



**AGENDA
REGULAR WORKSHOP/MEETING OF THE
BOARD OF DIRECTORS**

**WEDNESDAY, FEBRUARY 2, 2022
10:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY*
VIEW THE MEETING LIVE ONLINE AT IEUA.ORG
TELEPHONE ACCESS: (415) 856-9169 / Conf Code: 811 003 35#**

PURSUANT TO AB361 AND RESOLUTION NO. 2022-1-1, ADOPTED BY THE IEUA BOARD OF DIRECTORS ON JANUARY 5, 2022, IEUA BOARD AND COMMITTEE MEETINGS WILL CONTINUE TO BE CONDUCTED THROUGH TELECONFERENCE IN AN EFFORT TO PROTECT PUBLIC HEALTH AND PREVENT THE SPREAD OF COVID-19. THERE WILL BE NO PUBLIC LOCATION AVAILABLE FOR ATTENDING THE MEETING IN PERSON.

The public may participate and provide public comment during the meeting by dialing into the number provided above. Comments may also be submitted by email to the Board Secretary/Office Manager Denise Garzaro at dgarzaro@ieua.org prior to the completion of the Public Comment section of the meeting. Comments will be distributed to the Board of Directors.

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

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 email the Board Secretary prior to the scheduled meeting time or address the Board during the public comments section of the meeting. 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.

*A Municipal Water District

1. ACTION ITEM

A. ADOPTION OF RESOLUTION NO. 2022-2-1, MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING SPECIAL RULES FOR CONDUCTING MEETINGS THROUGH TELECONFERENCE

Staff recommends that the Board adopt Resolution No. 2022-2-1, making certain findings and determinations regarding special rules for conducting meetings through teleconference.

2. WORKSHOP ITEMS

A. SANTA ANA RIVER WATERMASTER

B. INLAND EMPIRE UTILITIES AGENCY'S NEW WATER USE EFFICIENCY PROGRAM BUSINESS MODEL

3. GENERAL MANAGER'S COMMENTS

4. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

5. DIRECTORS' COMMENTS

6. CLOSED SESSION

A. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PUBLIC EMPLOYEE PERFORMANCE EVALUATION

1. Board Secretary/Office Manager

ADJOURN

Declaration of Posting

I, Denise Garzaro, CMC, Board Secretary/Office Manager of the Inland Empire Utilities Agency*, a Municipal Water District, hereby certify that, per Government Code Section 54954.2, a copy of this agenda has been posted at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA and on the Agency's website at www.ieua.org at least seventy-two (72) hours prior to the meeting date and time above.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary at (909) 993-1736 or dgarzaro@ieua.org, 48 hours prior to the scheduled meeting so that IEUA can make reasonable arrangements to ensure accessibility.

**ACTION
ITEM**

1A

Date: February 2, 2022

To: The Honorable Board of Directors

ADD
From: Shivaji Deshmukh, General Manager

Committee:

Executive Contact: Shivaji Deshmukh, General Manager

Subject: Adopt Resolution No. 2022-2-1, Making Certain Findings and Determinations
Regarding Special Rules for Conducting Meetings through Teleconference

Executive Summary:

On March 4, 2020, Governor Newsom declared a state of emergency pursuant to Government Code 8625 due to the COVID-19 pandemic and recommended, together with local officials, measures for social distancing to assist in abating the spread of COVID-19; and on March 17, 2020, the Governor issued Executive Order N-29-20 which, among other things, suspended certain Brown Act rules governing the use of teleconferencing for local agency board meetings. Executive Order N-29-20 expired on September 30, 2021. In response to the ongoing COVID-19 pandemic, the California legislature enacted, and the Governor signed into law, AB 361 amending portions of Government Code 54953, allowing for the continued use of teleconferencing for local agency board meetings while suspending the conditions and restrictions of Government Code 54953(b)(3) if the legislative body of the local agency makes certain findings. The legislative body must make these findings every 30 days to continue the use of teleconferencing.

Staff is recommending that the Board of Directors makes the necessary findings and determinations and Adopt Resolution No. 2022-2-1 to continue to conduct meetings through teleconference for a period of 30 days.

Staff's Recommendation:

Adopt Resolution No. 2022-2-1, Making Certain Findings and Determinations Regarding Special Rules for Conducting Meetings through Teleconference

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

Account/Project Name:

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

The Board adopted Resolution No. 2021-10-1, making certain findings and determinations regarding special rules for conducting meetings through teleconference on October 6, 2021. On October 2, 2021, November 3, 2021, November 17, 2021, December 8, 2021, and January 5, 2022, the Board adopted Resolution Nos. 2021-10-1, 2021-11-6, 2021-11-1, 2021-12-1, and 2022-1-1, respectively, making continued findings and determinations regarding special rules for conducting meetings through teleconference.

Environmental Determination:

Not Applicable

Business Goal:

The Adoption of a Resolution to make findings for conducting meetings through teleconference is consistent with the IEUA's commitment to applying ethical, fiscally responsible, transparent and environmentally sustainable principles to all aspects of business and organizational conduct.

Attachments:

Attachment 1 - Resolution No. 2022-2-1

RESOLUTION NO. 2022-2-1

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING SPECIAL RULES FOR CONDUCTING MEETINGS THROUGH TELECONFERENCE

WHEREAS, Inland Empire Utilities Agency (“IEUA”) is a municipal water district established pursuant to Section 71000 et seq. of the California Water Code; and

WHEREAS, all meetings of the Board of Directors of IEUA are conducted in open and public settings in compliance with the Ralph M. Brown Act (Brown Act) so that any member of the public may attend, participate and watch the Agency’s Board of Directors conduct their business; and

WHEREAS, on March 4, 2020, the Governor declared a state of emergency pursuant to Government Code 8625 due to the COVID-19 pandemic and has recommended, together with local officials, measures for social distancing to assist in abating the spread of COVID-19; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 which, among other things, suspended certain Brown Act rules governing the use of teleconferencing of local agency board meetings; and

WHEREAS, the California legislature has enacted, and the Governor has signed into law, AB 361 amending portions of Government Code 54953, allowing for the continued use of teleconferencing for local agency board meetings while suspending the conditions and restrictions of Government Code 54953(b)(3) if the legislative body of the local agency makes certain findings; and

WHEREAS, On October 6, 2021 the Board of Directors of the Inland Empire Utilities Agency approved Resolution 2021-10-1 making certain factual findings, and authorizing the continued use of teleconferencing for IEUA Board meetings for an effective period of 30 days; and

WHEREAS, On November 3, 2021 the Board of Directors of the Inland Empire Utilities Agency approved Resolution 2021-11-6 again making certain factual findings, and authorizing the continued use of teleconferencing for IEUA Board meetings for an effective period of 30 days; and

WHEREAS, On November 17, 2021 the Board of Directors of the Inland Empire Utilities Agency approved Resolution 2021-11-1 again making certain factual findings, and authorizing the continued use of teleconferencing for IEUA Board meetings for an effective period of 30 days; and

WHEREAS, On December 8, 2021 the Board of Directors of the Inland Empire Utilities Agency approved Resolution 2021-12-1 again making certain factual findings, and authorizing the continued use of teleconferencing for IEUA Board meetings for an effective period of 30 days; and

WHEREAS, On January 5, 2022 the Board of Directors of the Inland Empire Utilities Agency approved Resolution 2022-1-1 again making certain factual findings, and authorizing the continued use of teleconferencing for IEUA Board meetings for an effective period of 30 days; and

WHEREAS, the Board of Directors must now determine whether to extend the effective period of Resolution 2022-2-1 for an additional 30 days, making the appropriate factual findings in support thereof;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Inland Empire Utilities Agency hereby make the following findings and determinations:

SECTION 1. The Governor has proclaimed a state of emergency on March 4, 2020 which continues.

SECTION 2. The Governor and local officials have promoted the use of social distancing as a method to abate the spread of COVID-19 within the community. The Board of Directors finds that conducting in person meetings of the IEUA Board of Directors would be inimical to social distancing and would present imminent risks to the health or safety of the attendees and conducting meetings by teleconference would diminish that risk.

SECTION 3. The Board of Directors will continue to conduct Board meetings by teleconference in compliance with Government Code 54953(e) until such time as the Governor has terminated the state of emergency and the risk to health and safety of meeting attendees is sufficiently diminished or as otherwise required by law. Notice of meetings and posted agendas will contain information which allows members of the public to access

the meeting and address the Board of Directors and offer public comment including an opportunity for all persons to attend via a call-in option or an internet-based service option.

SECTION 4. This Resolution shall take effect immediately upon its adoption and shall be effective for 30 days or until such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code 54953(e)(3) to extend the time during which meetings of the Board of Directors may be conducted by teleconference without compliance with Government Code 54953(3)(b).

ADOPTED this 2nd day of February, 2022.

Steven J. Elie, President of the Inland
Empire Utilities Agency* and of the Board
of Directors thereof

ATTEST:

Marco Tule, Secretary/Treasurer of the Inland
Empire Utilities Agency* and of the Board of
Directors thereof

STATE OF CALIFORNIA)
)
COUNTY OF SAN BERNARDINO)

I, Marco Tule, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2022-2-1, was adopted at a
regular meeting on February 2, 2022, of said Agency by the following vote:

AYES:

NOES:

ABSENT:

Marco Tule
Secretary/Treasurer

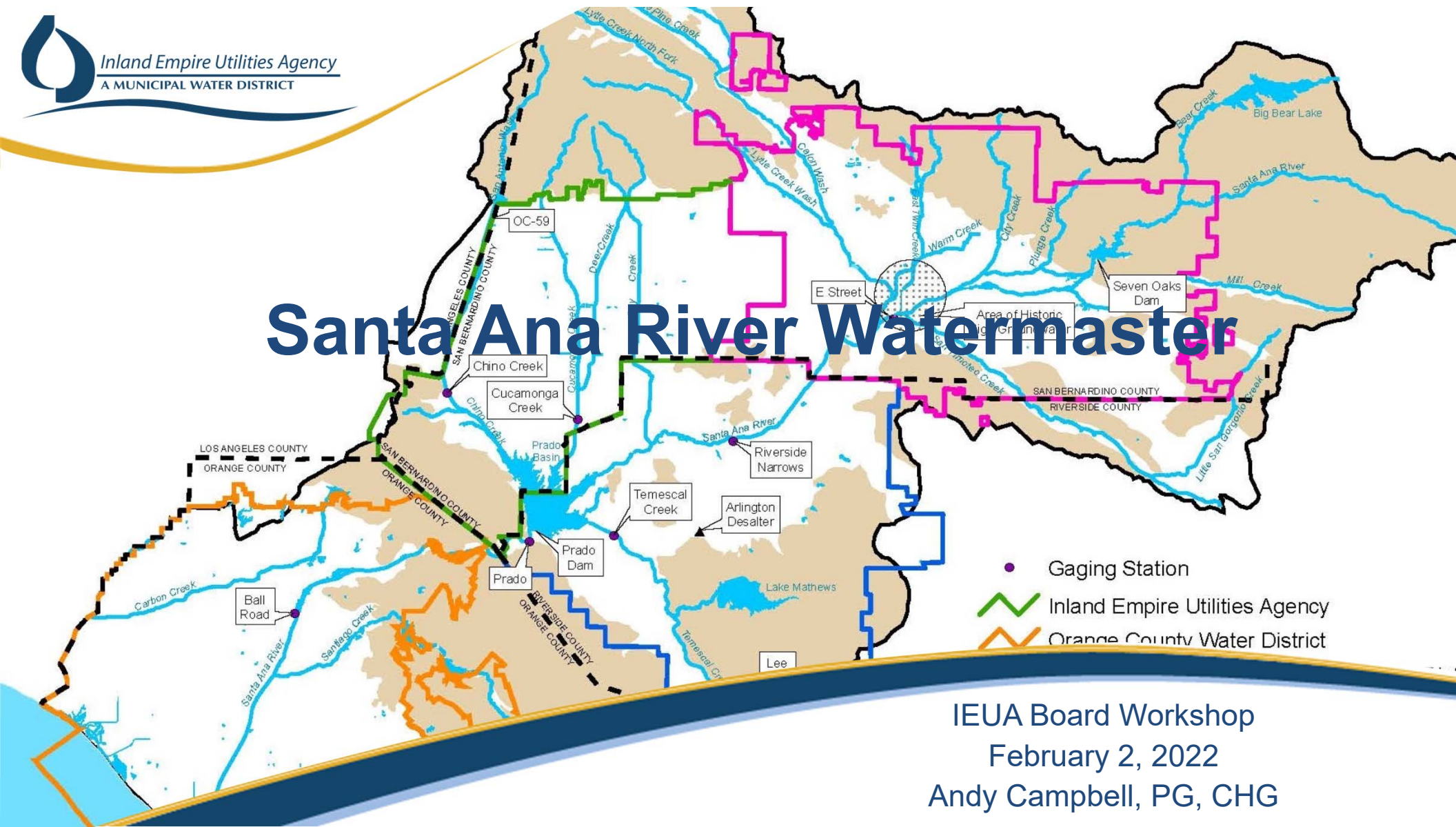
(SEAL)

*A Municipal Water District

**WORKSHOP
ITEM**

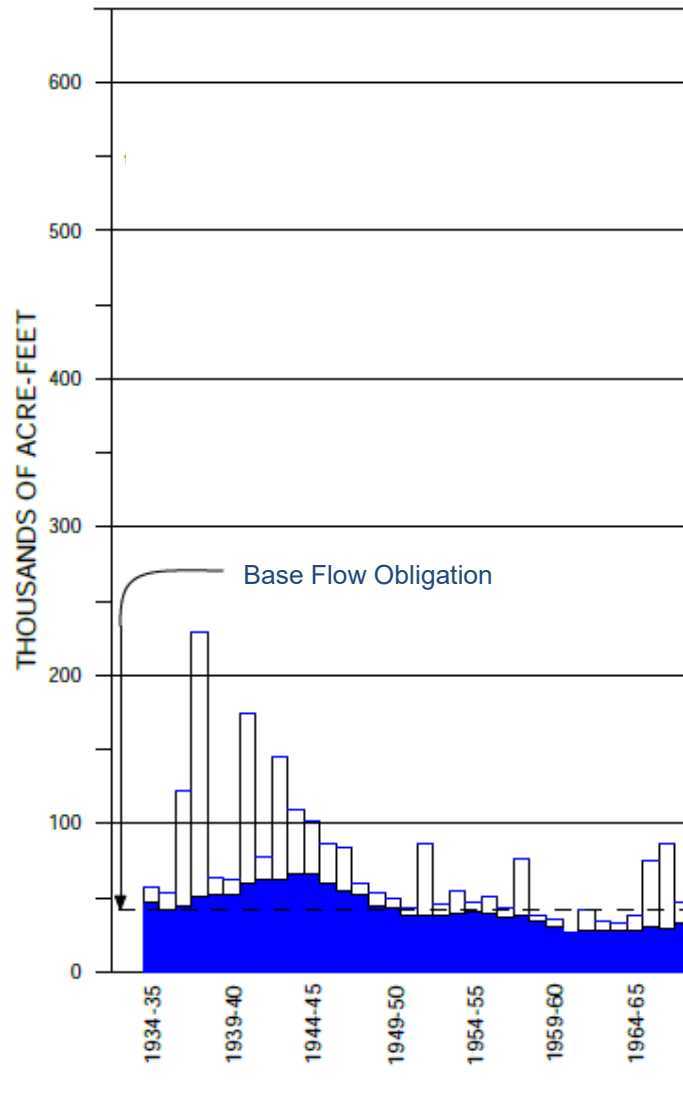
2A

Santa Ana River Watermaster



IEUA Board Workshop
February 2, 2022
Andy Campbell, PG, CHG

DISCHARGE OF SANTA ANA RIVER AT PRADO STARTING WITH 1934-35



- A complaint was filed by OCWD in 1963, seeking adjudication of water rights against water users in the area tributary to Prado Dam within the Santa Ana River Watershed.
- Thirteen cross-complaints were filed in 1968, extending the adjudication to include all water users in the area downstream from Prado Dam.
- The case included 2,500 parties from the Upper Area and 1,500 parties from the Lower Area
- In 1969, a negotiated settlement and physical solution were achieved to avoid enormous and unwieldy litigation.

WATER YEAR

PLATE 5

Different Watermasters



- Chino Basin Watermaster

- Groundwater Rights Judgement for the Chino Basin

- 1978 S.B. Superior Court Order, Administration of Judgement by a Watermaster (CBMWD) and continuation of the existing Pool and Advisor Committees formed previously by the water rights holders
 - 1998 Court Order created a 9-member board to serve as the Watermaster independent of CBMWD.



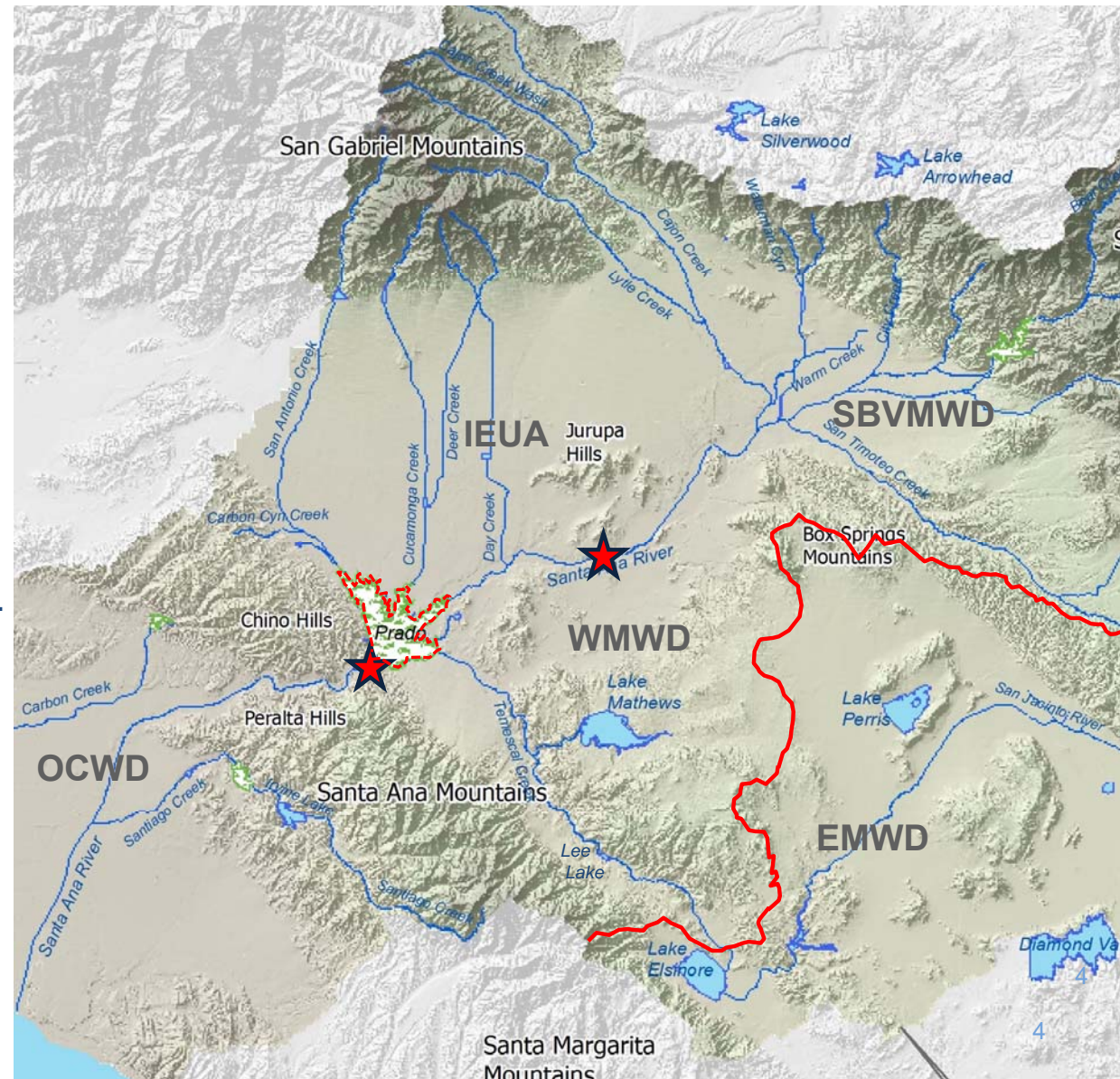
- Santa Ana River Watermaster

- Surface Water Rights Judgement on the Santa Ana River

- 1969 O.C. Superior Court Order, Administration of Judgment by five-member committee comprised of the four major public water districts overlying the major areas of water use in the watershed.
 - Membership:
 - Orange County Water District (OCWD) 2 committee members
 - Inland Empire Utilities Agency (IEUA)
 - Western Municipal Water District (WMWD)
 - San Bernardino Valley Municipal Water District (SBVMWD)

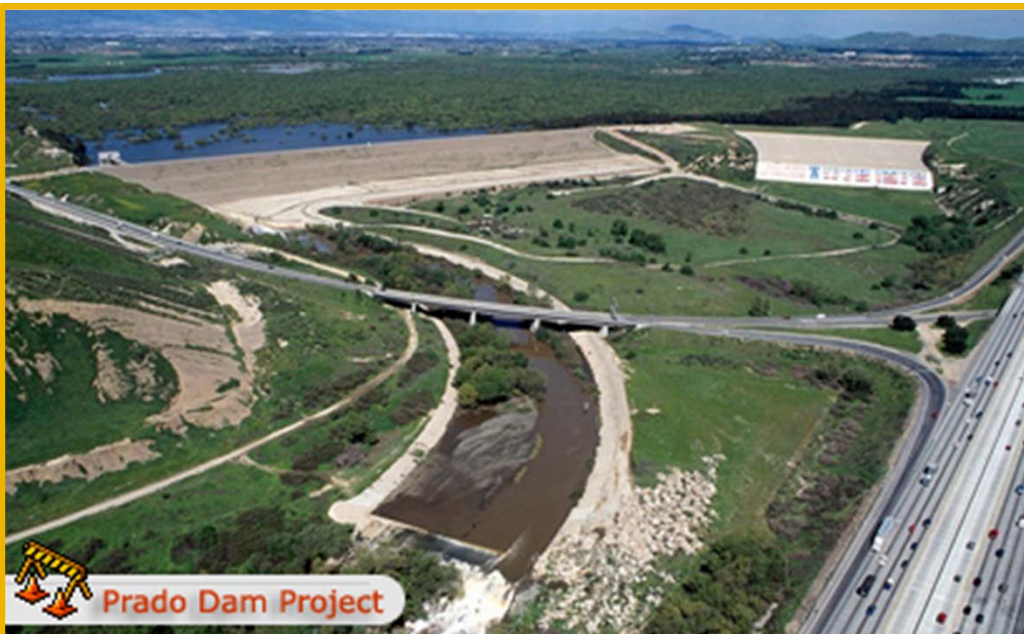
The 1969 Judgment Designated

- Four public agencies to represent the interests of the Upper and Lower Areas of the Watershed
- Gave them the responsibility to fulfill obligations set forth in the Judgment, including implementing the physical solution.
- The Lower Area is represented by OCWD.
- The Upper Area is represented by SBVMWD, WMWD and IEUA (formerly CBMWD).
- OCWD, SBVMWD, WMWD, and IEUA form the Santa Ana River Watermaster Committee



SAR Obligation Monitoring Locations

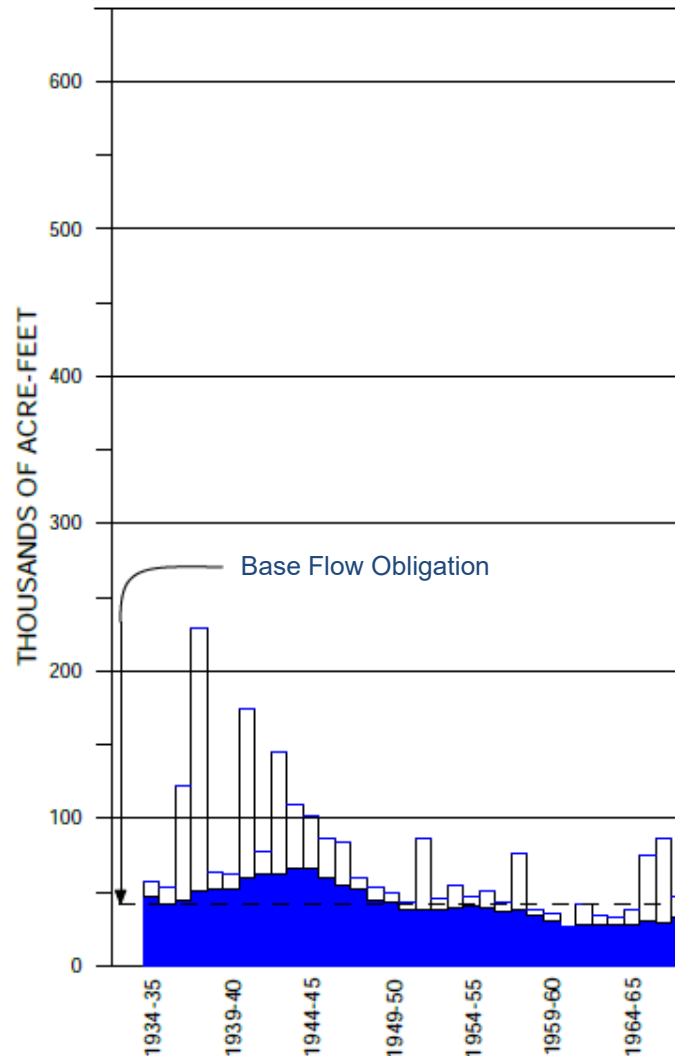
Below Prado Dam



MWD Crossing at Riverside Narrows



DISCHARGE OF SANTA ANA RIVER AT PRADO STARTING WITH 1934-35



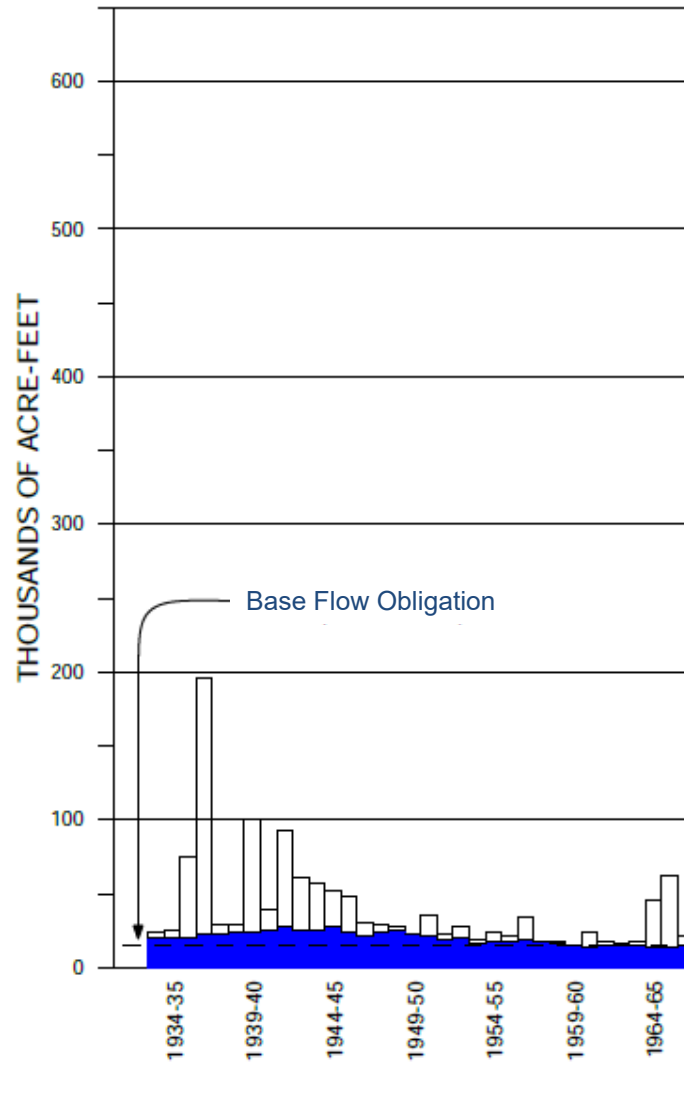
Physical Solution Below Prado Dam

- **A joint obligation of IEUA and WMWD**
- **Volume Requirement**
 - Annual Adjusted Base Flow at Prado is to be 42,000 AFY
 - With an Accumulated Credit >8,000 AF, the minimum adjusted Baseflow is 34,000 AFY
- **Water Quality Requirement**
 - Adjustments to Baseflow
 - Decrease obligation if flow-weighted TDS < 700 mg/L
 - Increase obligation if flow-weighted TDS > 800 mg/L

WATER YEAR

PLATE 5

DISCHARGE OF SANTA ANA RIVER AT RIVERSIDE NARROWS STARTING WITH 1934-35



Physical Solution at Riverside Narrows

- **An obligation of SBVMWD**
- **Volume Requirement**
 - Annual Adjusted Base Flow at Riverside Narrows is to be 15,250 AFY
 - With an Accumulated Credit >10,000 AF, the minimum adjusted Baseflow is 12,420 AFY
- **Water Quality Requirement**
 - Water Quality adjustments to Baseflow
 - Decrease obligation if flow-weighted TDS < 600 mg/L
 - Increase obligation if flow-weighted TDS > 700 mg/L

What if Baseflow is Not Met at Prado?

- When the adjusted Baseflow is
 - >42,000 AF Baseflow Obligation, No Make Up Water required
 - 34,000 AF to 42,000 AF, Base Flow Credits used for Make Up Water
 - <34,000 AF, physical Make Up Water is Required
- What Agency Provides Make Up Water?
 - IEUA and WMWD work together on Joint Obligation
 - 1968 Agreement 1968 – “Satisfaction of Joint Obligation Prado Settlement”
 - Each agency shall first provide Make Up Water to meet their prior year required Adjusted Primary Contribution, (up to 16,875 AF each) prior to considering additional Make Up Water requirements.
 - With a Prado Obligation of 34,000 AF and both Agencies have met their Adjusted Primary Contribution, additional Make Up Water is made up equally.
 - When the Prado Obligation is 42,000 AF, then a IEUA-WMWD credit system is used to determine Agency required to provide Make Up Water.

What if Baseflow is Not Met at Riverside Narrows?

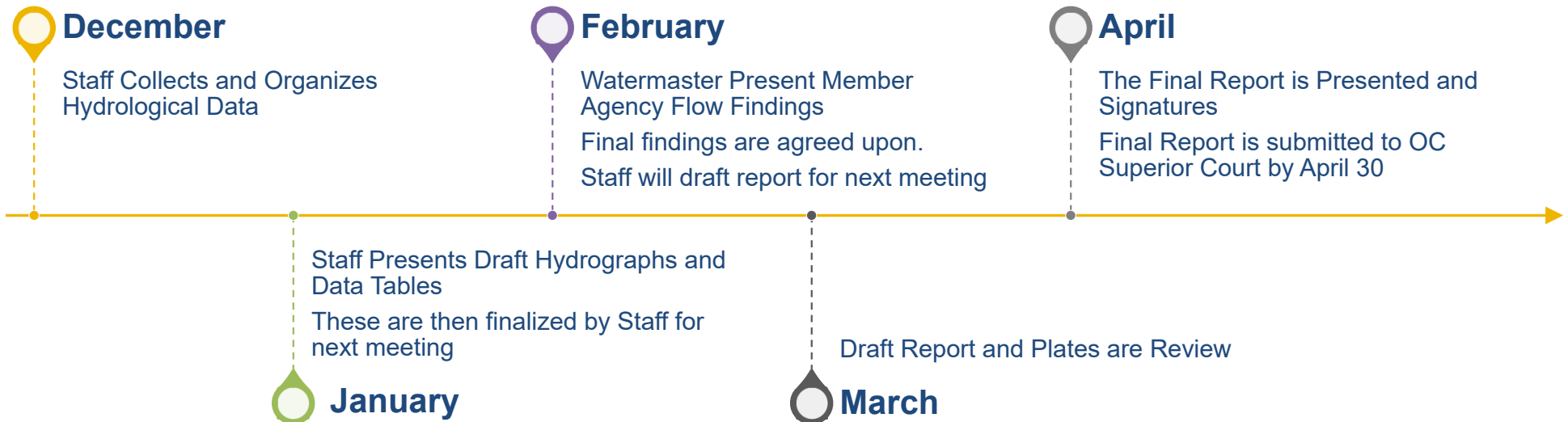
- When the adjusted Baseflow is
 - >15,250 AF, no Make Up Water is needed
 - 12,420 AF to 15,250 AF, Base Flow Credits are used for Make Up Water
 - <12,400 AF, physical Make Up Water is Required
- What Agency Provides Make Up Water?
 - SBVMWD has the sole obligation to meet the obligation and provide Make Up Water.
 - There is no requirement that the base flow at Riverside Narrows reach Prado.

SAR Watermaster Annual Report

Water Year Oct. 1 to Sept. 30

Annual Report Preparation

- Purpose: Demonstrate Annual Compliance with the Obligations set by the Judgement
- Method: Prepare Hydrographs and separate Flow into components
(Base Flow, Storm Flow and Non-tributary Flow)



Annual Determination Process & Schedule

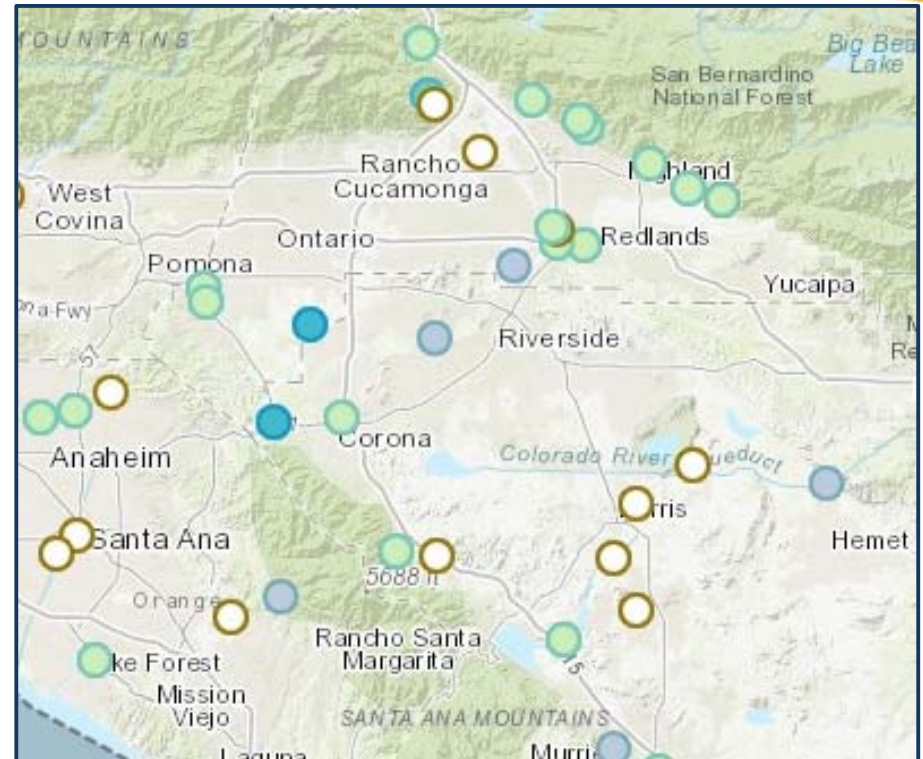
- Compile and Analyze Data (December-January)
 - USGS Stream Gauges
 - USGS and County Rain Gauges
 - USGS and Agency Stream Sampling Water Quality
 - Water Transfers, Exchanges, and Conveyances
 - Examples: Arlington Desalter, Imported Purchases, High Groundwater Mitigation, Non-Tributary Flows (Lake Elsinore spills, EMWD RW releases, 7 Oaks Dam releases).



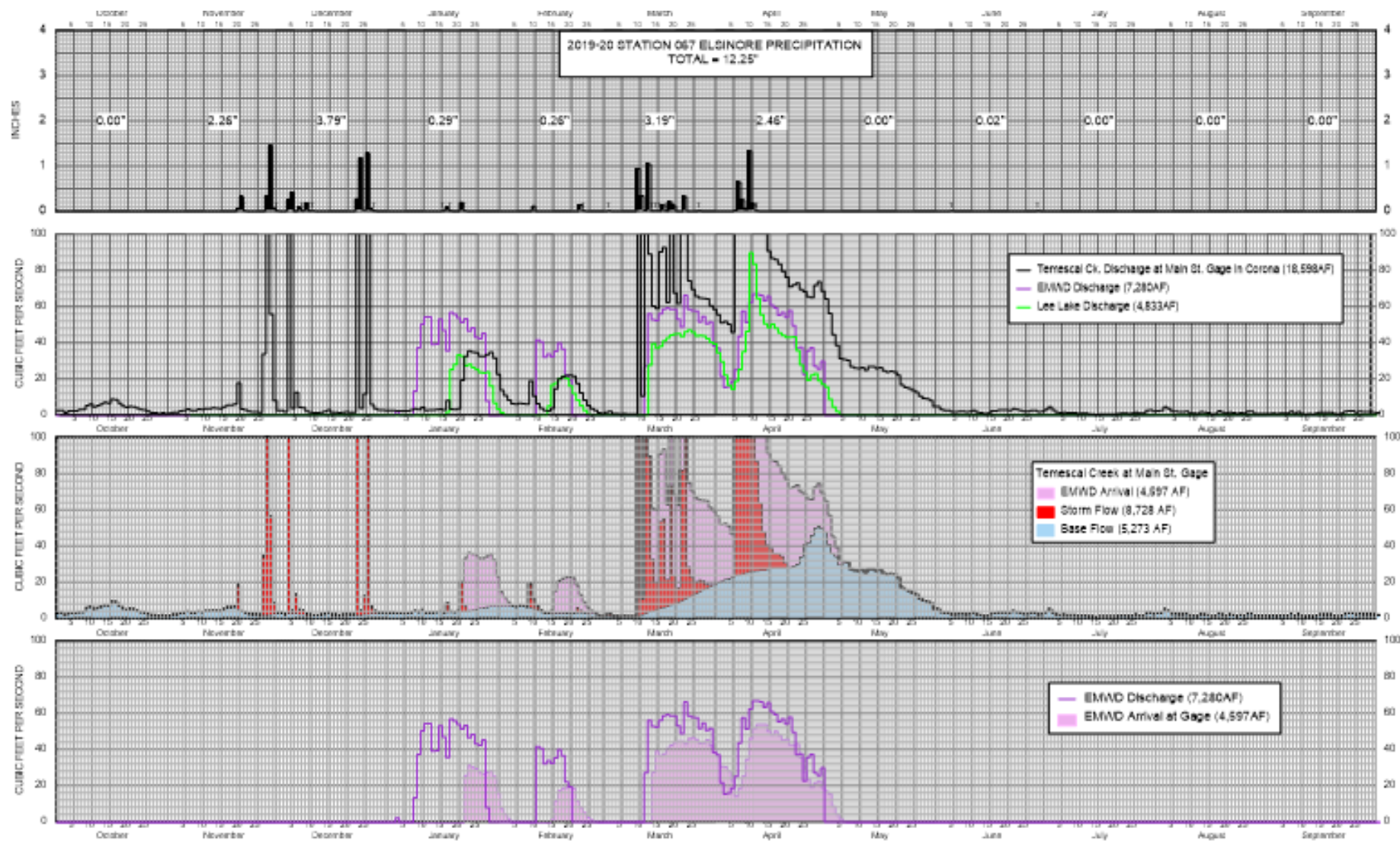
Lee Lake (aka Corona Lake) Spilling
Recycled Water Discharged by EMWD to Temescal Wash

USGS Participation

- Real Time Data Collection
 - Stream Flow
 - Water Quality
 - Rainfall
- Maintain and Operate the Gauges
- Data Validation
- IEUA contributes approximately \$30,000 annually for its share of the Watermaster's USGS budget.



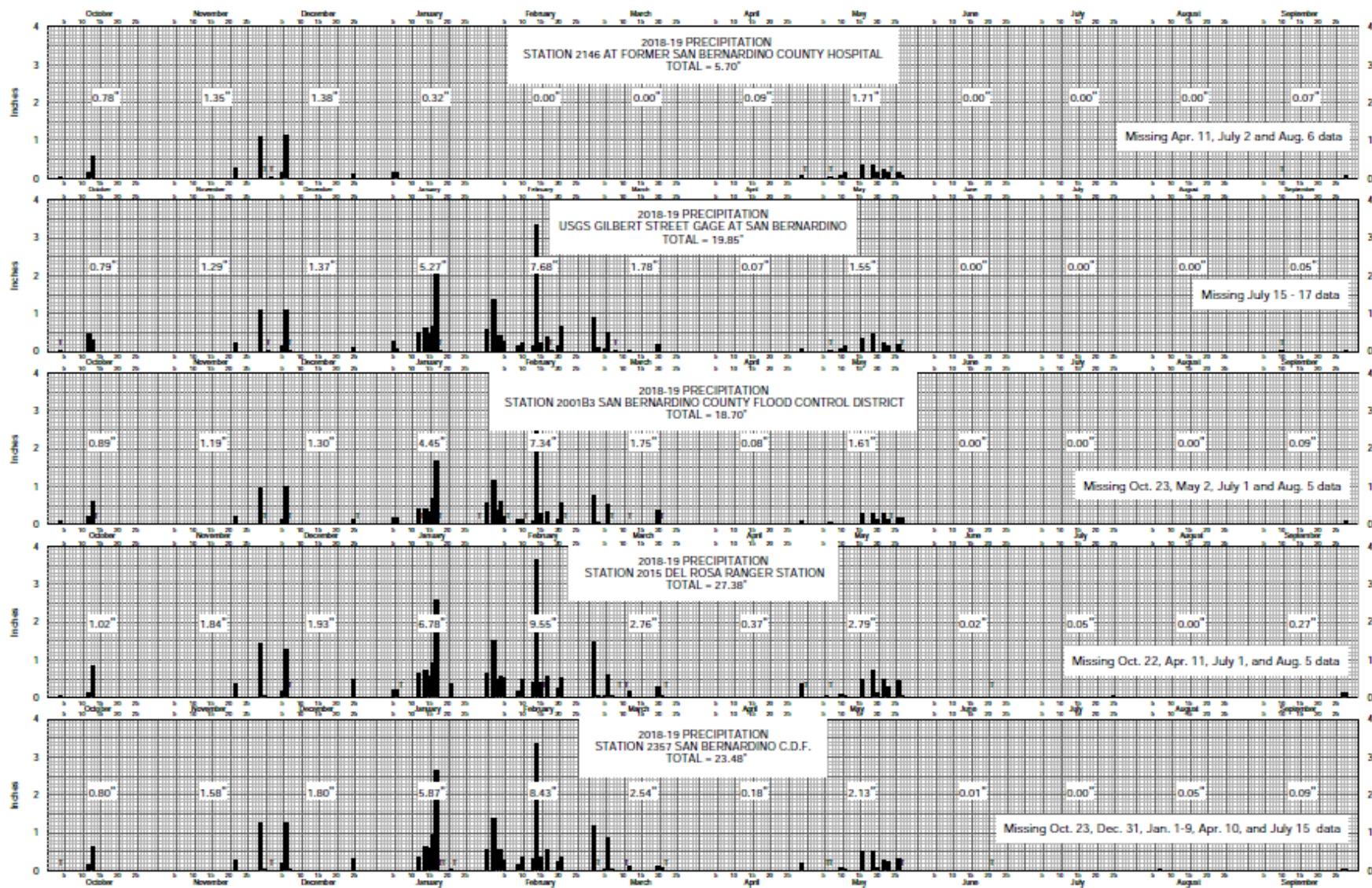
USGS Active Stream Gauges
Color indicates various live flow conditions
([USGS | National Water Dashboard](https://water.usgs.gov/nwd/))



WATER YEAR 2019-20 PROVISIONAL DISCHARGE OF TEMESCAL CREEK AT MAIN STREET IN CORONA,
EMWD DISCHARGE, AND ELSINORE PRECIPITATION

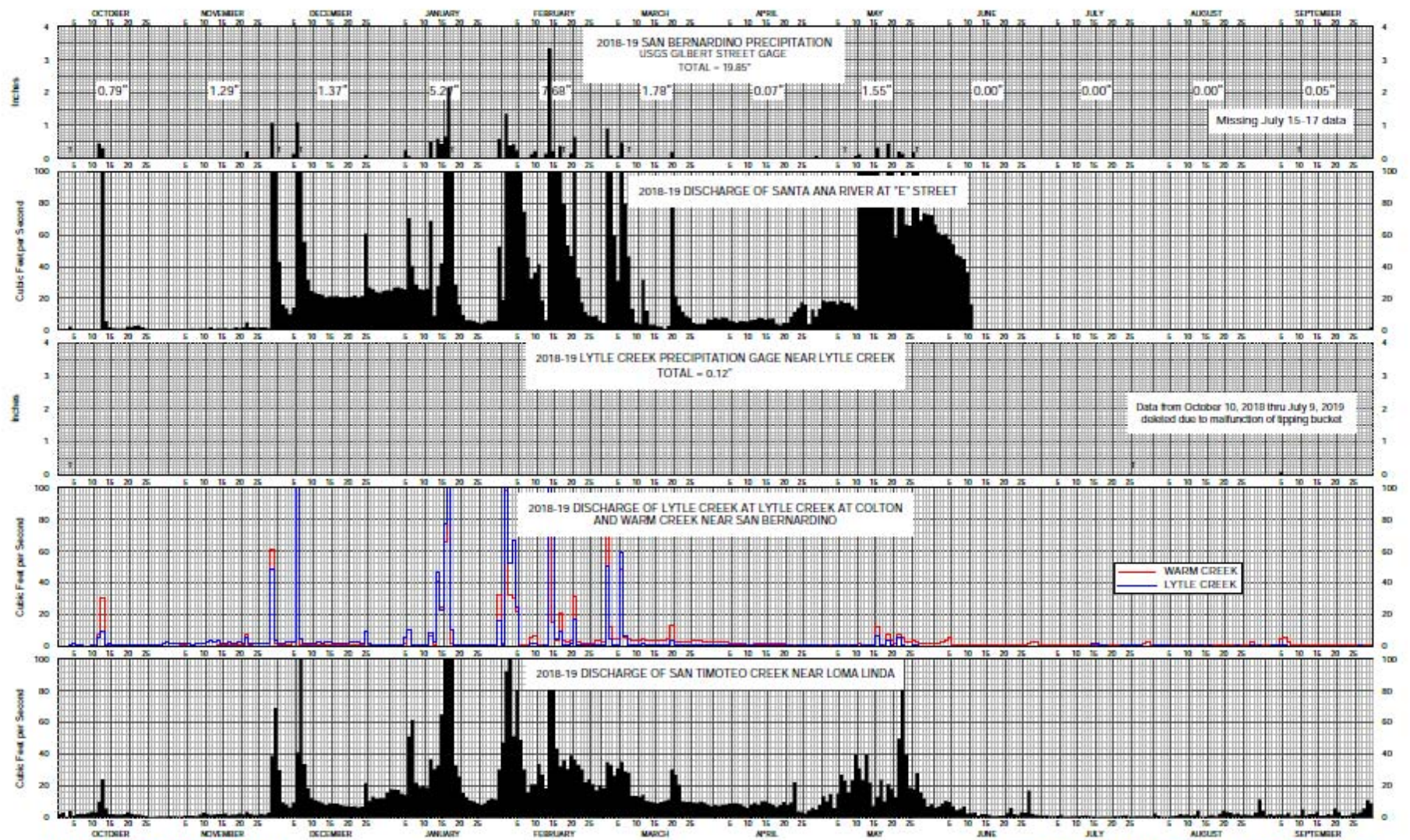
DRAFT - 01/23/21

G-16



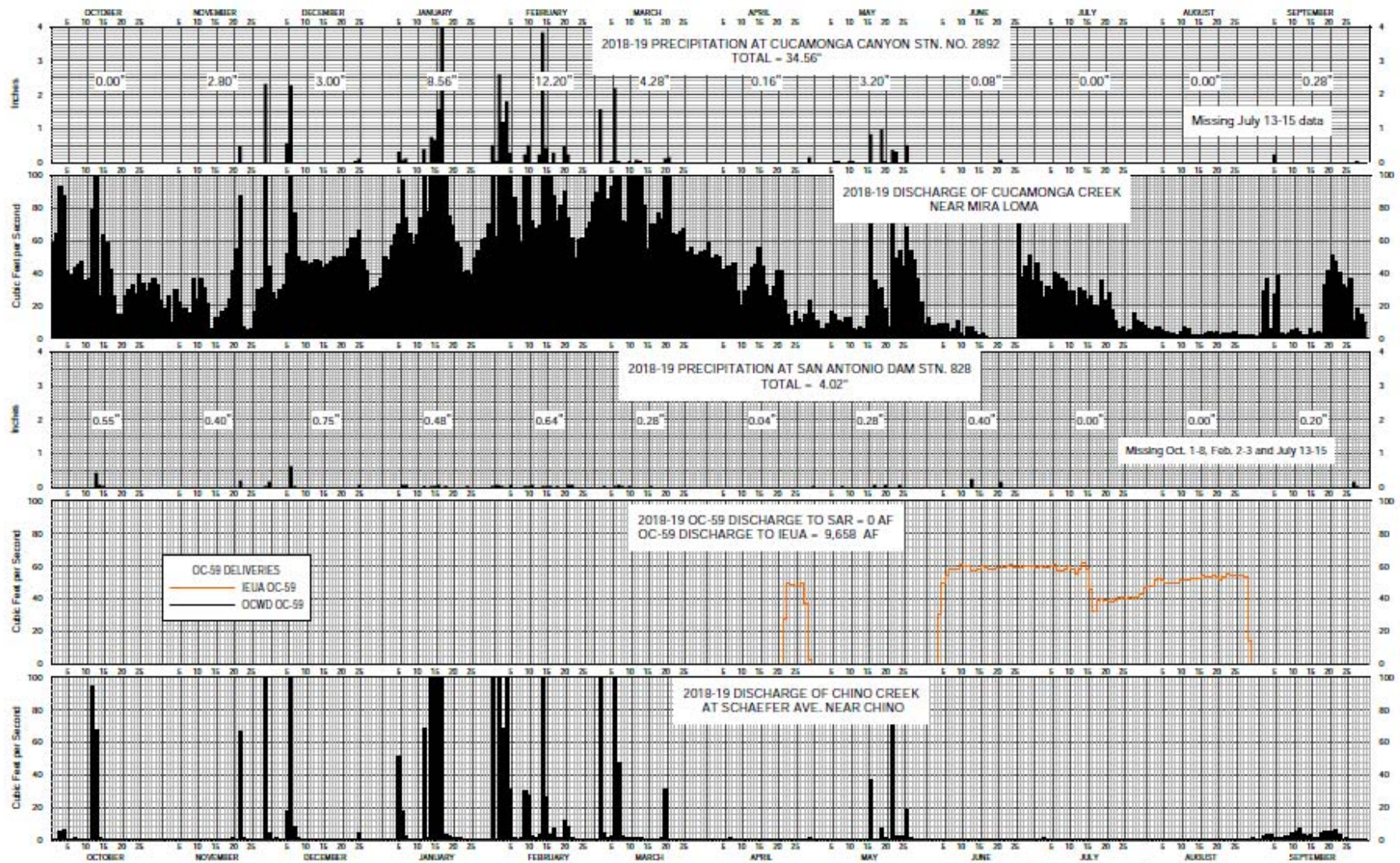
DRAFT 08/10/2022

Supplemental Rain Grants



DRAFT 02/03/2020

Supplemental E Street, Lytle Creek, Warm Creek, and San Timoteo Graphs



DRAFT - 02/04/2020

Supplemental Cucamonga and Chino Graphs

PRECIPITATION AT SAN BERNARDINO STARTING IN 1934-35

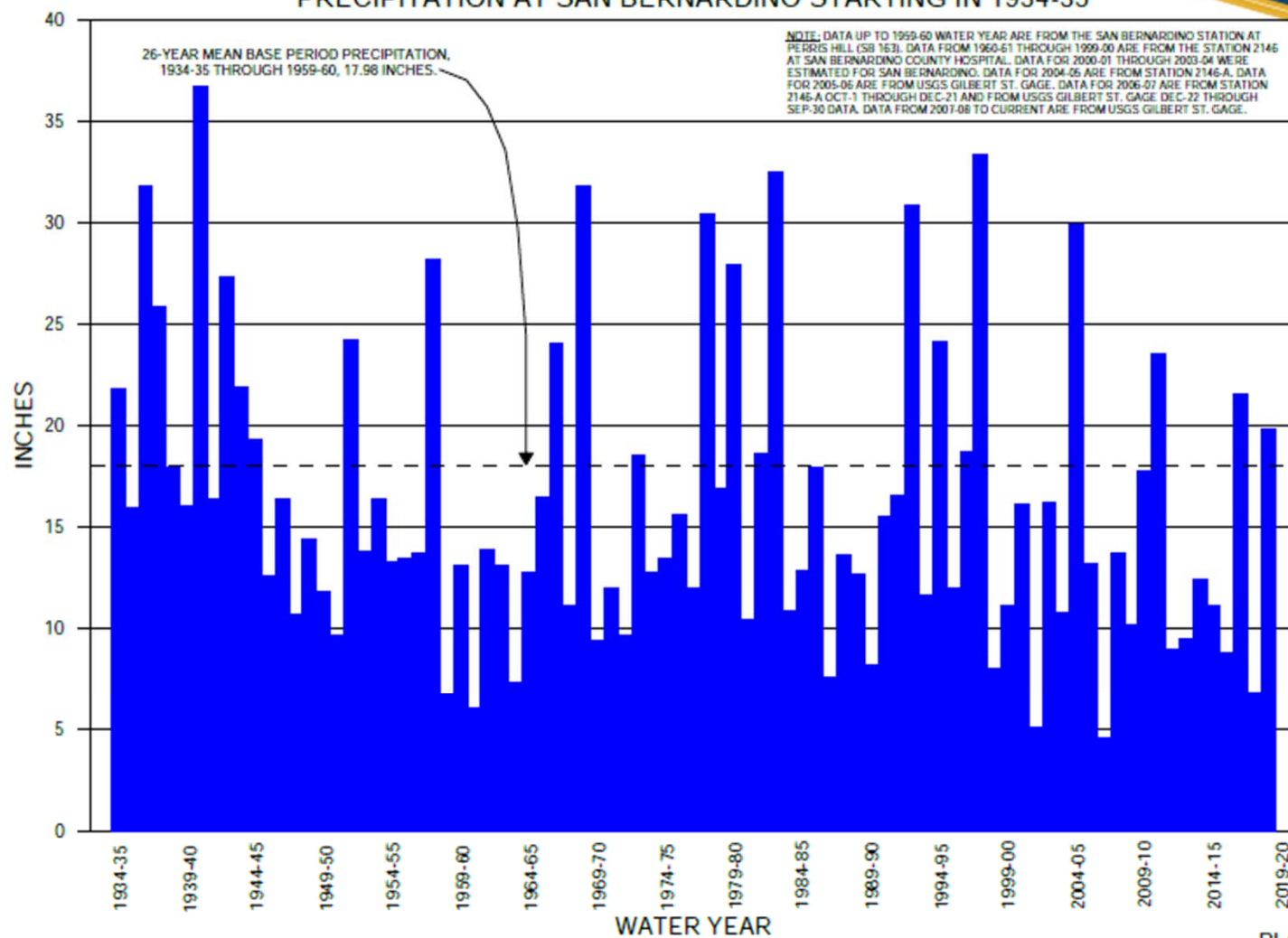
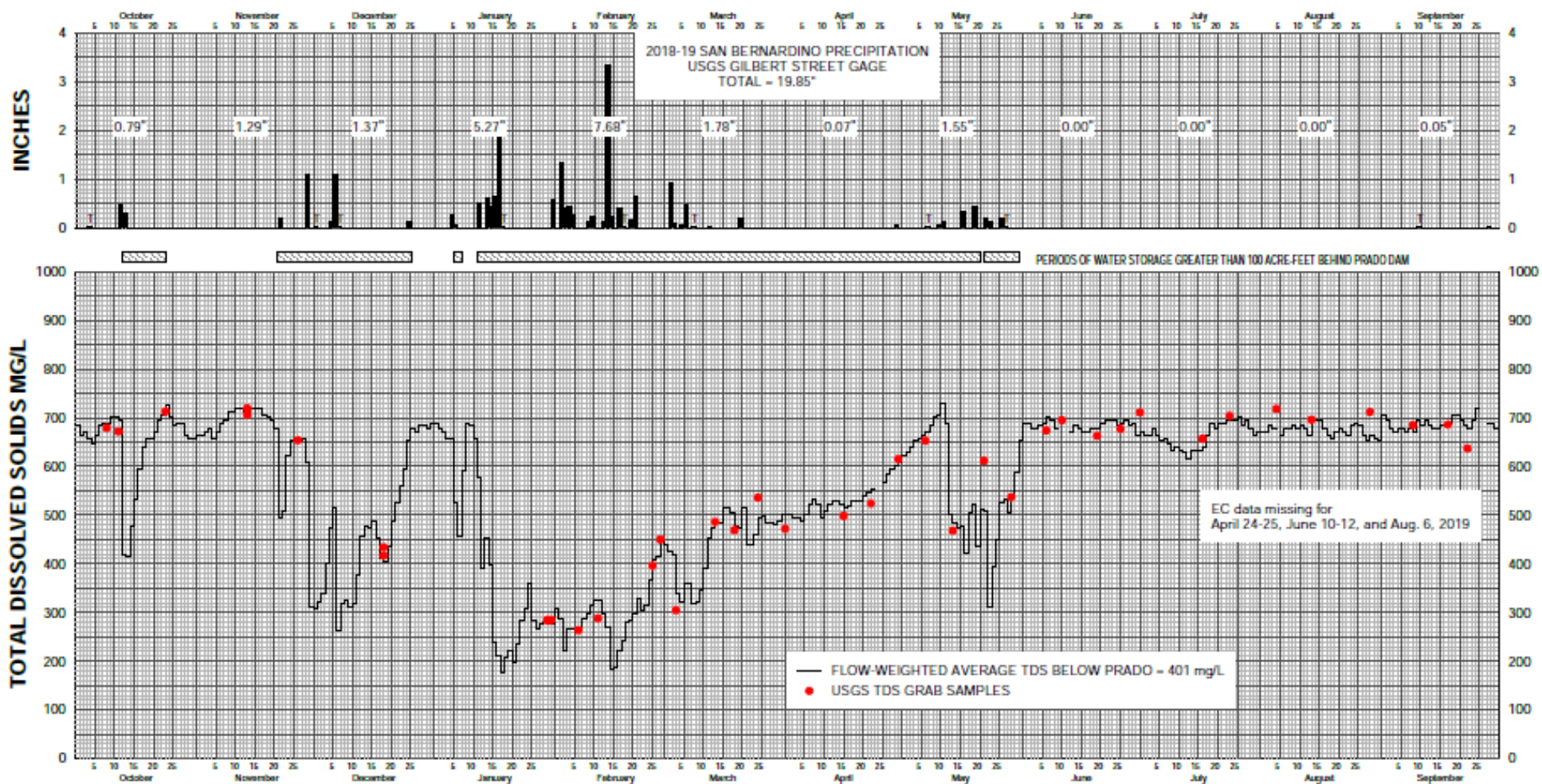
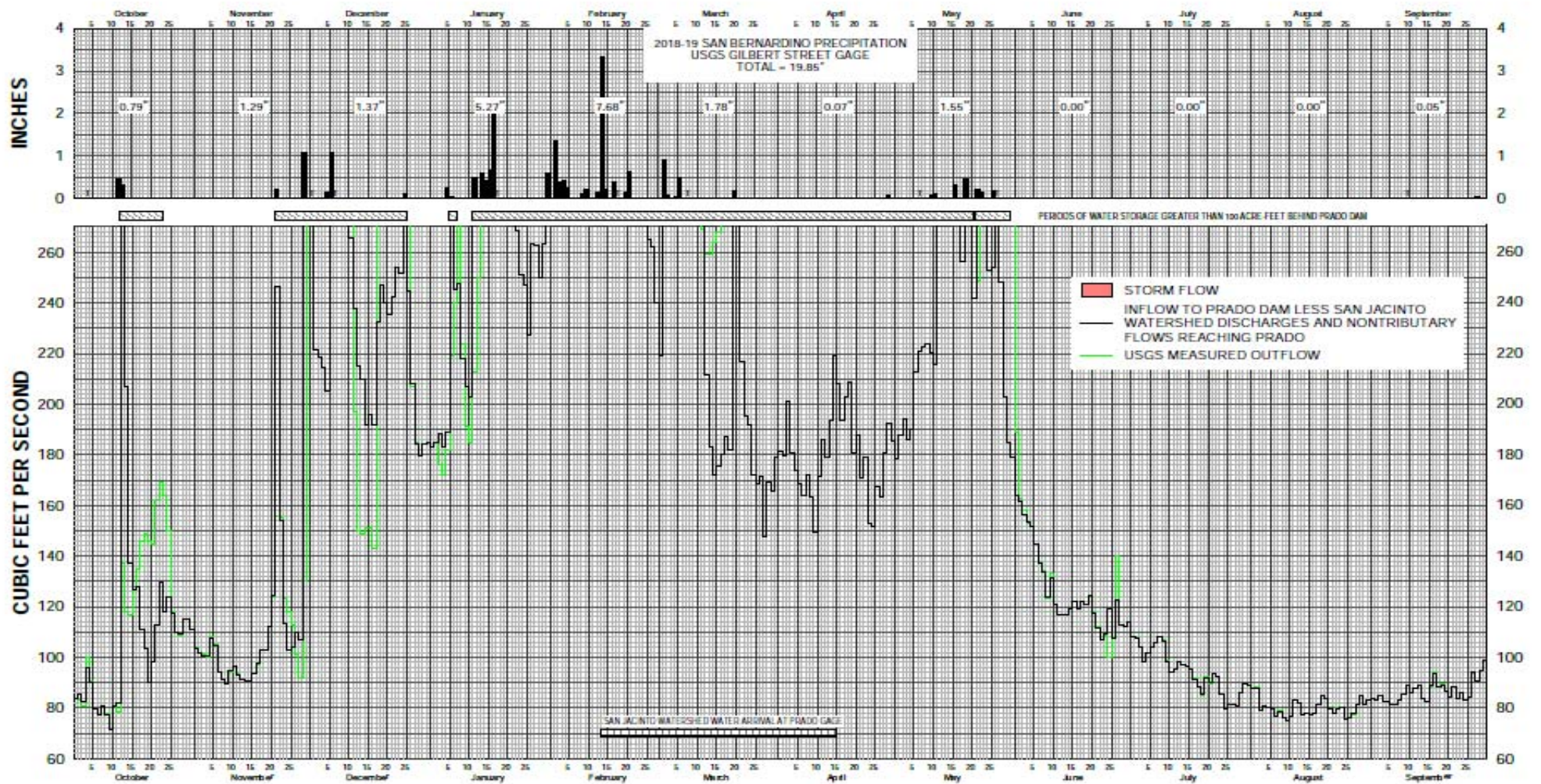


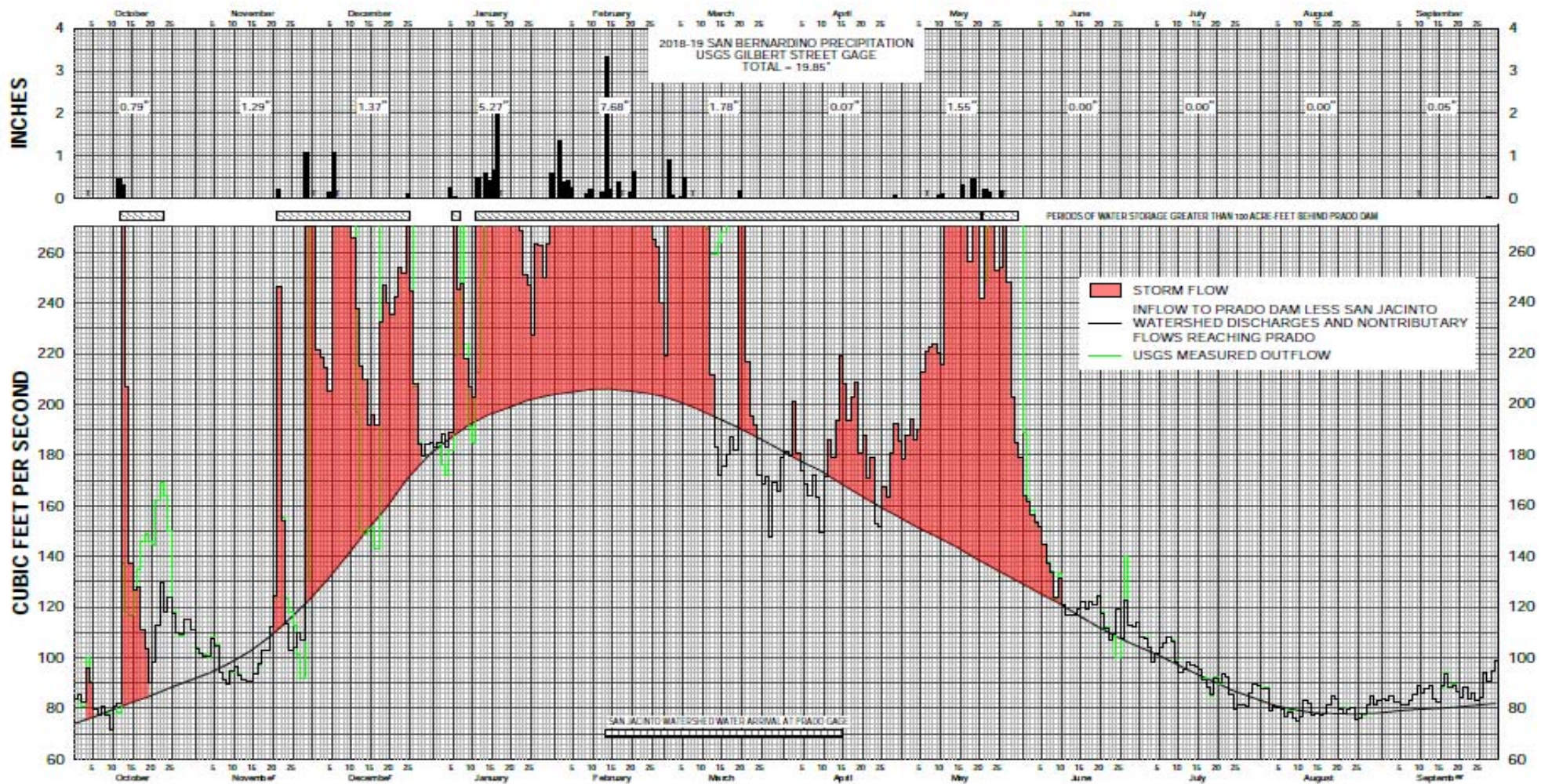
PLATE 3



**DISSOLVED SOLIDS IN SANTA ANA RIVER BELOW PRADO DAM
WATER YEAR 2018-19**

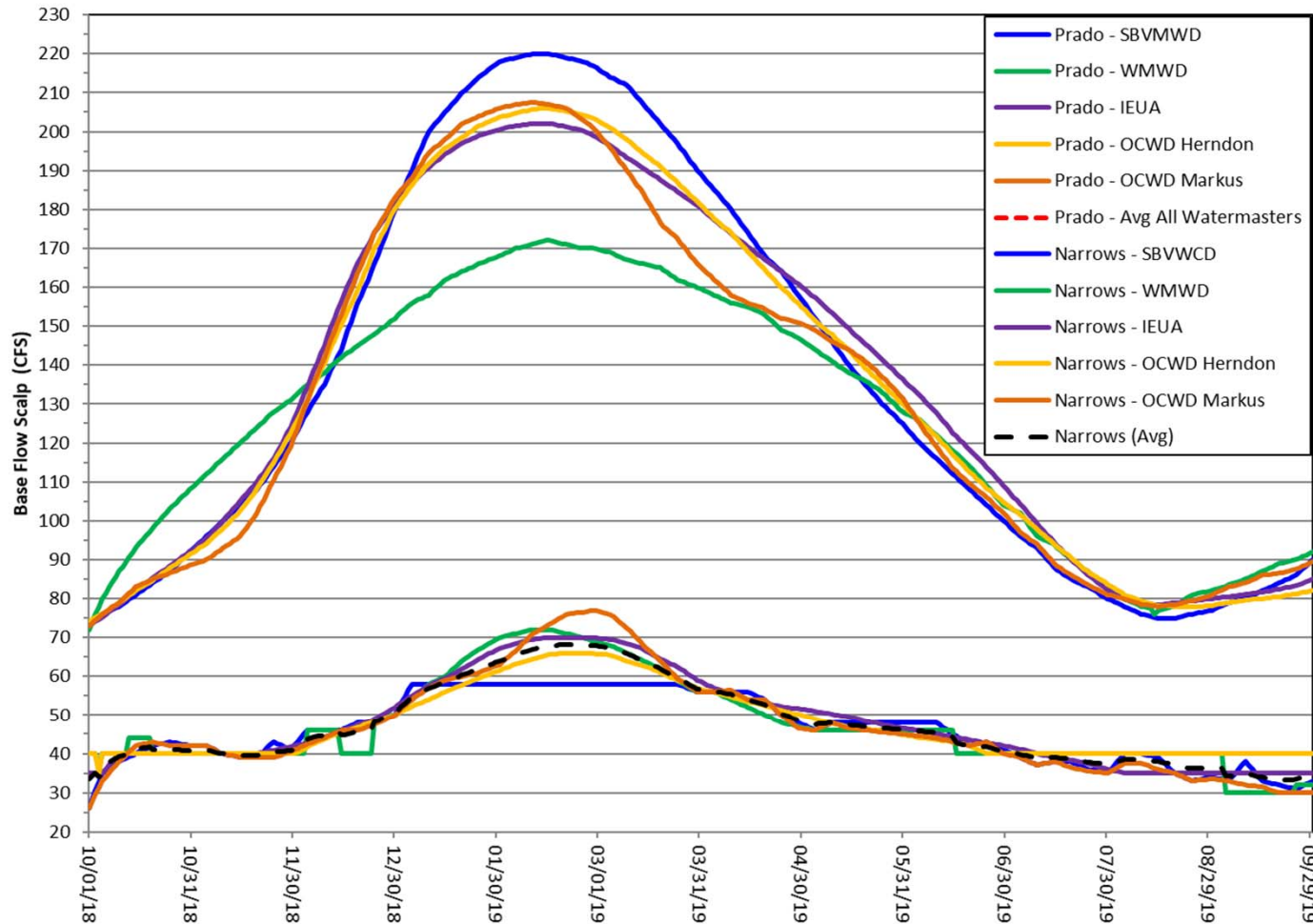


**DISCHARGE OF THE SANTA ANA RIVER AT PRADO DAM & SAN BERNARDINO PRECIPITATION
WATER YEAR 2018-19**

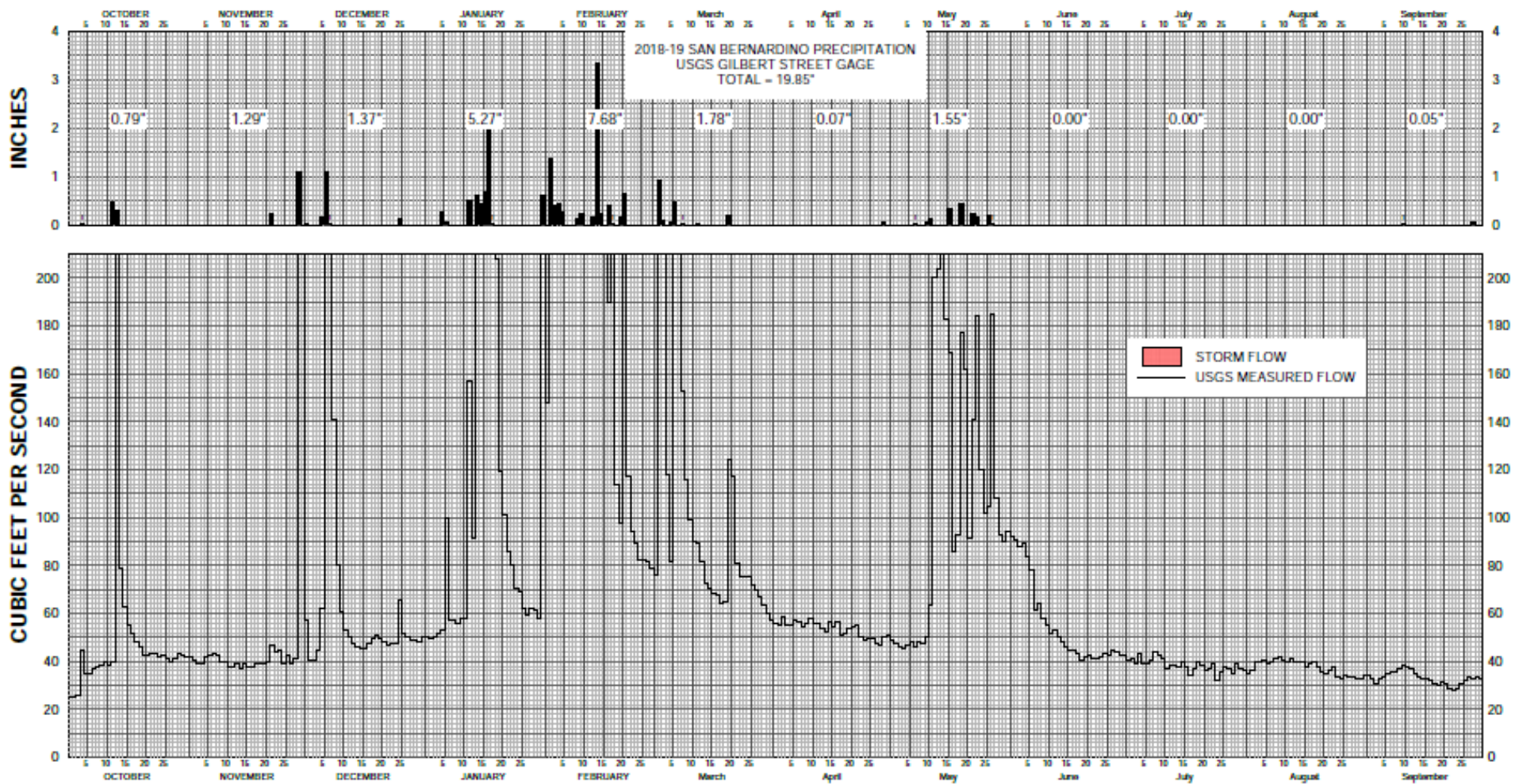


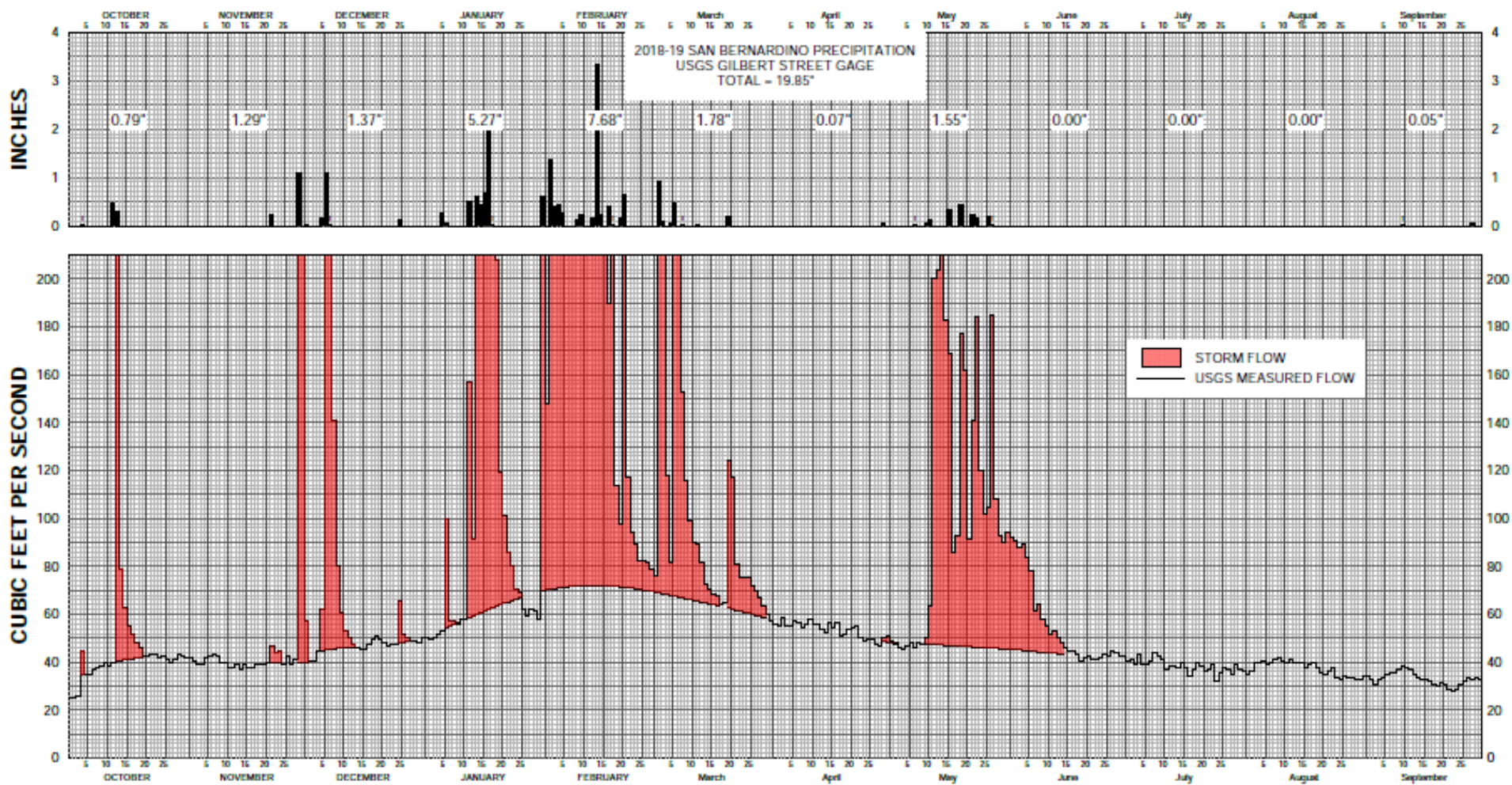
**DISCHARGE OF THE SANTA ANA RIVER AT PRADO DAM & SAN BERNARDINO PRECIPITATION
WATER YEAR 2018-19**

Baseflow Scaling Process



- Independently prepared scalps are compared
- Chosen scalp can be the most representative or closest to the average
- In this example for Water Year 2019/20, IEUA Prado Scalp was selected by the Watermasters





Prado Annual Findings

2019/20 Water Year

At Prado

1	Measured Outflow at Prado	160,915	acre-feet
2	Base Flow at Prado	74,465	acre-feet
3	Annual Weighted TDS in Base and Storm Flows	462	mg/L
4	Annual Adjusted Base Flow	89,234	acre-feet
5	Cumulative Adjusted Base Flow	5,804,457	acre-feet
6	Other Credits (Debits)	1,108	acre-feet
7	Cumulative Entitlement of OCWD	2,100,000	acre-feet
8	Cumulative Credit	3,746,723	acre-feet
9	One-Third of Cumulative Debit	0	acre-feet
10	Minimum Required Base Flow in 2019-20	34,000	acre-feet

Use of Base Flow Credit

Santa Ana River At Prado

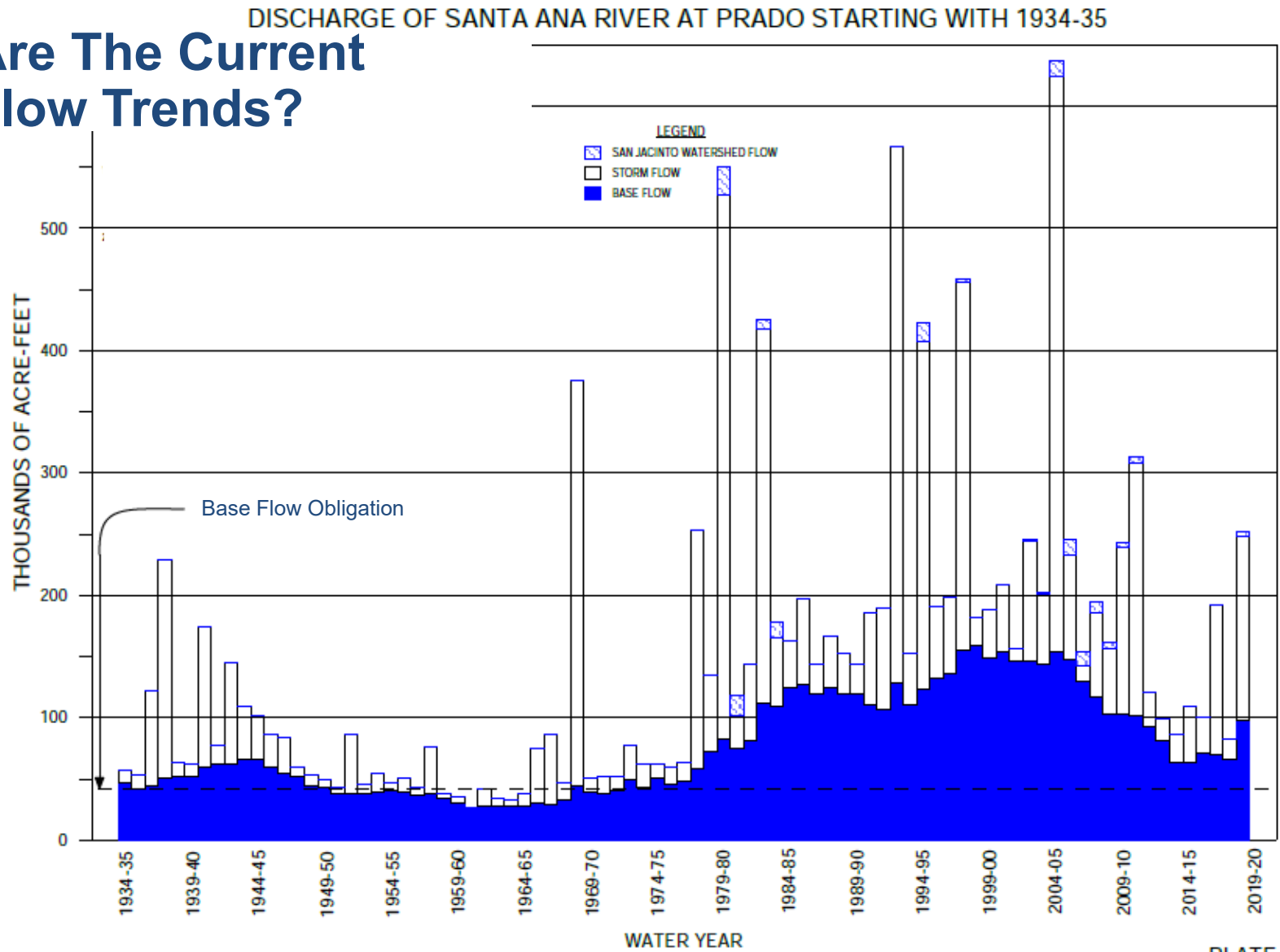
3,746,373 AF of Base Flow Credit (2019/20 WY)

8,000 AF Possible Annual Credit Use

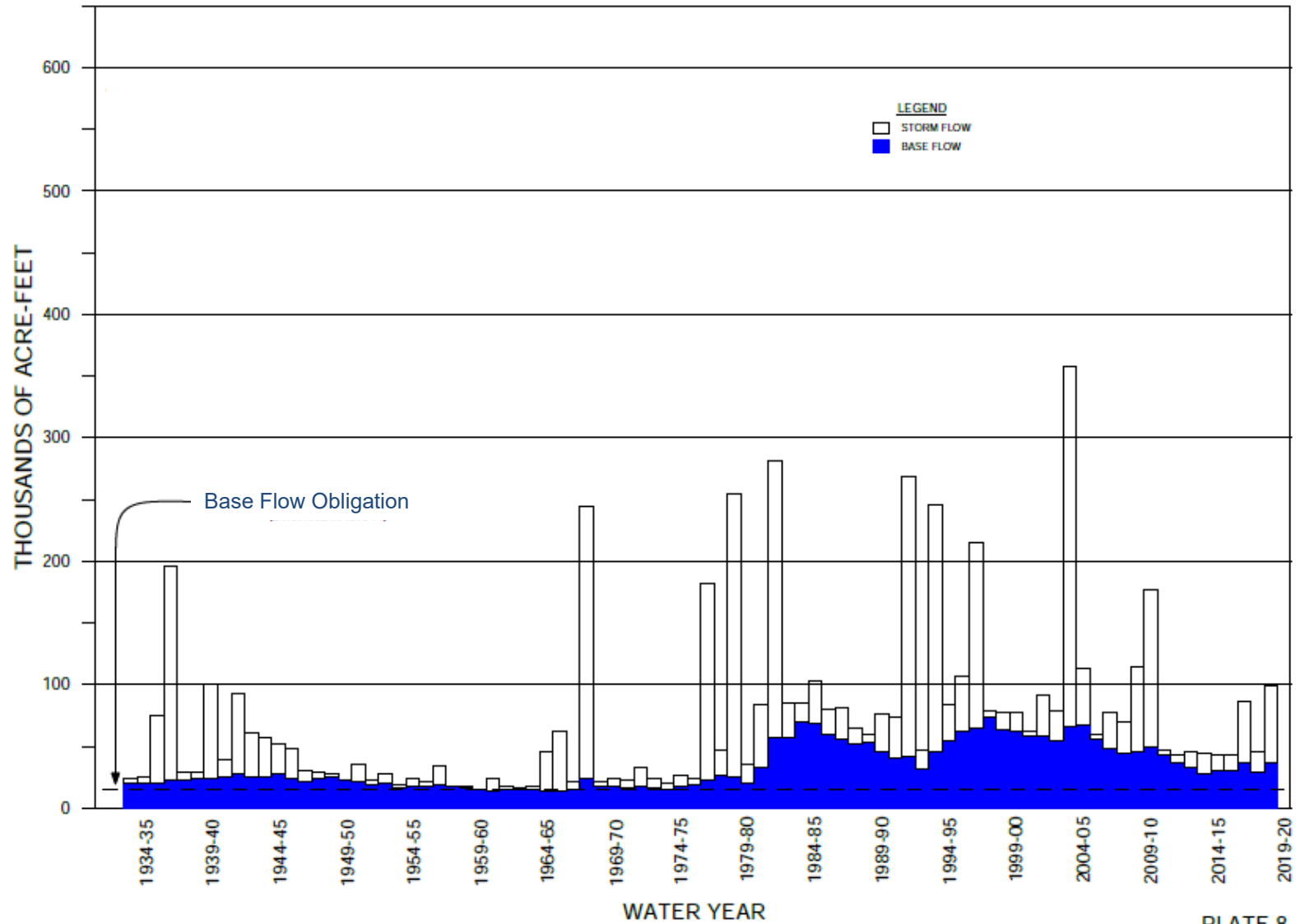
468 Years of Credits (with Base Flow of 34,000 AFY)

Frequently Asked Questions

What Are The Current Base Flow Trends?

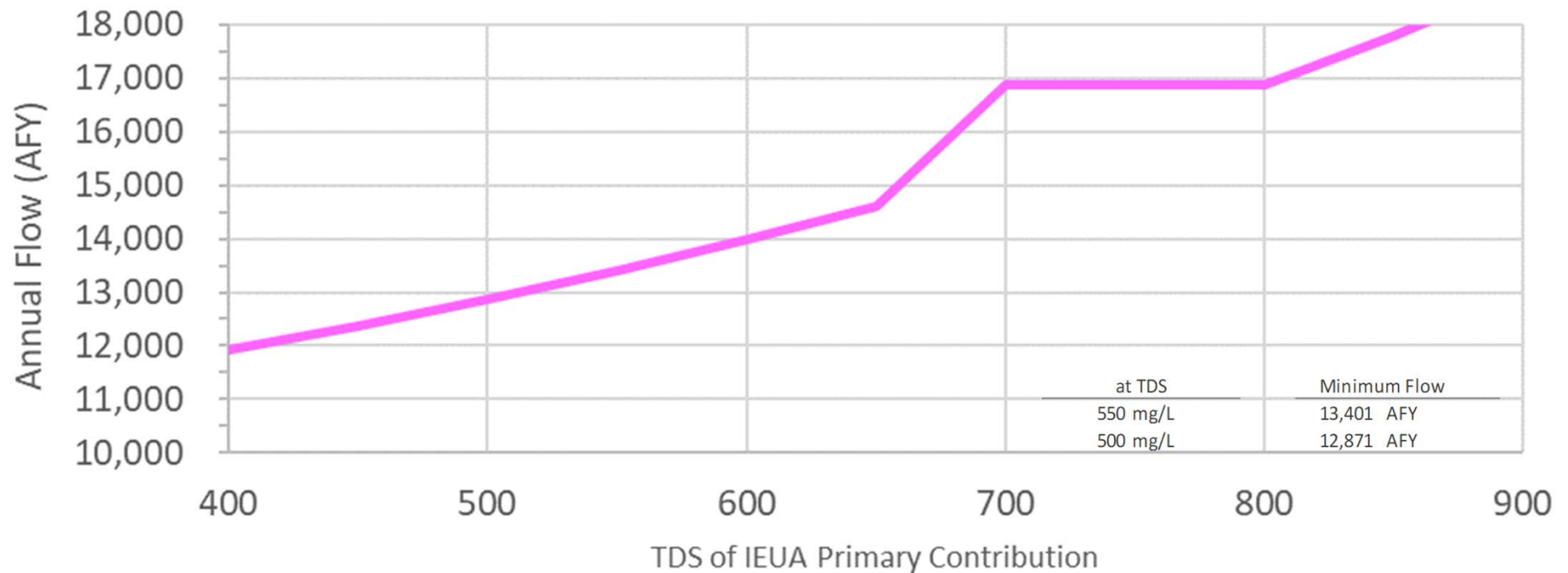


DISCHARGE OF SANTA ANA RIVER AT RIVERSIDE NARROWS STARTING WITH 1934-35

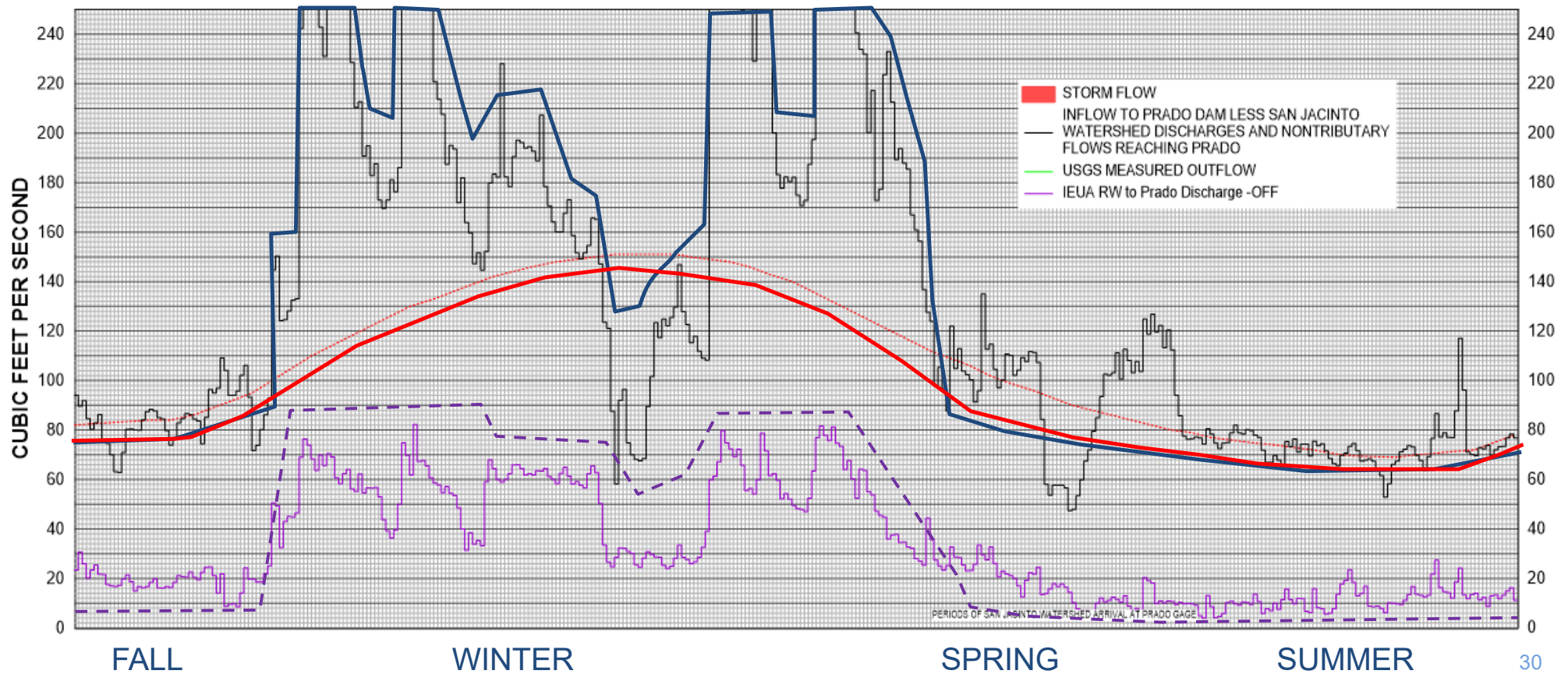


How Does Water Quality Impact Base Flow and IEUA Primary Contribution?

IEUA Minimum Contribution to Adjust to 16,875 AFY

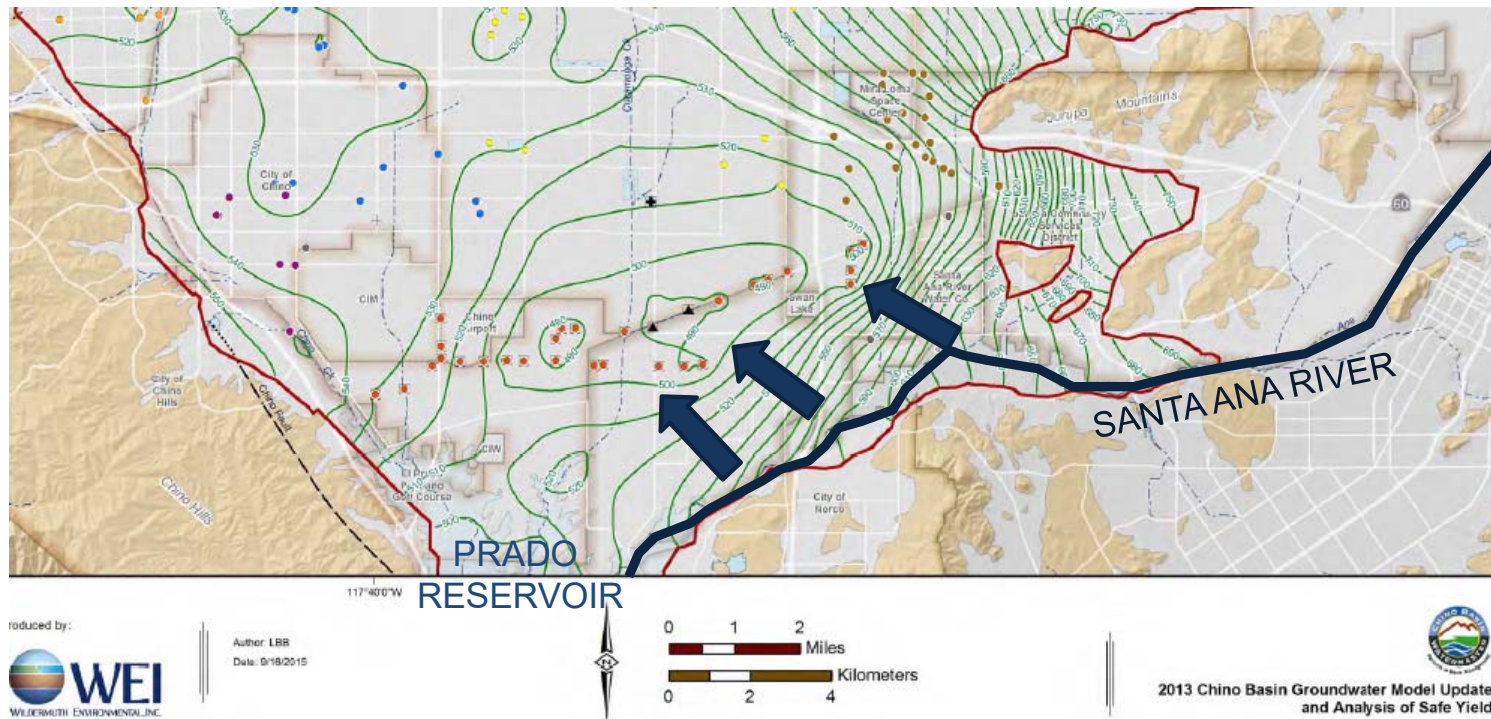


Can IEUA Deliver Most of Its Contribution In the Winter?



Does the Chino Desalter Impact Base Flow?

- Chino Desalter pumping depressing induces the Santa Ana River to infiltrate thus decreasing base flow.



What Water Can Be Considered Primary Contribution and Supplemental Water?

YES	NO
<ul style="list-style-type: none">• Recycled Water Originating With Agency Boundaries• Supplemental Non-Tributary Water• Water Delivered to OCWD under IEUA control that is not measured at Prado	<ul style="list-style-type: none">• Groundwater Pumping• Rising Groundwater at Riverside Narrows• Underflow from Chino and Corona Groundwater Basins• RW Effluent from JCSD• OCWD purchased water passing through Prado• IEUA water rights obtained in the Lower Basin

Who is Entitled to Water Stored Behind Prado?

13 4. Declaration of Rights. Substantially all of the parties
14 to this action, whether situate in Upper Area or Lower Area have or
15 claim rights to the use of a portion of the water supply of the
16 Santa Ana River system. In the aggregate, water users and other
17 entities in Lower Area have rights, as against all Upper Area
18 claimants, to receive an average annual supply of 42,000 acre feet
19 of Base Flow at Prado, together with the right to all Storm Flow
20 reaching Prado Reservoir. Water users and other entities in Upper
21 Area have rights in the aggregate, as against all Lower Area claim-
22 ants, to divert, pump, extract, conserve, store and use all surface
23 and ground water supplies originating within Upper Area without
24 interference or restraint by Lower Area claimants, so long as Lower
25 Area receives the water to which it is entitled under this Judgment,
26 and there is compliance with all of its provisions.

27 5. Physical Solution. The Court hereby declares the
28 following physical solution to be a fair and equitable basis for
29 satisfaction of all said rights in the aggregate between Lower Area
30 and Upper Area. The parties are hereby ordered and directed to
31 comply with this Physical Solution and such compliance shall con-
32 stitute full and complete satisfaction of the rights declared in

-10-

FROM PAGE 10, 1969 Judgment

1 Paragraph 4 hereof.

2 (a) General Format. In general outline, SBVMWD
3 shall be responsible for the delivery of an average
4 annual amount of Base Flow at Riverside Narrows.
5 CBMWD and WMWD shall jointly be responsible for an
6 average annual amount of Base Flow at Prado. Inso-
7 far as Lower Area claimants are concerned, Upper Area
8 water users and other entities may engage in unlimited
9 water conservation activities, including spreading,
10 impounding and other methods, in the area above Prado
11 Reservoir, so long as Lower Area receives the water
12 to which it is entitled under the Judgment and there
13 is compliance with all of its provisions. Lower Area
14 water users and other entities may make full conser-
15 vation use of Prado Dam and reservoir, subject only
16 to flood control use.

NOTE BY AC: Green text suggests IEUA
could pump base flow but not storm flow
from Prado reservoir, but

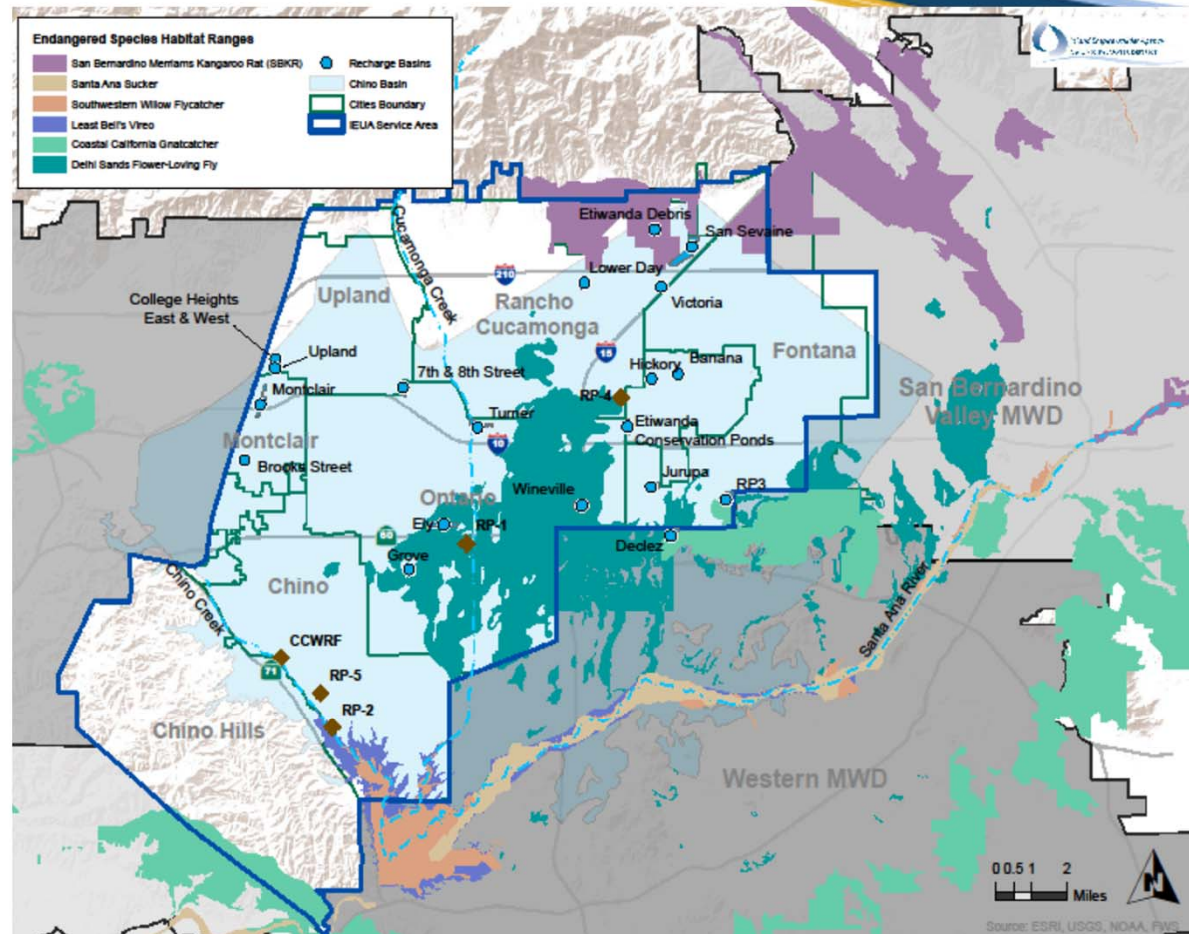
Red highlighted text suggests IEUA cannot
pump any impounded water from Prado
reservoir.

FROM PAGE 11, 1969 Judgment

What are the Connections to Other Agency Planning Initiatives?

Santa Ana River Multiple Species Habitat Conservation Plan

- Hydraulic impacts from planned re-use and recycled water projects to the Santa Ana River
- Includes 10,000 AF reduction from IEUA
- Supports implementation of AWPf to meet compliance objectives and the Chino Basin Program



**WORKSHOP
ITEM**

2B



IEUA's New WUE Program Business Model

Board Workshop ♦ February 2, 2022



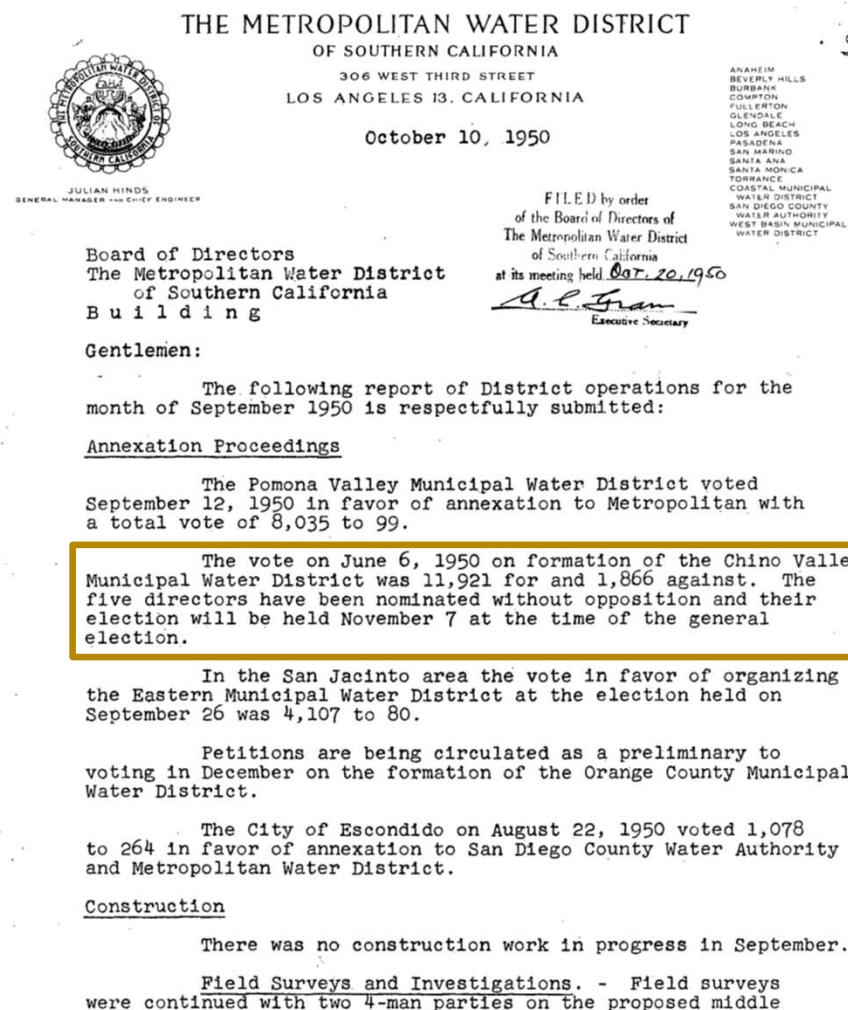
MWD's Laguna Declaration (1952)

"The District is prepared, with its existing governmental powers and its present and projected distribution facilities, *to provide its service area with adequate supplies of water to meet expanding and increasing needs in the years ahead.*

When and as additional water resources are required to meet increasing needs for domestic, industrial and municipal water, the District will be prepared to deliver such supplies."

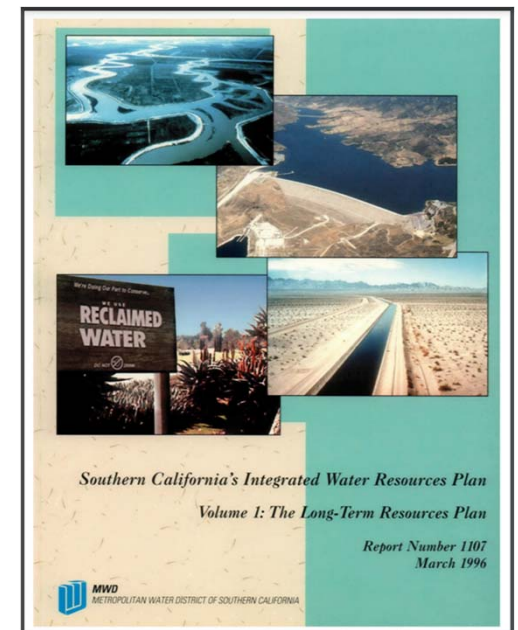
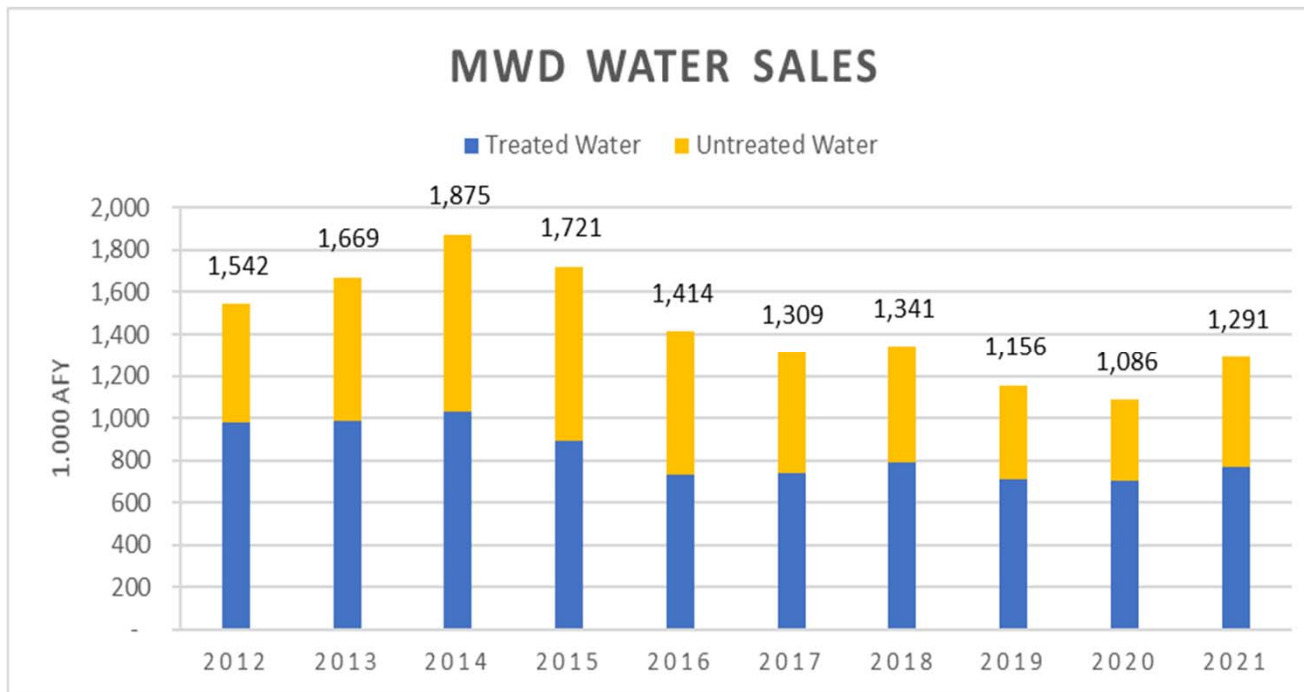
Districts joined MWD

- San Diego County Water Authority (1948)
- West Basin MWD (1948)
- **IEUA (1950)**
- Three Valleys MWD (1950)
- Eastern MWD (1951)
- MWD of Orange County (1951)
- Foothill MWD (1953)
- Central Basin MWD (1954)
- Western MWD (1954)
- Calleguas MWD (1960)
- Las Virgenes MWD (1960)
- Upper San Gabriel Valley MWD (1963)

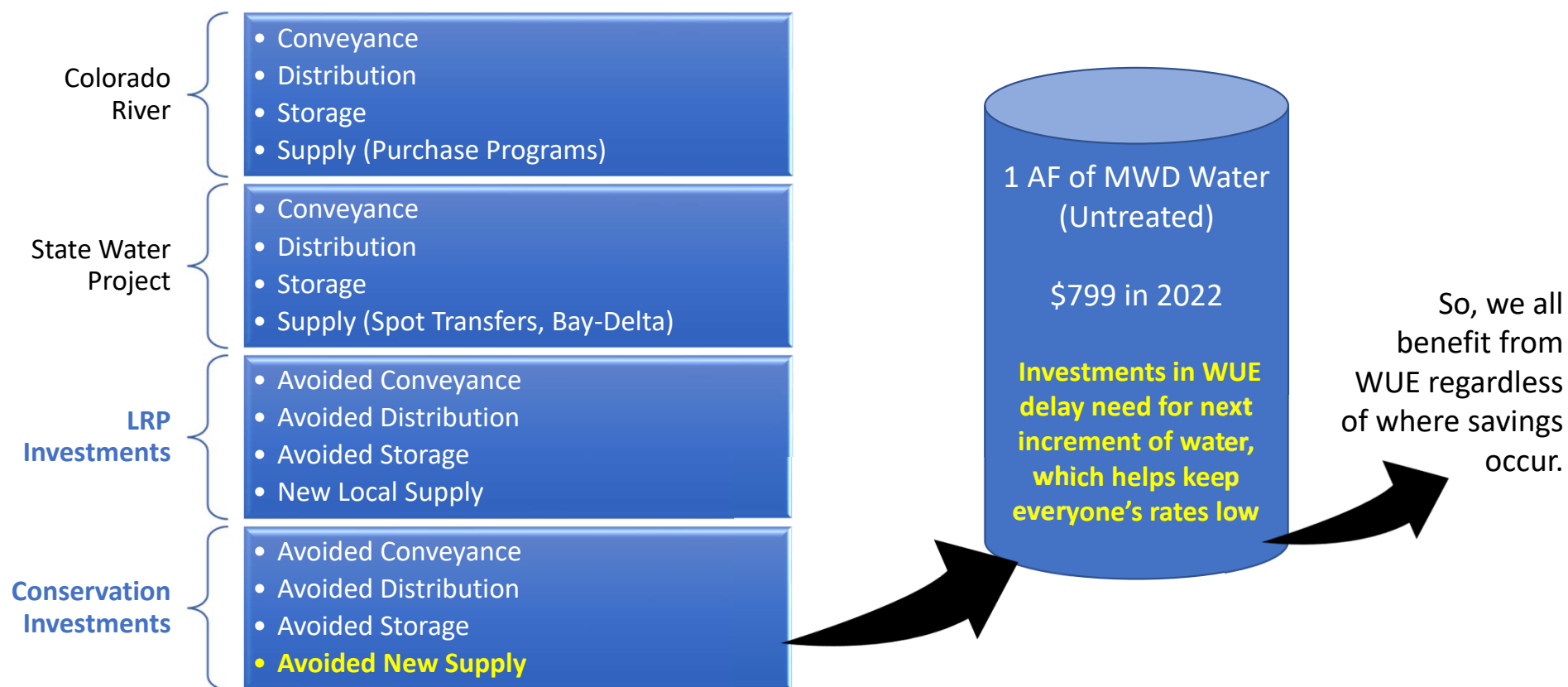


“Adequate Supplies” Redefined (1996)

- Metropolitan’s 1996 Integrated Resources Plan (IRP)
 - Determined “Regional Benefit” of demand management programs
 - Local Resources Program (LRP)
 - Conservation Credits Program (CCP)



Understanding MWD's "Regional Benefit"



Supply Forecasting

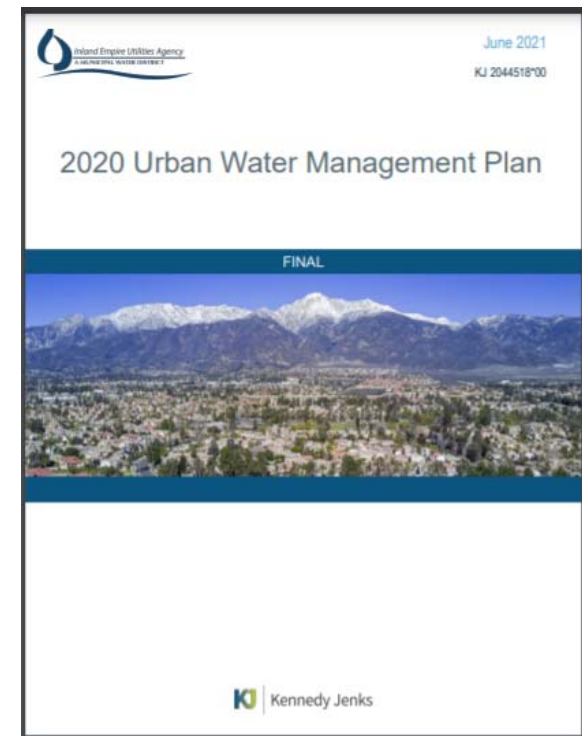
- Integrates Water Use Efficiency

- Demand Management included in IEUA's UWMPs
 - Forecast regional demands less conservation
 - Conservation can be among least expensive “supply” options

Table 7-2: Projected Regional Baseline Water Supply Sources

Supply Type	2020	2025	2030	2035	2040	2045
Imported Water – IEUA	66,438	92,928	94,928	96,928	98,928	98,928
Imported Water – Other	17,667	10,728	10,728	10,728	10,728	10,728
Chino Basin Groundwater	51,749	63,129	72,822	78,441	89,776	92,080
Other Groundwater	26,436	27,060	27,171	27,282	27,394	27,505
Surface Water	16,652	10,089	10,089	10,089	10,089	10,089
Recycled Water - Direct Use	16,278	23,932	25,929	26,794	28,823	29,323
Recycled Water - Groundwater Recharge	13,381	16,420	16,420	16,420	16,420	16,420
Chino Basin Desalter	14,649	17,733	17,733	17,733	17,733	17,733
Water Use Efficiency	3,292	9,788	11,984	17,257	22,570	27,802
TOTAL	226,542	271,807	287,804	301,672	322,461	330,608

Note: Roll up of retail agency projections except for 2020, which are actual values. SAWCo is not included in the table because transfers from SAWCo are reported within receiving member agency values. The values in this table match the retail agency water supplies shown in Table 4-2, with the additional inclusion of recycled water for



IEUA's Current WUE Business Model

Features

Status Quo Business Model

Aligns with MWD's Business Model and
Supports "Regional Benefit" Principle

Funding Source:

- MEU Rate
- One Water Connection Fee
- Grants
- MWD
- MA Co-Funding

Carry Forward
"Encumbrances" of
any unspent WUE
budgeted funding"

~\$1.6M project
funding plus
operating costs

Staffing: 3.3 FTEs

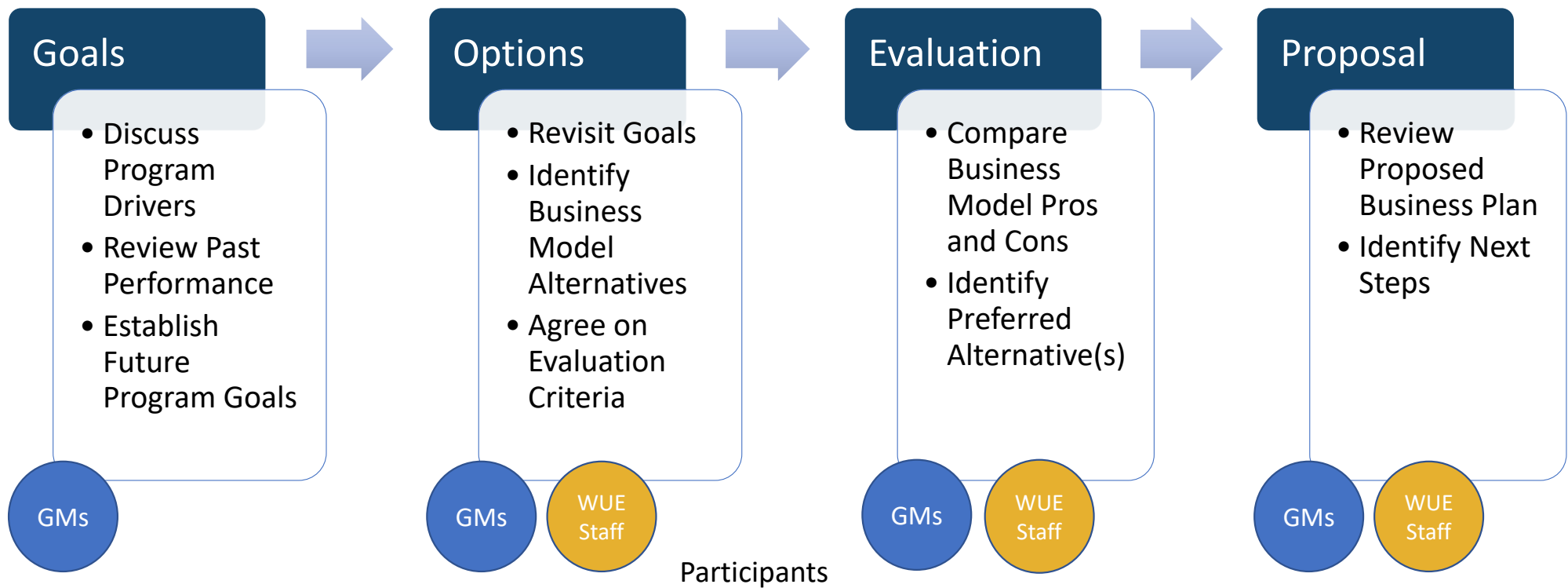
1. Revenues Collected
 - a. All ratepayers contribute towards "regional benefit" (MEU rate, etc.)
 - b. Annual projects budget of \$1.6 million
 - c. Predictable/steady funding sources with which to run program
 - d. "Encumbrances" provide some annual spending flexibility but perhaps not enough for big ramp up during drought
2. Regional WUE Program Administration
 - a. Turnkey program design leveraging IEUA role as MWD & SAWPA member agency
 - b. Turnkey grant-writing benefits
 - c. Economies of scale
 - d. Selection of Projects made by Regional WUE Workgroup members

Work with retail agency managers and staff to develop appropriate accountability metrics for IEUA activities funded by the MEU Rate that assist retail water agencies in meeting state regulatory Requirements, including Assembly Bill 1668 and Senate Bill 606 (2018), in whole or in part through IEUA's regional water resources and water use efficiency program.

Retail Agencies request update to IEUA's WUE Program - 2020



Proposed Meeting Schedule



Factors Impacting WUE Program Design



Legal and Regulatory Frameworks

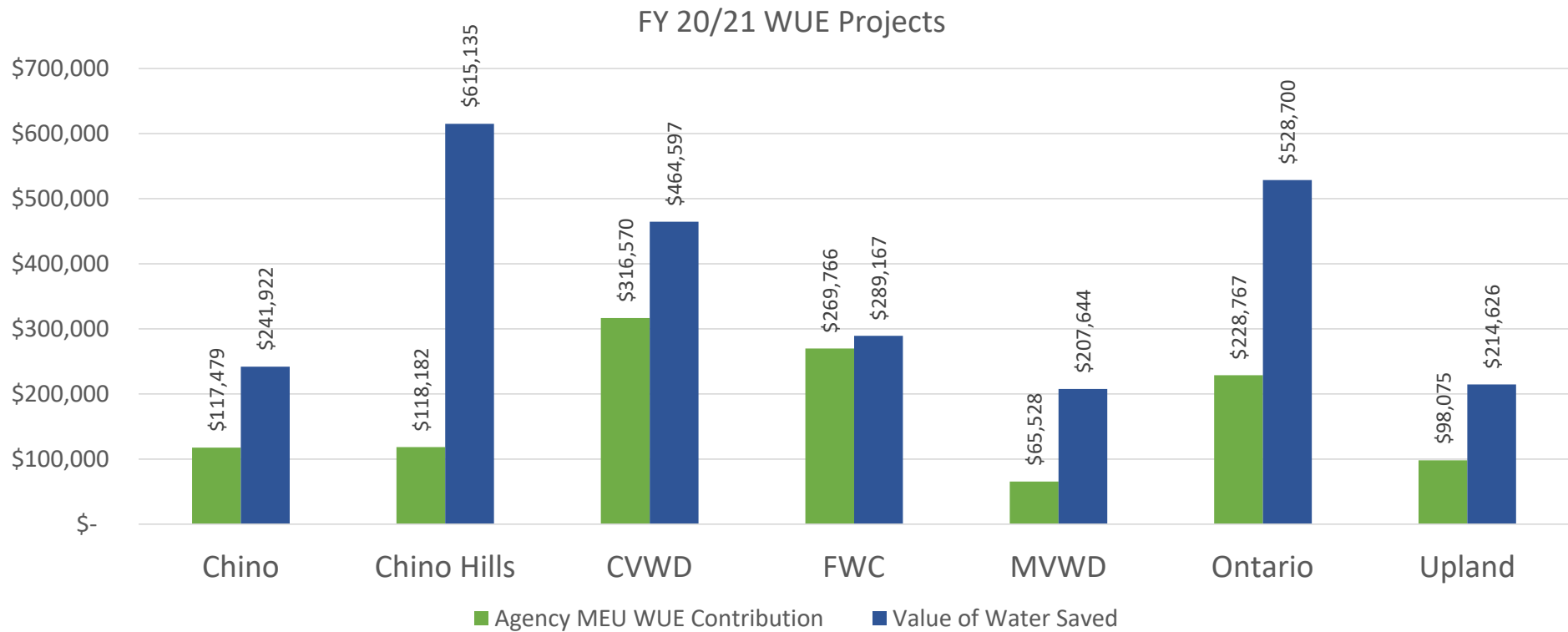


Water Supply Reliability/Drought Response



Equity/Equality

MEU Funding of WUE Projects by Agency - FY 2020/21



**Value of water calculated at IEUA's draft 2021 avoided cost of \$850/AF. Agency Project Costs represent dollars collected on MEU rate used towards WUE projects and does not include Agency administrative support costs. All values have been rounded.*

IEUA Policy for Funding Projects

- Per Rate Study adopted February 2020
- Different from the Budget

2.1.3 Water Use Efficiency Projects

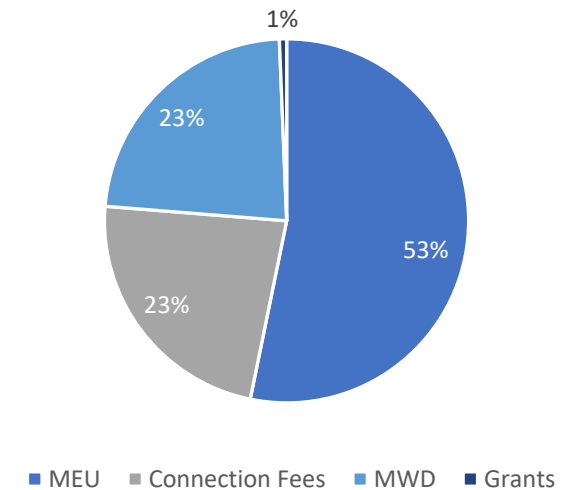
The MEU rate supports a portion of costs associated with water use efficiency projects through the conservation program. These projects align with the 2015 Integrated Water Resources Plan (IRP) and 2016 Water Use Efficiency Business Plan, and are fully vetted through the Water Use Efficiency Workgroup.

In FY 2021, \$1.6 million is budgeted for water use efficiency projects through the conservation program. Of this, \$863,060 is supported by the MEU rate, net of connection fee revenue, reimbursements, and grants. The projected amount of water use efficiency projects supported by the MEU rate through FY 2025 is summarized in Table 6.

Table 6 Water Use Efficiency Projects (\$ millions)

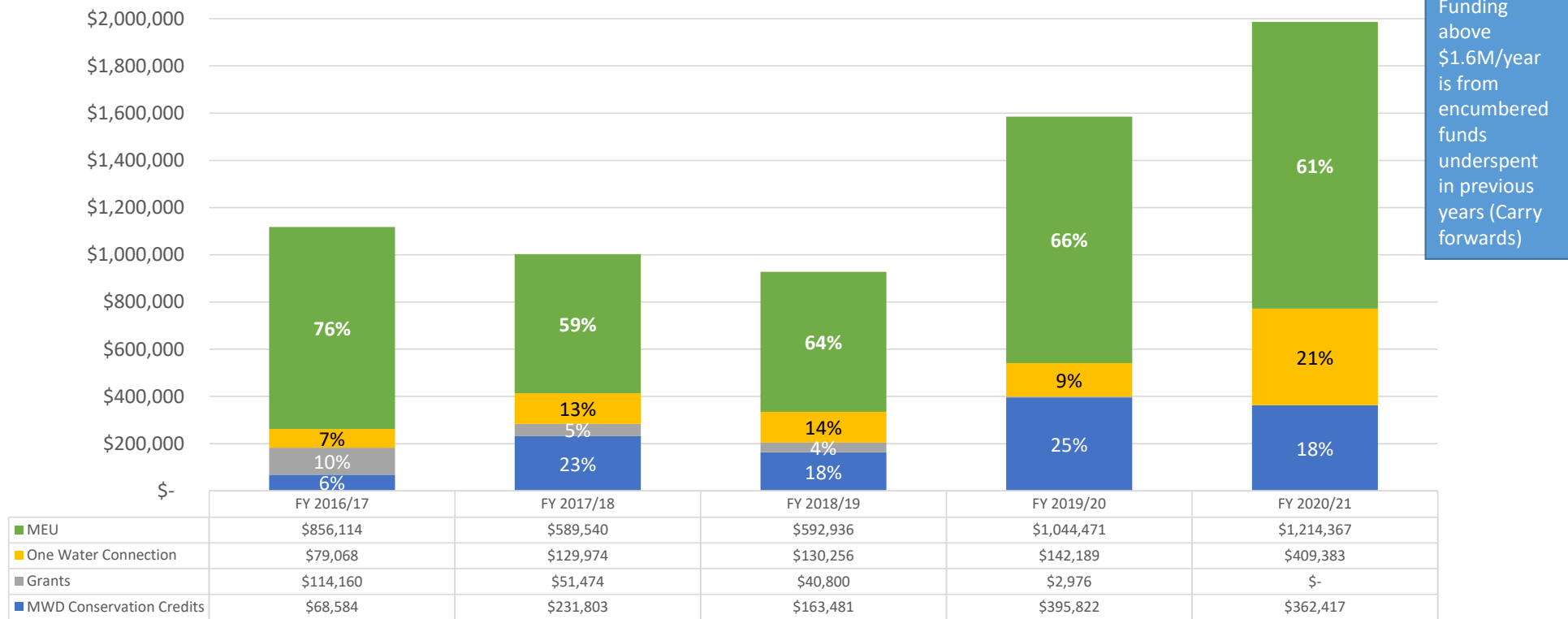
Water Use Efficiency Projects	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Project Costs	\$1.60	\$1.56	\$1.56	\$1.56	\$1.56
Less: Connection Fees	(0.37)	(0.36)	(0.36)	(0.36)	(0.36)
Less: Contract Cost Reimbursement	(0.36)	(0.36)	(0.36)	(0.36)	(0.36)
Less: Grants	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Water Use Efficiency Projects Supported by MEU Rate	\$0.86	\$0.83	\$0.83	\$0.83	\$0.83

Rates Study: WUE Projects Funding Sources



WUE Projects Funding Sources

IEUA Funding Sources for WUE Projects



*Percentages may not total to 100% due to rounding. All costs are for WUE projects and do not include Agency administrative support expenses.

IEUA's Regional Water Use Efficiency Program should:

Equity

- Structure program so that retail agency costs are commensurate with retail agency benefits received

Regulatory Compliance

- Support the retail agencies' responsibility to achieve regulatory compliance

Supply Reliability

- Achieve regional goals for demand management in relation to regional water supply reliability planning goals

Costs

- Incorporate administrative efficiency
- Take advantage of regional economies of scale
- Ensure that WUE programs are cost effective in relation to other supply options

Governance

- Provide retail agencies with a meaningful role in the selection and development of WUE programs

Flexibility

- Allow retail agencies to identify preferred program participation at their discretion
- Allow flexibility in annual IEUA funding levels depending on need (i.e., increased funding during drought)

Financial

- Promote revenue stability

Accountability

- Promote achievement of annual program activity commitment levels

Other Business Models Considered



MWDOC Choice Programs and Structure



Joe Berg, Director of Water Use Efficiency
Municipal Water District of Orange County

IEUA Member Agency Managers Meeting, October 12, 2021

• Status Quo Plus

- Status Quo plus Drought Surcharge

• Transactional

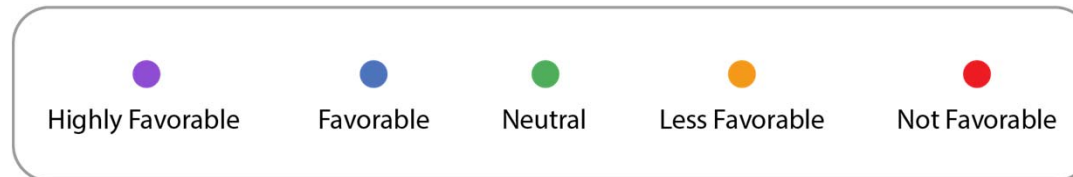
- MWDOC Model
- IEUA would invoice for services rendered (not based on “regional benefit”)

• Pass-Thru

- Limited IEUA Services

Rating the Business Models (Regional Perspective)

BUSINESS MODEL	Cost per Acre-foot Saved	Equity	Flexibility	Supply Reliability	Governance	Regulatory Compliance	Financial Stability	Accountability
Status Quo	●	●	●	●	●	●	●	●
Status Quo + Drought Surcharge	●	●	●	●	●	●	●	●
Transactional	●	●	●	●	●	●	●	●



Core + Flex Program

CORE + FLEX PROGRAM

CORE = 70% annual funds

- Verifiable water savings
- Cost-effective (< \$1,143/AF, IEUA+MWD)
 - Set at MWD's Tier 1 Treated Water
- Popular programs are allocated proportionally (per MEU contributions) until March of 2nd year
 - Unspent Core funds become available on a first-come/first-served basis March 1 – June 30 of 2nd year

FLEX = 30% annual funds

- Must be in support of WUE, but does not have to have verifiable or cost-effective water savings
 - Available at a per unit cost
- Flex dollars are allocated proportionally (per MEU contributions)
- Retail Agencies can add Flex funds if so desired

\$1.6 million regular
budget

\$50,000 new MWD
pass-through
funding for Leak
Detection/Repair

\$300k encumbered
funds from last
drought

Reserves to be
applied (\$712,514)
from Grant activity

FY 2022-2023
Available WUE Project
Total = \$2,591,263

FY 2022-23 Flex Apportionment

Agency	Chino	Chino Hills	CVWD	FWC	MVWD	Ontario	SAWCo	Upland	WVWD	Total
MEU Ratio	9.6%	9.6%	25.8%	22.0%	5.3%	18.6%	0.5%	8.0%	0.7%	100%
Proportionate Share	\$72,876	\$73,313	\$196,381	\$167,346	\$40,650	\$141,913	\$3,456	\$60,840	\$5,605	\$762,379

IEUA Water Use Efficiency Flex Project Form

Fiscal Year: 2022-2023
Agency: The City of Upland
Flex Budget: \$60,840

Established Flex Projects

Retail Agencies may allocate Flex Funds to the Flex Projects below.

Project Name	Project Cost	Quantity Requested	Flex Cost
National Theatre for Children	\$1,199.20 per school		
Landscape Training Classes	\$500 per class		
CBWCD Landscape Design Services	\$225.50 each		
CBWCD LEAP & Monitoring	RES \$238 each CII \$294 each	Varies	
Residential Pressure Regulation	\$585 each		
Program Marketing Materials	Varies	Varies	
Water Fair	Varies	Varies	
Subtotal			

FLEX Form
to be
submitted by
Jan 2022

Next Steps

- *Finalize FY 2022-23 Budget*
- *Finalize 2021-2025 WUE Business Plan*
- *Complete Program Assessment Process*

Questions?