

11:10am ○ Discuss and Approve Draft MOU

11:45am ○ Next Steps

12:00pm ○ Adjourn

Workshop 2 Agenda

PART 1

- 8:00am** ○ Sign-In and Continental Breakfast
- 8:30am** ○ Introduction and Meeting Objectives
- 8:40am** ○ **Program Overview**

PART 2

- 9:00am** ○ Questions/Discussion Overview
- 10:00am** ○ Break
- 10:15am** ○ Continue Questions/Discussion
- 11:00am** ○ Preliminary Financial Analysis Approach

CLOSING

- 11:10am** ○ Discuss and Approve Draft MOU
- 11:45am** ○ Next Steps
- 12:00pm** ○ Adjourn



A New Era of Water Optimization

The CBP demonstrates what is possible when water leaders work together to forge partnerships.

CBP Benefits



QUALITY

Manages quality
in the Basin



SUBSIDENCE

Helps balance storage
and extraction



NEW

INFRASTRUCTURE

Leverages Prop 1 funding
for needed water
infrastructure



SECURITY

Improves system
resilience (storage and
infrastructure)



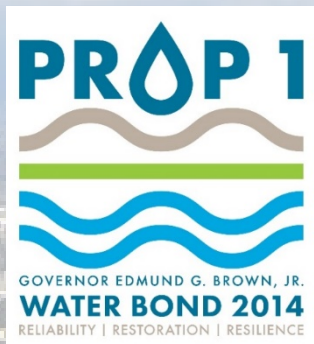
BASIN

STAKEHOLDERS

Achieves Basin and
water supply objectives

CONSISTENT WITH OBMP

➤➤ Now is the Time to Make Every Drop Count



IEUA's Largest Funding Award

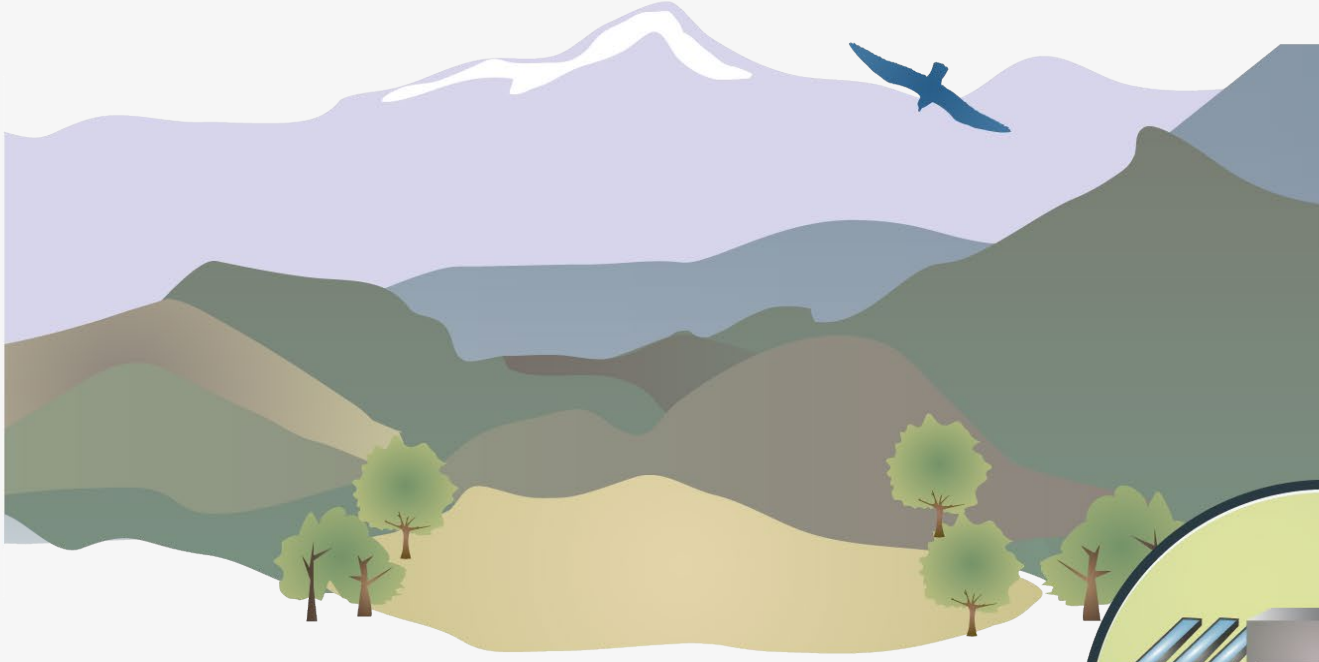
\$207 million
award toward \$385M
project

54% of CBP
capital funded

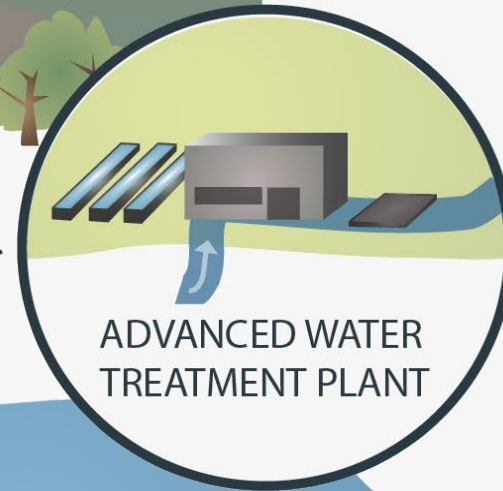
Up to 15 TAF annually
of advanced treated
recycled water
8 years earlier



A Remarkable Chino Basin Opportunity



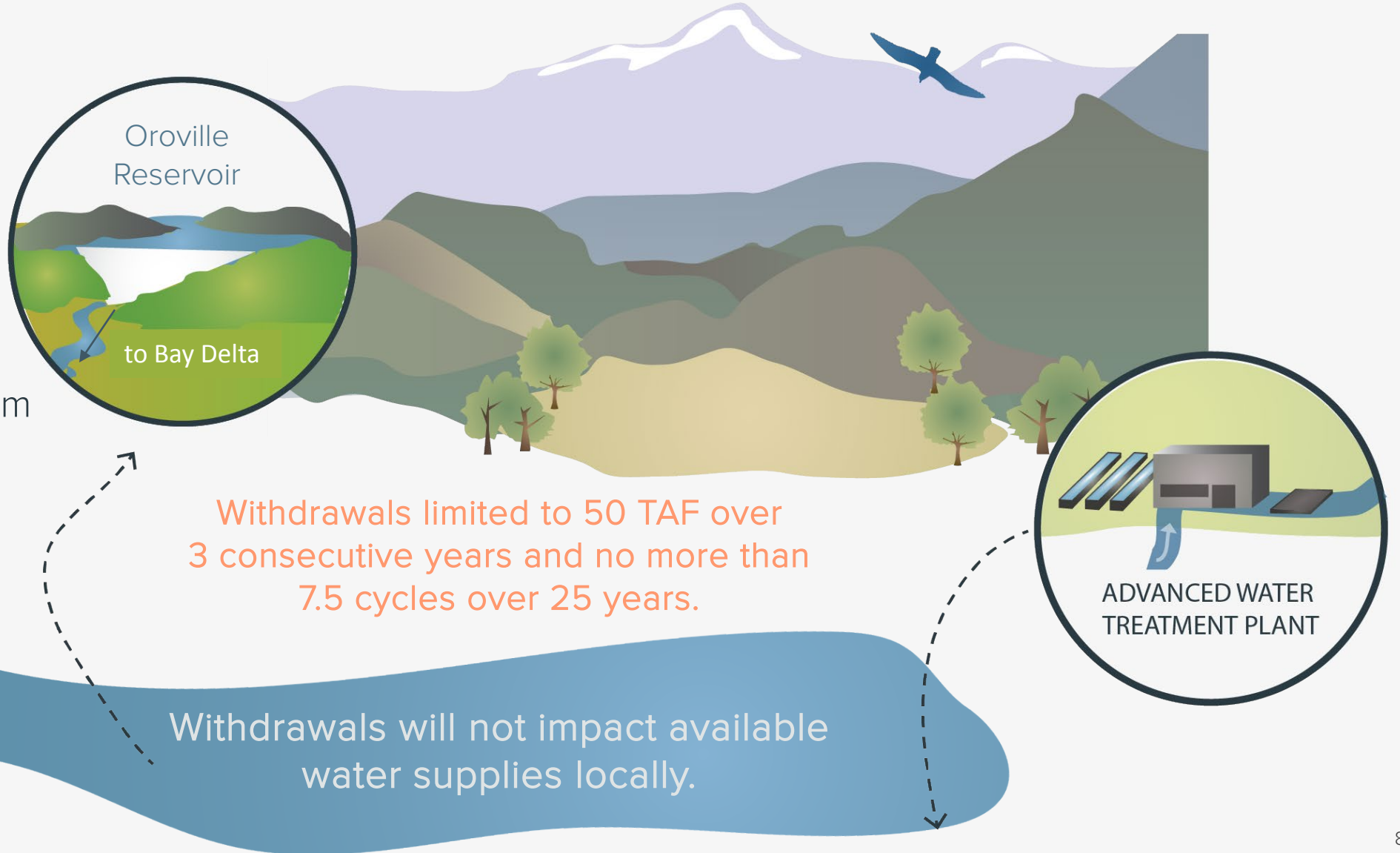
The AWT will produce up to
15 TAF annually
to store in Chino Basin
groundwater supplies.



➤➤ A Remarkable Chino Basin Opportunity

So-Cal / Nor-Cal Water Exchange

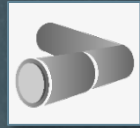
supports **water optimization** – and overarching benefits from affordability to environment and water quality / availability.



CBP Components

1

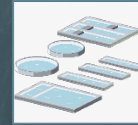
Recycled Water Interties



Improves Water
Quality & Flexibility

2

Advanced Water Treatment



15,000 AF/Y for
Existing Basin
Commitments

3

Pipeline Interconnection



Regional Exchange
& Supply Reliability

4

Wellhead Improvements



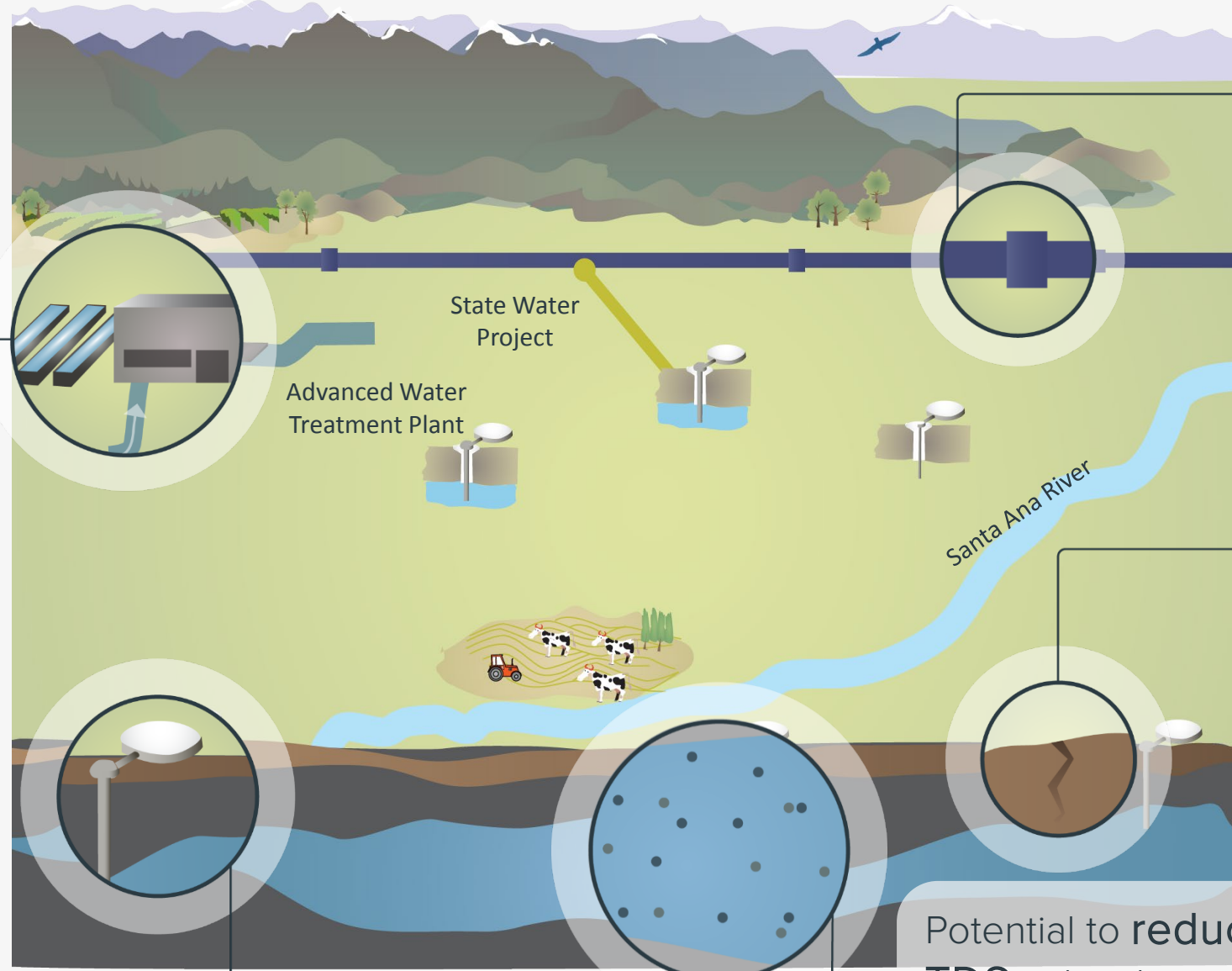
Maximizes and/or
Restores Use of
Existing Water
Supply

\$385 million capital investment

CBP Water Optimization Benefits

Up to 30% more recycled water produced/available in future

Opportunity to accelerate needed infrastructure upgrades and address stranded assets



Added flexibility for intra-basin water management and sharing among Member Agencies

Proactively address subsidence concerns

Potential to reduce TDS in local supplies

WITH CHINO BASIN PROGRAM



8 years earlier



26% cost savings;
about **\$401M**



Increased local
supplies

NO PROJECT OPTION

AWT Operations:

2034 without CBP

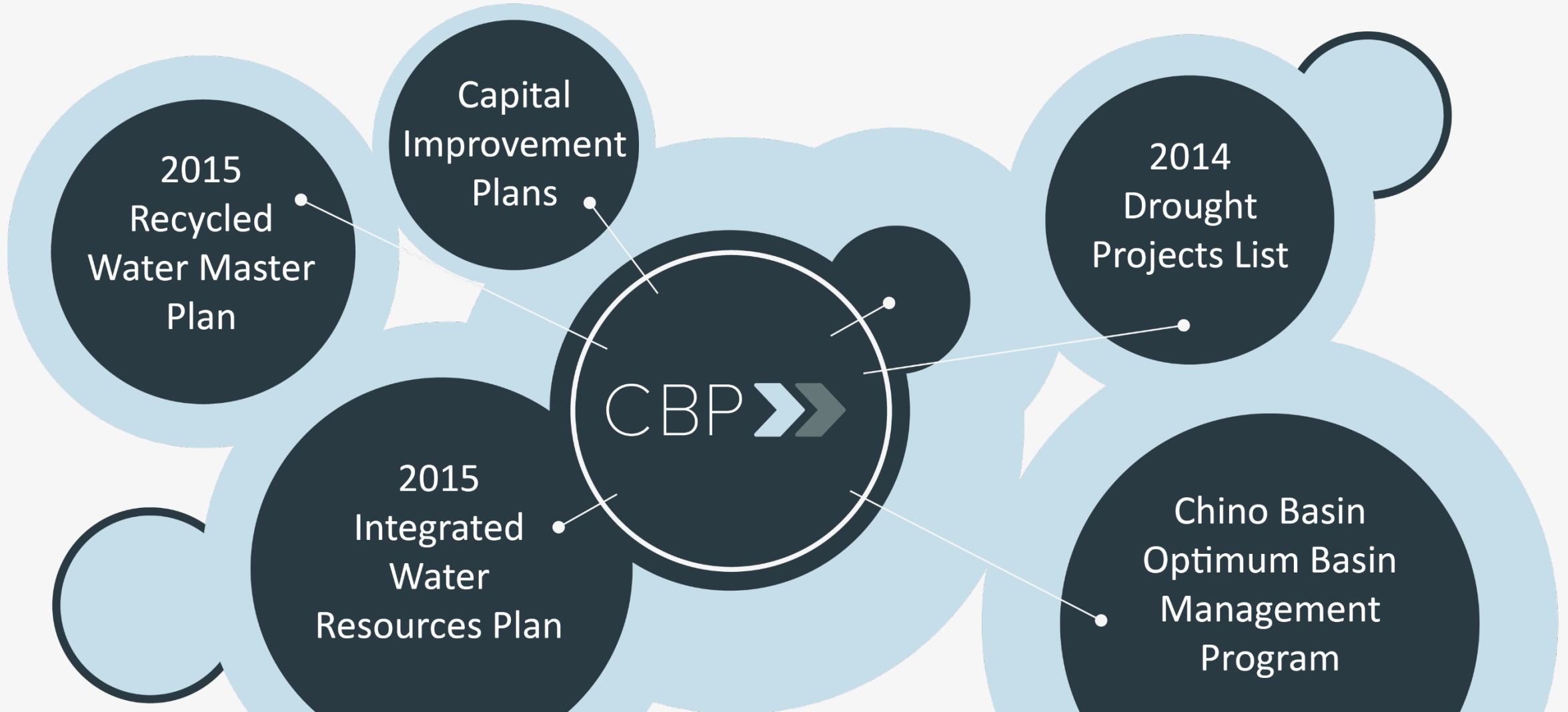
Long-Range Water Supply

Costs: Imported water costs versus
cost-effective local supplies

Imported Supplies:

Increased dependence on imported
water supplies

CBP Aligns with Regional Planning Efforts





Workshop 2 Agenda

PART 1

8:00am Sign-In and Continental Breakfast

8:30am Introduction and Meeting Objectives

8:40am Program Overview

PART 2

9:00am Questions/Discussion Overview

10:00am Break

10:15am Continue Questions/Discussion

11:00am Preliminary Financial Analysis Approach

CLOSING

11:10am Discuss and Approve Draft MOU

11:45am Next Steps

12:00pm Adjourn

QUESTIONS & DIALOGUE

(Refer FAQs)

Q1

How does it
work

Q2

Relation to
regional
programs

Q3

Relation of
local
projects

Q4

Financial
Details

Q5

Impact of
agreements/
MWD

Q6

Impact to
Water
Supply



Q1

HOW DOES CBP WORK?



Q2

HOW DOES CBP WORK WITH CHINO GROUNDWATER BASIN OPERATIONS?



Q3

WHAT ROLE DO LOCAL PROJECTS PLAY?



Q4

WHAT ARE THE FINANCIAL COMPONENTS OF CBP?



Q5

HOW DO INSTITUTIONAL AGREEMENTS AND MWD IMPACT CBP?



Q6

HOW DOES CBP IMPACT WATER SUPPLY?



Workshop 2 Agenda

PART 1

8:00am Sign-In and Continental Breakfast

8:30am Introduction and Meeting Objectives

8:40am Program Overview

PART 2

9:00am Questions/Discussion Overview

10:00am Break

10:15am Continue Questions/Discussion

11:00am Preliminary Financial Analysis Approach

CLOSING

11:10am Discuss and Approve Draft MOU

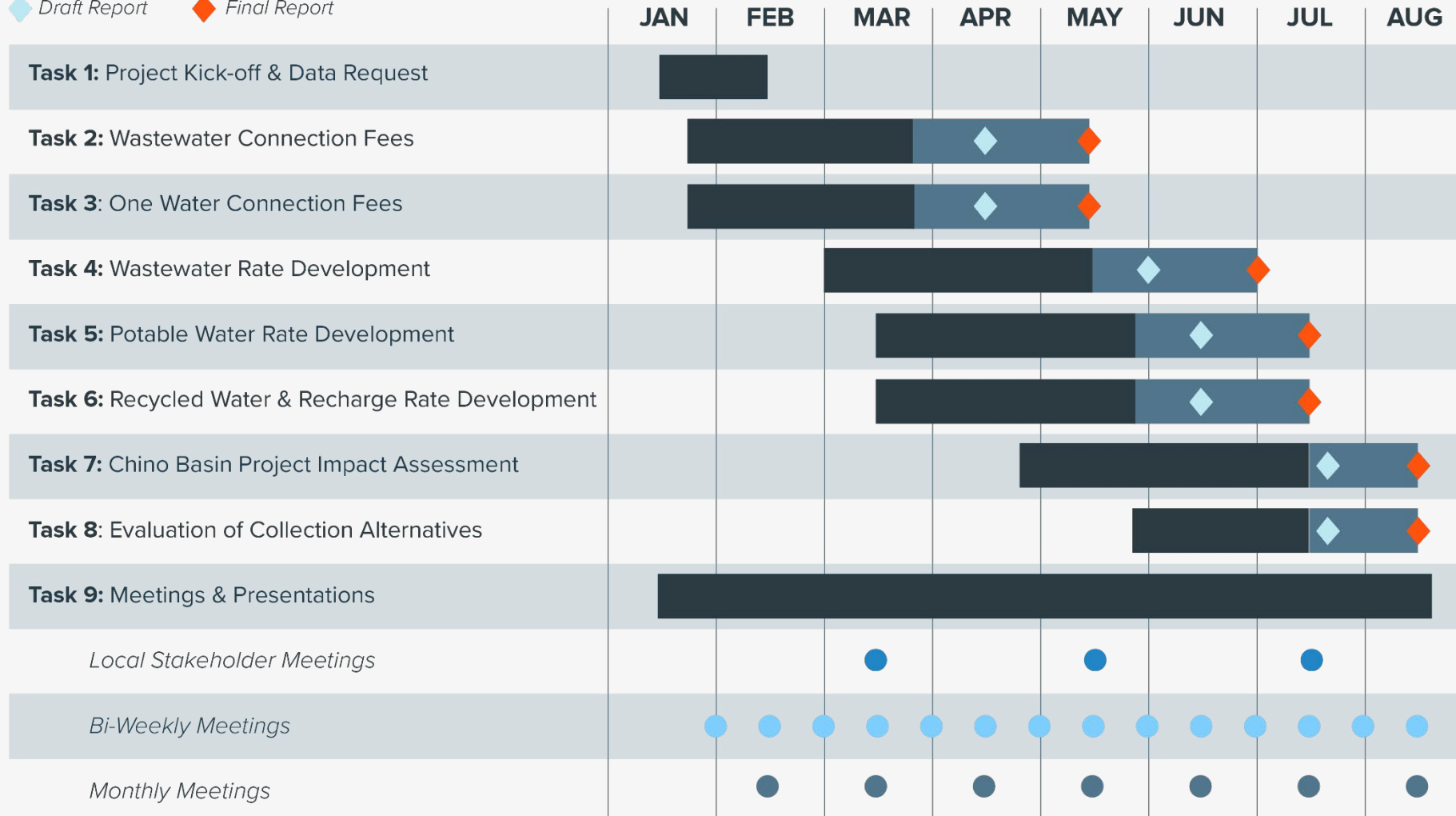
11:45am Next Steps

12:00pm Adjourn



Rate Study Schedule

◆ Draft Report ♦ Final Report



2019 IEUA Rate Study

Components:

- Connection fee and rate update
- Financial scenarios of the Chino Basin Program:
 - 5-10-25-50-year outlooks with and without CBP
 - Fees, charges, and rate impacts with/without CBP



Workshop 2 Agenda

PART 1

8:00am Sign-In and Continental Breakfast

8:30am Introduction and Meeting Objectives

8:40am Program Overview

PART 2

9:00am Questions/Discussion Overview

10:00am Break

10:15am Continue Questions/Discussion

11:00am Preliminary Financial Analysis Approach

CLOSING

11:10am Discuss and Approve Draft MOU

11:45am Next Steps

12:00pm Adjourn



Collaboration is Essential for Program Success

Partnerships

Member Agencies

CBP Workgroup

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

Watermaster

Reoccurring Meetings

- ✓ **Goal:** In Line 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

An aerial photograph of a vast desert landscape. In the foreground, there's a patchwork of agricultural fields and some small settlements. The middle ground is dominated by a range of rugged, dark mountains. In the far distance, more mountain ranges are visible under a clear sky. The entire image has a semi-transparent dark blue overlay.

MOU APPROVAL

Key Steps in Process



MOU

Intent to collaborate
in development of
specific terms



AGREEMENT
TERMS

Terms to be included in
an Agreement



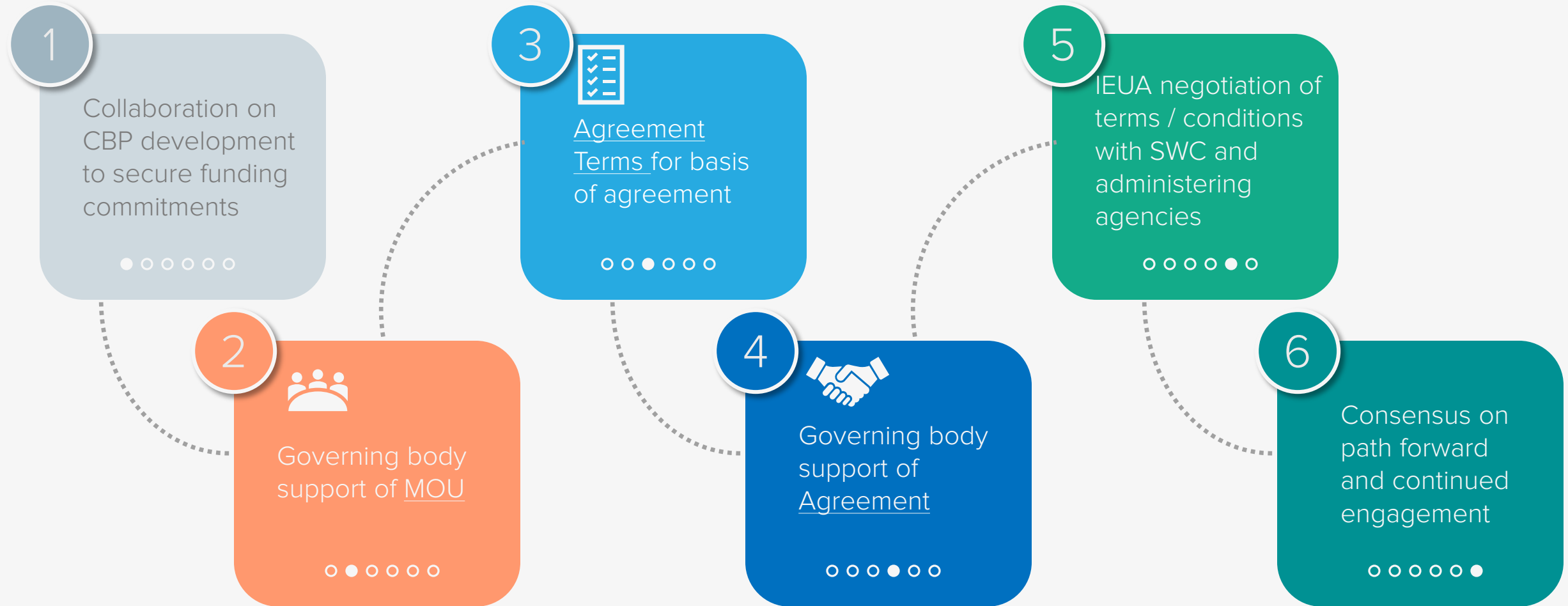
AGREEMENT

Develop Agreement that
supports IEUA negotiations
with MWD and other state
stakeholders



Objectives of CBP Workgroup

Partnerships



Workshop 2 Agenda

PART 1

8:00am Sign-In and Continental Breakfast

8:30am Introduction and Meeting Objectives

8:40am Program Overview

PART 2

9:00am Questions/Discussion Overview

10:00am Break

10:15am Continue Questions/Discussion

11:00am Preliminary Financial Analysis Approach

CLOSING

11:10am Discuss and Approve Draft MOU

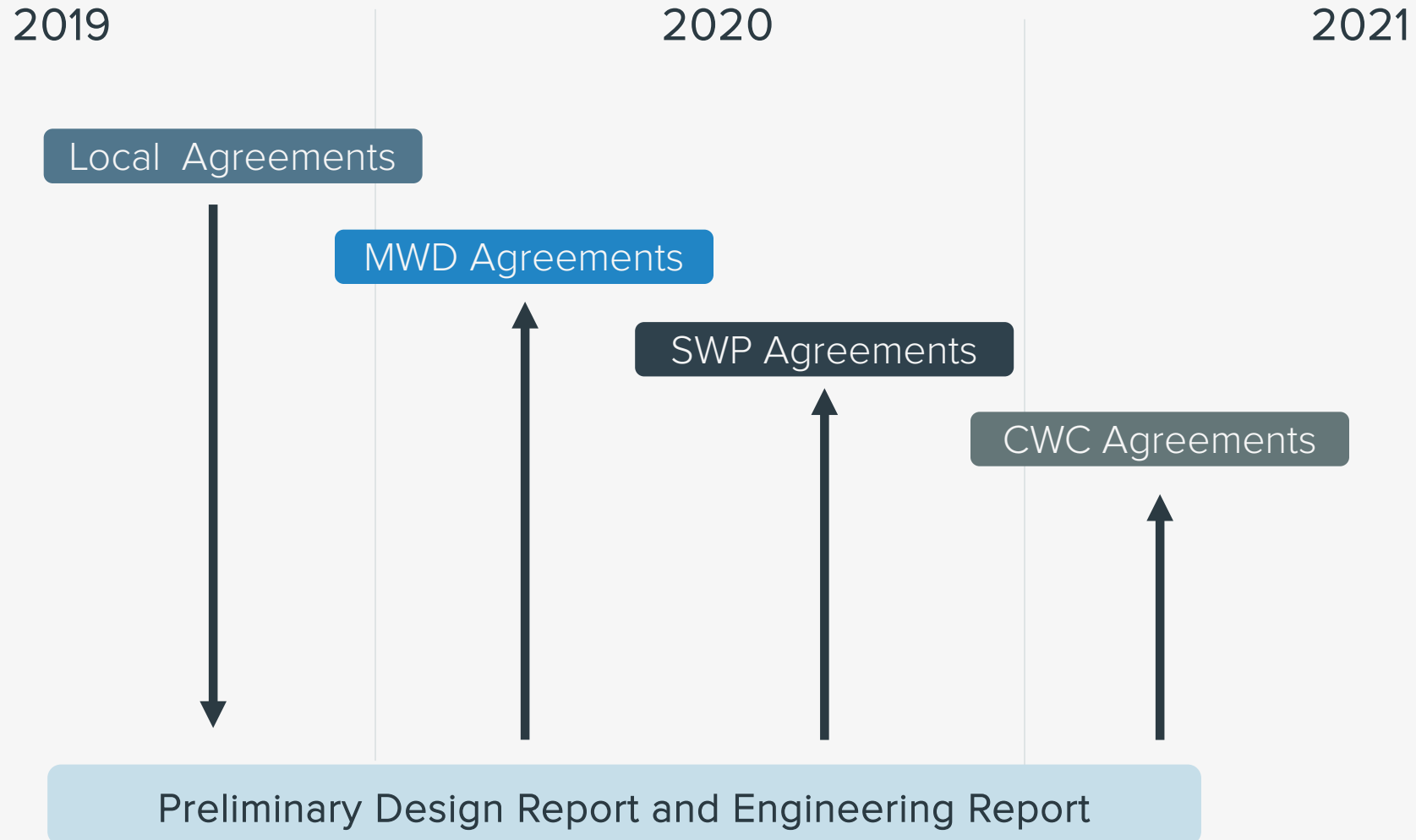
11:45am Next Steps

12:00pm Adjourn



CBP Timing is Paramount

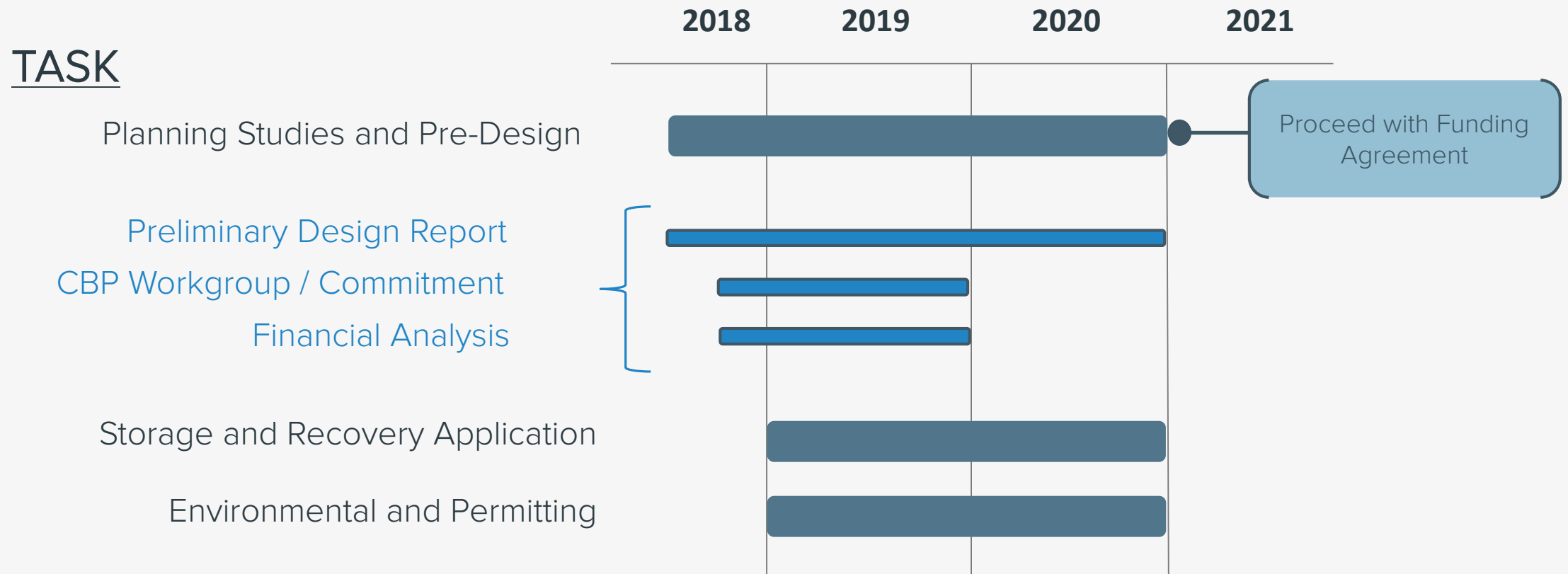
Schedule





CBP Schedule

Schedule





CBP Workgroup Schedule

Schedule



An aerial photograph of a vast landscape featuring a prominent mountain range in the background and a valley with agricultural fields in the foreground. A semi-transparent blue rectangular overlay covers the central portion of the image, serving as a background for the text.

NEXT STEPS AND ACTION ITEMS



Action Items

Workshop #3

Response to questions

*Economic evaluation
update*

*Introducing Potential
Agreement Terms*



FEBRUARY 27, 2019

1. Send any additional questions by Monday, January 28, 2019
2. Workgroup approval of proposed MOU; request IEUA support if needed
3. Consensus on Agreement Terms in March 2019
4. Other to be discussed

An aerial photograph of a vast desert landscape. In the foreground, a flat valley floor is divided into a grid of agricultural fields. A winding road or riverbed cuts through the lower right. The middle ground is dominated by a massive, rugged mountain range with sharp peaks and deep ridges. The background shows more distant, lower mountains under a clear sky. A semi-transparent dark blue rectangle is overlaid on the center of the image, containing the word "CLOSING" in white capital letters. Below the text, a solid orange horizontal line spans across the width of the blue rectangle.

CLOSING

CBP Workgroup

WORKSHOP #2

JANUARY 23, 2019